The Source: Introductions to Books on the Seventies

1 *Preface to* Pivotal Decade: How the United States Traded Factories for Finance in the Seventies

by Judith Stein

Ask people old enough to recollect the 1970s and they will amuse you with tales of the flamboyant culture of garish clothes, big hair, and disco. Some will recall the therapeutic culture of TM and Esalen. A few may recount the experience of being "born again." Many will remember the political cynicism spawned by the Watergate scandal. And a number will evoke the social strife over race and gender. Writers have followed popular recollections. Some written accounts of the decade descend to kitsch, whereas others contain interesting insights on sex, music, films, and drugs.[1] But what do they add up to? Philip Jenkins portrayed a liberal culture that assimilated the social movements of the 1960s, while Bruce Schulman concluded that American culture became more southern, a synonym for conservative. Still, Schulman's depiction of ethnic, sexual, race, and New Age ideas and movements made American culture seem more sprawling than constricting. The film and music of the 1970's revealed profound critiques of authority—notably Martin Scorcese's *Taxi Driver* (1976) and the Talking Heads. Country music was more ambiguous than Schulman made it out to be. Was Loretta Lynn's "Coal Miner's Daughter" a conservative anthem, a reassertion of "southern chauvinism," as he claims?[2] Whatever we conclude, it is risky to deduce politics from popular culture.

Historians often psychologize the decade's conflicts. One book is called *Nervous Breakdown*, another, *Decade of Nightmares*. A collection of essays, *America in the 1970s*, declared, "It was during the 1970s in the backlash of political and economic crisis that Americans dealt with a productive uncertainty about the meanings of happiness, success, patriotism, and national identity."[3] . . .

Other scholars trace rightward trends, culminating in the election of conservative Ronald Reagan as president in 1980. Since 1992, when Michael Kazin enjoined historians to write more about conservatism, the profession has answered

[1] Mark Lytle, "Review, Berkowitz, *Something Happened*," *The Historian* 69 (2007), 522.

[2] Bruce J. Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics* (New York: Free Press, 2001).

[3] Beth Bailey and David Farber, eds., *America in the 1970s* (Lawrence: University Press of Kansas, 2004), 2.

the call.[4] Because most historians today are closer to the left than to the right, many treat their subjects the way anthropologists do theirs. A few argue that post–World War II political culture was never as liberal as assumed. They write about conservative communities or conservatives in general, a new Right, leading up to the 1964 presidential campaign of Barry Goldwater.[5] But the key fact about Goldwater was not that he presaged a future but that he lost massively in 1964. If Goldwaterites were the only people who voted for Ronald Reagan in 1980, he would have lost. There is a thread that links conservative ideas. But the significant question is why the ideology convinced majorities in some eras and not in others.

Writers who locate the growth of conservatism in the 1970s attribute it to backlash politics and conservatives' "concerted institutional and grassroots struggle to reshape the rhetoric and policies of America."[6] In the first, "working-class whites and corporate CEO's, once adversaries at the bargaining table, found common ideological ground in their shared hostility to expanding government intervention."[7] White workers abandoned liberalism because they identified it with African Americans. In the second, conservatives massively organized with political action committees, radio talk shows, think tanks, and clever communications networks to dislodge postwar liberalism.[8] Each makes Keynesian liberalism and the Democratic Party victims of right wing ideological and institutional assault. They assume that [Keynesian] ideology and the [Democratic Party] were up to the task of confronting the nation's challenges and that the rise of conservatism had nothing to do with their failures. These . . . stories of rising conservatism do not intersect with any political or economic event.

I start with different assumptions. I began this book after I learned that the 1970s was the only decade other than the 1930s wherein Americans ended up poorer than they began.[9] As the *Economist* recently observed, "Other than sarto-

[4] Michael Kazin, "The Grass-Roots Right: New Histories of U.S. Conservatism in the Twentieth Century," *American Historical Review* 97 (Feb. 1992), 136–55.

[5] Lisa McGurr, *Suburban Warriors: The Origins of the New American Right* (Princeton, NJ: Princeton University Press, 2001); Rick Perlstein, *Before the Storm: Barry Goldwater and the Unmaking of the American Consensus* (New York: Hill and Wang, 2001).

[6] Bruce J. Schulman and Julian E. Zelizer, eds., *Rightward Bound: Making America Conservative in the 1970s* (Cambridge, Mass.: Harvard University Press, 2008), 3–4

[7] Thomas B. Edsall and Mary E. Edsall, *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics* (New York: Norton, 1992), 154. In contrast, Thomas Edsall's earlier *New Politics of Inequality* (New York: Norton, 1984) attributed the New Politics to business mobilization and labor weakness, which had nothing to do with race. For a critique of Edsall and Edsall, see Larry M. Bartels, *Unequal Democracy: The Political Economy of the New Gilded Age* (Princeton, NJ: Princeton University Press, 2008), 64–97.

[8] Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: Norton, 2009).

[9] Earnings for nonagricultural workers declined over the 1970s by nearly 13 percent; median family income was level largely because more wives entered the labor force.

rially, the 70s weren't funny."[10] The decade featured the deepest recession since World War II, growing and permanent trade deficits, anemic productivity, rising oil prices, and high unemployment and inflation. The economy is the foreground. But every economy is shaped by politics. So the government response to these challenges was as important as the changes themselves. Could the practices and ideas of postwar liberalism meet the new circumstances?

Postwar U.S. liberalism, created by the New Deal, was rooted in the notion that high wages and regulated capital created and sustained U.S. prosperity. During the Age of Compression, 1947–73, income and wealth were mildly redistributed, even as economic growth soared. At the same time, the nation's leaders cemented Cold War alliances with foreign access to the U.S. market. In 1945, U.S. economic superiority was so vast that one-sided trade policies did not matter. Over time, they ultimately did. And when high oil prices and economic competition from Japan and Germany battered the economy in the 1970s, new policies—international and domestic—were needed. The fire bell in the night came in 1971 when the U.S. suffered the first trade deficit since 1893. The Age of Compression officially ended in 1973 when wages began to stagnate, largely because of a sharp drop in productivity.[11] Restoring growth was a project on the left and right throughout the 1970s. No one imagined that the productivity decline would continue until 1995 and the wage growth would continue to fall short of the achievements of the postwar period. Few predicted that U.S. trade deficits would remain and grow, producing the global imbalances between consuming nations (United States) and producing nations (China) that are at the root of the contemporary global economic crisis.

Yet telltale signs of this future were visible during the 1970s. First, the Democratic Party, which enjoyed a two-to-one advantage over the GOP at the beginning of the decade, was less responsive to the economy and to workers. New Democrats, often from suburban, affluent districts, made it a badge of honor that they were not New Dealers. Coming of age during the affluent 1960s, they believed that posteconomic issues—foreign policy, race, gender, political process, and environment—were the important ones. They ignored or misread the new industrial competition with Europe and Japan and high energy prices that challenged the affluence that held the party together. They produced incoherent policies that neither protected labor nor promoted growth. The critical moments occurred in 1979 and 1980 when a Democratic president chose in vain to battle inflation, not unemployment, and promote a balanced budget, not growth. The defeat of President Jimmy Carter gave another man, Republican Ronald Reagan, an opportunity to restore growth and prosperity.

The new GOP was a conservative party, affirming that capital freed from taxation, regulation, and trade barriers would produce national and labor

[10] Bagehot, "Through a Pint Glass, Darkly," *Economist* (April 11, 2009), 58.

[11] Between 1947 and 1973, productivity rose 103.5 percent; between 1973 and 2003 it rose 71.3 percent. Robert Kuttner, *The Squandering of America* (New York: Knopf, 2007), 21.

prosperity. The effects of such policies in a global economy shifted resources away from manufacturing—the "tradables"—into finance and housing. The recipe, aided by high-tech innovations, worked for a while, even as it produced what I call an Age of Inequality.[12] Financing from abroad allowed Americans to maintain consumption despite stagnating wages and huge trade deficits. Recently, this model has failed to sustain its foremost selling point, prosperity. Signature industries, housing and financial services, placed the "world on the edge" in fall 2008.[13] The worst never happened, but, as this is written, the nation is experiencing the nastiest and most intractable economic recession since the Great Depression.

This book explains how the Age of Compression became the Age of Inequality. Why did the nation replace the assumptions that capital and labor should prosper together with an ethic claiming that the promotion of capital will eventually benefit labor—trading factories for finance—a very different way of running a nation that produced very different results? The Age of Compression was a product of the Democratic Party, but Republican Richard Nixon governed according to its ethic. The Age of Inequality was created by the GOP, but Democrat Bill Clinton lived by its rules. Party and ideology are close but do not always coincide. Thus, unlike other historians who draw a sharp line in 1980, my key period is 1976-1980, when the Democrats controlled both houses of Congress and the presidency. The challenges of the globalizing world were played out within the governing Democratic Party. When Democrats failed to restore prosperity, the electorate voted for Republicans, who then claimed that their victory was a rejection of the ideas and practices of the Age of Compression. Simply saying it didn't make it true. But with the power of his office, President Reagan did create a new national blueprint. The new principles took hold. And, in many ways, they are still with us. . . .

My analysis draws from the primary sources of the period. The presidential records of Richard Nixon, Gerald Ford, and Jimmy Carter, including the papers of key aides, were crucial. Examining presidential decision-making convinced me that the cultural conflicts that dominate some of the books on the decade were beside the point. The records do not demonstrate rising conservatism, but a contentious polity. Understanding business thinking was crucial. The records of the National Association of Manufacturers and the Chamber of Commerce . . . congressional testimony on tax and labor legislation . . . offered an important source for international political and economic opinion during this period.

[12] In the 1980s, every group lost out to the top fifth. This pattern continued up to the present, except for the years from 1995–2000, when the lowest fifth outpaced the top fifth. Still, even in the second half of the Clinton presidency, the top 5 percent did better than everyone else. Lawrence Mishel, Jared Bernstein, and Sylvia Allegretto, *The State of Working America, 2006–2007* (Ithaca, N.Y.: Cornell University Press, 2006), 58; Ian Dew-Becker and Robert Gordon, "Where Did the Productivity Growth Go?" paper presented at the Eighty-first Meeting of the Brookings Panel on Economic Activity, Washington, DC, Sept. 8–9, 2005, 72.

[13] *Economist* (Oct. 4–11, 2008), 11.

The records of the American Federation of Labor and Congress of Industrial Organization (AFL-CIO) . . . are indispensable for documenting the changing politics of organized labor. Until 1981, the AFL-CIO was a major player in every important economic decision. I used, too, the National Urban League, National Association for the Advancement of Colored People (NAACP), Leadership Conference on Civil Rights, and Bayard Rustin papers . . . for the views of African Americans. . . . At the end of the 1970s and during the 1980s, monetary policy became important. Federal Reserve chief Paul Volcker has become the national hero as the slayer of inflation. Nevertheless, few scholars who applaud the bank's actions have read its deliberations. The Federal Open Market Committee minutes are online and reveal a much more uncertain and stumbling Volcker. Key senatorial papers were useful for understanding individual pieces of legislation. . . .These sources were supplemented with newspapers, especially the *Wall Street Journal,* magazines, and the secondary literature on various topics.

2 *Excerpted Introduction to* Stayin' Alive: The 1970s and the Last Days of the Working Class

by Jefferson Cowie

At only twenty-six years of age, sporting long sideburns, slicked back hair, and mod striped pants, autoworker Dewey Burton could barely contain his rage over the state of politics or his frustration with his job in the spring of 1972.

Dewey loved nothing more than customizing and racing automobiles, transforming old parts into dazzling metallic-flake creations, but he could barely tolerate his job at the Wixom Ford plant just outside of Detroit where he felt sentenced to a trivial role in assembling them. Satisfied with his pay, he was part of a widespread movement across the heartland fighting the mind-numbing tedium of industrial production. Reflecting the broad discontent on the floors of the nation's factories, some of which grew into open revolt, he remarked, "I hate my job, I hate the people I work for. . . . It's kind of stupid to work so hard and achieve so little."

Politically, Burton identified himself as a committed New Deal Democrat, but he was livid over plans to bus his son across Detroit in order to conform to the Supreme Court's ideal of racial integration—policies driving his politics quickly to the right. Like the nation as a whole, Burton was simply being torn in too many directions at once. . . . [The 1968 presidential race] was the last time Burton would call himself an unwavering Democrat as busing all but shattered his faith in the mainstream of the party. Extending the separate-is-not-equal

logic of *Brown v. Board of Education* (1954), the Supreme Court decided in *Swann v. Charlotte-Mecklenburg Board of Education* (1971) that integrating school children through mandatory busing was an appropriate remedy for racial segregation in the public schools. And in Burton's Detroit, plans were to integrate not just the schools within the city, but the suburbs with the city.[1] "What burns me to the bottom of my bones is that I paid an excessive amount of money so that my son could walk three blocks to school," he explained about his family's small bungalow on the edge of Detroit. . . .

Burton decided that the answer to the busing threat was to pull the lever for the pivotal political figure of the era, George Wallace, for the Democratic nomination for president in 1972. The governor of Alabama, who famously stood in the schoolhouse doorway to defend segregation and who swore never to be "out niggered" in politics, was busy rattling the stale presumptions of both major parties. As an independent candidate in 1968, Wallace drew together the segregationist South with anti-liberal northerners concerned about blacks moving into their neighborhoods, fearful of the riots, and feeling simply forgotten. His candidacy enabled the political transformation of a substantial slice of white working people to become dislodged from the Roosevelt coalition and move toward what Kevin Phillips famously called *The Emerging Republican Majority* (1969). By the time George Wallace returned as an insurgent candidate in the fragmented Democratic primaries in 1972, his performance was roughly equal to any major candidate. . . .

Separating George Wallace's race baiting from his "stand up for the common man" theme is as difficult as untangling race from class in U.S. history, but his blue-collar rhetoric spoke to themes that no one else on the national stage addressed. Among northern wage earners like Burton, Wallace's populist anti-elitism, anti-crime, and anti-busing messages worked best, but his overt embrace of segregation, his snarling rhetoric, and petty resentments failed. . . . At the heart of the Wallace phenomenon was ambiguity about his cause. As one trucker explained, "I'm for either him or the Communists, I don't care, just somebody who wouldn't be afraid of the big companies. . . ."[2]

Many . . . dismissed votes like Dewey's as clear racism, but his political choices cannot be dismissed so simply. Raised poor (the first indoor running water he had was when he moved from southern Illinois to Detroit as a teenager), Dewey nonetheless profited from generations of segregated housing patterns, silent white privilege, and occupational segregation. Still, he felt open to black people as both leaders and neighbors. He touted his black union local leader as "the best president we've ever had" and claimed that he would welcome anyone into his neighborhood. "If a black mom and daddy buy or rent a

[1] In 1974, the Supreme Court ruled in *Miliken v. Bradley* that the Detroit suburbs were exempt from busing for desegregation in the Detroit city schools.—Eds.

[2] Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York: Norton, 2008), 155.

house here and send their kids to [my son] David's school and pay their taxes, that's fine. Busing black kids to white neighborhoods and white kids to black neighborhoods is never going to achieve integration. It's upsetting. It's baloney." Like Wallace, Burton detested "welfare freeloaders," pointing to an unruly white family that lived down the block. His protest against liberalism had as much to do with control of his life, the fate of his family, and his modest and tenuous place in the social ladder as it did with anything else.[3]

For working people, the social upheavals associated with the sixties actually took root in most communities in the seventies, which was not simply a different decade but a distinctly less generous economic climate. From a policy perspective, the Democratic Party faced a dilemma that it could not solve: finding ways to maintain support within the white blue-collar base . . . while at the same time servicing the pressing demands for racial and gender equity arising from the sixties. Both had to be achieved in the midst of two massive oil shocks, record inflation and unemployment, and a business community retooling to assert greater control over the political process. Placing affirmative action onto a world of declining occupational opportunity risked a zero-sum game . . . issues like busing forced black and white residents to square off in what columnist Jimmy Breslin called "a Battle Royal" between "two groups of people who are poor and doomed and who have been thrown in the ring with each other."[4] . . .

The early seventies' political confusion had its analogue in the discontent boiling up on the shop floors. Employees at the Wixom Ford plant where Burton worked were a minor part of a national epidemic of industrial unrest in the first half of the 1970s. They fought with supervisors on the line, clogged up the system with grievances, demanded changes in the quality of work life, walked out in wildcat strikes, and organized to overthrow stale bureaucratic union leadership. . . .

Commentators often referred to the unruliness on the assembly line as the "Lordstown syndrome," after the infamous three-week-long strike in 1972 by a group of young, hip, and inter-racial autoworkers at a General Motors (GM) plant in Lordstown, Ohio, who battled the fastest—and most psychically

[3] *New York Times*, May 14, 1972; *New York Times*, November 7, 1972; Burton Oral History [conducted by author in Fort White, Florida, September 30, 2006].

[4] Breslin, quoted in Ronald P. Formisano, *Boston Against Busing: Race, Class, and Ethnicity in the 1960s and 1970s* (Chapel Hill: University of North Carolina Press, 2004 [1991]), 177; on white ethnic revival, see Matthew Frye Jacobsen, *Roots Too: White Ethnic Revival in Post–Civil Rights America* (Cambridge, MA: Harvard University Press, 2006), Michael Novak, *The Rise of the Unmeltable Ethnics* (New York: Macmillan, 1971); on the transformation in gender and race in the workplace, see Nancy MacLean, *Freedom Is Not Enough: The Opening of the American Workplace* (Cambridge, MA: Harvard University Press, 2006), 2; Katherine Van Wezel Stone, "The Legacy of Industrial Pluralism: The Tension between Individual Employment Rights and the New Deal Collective Bargaining System," *University of Chicago Law Review* 59 (Spring 1992): 576; Judith Stein, *Running Steel, Running America: Race, Economic Policy and the Decline of Liberalism* (Chapel Hill: University of North Carolina Press, 1998), 195.

deadening—assembly line in the world. "With all the shoulder-length hair, beards, Afros and mod clothing along the line," explained *Newsweek* of the notorious GM plant, "it looks for all the world like an industrial Woodstock.". . . The union bureaucracy saw the upheavals as threatening to its power. . . . Yet the insurgencies of the early seventies, resisted so mightily by the union hierarchy, were the main source of whatever hope there may have been for updating the old order. . . .

The 1970s might appropriately be thought of as half post-1960s and half pre-1980s, but they were also more than that—they served as a bridge between epochs. A broad spectrum of observers . . . have formed a consensus that within the gloomy seventies we can find the roots of our own time. The period has been named "pivotal" not because of its monumental events, its great leaders, or its movements, but because society, from its economic foundations to its cultural manifestations, really did move in a new direction. It stands as a bookend to the New Deal era: that which was built in the thirties and forties—politically, economically, and culturally—was beginning to crumble barely two generations later. More than a time of mere fads for which it is mercilessly teased, it was a time of fundamental realignments. . . .

Above all, the mid-1970s marked the end of the postwar boom. The years prior to the 1973–74 crisis had been the most economically egalitarian time in U.S. history, the point on the graph where the bounty was shared most equitably, and unemployment was at historic lows. The year 1972 was also the apex of earnings for male workers. Starting in the 1973–74 years, real earnings began to stagnate and then slide as workers began their slow and painful dismissal from their troubled partnership with postwar liberalism. By mid-decade the record-breaking strikes, rank-and-file movements, and vibrant organizing drives that had once promised a new day for workers were reduced to a trickle in the new economic climate. They were then replaced by layoffs, plant closures, and union decertification drives. White male workers' incomes had risen an astonishing 42 percent since 1960, but those incomes stagnated or fell for the next quarter century following the early seventies. Real earnings first stagnated and then were driven down by oil shocks and inflation; deindustrialization, plant closings, and anti-unionism; and a global restructuring of work itself that would continue over the ensuing decades. . . .[5]

[5] Robert Collins, *More: The Politics of Economic Growth* (New York: Oxford University Press, 2000), 132–65; Daniel H. Weinberg, "A Brief Look at Postwar U.S. Income Inequality," *Current Population Reports*, June 1996, Bureau of the Census (P60-191); Daniel H. Weinberg, Charles T. Nelson, and Edward J. Welniak Jr., "Economic Well-Being in the United States: How Much Improvement—Fifty Years of U.S. Income Data from the Current Population Survey: Alternatives, Trends, and Quality," *American Economic Review* (May 1999): 18–22; for a brief overview of postwar Gini coefficients, see Thomas Frank, *One Market Under God* (New York: Doubleday, 2000), 6; David Frum, *How We Got Here: The 70's: The Decade That Brought You Modern Life (For Better or Worse)* (New York: Basic Books, 2000), 331–32; U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2005* (Washington, DC: GPO, 2005), 38; Francine D. Blau and Lawrence M. Kahn, "Gender Differences in Pay," *Journal of Economic Perspectives* 14 (Fall 2000): 84–85.

Burton too saw little hope or opportunity in the emerging reality at mid-decade. Peering out from underneath what he called his "despondency," he framed the problem as effectively as any of the sociologists of the time. "Something's happening to people like me—working stiffs, as they say—and it isn't just that we have to pay more for this or that or that we're having to do without this or make do with less of that. It's deep, and hard to explain, but it's more like more and more of us are sort of leaving all our hopes outside in the rain and coming into the house and just locking the door. . . ."[6]

By 1980 Burton completed the most significant transformation in postwar political history: from New Deal faithful to icon of discontent to Reagan Democrat. . . . Burton's choice for the presidency in 1980 helped usher in a new and complex era of working-class political history. . . . At a time when the traditional working-class ally, the Democratic Party, offered precious little material comfort to working people, Ronald Reagan's New Right offered a restoration of the glory days by bolstering morale on the basis of patriotism, God, race, patriarchy, and nostalgia for community. The Reagan administration did squeeze inflation out of the economy but only by allowing historic levels of unemployment, industrial decline, and the decimation of the collective bargaining system—all of which combined to fight inflation by lowering wages and raising unemployment. After the president's attack on organized labor, most dramatically in the firing of over ten thousand striking members of the Professional Air Traffic Controllers Organization, and the restructuring of the tax schedule in favor of the wealthy, he looked a lot less like the working man's champion. . . . As Dewey later confessed, "Reagan blindsided us. . . ."[7]

What many pegged as the promise of a working-class revival in the early 1970s turned out to be more of a swan song by decade's end. The fragmented nature of the labor protests—by organization, industry, race, geography, and gender—failed to coalesce into a lasting national presence. The mainstream labor movement failed in its major political initiatives. Market orthodoxy eclipsed all alternatives, and promising organizing drives ended in failure. Deindustrialization decimated the power of the old industrial heartland. . . .

One of the great constructs of the modern age, the unified notion of a "working class" crumbled [in the 1970s], and the new world order was built on the rubble. . . . It ultimately died of the many external assaults upon it, yes, but mostly of its own internal weaknesses.

[6] *New York Times*, October 17, 1974.

[7] Burton Oral History; see also Gil Troy, *Morning in America: How Ronald Reagan Invented the 1980s* (Princeton, NJ: Princeton University Press, 2005), 50–83.