The following reflection, written by Molly McClure about Hurricane Katrina and how people have responded to it, was selected due to the parallels and relevance it has to LVC's work. Although many of the organizations that LVCers will be working with next year are not responding to a one-time natural disaster, these organizations are responding to an endemic national disaster of hunger, homelessness, pollution, poverty, racism, etc. This article challenges those of us who respond to these disasters (as individuals or as part of an organization) to reflect on our motivations, how we benefit, our assumptions, our expectations, and overall, how racism may be at work. McClure asks these hard questions within the context of Hurricane Katrina; we hope that you will reflect on these same questions as you enter into your year with LVC.

Solidarity not Charity: Racism in Katrina Relief Work

By Molly McClure

I recently spent three weeks working at the Common Ground Relief Clinic in New Orleans, an all-volunteer run free healthcare project that opened a week after the hurricane. The following are some thoughts I had about the difference between solidarity and charity, specifically reflecting on the role of folks like me--- white activists from out of town--- in Katrina relief work.

As many people have said, the mess of Katrina was caused by a storm of racism and poverty more than wind and water. Katrina was about the racism of war that took money away from fixing the levees and other much-needed disaster preparations and went instead to the killing of poor people of color in Iraq and around the world. Katrina was about the racism of US-led capitalism that accelerates global warming, bringing bigger hurricanes and tsunamis and other "natural disasters" which always disproportionately affect the poor. Katrina was about the legacy of slavery, which meant that many white New Orleanians had the economic resources to evacuate, such as a car or other means to escape the storm and subsequent flooding, while many Black New Orleanians did not. Katrina was about the racism of FEMA and the Bush administration in their murderously slow response (you know it would have looked different in Connecticut!). And Katrina was about the racism of the police chief of Gretna, who, with the support of his predominantly white town, turned Black survivors away at gunpoint as they tried to cross the Crescent City Bridge to safety because he "didn't want Gretna to turn into the Superdome."

Like most of you, I'm guessing, I was outraged and heartbroken by what I saw, and I wanted to go down and see if there was some way I could support the people of the Gulf Coast in their efforts to deal with this mess. When I got there I saw and heard devastating things, stories of loss my ears are still full of, images of destruction that cut into the meat of my heart. I also saw and heard many, many inspiring things---stories of resistance and hope, of survival and vision. I met incredible people who fed me red beans and rice on Mondays and told me about their families and their lives, who shared with me some of what New Orleans meant to them, people who through their stories helped me understand the depth and breadth of this atrocity.

(By the way, I'd really encourage folks to seek out these first-hand stories, and prioritize reading information and analysis about Katrina written by survivors and long-time residents of the Gulf Coast, for example "New Orleans and Women of Color: Connecting the Personal and Political" by Janelle L. White, which is available online).

I was also inspired by how many folks from outside New Orleans had gone down to volunteer, had seen what was happening and were appalled, and found a way to go down and support in any way they could. I met incredibly committed activists, folks with skills and energy and immense creativity and huge hearts.

And while it was moving to see how many people came down to volunteer, with that also came one of the unexpected heartbreaks for me of being in the Gulf Coast post-Katrina: the racism that white activists like myself brought along with us, even as we came intending to stand in solidarity with the people of New

Orleans. And although there are many many stories I want to tell, this is what I feel a really deep need to write about, and I see this as part of an ongoing conversation. (Note: for this article, I'll be using the People's Institute definition of racism, which is race prejudice plus power, and using it interchangeably with "white supremacy," meaning the system of wealth, power, and privilege which keeps racism in place).

First, I want to say that I'm not approaching this conversation as if I've got it all figured out, because I have a ton of work to do and make plenty of mistakes, including the ones I'm about to discuss. And I want to say that while I will be speaking from my own perspective, there have been many people of color whose analysis and experiences have helped me develop the antiracist framework I'm using to think about this situation. I just want to put that out because I think it's important to recognize whose labor and experiences have helped inform what I am saying, and how I'm saying it.

So having said all that, I want to talk a little about the ways that we white folks, no matter how well-intentioned, bring our white privilege and our racism with us wherever we go, and how this really hijacks solidarity projects and imperils our capacity to be true allies. Despite the fact that what happened in New Orleans was understood by the majority of whites even slightly left of center to have its roots in racism, it does not seem that this awareness has translated into us wrestling any more seriously with white supremacy, even as many of us mobilize to support the communities of the Gulf Coast.

One example I want to give is about the looter/finder distinction made by mainstream media outlets in describing stranded New Orleanians carrying food. Do folks remember seeing that? The captions of pictures said white people "found" stuff, and Black people "looted" stuff, though the images were identical except for race. Lots of us forwarded an email around about this, and were justifiably outraged at the blatant criminalizing of Black survivors in the media. People I know wrote letters to the editors of newspapers, sent scathing emails, and called in to radio shows to protest that and other racist portrayals of Katrina survivors.

The question I want to ask is how many of us white folks make these kind of looter/finder assumptions about people's behavior all the time, in our heads? How many of us make these kinds of racialized good guy/bad guy distinctions when we're walking down the street in our hometowns, standing at a bus stop late at night, interacting with new people in our activist spaces, talking to co-workers at our jobs, seeing patients in the clinic?

While the media portrayals were egregious and telling, I think the insidious, often unconscious prejudice that we've learned by living in a racist culture is also incredibly dangerous. The People's Institute for Survival and Beyond calls this "internalized racial superiority," and that's what I saw playing out so dramatically among many white solidarity workers who came to New Orleans, even though many of us were there because we felt a deep desire to take action against what was clearly a race-based hate crime.

So I have some questions for white folks thinking about going down, questions I am still asking myself: first of all, why you? Why are you going? Could our resources and energy be better used supporting survivor organizing at home or fundraising, rather than spent traveling to the South? Are we committed to doing support work that may not feel as "exciting" as going down ourselves? How did it come to be that we are able to travel to and around New Orleans, while many survivors still can't go home? What are we bringing with us, what will we take back? What has been the role of white people and white institutions in the destruction and reshaping of communities of color in the US, in the history of New Orleans? When we go down, are we expecting to be thanked, to be welcomed, what is our real motivation for going? What will be the long-term impact of our work on the Gulf Coast communities with whom we're supposedly standing in solidarity? How are we going to be accountable to what we saw and heard and did when we come back. and to whom do we feel accountable? How are we going to make meaningful connections to the same kind of injustices back home? Do we know about the issues facing poor communities and communities of color in our hometown, and are we as motivated, as committed to dealing with those issues where we live, which could bear a striking resemblance to what's going on in New Orleans? Are we seeing survivors of Katrina as "worthy" poor, deserving of resources and relief work, without recognizing that the poverty back home is equally a result of systemic racism, and equally crucial to address?

In the three weeks I was working in New Orleans, I spent most of my time at the Common Ground Clinic, where most of the volunteers and healthcare providers are white. (Though the call to create Common Ground was put out by Malik Rahim, a Black activist and organizer who never evacuated New Orleans, the people with the resources and time to respond first to that call were overwhelmingly white, class-privileged folks, who continue to be numerically the majority). While I was there, I heard comments like "this is so cool that New Orleans is going to have a free clinic now!" or other statements suggesting that we, the white saviors, had come to bring capital a ACTIVISM to the region, which before we got there was presumably some kind of political wasteland. Now, I definitely didn't do my homework like I should have before I got there, but I was pretty sure that the city had had a vibrant history of resistance and organizing from the time of the slave revolts on, and I had recently learned about the Saint Thomas Clinic and other local healthcare justice projects. The fact that the town was so intensely depopulated may have made it possible for an inexperienced out-of-towner to mistake the absence of people with the absence of organizing. But I know there was more to it than that---racism fosters in white people an easy. unconscious arrogance, an inability to see past ourselves, the capacity to be "blinded by the white." Mixed up in this also, I think, is the classist assumption that poor folks aren't politically conscious or organized, or that they only "become" so when outside organizers arrive.

Another example of these racist assumptions could be seen when folks expressed the valid concern that the community wasn't involved enough in running the health center, even though flyers were put up around the surrounding Algiers neighborhood inviting residents to volunteer and become a part of the clinic. I've been part of this dynamic in the past--- wondering why "they" don't come to "our" meeting or event, without understanding how alienating the white culture of our project or organization might be to people of color, from the language, timing, and structure of our meetings to the way we dress (especially in places like Common Ground, which, when I was there, had a predominantly punk/hippie subcultural scene going on). When there has been a lack of community involvement in other neighborhood projects of which I've been a part, it's usually because the project began or evolved without a concerted effort to connect in a respectful, non-tokenizing way with people in the neighborhood to see what they were working on already, what their priorities were, what strategies they'd tried before, how we might support their work before starting a brand spanking new project with us in leadership.

In the case of the clinic in particular, it was an immediate disaster relief project that needed to happen, and I see it as a fantastic example of the capacity of the left to effectively mobilize in an emergency when the state infrastructure failed. But now that the clinic is a more permanent fixture, there will be some real wrestling with power and privilege in the months ahead, if it is to reach the stated goal of transitioning to community control, and if it is to have a role that is less about service provision and more about rebuilding infrastructure and offering resources in a way that supports community self-determination.

Another example I want to offer is a hand-painted sign at the clinic that said, "Less Tears More Action!" I never found out who painted this, but I'm guessing it was a white person from out of town, like me. And no matter who created the sign, I wondered what the impact of that statement was (for the day it was up) on the people who came to the clinic, who were mourning immeasurable losses and experiencing worlds of grief that we as outsiders would never be able to fully comprehend. Yet we felt entitled to offer brightly-painted suggestions about it being time to quit whining and move on, and presumably we were to be the role models of what kind of "action" folks should take.

One day at the clinic, Kimberley Richards and Bridget Lehane, organizers from The People's Institute for Survival and Beyond, came to meet with us about the possibility of doing an antiracism training for volunteers at the clinic. Kimberley pointed out that like it or not, we--- mostly white healthcare providers and activists in a hurricane-ravaged poor Black town--- stood to profit off our time in New Orleans, either socially through gaining "activist points" or professionally by writing papers or books about our experience. She asked us how were we going to be accountable to that fact, how we were going to make sure that the people most affected by this tragedy would also stand to gain and not be profited off, as they so often were by the organizations and institutions that were supposedly serving them.

The difference between charity and solidarity felt huge that day and as we discussed whether or not we could--- more truthful to say whether or not we *would*--- close the clinic in order to participate in their two and a half day training, called the "Undoing Racism Workshop." I realized that solidarity felt easier when I thought about it in terms of us simply offering a crucial resource to the community --- providing free, accessible healthcare and free medications in a place and time when that was a dire, dire necessity. And that's incredibly important.

But the challenge of real solidarity is that it requires us to take a critical look at the bigger picture of Katrina, the context, and to see how we fit in. Solidarity means looking at how power and privilege play out in our own lives, and obligates us to consider our role in relation to the state and system that helped engineer this disaster. To be in solidarity we would need to understand how our class and race privilege impact why we were the ones able to offer the healthcare resources in the first place, and be real about whether the clinic serves to challenge or reinforce that inequality. Solidarity requires us to seriously grapple with our racial prejudice, and recognize how it affects the work we do in the clinic and how we interact with the community. To really be in solidarity, we would need to more fully examine and drastically overhaul the assumptions and biases in how we deliver healthcare, we would have to acknowledge and deal with the white culture of the project and how that affected our patients and which providers felt welcome in the clinic, and we would need to see and wrestle with the fact that our presence in New Orleans was profoundly changing the class and race dynamics of the intensely depopulated neighborhood and town. We would have to be willing to look at and be accountable to the ways in which we might actually stand to gain more in the long term from our "solidarity work" in the clinic than the community who we were supposedly serving.

At this point I still have more questions than answers about what being in solidarity really means. But I know solidarity's a hell of a lot less comfortable than charity, and involves me not just going to someone else's decimated town and helping out for a little while or even a long while and then going home and doing a reportback, or writing a reflection piece, though that could be part of it. Real solidarity means keeping up the conversation about race and class in the US with other white folks, and working diligently to break down the racism in mainstream white communities---where institutional power currently resides---as well as challenging racism in the white left. Real solidarity requires me to go on an ongoing, difficult journey to reckon with my own stuff, and my family's stuff--- to recognize and challenge our collusion in the system of white supremacy. My experience in New Orleans makes me ask myself what I'm doing right now, right here, to support the self-determination of communities of color and of low-income people, what I'm doing right now to support a revolutionary transformation of systems of power in this country. It makes me ask myself what I'm doing right now, right here, to help root out the racism in my own heart and the heart of communities I'm a part of, so that I can struggle in true solidarity with communities most affected by injustice as they lead the movement for radical social change.

Molly McClure does sexual health and racial justice work in Philadelphia, and is excited to hear your comments, questions and discussion: genderific@hotmail.com. This writing happened with a lot of support, feedback, and insightful conversation for which I'm incredibly grateful.

Whites urged him to sit in the front, and blacks invited him to sit in the back. David used this incident to describe the Asian American dilemma: "America has offered Asian Americans honorary white status. But that status is predicated on a deal: you don't sit at the very front of the bus. . . . You don't ever drive the bus, and you must pay no attention to what's happening to people on the back of the bus."

The question remains, "Where will we sit?"

Besides the adage that you don't have a

"Chinaman's chance," there was a mocking children's rhyme in the 1950s that went: "Ching Chong Chinaman, sitting on a fence, trying to make a dollar out of 15¢." Today, many Asians have indeed made a dollar out of 15¢. Now they have a chance—and a choice. They can join the forces that want to close the door of opportunity once they themselves have gotten through. Or, as the Vietnamese did in Fields Corner, Asians can choose to share their newly acquired wealth with those who are still left sitting on the fence.

Chapter 6

CLIMBING THE UP ESCALATOR: WHITE ADVANTAGES IN WEALTH ACCUMULATION

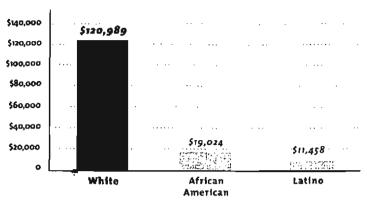
I don't think white people owe anything to black people. We didn't sell them into signery; it was glic ancestors. What they did was wrong; but we've done our best to make up for it."

PYTANVIEWED BY THE Los Angeles Times'

White Americans typically have assets more than ten times greater than Americans of color. This difference was created not only by government policies that impeded wealth building for people of color, but also by policies that attually boosted white wealth—policies like land grant and homestead programs, low-cost mortgages, farm loans, and Social Security checks, all at times available only or mostly to white people.

It's hard for many white people to accept the reality that they profited from these government-promoted white advantages. In particular, white people who don't have anywhere near the median white assets, \$120,000, find it hard to-

FIGURE 6-3
Median net worth, 2001 (in 2001 dollars)



Source, Barbara J. Robles's analysis of Federal Reserve Bank Survey of Compumer Finances data

believe. "My grandparents were dirt poor," some have said. "I'm in debt—I don't have any wealth." Responses like these reflect the understandable skepticism about how universal government help to white people has been.

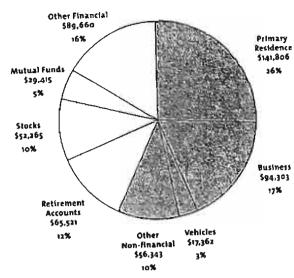
To answer this skepticism, the white wealth numbers can be separated into two parts. White assets are high partly because the U.S. elite is and has always been composed overwhelmingly of white men. The biggest slaveholders, the most ruthless robber barons, and the present day CEOs all skew the white averages up.

But most white people are not wealthy elites. White people are almost three-quarters of the U.S. population (in the 2000 Census), and at times have been an even greater share of the population. The vast majority of them were not slave owners,

didn't own factories, and don't now have million-dollar stock portfolios. Most white people get their incomes from wages, and if they have any assets, they came from savings or from modest inheritances.

Yet even if we remove the wealthy elite from the picture, white working people still have, on average, more assets than people of color. One way to see the difference between the superrich and ordinary white people is to compare mean and median wealth. (If you lined up all the white families in the United States, the family in the middle of the line has the median amount of wealth. The mean is the average, the total wealth divided by the number of white families.) In 2001 the mean was \$546,785, far greater than the median of \$121,254. The vast majority of white families don't have anything close to the average amount of

FIGURE 6-2
White mean family assets = \$546,785



Source: Survey of Consumer Finances, Board of Governors, Federal Reserve System, 1993 - 2001

over half a million dollars; a small number of multimillionaires and billionaires are pulling the average up. The biggest socioeconomic group in the United States is white working-class home owners with a high school degree but no college degree, and their household incomes tend to be below \$40,000 a year.

But even the modest assets of the typical white family are greater than those of most families of color. Asset ownership is very common among white working people. Three-quarters of white households are home owners; and of the renters, some are

elderly former home owners, and some are students and other young people.

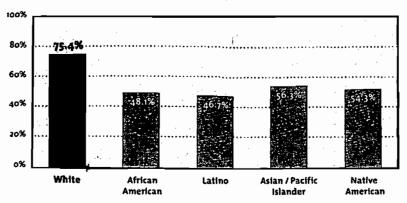
More than half of white families have retirement accounts; a majority owns some stock. Only 13 percent have zero or negative assets (compared with 31 percent of African Americans and 35 percent of Latinos), and some of those are young adults just starting out. Only a very small share of white adults have no assets at all throughout their middle years.

Of course, knowing that they don't have much company among other whites isn't much comfort

for impoverished white people, who do number in the millions despite their relatively small share of the entire white population. And, of course, facing prolonged unemployment, health crises, or low wages can be terrifying even for a family with assets. Rural land ownership, in particular, sometimes does little or nothing to help pay mounting bills. Yet facing hard times without assets, as so many people of color do, is even scarier.

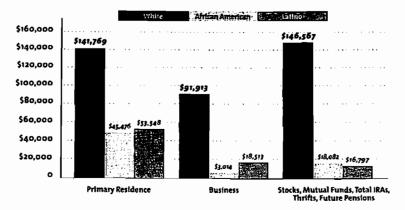
Many white people have heard stories of their great-grandparents or grandparents' poverty, whether after immigration or during the Great Depression or other economic

FIGURE 6-3
Home ownership rates, 2003



Source, U.S. Census Burezu, Annual Statistics, 2004, Housing Macancies and Homeownership, Table 20

FIGURE 6-4
Mean asset ownership, 2001

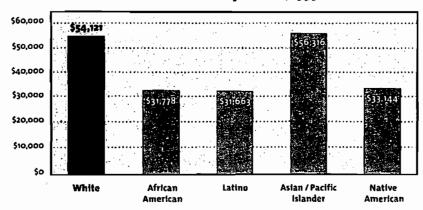


Source Barbara & Robles's calculations of Federal Reserve Bank Survey of Consumer Finances data

hardships. But at all times in U.S. history, poor white people were not as poor, on average, as poor people of color. It is true

that wave after wave of European immigrants found only low-paying, dirty, dangerous jobs, along with prejudice from

FIGURE 6-5
Median family income, 1999



Source: U.S. Census Bureau, Historical Income Tables, Table F-5, Characteristics of American Indians and Alasta Hatives by Tribe and Language, Census 2000, Table 10

native-born Anglo Americans. But almost always, their jobs were not the worst jobs; they were a step above jobs held by workers of color. And almost always, the prejudice diminished enough by the second or third generation to allow some minimal accumulation of assets by some people in each white ethnic group.

This chapter tells both stories: the policies that supported the vast enrichment of elites and the comparatively smaller advantages given to white working people at the expense of their fellow workers of color. It retells many of the stories in the last four chapters, shining the spotlight this time on public sector boosts to white people's net worth.

White people can be proud of the hard work of their grandparents, their parents, and themselves and still recognize that hard work is only one ingredient in acquiring assets. The right to own property and establish businesses, access to credit, access to education, jobs, and promotions, political representation, access to courts to settle disputes, a safety net for times of unemployment and disability, and government subsidies and contracts: all these also play roles in building assets. And all of these have been consistently available to white people, and frequently denied to people of color. Economic development requires government infrastructure, and this has been provided for the vast majority of the white population, in ways that often excluded or impoverished people of color.

White working people can also be proud of the labor struggles and sacrifices their ancestors made to win basic economic secu-

rity and still recognize that time after time these struggles were won through a devil's bargain of accepting opportunities and benefits that excluded people of color. Sometimes employers' divide-and-conquer techniques lowered white wages as well, but too often white working people waged struggles explicitly to exclude people of color from the opportunities they enjoyed. Government policies were only one ingredient in causing the racial wealth gap; discrimination, violence, and political pressure by white individuals, unions, property owners, and employers were the other ingredients. And the governments, for the most part, were elected by white majorities.

As white author Paul Kivel writes in Uprooting Racism, "It is not that white Americans have not worked hard and built much. We have. But we did not start out from scratch. We went to segregated schools and universities built with public money. We received school loans, Veterans Administration (VA) loans, and housing and auto loans when people of color were excluded or heavily discriminated against. We received federal jobs, military jobs, and contracts when only whites were allowed. We were accepted into apprenticeships, training programs, and unions when access for people of color was restricted or nonexistent."2

LAND GRANTS OF INDIAN LAND FROM EUROPEAN MONARCHS

The first governments to give white people assets in North America were the monarchies of England, Spain, France, and Holland, which awarded millions of acres of Native Americans' land to their countrymen in the sixteenth and seventeenth centuries.

In the 1500s and early 1600s, shortages of land had grown to crisis proportions across Europe. Monarchs saw colonization as a way to export the increasing numbers of unemployed and disruptive landless men, among other goals.³

Spain's American colonies grew rapidly, gaining control of the greatest amount of

land throughout the Southwest and Caribbean, because in the 1500s Spain conquered the vast Aztec empire with its twenty-five million people. Spanish settlers in particular were notable for not doing any manual work themselves. Indigenous people of Puerto Rico and other Caribbean islands were forced, often at gunpoint, to work for particular Spanish landowners.

Large numbers of former English serfs were sent to the English colonies as bondsmen, forced to work off their transportation costs for a number of years, usually seven. It wasn't always easy for them to become landowners, even after their period of



Inherited Assets? Who, Me?

by Betsy Leondar-Wright

White people who inherit assets—that sounds like someone else, not me!

Here's how I've usually thought about it: My family's not especially rich. The assets my partner and I own—a condo and some retirement savings—were saved dollar by dollar from our earnings, not from any intergenerational transfer of wealth from our families. I didn't inherit anything when my grandparents died. My father accumulated half a million dollars during his working life, but then spent it all on a catastrophic illness, greatly reducing the odds that I would inherit much. Of course, I got intangible privileges from being white and middle class, like a college education and a way of talking that matches how employers talk, but I didn't directly get any cash from my family.

But as I researched this book, I remembered my great-uncle, Paul Rasmussen.

Uncle Paul's father was a third-generation shoemaker who owned his own shoe store in Denmark. Uncle Paul was born in the United States, and worked in a shoe factory in Quincy, Massachusetts. Eventually he started a shoe factory to produce his own shoe designs. The family story is that he invented the saddle shoe, which became a big hit after World War II. He sold the shop and retired in his forties—the only owning-class person in our family tree.

When he died over a decade ago, he lest me \$2,500 in his will. I gave \$500 to an anti-sweatshop group as a gesture of payback to the shoe factory workers; and kept \$2,000.

When my partner and I were trying to buy our condo five years ago, it was hard to come up with the down payment and all the fees. My \$2,000 inheritance from Uncle Paul really did help us become home owners without being penniless afterward.

So I have more assets because my ancestors had assets. Uncle Paul no doubt got assistance (such as permits and bank loans) to start his shop that factory workers of color couldn't have gotten in the 1930s. And Uncle Paul presumably had a leg up on the other shoe factory workers who had ideas for new shoe designs because of his shoe store—owning father. My ancestors had assets in part because they were European American. (continued)

Here's another way Uncle Paul's assets will affect my net worth over my lifetime: He left my mom enough money to greatly lessen the chance that my sisters and I will have to support her in her old age. This is an advantage more common among white people, to be free from the necessity of caring for the older generation financially. I can save for my retirement because my mom not only has Social Security, but she also inherited money to support her retirement.

indenture was over. The original settlers of New England towns made themselves share-holders of the town, and then in many cases distributed additional land only to themselves, even when most land within the town was unallocated.' The pressure to find more land for landless ex-bondsmen was relieved by confiscating more Indian land. The Massachusetts Bay charter explicitly allowed Indian lands to be taken without compensation. Roger Williams was expelled from the colony in part for objecting to this policy. Between 1660 and 1710, as the Eastern seaboard became more crowded,

209 new settlements were formed on the northern and western frontiers of New England, on land opened up by battles with Native Americans.*

In the Narragansett Swamp Fight of 1675, thousands of Wampanoag women, children and elders were massacred along-side the Narragansett warriors, who sought to defend them against the English. Fifty-five years later, in a cruel gesture, the colony of Rhode Island awarded Indian land to the families of colonial veterans of the massacre. The colony gave seven townships to 840 descendants of such veterans.

COLONIZING THE EAST WITH SERVANTS AND SLAVES

Land was abundant in the New World, but labor to work the land was scarce. Landowners all over the American colonies turned to coercing workers—and gradually a racial caste system was institutionalized with laws that defined whose labor was coerced and whose labor was paid.

At first, religion and landownership, not

race, were the bases for political rights. All New England colonies and states except Rhode Island had official state churches until the early 1800s. Citizen rights in most colonies were restricted to Protestants; Protestant Christians of African ancestry had no less formal status than white servants; and some Africans did own land, earn wages, and

have white servants.° Jews, Catholics, and other religious minorities were prohibited from settling in the New England colonies.¹⁰ Irish servants had a longer period of indenture than English servants under Virginia colonial law.¹¹

But gradually, throughout the 1600s, racial distinctions were put into law. In 1640, three runaway Virginia servants were caught: the two white ones got a four-year extension of their contract, while the black one was sentenced to servitude for life.12 In the 1640s, Virginia was the first colony to allow the sale of African slaves and to treat them and their descendants legally as property." By the 1650s, there were about a thousand slaves in Virginia; free Africans had fallen to the bottom of the caste system; and there was a huge new group of white people now free after finishing their terms of service.14 A 1663 Virginia law prohibited English female servants from doing fieldwork, but allowed African women to work outside." In 1666, in Northampton County, Virginia, 32 percent of European bond laborers became landowners at the end of their terms, compared with 16 percent of African American bond laborers.16 Eventually, all the southern states enacted slavery into law.

Native American slavery, though not as well known as African slavery, was also gradually coded into law. War captives were sold as slaves, for example by the Massachusetts Bay Colony after the Pequot War.²³ Usually they would be sold to the West Indies, as Indians enslaved in their homelands were

too difficult to control and often able to escape, and local slavery tended to sour relations with tribes that were the colonists' military allies and trading partners.²⁴ Nevertheless, there were thousands of Indian slaves by the end of the 1600s.²⁵

"Divide and conquer" was one motivation for creating distinctions by race among servants and laborers. There were many rebellions in which white, black, and Native American servants were allies. Some were small groups running away together; others were large, organized, armed insurrections, such as Bacon's Rebellion in Virginia in 1676. In the process of suppressing such uprisings, landlords and colonial governments codified a racial caste system into law. Tenants and servants—now mostly white—began to get more rights and benefits. At the same time, African slavery was institutionalized.

South Carolina was the first colony founded as a slave colony, in 1670." The Carolina low country was suitable for huge plantations, and the planters there started buying African slaves from the West Indies to do their labor. Rice became a major cash crop in South Carolina in the late 1600s because some slaves brought rice-growing skills from West Africa. Georgia started with a prohibition on slavery, but reversed it in 1751 when their lower-class English plantation workers proved too few and too inexperienced to clear the land and make tobacco farming profitable.29 By 1776, Georgia's population was thirty-three thousand whites and fifteen thousand slaves.30



The Template for Work Without Rights

Even in periods when white economic status declines, the racial wealth gap grows, because people of color fall even further behind.

it's not only when white people are given boosts to their net worth that the racial wealth gap grows. At times when nonelite whites are losing out financially, people of color often lose even more, widening the gap. In *The invention of the White Race*, Theodore Allen gives a great example of this from the 1600s.

Compared with labor law in England, the systems set up by the governors of the Eastern colonies rescinded labor rights for workers of all races. Even the lowliest serfs and vagrants in England had some right to compensation and some rights to refuse coerced labor. These rights were whittled away in the colonies, despite explicit terms in the Virginia Company charters of 1606 and 1609: The Royal intent, they said, was that all English colonists "shall have and enjoy all liberties, franchises and immunities of free denizens and natural subjects ... to all intents and purposes as if they had been abiding and born within this our Realm of England." These constitutional principles were violated when wage laborers were reduced to the status of chattel servitude, unpaid and bound to a particular landowner."

To induce poor Englishmen to move to the colonies, the Virginia Company initially offered them one hundred acres on a tenant-sharecropping basis, but after 1616 this land guarantee was no longer offered. Landowners were, however, still given fifty more acres for every servant whose transportation from England they paid, which resulted in vast plantations owned by wealthy landlords. Homeless children were rounded up in England and sent to Virginia, supposedly as apprentices who worked without wages for seven years, and women were forced onto ships for the colonies and sold to settlers as wives. Suits were brought to the colonial courts objecting to these violations of English law."

Theodore Allen claims that this degrading of English bondsmen and bondswomen from free-will wage workers to indentured servants was the template for African slavery. Coerced labor without basic rights became the norm in the colonies, but was increasingly applied more severely to African and Indian laborers than to whites, and remained legal for people of color even after basic freedoms were legislated for white workers.

The luxurious lifestyle and rapid accumulation of wealth by the huge plantation owners was made possible by the work of slaves.

Theodore Allen believes that there could have been a different and more just history if Virginia planters had made the decision to pursue a slower-growing, diversified economy like New England's instead of a quick-

buck tobacco economy, and if white, black, and Indian servants had continued their early solidarity, instead of whites succumbing to divide-and-conquer techniques. This imaginary United States, without racial castes, would clearly have been better for white working people as well as for people of color.

WE THE WHITE PEOPLE OF THE UNITED STATES

At the time of the Revolutionary War, half of the wealth of the colonies was owned by 10 percent of the population—white men with over 2,000 pounds of property each, who collectively owned one-seventh of the population as slaves." These wealthy white landowners dominated the Continental Congress and set up the laws of the new nation for their own benefit."

The war was financed by the profits of slavery. Slave traders were among the wealthiest New England revolutionaries. France was paid in tobacco for its military assistance, and the tobacco plantations used slave labor. Ironically, independence was won thanks to slavery. Without independence from Britain, emancipation would have come sooner, as England abolished the slave trade in 1791, and British slaves were freed in 1834.

One cause for which the war was fought was the right to steal Indian land. The British were limiting westward expansion, patrolling the western border to prevent squatting on their allied tribes' land. Tenant farmers and new immigrants were clamoring for land, sometimes organizing insurrections, and the revolutionary leaders focused attention on rebellion against these limits to westward expansion onto Indian land, diverting attention from the desire for land reform." The most common payment for service in the Continental Army or state militias was western land, which made paying for the war possible without major tax increases on landowners." In the South. some soldiers were also paid in slaves captured from loyalists' farms." To reward Revolutionary War veterans, Congress passed the "extinction" of Indian claims to nine million, five hundred thousand acres of land.34

The Constitution gave nonelite white men more rights and took some from African Americans. It specified that white men "bound to service for a Term of Years" would count as full citizens for purposes of taxation, voting, and representation, but slave states would get extra representation in Congress based on three-fifths of the slave population, despite the lack of voting rights for slaves." This gave Southern voters greater clout than Northern voters, so almost a century of congressional decisions favored the slave-owning South.

After the war, full citizenship for all European American men gradually became the reality, with a corresponding decrease in rights for people of color. In the early 1800s, in Connecticut, North Carolina, Tennessee, and New York, men without property were given the vote via legislation that also disenfranchised free black men. At first many states restricted citizenship to Protestants;

Jews and Catholics could not be naturalized. But the first act of the U.S. Congress, the Naturalization Act of 1790, allowed only white male immigrants to become citizens, after two years of residency and proof of "good character" and loyalty to the Constitution.4 42 But these hurdles were minimal compared to the roadblocks set in the path of non-European immigrants. Indians, Mexicans, Asians, and Native Americans, the vast majority of whom were completely excluded from political participation in the new country. Since they were denied any role in making the laws of the land, only white interests would be represented in the political arena.

RICH OFF SLAVES' LABOR

For fifty of the first sixty-four years of U.S. history, the president was a slave owner. George Washington owned five plantations totaling eight thousand acres. At his death he owned 123 slaves and his wife's estate had 153. If his wealth were adjusted for inflation, he would be the fifty-ninth richest American of all time, according to a 1996 survey that ranked Bill Gates thirty-first. Thomas Jefferson owned ten thousand acres of land and 185 slaves. James Madison estimated that he spent \$12 to \$13 on yearly upkeep per slave, and earned \$257 per slave per year.

The majority of slaves were owned by 4 percent of the southern white population;47

most whites were not slave owners. As of 1860, one-third of Southern white people had no assets of any kind, including slaves and land. And most slave owners were not the big plantation owners, but owned five or fewer slaves, especially among the immigrant, urban, frontier, young, Indian, and black slave owners.

But nonelite whites got economic opportunities based on slavery as well. Nonslave-owning employers could rent slaves as cheap labor. Textiles were the first large American industry, employing people in trade and manufacturing all over the East, based entirely on cotton cultivated by slaves. More land for cotton was the impe-

tus for pushing Native Americans out of Tennessee, Alabama, Louisiana, Mississippi, and other areas where cotton was being cultivated by 1820. Many small farmers became large cotton farmers and slave owners by settling in these newly conquered areas.⁵²

Joe Feagin writes in his book Racist

Without slave labor it seems likely that there would have been no successful textile industry, and without the cotton textile industry . . . it is unclear how or when the United States would have become a major industrial power. There was not a New England merchant of any prominence who was not then directly or indirectly involved in this trade. As the 19th century progressed, the sons and grandsons of the earlier traders in slaves and slave-related products often became the captains of the textile and other major industries in the North. The business profits made off enslavement were thereby transmitted across generations.³³

Thanks to the contemporary reparations debate, many scholars have attempted to estimate the total lost wages foregone by slaves, as well as the total wealth created for white America by their labor. Several of these attempts are collected in Richard F. America's book, The Wealth of Races. One article estimated that slaves accounted for about 15 percent of all privately owned assets in the United States before the Civil War, totaling over \$3 billion in 1860.³⁴ Another calculated the value of slaves'

unpaid wages as \$1.4 trillion, adjusted for inflation up to 1990, or \$56,000 each if divided among twenty-five million African Americans.⁵⁵

Wealth in the form of slaves amounted to just under \$500 per white person in the South in 1860, according to a calculation in which the number of slaves is multiplied by the average price paid per slave. At a modest 6 percent return on these human assets, this implies a \$30 average annual income for every white Southerner—a high amount given that the national per capita income in 1860 was \$144.* In 1850 in South Carolina, the state with the highest earnings from slavery, the average slave owner earned \$565 a year from slavery, and the average white resident earned \$53.*

The wealth created from slavery in 1860 has been calculated as equal to about three or four times the total income of whites in the South. In the 1980s, American net worth was also calculated at between three and four times as high as total income; so the wealth from slavery was about as high in relation to income in the antebellum South as all forms of wealth—stocks, bonds, property, bank accounts, etc.—were in the 1980s.**

Theodore Allen documents land transfers over the centuries from 1666 to 1860 in Northampton County, Virginia. As wealth became more concentrated, European Americans had a 46 percent lower rate of land ownership in 1860 than in 1666. African Americans, by contrast, had a 98



Coming to Terms with Profiting from Slavery

Some white families can trace the origins of their assets to slave ownership or the slave trade. Katrina Browne discovered that she is the great-great-great-great-granddaughter of a major Rhode Island slave trader, Mark Anthony DeWolf. She organized family members to research their history.

Ten of them took a journey retracing their ancestors' route in the "triangle trade" between Ghana, Cuba, and Rhode Island. She has now turned this journey into a movie, "Traces of the Trade, about how one family confronts and attempts to take responsibility for the privilege that grew from the crimes of their forebears.

The family discovered that three generations of DeWolfs made eighty-eight voyages to West Africa and the Caribbean, and grew wealthy off their human cargo. They eventually owned forty-seven ships, a slave auction house in Charleston, sugar and coffee plantations in Cuba, and a rum distillery and cotton mill in Rhode Island. Bristol, Rhode Island, grew into a prosperous seaport because of the DeWolfs' successful ventures.*

Katrina Browne and her family confronted grisly evidence of the suffering on which their ancestors' wealth was built: a whip and Iron shackles in a cousin's basement, and a legend of a captain on a DeWolf ship who threw ill slaves overboard, and cut off their hands if they clung to the side.*

The DeWolf family fortunes dwindled after the slave trade was outlawed in 1808, but some Rhode island businesses and institutions built on slave profits, such as Brown University, still exist today. Katrina Browne, with her dedication to exposing the New England slave trade and her ancestors' role in it, is a role model of a white person taking responsibility for the privilege passed down through generations and struggling to find a way to repair the damage done by it.

percent lower rate of land ownership. "If the proportion of land ownership among African Americans had declined, but only as much as the ratio of land ownership among European-Americans, an estimated 30,000 landholdings would have been in the hands of the 53,000 free African Americans in rural Virginia in 1860."

The Civil War grew out of a power struggle between slave owners who wanted more land for railroads and plantations, and immigrants and other would-be homesteaders who wanted western land kept available for small farm settlers. Whether the new western states would be slave states or free states was the major political controversy of the day, pitting Southern slave owners against land-hungry Northern whites for access to

western land. The Free Soil movement called for inexpensive western homesteads and a ban on slavery in western territories, as well as a ban on free black people there.

After the Civil War, land originally promised or given to freed slaves was distributed to white veterans. After Lincoln was assassinated, President Johnson helped white plantation owners get back the land distributed by the Freedmen's Bureau, "evicting some black farmers by force." Tax-delinquent land in the South was sold off, but far more went to white Northern speculators than to freed slaves." The sacrifices of so many Union soldiers, both white and black, killed, wounded, and impoverished in the war, were traded for far too little improvement in African American life.

WESTWARD EXPANSION ONTO INDIAN LAND

"What good man would prefer a country covered with forests and ranged by a few thousand savages to our extensive Republic, studded with cities, towns, and prosperous farms, embellished with all the improvements which art can devise or industry execute, occupied by more than twelve million happy people, and filled with all the blessings of liberty, civilization and religion?"

-- PRESIDENT ANDREW JACKSON,
SECOND INAUGURAL ADDRESS, 183344

The British colonial administration forbade any settlement by English colonists west of the Appalachians, in order to keep control of trade and avoid conflicts with Indian tribes needed as allies against the French.⁵⁰ Squatting without the permission of English or Indian leaders was common, and was the cause of most Indian attacks on settlers.⁷⁰

After independence, there were some limited efforts by the federal government to remove squatters from Indian land. In debates in Congress on Indian land policy, those who wanted to respect tribal land rights lost." The federal government displaced the last Native Americans east of the Mississippi and supported the massive westward migrations of whites.

Many white settlers took their slaves with them, seventy-five thousand to Kentucky and Tennessee alone. After the cotton gin was invented in 1791 and more cotton could be processed, the demand for land accelerated the migration to the Deep South and the Southwest. Cherokee, Chickasaw, Choctaw, and Creek land was perfect for growing the most profitable kind of cotton, which increased white pressure on the federal government to displace these tribes.

In Andrew Jackson, the land-hungry cotton planters found the leader of their dreams. A hero of the War of 1812, he then led a campaign against the Creeks of Mississippi, in which his troops and Cherokee warriors surrounded and massacred eight hundred Creek men, women, and children." Then, from 1814 to 1824, by using threats, attacks, bribery, and deception, he negotiated nine treaties with the Cherokees, Chickasaws, Choctaws, Creeks, and Seminoles that gave massive amounts of land to the white government.7 Jackson personally benefited from these treaties. A longtime speculator, he had bought a \$100 share of five thousand acres of Chickasaw

land in Mississippi twenty years earlier, in 1796, then sold a portion but kept the rest. After the treaty with the Chickasaws, he sold the remainder for \$5,000."

More than half a million white settlers moved to Kentucky, Tennessee, Alabama, Mississippi, and Louisiana from 1810 to 1821; almost a half million others moved into Ohio, Indiana, Illinois, and Missouri. ⁷⁹ Jackson was elected president in 1828, after which there were few government impediments to wholesale takeovers of Indian land by whites. ⁷⁹ He refused to enforce treaties, laws, and court rulings protecting native land rights. ⁶⁰ In 1830, Jackson signed the Indian Removal Act, which forced seventy thousand Cherokees to walk the Trail of Tears to Oklahoma, with one-third dying on the way. ⁶¹

Millions of acres were then transferred from public to private ownership—twenty million acres in 1836 alone. Who would get the vacated Indian lands was the subject of political struggle. Railroad companies, banks, land companies, and wealthy individuals were given huge tracts or bought them at low prices. They would then divide the land into small plots and sell them to settlers at high prices. In 1860, speculators owned half the private land in Minnesota and one-quarter in Illinois and Iowa.

Protests over land speculation led to reforms in the form of government homesteading programs. Squatters who settled on land with no official sanction were called "pre-emptors." The Pre-emption Act of 1841 legalized this widespread practice.**
Over thirty-five million acres was transferred from public to private land ownership in 1855 and 1856.**

Then the Homestead Act of 1862 gave millions of acres to white settlers. Some of them were white women." Women gained new rights to own property as the country grew, but almost always, only white women could benefit." The last huge wave of federal land grants and sales was from 1883 to 1887, when sixteen million acres were distributed each year.* Overall, 1.5 million families got ownership of 246 million acres of land from the various homestead programs, nearly as much land as California and Texas combined." One study estimates the number of Americans living today who are descendants of homestead recipients at forty-six million.™

Land grant and homestead policies varied, but most typically, a head of household would file a claim for 160 acres, paying a tiny amount per acre, and gaining title to the land after clearing, building a house, and living on it for a set number of years. By the end of the century, three-quarters of white families owned their own farms, thanks to government assistance.

Some immigrants, in particular Germans and Scandinavians, became hornesteaders; as long as they had filed citizenship papers, they were covered by the homestead policies. But most homesteaders were not immigrants; they were second-or third-generation European Americans seeking better land.

In 1835, a Norwegian settler wrote home to say that in the U.S., "whether native born or foreign, a man is free to do with [land] what he pleases"; he had been successfully growing "Indian corn" in New York, but since he could buy public land in Illinois at \$1.25 an acre, he planned to move there and farm more acres."

In some cases, land distribution was explicitly limited to white settlers." For example, an 1826 law barred African Americans from any pre-emption rights.99 Then the U.S. Land Office in 1857 decided to deny public land grants to African Americans.4 In other cases, there were not explicit racial restrictions, but in fact few people of color were able to benefit. The transportation and start-up costs were over \$1,000, an amount impossible to save on black laborers' wages." White hostility and sabotage also stopped would-be black homesteaders.™ If a black family and a white family claimed the same land, the courts almost always honored the white claim." The few African Americans who went to California with the promise of a land grant found that the state didn't regard their ownership as legal."

As white people swarmed west, Native American tribes continued to defend their lands, especially the Cheyenne, Arapaho, Kiowa, and Comanche on the high plains. to In contrast to the myth of the rugged individualist pioneers celebrated in countless western, government assistance enabled and smoothed the western migration. Western

pioneers followed trails that cut through Indian hunting grounds, with armed conflicts frequent. In the Treaty of Fort Laramie in 1851 and the Treaty of Fort Atkinson in 1853, the federal government paid an annuity for safe passage for wagons. ¹⁰² To open land for white settlers, the U.S. Army waged battles with the Sioux in Nebraska in 1845 and in Minnesota in 1862, and with the Navajo in New Mexico, all of which resulted in Indian loss of land. ¹⁰⁰ White settlers often participated in attacks on Native Americans, especially after the U.S. Army went east for the Civil War. ¹⁰⁴

The western market economy was created and integrated into the national economy largely through federal interventions: Indian removal, land distribution, and railroad subsidies.105 The railroad companies were given one hundred million acres of land at no charge, eventually owning over 10 percent of the land in the United States, and they became the nation's most powerful industry, winning more public subsidies through lobbying and bribery.104 They created thirty thousand miles of track from 1865 to 1873, laid by underpaid and overworked workers, mostly Chinese and Irish.107 The railroads had an interest in more farms along their routes so that they could get the business of hauling their crops, so they formed land companies to buy up land along their rights-of-way and to recruit settlers.108 Similarly, they had an interest in the development of the coal, iron, lumber, mining, and machine industries, all of which

boomed once the transcontinental railroad was completed.¹⁰⁹

Buffalo and bison were another asset transferred from people of color to white people. Plains tribes used them for food, clothing, and shelter. White settlers slaughtered them en masse, not only for sport or for profit, but also to starve the Indians off their land. To Once the railroads were complete, a profitable market in buffalo hides developed. The Santa Fe railroad shipped over one hundred thousand a year to the East. A farmer or shopkeeper could kill fifty to sixty buffalo a day, while professionals killed over five thousand per season, selling them for \$2.50 each. 12

Tribes on reservations owned the land collectively, until the Dawes Act of 1887 broke them up into individual allotments. Land that was not allotted was given to white settlers.113 Forty million acres were allotted to Indians and ninety million went to white people.114 Tribes protested the land division, in particular the Chickasaw, Choctaw, Creek, Cherokee, and Seminole tribes, whose treaties explicitly forbid division.111 Cattle-ranching nations such as the Cheyenne and Sioux found their land made useless by division, as it was unsuitable for farming, and cattle couldn't graze on tiny allotments. In theory, provisions of the act protected Indians from any white takeover of their allotments for twenty-five years, and also exempted them from taxation.116 But in reality, they lost much of the land through fraud, illegal purchase, court cases, "incom-

petence" hearings, and murder." Over generations the Indian lands were carved into smaller and smaller parcels, as they were divided among heirs, and unusable tiny plots

were abandoned. The Bureau of Indian Affairs managed these unusable parcels and leased them for very low rents to white ranchers."

CONQUERING MEXICO

Just as white people were handed Indian land in the Midwest and West, white people were handed Mexican land in the Southwest.

In the 1820s, just after Mexico won independence, Anglo (English-speaking white) settlers began moving to Texas, squatting on land "sold" by speculators who didn't own it for 1¢ to 10¢ an acre." Anglos gradually became the majority of the Texas population under Mexican rule,120 because the governments of Spain and then Mexico had encouraged new settlers to occupy sparsely inhabited northern Mexico. The desire for more land for Anglo settlers was the impetus behind both the fight for Texan independence and the Mexican-American War. Anglo Texans started a revolt in 1835, in part because of the prohibition on slavery passed by Mexico in 1830.¹²¹ In 1837 they took Texas from Mexico and started the Lone Star Republic. Citizenship was granted to all white men, and only white men, living in Texas on the day of independence. The Republic gave public lands to landless white Texans. Steve Austin, for whom Austin, Texas, is named, gave one-quarter as much land to blacks as to whites who settled in his colonies. 122 Indians in Texas were rounded up during the Lone Star Republic period and moved to reservations in Oklahoma. 123 Even in the two Indian towns with federal recognition—where, officially, native people were allowed to remain—Anglos overran the town and claimed most of the land. 124

The Treaty of Guadalupe Hidalgo ultimately resulted in a massive transfer of land from Latinos to white people throughout California, Arizona, New Mexico, Nevada, Utah, parts of Colorado, and small sections of what are now Oklahoma, Kansas, and Wyoming.125 The treaty guaranteed that land titles previously awarded by the Spanish or Mexican governments would be respected. But the true goal of land for Anglo settlers was evident in the ways that the treaty was unenforced.18 Racial categories unknown in Mexico were used to determine who got to keep their land. Political rights and land rights were given only to those categorized as white. Mestizos, Indians, and African Mexicans had fewer or no rights, depending on the state.127

By the 1850s, Congress was allowing each state and territory government to determine the citizen status of Mexicans in

their area.¹²⁸ Anglos took over Mexicanowned land rapidly after this reversal.¹²⁹ By 1851, thirteen Anglos had bought 1.3 million acres from 358 Mexicans in sales of dubious legality.¹²⁶ Other Anglo men married wealthy Mexican women, which gave them ownership of their land.

Land ownership by Mexicans in the new states and territories fell from 60 percent in 1850 to 29 percent in 1860, with almost all the land going to Anglos. In Nucces County, Texas, in 1883, 100 percent of the land was owned by Anglos.¹⁰¹

The Homestead Act of 1862 let settlers claim 162 acres of public land and gain title to it by clearing and farming it.132 While the act didn't mention race, its goal was to enable white people to become landowning farmers, according to a classic 1878 study by Seymour D. Thompson, A Treatise on Homestead and Exemption Laws,119 The homesteading program was open to citizens of the United States and immigrants eligible for naturalization, which meant white immigrants.134 (Mexican Americans gained citizenship in 1898, but the Homestead Act was only in effect until 1889.)131 It's ironic that this race-biased program took off at the very period when the United States is often glorified for taking a stand against the racism of slavery in the Civil War.

In New Mexico, some major criollo (white Spanish) ranchers kept their land and stayed in political power by allying themselves with Anglo leaders. 120 But for people of color in New Mexico, the story was dif-

ferent. Anglo real estate investors came to New Mexico and bought up land at low prices from people who didn't have the right documents to prove their title. The New Mexico surveyor general for the most part approved only the claims of Anglo investors.¹³⁷

In Arizona, as in the other states, Anglos poured into the new state and settled on Mexican land. Copper and other mines employed landless mestizes from the territory and migrant Mexican workers, and brought large profits to their Anglo owners. Between 1838 and 1940, over \$3 billion in metal was extracted from Arizona mines. 124

White settlers got encouragement and assistance to move to California in the 1840s. President James K. Polk pronounced that California's harbors "would afford shelter for our navy, for our numerous whale ships, and other merchant vessels employed in the Pacific Ocean, and would in a short period become the marts of an extensive and profitable commerce with China, and other countries of the East."

The gold rush began in 1849; almost one hundred thousand white people came to California, and suddenly there was new pressure to find land for all of them to live on. 160 The Free Soil provisions of the California state constitution passed in 1849 not only banned slaves from California, but banned free black people as well. 161 Indian villages were destroyed, by order of Congress, and Indians were killed or moved to reservations, reducing the native popula-

は温泉できるがれ

tion of California from 310,000 in 1850 to 50,000 in 1855.¹⁰⁷ Once the railroad arrived in the 1870s, the pace of Anglo land takeover increased, as fortunes could be made shipping products from California mines and ranches back east.¹⁰⁷

By the 1880s, there were hundreds of thousands of white people in California. They owned the best land and worked the best jobs, and Mexicans of color, including former landowners, fell into peonage, working for housing and food only, or into a lower tier of wage work alongside recent

Chinese immigrants. "This two-tier economy, with Mexicans of color at the bottom, continued over the following century, and continues today.

For many decades there seemed to be enough western land for all the white people who wanted some. But after 1910, Indian and Mexican land was virtually all claimed, and the crowds of poor white immigrants in the cities had nowhere to go. Industrialists saw them as a source of cheap labor, and textile mills were built to take advantage of their desperation. 165

WAVES OF WHITE IMMIGRANTS

Millions of white Americans today have parents, grandparents, or great-grandparents who emigrated from Europe during the huge wave of U.S. immigration from 1850 to 1920. Many have heard stories of the hardships and prejudice their relatives encountered in the New World, and these stories sometimes lead immigrants' descendants to deny that they have any privilege by virtue of being white.

This resistance is bolstered by conservative scholars who argue that white immigrants faced the same barriers of discrimination as African Americans but were able to overcome them through hard work and family values, a path they advocate for poor people of color.¹⁴⁶

It is true that the United States was unwelcoming to many immigrants at the

turn of the twentieth century. Ethnic and religious prejudice was often virulent, and government assistance was usually nonexistent. But it is also true that the poorest and most despised European immigrant had employment opportunities, including government jobs that African Americans never had—or in some cases had but promptly lost when this new source of cheap labor appeared. In general, the second or, at most, third generation escaped the most appalling tenement conditions.

Prejudice against poor immigrants was not encoded into law as obstacles for people of color were, although the government did little or nothing to protect immigrants against "No Irish need apply" rules, gentileonly workplaces, or the lynchings of Italians. New immigrants had difficult choices between keeping their native languages, names, and communities or pushing their children to become more "American" and assimilate—but, unlike people of color, most of them at least had this choice.

Immigration from northwestern Europe, which had predominated in the eighteenth and early nineteenth centuries, increased in the late 1800s. Scandinavian immigration doubled. These light-haired Protestant immigrants encountered little prejudice and no official opposition to assimilation or naturalization as they moved to rural areas in the Midwest where there was no overcrowding problem.¹⁶⁷ They were considered the same race as white Americans, while Jewish, Slavic, Irish, and southern Italian and other Catholic immigrants were commonly considered racially different.

The Nativist movement of the 1820s to 1850s aimed to exclude certain immigrants American society, especially Catholics.14 The American Party, popularly called the Know-Nothings because they swore to answer all inquiries about the party by saying "I know nothing," campaigned on an anti-immigrant and, in particular, anti-Catholic platform, and won many elections in the 1850s. There were Know-Nothing state legislators in Massachusetts, Delaware, and Pennsylvania, and a Massachusetts governor, and seventy-five members of Congress were elected in 1854.14 Irish military companies were disbanded and Irish men banned from the police force and state agencies in Massachusetts (ironic, in light

of their predominance two generations later). 190

The Jacksonian movement, the Nativists' political opponents, envisioned a racial caste system in which all men with only European ancestry were in the upper, white caste, and below them all Indians, Mexican mestizos, and black people. The Jacksonian vision prevailed, for example, in the policies of President Theodore Roosevelt, and the Know-Nothing viewpoint shrank to a minority position never again achieving political power. In its glory days, however, it managed to impose hardships on many new immigrants by rallying prejudice against them.

Jewish Immigrants

The worst era of institutionalized American anti-Semitism was early in the Republic. especially in Massachusetts and other colonies in which citizenship was tied directly to Christianity. By 1800, however, Jews could vote and hold political office everywhere except in Maryland and New Hampshire. 132 Social and economic discrimination continued, but was rarely institutionalized by government policy. In the Immigration Act of 1907, the "head tax" paid by each new immigrant was increased from \$2 to \$5 with the goal of keeping out poor Russian Jews in particular,153 but once in this country, lewish immigrants were able to become citizens.

Jews in Europe had congregated in trades such as tailoring because they were barred from owning farmland and from many occupations. Similarly, Jews in the United States who weren't manual day laborers tended to be self-employed as pushcart peddlers, because major employers excluded them. European Jews had sometimes been confined to ghettos; most Jewish immigrants to the United States were limited to overcrowded and squalid tenements in neighborhoods like New York's Lower East Side, in part by housing discrimination elsewhere.

The police not only looked the other way during mob violence against Jews, but sometimes the police joined the mob. A wave of anti-Semitism in the 1920s resulted in a drastic cutback in Jewish immigrants from over 120,000 at the beginning of the decade to fewer than 7,000 at its end. Discrimination by hotels, colleges, and employers worsened in the 1920s.

But as the New York garment industry boomed after the 1880s, it was Jews and not African Americans who got the sweatshop jobs that gave them a toehold in the U.S. economy and the ethnic connections to start garment-related businesses of their own. 158 And Jewish arrivals, like other immigrant groups, founded and joined a network of ethnic charities and mutual-aid organizations to help orient them and keep them above the lowest poverty level. Anti-Semitic and Christian nation movements and hate groups have never been absent from the U.S.

landscape, but they have never won major political power either.¹⁹⁹

Eastern European and Italian Immigrants

Eastern European and southern Italian immigrants were despised simply for their poverty and their cultural differences from northwestern Europeans. The provision of the 1891 Immigration Act barring people who might become public charges was arbitrarily enforced to keep out southern and eastern Europeans.460 As their numbers swelled anyway, through what is now referred to as illegal immigration-2,450,877 Italians and 1,597,306 Eastern Europeans arrived between 1901 and 1910165-a literacy requirement was imposed for entry to keep them out.162 By contrast, there were fewer than one hundred Asian immigrants per year during this period.

In 1901, Woodrow Wilson contrasted "the sturdy stocks of the north of Europe" with the new "multitudes of men of the lowest class from the south of Italy and men of the meaner sort out of Hungary and Poland, who have neither skill nor energy nor an initiative of quick intelligence." 163 An 1893 Los Angeles Times editorial opined:

If we can keep out the Chinese, there is no reason why we cannot exclude the lower classes of Poles, Hungarians, Italians and some other European nations, which people possess most of the vices of the Chinese and few of their good qualities, besides having a leaning towards bloodshed and anarchy which is particularly their own.144

But these widespread prejudices never translated into a prohibition of voting rights or naturalized citizenship. Italian immigrants, like the Irish, used municipal jobs to get ahead at a time when the private sector limited them to menial, low-paid jobs. "For several decades southern and Eastern Europeans formed an ambiguous middle stratum of the racial order, between the native-born whites and old European immigrants above them, and the American Indians, blacks, Asians and Mexicans below," write Chip Berlet and Matthew Lyons in Rightwing Populism in America. 164

Irish Immigrants

Because Irish people were considered an inferior race by their British colonizers, and this view spread to the English Americans across the Atlantic, and because potato famine refugees were some of the most desperately poor people to arrive on U.S. shores, Irish immigrants endured the worst treatment of any European nationality, and for the longest time.

The U.S. Census before the Civil War divided people into three categories, native born, foreign, and Irish.¹⁶⁷ Irish people were not only seen as a separate race,¹⁴⁶ but as a

virulently hated race. Irish people were referred to as "niggers turned inside out," and African Americans were called "smoked Irish"; both were meant to be insulted by comparison to each other. 109 The stereotypes of both were similar: drunken, lazy, animal-like, and stupid. 170

Before the Irish potato famine of the 1840s, a sizable minority of Irish immigrants was able to become farm owners, although most began as laborers.179 After the famine began and the numbers of Irish Catholic immigrants grew to two million by 1850,172 landownership became a rarity.123 The new wave of Irish immigrants was poorer than early Irish immigrants had been. "Virtually all Irish immigrants in large eastern cities worked as unskilled laborers-94 percent in Boston in 185013-most as workers on canals, railroads, construction, or docks, jobs that had been previously done mostly by African Americans.176 Most Irish women worked as domestic servants.177 By 1870, 22 percent of Irish American households lived in desperate poverty.171

Some Irish Americans have argued that Irish immigrants were worse off economically than African slaves. Frederick Law Olmsted repeated a statement made to him by an Alabama official of a stevedoring company, who said he hired Irish laborers because "niggers are worth too much to be risked here; if the Paddies are knocked overboard... nobody loses anything." Death rates were extremely high among Irish and Chinese railroad workers. Yet Irish immi-



Political cartoon in Harper's Weekly linking Irish immigration with Chinese, 1882. (Ubrary of Congress)

grants in fact had access to jobs that African Americans didn't.

The hardships of Irish laborers still left them more fortunate than unemployed Irish immigrants. In the 1840s and early 1850s in Boston, 97 percent of the residents of one almshous, 75 percent of all county jail prisoners (hence the term "paddy wagon"), 90 percent of all truants and vagabonds, and 58 percent of paupers were Irish.¹⁸¹

Yet despite this mistreatment, Irish Catholic men never lost rights essential to building wealth: the right to vote, the right to immigration, and the right to naturalization. 182

The Democratic Party and Irish Americans were responsible for advancing each other. In 1830, only one in thirty

voters was an immigrant, but in 1854 the figure was one in seven, and a plurality of the increase was Irish Catholic. By 1850, 42 percent of the foreignborn people in the United States were Irish. 184 The party that welcomed them was the party that grew the fastest. 185 The Democratic Party was the proslavery party, and its platform hinged on the uniting all white voters as a superior racial easte. 186

It opposed homestead laws, but most Irish immigrants were not interested in leaving the cities for a rural farm. The Federalist Party was alarmed by this influx of new voters into its opponents' party, and proposed restrictions on Irish voting rights, but they failed to get them enacted into law.

Government provided stepping-stones to prosperity for Irish Americans in the form of municipal jobs, unavailable to people of color. Before the Civil War, only one Boston police officer was Irish, and by 1900 there were one hundred. The first Irish mayor of Boston was elected in 1884, and by 1906 virtually all Boston political figures were Irish. In part, Irish Americans gained dominance of New York and Boston munic-

ipal jobs and contracts by denying them to African American people.¹⁹⁶

Who's White?

In 1909, Armenian immigrants were classified as "Asiatics" and thus denied naturalized citizenship. Four Armenians sued the federal government for citizenship on the grounds that they were white. It is ironic that they had to sue to be considered Caucasian, given that Armenia is in the Caucasus Mountains. Unlike Japanese, Chinese, Hawaiian, and Burmese people who had lost similar lawsuits, they won their case, on the grounds that the term "white" referred to

anyone not "Negro" or "Indian." To Citizenship brought the Armenians the right to own land in California after aliens were barred from owning property in 1913, and some of the state's eighteen thousand Armenian immigrants became major landowners and raisin producers. They arrived at the same time as many Japanese immigrants did, speaking as little English, but zoomed ahead in wealth because of the valuable designation "white."

Court decisions on white status were based on a mix of supposedly scientific criteria and the common understandings of the day, leading to a mess of contradictions. Syrians were deemed white in 1909, 1910, and 1915, but not in 1913 or 1914. Asian

1940 certificate of naturalization for Chinese American woman marks her race as "White."



Indians won white status in 1910, 1913, 1919, and 1920, but not in 1909, 1917, or after 1923.¹⁵⁶ The persistence of immigrants in suing for whiteness is evidence of the financial and social benefits that came with white status. After all, no one sued to be considered Asian, much less black.

A new wave of nativism and anti-Semitism swept the United States in the 1920s. Vice President Calvin Coolidge wrote an article for Good Housekeeping called "Whose Country Is This?" saying, "[B]iological laws show us that Nordics deteriorate when mixed with other races."

New laws stopped the flow of European immigrants. In 1921, Congress enacted a quota system for each European country of origin, limiting the number of new arrivals to 3 percent of the 1910 Census numbers of foreign-borns from each country. Then, in 1924, the quotas were lowered to 2 percent of each group's numbers in the whole population-not just the foreign-born population-of the 1890 Census, which raised the northwest European quotas while lowering all others.188 The Italian quota, for example, fell from forty-two thousand to four thousand, and the Polish quota from thirty-one thousand to six thousand.1[∞] Jewish would-be immigrants, who were scattered among various Eastern European countries, were the most heavily affected; Jewish immigration slowed to a trickle.20 One year after the 1924 legislation took effect, the commissioner of immigration said that virtually all immigrants now "looked exactly like Americans." 201

Quotas posed impossible barriers for many, and those who did arrive from certain undesirable countries were met with discrimination. But despite these various levels of prejudice and barriers to immigration, people already in the United States faced two different degrees of opportunity encoded into law, one for all white people and one for all people of color. This is not to dismiss the struggles against hate and discrimination that white ethnic groups faced in the New World. But they had a degree of government representation and protection that made education, home ownership, livable wages, and savings achievable dreams by the second gencration, at a time when these were impossible for almost all people of color. White immigrants and people of color lived under two different sets of economic rules, both harshbut only one with an escape hatch.

There was a glimmer of hope for people of color in 1917 when the Supreme Court overturned municipal laws barring people of color from moving to majority-white neighborhoods.202 But the real estate industry responded by creating a national code for realtors and bankers to enforce segregated housing and put restrictive covenants into deeds to prevent white home owners from selling to people of color. 201 The code said, "[A] realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individual whose presence will clearly be detrimental to property values in the

neighborhood."204 White people, even noncitizen immigrants of despised ethnic

groups, could almost always live wherever they chose.

THE NEW DEAL: A BETTER DEAL FOR WHITE PEOPLE

Like the colonial period, the Great Depression of the 1930s was an example of a time when the racial wealth gap widened even as white people lost economic ground. The Depression caused greater hardship for people of color than for white people, yet most of the government aid went to whites.

African Americans were laid off at a higher rate than white workers, and as desperate white unemployed people sought any available job, no longer were certain lowstatus occupations, such as hotel, garbage, and domestic work, reserved for black workers.208 In southern cities, over half of African Americans were unemployed by 1932.26 In New York, Philadelphia, Chicago, and Detroit, while the unemployment rate was 23 percent for white men and 14 percent for white women in 1932, for black men it was over 40 percent, and for black women 55 percent. 2011 Industrial wages fell by 20 percent by 1930,308 and black wages were already much lower than white wages.

The Depression did not automatically lead to federal aid to destitute Americans. President Herbert Hoover's administration actually cut government spending in response to falling tax revenues, giving little to unemployed workers besides "pick your-

self up by your bootstraps" advice. 200 Only when threatened with massive organized protest—labor strikes, veterans' marches on Washington, tenant groups blocking evictions—did President Franklin Roosevelt's administration begin to pass its historic proworker legislation.

Key congressional committees were controlled by southern members of Congress, who wanted their white constituents' share-croppers and domestic and agricultural workers to be excluded from any federal aid. Thus, to get his New Deal policies through Congress, Roosevelt made compromises that in effect gave benefits and protections only to mostly white nonagricultural workers.²¹⁰

Public works jobs were offered primarily to white unemployed men; those given to men of color were generally lower-wage, and less skilled jobs.²¹¹ The rules of the Public Works Administration were intended to prevent such discrimination, requiring black men to be hired in proportion to the racial balance in each occupation in the 1930 Census, but these good intentions didn't become the reality.²¹² Southern employers and officials openly defied the antidiscrimination clauses. A Georgia official

said, "There will be no Negroes pushing wheelbarrows and boys driving trucks getting forty cents an hour when the good white men and white women, working on the fields alongside these roads, can hardly earn forty cents a day."213

Union members were sometimes given preference for public jobs, at a time when many unions restricted membership to whites.²¹⁴ Minimum wage rules were sometimes bent to allow employers to pay black workers less, and some employers fired blacks rather than pay them an equal wage.²¹⁵

The Civilian Conservation Corps in 1933 was employing over two hundred thousand white young men and fewer than ten thousand young black men, and housing them in segregated camps in the South. These numbers improved later in the decade; in 1935, 10 percent of CCC workers were black. Despite the efforts of CCC administrators to use the program for black advancement, with implementation left in the hands of racist local officials, most job training and promotions went to white workers. 225

Once the Works Progress Administration (later called the Works Projects Administration) was formed in 1935, two-thirds of the white relief recipients in New York got WPA jobs, while only one-third of black relief recipients were hired. The WPA put over three million people on the federal payroll. Construction projects were chosen at the local level, and in the South tended to benefit white communities.

Wages were set and staff hired at the local level, usually on terms favorable to white workers.²²¹ Of more than 10,000 WPA supervisors in the South, only cleven were black.²²²

Millions of white families survived the Depression with federal paychecks, while most unemployed and impoverished people of color were not hired for public works jobs.

The National Industrial Recovery Act of 1932 was designed to stop the Depressionera trend of lower wages and longer hours by setting federal standards. But minimum wage and maximum hours requirements mostly improved conditions for white workers. Wages in the New York garment industry, which was full of white immigrant workers, rose by 30 percent to 60 percent by 1934.²⁰ On the other hand, when the NIRA set a minimum wage of \$12 a week for cotton workers, plantation owners fired black workers rather than give them such a raise.²⁴

After a wave of militant strikes and union protests, the National Labor Relations Act of 1935 (the Wagner Act) was passed to protect industrial workers' rights to organize unions and bargain collectively with employers, the legal framework that has benefited union workers ever since.²³ But the bill was dubbed the "Negro Removal Act" by bitter African Americans, who saw it as legitimizing whites-only unions.²⁴⁶ Both the labor rights in the Wagner Act²²⁷ and the federal minimum wage established by the Fair

Labor Standards Act of 1938 didn't apply to domestic and agricultural workers, jobs held by most people of color. 224 Among women, 30 percent of white women benefited from the act, while only 10 percent of black women did. 227

In the rural South a higher percentage of white than black families got relief from the Federal Emergency Relief Administration.²³⁰ Benefits in some areas also were higher for whites than for blacks,²³¹ for example \$32 versus \$19 a month in Atlanta.²³² The work programs that white men were steered to continued longer than the relief programs. When federal relief was discontinued in 1935, it was mostly African Americans and white women who lost their source of income.²³⁰

Social security was the broadest and most enduring program created by the New Deal, yet because domestic and agricultural workers were not covered by old age assistance, only among white people were most seniors covered. In 1939, Congress added survivor benefits to Social Security, thereby transferring the mostly white widows of employed men covered by Social Security away from Aid to Dependent Children, which thereafter became a disproportionately African American program—and, not coincidentally, a stigmatized program with benefits far below the poverty line. 119

Foreclosures on homes and farms were part of the downward spiral of the Depression, as banks became cautious about lending. The Home Owners' Loan Corporation (HOLC), created to help home

owners and stabilize banks, gave all of its loans to white home owners, and thus a greater proportion of white home owners avoided losing their homes during the remainder of the Depression.²⁴⁶

The Federal Housing Administration was not explicitly a white program, but realtors and hostile neighbors kept families of color out of white neighborhoods, so in practice it was almost impossible for a family of color to get an FHA loan anywhere. The FHA also encouraged restrictive covenants in deeds to prohibit sales to people of color. Its manuals for appraisers encouraged channeling loans toward white home buyers. It institutionalized the practice of redlining, marking certain neighborhoods as off-limits for loans.

Not only was there discrimination in FHA mortgages, but almost all Veterans Administration mortgages went to white families. Since banks faced less risk with federally insured mortgages, they stopped issuing home loans without such insurance; as a result, the New Deal housing programs actually made it even harder for a family of color to buy a home than during the upsurge of discrimination in the 1920s. This is one of many examples of supposedly raceneutral policies that in fact increased racial disparities in assets.

The Housing Act of 1937 authorized taxfree bonds for local governments to build public housing projects and provided federal subsidies for low-income tenants' rent.²⁴¹ Virtually everywhere, local public housing authorities built projects in segregated neighborhoods and selected tenants by race. Pro example, a huge public housing development of eighty-two thousand apartments was built near Philadelphia with federal underwriting, and it was 100 percent white until the 1960s. Projects developed by the U.S. Housing Projects developed by the U.S. Housing Authority between 1937 and 1942 were for white families, and just forty were racially integrated. White projects tended to be located in suburbs and black projects in inner-city neighborhoods. Projects in inner-city neighborhoods.

The Agricultural Adjustment Administration distributed its aid almost entirely to white farmers.24 Even worse, some planters who were paid to keep their cotton farms idle in order to boost cotton prices evicted their black sharecroppers,247 and the cash aid was used to mechanize farms and lay off black farm hands.200 Because of these unintended effects, the law was amended in 1934 to give tenants half the agricultural assistance payments, but often planters took the checks to apply toward the tenant farmers' debts-and sometimes took them by force when the tenants were black.249 Over 90 percent of the payments meant for tenants went to the landowners.250

Similarly, the Farmers Home Administration (FH) gave loans to help mostly

white farmers keep their farms. Later, in the 1950s, FH loans were sometimes denied to black farmers in retaliation for joining the NAACP or registering to vote.²⁵¹

During President Roosevelt's second term, the forces within the federal government opposed to racial discrimination gained strength, and the number of WPA jobs and the amount of relief going to African Americans increased. But racist local governments continued to find ways not to cooperate with federal rules and to channel aid to white people. 201

The New Deal is frequently held up today as a model for the positive effects of an activist government. And for white Americans, it is true that programs created in the 1930s wove an almost Europe-like safety net. But the overall effect of the New Deal on the racial wealth gap was to widen and institutionalize it. Millions more white families owned homes, belonged to unions, and counted on social security checks for retirement at the end of the 1930s than at the beginning. Americans of color, on the other hand, ended the decade shut out of home ownership and stuck in segregated neighborhoods, dislocated from rural southern communities, impoverished and with a chronically high unemployment rate.244

WORLD WAR II AS A BOOST TO WHITE PEOPLE

When the United States entered World War II, defense jobs opened up for people unemployed during the Depression, including people of color, but even more for whites. The defense industry openly discriminated against African Americans. For example, the North American Aviation company issued a statement in 1941 saying. "While we are in complete sympathy with the Negro, it is against company policy to employ them as aircraft workers or mechanics... regardless of their training.... There will be some jobs as janitors for Negroes." 255

Not only did the Roosevelt administration not object to this discrimination, it responded to the growth of the defense industry by terminating some New Deal programs, including the relief program that aided many still-unemployed people of color. White median income in 1947 was double the black median income, according to the U.S. Census.

The most blatant transfer of assets from people of color to white people during the war was the internment of 110,000 Japanese Americans, two-thirds of them U.S. citizens, from 1942 to 1945. The rationale was that they might have loyalty to an enemy nation, but racism was clearly involved, as German and Italian Americans were not interned, and neither were

Japanese people in Hawaii, where racial attitudes were less biased.²⁵⁹

With Japanese people under deadline to dispose of their homes and businesses,²⁶⁰ white neighbors and speculators bought Japanese farms, houses, and businesses at a fraction of their worth, enriching themselves at their interned neighbors expense.²⁶¹

After the war, many New Deal programs, including the Fair Employment Practices Committee, were dismantled by a congressional coalition of southern Democrats and northern Republicans. This meant that the massive discrimination faced by the returning GIs was not against federal law.

PART OF THE ST. WASTELL

The Servicemen's Readjustment Act of 1944, better known as the GI Bill, provided a number of benefits to servicemen returning from World War II. Benefits included help in job placement, unemployment compensation for up to a year after returning, mortgage loans, and tuition for up to four years of education and training. 263

Of sixteen million returning veterans, over two million went to college on the GI Bill, and over five million went to vocational school.²⁴ They were by far disproportionately white. Many went into well-paid professions: 450,000 became engineers; 240,000, accountants; 238,000, teachers;

91,000, scientists; 67,000, doctors; 22,000, dentists; 17,000, writers and editors.²⁰⁵

Job placement was run by the United States Employment Services (USES). Local USES centers had discretion over who got placements and unemployment benefits, and white staff funneled the good jobs and benefits to white veterans. White veterans in job-training programs learned radio repair, machine and electrical work, photography, carpentry, business, and diesel engineering; black veterans learned dry cleaning and tailoring. While black veterans were being referred to menial jobs, 86 percent of the referrals to skilled jobs were to whites.

Another major benefit under the GI Bill was low-interest, long-term mortgage loans for first-time homebuyers insured by the Federal Housing Authority (FHA) and the Veterans Administration. 2014 Most of these loans went to white veterans buying homes in the suburbs; with these loans, suburban home ownership became cheaper than rent-

ing in the inner city.269 In St. Louis County between 1943 and 1960, for example, five times as many FHA mortgages were issued to the mostly white area of the county as were given to those in the racially mixed city of St. Louis.20 Of the 67,000 mortgages insured under the GI Bill in New York and the suburbs of northern New Jersey, over 66,900 went to white veterans.21 The number of homes in the United States grew by 13 million from 1945 to 1954, and 40 percent of them were purchased with Veterans Administration mortgages." A total of \$120 billion in new housing was financed by the VA and FHA by 1962, 98 percent of it for white home owners.23

Many billions of dollars of equity were accumulated by white people thanks to government help not available to people of color. These FHA and VA recipients are the parents of the baby boomers, and their homes form a substantial part of the recordsetting \$10 trillion in inheritance now being passed down to the baby-boom generation.

SUBURBAN SPRAWL

Thanks to discriminatory postwar policies, as the 1950s progressed, more and more white people lived in new suburban homes, and more and more people of color lived in overcrowded and substandard inner-city apartments.

The flood of government money turning white families into suburban property own-

ers included not just mortgage insurance, but also the construction of water and sewer systems for the new suburbs. The suburbs also got a boost from the federal government through highway construction. The building of roads to connect suburban commuters with downtown workplaces—for example, in Los Angeles, Houston, and St.

Louis—destroyed already scarce housing in neighborhoods of color, while increasing options for white families.²⁵

The population of white people in the suburbs increased by twenty-two million from 1960 to 1977, four million of them moving from central cities. Meanwhile, the inner-city black population rose by six million, and the number of African Americans in the suburbs grew by only half a million. To In the suburbs, ethnic differences among white people grew less important, and they began to define themselves simply as "white," in contrast to people of color. To Corporations began to close urban manufacturing plants and relocate them in the suburbs, convenient to white job seckers.

A study of home ownership in greater Los Angeles found that white people were more likely to become home owners and tended to buy earlier in life than black people, and that that gap was wider in 1980 than in 1970.²⁷⁶ White people paid 15 percent less than black people for similar housing in the same neighborhood, the study also found.²⁷⁰

Not only did white Americans need less money for real estate, but they also continued to have more income. The white unemployment rate was always much lower than that of other racial groups, and white wages were always higher. A study by the Office of Urban Programs at the University of California at Berkeley School of Business Administration analyzed how much white people would have lost if they had had the same unemployment rates and wage levels of

African Americans from 1929 to 1984. They concluded that the difference would be \$638 million in 1984 dollars. Another group of economists concluded that employers gained \$25 billion in 1980 by paying African American workers less than white workers. As of 1984, white median income was \$24,000 and black median income was \$13,000.

Nevertheless, white Americans perceived blacks' small gains after the Civil Rights Movement as much greater than they actually were. This misperception was one basis for the white backlash in the 1970s and 1980s. Author Martin Carnoy describes this trend in Faded Dreams:

...

In the 1970's, white working- and middle-class backlash against the black power movement and against black economic gains became a major political factor that shaped government action. Ronald Reagan's election would not have been possible without it—neither probably would have been the high-unemployment/low-wage economic strategy pursued by both Carter and Reagan. Most members of the white working class who voted for a conservative approach to economic growth—Reagan Democrats and blue-collar southern Republicans—did so because they blamed economic problems on government antipoverty and other social programs inextricably identified with inner-city blacks.**

Later, he reports a

[b]acklash against affirmative action . . . was a building block of the new politics. So were

antiunionism, low inflation, and, implicitly, slow or no growth in real wages and greater income inequality. The last two should have been very unpopular with the mass of American voters, but when presented as a precondition of economic competitiveness, economic growth, and lower tax rates, they lost their negative edge. Conservatives were also successful in making "welfare" spending a symbol of New Deal economic policy. They

blended minorities of color and welfare into inseparable images and, to boot, expanded the minority identity to include crime and violence. As inflation rose and real wages fell, economic insecurity increased in the white working class. . . . Insecurity and fear fueled the success of conservative politics, which in turn played to rising popular feelings among whites against social spending, taxes, and affirmative action.

HANGING ONTO JOBS DURING DEINDUSTRIALIZATION

Millions of industrial workers lost their jobs in the waves of plant closings in the 1970s and 1980s, but white workers were less heavily affected by deindustrialization than workers of color, in part because of government policies. Just from 1966 to 1973, corporations moved over a million American jobs to other countries.26 Even more jobs moved from the Northeast and Midwest regions to the South, where unions were scarce and wages were lower. New York City alone lost six hundred thousand manufacturing jobs in the 1960s.287 This trend concentrated wealth in fewer hands. Working people overall had lost 4 percent of national income by 1975 due to foreign investment by U.S. corporations.200

Federal policy encouraged plant closings and did very little to mitigate their effects. Tax credits for foreign investment and foreign tax payments encouraged companies to move. While deindustrialization was happening in the 1970s, the federal government spent more in the southern states than in the affected areas: the Northeast and Midwest states averaged 81¢ in federal spending for each tax dollar they sent to Washington; southern states averaged \$1.25. 200 As plants closed, laid-off workers suffered thirty times the suicide rate of Americans as a whole, as well as more alcoholism and physical and mental illness. 200 Meanwhile, companies passed the benefits from lower wages onto their mostly white shareholders.

Media images of these displaced workers usually showed young white men. But, in fact, they were disproportionately African American. The U.S. Commission on Civil Rights found that during the recession of 1973 to 1974, 60 percent to 70 percent of laid-off workers were African American in places where they were only 10 percent to 12 percent of the workforce. In five cities in the Great Lakes region, the majority of

black men employed in manufacturing lost their jobs between 1979 and 1984.⁵⁹² One reason was seniority: white workers had been in their jobs longer, and so had an advantage for keeping them during cutbacks.

Another reason was geography. Just a couple of generations after blacks and Puerto Ricans moved to northern industrial cities for the jobs, the jobs disappeared.²⁹ The northern cities that lost the most jobs were some of those with the largest populations of people of color,²⁹⁴ and they sank into poverty and chronically high unemployment as few heavily white areas did.

White families also had more of a cushion to survive job losses than black families. In 1971, black median income was 60 percent of white median income; by 1980, the portion had fallen to 58 percent.²⁹

As dramatic as the shift of jobs from the North to the South and overseas was, the shift of jobs from the city to the suburbs was equally drastic. In the 1950s and 1960s, white people moved to the suburbs and commuted to the city; in the 1970s and 1980s their jobs joined them in the suburbs. The majority of new manufacturing jobs in the 1970s were located in the suburbs, while manufacturing employment fell almost 10 percent in center cities. In the Los Angeles area, for example, plants were closing in the city while plants opened in

the San Fernando Valley and Orange County, then mostly white areas.²⁰⁰ Suburban white people had a greater and greater geographic edge in job hunting.

But white working-class men did in fact have fewer well-paying unionized manufacturing jobs available to them by the 1980s than in the postwar industrial boom, and this setback fueled the politics of backlash.

As runaway inflation and plant closings made most Americans less economically secure in the late 1970s, right-wing think tanks and politicians pointed to the modest progress of African Americans as a cause for white working-class troubles, "Unqualified black people took your jobs" became a rallying cry. Of course, black progress did not cause stagflation or deindustrialization. In fact, any particular jobs or benefits forgone by white workers because black people now shared some access to government largesse were no doubt dwarfed by the many jobs and tax revenues created by the now higher earnings and spending of African Americans. But the progressive voices saying this commonsense view were often drowned out by right-wing voices. The New Deal coalition, with its vision of an activist government, began to unravel, as some white voters began to vote for more conservative politicians, putting their perceived racial interests ahead of the economic interests they shared with people of color.

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AFFIRMATIVE ACTION FOR WHITE PEOPLE BEGINS A COMEBACK IN THE 1980S

The Reagan administrations of the 1980s made dramatic policy shifts in favor of white people. In a few cases, such as affirmative action reversals, policy changes were explicitly based on racial categories. But more often, the racially disparate effects were de facto (in practice), not de jure (in law). Decisions about budget cuts, farm subsidies, and criminal justice were made without explicit reference to race but had the effect of advantaging white people, while harming people of color.

Sometimes the white backlash cut off its nose to spite its face, as budget reductions aimed at people of color in fact made white working-class people more economically insecure as well. Some economists have shown how white wages are kept lower because of the divide-and-conquer effects of racial discrimination. When the income gap between people of color and white people is wider, white average incomes are lower; when the gap is smaller, white average incomes are higher. To In 1985, black median income was only 58 percent of white median income, according to the U.S. Census Bureau.

Republican Party rhetoric since the 1980s has implied that only people of color need government help, due to their own character flaws, while white people are home owners and overburdened taxpayers employed in the private sector. Of course, this is not true: poor people in the United States have always been mostly white, and millions of white renters and white unemployed and underemployed people have benefited from government antipoverty programs. White women were major beneficiaries of affirmative action. But the rhetoric was persuasive in convincing lower-income white people to vote in a block with white financial elites.

In his provocative book The Possessive Investment in Whiteness: How White People Profit from Identity Politics, George Lipsitz describes how conservative politicians have persuaded white voters to act against their own economic interests:

By generating an ever repeating cycle of "moral panics" about the family, crime, welfare, race, and terrorism, neoconservatives produce a perpetual state of anxiety that obscures the actual failures of conservatism as economic and social policy, while promoting demands for even more draconian measures of a similar nature for the future. The neoracism of contemporary conservatives plays a vital role in building a countersubversive consensus because it disguises the social disintegration brought about by neoconservativism itself as the fault of "inferior" social groups, and

because it builds a sense of righteous indignation among its constituents that enables them to believe that the selfish and self-interested politics they pursue are actually part of a moral crusade. 301

President Reagan cut the budgets of most domestic federal programs, most notably housing. Military spending was the only area that greatly increased during the Reagan administrations, and the military procureindustries disproportionately employed white men. In 1985, a group of economists projected the racial employment effects of a hypothetical shift of a million jobs to military supply industries like aerospace, communications, and electronics and away from health, education, and social services, based on 1980 gender and race employment data. They found that white men would gain 386,000 jobs from the shift, white women would lose 320,000, black men would break even, and black women would lose 66,000 jobs. 402

Affirmative action programs, which had begun in the 1970s to put some small limits on historic white and male advantages, were first eroded by court challenges before President Reagan took office. The 1978 Regents of the University of California v. Bakke case sounded a warning bell of attacks to come. 303 Allan Bakke sued the University of California at Davis medical school for rejecting his application, claiming his grade

point average (GPA) was higher than sixteen students of color who had been admitted. But the facts don't bear out his claim that he was discriminated against because he was white: his GPA was also higher than thirty-six white students admitted, and lower than at least one student of color. Bakke had also been turned down by several other medical schools with no affirmative action programs, probably in part because he was thirty-six years old. September 1997.

There were also five students admitted that year because their parents had attended or donated to the school, and his suit did not object to their admissions. In fact, there have been no legal challenges to so-called legacy admissions to colleges anywhere in the United States. Since the 1950s, 20 percent of Harvard undergraduates have been admitted because their parents had gone to Harvard. In California and Virginia, out-of-state children of alumni of the state universities have been given the same preference as in-state applicants. MO

Bakke, in short, was an opportunist with a racial ax to grind. However, the Supreme Court did order him admitted to the medical school and prohibited quotas for particular numbers of people of color, while upholding in vague language the validity of affirmative action efforts to create an overall diverse student body. This decision opened the door to more white people to try to use the courts to get college admissions and jobs they otherwise wouldn't have gotten.

In 1986, the Supreme Court overturned a

collective bargaining agreement in Michigan that preserved diversity among teachers by allowing layoffs of senior white teachers instead of newer black teachers to remedy past discrimination. Justice Powell, writing for the majority, wrote "the rights and expectations surrounding seniority make up what is probably the most valuable capital asset that the worker 'owns,' worth even more than the current equity in his home." ³⁰⁰ While this was no doubt true of the experienced white teachers, the income security of teaching jobs was certainly an even greater share of the assets of the newer black teachers.

In Richmond, Virginia, white contractors had been given 99.33 percent of city construction business between 1973 and 1978, even though half the population was African American. A City Council decision to set aside 30 percent of construction contracts for businesses owned by people of color was overturned by the Supreme Court, allowing the historic white advantage to continue. Justice O'Connor explained why the discrepancy in contracts was not necessarily due to discrimination by saying, "Blacks may be disproportionately attracted to industries other than construction."

After these setbacks, colleges, government agencies, and employers had to circumscribe their affirmative action programs to very narrow goals and activities to avoid federal lawsuits.

Attacks on affirmative action grew more organized and bolder in the 1990s. Organizations such as the Center for Individual Rights (CIR) actively solicited white plaintiffs willing to sue to re-establish white advantages. Their first cases were all against state universities with affirmative action programs, in Texas, Michigan, and Washington state, with mixed results. In 2002 CIR's Michigan case was considered by the Supreme Court, which upheld the looser of the two contested programs and banned the more energetic and numerical one.

After California's Proposition 209 was approved by voters in 1996, black admissions to the University of California at Berkeley's Boalt Hall School of Law dropped 80 percent the next year.³¹⁴ The voters enabled many more white people to become lawyers than would have done so if the school had been free to set its own admissions policy.

The results of all these policies of the 1980s on the racial wealth gap were striking. White people gained assets during the decade, increasing their median net worth from \$71,500 in 1983 to \$84,900 in 1989. African American net worth, meanwhile, fell from \$4,800 to \$2,200 over the same period, and Latinos' fell from \$2,800 to \$1,800.

THE NINETIES BOOM WENT MOSTLY TO WHITE ELITES

The economic boom of the 1990s was a bust for those without assets. Stock prices and home prices soared, while wages first stagnated, and then rose very slowly. Those who got rich were those who owned stock and real estate—mostly wealthy white people. Over 85 percent of stock market gains from 1989 to 1997 went to the wealthiest 10 percent of Americans.¹¹⁵

In 1998, the Federal Reserve's Survey of Consumer Finances found that just over half of white households owned stock; only 30 percent of African American households did. In And on average, white households with stock own five times as much as black stockowners; 23 percent of total white households' assets are invested in stock, compared with only 11 percent of total black households' assets. In

Similarly, home ownership was more common among white people in the 1990s. From 1992 to 1998, the white home ownership rate rose from 69 percent to 72 percent. 318 Meanwhile, black home ownership actually fell from 48 percent to 46 percent, and Latino home ownership rose just slightly, from 43 percent to 44 percent. 318 Most white families could take advantage of the real estate boom, and most families of color could not.

Largely as a result of the growing values

of stock and real estate, white families' median net worth rose from \$71,300 in 1992 to \$120,989 in 2001, while the net worth of most families of color actually fell.

The growing sectors of the U.S. economy in the 1990s created jobs that required computer skills and other advanced education. And this education was easier for white people to get, in part because of government policies.

First, white students tend to go to better funded schools from kindergarten through twelfth grade. The non-profit Education Trust analyzed Census Bureau data to compare state and local funding based on the predominant race of the school district. They found that the quarter of districts with the highest white enrollment got \$6,684 per student, \$902 more than those with the lowest white enrollment. In twenty-two states, the state sends substantially more money per student (\$100 or more) to the whitest quarter of school districts. For example, New York sends \$1,339 more.

At the college level, the government assistance that students of color especially depend upon has been harder to get. During the 1980s, tuition rose 146 percent at private colleges, but Pell grants (the main federal scholarship program) only rose 47 percent. As a result, students turn to loans more than

in the past. Nellie Mac, a national lender of student loans, found that the median student loan debt was \$13,000 in 1997, and almost all students also had additional debt, such as credit card debt.³² Nellie Mae surveyed students who dropped out and didn't finish their undergraduate degrees, and found that students of color were more likely to cite excessive debt as their reason for dropping out than white students were.³² Thus, the higher education needed for the well-paying jobs in the new high-tech economy has been more targeted than in the past to students whose parents can afford the tuition—disproportionately white students.

In 2003, President Bush weighed in against "racial preferences" in the University of Michigan's admissions policy, then under consideration by the Supreme Court. As usual, the twenty-point advantage given to black, Latino, and Native American applicants was the only one under attack, not the ones that favored whites. Students from low-income backgrounds also got twenty points, but these points couldn't be combined with points for race, so in effect they boosted low-income white and Asian students."

Applicants from the Upper Peninsula, a rural

white area, got sixteen extra points on the 150-point scale,18 Graduates of the highestquality high schools-mostly white-got another ten points, and those who took Advanced Placement and honors classesnot as available in schools with predominantly students of color-got another eight points. And then of course there is the kind of preference that the president himself benefited from, the legacy advantage given to children of alumni, which at Michigan earned four points.124 Compared to just twenty points awarded by race, this added up to fifty-eight points available to an almost all-white pool of students and unavailable to almost all applicants of color. Antiracism activist Tim Wise comments, "But while the first of these are seen as examples of racial preferences, the second are not, hidden as they are behind the structure of social inequities that limit where people live, where they go to school, and the kinds of opportunities they have been afforded. White preferences, the result of the normal workings of a racist society, can remain out of sight and out of mind, while the power of the state is turned against the paltry preferences meant to offset them."327

CONCLUSION: WHITE RESPONSIBILITY TO INSIST ON ASSET-BUILDING ASSISTANCE FOR ALL

How much money did all these advantages in government policy bring to white people?

Melvin Oliver and Thomas Shapiro in their 1995 book Black Wealth/White Wealth found that differences in income, occupation, and education only accounted for about 29 percent of the difference between white and black families' assets in 1988; over 70 percent of the difference was related just to race. They called this "the costs of being black," but it could also be called the benefit of being white. In 1983, David Swinton estimated that 40 percent to 60 percent of the difference in income between black and white Americans came from present and past discrimination, and he calculated a total \$500 billion debt to African Americans.

The debate over reparations for slavery has brought a flood of defensive reactions from white people, all claiming they aren't to blame and haven't benefited from racism. Are individual white people to blame for the legacy of discrimination in government assistance? In most cases, no. But as beneficiaries of white advantages in a democracy supposedly based on the principle that "all [humans] are created equal," white people have a responsibility to speak up for widen-

ing the circle of government support to include everyone.

Clearly, government assistance in asset development works: after centuries of preferential treatment in land policy, farm aid, housing subsidies, the safety net, education, etc., white people's net worth is much greater than people of color's net worth.

Clearly, the nation would benefit if people of color with no assets had the security of home ownership, good education, fair pay, savings, and retirement accounts.

Clearly, people of color alone, as 30 percent of the population, can't form a big enough voting block to successfully lobby for broad-based asset development programs that don't exclude them. White people need to step up to the plate as allies to organized efforts by people of color to win racial justice.

This is not only a moral imperative, but a pragmatic one as well. When the U.S. economy no longer systematically undervalues certain racial groups and nationalities, the floor will rise for all working people, including whites. As populist Jim Hightower says his daddy told him, "We all do better when we all do better."

Chapter 7.

RAINBOW ECONOMICS: CLOSING THE RACIAL WEALTH DIVIDE

To be a poor man is hard But to be a poor race in a land of dollars is the very bottom of hardship.

-W.E.B. DuBois

THE COLOR LINE IN THE TWENTY FIRST CENTURY

One hundred years ago, in 1903. W.E.B. DuBois prophetically wrote, "The problem of the twentieth century is the problem of the color line." Unfortunately, the problem of the twenty-first century is still the color line.

DuBois's quote about being a "poor rate in a land of dollars" is also important to the economic unity of our nation. When everyone is in a roughly similar economic similarity of our nation. When everyone is in a roughly similar economic similarity people do not feel poor or resentful of others. There are, still those among us who remember being children during the Depression of the 1930s. When it was the entire community that was down and out, and

THE COEOROF WEALTH

The Story Behind the
U.S. Racial Wealth Divide

Meizhus Liu, Barbara J. Robles, Betsy Leondar Wright, Rose M. Brewer, and Rebecca Adamson Wira Uniong For a Para Economy



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