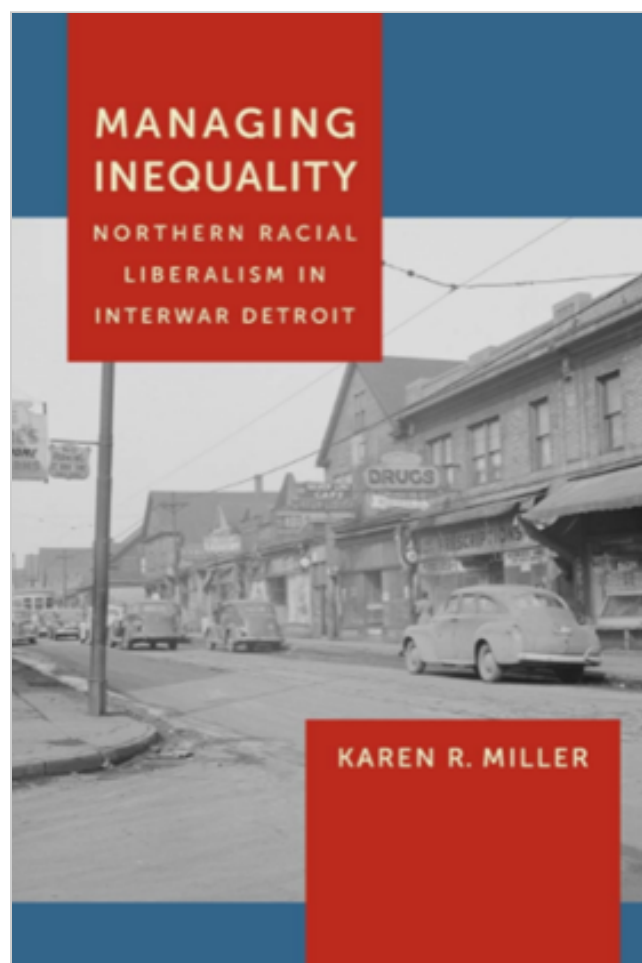


The economics of race relations in Detroit during the interwar years

In *Managing Inequality: Northern Racial Liberalism in Interwar Detroit*, Karen Miller recounts the roots of racism and economic inequality in Detroit during the 1920s and 1930s. Instead of following historians who focus on racial discord in the North post-1945, she presents the racial ideology of White Detroiters during this earlier period and coins the term “northern racial liberalism.” Miller defines northern racial liberalism as “the notion that all Americans, regardless of race, should be politically equal, but the state cannot and indeed should not enforce racial equality by interfering with existing social or economic relations.” According to Miller, policies in Detroit enacted by White liberals resulted in racial democracy, or the pretense of racial equality based on the provision of political gains. White liberals surrendered some political control because of Black activism, but they maintained economic and social policies that exacerbated inequality in the labor market and worsened residential segregation.

Karen Miller posits that the development of northern racial liberalism resulted from several concurrent changes in the United States. First, the First Great Migration changed Detroit’s labor market regarding the inclusion of Black workers. Second, this migration reshaped Detroit’s housing market and racial geography, prompting conflict over racial boundaries. Third, urban reform in Detroit significantly changed the city’s leadership and municipal government. Lastly, the Black minority became more politically organized and began actively advocating for racial justice and challenging Detroit’s racial hierarchies. These changes influenced how White leaders approached Blacks in the labor market and how Blacks responded. During World War I and into the 1920s, manufacturers hired labor agents to travel to the South to attract Black workers by offering higher pay and promoting greater racial freedom.



Sierra Boney

boney.sierra@bls.gov

Sierra Boney is an economist in the Office of Prices and Living Conditions, U.S. Bureau of Labor Statistics.

Northerners claimed to support the Black migration but used segregation to organize factory production. Miller cites the example of employers laying off hundreds of Black workers and replacing them with Whites when the National Recovery Administration raised the minimum wage. Because of the raise, some positions previously held by Blacks became more desirable, and industrialists chose to give them to Whites rather than to Blacks, which limited Black incomes.

President Franklin D. Roosevelt's New Deal, initiated in 1933, instituted a series of programs for stabilizing the economy during the Great Depression. Miller makes the case that these programs contributed to segregation and inequality for Black workers in Detroit. She presents the major problems that arose with race segregation in the workplace. Black social or clerical workers were not hired for jobs created under federal programs even if they were professionally qualified for them. Blacks also faced resistance when seeking services from government agencies that placed the unemployed into the private sector. Miller contends that the agencies would "assume that White workers were preferred to Blacks" and would not recommend Black workers for the available jobs even if the employers had no preference for the color, religion, race, or age of their workers. The head of Detroit's Department of Welfare, John Ballenger, was quoted in a 1935 *Detroit News* article as claiming that Blacks were "a labor reservoir to be maintained publicly until the demand for labor includes them," even though they were recruited for the local industries in the 1920s. Many city leaders understood there were many discriminatory practices in the labor market but did little to change them.

Black activists in the civil rights coalition encouraged Black citizens to pressure city, state, and federal government officials to join the cause for equality. Emboldened by this mobilization, many Black Detroiters became involved in the labor market movement, which provided Black activists with the organizational training to build and support movements outside labor unions. This strong social and economic activism helped create an environment that supported the fight against segregation and discrimination in Detroit. As more Black workers organized themselves and confronted those in power, White leaders took their concerns and demands more seriously. During this time of discrimination, which created an imbalance in the labor market, the relationship between Blacks and city leaders changed, and White leaders shifted to a more nuanced form of discrimination, northern racial liberalism. The Mayor's Interracial Committee (MIC) was established to make recommendations about avoiding racial conflict. Despite having little political weight, a small budget, and underpaid staff, the MIC fielded Black complaints about discrimination, pressured Detroit's police department to accept more Black recruits, and convinced two banks to hire Black workers.

The residential geography of Detroit began to reflect the same racial divide and hierarchy that were seen in the city's labor market. Despite a 1917 U.S. Supreme Court ruling against racially restrictive zoning laws, White Detroiters used restrictive covenants, such as deed clauses preventing property sale to non-Whites, to subvert the ruling. Before 1917, some Black elites moved into White neighborhoods with little trouble. Over the course of World War I and during the First Great Migration, the response to Black migration into White neighborhoods in Detroit shifted from tolerance to hostility.

The idea of tolerance was a constant source of political debate in the late 1920s. Political theorist Wendy Brown argued that tolerance was a double-edged sword that assured progress toward an equal future for a certain demographic but marked people of that demographic as powerless victims of hatred. Liberals advocated for tolerance as a means of producing a more racially equitable city. Miller is critical of this racial tolerance, because the message of White leaders led to an urban political discourse that contributed to the inequalities upon which

Detroit's New Deal foundation would be built. During the 1930s, Detroit's slum clearance and low-cost housing programs were spearheaded by White liberals who used federal aid to force the removal of poor Black residents from downtown. What was an attempt to provide Black people with resources instead upheld residential and workplace segregation.

Public officials replaced the "slums" with segregated housing to ostensibly improve inadequate economic and social conditions for the city's poorest Black residents. Blacks were restricted by property deeds and covenants to live in only four districts where landlords exploited scarce residential options and charged inflated rents, even though the population of Black Detroiters of all classes grew to the point of surpassing the number of native Whites and European immigrants. White Detroiters enforced these practices by way of violence against Black residents, who were thereby effectively discouraged from moving into White districts. According to Miller, the liberal approach of advocating for tolerance was not effective. She argues that, instead of acknowledging segregation as an issue that limits economic opportunities for Black people, liberals saw poverty as the result of black residents being unable to live properly in their spaces.

Managing Inequality is an impactful account that delves into lesser known moments in a history of racial, economic, and social bias. Miller details the economic and social inequalities that propelled Black activism in Detroit in the 1920s and 1930s, and describes the local government's response to it. Evidence presented in the book indicates that northern racial liberalism was ineffective at creating real change for Black Detroiters during the interwar period. The author connects the policy failings of the past with those of the present. This book will be an engaging read for anyone interested in the economics of race relations and residential segregation during the interwar years.