Toward Voluntary Unionism

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American trade unionism is based on coercion embodied in the National Labor Relations Act (NLRA). Its authors justified the coercion on the grounds that the interests of workers and employers are naturally in conflict, that individual workers have an inherent bargaining power disadvantage with respect to employers that unions can redress, and that unionization leads to peaceful labor relations. The principal instruments of coercion in the NLRA are exclusive representation (from which emerges union security), and mandatory good faith bargaining. I propose that both be repealed. In 1993 Congressman Dick Armey of Texas introduced a AVoluntary Bargaining@ bill to the House of Representatives. It got nowhere, and Armey has never reintroduced it although his party became the majority party in Congress in 1994. If enacted, the Armey bill would have repealed exclusive representation, but it would have left mandatory good faith bargaining in the law. The best model to follow toward voluntary unionism is New Zealand=s 1991 Employment Contracts Act (ECA). Notwithstanding that the ECA was repealed in August 2000 by the Labour Party and its coalition partner, the Alliance (Baird, 2000), the ECA worked well from 1991-2000. Employment grew, unemployment declined, real economic growth accelerated, personal incomes rose and, most importantly, workers were free to choose (Kasper, 2000). The ECA remains popular with the New Zealand electorate in spite of the Labour Party=s payoff to the unions for their electoral support. Chances are it will be restored in New Zealand in the next five years.

Coercion is unjustified

In 1935 when the original NLRA was passed, the Marxist idea that workers and employers were locked in a class struggle was widely

accepted in the United States and Europe. In Europe many trade unions were openly Marxist, and in the U. S. unions were regarded as a safeguard against more radical socialist revolution. The Great Depression seemed to prove that capitalism was deeply flawed and that Marxists had a legitimate point of view. Socialism, in one form or another, was thought to be the wave of the future. Democracy could be preserved only if it accommodated socialism, so democracy had to be extended to the workplace. But the substitution of the will of the majority for individual free choice and voluntary exchange in the determination of the terms of employment relationships is an example of what Jefferson (1955 [1787]) called Aelective despotism.@

The interests of employers and workers

Far from being at odds, the interests of employers and employees are fundamentally compatible. Employers are owners, or agents of owners, of nonhuman capital in the employment relationship. Infra marginally, the labor of workers and the services of nonhuman capital are complements in production. That is, any enterprise, however constituted at any point of time, is a package of labor and capital services that are employed together for the production of goods and services. Both inputs are necessary, and neither is sufficient, for such production. As Hutt (1973) pointed out, owners of capital and workers must work together to serve their common employersCconsumers. Their resources complement each other in that endeavor.

Of course, at the margin, capital and labor are substitutes. That is, an employer can often maintain output while substituting some capital for some labor or vice versa. Some technological innovations embodied in capital permit the displacement of a large amount of labor. Nevertheless, the most significant relationship between labor and capital is complementarity. When labor is displaced by capital, it creates a profit opportunity for entrepreneurs who can figure out how to assemble new complementary packages of capital with the displaced labor. This is why, in open markets, technological unemployment is at most a short-run phenomenon. Displaced workers soon discover alternative employment opportunities created

by entrepreneurs seeking to profit from the existence of redundant labor.

The employment relationship is one of contract between owners of labor and owners (or their agents) of capital. Voluntary exchange contracts create mutual gains for all parties. Employers hire workers at prices less than their (the employers=) demand prices for labor, but workers also are paid prices in excess of their supply prices for labor. Both gain from the contracts relative to what their best alternatives may be. If this were not true, the parties would not enter the contracts. While it is true that, other things equal, employers would rather pay lower than higher wages, and workers would rather receive higher than lower wages, employers don=t compete with workers. They compete with other employers who are also trying to assemble complementary packages of labor and capital. Nor do workers compete with employers. They compete with other workers who are seeking to be included in complementary packages of labor and capital. Actual wages paid depend on the relative bargaining power of the parties.

Unequal bargaining power

The belief that individual workers have an inherent bargaining power disadvantage relative to employers persists to this day. Section 1 of the NLRA asserts that A(t)he inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association@ is one of the principal wrongs the Act is intended to redress. But this inherent bargaining power disadvantage is little more than a hoary myth.

The principal reason for the persistent belief in labor=s bargaining power disadvantage is what might be called the fallacy of size. An employer with a thousand employees controls more resources than any one employee. Given all the other contracts such an employer is involved in, any one employee may well think his individual contract is relatively insignificant. But the employer is simply the central contracting party of the firm. The number of contracts says little about the employer=s bargaining power with respect to any one of them. For example, I am only one of hundreds

of thousands, even millions, of customers of Safeway. Safeway controls far more economic resources than I do. Yet, I do not have a bargaining disadvantage with Safeway. If I don=t like the offers made by Safeway, I can take my patronage to Albertson=s. It is the existence of alternatives, not the economic size of the parties, that determines bargaining power.

In any market, whether for labor or dead fish, sellers compete with other sellers to strike deals with buyers, and buyers compete with other buyers to strike deals with sellers. Whether a buyer or a seller, a person=s bargaining power depends on the quantity and quality of exchange alternatives he or she has. In the labor market, the buyers are employers and the sellers are workers. In an open labor market, workers compete with other workers to be hired by employers, and employers compete with other employers to hire workers. If a worker has many alternative employment opportunitiesCi.e., if there are many employers eager to hire himChe will have a lot of bargaining power *vis a vis* any one employer. If there is only one employer for whom he could work, he will have very little bargaining power *vis a vis* that employer. Similarly, if an employer has many workers who apply for a particular job, he will have a lot of bargaining power *vis a vis* any one worker. If there is only one worker willing to offer to sell labor services to him, he will have very little bargaining power *vis a vis* that worker.

For any given degree of competition among employers to hire, workers will have more bargaining power when there is less competition among workers to be hired. That is what unions are all about. They seek to quash competition among workers to be hired. (They say they want to Atake wages out of competition.@) They seek to eliminate hiring alternatives employers otherwise would have. They do so by trying to impose standard union wages and trying to exclude union-free workers from union-impaired markets. A union that succeeds in doing so in any particular market becomes a monopolist in that market.

Likewise, for any given degree of competition among workers, employers will have more bargaining power when there is less hiring competition among employers. If there is no competition among employersCeither because there is only one employer in a particular

labor market, or because the employers in that market have formed a hiring cartelCworkers in that market will have almost no bargaining power.

In the early and mid-19th Century, there were many labor markets in which employers had monopsony power. The extent of this power gradually waned over the last third of the century, and in the first half of the 20th Century it all but disappeared. Henry Ford did more to increase the bargaining power of workers in general than any labor union has ever done. He did so by mass producing his early automobiles at low prices which made them available to ever increasing numbers of people. Automobiles increased the effective job search area for more and more workers. While workers without automobiles had access to very few alternative employment alternatives, workers with automobiles had many, many more. Today, technological progress in transportation and communication has eliminated monopsony power in almost all labor markets.

Evidence to support the claim that monopsony power was waning long before labor unions played any significant role has been compiled by Morgan Reynolds (1995) at Texas A&M University. Briefly, over the 19th Century, the trend of real wages and workers= material circumstances was strongly positive, worker initiated job-switching increased steadily and substantially, and large firms (ones likely to have any monopsony power that existed) consistently paid increasingly higher wages than small firms. All this took place without labor unions. Workers had bargaining power without unions then, and they have even more bargaining power without unions now. Moreover, they know it. In 2000, notwithstanding all the advantages the NLRA gives unions in organizing, only 9 percent of the private sector workforce was unionized. This is about the same density that existed before the original version of the NLRA was passed in 1935. The demand for unionization among private sector workers continues to decline.

Unionization and peaceful labor relations

This is the most ludicrous excuse for coercive unionization. The history of labor relations from the mid-1800s to 1935 demonstrates that most labor strife involved unions battling workers

who wanted to remain union-free. Union-free workers are substitutes for unionized workers. For a union to succeed in obtaining above-market terms of trade in any market, it must shut union-free workers out of employment in that market. That is what picket lines are all about. When a union calls a strike against an employer, it is essential to that union to prevent union-free workers from replacing the strikers. A picket line is the union=s principal means to accomplish that end. Even a Apeaceful@ picket line is inherently intimidating to anyone contemplating crossing it. A person who actually tries to cross a picket line is certain to incur vitriolic and threatening verbal abuse and likely to incur physical violence. As Henry George (1934 [1891]) put it, AThose who tell you of Trades Unions bent on raising wages by moral suasion alone are like those who would tell you of tigers who live on oranges.@

The NLRA promoted the formation of unions and insulated them from the ordinary rule of law. The result was less, not more labor peace. The incidence of strikes and strike violence escalated dramatically after 1935, and while the number of strikes declined from the mid 1980s to the mid 1990s; the violence that accompanied them did not (Thieblot, et. al., 1999). The authors of the original NLRA (the 1935 Wagner Act) asserted in Section 1 that AThe denial by employers of the right of employees to organizeY lead to strikes and other forms of industrial strifeY. Experience has proved that protection by law of the right of employees to organize [removes] recognized sources of industrial strife.@ What they had in mind was the peace of surrender. If union-free workers and their employers could be made to give up the fight for their rights, labor peace would ensue. In the event, there was no surrender and the strife escalated.

Two instruments of coercion

If I am right that there are no legitimate grounds for the coercion in the NLRA, that coercion ought to be eliminated. Two provisions of that statute that are particularly coercive are exclusive representation and mandatory good faith bargaining.

Exclusive Representation

Under the NLRA workers are not free to designate representatives of their own choosing for bargaining about the terms and conditions of their employment with their employers. Usually, the National Labor Relations Board (NLRB) conducts elections among the employees to settle the issue of labor representation. If a majority of the workers in a bargaining unit votes in favor of representation by a particular union, that union is certified to represent all those workers. It, perforce, represents those who voted for it, those who voted against it, and those who didn=t vote. Individuals are even forbidden to represent themselves. Individuals cannot designate their own representatives. A certified union becomes the exclusive (monopoly) representative.

Monopoly bargaining is justified by its proponents by appeal to democracy. After all, they argue, a representative of a congressional district in Congress is selected by a majority of voters in the district to be that district=s monopoly representative. That is what democracy is all aboutCthe majority rules. But the analogy to congressional elections is inapt. Democracy is about the rules for governmental decision making. It developed as a way of keeping government in its cage, as a way of giving the governed some voice over the decisions of the government. It has nothing to do with private decision making. The authors of the Constitution drew a bright line separation between the governmental and private spheres of human action. Government decisions were to be taken by majority vote. Private decisions were to be taken by individual free choice. For example, I don=t have to submit to a vote on which lawyer represents me. That is a matter of contract between me and the lawyer. More basically, the First Amendment to the Constitution specifically prohibits the determination of religious affiliation by majority vote. That same amendment prohibits Congress from making any law which abridges any individual=s freedom of association by majority vote. As I noted above, Jefferson would regard exclusive representation as a form of Aelective despotism.@ In *Federalist No. 10* , Madison (1961 [1788]) in speaking of the baneful effects of factions, laments Athat measures are too often decided, not according to rules of justice and the rights of the minor party, but by the superior force of an interested and overbearing majority.@ Exclusive representation is the triumph of

faction over justice. It is an intrusion by Congress at the behest of unions into private decision making.

There is nothing more private than the sale of one=s own labor services. If we own ourselves, we own our labor services. As owners we are free to make any offers we wish to prospective employers and to accept or reject any offers we receive from prospective employers. We are free to designate individuals or groups to represent us in the sale of our labor services, or we can choose to represent ourselves. These are private, not governmental decisions. Government has no constitutional authority, at least as the Constitution was understood by those who wrote it, to politicize those decisions. The NLRA has delegated governmental authority to private groups (unions). Until 1937 the Supreme Court routinely struck down such delegations as unconstitutional. Then, under the threat of President Roosevelt=s court packing plan, a majority of Supreme Court justices reinterpreted the plain meaning of the Constitution to serve the passions and prejudices of the day. Now, under the doctrine of a Aliving constitution@ the Constitution means whatever a majority of Supreme Court justices say it means no matter what its authors understood to be its meaning. They can make it up as they go along.

Furthermore, the proponents of exclusive representation don=t take their analogy to congressional elections all the way. Every member of the House of Representatives must stand for election every two years, and every senator must stand for election every six years. Under exclusive representation a certified union is assumed to have majority support among the workers it represents indefinitely.

In fact, under the NLRA a union can get exclusive bargaining agent status without a certification election. If a union gets 30 percent of the workers in a union-free firm to sign cards requesting union representation, the union and the employer can agree to monopoly representation without any further consultation with workers. When that happens the union is presumed to have majority support indefinitely. Since unions are losing more and more certification elections, they are turning to Acard check certification@ as an alternative. They have even tried to change the NLRA to compel employers to grant monopoly representation services on the basis of such card checks. Yet, even if a union gets a majority of the workers

to sign such cards, that cannot be interpreted to mean the union has the support of a majority of the workers. Union organizers collect such signatures on a face-to-face basis. Workers who are mindful of the violent history of many union organizing campaigns may sign out of fear, not conviction.

Thus, under exclusive representation many workers are forced by law to consume union representation services they do not want. Unions then argue that since they are privileged to represent workers who do not want such representation, such workers should be forced to pay for the representation. This aspect of coercive unionism is called Aunion security.@ Section 14(b) of the NLRA lets states prohibit union security, but not exclusive representation, within their jurisdictions. Twenty-two states have enacted such right-to-work laws. (Oklahoma became the 22nd right-to-work state by referendum on September 25, 2001.) In the other states, workers can be forced to pay tribute to unions as a condition of continued employment.

Unions support union security for a very simple reason. More money comes into union coffers with union security than without it. Without it unions would get money only from their voluntary members. Of course, other people who are in the representation business, like lawyers and CPAs, receive payment only from willing clients, but that is not enough for union officials.

The proponents of union security appeal to what they incorrectly call a free rider problem, which is actually only an artifact of the law. The unions argue that since, under exclusive representation, all workers get represented, it is only fair that all workers pay their Afair share@ of the unions= costs of providing the representation. Otherwise, dissenting workers would get the representation they do not want for free. Of course, the obvious and equitable solution to this artificial free rider problem is to abolish exclusive representationCi.e., allow unions to represent only their voluntary members and no one else. But unions don=t like that solution. They love their coercive monopoly bargaining privileges, so their solution to their free rider problem is to impose more coercion in the form of union security. Unions are like snake oil salesmen who thrust their potion into the hands of unwilling people and demand payment because of its alleged healing powers. But not quite.

Governments usually do not force people to pay for unwanted snake oil.

Mandatory good faith bargaining

Section 8(a) 5 of the NLRA makes it an unfair labor practice for an employer Ato refuse to bargain collectively with@ unions certified as exclusive Arepresentatives of his employees.@ Section 8(b)3 imposes a similar duty to bargain on certified unions. Section 8(d) defines the duty to bargain collectively as the obligation Ato meet at reasonable times and to confer in good faith with respect to wages, hours, and other terms and conditions of employmentY but such obligation does not compel either party to agree to a proposal or require the making of a concession.@ Notwithstanding the Abut@ clause, case law has made it clear that the only sure defense against an allegation of refusal to bargain in good faith is a record of having made Acompromises@ during the bargaining process.

The good faith issue is crucial, for example, when bargaining has failed and a strike ensues. An economic strike involves disagreements over wages, hours and other terms and conditions of employment. In an economic strike, employers may hire permanent replacements for the strikers. An unfair labor practice (ULP) strike is one in protest over an alleged trespass by an employer against the rules of the NLRA. Employers are forbidden to hire permanent replacement workers in ULP strikes. During collective bargaining if the union and the employer come to an impasse over economic issues, the union may strike and claim that the reason for the impasse is that the employer refused to bargain in good faith. If successful in that claim, the strike is classified as an ULP strike. Thus not only is the bargaining itself coerced (neither side may refuse to bargain), but each side is forced to compromise with the other. No take-it-or-leave-it bargaining is allowed.[1]

In ordinary contract law, all of the parties to a contract have to have consented to enter into the bargaining process and have agreed to all the terms that emerge as a result of the bargaining process. Contracts that are the result of coerced bargaining are considered null

[1]*NLRB v. General Electric Co.*, 418 F. (2d) 736 (1969).

and void. But when it comes to collective bargaining contracts, coercion permeates every step of the bargaining process. This is an example of what Edwin Vieira (1986) calls the Aapartheid of labor law@ in this country. The U.S. Constitution supposedly guarantees all the equal protection of the laws. It appears that unions are more equal than others.

The Armey Bill [H.R. 1341 (1993)]

In the first session of the 103rd Congress, Rep. Dick Armey of Texas submitted a bill to amend the NLRA to do away with exclusive representation, and, therefore, union security. It was ignored in Congress and almost totally unnoticed in the press. The NLRA is a very long statute. It has to be in order to make plausible its very implausible provisions. For example, Section 7 of the NLRA says,

> Employees shall have the right of self organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, or to engage in other concerted activities for the purpose of collective bargaining Y and shall also have the right to refrain from any or all of such activities *except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8(a)3* [emphasis added].

Aside from the fact that it simply is not true that the NLRA allows workers to designate Arepresentatives of their own choosing,@ notice the function of the italicized portion. First we are told workers are free to refrain from unionism, and then we are told they really are not free to do so.

Section 8(a)3 says it is an unfair labor practice for an employer by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided that nothing in this ActY shall preclude an employer from making an agreement with a labor organizationY to require as a condition of employment membership therein* [emphasis added]. So workers cannot be discriminated against on the basis of whether they are union members or not except that they can be denied employment for not becoming union members.[2]

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[2]Actually, as a result of the Supreme Court=s decision in *NLRB v. General Motors* [373 U.S. 734 (1963), forced Amembership@ means only forced dues payingCi.e., Afinancial core@ membership.

Armey=s bill eliminated the italicized portions of the two cited sections. In other words, it eliminated union security. It went on to rewrite Section 9(a) of the NLRA to provide that whenever a union receives a majority of votes in a certification election it will be the only union representing workers in that venue. However, individual workers, even those who voted for the union, could opt out of representation by the union and decide to represent themselves in bargaining for their own wages, hours and other terms and conditions of employment. The terms and conditions negotiated by the union would apply only to those workers who opted to be represented by the union. So although a certified union would not have to contend with competing unions, it would represent only those workers who wanted the representation and were willing to pay for it. Moreover, those who agreed to accept the representation and pay for it would have to affirm their consent in writing, and their consent could be withdrawn at any time.

Armey=s bill was a major step in the right direction. However, it didn=t go far enough. Not all individual workers would be free to designate representatives of their own choosing. If Union A were certified by majority vote, workers who wanted to be represented by Union B rather than represent themselves would be precluded from doing so. If all individuals were really free to pick their representatives, they would have to be able to pick any representatives they like. Some would pick other individuals, some would pick other unions, some would pick nonunion organizations such as employment agencies, and some would decide to represent themselves. There would be pluralistic representation. Armey=s bill restricted workers to monopoly union representation or self-representation.

Moreover, Armey=s bill did nothing to eliminate mandatory good faith bargaining because employers would be forced to bargain in good faith with any union that was certified by majority vote, even if, after the certification, a majority of the workers opted out of coverage by the collective bargaining agreement.

It may seem that pluralistic representation and mandatory bargaining do not fit well together. With how many unions can an employer reasonably be forced to bargain? However, before 1935 it was legal for different workers doing the same job for the same

employer to be represented by different unions. This was called members-only bargaining, and it was usually done by the unions forming a joint bargaining committee made up of members from unions in proportion to the workers they represented. So if there were 100 workers with 25 represented by Union A, 50 by union B, and 25 representing themselves, the bargaining committee=s makeup would be one-third (25/75) from union A and two-thirds from union B. This usually worked fairly well. In fact, members-only bargaining is typical in most of Europe. There is, therefore, no reason to hold pluralistic bargaining hostage to the repeal of mandatory bargaining. Pluralistic bargaining by itself would be a great improvement over the status quo.

New Zealand=s Employment Contracts Act (1991)

The ECA made the employment relationship in New Zealand a matter of voluntary exchange contract for most workers and most employers on most issues. It stripped unions of most of the special privileges and immunities they enjoyed before 1991 that placed them above the rule of law. Unions, like everyone else, were made subject to the common law of property, contract and tort. Unions could represent only their voluntary members, and workers could choose union or nonunion third parties to represent them or could choose to represent themselves. Like unions, nonunion third parties could represent only those workers who contracted with them to do so. Bargaining was wholly voluntary. Neither unions, nor nonunion representatives, nor employers, nor individual workers could be forced to bargain with any other party against their will. There was true freedom of association, which includes the right not to associate, for all parties in New Zealand labor markets.

Union leaders, of course, abhorred the ECA. From 1991 to 1999 their market share declined from 50 percent to 20 percent. This meant fewer and fewer dollars came into their treasuries and more and more workers, journalists and politicians were losing interest in what union leaders had to say about anything. Threatened with penury and irrelevance, union bosses pulled out all stops to return the Labour Party to power in the 1999 elections. They were assisted by the incumbent National government that seemed to have run out of all its reformist energy and had nothing new to offer. Labour and its

coalition partner the Alliance won the election, and at the unions= behest repealed the ECA on August 1, 2000. For now at least, New Zealand has returned to coercive unionism. But the ECA is still a good model to follow for eliminating coercive unionism in the U.S.

Under the rubric AFreedom of Association,@ Section 5 of the ECA established that,

> (a) Employees have the freedom to choose whether or not to associate with other employees for the purpose of advancing the employees= collective employment interests;
>
> (b) No person may, in relation to employment issues apply any undue influence, directly or indirectly, on any other person by reason of that other person=s association, or lack of association, with employees.

Section 6 stipulated that,

Nothing in any contract or in any other arrangement between persons shall require any personB

> (a) to become or remain a member of any employees organization; or
> (b) to cease to be a member of any employees organization; or
> (c) not to become a member of any employees organization.

Freedom of association precludes forced association. Because one representing another associates the two, Section 5 precluded forced representation. Section 6 precluded any forced membership or dues paying as well as any prohibition of membership or dues paying. There was no doublespeak with provisos as there is in the NLRA. The rubric ABargaining@ Section 9(a) of the Act said that,

> Any employee Y in negotiating for an employment contract, may conduct the negotiations on his or her own behalf or may

> choose to be represented by another person, group, or organization:

Section 12(2) of the Act explained that,

> Where any employee Y has authorized a person, group, or organization to represent the employee Y in negotiations for an employment contract the Y employer with whom the negotiations are being undertaken shall Y recognize the authority of that person, group or organization to represent the employee Y in those negotiations.

This meant that if a worker designated a union to represent him in negotiations for an employment contract with an employer, that employer could not refuse *to recognize* the union for that purpose. However, an employer could refuse *to bargain* with the union. That is, if the employer chose to bargain for the labor services of an employee, he had to do so through the union. He could not insist on bargaining with the employee directly. If he chose not to bargain over the worker=s services he could simply tell the union he is not interested in that worker=s services, and walk away.

Sections 18B20 of the Act made clear that bargaining was voluntary. The word Amay@ was used over and over, and the word Ashall@ was never used in describing bargaining procedures. New Zealand=s highest court, the Court of Appeal, held that the ECA had no provision for mandatory bargaining on the ANorth American model.@

The issue of contractual freedom

Section 7 of the ECA should not be adopted into American labor law. It stated,

> Nothing in any contract or in any other arrangement between persons shall confer on any person, by reason of that person=s membership or nonmembership of any employees organization (a) any preference in obtaining or retaining

employment; or (b) any preference in terms or conditions of employment.

Superficially, this may seem to be a reasonable nondiscrimination rule, but it violates both employers= and employees= freedom of contract. In a completely deregulated labor market there would be no reason to forbid voluntary exclusive representation, voluntary union security, and voluntary union-free hiring. An employer should be free to make job offers that include a notice that his firm operates on the principle of exclusive representation. Job applicants should be free to decide whether to accept or reject such offers. The problem with the extant situation is not exclusive representation itself, but that the law compels exclusive representation. If an employer chooses to settle the issue of which union will represent all his workers by majority vote of the workers, so be it. The responses of workers to his job offers as well as the responses of his customers and suppliers, will tell him whether that choice was wise or foolish.

Inasmuch as union security under the NLRA is a subject of bargaining between certified unions and employers, it may seem consistent with voluntary exchange contracting. This is not the case because the bargaining itself is mandatory, and because NLRA union security is based on mandatory exclusive representation. As Milton Friedman (1962) pointed out, without mandatory exclusive representation and mandatory bargaining there is no reason to preclude voluntary union security.

This is also true of union-free, or what are commonly called Ayellow dog,@ employment contracts. An employer should be free to make offers that include a notice that he hires only union-free workers and that if an employee joins a union, the employment relationship will be terminated. Job applicants should be free to decide whether to accept or reject such offers. The market will soon indicate whether such contracts are wise or foolish.

It is impossible to predict what competitive forms of labor relations would emerge in a totally deregulated market. But whatever they might be, the successful ones would be those that best served the interests of all the parties involved.

In conclusion

To those who say that it is politically impossible to move toward voluntary unionism in the United States I say it is at least time to begin to build a consensus that such reform would be desirable. Along with W. H. Hutt (1971), I assert that nothing of value will ever be accomplished if innovators only propose what seems to be politically possible. History is replete with stories of the politically impossible becoming the status quo. In the 1950s the abolition of Jim Crow laws in the United States seemed politically impossible. Until the early 1990s the abolition of apartheid in South Africa seemed politically impossible. In comparison, the abolition of compulsory unionism seems not much at all.

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