



Right to what?

Brattleboro Reformer, 5/12/2011

Some of those who support the right-to-work legislation quote a study conducted by the National Institute for Labor Relations Research that concluded that right-to-work states have job growth that is more than double than those with forced dues.

Debt the Teachers' Unions Cause Us

City Journal Online, 5/10/2011

California's chronic fiscal crisis should prompt a substantive debate about the limits of government and the folly of an expansive welfare state. Instead, leaders of the 325,000-member California Teachers Association are using the struggle to close the Golden State's \$15.4 billion budget deficit as an opportunity for some political street theater.

Among the tactics union organizers contemplated: Attempting to close a major freeway route; having students and parents picket and occupy schools overnight; and protesting in front of recalcitrant legislators' homes and businesses. CTA planners also suggested some downright silly schemes, such as turning fire or earthquake drills into "budget-crisis-response drills"; staging dancing contests to showcase the positive impact of teachers and the arts on students;

Wrong to veto Lynch's non-working excuses

Manchester Union Leader Online, 5/12/2011

The same goes for right-to-work laws. Where is the compelling public interest in telling non-union employees they have to pay union fees as a condition of employment? That's in the union's interest, not the public's

No-work and all pay at Ground Zero as rebuilding costs up \$96 million under lax union rules

New York Daily News Online, 5/08/2011

No-work jobs in a mob-linked union could add nearly \$100 million to the public cost of rebuilding Ground Zero, a new report charges.

Citing NLRB Chairman's View on Relocations, Solomon Considers Union Information Rights

Daily Labor Report Online, 5/12/2011

National Labor Relations Board Acting General Counsel Lafe E. Solomon is considering whether to propose a new legal standard covering union information requests when an employer is deciding whether to relocate a plant, according to a memorandum from NLRB Associate General Counsel Richard A. Siegel to regional office employees.

Senate Panel Meets to Discuss Middle Class But Mostly Focuses on NLRB, Boeing Dispute

Daily Labor Report Online, 5/12/2011

The Senate Health, Education, Labor and Pensions Committee set a May 12 hearing to consider the future of the U.S. middle class, but most of the session was taken up with questions and debate over a National Labor Relations Board proceeding involving America's largest exporter, Boeing Co.

Tea Party Godfather Ron Paul running for President

Townhall.com, 5/13/2011

Texas Rep. Ron Paul announced Friday that he will run for the GOP nomination for president in 2012, the third attempt for the man known on Capitol Hill as "Dr. No" for his enthusiasm for bashing runaway spending and government overreach.

Override is due

Fosters Online, 5/13/2011

Fortunately, the N.H. Senate passed the bill by a veto-proof majority. Over in the House, approval was not as strong. But enough members were absent the day the vote was taken to give hope of an override.

If for no other reason than to protect the rights of all workers, New Hampshire should become the 23rd state to adopt Right to Work legislation.

A Tale of Two Cities

kybiz.com, The Lane Report 5/2011

Public policies matter because they can reduce incentives to utilize labor and capital, and therefore can act as restraints on economic and population growth. High taxes, unless associated with improved infrastructure that makes for higher productivity, can be expected to discourage work, saving, investment and thus growth. Laws governing the employer-employee relationship such as policies that encourage collective bargaining are likely to increase wages and, unless associated with higher labor productivity, can be

expected to increase production costs and result in lower expected profit, reduced business investment, and lower growth rates.

The Post-Wisconsin Game Plan

The Nation Online, 5/11/2011

With the right organizing push, unions can build a base that forces Obama and the Democrats to take more progressive stands and to govern accordingly.”

Rather than a single-minded focus on electing Democrats—or the rare friendly Republican—the idea is that more might be accomplished by directing cash and organizing hours to (as one SEIU draft document suggests) “mobilizing underpaid, underemployed, and unemployed workers” and “channeling anger about jobs into action for positive change.”

More than 80 threats made against Walker, lawmakers and others, records show

host.madison.com, 5/13/2011

The records cover 78 closed cases reviewed by the agency’s Division of Criminal Investigation between Feb. 19 and March 25, including one by a Department of Corrections employee who was arrested for disorderly conduct for allegedly making a verbal threat to shoot Walker. DOC spokeswoman Linda Eggert confirmed that the man, Jeffrey Renock, 37, is a correctional officer at the Milwaukee Secure Detention Facility and made the purported threat while at work.

Tenn. speaker rescues collective bargaining bill

Business Week, 5/12/2011

A proposal to limit teachers' collective bargaining rights squeaked out of the House Finance Committee on Wednesday after the House speaker stepped in to once again cast a tiebreaking vote.

Boeing and the Union Berlin Wall

Wall Street Journal Online, 5/13/2011

The Obama administration's National Labor Relations Board filed a complaint last month against Boeing to block production of the company's 787 Dreamliner at a new assembly plant in South Carolina—a "right to-work" state with a law against compulsory union membership. If the NLRB has its way, Dreamliner assembly will return to Washington, a union-shop state, along with more than 1,000 jobs.

Right to what? - Brattleboro Reformer

http://www.reformer.com/ci_18046427?source=most_viewed

May 13, 2011

Thursday May 12, 2011

"Right to work" is one of those phrases that instantly reminds us of George Orwell.

In "1984," Orwell coined such phrases as "War is peace," "Freedom is slavery" and "Ignorance is strength," concepts that are in direct opposition to the words used.

In that vein, a right-to-work law is one that allows a person to work at any place of employment without being forced to join a union as a condition of employment, but it doesn't mean you have a right to work.

Shouldn't it really be termed a right-not-to-join-a-union law?

On Wednesday, New Hampshire Gov. John Lynch vetoed right-to-work legislation approved by the state Legislature that would prohibit collective bargaining agreements that require employees to join a labor union or require non-union members to pay partial dues to the unions.

The argument many anti-unionists have voiced is that some workers are intimidated into joining a union and anyway, if you don't want to join a union, you shouldn't have to contribute.

By the same token, non-members shouldn't benefit when members get raises due to contracts negotiated by their unions.

And what the supporters of the right-to-work legislation fail to mention is that New Hampshire law already makes it illegal for anyone to force a worker to join a union and federal law prohibits non-union members from having to pay union dues or to contribute to a political cause espoused by a union. As a matter of fact, all political contributions from union members are completely voluntary.

What is required of them is that they pay a fee as beneficiaries of union-negotiated contracts.

Then there's the argument that the law would make the Granite State more amenable to business.

But as Lynch noted when he vetoed the legislation, "New Hampshire has a lower unemployment rate and a stronger economy than most states with so-called right-to-work laws."

Let's not forget New Hampshire's unemployment rate is nearly 4 percent lower than the nation's.

And according to the Bureau of Labor Statistics, the average worker in a right-to-work state makes \$5,500 less a year than workers in states without

However, Politifact.com studied the numbers and concluded that unemployment in right-to-work states averaged about a half-percentage point lower than union states.

There's a quick and easy answer to that: It's because they pay less! It doesn't mean that workers are better off there.

Of course companies interested in the bottom line are going to move to states where employee costs are lower. While this is good for business, it's not good for your paycheck.

We also find it interesting that the language in the New Hampshire legislation is almost identical to that in legislation in other states, suggesting this is more than a grass-roots effort to curtail the power of unions.

More than a dozen other states are considering similar legislation.

Lynch said the debate "appears to be largely driven by national outside interest groups, and is not a result of problems facing New Hampshire businesses and workers."

Some of those who support the right-to-work legislation quote a study conducted by the National Institute for Labor Relations Research that concluded that right-to-work states have job growth that is more than double than those with forced dues.

But what they tell you is the NILRR is affiliated with the National Right to Work Committee, which for more than 50 years has been attempting to undermine union rights and has been funded by ... corporations and those who benefit the most from lax workplace regulations and lower employee wages.

These laws are nothing more than an attempt to erode the rights, wages and benefits we have received over the last 100 years, mainly due to union negotiations.

Our parents fought for those rights. Are we going to just let them slip away?



Larry Sand

Debt the Teachers' Unions Cause Us

The California Teachers Association is a major contributor to the Golden State's fiscal woes.

10 May 2011

California's chronic fiscal crisis should prompt a substantive debate about the limits of government and the folly of an expansive welfare state. Instead, leaders of the 325,000-member California Teachers Association are using the struggle to close the Golden State's \$15.4 billion budget deficit as an opportunity for some political street theater. The powerful National Education Association state affiliate is spending this week highlighting California's "state of emergency," with large rallies [planned](#) in Sacramento and around the state Friday to agitate for billions of dollars in higher taxes.

The union's timing is not by chance. Governor Jerry Brown will unveil his revised budget on May 16, and deep cuts to the K-12 education budget could mean widespread teacher layoffs as early as next month. Californians can expect heavy doses of union demagoguery this week and in the coming months, as Brown works to forge a deal with Republicans who unequivocally oppose any income- or sales-tax hikes, "temporary" or otherwise.

For the teachers' union, kids are the best props. Already we're hearing the familiar nostrums: "Cuts hurt children," "What's good for the teachers is good for the students," and "Don't sacrifice our kids' futures." What the CTA really means is, "Tax the rich," "Give us more money," and, above all, "Save our jobs." At first, the union considered more drastic action to make its point. Among the tactics union organizers contemplated: Attempting to close a major freeway route; having students and parents picket and occupy schools overnight; and protesting in front of recalcitrant legislators' homes and businesses. CTA planners also suggested some downright silly schemes, such as turning fire or earthquake drills into "budget-crisis-response drills"; staging dancing contests to showcase the positive impact of teachers and the arts on students; and working with a suitably progressive company like Ben & Jerry's to make a labor-themed ice cream to sell at demonstrations and in stores.

After Sacramento-based teacher-union watchdog Mike Antonucci [wrote](#) about the outlandish union plans last month, however, bloggers picked up the story and it went viral, embarrassing the union. The CTA decided to tone down its activities. "Alas," [quipped](#) Antonucci, "we shall never know the taste of 'labor-union flavored ice cream.'" In lieu of serious disruption, the union has resorted to more moderate hijinks, holding a sit-in at the state capitol throughout the week to show how state budget cuts will destroy schools and shatter communities. Local union affiliates also plan a telephone campaign to inform parents about the budget cuts and invite them to attend rallies, and they also hope to recruit "flash mobs" to demonstrate at strategic community locations.

Similar union tactics have worked in the past, but this year may be different. Californians already pay some of the highest state income taxes in the country. Sales taxes in some cities and counties now top 10 percent. Few voters desire to pay any more, as a failed ballot initiative in 2009 showed. That measure, part of a special election then-governor Arnold Schwarzenegger called to resolve the budget crisis, was essentially identical to the plan Brown and the CTA endorse now.

Yet legislators and the governor could embrace several reforms to restore money to education and save teaching jobs—without raising taxes. Here are a few:

Kill the archaic seniority system. The current system disregards teaching quality in favor of longevity when it

comes to making staffing decisions. If we must lose some teachers, why not let the poorest performers go first? Hoover Institution senior fellow and economist Eric Hanushek says that eliminating just 7 percent of bottom-performing teachers would dramatically improve education outcomes, while saving millions of dollars on salaries. Yes, class sizes would increase somewhat, but children would get better teachers. Not a bad trade. At the same time, we might debunk the small-class-size-is-always-better [myth](#).

Stop over-hiring teachers. When economic times are good and school districts' treasuries are flush, unions urge them to hire more teachers. Of course, when the economic cycle slows and the extra revenue disappears, many who benefited from the boom receive pink slips.

Support the growth of charter schools. They get the same or better results than traditional public schools at about two-thirds of the [cost](#).

Reform the retirement system. Change the California State Teachers Retirement System from its current defined-benefit structure to a defined-contribution plan. A 401(k)-type plan for retirement would shift the responsibility for teachers' retirement from the taxpayer to the individual teacher. As Marcia Fritz, president of the California Foundation for Fiscal Responsibility, recently [wrote](#): "California taxpayers would save billions of dollars that would flow to public schools, community colleges and universities if state and local public employees retired with benefits comparable to those provided to employees of Silicon Valley's top companies. Teachers' jobs would be saved and school programs spared."

The CTA, of course, rejects all of those proposals. The union's continued political dominance depends on maintaining the status quo. The same folks who declare a "state of emergency" refuse to give an inch on any real reform that would improve education while saving taxpayer dollars. Keep that in mind when the union trots out students as political human shields and demands that beleaguered Californians pay, and keep paying, until it hurts.

Larry Sand is president of the California Teachers Empowerment Network.

Wrong to veto Lynch's non-working excuses

Gov. John Lynch's stated reasons for vetoing the right-to-work bill defy logic.

Editorial

Gov. John Lynch vetoed the state right-to-work bill on Wednesday with a laundry list of reasons why he thought it was a bad idea. Those reasons don't stand up to even cursory scrutiny.

Take the governor's first reason for vetoing the bill: "States should not interfere with the rights of businesses and their employees to freely negotiate contracts," he said.

Like, say, the minimum wage? That is a gross interference with the rights of businesses and their employees to freely negotiate contracts. Lynch supports it. He says such interference is justified if "there is a compelling public interest." Minimum-wage laws depress employment levels for minorities and younger, less experienced workers. The "compelling public interest" is that they poll well among people who don't have a firm grasp of economics.

The same goes for right-to-work laws. Where is the compelling public interest in telling non-union employees they have to pay union fees as a condition of employment? That's in the union's interest, not the public's.

"I have never seen the so-called right-to-work law serve as a valuable economic development tool," Lynch said. Apparently he's never been to the South, where right-to-work laws have played an important role in landing numerous big manufacturing plants, creating thousands of jobs.

"The debate over the so-called right-to-work bill in New Hampshire appears to be largely driven by national outside interest groups," he said. That just isn't true. National groups backed the idea, but it was driven by the Republican rank-and-file in the Legislature. Recent New Hampshire political discussions that were driven by outside interest groups: same-sex marriage and opposition to local tax and spending caps. But the governor supported the former and has yet to issue a veto threat on legislation regarding the latter.

What about freedom of association? What about contracts that require employees to support financially organizations they oppose? The governor has nothing to say about those issues. His opposition to right-to-work is not principled; it is politically expedient.

No-work and all pay at Ground Zero as rebuilding costs up \$96 million under lax union rules

BY [Brian Kates](#)
DAILY NEWS STAFF WRITER
Sunday, May 8th 2011, 4:00 AM



Warga/News

In the next three years, no-work jobs could add \$96.2 million to the cost of the many World Trade Center rebuilding projects. No-work jobs in a mob-linked union could add nearly \$100 million to the public cost of rebuilding Ground Zero, a new report charges.

The Real Estate Board of [New York](#), a major developers' group, says antiquated rules let a cadre of crane and heavy equipment workers pocket six-figure paychecks for little more than showing up.

In the next three years the no-work jobs, controlled by Locals 14 and 15 of the Operating Engineers, could add \$96.2 million to the cost of [World Trade Center](#) projects, the REBNY says.

The projects include the Freedom Tower, the transit hub, the 9/11 Memorial and surrounding street work.

Contractor and union sources confirmed that the eight tower cranes at the WTC site guarantee a bonanza for Local 14 operating engineers and the Local 15 specialists who fix them.

On one day in mid-March, for example, contractors said 56 of 204 Local 14 and Local 15 employees on site held no-work jobs.

The board compiled the statistics in the runup to contract talks with the operating engineers and all the city's construction unions, which start next month.

Local 14 and 15 officials did not return calls seeking comment.

Many of the jobs are vestiges of an era in which the [Colombo](#) and Genovese crime families controlled Locals 14 and 15. Local 14 has been under a federal monitor since 2009.

One example is the full-time Local 14 "master mechanics" the contractor must hire whenever five pieces of heavy equipment or three tower cranes are in use.

With a \$135,000 base salary, a master mechanic can make a staggering \$405,000 a year with overtime that's guaranteed by six-day, 12- to 16-hour-a-day schedules. Welfare benefits, insurance and other costs hike the annual bill to \$700,000 for that one mechanic.

It's a ridiculous requirement, REBNY says, because the manufacturer or crane owner does the repairs, not the contractor's master mechanics.

Instead, they are glorified shop stewards, a part-time job in most unions. With three required on site a day, that should cost about \$6.3 million through 2013, the board says.

Master mechanic [Carl Carrara Sr.](#), identified as a Genovese associate, was charged in a 2003 racketeering conspiracy as the mob's point man in a no-show scam at the [Museum of Modern Art](#).

He and six other master mechanics pleaded guilty that year in two cases that put much of Local 14 and 15's leadership behind bars.

Local 15 demands a similar piece of the action via "maintenance engineers." They're required on site full time when a master mechanic is there and three major pieces of equipment are operating in case any machines need fixing.

"There is nothing for these guys to do," a World Trade Center construction supervisor said. Eliminating that requirement would save \$7.5 million over three years at Ground Zero, REBNY says.

Then there's the Local 15 position of "crane oiler," a relic from the days when equipment needed frequent lubrication. An oiler is required on site when any tower crane is in use.

Today, the oiler simply fires up the crane at the start of work. With overtime, he can earn more than \$100,000 a year.

And there's Local 14's "stationary equipment operator," with one assigned to each compressor, welding machine and spray fireproofing in use. With overtime, they pull down about \$110,000 a year, REBNY estimated.

A World Trade Center construction supervisor who asked not to be identified said technology has reduced the job to two simple functions: "They turn the machine on in the morning and turn it off at night," the supervisor said. "They are basically non-essential."

REBNY wants the city to loosen the union's influence over who gets licensed to operate heavy machinery.

Now, only operators with city licenses can work here, and applicants must train with city crane operators - virtually all union workers. That gives the two locals a stranglehold on major projects.

"Locals 14 and 15 have the hammer. They have the power to shut down a job," said [Steven Spinola](#), president of REBNY, which wants to be able to hire nationally licensed crane operators.

bkates@nydailynews.com



Source: Daily Labor Report: News Archive > 2011 > May > 05/11/2011 > News > Unfair Labor Practices: Citing NLRB Chairman's View on Relocations, Solomon Considers Union Information Rights

91 DLR A-12

Unfair Labor Practices

Citing NLRB Chairman's View on Relocations, Solomon Considers Union Information Rights

National Labor Relations Board Acting General Counsel Lafe E. Solomon is considering whether to propose a new legal standard covering union information requests when an employer is deciding whether to relocate a plant, according to a memorandum from NLRB Associate General Counsel Richard A. Siegel to regional office employees.

Siegel in the May 10 memorandum cited a recent concurring opinion by National Labor Relations Board Chairman Wilma B. Liebman and an "anomaly" in current board law on collective bargaining over certain plant relocation decisions.

On March 31, Liebman agreed with Board Members Craig Becker and Brian E. Hayes that a telephone service company was not required to bargain with an International Brotherhood of Electrical Workers local about a decision to close a Nevada call center and relocate its work to Florida because the union could not have offered labor-cost concessions that would have changed the company's decision.

But the NLRB chairman said she would be open to considering whether the board should require employers to provide incumbent unions with requested information about relocation decisions whenever there was a "reasonable likelihood" that labor-cost concessions might affect the decision. Siegel informed regional offices in Memorandum OM 11-58 that Acting General Counsel Lafe E. Solomon now wants to consider taking action on the issue.

Union Rights in Relocation Cases Under Review

In the March decision in *Embarq Corp.*, 356 N.L.R.B. No. 125 (2011), the board members agreed that *Dubuque Packing Co.*, 303 N.L.R.B. 386, 137 LRRM 1185 (1991), was a controlling precedent that required finding that even though labor costs were a factor in the company's decision, bargaining was not required because union concessions on labor costs could not have convinced Embarq to abandon its plan for changing call center operations.

Writing a separate concurring opinion, Liebman observed that "Because the relocation decision was not a mandatory subject of bargaining, it follows that the Respondent was not required to provide the Union with information related to the decision," but she called that result an "anomaly" that followed from *Dubuque Packing*.

"Providing requested information to the union is surely part of this desirable process," Liebman wrote, "because such information will often be necessary for the union to bargain intelligently," but she noted that existing board law did not support finding against an employer that refused to furnish the information if the NLRB ultimately determined that union concessions would have made no difference to the employer. The board might reach such a conclusion "in hindsight ... even where (as here) no bargaining ever occurred and the union had no opportunity to explore or influence the employer's decision," Liebman wrote.

"The Board's task would be easier, and, more importantly, the Act's policy of promoting collective bargaining might well be better served, if employers were required to provide unions with requested information about relocation decisions whenever there was a reasonable likelihood that labor-cost concessions might affect the decision," Liebman wrote in *Embarq*.

None of the parties in the case before the chairman and the board members had asked the board to revisit existing law on the subject of information requests, Liebman acknowledged, but she wrote that "in a future case, I would be open to modifying the *Dubuque* framework in connection with union requests for information."

Siegel informed regional office employees that the acting general counsel "wishes to examine the concerns raised by Chairman Liebman in *Embarq*, and determine whether to propose a new standard in cases involving these kinds of information requests."

Stating that the issue will be considered on a case-by-case review, Siegel directed the regions to submit to the NLRB's Division of Advice all cases presenting the issue of whether an employer violated the NLRB by refusing to provide information related to a relocation or other decision covered by *Dubuque Packing*.

Meanwhile, in a separate matter involving an employer's decision over where work will be performed, Solomon currently is facing scrutiny from congressional Republicans and the business community over his decision to issue an unfair labor practice complaint against Boeing Co. alleging that it illegally relocated work from a Washington plant to South Carolina in retaliation for the Washington employees' engaging in lawful economic strikes (90 DLR A-1, 5/10/11).

By Lawrence E. Dubé

Text of the associate general counsel's memorandum may be accessed at <http://op.bna.com/dlrcases.nsf/r?Open=ldue-8grs5x>.

Contact us at <http://www.bna.com/contact/index.html> or call 1-800-372-1033

ISSN 1522-5968

Copyright © 2011, The Bureau of National Affairs, Inc.. Reproduction or redistribution, in whole or in part, and in any form, without express written permission, is prohibited except as permitted by the BNA Copyright Policy.

<http://www.bna.com/corp/index.html#V>



Source: Daily Labor Report: News Archive > 2011 > May > 05/12/2011 > News > NLRB: Senate Panel Meets to Discuss Middle Class But Mostly Focuses on NLRB, Boeing Dispute

92 DLR A-2

NLRB

Senate Panel Meets to Discuss Middle Class But Mostly Focuses on NLRB, Boeing Dispute

The Senate Health, Education, Labor and Pensions Committee set a May 12 hearing to consider the future of the U.S. middle class, but most of the session was taken up with questions and debate over a National Labor Relations Board proceeding involving America's largest exporter, Boeing Co.

Former labor secretary Robert B. Reich and Heather Boushey, senior economist with the Center for American Progress, addressed widening income gaps and economic stresses on middle class families, but senators asked more questions of J. Michael Luttig, Boeing's general counsel, who was invited to appear by Ranking Member Michael B. Enzi (R-Wyo.) and discussed the NLRB acting general counsel's April 20 complaint alleging that the company illegally transferred jetliner production from Washington state to South Carolina in retaliation for Puget Sound area employees having supported past strikes by the International Association of Machinists (77 DLR AA-1, 4/21/11).

Luttig called the unfair labor practice complaint "preposterous on its face" and Enzi blasted it as "not the way to encourage new job creation in the U.S." but Sen. Richard Blumenthal (D-Conn.) questioned the appropriateness of "vigorous and even vicious attacks on the NLRB," while Sen. Tom Harkin (D-Iowa), chairman of the committee, said the Boeing case has become a "political thing" and warned that "what borders on the unethical is for people in the political branch—the Congress—to begin to interfere in a judicial process and to try to make it a political matter."

Former NLRB Member Sarah M. Fox, now legal counsel for the AFL-CIO, told the committee that the National Labor Relations Act was intended not only to protect workers but to be "part of a positive national economic strategy," and argued that the only thing extraordinary about the complaint against Boeing is the size of the company and the magnitude of the business decision that is in dispute.

Committee Leaders Offer Differing Views

Harkin opened the hearing noting that his state experienced more than 200 plant closings in 2010, with a loss of nearly 12,000 jobs, and said Congress must make "smarter policy choices to restore the fundamental promise of the American Dream."

One of those "smarter policy choices," Harkin said, would be to "restore the voice of working Americans by strengthening workers' rights, and defending the agency that protects those rights—the National Labor Relations Board."

Harkin said NLRB career employees have come under "vicious and unfair political attack for carrying out their duties under the law" in what he alleged was "part of a larger political campaign that we are seeing across the country to unfairly scapegoat workers and their unions for our nation's problems."

But Enzi said the acting general counsel issued a complaint against Boeing that left employers across the country "greatly disturbed that a bureaucrat serving in an acting capacity could direct U.S. companies about where to locate facilities."

Among his concerns, Enzi said, is whether NLRB is targeting the 22 states which have right-to-work laws like South Carolina's. Those states, Enzi said, have been "an engine of new job creation" and have attracted foreign employers to the United States. Enzi said he and his colleagues will fight to oppose the creation of any deterrent to investment in right-to-work states, and he charged that the NLRB complaint against Boeing shows "this administration has yet to get the message."

Reich, Boushey Stress Need for Viable Middle Class

Reich, now a professor of public policy at the University of California at Berkeley, told the panel that the U.S. economy is in a "lopsided recovery," with stock prices and executive compensation on the rise, but the average worker "not getting much" out of the recovery.

Workers have adopted "coping mechanisms" to deal with economic adversity in the past, such as having two spouses working, Reich observed, but "there's a limit on how many women with young children can go to work" and he commented that service jobs recently created in restaurants and other businesses "do not pay very much."

Reich said Americans went into debt and used their homes as sources of wealth until a housing bubble burst, depriving them of their "last coping mechanism." Now, he said, there is "not enough money in the middle class to keep the country running," while the wealthiest Americans have become even richer.

Reich said he hears a common refrain that the United States cannot raise taxes on those with the highest incomes or greatest wealth, but added, "I frankly don't know what they're talking about!"

Boushey told the panel that "supply-siders" believe the key to economic growth is for government to reduce taxes and limit regulation in order to spur investment, but small businesses report that their single largest concern is poor sales revenue.

Stating that "lowering wages and a hollowed out middle class means that consumers can demand less and less each year," Boushey said "when every employer focuses solely on reducing wages at the expense of all else, this has devastating consequences for the economy overall."

The economist said "without fear of retaliation, collective bargaining helped us grow."

Boeing Lawyer Challenges NLRB Complaint

Luttig, who served as a judge on the U.S. Court of Appeals for the Fourth Circuit before resigning to join Boeing, told the panel that the NLRB complaint is "enormously consequential" for the company, which already has received about 850 orders for its long-awaited 787 Dreamliner airplane.

Most Dreamliner production will take place in the Puget Sound area of Washington state where IAM represents Boeing employees, but Luttig said the demand for the Dreamliner required the company to build a second assembly line. Boeing considered Washington, South Carolina, and other locations and made a "considered business judgment" based on a "host of considerations" that favored South Carolina, he said.

Stating that the company has invested \$1 billion in a state-of-the-art facility in North Charleston, S.C., Luttig argued that alleging the company made its decision in retaliation for the earlier strike activity by Washington workers was insupportable. No company spends a sum like Boeing's investment "out of spite," the lawyer said.

Calling the unfair labor practice complaint "a breathtaking substitution of the board for the management of an American company," Luttig argued that concern about the NLRB action might make companies reluctant to expand into a right to work state like South Carolina. He said companies also might hesitate before building facilities and employing workers in a state that does not have a right to work law, fearing that a later attempt to move to a right to work state might be challenged as illegal under the NLRA.

Calling the NLRB complaint "legally unfounded and irresponsible," Luttig said it should be "of concern to all."

Former NLRB Member Says Case Not Extraordinary

But Fox said NLRB cases alleging unlawful transfers of work by employers were not extraordinary, and she said that the NLRB complaint alleges that Boeing engaged in just such a "transfer" of work to South Carolina because the firm's Washington employees had exercised their right under the NLRA to engage in strikes.

Stating that NLRB is responsible for protection of employee rights including the right to strike, Fox said there was "nothing extraordinary about this complaint."

Americans have a right to expect that statutory rights will be enforced, Fox said, adding that recent "attacks" on the agency have been "disturbing."

Reich Opposes 'Relentless Attacks' on Labor

Sen. Johnny Isakson (R-Ga.) told Reich that he assumed the economist supported what NLRB was trying to do, but Reich said he would not prejudge the case and called it a "distraction" from the Senate committee's work of considering the issue that was the purpose for the hearing.

Noting that the case had not even begun a process that would include an administrative law judge hearing, board review, and possible consideration by the courts, Reich said it was inappropriate to prejudge the outcome of the case.

Asked by Isakson whether he knew of any time when NLRB had "made a decision to retroactively invalidate a capital investment of \$ 1 billion," Reich said there had been no NLRB decision and he was not an "NLRB historian." However, Reich responded that "as a history buff with regard to labor, I am shocked and *deeply* upset by the relentless attack on organized labor, on unionization, and the rights of employees in this country to unionize."

NLRB Process, Effect of Complaint Debated

Blumenthal, in his first term representing Connecticut, told Luttig that he is "troubled by the attack on the NLRB process," which he observed is at a "very incipient state," and asked the Boeing general counsel for his reaction.

"I don't see a vicious attack on the NLRB," Luttig said. "On the facts here," he said, the acting general counsel has brought "a public policy issue of some import."

But Blumenthal said the unfair labor practice case involves statements about the Dreamliner decision allegedly made by Boeing executives, and the context in which those remarks were made and in which they should be interpreted. Calling that "classically the kind of factual dispute" that cannot be resolved before litigation even begins, Blumenthal said NLRB's case against Boeing should not be prejudged.

Blumenthal also asked Luttig whether he believed that the company faced "inevitable" defeat in the unfair labor practice case before NLRB, and the Boeing lawyer replied that "I presumptively expect to lose." He said he based that opinion on

"institutional reasons" that the general counsel and the board will share the same view of the law, but expressed confidence that the company ultimately would prevail in a court review of a board order.

Sen. Lamar Alexander (R-Tenn.) asked Luttig how long it could take to obtain judicial review of an adverse NLRB ruling, and the lawyer said it could take about two years. Alexander asked whether there are Boeing suppliers in Washington now considering whether to locate operations in or near South Carolina in anticipation of the company's plan to build three Dreamliners per month there.

Luttig agreed that suppliers are trying to make plans and decisions, and agreed with Alexander that waiting several years for a resolution of the NLRB complaint will leave not only Boeing but also other companies in doubt about their rights and business options.

Alexander asked whether it was "unethical" for the Senate committee to be considering such an issue at a hearing, and Luttig agreed that it was not improper.

Harkin Questions Senate Hearing Boeing Dispute

But Harkin expressed regret that so much of the hearing had been devoted to the Boeing dispute rather than broader issues about the economy and the middle class. He also said he didn't think a Senate hearing on the dispute was appropriate.

The committee chairman noted that in *Pillsbury Co. v. FTC*, 354 F.2d 952 (5th Cir. 1968), an administrative agency order against a company was overturned after a federal appeals court concluded that a Senate committee's conducting a hearing on the dispute while it was pending before the agency violated due process rights of one of the parties.

Harkin also noted that on May 11, Jim McNerney, Boeing's president and chief executive officer, wrote an op-ed piece in the *Wall Street Journal* that challenged the NLRB action, but the executive also wrote that "[t]he NLRB's overreach could accelerate the overseas flight of good, middle-class American jobs."

Harkin said the company is a major supplier to the federal government, earning about \$19.5 billion from government sales, and Harkin would have preferred that McNerney include assurances in his op-ed piece that Boeing does *not* intend to move jobs out of the United States.

Luttig said the executive "did not make a veiled threat at all" but only a general observation. Luttig offered his own assurances on behalf of Boeing that the company has no plan to export jobs from the United States.

By Lawrence E. Dubé

Written testimony submitted by Robert B. Reich may be accessed at <http://op.bna.com/dlrcases.nsf/r?Open=ldue-8gsth2>. Testimony by Heather Boushey may be accessed at <http://op.bna.com/dlrcases.nsf/r?Open=ldue-8gstk4>. Testimony by J. Michael Luttig may be accessed at <http://op.bna.com/dlrcases.nsf/r?Open=ldue-8gstl6>. Testimony by Sarah Fox may be accessed at <http://op.bna.com/dlrcases.nsf/r?Open=ldue-8gstjf>

Contact us at <http://www.bna.com/contact/index.html> or call 1-800-372-1033

ISSN 1522-5968

Copyright © 2011, The Bureau of National Affairs, Inc.. Reproduction or redistribution, in whole or in part, and in any form, without express written permission, is prohibited except as permitted by the BNA Copyright Policy.

<http://www.bna.com/corp/index.html#V>

Townhall

Tea party godfather Ron Paul running for president

Townhall.com, 5/13 2011

Texas Rep. Ron Paul announced Friday that he will run for the GOP nomination for president in 2012, the third attempt for the man known on Capitol Hill as "Dr. No" for his enthusiasm for bashing runaway spending and government overreach.

"Time has come around to the point where the people are agreeing with much of what I've been saying for 30 years. So, I think the time is right," said the 75-year-old Paul, who first ran for president as a Libertarian in 1988.

Paul made his announcement in an interview on ABC's "Good Morning America" from New Hampshire, where he planned his first event for his presidential campaign on Friday.

Three years ago, the former flight surgeon and outspoken critic of the Federal Reserve became an Internet sensation _ and a prodigious fundraiser_ when he made a spirited but doomed bid for the 2008 Republican presidential nomination.

First elected to Congress in 1976, he is known for holding unconventional views while keeping a smile on his face, espousing a sort of modern Republican populism.

The obstetrician has delivered more than 4,000 babies and is personally against abortion, but he doesn't think the federal government should regulate it. That's a function of state government, he says.

He has also said he wants to abolish the Internal Revenue Service, favors returning the United States to the gold standard in monetary policy and wants the U.S out of Iraq and Afghanistan.

Democrats have tried repeatedly to beat him in a congressional district that stretches from the outskirts of Corpus Christi to Galveston. But the independent swath of coastal Texas seems a good fit for the maverick doctor. He has 18 grandchildren, according to his website, and he and his wife of 54 years, Carol, are known widely in Paul's district for the cookbooks they give away to supporters.

"The secret to his success is his authenticity," said Democratic consultant Jeff Crosby, who grew up in Paul's district. "He's an authentic nut."

Crosby, who worked to defeat Paul in 2006 _ unsuccessfully _ described the difficulty he had trying to persuade voters to reject what he thought were the candidate's radical views.

"Just the mere fact that he does what he says he's going to do, regardless of how nutty or ineffective it may be, they like it," Crosby said. "A lot of folks along the coast have never expected much from government, and they're getting it."

Paul, a native of Pittsburgh, is both a spiritual father and actual father in the tea party movement. His son, tea party darling Rand Paul, won a Senate seat in Kentucky last year and has become an ardent proponent of spending cuts and smaller government.

As far back as 2007, long before people were evoking the fabled Boston Tea Party to symbolize their disgust with an overtaxing central government, Ron Paul was hosting a "Tea Party Fundraiser" aboard a shrimp boat near Galveston.

Organizer and Paul campaign volunteer Elizabeth Day remembers that supporters wore period dress and rolled fake barrels of tea into the waters of the Gulf of Mexico.

"When people come to believe in Ron Paul, there is a passion that burns within us," said Day, a 57-year-old oil company revenue analyst. "To me, Ron Paul is the tea party."

The elder Paul has built coalitions that include senior citizen "granny warriors" and pot-smoking libertarians. During his 1988 presidential run, High Times magazine, which caters to marijuana users, published a cover story under the headline, "Ron Paul: Pro-Pot Presidential Candidate."

Paul has expressed the view that the states, not the federal government, should regulate vices like pornography and drugs.

What sets Paul apart most from his GOP brethren are his views that defense spending needs to shrink and that the U.S. should get out of its two wars. Paul says the conflicts are financially unsustainable _ and another drag on a battered U.S. dollar that he believes is on the verge of collapse.

He also disputes a fundamental underpinning of the war in Iraq, namely that Islamic terrorists must be stopped overseas before they can attack the United States.

"They came over here because we were over there," Paul said in the run-up to the 2008 campaign. "We occupy their territory. It would be like if the Chinese had their navy in the Gulf of Mexico."

Paul has routinely turned down pork-barrel spending for his own district, but he has earned praise at home for refusing to sign up for lucrative pension benefits to which he is entitled as a member of Congress. Paul took a break from the House after his failed 1988 presidential bid but was re-elected in 1996.

Though he has voiced support for term limits, Paul has been in Congress for almost 30 years. Thanks to a law first crafted for Texas-born President Lyndon Johnson, he was able to run for the House and the presidency at the same time in 2008. Supporters figure he'll do the same in 2012.

Former Texas GOP gubernatorial candidate Debra Medina counts herself among the die-hard Ron Paul followers who won't let age, unconventional views or the professed tea party proclivities of other candidates shake her away from the soft-spoken presidential contender.

"All the Republicans say we need to reduce spending," said Medina. "They talk about it, but they don't actually deliver on those promises. He's different."

This is a printer friendly version of an article from www.fosters.com
To print this article open the file menu and choose Print.

[Back](#)

Article published May 13, 2011

Override is due

Wednesday Gov. John Lynch vetoed, as promised, a bill that would have prohibited unions from collecting agency fees from non-members. These fees are used to support the bargaining activities of unions and must be paid regardless of union membership.

In rejecting HB 474, the Right to Work Bill, the governor argued there was no compelling public interest in passing the legislation. Specifically, the governor wrote in a press release: "States should not interfere with the rights of businesses and their employees to freely negotiate contracts."

While the governor is correct in the sense that HB 474 prevents employers and unions from adding the must-pay provision to contracts, he is wrong in contending there is no compelling public interest.

The compelling interest is simple. It lies in the ability of individual workers to decide on their own to support or not support union activities. It's nanny state versus individual rights.

Fortunately, the N.H. Senate passed the bill by a veto-proof majority. Over in the House, approval was not as strong. But enough members were absent the day the vote was taken to give hope of an override.

If for no other reason than to protect the rights of all workers, New Hampshire should become the 23rd state to adopt Right to Work legislation.



RECESSION? RECOVERY? WHAT-EVER. BRING IT ON!

THE LANE REPORT CAN HELP YOU CAPITALIZE ON A DYNAMIC NEW ECONOMY.

The Lane Report
lanereport.com

Have the print edition delivered to your mailbox each month.
Subscribe now!



The Lane Report WHERE THE NEWS IS MADE BY THE READERS.

UNDERWRITERS OF THE LANE REPORT:



SEARCH

MAY 2011

Archive

Departments

Subscribe

Feedback

Contact

Advertising

A Tale of Two Cities

More favorable tax policy and labor laws have helped Nashville grow faster than Louisville
By Stephen E. Lile and Brian Goff

Comparisons are commonly made. Students compare test scores. Siblings pencil their heights on door jambs. Friends and coworkers compare careers and incomes. Investors compare firms' sales, market share and profitability. Churches compare attendance and membership. It is natural, therefore, to compare the vitality of local and state economies. By doing, so we gain insight into strengths, weaknesses, risks and reasons for these.



Downtown Nashville's skyline has been transformed by new skyscrapers the past several decades.

To the casual observer, Nashville has grown more than Louisville. For example, Nashville has two professional sports franchises whereas Louisville has none. But clearly this is a limited comparison of community attributes that many would view as unimportant. The following comparisons focus economic performance and population growth. We first compare Louisville-Jefferson County, Ky., and Nashville- Davidson County, Tenn. Next we compare their respective 13-county metropolitan statistical areas. We conclude with a review of some possible reasons for Louisville's lagging economic performance.

The Bureau of Economic Analysis currently reports local-area data for the 39-year period 1969-2008. Table 1 shows total personal income, per capita personal income and population for Jefferson County, Ky., and for Davidson County, Tenn., at the beginning and at the end of this period. In 1969 Jefferson County surpassed Davidson County by a wide margin in all categories: total personal income was 62 percent higher, population was 55 percent greater, and per capita income was 5 percent higher. By 2008 Jefferson's County's personal income exceeded Davidson's by only 7 percent, Jefferson's population exceeded Davidson's by only 14 percent, and Jefferson's per capita income (\$41,517) was about 7 percent below Davidson's (\$44,228) per capita income.

Metro data tell a similar story. Table 2 reports total personal income, per capita personal income, and population for each of the two 13-county metropolitan statistical areas. In 1969 the Louisville metro area far exceeded that of Nashville in all categories. However, by 2008 total personal income (\$61.89 billion) in the Nashville area exceeded the comparable figure (\$47.48 billion) for Louisville by roughly 30 percent. Also, by 2008 Nashville's metro area population had surpassed that of Louisville by over 300,000. In addition, by 2008 the Nashville metro area had not only caught up with but had surpassed the Louisville metro area in per capita income.

Small differences in growth rates matter. Per capita income in Jefferson County grew at an average annual rate of 6.3 percent over the 39-year period whereas per capita income in Davidson County grew at 6.6 percent. The 0.3 percent difference appears trivial, but the power of compound growth is astounding when applied to long time periods. In this case a 0.3 percent difference resulted in a per person income gap of nearly \$14,000. This may, in part, explain why Nashville has two professional sports franchises while Louisville has none.

The question cannot be avoided: Why has Louisville and Jefferson County grow more slowly than Nashville and Davidson County? At the most general level, economists point to labor, capital and technology as key sources of economic growth. Higher labor costs or lower-skilled workers matter. Differences in existing infrastructure and in highways matter. Climate, ports and harbors matter. A comparison of these between the Louisville and Nashville areas is not possible here, but it likely would show more similarities than differences. It seems reasonable to look toward public policies for the answer.

Public policies matter because they can reduce incentives to utilize labor and capital, and therefore can act as restraints on economic and population growth. High taxes, unless associated with improved infrastructure that makes for higher productivity, can be expected to discourage work, saving, investment and thus growth. Laws governing the employer-employee relationship such as policies that encourage collective bargaining are likely to increase wages and, unless associated with higher labor productivity, can be expected to increase production costs and result in lower expected profit, reduced business investment, and lower growth rates.

TABLE 1
County-Area Comparisons

YEAR	LOUISVILLE-JEFFERSON COUNTY, KY.			NASHVILLE-DAVIDSON COUNTY, TENN.		
	PERSONAL INCOME	POPULATION	PER CAPITA INCOME	PERSONAL INCOME	POPULATION	PER CAPITA INCOME
1969	\$2,636,468	488,625	\$5,380	\$1,826,678	444,353	\$3,942
2008	29,785,892	717,414	41,517	27,794,964	628,397	44,228

Source: www.bea.gov/regional/res/indst.cfm

TABLE 2
Metropolitan Statistical Area Comparisons

YEAR	LOUISVILLE			NASHVILLE		
	PERSONAL INCOME	POPULATION	PER CAPITA INCOME	PERSONAL INCOME	POPULATION	PER CAPITA INCOME
1969	\$3,595,352	978,369	\$3,675	\$2,509,063	740,917	\$3,389
2008	47,484,217	1,249,739	37,995	61,893,259	1,356,368	45,268

Source: www.bea.gov/regional/res/defend.cfm#Table-C&F-32/section-2
 * Income \$100,000 from salary and \$20,000 from dividends and interest.
 ** An occupational tax rate of 2.2 percent is levied on gross salary income of Jefferson County residents.
 TN's income tax applies only to dividends and interest.

In This Issue

Gaining Traction

Surviving national consolidation, Kentucky vehicle manufacturing emerges stronger than before



Features

A Tale of Two Cities

More favorable tax policy and labor laws have helped Nashville grow faster than Louisville

B-B-Q Pit Bosses

Bosley family grew Owensboro's Moonlite Inn from diner to a nationally known restaurant, catering and retail brand

Marketplace of Degrees

States's 89 colleges and universities stay competitive with scores of new higher education programs

Departments

One-On-One

CPE's Robert King discusses interconnected initiatives to help more Kentuckians to earn college certificates and degrees

Fast Lane

Business Briefs

Exploring Kentucky

Going Green

Interstate Lane

Opinion

Passing Lane

Perspective

Sales

Spotlight on the Arts

Faster Lane

Updates on business and economic news from across Kentucky compiled by the editors of the Lane Report.

- » Lexington Newtown Pike Extension project gets \$23.5M for land purchase, design of remaining sections
May 13, 2011
- » iWin establishes award in honor of President Lee Todd Jr.
May 13, 2011
- » NKU profs inducted into national Financial Literacy Education Hall of Fame
May 13, 2011
- » Ground broken in Glasgow for \$20M 100-bed nursing facility for individuals with mental illness, intellectual disabilities

It's not just business taxes that matter. High taxation of individuals and families can discourage location choices especially in the case of highly sought after, high-income individuals. We estimate, for example, that a hypothetical couple in Louisville with \$200,000 in income pays about \$11,000 more in "big three" taxes (sales, property and income) than the same couple in Nashville. The Nashville family pays more in sales and property taxes, but this is more than offset by the nearly \$14,000 of state and local income tax in Louisville.

Empirical studies of the effects of business taxes have shown mixed results. An early study (Helms, 1985) found that higher taxes reduce growth when used to finance transfer payments, but do not reduce growth when used to finance infrastructure such as prudently built highways and the like. Another early study (Genetski and Ludlow, 1982) found states that decreased their tax burdens relative to the national average tend to experience above-average growth, whereas states that increase their tax burden relative to the national average tend to suffer below-average economic growth.

A more recent study (Bauer, Schweitzer and Shane, 2006) that included a measure of "knowledge stock" found that tax burden is statistically insignificant. It is not surprising that studies show different results. They frequently use different periods of time, often measure tax burden differently and, most importantly, often are unable to control fully for the impact on growth of factors other than taxes.

The tax comparisons presented here are suggestive. In a comprehensive statistical study matching similar states (such as Kentucky and Tennessee) and taking into account a variety of influences on growth, including education and physical capital, Western Kentucky University colleagues and I find that nearly half of the 10 percent growth advantage enjoyed by Tennessee from 1997 to 2006 can be attributed to Kentucky's higher tax burden, with labor law also contributing.

Policy makers in Louisville and in Frankfort may want to reconsider the impact that public policy has on growth, for even small negative policy impacts can have large consequences for economic performance over long time periods.



Stephen E. Lile and Brian Goff are professors of economics, Ford College of Business, at Western Kentucky University.

May 12, 2011

- » With WEG boost, Kentucky tourism economic impact up 4.8% to \$11.3B in 2010; generated estimated 2,600 new jobs
May 12, 2011
- » Governor makes appointment to state boards and commissions
May 12, 2011
- » UK holding open house Saturday & Sunday for new Albert B. Chandler Hospital/UK Medical Center
May 12, 2011
- » Toyota Motor Corp. announces year-end financials
May 12, 2011
- » 3 Ky high school teachers recognized as All-American math and science instructors by national program
May 12, 2011
- » Toyota to return to full production of vehicles made in Georgetown in June
May 12, 2011

...More

Take A Closer Look



Choose from 168 degree programs and begin your journey toward a lifetime of achievement.



Where Students and Learning Come First

www.eku.edu
EKU is an EO/AA institution.



**Great Homes...
Great Neighborhoods!**



**Meredith Lane
Realtor**

Milestone Realty Consultants
859-539-9169

mlane@milestoneky.com
www.meredithlane.com

Member of the
LBAR Million Dollar Club

**Certified Tourism
Ambassador**

Newsmaker Gallery



April 2011: Because Wight-Meyer Vineyard and

Winery near Shepherdsville grows such a range of varietals, much state horticultural research is performed there.

Kentucky Business Resources

Business Resources	Kentucky Industries
	<ul style="list-style-type: none">» Business Database Searches» KY Cabinet of Economic Development» KY World Trade Center» KY Small Business Development Center» Dow Jones» NASDAQ» New York Stock Exchange



The Lane Report

WHERE THE NEWS IS MADE BY THE READERS.

Published on *The Nation* (<http://www.thenation.com>)

The Post-Wisconsin Game Plan

John Nichols | May 11, 2011

Mary Kay Henry had just spent a day talking with many of the thousands of Wisconsinites who had packed the State Capitol in Madison for the February protests against Republican Governor Scott Walker's proposals to scrap collective bargaining rights and slash funding for public education and services. Now, as she waited in a legislative hearing room that had been turned into a makeshift studio for a Pennsylvania labor radio show, the new president of the 2.2 million-member Service Employees International Union was marveling at what she had seen. "It's inspiring, so inspiring, but we have to pay attention to what's happening here," she said, in a calm, thoughtful voice. "We've got to take this national, and we've got to keep the spirit, the energy. We've got to do it right."

Henry was not just speaking in the excitement of the moment. Even before the Wisconsin uprising and ensuing demonstrations in Ohio, Indiana, Michigan and Maine, SEIU had been drawing the outlines of a Fight for a Fair Economy campaign that would use the resources of the union to mobilize low-wage workers—be they union members or not—into a movement aimed at transforming a national debate that has been defined by conservative talking points and ginned-up Tea Party "populism." After the frustrating experience of trying to get the Employee Free Choice Act through a supposedly friendly Congress in the first two years of President Obama's administration, Henry and a growing number of labor leaders are coming to recognize that simply electing Democrats is not enough. A memo that circulated in January among members of the union's executive board declared, "We can't spark an organizing surge without changing the environment, so that workers see unions not as self-interested institutions but as vehicles through which they can collectively stand up for a more fair economy."

Post-Wisconsin, there is a tentative but emerging consensus that mass movements at the state level might matter just as much to the broader goals of labor and the left as traditional election-oriented campaigning. As Steve Cobble, former political director of the Rev. Jesse Jackson's Rainbow Coalition campaigns of the 1980s, argues, "The energy that's developed in Wisconsin and Ohio, and that could develop in a lot of other states, is what's needed to renew the coalitions that can re-elect Obama in 2012 and elect a lot of Democrats. But it should go further than that. With the right organizing push, unions can build a base that forces Obama and the Democrats to take more progressive stands and to govern accordingly."

The size of the demonstrations in the states, and the agility with which protest movements have pivoted to political fights that could shift control of governorships and legislatures, has prompted this reassessment of strategy by labor and its allies. Rather than a single-minded focus on electing Democrats—or the rare friendly Republican—the idea is that more might be accomplished by directing cash and organizing hours to (as one SEIU draft document suggests) "mobilizing underpaid, underemployed, and unemployed workers" and "channeling anger about jobs into action for positive change."

Not everyone, even within the progressive labor world, has full confidence in this approach. Henry has conceded that the decision to focus more on nonunion workers is risky. The talk is of a major expenditure of resources, with some 1,500 SEIU staffers fanning out in seventeen cities to knock on more than 3 million doors—including those of millions of non-SEIU members. Some worry that this is not the most

strategic use of resources. Veteran organizer Jane McAlevey argues that intensive engagement with union members should take precedence over a diffuse attempt to mobilize nonunion workers for mass rallies with an uncertain purpose. "The go-big, go-wide and go-shallow model may generate 2012 voter IDs outside their base, but it's not going to mobilize a real fight for a fair economy," says McAlevey. "To do it right requires deep work with their members and their members' organic connections in their communities."

Despite differences over precise strategies, however, there is a growing understanding that the greatest threats to unions as forces in the workplace and in political life are posed at the state level—where GOP governors and legislators are attacking collective bargaining rights while proposing brutal cuts in spending on education and services, and where the cuts proposed by some Democratic governors are only slightly less painful. Unions are recognizing the need for more flexible, independent and aggressive organizing to meet those challenges.

SEIU and other national labor and progressive organizations will still commit significant resources to re-electing Obama, hedging their bets at a moment when fears about the impact of the Supreme Court's *Citizens United* ruling have created pressure to match the spending of anti-Obama forces. But after too many years of steering enormous energy into national election campaigns—only to be confronted with presidential caution, Congressional gridlock and the rise of an extreme and energized Republican right—savvy union officials frankly admit that they must be more than mere cogs in party machines.

* * *

AFL-CIO president Richard Trumka speaks of a "far more expansive" strategy where "you'll see us spending our precious resources to build our structure to hold [elected officials of all parties] accountable." The details of what Trumka describes as a "full-time, around-the-calendar political program"—as opposed to a purely election-focused plan—are still being hashed out by the federation. And different unions will have distinct approaches. But one thing is clear: this strategy can't be implemented through the centralized, one-size-fits-all processes many Beltway-based groups are used to. "Of course, it's easier to come up with some big national plan and say everyone's got to buy in," explains Michael Lighty, director of public policy for the California Nurses Association/National Nurses United. "When you are working in the states, you have to be a lot more attuned to the grassroots, and to the distinct politics of communities."

States have unique political cultures, quirky voting patterns, divides between heavily union and nonunion regions that can be finessed only by those who understand the territory. "I've heard from people in other states who want to know how they can do what's been done in Wisconsin, and I tell them it's not that easy," says Ben Manski, an organizer of the Wisconsin Wave protest coalition. "They have to focus in on their own strengths, their own history and their own challenges."

Whereas Wisconsin activists are focused on recall elections this summer that could remove Republican state senators who have backed Walker's antilabor agenda, Mainers are lobbying moderate Republican legislators to break with right-wing Governor Paul LePage. While there is talk in Michigan of trying to recall Governor Rick Snyder, in Ohio there is no recall option. But Ohio has a veto referendum provision that unions are using to try to overturn Governor John Kasich's attacks on collective bargaining.

Every one of these state battles turns a labor struggle that initially played out in the streets into an edgy political fight. Instead of waiting for the next election, labor and progressive campaigners are forcing votes on their schedules to address unprecedented assaults on union rights and public services.

This is not politics as usual. It scares some Democrats, especially DC insiders who don't want to be pulled in fifty different directions. They worry: will these new efforts draw attention and resources away from the 2012 election cycle?

The answer is yes, in a sense, but that is not necessarily bad news for national Democrats.

No one misses the point made by Massachusetts Congressman Mike Capuano—a former mayor and

ardent backer of state-based struggles—who warned a recent Progressive Democrats of America forum that the election of a Republican president and Congress in 2012 could open the political and policy equivalents of “the gates of hell” at all levels of government. But understanding the importance of the coming election does not require a rigid focus on national politics by every labor and progressive group, or the adoption of the strategies and talking points of the re-election campaign of a president who, in the words of National Nurses United (NNU) executive director Rose Ann DeMoro, “has yet to address the heart of the problem with a clear statement of who is responsible for this crisis, the corporate class and the right.”

Obama and the political operations associated with him, including the Democratic National Committee and Organizing for America, have maintained an arm’s-length stance, offering some supportive words but not a lot of physical presence where unions are fighting Republican governors. And the president’s team is steering clear of wrangling with Democratic governors like Deval Patrick in Massachusetts, where unions are furious with Democrats for advancing a plan to restrict collective bargaining rights regarding healthcare at the municipal level. After members of public employee unions packed the Statehouse in Boston to protest the legislation, Patrick distanced himself from the measure, saying unions lacked “a deep enough voice for their purposes or for mine” in the plan. The governor had to respond to police officers, firefighters and other public employees crowding the corridors of his Statehouse.

Even as Obama tries to stand above the turbulence, his re-election campaign has reaped benefits from it. The president, a frequent visitor to the battleground state of Wisconsin in 2009 and 2010, has not been there since the battle over Walker’s proposal exploded. But his approval ratings are up in a state where the polarization between Republicans and Democrats has become stark. That’s a dynamic the White House recognizes. “The president’s political people...watch what’s happening in the battleground states,” explains Cobble. “So if these movements start to pick up steam, if the unions start getting things going, that’s the best way to get the notice of Democrats in Washington and to get them to say and do more on the economic justice issues.”

Even if the White House is watching and waiting, some senior Democrats “get” the significance of what is happening in the battleground states, and their experience is instructive. Ohio Senator Sherrod Brown, a freshman Democrat up for re-election next year in a state that backed Obama in 2008 but then swung hard to the Republicans in 2010, argues that Kasich’s “outrageous” assault on collective bargaining provides an opening for a bolder politics. Brown threw himself into the fight, using personal appearances, media interviews and his website to urge on protests and gather support for the veto referendum. “Ohio Republicans are waging a full scale war on working families,” declared Brown. His words and deeds were far more aggressive than DC-based consultants recommend for senators facing tough re-election races. But polls conducted after Brown started speaking out found him opening up a wide lead over prospective Republican challengers. “Sherrod Brown appears to be in a much stronger position now than he was just three months ago,” explains Public Policy Polling president Dean Debnam. “There’s been a very significant shift in the Ohio political landscape toward the Democrats.”

In many senses, Brown’s approach represents a dream scenario for progressives. Republicans push too hard; movements push back and elected Democrats align with them, strengthening both the movements and the party’s electoral prospects. But Brown has always been a more labor-friendly and adventurous Democrat than most. The challenge is to build state-based movements that are muscular enough to win immediate fights (blocking bad legislation, preventing cuts, preserving embattled unions, organizing new workers) while pulling Democrats—including the president—away from the politics of caution and compromise.

SEIU’s Fight for a Fair Economy reflects this long-term thinking, with its emphasis on using door-to-door community organizing to reach out to union members and nonmembers and build mass movements of low-income and working-class people in Cleveland, Detroit, Miami, Milwaukee and other cities. Instead of merely steering tens of millions of dollars from the union treasury into traditional political organizing, with a tight emphasis on gearing up for elections, SEIU’s still-developing plan envisions mobilizing coalitions to fight at the state level for public services and public education, to mount mass protests like those seen in

Wisconsin and to engage in local and state policy fights. Electing better policy-makers is part of the equation, but the emphasis on neighborhood organizing, coalition building and demonstrations suggests that what is created could have significantly more staying power than campaigning as usual.

SEIU's is not the only initiative by a major union that proposes to take it to the states. Communications Workers of America (CWA) president Larry Cohen responded to attacks on collective bargaining by promoting a We Are One campaign that attracted broad support and helped produce hundreds of April 4 rallies and teach-ins to oppose the assault on workers' rights. National Nurses United went into the thick of the Wisconsin protests with a Blame Wall Street campaign that called for addressing "the budget deficit with a just rebalancing of the responsibility of the corporate elite and the rich."

That message, now going national via NNU's Contract With Main Street campaign, is vital to shifting a debate that too frequently begins with an assumption that officials have no option aside from cuts. And it is being amplified by National People's Action and its allies, which are ramping up their own Make Wall Street Pay campaigns against big banks (including Wells Fargo, JPMorgan Chase and Bank of America), with a focus on foreclosure fights and going on the offense to fix the revenue crisis. The new US Uncut movement is invading bank lobbies and corporate headquarters with the message "No Cuts Until Corporate Tax Cheats Pay Up!" This spring, groups like Americans United for Change, MoveOn.org and Progressive Democrats of America have cheered on the heated challenges to proposed Medicare and Medicaid cuts that so rattled Republican Congress members at town hall meetings.

This tactical shift toward mass mobilization and action—as opposed to relying merely on election-focused list building, member education and media campaigns—has been casually compared to the ginning up of the Tea Party movement by David and Charles Koch and their allies after the battering Republicans took in the 2008 elections. To the extent that these new initiatives emphasize mass rallies and a presence at town meetings held by House Budget Committee chair Paul Ryan and other Republican Congress members, the comparison is appropriate. The difference, of course, is that unions are genuinely popular organizations, unlike Koch Industries. The relationship of these efforts to the Democratic Party, moreover, is not so straightforward as that of the Kochs, the Tea Party and the GOP.

On April 4—the very day We Are One rallies urged on by CWA's Cohen and allies were taking place across the country—President Obama signaled that he was taking the first step toward formalizing his re-election campaign. Obama and his crew could not have been unaware of the We Are One mobilization, but they did not so much embrace it as surf it. If that is the pattern going into 2012, it is hard to see how state-based organizing will "change the environment" sufficiently to produce an election about creating a fair economy—as opposed to kinder, gentler variations of GOP budget-tightening proposals. If the efforts to mobilize new coalitions in 2011 evolve into traditional union election work in 2012, that could help Obama, but it is unlikely to spawn a more labor-friendly politics.

An awareness of this led one union with a history of providing potent support to national Democrats to announce in April that it is shifting its focus to state and local fights. Expressing deep frustration with the failure of national Democrats to advance pro-labor federal legislation or to aggressively back union battles in the states, the International Association of Fire Fighters announced it would indefinitely suspend all contributions to federal candidates. "It's a pattern of disappointments... Our friends simply have not found a way to actually deliver on behalf of workers and the middle class," explained IAFF president Harold Schaitberger, whose members—often in uniform—have been out front at state and local demonstrations to preserve collective bargaining rights and oppose service cuts. "We are...turning the spigot off and we are redirecting our resources and our efforts out to the various states where we are fighting these fights." To have the greatest impact, though, the focus on state-level work must involve more than shifting money from federal to state campaign treasuries. Real movements must be built in the states to hold officials to account and keep low-income and working-class Americans engaged as they push ideas up from the local and state levels to the federal level.

Savvy labor leaders are conscious of these demands, but they would do well to consider a historical precedent. After the 1932 election, Franklin Roosevelt found himself possessed of the presidency and Democratic majorities in the House and Senate. But he did not have the kind of majorities he needed to advance all of what came to be known as the New Deal. One of his great challenges was that in key

states—California, Washington, North Dakota, Minnesota, Wisconsin and New York, among others—labor and farm groups were developing left-leaning movements that often operated beyond the boundaries of the Democratic Party. *Time* magazine referred to a moment when “the U.S. political ferment” was beginning to “seethe, burble, and spill over in dozens of different places.”

As the 1934 and 1936 elections approached, Roosevelt recognized that he had to align with these groups, even if it put him at odds with some conservative Democrats, to build the broad coalitions he needed. In the summer of 1934, after a wave of militant labor organizing and localized general strikes had swept cities across the country, he came to Wisconsin, where Senator Robert La Follette Jr. and former Governor Philip La Follette were forging an independent Progressive Party. Knowing that he could not dance around the question of his relationship with the Wisconsin Progressives, the Minnesota Farmer-Laborites and groups like them across the country, the president distanced himself from the conservatives in his own party, hailed La Follette and delivered a populist appeal for unity “irrespective of many older political traditions” to battle the economic royalists who would turn the country back toward “the old law of the tooth and the claw.” Responding to the state-based movements and politics of his day, Roosevelt proposed a more ambitious politics that “recognizes that man is indeed his brother’s keeper, insists that the laborer is worthy of his hire, demands that justice shall rule the mighty as well as the weak.”

The appeal worked, expanding the New Deal coalition, giving Democrats and their independent progressives historic victories and preparing the ground for FDR’s epic 1936 re-election. Times have changed. And Barack Obama is not Franklin Roosevelt. But those who would dare to dream that Obama and the Democrats might yet be turned toward a more aggressively progressive and militantly prolabor politics would be wise to recognize the lesson of history that says the hard work of building independent movements in the states remains the best route to changing the politics of the nation.

Source URL: <http://www.thenation.com/article/160620/post-wisconsin-game-plan>



More than 80 threats made against Walker, lawmakers and others, records show

DEE J. HALL | dhall@madison.com | 608-252-6132 | Posted: Friday, May 13, 2011 2:45 am

Authorities have investigated 89 threat cases against lawmakers of both parties, Gov. Scott Walker and others after the governor introduced his controversial anti-collective bargaining bill in February and Democratic senators fled the state to avoid voting on it, according to Department of Justice records released Thursday.

The records cover 78 closed cases reviewed by the agency's Division of Criminal Investigation between Feb. 19 and March 25, including one by a Department of Corrections employee who was arrested for disorderly conduct for allegedly making a verbal threat to shoot Walker. DOC spokeswoman Linda Eggert confirmed that the man, Jeffrey Renock, 37, is a correctional officer at the Milwaukee Secure Detention Facility and made the purported threat while at work.

"This particular incident was investigated internally, and appropriate action was taken," Eggert said, declining to offer further details.



Not included in the 128 pages of documents were records of 11 investigations that are still under way.

The 78 cases were closed after agents determined that no further investigation was needed, the threats of violence were unlikely to be carried out or the perpetrator could not be identified. Nearly all were related to Walker's bill that stripped most collective bargaining rights from 175,000 public sector employees, sparking weeks of protests at the Capitol, and the exodus of 14 Democratic senators to Illinois.

The threats came primarily by email but also by letter, phone, verbally and via Twitter, Facebook and Craigslist from people living in Wisconsin and as far away as Maine, Florida, Nebraska and California. One tweet said the writer wanted an anvil to fall on the governor's head.

The suspects ranged from a man described as "dangerous" who was arrested by federal agents in March for threatening several public officials in Maine to hapless drunks who said they were angry but had no plans to hurt anyone. A surprising number of the threats were signed, although some used fake names.

The documents don't reveal the intended targets or the suspects in any of the 11 ongoing investigations except for Katherine Windels of Cross Plains, who was charged March 31 in Dane County Circuit Court with sending emails threatening 15 Republican senators and their families. She faces two felony bomb scare counts and two misdemeanor counts of sending a computer message threatening injury or harm. The 26-year-old day care worker told investigators she had no plans to carry out her threats.

Another closed case involved a letter threatening to harm Walker sent by a person arrested in March by federal agents after he allegedly sent threats to Republican U.S. Sens. Olympia Snowe and Susan Collins of Maine and Maine's GOP governor, Paul LePage. News reports identify the suspect as Michael Thomas, 50, of Portland, Maine.

The 78 closed cases involve:

- 15 threats against Walker.
- 30 threats targeting Democratic senators.
- 12 threats against Republican senators and state representatives, including a one-line email sent to all 56 GOP Assembly members.
- 21 threats targeting Capitol protesters, police, the Tea Party, Madison Mayor Dave Cieslewicz, Dane County Board Chairman Scott McDonell and others.

The threats ranged from this message sent to some Democratic senators — "Take a gun to your head you union oned (sic) marxist piece of (expletive)!" — to a lengthy screed against Walker that begins "I DARE YOU WHITE CHRISTIAN FBI TRANSVESTITE SCUM TO ARREST ME." Most of the threats are rife with misspellings, bad grammar and foul language.

In one of the closed cases, a Fond du Lac police official reported that on March 1, a man called the department's dispatch center to say he had just phoned in a threat to the governor.

“Non-credible threat to kill Gov. Walker,” Fond du Lac Chief Deputy Kevin Lemke reported. “Our detectives will make contact with the suspect after he sobers up to verify that he is a non-threat.”

One investigation focused on a Facebook conversation between two people who said they wished the governor were dead. Agents interviewed the subjects and “senders related that they were upset that their tuition will be increased and that their parents were public workers.”

A Peshtigo School District employee acknowledged emailing a threat to state Rep. John Nygren, R-Marinette. Investigators said the man “admitted to sending the email. Stated that he was intoxicated and upset because he may lose his house if the bill is passed into law. Said he never intended to physically harm Rep. Nygren”

Sen. Jon Erpenbach, D-Middleton, received at least 14 threats investigated by agents, nearly as many as Walker. Erpenbach said he never felt in danger, but he was concerned for his children and staff. He said he believes the threats do not justify the security crackdown at the Capitol, including locked entrances and metal detectors.

“This isn’t the first time we’ve been threatened,” Erpenbach said, “and it’s not the last.”

Bloomberg Businessweek

Get our new FREE iPad app now

THE ASSOCIATED PRESS May 12, 2011, 8:42AM ET

Tenn. speaker rescues collective bargaining bill

By ERIK SCHELZIG and LUCAS L. JOHNSON II

NASHVILLE, TENN.

A proposal to limit teachers' collective bargaining rights squeaked out of the House Finance Committee on Wednesday after the House speaker stepped in to once again cast a tiebreaking vote.

The measure sponsored by Republican Caucus Chairwoman Debra Maggart of Hendersonville passed 13-12, and now awaits scheduling for a floor vote in the lower chamber.

Speaker Beth Harwell told reporters after the vote that she broke the tie because of a commitment to fellow Republican lawmakers to give them a chance to vote on the bill on the House floor.

"And in order for them to do that, this bill had to come out of committee today," said the Nashville Republican, who in March broke a 6-6 subcommittee deadlock on the proposal, which has also been endorsed by Republican Gov. Bill Haslam.

This was the second go-around for the bill in the Finance Committee. The panel previously declined to take up a version similar to one passed by the Senate earlier this month to more thoroughly dismantle union negotiations.

The version that passed Wednesday changes the bill back to exempt from negotiations areas such as evaluations and merit pay, but stopped short of abolishing bargaining altogether.

Several lawmakers on the committee wanted assurances from Maggart that she wouldn't abandon the House version once it reaches the floor, but she would only say that the legislation is likely headed for a conference committee.

"If the Senate fails to adopt our amendment, we will be in conference," Maggart said.

Democratic House Minority Leader Craig Fitzhugh of Ripley called the maneuvering "inside politics."

"I don't see a turnip truck around here; I didn't just fall off one," he said. "I know where we're headed. We're headed to the House floor and then to a conference committee on this subject. And what we're going to do is pass the Senate bill. That's what's going to happen."

Rep. Lois DeBerry said the proposal is not just an attack on teachers, but other groups as well.

"If our teachers are not free to associate and organize for our children, then I don't know who's safe," said the Memphis Democrat. "Today it's the teachers' association, tomorrow it may be the employees' association."

The Tennessee Education Association, which represents 52,000 teachers, considers the House and Senate plans a choice between eviscerating or eliminating collective bargaining. But the union has reluctantly expressed a preference for the current House bill, which in turn has come under fire from tea party groups that have argued that it doesn't go far enough.

Tennessee Education Association lobbyist Jerry Winters called Wednesday's committee action disappointing.

"It's obvious their intent is to pass a repeal of collective bargaining," he said. "They're going to be voting on the Senate bill. It's a total slap in the face of every teacher in this state. Teachers are not going to forget this."

Sen. Jack Johnson, R-Franklin and the main sponsor of the Senate version, said earlier Wednesday that he doesn't expect the upper chamber to agree to many changes to its version, which replaces union bargaining with an employee handbook.

"I've stood very firm that the Senate stands firm on a full repeal of the negotiations act and a complete elimination of union negotiated contracts for teachers," he said. "I don't see a lot of wiggle room."

Republican Senate Speaker Ron Ramsey of Blountville said he expects the Senate proposal to prevail regardless of the bill advancing in the House.

"I do think in the end we'll have something close to the Senate version," he said. "Even if we have to go to conference, we will have a bill that will repeal collective bargaining here in the state of Tennessee."

Neither Harwell nor Maggart had much to say about the Senate's strong stance.

"My hope is to reach a compromise that we can all feel comfortable with," Harwell said.

Haslam has tried to remain above the fray on the emotional collective bargaining debate, which was not a major issue during last year's gubernatorial or legislative campaigns.

He has instead sought to focus on his own education initiatives that included a new law to make teacher tenure more difficult to obtain and a pending bill to lift a cap on charter schools.



SUBSCRIBE NOW AND S

Prepare now
for everything
that matters later.



SmartMoney
FUND MANAGERS

12 issues for
\$12

SUBSCRIBE NOW
ONLY \$1 PER ISSUE

 Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

- See a sample reprint in PDF format.
- Order a reprint of this article now

THE WALL STREET JOURNAL.

WSJ.com

OPINION | MAY 13, 2011

Boeing and the Union Berlin Wall

Between 2000 and 2008, 4.8 million Americans moved from forced union states to right-to-work states—that's one person every minute of every day.

By ARTHUR B. LAFFER
AND STEPHEN MOORE

The Obama administration's National Labor Relations Board filed a complaint last month against Boeing to block production of the company's 787 Dreamliner at a new assembly plant in South Carolina—a "right to-work" state with a law against compulsory union membership. If the NLRB has its way, Dreamliner assembly will return to Washington, a union-shop state, along with more than 1,000 jobs.

The NLRB's action, which Boeing will challenge at a hearing next month, is a big deal. It's the first time a federal agency has intervened to tell an American company where it can and cannot operate a plant within the U.S. It lays the foundation of a regulatory wall with one express purpose: to prevent the direct competition of right-to-work states with union-shop states. Why, as South Carolina Gov. Nikki Haley recently asked on these pages, should Washington have any more right to these jobs than South Carolina?

A recent New York Times editorial justified the NLRB decision by arguing that unions are suffering from "the flight of companies to 'Right-to-Work' states where workers cannot be required to join a union." That's for sure, and quite an admission. We've been observing that migration pattern for years, but liberals have denied it's actually happening—until now.

Every year we rank the states on their economic competitiveness in a report called "Rich States, Poor States" for the American Legislative Exchange Council. This ranking uses 15 fiscal, tax and regulatory variables to determine which states have policies that are most conducive to prosperity. Two of these 15 policies have consistently stood out as the most important in predicting where jobs will be created and incomes will rise. First, states with no income tax generally outperform high income tax states. Second, states that have right-to-work laws grow faster than states with forced unionism.

As of today there are 22 right-to-work states and 28 union-shop states. Over the past decade (2000-09) the right-to-work states grew faster in nearly every respect than their union-shop



David Klein

counterparts: 54.6% versus 41.1% in gross state product, 53.3% versus 40.6% in personal income, 11.9% versus 6.1% in population, and 4.1% versus -0.6% in payrolls.

For years, unions argued that right-to-work laws were bad for workers and for the states that passed them. But with the NLRB complaint, they've essentially thrown in the towel. If forced unionism is better for the economy of a state, why would the NLRB

need to intervene to keep Boeing from leaving Washington? Why aren't businesses and workers moving operations to heavily unionized places like Michigan, New York, Ohio and Pennsylvania and fleeing states like Georgia, Tennessee, South Carolina and Texas?

In reality, the stampede of businesses from forced-union states like Washington has accelerated in recent years. A 2010 study in the *Cato Journal* by economist Richard Vedder of Ohio University found that between 2000 and 2008 4.8 million Americans moved from forced-union states to right-to-work states. That's one person every minute of every day.

Right-to-work states are also getting richer over time. Prof. Vedder found a 23% higher per capita income growth rate in right-to-work states than in forced-union states, which over the period 1977-2007 amounted to a \$2,760 larger increase in per-person income in those states. That's a giant differential.

So now the unions concede that this migration is indeed happening, but they say that it is unhealthy and undesirable because workers in right-to-work states are paid less and get worse benefits than the workers in union states. Actually, when adjusting for the cost of living in each state and the fact that right-to-work states were poorer to begin with, a 2003 study in the *Journal of Labor Research* by University of Oklahoma economist Robert Reed found that wages rose faster in states that don't require union membership.

Employers that move away from forced-union states mainly do so not to scale back wages and salaries—although sometimes that happens—but to avoid having to deal with intrusive union rules, the threat of costly work stoppages, lawsuits, worker paychecks going to union fat cats, and so on.

Boeing officials have admitted that their decision to build the new Dreamliner plant in South Carolina was due in part to the fact that the company could not "afford a work stoppage every three years" as had happened in Washington state over that past decade. (By the way, this is the comment the NLRB complaint cites as proof of "retaliation" against union workers.)

Boeing is merely making a business decision based on economic reality. In fact, the company chose South Carolina for the new plant even though Washington has no income tax and South Carolina does. The two of us are often accused of arguing that income tax rates are the only factors that influence where businesses and capital relocate. Taxes certainly matter. But Boeing's move shows that taxes are not always the definitive factor in plant location decisions. In the case of Washington the advantage of its no income tax status is outweighed by its forced-union status. Lucky are the six states—Texas, Tennessee, South Dakota, Nevada, Florida and Wyoming—that are both right-to-work states and have no income tax.

While there are only six right-to-work states that also have a zero earned income tax rate and three zero earned income tax rate states that have forced- union shops, their performance differences over the past decade (2000-09) are revealing. Of the nine zero income tax rate states, those six that are also right-to-work have grown a lot faster than the three with forced-union shops: 64.9% versus 53.8% in gross state product, 59.0% versus 46.8% in personal income, 15.5% versus 10.3% in population and 8.2% versus 6.9% in payrolls.

The Boeing incident makes it clear that right-to-work states have a competitive advantage over forced-union states. So the question arises: Why doesn't every state adopt right-to-work laws? Four or five are trying to do so this year, and have faced ferocious opposition from the union movement.

But that shouldn't stop state legislators in forced-union states from doing what's in their workers' best interests. They need to decide whether they want to continue to see jobs and tax receipts exit their states, or whether they want to adopt laws that afford their workers the right to join a union or not. The only alternative is to build a regulatory Berlin Wall around their borders to keep their businesses from leaving.

Mr. Laffer is the chairman of Laffer Associates. Mr. Moore is senior economics writer for the Journal's editorial page. They are co-authors of "Return to Prosperity: How America Can Regain Its Economic Superpower Status" (Threshold, 2010).

Copyright 2011 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com