

## Faculty Perspective

## New Deal, Raw Deal: How Aid Became Affirmative Action for Whites

By Ira Katznelson

Hurricane Katrina's violent winds and waters tore away the shrouds that ordinarily mask the country's racial pattern of poverty and neglect. Understandably, most commentators have focused on the woeful federal response. Others, taking a longer view, yearn for a burst of activism patterned on the New Deal. But that nostalgia requires a heavy dose of historical amnesia. It also misses the chance to come to terms with how the federal government in the 1930s and 1940s contributed to the persistence of two Americas.

It was during the administrations of Franklin Roosevelt and Harry Truman that such great progressive policies as Social Security, protective labor laws and the GI Bill were adopted. But with them came something else that was quite destructive for the nation: what I have called "affirmative action for whites." During Jim Crow's last hurrah in the 1930s and 1940s, when southern members of Congress controlled the gateways to legislation, policy decisions dealing with welfare, work and war either excluded the vast majority of African Americans or treated them differently from others.

Between 1945 and 1955, the federal government transferred more than \$100 billion to support retirement programs and to fashion opportunities for job skills, education, homeownership and small business formation. Together, these domestic programs dramatically reshaped the country's social structure by creating a modern, well-schooled, homeownership middle class. At no other time in American history had so much money and so many resources been targeted at the generation completing its edu-



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cation, entering the workforce and forming families.

But most blacks were left out of all this. Southern members of Congress used occupational exclusions and took advantage of American federalism to ensure that national policies would not disturb their region's racial order. Farmworkers and maids, the jobs held by most blacks in the South, were denied Social Security pensions and access to labor unions. Benefits for veterans were administered locally. The GI Bill adapted to "the southern way of life" by accommodating itself to segregation in higher education, to the job ceilings that local officials imposed on returning black soldiers and to a general unwillingness to offer loans to blacks even when such loans were insured by the federal government. Of the 3,229 GI Bill-guaranteed loans for homes, businesses and farms made in 1947 in Mississippi, for example, only two were offered to black veterans.

This is unsettling history, especially for those of us who keenly admire the New Deal and the Fair Deal. At the very moment a wide array of public policies were providing most white Americans with valuable tools to gain protection in their old age, good jobs, economic security, assets and middle-class status, black Americans were mainly left to fend for themselves. Ever since, American society has been confronted with the results of this twisted and unstated form of affirmative action.

A full generation of federal policy, lasting until the civil rights legislation and affirmative action of the 1960s, boosted whites into homes, suburbs, universities and skilled employment while denying the same or comparable benefits to black citizens. Despite the prosperity of postwar capitalism's golden age, an already immense gap between white and black Americans widened.

Even today, after the great achievements of civil rights and affirmative action, wealth for the typical white family, mainly in homeownership, is 10 times the average net worth for blacks, and a majority of African American children in our cities subsist below the federal poverty line.

President Lyndon Johnson faced up to racial inequality in "To Fulfill These Rights," a far-reaching graduation speech he delivered at Howard University in June 1965. He noted that "freedom is not enough" because "you do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others,' and still justly believe you have been completely fair." What is needed, he argued, is a set of new policies, a dramatic new type of affirmative action for "the poor, the unemployed, the uprooted and

the dispossessed." He had in mind the kind of comprehensive effort the GI Bill had provided to most returning soldiers, but without its exclusionary pattern of implementation. This form of assertive, mass-oriented affirmative action never happened.

By sustaining and advancing a growing African-American middle class, the affirmative action we did get has done more to advance fair treatment across racial lines than any other recent public policy, and thus demands our respect and support. But as the scenes from New Orleans vividly displayed, so many who were left out before have been left out yet again.

Rather than yearn for New Deal policies that were tainted by racism, or even recall the civil rights and affirmative action successes of the 1960s and beyond, we would do better in present circumstances to return to the ambitious plans Johnson announced but never realized to close massive gaps between blacks and whites, and between more and less prosperous blacks.

Without an unsentimental historical understanding of the policy roots of black isolation and dispossession, and without an unremitting effort to cut the Gordian knot joining race and class, our national response to the disaster in the Gulf Coast states will remain no more than a gesture.

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American middle class by providing opportunities for education and homeownership to the 16 million soldiers after World War II. Katznelson writes that "there was no greater instrument for widening an already huge racial gap in postwar American than the GI Bill." This was because Southern lawmakers had insisted upon the benefits being administered at a local level.

Katznelson concludes with the plea for the Supreme Court to embrace a set of new, more far-reaching New Deal-type programs on the grounds that thus far, such policies have benefited mainly whites.

## The Advantage of an Historical Approach

In remarks delivered at the start of the symposium, Marcellus Blount, associate professor of African-American literary and cultural studies at Columbia, applauded Katznelson for showing how affirmative action has failed to dislodge policies of racial inequal-

ity that were already deeply embedded in America's political system. "We are involved in the past at the present moment," he noted.

Thomas Sugrue, a University of Pennsylvania historian who specializes in race relations, said that he appreciated Katznelson's point that racial bias had informed the implementation of New Deal legislation. "When Affirmative Action Was White describes the powerful vision of a robust notion of entitlement and citizenship" that was primarily for the benefit of poor whites, he stated.

IRAAS founder Manning Marable praised Katznelson's book as "how political history should be written." The "treacherous history" of equal access and full opportunity must be understood before it can be transcended, he said.

## Relevance for Current Policy

Sugrue was pessimistic that the present Supreme Court would rule in favor of

Katznelson's affirmative action recommendations as the court relies on an historical view of evidence of discrimination. Setbacks like 1996's California proposition 209, which prohibits any consideration of race in activities carried out by the state government, have made it possible for the history of the struggle to be "erased from national memory," he said.

Sudhir Venkatesh, director of research at IRAAS, argued that as the law is a demystified form of state capitalism, it will always favor the "artificially constructed mainstream" that asks: "Why can't urban poor blacks act more like us?"

Jennifer Hochschild, a Harvard professor of African and African-American studies, posed basic questions about the programs that would grow from the findings of Katznelson's book: what were they, how would the recipients be chosen, and how exactly would these programs be carried out? If, as the book

contends, two-party competition led to the problems that Katznelson describes, then how do we get to a solution?

Leading public intellectual Cornel West, now a professor of African-American studies and religion at Princeton, suggested that every policy has three phases: vision, codification and execution. Katznelson's book, he noted, supports the idea that affirmative action has reached its third phase, where it needs to target white supremacy before it can be fully implemented.

## Implications for Katrina Relief Measures

Most of the symposium participants concurred with West's observation that the Gulf Coast disaster had been a "social rendering." Venkatesh pointed out that there were "enormous limits" to providing the necessary social remedies to hurricane victims. Housing mobility vouchers, for example, are premised in legal concepts based on the

rights of individual householders. As the African-American world tends to consist of social networks and extended families, many of the victims are unlikely to qualify for state assistance, he said.

The author himself, however, was more optimistic. In his closing remarks, Ira Katznelson told of his pediatrician-daughter's volunteer efforts on the Gulf Coast. Describing how people from "utterly different worlds" came together, she said that their collaboration was "changing politics on the ground."

Katznelson concluded by reiterating that "we all share responsibility to imagine possibilities that guide us to a better place." He went on to thank the symposium participants for rising to the challenge posed by his book, to "imagine and craft policies that act as corrective justice."

As New Deal politicians began constructing government programs to deal with welfare, work, and war in the 1930s and 1940s, they deliberately excluded or treated differently the vast majority of African Americans. The central reason, according to Katznelson, was because Democratic leaders needed the support of southern representatives in Congress to pass their ambitious legislative programs. The result was that federal aid in the South became contingent on southern Jim Crow. At the exact moment when the "activist" state was giving whites the tools to create a robust middle class, African Americans were being systematically isolated from the benefits of public assistance. Stated differently, "affirmative action" did not emerge as a new program in the late 1960s. The New Deal was a series of programs, public work projects, financial reforms, and regulations enacted by President Franklin D. Roosevelt in the United States between 1933 and 1939. Major federal programs and agencies included the Civilian Conservation Corps (CCC), the Civil Works Administration (CWA), the Farm Security Administration (FSA), the National Industrial Recovery Act of 1933 (NIRA) and the Social Security Administration (SSA). They provided support for farmers, the unemployed, youth and Instead, the New Deal did the opposite. The FHA promoted racial covenants and other instruments of segregation through underwriting standards discouraging home loans in areas "infiltrated" by "inharmonious racial or nationality groups." The rationale was the government's need to protect its investment, and those of white homeowners, against the threat African American neighbors would pose to property values. Two decades of Democratic dominance in Washington were indeed a time "When Affirmative Action Was White," as the title of historian Ira Katznelson's 2005 book about the period suggests. And, as Rothstein shows, the effects lingered for decades. Homeownership was a key path to wealth in postwar America, yet many blacks were excluded. The Harvard affirmative action trial parsing claims the school discriminates against Asian-American applicants culminates decades of white Americans erasing the history of their own debt to government largesse under Franklin D. Roosevelt's New Deal. White Americans Were Affirmative Action's Original Beneficiaries. Now, Many of Them Want It Dead. By Zak Cheney-Rice. Abigail Fisher in front of the United States Supreme Court. Photo: J. Scott Applewhite/AP/REX/Shutterstock. Affirmative action is dying a slow death, and its goals are far from realized. The New Deal was a series of programs and projects instituted during the Great Depression by President Franklin D. Roosevelt that aimed to restore prosperity to Americans. A Second New Deal was put in place shortly thereafter as a way to continue the country's economic recovery. Over the next eight years, the government instituted a series of experimental New Deal projects and programs, such as the CCC, the WPA, the TVA, the SEC and others. Roosevelt's New Deal fundamentally and permanently changed the U.S. federal government by expanding its size and scope—especially its role in the economy. New Deal for the American People.