Do Unions Raise Wages?

A Note on "Labor Economics"

John Zerzan

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Although unions have long been identified by left revolutionaries as auxiliary organs of capital whose function is to regulate the sale of their members' labor power, the myth still persists that they are "defense organs of the working class." Even those who see no revolutionary potential for unions claim that at least unions have been responsible for a steady rise in workers' income. John Zerzan attacks this thesis as being untrue and severs the last rationalization for their support. Revolutionary organization of workers will take place outside of the union structure.

"The only time I carry a revolver," said the local agent of a coal miners union, "is when I sign some fair and square agreement, with an operator and then take it to the boys. Chances are they wanted ten times what I got, and believe me, I've got to do some tall explainin'"

— Whiting Williams, *Mainsprings of Men*, 1925

From shop stewards to international presidents, union leaders have tried to convince workers that better pay and benefits are worth giving up control over work decisions. And, hemmed in from all sides by an enforced absence of alternatives, workers grudgingly accept, much of the time, the quantitative compensation unionism has obtained for them. But the workers' commodity status, written into every labor contract, turns out to be a very cheapened one at that; in return for the qualitative debasement of the primary life activity, capital has given virtually nothing at all.

In fact, real wages began rising long before unions gained their power. As is equally obvious, the levels of real wages in different countries bear no relation to the strength of union movements in those countries. Also very important is the fact that unionism has been definitely unable to influence labor's share of national income. Alterman, Bowley, Bradley, Bronfenbrenner, Cobb & Douglas, Denison, D.G. Johnson, Kerr, Kolko, Phelps-Brown, Reder, Rees, and Simler are some of the more prominent authors to have testified to these points.

Union wage pressures have not affected the share of the pie going to the workers; "over time, labor's percentage has remained amazingly constant," as Sultan put it, in his *Labor Economics*. Though union members earn an average of about 10% more than non-union workers, as H. Gregg Lewis and others have estimated, this differential accrues mainly from the fact that it is generally the relatively more prosperous wage fields that become unionized.

High wages have always accompanied, in general, the more prosperous fields, which were more likely for unionization, but the share throughout the various industries remains the same. As Clark Kerr found, "labor's share…industry by industry, has fared no more favorably in unionized industries than in non-union industries."

Wages Rose When Unions Weak

For examples of what has just been said, we can turn specifically to twentieth-century developments. To Henry Ford, for instance, who instituted the five-dollar day in 1913 when there were really no auto unions in sight. Or more importantly, to the sharp increase in real earnings and decrease in hours worked in the 1920's, when the union movement was very weak and declining.

In 1923 United States Steel abandoned the 12-hour day for the 8-hour shift. In the same year Proctor and Gamble guaranteed the equivalent of 48 weeks of work to its hourly workers. Also in 1923 Ford instituted the 5-day week, while International Harvester in 1926, following the lead of the Parafine Companies, Inc. and others, announced the surprising innovation of the 2-week annual vacation with pay for its employees. During the '20s in the absence of union pressures (not the same as the absence of direct pressure by the "unorganized") real earning and benefits shot up, in marked contrast to the economic positions of heavily-unionized European workers at the time.

Since the 1930s and industrial unionization in the U.S., union bargaining and strikes have had no more impact on workers' share of total earnings than before. One illustration is a comparison between two Armco steel plants in Ohio during the period 1943–1961.

At the Middletown facility, a local company union represented the workers and there weren't any strikes during the 17 years in question. At the Ashland plant, the United Steelworkers represented the employees, and 25 strikes occurred in those years. Middletown pay was higher throughout than Ashland pay.

John J. Collins' "Bargaining at the Local Level" demonstrates with voluminous statistics, in fact, that local company unions do at least as well, and sometimes better, than do national unions in the area of money and working conditions. Very similar is the conclusion of Gordon and Persky, in a 1973 article published by the National Lawyers Guild, which admits to an absence of evidence that the United Steelworkers influenced wage gains for the period of their study, 1949 to 1970.

The 1959 steel strike lasted 116 days, longest in that industry's history, and saw a net profit for the year (as computed by the National City Bank of New York) of $816 million for the leading steel producers, a rise of 5% over 1958 earnings. Small wonder, in the light of data like that of the above, that even William Grogan's authorized 1959 biography of USW leader John Riffe concedes the workers' attitude of owing nothing to the union, of abandoning union loyalty.

The Auto Industry and Wages

Turning to the auto industry, we naturally find here much of relevance also to the lack of economic impact by unionism. Regarding cost-of-living escalator clauses in contracts, for example, we glimpse their real efficacy. Whereas everyone knows of their failure to keep wages abreast of inflationary advances, their negative impact was felt surely and swiftly under the 1948 General Motors pact with the United Auto Workers, when a drop in the consumer price index cut wages for 1949.

Again, small wonder that union leaders came to publicly have to admit the anti-unionism of workers. Ten unidentified UAW officers, for example, declared in 1963 that union members are more militant than the leaders and that U.S. unions are losing the allegiance of their members (*The New York Times*, Sept. 8, 1963). The very long GM strike in the fall of 1970 proved to be another boon to the owners, by the way; GM's fourth quarter 1970 earnings were up nicely.

By the time of the mid-'70s and its "recession," the degraded financial position accorded the worker under unionism had come almost to rival the fundamental insult of having to pay dues to that same jailer in the social sense. Real wages declined as openly corrupt union officials sported six-figure salaries and the Labor Department in June 1975 reported that unions' 1974 earnings and assets were up healthily despite the state of the workers' economy that year.

The July 30, 1973 *U.S. News & World Report* cited the "surprising calm on the labor front," as labor leaders openly declared their policy of servility in contract negotiations (e.g. AFL-CIO Executive Council meeting releases, early spring, 1974).

The 21-month Farah strike ended in February 1975, after much national publicity, with the Amalgamated Clothing Workers of America "winning" a 3-year contract which granted the garment workers an entire 20 cents more per hour than guaranteed by minimum-wage law! A further slap in the face was registered in a February 17, 1975

Barron's editorial which noted that the expected "union upsurge" in the face of the recession had "failed to materialize."

The June 15 *New York Times* cautioned that at least some economic concessions should be granted anyway, so as not to jeopardize "the new expressions of labor-management collaboration" developed with the recession. Likewise, the July *Fortune* echoed capital's appreciation of labor's restraint and spirit of accommodation.

Michael Myerson's *The ILGWU: A Union Fights for Lower Wages* (New England Free Press) ends with ILGWU chief David Dubinsky's rather famous remark, "Trade unionism needs capitalism like a fish needs water." And the reverse is also an obvious truth; unionism is needed for profit maximization as well as for the indispensable control and discipline of the workers. As Teamster boss Dave Beck openly boasted in the February 2, 1954 *Wall Street Journal* about the union business, "You sell only one thing—labor."

As the condition of being that which is bought and sold becomes hard and harder to stomach, the designation "human" overcomes the designation "output-per-hour." Productivity figures sag, resistance deepens—and wage labor itself emerges as the issue.

Fifth Estate suggested reading: *Workers Councils*, Anton Pannekoek, Root & Branch, $1; *Unions Against Revolution: Two Essays*, G. Munis & John Zerzan, Black & Red, $.50; *The Lordstown Struggle*, Ken Weller, London Solidarity, $1; *Wildcat*, Black & Red, $.50. All books available from Ammunition Books, 4403 Second, Detroit MI 48201 (use form on book store ad).

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