

## Notes and Documents

# “A One-Sided Class War”: Rethinking Doug Fraser’s 1978 Resignation from the Labor-Management Group

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In July of 1978, Douglas Fraser, President of the United Auto Workers, resigned from John Dunlop’s Labor-Management Group in a flurry of publicity. The committee had been set up under the Nixon administration to seek out cooperative solutions to labor-management problems and to pass advice along to the White House. Although the group was supposed to reflect the postwar consensus in labor-management relations, Fraser’s public resignation and the press conference that accompanied it shredded the fiction of that consensus with brilliant rhetorical barbs that sent shudders of concern all the way to the Carter White House. “I believe leaders of the business community, with few exceptions, have chosen to wage a one-sided class war today in this country—a war against working people, the unemployed, the poor, the minorities, the very young and the very old, and even many in the middle class of our society,” he declared. “The leaders of industry, commerce and finance in the United States have broken and discarded the fragile, unwritten compact previously existing during a past period of growth and progress.” Promising to forge a new social movement, he explained, “I would rather sit with the rural poor, the desperate children of urban blight, the victims of racism, and working people seeking a better life than with those whose religion is the status quo, whose goal is profit and whose hearts are cold. We in the UAW intend to reforge the links with those who believe in struggle: the kind of people who sat-down in the factories in the 1930’s and who marched in Selma in the 1960’s,” Fraser declared.

The spark that ignited Fraser’s rhetorical flames was organized business’s aggressive—and successful—support of a Senate filibuster against labor law reform. Improving the state of the Wagner Act, a perennial hope throughout the postwar era, took on much symbolic weight as a test of labor’s political muscle in the 1970s. A hostile legal climate for unionization had taken root as a result of the Taft–Hartley Amendments in 1947, the evisceration of the right to organize in the courts, the weakness of the National Labor Relations Board, and a new business climate that saw unfair labor practices, fines, and the courts as the price to pay for a non-union environment. Despite the crisis, the bill that Congress contemplated was pretty tepid; it did not even include the brass ring for many unionists, the repeal of 14b, the infamous right-to-work provision that helped the South remain non-union. Nonetheless, the bill called for expedited elections, increased punishment for employers unlawfully discharging activists, an enlarged Labor Board, encouraged good-faith bargaining, and denied federal contracts to labor law violators. The reform measures only tinkered around the edges

of a deeply flawed and legalistic labor relations regime. According to the ever acerbic labor attorney Thomas Geoghegan, “a system with no working-class heroes, just lawyers sitting on floats, waving to the crowd.” Even so, as Fraser explained in his letter, it was “an extremely moderate, fair piece of legislation that only corporate outlaws would have had need to fear.” The reform bill sailed easily through the House in 1977, but faced death by filibuster the following year in the Senate for lack of two votes to build the 60 vote super majority necessary for cloture.<sup>1</sup>

Fraser’s letter, and the historic moment in which he released it, have lent themselves to two interpretations, and I would like to suggest a third. First, as the auto workers’ president intended it, the document represents an attempt (failed as it turned out) to break out of the limits of the postwar bargaining system that constrained working class politics within the Democratic Party and restricted shopfloor power to the confines of the collective bargaining system. In this case, Fraser’s letter stands as the path not taken, one that might have searched for ways to throw off the shackles of business unionism and move toward a more militant and inclusive brand of social movement unionism. Second, historians, obviously aware of the fact that the revival Fraser had planned never came to fruition, have used this letter to demarcate the end of the postwar “golden age,” the sunset of the “fragile, unwritten compact,” as Fraser called it, which shaped over three successful decades of industrial relations. The phrase “one-sided class war” has often been cited as evidence of business abrogating its end of the deal.

In many ways, this end of the golden age scenario is true. The events of 1978–1979 do serve as a historical bookend to the heady days of 1935–1936. In the latter, the Wagner Act came to life, Franklin Roosevelt became the workers’ president, and the auto workers began their occupation of General Motors. Fast forward a couple of generations, and inflation, not employment, was the touchstone of American politics, significant attempts to rekindle the old politics—including labor law reform and full employment legislation—failed, the industrial heartland faced an enormous wave of plant shutdowns, and progressive pushes into new territories such as national health insurance and industrial policy never got off the ground. On one side a social compact was being born, while on the other it was falling apart. In between, dreams of fundamental changes in the structure of American capitalism may have withered on the vine in the postwar era, but organized labor did ascend to its apex of power in the 1950s with over one third of non-agricultural workers benefiting from union representation on the job. That triumph, however flawed by the numbers and types of people left out of the deal or the crippling alliance with the liberal state on which it depended, ought not to be overlooked. As Jack Metzgar remembered about the sea change in his family’s fortunes in a Pennsylvania steel town, the struggles of the industrial unions meant that by the 1950s: “There were choices. There were prospects. There were possibilities. Few of these had been there before. Now they were there ... If what we lived through in the 1950s was not liberation, then liberation never happens in real human lives.”<sup>2</sup>

That said, however, the story is too clean. Now, more than a generation after this “compromise” ran out, it seems clear that good things did happen to a lot of workers,

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<sup>1</sup> Thomas Geoghegan, *Which Side Are You On?* (New York: Farrar Straus and Giroux, 1992, 163); for details on labor law reform, see Gary M. Fink, “Fragile Alliance: Jimmy Carter and the American Labor Movement,” in *The Presidency and Domestic Policies of Jimmy Carter*, ed. Herbert D. Rosenbaum and Alexej Ugrinsky (Westport, CT: Greenwood Press, 1994), 788–790.

<sup>2</sup> Jack Metzgar, *Striking Steel: Solidarity Remembered* (Philadelphia: Temple University Press, 2000), 39.

but the solidity of that arrangement was more apparent than real. It leads us to admit, in historian Nelson Lichtenstein's words, that the postwar settlement is a "suspect construct" that obfuscates as much as it illuminates.<sup>3</sup> The collapse of labor politics did not necessarily mark the end of a respected settlement between management and labor over the terms of industrial governance; rather it appears that the idea of a postwar "accord" was more of an idea created and reified in the face of the *continued* decline of organized labor that dated all the way back to the mid 1950s. It allowed for the creation of a semi-imaginary historical benchmark against which very real contemporary assaults on unions and key industrial sectors could be measured. Clearly higher levels of union density, lower rates of capital mobility, lower levels of global competition in the postwar era suggest that things were different in the "golden age," but it was so uneven, and so poorly congealed that it hardly lives up to the quasi-corporatist notions that a later generation would apply to it.

From the vantage point of a new century, a different interpretation of the Fraser letter suggests itself than the "end of the golden age" narrative. Rather than the beginning of a revival or the collapse of a compromise, the document reflects, in ways that may not have been intended by the author, the historic limits of U.S. organized labor and the thematic continuities that link the "exceptional" postwar era with the rest of U.S. labor history. "No one," argues David Brody, "would want to equate the modern UAW-GM contract with any union agreement of the pre-New Deal era, or the role of the AFL-CIO inside the Democratic Party in 1968 with anything dreamt of by Samuel Gompers." Indeed, those things had changed quite dramatically in the postwar era. Yet weighing just how different the postwar era was from previous eras of labor history, Brody stresses an odd continuity in the guiding philosophy of the labor movement. "It is the underlying perspective that carried on, the assumption that labor's place was inherently limited, that its sphere was necessarily circumscribed in the nation's industrial life. And, if one listened closely, Gompers' words could be heard echoing long decades after his death ... If the Walter Reuthers voiced a headier social rhetoric, if they grew restless under the burden of Meany's philosophy, in practice they adhered to the same trade-union precepts confining the power of the labor movement."<sup>4</sup> Seen in this light, Fraser's letter represents neither the moment of turnaround that he hoped it would initiate nor the end of the postwar compact of which it has become emblematic. Rather, Fraser's letter, penned in the heat of the economic crisis of the 1970s, is actually a stunning recognition of how limited organized labor was during even the loftiest heights of its powers in the postwar period.

If we "listen closely," as Brody suggests, we can hear more continuity than rupture in the postwar era through Fraser's letter, more confessions of weakness than assertions of power. First, the most often quoted phrase from Fraser's letter is the identification of a "one-sided class war" being waged on working people. Rarely did postwar labor leaders speak in terms of class war, but it is telling that when this one did, it was a war being waged *on* workers, not *by* them. Implicit in this is a sense that while there has been plenty of class conflict in U.S. labor history, the class struggle had been waged and coordinated in the corporate board rooms. Where "industry once yearned for subservient unions," he explained in a rather extraordinary characterization

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<sup>3</sup> Nelson Lichtenstein, "Class Politics and the State during World War Two," *International Labor and Working Class History* 58 (2000), 270.

<sup>4</sup> David Brody, *Workers in Industrial America: Essays on the Twentieth Century Struggle*, 2nd ed. (New York: Oxford, 1993), 220–221.

of the postwar labor movement, “it now wants no unions at all.” By “subservient” he did not mean that strikes were not real or hard fought or that workers were not militant in their own defense, but that the mechanisms that defined the postwar system were at least as restricting as they were empowering. The “business community in the U.S.,” Fraser continues, “succeeded in advocating a general loyalty to an allegedly benign capitalism.” Here he implies a rather radical critique of how corporations were able to shape the postwar order less as a result of working class power than out of corporate *noblesse oblige*: “when things got bad enough for a segment of society, the business elite ‘gave’ a little bit,” he argued. Fraser explained that whatever was given was a product of “sustained struggle,” but he reframed the labor-management dynamic in ways that were far from the “junior partner” role that union leaders preferred to think of themselves playing. In this document, Fraser reversed the sense of agency from union power to business tolerance.

Politically, the resignation letter also reveals a similar story as Fraser speaks of the “sense of helplessness and inability to affect the system in any way.” He remarked, “The Republican Party remains controlled by and the Democratic Party heavily influenced by business interests.” Fraser continues, “The reality is that both are weak and ineffective as parties, with no visible, clear-cut ideological differences between them, because of business domination.” Again, we see a sort of an emperor-without-clothes realization, this time political: that the Democrats were never really the party of the worker. Labor law reform had been the number one item on labor’s wish list since the passage of Taft–Hartley, after all, so why should the 1970s be marked as the moment of political collapse for the labor–liberal alliance? Here, however, Fraser could not quite figure out what he should do as he simultaneously attacked and ingratiated himself to the Carter administration and the Democratic Party. “I think the Administration is ineffective,” he declared at the press conference called to discuss his resignation. “And I could say that’s a product of history or I could say it’s because of the man’s personality. But we’re at a point in history where it doesn’t make any difference. The problem is that it’s an ineffective Administration [that] can’t come to grips with the problems confronting the American people.” The administration needs to learn the difference “between compromise and capitulation,” Fraser declared as he raised the specter of organizing a third party. “I don’t think we’re there yet,” he admitted. “But UAW leaders for the first time in years are saying: ‘Should we not explore the alternative third party[?]’” Despite such aggressive public postures, he privately reassured Carter, who was concerned about how Fraser’s letter came to be seen as an attack on the White House, that “no one can fault you, Secretary [of Labor Ray] Marshall, or your staff for failure of will—we just couldn’t make it.”<sup>5</sup> Trapped in the winner-take-all problem presented by the structure of the U.S. constitution—which defied the logic of launching third parties—where was he to turn?

It is important to note that Fraser did make good on his promise to reach out to new groups and form new alliances. Representatives from over 100 organizations from unionists to environmentalist and from feminists to civil rights advocates did come together in Detroit to form the “Progressive Alliance” the following fall. Their goal was to build a social movement to end the “despair at the failure of the political process to

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<sup>5</sup> See the discussion in Taylor Dark, *The Unions and the Democrats: The Enduring Alliance* (Ithaca: Cornell University Press, 1999), 113. Dark’s argument is similar to the one put forth here, except that he sees continued power with the Democratic alliance, whereas Fraser found himself trapped in a pattern of weakness.

respond to the needs of the American people."<sup>6</sup> The debate over starting a third party or reforming the Democrats swirled around the convention to the point that it became the problem without a solution. He also explores other avenues toward renewal such as obtaining a seat on Chrysler's Board of Directors during the corporation's brush with death, as well as backing Ted Kennedy in the 1980 primaries. Fraser's search for a way out of his entanglements with the Democratic Party and the mechanisms of collective bargaining suggest how difficult it was to regain the initiative while still trapped in the confines of a system he stridently criticized.

AFL-CIO President John Sweeney, who staked his claim as the "New Voice" within the labor leadership, found himself in the same set of tensions and predicaments Fraser did a generation earlier. "I am a product of the social compact that lifted Americans out of the Great Depression and lifted working Americans into the middle class," Sweeney declared, echoing the logic of the postwar compromise. Endorsing a bolder vision for American labor, he declared as had Fraser that "A bigger, stronger labor movement can be the core and catalyst for a new social movement extending well beyond our ranks, a movement that will push for public policies promoting economic security and social justice. And that movement itself will help bridge some of the racial and social gaps in our country and restore a sense of purpose to public life."<sup>7</sup> By the time Sweeney spoke those words, however, Fraser's UAW had lost half its membership since his 1978 resignation letter, and the vast majority of unions would continue to slide in numbers and power despite the Sweeney slate's commitment to organizing. In an era in which union density figures have slumped below pre-New Deal levels (a mere 8.5% in the private sector as of 2002), it becomes clear that rather than reifying or naturalizing the golden age, we ought to see it as a product of one-time success forged in historically unique circumstances of the Great Depression and World War II. If we read Fraser's letter closely, however, even the exceptional postwar era fits in the overarching pattern of U.S. labor history, defined by both a limited role for unions and a long and unrelenting campaign against the collective voice for American workers by business and the state. No matter what the final interpretation, Fraser's letter remains one of the most vibrant and prescient pieces of political rhetoric in postwar labor history.

July 17, 1978

Dear Labor-Management Group Member:

I deeply regret that it was necessary to cancel the meeting of the Labor-Management Group scheduled for July 19. It was my intention to tell you personally at that meeting what I must now convey in this letter, because the Group is not planning to meet again until late September.

I have come to the reluctant conclusion that my participation in the Labor-Management Group cannot continue. I am therefore resigning from the Group as of July 19. You are entitled to know why I take this action and you should understand that I have the highest regard for John Dunlop, my colleagues on the labor side and, as individuals, those who represent the corporate elite in the Group.

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<sup>6</sup> On the formation of the Progressive Alliance, see the coverage in *UAW Solidarity*, July, 1978, October 15-30, 1978, and February, 1979.

<sup>7</sup> John J. Sweeney, "America Needs a Raise," in *Audacious Democracy: Labor, Intellectuals, and the Social Reconstruction of America*, ed. Steven Fraser and Joshua B. Freeman (Boston: Houghton Mifflin, 1997), 13, 19.

Attractive as the personalities may be, we all sit in a representative capacity. I have concluded that participation in these meetings is no longer useful to me or to the 1.5 million workers I represent as president of the UAW.

I believe leaders of the business community, with few exceptions, have chosen to wage a one-sided class war today in this country—a war against working people, the unemployed, the poor, the minorities, the very young and the very old, and even many in the middle class of our society. The leaders of industry, commerce and finance in the United States have broken and discarded the fragile, unwritten compact previously existing during a past period of growth and progress.

For a considerable time, the leaders of business and labor have sat at the Labor-Management Group's table—recognizing differences, but seeking consensus where it existed. That worked because the business community in the U.S. succeeded in advocating a general loyalty to an allegedly benign capitalism that emphasized private property, independence and self-regulation along with an allegiance to free, democratic politics.

That system has worked best, of course, for the “haves” in our society rather than the “have-nots.” Yet it survived in part because of an unspoken foundation: that when things got bad enough for a segment of society, the business elite “gave” a little bit—enabling government or interest groups to better conditions somewhat for that segment. That give usually came only after sustained struggle, such as that waged by the labor movement in the 1930's and the civil rights movement in the 1960's.

The acceptance of the labor movement, such as it has been, came because business feared the alternatives. Corporate America didn't join the fight to pass the Civil Rights Act of 1964 or the Voting Rights Act, but it eventually accepted the inevitability of that legislation. Other similar pieces of legislation aimed at the human needs of the disadvantaged have become national policy only after real struggle.

This system is not as it should be, yet progress has been made under it. But today, I am convinced there has been a shift on the part of the business community toward confrontation, rather than cooperation. Now, business groups are tightening their control over American society. As that grip tightens, it is the “have-nots” who are squeezed.

The latest breakdown in our relationship is also perhaps the most serious. The fight waged by the business community against that Labor Law Reform bill stands as the most vicious, unfair attack upon the labor movement in more than 30 years. Corporate leaders knew it was not the “power grab by Big Labor” that they portrayed it to be. Instead, it became an extremely moderate, fair piece of legislation that only corporate outlaws would have had need to fear. Labor law reform itself would not have organized a single worker. Rather, it would have begun to limit the ability of certain rogue employers to keep workers from choosing democratically to be represented by unions through employer delay and outright violation of existing labor law.

I know that some of the business representatives in the Group argued inside the Business Roundtable for neutrality. But having lost, they helped to bankroll (through the Roundtable and other organizations) the dishonest and ugly multimillion dollar campaign against labor law reform. In that effort, the business representatives in the Group were allied with groups such as the Committee to defeat the Union Bosses, the Committee for a Union Free Environment, the Right-to-Work Committee, the Americans Against Union Control of Government and such individuals as R. Heath Larry, Richard Leshner and Orrin Hatch.

The new flexing of business muscle can be seen in many other areas. The rise of multinational corporations that know neither patriotism nor morality but only self-interest, has made accountability almost non-existent. At virtually every level, I discern a demand by business for docile government and unrestrained corporate individualism. Where industry once yearned for subservient unions, it now wants no unions at all.

General Motors Corp. is a specific case in point. GM, the largest manufacturing corporation in the world, has received responsibility, productivity and cooperation from the UAW and its members. In return, GM has given us a Southern strategy designed to set-up a non-union network that threatens the hard-fought gains won by the UAW. We have given stability and have been rewarded with hostility. Overseas, it is the same. General Motors not only invests heavily in South Africa, it refuses to recognize the black unions there.

My message should be very clear: if corporations like General Motors want confrontation, they cannot expect cooperation in return from labor.

There are many other examples of the new class war being waged by business. Everyone in the Group knows there is no chance the business elite will join the fight for national health insurance or even remain neutral, despite the fact that the U.S. is the only industrial country in the world, except for South Africa, without it. We are presently locked in battle with corporate interests on the Humphrey-Hawkins full employment bill. We were at odds on improvements in the minimum wage, on Social Security financing, and virtually every other piece of legislation presented to the Congress recently.

Business blames inflation on workers, the poor, the consumer and uses it as a club against them. Price hikes and profit increases are ignored while corporate representatives tell us we can't afford to stop killing and maiming workers in unsafe factories. They tell us we must postpone moderate increases in the minimum wage for those whose labor earns so little they can barely survive.

Our tax laws are a scandal, yet corporate America wants even wider inequities. If people truly understood, they would choose not Proposition 13's, but rather an overhaul of the tax system to make business and the rich pay their fair share. The wealthy seek not to close loopholes, but to widen them by advocating the capital gains tax rollback that will bring them a huge bonanza.

Even the very foundations of America's democratic process are threatened by the new approach of the business elite. No democratic country in the world

has lower rates of voter participation than the U.S., except Botswana. Moreover, our voting participation is class-skewed—about 50 percent more of the affluent vote than workers and 90 percent to 300 percent more of the rich vote than the poor, the black, the young and the Hispanic. Yet business groups regularly finance politicians, referenda and legislative battles to continue barriers to citizen participation in elections. In Ohio, for example, many corporations in the Fortune 500 furnished the money to repeal fair and democratic voter registration.

Even if all the barriers to such participation were removed, there would be no rush to the polls by so many in our society who feel the sense of helplessness and inability to affect the system in any way. The Republican Party remains controlled by and the Democratic Party heavily influenced by business interests. The reality is that both are weak and ineffective as parties, with no visible, clear-cut ideological differences between them, because of business domination. Corporate America has more to lose by the turn off of citizens from the system than organized labor. But it is always the latter that fights to encourage participation and the former that works to stifle it.

For all these reasons, I have concluded there is no point to continue sitting down at Labor-Management Group meetings and philosophizing about the future of the country and the world when we on the labor side have so little in common with those across the table. I cannot sit there seeking unity with the leaders of American industry, while they try to destroy us and ruin the lives of the people I represent.

I would rather sit with the rural poor, the desperate children of urban blight, the victims of racism, and working people seeking a better life than with those whose religion is the status quo, whose goal is profit and whose hearts are cold. We in the UAW intend to reforge the links with those who believe in struggle: the kind of people who sat-down in the factories in the 1930's and who marched in Selma in the 1960's.

I cannot assure you that we will be successful in making new alliances and forming new coalitions to help our nation find its way. But I can assure you that we will try.

Sincerely,  
Douglas A. Fraser  
President