

Wagner Theory Pays Off

DOES ANYBODY REMEMBER the Wagner Act? Or the machinery devised to make it effective, the National Labor Relations Board? Both the law and its offspring were advocated as strike preventives. Both seem to have been obscured by the welter of strikes that are blocking the war production program.

Senator Wagner, as good hearted an economic illiterate as ever dealt a New Deal hand, thought that wages are paid out of capital. That is, his law stems from that economic fallacy, and propriety requires the presumption that a Senator has ideas other than those connected with vote-getting.



Anyhow, basing his legislative proposal on that theory, he assumed that the reason for low wages was the reluctance of capitalists to share their capital with laborers, and that the way to pry them loose from it was to furnish labor with a crow-bar: organized power. Labor unions provided the idea themselves; the government, which is the power-producing instrument for all privileged groups, vitalized the idea.

The Wagner Act and the NLRB came into being when jobs were scarce. The unions, which cannot provide jobs because they have no way of effecting production, were glad to have a legal instrument in their hands for harassing industry.

The law did not, and could not, increase wages, but it did give the labor leaders a tighter hold on their membership. It gave them power which they might wield for their own benefit. Dues and initiation fees could be more surely collected.

But workers want jobs as well as wages. The law was peculiarly remiss on that point. The leaders were powerless to give the men what they wanted.

Along comes the National Defense Program with a bonanza of orders. That means jobs, maybe wages. Now is the time for the leaders to satisfy the men, which is ultimately the only way a union official can justify his existence and his emoluments.

Do the leaders fall back on the Wagner Act and

the NLRB? They do not. They have power now, power which makes laws but does not abide by them except when they favor its ends. So the Wagner creations are laid away. The good Senator served his purpose when he provided the machinery which consolidated labor's power. Requiescat in pace!

Labor wants wages. Where will wages come from now? Not from the capitalist-controlled wage-fund, but from the more plentiful, inexhaustible tax-fund. There's a fishing ground that's kept well-stocked all the year round by 130,000,000 wardens! Why didn't we think of that before? Hurrah, boys, bring on your tackle! You don't need much bait—production—to haul in a good catch.

Now it isn't the wages-fund theory, it's the tax-fund theory. It's a vast improvement on the philosophy of the Wagner Act, although those who believe that wages come out of capital would hardly distinguish between capital and taxes, any more than they would separate land from capital. Why be so meticulous? Any old grab bag is good enough—until it's empty.

The country needs war materials. But somehow labor, like capital, finds the patriotic appeal unappealing; it wants wages. That's what men always work for. Having found a new source of wages—taxes—labor is going to lay violent hands on it, regardless of the country's needs.

That's why we have a wave of strikes. And while, as some contend, the leaders may be unpatriotic, downright saboteurs and even "fifth columnists," we cannot ignore the fact that hunger for wages is the raw material of their trade.

And organized power, Mr. Wagner, is their tool. But when a smaller power meets a greater power, what happens?

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