

## CHAPTER 1

# The Possessive Investment in Whiteness

*Blacks are often confronted, in American life, with such devastating examples of the white descent from dignity; devastating not only because of the enormity of white pretensions, but because this swift and graceless descent would seem to indicate that white people have no principles whatever.* —JAMES BALDWIN

Shortly after World War II, a French reporter asked expatriate Richard Wright for his views about the “Negro problem” in America. The author replied, “There isn’t any Negro problem; there is only a white problem.”<sup>1</sup> By inverting the reporter’s question, Wright called attention to its hidden assumptions—that racial polarization comes from the existence of blacks rather than from the behavior of whites, that black people are a “problem” for whites rather than fellow citizens entitled to justice, and that, unless otherwise specified, “Americans” means “whites.”<sup>2</sup> Wright’s formulation also placed political mobilization by African Americans during the civil rights era in context, connecting black disadvantages to white advantages and finding the roots of black consciousness in the systemic practices of aversion, exploitation, denigration, and discrimination practiced by people who think of themselves as “white.”

Whiteness is everywhere in U.S. culture, but it is very hard to see. As Richard Dyer suggests, “[W]hite power secures its dominance by seeming not to be anything in particular.”<sup>3</sup> As the unmarked category against which difference is constructed, whiteness never has to speak its name, never has to acknowledge its role as an organizing principle in social and cultural relations.<sup>4</sup> To identify, analyze, and oppose the destructive consequences of whiteness, we need what Walter Benjamin called “presence of mind.” Benjamin wrote that people visit

fortune-tellers less out of a desire to know the future than out of a fear of not noticing some important aspect of the present. "Presence of mind," he suggested, "is an abstract of the future, and precise awareness of the present moment more decisive than foreknowledge of the most distant events."<sup>5</sup> In U.S. society at this time, precise awareness of the present moment requires an understanding of the existence and the destructive consequences of the possessive investment in whiteness that surreptitiously shapes so much of our public and private lives.

Race is a cultural construct, but one with deadly social causes and consequences. Conscious and deliberate actions have institutionalized group identity in the United States, not just through the dissemination of cultural stories, but also through the creation of social structures that generate economic advantages for European Americans through the possessive investment in whiteness. Studies of racial culture too far removed from studies of social structure leave us with inadequate explanations for understanding and combating racism.

Desire for slave labor encouraged European settlers in North America to view, first, Native Americans and, later, African Americans as racially inferior people suited "by nature" for the humiliating subordination of involuntary servitude. The long history of the possessive investment in whiteness stems in no small measure from the fact that all subsequent immigrants to North America have come to an already racialized society. From the start, European settlers in North America established structures encouraging a possessive investment in whiteness. The colonial and early national legal systems authorized attacks on Native Americans and encouraged the appropriation of their lands. They protected racialized chattel slavery, limited naturalized citizenship to "white" immigrants, excluded immigrants from Asia as expressly unwelcome (through legislation aimed at China in 1882, India in 1917, Japan in 1924, and the Philippines in 1934), and provided pretexts, rationales, and procedures for restricting the citizenship, exploiting the labor, and seizing the property of Asian Americans, Mexican Americans, Native Americans, and African Americans.<sup>6</sup>

The possessive investment in whiteness is not a simple matter of black and white; all racialized minority groups have suffered from it, albeit to different degrees and in different ways. The African slave trade began in earnest only after large-scale Native American slavery proved impractical in North America. Efforts to abolish African slavery led initially to the importation of low-wage labor from Asia. Legislation banning immigration from Asia set the stage for the recruitment of low-wage labor from Mexico. All of the new racial hierarchies that emerged in each of these eras revolved around applying racial labels to

“nonwhite” groups in order to stigmatize and exploit them, while at the same time reserving extra value for whiteness.

Although reproduced in new form in every era, the possessive investment in whiteness has always been influenced by its origins in the racialized history of the United States—by the legacy of slavery and segregation, of “Indian” extermination and immigrant restriction, of conquest and colonialism. Although slavery has existed in many countries without any particular racial dimensions to it, the slave system that emerged in North America soon took on distinctly racial forms. Africans enslaved in North America faced a racialized system of power that reserved permanent, hereditary, chattel slavery for black people. White settlers institutionalized a possessive investment in whiteness by making blackness synonymous with slavery and whiteness synonymous with freedom, but also by pitting people of color against one another. Fearful of alliances between Native Americans and African Americans that might challenge the prerogatives of whiteness, white settlers prohibited slaves and free blacks from traveling in “Indian country.” European Americans used diplomacy and force to compel Native Americans to return runaway slaves to their white masters. During the Stono Rebellion of 1739, colonial authorities offered Native Americans a bounty for every rebellious slave they captured or killed. At the same time, British settlers recruited black slaves to fight against Native Americans within colonial militias.<sup>7</sup> The power of whiteness depended not only on white hegemony over separate racialized groups, but also on manipulating racial outsiders to fight against one another, to compete with each other for white approval, and to seek the rewards and privileges of whiteness for themselves at the expense of other racialized populations.

Aggrieved communities of color have often curried favor with whites in order to make gains at each other’s expense. In the nineteenth century some Native Americans held black slaves (in part because whites viewed slave ownership as a “civilized” European American practice that would improve Indians). Some of the first regular African American units in the U.S. army went to war against Comanches in Texas and served as security forces for wagon trains of white settlers on the trails to California. The defeat of the Comanches in the 1870s sparked a mass migration by Spanish-speaking residents of New Mexico into the areas of West Texas formerly occupied by the vanquished Native Americans.<sup>8</sup> Immigrants from Asia sought the rewards of whiteness for themselves by asking the courts to recognize them as “white” and therefore eligible for naturalized citizenship according to the Immigration and Naturalization Act of 1790; Mexican Americans also insisted on being classified as white. In

the early twentieth century, black soldiers accustomed to fighting Native Americans in the Southwest participated in the U.S. occupation of the Philippines and the punitive expedition against Pancho Villa in Mexico.<sup>9</sup> Asian American managers cracked down on efforts by Mexican American farm workers to form unions in the fields, while the Pullman Company tried to break the African American Brotherhood of Sleeping Car Porters by importing Filipinos to work as porters. Mexican Americans and blacks took possession of some of the property confiscated from Japanese Americans during the internment of the 1940s, and Asian Americans, blacks, and Mexican Americans all secured advantages for themselves by cooperating with the exploitation of Native Americans.

Yet while every racialized minority group has sometimes sought the rewards of whiteness, these groups have also been able to form interethnic antiracist alliances. Native American tribes often harbored runaway slaves and drew upon their expertise in combat against whites. In 1711, an African named Harry helped lead the Tuscaroras against the British.<sup>10</sup> Native Americans secured the cooperation of black slaves in their attacks on the French settlement near Natchez in colonial Louisiana in 1729, and black Seminoles in Florida routinely recruited slaves from Georgia plantations to their side in battles against European Americans.<sup>11</sup> African Americans resisting slavery and white supremacy in the United States during the nineteenth century sometimes looked to Mexico as a refuge (especially after that nation abolished slavery), and in the twentieth century the rise of Japan as a successful nonwhite world power served as one source of inspiration and emulation among African American nationalists. In 1903, Mexican American and Japanese American farm workers joined forces in Oxnard, California to wage a successful strike in the beet fields, and subsequently members of the two groups organized an interracial union, the Japanese Mexican Labor Association.<sup>12</sup> Yet whether characterized by conflict or cooperation, all relations among aggrieved racialized minorities stemmed from recognition of the rewards of whiteness and the concomitant penalties imposed upon “nonwhite” populations.

The possessive investment in whiteness today is not simply the residue of conquest and colonialism, of slavery and segregation, of immigrant exclusion and “Indian” extermination. Contemporary whiteness and its rewards have been created and recreated by policies adopted long after the emancipation of slaves in the 1860s and even after the outlawing of de jure segregation in the 1960s. There has always been racism in the United States, but it has not always been the same racism. Racism has changed over time, taking on different forms and serving different social purposes in each time period. Antiracist mobilizations during

the Civil War and civil rights eras meaningfully curtailed the reach and scope of white supremacy, but in each case reactionary forces engineered a renewal of racism in new forms during succeeding decades.

Contemporary racism has been created anew in many ways over the past half century, most dramatically by the putatively race-neutral, liberal, social democratic reforms of the New Deal Era and by the more overtly race-conscious neoconservative reactions against liberalism since the Nixon years. It is a mistake to posit a gradual and inevitable trajectory of evolutionary progress in race relations; on the contrary, our history shows that battles won at one moment can later be lost. Despite hard-fought struggles for change that secured important concessions during the 1960s in the form of civil rights legislation, the racialized nature of social policy in the United States since the Great Depression has actually increased the possessive investment in whiteness among European Americans over the past five decades.

During the New Deal Era of the 1930s and 1940s, both the Wagner Act and the Social Security Act excluded farm workers and domestics from coverage, effectively denying those disproportionately minority sectors of the work force protections and benefits routinely afforded whites. The Federal Housing Act of 1934 brought home ownership within reach of millions of citizens by placing the credit of the federal government behind private lending to home buyers, but overtly racist categories in the Federal Housing Agency's (FHA) "confidential" city surveys and appraisers' manuals channeled almost all of the loan money toward whites and away from communities of color.<sup>13</sup> In the post-World War II era, trade unions negotiated contract provisions giving private medical insurance, pensions, and job security largely to the white workers who formed the overwhelming majority of the unionized work force in mass production industries, rather than fighting for full employment, medical care, and old-age pensions for all, while avoiding the fight for an end to discriminatory hiring and promotion practices by employers in those industries.<sup>14</sup>

Each of these policies widened the gap between the resources available to whites and those available to aggrieved racial communities. Federal housing policy offers an important illustration of the broader principles at work in the possessive investment in whiteness. By channeling loans away from older inner-city neighborhoods and toward white home buyers moving into segregated suburbs, the FHA and private lenders after World War II aided and abetted segregation in U.S. residential neighborhoods. FHA appraisers denied federally supported loans to prospective home buyers in the racially mixed Boyle Heights neighborhood of Los Angeles in 1939, for example, because the area struck them

as a “‘melting pot’ area literally honeycombed with diverse and subversive racial elements.”<sup>15</sup> Similarly, mostly white St. Louis County secured five times as many FHA mortgages as the more racially mixed city of St. Louis between 1943 and 1960. Home buyers in the county received six times as much loan money and enjoyed per capita mortgage spending 6.3 times greater than those in the city.<sup>16</sup>

The federal government has played a major role in augmenting the possessive investment in whiteness created by systematic racial discrimination in the private sector. For years, the General Services Administration routinely channeled the government’s rental and leasing business to realtors who engaged in racial discrimination, while federally subsidized urban renewal plans reduced the already limited supply of housing for communities of color through “slum clearance” programs. In concert with FHA support for segregation in the suburbs, federal and state tax monies routinely funded the construction of water supplies and sewage facilities for racially exclusive suburban communities in the 1940s and 1950s. By the 1960s, these areas often incorporated themselves as independent municipalities in order to gain greater access to federal funds allocated for “urban aid.”<sup>17</sup>

At the same time that FHA loans and federal highway building projects subsidized the growth of segregated suburbs, urban renewal programs in cities throughout the country devastated minority neighborhoods. Between the 1930s and the 1970s, urban renewal demolished some sixteen hundred black neighborhoods in cities north and south. This systematic destruction of individual and collective ecosystems exacted an enormous financial and emotional cost on black communities. Clinical psychiatrist and public health specialist Mindy Thompson Fullilove argues that urban renewal in the mid-twentieth century was of sufficient scale and scope that it produced a profound alienation, a collective traumatic stress reaction that she describes as “root shock.”<sup>18</sup> During the 1950s and 1960s, federally assisted urban renewal projects destroyed 20 percent of the central-city housing units occupied by blacks, as opposed to only 10 percent of those inhabited by whites.<sup>19</sup> More than 60 percent of those displaced by urban renewal were African Americans, Puerto Ricans, Mexican Americans, or members of other minority racial groups.<sup>20</sup> The Federal Housing Administration and the Veterans Administration financed more than \$120 billion worth of new housing between 1934 and 1962, but less than 2 percent of this real estate was available to nonwhite families—and most of that small amount was located in segregated areas.<sup>21</sup>

Even in the 1970s, after most major urban renewal programs had been completed, black central-city residents continued to lose housing units at a rate

equal to 80 percent of what had been lost in the 1960s. White displacement during those same years declined to the relatively low levels of the 1950s.<sup>22</sup> In addition, the refusal first to pass, then later to enforce, fair housing laws has enabled realtors, buyers, and sellers to profit from racist collusion against minorities largely without fear of legal retribution. During the decades following World War II, urban renewal helped construct a new “white” identity in the suburbs by helping to destroy ethnically specific European American urban inner-city neighborhoods. Wrecking balls and bulldozers eliminated some of these sites, while others were transformed by an influx of minority residents desperately competing for a declining supply of affordable housing units. As increasing numbers of racial minorities moved into cities, increasing numbers of European American ethnics moved out. Consequently, ethnic differences among whites became a less important dividing line in U.S. culture, while race became more important. The suburbs helped turn Euro-Americans into “whites” who could live near each other and intermarry with relatively little difficulty. But this “white” unity rested on residential segregation, on shared access to housing and life chances largely unavailable to communities of color.<sup>23</sup>

During the 1950s and 1960s, local “pro-growth” coalitions led by liberal mayors often justified urban renewal as a program designed to build more housing for poor people. In reality, urban renewal destroyed more housing than it created. Ninety percent of the low-income units removed for urban renewal projects during the entire history of the program were never replaced. Commercial, industrial, and municipal projects occupied more than 80 percent of the land cleared for these projects, with less than 20 percent allocated for replacement housing. In addition, the loss of taxable properties and the tax abatements granted to new enterprises in urban renewal zones often meant serious tax increases for poor, working-class, and middle-class home owners and renters.<sup>24</sup> Although the percentage of black suburban dwellers also increased during this period, no significant desegregation of the suburbs took place. Four million whites moved out of central cities between 1960 and 1977, while the number of whites living in suburbs increased by 22 million; during the same years, the inner-city black population grew by 6 million, but the number of blacks living in suburbs increased by only 500,000.<sup>25</sup> By 1993, 86 percent of suburban whites still lived in places with a black population below 1 percent. At the same time, cities with large numbers of minority residents found themselves cut off from loans by the FHA. Because of their growing black and Puerto Rican populations, not a single FHA-sponsored mortgage went to either Camden or Paterson, New Jersey, in 1966.<sup>26</sup>

In 1968, lobbyists for the banking industry helped draft the Housing and Urban Development Act which allowed private lenders to shift the risks of financing low-income housing to the government, creating a lucrative and thoroughly unregulated market for themselves. One section of the 1968 bill authorized FHA mortgages for inner-city areas that did not meet the usual eligibility criteria. Another section subsidized interest payments by low-income families. If administered wisely, these provisions might have promoted fair housing goals, but FHA administrators deployed them in ways that actually promoted segregation in order to provide banks, brokers, lenders, developers, realtors, and speculators with windfall profits. As a U.S. Commission on Civil Rights investigation later revealed, FHA officials collaborated with blockbusters in financing the flight of low income whites out of inner city neighborhoods, and then aided unscrupulous realtors and speculators by arranging purchases of substandard housing by minorities desperate to own their own homes. The resulting sales and mortgage foreclosures brought great profits to lenders (almost all of them white), but their actions led to price fixing and a subsequent inflation of housing costs in the inner city by more than 200 percent between 1968 and 1972. Bankers then foreclosed on the mortgages of thousands of these uninspected and substandard homes, ruining many inner-city neighborhoods. In response, the Department of Housing and Urban Development essentially red-lined inner cities, making them ineligible for future loans, a decision that destroyed the value of inner-city housing for generations to come.<sup>27</sup>

Federally funded highways built to transport suburban commuters to downtown places of employment also destroyed already scarce housing in minority communities, often disrupting neighborhood life as well. Construction of the Harbor Freeway in Los Angeles, the Gulf Freeway in Houston, and the Mark Twain Freeway in St. Louis displaced thousands of residents and bisected neighborhoods, shopping districts, and political precincts. The processes of urban renewal and highway construction set in motion a vicious cycle: population loss led to decreased political power, which made minority neighborhoods more vulnerable to further urban renewal and freeway construction, not to mention more susceptible to the placement of prisons, incinerators, toxic waste dumps, and other projects that further depopulated these areas.

In Houston, Texas—where blacks make up slightly more than one quarter of the local population—more than 75 percent of municipal garbage incinerators and 100 percent of the city-owned garbage dumps are located in black neighborhoods.<sup>28</sup> A 1992 study by staff writers for the *National Law Journal* examining the Environmental Protection Agency's response to 1,177 toxic waste

cases found that polluters of sites near the greatest white populations received penalties 500 percent higher than penalties imposed on polluters in minority areas—an average of \$335,566 for white areas contrasted with \$55,318 for minority areas. Income did not account for these differences—penalties for low-income areas on average actually exceeded those for areas with the highest median incomes by about 3 percent. The penalties for violating all federal environmental laws regulating air, water, and waste pollution were 46 percent lower in minority communities than in white communities. In addition, superfund remedies left minority communities waiting longer than white communities to be placed on the national priority list, with cleanups that began from 12 to 42 percent later than at white sites, and with a 7 percent greater likelihood of “containment” (walling off a hazardous site) than cleanup, while white sites experienced treatment and cleanup 22 percent more often than containment.<sup>29</sup>

The federal Agency for Toxic Substances and Disease Registry’s 1988 survey of children suffering from lead poisoning showed that among families with incomes under \$6,000 per year, 36 percent of white children but 68 percent of black children suffered from excess lead in their bloodstreams. Among families with incomes above \$15,000 per year, only 12 percent of white children but 38 percent of black children suffered from toxic levels of lead.<sup>30</sup> In the Los Angeles area today, only 34 percent of whites inhabit areas with the most polluted air, but 71 percent of African Americans and 50 percent of Latinos live in neighborhoods with the highest levels of air pollution.<sup>31</sup> Nationwide, 60 percent of African Americans and Latinos live in communities with uncontrolled toxic waste sites.<sup>32</sup>

Scholarly studies reveal that even when adjusted for income, education, and occupational status, aggrieved racial minorities encounter higher levels of exposure to toxic substances than white people experience.<sup>33</sup> In 1987, the Commission for Racial Justice of the United Church of Christ found race to be the most significant variable in determining the location of commercial hazardous waste facilities.<sup>34</sup> In a review of sixty-four studies examining environmental disparities, the National Wildlife Federation discovered that racial disparities outnumbered disparities by income. In cases where disparities in race and income were both present, race proved to be more important in twenty-two out of thirty tests.<sup>35</sup> As Robert D. Bullard concludes, “race has been found to be an independent factor, not reducible to class” in predicting exposure to a broad range of environmental hazards, including polluted air, contaminated fish, lead poisoning, municipal landfills, incinerators, and toxic waste dumps.<sup>36</sup> The combination of exposure to environmental hazards and employment discrimination establishes a sinister correlation between race and health.

One recent government study revealed that the likelihood of dying from malnutrition was two and a half times greater among African Americans than among European Americans.<sup>37</sup> Asian Americans and Pacific Islanders in Los Angeles are more than seven times as likely to contract tuberculosis as whites. Corporations systematically target Native American reservations when looking for locations for hazardous waste incinerators, solid waste landfills, and nuclear waste storage facilities. Navajo teenagers develop reproductive organ cancer at seventeen times the national average because of their exposure to radiation from uranium mines.<sup>38</sup> Latinos in East Los Angeles encounter some of the worst smog and the highest concentrations of air toxins in southern California because of prevailing wind patterns and the concentration of polluting industries, freeways, and toxic waste dumps. In the Chicano neighborhoods of Barrio Logan, Logan Heights, and Sherman Heights in San Diego, local industries spew three million pounds of toxic pollution into the air every year. These neighborhoods account for little more than two percent of the population of San Diego County, but more than a third of the county's hazardous wastes are generated or stored there—some 32 million pounds per year. Twenty-eight percent of Latino children in these neighborhoods (and those adjacent to them in Southeast San Diego) have been diagnosed with probable or possible asthma—about four times the national average.<sup>39</sup> Environmental racism makes the possessive investment in whiteness literally a matter of life and death; if African Americans had access to the nutrition, health care, and protection against environmental hazards offered routinely to whites, seventy-five thousand fewer of them would die each year.<sup>40</sup>

Minorities are less likely than whites to receive either preventive medical care or costly remedial operations from Medicare. Eligible members of minority communities are also less likely than European Americans to apply for food stamps.<sup>41</sup> The labor of migrant farm workers from aggrieved racialized groups plays a vital role in providing adequate nutrition for others, but the farm workers and their children suffer disproportionately from health disorders caused by malnutrition.<sup>42</sup> In her important research on health policy and ethnic diversity, Linda Wray concludes that “the lower life expectancies for many ethnic minority groups and subgroups stem largely from their disproportionately higher rates of poverty, malnutrition, and poor health care.”<sup>43</sup>

Just as residential segregation and urban renewal make minority communities disproportionately susceptible to health hazards, their physical and social locations give these communities a different relationship to the criminal justice system. A 1990 study by the National Institute on Drug Abuse revealed that while only 15 percent of the thirteen million habitual drug users in the

United States were black and 77 percent were white, African Americans were four times more likely to be arrested on drug charges than whites in the nation as a whole, and seven to nine times more likely in Pennsylvania, Michigan, Illinois, Florida, Massachusetts, and New Jersey. A 1989 study by the Parent's Resource Institute for Drug Education discovered that African American high school students consistently showed lower levels of drug and alcohol use than their European American counterparts, even in high schools populated by residents of low-income housing projects. Yet while comprising only about 12 percent of the U.S. population, blacks accounted for 10 percent of drug arrests in 1984, 40 percent in 1988, and 42 percent in 1990. In addition, white drug defendants receive considerably shorter average prison terms than African Americans convicted of comparable crimes. A U.S. Sentencing Commission study found in 1992 that half of the federal court districts that handled cases involving crack cocaine prosecuted minority defendants exclusively. A *Los Angeles Times* article in 1995 revealed that "black and Latino crack dealers are hammered with 10-year mandatory federal sentences while whites prosecuted in state court face a minimum of five years and often receive no more than a year in jail." Alexander Lichtenstein and Michael A. Kroll point out that sentences for African Americans in the federal prison system are 20 percent longer than those given to whites who commit the same crimes. They observe that if blacks received the same sentences as whites for these offenses, the federal prison system would require three thousand fewer prison cells, enough to close completely six of the newly constructed five-hundred bed institutions.<sup>44</sup>

Racial animus on the part of police officers, prosecutors, and judges accounts for only a small portion of the distinctive experience that racial minorities have with the criminal justice system. Economic devastation makes the drug trade appealing to some people in the inner city, while the dearth of capital in minority neighborhoods curtails opportunities for other kinds of employment. Deindustrialization, unemployment, and lack of intergenerational transfers of wealth undermine parental and adult authority in many neighborhoods. The complex factors that cause people to turn to drugs are no more prevalent in minority communities than elsewhere, but these communities and their inhabitants face more stress while having fewer opportunities to receive private counseling and treatment for their problems.

The structural weaknesses of minority neighborhoods caused by discrimination in housing, education, and hiring also play crucial roles in relations between inner-city residents and the criminal justice system. Cocaine dealing, which initially skyrocketed among white suburban residents, was driven into the

inner city by escalating enforcement pressures in wealthy white communities. Ghettos and barrios became distribution centers for the sale of drugs to white suburbanites. Former New York and Houston police commissioner Lee Brown, head of the federal government's antidrug efforts during the early years of the Clinton presidency, and later mayor of Houston, noted, "There are those who bring drugs into the country. That's not the black community. Then you have wholesalers, those who distribute them once they get here, and as a rule that's not the black community. Where you find the blacks is in the street dealing."<sup>45</sup>

You also find blacks and other minorities in prison. Police officers in large cities, pressured to show results in the drive against drugs, lack the resources to effectively enforce the law everywhere (in part because of the social costs of deindustrialization and the tax limitation initiatives designed to shrink the size of government). These officers know that it is easier to make arrests and to secure convictions by confronting drug users in areas that have conspicuous street corner sales, that have more people out on the street with no place to go, and that have residents more likely to plead guilty and less likely to secure the services of attorneys who can get the charges against them dropped, reduced, or wiped off the books with subsequent successful counseling and rehabilitation. In addition, politicians supported by the public relations efforts of neoconservative foundations often portray themselves to suburban voters as opponents of the "dangerous classes" in the inner cities.

Minority disadvantages craft advantages for others. Urban renewal failed to provide new housing for the poor, but it played an important role in transforming the U.S. urban economy from one that relied on factory production to one driven by producer services. Urban renewal projects subsidized the development of downtown office centers on previously residential land, and they frequently created buffer zones of empty blocks dividing poor neighborhoods from new shopping centers designed for affluent commuters. To help cities compete for corporate investment by making them appealing to high-level executives, federal urban aid favored construction of luxury housing units and cultural centers like symphony halls and art museums over affordable housing for workers. Tax abatements granted to these producer services centers further aggravated the fiscal crises that cities faced, leading to tax increases on existing industries, businesses, and residences.

Workers from aggrieved racial minorities bore the brunt of this transformation. Because the 1964 Civil Rights Act came so late, minority workers who received jobs because of it found themselves more vulnerable to seniority-based layoffs when businesses automated or transferred operations overseas. Although

the act initially made real progress in reducing employment discrimination, lessening the gaps between rich and poor and between black and white workers while helping to bring minority poverty to its lowest level in history in 1973, that year's recession initiated a reversal of minority progress and a reassertion of white privilege.<sup>46</sup> In 1977, the U.S. Civil Rights Commission reported on the disproportionate impact of layoffs on minority workers. In cases where minority workers made up only 10 to 12 percent of the work force in their area in 1974, they accounted for 60 to 70 percent of those laid off. The principle of seniority, a trade union triumph designed to protect workers from age discrimination, in this case guaranteed that minority workers would suffer most from technological changes, because the legacy of past discrimination by their employers left them with less seniority than white workers.<sup>47</sup>

When housing prices increased dramatically during the 1970s, white homeowners who had been able to take advantage of discriminatory FHA financing policies in the past realized increased equity in their homes, while those excluded from the housing market by earlier policies found themselves facing even higher costs of entry into the market in addition to the traditional obstacles presented by the discriminatory practices of sellers, realtors, and lenders. The contrast between European Americans and African Americans is instructive in this regard. Because whites have access to broader housing choices than do blacks, whites pay 15 percent less than blacks for similar housing in the same neighborhood. White neighborhoods typically experience housing costs 25 percent lower than would be the case if the residents were black.<sup>48</sup>

A Federal Reserve Bank of Boston study revealed that Boston bankers made 2.9 times as many mortgage loans per 1,000 housing units in neighborhoods inhabited by low-income whites than in neighborhoods populated by low-income blacks.<sup>49</sup> In addition, loan officers were far more likely to overlook flaws in the credit records of white applicants or to arrange creative financing for them than they were with black applicants.<sup>50</sup> A Los Angeles study found that loan officers more frequently used dividend income and underlying assets as criteria for judging black applicants than for whites.<sup>51</sup> In Houston, the NCNB Bank of Texas disqualified only 13 percent of middle-income white loan applicants but 36 percent of middle-income black applicants.<sup>52</sup> Atlanta's home loan institutions gave five times as many home loans to whites as to blacks in the late 1980s. An analysis of sixteen Atlanta neighborhoods found that home buyers in white neighborhoods received conventional financing four times as often as those in black sections of the city.<sup>53</sup> Nationwide, financial institutions receive more money in deposits from black neighborhoods than they invest in them

in the form of home mortgage loans, making home lending a vehicle for the transfer of capital away from black savers toward white investors.<sup>54</sup> In many locations, high-income blacks were denied loans more often than low-income whites.<sup>55</sup>

When confronted with evidence of systematic racial bias in home lending, defenders of the possessive investment in whiteness argue that the disproportionate share of loan denials to members of minority groups stems not from discrimination, but from the low net worth of minority applicants, even those who have high incomes. This might seem a reasonable position, but net worth is almost totally determined by past opportunities for asset accumulation, and therefore is the one figure most likely to reflect the history of discrimination. Minorities are told, in essence, “We can’t give you a loan today because we’ve discriminated against members of your race so effectively in the past that you have not been able to accumulate any equity from housing to pass down through the generations.”

Most white families have acquired their net worth from the appreciation of property that they secured under conditions of special privilege in a discriminatory housing market. In their prize-winning book *Black Wealth/White Wealth*, Melvin Oliver and Thomas Shapiro demonstrate how the history of housing discrimination gives white parents special advantages to borrow funds for their children’s college education or to loan money to their children to enter the housing market. In addition, much discrimination in home lending is not based on considerations of net worth; it stems from decisions made by white banking officials based on their stereotypes about minority communities. The Federal Reserve Bank of Boston study showed that black and Latino mortgage applicants are 60 percent more likely to be turned down for loans than whites, even after controlling for employment, financial, and neighborhood characteristics.<sup>56</sup> Ellis Cose reports on a white bank official confronted with evidence at a board of directors’ meeting that his bank denied loans to blacks who had credit histories and earnings equal to those of white applicants who received loans. The banker replied that the information indicated that the bank needed to do a better job of “affirmative action,” but one of his colleagues pointed out that the problem had nothing to do with affirmative action—the bank was simply letting prejudice stand in the way of its own best interests by rejecting loans that should have been approved.<sup>57</sup>

Yet bankers also profit from the ways in which discrimination creates artificial scarcities in the market. Minorities have to pay more for housing because much of the market is off limits to them. Blockbusters profit from exploiting

white fears and provoking them into panic selling. Minority home owners denied loans in mainstream banks often turn to predatory lenders who make “low end” loans at enormously high interest rates. If they fail to pay back these loans, regular banks can acquire the property cheaply and charge someone else exorbitant interest for a loan on the same property.

Federal home loan policies have put the power of the federal government at the service of private discrimination. Urban renewal and highway construction programs have enhanced the possessive investment in whiteness directly through government initiatives. In addition, decisions about where to locate federal jobs have also systematically subsidized whiteness. Federal civilian employment dropped by 41,419 in central cities between 1966 and 1973, but total federal employment in metropolitan areas grew by 26,558.<sup>58</sup> While one might naturally expect the location of government buildings that serve the public to follow population trends, the federal government’s policy of locating offices and records centers in suburbs aggravated the flight of jobs to suburban locations less accessible to inner-city residents. Because racial discrimination in the private sector forces minority workers to seek government positions disproportionate to their numbers, these moves exact particular hardships on them. In addition, minorities who follow their jobs to the suburbs must generally allocate more for commuter costs, because housing discrimination makes it harder and more expensive for them than for whites to relocate.

The policies of neoconservatives in the Reagan and Bush administrations during the 1980s and 1990s greatly exacerbated the racialized aspects of more than fifty years of these social welfare policies. Regressive policies that cut federal aid to education and refused to challenge segregated education, housing, and hiring, as well as the cynical cultivation of an antiblack consensus through attacks on affirmative action and voting rights legislation clearly reinforced possessive investments in whiteness. In the U.S. economy, where 86 percent of available jobs do not appear in classified ads and where personal connections prove the most important factor in securing employment, attacks on affirmative action guarantee that whites will be rewarded for their historical advantage in the labor market rather than for their individual abilities or efforts.<sup>59</sup>

Attacking the civil rights tradition serves many functions for neoconservatives. By mobilizing existing racisms and generating new ones, neoconservatives seek to discredit the egalitarian and democratic social movements of the post-World War II era and to connect the attacks by those movements on wealth, special privilege, and elite control over education and opportunity to despised and unworthy racial “others”.

Attacks on the gains made by civil rights activism also act as a wedge to divide potentially progressive coalitions along racial lines, a strategy that attained its peak moment with the defection of “blue collar” trade unionists from the Democratic Party in the 1980s to become “Reagan Democrats.” In addition to protecting centralized power and wealth and dividing its opponents, the neoracism of contemporary conservatism also functions as an important unifying symbol for a disparate and sometimes antagonistic coalition that includes Hamiltonian big-government conservatives as well as antistate libertarians, that incorporates born-again Christians seeking Divine blessings into an alliance with “objectivist” free market thinkers who celebrate selfishness and view the love of gain as the engine of human progress. This coalition often has trouble agreeing on the things it favors, but it has no difficulty agreeing about what to be against, especially the allegedly bad behavior and inferior morality of minority individuals and communities. Most important, 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 racism of contemporary conservatism plays a vital role in building a countersubversive consensus because it disguises the social disintegration brought about by neoconservatism 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.

Yet even seemingly race-neutral policies supported by both neoconservatives and liberals in the 1980s and 1990s have increased the absolute value of being white. In the 1980s, changes in federal tax laws decreased the value of wage income and increased the value of investment income and inheritance—a move harmful to minorities who suffer from a gap between their total wealth and that of whites even greater than the disparity between their income and white income. The failure to raise the minimum wage between 1981 and 1989 and the decline of more than one-third in the value of Aid to Families with Dependent Children (AFDC) payments injured all poor people, but they exacted special on costs on nonwhites, who faced even more constricted markets for employment, housing, and education than poor whites.<sup>60</sup>

Similarly, the “tax reforms” of the 1980s made the effective rate of taxation higher on investment in actual goods and services than on profits from speculative enterprises. This change encouraged the flight of capital from industrial

production with its many employment opportunities toward investments that can be turned over quickly to allow the greatest possible tax write-offs. Government policies thus discouraged investments that might produce high-paying jobs and encouraged investors to strip companies of their assets to make rapid short-term profits. These policies hurt almost all workers, but they fell particularly heavily on minority workers, who because of employment discrimination in the retail and small business sectors were overrepresented in blue-collar industrial jobs.

On the other hand, while neoconservative tax policies created incentives for employers to move their enterprises elsewhere, they created disincentives for home owners to move. Measures like California's Proposition 13 (passed in 1978) granting tax relief to property owners badly misallocate housing resources, because they make it financially unwise for the elderly to move out of large houses, further reducing the supply of housing available to young families. While one can well understand the necessity for protecting senior citizens on fixed incomes from tax increases that would make them lose their homes, the rewards and punishments provided by Proposition 13 are so extreme that they prevent the kinds of generational succession that have routinely opened up housing to young families in the past. This reduction works particular hardships on those who also face discrimination by sellers, realtors, and lending institutions.

Subsidies to the private sector by government agencies also tend to enhance the rewards of past discrimination. Throughout the country, tax increment financing for redevelopment programs offers tax-free and low-interest loans to developers whose projects use public services, often without having to pay taxes to local school boards or county governments. In St. Louis, tax abatements for wealthy corporations deprive the city's schools (and their majority African American population) of \$17 million a year. Even if these redevelopment projects eventually succeed in increasing municipal revenues through sales and earnings taxes, their proceeds go to funds that pay for the increased services these developments demand (fire and police protection, roads, sewers, electricity, lighting, etc.) rather than to school funds, which are dependent upon property tax revenues.<sup>61</sup> Nation-wide, industrial development bonds resulted in a 7.4 billion dollar tax loss in 1983, which ordinary taxpayers had to make up through increased payroll taxes. Compared to white Americans, people of color—more likely to be poor or working class—suffer disproportionately from these changes as taxpayers, as workers, and as tenants. A study by the Citizens for Tax Justice found that wealthy Californians spend less than eleven cents in taxes for every dollar earned, while poor residents of the state pay fourteen

cents out of every dollar in taxes. As groups overrepresented among the poor, minorities have been forced to subsidize the tax breaks given to the wealthy.<sup>62</sup> While holding property tax assessments for businesses and some home owners to about half of their market value, California's Proposition 13 deprived cities and counties of \$13 billion a year in taxes. Businesses alone avoided \$3.3 billion to \$8.6 billion in taxes per year under this statute.<sup>63</sup>

Because they are ignorant of even the recent history of the possessive investment in whiteness—generated initially by slavery and segregation, immigrant exclusion and Native American policy, conquest and colonialism, but augmented more recently by liberal and conservative social policies as well—white Americans produce largely cultural explanations for structural social problems. The increased possessive investment in whiteness generated by disinvestment in U.S. cities, factories, and schools since the 1970s disguises as *racial* problems the general social problems posed by deindustrialization, economic restructuring, and neoconservative attacks on the welfare state and the social wage. It fuels a discourse that demonizes people of color for being victimized by these changes, while hiding the privileges of whiteness. It often attributes the economic advantages enjoyed by whites to their family values, faith, and foresight—rather than to the favoritism they enjoy through their possessive investment in whiteness.

The demonization of black families in public discourse since the 1970s is particularly instructive in this regard. Reluctance to enforce civil rights laws combined with the racialized consequences of economic restructuring and deindustrialization have injured black families. During the 1970s, the share of low-income households headed by blacks increased by one-third. Black family income fell from 60 percent of white family income in 1971 to 58 percent in 1980. Even adjusting for unemployment and for African American disadvantages in life-cycle employment (more injuries, more frequently interrupted work histories, confinement to jobs most susceptible to layoffs), the wages of full-time year-round black workers fell from 77 percent of white workers' income to 73 percent by 1986. In 1986, white workers with high school diplomas earned \$3,000 per year more than African Americans with the same education.<sup>64</sup> Even when they had the same family structure as white workers, blacks found themselves more likely to be poor. Yet a wide range of policy makers and pundits have reversed the relationship between cause and effect, identifying the difficulties black families face as the cause rather than the consequence of their impoverishment.

The deindustrialization and economic restructuring of the 1970s and 1980s imposes continuing racial penalties on wage earners from minority

communities, who suffered setbacks while members of other groups accumulated equity-producing assets. Even when some minority groups show improvement, others do not. In 1995, for example, every U.S. ethnic and racial group experienced an increase in income except the twenty-seven million Hispanics, who experienced a 5.1 percent drop in income during that year alone.<sup>65</sup>

Forty-six percent of black workers between the ages of twenty and twenty-four held blue-collar jobs in 1976, but only 20 percent by 1984. Earnings by young black families that had reached 60 percent of white families' income in 1973 fell to 46 percent by 1986. Younger African American families experienced a 50 percent drop in real earnings between 1973 and 1986, with the decline in black male wages particularly steep.<sup>66</sup> Many popular and scholarly studies have delineated the causes for black economic decline.<sup>67</sup> Deindustrialization decimated the industrial infrastructure that formerly provided high wage jobs and chances for upward mobility to black workers. Neoconservative attacks on government spending for public housing, health, education, and transportation deprived members of minority groups of needed services and opportunities for jobs in the public sector. A massive retreat at the highest levels of government from the responsibility to enforce antidiscrimination laws has sanctioned pervasive overt and covert racial discrimination by bankers, realtors, and employers.

Yet public opinion polls of white Americans reflect little recognition of these devastating changes. Seventy percent of whites in one poll said that African Americans "have the same opportunities to live a middle-class life as whites," and nearly three-fourths of white respondents to a 1989 poll believed that opportunities for blacks had improved under Reagan.<sup>68</sup> Such optimism about the opportunities available to African Americans demonstrates ignorance of the dire conditions facing black communities, but it also indicates that many whites believe that blacks suffer deservedly, because they do not take advantage of the opportunities offered them. In opinion polls, favorable assessments of black chances for success often accompanied extremely negative judgments about the abilities, work habits, and character of black people. A National Opinion Research Report in 1990 disclosed that more than 50 percent of U.S. whites viewed blacks as innately lazy and less intelligent and less patriotic than whites.<sup>69</sup> More than 60 percent said that they believed that blacks suffer from poor housing and employment opportunities because of their own lack of willpower. Some 56.3 percent said that blacks preferred welfare to employment, while 44.6 percent contended that blacks tended toward laziness.<sup>70</sup> Even more important, research by Mary Edsall and Thomas Byrne Edsall indicates that many whites

structure nearly all of their decisions about housing, education, and politics in response to their aversions to black people.<sup>71</sup>

The present political culture in this country gives broad sanction for viewing white supremacy and antiblack racism as forces from the past, as demons finally put to rest by the passage of the 1964 Civil Rights Act and the 1965 Voting Rights Act.<sup>72</sup> Jurists, journalists, and politicians have generally been more vocal in opposing what they call “quotas” and “reverse discrimination”—by which they usually mean race-specific measures, designed to remedy existing racial discrimination, that inconvenience or offend whites—than in challenging the thousands of well-documented cases every year of routine, systematic, and unyielding discrimination against minorities. It is my contention that the stark contrast between nonwhite experiences and white opinions during the past two decades cannot be attributed solely to individual ignorance or intolerance, but stems instead from liberal individualism’s inability to describe adequately the collective dimensions of our experience.<sup>73</sup> As long as we define social life as the sum total of conscious and deliberative individual activities, we will be able to discern as racist only *individual* manifestations of personal prejudice and hostility. Systemic, collective, and coordinated group behavior consequently drops out of sight. Collective exercises of power that relentlessly channel rewards, resources, and opportunities from one group to another will not appear “racist” from this perspective, because they rarely announce their intention to discriminate against individuals. Yet they nonetheless give racial identities their sinister social meaning by giving people from different races vastly different life chances.

The gap between white perception and minority experience can have explosive consequences. Little more than a year after the 1992 Los Angeles rebellion, a sixteen-year-old high school junior shared her opinions with a reporter from the *Los Angeles Times*. “I don’t think white people owe anything to black people,” she explained. “We didn’t sell them into slavery, it was our ancestors. What they did was wrong, but we’ve done our best to make up for it.” A seventeen-year-old senior echoed those comments, telling the reporter, “I feel we spend more time in my history class talking about what whites owe blacks than just about anything else when the issue of slavery comes up. I often received dirty looks. This seems strange given that I wasn’t even alive then. And the few members of my family from that time didn’t have the luxury of owning much, let alone slaves. So why, I ask you, am I constantly made to feel guilty?”<sup>74</sup>

More ominously, after pleading guilty to bombing two homes and one car, vandalizing a synagogue, and attempting to start a race war by planning the murder of beating victim Rodney King and the bombing of Los Angeles’s

First African Methodist Episcopal Church, twenty-year-old Christopher David Fisher explained that “sometimes whites were picked on because of the color of their skin. Maybe we’re blamed for slavery.”<sup>75</sup> Fisher’s actions were certainly extreme, but his justification of them drew knowingly and precisely on a broadly shared narrative about the victimization of “innocent” whites by irrational and ungrateful minorities. This theme appears again and again in discussion about race by young whites, as Karyn McKinney demonstrates brilliantly in her sensitive study of racial discourses among college students.<sup>76</sup>

The belief among young whites that racist things happened in the distant past and that it is unfair to hold contemporary whites accountable for them illuminates broader currents in our culture. These young people associate black grievances solely with slavery, and they express irritation at what they perceive as efforts to make them feel guilty or unduly privileged because of things that they did not do personally. They feel innocent individually and cannot conceive of a collective responsibility for collective wrongs. The claim that one’s own family did not own any slaves is intended to end the discussion. It is almost never followed by proposals to find the white families whose ancestors did own slaves, to track them down and make them pay reparations. The disavowal of responsibility for slavery never acknowledges how the existence of slavery and the exploitation of black labor after emancipation created opportunities which penalized blacks and benefited whites who did not own slaves. Rather, it seems to hold that, because not all white people owned slaves, no white people can be held accountable or inconvenienced by the legacy of slavery. This argument does not address the long histories and contemporary realities of segregation, racialized social policies, urban renewal, or the revived racism of contemporary neoconservatism. On the contrary, as Christopher Fisher recognized in his remarks, articulation of one’s own imagined discomfort with being “picked on” and “blamed” for slavery is the real injury, one that in his mind gave him good reason to bomb homes, deface synagogues, and plot to kill black people.

Unfortunately for our society, these young whites accurately reflect the logic of the language of liberal individualism and its ideological predispositions in discussions of race. In their apparent ignorance of the disciplined, systemic, and collective *group* activity that has structured white identities in U.S. history, they reflect the dominant views in their society. In a 1979 law journal article, future Supreme Court justice Antonin Scalia argued that affirmative action “is based upon concepts of racial indebtedness and racial entitlement rather than individual worth and individual need” and is thus “racist.”<sup>77</sup> Yet, liberal individualism is not completely color-blind on this issue. As Cheryl I. Harris demonstrates, the

legacy of liberal individualism has not prevented the Supreme Court from recognizing and protecting the group interests of *whites* in the Bakke, Croson, and Wygant cases.<sup>78</sup> In each case, the Court nullified affirmative action programs because they judged efforts to help blacks as harmful to white expectations of entitlement—expectations based on the possessive investment in whiteness they held as members of a group. In the Bakke case, for instance, where the plaintiff argued that medical school affirmative action programs disadvantaged white applicants like himself, neither Bakke nor the Court contested the legitimacy of medical school admissions standards that reserved five seats in each class for children of wealthy donors to the university or that penalized Bakke for being older than most of the other applicants. The group rights of not-wealthy people or of people older than their classmates did not compel the Court or Bakke to make any claim of harm. But they did challenge and reject a policy designed to offset the effects of past and present discrimination when they could construe the medical school admission policies as detrimental to the interests of whites as a group—and as a consequence they applied the “strict scrutiny” standard to protect whites while denying that protection to people of color. In this case, as in so many others, the language of liberal individualism serves as a cover for coordinated collective group interests.

Group interests are not monolithic, and aggregate figures can obscure serious differences within racial groups. All whites do not benefit from the possessive investment in whiteness in precisely the same ways; the experiences of members of minority groups are not interchangeable. But the possessive investment in whiteness always affects individual and collective life chances and opportunities. Even in cases where minority groups secure political and economic power through collective mobilization, the terms and conditions of their collectivity and the logic of group solidarity are always influenced and intensified by the absolute value of whiteness in U.S. politics, economics, and culture.<sup>79</sup>

In the 1960s, members of the Black Panther Party used to say that “if you’re not part of the solution, you’re part of the problem.” But those of us who are “white” can only become part of the solution if we recognize the degree to which we are already part of the problem—not because of our race, but because of our possessive investment in it. Neither conservative “free market” policies nor liberal social welfare policies can solve the “white problem” in the United States, because both reinforce the possessive investment in whiteness. An explicitly antiracist interethnic movement, however—one that acknowledges the existence and power of whiteness might make some important changes. Antiracist coalitions also have a long history in the United States—in the political

activism of John Brown, Sojourner Truth, and the Magon brothers among others, but also in our rich cultural tradition of interethnic antiracism connected to civil rights activism of the kind detailed so brilliantly in rhythm and blues musician Johnny Otis's book, *Upside Your Head! Rhythm and Blues on Central Avenue*. The all too infrequent, but nonetheless important, efforts by whites to fight racism, not out of sympathy for someone else but out of a sense of self-respect and simple justice, have never completely disappeared; they remain available as models for the present.<sup>80</sup>

Walter Benjamin's praise for "presence of mind" came from his understanding of how difficult it can be to see the present in all of its rich complexity. But more important, he called for presence of mind as the means for implementing what he named "the only true telepathic miracle"—turning the forbidding future into the fulfilled present.<sup>81</sup> Failure to acknowledge our society's possessive investment in whiteness prevents us from facing the present openly and honestly. It hides from us the devastating costs of disinvestment in America's infrastructure over the past two decades and keeps us from facing our responsibility to reinvest in human resources by channeling resources toward education, health, and housing—and away from subsidies for speculation and luxury. After two decades of disinvestment, the only further disinvestment we need is from the ruinous pathology of whiteness. The possessive investment in whiteness undermines our best instincts and interests. In a society suffering so badly from an absence of mutuality, an absence of responsibility, and an absence of justice, presence of mind might be just what we need.