



Written by [Alex Newman](#) on March 2, 2011

Govt, Unions, and the Battle in Wisconsin

But what are the real issues? Every side in the debate is trying to frame its argument in terms of rights. And in a free society, workers would indeed have the right voluntarily to band together to form a union. However, freedom would also mean that workers would have a right not to join a union if they did not want to. And employers have rights, too — including the right to refuse negotiations with organized unions, to deny union demands, or even to fire and replace union members who (for example) walk off the job if their demands are not met.



In America, however, government has stepped in. Because of our labor laws, workers who do not want to join a union are forced to do so as a condition of employment at any company that has been unionized, unless the job is located in a "right to work" state. And the monopolistic power that unions are able to exercise over employers' labor forces via our labor laws infringes upon the rights of employers.

The ability to exercise monopolistic powers — whether possessed by a cartel of business interests made possible by government favoritism, or by government-favored unions — is harmful to freedom, competition, and the overall economy. The fact that the monopolistic entity in question may be a labor union does not change the inherent nature of monopoly and the abuse of power that occurs when competition and choices are curtailed.

But public-sector unions — the question currently facing America — are fundamentally more monopolistic than their counterparts in the private sector. Private-sector unions may enjoy compulsory union membership, but they are at least subject to market limits. If a private-sector union demands too much from management, shareholders, and consumers, the firm will eventually fail as competitors not subject to those demands come to dominate the market. On the other hand, if an employer does not adequately compensate workers, market forces would eventually lead those employees to find a firm that will.

So in a sense, all parties in the private sector have a vested interest in maintaining reasonable working conditions and compensation. Otherwise, everyone suffers in the end. Of course, the same holds true whether or not workers are unionized, but in the private sector, monopoly bargaining is limited in its ability to wreak havoc.

But unions in the government sector are an entirely separate issue. Rather than being faced with market pressures to keep wages at reasonable levels, politicians currying favor with union bosses seem eager to provide perpetually greater concessions — without having to worry about staying competitive in the marketplace (government, after all, is a monopoly), and without having to take the money out of their own pockets since the costs can be passed on to the taxpayers. In fact, the concessions actually result in more money in politicians' pockets via political contributions from the unions that got the



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concessions.

“You see, monopoly bargaining rights and forced union dues allow union bosses to elect the politicians who negotiate their compensation packages,” pointed out Campaign for Liberty President John Tate in an e-mail to supporters. “This rigged game has led to public employee benefit packages and pensions that are bankrupting state after state across the nation.”

Tate pointed out that if action isn’t taken, “public unions will continue to treat taxpayers as human ATM machines, who exist only to fund budget-busting pension and benefit schemes ‘won’ via monopoly bargaining and forced union dues extracted from taxpayers.”

Arthur Thompson, CEO of The John Birch Society, [expressed](#) similar concerns in his most recent [weekly update](#). “If our public officials — that we elect — are not allowed to set the compensation and benefits for public employees, what does that make us, the taxpayer?” he wondered. “The taxpayer can just keep working to pay them no matter how they vote.”

On top of the obvious conflict of interest inherent in politicians and the labor bosses who helped elect them colluding to extract ever-more wealth from taxpayers, the fact that government “services” are often monopolized means that a strike by unionized public-sector workers can easily lead to disaster. And it has before. Even President Franklin Roosevelt, viewed by many as the original enabler of labor unions, opposed government-sector collective bargaining for that reason.

“The process of collective bargaining, as usually understood, cannot be transplanted into the public service,” Roosevelt asserted in a letter to the National Federation of Federal Employees cited by [RealClearPolitics.com](#). “A strike of public employees manifests nothing less than an intent on their part to prevent or obstruct the operations of government.”

Republican Gov. Scott Walker of Wisconsin, of course, is not advocating an end to public-sector unions. His [proposal](#), aimed at shrinking a multi-billion dollar deficit, would eliminate collective bargaining by state- and local-employee unions in the areas of healthcare and pension benefits, but not for wage hikes not exceeding increases in the Consumer Price Limit.

But in Wisconsin — the first state to permit public-sector unions — and many other parts of America including [Ohio and Indiana](#), labor leaders have rallied against what they call an assault on collective-bargaining “rights.” In reality, the unions’ power to monopolize the government labor force and compel taxpayers to pay for their demands is a privilege made possible by the state, not some unalienable right taxpayers are bound to respect. And numerous commentators and pro-liberty advocates have pointed this out, too.

Harvard economics Professor Robert Barro, for example, [highlighted](#) some of the obvious problems in a piece for the *Wall Street Journal*:

Labor unions like to portray collective bargaining as a basic civil liberty, akin to the freedoms of speech, press, assembly and religion. For a teachers union, collective bargaining means that suppliers of teacher services to all public school systems in a state — or even across states — can collude with regard to acceptable wages, benefits and working conditions. An analogy for business would be for all providers of airline transportation to assemble to fix ticket prices, capacity and so on. From this perspective, collective bargaining on a broad scale is more similar to an antitrust violation than to a civil liberty.

Libertarian commentator Sheldon Richman approached government-union problems from another



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angle, [noting](#) in a piece for *The Freeman*,

It is a grave mistake to treat so-called public employment like other employment.

Governments are monopolies that get their revenue by force, not through voluntary exchange. Thus they don't face the market test of free competition, and they lack key price information with which to engage in economic calculation. The consequences of this difference are considerable.

Paleo-conservatives have also attacked the issue. "Since the 1960s, government unions have been able to sit behind closed doors with the politicians they put in office and write contracts, the cost of which is borne by taxpayers who have no one at the table," [wrote](#) former Presidential candidate and frequent media pundit Pat Buchanan. "They call this collective bargaining. A more accurate term is collusive bargaining."

And the battle currently raging in Wisconsin over the "rights" of government-employee unions will have broad implications for the whole country. Buchanan noted,

In Wisconsin, the die is cast and Walker cannot yield.

For if he yields, the state and its 3,000 cities, counties, towns and school districts will be forever at the mercy of these unions.

If he yields, it will be a triumph for the tactics of intimidation, wildcat strikes and mass demonstrations to block legislative action....

If Walker yields, governors and legislators across America will read the tea leaves and back away from taking on government unions. That means higher and higher taxes, as in Illinois, and eventual sinking of the states into unpayable debt and default....

Scott Walker cannot lose this fight, because his country cannot afford to have him lose it.

The stakes are indeed high. But for the sake of America, government budgets, and general sanity going forward, it is crucial that Gov. Walker win the battle. As The John Birch Society's Arthur Thompson [noted](#), and the facts [have proven](#), this is an international phenomenon orchestrated behind the scenes by socialist and communist forces. If Americans cannot even rein in their servants, however slightly, the implications for the future are disastrous.

Photo of protesters in Madison, Wisconsin: Laurie Benoit

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