

THE POLITICAL ECONOMY

The State of The Unions

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The onslaught against the Labor Law Reform Bill by the Four Horsemen of last year's Congressional Apocalypse—the Business Roundtable, the National Association of Manufacturers, the United States Chamber of Commerce and the National Right to Work Committee—did far more than destroy that particular initiative. It also shattered all consensus within the labor movement about its options for the 1980s.

Now, as differences multiply between trade union leaders over the urgency of labor's current situation and how it can be remedied, distinct blocs have begun to form within organized labor. Some unions have thrown their weight into a renewed drive for protection from foreign imports; others are talking about rebuilding alliances with liberal, feminist and minority groups; another group is casting about for some liberal candidate to promote against President Carter in 1980.

Though the decentralized structure of American labor leaves different unions a great deal of open space for separate maneuvers, the present chaos is unprecedented in the postwar period, and is unlikely to be viable for long. Some clarification of the situation now facing labor and the institutional relationships that are at the core of trade unionism's force and failure as a political movement is or shortly will become imperative, not least because the most prominently discussed scenario for labor's near future is almost certainly mistaken.

Contrary to views widely held by its friends and advanced in the national press, what organized labor in America has most to fear in the near future probably does *not* include a sweeping new offensive by a well-organized, broad-based business coalition.

This is not to deny that major parts of labor are anything but gravely imperiled—a tidal wave of fresh hostility is clearly about to crash over many unions. No prolonged economic downturn has ever failed to trigger an attack upon unions by cost-squeezed small business, and the timely appearance of N.A.M.'s Council for a Union-Free Environment gives hope for predictive social science, if scarcely for humanity. And some big business sectors hit especially hard by the current recession, notably rubber,

are likely to make common cause with the smaller enterprises, as are naturally labor-conscious large firms in sectors like retailing, textiles and steel.

Construction unions are also likely to face determined business resistance. Although the great Vietnam-inspired boom of the later 1960s strengthened the hand of the building trades enough to produce a short string of settlements in their favor, it also triggered the establishment of a powerful and exceptionally well-organized business coalition formed to oppose them. The cutting edge of the reaction at the national level was the Construction-Users Anti-Inflation League, chaired by Roger Blough of U.S. Steel. One of the original nuclei that coalesced to form the Business Roundtable, this group joined with an assortment of contractors, construction companies and other businesses to roll back dramatically the percentage of unionized construction.

Yet, short of a real crash of 1979, large, capital-intensive, high-technology and multinationally oriented businesses like General Electric, American Telephone and Telegraph Company, International Business Machines Corporation, E.I. du Pont de Nemours & Company, most of the oil and automobile companies and the international money market banks are unlikely to find the returns on a major new anti-union effort worth the cost. In the absence of an L.L.R.B. or comparable reform legislation, the current erosion of labor's strength will continue. Simply maintaining the status quo will secure these firms all their important objectives.

The direction of events is already clear. As the aging industrial plants of the Northeast run down, they will be replaced by new ones in the South and West or, increasingly, abroad, where cooperative governments in South Korea, the Philippines, Latin America, China and elsewhere stand prepared to provide American firms with a cheap and disciplined work force. Labor's decline in the United States will then appear simply to be the result of an impersonal march of events, or history, or technological progress. At the same time, revisions of labor law can plausibly be opposed by appeals to the sanctity of the state's role as a neutral umpire between competing "special interest" groups. Corporate energies and funds will be released for use against environmental, regulatory or middle-class consumer challenges.

The hazards this second strategy poses for the labor movement as a whole are acute, perhaps even greater than the threat of an anti-union blitzkrieg by many sectors of business at once, which, in its very drama and color, might generate sufficient public revulsion to be turned back. If craft unions and those centered in the more technically advanced industries accept the structurally afforded invitation to stand on the sidelines, the rest will be grievously enfeebled. Deauthorization polls challenging union shop agreements, successful employer refusals to bargain, and decertification elections challenging the unions' status as bargaining representatives would skyrocket (the last having already shot up dramatically, from

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124 with 66 percent successful in 1967 to 849 with 76 percent successful in 1977), as marginal unions were picked off one by one or reduced substantially to administrative shells.

Although the cumulative threat posed by such salami tactics would presumably alarm even the most conservative unions, the possibility for some unions to negotiate separate deals for themselves is deeply embedded in the logic of trade unionism itself, and can scarcely be "explained" by pointing to complacent or corrupt leadership.

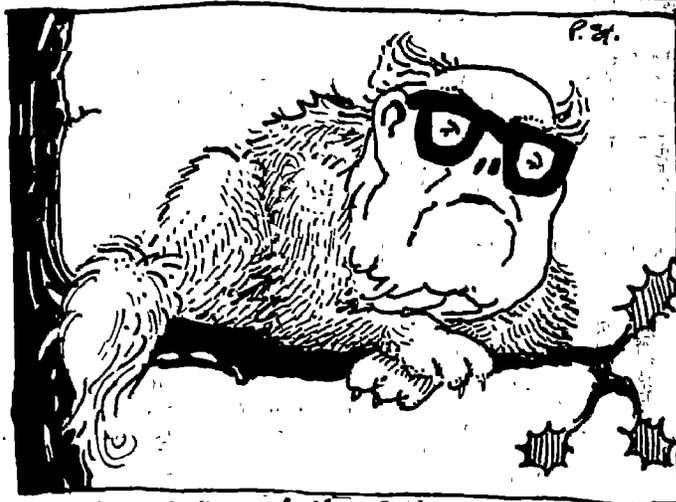
For the identity of labor unions is problematic in a way that of a business corporation is not. This is not chiefly because unions routinely compete with more powerful corporations but because of the intrinsically bivalent nature of unionism. A single trade union is both an organization marked by a characteristic institutional structure oriented to a particular clientele and a potential building block of a mass organization.

In this respect the trade union is sharply distinguished from the corporate firm. While a single large business firm can be a formidable political actor, its potential for mass mobilization is distinctly limited. Several firms only add up to a trade organization, and 175 large firms aggregate only to a Roundtable. (For reasons of space we omit consideration of suggestions that one Roundtable equals two political parties.) By contrast, a single union with a sizable membership easily becomes part of a coalition of unions, with the latent possibility of forming a part of a yet larger bloc, which in turn can coalesce into a still greater movement mobilizing a variety of memberships, and so on.

When, as in the 1930s, trade union challenges to the industrial status quo succeed, the explosive impact of their expansion transforms the entire balance of political forces. Even when no mobilization or demobilization is on the agenda, the logic of combination can usually be envisaged as a possibility, to unnerve or exhilarate as the case may be. But as liberal industrial relations theorists like Sumner Slichter—whose Brookings study of *Union Policies and Industrial Management* is unsurpassed as a summary of the problem—lucidly recognized in the 1930s, if the bandwagon of coordinated action can be slowed, a second, entirely different dynamic takes hold.

As an ensemble of separate organizations, trade unionism is vulnerable to a fatal federalism of responsibility and localized benefit. To the extent that cross-sector coordination diminishes, individual unions become bound to the economic logic of their particular industries. Organizationally they compete with other unions for members; politically, negotiations open for a separate peace in the class war.

A downward spiral commences, powerfully accelerated by the bureaucratization of union administration. Relations between bureaucratic elites and the membership become increasingly rigid as an "edifice complex" develops at national headquarters. Leadership turnover is minimal and, in striking contrast to



"All right," said the Cat; and this time it vanished quite slowly, beginning with the end of the tail, and ending with the grin, which remained some time after the rest of it had gone.

corporations, gerontocratic. While member discontent with existing policies may mount, finding expression in wildcat strikes or increasing refusals by rank and file to ratify proposed contracts, top union officials benefit from the overwhelming advantages of communication with one another, broad discretion in the allocation of union resources and staff, and imperial powers of agenda formation. For them, the mantle of "responsible labor statesman" hangs irresistibly close at hand, along with the money, public accolades and outside career options that follow. The Council on Foreign Relations finds willing candidates to provide the 1 percent representation of trade unionists among its membership. And, rather more improbably, so does the Trilateral Commission. (Trilateralists among recent union leaders have included Leonard Woodcock of the United Auto Workers, who provided Jimmy Carter with a critical, and almost unique, early union endorsement in his campaign for the Presidential nomination and who upon his retirement from the U.A.W. was appointed head of the United States Liaison Office and then Ambassador to Peking; I.W. Abel, who steered the United Steelworkers of America through a period of strong rank-and-file protests culminating in the victory of his designated successor, Lloyd McBride, over a powerful challenge from insurgent Ed Sadlowski; Glen Watts, president of the Communications Workers of America, who publicly blasted George Meany for criticizing Jimmy Carter after the L.L.R.B. defeat; Lane Kirkland, the perennial secretary-treasurer of the A.F.L.-C.I.O. and the cold war's Abominable Snowman, and Sol Chaikin of the International Ladies' Garment Workers' Union, who recently effused that "President Carter has the greatest intellectual capacity of any President since Roosevelt." Kirkland and Woodcock have also served time on the Council on Foreign Rela-

tions, as has Jerry Wurf, whose American Federation of State, County and Municipal Employees failed notably to mount an effort in support of the L.L.R.B. commensurate with its status as the largest single union in the A.F.L.-C.I.O.)

Add to this the strengthening of controls on rank-and-file dissidents, either by legislation (the stranger picketing provision of the L.L.R.B. was one such measure) or in the courts (for example, the recent Circuit Court rulings in the *Eazor Express* and *Armco Steel* cases, which upheld damage claims against unions and their members for wildcatting and stranger picketing, and increased the requirements on internationals to control their locals and rank and file), and the outlook could be somber indeed.

To regain the liberating hold it once exercised on the popular imagination, labor needs to find a fresh political formula of broad appeal and manifest general benefit. Only when it has this new political program in hand can the trade union movement turn to the ultimately derivative question of whether the Democratic Party remains a plausible vehicle for its aspirations.

Protectionism, as currently promoted by major elements of the A.F.L.-C.I.O., is definitely not part of the solution. As a short-run substitute to the organizing drives and broader political campaigns required to recapture a share of political power, tariff promotion is exceedingly dangerous to the long-run future of the labor movement as a whole. By protecting only a few jobs at enormous (often steadily rising) costs that fall largely on other workers, tariffs isolate a part of organized labor from the rest. They do nothing to solve the long-run problems facing the United States in a changing world economy. And because production processes in industries, such as heavy electronics or automobiles, are characterized by substantial international integration, many unions like the U.A.W. and the International Union of Electrical, Radio and Machine Workers would be sharply opposed.

Nor is the strategy of alliance with liberal, minority and church groups now being promoted by the U.A.W.'s Douglas Fraser and his Progressive Alliance likely to meet labor's needs. While partially ameliorating labor's isolation, the move is inspired by an idea whose time has passed. Such coalitions failed in the 1960s to bring about major, enduring redirection of power in the United States. Moreover, what successes the gambit did achieve were in part the result of substantial support from corporate-dominated foundations, whose enthusiasm for the N.A.A.C.P. has not been matched by equivalent fondness for the J.P. Stevens Company boycott, and which today are preoccupied with minor variations on familiar themes in industrial relations and industrial productivity studies.

What appears to have the most potential for the years ahead is the campaign to shorten the work-week, currently co-directed by Frank Runnels of the

U.A.W. and Frank Rosen of the United Electrical, Radio and Machine Workers of America for a coalition of some thirty other unions.

Unlike protectionism, the impulse to shorter working hours probably holds tremendous latent appeal. Several powerful secular trends in American society augur well for its favorable reception, including a looming higher rate of unemployment in the future, the growing population of underemployed college graduates, spreading disillusion with capitalism's work ethic, widespread revulsion at employer domination on the job, and demographic changes which pit millions of younger workers against one another for dwindling possibilities of promotion.

With an eye toward consolidating their natural support, Runnels and Rosen are at the moment directing their campaign primarily to union audiences. The case must eventually be carried to a broader public, however, and several aspects of its presentation might be reconsidered.

The vintage 1946 "full lunch pail" slogans and traditional Labor Day encomiums to steady work that dominate the rhetoric of the campaign erode its appeal to the audience below age 40—not predominantly blue collar—that is increasingly disenchanted with the conditions corporate America sets for useful work. The opportunity to present a powerful argument in general terms about the contribution shortening the working day (week—year—lifetime) makes to human welfare is passed up, as are all chances for drawing attention to the source of the problem in the tension between 20th-century productive forces and 19th-century social relations. Nor does the effort seriously address the problem of international economic competition and the threat this poses to declining sectors in the United States. It steps back from drawing the obvious conclusion that efforts to shorten the working day require explicit national policies about the pace and direction of technological change.

Whatever course of action it finally pursues, labor has its work cut out for it. Since World War I, power in America has increasingly come to be exercised through the selective subsidy of public (mis)information. The financial barriers to entry into this world of foundations, think tanks, university business schools and contract research units are formidably high, high enough in fact to exclude not only labor but most businesses below the top tiers of the *Fortune* 500 (witness the \$60 million development drive announced recently by the American Enterprise Institute). Still, the products of this peculiarly modern form of power exercise, a strong hold on public consciousness, and to implement *any* new political program, labor must compete in this arena.

This is likely to require some major readjustments. If labor has never been able to relate to the academy or to the press with the affluent ease of the Council on Foreign Relations or the American Enterprise Institute, more than pecuniary incapacity is to blame. It has for years afforded no support whatsoever to its

sympathizers in other organizations, like universities. It has preferred resolute anti-intellectualism amid declining strength to potentially disruptive critical evaluation of its past practice and current political options. Walled off from outside contacts, hiring most of its staff from the inside and only rarely seeking a wider public, labor is profoundly isolated from the experience of much of even the working population.

This isolation is reflected in labor's lack of a constructive political program. The major planks in its workaday political platform—protection from a liberally structured world economy, defense of United States militarism, staunch opposition to environmentalist claims and technological innovation—are largely reactive and out of step with the broad pattern of world economic development, the structure of American party politics and public sentiment. Increasingly becoming yet another declining sector in the American economy, alongside textiles, steel and shoes, labor now finds itself shunned by politicians it helped place in power, victimized by the foreign economic policy of which it was once minor beneficiary and willing servant, politically naive in a world defined by others.

Whether the labor movement in America will stir itself in sufficient numbers and intensity to reverse the trend of events remains an open question. For the last thirty years, the relationship of labor to the multinational liberalism now hegemonic in the Democratic Party has been eerily like that of Alice to the Cheshire cat. Now that top aides of both Carter and other leading Presidential hopefuls have concluded that the 1980 Democratic nomination can be won without major support from organized labor, we probably do not have long to wait before finding out what happens when the grin at last disappears. □

Constitution

(Continued From Front Cover)

weekly, *In These Times*, who argues that opposition to a convention discloses "an elitist view of politics." It is now clear that America is haunted by a broad spectrum of budget-balancing specters that falsify the nature of the present profit-push inflation, channel discontent along lines that help the profiteers and menace every effort to preserve or enlarge the social, economic and political rights of the American people.

As of this writing twenty-nine state legislatures have applied to Congress for a constitutional convention to propose a budget-balancing amendment. None of the state resolutions contains a word on how the delegates to a constitutional convention would be selected. It is assumed that they would be chosen in the

Bertram M. Gross, distinguished professor at Hunter College and former executive secretary of the Council of Economic Advisers, has just completed a new book on basic trends in modern capitalism, entitled Friendly Fascism.

same way as delegates to state constitutional conventions: namely, through state legislative districts. This means that all the built-in devices for underrepresentation for some groups and overrepresentation for other groups will apply to a national convention as well. Recent experience with state conventions indicates that most of the elected delegates are state legislators themselves, their associates, fund raisers and corporate lobbyists. Thus, any nationwide convention called today might be dominated by pros running a huge national con game with a stacked deck of cards. It could be a well-packed, one-House, super-legislature fully capable of advancing corporate interests behind a populist facade of protecting human rights.

Most of the state resolutions urge convention action or a constitutional amendment along the following lines: "In the absence of a national emergency the total of all appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year." No matter what specific wording is suggested in the resolutions, however, the subject matter lends itself to a very large number of variations and alternatives. Two of these have already been suggested in Patrick Buchanan's proposals for a convention: (1) that the size of the balanced budget be limited to 20 percent of the gross national product, and (2) that all Federal income taxes be limited to one-third of a citizen's total income.

But if Congress calls a convention to consider budget-balancing, could the convention plunge into other subjects? Could it become a wide-open, general convention?

"No!" is the present answer of the organizers of the con-con drive. The model state resolution drafted by the National Taxpayers Union (and adopted without change in many states) provides that "this application and request be deemed null and void, rescinded and of no effect in the event that such convention not be limited to such specific and exclusive purpose." In 1974, seven lawyers appointed by the American Bar Association held that "Congress has the power to establish standards for making available to the states a limited convention when they petition for that type of convention."

But other lawyers have held that a constitutional convention would be a sovereign body and, in addition to deciding its own rules of procedure, could decide to take up any subjects it chose. It would be bound by neither the Congressional nor the state resolutions. When Charles Black of Yale Law School presented this interpretation to the California House of Delegates, the body was moved to vote down a con-con resolution ardently supported by Gov. Jerry Brown.

The Constitution itself provides no answer on either side of this question. Nor can an answer be provided by probing the debates at the 1787 constitutional convention or the presumed intentions of the Founding Fathers. The issue will be settled only if and when a convention assembles and tries to go beyond budget-balancing.