A second negative result, flowing directly from the first, was a loss of perspective. Smug, satisfied, luxuriating in a sense of power, the labor establishment felt no need to examine and reexamine the imperatives of history. By traditional standards, the movement seemed impressively strong—twenty-two million members in 175 national and 71,409 local unions, with hundreds of millions of dollars in its treasuries and billions more in pension funds over which it often had veto power. But that success was an illusion. History had made demands on the movement which it could not meet under its present stewardship, structure, and philosophy; in a sense, it was just as out of touch with events as was the AFL in 1932.

Since 1886, the labor movement has considered the strike its basic weapon—a means of meeting power with power. But the strike weapon is blunted beyond recognition in an age of conglomerates and multinational corporations. Labor's present structure was forged at a time when corporations generally functioned within a single industry and a single country; the industrial organization of the CIO was enough to match that kind of power with labor's own. That is no longer true.

In 1961, when ITT had $1 billion in assets and almost all its operations were in telecommunications, a single national union might match power with it. But in recent years ITT has acquired a hundred subsidiaries worth four times that much, here and in seventy other nations. Only one-sixth of its investments are now in telecommunications, so that it deals with at least fifteen major unions—auto workers, teamsters, communication workers, electrical workers, bakers, plumbers, machinists, steelworkers, hotel workers, and others. A strike at any one of its companies—say at Wonder Bread—is hardly more than an irritant. Unless the fifteen unions can coordinate

their efforts, not only here but abroad—as they can *not* do today—they are in no position to challenge the power of the corporation.

Corporate globalization, too, has made a mockery of union power. A Department of Commerce study of 298 global firms showed that by 1970, sales of their foreign subsidiaries amounted to 37 per cent of their total sales and accounted for 44 per cent of their profits. American plants, especially those in labor-intensive fields, have moved wholesale to low-wage areas—Korea, Taiwan, Ghana, Hong Kong.

The state-managed economy presents an even more formidable problem. Government — Federal, state, and local—today generates a third or more of the national income. Its decisions on money, on regulation, on subsidies, on taxes, and on a hundred other matters shape the state of the economy as never before. Government is, in effect, the "third force," the silent but dominant partner, in every major collective bargaining agreement. If it reduces the military budget, workers at 100,000 defense plants are squeezed; if it permits the price of gasoline to rise, workers' paychecks everywhere are cut accordingly; if it raises interest rates through an action of the Federal Reserve Board, it throws construction workers out of work. Thus, increasingly, labor's problems are political rather than simply economic.

The labor establishment, basking in synthetic security, has not really weighed these problems or taken effective action to deal with them. In consequence, it is not only unprepared for the future, but incapable of meeting its present responsibilities. Real wages of the working class, for instance, are no higher today than they were in 1969.

* * *