## **Curing What Ails Us**

How COVID-19 reveals what's wrong with our economy and what working people are doing to fix it

# **RACE AS A WEAPON**

In a culture of white supremacy, government and business are fighting workers' efforts to join forces across all races

By Patrick McHugh, Budget & Tax Center Research Manager, with Alexandra Forter Sirota, Budget & Tax Center Director

R acism, both overt and subtle, is among the most powerful weapons that rich business interests have ever wielded against working people. Many of the laws that have left working people's lives and livelihoods at risk during COVID-19 were originally passed to preserve white supremacy, particularly in the South. With ruthless precision, white supremacist state and federal legislators have undermined working people's ability to unite across racial lines to secure a bigger part of the economic pie.

"Our needs are identical with labor's needs — decent wages, fair working conditions, livable housing, old age security, health and welfare measures, conditions in which families can



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Martin Luther King Jr. in Washington, D.C. Photographer: Warren K. Leffler. Photo via Library of Congress, <u>https://www.loc.gov/item/2011648312/</u>.

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grow, have education for their children and respect in the community. That is why Negroes support labor's demands and fight laws which curb labor. That is why the labor-hater and labor-baiter is virtually always a twin-headed creature spewing anti-Negro epithets from one mouth and anti-labor propaganda from the other mouth," said the Rev. Martin Luther King Jr. in a 1961 speech to AFL-CIO.<sup>1</sup>

#### **Right to work (for less)**

Early proponents of what were branded "right-towork" laws weren't shy about their racist motivations. Seeing how integrated union organizing could upend the system of subjugation that Southern business elites relied on to maintain their economic power, they stoked

Dr. Martin Luther King, "1961 Speech to the AFL-CIO," https://hornbakelibrary.wordpress.com/2016/01/18/martin-luther-king-jr-s-speech-to-afl-cio/.

racial fears among white workers and legislators. One of the most powerful lobbyists of the day, Vance Muse, was particularly plain-spoken about what he was up to, saying, "White women and white men will be forced into organizations with Black African apes whom they will have to call 'brother' and 'sister' or lose their jobs."<sup>2</sup> Backed by Southern business elites, the Christian American Association, Muse's organization, played a key role in pushing through the first wave of right-to-work laws during the 1940s.

The North Carolina General Assembly took its first step to stamp out worker organizing in 1947 by passing a bill prohibiting union shops from automatically enrolling new employees. Labor agreements that required new employees to join unions had been key to preserving unions' bargaining position and preventing non-union workers from benefitting from union contracts without paying union dues. The bill — passed through both the NC House and Senate on voice votes so elected representatives could dodge responsibility for assailing working people's ability to organize — dramatically undermined unions' ability to counter-balance the power of white supremacist business owners. Decades later, this piece of legislation is a major reason North Carolina has one of the lowest unionization rates in the country.

Unions were recognized as a threat to white supremacy: "Among other things, they propose to overthrow white supremacy in the South and vote great masses of the ignorant for their foul purposes,"<sup>3</sup> North Carolina Sen. Josiah Bailey said about how he perceived the ambitions of the Congress of Industrial Organizations, which had successfully organized tens of thousands of Black and white workers in North Carolina.

North Carolina went further in 1959 with a ban on public sector unionizing, a prohibition that stands today. As was the case for many of these laws, racial fears were woven into the campaign. As N.C. State University historian David Zonderman observed, "Spurred by fears of union corruption, communism, and (gasp) Black and white people organizing together for better jobs and higher wages, the North Carolina legislature imposed a prohibition on public workers

**"The Southerners** by reason of the seniority rule in **Congress are chairman** or occupy strategic places on most of the Senate and House committees. If I come out for the antilynching bill now, they will block every bill I ask Congress to pass to keep America from collapsing. I just can't take that risk." - President Franklin **D. Roosevelt about** efforts to pass his New **Deal legislation.** 

collectively bargaining for a legal contract.<sup>24</sup> Now in the time of COVID-19, public servants deserve more leverage to demand adequate health protections, hazard pay, and other measures that would insulate them from the worst impacts of this pandemic.

<sup>2</sup> Pablo Ros, "The Racist Roots of Right to Work" (American Federation of State, County, and Municipal Employees, n.d.), <u>https://www.afscme.org/blog/the-racist-roots-of-right-to-work</u>.

<sup>3</sup> Josiah Bailey, "Congressional Record: Proceedings and Debates of the 80th Congress, First Session" 93, no. 10 (1947): A603.

<sup>4</sup> David Zonderman, "A Last Vestige of the Jim Crow Era," NC Policy Watch (blog), April 29, 2009, <u>http://www.ncpolicywatch.com/2009/04/29/a-last-vestige-of-the-jim-crow-era/</u>.

#### No New Deal for most Black people in the South

Having gotten rich by exploiting Black labor and preserving conditions not so far removed from outright slavery, Southern business elites correctly saw the New Deal as a direct threat to white supremacy. Terrified at the prospect of losing their ability to use economic and physical violence to control Black people in the South, business tycoons and their elected

representatives set about inserting poison pills into virtually every meaningful piece of New Deal legislation to ensure that most Black people in the South would not benefit. Southern Democrats occupied many of the committee chairs of the New Deal Congresses and used their positions to perpetuate conditions of Black servitude.<sup>5</sup>

President Franklin D. Roosevelt knew that Southern members of Congress would stop all of his New Deal plans if his proposals undermined Jim Crow, so he bought their cooperation at the expense of Black people in the South. "I did not choose the tools with which I must work. ... Had I been permitted to choose them I would have selected quite different ones. But I've got to get legislation passed by Congress to save America," Roosevelt said. "The Southerners by reason of the seniority rule in Congress are chairman or occupy strategic places on most of the Senate and House committees. If I come out for the anti-lynching bill now, they will block every bill I ask Congress to pass to keep America from collapsing. I just can't take that risk."

The most common way to exclude the Southern Black community was to exempt agricultural and domestic workers from many of the new protections and economic benefits. Because at that time an overwhelming majority of Southern Black people worked either in the fields or domestic service, these provisions effectively put most



Man protests in front of milk company in Chicago, Illinois, July 1941. Photographer: John Vachon. Source: Library of Congress, <u>https://www.loc.</u> gov/item/2017812591/.

Black people beyond the reach of the new worker protections and economic safeguards in the New Deal. Domestic and agricultural exemptions included:

- **Right to Organize (The National Labor Relations Act, 1935):** Domestic and agricultural workers still lack the protection of the right to form unions and negotiate for better treatment.
- **Social Security Retirement Accounts (Social Security Act, 1935):** While it was later changed, domestic and agricultural workers initially were not permitted to develop accounts to draw on in old age.
- Unemployment Insurance (Social Security Act, 1935): Agricultural and domestic workers originally were not permitted to access Unemployment Insurance benefits.<sup>6</sup>
- Minimum Wage and Overtime (The Fair Labor Standards Act, 1938): Agricultural and domestic workers were exempted from the national minimum wage standards and overtime

<sup>5</sup> Juan F. Perea, "The Echoes of Slavery: Recognizing the Racist Origins of the Agricultural and Domestic Worker Exclusion from the National Labor Relations Act," SSRN Electronic Journal, 2010, https://doi.org/10.2139/ssrn.1646496.

<sup>6</sup> Larry DeWitt, "The Decision to Exclude Agricultural and Domestic Workers from the 1935 Social Security Act," Social Security Administration Research, Statistics, and Policy Analysis 70, no. 4 (2010), https://www.ssa.gov/policy/docs/ssb/v70n4/v70n4p49.html.

requirements. Agricultural workers continue to be exempt from overtime, and workers on small farms are exempt from the minimum wage requirements.

"As a result, these new arrangements were friendly to labor but unfriendly to the majority of African Americans who lived below the Mason-Dixon line. Without this fine-tuning, a majority of Southern blacks might have had access to protections negotiated by unions that would have quite shaken the political economy of segregation,"<sup>7</sup> Ira Katznelson wrote in *When Affirmative Action Was White: An Untold Story of Racial Inequality in Twentieth Century America.* 

As noted above, some of the exceptions have been reversed, but some persist even now generations later. This legacy has continued to deprive farm and domestic workers on the frontlines of COVID-19 of the basic protections that many people take for granted. "Many farm and domestic workers are modern-day slaves, a characterization borne out by numerous and recent federal prosecutions for involuntary servitude, i.e., slavery, occurring within these occupations."<sup>8</sup>

Southern legislators went even further to prevent Black people from accessing Unemployment Insurance (UI) benefits created through the Social Security Act of 1935. Instead of having a truly national system to support workers who lost their jobs through no fault of their own, states were given broad authority to shape UI benefits, including the maximum weekly payment and the number of weeks that benefits can be paid out. In addition, the program is administered at the state and local levels, which gave Southern officials the power to deny benefits to unemployed Black workers. These provisions continue to give the state legislature enormous control over UI benefits and are part of why working people in North Carolina are treated worse than they would be in many other states.

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8 Perea, "The Echoes of Slavery."

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<sup>7</sup> Ira Katznelson, When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America. (New York, NY: W.W. Norton & Company, 2005).NY: W.W. Norton & Company, 2005