Nelson Lichtenstein's *State of the Union* is more than a history. It is a story of what should have been and why what should have been didn't come to pass. Therein lie its two problems: Lichtenstein takes as obvious rather than argues the case that society (pushed by labor unions) should have legislated a better deal for workers. His analysis of its failure to do so is fitfully insightful, but generally is unguided by the facts and theory of unions and politics. All in all, Lichtenstein's is an impassioned story, but not a compelling one.

What America's last hundred years of labor history should have been, according to Lichtenstein, is a solution to the "Labor Question," or how to integrate factory workers into American society by creating a permanent Labor Party to maintain intelligent and effective oversight over workers' incomes and living conditions. The bulk of his narrative addresses how and why that did not happen. What is not addressed is whether it could have happened, and if it had, whether it would have proved effective. Now, I don't know if a Labor Party could have emerged in America, although the inability of many committed Democrats to turn their political party into a Labor Party argues against the possibility. The theory of political economy addressing the self-perpetuating goal of parties suggests that should such a party have developed it would not have helped workers generally, but only special-interest subsets of workers. Empirically, the failures of Britain's and Canada's Labor Parties to sustain workers' incomes and living conditions strongly reinforces the theory's conclusion that creating a Labor Party would not have accomplished the goal Lichtenstein desires.

But now let me turn to what Lichtenstein does address, how labor unions interacted with workers incomes and living conditions in the United States over the last century. According to Lichtenstein, unions began trying to raise workers' cash and social wages directly, but through accident and disappointment got redirected toward raising only their members' wages. At the same time, the Progressives sought to extend collective bargaining in factories, thereby raising workers' pay, and to enhance public education, welfare, and regulation, thereby raising workers' social wage. Neither strategy succeeded, says Lichtenstein. Wily capitalists moved factories hither and yon to keep workers' cash wage low, while recalcitrant Southern politicians and conservative jurists blocked efforts to adequately raise workers' social wage. Disillusioned, unions turned to fighting efforts to raise the general social wage, fearing that rewards not won through unions would sap their support. Later, overwhelmed by the minutiae of representing so many individual collective bargaining sites, unions lost sight of how to help workers in general. In response, intellectuals sympathetic to the unions lost faith in government, and so lost interest in using government to achieve good ends (such as raising workers' "social wage"). Eventually, unions and their intellectual allies disengaged from trying to influence government directly. The result, according to Lichtenstein, is that unions today enroll only 9 percent of private sector employees and 13.5 percent of all employees, and median income is stagnant or falling. How this happened is what Lichtenstein explains — with some insight, but in the end incompletely and misleadingly.

Lichtenstein is not correct on the facts. The first successful union, the Printers union, never looked to uplift workers or printers, but only printer-members. Samuel Gompers originally looked more broadly for members, but in the end solicited only critically skilled workers. Others, like the Knights of Labor, tried to uplift all, but, like all organizations (until the Wagner Act of 1935) that didn't narrowly target benefits to members, soon failed.
To understand the tangled history of unions requires understanding the “Labor Question” in American history. For unionists of whatever stripe, the “Labor Question” was what to do about the ever greater immigration and ever cheaper transportation (of goods and workers) that interacted with ever more accommodating factories to generally put downward pressure on wages. For the Progressives, the “Labor Question” at the end of the 19th century was a subset of the larger “Factory Question,” simply “How to integrate factories into America?” so that Americans could continue to enjoy the great prosperity from factories without subverting political freedoms or splintering the country. Substituting water, then steam, then electric power for human power in factories meant that human workers could do the finger work that machines (then) could not do without doing the tiring work of punching, lifting, and hauling. This falling need for strength in turn made it profitable to reassign work from the strong to the weak (so that women and children replaced men) and to redesign work to a sequence of steps (the assembly line) where each step could be easily explained and managed (so that malnourished and untrained European immigrants and Southern blacks now could perform factory work). The factories generated huge incomes for their owners who profited from rapid changes in how and where things were done. Factory owners were not reluctant to speed profitable changes along by bribing government agents to cooperate. Nor were owners reluctant to manipulate the news out of the factories, if necessary, to gain governmental subsidies or bilk public investors. Bribery and manipulation imbued factories with an aura of immense corruption that threatened to delegitimize government and to impoverish the growing Progressive class.

Answering the “Factory Question” became the driving challenge of fin-de-siècle politics. Unionists wanted stable and high factory wages, and sought these mainly through negotiated agreements with factory owners. Populists proposed to stop both factories and immigration and, via inflation, to destroy commerce. Progressives responded with answers that preserved their large stake in the emerging system, as they were the factory clerks and middle managers and lawyers, with proposals to manage and control factories and immigrants. Answering the “Labor Question,” then, was (only) a part of the Progressives’ solution to the perceived crisis (Hofstadter, 1955). And facilitating unionization was only a part of the Progressives’ solution to the “Labor Question.” Redirecting and reducing immigration, expanding education (to accelerate Americanization), and increasing workplace regulation and workers’ benefits were also components of the Progressives’ solution. But, as Lichtenstein says, their immediate workfloor goal was workplace democracy, according rights for factory workers to bargain collectively over their wages and working conditions. These efforts waxed and waned. When an especially odious tycoon (such as Jay Gould) tried to lower workers’ pay, public sympathy rallied to the unions’ collectivist efforts. But when unions excluded others from work or blew something up, as at the Haymarket rally, public sympathy evaporated. Woodrow Wilson, knowing what was good for factories and workers, seized the lure of World War I contracts to bribe factories to let union organizers in the door, ostensibly to help maintain war productivity. The unions overreached, however, when they marched out of these factories after the War, insisting upon bargaining over wages. The factory owners, retooling from war to peace production, were happy to have the workers walk out. The public was distracted by its exuberant return to the Roaring Twenties. And there was an economic contraction. Factory unionism was flattened and its (mainly Democratic) supporters removed from political office until 1932.

The Depression reinterested politicians in factory unions. For some the time was opportune to advance unionism. For others, facilitating unions and cartelizing mass producers (under the blue eagle of the National Industrial Recovery Act) promised to raise consumption and end the Depression; strong and pervasive unions were to ensure that the cartels’ gains got shared.