

ECO 1302: In-class written exercise for *On the Waterfront* (1954)

The Wagner Act of 1935 gave labor unions in the United States monopoly power by making redress for strike actions actionable under administrative law instead of civil law (a form of government protection from competition).¹ In other words, unions obtained positive rights by government preemptive intervention.² Those negatively affected by unions now have to go to the administration (rule of man) instead of to the court system (rule of law) to seek redress.

Write one page (one or two paragraphs) on the following, address just a few of the points and/or raise your own insights.

The film was made 20 years after the Wagner Act. Do you think the film depicts that labor unions had developed special privileges? What scene or scenes reflect this? Does the film depict forms where the unions have incentives to protect their monopoly power?, give specific examples. Does the film reflect capitalism and the rule of law? Or does the film show personalized relationships, and if so are these personalized relationships corrupted? Why or why not? (What role does the Wagner Act play in corruption, if any). Does the film show a “Keynesian” or “Hayekian” theory of social crisis?, explain. What else is the film about? There are no incorrect answers.

¹ Unions were part of the Roosevelt electoral coalition. Labor union membership tripled (300%) from 1935 to 1941 during Roosevelt’s New Deal.

² Robert Higgs states that the Wagner Act “unleashed” the unions on the United States, “Regime Uncertainty, Then and Now”, <https://www.youtube.com/watch?v=f73izHRG11A&t=10s>.