



Senator Rand Paul's National Right-to-Work Act

On January 31 Senator Rand Paul (R-Ky.) introduced his National Right-to-Work Act, S.204, subtitled "A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities." His timing couldn't be any better.

One year earlier, Indiana joined the growing list of right to work (RTW) states, followed in December by heavily-unionized Michigan. That means that forced unionism is still legal in 26 states, but that number is dwindling.



Properly defined, RTW laws are still government intervention into what used to be private matters between employers and employees, but they have the saving grace of lifting the most onerous parts of labor union agreements which demand either the complete exclusion of non-union workers from being employed by a union shop or requiring any non-union workers to support the union with their dues anyway. In his announcement, Paul stated:

Every American worker deserves the right to freedom of association — and I am concerned that the 26 states that allow forced union membership and dues infringes on these workers' rights.

Right to work laws ensure that all Americans are given the choice to refrain from joining or paying dues to a union as a condition for employment.

Nearly 80 percent of all Americans support these principles and so I have introduced a national Right to Work Act that will require all states to give their workers the freedom to choose.

Paul's bill says nothing about collective bargaining, but if passed it will weaken unions' present limitations on workers' freedom to stay out of a union if they wish.

The diminishing of unions' stranglehold has been observed for years. Five years ago the *Wall Street Journal* noted how Texas, a RTW state, was faring compared to Ohio, a forced-union state. It was not a pretty picture for Ohio. Between 1997 and 2007 (*before* the Great Recession hit), Texas enjoyed 1,615,000 new jobs while Ohio lost 10,400. Over that decade, 667,000 people moved to Texas, some of them no doubt from Ohio, which lost 362,000 people. The unemployment rate in Texas was two-thirds of Ohio's, and the Lone Star State exported \$151 billion in goods in that period while Ohio exported less than \$40 billion.

The *Journal* also noted that because Ohio was a closed-shop state, "many companies — especially foreign-owned — say they will not even consider such locations for new sites." In the meantime, 1,000 new plants were built in Texas over that decade along with 345,000 new jobs, many from those same foreign-owned companies that were shunning Ohio.

When Michigan became the 24th RTW state last December, the *Journal* called it a "tectonic shift" that reflected a movement toward freedom that has been taking place for at least the last 25 years. It reviewed the numbers from Indiana (which became a RTW state in January), noting that Indiana added 43,300 jobs while Michigan lost 7,300 since the first of the year. Caterpillar, the world's largest



Written by **Bob Adelmann** on February 13, 2013



manufacturer of construction and mining equipment, diesel and natural gas engines, and industrial gas turbines, announced just days after the vote that it would move its London, Ontario, plant to Muncie, and Indiana's governor said his phone "began literally ringing yesterday afternoon with companies wanting to come to our state."

The latest report from the U.S. Department of Labor confirms the positive effect RTW laws have on states' economies compared to forced union states. From January 2009 through December 2012, RTW states enjoyed employment growth of 1.5 million jobs while the forced union states lost 240,000 jobs. Further, the eight states with the highest job growth all had RTW laws, while seven of the nine states with the worst job performance had forced unionism.

All of which merely confirms what Loyola University economics professor Walter Block <u>said in his</u> article at lewrockwell.com:

There is no doubt that, other things [being] equal, right to work states would be more prosperous [and] have less unemployment than those without this legislation.

Why? This is because unions, as presently constituted, are an economic tape worm. They suck the substance out of companies with their strikes, slow-downs, work-to-rule campaigns, etc.

It is no accident that the northeast part of the U.S., where unions are strongest, has become a "rust belt." Nor that the south, where they are weakest, has been booming...

Constitutionalists say the best thing to happen for the economy would be the passage of S. 204, Paul's National Right-to-Work Act. Then every state would at least have the opportunity to begin to look like Texas or Indiana, or any of the other RTW states where jobs are plentiful, economies are booming, and freedom of choice is guaranteed in law.

Photo of Senator Rand Paul (R-Ky.): AP Images

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