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COLONIAL LABOR AND THEORIES OF INEQUALITY: THE CASE OF INTERNATIONAL HARVESTER

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Racial minorities in the United States occupy a position of inequality in the social structure. Numerous studies have documented the existing inequalities in wealth, political power, schooling opportunity, and other dimensions of social life. Yet, there is little agreement on the fundamental causes of these patterns of inequality, and particularly of their persistence over time. The current study reports on the role of minority labor in one of the U.S.' largest corporations, International Harvester, and interprets the pattern of inequality found there within a framework of colonial theory. In order to clarify the theoretical approach, however, it is first necessary to discuss the various theories of minority inequality currently in use.

THEORIES OF INEQUALITY

There are three major types of theories about minority inequality in the United States today: deficiency theories, bias theories, and colonial theories. While there are no "pure" theories, it is my contention that existing approaches can be categorized as one or the other depending on the types of variables which they stress.

The first, and probably most widely held, type of theory is *deficiency* theory. Deficiency theories trace the conditions of continuing inequality to deficiencies within the affected minority group itself. There are three sub-types of this theoretical approach, each focusing on a particular type of deficiency. The three sub-types can be discussed under the headings of biological, social structural, and cultural.

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Theories which conceptualize deficiency in biological terms include the classic racist theories, which still have considerable popular appeal. While they have been in disrepute in academic circles in recent decades, some commentators have noted a resurgence in the last few years. Arthur Jensen's lengthy article, "How Much Can We Boost IQ and Scholastic Achievement," is most frequently cited in this regard.¹ Jensen is concerned with differences in the measurement of IQ between Blacks and Whites, and speculates that a substantial part of these differences may be due to biological inheritance. Apparently he feels that if a biologically produced intellectual deficiency could be demonstrated, this would contribute to explaining social inequalities between Blacks and Whites.² Jensen, however, is very cautious and tentative in his speculations, and this fact combined with various methodological problems in his work, make it difficult to take his work seriously as an explanation of generalized minority inequality in the U.S.³ At the present time it seems possible to say that there are no widely acknowledged theories of minority inequality that rely on biological causation.

A much more influential type of deficiency theory emphasizes deficiencies in the social structure of the minority group. One highly controversial work that uses this approach is Daniel Moynihan's report entitled *The Negro Family: The Case for National Action*.⁴ Briefly, Moynihan argues that historical factors have created a weak family structure among Blacks, and that this weakness creates emotional and attitudinal problems (emotional instability, male role confusion) and a social "tangle of pathology" (drugs, crime, etc.). These in turn result in low schooling achievement and a generalized situation of inequality--poverty, unemployment, low-status jobs. A vicious circle is set up in that economic problems then reinforce the weak family structure in producing inequality. Nathan Glazer works with a very similar type of model.⁵ Both of these writers rely heavily on a tradition of writing on the Black family initiated by E. Franklin Frazier.⁶ Another work that can be considered as fitting within the same general category is D'Antonio and Form's *Influentials in Two Border Cities*, in which they ascribe Chicano political powerlessness in El Paso to structural deficiencies in that group (lack of political organizations, a "low level of social integration," factionalism).⁷

The third sub-type under deficiency theory consists of those theories which regard culture as being the source of inequality. The emphasis here is on attitudes and values rather than social structure, although the two types of factors are often linked together causally. Perhaps the most notorious although somewhat idiosyncratic proponent of this view today is Edward Banfield. Banfield draws some inspiration from the "culture of poverty" school to argue in *The Unheavenly City* that inequality in the United States is largely attributable to the existence of a "lower class culture," consisting of such traits as a present rather than future orientation, a lack of work discipline,

and so on.⁸ Individuals who share this "culture" do poorly in school, and their low schooling attainment creates conditions of poverty and powerlessness, which then serve to perpetuate schooling inequalities. While it is not only racial minorities that participate in the "lower class culture," they are over-represented there because of historical reasons, including past racial discrimination. Prejudice and discrimination are acknowledged to exist today, but they are not stressed in Banfield's model. Perhaps more typical of the cultural approach is Herschel Manuel, who is concerned with explaining schooling non-achievement among Chicano children.⁹ Manuel sees schooling problems as stemming most immediately from the following sources: a language barrier; inappropriate values and attitudes (fatalism, present orientation, inferiority feelings, dependency); experiential deprivation stemming from a poor home environment; and material deprivation. Manuel represents a tradition of writing on schooling which deals with culture in a highly stereotyped way and which assumes that students must adjust to the schools rather than the other way around.

The second category of theories of inequality, representing a "liberal" approach, can be labelled *bias theories*. These are theories which focus on prejudice and discrimination as the sources of minority inequality, and thus tend to put the responsibility on the White majority rather than on the minorities. The Kerner Commission's condemnation of "white racism" stands as the most widely publicized effort in this direction in recent years although the report also throws in a hodgepodge of cultural and social deficiency explanations of inequality.¹⁰ The classic work in this area, however, is Gunnar Myrdal's *An American Dilemma*, published in 1944. Myrdal is concerned with explaining the unequal status of Blacks, and while he goes into an extended historical analysis of the Black experience he focuses on a small number of contemporary variables. Basically, he sees racial prejudice among Whites as producing discrimination, and discrimination as producing inequality. The disadvantaged condition of Blacks then reinforces the prejudice of Whites by confirming their low opinion of Blacks, so that a strong vicious circle is set up.¹¹ Kenneth Clark presents a more recent variation on this type of theory.¹² He also focuses on racial prejudice and discrimination, but he includes a deficiency component consisting of a set of ghetto "pathologies" reminiscent of Moynihan. The "pathologies" and the inequalities, both products of discrimination, are then pictured as mutually reinforcing.

The third major category of theories of racial inequality consists of *colonial theories*. While most of the theories in this category are relatively new and still in the process of being developed, it is becoming increasingly clear that they do represent a distinctive approach to this question. These theories share with bias theories an emphasis on discrimination, but they are different in two significant respects. Colonial

theories emphasize the interests that are served by discrimination and racial subordination, and thus imply some degree of rational purpose in these practices and arrangements. Bias theories, on the other hand, see discrimination as the product of prejudice, which is generally treated as an irrational psychological or cultural factor. The other major difference is that colonial theories stress the *structural or institutional* nature of race relations, rather than dealing with things on the basis of one-to-one relationships. Thus, whereas bias theories would tend to deal with occupational discrimination in terms of the individual acts of individual employers, colonial theories would stress such factors as the existence of dual labor markets or the effects of structural characteristics of the schooling system (segregation, tracking, etc.). Prejudice enters into colonial theories, but more as an intervening than as an independent variable (e.g. as a factor manipulated to further class interests).

The person whose writings have been most influential in applying colonial theory to the situation of U.S. minorities has been the sociologist Robert Blauner. He has used the concept of "internal colonialism" to describe race relations in the United States and to help explain a wide variety of phenomena, including urban uprisings, cultural nationalism, and social mobility patterns.¹³ As with most of the other theorists described here, Blauner does not present his theoretical approach in a formal manner, so that it must be largely pieced together through an examination of his various essays.

Other writers have tried to extend the colonial perspective in various directions. Tomás Almaguer, for example, attempts in a historical sketch to integrate the experience of the Chicano into the broader history of Western colonial expansion since the 15th Century.¹⁴ Guillermo Flores has applied the concept of colonialism in a theoretical manner to the cultural experience of Chicanos.¹⁵ Robert Allen has analyzed the various aspects of the Black political movement from a colonial perspective.¹⁶ While colonialism can thus be seen as a broad structural category for describing race relations, my interest in this essay is limited to colonialism as a theory of minority inequality.

One of the ambiguities that has plagued colonial theory has been the omission in these various works of a formal definition of colonialism. The advantage of such a definition is that it helps prevent the term from being used in a vague or diffuse manner. As a first stab at this, I offer the following definition:

Colonialism is a structured relationship of domination and subordination among groups which are defined along ethnic and/or racial lines, where that relationship is established or maintained to serve the interests of all or part of the dominant group.

This is intended as a broad definition in order to cover all cases of colonialism as that term is currently employed. It is important to recognize that there are many varieties of colonialism: direct and indirect, classic and "neo," external and internal, etc. U.S. race relations should be seen as one variety of colonialism, rather than representing a loose "analogy" with colonialism, as some writers have maintained.

I have used the designation of "ethnic and/or racial" group because the exact basis of definition is often a combination of factors. Thus, Chicanos are a group which is, in part, racially distinct from the Anglo majority. But, they are also an ethnic group, in that a substantial part of their identification depends on such cultural factors as language. The same is true in other countries, as with Indian groups in México.

The interests to which I refer can be of several types. Generally economic interests are paramount in colonial situations, as in the expropriation of lands or natural resources, or in gaining control of the labor of the colonized group. It can also be political, as in the use of a colonized territory for a military base. In the case of the European invasion of the "Américas," the initial motivation was the gaining of land and natural resources. With U.S. slavery, which can be seen as a type of colonialism, the interest was in labor power. With the Chicanos, a colonial situation was established in order to gain control over Chicano labor.

With the above characterization and definition of colonialism, it is easier to identify those writers who fall within the category of colonial theory. Harold Baron, for example, does not use the terminology of colonialism in his work. Yet his analysis of the history of Black labor in the U.S. should be considered as colonial theory, since he puts that history in the context of a structured subordinate relationship, and describes the interests that have been served by that relationship, particularly those of the employers of Black labor.¹⁷ The same is true of various other writers.

Within the category of colonial theory there appear to be two important sub-types. These I have called "left" and "right" colonial theory, and the distinction is based on the nature of the interests that the theorist sees as being served by colonialism. "Right" colonial theory characterizes colonialism as a state of affairs that benefits all of the non-colonized population, in the case of the United States, all Whites or all Anglos. Carmichael and Hamilton, in their book *Black Power*, provide us with a good example of this variety of colonial theory.¹⁸ "Left" colonial theorists characterize the interests served by colonialism as those of the dominant class within the non-colonized populations. Flores, Almaguer, and Allen have increasingly tended to see U.S. capitalists as the group benefitting from the colonization of U.S. minorities, as opposed to all Whites or all Anglos. The implications of this type of approach will become more evident below, in the examination of

colonial labor. Some writers are difficult to characterize as either "left" or "right." Blauner,¹⁹ for example, appears to be ambiguous on this question, as is William Tabb.²⁰

Before going on to the case study, I would like to clarify the relationship between colonial theory and various Marxist interpretations of U.S. race relations. One school of U.S. Marxist thought argues that U.S. capitalism no longer has any compelling need to perpetuate racial divisions. Eugene Genovese's writings is one example. Genovese argues that there is a strong historical connection between the subordination of Blacks and the development of U.S. capitalism, especially during the nineteenth century. But he feels that since the First World War, the relationship between capitalism and racism has become less clear.

With the decline of sharecropping and tenancy in the South, with urbanization, and with substantial structural changes in the economy, American capitalism no longer needs or generates in the old way racial discrimination as an organized form of class rule. Since the blacks (*sic*) today are prepared to exact a high price for the conditions to which they are subjected, there is good reason to believe that the capitalists as a class and capitalism as a system would purge themselves of racism if they could. Racism, however, is so deeply rooted in American society that it cannot be torn up without fundamental changes in capitalism itself.²¹

Baran and Sweezy likewise believe that the U.S. ruling class see it as being in their interest to eliminate racial inequality, but their view is somewhat more complex than that of Genovese. They pose the problem very clearly:

the conclusion seems inescapable that since moving to the cities, Negroes have been prevented from improving their socio-economic position: they have not been able to follow earlier immigrant groups up the occupational ladder and out of the ghetto. . . . What social forces and institutional mechanisms have forced Negroes to play the part of permanent immigrants, entering the urban economy at the bottom and remaining there decade after decade?²²

Their answer is that there are three sets of factors responsible. The first is a number of private interests, including employers who benefit from divisions among their workers, ghetto landlords, marginal businesses that need cheap labor to survive, and white workers, who are protected from Black competition for jobs. The second is race prejudice, which is of historical origin but is reinforced in the contemporary world by the need of whites to have a subordinate group on whom they can vent the frustrations and hostilities generated by class

society. The third is the economy's declining need for unskilled and semiskilled labor.²³ The position of the large capitalists who constitute the ruling class, however, is that any benefits they may derive from racial subordination are outweighed by the growing revolutionary threat posed by Blacks in the context of a world-wide anti-imperialist trend. Thus, while this class has endeavored to further racial equality, they have been able to achieve relatively little because of their limited control of the system(!).²⁴

A substantially different position is put forth in Oliver Cox's ambitious work, *Caste, Class & Race*, published in 1948. Cox develops the theme that modern race relations have their origin in the colonial systems developed by Europeans after the 15th century. Racism achieved prominence as a justification for these systems, and came to be used by the capitalist "to keep his labor and other resources freely exploitable."²⁵ He observes that

in the United States the race problem developed out of the need of the planter class, the ruling class, to keep the freed Negro exploitable. To do this, the ruling class had to do what every ruling class must do; that is, develop mass support for its policy. Race prejudice was and is the convenient vehicle.²⁶

While the needs of the Southern agricultural capitalist were the most pressing, in Cox's view, racial subordination serves the interests of capitalists as a whole in two ways: by providing a sector of workers (the minority workers) who are more tractable and manipulable, and by keeping workers as a whole divided among themselves.²⁷ Eventually, race prejudice became part of the "social heritage" and was passed on to others who are often not aware of its origin and "fundamental motivation."²⁸ Nevertheless, this motivation remains the key element in understanding the direction that U.S. race relations have taken.

It should be borne in mind that race prejudice is not simply dislike for the physical appearance or the attitudes of one person by another; it rests basically upon a calculated and concerted determination of a white ruling class to keep some people or peoples of color and their resources exploitable. If we think of race prejudice as merely an expression of dislike by whites for some people of color, our conception of the attitude will be voided of its substance.²⁹

Cox's position, that it is the capitalist class that benefits from the existence of subordinate racial groups, is supported in a widely cited article by Michael Reich.³⁰ Reich argues that racial divisions in the society are carried over into the work force, and that divisions among workers sap their

bargaining strength and thus keep both Black and white wages down, thus widening the gap between workers' income and capitalists' income. He attempts to test this proposition by developing a measure of racism (the ratio of Black median family income to white median family income) and correlating it at the level of the metropolitan area with measures of inequality among whites (for example, the per cent share of all white income received by the top 1% of white families). The correlations which result from this procedure support his argument, even with controls for various other factors.³¹

In another work, Reich, Gordon, and Edwards approach the question of the role of minorities in the economy from another angle.³² They present the theme that in the latter part of the 19th century there were important trends in the United States that signalled a danger to the hegemony of the capitalist system. The labor force was becoming more homogeneous with the development of the factory system, and the growing proletarianization of the work force was producing labor conflicts that were increasingly taking on a class character and raising broader and more militant demands. Partly as a defense against these trends, capitalists devised an elaborate system of job stratification that involved the proliferation of job categories and the ranking of those jobs in a status hierarchy. The intent was to divide the work force and thus prevent class solidarity from coming about. Associated with this process was the creation of a segmented labor market, in which various segments or submarkets emerged, each with its own set of rules, working conditions, wages, and opportunities. Thus, the authors, drawing on the work of other researchers, identify a primary sector in which wages are high and promotional opportunities are good, and in which stable working habits are required, and a secondary sector, in which the opposite conditions prevail. Minorities and other relatively vulnerable groups (women, youth) were and are concentrated in the secondary sector and in less desirable jobs generally. David Gordon develops this theme in greater detail in another work.³³ He feels that employers deliberately filled the worst jobs with those people who were the least likely to establish solidarity with better-off workers.

Gradually, as the composition of the American labor force changed, it became relatively easy for employers to reserve the most "secondary" jobs for teens, women and minority group workers with quite confident expectations that they would not identify with the more advantaged workers and develop a common consciousness about the disadvantages of their jobs.³⁴

As can be seen from these various summaries, there are great disparities in the works of different Marxist theorists, and there is certainly nothing that can be seen as "the" Marxist theory of minority inequality or race relations generally. In

terms of the categories I have used in this paper, some of the views expressed by Marxists (e.g. Genovese) are quite similar to bias theory, in that the perpetuation of racial inequality today is attributed primarily to a diffuse racism. On the other hand, the works of Cox, Reich, Gordon, and Edwards are entirely or largely consistent with left colonial theory, in that they stress institutionalization, rational calculation, and the benefits derived by capitalists from discrimination. At the same time, it is not at all clear that their conclusions derive in any very direct way from a body of general Marxist theory, but rather from their own ideas and investigations. In any case, it seems clear that U.S. Marxist theory is underdeveloped in the area of race relations, and much in need of being more systematically extended into this area. With the further development of colonial theory, it may be that left colonial theory will increasingly be seen as such an extension.

There is one article that, perhaps, deserves separate mention, since it is presented as a critique of and an alternative to colonial theory. Donald Harris's critique is based entirely on the writings of Tabb, whom he criticizes for his vague and metaphorical use of the term "colonialism."³⁵ Harris argues that this concept can be applied to the situation of U.S. Blacks only if it can be clearly defined in terms of exploitation and if Blacks can be shown to be "super-exploited." Exploitation, explains Harris, "consists in an excess of the value that the worker receives plus the costs of raw materials and replacement of depreciated equipment. The ratio of this surplus to the value of wages constitutes the rate of exploitation."³⁶ He goes on to say:

one way of putting the idea of an internal colony would be to argue that the rate of exploitation is higher for black labor than for white or that, in other words, there is "super-exploitation" of black labor. . . . The question to be asked is whether there is a systematic pattern of underpayment of black labor relatively to whites for the same task, same level of skill and same level of productivity.³⁷ (emphasis in the original)

Harris believes that such super-exploitation is probably prevalent at the level of the small capitalist, but not at the level of the largest and most powerful, who have the greatest voice in structuring the economic and social system.

Harris goes on to present his alternative formulation. He begins with the premise that there is a chronic over-supply of labor in the U.S. economy as presently constituted, and that the surplus labor acts as a "reserve army" of the unemployed. This "reserve army" is functional from the standpoint of the employers since it can be drawn upon as needed, and because it undercuts the bargaining power of the workers and exerts a downward pressure on wages.³⁸ Blacks are over-represented in

the "reserve army" because discrimination is used as a rationing device to allocate the available jobs among the population.

Harris adds that discrimination also weakens the position of the working class by creating a structural division in that class, but this is mentioned in passing and is not integrated into the rest of the discussion.³⁹

Harris's critique is flawed by several factors. One is that he takes into account the work of only one writer, Tabb. More importantly, Harris insists on defining the concept of colonialism only in relation to exploitation, which he defines narrowly. In doing this, he ignores other possible motivations for establishing or perpetuating a colonial structure, such as those listed in the next section of this paper. In addition, his "alternative formulation" can easily be incorporated into a broader definition of colonialism, especially left colonialism, as I in fact do below. However, one difficulty with his formulation is that although discrimination plays a key role, he leaves unanswered the question of the causes of discrimination, other than a vague reference to "specific historical conditions."⁴⁰ The basic difficulty with Harris's article would seem to be a very limited conception of what colonial theory represents as applied to U.S. minorities.

COLONIAL LABOR

In this paper I am examining one particular aspect of racial inequality in the contemporary United States, that of inequality in the labor force. My contention is that minority workers represent a distinct structural element in the labor force, and that these workers are treated differently from other workers in several ways which are described below. The fundamental reason that this happens is that it serves the interests of employers to make use of minority workers in this way. To the extent that this situation prevails, it represents a type of colonial labor. In order to investigate the existence of colonial labor empirically, it is necessary to specify more concretely the particular ways in which minority labor is used. At this time it is possible to identify five relatively distinct ways in which minority labor is used in a colonial manner. These are listed below, along with some quotes from various writers who have described that particular condition.

(1) *Minority workers can be restricted to or concentrated in the lower status jobs and industries.* Basically, this is doing the dirty work for the society. "When working, (minority workers) tend to be concentrated in jobs that are insecure, dirty, unskilled, and at the bottom of the hierarchy of authority where there is little possibility for advancement."⁴¹

In all the developed Western capitalist states, there exists a group of workers to fill the jobs that the more politically established sectors of the working class shun.

These marginal workers generally are set apart in some way so that they lack the social or the political means of defending their interests. In Western Europe usually they are non-citizens coming from either Southern Europe or Northern Africa. In England they are colored peoples coming from various parts of the Empire. In the urban centers of the United States race serves to mark black (*sic*) and brown (*sic*) workers for filling in the undesirable slots.⁴²

One way in which this practice is maintained is through the tacit establishment of "job ceilings," which limit how high minority workers can rise in the occupational structure. The discussion of segmented labor markets is also relevant here.

The relegation of certain types of work to colonized labor serves the interests of employers by lowering the basis for dissatisfaction among the non-minority workers. It also serves the interests of the non-minority workers, at least in the short run, by sparing them from that work. The argument has been made that this practice harms employers by keeping talented minority workers in jobs that do not fully utilize their talents, but this would not seem to be a major drawback under conditions of a labor surplus.

(2) *Wage differentials can be established for the minority workers.* This means that a minority worker will receive less pay for doing the same work.

This special exploitation of the black labor force also leads to direct economic gains for the various employers. Methodologically it is very difficult to measure exactly the extra surplus extracted due to wage discrimination, although in Chicago it has been estimated that unskilled black (*sic*) workers earn about 17% less on similar jobs than unskilled white workers of comparable quality.⁴³

The existence of wage differentials serves the interests of employers in keeping their labor costs as low as possible.

(3) *Colonized workers serve as economic buffers or "shock absorbers," cushioning the impact of economic dislocations on non-minority workers.* "Any social or economic crisis that this society produces is generally felt most strongly and 'absorbed' by Third World people within the United States."⁴⁴ Thus in periods of high unemployment, minority workers can be laid off disproportionately to non-minorities. Periods of economic recession invariably hit the minority communities harder than other communities.

Maintaining a colonial buffer serves the interests of employers in that it lowers the basis for dissatisfaction among the potentially more dangerous majority workers. It also

benefits the majority workers, in that they are spared the full impact of the dislocations.

(4) *Minority workers can serve as a special "industrial reserve army."* This minority industrial reserve army consists of workers who are often unemployed or underemployed, and who can be incorporated into the labor force in times of economic expansion. They provide elasticity to the labor force, allowing employers to expand their work force without having to raise wages through competing for non-minority workers.

The dual labor market operates to create an urban-based industrial labor reserve that provides a ready supply of workers in a period of labor shortage and can be politically isolated in times of relatively high unemployment. In a tight labor market the undesirable jobs that whites leave are filled out of this labor reserve so that in time more job categories are added to the black (*sic*) sector of the labor market. . . . The welfare and police costs of maintaining this labor reserve are high, but they are borne by the State as a whole and therefore do not enter into the profit calculations of individual firms.⁴⁵

Unemployment is intimately related to the process of capital accumulation and the associated pattern of technical change. On average, the overall rate of accumulation and the rate of growth of productivity due to technical change is such that not enough employment is being created to take up the existing slack plus the labor that is displaced by the new techniques that are being introduced. Thus, a certain amount of unemployment is continuously being reproduced as the system as a whole expands. Such unemployed labor constitutes a "reserve army" upon which the system can draw when the rate of accumulation rises above average. It is replenished when the rate of accumulation falls. The system is furthermore dependent upon the continued existence of such a reserve army. This is for the reason that it weakens the bargaining power of the workers and thereby prevents rising wages from eating into profits.⁴⁶

The existence of the minority industrial reserve army serves the interests of employers in the ways outlined above. However, it is contrary to the interests of non-minority workers in that it weakens their bargaining power and acts as a brake on wages.

(5) *The existence of a colonized work force serves to divide the workers among themselves and to prevent them from pursuing a unified class interest.* Such division has been actively fostered in the past by employers who have used Black and Chicano workers as strikebreakers against non-minority workers.

Colonization as a process can be seen as a method of class subjugation in which part of the working class--black (*sic*) Americans, and indeed Mexican Americans, Puerto Ricans and others are separated out as a distinct group from the rest of the working class to serve the function of a pariah group creating division in the working class and perpetuating division within the working class.⁴⁷

This division among the workers serves the interest of employers as a class and acts against the interests of workers as a class.

A review of these five aspects of colonial labor establishes that while they operate consistently in the interest of employers of labor, they benefit non-minority workers only in a limited sense, and operate in the long run against their interests as workers.

If it can be established that colonial labor has existed and continues to exist in the United States, this will represent support for the colonial theory of minority inequality, and weaken the base of the deficiency and bias theories. Such a revision in our theoretical conceptions would have important implications for our understanding of what it would take to overcome the unequal status of U.S. minorities.

The procedure I have chosen to explore this theme is that of a case study. In the following pages I present some historical material on one of the most important U.S. industrial corporations, International Harvester, which employs both Chicano and Black labor. My concern has been to determine whether colonial labor has characterized International Harvester's employment practices, and if so which elements of colonial labor have been or are the most important.

INTERNATIONAL HARVESTER

The origins of International Harvester can be traced to western Virginia, where in 1831, Cyrus Hall McCormick developed a horse-drawn reaper. In 1847, McCormick moved to Chicago and built his own factory. This factory, known as the McCormick Works, was to remain for many years the sole manufacturing plant of the McCormick farm equipment company. By 1902, this plant was producing over a third of the United States' harvesting machinery. In that year, the McCormick company merged with the next four largest farm equipment companies to form International Harvester. This giant trust then produced 85% of the country's harvesting machinery. In 1914, legal action was brought against the company under the Sherman Anti-Trust Act, and it was eventually forced to break up. International Harvester Company remained in existence, and although reduced in scope it has continued as the largest company in the farm equipment industry. In recent years it has ranked among the top twenty-five corporations in the United States in volume of

sales, which in 1973 amounted to over \$4 billion. Throughout its history, the McCormick family has maintained a central position in management, and the current president is a McCormick. The mainstay of the company is in its lines of farm equipment and trucks, but it also operates its own steel plant (Wisconsin Steel Division) and manufactures industrial gas turbines (Solar Division). Its main plants are in the Midwest, with some in the South. The Solar Division is located in San Diego. Starting with 23 workers in 1847, McCormick employed 1400 in 1884. In 1950 International Harvester had over 90,000 workers in all its divisions, and in 1970 over 100,000. Within the farm equipment industry generally, approximately two thirds of the employees are bluecollar workers, with operatives, or semi-skilled workers, comprising the single largest category.⁴⁸

Trade unionism has had a long and turbulent history at McCormick Works and International Harvester. The earliest unions, based on crafts, appeared in the 1860's. In the late 1880's, the Knights of Labor were strongly represented at McCormick. In 1886, striking McCormick workers were involved in conflicts with other workers and the police. These conflicts led directly to the famous Haymarket Square bombing and the subsequent wave of anti-union repression. Union activity at McCormick and International Harvester rose and fell, as it did in industry generally, with changes in economic and political conditions. McCormick management was virulently anti-union, and they succeeded time and again in smashing the emerging unions. The tactics used were a skillful blend of coercion and cooptation. On the coercive side there was ample use made of blacklists, police repression, and the firing of union activists. But the company also resorted to the shrewd use of bonuses, intra-company welfare programs, and company unions as the occasion demanded. After World War I, International Harvester was one of the members of the Special Conference Committee, a secret organization of ten of the largest corporations in the United States. It included Dupont, General Electric, General Motors, Standard Oil, U.S. Rubber, Bethlehem Steel, and later, AT&T and U.S. Steel. The purpose of this organization was to deal with the threat of unionism and related labor matters. In this, as in other ways, International Harvester proved itself to be a highly class-conscious corporation.⁴⁹

International Harvester was successful in delaying the recognition of unions until 1941, several years after most of the U.S.' large industrial concerns. After the war there was a struggle for union dominance between the left-influenced Farm Equipment Workers and the United Automobile Workers, with the initially stronger Farm Equipment Workers losing out during the McCarthy era in the early 1950's. Since that time the UAW has been the largest union among International Harvester workers.

International Harvester and McCormick also have a long history of ethnic diversity in their work force. During the 19th and early 20th centuries the succession of ethnic workers included Irish, Scandinavians, Germans, and Poles. World War I, however, signalled the end of large-scale European migration, and the entrance of Black and Chicano workers in significant numbers into the International Harvester labor force. This trend was reinforced by the stringest post-war restrictions on immigration. Whereas Blacks had established a presence in Chicago industry earlier in the century, World War I marked a sharp rise in their level of industrial employment. For Chicanos, World War I marks their entry into the Chicago labor market.

It is important to keep in mind that even before this period the management of large industrial concerns was highly conscious of the ethnicity of their workers. During the 19th century, International Harvester had pursued a deliberate policy of encouraging ethnic diversity in their workers as a means of keeping them weak and divided. According to Robert Ozanne, "Harvester experience showed that the cohesiveness of nationality groups worked against the company in strike situations."⁵⁰ In 1916, labor strife prompted President McCormick to write to his directors: "One of the advantages of building a new foundry organization will be that we will not have such a large percentage of Poles. It does not have a good effect to have so large percentage of one class of men."⁵¹ After World War I, the Industrial Relations Department of International Harvester compiled regular reports on the nationality and race of their employees.⁵²

The policy pursued by International Harvester during this period was to leave racial hiring policies to the superintendents of the different plants. However, the central management carefully monitored the proportion of Black workers in the plants, and cautioned the superintendents if the level of Black employment reached a certain level. The various plants of International Harvester followed one of two patterns. Some excluded Blacks altogether. The others adopted a quota system, generally at about the 20% level.⁵³ The quota system appears to have been the product of two considerations. One was the desire to tap this pool of labor in a tight labor market. The other was the fear of ethnic solidarity.

One of the impacts of the post-war labor shortage was to put pressure on the exclusionary and the quota systems. The only alternatives to reduced output were to bid up the price of labor in the hopes of attracting white workers from other industries, or to hire minorities. In this situation, International Harvester management reluctantly decided to increase the hiring of minorities rather than raising their labor costs by competing with other manufacturers for labor.⁵⁴ By 1923, the level of Black labor at the central McCormick Works stood at 18%, and at the McCormick Twine Mill at 20%.⁵⁵ By 1929, it had risen to

over 27%, at the Twine Mill. Some plants, however, continued to employ no Blacks.

The Wisconsin Steel plant of International Harvester provided an interesting variation on this situation. The policy of Wisconsin Steel was to hire no Blacks at all. Confronted with the labor shortage, their solution was to hire Chicanos or Mexicans. In pursuit of this effort they recruited Chicano labor from as far away as Kansas City and Texas.⁵⁶ The figures for Mexican employment at Wisconsin Steel during the 1920's are as follows:

Table 1

Mexican Employment as Percentage of Total Labor Force
at the Wisconsin Steel Plant of International Harvester

Year	% Mexican
1921	.3
1922	.6
1923	14.2
1924	14.8
1925	19.7
1926	21.8
1927	21.0
1928	19.5

Source: Paul Taylor, *Mexican Labor in the United States: Chicago and the Calumet Region*. Berkeley: University of California, 1932, Table 3.

The Depression of the 1930's, and its labor shortage produced a sharp turn-around in the trend of hiring more minority labor. Minority workers were laid off at a greater rate than white workers, and the percentages of minority workers declined. At the McCormick Works, the proportion of Black workers dropped from 18% in 1923 to 10.3% in 1940. At the Tractor Works it declined from 9% in 1923 to 6.5% in 1940. The McCormick Twine Mill saw a drop from 27.5% in 1929 to 18.0% in 1940.⁵⁷

With the labor shortages of World War II, the situation was turned around once again. Federal anti-discriminatory and fair employment practices legislation combined with the labor shortage to end the complete exclusion of Black workers that still existed at many International Harvester plants. In 1940, Blacks constituted 4.5% of all the workers employed in International Harvester plants. By 1944, the number had risen to 11.6%. In 1950, it was 12.8%; in 1960, 9.3%; and in 1970, 11%.⁵⁸ In 1974, it was 11.3%.⁵⁹ Thus, it would appear that there has been little

change in the overall level of Black employment since the end of the Second World War. One factor that has contributed to the stagnation of the level of Black employment has been the recent trend of closing plants in the large urban centers such as Chicago and opening others in suburban and outlying areas.

There has continued to exist considerable variation in the levels of Black employment at the different plants. The highest levels were reached at the McCormick Twine Mill before its closing in 1953. This plant, traditionally operated by female labor, reached a peak of 75.6% Black employment in 1951. The McCormick Works, which closed in 1961, employed 28.7% Black employees in 1960.⁶⁰

One of the most striking aspects of Black employment at International Harvester has been its relative concentration in certain types of work and certain occupational levels. The two work sectors in which Black employment was initially concentrated were the foundries, or metalcasting shops, and the twine mills. The foundries were the places with the most arduous working conditions. The twine mills were areas of low-wage employment, almost entirely female. In 1924, for example, Black employment at the Tractor Works foundry was 35%, and in the McCormick foundry, 29%. In the twine mills it was 24%.⁶¹

The typical minority employee was hired at the level of laborer, or unskilled worker, and there seems to have been a definite conception on the part of management as to what type of work minorities were suitable for. A special report on minority employment was initiated by President McCormick in 1925. Some of the representative quotes are: "In some instances the Negro is held to be suitable for semi-skilled work . . . Steel mills are more satisfied with Mexicans for common and semi-skilled labor . . . The Mexicans at the steel mills are developing into semi-skilled tradesmen but none are employed in mechanical or electrical trades."⁶² Taylor presents figures for two large steel plants in the Chicago area in 1928, and while the figures are not specifically for International Harvester, they are probably indicative of the general pattern in the steel plants of the area (see Table 2).

Of interest in this data is not only the sharp difference between minority occupational patterns and overall patterns, but the very similar patterns for Chicano and Black workers.

A more recent study of the farm equipment and construction machinery industries in the U.S. indicates that these patterns persist in modified form today. According to Ozanne,

In plants visited by the author or by other Industrial Research Unit personnel (and these were larger companies), it was found generally that Negro craftsmen tended to be concentrated in the foundries in such crafts as molders and coremakers, rather than being broadly distributed throughout the plant.⁶³

Table 2

Total, Mexican and Black Workers by Blue Collar, Occupational Category at the Gary Works and South Works Plants of the Illinois Steel Company, 1928

	All Employees		Mexican Employees		Colored Employees	
	Number	%	Number	% of All Mexican Employees	Number	% of all Colored Employees
Skilled	8,101	36.7	38	1.8	128	4.7
Semi-skilled	5,704	25.9	297	19.1	438	16.2
Unskilled	8,256	37.4	1,646	79.1	2,150	79.2
Total	22,061	100.0	2,081	100.0	2,716	100.0

Source: Adapted from Paul Taylor, *Mexican Labor in the United States: Chicago and the Calumet Region* (Berkeley: University of California, 1932), p. 157. Data for Gary Works and South Works, Illinois Steel Company.

A review of occupational statistics presented in the Ozanne study reveals the following patterns for five large companies (not specified by name) in the farm equipment and construction machinery industries. In 1970, 35.5% of these companies' employees were classified as white collar (all non-blue collar categories), although only 8.9% of their Black employees fell into this classification. Of the 8.9%, the overwhelming majority were located in the lowest white collar category, that of office and clerical workers. At the highest level, that of officials and managers, only .9% of the Black employees could be found, compared to 8.2% of all employees. Some 11.5% of the Black employees were classified as craftsmen (skilled workers), 60% as operatives (semi-skilled), 14.4% as laborers, and 5.2% as service workers. Black employees were over-represented in proportion to their overall numbers in the bottom three categories, and under-represented in all of the higher categories.⁶⁴ Several factors are also noted in the study that make these figures even bleaker. Thus, Ozanne states "the designation 'craftsmen' covers such a broad category of jobs that it conceals the fact that the Negro penetration into truly skilled trades has been almost negligible. Furthermore, the future for this category is not bright because of the almost universal failure to enroll a sufficient number of Negroes in the apprenticeships."⁶⁵ Furthermore, "within the operatives

classification, we observed a definite tendency for blacks (sic) to be overconcentrated at the lower ranges."⁶⁶

At the white collar level, the same study notes that Blacks have been almost completely excluded from sales positions, and that

in the offices Negro employment is generally only tokenism. Firms in communities of high Negro population have failed to do much better in the proportion of Negroes hired for their offices than firms in communities of low Negro population. This probably indicates that until recently the main offices actually have been neglected in the firms' equal opportunity policy.⁶⁷

In 1974, according to International Harvester's figures, Blacks were represented in the various occupational categories in the following manner:⁶⁸

Table 3

Percentage of Black Workers by Occupational Category
at International Harvester, 1974

Occupational Category	%
Officials and managers	2.3
Professionals	1.3
Technicians	1.8
Sales workers	.9
Office and clerical	6.0
Craftsmen	8.3
Operatives	16.3
Laborers	29.3
Service workers	21.3

Source: 1974 EEO-1 Report, International Harvester.

In evaluating these figures and the marginal improvement they seem to represent over earlier periods, particularly in the craftsmen category, Ozanne's comments cited above should be kept in mind. The changing nature of the occupational structure is also relevant in this connection:

The statistics constitute snapshot pictures of an occupational structure in a continual state of change. The pattern of change is one in which, generally speaking, new and expanding job categories appear at the higher status, more desirable end of the occupational spectrum

pushing the older, stable, or declining categories downward toward lower status, less desirable positions in the hierarchy. At the same time, the least desirable occupations become obsolete and disappear. Traditionally, this change in the job structure has been accompanied by the movement of whites into the expanding categories leaving the older, stable, and declining jobs vacant for blacks (sic). Thus, blacks are always gaining access to new jobs, but their long-run position relative to whites does not change.⁶⁹

On the matter of differential pay rates (different pay for the same work), there appears to be little evidence. From the information presented by Taylor for Mexican workers in the Chicago of the 1920's, it seems that such practices existed but do not appear to have been a major factor in the employment of minority labor.⁷⁰

Another aspect of minority employment in the Chicago of the 1920's is touched upon in a comment by an employer from a large foundry: "We now have a good labor market, so we can replace the Mexicans with more desirable labor."⁷¹

Up to now the discussion has been concerned with the main International Harvester plants in the Midwest. Harvester's plants in the South deserve special comment. The three plants that have been studied are the Louisville Works, producer of tractors since 1946; the Memphis Works, where mechanical cotton-pickers and other farm implements have been made since 1948; and the Evansville Works, which has manufactured refrigerators since 1946. The Louisville plant began with 4.2% Black workers, employed 14.1% in 1950, reached a peak of 20.9% in 1955, and declined to 11.9% in 1960, the last year for which published figures are available.⁷² The Evansville plant had 4.4% Black workers in 1946 and 8.2% in 1950.⁷³ The Memphis plant started with 12.2% Black workers in 1947 and had reached a level of 23.2% in 1949.⁷⁴ In 1968, their percentage of Black employees was still at essentially that same level.⁷⁵

A study of these three companies covering the late 1940's and early 1950's showed a sharp pattern of Black concentration at certain occupational levels and in certain types of work. The basic pattern was that Blacks were greatly over-concentrated in unskilled labor and greatly underrepresented in skilled and white collar occupations. At the Louisville Works, for example, in 1951 Black daywork production workers consisted of 54.8% unskilled and 2.8% skilled workers. Whites in the same category were 25.9% unskilled workers and 29.5% skilled.⁷⁶ The same author divided the production process into three stages, and found that Blacks were concentrated in the first stage, consisting of primary fabrication of parts from raw materials. Whites were more evenly distributed throughout the three stages, with the second stage being the finishing and assembling of parts and the third stage the inspection, packing and shipping.⁷⁷

Blacks were almost totally excluded from clerical, technical, and managerial employment.⁷⁸ The author concluded on the basis of his study that International Harvester's officially stated policy of equal employment opportunity would soon produce significant occupational advancement for Blacks. Yet, a study based on 1969 data described the situation in the Memphis plant in the following terms:

. . . the plant is still characterized by lily-white and overwhelmingly black (*sic*) departments. Of the roughly 300 men in the truly skilled trades, there was but one Negro, an electrician who was on layoff in January 1969 because he had only 50 days' seniority in the electrical department. In welding, in 1969, there were roughly 3 Negroes out of 100, none of them with substantial seniority. In the machine department there were only 6 Negro machine operators out of 75 operators and inspectors, the most senior Negro having only six months' seniority. Among 279 foremen, 3 were Negro, 2 of them appointed in 1967, and the first in 1965. There were no Negro apprentices. Of 450 workers in the foundry, approximately 325 were Negroes, concentrated as usual in the hottest places, the forge shop and pouring the molten metal.⁷⁹

John Hope's study gives us some insight into the origins of this situation in the 1940's and early 1950's. Hope stresses the opposition of white labor to the advancement of Blacks, and he repeatedly states that management pursued an equal opportunity policy. However, management's role in this regard consisted primarily of placing some Black workers in semi-skilled positions. During the first few years of existence of the Southern plants there was no union representation and management had a relatively free hand in its placement policies. According to Hope, Harvester management made no effort to place Blacks in skilled positions, and, as we have seen, there was virtually no Black representation at the white collar level.⁸⁰ Hope also mentions that there was a universally recognized taboo against appointing Blacks to positions where they would be supervising white workers.⁸¹ It was equally forbidden for Blacks to "bump" or displace a white worker from a job, regardless of seniority or qualifications.⁸² Any Black tempted to file a grievance on the basis of discrimination was brought under intense pressure from union and company officials as well as fellow workers on the basis that it would be detrimental to good race relations.⁸³

One of the most interesting aspects of the Southern International Harvester plants was the use made of the public school system to maintain the pattern of Black concentration. Vocational courses were made available to white students which would prepare them to enter the skilled trades at Harvester and other

industrial plants. Vocational courses available to Black students did not prepare them to enter such trades. In addition, the schools conducted an adult evening Apprenticeship Training Program. These programs were run by the schools together with Joint Apprenticeship Committees composed of an equal number of representatives from the unions and from the major employers. The program was coordinated by a representative of the U.S. Bureau of Apprenticeship Training.⁸⁴ The result was an arrangement where the companies, the unions, the local schools, and the federal government combined to insure that Black workers were excluded from the training which could gain them entry to skilled occupations.

There is little evidence of the role of minority labor in cushioning white unemployment in the Southern plants. Ozanne, however, notes that:

When layoffs came in 1960 there were more in the assembly and foundry than in the tool room and maintenance. Thus, black (*sic*) layoffs were proportionately greater than white. This occurred at Memphis and Louisville even though the blacks (*sic*) had equal seniority with the whites. In certain older Harvester plants which had been lily-white before World War II the disproportionate decline of black employment was caused by the lesser seniority of blacks.⁸⁵

Another setting in which we can examine the uses of minority labor at International Harvester is provided by the company's Solar Division, located in San Diego. While time-series data for minority employment is not available here, an examination of Solar can provide us with a look at the contemporary situation in one Harvester plant.

Solar began as an aircraft company during the 1920's, and became part of International Harvester in 1960. Since the 1960's its main product has been industrial gas turbines, a line which is currently prospering. Solar employs some 3000 workers in two San Diego plants, and has gross sales of over \$100,000,000. In 1973 minority workers were 13.2% of the Solar work force. In the San Diego area as a whole minorities represented 17.8% of the labor force, with approximately 12% being Chicano, 4% Black, and 2% other minorities.

As in other Harvester plants, the most obvious minority work pattern is that of concentration in some occupational categories and underrepresentation in others. In 1973, minorities at Solar were represented in the broad occupational categories used by the census as shown in Table 4.86

In line with Ozanne's comments cited above, we find that minority workers are concentrated at the bottom within each of the categories as well. Thus if the service component is divided into its two constituents, we find that only 4 of the 21 guards are minorities, while fully 19 of the 21 custodians

Table 4

Minority Worker Percentage by Occupational Category
at Solar Plant of International Harvester, 1973

Occupational Category	%
Officials and managers	2.8
Professionals	4.3
Technicians	8.5
Office and clerical	12.6
Craftsmen	11.1
Operatives	23.0
Laborers	46.5
Service workers	54.8

Source: Documents in the author's possession.

are minority workers. Likewise, 5 of the 8 minority workers listed as officials and managers are foremen. Looking only at the overall pattern, however, it is clear that the Solar minority work force is overrepresented in those occupations listed below the skilled workers, and substantially underrepresented at occupational levels above office and clerical. Of all the occupational categories, the two largest by far were those of operatives and professionals. There was a relatively small number of laborers.

Judging from a variety of evidence, Solar management attaches little importance to changing this pattern of concentration and underrepresentation. For example, in 1966 Solar was visited by employment specialists from the Department of the Navy to audit Solar's compliance with equal opportunity employment laws and decrees (Solar has important military contracts). The Navy inspectors made a series of recommendations, which were listed along with suggestions by the Solar EEO (Equal Employment Opportunity) Coordinator, at that time a regular member of the management team. This document reads, in part:

RECOMMENDATION: Explore the possibility of setting up a "field employment office" in some minority populated areas ("poverty pockets") of town, to be staffed one or two days a week by an employment representative with authority to hire in the field.

SUGGESTED ACTION: Do not implement. Any benefit to the company is questionable and the expense would probably not be justified . . .

RECOMMENDATION: Organize a training program or series of meetings for front-line supervisors and their employees to instill EEO principles firmly in them. Also, make it clear that any individual who does not firmly support EEO should seek employment elsewhere.

SUGGESTED ACTION: Do not implement. A training program would be far too expensive and difficult to organize, and we feel this is hardly an appropriate subject for a formalized training program . . .⁸⁷

Solar had also been under pressure to develop a Minority Skills Inventory in order to identify promotable minority workers. In 1970, the Director of Industrial Relations wrote a memo indicating that he felt such a Skills Inventory should be developed, and suggesting a procedure. He went on to say:

Recognizing that this Skills Inventory will not be too useful, disclosure of its existence should be kept to a minimum, on a need to know basis. Expense should also be kept to a minimum. Since we are talking about 472 presently employed minorities plus all the new minority employees this will be a long tedious process. I believe that once a format and official guidelines are developed the O.F.C.C. (Office of Federal Contract Compliance) will be satisfied as long as we press forward. We should, however, all sing the same tune and have several examples of use and success for the Skills Inventory . . .⁸⁸

Solar, along with all companies which are contractors with the Federal government, is required to file an Affirmative Action Plan. This Affirmative Action Plan must describe patterns of minority employment within the company, identify any "underutilization" of minorities, locate barriers to fuller utilization within the company, and propose goals and mechanisms for eliminating any existing patterns of discrimination and underutilization. While Solar's Affirmative Action Plans have been approved every year by the federal agency charged with review of the plans, an examination of the plans for 1973 and 1974 shows that they are woefully inadequate. Solar's plans make no attempt to locate barriers to equal opportunity within the company, and they set no long-range goals for overcoming existing underutilization. Their analysis of underutilization, the most basic element of the plans, is full of inaccuracies and misleading use of statistics. Short-range (one year) goals are the only ones that are set, contrary to the provisions of federal law, and these are so lacking in ambition as to call into serious question the company's desire to correct the existing patterns of concentration and underrepresentation. As an example, the goals in the 1973 plan call for adding one minority employee in the category of officials

and managers, three minority professionals, and one minority technician. These three categories of employment combined totaled over 1200 employees at Solar in 1973. Yet even these insignificant goals were not achieved. In 1974 Solar had the same number of minorities in these three categories as it had in 1973. The 1974 plan made no mention of the fact that the 1973 goals had not been achieved, and proceeded blithely to set other goals.

The responsibility for enforcing equal opportunity and affirmative action within a company is supposed to rest upon a high-level official expressly appointed to that function. In 1973 Solar hired a young Black employee and designated him their E.E.O. Coordinator, a position which carried little power. The E.E.O. Coordinator took his position seriously and began to try to revive the Minority Skills Inventory and implement other aspects of the Affirmative Action Plan. Within a couple of months he had been fired. The reason given for his termination was that he had refused to supply his superiors in the Industrial Relations Department with the names of minority employees who had raised complaints about the company in private meetings held at employees' homes during non-working hours.

The responsibility for reviewing Solar's Affirmative Action Plans and for general monitoring of their minority employment patterns is delegated by the Office of Federal Contract Compliance (OFCC) to the Department of Defense. The failure of the government to take action in this case to correct obvious patterns of unequal opportunity are only a reflection of a virtually universal pattern. As Ozanne states in his review of Black employment in the farm equipment industry:

In spite of the efforts of OFCC to establish concrete standards for employment integration, the judgment of "in compliance" or "non-compliance" is, to a great extent, a subjective one. The decision is made especially difficult because of the possible dire consequences of the only overt response provided for a ruling of "non-compliance," i.e., the denial or cancellation of a government contract which may put a plant out of business and/or prevent or hinder the government from obtaining necessary armaments or other materials.⁸⁹

Thus, it appears that there will be little remedial action forthcoming from the government to change the patterns of minority employment that are so deeply entrenched at Solar and other branches of International Harvester.

CONCLUSION:

From this review of minority employment practices, what can we conclude about the existence of colonial labor at International Harvester?

On the first aspect, that of concentration, there is strong and convincing evidence. It is clear that in the present as in the past, minority workers have in fact disproportionately filled the least desirable jobs in the industry. It is also clear that in many if not in all instances this has been a matter of conscious policy. Management has had definite ideas about what type of work was "suitable" for minorities, and it has consciously excluded them from other types of work. In the case of the South, we noted the manipulation of the schooling system for the purpose of maintaining this state of affairs. While there is variation regionally and over time, the patterns remain strong everywhere. Furthermore, the lack of commitment to affirmative action can lead only to the assumption that management today is satisfied with the present arrangements. In this connection, it is well to note that International Harvester has often been lauded as a leader and a "pioneer" in developing equal employment opportunities.⁹⁰ In general then, we can say that the pattern of occupational concentration and exclusion or underrepresentation is an important aspect of colonial labor, at least in this particular company.

On the aspect of wage differentials there is little direct evidence. Wage differentials appear to have had some significance, but not to have been a primary factor. One study of a Southern plant argues for the existence of wage differentials, but it fails to separate out the effect of occupational concentration.⁹¹ Interviews with Solar minority employees have failed to turn up wage discrimination as a complaint. It appears that unionization has largely eliminated racial wage differentials as a significant element in large and modern industrial plants. This is not necessarily the case for other types of industries.

Some evidence does exist for the use of minority labor as a buffer group. As noted above, severe labor surpluses such as that of the 1930's, resulted in the disproportionate laying-off of minority workers. Ozanne, cited above, describes how layoffs in some Harvester plants in 1960 disproportionately affected Blacks, but he sees this as a side-effect of their concentration in certain types of jobs and of having lower seniority. In the same study Ozanne presents data for five large firms (unspecified) in the farm equipment and construction machinery industries during a period of layoffs from 1968 to 1970. According to him, in three of these five firms Black blue collar workers (but not white collar workers) suffered substantially more job losses than Whites, and did better in only one case. Here again he attributes the pattern to lack of seniority among the Black workers.⁹² In the case of Solar, a mild decline in employment in 1973 did not result in minority workers being laid off disproportionately. What would happen in the case of more severe dislocations remains to be seen.

The use of minority labor as an industrial reserve army is the fourth aspect of colonial labor. There is no question that minorities have been used as a pool of labor to be drawn upon

in times of labor shortage. Minorities performed this function during the 1920's, when minority hiring was clearly seen as an alternative to bidding up the price of labor. The Second World War provides a second clear example of a minority reserve force being put to use. While it is not difficult to cite historical examples of minority labor being used in this manner, it is more difficult to determine whether management simply took advantage of an existing situation or whether it has consciously contributed to its perpetuation. The existence of a pool of available surplus labor, of course, is something that cannot be determined by the managers of a single company. It is, in large part, a consequence of the overall level of employment, which is in turn affected by federal government policies and the general state of the economy. While the corporations can have their effect on this through their influence on government policy, this would require a different type of study to determine. However, corporate management can have a direct effect on the existence of a *minority* industrial reserve army through the adoption of a buffer-type policy. The disproportionate laying-off of minority workers in times of labor constriction would help insure a pool of such workers to be drawn upon when next needed. It also reduces the seniority of minority workers and makes them more vulnerable to layoffs. Excluding minorities from non-blue collar and higher status jobs would also have this effect in that it would increase the number of minority unemployed and also concentrate minorities in those jobs which are most subject to layoffs. Thus, there is an interaction among the various aspects of colonial labor that may well result in the perpetuation of a minority industrial reserve army.

The final aspect of colonial labor has to do with the use of minority labor to divide the workers, and there is good evidence on this point as well. International Harvester has been shown to be a highly ethnicity-conscious employer going back to the 19th century. While there is no recent direct evidence on this, it is difficult to think of a reason for International Harvester to abandon a practice which it has learned from over a century of labor-management relations. In this connection, we can note that the very process of concentrating minority workers in certain types of occupations effectively produces divisions in the working class, in that it gives non-minority workers a seeming stake in perpetuating the colonial framework. This motivation could, in fact, be plausibly argued as an explanation for the early pattern followed in Harvester's Southern plants of hiring Black workers into semi-skilled positions. The explanation advanced by Hope is that management was committed to the advancement of the Black worker. The alternative, less benign, explanation would be that Harvester management wished to make use of Black labor, but to do so in a way that would perpetuate the pattern of concentration in lower-status jobs and at the same time build in tension between the white

and Black workers. Such an explanation would be consistent with the adherence of Harvester managers to the principle of colonial labor that has been documented in other instances.

Thus, there appears to be substantial evidence for the existence of a colonial labor pattern at International Harvester. The subordinate position of minorities is institutionalized and historically persistent, there are important interests that are involved, and a considerable amount of conscious effort appears to have been exerted to create and maintain this situation. The degree of rationality and deliberateness is important here, as it is a factor which is generally underestimated even by radical theorists. As Reich, Gordon and Edwards put it with regard to labor market segmentation: "These efforts were 'conscious' in the following sense. Capitalists faced immediate problems and events and devised strategies to meet them. Successful strategies survived and were copied."⁹³ In addition, such groupings as the Special Conference Committee, cited above, must provide useful forums for the exchange of information on labor policies for America's large, class-conscious firms.

While there have been modifications in the overall pattern under the impact of unionization and wartime labor shortages, there have also been important continuities. The pattern at International Harvester is probably fairly typical of large industrial firms, but considerable research is needed before a clear picture emerges of the uses of minority labor in the U.S. economy as a whole. Such an understanding will provide a vital element for our conception of the sources of minority inequality in the United States today.

NOTES

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1. Arthur Jensen, "How Much Can We Boost IQ and Scholastic Achievement," *Harvard Educational Review* (Winter 1969), pp. 1-123.

2. *Ibid.*, p. 79.

3. One frequently cited problem is that he makes use of a social rather than biological definition of race (i.e., Blacks are those whom the society identifies as Blacks). Jensen also relies heavily on the IQ test while recognizing that it is a very imperfect measure of what might be called general intelligence. In addition, he takes no notice of other factors which might account for social inequalities. For one critique of Jensen, see N. Block and G. Dworkin, "IQ, Heritability and Inequality," *Philosophy and Public Affairs* (Summer and Fall 1974).

4. Daniel Moynihan, *The Negro Family: The Case for National Action* (March 1965). Reprinted in Lee Rainwater and William Yancey, *The Moynihan Report and the Politics of*

Controversy (Cambridge: The M.I.T. Press, 1967). A number of critiques are included in this volume. See also William Ryan, *Blaming the Victim* (New York: Vintage Books, 1971).

5. In Nathan Glazer and Daniel Moynihan, *Beyond the Melting Pot* (Cambridge: The M.I.T. Press, 1963).

6. E. Franklin Frazier, *The Negro Family in the United States*, revised edition (Chicago: The University of Chicago Press, 1948).

7. William D'Antonio and William Form, *Influentials in Two Border Cities* (Notre Dame: University of Notre Dame Press, 1965).

8. Edward Banfield, *The Unheavenly City* (Boston: Little Brown and Co., 1968). For a critique of Banfield, see Raymond Franklin and Solomon Resnik, *The Political Economy of Racism* (New York: Holt, Rinehart and Winston, 1963). For a general critique of the "Culture of Poverty" argument see Charles Valentine, *Culture and Poverty* (Chicago: University of Chicago Press, 1968).

9. Herschel Manuel, *Spanish-Speaking Children of the Southwest* (Austin: University of Texas Press, 1965).

10. *Report of the National Advisory Commission on Civil Disorders* (published by Bantam Books, 1968). (The Kerner Commission Report).

11. Gunnar Myrdal, *An American Dilemma* (New York: Harper & Row, 1944).

12. Kenneth Clark, *Dark Ghetto* (New York: Harper & Row, 1965).

13. Various essays of his are collected in Robert Blauner, *Racial Oppression in America* (New York: Harper and Row, 1972).

14. Tomás Almaguer, "Historical Notes on Chicano Oppression: The Dialectics of Racial and Class Domination in North America," *Aztlán* (Spring and Fall 1974), pp. 27-56.

15. Guillermo Flores, "Race and Culture in the Internal Colony: Keeping the Chicano in His Place," in *Structures of Dependency*, Frank Bonilla and Robert Girling, eds. (Stanford Institute of Political Studies, 1973), pp. 189-223.

16. Robert Allen, *Black Awakening in Capitalist America* (Garden City: Anchor Books, 1970).

17. Harold Baron, "The Demand for Black Labor: Historical Notes on the Political Economy of Racism," *Radical America* (March-April 1971), pp. 1-46.

18. Stokely Carmichael and Charles Hamilton, *Black Power* (New York: Vintage Books, 1967).

19. Notwithstanding Prager's "right" interpretation of Blauner. See Jeffrey Prager, "White Racial Privilege and Social Change: An Examination of Theories of Racism," *Berkeley Journal of Sociology* (1972-1973), p. 130. A third theoretical category would consist of colonial theories which saw only the Anglo working class as benefitting from colonialism. However, I know of no such theories.

20. William Tabb, *The Political Economy of the Black Ghetto* (New York: Norton, 1970).

21. Eugene Genovese, "Class and Nationality in Black America," *In Red and Black* (New York: Vintage Books, 1968), pp. 59-60.

22. Paul Baran and Paul Sweezy, *Monopoly Capital* (New York: Modern Reader, 1966), p. 263.

23. *Ibid.*, pp. 263-69.

24. *Ibid.*, pp. 270-71.

25. Oliver Cox, *Caste, Class and Race* (New York: Modern Reader, 1948), p. 333.

26. *Ibid.*, p. 475.

27. *Ibid.*, p. 487.

28. *Ibid.*, pp. 333n, 345n.

29. *Ibid.*, p. 349n.

30. Michael Reich, "The Economics of Racism," in *The Capitalist System*, Richard Edwards, Michael Reich, and Thomas Weisskopf, eds. (Englewood Cliffs: Prentice-Hall, 1972), pp. 313-321.

31. Of course the limitations of this kind of correlational test should be kept in mind. It could be argued that all that Reich has shown is that there is a relationship between Black-white inequality and white-white inequality. Correlations fail to show any direction of causation or even establish causation, since the demonstrated relationship could be a product of another factor not controlled for.

32. Michael Reich, David Gordon and Richard Edwards, "A Theory of Labor Market Segmentation," *The American Economic Review* (May 1963), pp. 359-365.

33. David Gordon, *Theories of Poverty and Underemployment* (Lexington, Mass.: D.C. Heath, 1972).

34. *Ibid.*, p. 74.

35. Donald Harris, "The Black Ghetto as 'Internal Colony': A Theoretical Critique and Alternative Formulation," *The Review of Black Political Economy* (Summer 1972), pp. 3-33.

36. *Ibid.*, p. 10.

37. *Ibid.*, pp. 10-11.

38. *Ibid.*, pp. 26-27.

39. *Ibid.*, p. 27.

40. *Ibid.*, p. 26.

41. Blauner, *op. cit.*, p. 23.

42. Baron, *op. cit.*, p. 34.

43. *Ibid.*, p. 36.

44. Almaguer, *op. cit.*, p. 41. Almaguer, in turn, draws upon an unpublished lecture given by Robert Allen.

45. Baron, *op. cit.*, p. 36.

46. Donald Harris, *op. cit.*, pp. 26-27.

47. William Tabb, "Capitalism, Colonialism, and Racism," *The Review of Radical Political Economics* (Summer 1971), p. 99.

48. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries. (The Racial Policies of American Industry, Report No. 26)* (Philadelphia: University of Pennsylvania, 1972), p. 13.
49. Robert Ozanne, *A Century of Labor-Management Relations at McCormick and International Harvester* (Madison: University of Wisconsin, 1967), p. 157ff.
50. *Ibid.*, p. 184.
51. Ozanne, *A Century of Labor-Management Relations*, op. cit., p. 107.
52. *Ibid.*, p. 184.
53. *Ibid.*
54. Robert Ozanne, *Wages in Practice and Theory: McCormick and International Harvester, 1860-1960* (Madison: University of Wisconsin, 1968).
55. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 22, and *A Century of Labor-Management Relations*, op. cit., p. 185.
56. Paul Taylor, *Mexican Labor in the United States: Chicago and the Calumet Region* (Berkeley: University of California, 1932), p. 37; Ozanne, *A Century of Labor-Management Relations*, op. cit., p. 185.
57. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 22, and *A Century of Labor-Management Relations*, op. cit., pp. 185 and 192.
58. Robert Ozanne, *A Century of Labor-Management Relations*, op. cit., p. 192 and *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 84.
59. 1974 EEO-1 Report for International Harvester, filed with the office of Federal Contract Compliance, U.S. Department of Labor.
60. Robert Ozanne, *A Century of Labor-Management Relations*, op. cit., p. 192.
61. *Ibid.*, p. 185.
62. *Ibid.*, p. 187.
63. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 62.
64. *Ibid.*, p. 52.
65. *Ibid.*, p. 53.
66. *Ibid.*, p. 64.
67. *Ibid.*, p. 60.
68. 1974 EEO-1 Report, International Harvester.
69. Peter Doeringer and Michael Piore, "Equal Employment Opportunity in Boston," *Industrial Relations* (May 1970), p. 329.
70. Taylor, op. cit., pp. 78-79.
71. *Ibid.*, p. 92.
72. Robert Ozanne, *A Century of Labor-Management Relations*, op. cit., p. 192.
73. John Hope, "Negro Employment in 3 Southern Plants of International Harvester Company," in *Selected Studies of Negro*

Employment in the South, NPA Committee of the South (Washington, D.C.: National Planning Association, 1955), p. 35.

74. Robert Ozanne, *A Century of Labor-Management Relations*, op. cit., p. 192.

75. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 84.

76. Hope, op. cit., p. 43.

77. Ibid., p. 47.

78. Ibid., p. 132.

79. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., pp. 84-85.

80. Hope, op. cit., pp. 63-64.

81. Ibid., p. 110.

82. Ibid., p. 113.

83. Ibid., p. 124.

84. Ibid., pp. 32-33.

85. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 36.

86. This and other information for Solar is from sources in the author's possession.

87. Ibid.

88. Ibid.

89. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., p. 106.

90. Ibid., pp. 36-37.

91. Robert Weintraub, "Employment Integration and Racial Wage Differences in a Southern Plant," *Industrial and Labor Relations Review* (January 1959), pp. 214-26.

92. Robert Ozanne, *The Negro in the Farm Equipment and Construction Machinery Industries*, op. cit., pp. 92-93.

93. Reich, Gordon, and Edwards, op. cit., p. 36ln.