PRO-WORKER, PRO-GROWTH

MAKING RIGHT-TO-WORK PERMANENT IN NORTH CAROLINA

MARCH 2022
Pro-Worker, Pro-Growth
Making Right-to-Work Permanent in North Carolina
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Executive Summary

In 2022, North Carolina celebrates the 75th anniversary of its right-to-work law. A majority of states (27) currently protect worker freedom, with nine of those states enshrining their law in their constitution. North Carolina should become the 10th.

The right to work free from being compelled to join or otherwise pay fees to a union is a critical component of a free society. Labor unions have no justification infringing on a worker’s agreement with an employer with demands to submit a portion of one’s salary to the union’s coffers.

States with right-to-work laws enjoy lower unemployment rates, higher job growth, and higher wage and income growth compared with forced union states. Right-to-work laws are decidedly pro-worker.

With the surprise election of Glenn Youngkin as governor, Virginia staved off growing momentum of the labor movement’s attempt to overturn that state’s right-to-work law. And while North Carolina’s right-to-work law may seem safe, make no mistake that labor movement leaders would like nothing better than to overturn worker freedom in a southeastern
“It is simply unfair for unions to demand payment for workers as a condition of employment.”

state. With their recent failure in Virginia, they may direct their attention and resources to North Carolina next.

It is simply unfair for unions to demand payment for workers as a condition of employment. A right-to-work law protects workers against such compulsion. The time is now for North Carolina to solidify its right-to-work law in the state constitution. Otherwise, we may be just one election away from it being overturned.
Introduction

In 2022, North Carolina celebrates three-quarters of a century of worker freedom. In 1947, the Tar Heel state was one of the first to enact a right-to-work law.¹

Right-to-work simply means that a union cannot get a worker fired for not paying dues or fees. This simple concept — workers cannot be forced to pay a union in order to keep their jobs — benefits not just workers, but the economy as well. States with right-to-work laws have lower unemployment rates, higher job growth, higher population growth, and higher wage and income growth than states with forced unionism.²

There have been many changes in the last 75 years. A majority of states now have right-to-work laws, with 26 other states giving workers the same freedom as those in North Carolina. Nine of those states have taken the additional step of elevating right-to-work into their constitutions, further safeguarding workers from attempts to take away their freedom of choice.³ This step is needed because of concerted efforts to repeal right-to-work laws, as has been most recently seen in the historically worker-freedom-friendly Commonwealth of Virginia.⁴
“States with right-to-work laws have lower unemployment rates, higher job growth, higher population growth, and higher wage and income growth than states with forced unionism.”

Over the past 75 years, the country has also seen the advent of public-sector unionism, something even labor champion President Franklin Delano Roosevelt warned against. Thankfully, in 2018 the United States Supreme Court in Janus v. AFSCME ruled that everything government unions do is inherently political and that public employees have a First Amendment right to choose to pay union fees or refuse to do so, ensuring that all public employees have protections similar to right-to-work.

While North Carolina has government unions, they cannot collectively bargain. Regardless, union pushes in Virginia and elsewhere are moving to give government unions monopoly power over representing public employees in states where public employees currently can negotiate independently.

Other states are taking steps to further strengthen employee rights. Arkansas recently passed legislation ensuring unions would not come between public employees and their employers (taxpayers) by banning public-sector collective bargaining. West Virginia also moved to protect taxpayers and public employees by prohibiting the state from being the bill collector for union dues; i.e., prohibiting the state from collecting union dues from public employees’ paychecks. Tennessee is well on the way to elevate right-to-work to a state constitutional right, having already taken steps to put right-to-work before voters. The question of adding right-to-work in the Tennessee constitution will appear on their November 2022 ballot.

It could have been easy for these deep red states with comfortable control by legislators who support worker freedom to rest on their laurels. Advocates of forced unionism are on the offensive, however, and nothing
shows this threat greater than Virginia, which, like North Carolina, was one of the first right-to-work states and had banned public-sector bargaining. Now that bastion of worker freedom is allowing localities to pass laws permitting public-sector bargaining, and the safety of its right-to-work law was in question.\textsuperscript{12} Thankfully, in November 2021, Virginia voters sent a strong rebuke to opponents of worker freedom by electing Glenn Youngkin to be the next governor.\textsuperscript{13} His opponent, Terry McAuliffe, was heavily supported by unions and supported the repeal of right-to-work.\textsuperscript{14}

Still, North Carolina must learn from the close call of Virginia and take steps to recognize, as its neighbors have, that a constitutional amendment, rather than simple legislative protections, are needed to protect worker freedom. In order to ensure long-term freedom, North Carolina must make right-to-work a constitutional right and fight against attempts to take away the freedoms of individual public employees by opposing efforts to allow government unions collective bargaining.
NORTH CAROLINA’S CHANGING POPULATION COULD PUT RIGHT-TO-WORK AT RISK
North Carolina is an attractive and growing state. In September 2021, the state had 4.2% unemployment, which was well below the national average of 4.8%. It has seen significant growth in its hospitality, professional services, and manufacturing sectors, among others. This strong recovery from COVID-19 restrictions is a testament to the job creator and investment friendly policy reforms of the last decade.

People are flocking to North Carolina. According to the United States Census Bureau, the state’s population has boomed. A Carolina Population Center analysis of the Census data showed that, “Since the 2010 Census, North Carolina’s population has grown by 952,000 residents, an increase of 10%. Two-thirds or 67% of this growth was due to net in-migration, meaning more individuals moving to North Carolina than moving away.”

While many of North Carolina’s immigrants are coming from right-to-work states such as Florida and South Carolina, many more are coming from states like New York and California, which are hostile to worker freedom. As has already been discussed, Virginia was trending in that
“[T]he best time to solidify worker freedom in North Carolina is now because there may not be an opportunity to do so in the future.”

People fleeing states with high tax and oppressive regulatory climates typically move to freer states but may bring their old politics with them. While some recent polling in Texas suggests transplants lean more conservative, pundits blame migration patterns for Colorado and Virginia going from conservative-leaning states to liberal ones.

The implication is that while right-to-work is safe in North Carolina for now, if more voters move into the state and oppose worker freedom, it could put the law at risk in the future. As such, the best time to solidify worker freedom in North Carolina is now because there may not be an opportunity to do so in the future.
Tennessee is taking steps to enhance worker freedom, while Virginia – until the 2021 election – was inching toward taking it away. And while right-to-work may be safe in Virginia for now, opponents of worker freedom will not rest. Tennessee has had right-to-work since 1947, much like North Carolina. Tennessee voters will have the opportunity to strengthen worker freedom further in 2022 when they vote on a proposed constitutional amendment. The text of that amendment reads:

It is unlawful for any person, corporation, association, or this state or its political subdivisions to deny or attempt to deny employment to any person by reason of the person’s membership in, affiliation with, resignation from, or refusal to join or affiliate with any labor union or employee organization.\( ^{20} \)

If voters approve the amendment, Tennessee will become the 10\textsuperscript{th} state to guarantee the right to work not just in statute, but as a constitutional right.
Tennessee Sen. Paul Bailey noted the need to solidify right-to-work in the state constitution: “Tennessee workers want to make their own choices in the workplace and this amendment will forever seal that right.” He further stated that “[i]t also sends a strong message that Tennessee will continue to foster a business-friendly climate into the future for locating high quality jobs. There is no better place than our State Constitution to ensure that Tennessee remains a right-to-work state.”

Sen. Brian Kelsey, a principal proponent of protecting right-to-work in the Tennessee constitution, echoed the need to solidify worker freedom to “guarantee future generations of Tennessee workers their right to work regardless of whether they choose to join a union.”

Meanwhile, Virginia, which also has had a right-to-work law on the books since 1947, came very close to going the other way. At one point in February 2021, state Delegate Lee Carter, described by the Richmond Times-Dispatch as “One of Virginia’s left-most Democrats in the legislature,” attempted to force the leadership to hold a vote on a repeal measure. Fortunately, things went a different way in Virginia, for now. Carter, who was one of Virginia’s top forced-unionism advocates, ran for governor but came in last in the June 2021 Democratic primary, garnering only 2.8% of the vote. He also lost his seat in the Virginia General Assembly.

As the Virginia Mercury described it, Virginia voters in the primary “delivered a rebuke to the left wing of the Democratic party … sweeping three outspoken incumbents from office and rejecting progressive challengers in all but one race.”

November’s election results further rebuked the opponents of right-to-work in Virginia, with the defeat of former Democratic governor Terry McAuliffe. Fox News had reported in August 2021 that McAuliffe received a “$500K boost from large labor union [the Laborers’ International Union of North America] amid flip on right-to-work stance” in addition to the “$2 million [that] influential labor unions gave his campaign after he said he would sign a repeal of the state’s right-to-work policy.” McAuliffe
has previously been against repealing right-to-work but recently said he would sign a repeal if it came to his desk. Thanks to Virginia voters, however, he’ll never get the chance.

Labor unions and politicians hostile to worker freedom, however, won’t go away quietly. For instance, a powerful Democratic House member, House Appropriations Chairman Luke Torian, announced on Labor Day 2021 his intention to vote to repeal Virginia’s right-to-work law if given another opportunity, a reversal from his vote months earlier when he voted against a bill to do just that.

While last fall’s flip in power in Virginia should serve as protection for right-to-work laws in the short-term, labor’s power to sway legislators’ principles through large political donations remains.

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HOW RIGHT-TO-WORK WORKS
As the debate about adding worker freedom to the North Carolina Constitution may be imminent, it is important to know the history, details, and benefits of right-to-work. This paper will provide those details.

Right-to-work simply means that a union cannot get a worker fired for not paying dues. It does not affect collective bargaining in any other way. Workers, unions, and employers can still bargain over wages, hours, working conditions, or anything else they can bargain over in a non-right-to-work state. The only difference is prohibiting a union’s ability to get a worker fired for not paying union fees.

States are allowed to enact right-to-work laws because section 14(b) of the federal National Labor Relations Act gives states the power to prohibit “requiring membership in a labor organization as a condition of employment.”

In more academic terms, right-to-work means that private-sector workers cannot be compelled to join or otherwise support a union as
“States that don’t allow compulsion in union fees in private sector employment, such as North Carolina, are called right-to-work states. States that allow compulsion in union fees on the pain of unemployment are sometimes known as agency shop states.”

non-union private-sector workers in agency shop states are forced to pay the vast majority of union dues as agency fees.\textsuperscript{50} Agency fees are what non-union workers in non-right-to-work states must pay in order to keep their job. The difference between agency fees and full union dues is that union members pay full dues, which include money for union politics, while agency fees are paid by non-members and do not include the amount for union politics.

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<th>Right-to-Work States</th>
<th>Agency Shop States</th>
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<td>Cannot force union membership as a term of employment</td>
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<td>Cannot force workers to pay fees or dues to the union</td>
<td>Can force workers to pay fees or dues to the union</td>
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<td>Workers who choose to join the union pay full union dues, which include funding of union politics</td>
<td>Non-union workers must still pay “agency fees,” which are nearly as much as union dues, but do not include funding of union politics</td>
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A generic letter from the Communications Workers of America’s “Union Operating Procedures Manual” is clear on the consequences of a worker in an agency shop state not paying union fees. The letter states (emphasis added):

Dear [Employer Representative]:

This is to request enforcement of the union security clause in your collective bargaining agreement with CWA.

[Name of worker], an employee covered by the agreement, after having been fully informed of the obligation to pay agency fees and given a reasonable opportunity to tender such payments, has refused to do so. **Please take the necessary steps to discharge [Name of worker] for failure to meet this requirement of employment.**

Sincerely,

District Officer

cc: [Name of worker]
CWA Agency Fee Administrator, Washington DC
Local Union Officer

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“Public sector employment is now all right-to-work, thanks to the 2018 Supreme Court’s Janus v. AFSCME decision.”

Public sector employment is now all right-to-work, thanks to the 2018 Supreme Court’s Janus v. AFSCME decision. In Janus, the Supreme Court said that everything government unions do is inherently political and, therefore, public employees have a First Amendment right to choose whether to pay dues or not, essentially giving all public employees right-to-work status.

Nevertheless, North Carolina, South Carolina, Indiana, and a few other states to varying degrees go a step further by not allowing bargaining between some or all government unions and public employers. As will be detailed later, North Carolina should strive to keep this protection.
RIGHT-TO-WORK’S ORIGINS
What got the ball rolling on this great experiment among the states? On the national stage, it was a congressional election.

The congressional midterm elections of 1946 were seismic. Democrats had held a comfortable grip on both houses of Congress since 1932, when President Franklin Delano Roosevelt (FDR) was elected with his first of three vice presidents. The third of those vice presidents, Harry S. Truman, having gained the White House when FDR died in 1945, lost his party’s hold on Congress.

Republicans put an additional 56 members into the House of Representatives and 11 in the Senate, for majorities in each body. Once they were sworn into office the following year, the Republicans did something with that majority that has had ramifications to this day.

President Truman denounced and vetoed the bill. The bipartisan coalition of both parties — principally Republicans and Southern Democrats, though support for the law was widespread — then overrode his veto, which made right-to-work a lasting part of the American landscape.\textsuperscript{36}

In 1948, Truman won the presidency in an upset, and his party won back Congress. Democratic Party leaders in the White House and in Congress attempted to repeal the law allowing right-to-work states, but failed. Because of that respective success and failure, the Taft-Hartley Act has allowed states to choose to be either agency shop or right-to-work states for almost 75 years.

In his history of the right-to-work movement, scholar George Leef wrote, “From the vehemence with which union supporters denounced the Taft-Hartley Act, one might think that it had outlawed unions. It was called a ‘slave labor’ bill, ‘union-busting,’ ‘class warfare,’ and much more.”\textsuperscript{37} By contrast, Leef characterized the Taft-Hartley Act’s changes to existing labor law as “fairly minor” and pointed out that the law initially “did little to impede the growth of unionization.” Indeed, the “high water mark for unionism came six years later, in 1953, when 36 percent of workers in the private sector were represented by unions.”

Leef explained that “Congress might have restored the common law and repealed” legislation that had been passed fairly recently by an overwhelming Democratic majority in 1935 and with it the “Wagner Act’s coercive, one-sided meddling in employer-employee relations. Instead, the Taft-Hartley Act reiterated national policy favoring collective bargaining and then proceeded to make several amendments to the statute.”\textsuperscript{38}

Labor economist Richard Vedder and public policy researcher Jonathan Robe spelled out the most important amendment to the existing law in a 2014 book published by the Competitive Enterprise Institute:

“Section 14(b) of Taft-Hartley is especially important. It allows individual states to go further in protecting workers’ freedom of association. Specifically, it declares that the Wagner Act ‘shall not be construed as authorizing the execution or
application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.’ This clause provides the legal foundation for states to enact right-to-work legislation, thereby ensuring that workers can decide for themselves whether they wish to support a union, even when collective bargaining agreements are in place.”

“The term “right-to-work” was coined in an unsigned editorial in the Dallas Morning News published on Labor Day 1941.”

States Laid the Groundwork for Right-To-Work

That is the larger story of the origin of right-to-work. Yet as observers of American democracy well know, most policy innovations do not originate in Congress. They start out as state or local initiatives and are eventually taken up by Congress.

The term “right-to-work” was coined in an unsigned editorial in the Dallas Morning News published on Labor Day 1941. The editorial advocated a constitutional amendment saying, “No person shall be denied employment because of membership in or affiliation with a labor union or because of a refusal to join or affiliate with a labor union.”

Leef stated that the editorial used the phrase right-to-work “at several points in the editorial” and it caught on: “Subsequently, other proponents of voluntary unionism picked up a phrase as a shorthand for their goals and it stuck.” That’s why one of the longest-running proponents of said laws is called the National Right-to-Work Committee.

At the state level, we learn from Leef that “Opponents of compulsory unionism succeeded in getting referenda put on the 1944 general
election ballots in Florida and Arkansas, asking voters to approve laws that would make contracts that forced workers to choose between paying union dues and losing their jobs illegal.” Voters in both states voted for right-to-work. 

Three more states — Arizona, Nebraska, and South Dakota — followed suit in 1946, the same year voters voted to usher in a dramatically different sort of Congress. By the time that the 80th Congress was sworn in, about a tenth of the states were already asserting the right to work. In legislating right-to-work as having to be decided on a per-state basis, Congress was not only recognizing work that was already well underway, but embracing the federal tradition of the country by keeping power at a state level.

Recently, the number of right-to-work states has increased dramatically. Six states have gone (and kept) right-to-work since the turn of the century, bringing the total up to 27. They are, in rough order of adoption, Oklahoma, Indiana, Michigan, Wisconsin, West Virginia, and Kentucky. All but Oklahoma have enacted worker freedom in the last decade.

North Carolina Rode the First Wave, Post Taft-Hartley

In 1947, when Taft-Hartley passed, six additional states passed right-to-work. This was the first wave under the new legal regime, and North Carolina rode that wave. The other first-wave states were Texas, Tennessee, Georgia, Virginia, and Iowa.

Why was North Carolina one of the earlier adopters of right-to-work? One answer is the history of long and violent strikes in North Carolina
— deadly violence both on the part of, and directed at, workers. The other was that actual Communists were involved in the organizing, at a time when the USSR was shaping up to be America’s biggest geopolitical threat.

For instance, in an in-the-moment account of the infamous Loray Mill strike of 1929 that was very sympathetic to the strikers, Our State magazine stated, “The fact that the union has Communist ties only heightens the tension.” Also: “[T]he [National Textile Workers Union] and the Communist Party announce plans for a mass rally in South Gastonia on September 14.”

The local police chief was killed in a confrontation with strikers. A 28-year-old woman on strike named Ella May Wiggins was killed by one of the locals opposing the strike. Gunfire was the cause of both deaths, leading to multiple, contentious murder trials. Hard feelings in the company town would last a lifetime: “In 1986, a proposal to create a historical marker [was] still controversial. Some want[ed] the marker to ignore the deaths and mark the site where ‘local citizens defeated the first Communist efforts to control southern textiles.’”

Instead, in 2013, “the North Carolina Office of Archives and History unveil[ed] the marker commemorating the event. [It took] 27 years to approve 21 words: ‘A strike in 1929 at the Loray Mill, 200 yards S., left two dead and spurred opposition to labor unions statewide.’” Our State reported.

If that memory wasn’t fresh in the minds of many North Carolinians, the campaign in Winston-Salem — the consolidated town for which the cigarettes were named — might have been. In the mid-1940s, a coalition that the socialist magazine Jacobin proudly trumpeted as a “Communist-led union of tobacco workers” organized tobacco workers there.

“By the end of 1946, the [Communist] party membership rolls in Winston-Salem reached approximately 150, a large majority of whom were African-American tobacco workers, including a large number of union shop stewards. The first North Carolina Communist Party convention
“Union leaders sued to block right-to-work laws in Arizona, Nebraska, and North Carolina. The union’s main contention was that the right-to-work laws infringed on their constitutional rights.”

Whatever the feelings the average North Carolinian held toward union membership at the time, it’s a fair bet that a majority never wanted to be forced to pay an organization that was associated with Communism. This sentiment may have helped the right-to-work cause to gain traction as well, for passage in 1947.

**U.S. Supreme Court Affirms Right-To-Work**

Union leaders sued to block right-to-work laws in Arizona, Nebraska, and North Carolina. The union’s main contention was that the right-to-work laws infringed on their constitutional rights. In 1948, the U.S. Supreme Court issued the *Lincoln Federal v. Northwestern Co.* decision, which did not go the way that union leaders were hoping. Justice Hugo Black wrote for the unanimous court.

“States have power to legislate against what are found to be injurious practices in their internal commercial and business affairs so long as their laws do not run afoul of some specific federal constitutional prohibition or of some valid federal law,” Black explained.

“[Unions claim] that the Federal Constitution itself affords protection for union members against discrimination, [but] they nevertheless assert that the same Constitution forbids a state from providing the same protection for nonunion members. Just as we have held that the due process clause erects no obstacle to block legislative protection of union members, we now hold that legislative protection can be afforded non-union workers,” the Court ruled.
With the legal and moral case so clearly stated, the logjam was broken, and the state-by-state experiment with right-to-work was allowed to proceed unto the present day. It has not stopped unions from suing over new right-to-work laws; however, again and again they have failed.

A recent example is the 2012 lawsuit brought by the International Union of Operating Engineers (IUOE) Local 150 against Indiana’s right-to-work law. The union brought several suits in both Indiana and Wisconsin against their right-to-work laws. IUOE claimed that not being able to force workers to pay them infringed on their rights because they were forced to represent workers not paying them.

It is a typical argument against right-to-work and ignores the fact that unions choose to represent all employees because it gives them a stronger hand at the bargaining table. This monopoly requires them to represent all workers but they could choose (albeit with some limitations) to represent only members. Unions could also work to pass legislation that would relieve them of representing nonmembers, but thus far have not chosen to do so. In the lawsuits, IUOE claimed right-to-work violated the Indiana constitution and also that it violated several parts of the U.S. Constitution, including the Thirteenth Amendment. To be clear, the Thirteenth Amendment outlaws slavery.

At the time, Patrick Wright, senior legal analyst and now a vice president at the Mackinac Center for Public Policy, said the union’s claim was ridiculous. “The legal argument expands the definition of chutzpa,” Wright said. “Compulsory membership and coerced dues and fees are
the hallmarks of the union movement, yet they claim that giving workers more choice is an act of enslavement.\textsuperscript{54}

Wright was ultimately proven correct. Both federal and state courts upheld the right-to-work laws, and Indiana and Wisconsin’s right-to-work laws are standing the test of time. \textsuperscript{55}
DISCRIMINATION AND THE LABOR MOVEMENT
It would be good if this and the next sections of this report were not necessary, as the stain of discrimination touches too much of American history. It is not desirable to bring discrimination into discussions where it does not belong. The problem is, bringing discrimination into the matter is exactly what labor unions and their allies have done with regard to right-to-work.

Right-to-work applies to workers of all colors, religions, genders, and sexual orientations. It is a principle based on the constitutional rights of speech and association that provides the same choice to all American workers: the choice either to join a union or to refuse to do so, without risking their jobs.

The American Federation of State, County and Municipal Employees (AFSCME) is one of the leading members of the AFL-CIO and mostly represents public employees who have right-to-work, thanks to the Janus decision. Even though most of AFSCME members now have worker freedom as a matter of constitutional law, however, the union is not shy about using misleading and derogatory attacks to oppose right-to-work
on the basis that it disproportionately hurts minority communities.

For instance, on its website (published before the Janus decision), AFSC-ME played up the supposed “Racist Roots of Right-to-Work,” and the AFL-CIO both quoted and linked to the webpage of its fellow union.\(^{56}\) The union argument is that right-to-work, which benefits all workers, is discriminatory, a position that is difficult to reconcile either with the equality of its application or with their own troubled history of supporting discriminatory labor laws.

Herbert Hill, the late longtime labor director of the National Association for the Advancement of Colored People, criticized the American Federation of Labor, from which we get one half of the current AFL-CIO, in Commentary in 1959. Hill wrote:

> In 1939, the AFL organized shipyard workers in the Tampa (Florida) shipbuilding industry. Prior to unionization, some 600 semi-skilled and skilled Negroes had worked in the Tampa yards. As soon as the International Brotherhood of Boilermakers was recognized as the bargaining agent, however, the Negro workers were forced out of their jobs by the union’s exclusionist policy. ... The same thing happened soon afterward at the New Orleans shipyards and at the Boeing Aircraft Plant in Seattle, where the International Association of Machinists was empowered to bargain collectively.\(^{57}\)

Writing in the journal *Reviews in American History* in 1996, Hill charged that “contemporary labor historians have failed to confront the fundamental issue: the historical development of working-class identity as racial identity.” Writing about one group of pro-labor historians, Hill explained, “The central point about [this] school, whose views corresponded to the racial policies and practices of the leadership of the American Federation of Labor, is that they were overtly racist and made no excuses or apologies for their position.”\(^{58}\)
UNION LAWS AND LEGISLATIVE DISCRIMINATORY ORIGINS
Harry Alford is co-founder of the National Black Chamber of Commerce. In a 2012 op-ed co-authored with the author of this paper, Alford showed a disconnect between union messaging on civil rights and the history of some laws supported by the modern labor movement. He further illustrated how some laws that unions currently champion started with overtly discriminatory purpose or otherwise led to disparate impacts on minority communities.

One such law is the Davis-Bacon Act, which Alford called “the last Jim Crow law on the books.” The Davis-Bacon Act mandates that private-sector contractors pay the prevailing wage on most federally funded construction projects. Davis-Bacon and prevailing wage are generally considered to skew these contracts to unionized firms and harm non-unionized firms.

Alford also quoted from a Government Accountability Office report that stated that the Davis-Bacon Act “stems from a Depression-era practice of transporting workers from lower-paying areas to bypass local workers
“Concerns about the origins and effects of Davis-Bacon have been ongoing for decades.”

who would demand a higher wage” and pointed out what a member of the House of Representatives had said openly while debating the law. 62

Alford reported on the legislative history of Davis-Bacon, noting that:

In 1931, Rep. Miles Clayton Allgood of Alabama spoke in support of the then Davis-Bacon bill on the House Floor, stating bluntly, “Reference has been made to a contractor from Alabama who went to New York with bootleg labor. That is a fact. That contractor has cheap colored labor that he transports, and he puts them in cabins, and it is labor of that sort that is in competition with white labor throughout the country.” …

Many of those transported workers were African American. The Act was created to prevent these workers from taking the jobs of white laborers. The true history of this legislation was that it was originally enacted as protectionist measure for white northern workers. 63

Concerns about the origins and effects of Davis-Bacon have been ongoing for decades. A 1979 Government Accountability Office (GAO) report noted that even then, “contractors argue that Davis-Bacon wage rates actually resulted in fewer construction job opportunities for low-skilled minorities and those just starting in construction.” 64 The GAO then pointed to “a study on youth and minority employment published by the Congressional Joint Economic Committee on July 6, 1977,” which found that “Davis-Bacon wage requirements discourage nonunion contractors from bidding on Federal construction work, thus harming minority and young workers who are more likely to work in the nonunionized sector of the construction industry.” 65

While the origins of Davis-Bacon were clearly motivated at least in part by discriminatory intent, that originating motivation is less pernicious
than its ongoing discriminatory effects. Alford said as much when he stated, "[t]oday, Davis-Bacon continues to discriminate against non-union firms, many of which are minority-owned."66

With words that should have special resonance, he reminded those that lead and speak on behalf of labor unions: "[m]aking ridiculous comparisons to slavery and supporting the last vestiges of Jim Crow are not representative of organizations who truly respect the sacrifice of those who fought for civil rights. They are the opportunistic arguments of a few who want to keep their privileged status at the expense of workers and taxpayers."67

As stated previously, right-to-work simply gives workers a choice to join and support a union or not. It does not change collective bargaining or anything else in any other way. Right-to-work applies equally to all groups and all workers. Despite this, organized labor continues to challenge this egalitarian law while simultaneously defending other labor laws that have explicit origins in discrimination and whose disparate impacts can be seen even today. Opponents of right-to-work would do better to focus their efforts on those laws instead of attacking worker freedom.

“While the origins of Davis-Bacon were clearly motivated at least in part by discriminatory intent, that originating motivation is less pernicious than its ongoing discriminatory effects.”
Not all union leaders are opposed to right-to-work. In fact, even some union organizers believe right-to-work helps their chances to organize new worksites. Gary Casteel, then the Southern region director for the United Auto Workers who would later become the union’s secretary-treasurer, told the *Washington Post*:

*This is something I’ve never understood, that people think right-to-work hurts unions. To me, it helps them. You don’t have to belong if you don’t want to. So if I go to an organizing drive, I can tell these workers, “If you don’t like this arrangement, you don’t have to belong.” Versus, “If we get 50 percent of you, then all of you have to belong, whether you like to or not.” I don’t even like the way that sounds, because it’s a voluntary system, and if you don’t think the system’s earning its keep, then you don’t have to pay.*

While today, Casteel’s support for right-to-work may seem like an outlier, it is actually consistent with the position of some of labor’s most influential leaders. Samuel Gompers, the first and longest-serving president
of the American Federation of Labor, is famous for saying “there may be here and there a worker who for certain reasons unexplainable to us does not join a union of labor. ... It is his legal right and no one can or dare question his exercise of that legal right.”69
WORKERS AND STATES WITH RIGHT-TO-WORK ARE DOING BETTER ECONOMICALLY
While right-to-work is simply about taking away a union’s ability to get a worker fired for not paying them, the ancillary benefits both to workers and the larger state economies are significant.

Studies show several economic advantages for right-to-work states, ranging from wage gains to superior job growth. On this note, four points are worth making:

1. Jobs are more plentiful in right-to-work states.\textsuperscript{70}

2. Right-to-work states have lower unemployment rates.\textsuperscript{71}

3. Workers in right-to-work states can keep more of their money if they choose. Right-to-work gives them the option of paying dues to a union that is doing a good job or keeping their hard-earned money and not paying a union that does not deserve it.\textsuperscript{72}

4. Income growth is higher in right-to-work states.\textsuperscript{73}

For instance, Jeffrey Eisenach, former official of the U.S. Trade Commission as well as the Office of Management and Budget, showed the
“Between 2001 and 2016, private-sector employment in non-right-to-work states grew by 15%. In right-to-work states, private-sector employment grew by 27%, for a 12% gap in favor of right-to-work states.”

Output per-person was also significantly higher in right-to-work states than in non-right-to-work states, with growth of 38% compared with 29%. Part of this difference in output was due to the manufacturing gap. Manufacturing output rose over 30% in right-to-work states compared with 21% in non–right-to-work states.

Higher growth rates in right-to-work states have meant growing personal incomes. Eisenach found that right-to-work states enjoyed growth of 39% versus 26% in non-right-to-work states. This higher growth has also convinced many firms and entrepreneurs to relocate to right-to-work states and to expand faster in those states than elsewhere.
Right-To-Work States Have Higher Income Growth

Incomes in right-to-work states are rising much more rapidly than in their closed shop counterparts. The U.S. Bureau of Economic Analysis showed that personal incomes grew at 40.6% in states without right-to-work laws between 2000 and 2019. That growth may sound impressive until we consider that in right-to-work states for the same period, personal incomes grew at 56.4%.79

“Between 2000 and 2019, private-sector jobs in right-to-work states grew at 23.1%, which was almost double the 12.1% of growth in non-right-to-work states.”

Right-To-Work States Have Higher Private Sector Job Growth

Private-sector job growth between right-to-work and forced-unionism states isn’t even close. Between 2000 and 2019, private-sector jobs in right-to-work states grew at 23.1%, which was almost double the 12.1% of growth in non-right-to-work states.80

Right-To-Work States Have Lower Unemployment Rates

In January 2021, the national unemployment rate stood at 5.8% in right-to-work states versus 7.9% in agency shop states. Right-to-work states also had lower unemployment prior to the onset of the COVID-19 pandemic, with 3.5% in right-to-work states versus 4.1% in non-right-to-work states in February 2020.81
Additionally, right-to-work states and their forced-unionism counterparts are almost diametrically opposite in rankings of states by unemployment rates. Eight of the 10 states with the lowest unemployment rates were right-to-work states, while nine of the 10 states with the highest unemployment rates were non-right-to-work states.\textsuperscript{82}
GOVERNMENT UNIONS AND NORTH CAROLINA
In North Carolina, as in several other states to varying degrees, public-sector bargaining is illegal. But by Fall 2020, even without the ability to formally bargain, there were 152,660 public-sector union members in the state. This fact shows that public employees can still work together, even without the ability to force employers into collective bargaining.

In October 2020, Dr. Terry Stoops, Director of the Center for Effective Education at the John Locke Foundation, published a two-part study on the costs and issues with public-sector collective bargaining in North Carolina. He concluded that if North Carolina allowed for collective bargaining for public employees, “North Carolina public spending would increase between $889 million to $1.32 billion for 2019.”

Many of those cost increases would come from increased bureaucracy, rather than increased employee pay. In Virginia, which now allows localities to permit public-sector bargaining, Fairfax County forecasted a combined $1.6 million for administrative costs associated with collective bargaining. Loudoun County proposed almost $1 million in its planned
FY 2022 budget just for increased staffing and overhead. And the City of Alexandria estimated administrative costs alone will cost between $500,000 and $1 million per year. All of those costs would come before workers see a single extra penny or any extra benefits, assuming they would at all.\textsuperscript{85} It is not money that would be passed on to the city or county workers. They are simply the costs for infrastructure, lawyers, and others to administer collective bargaining.

Despite the fact that public-employee strikes are illegal in the state, the North Carolina Association of Educators went on strike in 2018\textsuperscript{86} and 2019.\textsuperscript{87} Such strikes are punishable as Class 1 misdemeanors, though the penalties can be politically hard to enforce.\textsuperscript{88} Despite the disruption this illegality caused, even with public-sector bargaining outlawed, there remain efforts to allow government unions to bargain in the state.

In 2019, Senate Bill 575 was introduced to repeal the ban on public-sector collective bargaining in North Carolina.\textsuperscript{89} The North Carolina School Boards Association took a dim view of the legislation, telling \textit{Carolina Journal}, "The elimination of the ban against collective bargaining would not work for school employees in North Carolina. While NCSBA supports continuing to enhance the pay for our hard-working educators, NCSBA opposes any elimination of the collective bargaining statutes in North Carolina."\textsuperscript{90}

Another person who would take a dim view of that legislation, were he still alive, is President Franklin Roosevelt. He wrote in a letter to the National Federation of Federal Employees that the "process of collective bargaining, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations when applied to public personnel management. The very nature and purposes of Government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussions with Government employee organizations."\textsuperscript{91}
Conclusion

In the end, right-to-work is about one thing: freedom. It protects workers by taking away a union’s ability to get them fired for not paying union dues. Still, the economic benefits that right-to-work states and the workers in those states experience cannot be understated. Workers in right-to-work states have more income growth, lower unemployment, and higher job growth.

Unfortunately, those wishing to force workers to pay union fees are still on the offensive. Virginia, a stalled effort for now, is only the latest example. Thankfully, there are ways to solidify worker freedom for future generations. Tennessee is likely the state closest to being able to add this guarantee to its workers, but North Carolina could be close behind.

Efforts are already underway to do just that. Legislation has already been introduced in the General Assembly to amend the state constitution to include right-to-work. In order to amend the constitution by legislation, both the House and the Senate must pass the legislation by a three-fifths majority vote. The question then would go to the voters, and the
As these efforts progress, it is important to note that North Carolina is currently in a good position to protect workers. As with everything in politics, however, things can change. Policymakers should not assume that the state will always be as worker-friendly as it is today and should therefore move to make worker freedom a constitutional right in North Carolina.
Endnotes

1. North Carolina General Statutes Chapter 95, Department of Labor and Labor Regulations, Article 10, Declaration of Policy as to Labor Organizations, § 95-78 to 84. [https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_95/Article_10.pdf](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_95/Article_10.pdf).


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Priya Brannick, “The Janus impact and grading of state public sector la-


Ibid.

Ibid., p. 31


Leef, Free Choice for Workers, p. 29.

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Ibid.

“About” because Alaska and Hawaii would not become states until 1959.

National Council of State Legislatures, “Right to Work Resources.” Missouri passed a right-to-work law in 2017, but voters repealed the law at the ballot in November 2018.


Ibid.

Ibid.


Ibid.


55 Ibid.
63 Alford and Vernuccio, “U.S. Unions: Uncivil on Civil Rights.”
65 Ibid.
67 Ibid.


Most of the statistics for this section are taken from the author’s 2021 written testimonies in Montana (House Bill 251, heard on February 16, 2021) and New Hampshire (Senate Bill 61, heard on March 25, 2021). The data were compiled by James M. Hohman, Director of Fiscal Policy at the Mackinac Center for Public Policy.

Vernuccio testimony (see supra).


Vernuccio testimony.


Ibid.


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91 Roosevelt “Letter on the Resolution of Federation of Federal Employees Against Strikes in Federal Service.”


About the Author

F. Vincent Vernuccio is a graduate of the Ave Maria School of Law in Ann Arbor, Michigan. Under President George W. Bush, he served as Special Assistant to the Assistant Secretary for Administration and Management in the Department of Labor.

Vernuccio has published articles and op-eds in such newspapers and magazines as The Wall Street Journal, New York Times, Investor’s Business Daily, The Washington Times, National Review, Forbes and The American Spectator. He has been cited in several books, and he is a frequent contributor on national television and radio shows. Vernuccio is a sought-after voice on labor panels nationally and in Washington, D.C., and as a regular guest on Fox News channels.

He has advised senators and congressmen on a multitude of labor-related issues, and he has testified before the United States House of Representatives Subcommittee on Federal Workforce, Postal Service and Labor Policy.

For more information, contact

Brian Balfour
bbalfour@lockehq.org
919-828-3876
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