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Mackinac Center Urges Governor to Protect Workers from Union Abuses *Striking Teamsters Use Center Report*

Michigan workers could better protect their dues money and freedom of speech from union abuse if Governor Engler acts on a Mackinac Center for Public Policy recommendation. The Center report entitled *Compulsory Union Dues in Michigan* proposes a gubernatorial executive order notifying workers of their legal right to withhold the portion of union dues spent on politics and other activity not directly related to collective bargaining. The notice would affect union workers employed by the state, public schools, and private sector firms under contract with the state.

Mackinac Center Director of Labor Policy Robert Hunter wrote the 28-page report to educate the public and government officials about worker rights. Seventy-eight percent of union workers are unaware that they do not have to fund union political and ideological expenditures. A *Wall Street Journal/NBC News* poll found that 53% of union respondents did not think unions should be

allowed to spend dues on political causes.

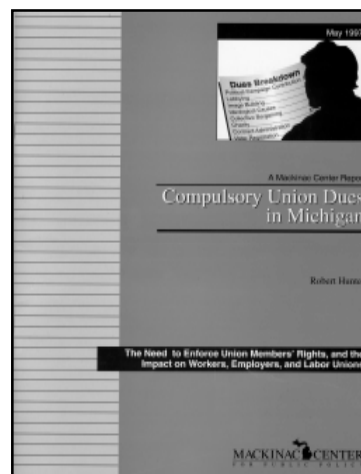
The recent Teamster strike against United Parcel Service (UPS) sparked a wave of

wouldn't have known about my rights if the Mackinac Center hadn't sent me that report. I think we should pay union dues for what the union does for us, but I don't think we should have to pay for politics we don't agree with. A lot of guys are pretty fired up about [the report]."

Union workers who withhold dues money spent on non-collective bargaining activity could save hundreds of dollars per year—a significant sum for many single parents and low-income families. The immediate cost to Michigan labor unions could be over ten million dollars annually. Yearly union dues in compulsory unionism states such as Michigan average more than \$400.

Michigan and federal law permit labor contracts to force workers to pay unions for collective bargaining expenses in order to keep their jobs. U. S. Supreme Court decisions have held that this does not extend to paying for union political or ideological efforts.

See **"Workers"** page 10



inquiries to the Center from workers unhappy with their union. Labor Research Assistant William Maze and Research Assistant Michael LaFaive attended a meeting of 18 striking Teamsters to explain workers' legal rights regarding use of dues and the right to resign from or belong to a union.

UPS worker and Teamster Laurie Temple, said, "I

"There may be here and there a worker who . . . 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."
—Samuel Gompers, founder of the American labor movement



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Lawrence Reed
President

How We'll Know When We've Won

"Are we winning?" is something I hear almost every time I speak to an audience about liberty, free markets and the battle of ideas.

In my view, "winning" means achieving a civil society in which people both preach and practice respect for life and property. It means we each mend our own ways and mind our own business. It means we rely upon voluntary association and individual compassion, not coercion and political redistribution. It means public policy is grounded in sound economics and respect for the rights and liberties of people. And when we get there, the battle of ideas will still not be over because people, being less than perfect, can always *unlearn* the truths they've learned. But at least for the short-term, we'll know we've won:

- ***When "public service" is regarded as what one naturally does in the private sector;***

Government employees, even those who run roughshod over the rights and property of others, wear the prestigious mantle of selfless service to humanity, a cut above what motivates people who *don't* work for the government. But in many cases, a government worker's genuine *public* service actually begins when he secures an honest living in the *private* sector—providing goods and services that improve the lives of others.

Conquering diseases, inventing labor-saving devices, feeding and clothing millions, and countless other private, often profit-motivated activities are of no less service to the public than just about anything government does.

- ***When citizens muster at least as much interest in less public spending as they often exhibit for a tax revolt;***

Almost everyone favors lower taxes, at least for themselves, but that doesn't necessarily mean that almost everyone also favors less government spending.

It's not enough to ask your legislator not to take from you. You must also demand that he not *give* you anything either, at least nothing that isn't rightfully yours in the first place.

- ***When self-improvement is understood to be the indispensable first step to reforming the world.***

If every person set about to become a model citizen, he would have a full-time, lifetime job on his hands. Many succumb, however, to the temptation to meddle in the affairs of others.

The steady progress of mankind derives from the progress of *individual* men and women who, one at a time, decided to make the best of what God gave them. Be a model, not a burden, and watch how quickly you encourage others to be the same.

A pretty tall order? Yes it is, but very few things that are worthwhile are secured or retained easily. Winning means investing today in the ideas and habits that will define tomorrow, which is what the Mackinac Center is all about. **!**



Joseph Lehman
Editor

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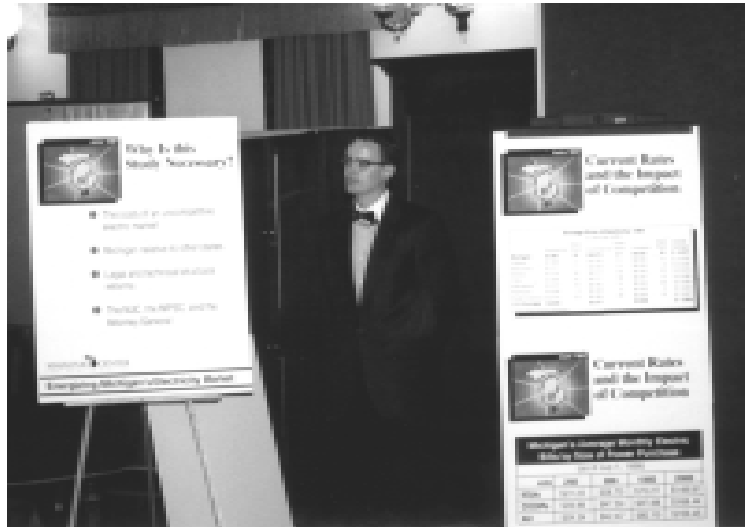
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Center Electricity Plan Would Save Customers Billions

On June 26, the Mackinac Center for Public Policy introduced its plan for comprehensive electricity deregulation at a state capitol news conference. The Center recommends that Michigan allow customer choice before 2002 and not saddle customers or alternative producers of power with huge bills for past utility investments.

Michigan's electricity rates are about 15% higher than those of neighboring states. Electricity competition would save the state's customers as much as 20%, and encourage innovations and improved service, according to Adam D. Thierer, a Heritage Foundation policy analyst and author of the 33-page Mackinac Center report entitled *Energizing Michigan's Electricity Market*.



Thierer explains that utilities should not collect for "stranded costs" except where investments were mandated by regulators.

The Michigan Public Service Commission (MPSC), which regulates utilities, recommends forcing taxpayers and rate payers to pay billions of dollars to subsidize the uneconomical investments, or "stranded costs," of the state's largest utilities. Utilities claim it is unfair to begin to allow customers to choose

their electricity suppliers unless the customers subsidize them for investments that may prove unprofitable when competition takes over.

Allowing stranded costs, said Thierer, "would amount to a huge bailout that would crush competition in the cradle, cancel many of the benefits

of deregulation, and set a bad precedent." Other regulated industries, such as telecommunications, trucking, railroads and aviation, did not receive compensation for real or imagined losses from deregulation.

Before the report was publicly released, Thierer briefed officials in the Governor's office, the legislature, the Michigan Jobs Commission, and the MPSC. The legislature will debate electricity deregulation later this year.

Michigan Chamber of Commerce Vice President of Governmental Relations Richard Studley remarked that the "capital was buzzing" with talk of the Center electricity plan and he compared its potential impact with that of the Center's 1995 transportation study. News of the electricity plan was reported by the Associated Press and other media outlets. !

Supreme Court Upholds School Concept Proposed by Mackinac Center

On July 30, the Michigan Supreme Court ruled in a 5-1 decision to uphold the state's 1993 charter school law. The Mackinac Center for Public Policy, one of the earliest proponents of charter schools, hailed the decision as a victory for parents, students, and school choice.

A ruling to overturn the law would have forced an emergency change in school plans

for more than 20,000 students who attend over 100 charter schools. The independent, charter public schools are selected by parents based on their child's educational needs and the strength of the school. Regular public schools draw students from arbitrary geographic boundaries.

Lawrence Reed, president of the Mackinac Center and board member of the Morey Charter School in Isabella

County, said the court's decision was the "beginning of the end of a monopoly system that too often fails the children of our state." He called for expanded choice to include tax credits for parents who send their children to alternative schools, which the Michigan constitution presently prohibits.

See "**Court**" on page 11



James Goenner, executive director of the Michigan Association of Public School Academies, credits the Mackinac Center with helping government officials and the public understand the benefits of school choice.

Time Magazine and Others Seek Center Experts on Economy, Unions, Deregulation

Out of hundreds of last quarter's print, radio, and television citations of the Mackinac Center for Public Policy, here are some of the best not noted elsewhere in this newsletter.

- *Time* magazine cited as a source Dr. Burton W. Folsom, senior fellow in economic education, in a July 28 article that compared economically prosperous eras in world history.
- In news stories in nearly every major Michigan newspaper and several radio stations, Director of Labor Policy Robert Hunter explained his report on the rights of union workers and how their compulsory union dues are used for political purposes. His op-ed on the same subject was

reprinted in many papers, including the *Detroit Free Press*, *Macomb Daily* and *Royal Oak Tribune* editorials joined Hunter in calling for notification of worker rights.

- Hunter was in strong demand during the Teamsters' strike against UPS. In addition to granting several print and radio news interviews, his two op-eds explaining rights of striking workers and the economic effects of the strike were printed in *The Detroit News* and *Investor's Business Daily*.
- Adjunct Scholar Adam Thierer presented his report on electricity deregulation at a state capitol news conference. Thierer's findings that so-called stranded cost recovery for utilities would be costly and

unfair were reported in papers including *Lansing State Journal*, *Jacksonville Citizen Patriot*, *Kalamazoo Gazette*, and *Midland Daily News*. A *Macomb Daily* editorial agreed with his position that electricity competition would benefit consumers.

- Transportation Policy Analyst John Taylor, Adjunct Scholar Aarne Frobom, and President Lawrence Reed launched a full-court press in print and on the air to explain how transportation reforms were needed and how to reduce the need for fuel tax increases. Both the *Detroit Free Press* and *The Detroit News* printed Frobom's and Taylor's op-eds on transportation funding and reform.
- A *Kalamazoo Gazette* editorial cited the

Mackinac Center's objectivity in covering privatization's pitfalls as well as its successes in *Michigan Privatization Report*.

- Labor Research Assistant William Maze warned of challenges to Michigan's law prohibiting teacher strikes and corrected a *Detroit News* editorial on the subject in a special letter published by the paper.
- Maze's op-ed explaining the flaws and racist roots of prevailing wage laws was printed by *The Detroit News*. Director of Communications Joseph Lehman explained the subject to radio audiences in a dozen cities on *Michigan Business Beat*. !

Insurance Economics Expert Joins Board of Scholars



Dr. Keith J. Crocker

Dr. Keith J. Crocker has joined 44 other eminent professors and policy experts on the Mackinac Center for Public Policy Board of Scholars. Crocker is the University of Michigan's Waldo O. Hildebrand Professor of Risk Management and Insurance.

Crocker will help the Mackinac Center educate government officials and the public on the economic effects of regulation on the insurance industry. One of the most regulated busi-

nesses in the modern economy, most insurance regulation is done by state governments. Mackinac Center research focuses on state and local government policies.

The Mackinac Center Board of Scholars is an esteemed cadre of recognized experts in fields including economics, education, law, culture, political theory, and government. The scholars perform research and advise the Center for its policy proposals.

Crocker earned his M.S. and Ph.D. in economics at Carnegie-Mellon University. He has been a professor of economics at the Pennsylvania State University and an economist for the Federal Trade Commission. He sits on the editorial board of the *Journal of Regulatory Economics* and is the associate editor of the *Journal of Risk and Insurance*. !

Free Market Leaders Mentored by Mackinac Center

Leaders of state-focused policy research institutes continue to turn to the Mackinac Center for Public Policy for indispensable advice and ideas. In June, the new president of Ohio's Buckeye Institute for Public Policy Solutions, Richard Leonardi, became the latest executive to travel to Midland for one-on-one mentoring in development, communications, growth management, and trustee relations.

Leonardi said, "The Mackinac Center has been essential in helping build the best policy institute in Ohio." Buckeye Chairman and CEO William Killgallon said Leonardi's Mackinac Center trip "left an indelible impression of professionalism, esprit de corps, and commitment."

Leonardi takes the reins of the 4-year-old Buckeye Institute from Andrew Little, former Mackinac Center communications director, at a critical time. Buckeye and its growing staff is making the transition to a new president. The Institute already has a strong track record on Ohio issues including school choice, job-killing regulations, and corporate welfare.

Mackinac Center mentoring has become so popular that an expanded semiannual training program for policy

professionals is being planned to leverage resources and expand the valuable, two-way exchange of ideas. !



Buckeye Institute President Richard Leonardi helps the Mackinac Center symbolically break ground on its \$2.4 million new headquarters project (see page 7). The headquarters is being built on the site of a former department store.

\$154 Million Mentoring Impact in Virginia

Here is a recent example of what can happen when the Mackinac Center shares expertise with other research institutes.

Center communications staff advised Virginia Institute for Public Policy President John Taylor on how to execute an effective news conference to highlight the Institute's very first study, which called for an unemployment insurance tax cut. Much of the Institute's recommendations were passed into law.

Taylor wrote to the Center, "The people of Virginia are in your debt. Whether or not they ever heard of the Mackinac Center for Public Policy, Virginians today are \$154 million richer because of you," and, "...none of this would have happened had it not been for your counsel," and "I chose to contact [the Mackinac Center] due to its deserved reputation as the premier state-based public policy research organization."

President's Council Does the Impossible Making Economics and History Exciting!

President's Council dinners are where Mackinac Center friends can get excited about economics and history—something that may not have happened in their school days.

Nationally renowned economist, investment expert, and author Mark Skousen treated 85 President's Council members and guests to a global perspective of the state of the free market revolution on May 29 at the Hyatt Regency Dearborn.

HEAR DR. FOLSOM AT PRESIDENT'S COUNCIL
DETROIT - TROY MARRIOTT
OCTOBER 23

On the lighter side, he recounted his serendipitous experience of jogging with President Clinton along a California beach. Skousen could not resist telling the president that his economic policies would benefit from a better appreciation of free market principles.

Wilder" of Michigan history present exciting accounts of the rise to world prominence of the Fords, Kelloggs, Durants, Dows, and other Michigan entrepreneurs. Senior Fellow in Economic Education Dr. Burton W. Folsom, one of the state's most inspiring and entertaining speakers, will discuss

This Fall, President's Council dinner attendees will hear the "Laura Ingalls

his soon-to-be-released Mackinac Center book, *Empire Builders: How Michigan Entrepreneurs Helped Make America Great*.

Copies of the book will be available for signing by the author. To reserve your seat for President's Council, call (517) 631-0900. !

Michigan Privatization Report: Fueling a Revolution

“When we started the *Michigan Privatization Report* in 1993, we would get maybe two or three privatization news stories every week from our state-wide clipping service. Now we usually get several dozen,” said Michael LaFaive, managing editor of the world’s largest quarterly privatization journal. “Michigan state and local governments are clearly experiencing a privatization revolution,” he said.

For four years, the Mackinac Center for Public Policy has published and sent the 20-page *Michigan Privatization Report (MPR)* to more than 14,000 Michigan government officials and business leaders four times per year.

Not entirely by coincidence, the practice of government contracting with private firms for public services has skyrocketed over the same period. Government officials who receive *MPR*, including school administrators and board members, city council members, township supervisors, road commissioners, legislators, and others, are privatizing to save money and increase the quality of public services.

“There is hardly a government service that, somewhere in Michigan, has not been privatized,” said LaFaive.

How has *MPR* fueled this revolution? A recent survey found that 41% of readers said *MPR* heightened their awareness of privatization *very much*. Another 83% reported that *MPR* has made



photo credit: Wilbur Gose

Michigan school districts that privatize busing commonly save hundreds of thousands of dollars annually. Laidlaw Transit drivers, pictured above, are helping even the small Climax-Scotts district save nearly \$500,000 over ten years.

them *more likely* to consider the privatization option. And 63% pass along their *MPR* to a colleague.

“*MPR* is a tool for government leaders,” said *MPR* Editor Joseph Lehman. “*MPR*

reports on privatization experiences around the state to let officials know how others have used the practice to stretch limited budgets, improve the quality of services, and keep a lid on taxes.”!

Interns Advance Sound Policy, Prepare for Careers

Three summer interns have advanced Mackinac Center projects, deepened their understanding of political philosophy, and gained insight into how to improve society through careers in public policy.

Geneviève Piché applied her impressive writing skills to 13 weekly radio programs called *Free Market Moments*, which are broadcast on 15 Michigan stations. She also helped organize data from thousands of Mackinac Center interviews and newspaper stories to gage



Wentz, Leeson, and Piché (l-r) were selected to participate in the Mackinac Center’s expanding summer intern program.

the Center’s media impact. Her legwork and research on charter schools and unionism will be used in a forthcoming study. Piché returns to Macalester College in Minnesota as a sophomore majoring in economics and international studies.

Peter Leeson was quickly offered a summer internship after Center personnel saw his outstanding letter noting the benefits of free market policies printed in a local newspaper. Leeson made his mark this summer in work including reviewing research manuscripts for accuracy, analyzing economic models

Headquarters Construction on Target for Year-End Completion

of school choice plans, and helping conduct a state-capitol news conference on electricity deregulation. Leeson begins his freshman year this fall studying Austrian economics at Michigan's Hillsdale College.

High school valedictorian Eric Wentz joined forces with Manager of Information Systems Jeffrey Tucker to keep the Mackinac Center's Webpage the premier site for Michigan public policy research, analysis, and information. Wentz helped implement features such as on-line studies and back issues of *Michigan Privatization Report*, a sophisticated links page with pull-down menus, and a soon-to-be-released interactive feature that calculates how much of a worker's paycheck goes to pay for select government programs. His handiwork is on display at www.mackinac.org. Wentz will study computer science as a freshman this fall at Cedarville College in Ohio.

Mackinac Center for Public Policy internships offer select students a unique opportunity to impact Michigan policy, stretch to new ideas, and prepare for professional careers. To apply for an internship, or to sponsor the costs of an intern, call (517) 631-0900.!



New structural steel was added to support a massive limestone frontispiece.



Old brick is removed as the former department store undergoes transformation to the new Mackinac Center headquarters.



Workers use construction material donated in part by Haddix Lumber of Midland.

The Mackinac Center for Public Policy's new \$2.4 million headquarters project is on schedule for completion by year end. Ground was broken last spring and 10-30 contractors working daily have made the site a very prominent beehive of activity in downtown Midland.

Nearly \$2.2 million has already been raised from around the state, thanks to hundreds of contributions secured by campaign co-chairs Margaret Riecker and Alan Ott, along with the Center's Office of Development. Riecker is a Midland philanthropist and a founding director of the Center, and Ott is chairman of the board of Midland's Chemical Bank and Trust.

Contributions include \$1 million from the Herbert H. and Grace A. Dow Foundation, \$500,000 from the Rollin M. Gerstacker Foundation, \$150,000 each from the Towsley and Strosacker Foundations, and \$100,000

each from the Prince Foundation and the Richard and Helen DeVos Foundation. Other major cash gifts have been given by the Jay and Betty Van Andel Foundation, Meijer Corporation, Amway Corporation, and the Rodney Fund.

"The building's vaulted windows, high limestone arches, and classic style will reflect the timeless virtues of freedom and personal responsibility that the Mackinac Center promotes," said Senior Vice President Joseph Overton.

The 17,000-square-foot facility will house the Center's growing professional staff, an economics and public policy library, a media distribution center, conference rooms, a reception area, and seminar rooms for programs designed for teachers, students, scholars, government officials, and the public. An open house to coincide with the Mackinac Center's 10-year anniversary celebration is planned for June 4, 1998.!



Over \$20,000 worth of Styrofoam insulation, manufactured and donated by The Dow Chemical Company, is hoisted onto the roof.



Masons install the limestone base around the perimeter of the building. The rest of the exterior wall surface will be faced in brick.

Huizenga: Education Entrepreneur, Mackinac Center Supporter

J. C. Huizenga of East Grand Rapids is on a mission to make the world a better place. One way he aims to do that is by helping children get a better education.

Huizenga believes traditional public schools will be motivated to pursue excellence as viable alternatives to them emerge. He supports both immediate- and long-term efforts to expand educational choice through his charter school management company, Education Development Corporation (EDC), and his financial support of the Mackinac Center for Public Policy.

He told the *Grand Rapids Press* last April, "Competition does two things: It increases quality and lowers cost. It's worked in every other sector of society. Why not education?" Today, EDC provides cost-efficient administration and back-to-basics academics to eight Michigan charter schools. Huizenga and EDC were named as major players in the charter school management business in an August 1997 *Wall Street Journal* article.

Huizenga uses successful Christian schools as an economic model for EDC's nonreligious charter schools.



J. C. Huizenga

The formula focuses on what's best for the children and includes heavy parental

involvement and healthy doses of moral values.

Huizenga's sees his financial support of the Mackinac Center as a way to ensure long-term viability and expansion of school choice. "The Mackinac Center is one big reason students have the charter school option in Michigan today. The Center laid the intellectual groundwork for charter schools, and it is paving the way for even bolder reforms." Huizenga has contributed generously over the years to support the Center's general operations and its new headquarters building project. !

Jungle Drums

Like to imagine societies in eons past communicating important signals to neighbors by beating their jungle drums for all to hear. Primitive codes would transmit warnings, invitations to meet, actions to take, or good news to celebrate.

Are we using our modern jungle drums to tell our friends about the Mackinac Center?

The success of the Mackinac Center for Public Policy, which accepts *no* government funding, hinges on member support. To effectively impact on society, we must develop, expand, and maintain a cadre of dedicated grass roots supporters.

Who should be a Mackinac Center member? Anyone who supports free enterprise,

limited government, and respect for private property. It seems natural that every citizen would desire for themselves and their neighbors the prosperity and personal freedom that flow from sound economic policies promoted by the Center.

How will the Mackinac Center grow? Members—those who already understand what it's all about—should "beat the jungle drums" about the benefits of supporting the Mackinac Center.

Every day we talk with people who say something like, "I love what the Mackinac Center does. I read your publications and agree with just about everything the Center stands for. It's great to have an organiza-



James E. Kostrava, Vice President for Development

tion that champions freedom and free enterprise. Keep up the good work!" But many people have not yet made the connection between moral support and financial support. The only way we can "keep up the good work" is with continued support from current members and the growth that comes from new members.

When you speak with friends and associates about freedom, self reliance, eliminating barriers to initiative, and civil society (private solutions to public problems), do you mention the Mackinac Center? Do you urge them to use the Mackinac Center as a resource for the free-market perspective on public policy issues? *Do you urge them to join the Mackinac Center and support it financially?*

The Mackinac Center has already had remarkable success in shifting Michigan public opinion toward a greater appreciation of free enterprise. Imagine how much more we could do if your friends maintained a basic annual \$100 Mackinac Center membership. This would be a good time to start beating those jungle drums. !

Worker Rights and Collective Bargaining

Editor's note: This article first appeared in The Detroit News on Sunday, August 17, 1997, during the Teamsters' recent strike against United Parcel Service. It was published in response to numerous calls to the Mackinac Center from Teamsters unhappy with their union and inquiring about their rights. Although current law does not yet allow a true free market in labor representation, workers do have important rights that protect their freedoms and livelihood.

An Open Letter to Striking UPS Workers and Their Families:

The dog days of summer have taken a new and unfortunate meaning for you. The old adage has proven true: When my neighbor is out of work, it's a recession; when I'm out of work, as in this United Parcel Service (UPS) strike, it's a depression. Several of you have called me recently to request information on and ask questions about your rights and obligations surrounding the strike.

The Teamsters and UPS have been talking at the bargaining table. But you want to know what will happen if you take a stand on basic personal decisions such as staying out of, or returning to, work. You are weighing those consequences against the need to put food on the table and make mortgage and tuition payments.

UPS and Teamsters rhetoric to win the hearts and minds of the public escalates daily, and you are caught in their crossfire. Your calls convince

me there is a great deal of confusion, scare tactics, and misinformation that is making your choices difficult or impossible to make.

Here are straight answers to the most common questions you have asked. This is not to advise you to take any particular action because only you know what is right for you and your family.

Q. Can I be fired for supporting the union during the strike?

A. No. Federal law protects you against discharge or other employment discrimination for any lawful concerted activity aimed at improving or protecting your workplace circumstances. This protection does not extend to engaging in illegal activity, such as assaulting employees crossing the picket line, trespassing, blocking entrances or exits to the employer's premises, violence, etc.

Q. Can I legally cross a picket line established by my union and return to work?

A. Yes, but if you remain a union member, the union may discipline you through fining, expulsion, or other actions. The union cannot affect your job status, but it has a legal right to enforce discipline against you for conduct it believes is unbecoming a union member.

Q. Can I resign from the union, return to work, and escape the threat of union discipline?

A. Yes. A union member may resign from the union at any time, even if the union constitution attempts to restrict the times when a member may resign. After they resign, nonmembers are not subject to union rules or fines for working during a strike. If you choose this option you may send your union a letter stating that you are resigning effective immediately and you should have proof of the union's receipt.

Q. What are the consequences if I am not a union member when the strike settles?

A. You may continue to work for UPS as a union nonmember, but you probably will have to pay union dues. However, nonmembers who become so-called *Beck* objectors have the right to limit union dues to their share of the costs of collective bargaining, contract administration, and grievance adjustment, and exclude that portion of dues money the union spends on political, social and ideological activities. You may be entitled to a rebate of dues you already paid.

Nonmembers do not have the right to participate in union internal affairs such as voting on contracts or in union elections, and they may lose benefits provided by the union to its members.

Q. Will I lose my pension if I resign from the union?

A. No. Your participation and your rights under

your employer-sponsored or jointly sponsored pension plan provided as an employee benefit cannot be adversely affected by non-membership in a union.

Q. Can the union legally retaliate against me if I resign or ask for a dues refund?

A. No. The union's duty of fair representation requires it to treat you fairly and without discrimination in all collective bargaining matters. You cannot be denied any benefit under the labor contract with UPS because of your union nonmembership.

Q. Can UPS replace me while on strike, and what are my rights to future employment?

A. You cannot be fired for engaging in a peaceful and lawful strike. However, temporary or permanent replacements may be hired by UPS during the strike to protect and continue its business. If the employer unqualifiedly promises permanent employment to replacement workers, it need not discharge them to make room for returning strikers once the labor dispute is settled. An employer need not discharge or transfer employees who worked during the strike to make room for returning strikers.

I hope there is soon an agreement that ends the strike and keeps your employer healthy and competitive.

See "*Rights*" on page 11

“Workers” from page 1

“It’s a basic freedom of speech issue,” said Hunter, a former Reagan appointee to the National Labor Relations Board. “Why should a worker be forced to spend money on causes he or she may disagree with? Is it right to force a worker who enjoys hunting to support a politician who opposes gun ownership?” he asked.

Unions downplay the potential impact of enforcement of worker rights. The Michigan Education Association states that at least 83% percent of its dues money is used directly for worker representation. However, the union could demonstrate that only 10% of its funds were used for collective bargaining in a 1991 court case involving its Ferris State University affiliate.

The law requires unions to provide a breakdown of how funds are spent so qualified workers can decide if they want to withhold dues, but not all unions are cooperative.

Michigan union membership has declined by nearly half since 1975. Hunter asserts that unions may reverse that trend by embracing the worker dues issue. “Union leaders should be up front with workers on how dues money is spent, and should cooperate with workers who request refunds. Delaying disclosure only damages union credibility in the long run,” he said.!

Viewpoint Commentaries

Competition is Coming to the Electric Power Business

June 1997 #V97-16
Electric power deregulation is a world wide trend. Industry lore has it that rate payers demanded monopolistic utilities, but the reality is that utilities themselves lobbied for special monopoly protection.

The Difference Between a Fire and a Flood

June 1997 #V97-17
The North Dakota flood of 1997 and the great Michigan fire of 1881 inspired vastly different forms of generosity: one based on politics and the other founded in compassion.

Michigan Should Enforce the Rights of Workers

June 1997 #V97-18
Most union workers are unaware that they can not be forced to pay for their unions’ political, social, and ideological activities. The state should help workers understand their rights.

Tocqueville and the Michigan Mosquito

July 1997 #V97-19
Vicious insects and their wetlands habitat once threatened to make Detroit the “Malaria City” instead of the “Motor City.” Does today’s wetlands policy balance human health and economic needs?

Does Michigan Tax Itself Enough for the Roads?

July 1997 #V97-20
A federal “level of effort” test would return money to states based on state tax and spending levels. States with high taxes and wasteful spending would be rewarded most.

Road Reforms Are Critical to Michigan’s Infrastructure

July 1997 #V97-21
Michigan’s rough roads need more than money. The governor’s plan would use existing funds more effectively, but the proposed gas tax increase should be offset with other tax cuts.

Joe Louis vs. the IRS

July 1997 #V97-22
The heavyweight champion’s toughest opponent was not a boxer; it was the IRS. Louis’ tragic story shows why we should replace the current income tax with a low, flat rate.

A Free Market in Electricity: Will Michigan Get It Right?

August 1997 #V97-23
With Michigan on the verge of embracing choice in the electricity market, one big question remains. Will competition be killed in its cradle, or will consumers realize the benefits of a free market?

A Grand Rapids Success: Helping the Homeless Help Themselves

August 1997 #V97-24
Government antipoverty programs can provide a check, but not the incentive and nurturing to change a life. Mel Trotter Ministries is an example of how the poor are better helped by private charities.

Let’s Swap the Income Tax for a Sales Tax

August 1997 V97-25
The onerous federal income tax system is anti-jobs, anti-savings, and anti-worker. Replacing the IRS with a national sales tax would be an improvement.

Journals

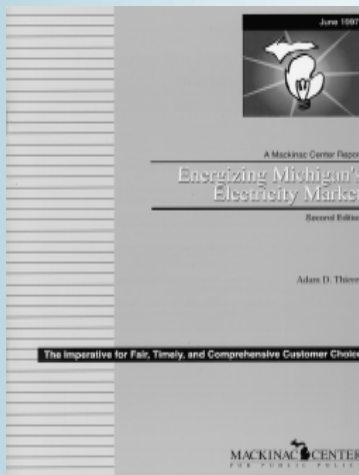


Michigan Privatization Report: Privatization’s Pitfalls

#MPR97-02 \$3.00
Feature stories: Accounting for all costs when comparing in-house to contractor costs,

perceptions of privatizations that failed, common antiprivatization arguments and responses, and lessons from Michigan's failures in privatization of campground reservations and liquor businesses. Other articles include an interview with Ken McGinnis, director of the Michigan department of corrections, and the story of Detroit's first electric lighting monopoly.

Studies & Reports



Energizing Michigan's Electricity Market

#S97-02 \$5.00
Michigan is about to allow customer choice in the electric power market and, by doing so, end nearly a century of monopoly protection and guaranteed profits for electric utilities. How the state makes this free market transition will impact Michigan's competitiveness and cost of living.

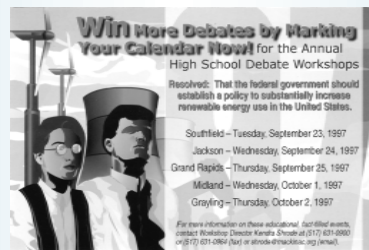
The report reviews key decisions before the legislature; analyzes the Public

Service Commission proposals; shows the technical, environmental, and economic impact of deregulation; compares Michigan to other states; and recommends ten specific actions to ensure fair, timely, and comprehensive customer choice. The effects of so-called stranded cost payments to utilities are assessed in detail. A four-page glossary of technical terms is included. 33 pages.

Special Items

High School Debate Workshop Registration Kit

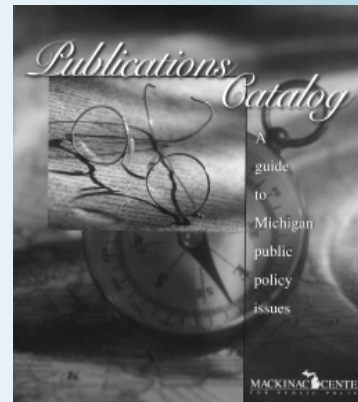
#ST97-04 Complimentary
At annual Mackinac Center workshops, over 4,000 Michigan high school debaters and their teachers have honed skills and deepened their understanding of the annual debate resolution to help



prepare them for a tough season of competition. Nationally renowned experts help students and teachers learn the history and economic, political, and social implications of each year's topic. Championship debate teams credit these day-long workshops with helping them win. Students pay a nominal fee to attend their choice of five Michigan locations in early Fall.

Mackinac Center Publications Catalog

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tions to Michigan's most crucial problems. Hundreds of Mackinac Center for Public Policy publications are described.

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“Court” from page 3

Over 50 state officials gathered to hear James Goenner, executive director of the Michigan Association of Public School Academies, explain the ruling's impact at an August 20 Mackinac Center Issues and Ideas meeting in Lansing.

Goenner said, “Battles like this are not won without the force of new ideas. Mackinac Center ideas have shifted the charter school debate, and are moving Michigan toward greater school choice and educational excellence.”

The Lansing-based MAPSA is Michigan's association of charter schools. It helps member schools with government relations, employee benefits issues, and public affairs. **!**

“Rights” from page 9

The solution to the dispute lies not with government intervention but with a spirit of fairness and cooperation. You are an American success story. Let that tradition continue and not be lost in this strike. **!**

Robert P. Hunter
Director of Labor Policy
Mackinac Center for Public Policy

Robert P. Hunter is an attorney and a former member of the National Labor Relations Board. More information on worker rights is available at Web address www.mackinac.org.

Reed Touts Privatization to 750 at National Leadership Seminar

On May 21 in Indianapolis, Mackinac Center President

Lawrence Reed explained to 750 business and political leaders at Hillsdale College's Shavano Institute's National Leadership Seminar how America's privatization revolution is improving government and creating private sector opportunity.

Reed shared the program with former vice-presidential candidate Jack Kemp, Hillsdale College President

George Roche, Apollo 13 Commander James Lovell, and former United Parcel Service Chairman and CEO Kent C. Nelson. The leaders addressed problems that confront modern entrepreneurs including the formidable gauntlet of government regulations, liability risks, confiscatory taxes, and anti-business sentiment in the media and the academy.

The audience was delighted by Reed's account of how the Mackinac Center for Public Policy exposed hypocrisy in

the Michigan Education Association (MEA), on record as opposing all privatization of school support services, by publicizing the fact that MEA contracts with at least four outside firms for support services at its own East Lansing headquarters.

Reed's speech will be reprinted in the October *Imprimis*, a Hillsdale College publication with a circulation exceeding 750,000.

The seminar was sponsored by the Edward Lowe Foundation.



Reed explained how the city of Flint, Michigan, saved \$1.4 million in annual garbage collection costs by merely considering the privatization option.

Teachers and Student Debaters Set to Energize Center Workshops

Nearly 1,000 high school students and their debate coaches from over 50 schools are expected to attend the annual Mackinac Center High School Debate Workshops from September 23 through October 2 in five Michigan cities. Registration kits have been mailed to every debate coach in the state.

A panel of economics, history, and energy experts will help the students explore this year's national debate resolution on federal renewable energy policy.

The full-day workshops do more than just help students win competitions. Carefully structured sessions teach a systematic approach to persuasive free-market

economic arguments that many students have never before heard. Since debaters tend to be among the brightest students and those who pursue leadership positions in society, this exposure to sound economics has decades-long impact.

Past participants, including teams from (Detroit) Southwest High School and (Mid-

land) Calvary Baptist Academy, won championships using ideas they learned at the educational workshops.

To help your local debate team take advantage of this once-per-year opportunity, contact Workshop Director Kendra Shrode at (517) 631-0900.


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