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AMERICA'S LEADING LABOR RELATIONS CONSULTANTS

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## So What Did November 7th Really Mean?

Some business people think the infusion of Democrats into Congress is the fulfillment of a Domsday Prophecy. Those fears could be overstated, but with the advent of a few more changes, employers and, in turn, the citizenry may encounter some startling realities.

The narrow margins of majority that the Dems now enjoy are not sufficient on their own to pass the more controversial Democratic initiatives of which the Employee Free Choice Act — the Bill that would assure unions millions of new members based solely on a majority of employees signing union authorization cards — is the poster child. This premise assumes President Bush will not sell out America's working class by foisting upon them this radically regressive change to the way employees choose to be represented by a labor union. Having seen numerous affidavits in National Labor Relations Board proceedings, I contend it is ludicrous to believe that Americans — most of whom could not tell you the difference between a credit union and a labor union — could make a discerning choice regarding joining a union. Under this Bill, these uninformed folks, amidst the cacophony of a bar, union organizing rally, or even their fast-paced workspace, would be coerced, cajoled, and romanced into putting their signature on a union authorization card or petition without having the foggiest notion of the consequences. Unions are relying on this since they prefer an uneducated constituency — one that will march lock step into the abyss. The difference here is that the cycle would just be beginning. Once organized, via a mere demonstration of a majority of signatures, unions would enjoy much needed infusions of cash and members. The cycle is complete when those people go the route of the UAW (which we all know means, U Ain't Workin') in the Big 3 or the Steelworkers who used to make steel in the Monongahela Valley.

Unless Bush sells out, it is unlikely EFCA will become law during the final two years of his presidency. The Democratic margins are well short of what the Party would need to override his veto. The changes hinted at above ... a Democrat in the White House or enough votes in both houses to override a Republican President's veto are on the horizon, but 2008 is less than 2 years away.

Some things will not have to wait. For the first time ever, the Hispanic vote went Democratic last Tuesday. Unions, recognizing the value of their political support plus the potential of adding millions of members from a formerly union-averse bloc, played all their cards right by conspiring with Democrats to take a kinder, gentler, and sometimes muted position on the immigrant issue and by becoming the new friend of Latinos. The GOP on the other hand sent trucks full of concrete to the southwest to build a wall.

It is a safe bet that the new Congress will try to find ways to please our biggest minority. It would be political suicide to do otherwise. Immigration reform will happen soon and it will not stem the flow. Aside from the explosion of entitlement costs to support these folks, unions will be in a full-court press organizing Hispanics. This is the most paradoxical dynamic of the whole mixed up mess. Mexicans and Central Americans — some legal, some illegal — work hard and take jobs of others,



because they are willing to work hard for less money than “Americans.” Those “Americans” are the historical source of new union members. Now, unions have turned their backs on their own kind in search of new pesos.

Now comes the 500 pound gorilla. About the only initiative that Republicans and Democrats agree on is raising the minimum wage from its current \$5.15 to some number north of \$7.00. Hoorah, a truly intelligent populist initiative, Right? ... Wrong! While nobody will deny that minimum wage is not even close to a living wage, the fact is there aren't a lot of people who work for \$5.15 an hour. There are, however, a lot of people who work for less than \$7.00 an hour. We always miss that part of the examination when we consider raising the minimum. Remember, when these folks move up, we create tremendous bottom-up compression. Is it fair to move someone from \$5.75 to say \$7.25 (a new minimum) but not proportionately raise his co-worker (who incidentally has 2 more years on the job) but makes \$7.30 an hour? The union organizing juggernaut will be firing on all cylinders. Do the math. Can America really stand a 40% lift to the entire wage structure? ... I hope we don't find out.

Now back to immigration. All of a sudden those jobs, that nobody wanted, are paying a lot more and lots of people want them.

How do unions fit in? They will be sitting on the sidelines (as usual with no answers) when the body count starts. Hospitals, hotels, restaurants, domestic transportation companies and other services that can't offshore their businesses will be all that is left here. Made in America will be as obsolete as Don't Tread On Me. The great irony may become “Americans” sneakin' south of the border to get good paying jobs.

We thought we had high inflation in the early 1980s. You ain't seen nothin' yet.

Bill Adams

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