

Hugh O'Brian Youth Leadership Texas Gulf Coast



June 5 through June 7
Rice University
Houston, Texas

America's Incentive System

1998 Leadership Seminar

Unions began to surface in the US in the early part of the twentieth century due to child labor abuses, poor working conditions, and excruciating work schedules. Do unions still play an important role in the US economy or have they evolved into a self serving interest? Are unions on the verge of resurgence or have they outlived their purpose?

Bill Chapman is Vice President, Human Resources, at Huntsman Corporation has over thirty years of experience in the fields of labor and employee relations. Following service as an officer in Army Intelligence, Bill joined Texaco. Following assignments of increasing responsibilities, Bill was appointed to Texaco's Labor Relations group at its corporate headquarters in White Plains, New York. In 1980, Bill returned to Texas as the Human Resource Manager for Texaco Chemical Company and later also assumed responsibility for the Company's environmental health and safety activities as Assistant General Manager. Upon the acquisition of Texaco Chemical by Huntsman Corporation in 1994, Bill was elected the Vice President of Human Resources and assumed his current position following a subsequent consolidation. Bill is a graduate of the University of Notre Dame with a degree in Economics.

N. Stephan Kinsella is an attorney with the Houston office of the Philadelphia-based law firm Duane, Morris & Heckscher LLP. He is a member of the Firm's Intellectual Property Department and International Law Practice Group. He is the co-author of the book *Protecting Foreign Investment Under International Law: Legal Aspects of Political Risk* (Oceana 1997) and the editor of the forthcoming legal treatises *Digest of Intellectual Property Laws of the World* (Oceana 1998) and *Digest of Commercial Laws of the World* (Oceana 1998). Mr. Kinsella is a 1992 graduate of King's College London, University of London where he received his LL.M. (international business law), a 1991 graduate of Paul M. Hebert Law Center of Louisiana State University, and a graduate of Louisiana State University where he received his B.S. and M.S. in Electrical Engineering.

Larry Stefflen, a garage mechanic for 40 years at Huntsman Corporation (formerly Texaco Chemical), is the current President of the Oil, Chemical, and Atomic Workers International (OCAI) Local 4-23, where he has represented the employees in some fashion for all 40 years. Mr. Stefflen is a member of the committee that has visited 93 facilities across the nation speaking on "Communication Builds Trust and Job Safety". He is a mediator for Jefferson County Dispute Resolution Center and a member of Dispute Resolution Center and National VPPA Boards.

Bill Teufel has worked in the Human Resource function for 25 years working for Tenneco, Inc; Frito Lay, Inc.; Dresser Industries; and ARCO Chemical Company, where he has been employed for the past 15 years. He has managed the Human Resource function for multiple plant sites, a regional manufacturing division, and a corporate manufacturing support function that included international responsibilities. He has presented arbitration cases, been Chief Spokesperson, and managed union free operations. He is a graduate of Pennsylvania State University and currently resides in Houston.

Bob Marlatt has worked in Human Resources for the past ten years. He worked for Atlantic Richfield in Los Angeles, Philadelphia and Houston, TX where he currently resides. Bob has worked for Huntsman Corporation in Houston for the past three years before recently becoming the Vice President of Human Resources for First Wave Marine in Houston. Bob is a 1988 graduate of Cornell University's School of Industrial and Labor Relations and is the current HOBY Programming Director.

THE PROBLEM WITH UNIONS

N. STEPHAN KINSELLA*

HOBY CONFERENCE, JUNE 5, 1998
RICE UNIVERSITY • RICE MEMORIAL CENTER
HOUSTON, TEXAS

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There are three basic problems with labor unions:

- **Unions are immoral.**
- **Unions are unconstitutional.**
- **Unions are inefficient and cause unemployment.**

Why? Let's take these briefly in turn.

Unions are Immoral

Summary. Unions themselves, as long as they are voluntary, are not immoral. However, unions in today's society exist and have the power they do solely because of federal legislation (e.g., the National Labor Relations Act (NLRB)) that forces employers to deal with unions. In other words, it is illegal for employers to refuse to allow unions to form, if enough employees vote for it. But no one has a right to a job, and employers have a right to control their own private property and to decide who can work for them. Therefore, pro-union legislation is immoral and unjustified.

Reasons. The basic purpose of government is to protect individual rights, to stop criminals from robbing and killing us and to stop foreign enemy nations from invading us. That is why we have police and armies. But the power wielded by police and armies makes them very dangerous too. That is why we have a constitution to limit what government is allowed to do. One limitation is that government should not be allowed to use force to make illegal any action that does not itself involve force. Individuals should be free to take any action, with or on their own private property, as long as this does not involve the use of force against others. If the action does not initiate force against others, it is peaceful and government has no business using the force of its laws, courts, and police against the individual.

For example, government should not be able to censor free speech, because your words do not hurt anyone. Government should have no say-so in who you associate with or invite to your

*Mr. Kinsella practices computer-related patent and intellectual property law with the Houston office of the Philadelphia-based law firm Duane, Morris & Heckscher LLP. He is author of *Protecting Foreign Investment Under International Law: Legal Aspects of Political Risk* (Dobbs Ferry, New York: Oceana Publications, 1997). Email: nskinsella@compuserve.com. The views expressed herein are those of the author alone, and should not be attributed to any other person or entity.

money to hire the same amount of workers as before, yet they cannot afford to do so since the value of what the workers contribute is not the same. Therefore, fewer workers are hired. Also, this increases costs and thus drives up prices for everyone. Any time you interfere with the free market, you introduce inefficiencies and either raise prices, cause shortages, or increase unemployment.

Notable Quotes . . .

No one has ever succeeded in the effort to demonstrate that unionism could improve the conditions and raise the standard of living of all those eager to earn wages.

—Ludwig von Mises, *Human Action*

It may be costly for employers to locate desirable employees, and for employees to locate desirable employers. This is an imperfect world, so competition does not provide complete protection. However, competition is the best protection for the largest number of workers that has yet been found or devised.

—Milton and Rose Friedman, *Free to Choose*

This delusion [that unions can increase general wage levels] is mainly the result of failure to recognize that wages are basically determined by labor productivity. It is for this reason, for example, that wages in the U.S. were incomparably bigger than wages in England and Germany all during the decades when the “labor movement” in the latter two countries was far more advanced.

—Henry Hazlitt, *Economics in One Lesson*

Union treasuries now contain sufficient funds to capitalize many such worker-controlled firms which can repay the money with interest, as many private owners do with bank loans, and even with loans from labor unions. Why is it that some unions or groups of workers don't start their own business?

—Robert Nozick, *Anarchy, State and Utopia*

For Further Reading . . .

Many of the following books are available from Laissez Faire Books, 1-800-326-0996; <http://laissezfaire.org>.

Henry Hazlitt, *Economics in One Lesson*

Ayn Rand, *Capitalism: The Unknown Ideal*

David Boaz, *Libertarianism: A Primer* (<http://www.libertarianism.org>)

Leo Troy, *The New Unionism in the New Society: Public Sector Unions in the Redistributive State*

Mark Spangler, ed., *Clichés of Politics*

Cato Handbook for Congress, “Labor Relations Law” (<http://www.cato.org/pubs/handbook/hb105-35.html>)

Virginia Postrel, “Unions Forever?,” *Reason*, May 1998 (<http://www.reasonmag.com/9805/ed.vp.html>)

Seth Lubove, “New Age Capitalist,” *Forbes*, 4/6/98 (<http://www.forbes.com/forbes/98/0406/6107042a.htm>)

Mr. Kensalla,
4032 Rice Blvd.
Houston, Tx 77005

Thank you for coming to speak at
our seminar on Saturday. You really helped
out in the panel, and also in the question
and answer time with our group afterwards.
I had been curious about unions, and your speech did
a great job explaining them.

Sincerely,

Ryan Krempin
52 Chesswood Ct.
Lake Jackson, Tx 77566
(409) 289-72

June 7, 1998

Mr. Stephan Kinsella
4032 Rice Blvd.
Houston, TX 77005

Dear Mr. Kinsella,

I would personally like to thank you for your participation in the HOBY panel on unions. I feel it is extremely important for today's youth to be active and educated about organizations, such as unions, that will affect us in the near future. I am truly thankful for the fact that you, and others like yourself, that are willing to take the time to help young people realize what is going on in our world. I'm so fortunate to have been involved in such an experience as HOBY. It is definitely going to be one of the highlights of my high school years and I sincerely hope that you will continue to be involved. Thanks again for everything you have done.

Sincerely,
Yalitha Goodwin
204 5th Ave N
Texas City, TX 77590

(409) 945-0304 ex3

June 7, 1998

Stephan Kinsella
4032 Rice Blvd.
Houston, TX
77005

Dear Mr. Kinsella,
I would like to thank you for volunteering your time and efforts to all of us at the Hugh O'Brian Youth Leadership Seminar.

Before I heard the panel about unions that you served on, I knew very little about the purposes and effects of them. Now I know enough to form an opinion about them, and when someone begins a conversation about them, I will be able to add to it. My horizons have been broadened because of the people like you that donated to us and contributed to the successes of the future. Thank you again.

Sincerely,
Carmen Radley

Carmen Radley
4745 Millhollon Rd.
Sour Lake, TX 77659

June 7, 1998

Mr. Stephan Kinsella
4032 Rice Blvd.
Houston, TX 77005

Dear Mr. Kinsella,

I would like to thank you for speaking about Unions at the Hugh O'Brian Youth Foundation Texas Gulf Coast Leadership Seminar.

At the convention the students participated in six panels similar to the Union panel. We had a chance to hear from leaders of the community, about controversial topics, then were given a chance to think about the topic for ourselves and form our own opinions.

Before listening to the panel about Unions, I knew very little of them. Now, thanks to you and the other participants, I have begun to form my own opinion of them.

Thank you so much for your time and effort.

Sincerely,
Meredith Sloan

905 Champions
Lufkin, TX 75901

(409) 637-2379

June 7, 1998

Mr. Kinsella

4032 Rice Blvd. Houston,

TX 77005

Dear Mr. Kinsella,

Thank you so much for speaking at HOBY. Without people like you this would have never been possible. ~~Day~~

I was very surprised to see someone with such dedication to our Constitution. The way you preached the Constitution truly inspired me to look at things such as laws and government programs in ~~the~~ a different way. I hope to carry ~~some~~ of your political views in a possible political career. By the way, I am going to be President of the United States of America and if not, I will still be trying to my dying day. So, thank you again for the difference you made in my life. I really hope you will be there for many more.

~~scribble~~

Thank you,

Rhett Skelton

(281) 359-0956

2310 Whispering Winds
Kingwood, TX 77339

June 7, 1998

Mr. Stephan Kinsella
4032 Rice Blvd. ~~0000~~
Houston, TX 77005

Dear Mr. Kinsella,

I would like to take the time to thank you for speaking at our panel on unions. I learned a lot from you and hope you enjoyed speaking with and to us. I think it is great that you are so involved with the Constitution and that you are

Confident with your opinions.

This weekend has been a fun learning experience. I met a lot of people who are just like me in some aspects. Thank you again, and I hope you had fun.

Sincerely,
Anna Kyle
627 Charles Cherry Lane
Nacogdoches, TX 75961

(409) 508-9589

1-800-753-6873

June 7, 1998

Stephan Kinsella
4032 Rice Blvd.
Houston, TX 77065

Dear Mr. Kinsella,

Thank you very much for coming to speak at our HOBY Seminar. Your speech on unions was very interesting. Answering our questions and talking to us about your thoughts on unions helped to educate and inform us.

I learned many things about unions. I am thinking of pursuing a career in the business field or whatever field God leads me into.

Thank you very much for taking the time to come and speak to us. I know you are a busy man, but thanks for taking time out for us.

Sincerely

Stacie Graham
2315 La Monte
Houston, TX 77018
(713) 682-0710

June 7, 1998

Mr. Stephan Kinsella
4032 Rice Blvd.
Houston, Tx 77005

Thank you very much for participating in the HOBY Leadership Seminar. Many questions that were asked towards you, you answered very well. After listening to your panel, my understanding about Unions was much clearer. I would again on behalf of the HOBY ambassador's would like to thank you for your consideration and caring for telling us more about Unions.

Sincerely,

Patrick Koterak

13230 Rene Circle

Santa Fe, Tx 77510

(409) 925-3205

June 7, 1998

Mr. Stephen Kinsella
4032 Rice Blvd.
Houston, TX 77005

Dear Mr. Kinsella,

Excuse my handwriting and grammar if you would please, it has been a long (but informative, and fun) weekend. Having now seen all the panels I can now conclude that the panel over the unions was one of the most informative and interesting panels over the course of the weekend. I have always had a limited knowledge of the constitution, but I never realized that the info in the constitution had to be used in the way you explained. I found the way the constitution can be used, and what it cannot be used for extremely interesting. Even though the panel did not clarify in my mind fully about the unions, I think I have a little better picture about them. I would go into what is in my head but I don't have the time to write that (and I don't think you would want to spend your time reading it). Once again I would like to thank you for speaking to our group.

Sincerely,

Daryl Crosby
21556 Morris St.
New Caney, TX 77357

P.S. If the letter looks short, it's cause it is written small and close

June 7, 1998

Mr. Stephan Kinsella
Union Panel
4032 Rice Blvd.
Houston, TX 77005

Dear Mr. Kinsella,

I just like to take the opportunity to thank you for donating your precious time. I enjoyed interviewing you as well as introducing you. Your opinion on unions was very true and I agree. I hope that you will return in the following years to express your arguments.

Thank you again,
Amanda Niazzi
(281) 987-2770