Industry-Wide Bargaining

A FOURTH REASON for believing that monopoly power may be the objective of some union activities is apparent in the trend toward industry-wide "bargaining"—the idea that all the competitors, both the competing employees and the competing employers, in an entire industry ought to "bargain" through a single union.

The modern trend seems to be away from the independent plant-wide or company-wide union which used to be characteristic of the American labor movement. The company-wide union idea has been losing ground, and along with it is disappearing the "old-fashioned" notion that each individual has a right to manage what he owns. The plant-wide or company-wide union concept is economically sound in that it calls for the voluntary cooperation, not of competitive employees, but of two cooperators—the employer and his employee—who have a common interest in producing something which may be valuable to consumers. If a company employs several persons, it is necessary that their work be supervised and coordinated.

The independent company-wide union coincides in scope with the natural bounds of business organization, and it has potentialities as a valuable part of the voluntarily cooperative procedures of competitive private enterprise.

This is not to say that a company-wide union will function perfectly or that it might never be perverted. Many independent company-wide unions have failed, just as there have been and perhaps always will be failures in any general field of human endeavor. The only point is that unionization along plant or company lines is not automatically precluded, by the nature of its organization, from functioning as a useful instrument of voluntary cooperation.

A company-wide labor organization might attempt certain coercive practices within that particular company, such as requiring every employee to pay membership dues, or forbidding the employer to hire nonmembers. But the worst such a union can do, beyond its intimidation of dissenting employees, is to hurt the business of its own employer. The company-wide union cannot lawfully interfere with any worker who wants to leave and seek employment elsewhere. It cannot regulate the hiring and firing practices and working conditions of another company, except by the noncoercive methods of successful competition—out-producing any rival organization. The seekers of extensive monopoly power cannot achieve it by means of an independent company-wide union; for that purpose they need industry-wide labor unions with compulsory membership provisions. This affords centralized control over all possible competitors in a given industry.[7]