

GOVERNMENT UNIONS: HOW THEY ROB THE TAXPAYER, TERRORIZE WORKERS, AND THREATEN OUR DEMOCRACY



**AFL-CIO PRESIDENT,
RICHARD TRUMKA**

BY MATTHEW VADUM

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www.frontpagemag.com
ISBN: 1-886442-91-6
Printed in the United States

\$3.00 Each
\$1.00 each for orders of 25 or more

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America is staring into an economic crisis, and government unions stand in the way of a solution. As the nation plunges deeper and deeper in debt, governments at all levels find themselves unable to meet their obligations, yet public employees continue to press their demands for unreasonable compensation and benefits. All across the country, rapacious government unions are eating taxpayers alive, while working feverishly to shape the political battlefield to their own advantage—under cover of a crusade for “social justice.”

Big labor always complains about being out-gunned by corporate America, but spent an unbelievable \$4.4 billion on politics and lobbying from 2005 through 2011. The labor movement (for which public employees are a growth sector) plans to up the ante to maintain the budget-busting

kid-glove treatment that government employees have become used to over the past twenty years and now consider their due. Public service unions are expected to spend lavishly on the effort re-elect President Obama.

This is not the same labor movement as the one that was growing vigorously in the 1930s and came of age in the 1950s. The trade union movement of the mid-twentieth century was propelled by men and women who made the goods of America and demanded an appropriate share of the rewards from the private enterprises they worked for. Today's labor movement is increasingly dominated by government unions who negotiate with bureaucrats, not corporations. This helps to explain why the main focus of union demands is no longer improved working conditions and a larger piece of the corporate pie, as in the past, but bigger government (which means more public service employees) and the tax increases to fund it. According to Steven Malanga of the Manhattan Institute:

Unions were behind more than two dozen lobbying campaigns and initiative drives at the state level between 2007 and 2010 to raise taxes or boost

spending. They spent millions of dollars in 2010 on Oregon ballot measures 66 and 67, which raised business and income taxes in the state, and some \$3.5 million in Washington state in support of a failed ballot initiative to institute an income tax.

The labor movement's reigning ideology has changed dramatically over the decades. Seventy-five years ago, organized labor was a strongly patriotic force, and so allergic to radicalism that it purged its ranks of the communists who had secretly been trying to seize control of its movement. Today's unions are run almost exclusively by left-wing radicals, socialists, and communists. Lane Kirkland, the AFL-CIO leader who collaborated with President Ronald Reagan in providing assistance to Poland's Solidarity movement and in other anticommunist causes, would likely turn over in his grave at the behavior of his successors, John Sweeney and Richard Trumka. Embracing the use of anti-American rhetoric in setting out their foreign and domestic policy positions, Sweeney and Trumka helped government unions transform the labor movement into a stalking horse for leftism.

“The public-sector unions have pushed the entire labor movement to the left,” writes Joel Kotkin of the Progressive Policy Institute. He also says:

The Service Employees International Union, or SEIU, has embraced organizations with a New Left origin, such as ACORN and Cleveland’s Nine to Five, and has even set up its own gay and lesbian caucus. . . . The rise of these unions led to the elevation of SEIU’s boss, John Sweeney, to head of the labor federation. No George Meany-style bread-and-butter unionist, Sweeney is an advocate of European-style democratic socialism. He has opened the AFL-CIO to participation by delegates openly linked to the Communist Party, which enthusiastically backed his ascent. The U.S. Communist Party [CPUSA] says it is now “in complete accord” with the AFL-CIO’s program. “The radical shift in both leadership and policy is a very positive, even historic change,” wrote CPUSA National Chairman Gus Hall in 1996 after the AFL-CIO convention¹

The current AFL-CIO president, Richard Trumka, has explicitly confirmed the new direction of union politics. A former mine worker with a law degree, Trumka admits he got involved in the labor movement “not because I wanted to negotiate wages, [but] because I saw it as a vehicle to do massive social change to include lots of people.” (The word choice is significant: Doing change to people.)

A 50-Year Mistake

Today’s public sector unions adopt the traditional union image of exploited workers who only seek justice and fair treatment. They pose as champions of democracy against greedy special interests. But unionizing government workers is fundamentally undemocratic, according to Daniel DiSalvo, a political science professor at the City College of New York. The reason is that it entails taking “some of the decision-making authority over government functions away from the people’s elected representatives and transferring it to union officials, with whom the public had vested no such authority.”

Such an arrangement creates a colossal conflict

of interest, allowing elected lawmakers to share with unelected union officials the power to decide the pay, benefits, and working conditions of government employees. One leader of the American Federation of State, County and Municipal Employees (AFSCME) recently admitted, “We have the ability, in a sense, to elect our own boss.”² Instead of serving as a check on government power, government employee unions function as an unelected fourth branch of government, augmenting its power at taxpayer expense.

Because of this collusion, public service unions are “a 50-year mistake,” in the words of Jonah Goldberg, a fellow at the American Enterprise Institute. He explains why the government unions cannot claim the righteous mission that motivated the labor movement in private industry:

Traditional, private-sector unions were born out of an often-bloody adversarial relationship between labor and management. It’s been said that during World War I, U.S. soldiers had better odds of surviving on the front lines than miners did in West Virginia coal mines. Mine disasters were frequent;

hazardous conditions were the norm.
. . . Day-to-day life often resembled
serfdom, with management controlling
vast swaths of the miners' lives.

Government unions have no such
narrative on their side. Do you re-
call the Great DMV Cave-in of 1959?
How about the travails of second-grade
teachers recounted in Upton Sinclair's
famous schoolhouse sequel to *The Jun-
gle*? No? Don't feel bad, because no
such horror stories exist.³

Before the 1950s, Americans didn't even think
much about government unions. Policy makers
were unsympathetic to the idea that government
workers needed to be unionized. President Franklin
Roosevelt, a longtime booster of private sector trade
unionism, didn't believe that government workers
should enjoy the same legal rights. "Meticulous at-
tention should be paid to the special relations and
obligations of public servants to the public itself
and to the Government. . . . The process of col-
lective bargaining, as usually understood, cannot
be transplanted into the public service." In FDR's
view, a strike by public employees "manifests noth-

ing less than an intent on their part to obstruct the operations of government until their demands are satisfied. Such action looking toward the paralysis of government by those who have sworn to support it is unthinkable and intolerable.”

Labor leaders of the past likewise thought giving government workers the right to collective bargaining was a dreadful idea. The AFL-CIO’s founding president, George Meany, said it was “impossible to bargain collectively with the government.” In 1959, the Executive Council of the AFL-CIO declared that, “In terms of accepted collective bargaining procedures, government workers have no right beyond the authority to petition Congress—a right available to every citizen.”⁴

All this began to change in 1952. After President John F. Kennedy saw how several big-city mayors benefited politically from having the support of unionized workforces, he signed Executive Order 10988, which formalized the right of federal workers to organize and engage in collective bargaining. The issue was not a moral, economic, or intellectual one; it was pure politics. Unlike their opposite numbers in coal mines and auto plants a generation earlier, government workers already

made respectable salaries and civil service rules ensured decent workplace conditions when President Kennedy abolished the ban on federal employee unions by fiat.

Pandora's Box was now open, as Jonah Goldberg writes:

From the mid-1960s through the early '70s, states and cities followed with a plethora of laws providing public-employee unions with collective-bargaining rights. In many cases, the consequences were almost immediate. In New York state, one year after the passage of the so-called Taylor Law in 1967, 360,000 state- and local-government employees became unionized; the *New York Times* described the law as having an "almost revolutionary effect."

In 1968, California enacted a law that gave bargaining rights to local government employees. Years later, the state gave teachers the same rights. In the 1970s and '80s, the number of strikes in California shot up dramatically. By 1970, AFSCME

had negotiated upwards of a thousand collective bargaining agreements, almost double the number as of 1964. By 1972, almost half the states had enacted collective bargaining laws for state or local government workers.⁵

These laws encouraged government employees to join unions, so the unionized cohort of the government workforce went from 10 percent to 36 percent between 1960 and 1980. AFSCME's membership skyrocketed from 99,000 in 1955 to almost a million by 1980. In the same period, the American Federation of Teachers went from 40,000 members to more than 500,000.⁶

In 1983, the first year for which comparative union data can be found, the union membership rate was 20.1 percent and there were 17.7 million unionized workers. In 2011, 14.8 million wage and salary workers belonged to unions, and the union membership rate was 11.8 percent. But as private sector unionization rates have plummeted over the past thirty years, government employees have become the senior partners in today's labor movement. In 2011, they had a 37.0 percent union membership rate, more than five times the union membership rate, 6.9 percent, of private sector

employees. Within the public sector, local government workers—including teachers, firefighters, and police officers—are unionized at a rate of 43.2 percent.

Some of the most prominent government unions are: the American Federation of State, County and Municipal Employees (AFSCME), with 1.5 million members; the American Federation of Teachers (AFT), with 889,000 members; the National Education Association (NEA), with 3.2 million members; and the American Federation of Government Employees (AFGE), with 625,000 members. By way of comparison, the largest exclusively private sector union, the United Food and Commercial Workers, has 1.32 million members.

Running Wild

Legislatures across the country have gone out of their way to exempt labor unions from antitrust laws, which is one of the reasons they run wild today. And while private unions have an adversarial relationship with private enterprises, government unions have a symbiotic relationship with their employer, the government. Unions “love big government because unions require the government

to guarantee their monopolies on labor,” observes Matt Patterson of the Competitive Enterprise Institute. “And it is precisely those features of unions that have contributed to their increasing unpopularity in the United States, where citizens are becoming wise to the corrupt conspiracy between unions and government to extinguish their liberties.”⁷

Pension bonanzas and gold-plated government-subsidized health plans for government workers have drawn public ire, but the public sector unions have been granted a host of other privileges that private unions, in their adversarial relationship with industry, would never have dared request. For instance, government employees may conduct union business unrelated to their employment on the job, while taxpayers support them. This outrage, called “official time,” is allowed under Title V of the U.S. Code.

The Federal Labor Relations Authority (FLRA) has even ruled that some government employees may devote all of their workday to union representation activities while still drawing government pay. Official time may be used for lobbying, for example. In a 2001 case, the FLRA ruled that the Department of Defense had to grant official time

to the Association of Civilian Technicians (ACT) for union duties. Those duties included “visiting, phoning and writing to Congress in support of legislation which would impact the working conditions of employees represented by ACT.”

In fiscal 2009, federal employees reported completing almost 3 million hours of union business on government time, at a cost of \$129 million. In 2011, Rep. Phil Gingrey (R-Ga.) introduced into Congress the proposed “Federal Employee Accountability Act of 2011” to help curb this abuse. “I think the time has come when the American people understand that federal employees need to work an 8-hour day just like everybody else,” he said. “. . . If they happen to be a union officer, or indeed just a grieved union member, they take that grievance and that collective bargaining to their employer, i.e. the federal government, but they do it on their own time.”

Government union bosses, for their part, don’t seem to care if they reduce taxpayers to pauperism. It doesn’t appear to bother them that by 2008, total employment costs for state and local government employees had climbed to \$1.1 trillion, or half of all spending by states and localities. They don’t

care that in New York City, annual government employee pension costs have multiplied by a factor of ten in the last decade and now eat up 20 percent of the Big Apple's tax collections. It doesn't bother them that states and localities have \$3.8 trillion in unfunded pension liabilities and another \$1.4 trillion in unfunded government employee health plans.⁸

The Going Gets Tough

In his 1971 classic, *Rules for Radicals*, the New Left radical social theorist Saul Alinsky wrote that it is the community organizer's job to make people angry and then to harness that rage and use it to change society. The objective is to rip society apart and then sew it back together to fit a leftist pattern of "social justice."

Labor leaders have absorbed Alinsky's teachings by osmosis. Leo Gerard, president of the United Steel Workers since 2001, believes that if big labor can't get what it wants through the ballot box, it's time to start throwing punches. In 1999, Gerard helped violent anarchists in Seattle block access to the World Trade Organization meetings. The USW sent 1,400 goons to shut the talks down.

Gerard wholeheartedly supports the Occupy Wall Street movement—and wants it to become even more violent. “You’re damn right Wall Street occupiers speak for us,” he told the left-wing radio host Ed Schultz. “They do in Pittsburgh, they do in Chicago, they do in Oakland, they do in San Francisco, they do all across the country. And I think what we need is, we need more militancy.”

The lesson has not been lost on socialist Richard Trumka, president of the AFL-CIO, America’s largest labor federation, boasting a membership of 11 million. He has urged union thugs to “kick the shit” out of their opponents. In 1996, Trumka helped to create the AFL-CIO’s “Union Summer,” a program for training young people as organizers and political activists. Participants recited a pledge called “Working Class Commitment,” including the sentence “I will remember to be proud that we do the world’s work, that we produce the world’s wealth, that we belong to the only class with a future, that our class will end all oppression.” After the training, students were expected to return to campus and start activist groups to boost organized labor.⁹

The fruit this philosophy has borne is evident.

Over the last few years, left-wing activists and labor unions have targeted banks as well as private equity and buyout firms with increasing ferocity. Their tactics are designed to intimidate. Their goal is to disrupt operations and force capitulation.

For instance, in March 2010, eighty members of the radical Service Employees International Union (SEIU) stormed a branch of the ESSA Bank in Stroudsburg, Pennsylvania. SEIU's problem was not with the bank itself, but with a local hospital where the bank's president, Gary Olson, was a board member. The issue was a labor dispute: the hospital wanted to keep an open shop (i.e. a workplace that allows workers to join a union but does not compel them), while SEIU was striking for a closed shop (a workplace that requires its workers to pay union dues because it has reached an agreement with the union). Aiming to intimidate Olson, SEIU members disrupted his business, chanting and refusing to leave until the police were called. As the protesters were finally escorted out of the bank, they chanted, "We'll be back."

Big labor has also made a point of organizing protests outside the private homes of company executives. As part of a prolonged campaign against

the private equity firm Kohlberg Kravis Roberts & Co. in 2008, SEIU protested outside Henry Kravis's Long Island home. The union's justification for disturbing Kravis's peace was its contention that he did not pay enough in taxes.

Protesters also crashed a conference at the Waldorf Astoria attended by David Rubenstein, co-founder of the Carlyle Group. Here again, their aim was to shame Rubenstein over his tax payments. Protesters held a sign reading "Why does he pay taxes at a lower rate than the hotel's doorman?"

Perhaps the worst union ambush of a private residence was SEIU's protest against Greg Baer, Bank of America's deputy general counsel for corporate law. In May 2010, fourteen busloads of protesters armed with bullhorns and signs showed up at Baer's doorstep. He was not home, but his teenage son Jack was home alone. Understandably scared, Jack locked himself in a bathroom. When a concerned neighbor, Nina Easton—who happened to be a writer for *Fortune* magazine—came over to check on Jack, he asked her plaintively, "When are they going to leave?"

SEIU's Andy Stern

Andy Stern, the enormously influential leader of SEIU until two years ago, is one of the most outspoken, cocksure neocommunists of the American labor movement. In his 2006 book, *A Country That Works*, Stern urges that unions become the dominant vehicles for the promotion of social reforms, such as pushing for higher taxes on the wealthy and for universal health care.

“We like to say: We use the power of persuasion first,” Stern said, channeling *Rules for Radicals* author Saul Alinsky. “If it doesn’t work, we try the persuasion of power.” Stern has a history of quoting Karl Marx in television appearances. In 2007, the wannabe Bolshevik told the left-wing journalist Bill Moyers that his SEIU was expanding to Australia, Switzerland, England, South America, and Africa. “We’ve been working with unions around the world,” he boasted. “And what we’re working towards is building a global organization. Because ‘workers of the world unite,’ it’s not just a slogan anymore. It’s the way we’re going to have to do our work.”

In Stern’s view, the current financial crisis is

entirely the fault of investors; it could not possibly be the government's fault. "People burnt this economy to the ground with irresponsible speculative behavior," he said in 2010 at a labor forum sponsored by the left-wing Center for American Progress Action Fund. "And I would just say for the record that if American justice is really equal for everyone there are a lot of people that deserve to be called into account for what's taken place up to now." To punish investors, Stern supports enacting a stock-market-killing tax on financial transactions, which its backers claim could net the government \$1.7 trillion over ten years.

Stern is also well practiced in the dark art of Alinskyite vilification. At the 2010 forum, he excoriated lawmakers for not passing the stalled Obamacare bill. Stern called senators who refused to approve the legislation "terrorists," saying, "We should send the national security people over and explain to them why we don't negotiate with terrorists. There are a lot of terrorists in the Senate who think we're supposed to negotiate with them when they have their particular needs that they want met."

Under Stern's leadership, SEIU became the

fastest-growing union in America. His brutal, in-your-face tactics apparently helped to add a million dues-paying members to the rolls, bringing its total membership to 2.2 million. Stern's radicalism, accompanied by a willingness to engage in thuggery, permeates virtually every aspect of SEIU, which he led as president from 1996 to 2010 before leaving under an ethical cloud, two years before his term of office was to expire.

With Stern at the helm, SEIU harassed and harangued companies into signing agreements to make the union the representative of their employees. Companies that dared to resist were subjected to "corporate campaigns" that included picket lines, boycotts, and other actions calculated to generate negative publicity for employers.

The racketeers of SEIU use intimidation against the companies they target, as the labor watchdog F. Vincent Vernuccio has reported:

The new union tactic is to use pressure on corporate boardrooms as a means of organizing entire companies nationwide rather than recruiting workers on a site-by-site basis; in short, to organize

employers rather than employees. To create this pressure, unions attempt to push businesses to the edge of bankruptcy, with little regard for the welfare of employer and employee. They attempt to strong-arm businesses into agreeing to take away the secret ballot for employees in union-organizing elections via card check. . . . Among the SEIU's demands is that employers agree to bargain only with it, to the exclusion of all other unions, regardless of what workers want.

These tactics are outlined in an Alinsky-like pamphlet innocuously called the "Contact Campaign Manual," which became publicly available in 2011 when SEIU was forced to hand it over during a lawsuit brought against the union by Sodexo Inc., a catering company. The gangster guidebook urges campaigners to break the law, counseling that "[u]nion members sometimes must act in the tradition of Dr. Martin Luther King and Mohatma Gandhi [sic] and disobey laws which are used to enforce injustice against working people."

The book explains how to play hardball against

employers. Outside pressure can be brought so as to jeopardize “relationships between the employer and lenders, investors, stockholders, customers, clients, patients, tenants, politicians, or others on whom the employer depends for funds.” Employers can be threatened with expensive legal and regulatory pressure, while “[c]ommunity action and use of the news media can damage an employer’s public image and ties with community leaders and organizations.”

The “Contact Campaign Manual” urges labor activists to snoop around workplaces to find any regulatory infractions even if they are unrelated to a labor dispute. If violations can’t be found, SEIU will send an investigator to discover some conditions that will force the business to face:

- Extra expense to meet regulatory requirements or qualify for necessary permits or licenses.
- Costly delays in operations while those requirements are met.
- Fines or other penalties for violating legal obligations.
- Damage to the employer’s public image, which could jeopardize political or commu-

nity support, which in turn could mean less business or public funding.

The manual encourages activists to pursue individual company officials and shareholders personally, applying pressure to make them “more reasonable.” Forcing top company managers to spend so much time dealing with the union campaign that they can’t do their jobs might make them crack, the manual suggests. “Tactics such as mass visits or sit-ins in management offices or large numbers of phone calls protesting management practices can help make top officials long for labor peace.”

Defaming management officials is also effective, according to the book. Labor campaigners should link those officials to “racism, sexism, exploitation of immigrants, or proposals that would take money out of the community for the benefits of distant stockholders.” Union activists should hand out leaflets “outside meetings where they[members of management] are speaking, their homes, or events sponsored by community organizations they are tied to are some ways to make sure their friends, neighbors, and associates are aware of the controversy.” Campaigners also shouldn’t hesitate to publicize embarrassing “factual information about individual managers.”¹⁰

The Anti-Banking ‘Jihad’

The Service Employees International Union has been at the forefront of organized labor’s efforts to take down American capitalism. In 2011, along with other unions and a coalition of radical Alinskyite groups called the New Bottom Line, SEIU launched a national campaign of intimidation against corporate targets. As part of this campaign, Wade Rathke, founder of ACORN and formerly the chief organizer of SEIU Local 100 in New Orleans, announced in March 2011 what he described as “days of rage in ten cities” against banks.¹¹ Rathke said the campaign of demonstrations, strikes, and disruptions would mark “the beginning of the anti-banking jihad.”

The lead organizer of this “jihad” is Stephen Lerner, a well-known SEIU operative. Lerner is a board member of SEIU and is tremendously respected and influential in leftist organizing circles. He has reportedly visited the Obama White House at least four times.

Over time, the “anti-banking jihad” morphed into the Occupy Wall Street movement, which began to gather steam in September 2011. SEIU,

AFSCME, the AFL-CIO, the Teamsters, and every other major union in America embraced the violent occupiers.

Long before the occupiers arrived on the scene, Andy Stern and his SEIU comrades had been employing New Left tactics from the 1960s: blocking access to city streets, invading private meetings, advancing shareholder resolutions, and urging workers to swamp authorities with health and safety code complaints against their own employers. Like members of ACORN, the union's close ally, SEIU members are known for surrounding the homes of corporate executives in order to intimidate them. SEIU also obliged its ally in chief, Barack Obama, after the president implored his supporters to "punch back twice as hard" against his enemies. In a widely reported incident that occurred in 2009 outside a town hall meeting in Missouri, union goons roughed up Kenneth Gladney, a diminutive black man selling Gadsden ("Don't Tread on Me") flags. One of his SEIU attackers called Gladney the N-word.

Andy Stern doesn't just work on the outside applying pressure. He has visited the Obama White

House a reported fifty times—twenty-four times in 2009 alone. SEIU views President Obama as an investment. The union went into debt spending an incredible \$85 million to promote his candidacy. The union even produced a movie called Labor Day to take credit for his election. Obama rewarded Stern by naming him to the National Commission on Fiscal Responsibility and Reform.

Scott Walker, Union Enemy Number One

A month after his inauguration, Wisconsin's reform-minded governor, Scott Walker, learned the hard way that labor thugs don't fight fair. For attempting to make good on a campaign promise to fix his heavily unionized state's finances, Gov. Walker was relentlessly demonized by the Left as a dangerous tyrant who sought to murder democracy. Amazingly, he went on to survive the union-driven recall election in June 2012.

Walker had ridden into office promising more jobs and lower taxes. His party captured both houses of the state legislature in November 2010, as taxpayers rebelled against out-of-control spending and union cronyism. It was the first time in more than seventy years that control of Wisconsin's state

government switched completely from one party to the other.

Wisconsin was groaning under the weight of government worker salaries and benefits. Government unions had used collective bargaining agreements (and campaign contributions) to extract compensation well above private sector norms. State workers paid under 1 percent or nothing at all towards their pensions, while taxpayers kicked in \$190 million each year on their behalf. When Walker took office, Wisconsin faced an estimated two-year \$3.6 billion shortfall by 2013. The governor soon unveiled a “budget repair” plan, which asked overpaid state and local government employees to pay a mere 5.8 percent of their pension costs and 12.6 percent of their health insurance costs, in order to avoid a fiscal meltdown.

But the Left and its union allies never got the message from Wisconsin voters. James P. Hoffa, the Teamsters president, lashed out at Walker, describing his extremely modest proposal as “union-busting” and “a vindictive attack” that was part of a “one-sided class war.” Labor organizers, together with Democratic Party leaders, campaigned furiously to protect the pro-union status quo. Calling

upon unions and allied leftist groups across the nation, they manufactured protests that were unprecedented in size and intensity in modern Wisconsin. For weeks in early 2011, tens of thousands of bussed-in demonstrators and union thugs wreaked havoc in Madison, the state capital.

Labor activists didn't hesitate to get in their adversaries' faces. When they surrounded the capitol building in an attempt to shut down the state government, union goons, members of President Obama's pressure group Organizing for America, and paid rent-a-mobs chanted, "This is what democracy looks like." Teachers phoned in sick en masse, shutting down schools. At rallies, medical doctors ignored their professional ethics and handed out sick notes to anyone who asked, ill or not.

Protesters overwhelmed the capitol, hanging angry signs in the rotunda and on windows and walls, and setting up their own "information center." They camped inside for days and trashed the building—a foreshadowing of the Occupy Wall Street demonstrations that were to follow later that year across the country.

Union goons did all they could to shut down

the state capitol and prevent the legislature from conducting business. Video cameras captured lawmakers running from gauntlets of screaming leftists, students, and union members who were trying to stop them from entering the capitol building to vote. Meanwhile, left-wing lawmakers had gone into hiding. Fourteen Democratic senators absconded to Illinois to deprive the state senate of a quorum and block passage of Walker's fiscal rescue legislation.

While the protests raged in Madison, *Time* magazine's Joe Klein, usually a reliable member of the leftist echo chamber, pointed an accusing finger at his own side in a rare moment of candor:

Revolutions are everywhere—in the Middle East, in the middle west. But there is a difference: in the Middle East, the protesters are marching for democracy; in the Midwest, they're protesting against it. I mean, isn't it, well, a bit ironic that the protesters in Madison, blocking the state senate chamber, are chanting "Freedom, Democracy, Union" while trying to prevent a vote?

Isn't it ironic that the Democratic Senators have fled the democratic process? Isn't it interesting that some of those who—rightly—protest the assorted Republican efforts to stymie majority rule in the U.S. Senate are celebrating the Democratic efforts to stymie the same in the Wisconsin Senate?¹²

The public union supporters in Wisconsin were cheered on by Rev. Jesse Jackson, who compared the anti-Walker disruptions to the 1965 civil rights march from Selma to Montgomery, Alabama. “This is a Martin Luther King moment, this is a Gandhi moment,” he said.

The protesters were praised and encouraged by the nation's foremost radical guru, Noam Chomsky, an MIT professor. Chomsky told the leftist radio program *Democracy Now!* that he hoped the protests would resemble the violent demonstrations going on in Egypt that year. “It was heartening to see that there are tens of thousands of people protesting in Madison day after day in fact. I mean that's the beginning maybe of what we really need here, a democracy uprising. Democracy's almost been eviscerated.”

Agreeing with Chomsky, the Democrat-labor-academia-media complex wrote the narrative in deficit-riddled Wisconsin. Their storyline focused on teachers, anointed as public-spirited, criminally underpaid heroes in a David-and-Goliath struggle against a mean, tightfisted Republican governor owned by special interests. In reality, the state's teachers are well compensated, earning an average of \$89,000 annually in salary and benefits. The average U.S. private sector employee earns just \$61,000.

Show Us the Money

Government employees have become “haves” and taxpayers have become “have nots,” as Scott Walker said before his inauguration. “I asked the unions to pay into their own health care insurance (just as their Wisconsin neighbors do) and they said I was being unreasonable,” he wrote in a letter to supporters. “I requested that they contribute toward their own pensions (just as their Wisconsin neighbors do) and they screamed it was unfair.”

On average, state and local government employees make \$80,000 annually—45 percent more than private sector employees. In Milwaukee,

Wisconsin, public school teachers received family health coverage valued at \$26,844, and before Walker's reforms they contributed zero to their own plans. And many government workers are allowed to retire at age fifty-five or younger and collect six-figure pensions until they die.

Union bosses think their members are entitled to a comfortable standard of living regardless of the actual condition of the economy or the ability of taxpayers to fund their salaries. Over time, government unions in Wisconsin and elsewhere have evolved into permanent tax-supported lobbies that push for bigger government and oppose efforts to reduce government spending. Politicians promise more spending and shower government employees with generous benefit packages. Government unions, determined to keep this political equivalent of perpetual motion on track, respond by supporting those big-government politicians with big money.

Unions portray themselves as the underdogs in politics, but in mid 2012 the *Wall Street Journal* discovered that organized labor had spent an incredible \$4.4 billion on politics and lobbying from 2005 through 2011. And according to the Center

for Responsive Politics, twelve of the top twenty political contributors from 1989 to 2012 were labor unions. Two of those unions, AFSCME and the National Education Association, have each given more than the financial titan Goldman Sachs, paragon of the “1%” so reviled by the Occupy movement, with SEIU close behind. Citigroup, another representative of the 1%, falls below several other labor unions.

Top 20 Political Contributors, 1989–2012
(Names of unions are in bold.)

1. ActBlue \$66.3 million
2. AT&T Inc. \$48.9 million
3. **AFSCME** \$48.2 million
4. National Association of Realtors
\$43.7 million
5. **National Education Assn.** \$41.5 million
6. Goldman Sachs \$39.2 million
7. **SEIU** \$38.9 million
8. American Assn. for Justice \$36.3 million
9. **International Brotherhood of Electrical
Workers** \$35.5 million

10. **American Federation of Teachers**
\$34.1 million
11. **Laborers Union** \$33.0 million
12. **Teamsters Union** \$32.7 million
13. **Carpenters & Joiners Union**
\$31.6 million
14. **Communications Workers of America**
\$31.5 million
15. Citigroup Inc. \$29.6 million
16. **United Food & Commercial Workers Union** \$28.2 million
17. American Medical Association
\$28.2 million
18. **United Auto Workers**\$28.1 million
19. National Auto Dealers Association
\$27.9 million
20. **Machinists & Aerospace Workers Union**
\$27.6 million

(Source: “Top All-Time Donors, 1989-2012,” Center for Responsive Politics, <http://www.opensecrets.org/orgs/list.php?order=A>, accessed July 9, 2012.)

The huge sums that labor unions collected and spent in their effort to defeat Scott Walker in Wis-

consin were part of a warm-up act for 2012. The unions have announced plans to spend more than \$400 million to re-elect President Obama. No doubt the final figure will be much higher. After pumping \$93 million into state and federal campaigns in the 2010 midterm elections, AFSCME alone will spend at least \$100 million in 2012. SEIU plans to spend at least \$85 million.¹³

Union Abuses

Corruption within government unions today is not as lurid as the union gangsterism of the elder Jimmy Hoffa's time. It is more commonplace, an everyday part of the political system, as Chris Edwards of the Cato Institute explains:

Most government workers are entitled to retire at age 55 or earlier so long as they have completed a fixed number of years of service, usually 30 years. Their defined benefit pension plans "provide the maximum economic benefits to those who retire at the earliest possible age of pension eligibility." In 1999 California reduced the age of retirement for public safety workers to 50 and for

other employees to 55. Public safety workers are allowed to retire after just 20 years with 60 percent of income or following 30 years with 90 percent of regular pay. Not surprisingly, the state's government worker pension system, CalPERS, is grossly underfunded.

California has 6,144 retired government workers in the CalPERS system who take home annual pensions exceeding \$100,000. In addition, the state has 3,090 retired educators in the teachers' retirement program who also belong to the "\$100,000 pension club."¹⁴

During the long stock market boom of the 1990s, states such as Pennsylvania started over-promising on employee retirement benefits. Taxpayers in the Keystone State are going to have to dig deeper into their wallets in order to feed Leviathan. At the end of the stock boom, lawmakers "awarded themselves a 50 percent pension boost and then extended a 25 percent raise to 340,000 state and school workers," reports Edwards. And then, "at the same time, they decided to vest employees at five years' rather than 10 years' service."

In some areas, government employees engage in “pension spiking.” The workers can artificially balloon their pension earnings by engineering large raises in their final year of employment or by working a lot of overtime. One police chief got himself a 20 percent raise not long before he retired. This had the effect of raising his pension to \$173,000 annually, representing 90 percent of his final salary.

Many government employees file fraudulent disability claims in order to obtain generous benefits. Growing disability costs are hurting state and local governments. In Las Vegas, firemen with heart disease can pocket an inflation-protected \$40,000 a year for life over and above their pensions. “That applies even if they’re healthy enough to work in another occupation.”¹⁵

States such as California, New Jersey, and Utah allow employees to retire early and then take a new government job. These “double-dippers” receive a full salary and gold-plated pension simultaneously. *Forbes* reported that Glenn Goss had retired as a \$90,000-a-year police commander in Delray Beach, Florida, at age forty-two. Upon retirement, he

started receiving a \$65,000 annual pension, which was not only guaranteed for life but also indexed to inflation and accompanied by complete health benefits. After quitting in Delray Beach, Goss became police chief in Highland Beach. Assuming he lives to age seventy-eight, his retirement benefits have a present value of almost \$2 million. “Unfortunately,” comments Edwards, “the type of absurd benefits provided to workers such as Glenn Goss is pushing many governments to fiscal ruin.”¹⁶

As the defined-benefit pension plans of states and localities have mushroomed, corruption has followed. So-called pay-to-play influence-peddling schemes have become a depressing reality. Wall Street firms give bribes to government officials in order to grab a chunk of the government’s pension-related business. In one case, money manager Elliott Broidy acknowledged giving almost \$1 million in gifts to officials in the New York State pension system, including the state comptroller, Alan Hevesi.¹⁷

In negotiations, government unions typically refuse to give an inch. The American Federation of Government Employees was outraged in early

2012 when the federal government asked its workers to contribute an extra eight-tenths of one percent (0.8%) towards their own pensions. That's 80 cents for every \$100. The AFGE national president, John Gage, huffed indignantly, "Working class men and women who have dedicated their lives to serve their country should not be on the hook for solving a crisis they did not create." He added, "Continuing to attack federal employees' pay and benefits doesn't create new jobs and only adds to the pain and suffering many working class men and women are experiencing."¹⁸ Many working people in the private sector might have a different definition of "pain and suffering."

The Public Service Employees Union President

Introducing President Obama at a Labor Day rally in 2011, James P. Hoffa of the Teamsters belted, "We got to keep an eye on the battle that we face: The war on workers. And you see it everywhere, it is the Tea Party." After the event, Hoffa invoked the Mother of All Leftist Clichés, telling ABC News that conservatives "want to roll the clock back to about 1900." He blames "Wall Street's greed, stupidity and fraud" for the na-

tion's economic problems, ignoring the role that government meddling played in inflating the mortgage market bubble. Hoffa supports the anarchist, socialist, and communist hippies of Occupy Wall Street, and he acknowledged that Teamsters "all over the country are participating in Occupy Wall Street events."

Hoffa has no sympathy for the small-government advocates in the Tea Party. "Let's take these son of bitches out and give America back to an America where we belong!" he urged the crowd at that Labor Day rally. And President Obama—who encouraged his supporters to find opponents and "argue with them and get in their face"—never distanced himself from Hoffa's demonization of a large chunk of the U.S. population.

Obama has shown a penchant for rewarding his union allies whenever he can. In one of his early efforts to "revive the economy," he forced G. Richard Wagoner to resign his post as chairman and chief executive of General Motors. Wagoner's ouster, cheered by organized labor, was a precondition for more federal financial aid for GM. In structuring the bailout, Obama upended legal precedent

by giving priority to UAW and its members who held pension-related claims.

But Obama and Democrats in the 112th Congress were unable to give union bosses the legislative trophy they most desired: the so-called Employee Free Choice Act, also known as “card check,” which would have killed secret voting in unionization drives. Currently, workers vote in a federally supervised secret-ballot election, but under card check, if more than 50 percent of employees at a particular facility sign a card, the government certifies the union without a proper vote. Union goons would be free to intimidate workers into signing the cards.

Meanwhile, AFSCME and SEIU have devised a clever way to pump up their membership rolls by organizing babysitters. Although home-based child care providers are self-employed, many of their customers receive state subsidies for child care. In the unions’ view, that means the workers are state employees, eligible for collective bargaining. Authorities in fourteen states so far have accepted the unions’ argument.

Conclusion

In their negotiations with private industry, the trade unions of the mid-twentieth century won concessions for the U.S. labor force and helped build the middle class. This labor movement was a vital element in the American Century, a bulwark of patriotic and pro-Western values, and an important force in the winning of the Cold War. By contrast, today's labor movement, increasingly dominated by public employee unions, has become a clearinghouse for radical ideas and a home for radical groups such as Occupy Wall Street and ACORN.

The labor movement has also become intrinsically tied to partisan politics, because government unions negotiate with the very same people who in many cases are elected by dues extorted from their membership. These negotiations bear little resemblance to the bargaining sessions of the golden age of labor. They are more like political agreements between parties with like agendas. This is why the public service unions have won the sort of gilt-edged benefits that most Americans can only dream of: they promise to further the careers of the politicians who hand over these benefits.

With their cushy pensions and other benefits

funded by the taxpayers and by alarming levels of public debt, government unions are largely wealth consumers, and they are waging war on wealth creators. A conflict between makers and takers has been brewing for decades, but now it has pushed the country into a desperate situation, as the historian Arthur Herman has written:

[The] public sector—state, local, and federal—now consumes 40% of GDP, compared to 33% just twelve years ago. It's brought us to the point where 48% of Americans are now on some form of government handout, from 44% when Obama took office—almost a fifth more than during the Reagan years. And too many of them have been programmed to believe they have no future unless the government takes more from the Makers.¹⁹

Left-wing intellectuals and radical activists are delighted at the growing numbers of those who have become dependent on taxpayer subsidies through an expanding web of wealth-redistribution programs. They view the growth of government as

the only sure sign of progress. But those numbers are bringing America to the brink of economic catastrophe, and the coddled government unions are a big part of the problem. They are strangling the nation.

Public sector unions do not regard American capitalism as the goose that lays the golden egg for the working man, as unions of the past did, but as a bank to be held up, or a system to be “radically transformed” to enhance their power at the expense of the public. The leaders of these unions are willing to undertake this social demolition, in the harsh phrase of the 1960s radicals they look back to for inspiration, “by any means necessary.” They are willing to shut down America to attain their ends, as they showed when they shut down Madison, Wisconsin.

As the recent election in Wisconsin showed, many Americans have finally recognized that government unions view the commonweal as an obstacle in the way of their self-serving goals. If enough citizens nationwide grasp this reality, we may be able to pull the nation back from the brink.

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The Center thanks Dr. Bob Shillman for his generosity in helping to make this publication possible.