**TITLE:** Industrial Democracy Contested: The New Deal, Politicised Industrial Relations & the Historical Origins of the Wagner Act, c. 1933-1937

**ABSTRACT:** In the United States, the politicised industrial relations of the New Deal era (c. 1933-1939) reshaped both the role of the federal government in labour-management relations and the character and influence of the union movement in ways that are widely believed to have established the essential features of the American regime of “workplace contractualism” which was eventually consolidated during World War II and the immediate postwar decades.1 The importance of this transformation of the U.S. industrial relations regime and polity made the complex relationship between government policy decisions, industrial relations institutions, and the growing labour movement a subject of intense public controversy at the time, and it has continued to generate debate among historians and social scientists to this day. Following a critical review of four important interpretive approaches to the relationship between the New Deal and developing union movement and labour-management relations of the 1930s, the author develops an alternative historical and sociological analysis of the genesis of workplace contractualism which is organised around a three-pronged argument.

First, it is argued in Section I that in its administration, what the late Irving Bernstein has called the “New Deal collective bargaining policy”2 was initially a political-economic nightmare and an embarrassment for labourite and liberal reformers alike, in large part because it fell so short of anything resembling a truly corporatist solution to the Great Depression. Business interests never accepted the principle or the costs of union recognition and collective bargaining, and hoped that the first New Deal would re-establish “fair” competition and then go away. By the middle of 1934, the consequences of federal ambivalence concerning industrial relations policy were clear and the New Deal administration was under assault from all sides.

Second, it is argued in Section II that for organised labour and “Progressive” New Deal reformers such as Senator Robert F. Wagner, the 1935 National Labor Relations (or Wagner) Act meant little more than the original New Deal collective bargaining policy stripped of its ambivalence, inconsistencies and lack of enforcement. In the context of the highly politicised industrial relations of the New Deal era, the Wagner Act had a compelling economic, political, and legal logic for both Progressive reformers and their allies in the wing of the union movement that would in time establish the C.I.O. As a recovery strategy adapted to the political economy of Depression-era America, the Wagner Act matched the regulatory aims of the first New Deal with the administration’s newer interest in “demand-side” support of consumption.3 As a political strategy, it appealed to a working class, newly politicised by the Depression and the New Deal collective bargaining policy, without abandoning earlier objectives of pacifying industrial

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relations and promoting “responsible” unionism. And as a legal strategy, it empowered unions to do what the Supreme Court, in the decision which invalidated the first New Deal’s recovery programme, had ruled the federal government could not—that is, enforce competitive standards across industries and state lines. In this sense, the New Deal did not (contrary to what many liberal and revisionist accounts suggest) offer “corporatist” solutions from 1933 on; rather, it backed into a fragmented and halfhearted brand of labour-backed corporatism only when pressed to do so by popular, economic, and legal disenchantment with its early efforts.

Finally, it is argued in Section III that after 1935, the Wagner Act and the second New Deal mobilised a new cadre of labour activists and Progressive reformers in an unsuccessful quest for a labour-backed corporatist political economy in the United States. Agencies created in Washington to encourage employers’ recognition of industrial unions—especially the National Labor Relations Board (N.L.R.B.) but also the Senate’s LaFollette Civil Liberties Committee—empowered local groups of workers and their representatives to exercise their own initiatives for their own purposes. The experience of the mid-1930s taught millions of workers that the powers of the national state could be used to unleash popular initiatives, as well as to repress them. Intense reaction by business and conservative groups against workers’ uses of their newly-won collective power, coupled with the abrupt collapse of the economy in late 1937, brought widespread victories of the conservative Right in the federal and state elections of 1938, checked the growth of the C.I.O., and encouraged Congress and the administration to “curb” both organised labour (especially when deemed to act under “irresponsible” leadership) and to refrain from additional liberal industrial relations reform legislation. As a result, I conclude, the United States’ great hour of labour-backed corporatism and liberal industrial relations reform ended almost before it started.

In developing these arguments, the proposed paper draws on several generations of published historical and industrial relations scholarship as well as original research in published public records and numerous unpublished public and private archival collections.

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