

# Forced-Unionism Abuses Exposed

The facts Big Labor bosses would rather you didn't hear about.

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*Compulsory unionism breeds corruption. In each issue of "Exposed," the National Right to Work Committee will highlight yet another example of union-boss abuse spawned and perpetuated by Big Labor's government-granted privilege to force workers to pay union dues, or be fired.*

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## **‘We Don’t Want to Kill the Golden Goose; We Just Want to Squeeze It by the Neck Until It Gives Us Every Last Egg’**

Last month, a Chicago bankruptcy judge approved a settlement authorizing the taxpayer-backed Pension Benefit Guarantee Corporation (PBGC) to take over \$6.6 billion in United Airlines pension liabilities.

Plenty of people have reason to be unhappy about the settlement.

According to a press release issued by Big Labor Congressman George Miller (D-Calif.), the United-PBGC deal will “result in an average 25% to 50% [pension] cut for most active and retired United employees, from customer service representatives to flight crew members.”

Meanwhile, taxpayer advocates fear that now that United has received a judicial green light to dump its pensions on a federal government agency, other struggling airlines will do the same. Money-hemorrhaging auto and steel companies may then follow suit. Ultimately, the PBGC could go belly-up, resulting in a massive federal taxpayer-funded bailout dwarfing the \$200 billion S&L fiasco of the late eighties.

Pilots union officials also claim they are victims of the United settlement. However, the reality is that they have made out very well at the expense of rank-and-file members, United shareholders, and (potentially) federal taxpayers.

The federal Railway Labor Act (RLA) empowers pilots and other airline union bosses to act as the “exclusive” (monopoly) bargaining agents of airline employees in contract negotiations over pay, benefits, and working conditions. And as an additional privilege, the RLA authorizes union officials to force employees, like it or not, to pay dues or “fees” to their union monopoly-bargaining agent. Employees who refuse get fired.

The deal is especially sweet for the hierarchy of the Airline Pilots Association (ALPA) and other pilots unions. Nearly 60% of America’s pilots, including nearly all pilots for major carriers, are subject to union monopoly-bargaining control. And, unlike for most other union

officials, the forced dues and “fees” that pilots union bosses collect are typically tallied as a percentage of pilots’ earnings, not as a fixed amount per member.

Consequently, whenever pilots’ pay goes up, ALPA union officials automatically rake in more forced dues.

Over the years, officials of the ALPA’s United division have thus had a powerful incentive in contract negotiations to encourage the company to underfund its pension program and put the money in pilots’ paychecks instead.

Together with machinists union officials, that’s just what the pilots union brass did. And to get what they wanted, they repeatedly threatened illegal strikes and engaged in illegal work slowdowns, as *Wall Street Journal* editor Holman Jenkins recalled in a May 25 column.

As recently as five years ago, then-ALPA chief Rick Dubinsky was still bragging about this strategy, Mr. Jenkins added. In 2000, Mr. Dubinsky famously told United management:

“We don’t want to kill the golden goose. We just want to choke it by the neck until it gives us every last egg.”

But current ALPA President Duane Woerth seems to suffer from amnesia when it comes to the ALPA’s long record of intimidating the only sporadically profitable United into signing contracts that rapidly expanded the union’s forced-dues cash flow, but put employees’ pension funds at risk. The pension catastrophe is all management’s fault, Mr. Woerth pathetically insists.

Unfortunately for federal taxpayers and millions of other unionized workers, besides United there are thousands of other American companies whose PBGC-backed pension plans are now grossly underfunded, often because the companies themselves have been rendered uncompetitive by Big Labor featherbedding and wasteful work rules.

The PBGC estimates that single- and multi-employer plans combined now have a total liability of \$600 billion. And it’s overwhelmingly unionized workers in industries like airlines, autos and auto parts, steel, trucking, construction, and groceries whose pensions are in jeopardy.

It may already be too late to spare taxpayers the enormous expense of bailing out the PBGC as more and more unionized businesses find they are unable to meet their pension obligations. But Congress can still protect countless employees and employers from future pension meltdowns by repealing all federal labor-law provisions that authorize union monopoly bargaining and forced-dues assessments.

While additional reforms to safeguard pensions are undoubtedly warranted, labor-law reform alone would empower independent-minded employees to reject deals forged by union officials, who, experience shows, often place little value on employees’ retirement security.

Employees who have the legal freedom, when they personally deem it best, to forge their own contract agreements with their employers are more secure employees. That’s the single most important lesson of the United pension default, and one on which Congress should take action without delay.