

Power, Corruption, and the Welfare State

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THE McClellan Committee has exposed the grim fact that well-intentioned policies designed to promote unionisation and collective bargaining have resulted instead in appalling abuse of working men, extortion from employers, corruption of public officials, exploitation of the general public and, in sum, the most critical threat to its freedom, well-being, and security that America has ever faced. The gigantic industry-wide monopolies which we know as trade unions have made extensive use of the special privileges accorded them by government. With these privileges they have built unlimited power, and in that unlimited power infinite corruption is breeding, demonstrating once again the truth of Lord Acton's dictum: "power tends to corrupt and absolute power corrupts absolutely".

Although the power is wielded by the relatively few men who command the industry-wide trade unions, it does not reside in them. Union leaders contribute nothing to society and hence in and of themselves possess no power. The power they wield is derived from working men, who do contribute to society and who, therefore, may cause harm if they withhold their contribution, especially if they withhold it on a large scale and in concert.

Thus the union leader aims first for control of all the working men in the industry he seeks to dominate. When workers voluntarily accept union membership, no particular problem arises. But when workers resist membership, as they very frequently do, the union leader has a problem. Three alternatives are available. He can leave the workers alone, respecting their right to join or to refuse to join any private association. He can pursue peaceful methods of persuading union membership, as he has a right to do. Or he can engage in physical violence and economic coercion in order to compel unwilling membership.

THE terrible burden of the McClellan Record is that the last alternative — the method of physical and economic coercion — is a frequent resort of the large industry-wide unions. Dynamiting, brutal assaults, stranger picketing, and secondary boycotting — these are common organisation methods. Time after time, the record reveals, unions have avoided secret-ballot elections which would fairly show whether workers desire union representation, only to use physical or economic coercion in order to force union membership upon unwilling men.

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The coercion which serves to expand membership proves serviceable also in the enserfing of workers once they become members. The industry-wide trade unions characteristically seek, as their first collective-bargaining objective, contracts which make union membership a condition of employment. Thus workers unwilling in the first place to join unions are forced to continue to pay tribute to the very unions which have coerced them, if they wish to retain their jobs. Perhaps the ugliest of the disclosures of the McClellan Committee are those which reveal union leaders abusing their own members and using union funds as if they were their own. President George Meany of the A.F.L. — C.I.O. was stunned by the Committee's revelations: "We thought we knew a few things about trade-union corruption," he said, "but we didn't know the half of it, one-tenth of it, or the one-hundredth part of it."

HAVING learned the utility of violence and coercion in expanding and maintaining their membership, unions have fallen into the habit of using such methods in disputes with employers. Trade-union officials consider any employer who resists them an "enemy of the labour movement". If his resistance is prolonged, he is marked for extermination, as was the Kohler Company because of its steadfast refusal to grant the compulsory-unionism agreement sought by the United Automobile Workers. And when workers show more interest in their jobs than in striking they are considered filthy traitors or "scabs," against whom the most vicious reprisals are permissible. In the minds of some union leaders, resisting employers are enemies, non-union workers are outlaws and union members are serfs.

When law and law-enforcement pose obstacles to the power-drive, union leaders feel that something must be done about it. Upon occasion pure bribery is attempted; more often generous campaign contributions and old-fashioned ward-healing are the means utilised in order to gain political influence, and immunity. Fullscale political action, financed largely by workers indifferent to or out of sympathy with the unions' political objectives, has proven highly successful. More and more candidates who support the union quest for special privilege win election, although a startling exception here and there indicates that the black night has not yet fallen.

A UNION addicted to violent, coercive, unlawful conduct is difficult to distinguish in principle from the clandestine and unlawful gangs which have marred our history. The distinction can become blurred in fact, too.

If union leaders are bent upon using unlawful methods, they are likely to engage the services of professional thugs. Senator McClellan said at one point in the investigation that "the evidence will disclose that hoodlums and racketeers came into the labour picture with the aid and assistance of certain high-level union officials".

Thugs and racketeers may get their first jobs in the "labour movement" on special assignment from "respectable" union officials who hire them in order to whip recalcitrant employers and employees into line. But once the thugs see how easy it is to get away with violence and other forms of coercion simply through a union association, there is no stopping them. Unions are then transmogrified into criminal syndicates, abusing workers, extorting from employers, and callously exploiting the public.

The harm done by criminals masquerading as union officials is enormous and filled with the most ominous signs for the future of society. But it is still less than that done by the traditional union leaders. They daily coerce and brutally attack workers who decline membership or refuse to participate in strikes. They throw out of work hundreds of thousands of men through uneconomic wage rates. They create irresistible inflationary pressures and compound the evil by encouraging costly and destructive deficit-spending by governments. Through the use of legal and political special privileges, they transform competitive industries into cartels which abuse the public and threaten the destruction of the free economy which has always been the American ideal.

When confronted with the grisly facts of the McClellan Committee Record, some, including former Senator Irving Ives of New York, have thought that no special problem of labour law, labour policy, or trade unionism was indicated. Such persons believe that we are facing here only the same failures of law enforcement which are generally characteristic of the country. But this cannot be the whole truth. It cannot be the whole truth because it fails to explain why, among all the other private associations, of society — the business firms, the bar associations, the medical associations, and all the others — violence, crime, and corruption do not prevail as they do among trade unions.

VIOLENCE, crime and corruption prevail among trade unions to a degree unmatched in any other private association because trade unions have acquired from society special privileges allowed to no other private association. There is every reason to believe that other private associations accorded the same privileges would manifest the same characteristics which the McClellan Record discloses in trade unions. Businesses, for example, compete in a civilised way because the law compels them to do so and because this compulsion has created a selection process which sifts out the thugs and advances the able and the industrious. Among trade unions, precisely the contrary process of selection has been going on, with, as might be expected, precisely the contrary results.

The causes of the evils disclosed by the McClellan Committee investigation are to be found, then, in those special privileges which trade unions alone enjoy among the private associations of our society. These special privileges lie partly in existing laws, and partly in the kinds of interpretation and enforcement the laws have had. Unwise laws have been made worse by aggressive administration, while socially beneficial laws have been reduced to impotency by reluctant administration and dubious interpretation.

Employers and employees find it increasingly difficult to gain access to the courts, no matter how grievously they are being harmed by coercive union conduct. They cannot go to federal courts because the Norris-La Guardia Act forbids those courts to issue injunctive relief against even the most vicious economic coercion. They cannot go to State courts in the same class of cases because the United States Supreme Court has held that federal law "pre-empts" the labour relations field.

If injured employers and employees then seek relief in the federal system, under the Taft-Hartley Act, they find themselves disappointed; for the National Labour Relations Board has "interpreted" that law into an innocuous toothlessness, so far as aggressive union action is concerned. Furthermore, small businesses, the easiest victims of aggressive and racketeering unions, find that the NLRB will not even listen to their complaints and charges. They have literally nowhere to go — they must yield to the aggressor union, no matter how vicious and extortionate its objectives may be.

BEYOND these causes of union abuses are other, deeper causes. Of these deeper causes the ideology of the welfare state, in my opinion, ranks first. This ideology, prevailing widely among Americans, has directly influenced Congress, the Supreme Court, and the National Labour Relations Board to grant unions their special privileges. But the same ideology operates indirectly in another way to leave with unions the most egregious of all special privileges—a *de facto* immunity to police and other governmental restraint of outright violence, property destruction, and vandalism.

The welfare-state ideology has thrust upon government so many diverse functions that it can no longer properly perform the basic job for which all government is designed. That job is to insure domestic tranquility by protecting decent, honest citizens against predatory thugs and criminals. Proper performance of this function obviously requires primary and intense preoccupation by government with the police force and the administration of justice. But while we expend our substance in granting special privileges and subsidies to the strong pressure groups, encouraging idleness and unproductiveness, we underman

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our police forces and pay them poorly, so that they have neither the numbers nor the quality of men necessary to establish what is, after all, the fundamental condition of civilisation: the peace.

ONCE the causes are understood, the nature of the cure, however difficult it may be to achieve, becomes obvious. The right to a day in court must be restored to employers and employees. The laws against violence and economic coercion which apply to all other private associations must be enforced against unions too. Only then will unions cease to be the happy hunting grounds of thugs and racketeers; only then will working men have a true right to join or not to join unions; only then will employers be protected from extortion; and only then will the public be safeguarded against the evils of economic destruction and moral decay.

But confining attention to thugs, racketeers, and power-hungry union leaders — the gaudier of the McClellan Committee disclosures — would obscure the real point.

At the deepest level, the problem lies in a theory of government which insures an awful paradox: a virtual anarchy within a plethora of laws.

GOVERNMENT, like all other human institutions, has limited competence. It may be able to do a fair job of providing for the common defence, of keeping the peace, and of administering justice — if it devotes all its time and energy exclusively to those difficult tasks. But it cannot even begin to fulfill those functions if it permits its energies to be diverted to the exhausting, labyrinthine, and endless quests of pressure groups for special privilege.

I do not know of any short way to bring about limited and therefore effective government; that can come only when large numbers of people will it. Yet I am convinced that the jungle, retrogression, and decay are the necessary results of unlimited government, just as they are the necessary results of unlimited power in trade unions. No civilisation can long survive unlimited power in any hands. The greatest contribution of the McClellan Committee lies in its overwhelming documentation of that truth.

Britain's Golden Acres

Keen demand for living and working space made 1959 a boom year for landowners. Prices this year are likely to rise still higher, estate agents believe, unless planning restrictions are relaxed and the market supply of land is increased. They say nothing in their reports to the ESTATES GAZETTE, from which these extracts are reprinted, about land speculation which similarly curtails supply and makes land needlessly costly.

Berkshire. It is a brave man today who will say what a block of land with permission to develop will fetch, and prices are obtained now which a few years ago would have appeared out of all reason. The prevalent habit of local authorities to acquire blocks of land to develop themselves and the piecemeal release of land by the Planning Officers, are two main reasons why the private developer is forced to pay such a competitive price to keep in business — *Dreweatt, Watson and Barton, Newbury.*

Buckinghamshire. In a heavily preserved area, land for development is rapidly running out. Opinion is gaining ground that some "white areas" may have to be released for development. — *Pretty & Ellis, Great Missenden.*

Cambridgeshire. High prices paid in respect of bare sites have been due to a great extent to scarcity of supply brought about by planning restrictions. We think that there will be a more reasonable attitude adopted by town planners, resulting in the release of more sites for building development. — *N. J. Hodgkinson, Cambridge and London.*

Cheshire. Prices have risen even above 1958 levels. High prices are offered by private buyers and speculative builders for sites with planning approval. — *Henry Manley, Crewe.*

Derbyshire. Houses built after about 1935 increased in value during the latter part of the year. Building land soared in price, especially when of normal building depth and adjoining a road with all services. This may be a contributory cause of the rise in prices of houses of the building estate type. — *John Wilkinson & Fisher, Derby.*

Essex. Demand for building land has increased out of all proportion during the past 12 months, and due to the limitations imposed by town planning, far exceeds the value of land with planning permission for residential development. — *C. M. Stanford & Son, Colchester.*

Gloucestershire. In common with all other parts of the country, both individual plots and larger areas of building land which have planning permission or even the prospect of a successful planning application, have met with an unprecedented and exceptional inquiry. As a result of some prices paid locally, either the resultant houses will be much more costly and may well price the lower-income groups out of the new house market, or the builder will be building at a very small profit margin, if any. — *Burton, Knowles & Co., Gloucestershire.*

Hampshire. Prices have outstripped our expectations. The boom shows no signs of abating, but supply is getting extremely short. Many parcels have changed hands two