

The Ethno-American Creed:
Strategies of Ethnic Advancement in America

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To my mother and father

Work on this paper began sometime in the spring of 1977, when the Bakke case first achieved national prominence. The question it posed to me was whether or not minorities which are currently considered to be disadvantaged ought to enjoy special priveleges in employment, admission to professional schools, or government funding.

Actually, that is somewhat of an understatement.

To be truthful, the issue that really concerned me was this: How does it come to be that in 1977 minorities are demanding quotas to keep them in universities, while in 1937 other minorities were protesting quotas which kept them out?

The paradoxical element in our treatment of ethnic advancement became of great interest to me. The Chinese, Japanese, Jews, and Italians of America are ethnicities which we consider to be successful, yet they enjoyed no special priveleges on the order of today's affirmative action programs. Are such programs, in light of history, ethical? In the following pages, we will present what has been observed to be the strategy of successful American ethnicities; patterns, we believe, that are more efficient, more permanent, and perhaps more ethical than the social

policies that currently prevail.

I would like to take this opportunity to express my gratitude to the following: Professor Richard Abrams of the Department of History was my adviser, without whose help I could not have even begun this project. Ms. Sally Baer of the College of Letters and Science was also very helpful to me, especially in times of bureaucratic confusion. Finally, to Sharlene Schneier, for the moral support and a good deal more.

Ethnic relations is a human problem and its solution, like all puzzles, lies in the structure of the problem itself. To distinguish discrimination as a human problem is to categorize the dilemma as one which shares both rational and emotional qualities. In discussing ethnic matters it is important not to apply rational solutions to emotional problems, because the cubic precision of logical analysis will seldom conform to the rounded hollows of emotional anxiety. Indeed, the two are as different as black and white, yet each plays an integral role in our daily social intercourse. At the outset of this report we must draw this distinction clearly by recognizing that those problems which can be dealt with rationally must be treated accordingly, while those of an irrational nature must be analyzed in their respective fashion.

These two characteristics are present in virtually every human issue and provide an analyst with two major perspectives from which he can view his dilemma. In that rationalism is logically constructed, it tends to adhere strictly to the laws of physics -- it is the very essence of logic which gives a

"cause" the power to "effect." The analyst who uses this approach can make steady progress because he deals in the concrete, as explained by Aron Gurwitsch:

...The method is hypothetico-deductive. From the assumed hypothesis, consequences are deduced that terminate in propositions amenable to direct empirical verification, so that the initial hypothesis appears confirmed by virtue of the consequences it yields. By means of this method, Newton succeeded in explaining a wide range of physical, and especially mechanical, phenomena, one of his biggest triumphs being the derivation of Kepler's laws -- that is, the explanation of the constitution of the solar system. ¹

The scientist tests his hypothesis, which if correct will produce the desired result. If his theory is incorrect, he knows he has not yet found the precise element, unique in form, which will exactly fill the void in the logical chain of events he is examining. The puzzles and solutions of rationalism are structured, and because of their conformity to physical properties, are universally applicable.

The same cannot be said for emotional issues, in that it is the very nature of emotionalism not to make sense. The impulsive reactions of the human heart are bound by no physical laws. Frequently, disassociated causes spark irrationally designated effects which explode and careen off one another in a flurry of disorder. The inconsistency in human emotional reactions makes one wonder whether the only element in human emotion that is at all dependable is its innate unpredictability.

Ethnic advancement is very much a dual enigma. It plays

¹ Aron Gurwitsch, "Social Science and Natural Science," in Economic Means and Social Ends, ed. R.L. Heilbroner (New Jersey: Prentice-Hall, 1969), pp. 41-42

upon the emotions of human beings who dwell amidst the very real and rational misfortunes of our society. It follows that there are two methods through which minorities can attempt their own advancement. Theodore Adorno noted that "when it comes to the ways in which people appraise the social world, irrational trends stand out glaringly,"² and so the combatting of oppression with irrational tactics is likely to meet with little success. The emotionally rooted prejudices of an oppressor are slippery targets;³ they vary with the individual and thus cannot be combatted effectively on a large scale. The physical manifestations of bigotry and racism, however, are tangible and subject to rationalism. Typically these manifestations are the economic states of the oppressed groups, which leads us to believe that since the nature of economics is characteristically more rational than emotionally rooted discrimination, its implementation would be the most effective strategy for social advancement.

Simply put, we can best achieve ethnic progress through rational economic means, because logic is not subjective -- the proper cause will yield the designated result. But the apurious quality of emotionally based problems varies individually among human beings, and so defies all practical attempts at general solution.

If the above is true, then it is the problems which are logical in character that should be secured as the most feasible

² T.W. Adorno, et al., The Authoritarian Personality (New York: Harper and Bros., 1950), pp. 4-11 rpt. in Racial and Ethnic Relations, ed. B. Segal (New York: Crowell, 1966), p. 23

³ See Gordon Allport, The Nature of Prejudice (Cambridge: Addison-Wesley, 1954), pp. 3-15 rpt. in Segal, op.cit., pp. 5-26

targets for an ethnicity's advance strategy. Accordingly, it is only by these rational standards that each minority should expect to achieve results. As Sidney Hook warned, "economic improvement alone does not eradicate discrimination,"⁴ and it would be a grave error for any group to expect economic theory to deliver them full social acceptance from a stern, oppressive society. However, by careful consideration a minority can discern its social goal's susceptibility to logical attack, and act thereupon.

In practical terms, there is no "cure" for social discrimination -- the opinions of a racist mind are too firmly embedded in emotional confusion. But while the disease cannot be alleviated, we cannot say that the same holds true for its symptoms. It remains the responsibility of the oppressed group to at least blot out the physical manifestations of their persecution, which are susceptible to rational efforts. For this reason, "economic advancement" should become the key phrase in the social strategies of the oppressed.

⁴ Sidney Hook in "Liberalism and the Negro: A Round-Table Discussion," Commentary, 37, March 1964, pp. 25-42, rpt. in Segal, op.cit., pp. 459-492

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What we have discussed so far is not to suggest the impossibility of social acceptance as a minority's ultimate goal, but only the unreasonableness of its expectation in the short run. Because social discrimination is of an emotional nature, it can be lastingly altered only by the individual who is motivated to actively change his own beliefs. This does not occur through the application of external pressure on an oppressor, but relies almost wholly on an internal effort by the individual himself. Theodore Adorno went to great lengths to substantiate this view in The Authoritarian Personality.¹ President Dwight D. Eisenhower put it more succinctly when he observed that "the fellow who tries to tell me you can do these things by force is just plain nuts."²

But if immediate social acceptance of minorities is at the most improbable, then what course of action ought an oppressed group follow to better its lot in society? Consider the situ-

¹ T.W. Adorno, in Segal, op.cit., p. 21

² William E. Leuchtenburg, The Unfinished Century (Boston, Mass.: Little, Brown & Co., 1973), p. 767

ation as expressed in an analagous social game theory, where the "goal" of the game is social and political power. The strategy of the game would depend entirely on the current "champion", for it is through his "victory" that he is empowered to set the "rules of play". As ideologies differ among opponents, other "players" can gain insight for advancement strategies by studying the ideologies of the "champion".

In America, the sector currently presiding over the "rules of play" is emphatically white, male, Anglo-Saxon, and Protestant. Thus, it is this ideology that minority opponents must observe in order that they devise a strategy competent to achieve social advance. The first question that arises from this concept is the determination as to exactly what constitutes the white Anglo-Saxon Protestant ethic.

Gunnar Myrdal examines this question thoroughly in An American Dilemma. In what he terms the "American Creed", Myrdal describes these ideals as the

...essential dignity of the individual human being, of the fundamental equality of all men, and of a certain unalienable right to freedom, justice, and a fair opportunity which represent to the American people the essential meaning of the nation's early struggle for independence. In the clarity and boldness of the Enlightenment period these tenets were written into the Declaration of Independence, the Preamble to the Constitution, the Bill of Rights and into the constitutions of the several states. The ideals of the American Creed have thus become the highest law of the land. ³

The primary example of Myrdal's argument is in the Declaration of Independence, where the entire concept of the American

³ Gunnar Myrdal, An American Dilemma (New York: Harper & Row, 1944) 2nd edition, 1962, p. 4

Creed is encapsuled in one sentence:

We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness.

Of particular importance is the phraseology of the prose. While the statement does guarantee life and liberty, it does not promise happiness, but only the pursuit thereof. This distinction is interesting because it provides challenging minorities with their first clue as to the ideologies of their oppressors: individualism and self-reliance.

In Apostles of the Self-made Man, John G. Cawelti expands on this principle by describing the evolution of the American ethic. Historically, American society "...placed its major emphasis on the individual's getting ahead. Its definition of success was largely economic. Its proponents suggested a great variety of ways to wealth, for this tradition was often mixed with elements of the Protestant ethic."⁴ The picture emerging suggests that the American ethic -- rules of social interplay dictated by the element in power -- revolves around the concepts of self-reliance and economics. This is a key observation in the formulation of an ethnicity's advancement strategy.

Before, we argued the merits of self-help on the basis of practicality; that since an oppressor's habits were not reduced through external pressure, it remained for the ethnic groups

⁴ John G. Cawelti, Apostles of the Self-made Man (Chicago: University of Chicago Press, 1965), p.5

themselves to design strategies which utilized their own efforts to overcome the manifestations of discrimination. To that end we suggested economic planning as the most pragmatic and efficient means in general implementation. The application of economics was also proposed on the basis of practicality, as we decided the superiority of rational science over emotionalism when dealing with large scale issues.

Now, in addition to their properties of pragmatism, both concepts take on the dimensions of desirability with the introduction of the American Creed. This dual effect must be considered in the strategy of ethnic advance, for in America, it is the practical link between economic and social success.

Clearly, self-help and economic industry are the way to power in America. In the round table discussion with James Baldwin, Nathan Glazer, Sidney Hook, and Norman Podhoretz, Gunnar Myrdal makes the point that "...no upper class ever gave up its monopoly or its privileges out of ethical principles; the submerged group needs power to force its way in, and it is this that makes the ethical principle prevail."⁵ Power in America, as expressed by the American Creed, is won by the adherence to the principles of the Creed.⁶

This last observation is not without its consequences. For all our rationality, we cannot overlook the humanistic costs involved in an ethnicity's quest for advancement. When

⁵Gunnar Myrdal in Segal, op.cit., p. 475

⁶See Appendix A for Myrdal's complete comment.

Myrdal states that "what the Negroes have to rely upon in the end is that America is its institutions,"⁷ he is assuming the willingness of oppressed groups to accept the American Creed as part of their strategy for progression. This is not necessarily the case, nor should it be assumed so. As ethnicities differ, so do they vary in their subscription to cultural creeds and ethics. Many of these traditions are centuries old, and perhaps not compatible with the ideals expressed in the American Creed. To adopt the American Creed as part of one's own requires a certain amount of ethnic concession, a decision which merits more than mere assumption. It is to this issue of ethnic concession that we turn next.

3

Whether an ethnicity should concede any part of its value system or culture for the sake of social advancement is a topic with which we expect some to take issue. However, it is not the purpose of this paper to argue the case for assimilation. On the contrary, we intend to make clear the degree to which an ethnicity can maintain its cultural identity while simultaneously accomodating its host's creeds and institutions. Moreover, by the end of the report, we hope to illustrate that it is the social group's tenacity in its customs which determine its viability as an upwardly mobile set.

There are a few basic realities which must be understood before such an integration occurs. Primarily we need to determine which element should concede its customs for the sake of accomodation: is it for the host country to adapt to its minorities, or vice-versa? We opt the latter for several reasons. First, societies are based on consensus of ethic, and given the current number of differing cultures, we can reasonably assume their constituents' interest in their societies' propagation. The maintenance of a civilization's status quo affects its rate

of social change, which becomes phlegmatic at best.

In contrast, the minority ethnicity characterizes the very essence of change. For those who have voluntarily immigrated into the host's culture, the case is especially clear. They have accepted the values of the new society as a reasonable cost of social betterment. Thus, if not by argument of sheer number alone, it seems more feasible for an ethnic minority group to modify its lifestyle around that which is dominant in their adopted home.

This is not to imply that the process of adaptation is by any means a smooth transition. Acculturation is a delicate operation in which each ethnicity must strike its own balance between total assimilation and adherence to native custom. Further, as identities vary from group to group, the transition involves differing types of concessions from each. At the turn of the century, it would seem that Russian Jews had less difficulty engaging in the activities of New York City than did Italians, primarily because the former were more familiar with urban life. Still, Thomas Kessner saw fit to comment that for the Jews, "Grodno ... was not New York, and it was far from clear that their Pale experience would help them in Gotham."¹ Similarly, it was left to the rural immigrant Italians to "adapt on two levels, to a new country and to an urban environment."² And while they were native to the southern part of the country, Blacks of the Great Migration were equally burdened with problems

¹ Thomas Kessner, The Golden Door (New York: Oxford Univ. Press, 1977), p. 38

² Ibid.

of adaptation in the North.³

Accordingly, Chinese and Japanese immigrants endured the same adaptational concession of values to the American Creed. Although they were not part of the northeastern migrations of New York City, both Asian cultures experienced the same frustrations of urban life farther west. Typically the difficulties of the Chicago Japanese rose not so much out of philosophies or values as they did from kinship adjustments in Western society. William Caudill and George De Vos remark that the success of Japanese integration in Chicago was paid for by the Nisei's shock between cultures, stressing the western influence on eastern family traditions and roles.⁴ They also comment on the similarities in eastern and western values which helped the Japanese to become one of the most successful American ethnicities:

The Japanese-Americans provide us ... with the case of a group who, despite racial visibility and a culture traditionally thought of as alien, achieved a remarkable adjustment to middle class American life because certain compatibilities in the value systems of the immigrant and host cultures operated strongly enough to override the more obvious difficulties.⁵

Further:

... What is meant is that, because of the compatibility between Japanese and American middle class cultures, individual Nisei probably have a better chance of succeeding than individuals from other ethnic groups where

³ Bernard C. Rosen, "Race, Ethnicity, and the Achievement Syndrome," American Sociological Review, 24, 1959, pp. 47-60, rpt. in Segal, op.cit., pp. 133-153

⁴ W. Caudill & G. De Vos, "Achievement, Culture, and Personality," American Anthropologist, 58, 1956, pp. 1102-1125, rpt. in Segal, op.cit., pp. 77-89

the underlying cultural patterns are less in harmony with those of the American middle class.⁶

This last remark illustrates our argument most accurately. Because the American Creed is the ethic subscribed to by the society of the United States, it seems reasonable to conclude that in order to attain social progress, ethnicities must align themselves with that philosophy as a matter of necessity. It is, in this case, that very principle to which Caudill and De Vos allude in the success of the Japanese in Chicago. But for those minorities whose cultures do not overlap into the American Creed, there remains a problem. It is left to them to incorporate that ethic into their own, at least to the extent where social advancement is made possible.

This is precisely what we propose when we argue not for "Americanization" or assimilation, but only an "ethnic concession" to the American Creed. Whether such a delicate balance can be struck between the adherence to ethnic custom and the acceptance of the mechanics of American society is a matter which, we intend to show, determines the success of ethnicities in America.

⁵ Caudill and De Vos, op.cit., p.83

⁶ Ibid.

4

Is it important to weigh the amount of concession in each ethnic group in order that we adjust for their histories in a comparison? We feel not. It is our thesis that ethnic advancement in America is a predominantly economic process. To allow for ethnic differences in a comparative history would defeat the argument at the outset. In this next part, we hope to explain the irrationality of the argument which proposes that some minorities deserve special consideration over others.

There are those who would argue that a Negro is oppressed because of his blackness. They would assume his burden to be heaviest because he wears his identity plainly, whereas an Italian or Jew might conceal their ethnicity under a caucasian complexion. This reasoning is seriously defective. If we gauge oppression by color, then it follows that Asian Americans, being lighter than blacks, historically have been persecuted to a lesser extent. This is not necessarily the case, as reflected in the writing of Ivan Light:

In the 1870's and 1880's, whites occasionally burned and pillaged West Coast and Rocky Mountain Chinatowns, wantonly slaying the wretched inhabitants. On 'China steamer days,' San Francisco hoodlums made a sport of greeting and escorting to Chinatown disembarking sojourners. This greeting and escort service took the form of taunts, beatings, brick-bats, and hurling of overripened fruit in an atmosphere of drunken Irish hilarity. Such abusive treatment provoked the indignation only of a few, Protestant divines who observed that, whatever their depravity and filthiness, the Chinese were potential converts to Christianity. These pleas notwithstanding, 'the feeling against the Chinaman' on the part of American workingmen remained 'more bitter and intolerant than that against the Negro.'¹

In addition to their racial persecution, Chinese and Japanese immigrants suffered from a very real language barrier. Gunther Barth relates that "the Orientals' inability to testify in court facilitated the brutish pranks of city hoodlums."² By some defective thinking, this observation might lead some to the conclusion that since blacks had no such language barrier, it was the Asian population which bore the brunt of American oppression. Clearly such arguments are pointless. In the first place, seeing as how racism is irrationally based, it makes little sense to amass ethnic grievances that are factual in nature. A bigot is racist because his thinking is "without sufficient warrant."³ As his attitude is not rational, there can be no reason in his decision on whom he selects to discriminate. Similarly,

¹ Ivan Light, Ethnic Enterprise in America (California: Univ. of California Press, 1972), p. 6

² Gunther Barth, Bitter Strength: A History of the Chinese in the United States (Mass: Harvard Univ. Press, 1964), p. 144

³ Gordon Allport, in Segal, op.cit., p. 9

we can assume that the irrationalism which dictates his oppressive attitude is also responsible for the extent to which he desires to persecute. Thus, while and ethnicity's singular characteristics may be of descriptive value, they matter only minimally in the discussion of social achievement and triumph over discrimination.

With such particulars absent, a new approach is needed in the comparative history of oppressed minorities. It is our opinion that such an approach is evident in the following statement: An ethnicity need only feel oppressed to in fact be oppressed. From this perspective we can more easily view the key issue of ethnic advancement, which is our main focus of discussion, and, we believe, applicable to all minorities despite their variation.

Ethnicities who feel themselves to be persecuted, and are intent upon relieving themselves of discrimination, need only look back on the histories of other American minorities in order to discern the patterns leading to ethnic success. The examination of that record is the subject to which we turn next.

5

In the first part of this paper we argued for the recognition of several points which are crucial to the undertaking of ethnic advancement. We outlined racism and discrimination as irrational problems which vary in intensity from person to person. Because of its illogical structure and its independent variations, we observed the difficulties of combatting prejudice on a massive scale. We suggested instead a concentration on the physical manifestations of oppression, which we felt to be more susceptible to scientific laws, and in turn, massive application. We also noted the extreme inefficiency of applying external pressures to an oppressor's internal problem, and used this as our basis to argue the necessity of an ethnicity's self-motivation. Finally, we examined the method by which a minority could implement its strategies for social uplift in an ethnic acceptance of the American Creed.

What these observations lead us to is the last grounds of negotiation between the oppressive and the oppressed in America: economics. As a rational science, it is amenable to large scale application while relieving the physical manifestations of

oppression. But more importantly, it enjoys a dual advantage by simultaneously displaying an ethnicity's acceptance of the American Creed. Recalling our "game theory" analogy, this is equivalent to the opponents' acknowledgement of the "rules of play;" a concession significant in that it recognizes that the "terms of play" are the terms of those in power, and only on those terms can success be achieved, measured, or even recognized.

In this second part we will take a look at the comparative histories of various ethnic groups' attempts at social advance through economic strategies. What we intend to derive from this examination is a pattern or set of characteristics which are common to successful groups. We expect to project those traits onto ethnicities who have not fared as well, and to discuss whether their performances could be due to the absence of such qualities.

"But of course everybody has power; everybody has some power. The problem is putting it together and using it."

6

--- Nathan Glazer, in a discussion
with Sidney Hook and James Baldwin

Since we have argued economic activity as the most efficient means of social advancement in America, we can begin with the general notion that a successful strategy is one which results in the accumulation of capital. But long before an ethnicity can attain that goal, it must make sure that it has the resources to maintain and develop the fruit of its efforts. Chiefly this calls for an application in structure and purpose, to the needs of the economic pursuit. The most important of these alterations concerns the degree of social and economic cohesiveness within the ethnicity itself.

The most apparent characteristic among successful American ethnicities is a high degree of socio-economic unity. "Two wills make a group -- a self-will that creates unity, and the will of others that imposes a unity where hardly any is felt."¹ Such is the opinion of Nathan Glazer, and in the histories of American ethnicities, the facts bear him out.

¹ Nathan Glazer & Daniel P. Moynihan, Beyond the Melting Pot 2nd ed., (1963; rpt. Mass: M.I.T. Press, 1970), p. 139

One can readily argue that to Italian, Jewish, Chinese, and Japanese immigrants, white persecution served to bind the ethnicities together in their respective pursuits. Moreover, there is considerable evidence which suggests each minority's desire to maintain its separateness.

As the foreign-born immigrants did not journey into a cultural vacuum, they did not leave one behind, either. The adherence to social ways and customs provided additional support to the ethnicities' cohesiveness in purpose. Thomas Kessner describes this characteristic in the tightly knit Italian quarter of New York City:

The ethnic grooves carved by early settlers continued to direct the currents of Italian life in the city. Like most foreigners they preferred to live among their own. In setting up their 'little Italy' they carefully retained their Old World subdivisions. The local traditions and habits of the numerous paesi, like the pungent cheeses which the Italians brought with them, proved sufficiently hardy to cross the sea and retain their original sharpness. The pinched streets of Lower Manhattan were divided into distinct communities, and these provincial variations persisted twenty to thirty years later.²

Moses Rischin gives us a similar account of Jewish immigrants in the Lower East Side. In The Promised City he writes that "clustered in their separate jewries, they were set side by side in a pattern suggesting the cultural, if not physical geography of the old world."³

² Thomas Kessner, op.cit., p. 16

³ Moses Rischin, The Promised City, (New York: Harper and Row, 1962), p. 76

In Beyond the Melting Pot, Nathan Glazer and Daniel P. Moynihan discuss the characteristics of Italian and Jewish communities, and in great detail conclude them both to be steeped in strong family traditional, religious and sentimental ties.⁴ The picture is quite similar with the Chinese and Japanese immigrants on the West coast. Ivan Light devotes a part of his work to the description of Oriental social, cultural, and biological relationships which laid basis for the emphatic cohesiveness of Chinese and Japanese Americans:

Among Chinese and Japanese in the United States, a sense of ethnic honor was joined to the ascriptive basis of social association. As a result, individuals, irrespective of social status, were amenable to group controls over their behavior in the interest of maintaining and unsullied honor. A shared sense of ethnic honor resulted in group standards of everyday conduct which kinship and territorial associations carried into every corner of Oriental-American society.⁵

The overall conclusion we can draw from these reports is the substantial element of cohesiveness that prevails in each ethnicity. Still, social unity alone accounts for little in the quest for social advancement until it is applied to the strategy of economics. The crucial link in employing the advantages of a firm social network to economic gains lies in the ethnicity's compromise acceptance of the American Creed. Specifically, this is the minority's adaptation of a social structure of cultural means to one for economic ends.

⁴ Glazer & Moynihan, Beyond the Melting Pot, op.cit., pp. 194-199

⁵ Ivan Light, Ethnic Enterprise, op.cit., p. 188

This transformation is the ethnic concession for which we argued so vehemently above. In their willingness to accept the American Creed, ethnicities need not abandon their social and cultural ways. They have only to concede the predominance of American economic determinism, understand it, and apply their resources to it. Clearly it is the group with substantial social -- and now economic -- networks which stand to gain the most from this concession to the Creed.

Comprehension of this acceptance gives a better understanding of Gunnar Myrdal's observation that

... the Negroes, the new immigrants, the Jews, and other disadvantaged and unpopular groups ... could not possibly have invented a system of political ideals which better corresponded to their interests. So, by the logic of the unique American history, it has developed that the rich and secure, out of pride and conservatism, and the poor and insecure, out of dire need, have come to profess the identical social needs.⁶

The analysis which best integrates ethnic concession theory with its practical application is "The Missing Bootstrap" by Nathan Glazer. In this article, Glazer combines the values of the American Creed -- small business -- with the cultural resources of immigrant minorities -- social network -- to synthesize an effective plan for social betterment. The results of this synthesis were the successes of Jews and Italians in New York City, in a variety of areas, as noted by Glazer:

⁶ Gunnar Myrdal, op.cit., p. 13

First, the small businessmen were ... independent. They had to know ... about their own community that provided their primary market, ... advice, loans, and manpower. They thus supplied to the community a core of knowledgeable people with a broader horizon and greater knowledge ... than workers. They could speak for the community, intercede for it, and even by their actions, educate it ... (T)he children of small businessmen, who often 'helped out', knew more and had greater competence than the children of workers...

Second, the small businessman, even if he did not become rich, had a chance of becoming affluent. ... His money helped not only himself and his family but his community. He could put his children through college and buy a house, but he could also be tapped for contributions to community causes... .

Third, the small businessman often provided a network of jobs and opportunities for other members of the community....

Fourth, because of current American tax practises... there are ... business expenses, which for people not in business are often the ordinary expenses of keeping alive, that cause an extra flow of income... .

Fifth, the businessman builds up an equity, often impossible on a salary that ... makes him a capitalist, with all the opportunities of that status. ... He may be permanently strapped for cash ... but he has a base on which he can borrow, make use of other people's money, and become rich.

Sixth, the business enterprise ... serves as a means whereby that community can develop and maintain ties that bind members together and make them effective for joint action. For in addition to the ties of sentiment, ties of common interest are created... .

A similar observation by Gunther Barth illustrates Glazer's socio-economic integration as implemented by Chinese immigrants further west:

... Chinese stores were the focus of life. As soon as several Chinese moved into a settlement, one of them

⁷ Nathan Glazer, "The Missing Bootstrap", Saturday Review, 23 August, 1969, p. 20

sent to Marysville, Sacramento, Stockton, or some other supply center for the groceries and other wares needed by the colony. These he sold to his comrades without at first discontinuing his regular work. If the colony increased in numbers, he rented a small store and formed a trading company with the assistance of friends, clan association, or district company In a short time, an auspicious name, goods from San Francisco, and news from the Pearl River Delta made the store the resort of all Chinese in the vicinity. ⁸

Although the above passage was made in reference to western mining towns and not New York City, one cannot help but notice the distinct similarities among the traits of Asians, Jews and Italians in their foreign environments: application of social structures to economic pursuits. Yet even with a firm social network, and an ethnic concession to economic principles, a third ingredient is vital to complete the ethnic strategy if it is to be at all successful -- capital.

Clearly the efforts of Nathan Glazer and Ivan Light are in vain unless an ethnicity recognizes the ultimate goal of ethnic strategy in America: the accumulation of capital. This is the end that we argued for ethnic groups to pursue at the outset of this paper, because it is through capital expenditure that a minority ultimately rids themselves of the physical manifestations of prejudice.

The histories of Chinese, Japanese, Italians and Jews are remarkably alike in their zealous accumulation of capital. It is to this discussion that we next address ourselves.

⁸ Gunther Barth, Bitter Strength, op.cit., p. 111

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As few of the Japanese, Chinese, Jews or Italians migrated to America with much capital, it remained for the majority to earn whatever they could by wage labor. Despite their motives for immigration, all four ethnic groups found themselves at the turn of the century in roughly the same socio-economic niche: indigent and oppressed. Determined to rise above their poverty, each minority devised the simple strategy dictated by fundamental economics. This was a three step function which required each group to earn wages, accumulate surplus, and invest the accumulation.

The task of wage earning was attacked differently by each ethnicity. About the only characteristic common to the early wage labor of each was that it was both unskilled and menial. The Chinese became railworkers and miners, the Japanese acted as harvesters, the Jews slaved in needle-trade sweatshops, and the Italians worked in urban construction. That each group labored so intensely is secondary in importance to their utilization of their surplus wages. In providing the funds necessary to promote greater wealth through investment, each of

our studies achieved the appropriate end, although they varied somewhat in their methods.

The Chinese and Japanese immigrants applied their wage surpluses to the formation of rotating credit associations. In Ethnic Enterprise in America, Ivan Light devotes a great deal of discussion to the hui and yueh-woey of the Chinese, and the Japanese equivalents of ko, tanomoshi, and mujin. The general theory of these credit pools is illustrated in Helen Cather's 1932 thesis on Chinatown:

The Chinese have a peculiar method of obtaining funds without going to commercial banks. If a responsible Chinaman needs an amount of money, he will organize an association, each member of which will promise to pay a certain amount on a specified day of each month for a given length of time. For instance, if the organizer wants \$1,300 he may ask twelve others to join with him and each will promise to pay \$100 each month for 13 months. The organizer has the use of the \$1,300 the first month. When the date of the meeting comes around again, the members assemble and each pays his \$100, including the organizer. All but the organizer, who has had use of the money, bid for the pool. The man paying the highest bid pays the amount of the bid to each of the others and has the money. This continues for 13 months. Each man makes his payment each month but those who have already used the money cannot bid for it again. By the end of the 13-month period, each will have paid in \$1,300 and have had use of the whole amount. ¹

The foundations of the hui were embedded in the structure of Chinese culture so that membership in such an arrangement depended on one's clan association. Although the Japanese tanomoshi varied slightly, both organizations offered the essential access to credit that their constituents had repeatedly

¹ Helen Cather, "The History of San Francisco's Chinatown" Master's thesis, University of California, Berkeley, 1932, pp. 60-61, in Light, op.cit., p. 25

been denied from Western institutions. Enforced by the social traditions of honor and loyalty, the Asian credit systems remained effective well into the twentieth century as a driving force behind entrepreneurial success: In the Seattle of the late 1930's, "the largest hotel ever attempted by the Japanese, a transaction involving some \$90,000 ... was financed on the basis of a tanomoshi."²

The arrangements of the Italians were somewhat different than that of the Chinese or Japanese, but nevertheless served the same purpose. Antonio Mangano, a clergyman in 1904, commented on the abundance of "banca italiana" placards that embellished the windows of business establishments in the Italian quarter of New York City. He remarked that the "banks" "are constantly springing up to meet the needs of this or that group of persons, coming from a particular town or village. ... The 'banker' is always a fellow townsman of the particular group that does business with him, and this for the simple reason that the paesano is trusted more, no matter how solid, financially, another bank may be."³

Although the "banca italianas" played an integral role in the financial activities of the Italian quarter, it should be noted that as early as 1896 the contadinos were also depositing their earnings into their own state-chartered institution, the Italian Savings Bank. While it is not certain as

² Shotaro Miyamoto, Social Solidarity Among the Japanese in Seattle, University of Washington, vol. 11, no. 2 (Seattle: Univ. of Washington Press, 1939), in Light, op.cit., p. 29

³ Antonio Mangano, "Italian Associations of New York", Charities, May 7, 1904, rpt. W. Moquin, A Documentary History of the Italian-Americans, (New York: Praeger, 1974), p. 354

to the amount of credit they had access, one can surmise that the savings of the immigrant Italians in the "banca italianas" served them in much the same way as the hui and tanomoshi aided their eastern counterparts.

The obsession with saving is quite a prevalent characteristic in the histories of immigrant Italians and Jews. This highly esteemed value led some contemporary observers to remark that the Italian "is the Jew of the West without Hebrew ideals."⁴ Writing in 1912 for Collier's magazine, Adriana Spadoni reflected on the fanaticism of the immigrant worker's frugality:

He works early and late and starves -- but he saves money. He is often looked upon as a pauper by outsiders, when in reality he has a bank account of four figures. ...Everybody belonging to him must work... and he is driven by the concrete vision of the dollar.⁵

The differences in methodology between Italians and Jews were notably in their respective degrees of general social unity, which was higher among the Jews. Antonio Mangano attributed the divisiveness of the Italians to variation in regional origins. Whatever the cause, the distinction was great enough to warrant Nathan Glazer's comment that "the family- and community-based Italian settlements were incapable of creating group-wide institutions such as the Jewish community built."⁶

The cohesiveness that pervaded the Jewish immigrants' lifestyle was reflected in their business affairs as well.

⁴ Adriana Spadoni, "The Italian Working Women of New York" Collier's, 23 March 1912, rpt. in Moquin, op.cit., pp. 126-130

⁵ Ibid.

⁶ Glazer & Moynihan, Beyond the Melting Pot, op.cit., p. 192

Although there was no rotating credit system on the Chinese or Japanese order, the Jews were considerably more efficient than the Italians in managing their resources. Typical of the Jewish adeptness at socio-economic functions were the self-help associations which enjoyed widespread community support. Moses Rischin credits organizations such as the Gemillat Ha-sodim and the Hebrew Free Loan Association for the successful channelling of economic resources in the Jewish sections of New York:

The Society, relying solely on the endorsement of merchants of standing, made interest-free loans of from \$10 to \$200 to immigrants eager to set up independently in business. Within little more than a decade, the Society's funds soared to over \$100,000 as grateful borrowers, recalling the sources of their success, contributed to its capital. ⁷

From the brief illustrations above, we observe the elements which are common to the systems of capital accumulation belonging to the Chinese, Japanese, Jews and Italians. First, the industriousness of each applied in their menial wage labor was a quality surpassed in intensity only by their obsession with saving. Second, each group relied heavily on tightly knit social networks to accomodate their wage surpluses, rather than the institutions that oppressed them. Third, as a result of their ethnic affiliations, each ethnicity made surplus capital available to its own network for more efficient economic application.

In short, the efforts of these ethnicities provided them

⁷ Moses Rischin, The Promised City, op.cit., p. 106

the means to progress economically by investment and small business. But it had another, more important aspect as well: As the groups became increasingly self-reliant, their dependency on an oppressive society diminished, and so did their potential for future exploitation.

8

The pattern emerging from our comparison of ethnic economic histories reveals that in America, social success is determined by several factors. The first is the American Creed, which establishes the methodology of economic success and social gain. The second characteristic is an ethnicity's level of cohesiveness with respect to its social structure. The third factor is a synthesis of the previous two, an ethnic application of the American Creed for the direct benefit of the ethnicity itself, through the ethnic social network.

We have shown that among Japanese, Chinese, Italians and Jews, the incidence of ethnic success is directly related to each group's proficiency in economic industry, social cohesiveness, and an ethno-American integration of ethics. If these groups are successful, the question that follows is whether an ethnicity can achieve the same status while deficient in one or more of the designated areas. To answer this issue it is necessary to examine an ethnicity whose history reveals a definite struggle in, if not lack of, social progress. For this purpose, we should like to compare the proficiencies of the Chinese, Japanese, Jews and Italians

with what we perceive to be the less fruitful efforts of American blacks, in an attempt not to discredit or defame, but to enlighten. For it is our opinion that through correction of these deficiencies (if the theory holds) any oppressed group might better achieve social uplift and abandon a life of oppression and persecution.

Black Americans are clearly among our most oppressed minorities. The source of their persecution can be traced back to a number of causes, but it is outside our purpose to do so. As we mentioned earlier, it matters only that a group feel oppressed in order that they actually be oppressed.

Beginning with Nathan Glazer's "The Missing Bootstrap," we note that as late as 1969, he was "struck by the absence of Negro business in the major areas of Negro settlement," in and around Harlem, New York. We have already excerpted the advantages of ethnic small business. If Mr. Glazer's observations are at all valid, this lack of enterprise would seem causal enough to deter the advancement of black Americans. What is called for, it seems, is a brief look into the causes of the lack of black entrepreneurship.

A traditional explanation for the deficiency in black entrepreneurial representation has been offered in the argument which stresses the denial of commercial credit on the basis of racial discrimination. We have endeavoured to show that an ethnicity's distinguishing traits are seldom cause enough to warrant economic failure. The point holds fast with credit. While formal lending institutions might withhold the capital

necessary to establish black business, the situation is by no means unworkable. Ivan Light pointedly remarks that

if discrimination in lending accounted for black underrepresentation in business, then Orientals ought also to have been underrepresented relative to more advantaged foreign-born whites. In turn, one would expect the foreign-born whites to have been underrepresented relative to native-born whites. If smallness or poverty accounted for the Negro's difficulties in securing commercial loans, then smallness ought to have interfered with foreign-born whites and Orientals as well. But, in fact, both foreign-born whites and Orientals were overrepresented in business relative to native whites, who presumably suffered no discrimination in lending. ¹

Although all five of our ethnic groups encountered the same denials of commercial credit from formal lending institutions, only four succeeded in circumventing the problem effectively. These four were described earlier as the Chinese hui, the Japanese tanomoshi, the "banca italiana," and the Jewish free loan societies. The fifth group registers no informal ethnic credit institution of any kind. While there is a record of black self-help agencies as far back as 1888, there is virtually no evidence to suggest that they were of a customary nature. Whatever traditional means for providing capital one might find in African custom, they were not visible among blacks in America.

This is not to say that rotating credit systems were entirely absent from African culture. To the contrary, a form which resembled the hui could be found in the African practise

¹ Ivan Light, Ethnic Enterprise, op.cit., p. 20

of esusu, which travelled to the West Indies along with blacks who were "imported" there. Linguistically mutated to susu, the West Indian blacks made use of their credit system to establish themselves a reputation for frugality in early twentieth century Harlem.

The American black has no such system in spite of the common ancestral origin. The immediate conclusion proposes that

... tradition played a critical role in the business success of 'other alien groups' and that a lack of traditions ... makes possible an understanding of why racial discrimination in lending affected American-born Negroes more deleteriously than it did Orientals and foreign-born Negroes. Unlike the Chinese, Japanese, and West Indian, American-born Negroes did not have the rotating credit tradition to fall back on as a source of capital for small business enterprise. Hence, they were especially dependent of banks and lending companies for credit; and when such credit was for one reason or another denied, they possessed no traditional resources for making do on their own. ²

Although there were no customary resources, American blacks did attempt to create their own formal lending institutions. However, theirs is not a pretty history either: of 134 banks founded, 92 per cent were closed, liquidated, or suspended between 1884 and 1935.³ The reasons behind the abundance of mortality lie principally in the gross lack of administrative skills of black bankers. In view of the smallness of most of these agencies, such a deficiency in expertise nearly doomed these ventures from the start.

² Ivan Light, op.cit., p. 36

³ Ivan Light, op.cit., p. 46

Suicidal investment policies contributed heavily to the downfall of the black banks. "(T)he unavoidable weakness of all Negro banking ... was the eternal need to find profitable employment for capital and the chronic inability of black communities to support that capital."⁴ Thus, black banks fell victim to the habit of investing in blackness rather than economically sound opportunities. The primary examples of this phenomenon were the systematic investments into ghetto real estate, unmarketable securities, and unsecured loans to individuals.

The same consequences might have been incurred by customary credit systems like the Chinese hui, but were not for several reasons. First, they were simpler and required no special administrative skills. The hui and tanomoshi were decentralized, and as such were not subject to the same liabilities, as were the black banks with their ancillary interests. Secondly, the Asian systems had no profit incentive to cover outstanding obligations to depositors, as did the banks. Therefore, the rotating credit organizations experienced no pressures to invest, and appeared only on the occasion of solid economic opportunity. The result was a more affirmative history of Chinese and Japanese enterprise. Finally, in extending personal loans, the Asians again enjoyed an advantage over blacks. Whereas neither ethnicity required security other than the good name of the applicant, the hui and tanomoshi members were in a much better position to evaluate the integrity of the borrower. This is

⁴ Ivan Light, op.cit., p. 51

due primarily to the social nature of the rotating credit association, which enforced its procedures through social custom.

Fundamental to black ethnic progress is economic advancement. But it is understood that economic success cannot be had without credit to establish business enterprise. From our observation, it appears that because of oppression an ethnicity must draw upon its own resources to establish that credit. The resources on which the ethnicity relies are a function of social network and acceptance of the American Creed. While there is little question as to the willingness of the American black to accept the latter, there remains a good deal of skepticism surrounding the former.

Disunity has plagued the advancement efforts of blacks in America since Reconstruction, and it is this deficiency which has held them back from ethnic progress. The social customs of other minorities serve to bind the group economically and give them yet another edge on black enterprise. Jews and Italians showed a strong affinity for family businesses, while Chinese and Japanese ventures stressed partnerships on regional origin. Most black enterprises are solo proprietorships that employ no hired labor.⁵

The emphatic illustration of black economic diffusion is St. Clair Drake and Horace Cayton's Black Metropolis. At least in Chicago's Bronzeville section, black businessmen's complaints

⁵ Ivan Light, op.cit., p. 11

of harsh Jewish and white chain store competition are surpassed in number only by their charges against black consumers' abandonment to white trade. "'Negroes,' they feel,' have never learned to patronize their own.'"⁶ The lack of consumer support was additionally burdened by lower prices and extensions of credit which Jewish merchants regularly provided for their black patrons. The savings of pennies, coupled with the easing of payments gave the Jewish shopkeeper or chain store manager more appeal to black consumers than the black entrepreneurs who seldom offered such conveniences.

The lack of communal cohesiveness among blacks is a double-edged liability, for just as it prohibits the cooperation necessary to gain economic footholds, it also provides no network to employ those gains once they have been achieved. The social systems of Chinese, Japanese, Jews and Italians all enjoy a considerable advantage over blacks in this respect. In part, this may be due to the opinion put forth by some that blackness does not constitute ethnicity. Solomon Resnik and Raymond S. Franklin make much of this argument in The Political Economy of Racism⁷ in an attempt to discredit the theories of Nathan Glazer and Daniel Moynihan. However, this view seems inappropriate in that our discussion centers around a minority's oppression. Just as the Chinese are discriminated against because they are Chinese, and Jews because they are Jewish,

⁶ St. Clair Drake & Horace Cayton, Black Metropolis (1945; New York: Harcourt, Brace & World, 1970), p. 439

⁷ See Solomon Resnik & Raymond S. Franklin, The Political Economy of Racism (New York: Holt, Rinehart & Winston, 1973)

the black man experiences oppression because of his blackness. If blackness is not an ethnicity, then what is the purpose in promoting black social representation by black spokesmen for the benefit of the black masses? Clearly the efforts' parameter is color, just as religion is to the Jews and culture is to Chinese.

Earlier we cited Nathan Glazer's comment about the two wills that unite a group. One was the internal cohesiveness of the group itself, and the other was the uniting effect of external oppression. It seems that for the American black, the latter rule takes precedence. Ivan Light substantiates this argument in his observation that "white businessmen have traded with blacks because they sold what the blacks wanted to buy," in contrast to the other ethnicities which "had special consumer demands which the outside tradesmen were unable to satisfy."⁸ These "special demands" were ethnic characteristics derived from each group's specific cultural tastes -- food, clothing, religious items, and so on. These tastes accounted for a certain amount of economic activity, and such enterprises illuminate what we perceive to be the true problem of black society: lack of cultural cohesiveness.

We are not being presumptuous in making the above statement. In Jewish, Italian, Chinese and Japanese groups, the wills that unite each ethnicity are both internal and external. The internal force is one of adherence to a differing tradition

⁸ Ivan Light, op.cit., p. 11

and culture, which doubles as a unity in purpose. Thus, the strength of an ethnicity lies paradoxically in its separate identity because it is the variation in customs and values which binds the members to their common cause. If we accept Light's word, cited above, then it is clear that since blacks share the same culture as whites, they enjoy no "special demands" or cultural bonds which distinguish them from whites. If this is true, then it is of little surprise that black businessmen complain about lack of communal support -- there is no reason to, other than the proprietor's being black.

Blackness, then, becomes the pivotal concept. The true needs of black America cannot be realized until black America maintains itself, by itself, as a proper ethnicity. To be black can no longer suffice for this oppressed minority; they must be "not white." To do so is to create the social cohesiveness necessary to support their economic efforts, and once that is achieved there can be little doubt as to their success.

9

We began this paper with the observation that it is up to an ethnic group to change its status within an oppressive atmosphere, because left to himself, an oppressor has no interest in effecting such a change. So it is today with our minorities. If, as we have proposed, the way to ethnic success is through economics relying on social cohesiveness, then it remains for minorities themselves to implement this plan as part of their acceptance of the American Creed. Its effectiveness has been proven over the course of history.

Whether the same ends will eventually be realized through political legislation and affirmative action policies is, in our opinion, doubtful. As we have argued, the permanence of economic tangibility is preferable to the political moodiness of a nation -- the Bakke controversy is evidence enough of that. It is our belief that emerging minorities can learn a great deal from the ethno-economic histories of others and apply it to their needs. First, they should realize that social programs are designed for the irrationally based targets we advised earlier to avoid. Second, they must note that economic strategy

can broadly affect the physical manifestations of oppression through the very rationality that social policies sadly lack. Third, they must be united in their ethnicity and provide sustenance to their efforts. Finally, they should apply these assets to the American Creed, for in the acceptance of these ethics, the struggling minority moves closer to its realization of a better life, truer liberty, and the happiness it has so long pursued.

APPENDIX

A

GUNNAR MYRDAL, in "A Round-Table Discussion" (Segal, p. 476), on the ethics' importance in American society:

...power is important, but attitudes and ethical principles count also. And where the Negroes are concerned, they count enormously, because the Negroes don't have enough power. I had a visit the other day in Stockholm from a Negro sociologist, a professor from California, who said that he didn't believe at all in my idea that the better part of the American heart was on his side. "But brother," I said to him, "you are only one-tenth of the American people, a poor tenth, and you are powerless; if the whites wanted to, they could dump you all in the ocean or they could buy up some old plantation land in Mississippi and pen you up in it. They can do whatever they like with you." "No, no," he said, "what about the Supreme Court?" "Well," I answered, "if the whites, who are 90 per cent of the population, wanted to change the Constitution, they could dump the Supreme Court in the ocean too." So what Negroes have to rely upon in the end is that America is its institutions, and that the highest of these institutions will act when they come under pressure.

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