2017

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The era of the Great Depression and President Roosevelt's ensuing New Deal is a subject of history that has fascinated scholars and the American public alike. During this time, several important pieces of legislation as well as new federal programs and agencies that were designed to aid in the restoration of the economy were developed. These major changes broke with recent American political history and resulted in an unprecedented expansion of state power. Both the skillful leadership of President Roosevelt and the dominance of the Democrats after their landslide victory in 1934 are often focused on for their roles in the political shift. Yet closer examination proves that their leadership and the resulting changes were very complicated. There were deep divisions within the Democratic Party, namely amongst Southern Democrats and progressive urban liberals. President Roosevelt's goals sometimes competed with the goals of the various congressional factions. This friction reflects the unique way the American political system is structured. Policies are carefully constructed through a democratic bargaining process during which politicians work to represent the often conflicting interests of those who elected them. The focus of this essay will be on one such case that illustrates the complexity of policy making during the New Deal which is the Wagner Act, formally known as the National Labor Relations Act (NLRA) of 1935.

The Wagner Act has been a controversial piece of legislation since its inception and remains so today. It is tied to both the legal legitimization of unions as well as the eventual decline of union membership. Regardless of its merits, the fact that such a radical piece of legislation was successfully passed and institutionalized during the tumultuous 1930s proves to be an interesting subject of study.

This leads to the question this essay will explore: how was the Wagner Act passed and which forces were instrumental in its development? Marc Landy credits President Roosevelt with successfully "enlarging the party without dividing it" which resulted in the remarkable New Deal coalition that for the most part dominated politics through the 1960s (74-75). Theda Skocpol and Kenneth Finegold also assign a prominent role to the electoral shift that occurred in 1934 (1300). But rather than focusing on the party-building activities of President Roosevelt, they emphasize the leadership of ambitious political reformers such as Senator Robert Wagner and his allies (1300). In contrast, Michael Goldfield sees the Wagner Act as a political response to an increasingly militant labor upsurge that was developing at the time (1258). Other important pieces in the scholarly debate have emphasized the constraints capitalism imposes on policy-making as well as the influence of business elites. This essay aims to highlight the complex ways in which different interest groups and politicians bargained and interacted, ultimately culminating in the Wagner Act of 1935.

To begin, it will be helpful to start with a brief historical review of the years preceding 1935. The elements that strengthened the need for federal labor legislation will be highlighted. Next, the Wagner Act will be explained, taking care to note some important exclusions that were written into the law. Having reviewed the historical context and the form the Wagner Act eventually took, I will then return to the question of how the act was passed and which influences were the most instrumental in its development. To do this, several important pieces in the scholarly debate over this issue will be reviewed. A careful synthesis of these viewpoints will help to develop my own argument and conclusion.

THE NIRA & THE WAGNER ACT

In the early 1930s most Americans had become disillusioned with the Republican Party and were ready for change. Political reformers in the Democratic Party were eager to take on the task. Franklin Delano Roosevelt defeated incumbent President Herbert Hoover in 1932 and became the 37th President of the United States. Shortly thereafter, the Democrats took control of both the House and the Senate. The New Deal is often divided into two periods, the "First New Deal" lasting from 1933-1934 and the "Second New Deal" lasting from 1935-1938 (Milkis 41). The First New Deal encompassed a series of policies aimed at reviving banks and stabilizing the economy, and interestingly, President Roosevelt's goals during this time were fundamentally conservative (Rauchway 59). The policies implemented during the Second New Deal were far more progressive, and it was during this time that the Wagner Act was devised (Milkis 41).

In 1933 as part of the "First New Deal", President Roosevelt signed the National Industrial Recovery Act (NIRA) into law. The NIRA was designed to manage industry through the creation of codes that would fix prices and allow businesses to compete on even grounds (Rauchway 83). It established the National Recovery Administration (NRA) to oversee implementation (83). The NIRA also included a section, 7(a), which guaranteed that "employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization" (83). Employers begrudgingly accepted section 7(a) as a necessary concession in order to obtain the benefits of codes and exemption from anti-trust laws that NIRA provided (83).

The implementation of the NIRA was rocky. Industries desired the stabilization that the NIRA promised, but at the same time wanted to maintain their own authority (Skocpol and Finegold, “State Capacity” 266). Through collaboration with the NRB, industry leaders worked to manipulate the codes to their own advantage by including loopholes that allowed them to overstep labor provisions and by raising prices to high and uncompetitive levels (265). The codes were disorganized, jurisdictions often overlapped, and the desire to manipulate codes to achieve a competitive advantage quickly intensified business feuds (266). Not long after implementation, business had become disillusioned with the NIRA and opposition toward the Democrats grew (267).

At the same time, interesting things were happening within the labor movement. The NIRA had legitimized workers’ grievances (Piven 110). Included in the NIRA as a reassurance to labor, not to “foment discord” as President Roosevelt had explained, section 7(a) had the opposite result and effectively encouraged people to unionize (111). The perception of government support for unionization revitalized the labor movement. The government had now asserted collective bargaining and fair treatment as a right. However, workers quickly learned that this new right would not be enforced. Businesses still threatened workers, replaced those who caused trouble, and stalled any attempts by the NRA at reconciliation (120). In 1934, the NIRA took another blow which would prove to be fatal. In *Schechter v. United States* the Supreme Court ruled the NRA to be unconstitutional on the basis that it “too broadly interpreted Congress’s constitutional ability to regulate interstate commerce” (Rauchway 108). This incensed President Roosevelt as he felt that the Supreme Court decision “rendered the federal government impotent” in a time when the country was increasingly reliant on interstate commerce (108). The failure of the NIRA marked the beginning of a turning point in President Roosevelt's stance on labor.

From the beginning of his presidency, Roosevelt's relatively conservative ideology along with business pressure had led him to fail to actively support labor legislation and even sometimes proactively work against labor-friendly policies (Piven 132). Roosevelt had preferred only regulations that addressed wages, hours, and working conditions (Skocpol 179). His aim had been to delicately balance the pressures of labor and capital (179). Yet in the wake of the adverse ruling of the Supreme Court, Roosevelt changed his outlook and grew warmer to the idea of new labor legislation. Several factors were at play that may have pushed Roosevelt to the left: business opposition was at an all-time high, the labor movement had grown to the extent it could no longer be ignored, and the 1936 presidential election was approaching (Piven 131). With both the Supreme Court and business turned against him, labor support suddenly became all-the-more valuable (131). It was apparent to Roosevelt that he needed to take action on behalf of labor, but even so his turnaround took time. Roosevelt only lent support to the Wagner Act after it was clearly apparent it had strong political support by passing in both the House and the Senate (132).

The National Labor Relations Act was signed into law by President Roosevelt on July 5, 1935. It was designed to strengthen labor as a countervailing force against business (Rauchway 97). Specifically, the NLRA asserted that "The denial by some employers of the right of employees to organize and the refusal by some employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest" and therefore to preserve the free flow of commerce it encouraged "the practice and procedure of collective bargaining" and provided protection for workers' rights to "freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection." As a means of enforcement, the Wagner Act reestablished the National Labor Relations Board (NLRB) and granted it the legal authority to oversee collective bargaining, investigate allegations of unfair labor practices and provide hearings, and to direct union elections to certify union representatives (Skocpol 159). These protections were important for labor, but interestingly enough the Wagner Act also excluded several groups.

Groups excluded under the National Labor Relations Act included government employees, employees who were covered under the Railway Labor Act, supervisors, and agricultural and domestic workers. It also allowed those who had religious convictions against unions an exemption so that they were not required to join or financially support them. Being that white southerners were a large constituency during the 1930s, the exemptions found in the Wagner Act were likely drafted according to their preferences. Overall, the South had supported the New Deal due to the need for federal dollars and development (Rauchway 89). But because of underlying racial tensions and the fact that the Southern economy was focused in labor-intensive industries, Southern capitalists deeply opposed labor unions (108). The exemption of domestic and agricultural workers, (many of whom were African Americans), prevented large groups of people in the South from becoming eligible to unionize (100). The ways in which Southern elites and other interests were able to influence politicians will be discussed in more detail in the sections that follow.

Competing Interests During the New Deal

As illustrated in the preceding review of the NIRA and the Wagner Act, there were many stakeholders invested in influencing the outcome of labor reform. This essay will separate stakeholders into three major groups: political reformers, the labor movement, and business elites. Each of these groups had goals to shape labor reform in ways that they deemed satisfactory. As this essay will illustrate, sometimes conflicting interests within groups caused internal struggles. And at times, coalitions were formed amongst the groups, but the degree to which coalitions existed, or mattered, varies in the opinions of scholars.

Political Reformers. Several scholarly theories about the Wagner Act focus on the leadership of political reformers, such as Senator Robert Wagner. A labor-friendly politician from New York, Wagner was known to be "unusually effective in piloting bills through the Senate" (Skocpol 180). During his time as a senator in the 1920s, "he was one of the first congressman to build an independent staff and to employ and consult professional experts in drafting legislature" (180). In 1933 he was appointed by President Roosevelt to be chairman of the National Labor Board (NLB) which was responsible for enforcing the labor protections specified under section 7a of the NIRA (167). As he witnessed employers refusing to honor NLB decisions, Senator Wagner became hardened against the strategy of "friendly persuasion" and determined that an expansion of federal power would be necessary to enforce the rights of workers (167).

In her 1980 article *Political Response to Capitalist Crisis: Neo-Marxist Theories of the State and the Case of the New Deal,* Theda Skocpol works to discredit earlier theories that "treat political outcomes . . . as the enactments of a far-sighted capitalist ruling class or as the automatically functional responses of the political system to the needs of capitalism" (199). She argues that these Neo-Marxist theories do not afford "sufficient weight to state and party organizations as independent determinants of political conflicts and outcomes" (199). Instead, Skocpol attributes the Wagner Act to being an "autonomous political effort, spearheaded by Wagner, to array state power against capitalist prerogatives and preferences" (180).

Elaborating on this line of logic, Skocpol collaborated with Kenneth Finegold to argue against the assertion that the Wagner Act was the result of a growing labor upsurge. Skocpol and Finegold argue that strike volume declined between 1934 and 1935, so the Wagner Act would not have been developed in response to a labor movement that was actually diminishing ("Explaining New Deal" 1300). They reason that the Wagner Act passed because of two major changes during this time period: the 1934 elections were swept by liberal Democrats, and the NIRA was deemed unconstitutional by the Supreme Court (1300). The failure of the NIRA provided an opportunity for Wagner and the board that drafted the NLRA to present it as "a good way to promote both economic recovery and to put labor relations on a new footing" (1301). In other words, the defeat of the NIRA made evident the need for expanded state power and the ability to federally enforce legislation (1301). Senator Wagner and other progressive reformers were "seeking to expand the labor movement, not to 'constrain and limit' labor to the established unions of 1935" (1299).

David Plotke also exposes several potential failures of logic in common theories about the origins of the Wagner Act, beginning with the onslaught of the Depression. While the economic crisis certainly provided a sense of urgency for new legislation to be passed, Plotke argues that politicians were not so constrained by the crisis that the Wagner Act was their only option (112). This counters Neo-Marxist views that see the Wagner Act as an inevitable policy choice made by politicians who were responding to capitalist elites (112).

Plotke believes that some theories give too much weight to the impact of both capitalists and labor. He argues that the act could not be seen as the result of efforts by capitalists to “reorder labor relations” because there were deep divisions amongst capitalists that would have prevented a consensus from being formed (115). Nor was the Wagner Act a result of the labor movement because although labor representatives were consulted during its drafting, they lacked direct political power and were not responsible for the ultimate form the act took (115).

He also rejects the pluralist viewpoint that the Wagner Act was a compromise between capital and labor because he believes there was no need for a political tug-of-war; most of the capitalist class firmly opposed the Wagner Act and labor was too weak to be given a causal role (135). Instead, Plotke finds merit in another variation of the political reformer theory that focuses on the role of Progressive liberals and acknowledges the fledgling, but growing, power of the labor movement.

Plotke argues that the Wagner Act should be seen as a “process of political reform, led by Progressive liberals in coalition with the labor movement” (135). A coalition was necessary because the Democrats were divided on the issue of labor (137). Many believed that some form of labor legislation was necessary, although others did not see labor law as a priority (137). Of those that were open to reform, their ideas were often much less labor-friendly than the ensuing Wagner Act (137).

Progressives, as a distinct group within the Democratic Party, were the leaders in this reform effort (137). Their dominant trait was their commitment to a new vision of the role of government. Their activities ultimately expanded state power, but that was not their main goal (152). Instead, Progressives envisioned a more balanced and fairly organized society, and to accomplish this the state needed to pursue active regulations of society and the market (123). In order to achieve this, they needed the power a coalition would provide (117).

Progressives entered into a mutually beneficial coalition with labor. In doing so, they achieved the kind of political dominance they needed to pass the Wagner Act (123). And as state capacity expanded, the labor movement was itself "constructed as a powerful political force" (156).

It is clear that political reformers such as Robert Wagner were the ones directly responsible for the Wagner Act. The fact that the act was successfully passed despite opposition from the Roosevelt administration and capitalist ranks is no small feat. Wagner and the Progressive liberals in his coalition deserve credit for their political skill. Without the longstanding determination and persuasive ability of political reformers, the Wagner Act would not have been possible. However, a major reason political reformers were so successful was because of their astute recognition of the value of labor as an ally. Their ability to harness the power of the labor movement should not be ignored.

The Labor Movement. It is well known that the 1930s were years ripe with social unrest and labor upheaval. Proponents of theories that rest on the autonomy of state actors don't find enough evidence to assign the labor movement a causal role in the passage of the Wagner Act.

But another school of thought has argued that these movements were important because they created a social emergency of sorts that provided politicians with a legitimate reason to act.

Michael Goldfield argues that the strongest force behind the passage of the Wagner Act was a growing labor militancy that was becoming increasingly organized by radicals (1277). During the early 1930s, several groups including the unemployed, farmers, students and intellectuals, and African-American industrial workers began protesting (1272). Communists were quick to capitalize on the power potential of this large group of people by organizing them (1269). The pre-existing Communist networks facilitated the growth and organization of the labor upsurge (1272). Communists did not shy from violence and brought a radical dimension to protests (1272). Both politicians and employers were eager to neutralize this threat, and determined that the "best way to preserve order, prevent high levels of strike activity, slow the spread of communism, and diffuse serious challenges to the capitalist system was by creating a government-supported legal environment where moderate forces . . . were protected and not so disadvantaged (1276)."

Goldfield argues that union membership rose by 20 percent in 1934 directly prior to the passage of the Wagner Act (1272). This increase in organization, (led and accompanied by radicals), combined with the electoral shift and provided political reformers with the strength and influence they needed to pass the Wagner Act (1277-8). Without the influence of social unrest and the radical aspect of the labor upsurge, it is unlikely that political reformers would have come together with enough power to pass the Wagner Act (1278).

Francis Fox Piven also finds the influence of the social and labor movements to be important, but in contrast with Goldfield, he finds the spontaneous and unorganized manner in which the early movements occurred to be the premise of their power (xxiii). Piven argues that the labor movement was most influential *before* it became organized (96). This is because the power behind the labor movement was directly correlated with its ability to disrupt the economy through strikes (96). As unionization spread and labor became more organized, its most effective weapon diminished (96).

Piven explains that workers were initially quiet during the early years of the Depression (108). A major cornerstone of the American identity was a strong work ethic and independence. Workers initially blamed themselves for their struggle and were reluctant to accept state assistance (108). As the Depression worsened, the grievances of those who were still employed grew stronger, but mostly in private (108). The impetus for them to unite was the passage of NIRA; as Piven explains, "that the federal government had made promises at such a time gave a new spirit and righteousness, and a new direction, to the struggles of unorganized workers" (110).

As workers gravitated in the masses to become unionized, unions divided them through attempts at organization (116). Members of federal locals "would ultimately be divided up among the craft unions who staked out their jurisdictional claims, sometimes splitting newly organized workers in a factory among as many as fifteen or twenty unions" (116). At first the division of the labor movement through organization did not appear to have a major impact. Piven cites that there were three times as many workers striking in 1933 after the passage of NIRA than in 1932. Notably, although the federal government was mostly concerned with pacifying business demands at this point, a new level of restraint was being exercised in the treatment of labor (128). The Roosevelt administration quietly attempted to at least acknowledge labor's demands, which was a break from the earlier tactics of sending in federal troops to break up strikes (128).

Ultimately, the Wagner Act was passed due in part to the disruption the labor movement had caused (132). Piven explains that labor militancy surged in 1936 and 1937 after the passage of the NLRA (133). He concludes that the government was just as responsible as unions were for the organization of workers (147). Ultimately, in Piven's view, unions were not the force responsible for making the government act (147). That power resided within the ranks of the ordinary, unorganized workers and their ability to disrupt the economy and threaten social order through their use of the strike (148).

Views that stress the influence of social and labor movements are helpful because they recognize a major source of political pressure that politicians were responding to during the New Deal. As pointed out earlier, they may fail to allocate enough autonomy to political reformers who had their own personal goals to create lasting reform. These movements also put pressure on capitalists and perhaps moved them slightly to the left, or at the very least increased business anxieties which contributed to spreading disarray. The remainder of this literature review will examine what business-focused theories add to the discussion.

Business Elites. Theories regarding the power of business elites and the methods through which they influence policy are perhaps the most complex. In a capitalist society such as the United States, businesses are essential to the health of the economy. Some argue that this constrains the policy-making choices available to politicians. Others claim this is incorrect as they point to instances, such as the Wagner Act, where policies were implemented despite strong business opposition. This section will explore the unique political position business elites enjoy, as well as the different ways capitalists are able to influence policy.

At the most fundamental level, voters are the basis of democracy. They vote to elect politicians, who then work to represent the interests and goals of those who elected them. However, it is also possible to examine the workings of democracy by looking beyond voters. Thomas Ferguson argues that investors, not voters, are the fundamental constituency for politicians (37). To become an educated voter means to invest a significant amount of time into acquiring, understanding, and acting upon political issues (25). Ferguson argues that businesses, due to economies of scale, are better equipped to burden the costs associated with political information gathering and participation (30). Additionally, businesses hold a great stake in policy outcomes because they can affect their profitability (22). Ferguson's "investment theory of parties holds that parties are more accurately analyzed as *blocs of major investors who coalesce to advance candidates representing their interests"* (27). This can be done by lobbying, coordinating campaign efforts, and paying for expensive media advertising (28). Because of the privileged position capital holds in the political sphere, "elections become contests between several oligarchic parties, whose major public policy proposals reflect the interests of large investors, and which minor investor-voters are virtually incapable of affecting" (28).

This view raises important questions in the context of the Wagner Act and the New Deal. Was it possible for "minor investor-voters" to assemble enough power to effectively influence the legislative discussion in a meaningful way? If not, and powerful business elites were driving the legislative debates, which industries made up these investor blocs and what were their goals? Further examination of Ferguson's arguments as well as review of additional scholarly literature will help answer these questions.

Ferguson contends that voters are able to overcome their constraints and influence public policy, though their ability to do this varies in strength over time (87). In order to do so, voters must have available to them a robust "secondary network" of organizations that allow them to spread information costs and concentrate political efforts (29). During the New Deal, organized labor facilitated the growth of a strong political voice for a large group of otherwise ordinary voters (82). In the case of the Wagner Act, the organization of labor created a unified labor vote that possessed a new strength (124). Labor then partnered with a segment of capital, which further enhanced the voice of both parties (82).

Why would any segment of capital wish to enter into a coalition with labor? Categorizing businesses into different groups aids in the understanding of their unique goals. Ferguson separates firms into two groups: "internationalist" and "nationalist" (123). Internationalist firms are generally capital-intensive and stand to benefit from less government regulation and free trade (123). In contrast, nationalist firms are generally labor-intensive and favor state intervention to protect them from foreign competition (123). During the mid-1930s internationalist firms had more to gain from lowered tariffs and greater friendliness to trade the New Dealers were promoting in other areas than they had to lose from labor reform (152). In turn, internationalist firms allied with labor to become the dominant bloc of political investors (82).

Peter Swenson also focuses on capitalist influence, but in a more indirect manner. He finds that capitalists send signals to politicians that allow them to gauge the potential for future support or opposition to reform policies (69). His argument rests on the angles of "historical learning" and "strategic anticipation" of capitalist reactions to policy reform (69). During the New Deal, politicians aimed to develop lasting legislation that would be secure against any future attacks from capitalists once "the social emergency and electoral mobilization of supportive populist pressures" passed (68). In order to do this, they made decisions based on learned political experiences from the past and evaluated the prospects for future attacks or support for their legislation (68). In order to ensure longevity for the Wagner Act, they strategically developed it in a way that would allow for a "*post-facto* cross-class alliance" with business (68).

The combination of social pressure and the desire from capitalists for a solution that would stop the impending crisis, along with positive business responses to previous attempts at labor legislation like the NIRA created an opportunity for politicians (68). A trend of *post-facto* business support had developed, first with workmen's compensation then with state-level wage and hour regulation (71). For example, fierce competition in the textile industry had led many firms to desire some type of federal wage and hour regulation to even out the market (73). Though Southern textile firms had anxieties that this would give the competitive advantage to firms in the North, they still favored some regulation as long as it could be locally implemented according to their preferences (73).

When the time came to draft the Wagner Act, some key allies who supported both the Act and the Democratic National Committee (DNC) were the New York clothing industry, the United Mine Workers (UMW) and the construction industry, due in part to their ties with Senator Wagner (83). There were also indications of support for the Act from capital-intensive and mass production industries such as rubber, Weyerhaeuser and retail (84). Their support rested on the idea that collective bargaining would improve wages and working conditions, which in turn would stabilize both supply and demand (84). The positive signals sent from these key industries were promising to politicians because they demonstrated the potential for eventual cross-class support and acceptance of the Wagner Act (104). Swenson contends that politicians would not have even attempted to pass the Wagner Act if they sensed a business-wide backlash in the future and eventual defeat like they had encountered with the NIRA (82).

Swenson's argument provides a more nuanced way to evaluate the capacity and decision-making behavior of politicians. He cautions against looking at politicians as actors who only seek to increase their power through increasing the capacity of the state (88). He also cautions against looking at capitalists as having direct instrumental influence in the political process (103). What is missing from these theories, Swenson argues, is the evaluation of politicians and institution builders as "the real instrumental agents . . . [who rarely] choose to act as if they can operate with much autonomy from the market interests in which durable and robust policy must be anchored" (105). In this sense, Swenson's theory allows politicians the autonomy they deserve but also accepts how their choices are shaped and influenced by the demands of capitalism.

Bill Winders develops a closer examination of cross-class alliances by looking at specific class segments. Winders argues that for interest groups, the key to exerting influence is being a part of the dominant political coalition (411). In this class-segment view, coalitions amongst class segments and their relative political strength shift over time (411). The state serves as an arbitrator between class segments who are competing to have their individual interests protected by the government in the face of strong competition (389). Class segments struggle to increase their instrumental power by lobbying state legislators and becoming involved in "administrative bureaucracies and the implementation of policies" as well as by building coalitions with other segments that share common interests (390).

Winders explains that coalitions form for two distinct reasons: they are based on either shared economic interests or shared political desires (390). Coalitions based on shared economic interests are the most stable (390). During the New Deal, the dominant coalition arose from an unlikely source. A new cross-class alliance primarily between northern labor and southern planters had developed (392). To understand this complicated alliance, it will be helpful to look at the strengths of each party involved.

After the electoral shift, most segments of capital with strong ties to the Republican Party had lost power (393). In contrast, one major segment of capital benefitted from its strong ties to the Democratic Party: the southern planters. They achieved strengthened instrumental power, and their influence was seen in the major policies of the "Second New Deal" including the Wagner Act (393). Winders notes that 68 percent of Southern Democrats supported the Wagner Act (393). But their support was not unconditional; Southern planters had a strong interest in both keeping their predominantly minority workforces repressed as well as preventing wage increases and unionization that would come at the expense of profits in their labor-dependent industry (393). The Southern planters demanded that the structure of their political economy remain unchanged and in the case of the Wagner Act, that was provided through exemptions that excluded the majority of their workforce (393).

At the same time, labor was also gaining power. Widespread strikes were disrupting the economy (393). The labor movement became more organized, due mostly in part to a commitment to promoting the passage of the Wagner Act (393). And finally, the labor movement had established itself as a valuable constituency. The unification of a large group of voters who were now loyal to the Democratic Party strengthened the labor movement's political leverage (393).

The coalition between southern planters and northern labor was formed and based primarily on a shared economic interest in state intervention in the economy (392). This shared economic interest allowed the two groups to find common ground in their opinions on the Agricultural Adjustment Act (AAA) and the Social Security Act (SSA) (392), but their alliance was much more unstable in the case of the Wagner Act because it was much more political (409).

Winders finds evidence of the power of this class-segment coalition when looking at the trajectory of the Wagner Act, compared with the AAA and SSA (395). The AAA and SSA experienced more long-term success, whereas the implementation of the Wagner Act was ridden with conflict (408). The Wagner Act strengthened labor and in turn this broke down the coalition between southern planters and northern labor (409). The breakdown of this coalition pushed southern planters into a new coalition with the rest of capital (409), and they launched an assault on the Wagner Act that labor, now weakened and by itself, was unable to defend (404).

Colin Gordon sees capital as being influential without the need for a cross-class alliance. Because both labor and politics are disorganized, capitalists are able to achieve a special political influence despite their own disorganization ("Why Wagner" 202). He explains that capitalists enjoy this privileged position due to the structure of the political economy (202). American democracy is built around capitalism in that capitalism drives the economy and voters and politicians "depend upon economic growth, business investment and business confidence" (202). With the economy as political leverage, why was the Wagner Act able to be passed when business opposition to it was so strong, as others have claimed?

Gordon argues that if business opposition to the Wagner Act was as strong as some claim, it would have never been able to pass (*New Deals* 205). In reality, capitalists were fragmented and only focused on their most immediate goal of earning profits ("Why Wagner" 203). Competition drove business interests to "scramble for competitive order and political advantage," although their attempts at this were "shortsighted and often dysfunctional" (203). When it came to political power, capitalists aimed to influence policy in directions that would benefit their respective industries. They knew that between the economic crisis, the failure of the NRA, and the political dominance of the Democrats, some type of labor legislation was inevitable (*New Deals* 205).

Though many capitalists undoubtedly took an official position of opposition to the Wagner Act, they had difficulty articulating why in a reasonable way (219). Nor did they offer any viable alternatives (219). In fact, as they emphasized the successes of "independent" company unions they actually contradicted the alleged threat that real unions posed (219).

While the official consensus of business seemed to be against labor reform, some segments of capital may have perceived at least some utility from labor law. Wagner contends that "labor capitalists" in the coal, clothing, textile, glass, pottery, trucking, construction and mass-production industries were open to federal labor legislation because they believed it would bring “industrial peace and manageable bargaining” (*New Deals* 211). These industries had their own various reasons to support the idea of labor reform. For mass-production industries, increasing unionization seemed imminent. A “federal framework” for collective bargaining seemed much less threatening than the rise of radical or craft unions (211). Industrial unionism would make it easier to regulate labor costs without much sacrifice on the part of managers (215). Consumer-goods firms hoped to reap the benefits from workers obtaining more disposable income (215). And even some labor-intensive firms reasoned they could withstand wage increases, so long as all of their competitors were forced to do so as well (215).

Ultimately, Gordon argues that the Wagner Act passed “without a clear purpose or constituency” (*New Deals* 223). Business was divided, had become desperate to achieve some kind of order after the Depression, and within the constraints of the crisis federal labor legislation seemed potentially better than the narrow range of alternatives (224). At the same time, the labor movement posed a threat to managerial rights and production, and since it had grown as a result of the NIRA it forced politicians to become responsive (213). In the face of the defeat of the NIRA, President Roosevelt was also eager to preserve as much of the NLRB as he could without further impinging on the commerce clause (221). Since the commerce clause did not apply to unions, the Wagner Act began to look like an attractive way to legally organize labor policy and build on the NIRA’s goal of restoring economic order (221-2). And so the Wagner Act was passed, without the widespread support of business, but also without a clear and organized fight against it.

As it has been shown, generalizations regarding the position of capital should be avoided. There were numerous divisions within capital, as different segments had different goals based on their business needs. These competing segments employed different strategies to make their influence known. Some worked to directly influence politics through their financial contributions as Ferguson pointed out. Others relied on their indirect responsibility for the proper functioning of the economy, as Swenson and Gordon alluded to. And as Winders explained, some segments even entered into an alliance with labor to strengthen their influence. Business interests certainly played a major role in the passage of the Wagner Act, whether by their action or lack thereof.

Conclusion- Labor Law for Whom?

Nearly everyone in America held a stake in the passage of the Wagner Act. Politicians, workers, and business elites all had individual opinions on the need for labor reform as well as what it should look like. Both the way the Wagner Act was designed as well as the unintended side effects it had after implementation make the question of what it was designed to do very complicated. In order to attempt to understand the answer, one must thoroughly examine various viewpoints such as the ones this essay has provided.

The ways in which various scholars understand the passage of the Wagner Act depends on their underlying ideology which shapes their interpretation of historical events. As shown in the Skocpol, Finegold and Goldfield exchanges the timing of strikes and whether they were increasing or decreasing in number shaped their interpretations of whether the strikes were responsible for the political response or whether the autonomous reform efforts of politicians led to the strikes.

While it is true that politicians are the ones ultimately responsible for drafting the legislation that governs this country, it is also true that the structure of the United States government was designed specifically to allow as many groups as possible the ability to have a voice and participate in politics. Theories that focus on the autonomy of the state can miss the enrichment that historical and societal perspectives can provide. It is important to recognize that labor, business, and politics are very much intertwined.

A synthesis of the information provided in this essay can shed light on the interconnections between different interest groups. The escalating struggle between employees and employers in the early 1930s created a need for the government to take action. When the NIRA was introduced, it politicized the struggle between labor and capital. With the government now officially involved as a mediator, these groups began to think about what they expected from the government.

Because the NIRA failed to meet the newly formed expectations of labor and capital as well as the expectations of politicians, the government could not easily abandon its new role and was forced to come up with a fresh solution. In a sense, the Wagner Act was created for all three of these groups. While it may have been against the wishes of most capitalists, it was designed with the hope that by allowing collective bargaining it would reduce work stoppages and stabilize the market, which in turn would benefit business. Another intention was to build up the strength of workers which would increase their potential as a political constituency as well as allow them to stand on more equal footing with their employers. As the welfare of workers improved, they would be able to increase their consumption, which was good for both business and the economy. A healthier economy would increase voter confidence in and loyalty to the Democratic Party which benefitted the politicians in office. And a strong Democratic Party could more easily garner support for future policy goals.

In the spirit of experimentation that was pervasive during the New Deal, political reformers designed the Wagner Act using their best judgment and without fully knowing the way it would work in process. Divisions within capital, between capital and labor, and even within the Democratic Party were skillfully overcome. The complexity of the process through which this occurred illustrates the difficulty of policy-making and highlights important behaviors interest groups partake in when attempting to influence political outcomes.

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