Joint Monopoly

There is little point in debating the role of company management in the development of industry-wide labor unions. It is undoubtedly true that some of the business managers, who have not realized the ultimate consequences, have actually welcomed the "security" of industry-wide control over wages and hourly output per employee and other variables which might otherwise provoke keen competition. The compulsory industry-wide union can pretty well guarantee a manager that no competitor will be able to achieve superior labor efficiency. It is possible to believe that in some instances company management works closely with labor union management to tighten the grip of their joint industry-wide monopoly. The consequence is that whole industries—all competing employers and all competing employees—can be called out on strike by one man who has a closed-shop grip on all manpower authorized for employment in "his" industry. Consumers can thus be squeezed between the alternatives of paying more or of doing without the products of an entire industry. Competition gives way to compulsion. No employer is allowed to continue productive operations; the union won't let him hire employees. Nor can any employee stay on his job at the old wage, or bargain individually for a wage that might satisfy him; he, too, is compelled to

strike until the demands of a single union official are met. That a union official may sometimes impose his will upon the consuming public without actually calling a strike does not modify the basic fact that such imposition constitutes monopoly power.[8]

The monopoly power which is growing out of industry-wide bargaining is the power to govern America. The union, in effect, licenses each employer to operate and guarantees him against competition—if the employer will submit to the union scale of wages and the other terms of the union contract. The bill for all this control goes to the consumer. The consumer, of course, may refuse to buy the products of a union-controlled industry, though the cost in terms of self-sacrifice may seem exorbitant. But there is a portion of the product of many industries in America which the consumer is obliged to pay for, whether or not he chooses. This is the portion represented by defense contracts and other government purchases. In these cases, the union leader, in effect, exercises the power to tax consumers. He is indeed the government.

In one other manner, also, the power of the government has been granted to the officialdom of organized labor. Taxpayers are obliged to provide unemployment benefits for those who have been forced into idleness by the tactics of exclusion which labor unions practice. This is monopoly power in its most terrible form.