

War, Crises, and Roosevelt's Civil Rights Bureaucracy: The Impact of the FEPC on World War II Black Employment in Pennsylvania.

A summary¹

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I. Introduction

During World War II the first federal government agency designed to fight racism in employment, the Fair Employment Practice Committee (FEPC), was created. Despite the existence of the FEPC, economists studying the extraordinary relative gains of black workers during the 1940s have not attributed a role to government policies specifically designed to fight discrimination. Historians, with few exceptions, have generally seen Roosevelt's FEPC as a weak agency unable to accomplish the assigned mission. Collins' (2001) study questioned the conventional wisdom by presenting empirical evidence that this agency did indeed help black workers find employment in high-wage World War II defense industries. However, the degree to which he could empirically isolate the impact of the FEPC on black employment was limited by the aggregate nature of the available data. The research presented in this paper, using a new industry level panel of race specific employment data, union data, and micro-level FEPC data, takes a closer look at the role of the FEPC in mitigating industrial crowding. It also explores the effect of the FEPC in light of the impact that changes in the structure of unionization and tight labor markets had on industrial segregation.

Due to the extraordinary gains of black workers relative to whites during the 1940s, it is important to assess, as far as possible, the degree to which various factors contributed to the gains of black labor during this period. Collins' (2001) suggests that the FEPC was able to advance black economic interests by mitigating the forces of industrial crowding. Research by Johnson (2001) indicates that the period of World War II was a period in which industrial segregation decreased within manufacturing and mining industries in Pennsylvania. Johnson showed that black integration was a function of various factors that influenced the costs of integrating black workers into a firm. These factors, such as the extent of unionization, union affiliation, the availability of labor, and the spatial and hierarchical organization of the firm differed by industry. Industries faced with tight labor markets were more likely to integrate blacks into their workforces. The leading national labor organizations had conflicting effects. The more craft-based industries organized by the American Federation of Labor (AFL) tended to have a lower concentration of black workers, while the industries organized by the Congress of Industrial Organization (CIO) in the late 1930s and early 1940s tended to open its door to more black employment. Thus black industrial integration was largely a function of the crises and institutional change that dominated much of the labor scene of the Second World War. To what degree was it also a function of the Fair Employment Practice Committee's (FEPC) actions to promote racial equality in the defense industries?

II. Crises, Change, and the Creation of the FEPC

¹ A copy of the complete working paper can be obtained at <http://w3.arizona.edu/~econ/working.html>.

The creation of the FEPC was very much a function of the economic crises associated with the Second World War. A. Philip Randolph, president of the Brotherhood of Sleeping Car Porters, threatened to lead one hundred thousand protesters down Pennsylvania Avenue in protest of the discriminatory practices of the U.S. armed services and defense contractors. Roosevelt, fearing among other things, the disruption of war production and racial strife that would most likely result from the protest, entered into negotiations with Randolph and Walter White of the National Association for the Advancement of Colored People. Some authors have described the results of the negotiations as a win for Roosevelt and a loss for black Americans during World War II. Roosevelt obtained greater cooperation from black protesters and black labor received the FEPC-arguably a weak agency that did relatively nothing for black Americans during World War II (Dalifume 1969 and Bernstein 1968). Factors such as a limited budget, inadequate personnel, very limited enforcement powers, and resistance from congress and other bureaucracies have been given credit for the possible short-term failures of the FEPC in helping black labor during World War II (Bernstein 1968, Polenber 1972, Wynn 1976). The political weakness and lack of support from other bureaucracies led to the disintegration of the President's first committee after it was put under the control of the War Manpower Commission (WMC). On May 27, 1943 the committee was reformulated under Executive Order 9346.

The FEPC only investigated firms, unions, or government agencies for which there had been a complaint of discrimination docketed with the FEPC. The FEPC could investigate complaints of discrimination against any agency of the federal government, firms and unions associated with firms accepting contracts from the federal government

which had non-discrimination clauses in them, and industries that were essential to the war effort. Since the FEPC lacked statutory authority it could not compel compliance. The FEPC could, however, appeal to other agencies with statutory authority for assistance. The FEPC was also able to recommend to other government agencies that the war contract of a discriminatory employer be revoked, generally an unrealistic tool of punishment due to the imperatives of war production. Collins (2001) mentions the Philadelphia transit case where white workers went on strike to protest the employment of black trolley operators. The result of the strike was the transit system being taken over by the Army, and the workers, fearing the permanent loss of their jobs and a change in their draft status, subsequently returning to their jobs. Like most examples of the FEPC receiving help from stronger government agencies, the fact that war production was being interfered with seemed to be more of an issue than discrimination. Firms that did not provoke unionized whites into disrupting war production by employing blacks in the first place did not come under similar forced compliance with FEPC directives.

III. Other Sources of Black Industrial Advancement

Generally the labor shortages associated with the war effort have been given more credit for black advancements in occupational and industrial employment than the FEPC (Bernstein 1968 and Brody 1975). Institutional change with respect to unionization may also have created opportunities for black workers to be integrated into northern industry. Throughout World War II and the second part of the Great Depression private organizations like the National Urban League, the Pittsburgh Urban League, the black

press, and black churches were striving to increase black representation in high wage industries and occupations. A major institutional change that may have aided these groups in this effort was the creation of the Congress of Industrial Organizations (CIO) in the late 1930s. Unions affiliated with the CIO differed from those affiliated with the American Federation of Labor (AFL) in that the CIO affiliated unions organized on an industrial basis rather than a “craft” basis. The CIO also differed significantly from the AFL in that it incorporated constitutional provision claiming complete opposition to discrimination on the basis of “race, creed, color, or nationality” (Murray 1942). Despite the anti-discrimination declarations of the CIO, there was a great heterogeneity in the actual policies implemented by local affiliates. CIO affiliated unions that attempted to organize black labor in Pennsylvania received support in terms of leadership and finances from black organizations, black churches, and the black press. Some of these industrial unions were able to establish collective bargaining agreements guaranteeing employees standardized promotion based on seniority, seniority based lay-off protection, standardized wages, paid vacations, and other provisions associated with internal labor markets. Significantly, these provisions, at least theoretically, applied equally to all workers, regardless of race (Dickerson 1986).

IV. The Data

Despite the general trend of scholarship throughout the 1960s and 1970s arguing that the FEPC did not do much to help the World War II black laborer, some of the more recent research on the FEPC has argued that Roosevelt’s little agency did significantly

help black workers during the 1940s (Collins 2001 and Kersten 2000). Collins research is very significant due to the fact that it serves as the first attempt at a rigorous empirical investigation of the impact of the FEPC on black employment. The research presented in this paper, like Collins' (2001) research, focuses on the impact of the FEPC in helping black workers obtain employment in industries for which the FEPC dealt. By combining industry employment data with firm-specific FEPC data, it is possible to better assess the impact the FEPC had on black industrial integration.

Collins' (2001) study on the impact of the FEPC on black employment in World War II defense industries made use of city level variation in FEPC cases. His city level data consisted of all cases docketed with the FEPC between July 1943 and June 1944. The data employed in this paper consists of the following information for each closed case in Pennsylvania: firm, union, or government agency charged with discrimination; industry of party charged; reason for discrimination (e.g., Negro, etc.); type of discrimination (e.g., hire, fire, promotion, working conditions, wages, etc.); sex of complainant; date of complaint; disposition (e.g., dismissed-insufficient evidence, dismissed-on merits, withdrawn by complainant, satisfactory adjustment, etc); and the date the case was closed. This data was collected from case specific microfilmed records held in the National Archives.

Collins' (2001) city level data prevented him from distinguishing between complaints which did not have merit and those that actually resulted in a satisfactory adjustment, whether the case was filed against the private sector or a government agency, and whether or not the discrimination was a refusal to hire. He also could not distinguish if the charge of discrimination was race related. The data was not sex specific and he

only had one year of FEPC case data. The FEPC was given a broad mandate to enforce an order that applied to both government and industry and that applied to many different forms of discrimination. Collins' (2001) data does not allow a researcher to assess how the FEPC cases varied across industry and the extent to which the agency was able to obtain compliance. This is important due to the fact that the FEPC, an agency with very limited resources, would face tradeoffs when deciding how to allocate its resources.

Descriptive statistics from a report by the FEPC (1945) indicates why it is important to account for these factors when assessing the performance of the FEPC in increasing black representation in defense industries. In the nation, between July 1943 and June 1944, only 36 percent of the closed cases received satisfactory adjustment, 27 percent of the closed cases applied to government agencies, and only 47 percent of the cases were due to a failure to hire. These figures indicate that there was a large difference between the number of cases docketed and the subset of cases where the FEPC was actually able to compel a firm to alter its discriminatory hiring practices.

This paper also makes use of a panel of annual industry employment data for about 315 industry classifications. The union data employed in the paper are national annual union densities for 12 aggregate industry classifications. The union data are broken down by affiliation (Congress of Industrial Organization, American Federation of Labor, and unaffiliated union). These union data were derived from the data reported by Leo Wolman (1936) and Leo Troy (1965).

V. Empirical Evidence

Like Collins' (2001) paper, this paper focuses on the extent to which the FEPC increased black representation in industries for which FEPC cases were docketed. Many of the historical anecdotes on black employment indicate that much of the resistance to black integration came from white workers. Johnson (2001) found that the integration of black workers into northern industry was a function of the institutional features and events that affected the relative strength of incumbent workers' resistance to black integration. When workers were unionized by craft unions the workers' resistance to black integration was solidified, making black integration more costly. Many CIO affiliated unions had an economic incentive to open their doors to black labor and thus industries organized by the CIO were more likely to integrate black labor. Other factors such as the spatial and hierarchical organization of the firm could also impact the costs of integration. Some industries, by providing departments or areas where black workers could be employed without coming into contact with white workers, lowered the costs of integrating blacks, all else held constant. World War II and the imperatives of war production were the exogenous shock necessary to spur integration. As war time labor markets tightened, industries with either a low proportion of their workforce organized or with a significant proportion of this organization affiliated with the CIO integrated their workforces. (Johnson 2001).

Collins (2001) points out that the FEPC could also have altered the costs and benefits of integrating black workers into an industry, increasing black representation in industries for which FEPC cases were docketed. Resistance to black integration from

white workers may have decreased if they had perceived that the FEPC had given their employer no choice in the matter. Also, the FEPC could have increased the costs imposed on firms that did not integrate their workforces, making integration more economically attractive. The FEPC also offered advice on how to integrate black workers into a firm with as little disturbance as possible.

So black integration across industries was a function of how union density, union affiliation, the spatial and hierarchical organization of the firms in the industry, and the relative severity of the wartime demand shock differed across industries (Johnson 2001). It is also possible that black integration was a function of the efforts of the FEPC. It is possible to assess the degree to which black integration was a function of these variables by estimating the marginal effects of these variables with respect to the probability that a randomly selected employee in industry i was black. This probability is given by

$$1) \quad P_{it} = a_i + a_1 \text{FEPC}_{it-1} + a_{2-5} \text{UNION1-4}_{it} + a_6 \text{CIO} + a_{7-9} \text{UNION1-4} * \text{CIO} + a_{10-44} \text{Year}(1917-1950)_t + u_{it} .$$

The fixed effects (a_i) control for industry resistance to black integration, largely associated with the spatial and hierarchical organization of the industry which do not change over time but which vary across industry. It is possible that the number of cases investigated in an industry in a given year would be endogenous to the proportion of the industry's wage earners that were black in that year. It is also likely that an industry's employment practices would not respond instantly to FEPC pressure but that the change would be observed in the following period. For these reasons the number of complaints investigated by the FEPC in a given industry (FEPC_{it-1}) is lagged one year, making the variable predetermined. The UNION1-4_{it} variables are dummy variables for union

densities and CIO_{it} is the proportion of unionized workers affiliated with the CIO in a given industry. The year dummies ($YEAR_{1916-1917_{it}}$) capture the year effects anticipated from World War II.

Table 1.

	%Black		
FEPC	-8.66E-06 (0.001287)	*	*
FEPC Black	*	0.000041 (0.00135)	*
FEPC Black Hire	*	*	-0.00255 (0.002755)
Union2 20-39%	-0.00541** (0.001592)	-0.00541** (0.001592)	-0.00541** (0.001592)
Union3 40-59%	-0.02327** (0.00336)	-0.02327** (0.00336)	-0.02326** (0.003359)
Union4 60-79%	-0.02972** (0.004326)	-0.02972** (0.004327)	-0.02968** (0.004319)
Union5 80-100%	-0.04035** (0.007084)	-0.04034** (0.007082)	-0.0404** (0.007083)
%CIO/100	0.005972 (0.004491)	0.005972 (0.004491)	0.005966 (0.004491)
Union2*%CIO/100	0.007319 (0.005047)	0.007318 (0.005047)	0.007323 (0.005048)
Union3*%CIO/100	0.042124** (0.007739)	0.042125** (0.007739)	0.042128** (0.007738)
Union4*%CIO/100	0.026511** (0.006687)	0.026506** (0.006686)	0.026562** (0.006681)
Year 1917	0.006523* (0.003488)	0.006523* (0.003488)	0.006522* (0.003488)
Year 1918	0.009613** (0.003266)	0.009613** (0.003266)	0.009612** (0.003266)
Year 1919	0.013446** (0.003563)	0.013446** (0.003563)	0.013443** (0.003563)
Year 1920	0.015283** (0.003627)	0.015283** (0.003627)	0.015281** (0.003627)
Year 1921	0.00884** (0.00383)	0.00884** (0.00383)	0.008837** (0.00383)
Year 1922	0.014612** (0.003681)	0.014612** (0.003681)	0.01461** (0.003681)
Year 1923	0.01983** (0.003865)	0.01983** (0.003865)	0.019829** (0.003865)
Year 1924	0.021712** (0.004051)	0.021712** (0.004051)	0.021711** (0.004051)
Year 1925	0.01702** (0.003335)	0.01702** (0.003335)	0.017019** (0.003335)
Year 1926	0.02039** (0.003946)	0.02039** (0.003946)	0.02039** (0.003946)
Year 1927	0.015455** (0.003512)	0.015455** (0.003512)	0.015454** (0.003512)
Year 1928	0.013441** (0.003717)	0.013441** (0.003717)	0.013438** (0.003717)
Year 1929	0.013401** (0.003418)	0.013401** (0.003418)	0.013398** (0.003418)

Year 1930	0.011154** (0.003098)	0.011154** (0.003098)	0.011151** (0.003098)
Year 1931	0.011063** (0.003275)	0.011063** (0.003275)	0.01106** (0.003275)
Year 1932	0.007096** (0.003064)	0.007096** (0.003064)	0.007091** (0.003064)
Year 1933	0.008258** (0.00302)	0.008258** (0.00302)	0.008253** (0.00302)
Year 1934	0.006575** (0.002952)	0.006575** (0.002952)	0.006568** (0.002952)
Year 1935	0.006164** (0.002971)	0.006165** (0.002971)	0.006158** (0.002971)
Year 1936	0.005817* (0.003169)	0.005817* (0.003169)	0.005811* (0.003168)
Year 1937	0.001912 (0.003274)	0.001913 (0.003274)	0.001903 (0.003274)
Year 1938	0.001956 (0.003308)	0.001957 (0.003308)	0.001946 (0.003308)
Year 1939	0.00134 (0.003436)	0.001341 (0.003436)	0.001331 (0.003435)
Year 1940	0.002552 (0.003432)	0.002553 (0.003432)	0.002541 (0.003432)
Year 1941	0.006465* (0.003524)	0.006466* (0.003524)	0.006452* (0.003524)
Year 1942	0.020594** (0.003982)	0.020594** (0.003982)	0.020582** (0.003982)
Year 1943	0.035533** (0.004315)	0.035534** (0.004315)	0.035521** (0.004315)
Year 1944	0.041911** (0.004625)	0.041909** (0.004624)	0.041933** (0.004623)
Year 1945	0.044971** (0.00479)	0.044958** (0.004783)	0.045075** (0.004747)
Year 1946	0.043383** (0.004802)	0.043377** (0.004799)	0.043467** (0.004791)
Year 1947	0.042467** (0.004474)	0.04247** (0.004474)	0.042437** (0.004471)
Year 1948	0.043552** (0.004705)	0.043555** (0.004706)	0.043519** (0.004702)
Year 1949	0.044286** (0.004972)	0.044289** (0.004972)	0.044253** (0.004968)
Year 1950	0.042154** (0.004754)	0.042156** (0.004754)	0.042124** (0.004752)
Constant	0.032427** (0.002528)	0.032427** (0.002528)	0.032429** (0.002528)
Adj R²	.6718	.6718	.6718
# of Observation	10590	10590	10590

The dependent variable is the proportion of an industry's employment that was black in period t . The data are from the "Report on Productive Industries, Public Utilities and Miscellaneous Statistics of the Commonwealth of Pennsylvania" for the years 1916 to 1950. The union data were obtained from Wolman (1936) and Troy (1965). To obtain union densities the union numbers were combined with U.S. Census industry data on the number of wage earners. The union data are national. Standard errors are in parenthesis. These standard errors were produced using a White correction procedure to correct for

heteroskedasticity. * indicates that the coefficient is significant at a 90% level of confidence, ** indicates significance at a 95% level of confidence. A year dummy for 1916 and union dummies for union density between 0 and 19% were left out of the regressions. All three of the FEPC variables are lagged by one year.

In table 1 the variables explaining the effects of the FEPC are presented in three different forms. The First (FEPC) is the number of satisfactorily adjusted cases investigated in industry i in period $t-1$. The motivation for the discrimination may have been any ethnicity, nationality, or religion. Also the investigated cases making up this variable were not just for failure to hire, but may have been for wage discrimination, working conditions, etc. So this variable captures the extent to which not only satisfactorily adjusted complaints for not hiring black workers affected the future employment prospects of black workers, but the impact of all satisfactorily adjusted complaints in the industry. The second variable (FEPC Black) is the number of satisfactorily adjusted cases against black workers in an industry, thus capturing the impact of a satisfactorily adjusted case for discrimination against black labor regardless of whether or not it was a failure to hire. The third variable (FEPC Black Hire) is the number of satisfactorily adjusted cases for failing to hire a worker because he or she was black. All three of the FEPC variables are lagged.

For each of the three lagged FEPC variables, the coefficient is practically zero and statistically far from being different from zero, implying that at the industry level, satisfactorily adjusted complaints by the FEPC did not increase the probability that a randomly selected employee in that industry was black.² As found to be the case in Johnson (2001), union density had a significant negative impact on black employment while affiliation with the CIO largely mitigated the negative effects of unionization.

When comparing the year effects for the 35 years of the panel one can see the extent to which black employment in the manufacturing and mining industries of Pennsylvania was impacted by the economic crises of World War II. During the Great Depression the year effects indicate that black employment fell to its 1916 level, but with the onset of World War II, rose to its maximum levels and pretty much maintained these levels throughout the 1940s.

VI. Conclusion

The empirical evidence presented in this paper lends support to the arguments of many historians, that the FEPC did not have a significant impact on black industrial employment in the 1940s. Black industrial gains of the 1940s were a function of the institutions of labor organization and the economic crises of the period. As World War II labor markets tightened, it was primarily the industries with low union density or with a high proportion of its unionized workers affiliated with the CIO that employed more black workers.

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² The results do not change significantly if the FEPC variables are lagged for two periods, or if the FEPC variables are not lagged at all.

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