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The Racial Basis of Capitalism and the State, and the Impact of the New Deal on African Americans*

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This paper describes the ways in which African Americans were written out of or subordinated within the social policies of the New Deal period. To explain this feature of the New Deal, I argue that the existing social science perspectives on social policy need to be built on a greater appreciation of the role of racial subjugation in the construction of class interests, party processes, and the state. The recovery of this racial basis helps us understand why our liberal welfare state resists efforts to move in a more social democratic direction.

Sociologists have long been attracted to the Great Depression and the New Deal as historical settings for their research. Whether the subject is social movements, changes in the structure of work and economy, or the increased and changing role of the state, the Depression decade provides one of those pivotal historical moments when previous patterns of social relationships were destroyed, and the conflicts, tensions, and causal processes involved in the creation of important new patterns were starkly revealed. If there is one paradigmatic thread that unites this diverse literature on the 1930s, it is a concern with social class and the state — an implicit assumption that class and state structures and relations are at once the constitutive features of American society as well as the features that underwent the most profound changes during this time.¹

These assumptions are clearly seen in the research on policymaking during the New Deal. Although this research does not agree as to which causal process — a class-centered or state-centered process — best accounts for the timing and shape of the New Deal social reforms, both theoretical camps agree that the New Deal was the defining moment of American liberalism as it delivered policies and established programs that provided politically guaranteed security to those most vulnerable to the shifting economic winds of the capitalist market (Quadagno 1988a; Weir, Orloff, and Skocpol 1988).

This essay does not dispute this claim. Instead, it tempers this claim and deepens the causal analyses that support this claim by bringing race to the center of the analysis. I argue three points. First, and for the most part downplayed by both class-centered and state-centered perspectives, the creation of the New Deal welfare state was a racially-based affair. Many of the programs and policies of the New Deal, while improving the conditions of the poor and the working class, discriminated against African Americans or were implemented in a discriminatory manner. Second, many race-specific policies — policies that were necessary to enable blacks to have effective citizenship status in order to take full advantage of the emerging programs of the welfare state — were not pursued or seen as relevant to the larger liberal agenda. Third, many of the causal dynamics documented by the class-centered and

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1. For a sampling of this sociological literature on the New Deal see Amenta and Carruthers 1988; Domhoff 1990; Goldfield 1989; Jenkins and Brents 1989; Levine 1988; Quadagno 1984; Rubin, Griffin, and Wallace 1983; Skocpol and Ikenberry 1983.

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state-centered perspectives do not adequately capture the racial basis of the class interests, party processes and state structures that together delivered a racially exclusive welfare state.

These accounts need to be supplemented or built on a greater appreciation of the role of race, racism, and the changing nature of racial subjugation in the structure and functioning of U.S. capitalism and democracy. In constructing a theory of racial formation, Omi and Winant (1986) argue that, although the concept of race must be seen as an autonomous arena of social relations, it must also be situated historically in the economic and political institutions that give meaning and consequence to these social relations. States, in their view, do more than simply distribute income, goods and services; they accomplish these activities along racial lines: “they enforce racial (non)discrimination policies...[and] organize racial identities” (Omi and Winant 1986:77).

After a brief summary of the existing accounts of policymaking during the New Deal — accounts that are based on the dynamics and organization of capitalism and democracy in the United States — I discuss the racial basis of capitalism and democracy as a prelude to reframing the policymaking process of the New Deal.

**Existing Paradigms of Policymaking During the New Deal**

Recent research in the class-centered explanation of policymaking during the New Deal has argued that the New Deal received much of its urgency from a tidal wave of protest among the unemployed, industrial workers, and the elderly, and at least part of its agenda was motivated by a desire to sop up this discontent (Goldfield 1989; Jenkins and Brents 1989; Piven and Cloward 1971). Also, business elites were actively involved in the policymaking processes of both the social welfare and labor legislation, and these elites fashioned this legislation in accordance with private profit (Quadagno 1984; Domhoff 1990). Finally, this research emphasizes the power of southern planters, as represented in the Democratic party, in putting the brakes on many of the provisions of the New Deal that would nationalize relief programs or undercut segregation and a caste system of labor (Quadagno 1988b).

While accurately portraying the ways in which the class interests of both capital and labor influenced the policymaking process, the class perspective does not seriously consider the ways in which these interests were racially constructed. In other words, it does not examine the policymaking consequences of the racially exclusive organizations of either the working class or the capitalist class; nor does it examine the racial basis of profit making for any other group besides the southern planters.

The research from the state-centered perspective of policymaking during the New Deal locates the reform impulse in the Progressive Era and in the efforts of liberal reformers in Congress and in organizations that had historical ties to that era and contemporary ties to the trade union movement. In this state-centered view, the reformist impulse of these Congressmen and organizations was frustrated not by capitalists nor pushed into the public arena by workers, but was molded by the basic characteristics of U.S. public administration. Characterized by the absence of a state bureaucracy, limited civil service reform, and the dispersion of authority in a federalist political structure, the U.S. state remained institutionally handicapped in its efforts to develop and implement ideologically consistent social policy for broad categories of recipients. This weakness was reinforced by the patronage-based system of benefit distribution by political parties that persisted, despite periodic attacks, well into the post-World War II period. In this context, according to the state-centered view, no administrative structure existed to plan and implement the ideas coming from these “progressive” forces in both the administration and Congress.

While this perspective highlights the ways in which the structure and functioning of the state and parties shaped the reform process, it does not seriously consider the policy consequences of the racial basis of both the state and the party systems. Federalism, party
competition, and patronage, to name just a few of the variables seen as important in the state-centered perspective, were built on or operated according to the principle of racial exclusion or subjugation. This principle needs to be recovered and elucidated to understand the racially exclusive nature of the New Deal welfare state.

The Racial Basis of U.S. Capitalism

In a sweeping theoretical and historical analysis of "American exceptionalism," Michael Goldfield (1990:89) asserts that the development of American capitalism is closely tied to white supremacy: "The development of a system of white supremacy and the ideology used to justify it originates from and is based on the socioeconomic system." A strict racial classification system and the bondage, slavery, and servitude that accompanied it were constructed by economic elites to satisfy their demand for exploitable labor (cf. Fredrickson 1981). Class theorists, particularly Jill Quadagno (1988b; cf. Domhoff 1990), have also pointed to the economic interests of elites derived from the feudalistic plantation mode of production in the South as preventing the introduction of national pensions. When Depression conditions and working class protest demanded state action, these same southern planter elites fashioned a system that could be manipulated according to the labor requirements of a plantation economy (Domhoff 1990; Goldfield 1989). In this way, the class power of these elites rested firmly first on slavery and then on the racial subjugation built into the crop lien and debt bondage system of sharecropping (McAdam 1982).

Economic elites in the South, however, were not the only elites whose power rested on racial subjugation. As northern manufacturers resolved their economic differences with planters over the tariff, and as they came to increasingly rely on cheaply produced cotton from the South, these manufacturers joined bankers in implicit support for the southern plantation economy (Domhoff 1972). Their profits were essentially underwritten by the racial subjugation of cotton production (Albion 1939). In addition, there was another, more direct way — a way closer to the homes of northern manufacturers — in which racial subjugation contributed to profit and hence to their economic power. That was the use of racial divisions in their own work force to undercut the organized power of labor and to lower the overall price of that labor.

In the late nineteenth and early twentieth centuries, northern capitalists routinely used the increasing racial and ethnic heterogeneity of the U.S. working class to lower labor costs and pit one worker, one ethnic group, against another. The historical and sociological accounts of workplace organization and conflict, and worker militancy and organization, are replete with the many variations on this dynamic: employers sending labor recruiters to the South to find 'lower priced' black labor to work in the factories of the North; employers using blacks or members of some 'other' ethnic group as strike breakers during a labor-management conflict; employers strategically placing members of one ethnic group as foremen or supervisors over members of another ethnic group or organizing the shop floor with a job hierarchy that mirrored the hierarchy of racial and ethnic groups in the larger culture (Asher and Stephenson 1990; Bonacich 1976). Although the form of subjugation differed from that of sharecropping in the South, and although the victims of this subjugation were European and non-European ethnic groups as well as African Americans, this history reminds us that class relations, class power, and class capacities — all features of a class-centered perspective on policymaking — were built on racial inequality.

2. The academic literature on American exceptionalism seeks to answer the question of why the United States, unlike all other advanced capitalist nations, had no viable working class political party.

3. Unlike today, these groups were all viewed as existing along the same racial classification hierarchy. Thus, Italians were seen as one 'race' with traits and capacities one notch above blacks.
As suggested above, the organizations and interests of the working class during this time were also profoundly affected by the racial and ethnic heterogeneity of the working class. Even a cursory examination of labor history in the United States reveals a tendency on the part of labor unions and labor-based political parties to exclude rather than include black workers as well as other non-European ethnic groups.\(^4\) Of course, there have been significant episodes of labor solidarity across these racial and ethnic divisions — the early Populist movement, the organizing efforts by the Knights of Labor in the 1880s and 1890s, the International Workers of the World in the first two decades of the twentieth century, and the Communist Party in the 1930s. Their eventual failure as interracial movements as well as the more numerous examples of racial exclusion and discrimination by white working class organizations attests to the power of race in the class formation process.

Also during the first three decades of the twentieth century, processes of economic mobility, political mobilization, and residential mobility among white European ethnics gradually lessened the divisions and hostilities among the white European ethnics as the members of these different ethnic groups found themselves in the same party or union and living in the same neighborhoods. This same process of assimilation did not take place for African Americans. As a matter of fact, and as we will see with the operation of urban politics in the North before the 1930s, one of the ways in which white ethnics assimilated was by collectively denying equal partnership in the political machines to black urban residents.

What does this review of the racial basis of U.S. capitalism tell us about the dynamics of the welfare state in the New Deal period? First, it sensitizes us to look for race differences in the structure and functioning of many of the programs that expanded the federal government’s role in lives of the poor and the working class. Second, the class-centered perspective has argued that organized interests derived from the operation of a capitalist economy exerted both direct and indirect control over the shape of the New Deal reforms. The review suggests that imbedded within the concerns of capitalist class factions about private profit, competitiveness, and labor costs and within the concerns of working class factions and organizations about collective security, adequate wages, and the legal right to organize are racial concerns — the continued right to practice racial discrimination.

**The Racial Basis of the State**

All state-centered analyses of policymaking find that the decentralized nature of the U.S. state influenced those interests gained ready access to policymakers during the New Deal, which plans were presented as ‘workable,’ and how national level policymakers were selected (Skocpol and Ikenberry 1983; Weir, Orloff, and Skocpol 1988). Of course, it is impossible to understand the origins of this crucial state structure apart from our legacy of racial slavery and the Constitutional compromises hammered out in the late eighteenth century to preserve this slavery in a republic that officially embraced the ideology of the Enlightenment (Fredrickson 1981). As a matter of fact, the frequently noted southern veto in Congress through control of key committees and the filibuster has its origin in the compromise that gave two-thirds representation to slaves but denied them the right to vote. This feature gave greater representation to “the man who lived among slaves than [to] the man who did not” (Goldfield 1990:96).

The compromise of states’ rights, moreover, became the context within which the franchise was extended to white males while denying this extension to blacks and women.

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4. Who initiated this racial antagonism and who ultimately benefited and lost from this antagonism — be it employers or “higher priced” white workers — is not important in this discussion. The important point is that working class capacities, working class organizations, and working class political interests were all affected by the exclusion or subordination of blacks.
Indeed, as Fredrickson (1981) points out, the rapid extension of the franchise by the end of the Jacksonian period occurred as part of a defense of slavery. The South gave its assent to the franchise extension only because it was an extension to whites only. In that way, it was well suited to the maintenance of inter-class solidarity between the planters and non-slaveholders within the South. It could also create a bond between the southern planter elite and the insecure and often Negrophobic lower-class whites who helped make up the rank-and-file of the Democratic Party in the North (Fredrickson 1981:155).

The early extension of the franchise to white males within a decentralized state structure not only encouraged an activist and localistic politics, but it also encouraged the creation of another political feature frequently highlighted in state-centered accounts of policymaking. The patronage based nature of party organization — the distribution of public jobs, money, and contracts in exchange for political loyalty — fostered an intense fear of fraud, graft, and inefficiency on the part of the middle class, and thus served as an impediment to the creation of a nationally organized system of social provision until the 1930s (Skowroneck 1982).

The late nineteenth and early twentieth century manifestations of patronage politics — the city machines — were both an impediment to the welfare state as well as a substitute welfare state for those who were loyal, politically-connected, and above all, white. As Piven and Cloward (1988:72-73) note, part of the motivation for the attack on the patronage system by ‘good government’ reformers of the Progressive Era came from “American businessmen [who] needed a widening array of governmental supports without the necessity of dealing with party intermediaries or their voter constituencies.” For a while, then, business had it both ways: they could attack the fraud and corruption of the city machines as a way to undercut a national welfare system even as they successfully lobbied to get activities such as utility regulation, licensing, and taxation out of the hands of politicians and into the hands of business and civil service-dominated boards, thus creating a welfare state for the rich (Piven and Cloward 1982). In either case, African Americans were subordinated in or excluded from local politics.

Another feature of the state that shaped social policy during the 1930s was the peculiar nature of the American party system.6 No understanding of the party system on the eve of the New Deal is complete without an analysis of the Compromise of 1877 which involved the withdrawal of federal troops from the South, or of the System of 1896 which involved the decline of party competition in both the North and the South. Together these changes breathed new life into the Southern Democratic party, enabling it to establish Jim Crow and franchise restrictions on blacks. These changes also transformed the Republican Party into a party of big business that aggressively policed labor militancy at home and sponsored imperialist ventures abroad.

As part of the resolution of the contested 1877 election of President Hayes, the Democratic party agreed to concede the election in return for the withdrawal of federal troops from the South. This compromise occurred along with and reinforced other processes that were re-institutionalizing racial subjugation at the time: the transformation of the Freedman’s Bureau into labor contractors for southern planters (Steinberg 1990); the exclusion of blacks from the opportunities afforded by the 1862 Homestead Act, which gave essentially free land

5. For an excellent local history that documents this dual dynamic on the part of business in Bridgeport, Connecticut, see Bucki 1993.

6. Both the class-centered and the state-centered accounts stress this system although for different reasons. Quadagno (1988a), in her class-centered analysis, notes the peculiar economic basis of the American South and the ways in which a planter elite turned its economic power into unmediated political power through its control of the Democratic Party. Skocpol and Ikenberry (1983), in their state-centered analysis, also note the power of the Southern dominated Democratic Party but see this power as stemming from the absence of effective competition from the Republican Party in this region. Neither perspective roots these features of the party system in the dynamics of racial subjugation.
in the West to white citizens but denied that land to blacks; and the pressure exerted on the Republican party by northern business to ease its intervention in the South.

The election of 1896 saw the Democratic party, invigorated by the Populist movement, launch a national campaign against the Republicans. The result was an unprecedented mobilization of corporate money into the Republican Party, a resounding defeat of the Democratic presidential candidate, and the subsequent decline of party competition throughout the country (Piven and Cloward 1988). The election also set into motion a series of changes in election laws and party procedures that effectively disenfranchised a significant portion of working class voters in the North and the South.

The structure of political parties may have inhibited the institutional capacity of the state, as state-centered theorists argue, but this is only part of the story. Without effective party competition or popular participation, these parties became dominated by economic elites: industrial and banking elites dominated the Republican party; planter elites dominated the Democratic party. To the extent that the Democratic party was a viable entity in the North in the early twentieth century, it survived in urban areas supported and directed by land developers and real estate businessmen (Bucki 1993; Domhoff 1990). When the New Deal did expand state capacity, it did so in the context of these oligarchical party structures. These oligarchies, moreover, and this gets directly to the point of this brief political history, were based on and owed their power to not only class privilege but race privilege as well.

The Impact of the New Deal on African Americans

Evaluations of the New Deal are usually made using categories provided by industrial society, such as its impact on wages, working hours, commodity prices, labor organization, and urban geography. These categories cannot reveal the full impact of the New Deal on African Americans in general, 56 percent of whom lived in rural areas, nor on African-American workers, 40 percent of whom were engaged in agricultural work (Wolters 1970). These evaluations, moreover, are frequently made with reference to the creation of a narrowly defined welfare state. As suggested above, no analysis of the American welfare state has broadened its object of analysis to include discussions of race-specific or civil rights policy. Following T.H. Marshall (1950), I argue that the extension of social rights to a citizenry assumes the prior extension of civil and political rights. To the extent that this empirically is not the case, then this gap or disjuncture becomes a factor to be explained in the development of the welfare state. To this end, I not only discuss the major emergency and long-term policy initiatives of the first and second New Deals and assess their impact on African Americans, I also discuss the failed civil rights reforms of the New Deal period.

The Agricultural Adjustment Act (AAA) was intended for the depressed agricultural sector of the economy. All accounts of the impact of the act on blacks agree that it caused grave hardship and was the chief source of downward mobility for blacks in the South (Bloom 1986; Wolters 1970). The provisions to reimburse cotton plantation owners for taking cotton out of production caused many owners to drive black tenant farmers off their lands. The act also ignored the social structure of agriculture in the South in that its reimbursement provisions allowed blatant race discrimination. Many black sharecroppers who should have received reimbursements never received them because these reimbursements were held by the

7. Orloff (1993) is beginning this discussion for gender; Quadagno (1992) is beginning this discussion for race.
8. This disjuncture did not go unnoticed in the black community. Black organizations have always fused race with class issues in devising platforms to alleviate poverty (Hamilton and Hamilton 1986).
planters as payment for rents, or by store owners as payment for bills, or were never distributed by local officials (Hamilton and Hamilton 1986). What were common discriminatory practices in the South were sanctioned by and institutionalized in national legislation.10

The National Industrial Recovery Act (NIRA) was the industrial counterpart of AAA and was designed to limit production, raise wages and prices, and stimulate purchasing power. Contrary to the desires of many businessmen, the codes regulating wages and hours were not made explicitly lower for black workers than they were for white workers. They did, however, establish geographical and occupational classifications, and grandfather clauses which permitted lower wages in the South and in occupations in which blacks were concentrated. In other areas where the blanket code of compliance was enforced and where some blacks worked, employers routinely fired blacks rather than pay them the NRA-prescribed minimum wages (Hamilton and Hamilton 1986). The legislation also allowed higher wages in craft unions which excluded blacks. Black workers in agriculture and domestic services who were not covered in the National Recovery Administration (NRA) codes and hence did not experience wage increases, still had to pay the higher prices for commodities mandated under the NRA (Weiss 1983; Wolters 1970). As in AAA, NIRA took what were common practices in the labor market and enshrined them in national legislation and in the implementation of this legislation. Its effect was to widen the economic gulf between black and white workers.

The Works Progress Administration (WPA), the New Deal program that provided public sector jobs to the unemployed, started as emergency jobs legislation that put people to work at union wages. This emergency legislation met resistance from both southerners who feared its impact on the wage structure of the South and representatives of craft unions who feared its impact on the unions’ monopoly over public works contracts. WPA, the successor of this emergency legislation, allowed wages to correspond to the wage scale and practices of local labor markets and this change encouraged discrimination against blacks in both the South and the North (Weiss 1983; Wolters 1970).11 As a black candidate for Chicago’s City Council stated, “Fifty percent of Negroes are out of work. We are the last to get jobs, and we have inadequate relief. Some Negroes who get on WPA are removed for white men” (cited in Drake and Cayton 1945:354). In addition, WPA administrators in the South allowed the release of black workers from WPA jobs to work the fields at harvest time. Mary White Ovington, a member of the NAACP and a member of Roosevelt’s Cabinet stated that “(work relief) varies according to the white people chosen to administer it, but always there is discrimination” (cited in Wolters 1970:208).12

The institutionalization of discrimination is perhaps best seen in the New Deal’s housing programs. In 1937, President Roosevelt expanded the stock of low-income housing but did so with the proviso that housing projects would remain segregated. The National Housing Act of 1934 which established the Home Owners Loan Corporation expanded mortgage loan guarantees for working and middle class families but, again, did so in a way that fostered segregation and excluded blacks from equal access to the federally insured mortgage market (Kirby 1980; Trotter 1985). The Underwriting Manual of the Federal Housing Administration (FHA), for example, warned banks that “if a neighborhood is to retain stability, it is necessary

10. Although AAA negatively affected blacks, it also contributed to the decline of sharecropping, a development that freed blacks from the isolation and terror of the rural South and pushed them to urban areas in both the South and the North (Bloom 1986). This ‘benefit’ however, was neither immediate nor unambiguous. In the short run, at least, it strengthened the hand of the planters by increasing their profits without the need for any labor whatsoever.

11. Although most historians have found that New Deal agencies discriminated against blacks, the WPA experience suggests that the administration did attempt to ease discrimination in public jobs through the use of hiring quotas (Krumen 1975). Despite these efforts, decisions about who to hire and at what level were left to local administrators who excluded blacks from skilled work and from supervisory positions (Wye 1972).

12. There were, of course, areas where relief, both cash and jobs, was administered equally to blacks and whites (Greenberg 1992; Trotter 1985). Even these cases did not result in a bridging of the economic gulf: the more pressing needs of the African-American population meant that this equal treatment meant unequal outcomes.
that properties shall continue to be occupied by the same social and racial classes (cited in Judd and Hellinger 1991:740). In the event that this warning was an insufficient cue to banks to retain segregated housing patterns, FHA administrators advised and sometimes required developers of residential projects to draw up restrictive covenants against non-whites as a condition of obtaining FHA-insured financing (Judd and Hellinger 1991). Rather than battling a housing segregation that was already under way in many northern cities, the New Deal housing programs consolidated this segregation and contributed to the construction of urban ghettos (Wye 1972).

The most frequently cited examples of New Deal legislation used to illustrate the liberal impulses of the Democratic party in the 1930s are the labor legislation (section 7a of the NIRA and the National Labor Relations Act in 1935) and the social security legislation (the Social Security Act of 1935). These acts recognized the working class as an important political and social group whose rights needed protection by the federal government. This official “recognition” ignores the fact that the bulk of the black working class was excluded in the definition of protected groups.

The Social Security Act mandated either federal or state governments to provide insurance-based protection in the event of old age, unemployment, and disability. The legislation excluded household domestics and farm laborers, occupational categories accounting for two-thirds of black employment (Kirby 1980). In the occupations that it did cover, the legislation contained no specific prohibitions against discrimination (Weiss 1983). It also provided a large measure of administrative autonomy to local and state officials, thus allowing them to adjust benefits according to local wage structures and manipulate eligibility standards for moral and economic reasons (Biles 1991; Piven and Cloward 1971).

During the deliberations for the Social Security Act, the National Association for the Advancement of Colored People (NAACP) and the National Urban League (NUL) lobbied that the bill include all workers and be administered at the national level (Hamilton and Hamilton 1992). When the NAACP petitioned the American Association for Old Age Security (AAOAS), a liberal reform organization that had done most of the research for and was a major sponsor of the bill, the NAACP was told that the organization could not address the issue of racial discrimination in the legislation. In a memo from AAOAS President Abraham Epstein to Roy Wilkins, president of the NAACP, Epstein expressed his perplexity with the request: “I am interested first, in social insurance and quite frankly, I do not see how we can solve the Negro problem through social insurance” (Hamilton and Hamilton 1992:441).

Neither the labor provisions of the NIRA nor the more powerful and durable National Labor Relations Act (NLRA) included an amendment which explicitly outlawed racial discrimination in labor unions. Section 7a of NIRA gave official recognition and encouragement to American Federation of Labor unions that openly discriminated against blacks in access to local unions and, in the unionization that occurred after 7a, employers and employees collaborated to make these unions “lily white” (Wolters 1970:178). NLRA legalized the closed shop, thus institutionalizing the informal exclusion of thousands of blacks from already existing unions (Hamilton and Hamilton 1986).

During the deliberations on the NLRA, the NAACP and NUL introduced an amendment outlawing racial discrimination. The amendment was successfully fought by both industrialists and the American Federation of Labor (AFL). Clark Foreman, a leader in the fight for the amendment, explained the reasons for the resistance in this way: “The dominating forces were the industrialists and the AFL, both of whom are hostile to Negro labor, the former because they want to keep Negroes as a reserve of cheap labor and the latter because they want to eliminate Negro competitive labor” (Wolters 1970:170; Sitkoff 1978:78). Although

13. Throughout the New Deal, the NAACP and NUL were most enthusiastic about programs that provided jobs on a national basis rather than ones that provided means-tested cash assistance decided at the local and state levels (Hamilton and Hamilton 1986).
the more racially egalitarian policies of the fledgling Congress of Industrial Organizations (CIO) encouraged recruitment of blacks to new industrial unions, these policies were not the product of New Deal policy but more the outcome of the "radicalism of many of (the CIO's) organizers" (Sitkoff 1978:180).

Other than the battle over the anti-discrimination clause in the labor legislation, legislative initiatives dealing directly with race were few and far between. Three initiatives dominated the decade: attempts to make lynching a federal offense, attempts to eliminate the poll tax in southern states, and attempts to eliminate racial segregation in the armed forces (Sitkoff 1978; Weiss 1983). Each attempt was resisted in Congress through filibusters by southern Democrats (Sitkoff 1978). In every instance the Roosevelt administration remained silent during the Congressional proceedings and, despite the intense lobbying by members of both the NAACP and a northern Democratic majority after 1936, the administration would not exercise executive leadership and urge party unity around these pieces of civil rights legislation (Weiss 1983).

This survey of the impact of New Deal programs on African Americans suggests that most of the positive evaluations of this period need to be, at the very least, significantly qualified. Most of these evaluations are done with categories that leave invisible the farm laborers, domestic and service workers, sharecroppers, and tenant farmers, a large number of whom were black. These evaluations implicitly assume that once African Americans participated more fully in industrialized society that they too would qualify for and receive New Deal largesse; they do not consider the legal and extra-legal restrictions on blacks' economic and political freedoms that kept many blacks out of or subjugated within the industrializing economy.

The Racial Basis of the State, The New Deal, and African Americans

The commonly accepted explanation in the historical literature for this unequal treatment of African Americans during the New Deal is the entrenched power of the southern wing of the Democratic party. Self-identified in the South as the party of white supremacy, southern Democrats dominated the committee system of Congress, held all white primaries, dominated the nominating process at national conventions, and were instrumental in the systematic disenfranchisement of the black population in the South after Reconstruction. They were self-conscious in upholding the racial caste system and had the power to do so (Woodward 1974).

This explanation needs to be reframed in terms of the racial basis of the state. First, the pro-South bias in political representation owed its existence to slavery and the Constitutional Compromise which gave white southerners greater voting power. Second, the absence of effective party competition in the South due to both the compromise of 1877 and the system of 1896 gave the southern Democratic party unchallenged political hegemony,14 and, as argued, this structure was put into place for racial reasons. Finally, the interests of that hegemonic party were pro-planter due to the tremendous economic importance of the plantation economy for both the South and the North.

Much of the research on the politics of the New Deal gives the impression that northern Democrats in Congress and President Roosevelt would have done much more for blacks without the onerous burden of the southern wing of the party (cf. Sitkoff 1978; Weiss 1983). This research portrays the Roosevelt administration as painfully aware of this political constraint and as having no choice but to sacrifice black interests for working class interests.

14. The seniority of southern Congressmen due to the unchallenged nature of electoral contests resulted in great influence in Congress: southern Democrats held more than two-thirds of the House Chairmanships and about one-half of the Senate Chairmanships as late as the 1950s.
Sitkoff notes, "New Dealers would identify themselves with the black struggle for equality, but not to the detriment of their greater concerns" (Sitkoff 1978:136; cf. Weiss 1983:96-119).

Of course, there was little political motivation for Roosevelt or New Dealers in the North to concern themselves with black interests given African Americans' geographical concentration and their inability to vote and hold office in the South. This concentration and powerlessness, however, needs to be placed in the historical and theoretical context developed here. It is itself a function of past racially-based state policies and practices that kept blacks in the South after emancipation and that refused to implement promises of land reform and redistribution in the South under the auspices of the Freedman's Bureau (cf. Frederickson 1981; Steinberg 1990).

In addition, this view that black interests were ignored in national policymaking because they could not vote in the South is based on a narrow and historically inaccurate view of how formally excluded groups have exercised power in the U.S. context: it ignores the coalitional strategies pursued by some powerless groups and the directly disruptive strategies pursued by others (Flacks 1988:6). As we will see below, blacks during the 1930s exercised varying amounts of power in some cities in the North but they were unable to translate that local power into national power due to the racial biases built into the urban political machines.

The political machines that dominated urban politics in the North during the first four decades of the twentieth century incorporated blacks into party organization in a selective and subordinate fashion (Katznelson 1973; Kilson 1971). Unlike in the South, African Americans in the North had the vote and, by many accounts, used it at a higher rate than other recent migrants to the urban North (Cohen 1990; Grossman 1989). As in the South, however, their participation was regulated by white elites who set up strong organizations to recruit voters, distribute patronage, and maintain power. Seeing the potential advantage of the black vote but viewing this advantage through the "racial attitudes of most of their constituents" (Katznelson 1973:116), white party bosses constructed parallel or buffer organizations within the black community and distributed patronage selectively to black leaders whom they considered "safe." These organizations were blatantly unrepresentative in that the territorial community procedures for leadership selection were absent. Gerrymandering accomplished this neutralization of territorial political power (Bunche 1973). In addition, the dynamics of patronage acted to select leaders from a different class from those they supposedly represented (Katznelson 1973; Grossman 1989).

These buffer institutions did little to allay racial tensions in the North already strained because of white fears of labor market competition with blacks who were migrating from the South. Before the Depression, Democratic machines in the cities were the province of the white ethnic working class, particularly the Irish. With the black migration, Republicans used the historical connection between blacks and the party of Lincoln to enlist black support and undercut these machines (Grossman 1989). The shift in national power from Republican to Democratic in 1932 proved fortuitous for the Democratic machines. The availability of New Deal largesse after 1932 revived these faltering machines and turned blacks toward the

15. Eighty percent of blacks lived in the South before 1932. As I will show, however, even northern legislators from areas with large concentrations of blacks did not actively promote a civil rights agenda or an agenda that tried to address discrimination in New Deal programs.

16. Also, this view ignores the experience of another disenfranchised group — women until the 1920s — and the power they exercised in the Progressive Era mainly through protest, voluntary organizations, clubs, and by building alliances with more powerful political constituencies (Skocpol 1992). The inability of blacks to pursue a similar strategy may derive from the profound differences in the situations of these minority groups (Chafe 1977).

17. Election districts in many northern cities were drawn in ways that prevented "the full force of the vote in concentrated Negro population areas" (Bunche 1973:94; Greenberg 1992:95).
party better able to provide relief and jobs (Patterson 1969; Weiss 1983). Blacks were incorporated into the Democratic party on terms similar to their position in the Republican party (Biles 1991).

The local party structures were, in turn, the building blocks of northern Congressmen. These Congressmen took their agendas and depended on support from the party structures. Many New Deal legislators owed their power to the political work of the ward leaders or local party bosses, who in turn owed their power to the judicious distribution of patronage to their white constituents (Erie 1988). Understanding this racial basis of political power for Democrats in the North explains why Roosevelt’s landslide victory in 1936 did not “embolden” the northern wing of the party to support a racially progressive platform. Roy Wilkins of the NAACP echoes this conclusion in his observation of a successful filibuster of an anti-lynching bill in January of 1938: “(there was) a sort of gentleman’s agreement between the filibusters and the supporters — most of whom did not want this bill but would have to vote for it if it came up” (quoted in Weiss 1983:245).

As a matter of fact, Roosevelt’s attempts, beginning in 1937, to give the executive branch more power in the budget-making process sparked a revolt by Democratic Congressmen, many of them from the North, who feared losing their control over rewarding local party organizations with New Deal largesse (Sitkoff 1978). When one recognizes the racial subordination built into these local organizations and thus the racial subordination upon which the national power of northern Democrats was built, we see more clearly the ways in which the racial practices of the local party made their way into New Deal politics. We also see the dangers of exaggerating the differences between the northern and southern wings of the Democratic party with regard to racial matters.

The Racial Basis of Capitalism, The New Deal, and African Americans

Although a great deal of debate exists in the social science literature about how much influence capital and labor had in shaping New Deal programs and policies, most historical accounts document the many prominent corporate capitalists and their policy planning organizations that were interested in and had varying degrees of influence on the reforms that went before Congress. The expertise of these individuals and their organizations derived in part from employee welfare schemes they had established in their corporations beginning in 1880, schemes that offered different benefits by race or benefits that varied by occupational category and seniority; they then consciously kept blacks in those occupations or fired blacks before whites (Brandes 1976; Cohen 1990).

Organized labor took little interest in the social policies of the New Deal; the American Federation of Labor was struggling for survival and the fledgling Congress of Industrial Organizations was still a committee of grassroots, dissident or loosely structured locals. The AFL was initially opposed to national social security legislation because it thought the legislation would discourage workers from joining unions (Quadagno 1984); at the same time, it favored the labor legislation because it wanted a national framework to contain the tremendous upsurge in worker militancy between 1933–1935 that was threatening its existence (Goldfield 1989). As I have shown, even the limited influence that the AFL exerted on the New Deal reaffirmed its position vis-à-vis African-American workers.

Although these prominent organizations of capital and labor had clear economic interests in many New Deal initiatives and these interests were racially based, the process of policymaking is a much more complicated process than the simple translation of the balance of class forces into public policy. As indicated above and supported by recent research, the state apparatus also plays an important role in determining which of these economic interests are given political voice and how explicitly political interests interact with economic interests
to give shape to policy proposals. More accurately, the policymaking process can be portrayed as an interaction between the economic interests embedded in the national party organizations and the political deals hammered out in Congress and the executive branch to, in part, preserve these economic interests (Domhoff 1990).

Although the economic foundation of the Democratic party rested on the southern planters whose fortunes were basically guaranteed through one party dominance in southern elections, the fortunes of these planters were, in turn, tied to certain business interests in the North (Domhoff 1990). Beginning in the first decade of the twentieth century and owing to the growing political clout of the urban machines, these interests, particularly real estate, gained control over or entered alliances with the machines (Piven and Cloward 1982). Urban machines also provided the resources for many northern immigrants to establish small businesses and real estate ventures, and thus helped secure an immigrant middle class that voted Democratic and served as a bridge to the immigrant working class in the cities. It was on this economic basis that many of the Democratic machines of the North came to rest.

The different economic interests of North and South were brought together in the policymaking process of the New Deal as both northern and southern Democrats voted together to secure public works projects, urban construction, and agricultural subsidies to planters in the South and ranchers in the South and West (Mollenkopf 1983). As Domhoff notes,

..the old alliance between the Southern planters and the Northern ethnic real estate developers became a pro-spending alliance that used its control of Congress to further its own economic interests against a tight-fisted Republican party based almost entirely in the industrial and bank capital of the internationalist and nationalist segments (Domhoff 1990:240).

Symbolic of this alliance and of the need to preserve it under changing social conditions was a 1935 decision by the Democratic Party leadership to increase the number of votes needed to move a bill out of committee. The 1934 Congressional elections delivered a large Democratic victory in the House of Representatives and, as Richard Bolling, a former Representative and observer of Congress, notes, the large influx of Democratic newcomers as well as a handful of Labor and Progressive newcomers “disconcerted the Democratic leadership who worried about the unorthodox views the newcomers might have” (Bolling 1968:128).

The disagreements over welfare and civil rights legislation that sometimes erupted between the two wings of the party must be placed in that context. These disagreements were clearly of secondary importance to the alliance’s common agenda. When northern urban Democrats did voice their disagreement with southern Democrats on welfare or civil rights legislation they did so precisely because these northern Democrats knew that this legislation had no chance of passage. For even as some Democrats were voicing these disagreements to gain support from African-American and urban liberal voters in the North, they were voting with southerners in party caucuses on questions of party leadership and the seniority system, voting in ways that kept race off the political agenda (Bolling 1968; Domhoff 1990).

These northern Democrats from the machines cooperated with the southern Democrats not only because this coalition was the best that they could find to further the agenda of their economic elites. These northern machine Democrats had their own racially-based reasons for entering precisely this kind of alliance with their southern friends. The increased migration of African Americans to northern cities was beginning to threaten the established leadership of the machines and thus the tenuous links from the local to national party. Any arrangement that could preserve these links was preferred (Domhoff 1990).

18. This alliance developed slowly throughout the New Deal and was strongest from 1939-1956. The informal political alliances between these two constituencies that had existed since the Civil War were formalized by Roosevelt's policy innovation of “cooperative federalism” — a strategy that provided federal money but allowed varying degrees of local autonomy in the distribution of that money (Piven and Cloward 1988).
The policymaking process associated with the New Deal reforms reflected the bargains hammered out in this Democratic coalition. In virtually all of these reforms race was kept off the political agenda, and when popular insurgencies of the industrial working class and their subsequent electoral consequences forced a serious discussion of social welfare reform and labor law, the resulting legislation was the outcome of bargaining between blocs of business interests, on the one hand, and between business interests and plantation elites, on the other (Jenkins and Brens 1989; Quadagno 1984). The white working class had little direct input in the policymaking process; African Americans had even less.

Conclusion

By uncovering the racial bases of U.S. capitalism and the democratic state, this paper develops a theoretical and historical framework for a re-analysis of one of the most well-analyzed periods of policymaking in U.S. history — the New Deal. The extant analyses of this period call attention to the interests of capital, the fear generated by the insurgencies and mobilization of the working class, and the articulation of these interests and fears in a particular configuration of party and state structures in accounting for the creation of a national welfare state that was to a large extent employee financed, non-redistributive, and state and locally controlled. These analyses and the perspectives upon which they are constructed do less well in helping us understand the racially exclusive nature of this welfare state and why it was constructed without addressing the basic civil rights of African Americans. To understand this, these perspectives need to be built on a greater appreciation of how race, racism, and the changing nature of racial subjugation affected the organizations and interests of classes, parties, and state structures.

This greater appreciation yields several new insights. First, the key to the South’s power in Congress lay in the Constitutional compromises that gave white southerners disproportionate electoral power and in the realigning elections of the late nineteenth century that eliminated party competition and accelerated the political disenfranchisement of blacks in the South. Second, the concentration of blacks in the South and their subsequent disenfranchisement were due to the racially biased policies and practices of the federal government which constrained blacks’ geographical mobility and economic opportunities after emancipation. Third, the political machines in the urban North which provided the only vehicle for black political mobilization developed practices that limited the voting power of and patronage for blacks who were beginning to migrate in large numbers to certain northern cities in the early twentieth century. These machines were the building blocks of the northern Democrats who actively supported the New Deal social welfare reforms and were wedded to local business interests in the North and planter interests in the South. The politics of the policymaking process involved protecting not only the economic interests of these elites but their racial interests as well. These insights help us understand how the extension of social rights to the working class was a racially-based affair.

These insights also help us understand why our liberal welfare state resists efforts to move in a more social democratic direction. In effect, the welfare state was carefully constructed not only to reinforce market incentives within the working class (Piven and Cloward 1971) but also to do this in a racially unequal manner. This dual dynamic helps account for one of the most frequently noted characteristics of the U.S. welfare state — its bifurcated nature. In one system we provide employment-based, automatic, and generous benefits for a citizenry that is overwhelmingly white and in the other system, we extend meager, means-tested benefits to those who do not work or who work in an uninsured workplace — a group that is disproportionately non-white. Thus any attempt to extend benefits in universalistic directions confronts the resistance of both a profit-oriented capitalist class and a working and
middle class that is politically divided by race. The political coalitions necessary to overcome the resistance of business prove doubly difficult to construct, as racial divisions are not only embedded in the structure and functioning of civil society but also in the structure and functioning of the state.

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