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Capitalist Class Agency and the New Deal Order: Against the Notion of a Limited Capital-Labor Accord

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Abstract

In the United States the apparent crisis of neoliberalism has called forth nostalgia for the regulated capitalism of the post World War II era. In particular, radical economists' thinking continues to be influenced by the notion of a "limited postwar capital-labor accord." But a careful accounting of historical scholarship since the 1980s shows the stylized thinking found in social structures of accumulation (SSA) literature and radical political economy generally to be inaccurate and misleading; inaccurate because it creates an image of a golden age that never was, and misleading in that it suggests a politics of social cooperation rather than worker militancy. In this paper we show that capitalists as a class never accepted anything resembling such an accord.

JEL classification: B5, J5, N32

Keywords

capital-labor accord, New Deal order, capitalist class formation

1. Introduction

In the United States the apparent crisis of neoliberalism has called forth nostalgia for the regulated capitalism of the post World War II era. Progressives take it as almost a matter of faith that the appropriate response to this crisis is to enact changes in law and in its enforcement in order to restore something like the New Deal regulatory regime. Almost any of Paul Krugman's *New York Times* columns can be taken as evidence. Institutional labor economists continue to search for the political coalition that might reconstruct a "social compact" (Kochan 2011). But this New Deal nostalgia predates the crisis and is common even in more radical analyses. For example David Harvey concludes *The New Imperialism* (2003) with a call for "some kind of global New Deal" to replace the neo-conservative imperium. The

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vagueness of such prescriptions at the end of often-exemplary liberal and radical texts points to the limits of contemporary utopian imagination, but it also over-simplifies and flattens the history of the New Deal era.¹

Both radical and liberal thinking about the meaning of the New Deal era has yet to catch up with a robust literature produced by U.S. labor historians on the class, political, and cultural tensions in the United States during that period. In particular, radical economists' thinking continues to be influenced by the notion of a "limited postwar capital-labor accord." Developed most fully in the seminal *Segmented Work, Divided Workers* (Gordon, Edwards, and Reich 1982), the idea that such an accord underlay the shared prosperity of the 1940s through the 1970s is a commonplace amongst radicals and liberals. The idea of recreating the conditions for some version of an "accord" has seemed especially inviting given the routing of labor and rise of inequality characteristic of the last thirty years. But a careful accounting of historical scholarship since 1982 shows the stylized thinking found in social structures of accumulation (SSA) literature and radical political economy generally to be inaccurate and misleading; inaccurate because it creates an image of a golden age that never was, and misleading in that it encourages a politics of social cooperation rather than worker militancy.² In this paper we show that capitalists as a class never accepted anything resembling such an accord.³

2. The SSA Story

SSA analysis assumes that macroeconomic long cycles are based on stable institutional patterns that support accumulation, and features the "accord" as a foundation of the postwar SSA (Kotz, McDonough, Reich 2010: 58, 62-63). Lichtenstein's *State of the Union* (2002), the best synthetic work on twentieth century U.S. labor history, debunks a litany of assumptions underlying the accord notion: that contemporaries recognized a "social compact" (they did not); that unionization produced shop-floor stability supporting accumulation (it did not); or that class conflict was dampened, an era of "labor peace" (the period of the accord—1948 through the mid-1970s—was as strike-ridden as any earlier period) (Lichtenstein 2002: 99-140). As Lichtenstein and several other prominent labor historians demonstrate, the New Deal was dynamic and contested from beginning to end.⁴

¹ By "New Deal era" we mean the period from the first Roosevelt administration (1933-1937) through the late 1970s, when the new institutions and practices of neoliberalism began to take shape. In this, we follow a convention found in both the U.S. industrial and labor relations field and U.S. labor and working class history.

² Political progressives, institutional labor economists, and radical economists like Barry Bluestone (Bluestone and Blustone 1993) all vigorously promoted "high performance work systems" within both unionized and non-union contexts as a way of reconstructing the "social contract" at the microeconomic level. Most former advocates now admit this was a dead end (Osterman 1999; Batt 2011). For a comparative analysis of the power of myth to affect militancy see Rothstein (1986).

³ This essay builds on previous articles: Hillard and McIntyre (2009a, 2009b) and McIntyre and Hillard (2008, 2009). In discussing and debating these ideas we have benefitted from comments and papers by strong advocates of the SSA approach, especially David Kotz and Sam Rosenberg. See for instance McDonough, Reich, and Kotz (2010) and especially Sam Rosenberg's chapter in that book. (Rosenberg offers a much stronger qualification about the existence of the accord along the lines argued here, though he does not reject the construct outright, pp. 197-200). We would also like to thank Gary Mongiovi, Andrew Mearman, and Tae-Hee Jo for their comments on this essay.

Dispensing with the concept of a postwar accord is but a limited piece of what radical economists can learn about the *dynamics* of class forces of the New Deal era, both at the levels of direct class struggles and of a struggle over the terms of the ideology of labor's place in American capitalism. Of course some of the standard SSA story is true and we do not contest it here. The United States did emerge from World War II with a dominant political coalition that supported Keynesian macro-policy, the welfare state, and the existence of the labor movement. These pillars of the New Deal system were attacked in the 1970s and in tatters by that decade's end. Capitalist class formation in the 1970s was especially rapid and aggressive. But radical economists have tended to view the 1970s as a moment of "punctuated disequilibrium" that dislodged one stable, well-defined system and replaced it with another. Our interpretation is that the 1970s were the culmination of a story of class struggle that began even before the ink on the major New Deal legislation was dry.

The "punctuated disequilibrium" narrative begins by seeing the New Deal "system's" first decade (1937-1947) as a period of working class strength, with the establishment of institutions that both reshaped capitalism and thrust the state and organized labor into the terrain once controlled unilaterally by capital. Thanks to the CIO and the progressive role of the federal government during World War II, unions were strong, urban progressives shaped national legislation, and the political divide of race was subdued if not erased. Union membership increased fivefold to 15 million in 1945. Worker voices, including strong labor standards and a robust right to unionize, became well-established. Keynesian demand management became widely accepted. From 1947 until the early 1970s, the New Deal system produced shared and stable growth, contributing to the "great compression" of incomes. Outside of the South and rural states, the one-sided class hegemony characteristic of the formative decades of American capitalism was replaced by a corporatist balance between state, labor, and capital, embodied in tripartite policy machinery and the institutionalization of collective bargaining that at its peak covered nearly 40 percent of private non-agricultural workers.⁵ The dominant sectors of capital quickly made accommodations through new organizations like the Committee for Economic Development, by setting up internal bureaucracies to manage collective bargaining, and by accepting not only unions but also social security and macro demand management (Klein 2003; Wolfe 1981). All of this was undergirded by a stable progressive political coalition consisting primarily of working class whites and blacks.

Once in place, these institutional and political forces displayed strength and vitality into the 1970s. Working class political support (outside of the South) for liberalism would remain firm through the early 1970s. Republican presidents Eisenhower and Nixon did not break with New Deal orthodoxy, while Johnson was remarkably successful in expanding the welfare state in the mid-1960s.

In the SSA story liberal Democratic politics reflected a stable set of political values and goals: modest full employment policy and support for unions and activist regulatory policy; the only addition was a new willingness to pursue civil rights in the 1960s. Meanwhile, Barry Goldwater's disastrous 1964 presidential candidacy demonstrated that American economic conservatism was

⁴While Lichtenstein's work is probably the clearest direct critique of the "accord," we have been struck by how many prominent historians and labor studies scholars made similar arguments in the 1980s and '90s, such as Nissen 1990; Fones-Wolf 1994; Cowie 1999; Harris 1982; Jacoby 1997. We draw on more recent work below that further develops these themes. We are equally struck by how little attention radical economists have given to this literature.

⁵As SSA theorists have emphasized, both state policies and union contracts left women and many minorities out in the cold until civil rights and feminist movements challenged patriarchal and racial exclusions.

completely marginalized if not completely banished from the American landscape. Nixon's claim that "we are all Keynesians now," his support for national health care, environmental and occupational regulations, and courting of organized labor confirmed that, as late as 1973, the New Deal order was still firmly in place. Only macroeconomic crisis, globalization, and capital mobility would then quickly undo the "bargains of the New Deal era." Capital found it necessary to attack unions, or run away from them through capital flight to non-union regions in order to restore profitability, and a combination of economic anxiety and culture wars set off by the civil rights and anti-Vietnam War movements opened the door for opportunistic right-wing politicians to pry off white working class voters from the Democratic Party. The instability of the 1970s, accounted for as a series of largely exogenous events, undid the New Deal system and allowed right-wing economics and politics to make way for neoliberalism, to the great surprise of the liberal-left.⁶

While this story may be stylized, it fairly depicts thinking that has informed not just radical economists, but also much of the liberal-left over the past three decades. We argue that this story underestimates the hegemony of the capitalist class in the United States and paints too static a picture of class and political forces during the New Deal era. We develop this argument in three parts. Our central argument is that capitalist organizing against the New Deal started as early as the late 1930s, and there was never any generalized acceptance of unionization and social democracy among American capitalists as a class. Second, race, religion, and other cultural factors "endogenous" to working class culture and politics led to a splintering of the New Deal coalition, again starting as early as the 1940s. Finally, New Deal liberalism was never a static entity, and began a complex process of moving away from class populism and economic liberalism, and towards a politically problematic and contradictory rights consciousness as early as 1938.

3. Capitalist Class Agency and American Exceptionalism

"Agency" and "class formation" have been extensively analyzed in regard to the working class (Katznelson 1986). But agency applies to capital as well. The arrival of the New Deal and CIO prompted a fresh process of *capitalist* class formation in response to new conditions and challenges to American employers' power and autonomy. What was not new was a long-formed intolerance of sharing institutional power with unions or the state, against which American employers large and small fought a fierce battle beginning in the nineteenth century. Historians have labeled the particularly American form of capitalist class agency – in the virulence of its methods of repression and ideological intolerance – as "exceptional" (Jacoby 1991; Lichtenstein 2002). According to Lichtenstein, "... in no other industrial nation was corporate management so hostile to the power, or even the existence of trade unionism itself..." (Lichtenstein 2002: 105). Capitalist class formation during the New Deal era overlapped with the building and emergence of the modern conservative movement, a phenomenon historians Ronald Story and Bruce Laurie aptly describe as "[t]he central story of American politics since World War II" (2007: 1).

"American exceptionalism" has become a hackneyed phrase used by contemporary American politicians to support simple-minded patriotism and, arguably, national chauvinism. When historians play off this phrase, they are carefully invoking a specific intellectual tradition focused on the relative weakness and non-socialist character of the U.S. working class. The Commons

⁶In the late 1970s both radical economists and industrial relations scholars expected the crisis of that decade to lead to more economic planning and a convergence of the United States with European social democracies. See McIntyre and Hillard (1995) and Hillard and McIntyre (1999).

school borrowed the phrase from German scholar Werner Sombart, who asked, “Why is there no socialism in the U.S.?” In the 1920s, Selig Perlman built an interpretation of the American labor movement and the working class as accepting of capitalism, focused on “business unionism,” and antithetical to “European” socialism (Perlman 1928). This labor history doctrine gained wider interest in the early cold war years as an ideological frame for U.S. imperial competition with the Soviet Union, and the term came to be used more widely to represent the United States’s unique commitment to anti-Communism, the unique origin of the United States as the first modern democracy and its historic role in promoting individual freedom around the world. American exceptionalism continues to play a prominent role in political culture (Lipset 1998).

Recent work on the history of the American capitalist class finds it to be, for “advanced economies,” uniquely virulent in its economic, political, and ideological repressiveness of labor and progressive movements and institutions. Nelson Lichtenstein summarizes the thesis this way: “...the most “exceptional” element in the American system of labor-capital relations is the hostility managers have shown toward both the regulatory state and virtually all systems of worker representation” (Lichtenstein 2002: 105). British, German, French, and Scandinavian capitalists chose or were forced to make accommodations with the state and/or collective bargaining apparatuses in the twentieth century, both prior to the postwar era, and since (Jacoby 1991; Thelen 2001). Historical conditions allowed American capitalists to ward off such an accommodation, and inculcated a deeply *laissez-faire* sensibility.

There are three distinct periods in the story of American employer exceptionalism: the formative pre-Great Depression era (1880s-1920s), the New Deal era, and the era of conservative hegemony since the 1970s.⁷ In the late nineteenth century, the United States had the world’s largest market and largest capitalist enterprises (i.e. very big employers with tens of thousands of employees), with no parallel at the time in Western Europe and Japan (Jacoby 1991). The state played far less of a role in U.S. industrialization than it did in continental Western Europe and Japan at this time (Streeck and Yamamura 2002). Capital had a comparatively extreme anti-statist ideology. Social Darwinism and a fierce defense of managerial prerogative became deeply ingrained, and employers became used to a unilateral way of operating, free of government influence and with little effective challenge by labor activism. Unionism was largely confined to residual groups of highly skilled trades, and attempts at mass unionization of industry were repeatedly crushed (Montgomery 1989). Large and small employers alike could count on courts stocked by right-wing judges to fiercely defend any and all prerogatives. Unlike European economies, U.S. manufacturers did not generally develop cartels, and with unionization fragmented along regional and occupational lines, wages were not taken “out of competition,” creating a strong incentive for employers to crush unions that would make them uncompetitive. In the twentieth century, European capitalist classes generally faced more prominent left parties, and sometimes found collective bargaining a useful route to working class cooptation and thus a reasonable class strategy. The U.S. left and labor movement did not gain the kind of traction that would have made a strategic acceptance of collective bargaining possible, much less likely (Jacoby 1991; Lichtenstein 2002).

American employer hostility was both a cause and effect of early defeats of the U.S. labor movement. These defeats – uniquely violent and large in scale – helped produce a very careful and largely non-radical labor movement (Friedman 1997; Jacoby 1997; Laurie 1989; Wilentz

⁷Our essay focuses on the New Deal period. The story of capitalist hegemony before the New Deal is well known and a detailed consideration of the period since 1980 is not possible given space constraints, but see the work of John Logan (2002, 2008).

1984; for a detailed synopsis see Hillard and McIntyre 2009a). The intensity of employer repression is an important element of the “exceptionalism” thesis. The Haymarket, Molly Maguires, Homestead, and Ludlow massacres – with often dozens of workers killed by armed public and private armies – had no analogue in European class struggle. As Sean Wilentz wrote:

Looking at the major episodes in American labor history between 1886 and 1894, it is hard to avoid concluding that the major political reality in these years was the extraordinary repression visited upon organized workers by employers’ associations, with the cooperation of the courts, state legislatures, and, increasingly, the federal government. (Wilentz 1984:15)

The labor movement’s weakness in the wake of these violent defeats had a self-reinforcing quality. For instance, because wages were never effectively taken out of competition on a national level, individual employers had a greater incentive to vigorously and violently repress organizing initiatives. Without a traditional aristocracy that put a premium on social stability, the U.S. labor movement had no opportunity to make alliances over the heads of the bourgeoisie, as was possible in some European countries. By the 1920s in the United States well-organized large and independent corporations faced a weak labor movement. Economic policy, and company and industry-level industrial relations, were, for that time, a distinctly employer-dominated affair.

Accompanied by vast and militant social movements, the economic and political crisis of the Great Depression dislodged capital from its unilateral power position. The failure of the first New Deal created an unprecedented three-year window from 1934 to 1937 when the New Deal system could be launched because American capital was discredited and politically weak. The Social Security Act, the Wagner Act, and the rise of the CIO all occurred in a period of unusual weakness for employers (Lichtenstein 2002: 53; Finegold and Skocpol 1984).

The creation of new workers’ rights, vast expansion of union density, and the rapid growth of the state sparked an immediate response from many sectors of capital, ushering in a second period of class formation beginning in 1937. Employers faced a new world that they found distinctly ugly in three ways: a loss of unilateral managerial prerogative in all aspects of the employment relationship, economic security provided by the state and not employers, and loss of the national narrative about American capitalism, all equally distasteful. This reaction initiated a “management jihad” (Jacoby 1997: 228-235); both individual and collective capitalist activism aimed to reverse all three losses.

Capitalist class agency had a number of distinct features. First, employers fought to regain a measure of shop-floor control, weaken and undermine collective bargaining, and resist efforts to expand unionization beyond its early postWorld War II high mark. Also, there was a broad movement to create a non-union industrial relations alternative – “vanguard welfare capitalism” – that took root and rapidly expanded in the 1950s through the 1970s. These developments have been long known to careful readers of postwar industrial relations history. What is new is the strong evidence for an ideological and political war inaugurated in the 1940s – a capitalist “war of position” – waged to re-establish ideological hegemony.⁸ The twofold goal of this movement

⁸The notion of a “war of position” derives from Antonio Gramsci. This denotes class conflict waged over hegemonic ideologies, in contrast to a “war of maneuver” that refers to naked class conflict, such as major strikes. Jones (2006: 30-32) provides a useful, recent summary of Gramsci’s work. As Jones notes, one aspect of class struggle is the “*war of position* fought out over a long period in the superstructure, in which meanings and values become the object of struggle” (Jones 2006: 31).

was to label labor and the state as Communist and a threat to American democracy, and to promote these ideas through a variety of channels.

Class formation overlapped with this war of position. Conservative ideologues and journalists, and a growing number of American businessmen, worked to create a dense network of right-wing institutes, a new political language, and an effort to harness these new ideas in political campaigns. Led in part by a revitalized National Association of Manufacturers, this ideology infused campaigns organized around candidates (Goldwater is especially notable), national anti-labor legislation (Taft-Hartley, Landrum-Griffum), and state right-to-work campaigns spanning the late 1940s to mid-1960s. Capitalist funding for employer-associated institutes such as the Foundation for Economic Education and the American Enterprise Association (precursor to the American Enterprise Institute), and right-wing journals like the *National Review*, were part of this process of class formation, shaping a dual mission of restoring *laissez faire* and rolling back Soviet-style communism (Phillips-Fein 2009; Story and Laurie 2007).⁹

The central signifier of this political and ideological effort was “free enterprise.” Public spokesmen for contemporary corporate lobbying organizations routinely invoke this trope in attacking regulatory proposals, as a common sense definition of the “American way,” and even Democratic political leaders like President Obama feel compelled to invoke it approvingly. For four decades, hundreds of thousands of business students have passed through the ranks of “Students in Free Enterprise” (SIFE); this Wal-Mart-funded project first flourished in small Southern Christian business schools and has become a massive international organization seeding extreme pro-business ideology in countless universities and colleges (Moreton 2009).

Elizabeth Fones-Wolf’s *Selling Free Enterprise* (1995) details the moniker’s 1940s’ origins. In propaganda campaigns waged in the employer-controlled space of the workplace, communities, and the halls of state capitals and Congress, individual employers and their associations (especially the National Association of Manufacturers and the Chamber of Commerce) aimed squarely at changing societal understandings about labor and the state. Union legitimacy was especially targeted. Says Fones-Wolf:

unions, business leaders complained, had drenched the minds of workers in a “reckless propaganda of distortion, deceit, and phoney [sic] economics.” ... [B]usiness not only sought victory at the bargaining table and in the halls of Congress but also sought to win the hearts and minds of American workers. To accomplish this task ... employers [sought] to send a message that business had solved the fundamental ethical and political problems of industrial society, the basic, “harmony between the self-interest of our economic institutions and the social interests of society.”¹⁰ (Fones-Wolf 1995: 67)

These efforts dovetailed with the top-down creation of a conservative intellectual movement to carry forward the fight against liberal hegemony. Hayek and his circle in the Mont Pelerin society attracted strong business support, providing a language and analysis for this fight (Van Horn and Mirowski 2009; Phillips-Fein 2009). The petty bourgeoisie had reacted strongly to Roosevelt’s effort to pack the Supreme Court, promoting an alliance between large

⁹Right-wing intellectuals and journalists—like Leonard Read, William Baroody, and William Buckley—actively solicited employer support for this new propaganda campaign, a story told especially well by Phillips-Fein (2009: 26-86).

¹⁰The two quotes she cites here are from John W. Hill, “Industry’s Iron Curtain,” *Public Relations Journal* 2 (Nov. 1946: 3) and “Basic Elements of a Free, Dynamic Society,” *Harvard Business Review* 29 (1951: 57).

and small business. The older anti-monopoly stance of a portion of the petty bourgeoisie faded as it increasingly identified itself with the interests of capital in general (Lichtenstein 2002; Moreton 2009). This occurred even as conservative economists were abandoning their critique of monopoly power (Van Horn, 2011). Hayek's uncompromising indictment of "the road to serfdom" was an instant hit in this new business alliance; *Reader's Digest* published an abridged reprint of his attack on burgeoning social democracy that quickly reached a million households in the United States (Hayek 1944; Phillips-Fein 2009: 41). Right-wing activists forged thick connections between the Mont Pelerin Society and a broad network of conservative American intellectuals and businessmen in the 1950s (Phillips-Fein 2009: 47-51). Thus, political counter-momentum to the New Deal state and labor movement began to take shape as the campaign for free enterprise. Early leaders in this movement like Lemuel Boulware, the infamous labor relations director of GE and a chief propagandist and organizer for the capitalist reaction, made the extraordinary claim at the height of anti-Communist paranoia that unions and the welfare state were far greater threats to American employers than the Soviet Union itself (Phillips-Fein 2006: 263).

As employers joined this ideological movement, they also operated directly to thwart the spread of unionism. The defeat of the CIO's postwar Operation Dixie campaign preserved the Bourbon South as a political and economic bulwark against the New Deal and labor. At the level of the firm, many large Northern/Midwestern capitalists moved immediately after the Wagner Act to confront the emerging "New Deal industrial system" of unionized collective bargaining by creating what Jacoby calls "vanguard welfare capitalism" (Jacoby 1997). Before American employers could begin to develop a sophisticated set of union-busting practices in the 1950s and 1960s, corporations such as Thomson Products, Sears, and Kodak led the way in creating an alternative to unionism based on "humane" management methods, company unions or works councils, and modest benefits for long-term workers. While only a minority of American corporations adopted the full package of welfare capitalism, the existence of an alternative model provided a base from which to critique the New Deal system as unnecessary and eventually produced a set of leaders in a national movement to repeal the Wagner Act. The dismantling of the New Deal industrial relations system was well underway by the 1940s.

Even where organized capital appeared to be accepting of social democracy, this acceptance was tied to the restoration of hegemony in the workplace. In *For All these Rights* (2003) Jennifer Klein explains how American capital prevented the expansion of the welfare state, particularly thwarting national health care. Insurance companies were key early advocates and specialists in developing welfare capitalism in the 1910s and 1920s. Insurance companies first persuaded, and then collaborated with, large corporations, using private "welfare" policies to compete with unions and the state for employees' loyalty. The first step was an embrace of Social Security by insurance companies and some other capitalists in 1936 and 1937. Key employer associations opposed efforts to repeal Social Security, preferring instead to make peace with it while hemming it in. The approach was to keep it as a basic "safety net" to be supplemented by additional "security" provided by employer pensions. The next step in the early 1940s was to compete with emerging community health models supported by unions. To do so, insurance companies successfully promoted the idea of providing group health insurance benefits to employees. This costly investment paid several dividends for employers in their struggle to regain hegemony over employees. It bound employees' loyalty to their "good employers," and it also forestalled a move towards national health insurance, which would have reduced employers' control of their employees.

4. Attacking Labor and the New Deal: Three Case Studies

We illustrate the early and continuous strength of capitalist resistance to any compromise with statism or social democracy, and how this intertwined with the building of a hegemonic new ideology to buttress this resistance, through three examples: the story of Boulware, the Perfect Circle strike, and the campaign to stigmatize unions as “mobbed up.”

Lemuel Boulware was perhaps the most important innovator and leader of the capitalist reaction of the postWorld War II period. GE hired Boulware, a sales and marketing maven, after workers won a nationwide strike against GE in 1946. Concerned that solidarity included not just workers but virtually all local community leaders extending to clergy, police, and courts, GE sought to regain a firm hand in relations with the militant and leftist United Electrical Workers (UEW). Boulware immediately brought two approaches to relations with the UEW. The first was to implement a rigid and ultimately illegal “bargaining” strategy with the union in subsequent negotiations. The company would not bargain until the last day, presenting a contract “publicly” to the entire workforce, appearing to bypass the union and refusing to alter the contract further. GE management claimed that contracts had to be based on impersonal market forces beyond the powerful company’s reach. As Phillips-Fein (2006: 255) remarked, “The primary theory behind Boulwarism as a contract strategy was that the union should never be shown to win anything for the employees.” Boulware’s vision was that the “union was an interloper; real industrial democracy lay in the connection between the employer and the employees” (Phillips-Fein 2006: 256).

His second approach was to create a structure parallel to the union from the top down, under the banner of “job marketing” to workers, in which the company built a dense web of relationships with its employees through front-line supervisors combined with a constant stream of propaganda. This included a weekly publication distributed to all workers and managers containing Boulware’s vision of a libertarian free market economy; employers like GE were powerless in the face of national and global competition, and were also under the threat of creeping socialism. Boulware wrote his own economics textbook with these views that was distributed widely to GE managers and workers. All 190,000 GE workers and managers took an economics course to “learn” this GE vision of the economy and society. Boulware and other corporate propagandists sponsored meetings of Hayek’s Mont Pelerin Society and helped to found the American Enterprise Institute in order to bring their broad ideological views, and not just their immediate interests, before the general public (Phillips-Fein 2009).

Boulware made a lasting contribution to the “New Right” by taking GE’s propaganda campaign to the national business community. A Boulware speech entitled “Politics: Businessmen’s Biggest Job in 1958” was distributed to all GE supervisors, GE community leaders (clergy, teachers, women’s civic organizations), and other groups of “thought leaders” to all members of Congress. The speech prompted *Fortune* to publish an editorial arguing that corporations were “re-discovering politics.” Boulware and GE were prominent supporters of Goldwater’s 1964 presidential bid. And of course, Boulware’s GE was the crucible where Ronald Reagan completed his journey from New Dealer with a fading acting career to politician and the nation’s leading conservative political figure.

Another instructive example is the “Perfect Circle” 1955 strike (Anderson 2008). Perfect Circle was among a growing number of northern industrial employers in the 1950s that sought to resist union expansion and the extension of pattern bargaining to their own workforces. In this case, Ohio executive Lothair Teetor battled a militant United Auto Workers (UAW) local that had unionized four of his plants in the early 1950s. Perfect Circle’s UAW local had a high degree

of solidarity, and battled to bring their employer up to industry labor standards. Teetor and the company commenced a vicious effort to bust the union immediately after unionization, succeeding in the wake of a strike it provoked in 1955. It dislodged locals at several large plants, illegally firing and blacklisting most key union leaders and shop-floor activists. Like the successful union-busting strike at Kohler manufacturing, Perfect Circle gained national attention and reinforced for business conservatives that they could win in their war against labor.¹¹

For several years afterward, the Perfect Circle strike surfaced in the larger arena of state and national politics. It was conservatives' *cause celebre* during their national right-to-work campaign in 1957 and reappeared a year later during the McClellan "Labor Rackets" Committee hearings in 1958. (Anderson 2008: 102-103)

The contours of what capital did here had the look of 1980s' "post-agreement" strikes like those in Jay, Maine and Austin, Minnesota which busted militant unions fighting concessions, though Perfect Circle, with its gun battle that injured eight, also harkened back to an earlier era. But Perfect Circle and Kohler's repression of unionism transpired at the very moment when the "agreement" was supposedly settling into place, and exemplified capital's intolerance of any arrangement that did not give employers unilateral control of both the workplace and of labor ideology:

Perfect Circles's owners sought to forge labor-management unity by promoting a quaint vision of "heartland consensus," a conservative civic identity that management was convinced would render unions unnecessary. As with many business conservatives, Perfect Circle owners tried to rid their plants of unions by tapping into an interlocking network of right-wing policy groups to mount an extensive employee educational program and public relations campaign in defense of "free-enterprise." (Anderson 2008: 101)

Anderson shows how the combination of repression and hegemony could be decisive in class battles. Perfect Circle's workers did *not* hold the quaint vision of management-dominated labor-management harmony, framed by individualism; rather, the bosses' perspective was foisted upon them by the naked use of power. Yet the re-telling of the Perfect Circle story contributed to the emerging national narrative of social harmony and freedom through management control. Anderson also reminds us that the business assault on labor in the 1940s and 1950s was not limited to the South, and that aggressive anti-union employers such as Teeter were part of a burgeoning national political movement. In Anderson's words:

Hardly a relic of a bygone age, Perfect Circle and other aggressively antiunion firms of the 1950s, provide the critical link that connects employers' reaction against the labor upsurge of the 1930s and 1940s with the rise of the New Right in the 1960s and the subsequent broader offensive against organized labor by larger firms at the economy's core. (Anderson 2008: 104)

David Witner (2008, 2009) describes a concerted campaign by employers and supportive ideologues in the press that constructed a fictitious image of corrupt labor bosses, beginning in the early

¹¹A similar union-busting strike at Kohler Company in Wisconsin joined Perfect Circle as central stories for the 1950s' anti-labor business right. Owner Herbert Kohler toured the country speaking to business groups about his company's plight; Barry Goldwater interrogated UAW leader Walter Reuther about both strikes in a Congressional hearing (Phillips Fein 2009: 120-126).

1940s and taking full root in the wake of the notorious McClellan hearings of the late 1950s. He explores another critical strategy capital deployed in its war of position. Purveyors of the “racketeering menace” sought to concretize capital’s long held view of unions as an illegitimate “third party” rather than as an expression of workers’ own interests and desires. Witner shows how successful this ideological campaign was, manufacturing a widely held belief that became broadly shared by the public, including many workers, in the space of two short decades. The alleged reality: labor officials are on the whole corrupt and criminal “bosses” or racketeers without overlapping interests with their members; their sole goal is to exploit workers. Constructing labor leaders as corrupt bosses who appropriate a surplus from union members while portraying corporations as the honest friend of the worker, against all available evidence, was a bold ideological triumph. It has been the standard line of corporate spokesmen from the late 1940s to the present.¹²

As Witner points out, in the 1950s this ideological campaign had the advantage of largely echoing anti-Communist rhetoric: “Both pictured an internal threat to the nation’s security and warnings about both threats came from the same voices on the political right, who frequently pointed out the parallel nature of these conspiracies” (2008: 124-125). While anti-Communism was an effective means of attacking the CIO, it was of little use in attacking the now larger American Federation of Labor (AFL). Racketeering proved the perfect weapon against more conservative unions rooted historically in the trades. Such an ideological attack on the conservative AFL was crucial in that it had regained its numerical and political dominance by the late 1940s via its “occupational” approach, organizing vast numbers of semi-skilled and unskilled workers it once eschewed in trucking and other industries (Lichtenstein 2002).

Capitalist class agency (in alliance with conservative journalists and politicians) thus made unions themselves a wedge issue, in this case dividing working class union members from their own unions and from the Democratic Party that protected them. As Witner puts it:

For the Eisenhower administration this campaign against labor racketeering offered a chance to peel the working-class vote away from the Democratic Party by politically dividing union members from their leadership. The culmination of this trend came at the end of the 1950s during the McClellan Committee hearings, which was the largest congressional investigation up to that time. Those hearings transformed Teamsters President James R. Hoffa into a potent symbol of the danger posed by labor racketeering. The committee’s revelations and the publicity they received undercut the labor movement. Polls showed growing public skepticism toward unions, and especially union leaders. Such attitudes helped conservatives win a new round of legislative restrictions on organized labor in the form of the Landrum-Griffin Act (1959). (Witner 2008: 124)

These three cases illustrate how capitalist class agency during the height of the New Deal system challenged and indeed sought to decimate collective bargaining and workers’ rights, while forging free enterprise ideology and building the modern conservative movement. The

¹²This is a masterpiece of propaganda: unions, not capitalists, exploit workers. Witner shows there to be little evidence of such “racketeering” as a widespread phenomenon in the 1950s. Freeman and Medoff (1984: 213-217) made a similar case in the 1980s. They note a statement by Benjamin Civiletti, attorney general under President Carter, that only about 300 of 65,000 union locals nationally were corrupt, and comparative surveys that showed that 3 percent of union locals were corrupt versus 11 percent of U.S. corporations. Racketeering is still an important anti-union trope. In 2008 and 2009, the advertising campaign against the Employee Free Choice Act featured former Sopranos’ actors (i.e. fictional Mafia characters) running union card-check campaigns. Empirical research of card-check campaigns (Eaton and Kriesky 2006) again shows this to be a fiction.

final chapter of pre-1965 class formation was the political rise of Barry Goldwater. Goldwater's failed arch-conservative 1964 presidential campaign, viewed at the time as an historical dead-end, is now seen as the way station between the early days of the movement and its eventual victory. In the late 1950s, Goldwater was an attractive, tireless, outspoken, and uncompromising political leader who barnstormed the country attacking the New Deal, speaking ardently on the evils of unionism, and promoting right-to-work campaigns (Perlstein 2001; Tandy-Shermer 2008). As the national conservative movement coalesced around Goldwater as their presidential hope in the late 1950s and early 1960s, conservatism became a truly coherent national political movement, forming what later came to be known as the New Right.

Business activists and new ideological organizations were developing powerful conservative arguments in the 1940s and '50s. By the early 1960s, the ideological content of the employer campaign against the New Deal and labor had fully taken shape. The war of position to establish "free enterprise" as American created a formula for ideologically delegitimizing labor and the state. It combined union busting with national campaigns to teach the general truth of "free enterprise." From Goldwater's failed candidacy to Reagan's election in 1980, capital's campaign would be able to take advantage of new forces that broadened political support for conservatism, and the rapid weakening of American liberalism, both the result of forces brewing for decades alongside capitalist class agency.

As white workers mobilized in response to a variety of "social" issues, breaking ranks with the Democratic Party, capitalist class formation entered a new phase. Employers reacted to vigorous expansion of regulation, weakening profitability, and a perceived loss of legitimacy in the 1960s by increasing political mobilization. This included the growth of the Chamber of Commerce from 60,000 members in 1972 to more than a quarter of a million a year later and the formation of the CEO-led Business Roundtable that same year. Combined with the founding of new right-wing institutes, notably the Heritage Foundation and the Cato Institute, and the hundreds of millions of dollars poured into new political action committees, capital took another step toward becoming a "class for itself."

5. The Context for Capitalist Class Agency: Rising Conservatism, Failing Liberalism in the 1960s and 1970s

This campaign to restore corporate power on favorable political and ideological terms required a winning political coalition, i.e. a robust political conservatism that seemed elusive at the time of Goldwater's scorching 1964 defeat. Prior to 1965, conservative politics focused on economic libertarianism and anti-Communism¹³ (Story and Laurie 2007). The expansion of conservative activism beyond this base was the key to building a conservative majority that could successfully attack the New Deal and labor. Conservatism expanded by embracing cultural issues and absorbing newly mobilized single-issue groups, most prominently gun owners and opponents of the proposed Equal Rights Amendment and abortion rights gained under *Roe v. Wade*. Its expanding scope meant it could attract white working-class voters on a variety of non-economic issues. But it was the issue of race – part of the growing perception that the state was no longer a promoter of white working-class economic interests but rather an invading entity that supported the poor,

¹³Following Kim Phillips-Fein, we label this ideology as conservative – rather than neoliberal – because it was the label that participants themselves used, but also because it truly was conservative in the sense that business intellectuals and their neoliberal economist allies sought a restoration of what they saw as the "normal" condition of complete capitalist hegemony (Phillips-Fein 2009: 322).

the non-white, the middle class female, and unruly campus youth – that began to attract white workers in large numbers and gelled white working-class support for conservatives.¹⁴

The successful law-and-order appeals of Wallace and Nixon in 1968 used themes and tactics that had incubated since the 1940s. Conservative politicians progressively cultivated fundamentalist white workers and Catholics.¹⁵ An inter-regional alliance of white supremacists and capitalists opposed to the New Deal began to appeal to working-class whites using a variety of race-baiting tactics long before the 1960s. Joseph Lowndes (2008) has shown how the alliance of segregationists and economic conservatives began to form with the 1948 Dixiecrat revolt and continued with Republican Party building efforts in the South through the 1950s, laying the groundwork for Goldwater's breakthrough in 1964 and Nixon's Southern strategy. In the urban North, white working-class fears around jobs and especially housing were also active from the 1940s on¹⁶ (Sugrue 1995). This is not to suggest that working-class whites that aligned themselves with the right were themselves white supremacists. Rather, the snowballing set of non-racial issues – patriotism and Vietnam, abortion rights, feminism, and guns – combined with a perceived racial threat to make the New Right appealing to many white workers.

Fresh circumstances in the 1960s brought a much larger group of white New Deal working-class voters into the conservative movement for the first time. Twin racial fears stoked by urban riots and Johnson's plans to extend civil rights to housing represented a liberalism that not only lost its appeal to the Northern white working class, but also came into antagonism with it (Cowie 2010; Perlstein 2008; Story and Laurie 2007). This conflict emerged from liberals' "rights consciousness" and from the perception that economic policies favored the poor but not the working class as a whole.¹⁷

¹⁴As Kevin Boyle argues, the New Deal did not just support the collective economic status of Northern white workers. It also inscribed a privileged position for the largely Catholic Northern working class, the largest block of Northern white voters abandoning Democrats beginning in 1968. Says Boyle: "When blue collar whites complained in the late 1960s and early 1970s that the liberals had deserted them, they weren't wrong. New Deal policy essentially promised to protect the racial position of the white working class, where Catholics were heavily represented. To its enormous credit, the Great Society rescinded this promise" (2008: 36).

¹⁵Darren Dochuk (2008) offers an interesting 1940s tale of evangelical conservative workers who formed a movement to create a strong and generous social security program for California workers. The working-class base of the "Ham and Eggs" movement got caught in a cross-fire between its right-wing anti-Communist leader and secular New Deal liberals. The latter's attack on these evangelicals' movement, despite support for its immediate goals, pushed these workers increasingly into the conservative Republican voting bloc. The 1960s Goldwater presidential and Reagan gubernatorial races succeeded in permanently incorporating this bloc on non-economic issues, some fifteen years before the right fully wedded evangelical conservatives to the conservative wing of the Republican Party. On Catholics, see Cowie and Salvatore (2008) and Sterne (2004).

¹⁶As Sugrue shows, racial segregation and competition for housing was transformed by the mass migration of rural whites and Southern blacks to Northern industrial cities during World War II. Racial animosity was exacerbated by capital flight from unionized cities that commenced in the late 1940s.

¹⁷Realistically, liberalism's support of the Northern white working class continued well into this transitional period, but arguably became invisible in the face of social "chaos." As Nancy MacLean notes: "By the 1970s, millions of white working-class men who became 'middle-class' thanks to new labor laws, union contracts, FHA loans and GI Bill benefits just couldn't see why they should shell out for those who needed more visible government assistance – those whom conservatives encouraged them to see as black, immoral, and unworthy" (MacLean 2008: 52). This contradiction is perhaps clearest in the overriding concern about the racial integrity of neighborhoods at the same time that Johnson brought universal health care to all of America's elderly.

Perlstein (2008) demonstrates that Northern white workers were not simply venal racists; they were legitimately reacting to the gestalt of “chaos.” It appeared to them that the liberals supported, fomented, and protected groups that were disrupting society through riots and demonstrations. Add busing and affirmative action, and the perception emerged that when the state acted, white working-class people suffered. The state thus lost its previous legitimacy as an instrument that balanced working-class interests and needs against the untrammelled power of big business.

We pick on just one piece of this very complex story: race and the “integrity” of the white working-class neighborhood. President Johnson and congressional liberals’ 1966 proposal to add a new section IV to the Civil Rights Act that would ban discrimination in housing sparked an intense mobilization (Perlstein 76-77). Unprecedented levels of hostile letters deluged liberal senators and representatives, including supportive liberal Republicans; many were voted out in fall 1966. More ominously, white neighborhood vigilante groups organized in dozens if not hundreds of neighborhoods, and were quick to use violence to defend their territory in the coming five years. Jefferson Cowie and Nick Salvatore (2008: 18) note: “So violent was the [right-wing reaction] in Chicago in the summer of 1966 that King declared: ‘I have never in my life seen such hatred....’” They continue:

Many white workers, conscious of protecting the unique gains achieved through contractual agreements, furiously resisted what they perceived as unwarranted attacks on their economic standing and neighborhood boundaries. They felt they were becoming forgotten men, a sentiment reinforced by the political drumbeat of Governor George Wallace on the right and affirmative action demands on the Left. As school busing moved to the forefront in northern cities after 1966, managed and enforced by federal courts, that anger exploded. In the fallout, a significant number of northern working people, organized or not, gravitated toward more conservative political candidates, and sharply toward Republicans in presidential contests. (Cowie and Salvatore 2008: 18)

From the mid-1930s through the 1960s, white evangelicals and Catholics were at home within the New Deal fold, viewing secular liberalism with suspicion but recognizing – out of their anti-individualist perspective, and terrible experience with capitalism during the Great Depression – the benefits of Social Security, full employment policies, and strong union representation. The 1960s dislodged this connection and pushed them increasingly into the arms of conservative populists who sought to champion the so-called silent majority. Once there, this bloc’s distrust of the state on social issues was wedded to a distrust of the state on economic matters as well. The fusing of these two impulses into an overarching anti-statism was firmly established by the 1970s.

“Free enterprise” could thus come to define the economic content of working-class conservatism. The war of position fought by capitalists in favor of “free enterprise” had, in short, struck pay dirt. As many observers have noted, the economic turmoil of the 1970s – stagflation and incipient deindustrialization – further opened the Northern white working class and white Southerners to Reagan’s appeals to “get America going again” (Cowie 2010; Stein 2010; Wilentz 2008). Time has only further deepened this sentiment, continually stoked and elaborated by the right-wing ideological apparatus initially formed by the likes of Boulware, Teetor, Buckley, and Goldwater and brought to fruition in the 1970s.

6. The Internal Dynamics of the New Deal

And then there is the history of liberalism since the 1930s. Democratic Party liberalism, like labor relations and conservative activism, was a dynamic entity from the 1930s on. Alan Brinkley (1995) describes how liberalism underwent important and continuing transformations

that began as Roosevelt reacted to the 1937 recession; these transformations were shaped by forceful attacks on New Deal statism and by a series of contingent events. Brinkley's analysis of New Deal economic policy conflicts with the generous view liberals and leftists give to liberalism, with its embrace of union rights, Social Security, and full-employment policies. As summarized by Jefferson Cowie and Nick Salvatore,

The Depression years marked a fundamental shift in the Democratic Party's vision away from the chaotic stream of populist rhetoric, progressive pragmatism, antimonopoly politics, and radical flirtations.... Although those earlier ideas continued to have their adherents, the bedrock legislation of the early New Deal signaled a turn away from antimonopoly positions to the acceptance and regulation of the modern corporation. By 1937, liberal political commentators and Democratic Party leaders alike confined their policy aims to a single set of principles intended to regulate capitalism towards increased consumption.... After 1937, the liberals' job was to manage the system toward the Keynesian dream of full employment and broad based consumption. (Cowie and Salvatore 2008: 8)

The fallout of the 1937-1938 "Roosevelt recession" – especially the loss of a progressive majority in Congress in the 1938 elections – stripped the Roosevelt administration of its political ability to promote class populism. The administration's economic strategy narrowed to the state supporting working-class and middle-class consumption through expansionary fiscal policy. Rather than challenging and reshaping corporate institutional structures, the new policies left these structures intact.

The revival of the economy during World War II reinforced the new liberal economic policy framework of full employment and high consumption. In turn, societal reaction to "totalitarianism" during World War II chastened and weakened class-based populism. The leading role of the state in Germany, Italy, and Japan began to discredit state institutions that structure/restructure the economy in the eyes of a broad swath of the American public.

The specter of totalitarianism was encouraging liberals to reassess their earlier faith in a managerial state. The intensifying defense of democracy was encouraging them to think less about issues of class and economic power and more about issues of racial and cultural injustice. (Brinkley 1995: 170-171)

The popular embrace of Hayek crystallized a burgeoning anti-statist ideology that put class populists on the defensive; it forced them to look for ways to downplay the importance of an activist and strong state vis-à-vis the capitalist private sector. Meanwhile, the loss of business legitimacy during the Depression was reversed; national respect for business leaders who took "responsible" positions as wartime bureaucratic functionaries soared, given impetus by FDR's cultivation of business support and the central involvement in the war effort he gave to corporate leaders.

Class populism thus receded further and what was left was the new conclusion that fiscal policy worked well pretty much by itself. Liberals largely abandoned the rhetoric of class populism and came to embrace a discourse of *individual* freedom, what Nelson Lichtenstein (2002) has termed "rights consciousness." The explosion of race as an issue at the same time instigated a reformulation of liberal thinking:

The war, in short, was a significant moment in the shift of American liberalism from a preoccupation with "reform" (with a set of essentially class-based issues centered around

confronting the problem of monopoly and economic disorder) and toward a preoccupation with “rights” (a commitment to the liberties and entitlements of individuals and thus to the liberation of oppressed people and groups)... Above all, it led to the postwar identification of liberalism with the effort to secure civil rights for African Americans and, later, many other groups – and to the many triumphs and travails that identification would ultimately produce. (Brinkley 1995: 170)

A central and illustrative component to rights consciousness was liberal promotion of a racial tolerance that aimed to tamp down conflict that interfered with war production. Employers successfully manipulated this discourse to include tolerance, read as “acceptance,” across class lines, a move aimed squarely at discrediting the popular left critique of capital still widely used by the labor movement (Gerstle 1991). Circumscribing class conflict rhetoric was a precursor to the now familiar conservative stigmatization of redistributionist state policy, or even mention of increasing inequality, as class warfare.

While legal implementation of rights consciousness was initially limited mainly to the military, it provided a rhetoric that the civil rights movement could draw on in the 1950s and ‘60s to push for voting rights and anti-discrimination measures in public accommodations, employment, and housing. This put Southern white suburbanites and the Northern white working class on track for a head-on collision with New Deal liberalism.

One product of the civil rights movement was a society in which women and minorities could sometimes use the courts to get redress for individual discrimination. We do not deny the historic social justice this achievement represented. In the churches and the streets, as well as the courts, “rights” became a slogan that could unite people across racial lines (Cowie 1999; Minchin 2001). But post-1970, workers’ rights to associate and collectively bargain could also be violated with impunity, permitting employer repression of collective worker entities, while putting the power of the state increasingly behind individuals with “protected status” under the Equal Rights Act, rather than workers *per se* (McIntyre 2008). By emphasizing the individual rights of non-whites, and by ignoring class, liberalism’s rights consciousness seemed to have little to offer to increasing numbers of white workers.¹⁸

Certainly the failure of organized labor to expand its influence on corporate decision making, represented by the iconic General Motors strike of 1945-1946, and the decimation of the labor left after the passage of Taft-Hartley (1947), contributed to the narrow and largely classless vision that came to characterize postwar American liberalism. But Brinkley shows that FDR accepted, then embraced and promoted, this politics in the wake of the 1938 reversal of his administration’s political fortunes.

Besides the ways in which race and “chaos” pushed many whites into the Republican Party, there was the self-destruction of liberalism in the 1970s. McGovern’s candidacy embraced the nation’s new identity politics, distancing himself from the AFL-CIO in hopes of beginning a new coalition based on youth, antiwar protesters, and people of color. Not only did McGovern fail miserably, but his candidacy provoked a weakening of organized labor’s political efficacy from

¹⁸There was of course a collective moment to the civil rights and feminist movements of the 1960s and 1970s (MacLean, 2008). These movements sought both individual rights and struggled for collective economic reforms, most famously Martin Luther King’s Debsian push for structural economic solutions to economic inequality across race lines. But individual rights consciousness increasingly won out in the political arena.

which the latter never recovered. The Carter presidency – and not the election of Reagan or Reagan's firing of PATCO workers – represented the end of American liberalism as a hegemonic coalition. Carter, a Southern Democrat with weak ties to organized labor, and more importantly a lack of interest in labor's agenda, allowed the 1978 defeat of labor law reform and the gutting of Hubert Humphrey's ambitious full employment proposal (which contained an ample industrial policy that hearkened back to the class populism of the second New Deal). Carter was uninterested in these proposals (he cared far more about deregulation and fighting inflation), and failed to push hard for them; Carter also capitulated to the massed power of fully mobilized business associations for whom the defeat of these measures signified the fruition of forty years of class formation (Cowie 2010; Phillips-Fein 2009; Stein 2010).

7. Conclusion

In arguing against the notion of the limited capital-labor accord we have emphasized the war of position waged by capitalists from 1938 forward. The notion of a postwar "limited capital-labor accord" created a false nostalgia that led liberals and radicals in the 1980s and 1990s to pursue worker-management cooperation rather than the building of militant anti-capitalist working class organizations.

Capitalists and their allies were impressively disciplined in their long war of position from the 1940s through the 1960s. The long war over ideology is perhaps the most important one for left scholars to wage. New alliances within academia have become possible as reform politics has reached its limits in many cases. For instance, we have been able to successfully reach out to labor relations scholars who for many years were uninterested in radical or Marxian ideas.¹⁹ Both capitalism and conservatism never cease to produce opposing forces that may be leveraged to build new political coalitions. Anti-labor conservatives may have over-reached at the state level in 2011. Wal-Mart is a destroyer of small business and working class unity but it also stimulates new forms of resistance (Lichtenstein 2009). The defensive struggles of the old labor aristocracy may be difficult to win, but we have personally seen great promise in the new struggles and new class formation among low-wage service workers, many of whom are first or second generation immigrants.

If there is to be an upsurge to challenge the hegemony of conservative thought and practice it is unlikely to come from Washington. Second generation immigrants led the labor upsurge of the 1930s and it only really took off after the economy had begun to recover. African Americans whose parents had emigrated from the South led the Northern civil rights movement during the boom years of the 1960s. First generation immigrants tend to favorably compare their status to those in the old country, but for the second generation the comparison group is native-born citizens.

Today the children of the latest wave of immigration are reaching the age when they will enter the labor market. They will not be content with the economic and social status of their parents. A key question then is the possibility of a political alliance between second generation immigrants, the half of the African American population that remains impoverished, and downwardly mobile native-born workers (Piore 2009). While such a movement awaits its King or Chavez, once economic activity resumes in earnest it would not be surprising to see it develop.

Of course we do not make history in circumstances of our own choosing. That the third New Deal moved away from class populism and towards Keynesian economics and individual rights

¹⁹See the forthcoming symposium in *Labor: Studies in the Working Class History of the Americas*, which summarizes the meeting of labor historians, industrial relations scholars, and radical labor economists held in Denver in January 2011.

consciousness had as much to do with changing circumstances as it did with deliberate political choice. But that move had serious costs, as it ended the rhetoric of class populism, undermining the left opposition when capitalist class agency finally succeeded in achieving a conservative majority in the 1970s. Without a serious anti-capitalist ideological challenge to that majority it is hard to see how even the moderate social democratic politics of the New Deal era could be possible in the United States today.

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