

# NATIONAL RIGHT TO WORK NEWSLETTER

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## Will George Bush Clean Up the Clinton NLRB? *Administration Will Signal Its Direction With Labor-Board Picks*

Sooner than many Right to Work supporters might have dared to hope, the freshly inaugurated Bush Administration has a major opportunity this winter to loosen the grip of federally-imposed forced unionism over millions of American employees.

Early this year, President George W. Bush will be able to replace up to three of the Clinton-appointed bureaucrats on the five-member National Labor Relations Board (NLRB), as well as this powerful agency's top lawyer, another Clinton appointee.

Yet another NLRB slot will open up in late August.

### **Powerful Agency Interprets Labor Laws Covering Over 90% of Businesses**

The NLRB interprets and administers federal labor laws covering over 90% of businesses and private-sector employees.

This agency has for decades displayed a strong bias to expand Big Labor's power under federal law to force workers to pay tribute, or be fired, and to curb the individual employee's rights. But the Clinton NLRB's extremism has been unprecedented.

Since the mid-1990s, Clinton NLRB appointees have issued a series of radical, precedent-smashing decisions that intensify union bosses' federally-granted forced-unionism powers.

### **Snubbing Supreme Court, NLRB Backed Forced Dues For Union Organizing**

"In its relentless efforts to bolster Big  
See **Test** next page



After being inaugurated last month, President Bush can now replace up to three of the Clinton-appointed

bureaucrats on the five-member NLRB, as well as this powerful agency's top lawyer, another Clinton appointee.

AP / DOUG MILLS

# Early Test of Mr. Bush's Mettle

Continued from page 1

Labor, the Clinton NLRB has disregarded not only the rulings of its predecessors, but even U.S. Supreme Court decisions," said Mark Mix, senior vice president of the National Right to Work Committee.

"Having publicly pledged strong support for Right to Work during his campaign, George Bush has an obligation to appoint NLRB officials who will reverse course and protect employees to the maximum extent possible under current law."

Mr. Mix cited the Clinton NLRB's radical opinions in *Meijer* and *Eggleston*, both issued in 1999, as examples of rulings that blatantly contradict well-established law and must not be allowed to stand.

*Meijer* stated that union nonmembers who aren't protected by a state Right to Work law may be fired for refusal to pay for union organizing. *Eggleston* authorized firings for refusal to bankroll many political activities.

The NLRB effectively reversed key portions of the Supreme Court's *Ellis* and *Beck* rulings limiting forced-dues assessments.

Together, the *Meijer* and *Eggleston* rulings have the potential to provide Big Labor with billions of additional forced-dues dollars to take over small businesses

and their employees and to elect union-boss puppet politicians.

Attorneys for the National Right to Work Legal Defense Foundation, the Committee's sister organization, are now fighting in several court cases to reestablish the significant employee protections they secured through the *Ellis* and *Beck* precedents.

However, courts have traditionally granted the NLRB an enormous amount of leeway to interpret labor law as it pleases.

Therefore, the NLRB itself is the best venue for remedying *Meijer* and *Eggleston*.

## Administration Must Be Prepared to Face Down Union Hierarchy's Fury

Of course, any attempt by the Bush Administration to take back the Clinton NLRB's extralegal handouts to Organized Labor will result in a full-fledged confrontation with the AFL-CIO hierarchy on Capitol Hill.

This was clearly shown by Mr. Bush's short-lived nomination of former Reagan appointee Linda Chavez as labor secretary.

The AFL-CIO hierarchy first viciously lashed out at Ms. Chavez, once a union

official herself, for opposing union-boss sacred cows such as federally mandated preferential hiring based on race, ethnicity and sex.

Then, in a deeply cynical ploy for a fervent advocate of granting automatic citizenship to millions of illegal aliens, Mr. Sweeney homed in on the nominee's personal history.

Ms. Chavez never was able to respond to the unproven charges related to her family's housing of an impoverished illegal alien a decade ago.

Rather than defend his nominee, Mr. Bush tacitly prodded her to bow out, which she did January 9.

"I've been around this town long enough to know that if no one is calling you and saying 'Hang in there,' that is not a great signal . . .," said Ms. Chavez, who acknowledged mishandling questions about the matter.

## AFL-CIO Bosses Know Vast Majority of Americans Support Right to Work

"To keep his campaign pledge to 'support efforts to ensure that no worker is forced to join a union' as a condition of employment, Mr. Bush will have to get used to being attacked by John Sweeney and his Senate minions," commented Mr. Mix.

"Every pro-Right to Work NLRB nomination will become a lightning rod.

"But since Mr. Sweeney is certainly familiar with opinion polls showing that Americans support Right to Work by at least a three-to-one margin, he will try to distract attention from the issue that most concerns him."

## Right to Work Supporters Urged to Send Message To New Administration

Right to Work Newsletter readers are urged to review the letter regarding NLRB appointments from Committee President Reed Larson enclosed with this month's issue right away.

Readers are also urged to sign and mail the postcards included with the mailing, which encourage President Bush to nominate only avowed Right to Work advocates for NLRB positions and to defend his nominees when Big Labor attacks.

Readers who want to phone the White House today may do so at (202) 456-1111 or send faxed messages at (202) 395-4198. 📠



The Clinton NLRB's radical rulings pleased the likes of Massachusetts Sen. Ted Kennedy and the AFL-CIO brass

by drastically curtailing the individual worker's ability to resist Big Labor coercion under federal law.

# White House Plans New *Beck* Executive Order

## *Expected Action Is Well-Intentioned, But Further Steps Are Needed*

Within a few weeks the White House is expected to issue an executive order designed to inform roughly 20% of the private employees who are now forced to pay union tribute as a job condition about their rights under the U.S. Supreme Court's *Beck* decision.

*Beck* and other related Supreme Court rulings limit Big Labor's federally-granted privilege, wielded by union bosses who are not subject to a state Right to Work law, to get millions of workers fired should they refuse to pay union dues or "fees."

Of course, the true federal solution to the problem of forced union dues in politics is repeal of this privilege.

However, these landmark decisions make it illegal to fire union nonmembers who consent to pay for union monopoly-bargaining activities they don't want, but refuse to bankroll union-boss politics, lobbying, etc.

Attorneys retained by the National Right to Work Legal Defense Foundation, the National Right to Work Committee's sister organization, argued and won the *Beck* decision in 1988.

### Unfortunately, Knowing Your *Beck* Rights Doesn't Mean You Can Exercise Them

The executive order purportedly would require businesses with federal contracts, which employ an estimated 1.8 million of the 8.1 million private-sector forced dues-payers, to post workplace notices informing employees about their *Beck* rights.

In April 1992, President George H.W. Bush, father of the current President, issued such an executive order.

However, the Clinton Administration revoked it on February 1, 1993, just 12 days after taking office, and ordered federal contractors across the country to tear the *Beck* notices down.

According to a 1996 survey by respected pollster Frank Luntz, nearly three-quarters of employees who were subject to a forced-unionism contract at that time still didn't know they had a right to refuse to bankroll union-boss politics.

Therefore, an effort to notify even a rather small fraction of unionized employees of their *Beck* rights is a

positive step.


Unfortunately, as thousands of employees know from bitter personal experience, knowing your *Beck* rights usually isn't sufficient to exercise them.

One example is Ian Mahoney, a college student in Kentucky who was fired from his job at a Kroger grocery store in November shortly after he refused to heed union bosses' orders to stop encouraging fellow employees to assert their rights under *Beck*.

"As long as federal law continues to grant Big Labor the raw power to seize tribute from workers, union bosses and their lawyers will hold the advantage in

disputes with independent-minded workers," noted Committee Vice President John Tate.

"Right to Work supporters across the country are pleased that we once again have a President who recognizes that forced-dues politicking is wrong, but we can't be satisfied with a largely symbolic gesture like a *Beck* executive order.

"Instead, the Committee and its 2.2 million members are encouraging George Bush to keep his 2000 campaign promise to 'work with Congress to ensure that no worker is forced to join or support a union' by enacting a national Right to Work law." 



The true federal solution to the problem of forced union dues and "fees" in politics is abolition of the

federal labor-law provisions that authorize and promote forced dues in the first place.

# Feds: Teamster Czar's Patron Lied Under Oath

## Michigan Boss 'Intentionally Misleading' About Mob Ties

The Detroit News

By Norman Sinclair  
December 28, 2000

PONTIAC, Mich. – A longtime Teamsters official faces discipline that could include expulsion from the union over charges that he lied under oath about his personal relationships with members of Metro Detroit's Mafia.

The accusations against Michael C. Bane, 54, president of Teamster Local 614 in Pontiac, were detailed in a 23-page report by Charles M. Carberry of New York, the chief investigator for a national review board that was created by a federal court in 1989 to rid the union of leaders tainted by corruption or association with organized crime.

Bane, who was convicted of embezzlement in the 1970s, has been affiliated with the 3,980-member local for more than 30 years. He became its president in 1990.

In the Dec. 21 report sent to International Brotherhood of Teamsters President James P. Hoffa, investigators charge that Bane "brought reproach" on the union because he failed to cooperate with the review board. Earlier this fall, Bane gave "intentionally misleading testimony" to the board concerning his relationship and association with Vincent Meli, Vito Giacalone, Anthony LaPiana Jr., and Nove Tocco, identified by the FBI or court testimony as members of the hierarchy of the Detroit mob.

LaPiana, who is married to Meli's daughter, has vigorously denied any involvement with organized crime.

Under terms of the 1989 court decree, approved by the union and the U.S. Department of Justice, the independent review board was given sweeping powers to target and investigate any union officials considered to be undesirable. All costs for salaries, offices and equipment for the board was given and its investigative staff are paid by the Teamsters.



AP / GENE PUSKAR

**Teamster President Jimmy Hoffa was given 90 days to decide if he is going to take any action against his former**

**patron, Michael C. Bane, charged with lying under oath about personal relationships with the Detroit Mafia.**

Since the board started work in 1989, the union has paid about \$40 million to cover the board's expenses. The results have been the disciplining, including suspensions and expulsions, of 172 Teamsters, said Brian Rainville, a spokesman in the union's Washington, D.C. headquarters.

The three-member board includes former FBI Director William Webster and Frederick B. Lacey, a retired federal judge in New Jersey.

The charges the board is considering against Bane arose from sworn testimony he gave to the board during four separate hearings conducted between 1991 and Oct. 6 of this year. During those appearances, Bane was questioned about various Metro Detroit mob figures. Each time, he denied either knowledge of them or relationships with any of them.

Earlier this year, however, Nove Tocco, one of four men convicted in the 1998 federal trial of the Metro Detroit mob, told the FBI he had known Bane

since the 1970s and that together they had taken kickbacks from restaurant owners and during contract negotiations for hotel and restaurant employees.

Tocco also said Bane was friendly with Vincent Meli, LaPiana and others. To support his claim that he knows Bane, Tocco also related incidents in which Bane participated with them.

Other witnesses, such as retired FBI agents, supported Tocco's accounts. The FBI also produced wiretaps of conversations Bane had with the mobsters, as well as surveillance reports to document the report sent to Hoffa.

Under provisions of the Teamsters' consent agreement with the Justice Department, Hoffa has 90 days in which to either file charges against Bane, hold a hearing and forward a written report to the review board. Hoffa can also reject the recommended charges, but he must provide a written explanation to the board.

The case against Bane will be a difficult one for Hoffa. Bane's father, Joe Bane Sr., was a close friend and confidant of Hoffa's legendary father, Jimmy Hoffa, who disappeared in 1975.

Michael Bane has also been a staunch supporter of the younger Hoffa for nearly 10 years. In 1991, he was the architect of a move to change the union's constitution to allow Hoffa to be eligible to run for the union's presidency. 📞

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**'Michael Bane . . . was the architect of a move to change the union's constitution to allow Hoffa to run for the union's presidency.'**

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# New FEC Data Prove ‘Cringing Dogs Get Kicked’

## *Contribution Records Show Futility of Union Boss-Appeasement*

The 2000 U.S. Senate election results drove five more nails in the coffin of GOP politicians’ Big Labor-appeasement strategy, which holds that, if you kill Right to Work by whatever means necessary, union bosses will dislike you less and let you win.

Falling into this trap, five GOP senators joined with Big Labor Sen. Ted Kennedy (D-Mass.) to kill the National Right to Work Act on the Senate floor in July 1996, and thus ceded the moral high ground in their failed re-election bids last fall.

(The Right to Work Bill would have repealed the federal labor-law provisions that currently authorize the firing of eight million employees should they refuse to keep paying union dues or “fees.”)

On the one hand, the five GOP politicians lost Right to Work support.

On the other hand, union bosses wielded their general-fund treasuries, stuffed with union dues that workers are forced to pay as a job condition, and their PACs to attack the five GOP senators on a host of other issues.

The fact is, union bosses themselves know it’s a foolish campaign strategy to attack a politician for siding with the vast majority of Americans who support Right to Work.

But that hasn’t prevented Big Labor from threatening countless weak-kneed politicians over the years with retaliation if they supported Right to Work — and many have been taken in by these threats.

### **Forced Union Dues Funded Partisan Phone Banks, Get-Out-the-Vote Drives**

Every incumbent GOP senator defeated last year — Spencer Abraham (Mich.), John Ashcroft (Mo.), Slade Gorton (Wash.), Rod Grams (Minn.), and William Roth (Del.) — had voted against Right to Work in 1996, but was nonetheless pummeled by union bosses.

In all five races, Organized Labor funneled millions of unreported dollars from forced-dues treasury funds into phone banks, get-out-the-vote activities, and propaganda mailings designed to elect the senators’ Democrat opponents.

Millionaire Democrat candidates Mark Dayton (Minn.) and Maria Cantwell (Wash.) opted to conceal the extent of the union machine’s support for their

campaigns by taking little or no cash contributions.

But the latest available Federal Election Commission (FEC) reports of Big Labor’s 1999–2000 PAC contributions to Democrat challengers Debbie Stabenow (Mich.), Mel Carnahan (Mo., now deceased), and Tom Carper (Del.) provide powerful evidence of the Big Labor-appeasement strategy’s failure.

Union political operatives forked over \$393,000 in PAC contributions to Ms. Stabenow, then a U.S. representative.

Ms. Stabenow got nearly 24 times more cash from Big Labor PACs than Mr. Abraham did. And that of course doesn’t include the millions of dollars worth of forced dues-funded “in-kind” support she received.

### **Would-Be Appeaser’s Defeat In Re-Election Bid Only Whetted Big Labor’s Appetite**

While Mr. Abraham, appointed to a second-tier post in the Bush Cabinet, has mostly remained out of the limelight since Election Day, another GOP senator who unsuccessfully sought to appease the union brass has come under more fire.

Not satisfied merely with defeating Missouri Sen. John Ashcroft’s re-election bid, AFL-CIO czar John Sweeney and his lieutenants are fighting at Newsletter press time to scuttle President Bush’s nomination of Mr. Ashcroft as attorney general.

Big Labor poured \$391,000 in PAC money — 26 times more than the paltry sum Mr. Ashcroft received — into outgoing Big Labor Democrat Gov. Mel Carnahan’s bid to unseat him.

The union PAC money and forced dues-funded “in-kind” contributions continued to propel Mr. Carnahan’s campaign even after he was killed in a plane crash October 16. (Mr. Carnahan’s seat has been taken by his widow, Jean.)

“John Ashcroft would now have to concede, I think, that his attempt to appease Big Labor was a complete flop,” said Right to Work Vice President Matthew Leen.

“And the same is true of former Sen. Roth. His victorious opponent received \$278,000 in union-boss PAC contributions — 12 times as much as what Mr. Roth received.”



**Right to Work Vice President Matthew Leen: Sensible politicians learn from the mistakes of others.**

“No wonder veteran commentator Arnold Beichman, long an Organized Labor apologist, was recently moved to coin the term ‘Sweeneyism,’ which he defines as ‘double-crossing friends and allies in order to promote the Democratic Party left.’”

### **Last Gasp For Failed Appeasement Strategy?**

“The 2000 elections should be the last gasp for the GOP establishment’s failed strategy of union-boss appeasement,” continued Mr. Leen.

“Five senators — including three, Mr. Abraham, Mr. Ashcroft, and Mr. Grams, who had made 1994 campaign pledges to support a national Right to Work law — chose to follow this strategy and lost.

“Meanwhile, every one of the eight senators on the 2000 ballot who had voted in favor of the Right to Work Bill won reelection.

“With a three-to-one or greater majority of Americans on record against workers being forced to pay tribute to money-hungry union officials in order to feed their families, why would any politician expect a different outcome?

“Like the rest of us, all politicians make mistakes. But the sensible ones learn from the mistakes of others.

“Knowing what happened to Mr. Abraham, Mr. Ashcroft, et al, no politician can now reasonably claim that opposing Right to Work ‘appeases’ Big Labor.” 📞

# Teamster Scandal Figure Slated For Top DNC Job

## Bill, Hil Team Up With AFL-CIO Chief to Promote Terry McAuliffe

Early this month, the Democratic National Committee (DNC) is expected to rubber-stamp real estate mogul Terry McAuliffe, a top Clinton crony and a central figure in a still unfolding Teamster forced-dues embezzlement scandal, as its next chairman.

News reports indicate that most of the 450 DNC members will acquiesce to demands by AFL-CIO czar John Sweeney and Bill and Hillary Clinton that Mr. McAuliffe get the top DNC job, even though he is currently being investigated by federal prosecutors.

They allege in court filings that Mr. McAuliffe conspired with Teamster operatives to launder \$150,000 in workers' forced-dues money at the DNC and then divert it back into ex-Teamster international kingpin Ron Carey's 1996 re-election campaign.

### Witnesses Charge AFL-CIO Second-in-Command Helped Launder Embezzled Dues

While the investigation into the Carey campaign's embezzlement of workers' forced dues moved at a snail's pace under the Clinton Labor and Justice departments, Mr. Carey's January 25 indictment for perjury suggests it is regaining momentum.

Mr. McAuliffe also faces a possible indictment for helping to fleece a union pension fund out of millions of dollars.

A civil suit filed by the Labor Department in May 1999 charges that Mr. McAuliffe, acting as a trustee of a union pension fund, presided over a \$6 million "loan" that he knew wouldn't be repaid from the fund to a firm he co-owned.

Mr. McAuliffe also owned a company that the Labor Department alleges improperly sold a \$2.5 million share to the pension fund, which later sold it at a loss to yet another McAuliffe company.

Why did Mr. Sweeney, with the assistance of the now ex-President and his wife, now the freshman U.S. senator from New York, insist that the DNC make such an outrageous appointment?

The most plausible explanation is that Mr. Sweeney is determined to quash any Bush Administration effort to get to the bottom of the Ron Carey embezzlement scandal, and wants to ensure that congressional Democrats back his cover-

up to the hilt.

Mr. Sweeney is naturally very concerned about the fact that his own second-in-command, AFL-CIO Secretary-Treasurer Richard Trumka, is implicated in the Carey scandal.

In 1999, ex-international Teamster political director William Hamilton was convicted on six counts of fraud, perjury, and conspiracy to embezzle \$885,000 to aid Mr. Carey's re-election campaign.

The looted Teamster treasuries consisted mostly of dues and "fees" workers are forced under federal law to pay, or be fired.

Mr. Hamilton now faces a three-year prison sentence. Five other Carey cronies have pleaded guilty to charges connected with the complex embezzlement scheme. Mr. Carey himself was forced out of office and expelled from the union.

But federal prosecutors continue to waver over whether to act on testimony by former Carey consultant Martin Davis that Mr. Trumka knowingly abetted the Carey campaign's lawbreaking.

According to federal prosecutor Robert Rice, Mr. Hamilton asked Mr. Carey to approve a \$150,000 "contribution" to the AFL-CIO in late 1996.

A few days later, Mr. Trumka personally diverted \$150,000 from the AFL-CIO treasury to the union front group Citizen Action.

After another few days, Citizen Action sent \$100,000 to a fourth party working for Mr. Carey's reelection (and apparently pocketed the other \$50,000).

Mr. Davis insists Mr. Trumka did not act unwittingly, but knew exactly what he was doing. And Mr. Trumka has repeatedly invoked his Fifth Amendment right against "self-incrimination" rather than answer questions about his highly suspicious actions.

### Forced Unionism, Corruption 'Go Hand in Hand'

Under the AFL-CIO's so-called "anti-corruption" policy, Mr. Trumka's taking the Fifth should mandate his ouster from the union hierarchy, but Mr. Sweeney protected Mr. Trumka — raising suspicions that he himself was involved.

"Anyone who assumes John Sweeney didn't know this was going on has got to be nuts," said an AFL-CIO consultant,



**Hillary Clinton is helping AFL-CIO bosses get an accused embezzler appointed as DNC chairman.**

who wished to remain anonymous, to an *Investor's Business Daily* reporter in 1997.

By installing Mr. McAuliffe as DNC head, Mr. Sweeney effectively gives Democratic Party leaders almost as big a stake in avoiding an indictment for Mr. Trumka as Mr. Sweeney has.

According to Mr. Davis, he and Mr. McAuliffe conspired to illegally swap forced union dues between the Teamsters and the DNC.

The plan fell through only because the conspirators could not find a willing and suitable DNC donor to complete the swap.

"Any investigation leading to the indictment of Richard Trumka will almost certainly also lead to Terry McAuliffe's indictment," noted Mark Mix, the National Right to Work Committee's senior vice president.

"With Mr. McAuliffe installed as DNC chief, Democrat bosses won't be able to cut crooks in the AFL-CIO hierarchy loose.

"I don't think even the late U.S. Sen. John McClellan [D-Ark.] could have anticipated such a scenario when he said, more than three decades ago, 'Compulsory unionism and corruption go hand in hand.'"

Mr. Mix added that the escalating Carey-Trumka-McAuliffe scandal is "a devastating argument for a national Right to Work law." 🗳️

# Right to Work States to Gain U.S. House Seats

## Census Data Confirm Ongoing Shift in America's Economic Base

The 2000 U.S. Census data released early last month demonstrate that America's economic base is continuing to shift to the 21 states that now have Right to Work laws protecting most private-sector employees from federal forced-dues policy.

And the inflow of workers and their families to Right to Work states could soon have significant political ramifications.

Under the constitutionally mandated reallocation of U.S. House seats based on the 2000 Census, Right to Work states Arizona, Florida, Georgia, and Texas will each get two more seats when the next Congress convenes in 2003.

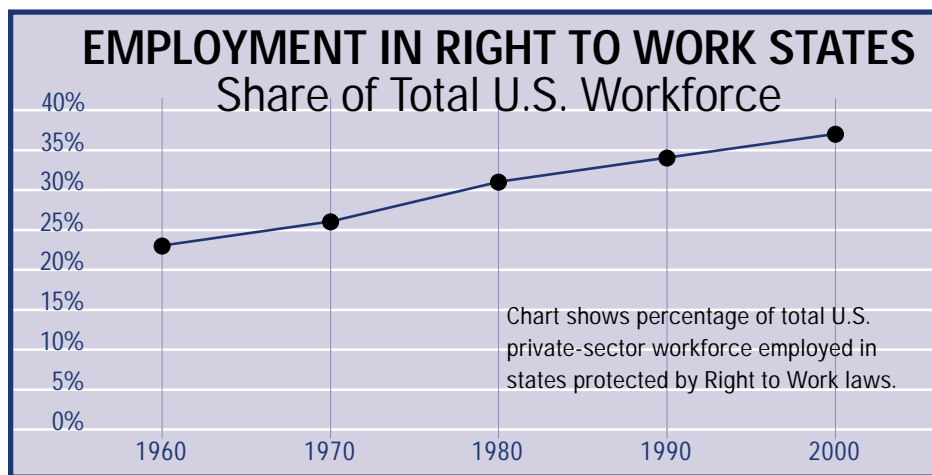
Two other Right to Work states, Nevada and North Carolina, will gain one seat apiece. Mississippi, which lost one seat, is the only Right to Work state to lose any, so as a group they will make a net gain of nine from their current total of 153.

After the reallocation, Right to Work states will control 162 out of 435 U.S. House seats, compared to 133 when Ronald Reagan was first inaugurated in 1981.

### Citizens Who Personally Know About Right to Work Laws Support Them Most Intensely

While the vast majority of citizens in every state oppose laws that force workers to join a union or pay union tribute as a job condition, support for Right to Work is understandably more intense among citizens who personally know about its benefits.

And Right to Work states' increasing



**Workers and their families are flocking to the new jobs being created in freedom-loving Right to Work states.**

strength in the House majority party has already changed the complexion of the chamber.

“Just before the GOP took over the House in 1994, 36% of the caucus was from Right to Work states. Now it's 42% — and poised to rise further in 2003,” noted Mark Mix, National Right to Work Committee senior vice president.

“As a consequence, the House majority leaders are coming under increasing pressure from their caucus to stand up to Big Labor and fight forced unionism.”

### By 'Voting With Their Feet,' Americans Refute Big Labor's Smears Against Right to Work

The net total of more than five million Americans who moved from non-Right to Work states to Right to Work states

**And jobs and workers fleeing forced unionism are changing America's political complexion.**

during the nineties are in themselves a simple and compelling refutation of Big Labor's pro-forced unionism propaganda.

“Employees of all kinds are ‘speaking with their feet,’” said Mr. Mix.

“They don't think being forced to join a union, or be fired, is the way to get ahead.”

A study published last year by Dr. James T. Bennett, a professor for George Mason University's Nobel Prize-winning Economics Department, sided with the common sense of the American people against union bosses' self-interested claims.

Dr. Bennett demonstrated that real disposable income in Right to Work states is higher than in forced-unionism states, where the cost of living, including state and local taxes, is on average 15% higher.

When cost-of-living differences are taken into account, the typical two-income family in a Right to Work state has nearly \$1200 more in after-tax purchasing power than its counterpart in a non-Right to Work state, concluded Dr. Bennett.

“The freedom conferred upon employees in Right to Work states has proven to be a boon for all citizens — employees, employers, consumers, and taxpayers,” added Mr. Mix.

“In today's intensely competitive global economy, it would be a terrible mistake if Congress fails to pass a National Right to Work law and thus extend the economic advantages of Right to Work to all Americans.”

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# ‘Wards’ Was Symbol of Forced-Unionism Tyranny

## *Federal ‘War Labor Board’ Assaulted Retailer and Its Employees in 1944*

Retailer and mail-order catalogue pioneer Montgomery Ward, best known for introducing the money-back satisfaction guarantee and Rudolph the Red-Nosed Reindeer, filed for bankruptcy on December 28 and announced it would shutter its 250 remaining stores.

In its World War II-era heyday, ‘Wards’ had slightly more stores than and nearly as much annual sales revenue as archrival Sears.

And it was during the war that Wards became a symbol for the then-nascent Right to Work movement.

From 1943 to 1945, then-Chairman Sewell Avery waged a highly public battle with the Roosevelt Administration and federal bureaucrats to safeguard his employees’ freedom to choose whether or not to belong to a union.

### **So-Called ‘War Labor Board’ Ordered Wards to Accept Forced-Unionism Shop**

Mr. Avery, a Chicagoan since his youth, took the helm of Wards in 1931, well before the Great Depression’s nadir. He succeeded in making the company profitable as soon as the generally bleak year of 1934.

But a few years later the federal government targeted Wards.

In the early 1940s, it sought to use Wards’ peripheral defense business as an excuse to transform major portions of this overwhelmingly civilian enterprise into forced-unionism shops, supposedly to foster “labor peace.”

In late 1943, Wards was hit by a strike in Chicago because Mr. Avery refused to continue enforcing an expired contract forcing 7000 workers to belong to a CIO-affiliated union to keep their jobs.

A few months later, Franklin Delano Roosevelt stepped in.

The President threatened to seize the entire company unless Mr. Avery ended the strike by agreeing to force employees to stay in the union. Mr. Avery refused.

On April 27, 1944, acting at the behest of FDR’s “War Labor Board” and U.S. Attorney General Francis Biddle, armed national guardsmen occupied Wards headquarters, and two steel-helmeted MPs forcibly removed the 70-year-old Mr. Avery from his office.

Mr. Avery later explained his public



**In 1944, military police evicted Wards Chairman Sewell Avery because he refused to continue forcing 7000**

**employees to belong to a union. Afterwards, he “seemed upset,” said his wife — but he kept fighting.**

resistance to a reporter:

“[S]omebody has got to awaken the American people to the fact that the government has been and is coercing both employers and employees to accept a brand of unionism which in all too many cases is engineered by people who are not employees. . . .”

He added that federally-imposed forced unionism was “slowly leading the nation into a government of dictators.”

Mr. Avery regained control of Wards three weeks later, but the government later seized the company’s catalogue operations.

The second seizure was also provoked by Mr. Avery’s rejection of a closed shop imposed by War Labor Board bureaucrats.

The Wards seizure undoubtedly intimidated many other businesses. Over the course of the war, the number of workers under forced-unionism contracts soared from roughly 4.2 million to 11.2 million.

The spread of compulsory unionism in America — which the National Right to Work Committee has since 1955 battled with increasing success to roll back — was the direct result of government activism. 📌