

Government Unions: The New Bullies on the Block

by Thomas Redburn

Many observers, Peter Drucker and Daniel Bell among them, speak with eager anticipation of the emerging post-industrial society. One of the bedrocks of such a society will be the wealth of uplifting services the government will provide. Ample services require ample work forces, and in this sense, at least, we are already on our way. One out of six working Americans is employed by a governmental unit—state, local, or federal. The Bureau of Labor Statistics (BLS) estimates that public employment, which has grown faster than any other sector of the economy, will continue to outpace all the rest at least through 1980 (which is the limit of the BLS's prognostications). Yet, before jumping eagerly into bed with the post-

industrial enthusiasts, it may be worth examining a few examples of what is happening within the ranks of the public employees.

Consider recent events in the Postal Service. Following the nationwide postal strike in 1970, postal employees won the right to bargain collectively. In 1972 the Post Office was reorganized into a semi-autonomous public corporation, and Edward T. Klassen was recruited from the American Can Company to run the new Postal Service with the help of the collected wisdom of Harvard Business School. As no one who has tried to use the mails will be surprised to hear, Klassen's management team has recently been subjected to harsh criticism. A recent series in *The Washington Post* revealed that first class mail moves, on the average, 14- to 23-percent slower than it used to,

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N.T.E.U. Photo

while the Postal Service makes on this class of mail a \$1-billion annual profit, which it uses to subsidize other classes. The Postal Service is also investing \$1 billion in a parcel-sorting machine which is slower and more damage-prone than that of its competitor, the United Parcel Service. The Postal Service has also spent \$49 million to develop a mechanical letter sorter that, from all indications, is even less efficient than the present system of hand sorting. Costs have gone up by 46 per cent, and prices (for first class mail) by 67 per cent.

While service has been breaking down and management deteriorating, what have the postal employees been doing? Not complaining about the wasteful decisions, that is for sure. The genius of Klassen's management philosophy was to give such large concessions to postal employees that they would not dream of questioning his "innovations." In return for promising not to strike and agreeing to a few other minor concessions, the postal employees got a \$700 across-the-board raise in July 1973 and a \$400 increase effective last June. When additional cost-of-living increases are taken into account, this means that postal employees have received an average pay boost of 22.5 per cent over the last 15 months, with more to come next year. The Postal Service administrators also promised not to lay off any workers during the two-year period of the contract.

Now the union leaders are returning the favor, not to the public they are supposed to serve, but to the management who is protecting them. The American Postal Workers Union president, Francis Filey, publicly defended Klassen last month, calling his critics "press pygmies and political jackals... in merciless pursuit and they want blood." It's a great little mutual-aid arrangement—for everyone except the quaint soul who still expects to get his mail delivered on time. Those who survey the wonders of E. T. Klassen's domain and con-



sider the spread of public employment, may feel inspired to say, "I have seen the future, and it doesn't work."

Hurricane Al

In 1960 Albert Shanker was just another teacher, trying to organize a union. At the time, the New York Teachers Guild was trying futilely to get more money for teachers, for the starting salary in the city schools was then \$4,800 a year. This was so low that the schools opened every year with hundreds of teacher vacancies and the school system was forced to hire practically anyone they could find who had a college degree. The Guild leaders, including Shanker, pleaded for a salary increase, but Mayor Robert Wagner insisted that the city simply did not have the money. Then, that same year, New York was hit by a hurricane and later suffered one of the worst snowstorms in years. Miraculously, the city treasury opened and from it came

millions of dollars for street-clearing and repair work. When Shanker asked Wagner why there had been money for the unforeseen cleanup work and none for teachers, Wagner replied that the other events were disasters. "That," Shanker told A. H. Raskin of *The New York Times*, "was when we decided to become a disaster."

Albert Shanker is now president of the American Federation of Teachers (AFT), a national union affiliated with the AFL-CIO. The AFT has more than 400,000 members and is one of the fastest-growing unions in the country. Both Shanker and the AFT scored one of their first major victories in 1961 when the United Federation of Teachers (the New York local of the AFT) won the exclusive right to bargain for the city's teachers. By the end of the decade, after a number of strikes and the struggle over community control of the schools in Oceanhill-Brownsville, the union emerged as a strong force in the politics of the city school system.

By organizing his union machine in the best tradition of John L. Lewis, Shanker managed to win significant financial gains for his members and also to prevent community efforts to assert political control over the schools. For instance, in 1970 the city board of education brought in Harvey B. Scribner, a champion of decentralization (one of the issues in Oceanhill-Brownsville), to serve as Chancellor. Three years later, under constant pressure from the UFT, Scribner was forced to resign. By that time Scribner's community control plan was in ruins—for whatever difference that made, since the UFT candidates had captured control of most of the local district boards anyway. The school administrators, facing severe financial problems, realized they had more in common with the union than they had to disagree over, and soon both were petitioning the legislature for more money.

The New York City school system now spends more than \$2.5 billion a year, yet nothing of significance has changed. Instead of addressing real educational needs, little more has been done than to shuffle people in the bureaucracy like so many peas in a giant shell game. The quality of education the system provides is inexcusably poor—two-thirds of the children read below the norm for their grade—but somehow that rarely emerges as an issue. Shanker himself has seemed uninterested in any substantive changes within the schools. A gleam comes into his eye as he describes his vision of teachers organized as a significant political force, pressing for such progressive issues as better housing; but he does little to address the one social problem his group has the most power to correct—the poor quality of public education. When asked if anything could be done to increase the productivity of teachers or to improve the quality of education, he replied, “I don't know if we talked any faster to the children whether they would learn more or less. . . .” Besides, he

says, “it's impossible to evaluate objectively the performance of an individual teacher, even if you're only trying to see if the children improve.” This kind of willful misunderstanding of what “productivity” means is all too typical. The union has become so powerful that Shanker now goes to great lengths to mention the times he has failed to get his way. This is because it happens so infrequently, and it doesn't look quite right to be so strong.

The UFT has also managed to keep its members relatively happy. While New York teachers were drastically underpaid in 1961, the starting salary today is \$10,000. After seven and a half years of service, a teacher reaches the top of the pay scale, making over \$20,000. It's no surprise that Shanker got 86 per cent of the vote in the election for the presidency of the AFT and an annual salary of \$70,000. Being a disaster has its rewards.

The Other Muscle Men

But Shanker's teachers and the postal workers are not the only public employees who have won dramatic gains. From 1960 to 1970, the annual cost of salaries (excluding benefits, which now raise the cost of each employee an additional 35 per cent) for federal workers grew from \$13.2 billion to \$30.5 billion. Including state and local employees, the total cost of public employment rose from \$39.6 billion to \$106.8 billion during the same period. Between 1961 and 1971 the average earnings of all public employees rose by more than 80 per cent, while the average for workers in private industry increased by only 53 per cent. And as each public worker has grown more expensive, there have been more of them to pay for. In 1960, 12 per cent of the national work force was employed by a local, state, or federal government. Today, 16 million Americans—more than 18 per cent of those employed—are on the public payroll.

One quite logical corollary to the growth of the public sector has been

the rise in the size of the public employee unions. The American Federation of State, County, and Municipal Employees (AFSCME), led by Jerry Wurf, is the fastest-growing union in the country. In 1964, when Wurf became president, the union had 220,000 members. Today it has 700,000, making it the fifth largest union in the AFL-CIO. During the past four years AFSCME has gained an average of more than 1,000 new members a week. "Our potential is nothing less than fantastic," Wurf has told his members. "There are plenty of people to organize if we put our minds to it. If we do, we shall be powerful and effective. We shall be bigger than the Teamsters, bigger than the Auto Workers or the Steelworkers or the Machinists." Or as Wurf put it in an interview, "If we have muscle, we get reasonableness; if we don't, we get unreasonableness."

Wurf's union is composed largely of the lowest-paid government employees. Nearly 70 per cent of the members are blue-collar workers—garbage collectors, prison guards, hospital attendants. They have legitimate complaints—not only do they perform the most demeaning jobs (which are often the most important jobs for keeping the society going; one strike of hospital workers would do more harm than a mass walk-out of GS-16s), but they also get the least money. It is surprising that they haven't struck more often; when they do, they cause more disruption than the teachers. As Shanker admits, "After they get over the shock, most people aren't going to climb the walls over a teacher strike. A school board hard-pressed for funds may even welcome it. The parents have to figure out what to do with the kids, but beyond that a few weeks out of a classroom doesn't bother them that much." By comparison, the prospect of policemen and sanitation workers sitting at home watching television while the looters and rats run free is more frightening. Besides, you can't

pick up a city and move it to Taiwan or Brazil like a tire factory.

The union leaders are well aware of their status as a menace in the public eye, and they try to avoid the type of public obloquy Shanker has suffered. Jerry Wurf's principal goal right now is a moderate, restrained one—to get Congress to pass a law that would regulate bargaining between state and local governments and their employees, just as the National Labor Relations Act regulates private industry. In that way lies respectability and influence; the other way involves the wildcat strikes that can frighten the public into retaliation. In most states there is now no recognized procedure for bargaining, and no means by which public employees can select a union to represent them. For example, in the Ohio mental hospital system, four separate unions—a state employee organization, AFSCME, the Teamsters, and the Communications Workers—all compete for members, and one or the other is always

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threatening to strike to prove it is tougher than its rivals. In the end, everybody loses.

Although the threat of public employee strikes has received the most attention, they are not the most disturbing aspect of the rise of the government unions. As the examples of the Postal Service and the UFT suggest, we have far more reason to be concerned about what the public employees are doing when they're *on* the job than when they're off. The postal employees and Shanker's teachers have demonstrated in more dramatic form what is happening quietly elsewhere: that strong unions are removing the whole question of better quality service from the bargaining process, while their managers are joining with them to insulate the public bureaucracy from any realistic analysis of their incompetence and performance.

An example of how the public employment system can resist outside scrutiny occurred recently in Michigan. The state legislature had enacted a program to measure the effectiveness of public education. The scheme had many faults. But the rhetoric of the teachers and the administrators made clear that it was the mere idea of trying to evaluate, regardless of the method, the effectiveness of individual schools that frightened them. The public's efforts to understand and evaluate the actual performance of the schools ran squarely into the self-interest of the securely established groups that dominated the system.

John Lindsay, as mayor of New York, ran into a similar roadblock when he tried to improve the effectiveness of several city departments. For example, even though his proposed changes in the police department (changing to one-man patrol cars, expanding the use of scooter patrols, and putting more men on the streets at peak crime hours) were so modest that they didn't even upset law-and-order zealots, the police union rebuffed them all.

The pattern that emerges from these examples is that of public employees, unionized or not, cooperating with management officials for mutual protection against politicians and other outsiders. When labor and management in the private sector sit down to negotiate, something like a genuine test of force usually takes place. The union wants more money; the management, because it fears competition (if not from domestic sources, at least from Japan or West Germany), must increase productivity and hold wages down. But in civil service negotiations, the "struggle" is a force against a vacuum. The unions want more money, and no one—except occasional oddballs like Rep. H. R. Gross—is willing to defy them.

On the rare occasion when there *is* some opposition—for example, when President Ford dared to postpone the federal pay raise this fall—the public employees simply call on their traditional friends, the liberal Democratic legislators. The liberals, because they generally support expanded government services, are rarely eager to question higher wages or emphasize the need for greater efficiency. On the other side of the spectrum, an increasing number of Republicans and conservatives with large numbers of public employees in their districts have been forced to moderate their anti-waste tirades.

Money Talks, Nobody Walks

Moreover, many liberal Democrats depend on contributions from teachers and other labor organizations. Because the teachers and unions resist every change in the organizations that distribute education and other social services, many liberal politicians walk on eggshells instead of saying what needs to be said about our calcified institutions. Teachers' organizations contributed more than \$3 million to congressional and state candidates this year, making them among the most generous political

supporters. (The American Medical Association, never a stingy giver, contributed only \$1.5 million to this election.) Nearly all of the teachers' money went to liberal Democrats—all 20 Democrats on the House Education and Labor Committee who were up for reelection, as well as such liberal candidates as Gary Hart, Tip O'Neill, and Mike Gravel, received money from the teachers. Their counterparts on the state and local level have also received contributions. In the North Carolina Democratic congressional primary, Ike Andrews' challenger received \$2,000 from teacher groups. After his primary victory, Andrews modified his position in support of the teachers' legislative goals. He got \$1,000 from the National Education Association.

Other public employees have also developed strong bases of legislative support. When Ford attempted to delay a federal pay raise for three months, the unions raised a battle cry. The federal employee unions didn't think the federal budget should be reduced at the expense of their members' paychecks and they soon drummed up support among their congressional allies. Dennis Garrison, executive vice president of the American Federation of Government Employees, the largest federal union, set the tone of the unions' campaign in saying that it was "wrong, unfair, and discriminatory" for white-collar federal employees to be singled out to fight inflation. "The federal worker is as concerned as the next person about inflation, but we're not going to have the meat axe put to us when the big oil companies, the big corporations are making huge profits. The federal employee is getting poorer while the fat cats are getting fatter." This kind of talk, and the implied political strength behind it, convinced the Senate to eat its own words about economy and overturn Ford's veto.

Garrison and his counterparts failed to mention that federal employees are among the highest-paid workers in the country. One third of all federal

workers on GS scale are paid more than \$15,000, and receive supplemental benefits equal to a third of their salaries. Officially, federal white-collar employees are supposed to be paid salaries "comparable" to what they would earn in private industry. But in practice, many federal employees, especially those in the middle grades and those just below the highest paid "supergrades," are paid significantly more than they would get on the open market. For example, the appropriate salary for all GS-13s is determined by examining only five professions—attorneys, chief accountants, chemists, personnel directors, and engineers. Each of these positions (with the exception of personnel directors) demands greater training and technical skill than most government GS-13s possess. And the federal government has become so top-heavy that, for example, 52 per cent of the employees of the Department of Transportation are GS-12s or above. The starting salary for a GS-12 is \$18,463.

Getting Tough

Government employees have, of course, suffered like everyone else from double-digit inflation; and that seems to have been the deciding factor in the pay-raise vote. By a margin of 65 to 34, the Senate voted to override Ford's attempt to delay the raise. The interesting thing about the vote is how the sides divided. Even though 75 per cent of the increase was budgeted for military and defense workers, nearly all the liberal Democrats in the Senate voted to speed it through. Not even such traditional proponents of reduced spending as Senators Dole, Dominick, and Young (all of whom faced tough election fights, which only Dole survived) opposed the increase. Of the five liberal Democratic senators who voted for the delay (Biden, Clark, Mansfield, Ribicoff, and Stevenson; Republican liberals Percy and Hatfield also opposed the raise), none questioned the

built-in escalator for federal salaries; when they bothered to argue against the raise, they couched their objections in vague appeals for "setting an example of restraint," a policy which would be about as effective as WIN buttons.

The pay-raise fight was not the first instance in which the unions have demonstrated their legislative power. The slow demise of the blind vendors program is a particularly sad example of the way federal employees can use the influence they have developed with Congress. Since 1936, blind vendors have been encouraged by law and policy to sell snacks and coffee within federal buildings. But for at least the past decade, federal employees have been trying to squeeze the blind vendors out and replace them with vending machines, whose profits go to the employees' recreation associations. In 1970, a bill was introduced in Congress to protect the blind vendors program. Swamped by an organized avalanche of letters from government workers and testimony from union leaders, liberal Democratic Rep. John Brademas buried the bill in his subcommittee, pleading that he "could not touch the bill in an election year" because of "too much political pressure."

The sequel is even more striking. After four years of effort, Congress finally mustered the courage in 1974 to approve legislation diverting vending machine funds from the recreation associations (which were appropriating them illegally, anyway) to blind vendors and assuring the blind the right to remain in federal buildings. Ford killed the bill with a pocket veto, partly because of an unrelated provision and partly because he presumably didn't want to cross federal employees twice in a row.

We're in the Money

Federal employees are not the first group to have a squadron of congressional supporters, but they are unusual in having done this without

making significant campaign contributions. Only this year have candidates received funds from the AFGE and the American Postal Workers Union. Since dues in federal unions are low in comparison to those in other unions, federal employee leaders are trying to convince their members to invest part of the savings in campaign contributions. As Mike Causey, the civil service columnist for *The Washington Post*, has put it, "If the unions can convince their members to contribute heavily to political action funds which union leaders could use to reward friendly members of Congress, the result could be a much friendlier Congress, as far as civil servants are concerned." One way to illustrate the extent of the potential friendliness is to consider the fact that at least 75,000 of them make more than \$25,000. If each one gave only two per cent of his income (which was the standard tithe in the days of political machines), the total would be more than \$37.5 million. The sheer numbers of people who now make up the public service combined with the potential campaign contributions could create an awesome political force.

On the state level, the unions are also beginning to sense their power. In an increasingly typical case, a liberal politician wins the election with the political support of public employees. Yet, once in office, he finds his freedom severely circumscribed because he can do little to challenge the established bureaucracies. All he can really do is start another agency or try to create some semblance of reform by adding his own people to the staffs of the existing ones. In Ohio, Democratic Governor John Gilligan proposed reforms in the mental health system; but since these called for severe reductions in the number of patients in state hospitals (who would be transferred to outpatient clinics), they would also have meant lay-offs of the hospitals' attendants and nurses. The outcome was that the state removed patients from hospitals and hired professionals to run the

community centers, but continued to run the large hospitals just as before.

But, of course, labor unions are not supposed to be in the idealism business. As Shanker puts it, "Most public employees or white-collar employees join a union for the same reason as plumbers or steelworkers. They want a contract, a grievance procedure, and salary increases. We provide them with security and protection against discriminatory management action."

In other words, why expect us to be better than anyone else? And he has a point. You don't see General Motors trying to hold prices down or the rich volunteering to close the capital gains loophole. But with everyone pointing his finger at the other guy, neither Congress nor Ford can develop the will to remove corporate tax breaks, as Jerry Wurf proposes, or threaten the comfort of other well-organized, visible groups like oil producers—or public employees. We end up with politicians unwilling to step on any prominent toes, waste and inflation which hurt the poor and disorganized most, and bushels of lovely WIN buttons.

Out from Under

The federal employees are a conspicuous example of how even a comparatively comfortable group can grow resentful when denied what they see as rightfully theirs. One of the most lamentable results of unjustified complaints is that they can obscure the fact that those on the bottom are still grossly underpaid. Despite the conspicuous success of the New York City and a few other urban teachers' unions, the average pay for teachers nationally is only \$8,500 a year. Hospital workers earn an average of \$6,100. Twenty-five per cent of the state and local employees in Texas have incomes officially below the poverty line. Federal and state meat inspectors, who perform highly skilled but extremely disagreeable work, are also clustered near the bottom of the bureaucratic pay ladder, earning an

annual average of less than \$10,000. They and others like them—police, bus drivers, firemen, garbage collectors—perform the services we depend on. Without them, life in our cities would be impossible. Yet, because public pay increases are usually applied on an across-the-board basis, a 10-percent raise may mean \$2,000 per year more for the white-collar worker and only \$800 for the garbageman.

Collective bargaining may be the answer for the lowest-paid groups, if they can divorce themselves from the functionaries who lord it over them. Those who do the real jobs obviously have more real bargaining power than the bureaucrat enshrined in his comfortable office whose only threat is to stop writing memos to others in the same situation. Perhaps the power of the blue-collar workers will enable us to abandon the folly of across-the-board raises and start paying decent wages to the people at the bottom. Otherwise, whenever limited funds are available to spend on increased salaries, the higher paid workers will automatically take the lion's share of the money, leaving a meager remainder to distribute among the large numbers at the bottom.

The government unionization that is so essential for raising the lowest wages unfortunately raises one of the worst problems of the white-collar workers—the dogged resistance to outside efforts to examine government performance. This attitude naturally feeds the all too common feeling in government that it isn't actually necessary to work well to earn one's salary, and that the perpetuation of every government program and government office, whether it works or not, is the preeminent goal. Unless something is changed, the government employee's abhorrence of public accountability will turn government into nothing more than a secure provider of jobs—a sort of national artificial heart pumping money and security through the body politic, slowly clogging the veins. ■

A Day in the Life of a Government Executive

"A Day in the life of a Government Executive" was written for OASIS, a publication of the Social Security Administration. Its ironies may be unconscious, but they are devastating nonetheless—and provide the truest picture of life in the upper levels of bureaucracy we have ever encountered.

As Commissioner of Social Security, James Bruce Cardwell administers a program that touches the life of virtually every American and handles one out of every \$4 spent in the government.

What follows is a typical day.

Rockville, Maryland

The Commissioner's day begins at 5:45 a.m., more than an hour before his chauffeur will arrive to take him into the District. In suburban Maryland there is near-quiet at this time of day. The Commissioner takes advantage of the silence to enjoy a leisurely cup of coffee with his wife and to scan the morning papers.

At 6:50 the Commissioner's chauffeur, Willie Falcon, arrives in a small government sedan. Commissioner Cardwell climbs into the car with a pair of worn leather briefcases at his

side. Each briefcase is stuffed with the inevitable governmental memoranda which have been a part of his life for the last 30 years.

As the sedan edges onto Interstate 70 and heads toward the Washington Beltway, Commissioner Cardwell's workday has already begun. He uses the half- to three-quarter-hour travel time for reading Social Security Administration staff reports and memoranda submitted the previous day.

7:30 a. m.

The Commissioner arrives at HEW, North. He will spend the morning here before going on to the Woodlawn Social Security complex near Baltimore. The Washington office maintains liaison with other HEW components and congressional commit-