Union Myths

The biggest myth about labor unions is that unions are for the workers. Unions are for unions, just as corporations are for corporations and politicians are for politicians.

Nothing shows the utter cynicism of the unions and the politicians who do their bidding like the so-called “Employee Free Choice Act” that the Obama administration tried to push through Congress. Employees’ free choice as to whether or not to join a union is precisely what that legislation would destroy.

Workers already have a free choice in secret-ballot elections conducted under existing laws. As more and more workers in the private sector have voted to reject having a union represent them, the unions’ answer has been to take away secret-ballot elections.

Under the “Employee Free Choice Act,” unions would not have to win in secret-ballot elections in order to represent the workers. Instead, union representatives could simply collect signatures from the workers until they had a majority.

Why do we have secret ballots in the first place, whether in elections for unions or elections for government officials? To prevent intimidation and allow people to vote how they want to, without fear of retaliation.

This is a crucial right that unions want to take away from workers. The actions of union mobs in Wisconsin, Ohio, and elsewhere give us a free home demonstration of how little they respect the rights of those who disagree with them and how much they rely on harassment and threats to get what they want.

It takes world-class chutzpah to call circumventing secret ballots the “Employee Free Choice Act.” To unions, workers are just the raw material used to create union power, just as iron ore is the raw material used by U.S. Steel and bauxite is the raw material used by the Aluminum Company of America.

The most fundamental fact about labor unions is that they do not create any wealth. They are one of a growing number of institutions which specialize in siphoning off wealth created by others, whether those others are businesses or the taxpayers.

There are limits to how long unions can siphon off money from businesses, without facing serious economic repercussions.

The most famous labor union leader, the legendary John L. Lewis, head of the United Mine Workers from 1920 to 1960, secured rising wages and job benefits for the coal miners, far beyond what they could have gotten out of a free market based on supply and demand.

But there is no free lunch.

An economist at the University of Chicago called John L. Lewis “the world’s greatest oil salesman.”

His strikes that interrupted the supply of coal, as well as the resulting wage increases that raised its price, caused many individuals and businesses to switch from using coal to using oil, leading to reduced employment of coal miners. The higher wage rates also led coal companies to replace many miners with machines.

The net result was a huge decline in employment in the coal mining industry, leaving many mining towns virtually ghost towns by the 1960s. There is no free lunch.

Similar things happened in the unionized steel industry and in the unionized automobile industry. At one time, U.S. Steel was the largest steel producer in the world and General Motors the largest automobile manufacturer. No more. Their unions were riding high in their heyday, but they too discovered that there is no free lunch, as their members lost jobs by the hundreds of thousands.

Workers have also learned that there is no free lunch, which is why they have, over the years, increasingly voted against being represented by unions in secret ballot elections.

One set of workers, however, remained largely immune to such repercussions. These are government workers represented by public sector unions.

While oil could replace coal, while U.S. Steel dropped from number one in the world to number ten, and Toyota could replace General Motors as the world's leading producer of cars, government is a monopoly. Nobody is likely to replace the federal or state bureaucracies, no matter how much money the unions drain from the taxpayers.

That is why government unions continue to thrive while private sector unions decline. Taxpayers provide their free lunch.

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