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## Inventing Blight: Downtown and the Origins of Urban Redevelopment

Early in 1944, by which time the outcome of World War II was no longer in doubt, the U.S. House Committee on Roads held hearings on federal aid for postwar highway construction. Among the witnesses was Mayor Edward J. Jeffries of Detroit. Reading from a prepared statement, Jeffries said that in order to solve the city's traffic problem Detroit was planning to build 168 miles of limited-access highways after the war. We need these highways, he declared. "And we need Federal funds to help finance them." When he finished, Representative Angier L. Goodwin of Massachusetts, a junior member of the committee, asked, do you really think we should encourage Americans to use automobiles in cities? Departing from his prepared statement, Jeffries gave an uncommonly candid and extremely revealing reply. "I am not sure," he said. "I am not sure whether bringing people [into the heart of the city] more expeditiously and quicker than they have ever been able to get in before will not be the ultimate ruination of Detroit." By this Jeffries meant that the proposed highways, which were designed to make the center more accessible to the periphery, would also make the periphery more accessible to the center. As a result, more people would move farther away until "there is nothing left [in Detroit] but industry"—a development that would bankrupt the city (and devastate its central business district).<sup>1</sup>

Jeffries's remarks reflected a radical change in the way many Americans, especially local officials, city planners, and downtown businessmen, thought about residential dispersal. Hitherto they had assumed that it was a natural and highly beneficial process that the authorities should do all they could to encourage. As they saw it, most people—first the well-to-do, then the middle class, eventually even the wage earners—would move from the center to the periphery and from the city to the suburbs. This outward movement aroused little concern because it was also assumed that no matter where people lived,

no matter how far from the center, most of them would go downtown every day. Thus the periphery would prosper as a residential section, and the center would thrive as a business district. And as the business district thrived, it would expand into the adjacent residential sections, where old houses would be replaced by new hotels, office buildings, department stores, and other commercial structures. Few Americans questioned these assumptions in the early twentieth century—not in the 1920s, a time of great prosperity, when the outlying sections of the metropolitan areas grew more than twice as fast as the central cities, and not even in the early and mid 1930s, a time of severe depression, when the outlying sections grew roughly three times as fast as the central cities, some of which actually lost population.<sup>2</sup>

During the late 1930s and early 1940s, however, many Americans began to have second thoughts about residential dispersal. In their efforts to account for the sorry state of the central business district, they were struck by two unexpected (and extremely ominous) developments. One was that a large and growing number of people who had moved to the periphery were no longer going downtown—or were going downtown less often. Instead they were patronizing the outlying business districts, shopping at chain stores, doing business at branch banks, and relaxing at neighborhood restaurants and movie theaters. The other development was that the movement outward was highly selective. The upper and middle classes were moving to the periphery and the suburbs. But the lower class, many of whose members belonged to one or another of the nation's ethnic and racial minorities, were staying put—some because they did not want to move, others because they could not afford to. More often than not, these people lived within a long walk or short ride of the central business district. But they had little money to spend in downtown stores and specialty shops, little reason to retain downtown lawyers and accountants, and little cause to deal with downtown banks and insurance companies.<sup>3</sup>

In view of these developments, many Americans concluded that it would not be possible to stop or even slow down decentralization just by increasing the accessibility of the central business district. It would also be necessary to check residential dispersal and, above all, to attract the well-to-do back to the center. As T. T. McCrosky, executive director of the Chicago Plan Commission, said, it would be necessary to encourage “a recentralization of residential population near to the main business district.” Underlying this position was an assumption that, in the words of a leading consulting firm, “if we can again make the city an attractive place in which to live we can lure back many of the higher-income families from the suburbs.” These families would fill what

economist Ernest M. Fisher called “an economic void at or near the center.” They would “breathe life into the [central] commercial areas,” argued Milwaukee city attorney Walter J. Mattison. “Just think of what would happen to our downtown business district, with all the surplus buying power within walking distance of the center of the community,” he wrote in 1944. “Just think how it would build up the assessed values in the land down there, possibly even to the point where it would sustain the value that existed there in 1930.”<sup>4</sup>

To attract the well-to-do back to the center, much less to entice them to live within walking distance of downtown, was easier said than done. As Jerrold Loebl, a Chicago architect and developer, pointed out in the mid 1940s, conditions in the central city were pretty bad. And nowhere in the central city were they worse than in the old residential neighborhoods surrounding the central business district. Here were the slums and “blighted areas.” These “urban deserts,” to quote Arthur W. Binns, chairman of Philadelphia’s Committee on Housing and Blighted Areas, were filled with dilapidated dwellings, often mixed with run-down warehouses and factories. Home to the poor (and transient), these neighborhoods were unsafe and unhealthy, lacking open spaces, fresh air, and the other features most Americans looked for in a good community. Indeed it was the conditions in these inner-city neighborhoods that had driven many Americans to move to the periphery in the first place. Why would the well-to-do return to a city that was “rotting at the core,” asked one observer? Why would they choose to live in what Charles T. Stewart, director of the Urban Land Institute, called “the dismal areas that form the dirty collar around [the] central business [districts]?” Why would they move from their suburban enclaves to what John R. Fugard, a Chicago architect and building manager, spoke of as “the ‘no man’s land’ which rings the business district and forms a cancer which is slowly but surely gnawing away at the vitals of centralized business?”<sup>5</sup>

To the downtown business interests and their allies, the answer was clear. Well-to-do Americans would return to the center only if the slums and blighted areas were eliminated and replaced by safe, healthy, and attractive middle- and upper-middle-class neighborhoods. In other words, it would be necessary to raze and rebuild much of the central city (or, in Mattison’s words, to create a suburban setting “right in the center of the city”). This was a huge undertaking. To carry it out, the downtown business interests and their allies would have to join the slum clearance movement, which had emerged in the late 1920s and early 1930s as an alternative to tenement house reform. They would then have to transform it from a movement that was designed mainly

to provide decent housing and pleasant neighborhoods for working people to one that was designed mainly to curb decentralization and shore up the central business district. To put it another way, the downtown business interests and their allies would have to turn slum clearance into urban redevelopment (and later urban renewal), one of the most controversial policies of the post-war years. This they did with such success that by the early 1960s Catherine Bauer, Charles Abrams, and other champions of slum clearance were mourning that a movement begun as an effort to provide good housing for low-income groups ended up as “a program to rebuild the downtown.”<sup>6</sup>

To understand how this happened, it is necessary to go back to the mid and late nineteenth century. It was then that Americans discovered the slums of New York, Boston, Chicago, and other big cities. To their dismay, they found once-fashionable inner-city neighborhoods now occupied by the poor, the great majority of whom were first- and second-generation European immigrants who lived in squalid and cramped tenement houses of one kind or another. As Roy Lubove and other scholars have shown, the tenement houses aroused a good deal of concern among the many upper-middle- and upper-class Americans who were troubled by the growing polarization of American society and fearful that the country was on the verge of class warfare. Convinced, as the *New York Times* wrote in 1880, that “the condition of our tenement-house population is the source of the worst evils, physical and moral, in [the] City,” they made a vigorous effort to expose the worst features of the tenement houses, an effort that they hoped would eventually bring about the abolition of the slums.<sup>7</sup>

Out of this effort, which spawned a host of reports, articles, and books, the most influential of which was *How the Other Half Lives* by Jacob A. Riis, came a scathing indictment of the tenement house and its surroundings. By far its “greatest evil,” argued E. R. L. Gould, one of the leaders of the model tenement movement (about which more later), was overcrowding. Apartments in the tenement houses were very small, usually only two or three rooms—at most four or five—few of which were larger than ten by ten feet, some as tiny as eight by six. In these tiny apartments lived entire families, sometimes more than one. (In Chicago thousands of former single-family houses and cottages “are now packed with a family in each room,” E. E. Genung, a Chicago tenement house inspector, wrote in the early 1880s. In one Italian neighborhood “several families [huddle] together in one large room, with mere boards and curtains for partitions between their scanty household goods.”) There they cooked, ate, slept, often a few to a bed, and worked, rolling cigars, sewing



*Mulberry Street, New York's Lower East Side, ca. 1870 (© Collection of the New-York Historical Society, neg. no. 33544)*

dresses, and washing other people's laundry. If this was not enough to make ends meet, they took in lodgers and boarders. To make matters worse, the tenement houses stood several stories high, often cheek by jowl, and covered most, if not all, of their narrow lots. The density was mind-boggling, especially on New York's Lower East Side. At a time when New York had seventy-six persons per acre, the Lower East Side had from three hundred to seven hundred an acre. In one neighborhood the density approached a thousand persons per acre, which was more crowded than the most crowded parts of London, Paris, and even Bombay.<sup>8</sup>

The tenement houses were highly unsanitary too, the reformers charged. The apartments were dark and poorly ventilated. The basements and cellars, into which the overflow from the privies often seeped, were dank. The houses were cold in winter, hot in summer, and vulnerable at all times to fire, from which the wooden ladders that served as fire escapes offered little or no protection. Many were infested with insects and vermin. Few apartments had hot water—hence the term “cold-water flat.” Fewer had a water closet—just a privy, one or at most two to a building, located in the hall or the yard. In neigh-

borhoods full of saloons, brothels, stables, junkyards, and even slaughterhouses, there were no bathtubs. "If in all the health-destroying, vermin-breeding places along these streets there is one bath tub," another Chicago building inspector wrote, "I have never seen it nor been able by inquiry to locate it." The sanitary conditions were appalling, reported a New York state legislative committee in the late 1850s. Witness, it said, the "hideous squalor and deadly effluvia; the dim, undrained courts oozing with pollution; the dark, narrow stairways, decayed with age, reeking with filth, overrun with vermin; the rotted floors, ceilings begrimed, and often too low to permit you to stand upright." The tenement houses were "unfit for habitation by civilized people," wrote Genung. Indeed, added B. O. Flower, editor of the *Arena*, a crusading New York periodical, they were "totally unfit to be shelter for the lower animals."<sup>9</sup>

What troubled the reformers was not so much the belief that these "sordid quarters" took a heavy toll on their tenants as the fear that they would degrade the working class and destroy the whole society. This fear grew out of the widespread belief in environmental determinism, the notion, as one architecture critic put it, that man "is molded by his environments." ("Be the man

what he may," he said, "be his aspirations of the highest, the good that is in him will be stifled if his house be bad and his surroundings worse.") "Strong-willed, intelligent people may create or modify environment," wrote Gould; "the weaker-willed, the poor, the careless and the unreflective become subject to it." Into which category the tenement-house dwellers fit he had no doubt. "Populous masses, crowded together one thousand to the acre, as they are in some parts of New York, are absolutely unable to resist the influences by which they are surrounded." From this perspective, the residents of the



*Rear of a tenement house on Plymouth Court, an Italian neighborhood in Chicago's First Ward (American Journal of Sociology, January 1913)*

slums were not so much wicked as weak, not so much villains as victims, “creatures of adverse circumstances,” said a Boston minister, with no control over their fate—honest and kind people, wrote a Chicago reformer, who could not escape from “their material surroundings,” at least not “by their own initiative.” It was this belief in environmental determinism that led Gould and others to conclude: “As they now exist, the tenements are standing menaces to the family, to morality, to the public health, and to civic integrity.” And “it is to be hoped,” Gould said, “that it will not require some public calamity to arouse the people to their danger or their duty.”<sup>10</sup>

Gould and other reformers hammered away at this point in articles, books, lectures, and interviews. The tenement house weakened the family. Demoralized by the overcrowded and unsanitary conditions, deprived of the independence and privacy vital to its well-being, the family disintegrates. Fathers, their prospects poor and hopes fading, turn to alcohol, abandoning their homes for the nearby saloons, where they find temporary solace. Mothers, worn out by the strain of running households in so hostile an environment, give up. Instead of delighting in their children, they are, said Gould, “soured into ill-feeling or brutalized into a state of callous indifference.” Just as the adult “goes to the saloon,” wrote William Howe Tolman, secretary of the City Vigilance League of New York, so the child “goes on the street”—where, in the absence of parks and playgrounds, “boys, while yet of tender age, are introduced to viciousness and petty crime,” Gould pointed out. And “young girls from their earliest teens engage in an almost hopeless struggle for moral preservation.” The tenement house blocks the “development of true domestic life,” Gould insisted; “every member of the family from earliest childhood becomes prey to those forces which drag down, a stranger to those which uplift.” The *New York Times* concurred. What, it asked, “can be hoped from the influence of schools, churches, civilization, and religion in laborers’ families, who live twenty to a room, of all ages and both sexes, and thus pass a great part of their lives?”<sup>11</sup>

The tenement house also fostered immorality. It was “the most fruitful breeding ground for vice,” wrote Gould, and “the cradle, nursery, kindergarten, school, [and] university . . . of the dependents, defectives, and delinquents,” said Tolman. It produced “these noxious and unhappy elements of society as surely as the harvest follows the sowing,” claimed Alfred T. White, a Brooklyn businessman and philanthropist who built some of the earliest model tenements. If “it be hard for a dyspeptic millionaire, surrounded by the delights of affluence, to be a good Christian,” remarked Gould, “how much more difficult is it for a poor man, living in squalor and filth.” The crux of the

problem, said the *Times*, was that the tenement house “saps self-respect, weakens the resistance to temptation, aggravates the evil passions, and breeds the habit of unmanly and unwomanly conduct.” Nothing, not intemperance and not even crime, so upset the reformers as “unwomanly conduct.” With so many people, adults and children, male and female, sharing the same room and even sleeping in the same bed, the tenement-house dwellers had no privacy, no sense of modesty, the reformers pointed out. Hence women yielded to temptation, and girls were taken advantage of. More often than not, the lodgers and boarders were responsible. In a pamphlet widely distributed in the slums, the New York Tenement House Department and the Tenement House Committee of the Charity Organization Society warned: “Lodgers often cause trouble in the family and sometimes break up the home. Lodgers have even been known to betray little girls—the daughters of the family they live with.”<sup>12</sup>

The tenement house endangered the public health, too, the reformers argued. Inspired by what Lubove calls the “bacteriological revolution” of the late nineteenth century—the discovery that “specific micro-organisms were responsible for specific diseases”—they charged that the dark, damp, and badly ventilated apartments provided fertile grounds for the germs that carried typhoid, diphtheria, tuberculosis, and other infectious diseases. “No one will deny that sickness bears a close relation to bad housing,” Gould argued, or that the high incidence of mortality in the slums was a result of the physical conditions of the tenement houses. Nor was the danger confined to the slums, the reformers pointed out. In many cities the slums stood “perilously close” to solid middle- and upper-middle-class neighborhoods. Their residents rode on streetcars, worked in stores, and went to schools. How could anyone be confident that they were not inadvertently infecting other people? Even worse, many tenement-house dwellers took in “homework” or “piece-work”; they made clothes (and boxes and paper flowers) and rolled cigars, most of which were sold in other parts of the city (and even in other parts of the country). If these goods were made by ill men and women, perhaps in the same room that housed a sickly child or a dying grandparent, how could anyone be confident that they were not contaminated?<sup>13</sup>

Not least of all, the tenement house undermined civic integrity. It was, wrote Tolman, “*a menace to a republican form of government.*” It was a leading source of municipal corruption and a serious threat to private property, said another reformer. It was “an evil which is gnawing at the vitals of the country,” argued Henry Morgenthau, a New York real estate magnate; and unless it was wiped out, “our great body politic will be weakened.” According to the tene-

ment-house reformers, life in the tenements weakened the resistance to the unscrupulous tactics of the ward bosses, the leaders of the political machines that were widely blamed for the rampant corruption and incompetence of local government. It also increased the susceptibility to socialism, communism, and anarchism. As Gould observed at the turn of the century, “The genesis of ‘isms’ most often takes place in the miserable tenements of a great modern city.” This warning struck a responsive chord in a society that had been racked by fears of class warfare since the late 1870s, a society, as Chauncey M. Depew, a prominent lawyer and businessman, told New York’s Charity Organization Society, that had “enough human dynamite [in it] to overturn any government in Europe.”<sup>14</sup>

The problem was serious, the reformers insisted, but it could be solved. (Or as Riis put it, “The poor we shall have always with us, but the slum we need not have.”) Hence they mounted a vigorous campaign to upgrade the quality of working-class housing that started in New York and Boston in the 1850s and 1860s and spread to Chicago and other cities in the late nineteenth and early twentieth centuries. At its core were three distinct, but more or less complementary, objectives. By far the most important was to prevent builders from putting up new tenement houses that were as bad as the old ones. To this end the reformers urged the authorities to impose a wide range of regulations on future construction. Despite strong opposition from builders, these regulations were adopted, to one degree or another, in most big cities. Often modeled on New York’s Tenement House Law of 1901 or the model tenement house law drafted by Lawrence Veiller, the principal architect of the 1901 law, the regulations were intended mainly to reduce overcrowding and improve sanitary conditions. As a rule they limited building heights and lot coverage, banned rear tenements, and mandated larger rooms, higher ceilings, bigger windows, metal fire escapes, and a sink and separate water closet in each apartment.<sup>15</sup> The new tenements, it was believed, would be much less of a menace not only to their tenants but to other Americans as well.

Another objective of the reformers was to demonstrate that it was possible to build decent tenements, charge a reasonable rent, and still make a modest profit—or, in Gould’s words, to show that “the proper housing of the great masses of working people can be furnished on a satisfactory commercial basis.” Hence the model tenement movement, a movement that spread from England to America in the second half of the nineteenth century. In the vanguard was a small group of wealthy New Yorkers and Bostonians who believed that “investment philanthropy,” an approach, said Gould, that occupied “a middle ground between pure philanthropy and pure business,” offered a so-

lution to the housing problem. Underlying this approach was the assumption that the wealthy—or, in Gould's phrase, “the large-hearted rich”—would be willing to underwrite the construction of model tenements that yielded a moderate (or lower-than-average) rate of return. Operating on this assumption, the reformers set up several model tenement companies, of which Brooklyn's Improved Dwellings, formed by Alfred T. White, was the best, and New York's City and Suburban Homes, headed by E. R. L. Gould, the largest. These companies built tenements with more space, better sanitary facilities, and more stringent regulations than ordinary tenements. It was hoped that the model tenements would provide decent housing for some working people and inspire commercial builders to provide decent housing for others.<sup>16</sup>

Yet another objective of the reformers was to expedite the movement of the working class from tenement houses in the center to single-family homes on the periphery, a movement, it was believed, that would in time drain the slums. Tenement reform was essential, the reformers believed; so were model tenements. But no matter how well built, a tenement house was inferior to a single-family home, a tenant inferior to a homeowner. How much can be expected of a workingman, asked Veiller, whose “home is but three or four rooms in some huge building in which dwell from twenty to thirty other families [and] whose home is his only from month to month.” “Democracy was not predicated on a country made up of tenement dwellers,” he argued, “nor can it so survive.” Robert Treat Paine, one of the pioneers of the model tenement movement in Boston, agreed. So did Gould. Speaking of home ownership, he declared, “Every man undertaking it is distinctly helped to a far greater degree than he could be in the best class of model tenements. He becomes reflective, careful, prudent, wedded to order and rational conservatism, and usually turns a deaf ear to specious ‘isms.’” To encourage workingmen and their families to leave the tenements, some reformers built low-cost cottages in suburban districts. And virtually all of them campaigned for rapid transit. Following the conventional wisdom, they assumed that by making undeveloped and relatively inexpensive land accessible, rapid transit would enable working people to live in modest versions of middle- and upper-middle-class “bourgeois utopias.”<sup>17</sup>

By the early twentieth century tenement house reform was on a roll, model tenements were under construction, and rapid transit was in place in some cities and under consideration in others. But whether these efforts would succeed was far from clear. Although most Americans were optimistic, a few were skeptical. Some held that these measures were unlikely to do much good

because the slums were a product of the inferiority of the slum dwellers, not of the inadequacy of the housing stock. As one skeptic put it, Americans—as opposed to immigrants—“would simply refuse to be overcrowded; refuse to live in vile, unsanitary quarters; refuse to accept starvation wages; refuse to be terrorized by ward bosses and cunning padrones and penurious landlords.” Others held that these measures were unlikely to do much good because the slums were not so much a housing problem as an economic problem, a problem of irregular employment and inadequate wages—of, in a word, poverty. The solution would require a great many changes more radical than tenement house reform. What the tenement-house residents thought of the reform effort is hard to say. Their voices were rarely heard; and when they were, it was usually when the reformers asked for their opinions on matters about which they had already made up their minds. It is worth noting that when the tenement-house residents spoke out, as they did during the great rent strikes on New York’s Lower East Side early in the twentieth century, it was to protest rent hikes, not housing conditions.<sup>18</sup>

The reform movement did much to improve working-class housing. The new-law tenements, a New York term that was widely used to refer to tenement houses erected under the 1901 law, were far superior to the old-law tenements—though they were far from “the best type of multiple family houses . . . in the world,” as a committee of high-level New York officials boasted in 1924. The model tenements, which housed thousands of working-class families at reasonable rents, were also an improvement over the old-law tenements—though they were only marginally better than the new-law tenements. Had they been much better, Gould and others feared, they would have attracted not the “worthy poor,” for whom they would have been too expensive, but well-to-do wage earners, who were, it was commonly believed, better off in the suburbs. Another sign of progress was that tens of thousands of old-law tenements were demolished, most because the owners found more profitable use for the land, some because the authorities deemed them unfit for habitation. Tens of thousands more were upgraded. Hot water was provided, windows were installed in interior rooms, and the notorious “school sinks” and privy vaults were replaced by water closets. The tenement houses were not only more sanitary; they were also less crowded. The new laws helped. But they were probably less important than the rise in real wages (and advances in mass transit) that enabled many second-generation immigrants to move from tenement houses in the center to one- and two-family homes on the periphery—from the Lower East Side to the Bronx, Brooklyn, and

Queens, for example. And there were few newcomers to replace them after Congress ended unrestricted immigration in the early 1920s.<sup>19</sup>

But the reform movement made little progress in wiping out the slums. Writing in 1921, Veiller pointed out that they were still “spreading and extending . . . over the face of the land.” (A decade later he claimed that “the United States has probably the worst slums in the world.”) Ralph Adams Cram, a Boston architect and chairman of the city’s planning board, agreed. “It is still possible to-day,” he declared in 1918, “to find in any industrial city slums that in their ugliness and their disease-breeding and vice-breeding conditions [are] as bad as any recorded in history.” Well after the reform movement got started, Boston still had a good many unsanitary and overcrowded tenement houses, Chicago had more than ten thousand dilapidated rear tenements, and New York, which had about 640,000 old-law tenements in 1909, had roughly 525,000 in 1932—most of which, wrote one reformer, were “without heat, without baths and affording little more accommodation than shelter from rain and snow.” These tenements were being demolished so slowly, reported the housing committee of the New York State Reconstruction Commission, that it would take one hundred years to get rid of them, a hundred years in which they would continue to breed poverty, crime, disease, and degeneracy. (The New York Mayor’s Committee on Housing agreed, but added that “in the scheme of the universe,” a century was not all that long.) The old-law tenements survived in some cases because they were highly profitable and in others because there was little or no demand for the land on which they stood.<sup>20</sup>

Thus by the late 1920s, if not earlier, many reformers were forced to acknowledge that the conventional approaches had serious limitations. The tenement house laws were routinely challenged by landlords and other real estate interests, sometimes in the legislatures, sometimes in the courts, and sometimes, as in Wisconsin, with success. Even when the laws withstood the challenges, they were very hard to enforce. The cities had far too few inspectors—fewer than one for every five hundred tenement houses in New York in 1916. Most were overworked and underpaid, often willing to overlook minor violations (and, for a price, even major ones). “For a God-fearing man, the job of inspector was a nightmare of temptation,” writes historian Thomas Lee Philpott. “For anybody else it was a dream.” Even when the inspectors issued citations, it sometimes took years for the courts to process them. More often than not, the penalties were trivial. The enforcement process had so broken down, wrote the New York State Board of Housing, that it was more serious to

deface park property “than to maintain a tenement house in such condition as to continually menace the health and safety of its occupants.” Even worse, the tenement house laws applied only to new buildings. They also raised the cost of construction, by as much as 10 to 15 percent in Boston, so that far from stimulating the production of much-needed new housing, they deterred it. Edith Elmer Wood, one of the leaders of a new generation of housing reformers, nicely summarized the growing disenchantment with tenement house reform in 1919: “The best restrictive legislation is only negative. It will prevent the bad. It will not produce the good. Especially it will not produce it at a given [meaning reasonable] rental.”<sup>21</sup>

If model tenement laws were a disappointment, the model tenement movement was a fiasco. After a promising start in Brooklyn, the movement was stymied in Chicago. It also got bogged down in Boston. Even in New York, where it was supported by many of the country’s wealthiest and most prominent citizens, it produced very little housing. For every model tenement that was put up by the city’s semi-philanthropic housing companies between 1902 and 1916, the heyday of the movement, more than three hundred ordinary tenements were put up by the city’s commercial builders. Of the roughly 2.9 million New Yorkers who lived in tenements in 1917 and paid \$25 a month or less in rent, these companies housed only two-thirds of one percent. Moreover, the model tenement movement lost what little momentum it had after World War I. By virtue of wartime inflation, it became impossible to build decent low-income housing. It also became very hard to persuade “the large-hearted rich” to invest in model tenements. Some were reluctant to settle for a lower than ordinary return on capital. Others were put off by the stigma attached to the tenement house business. Still others thought that it was unnecessary, impractical, and even immoral to resort to philanthropy to solve the housing problem. August Heckscher and a few other wealthy New Yorkers made a last-ditch effort to revive the model tenement movement in the mid 1920s. But nothing came of it.<sup>22</sup> By the end of the decade it was clear that the movement had done very little to house the working class, even less to inspire the commercial builders, and virtually nothing to abolish the slums.

By the late 1920s it was also clear that the attempt to drain the slums was at best a qualified success. Although some working people moved from the center to the periphery, others did not. Some stayed in the slums because they had no choice. Holding menial, often highly insecure and poorly paying jobs, they could not afford to rent an apartment in a new-law or model tenement, much less to buy a home of their own, especially if it was not within walking

distance of their workplace. Others stayed put even though they had a choice.\* Some placed a much lower value on the importance of housing than the reformers did. A close family, loving and hard-working parents and happy and well-behaved children, counted for more than a nice apartment. As Sam Levenson, a Jewish comedian who grew up in a squalid tenement, later wrote, "My environment was miserable: I was not." Others wanted to spend as little as possible on rent, especially if the money saved might be enough to bring a wife, parent, or sibling from Europe to America, to enable the father to open his own business, or to allow the children to stay in school longer (and perhaps take advantage of opportunities closed to their parents). Still others preferred to stay close to relatives and friends who spoke the same language, worshipped at the same churches, and supported the institutions that kept their culture alive. For many first- and second-generation immigrants it made little or no sense to move to better housing on the periphery if it forced them to sever the ties that gave meaning to their lives.<sup>23</sup>

In view of the serious limitations of tenement house reform and other conventional approaches, some reformers came to the conclusion that more drastic measures were needed. By far the most drastic was what was known as slum clearance, a process by which the municipal authorities condemned the tenement houses, tore them down, and then reused the land for working-class housing. As a form of social policy, as opposed to, say, a by-product of street widening or other public improvements, slum clearance had its origins in England in the mid and late nineteenth century, when Parliament passed a series of laws that culminated in the Housing of the Working Classes Act of 1890. Several European nations followed England's lead. And the movement gathered momentum shortly after World War I. Slum clearance made some headway, notably in England, where the local authorities tore down some parts of the worst slums of London and other cities and put up decent working-class housing in their place. But even in England, Edith Elmer Wood pointed out in the mid 1930s, roughly three-quarters of a century after the

\* Some observers had predicted as much. Late in the 1870s, a real estate expert wrote that even "if any number of attractive cottages were constructed on this island [of Manhattan], and offered at the same rents now asked for tenement suites, it would be impossible to dislodge a large proportion of present tenants." (*New York Real Estate Record and Builders' Guide*, September 22, 1877, page 729.) Roughly two decades later a New York reformer noted, with regret, that a large majority of the tenement-house dwellers, even many who worked outside the city, were reluctant to move from the Lower East Side. (See Royal Commission on London Traffic, *Appendices to the Report of the Royal Commission on London Traffic with Index* [London, 1906], page 74.)

movement was launched, “Slum clearance, though much talked about, has been practiced very little.”<sup>24</sup>

It was talked about in America too—though not as much as in Europe. As early as 1884 Felix Adler, a leader of New York’s Charity Organization Society, contended that the government must reduce overcrowding, must improve the tenements, and “where that is no longer possible, must dismantle the houses and remove them from existence.” Gould took a similar position, arguing that there is no “satisfactory way of dealing with irremediable insanitary premises than to tear them down.” (Noting that “such property cannot in morals have any rentable value,” Gould added that the owners should be compensated only “for the value of the materials as salvage.”) If the government could throw out decayed meat and spill diseased milk, surely it could demolish pernicious tenements. Jacob Riis and architect I. N. Phelps Stokes agreed. So did Robert W. De Forest, chairman of New York’s Tenement House Commission of 1900 and first commissioner of the city’s tenement house department. Speaking of one of the worst blocks on the Lower East Side, a block known as the “lung block” because it was “permanently infected with the germs of tubercular disease,” De Forest argued at the turn of the century that “every consideration of public health, morals and decency require[s] that the buildings of this block be destroyed at an early date.”<sup>25</sup>

But down through the 1920s slum clearance was, in the words of historian Max Page, “a stock rhetorical device rather than a tool of public policy.” Aside from demolishing a small number of dilapidated buildings that were deemed “unfit for habitation”—or defined, legally, as a “nuisance”—only a few American cities cleared any slums. Even they cleared very few. Under the state’s Small Parks Law of 1887, New York razed Mulberry Bend, a 2.7-acre parcel, and a couple of other notorious slums—which, said Riis, were “not fit for Christian men and women, let alone innocent children to live in”—and replaced them with small parks, “breathing-spaces” that served as the “lungs of the poor.” (“I have seen an armful of daisies keep the peace of a block better than a policeman and his club,” Riis observed.) Under pressure from tenement-reform groups and settlement houses, Chicago demolished hundreds of tenements and evicted thousands of tenants to make way for dozens of small parks and playgrounds. (Astonished by the intense grief of the uprooted residents, a leading reformer wrote, “It was strange to find people so attached to homes that were so lacking in all the attributes of comfort and decency.”) Boston also engaged in slum clearance, notably in the North End, but on a much smaller scale than New York and Chicago. These “few casual, non-related efforts” aside, it was fair to say, wrote Veiller, “that the people of the United States have done little or nothing in the way of slum clearance”—and

even less, said the Boston City Planning Board, in the way of “erecting new homes upon the sites thus cleared.”<sup>26</sup>

Slum clearance made so little headway in the United States before 1930 for several reasons. More often than not, the landlords strongly opposed attempts to tear down their buildings, especially if the authorities took the position that they were a “nuisance,” a danger to public health or public safety, and thus could be condemned without compensation. Even if the authorities were willing to offer compensation, the landlords usually objected, particularly if they thought the offer was below fair market value. As a result of political opposition, official inertia, and public indifference, it took more than a decade to turn Mulberry Bend into a city park. And in the face of vigorous objections from landlords and developers, New York’s Tenement House Department abandoned its efforts to raze the city’s infamous rear tenements. If need be, the landlords could also appeal to the courts, which, in their zeal to protect private property, interpreted the police power so narrowly that the authorities could demolish only those buildings that were a “nuisance,” a very small fraction of the many wretched tenements. Even when some states empowered the cities to demolish buildings that were not a “nuisance,” provided they compensated the owners, the courts held that demolition was permissible only as a last resort. Under these legal constraints, New York’s Tenement House Department concluded in 1902 that tenements could be “vacated,” or temporarily closed, but rarely demolished.<sup>27</sup>

Moreover, the costs of slum clearance were staggering. Unlike British cities, which could acquire unsanitary buildings for very little, American cities were obliged to pay fair market value—which, Veiller and others complained, was often two to three times what the property was worth. Hence it would have cost at least a million dollars to “take” an ordinary city block on the Lower East Side in the 1920s. Even in the 1930s, the secretary of the Lower East Side Chamber of Commerce estimated, it would have cost at least half a billion dollars to completely rehabilitate the whole district—a vast sum in those days. Down through the 1920s it was inconceivable that the federal government would provide funds for slum clearance, which was what the national government did in Britain. It was also unlikely that the states would help out. Hence the cost would fall entirely on the cities, which were in no position to meet it. As a committee of high-level New York City officials put it in 1924: “The cost of the wholesale demolition which would be necessary to materially improve the conditions in this city [would] be prohibitive. To confiscate the property to be condemned, to pay the property owners therefor and subsequently to demolish the buildings and erect new houses in their

stead would obviously be a burden upon the City of New York amounting to hundreds of millions of dollars.”<sup>28</sup> Although the numbers would have been lower, what was true for New York was true for other big cities.

Lastly, slum clearance did nothing to solve the housing problem. It created much-needed “breathing spaces” for the poor, but at the expense of thousands of tenants who were forced to move from one unsanitary and overcrowded tenement to another. It might have made more headway had there been cause to think that someone would build improved housing on the sites to accommodate the displaced residents. But there was not. Private enterprise had no intention of doing so. Neither had public authority. For with a few exceptions, Americans opposed public housing. Even the leading tenement-house reformers took exception to it. Committed, in Page’s words, to “the inviolability of private property and limited government action,” they contended that it would drive private enterprise out of the housing business and create additional opportunities for official skulduggery. “There is nothing in foreign experience with municipal housing of working people to render its repetition with us either desirable or attractive,” declared Gould. To tax one class for the benefit of another “is bad principle and worse policy.” “Municipal regulation, not municipal ownership, is the best watchword for American policy.” De Forest agreed. So did Veiller, who argued, “It is foreign to our principles of government, foreign to the accepted views of American people, to have the government compete with private enterprise by providing houses.” In the face of opposition from reformers like Gould, De Forest, and Veiller, it was unlikely that the cities would try to raze the slums and build working-class housing in their place. Even if they did, it was unlikely that their efforts would survive a legal challenge.<sup>29</sup>

Under the circumstances it is small wonder that even the most dedicated tenement-house reformers were skeptical about slum clearance down through the early twentieth century. Deeply scarred by the long and extremely frustrating battle to turn Mulberry Bend into a city park, Jacob Riis pointed out in 1890, “The drastic [slum clearance] measures adopted in Paris, in Glasgow, and in London are not practicable here on anything like as large a scale.” (“Doubtless the best [thing] would be to get rid of it [the tenement] altogether,” he added; “but as we cannot, all argument on that score may at this time be dismissed as idle.”) This skepticism persisted into the 1920s. “When one considers the vast number of tenements that are below the minimum standard of our present tenement law,” a New York State housing committee reported, “it seems impractical to attempt slum clearance on the vast scale that is necessary.” (And where, a New York City housing committee asked, would

the tenants live while their apartments were being torn down?) Some reformers derived consolation from the belief that the slums would eventually disappear, a belief that would be sorely tested during the Great Depression. Either the tenants would get fed up and move away, or business would find a more profitable use for the land. Indeed, wrote Riis in 1890: “Business has done more than all other agencies together to wipe out the worst tenements. It has been New York’s real Napoleon III” (the French emperor who presided over the reconstruction of Paris in the 1860s).<sup>30</sup>

Although Riis did not live to see it, the political constraints on slum clearance began to wane after World War I—slowly in the 1920s, more rapidly in the early and mid 1930s. As tenement-house reformers had long hoped, many workingmen and their families moved from the center to the periphery in the mid and late 1920s, thereby “siphoning off” the population of some of the worst slums and sharply reducing the demand for housing there. Nowhere was this process more striking than on New York’s Lower East Side, which lost close to half of its residents in the 1920s. In the wake of the depression many of the remaining tenants could no longer pay their rent. Vacancy rates soared, rent rolls plummeted. Some landlords were inclined to hold on—“awaiting the time,” wrote the New York State Board of Housing in 1930, “when some change, the causes of which they cannot foresee, may restore values sufficiently to permit them to recover their investment and possibly to make a small profit.” But many others, having lost all hope that downtown business interests would soon find more profitable uses for their property, were eager to unload. If the city was willing to buy their buildings, even if only to demolish them, they were happy to sell. Having long opposed slum clearance, they now welcomed it. This turnabout offended several housing reformers, who held that the acquisition of these buildings would be a huge windfall for the property owners “who have [long] been exploiting the slums as a matter of sound business practice.”<sup>31</sup>

The fiscal constraints on slum clearance also began to wane in the postwar years. Slum clearance was still much too expensive for the cities and the states. But it was not too expensive for the federal government. As Thomas Adams, a Canadian planner who later worked on the regional plan for New York City, pointed out in 1918, the war revealed that “there was absolutely no limit to the amount of money we could raise [if we had to].” (Just how much money the federal government could raise would be underscored a decade and a half later, when the Roosevelt administration, in an effort to create jobs and stimulate the economy, poured billions of dollars into highways, airports,

sewers, and other public works.) Not long after the war, moreover, some housing reformers started to stress that while it was very expensive to clear the slums, it was even more expensive to maintain the “hospitals, prisons, reformatories, police and all the intricate mechanism of modern government, much of which is necessitated by the very slum that we hesitate to destroy.”<sup>32</sup> According to this argument—which was documented in a host of studies in the 1930s, when it emerged as the conventional wisdom—slum clearance would in the long run save a great deal of money.

The ideological constraints on slum clearance began to lose much of their force in the postwar years, too. Led by Edith Elmer Wood and Catherine Bauer, a new generation of reformers took issue with the prevailing view that public housing was un-American. Pointing to the federal programs to build housing for defense workers during World War I and the state programs to subsidize housing for veterans during the 1920s, they argued that government could provide low-income housing without driving private enterprise out of business and without creating opportunities for official skulduggery. And not only could but should. As Bauer declared, private enterprise was no longer capable of building adequate housing at prices low-income Americans could afford. Under these circumstances, insisted Nathan Straus, who would later serve as the first head of the U.S. Housing Authority, it was “not only the right but the solemn duty” of the government “to step in.” The government, Straus and others claimed, had as much a responsibility to provide housing as to provide water, roads, and schools, one that every “civilized country” except the United States had already accepted.<sup>33</sup> By stressing that public authorities could provide adequate low-income housing at a reasonable price, the reformers undermined the argument that slum clearance could do nothing to solve the housing problem—that it would only drive tenants from one unsanitary and overcrowded tenement to another.

At the same time that these political, fiscal, and ideological constraints were losing much of their force, other developments were taking place that did much to strengthen the case for slum clearance. The most important was the postwar housing crisis. During the war (and for a few years thereafter) the construction of new housing came to a standstill, a result of the inflationary spiral that sent the costs of capital, labor, and materials skyrocketing. In New York City, for example, fewer than one hundred new-law tenements were erected in 1919, down from more than thirteen hundred in 1915. By the early 1920s most cities had an acute housing shortage. Vacancy rates plunged, to less than one percent in New York’s tenements. Rents soared, so much so that for the first time in American history the authorities imposed rent control in

some cities. Dilapidated houses, once regarded as uninhabitable, were now occupied.<sup>34</sup> The situation improved in the mid and late 1920s. But by then many reformers (and, for that matter, many other Americans) realized that the housing problem was more serious than ever and that it affected not only the lower class but even, to a lesser degree, the lower middle class. As they saw it, the problem was a product not so much of the greed of individual landlords as of a shortage of adequate housing. The solution lay not in imposing tougher restrictions on tenements, but in stimulating the construction of additional housing—and, above all, in lowering the cost of new construction so the lower and lower middle classes could afford it.

But as architects and other experts pointed out, it would be impossible to lower the cost of new construction to this point without a revolution in the housing industry. As A. C. Shire put it:

[Housing,] the second largest industry in the country, operating as a large number of picayune businesses, is overloaded with a whole series of overheads and profits, bogged down by waste and inefficiency, unable to benefit by advancing productive techniques developed in other fields, and tied down to an obsolete and expensive system of land utilization. In an age and in a country of big money, power, and mass production, we have the anachronism that the production of one of the three essentials of life has been allowed to remain a matter for small capital, individual action, and handicraft.<sup>35</sup>

To reduce the obsolete practices that put adequate housing beyond the reach of so many Americans, Shire and others held that the housing industry had to adopt the principles that had proved successful in other industries, namely, mass production, standardization, scientific management, and large-scale operation. Their adoption would revolutionize the housing industry, but only if the industry embraced large-scale development—only if it focused its efforts not on buildings or even blocks but on neighborhoods and whole communities. Formulated by architects Ernest Flagg and Grosvenor Atterbury in the early twentieth century, the concept of large-scale development was promoted by the Regional Planning Association of America in the 1920s and endorsed by the President's Conference on Home Building and Home Ownership in the early 1930s. It was the inspiration for several new residential communities, among the most famous of which were Forest Hills Gardens, New York, and Radburn, New Jersey.

According to its backers, large-scale development was the only way to improve the quality of housing in the slums. As Henry Wright and the other

members of the new generation of housing reformers saw it, a piecemeal approach would not work. No matter how well designed and no matter how well constructed, “a single good building in a slum area is foredoomed to failure,” argued Edith Elmer Wood. By itself, it would inevitably succumb to the blight that surrounds it. “The development of a whole block is only slightly better,” she contended. At best these blocks would form “little islands of good housing in a sea of slum,” in the words of Langdon Post, chairman of the New York City Housing Authority. At worst these islands would in time be inundated. “A complete neighborhood unit, large enough to create and preserve its own atmosphere, should be the minimum size of a development [in a slum],” Wood insisted. But the slums had few if any sites suitable for large-scale development. Thus the cities would first have to clear them—buy out the many small property owners, tear down the existing structures, and then assemble large parcels on which private enterprise or public authority would build decent low-income housing.<sup>36</sup> To put it another way, slum clearance was a prerequisite for large-scale development in much of the inner city.

Spurred by these developments, a couple of states decided to give slum clearance a try in the late 1920s. One was New York. After a long battle that pitted some of the city’s most powerful real estate interests against some of the nation’s leading housing reformers, the state legislature enacted a law in 1926 that authorized private companies to engage in slum clearance and provide low-income housing. The companies were given the power of eminent domain and a partial exemption from state and, if the cities approved, local taxes, in return for which they had to accept limits on rents and dividends and strict supervision by the newly formed state board of housing. New Jersey followed New York’s lead in 1929, when the legislature passed a bill that permitted insurance companies to undertake slum clearance and low-income housing and authorized the cities to acquire the land for them by eminent domain. Under these laws only two projects were built in New Jersey, and fewer than a dozen in New York. (About half were in Manhattan, the rest in the outer boroughs. Some, though not all, went up in the slums. The best known was the Amalgamated Dwellings, a cooperative housing project that was sponsored by the Amalgamated Clothing Workers of America and erected on the site of an old printing press on the Lower East Side. The largest was Knickerbocker Village. Located on the Lower East Side’s notorious “lung block,” it was built by Fred F. French, a prominent New York realtor, and housed nearly sixteen hundred families.)<sup>37</sup>

But if these laws did not stimulate the construction of much low-income housing, they did indicate that the resistance to slum clearance had been se-

verely weakened since World War I. Just how much was revealed in the 1930s, when in the wake of the Great Depression an uneasy alliance of architects, social workers, housing reformers, labor unions, and construction companies launched a campaign to persuade the federal government to provide funds for slum clearance and low-income housing. Their spokesmen argued that the United States lagged way behind England and other European countries, which had demonstrated that public authority could provide decent housing at reasonable rents for low-income tenants. "America," wrote Langdon Post, "is the most backward civilized country in the world as far as housing is concerned." The slums had long been a national disgrace. Now that residential construction had come to a standstill, exacerbating the shortage of low- and middle-income housing, the situation was getting worse. But to rebuild the slums would cost more than the cities or the states could afford. If the job was to be done, the federal government would have to do it. By providing funds to demolish the slums and construct low-cost housing, the government would also create much-needed jobs in the moribund building trades. As Wood put it, a large-scale effort to clear the slums and replace them with good low-income housing would help not only to solve the housing problem but also to deal with "another even more urgent national emergency."<sup>38</sup>

As expected, the campaign ran into a good deal of opposition. Much of it came from conservative business and real estate interests, which held that it would be un-American for the federal government to underwrite slum clearance, much less public housing. It would be socialistic, said Jacob O. Pedersen, president of the Bronx Borough Taxpayers' League, who pointed out that if the government provided housing it might as well provide food and clothing too. Housing should be left to private enterprise, which would be driven out of business by government competition. Low-income housing should be left to private philanthropy. If the government wanted to help alleviate the housing problem, it would be better advised to offer insurance for residential mortgages and to encourage the cities to reduce property taxes and modernize building codes. Also in opposition was a group of housing reformers, among them Henry Wright, Lewis Mumford, and Carol Aronovici, who contended that slum clearance would do little but bail out the slumlords. To provide decent housing for working people, the authorities should not build on high-priced sites in the center of the city, but rather on cheap land on the periphery that was suitable for large-scale development. By building decent low-cost housing there, the authorities would induce people to leave the tenements, thereby draining the slums and driving down property values to the point at which slum clearance might make economic sense. In the absence of

a huge public housing program on the periphery, Mumford wrote, slum clearance “will only create grislier and greater slums.”<sup>39</sup>

Under ordinary circumstances, the campaign would probably not have gotten very far. But circumstances were far from ordinary. The nation was paralyzed by the worst depression in its history. Many Americans were convinced that in order to revive the economy the federal government would have to take a number of unprecedented steps, among the most important of which was to mount a massive public works program that would create hundreds of thousands of jobs in the construction industry. Here was a splendid opportunity for advocates of slum clearance, who pointed out that demolishing slums and building homes was at least as good a way to generate employment as constructing roads. In 1932, the same year Franklin D. Roosevelt was elected president, Mary Simkhovitch, Edith Elmer Wood, and other housing reformers called on New York senator Robert F. Wagner to sponsor legislation to allow the Reconstruction Finance Corporation, a federal agency that had been set up to lend money for self-liquidating public works projects, to make loans for public housing. Reluctant to endorse so radical a proposal, Wagner instead inserted into the Emergency Relief and Reconstruction Bill a provision authorizing the RFC to lend money to limited-dividend companies for the purposes of clearing slums and building low-income housing, a provision that was approved by Congress. Although a major breakthrough, it had little immediate impact. Aside from lending Fred French \$8 million for Knickerbocker Village, the RFC approved very few of the hundreds of applications for funds for slum clearance before the program was transferred to the housing division of the Public Works Administration in 1933.<sup>40</sup>

According to Harold L. Ickes, head of the PWA, the housing division’s objective was, first, to create jobs, especially in the building trades and heavy industry, and, second, to demolish slums and construct low-cost housing. But it could not do the first without doing the second. Thus under the leadership of Robert Kohn, a housing reformer and president of the American Institute of Architects, the division initially followed the RFC’s approach and offered loans to limited-dividend companies. The results were disappointing. (In the end only seven housing projects, with roughly three thousand units, were erected, about three-quarters of them in the outer boroughs of New York City.) The division subsequently abandoned this approach and decided to go directly into the housing business—in conjunction with local housing authorities, if possible, on its own, if need be. But beset by political, fiscal, bureaucratic, and legal problems, the agency managed to demolish only about ten thousand substandard housing units, out of an estimated six million nation-

wide, and to build only about twenty-two thousand low-cost housing units, some of which were located on vacant land on the periphery, as opposed to cleared slums in the center.<sup>41</sup>

If the housing division did little to clear slums and build low-income housing, it did much to pave the way for the Housing Act of 1937, also known, after its sponsors, Senator Robert F. Wagner and Representative Henry B. Steagall, as the Wagner-Steagall Act. The culmination of a long and fierce struggle, the act was one of the legislative landmarks of the 1930s. Although conceived as a way to reduce unemployment, it was more than just another short-term relief program. It was also a long-term housing program, a program that was designed to alleviate both “the unsafe and insanitary housing conditions” in the nation and “the acute shortage of decent, safe, and sanitary dwellings” for low-income families. The act established the U.S. Housing Authority and empowered it to make loans and grants to local housing authorities for the purpose of clearing slums and building low-cost housing. To underscore the commitment to slum clearance, the law required that at least one substandard dwelling had to be eliminated for each new dwelling constructed in every project. The passage of the act did not end the opposition to slum clearance, much less to public housing, which was far more controversial. And it raised almost as many issues as it settled. But with its passage, slum clearance became national policy. In the wake of the act, one state after another passed legislation to permit the cities to create local housing authorities, without which they could not take advantage of the federal program. And by the end of the decade most big cities had done so.<sup>42</sup>

The downtown businessmen and property owners were not involved in the battle over slum clearance. If they stood anywhere on the issue, it was on the sidelines. Slum clearance was not on the agenda of the local downtown businessmen’s associations or the National Association of Building Owners and Managers. Nor was low-income housing. During the 1920s these organizations were mainly concerned about the accessibility and stability of the central business district. They devoted most of their energies to such issues as rapid transit, traffic congestion, parking bans, and height limits. During the early 1930s they focused on tax relief and other measures designed to help the central business district cope with the devastating consequences of the depression. Like other Americans, many downtown businessmen and property owners were distressed by the deterioration of the inner-city slums and the shortage of low-income housing. (And some belonged to civic groups that were trying to solve these problems.) But as owners and managers of enter-

prises whose customers, clients, and tenants came for the most part from the upper, upper middle, and middle classes, they saw no reason to believe that the well-being of the central business district was related to the deterioration of the inner-city slums, no matter how advanced, or the shortage of low-income housing, no matter how acute.

During the 1930s a few downtown businessmen and property owners began to realize that slum clearance could be used in ways that might well serve their own interests. Consider what happened in Miami. According to historian Raymond A. Mohl, most of the city's 25,000 blacks lived just northwest of downtown Miami in a 350-acre district known then as "Colored Town" (and now as Overtown), a district filled with small, dilapidated, and unsanitary shacks—a "deplorable slum district" that was the "plague spot" of the city, declared the *Miami Herald*. Under the leadership of John C. Gramling, a well-connected lawyer and civic booster, the city's elites organized a campaign to persuade the housing division of the PWA to provide funds to raze Colored Town and build public housing for blacks in Liberty Square, five or six miles from downtown Miami. What makes the campaign so interesting is that it was backed not only by white and black leaders, who saw it as a way to remove one of Miami's worst eyesores and improve the quality of housing for its black residents, but also by downtown businessmen and property owners, who saw it, in Mohl's words, as a way "to eliminate the downtown black community entirely to make way for further expansion of the [central] business district." That further expansion would be necessary, the downtown business interests had no doubt. With the help of the PWA's housing division, Miami proceeded to demolish Colored Town, displace its black residents, and erect the nucleus of what later became known as Liberty City, the site of major race riots several decades later.<sup>43</sup>

Some downtown businessmen and property owners also believed that slum clearance might well serve their interests in other ways. In this group were several Brooklyn merchants. As historian Joel Schwartz has observed, interest in slum clearance picked up momentum in New York in 1934, when Robert Kohn announced that the PWA's housing division would spend \$25 million in the city—about enough to rebuild twenty square blocks. Where the money should be spent would be decided by Langdon Post, who had just been named head of the city's tenement house department by Mayor Fiorello H. La Guardia, and the Slum Clearance Committee, a blue-ribbon citizens group. As Schwartz points out, Post and the SCC "were deluged with offers" from groups that wanted the authorities to clear the slums in their neighborhoods. One of these groups was the Sands Street Board of Trade, a merchants associ-

ation from downtown Brooklyn, a once-thriving business district that had fallen on hard times. Slum clearance, the Sands Street merchants believed, would attract to the residential sections surrounding downtown Brooklyn a new type of tenant, “a better type” who would pay his rent and patronize downtown businesses. The Brownsville Board of Trade and Pitkin Avenue Merchants Association, which spoke for other Brooklyn businessmen, also favored slum clearance and even pledged to get property owners to support the program.<sup>44</sup>

But these Miami and Brooklyn businessmen were the exceptions. Through the mid 1930s most downtown businessmen and property owners did little or nothing to mobilize support for slum clearance. Some were indifferent to the idea. Downtown had problems, they acknowledged. But the solution lay in enhancing its accessibility, not in clearing slums. Other downtown businessmen and property owners were hostile to the idea. Dyed-in-the-wool conservatives, who strongly believed that the government should interfere as little as possible in the market, they opposed slum clearance on fiscal and ideological grounds. One of their spokesmen was Walter S. Schmidt, the Cincinnati real estate man, president of the National Association of Real Estate Boards, and founder and first president of the Urban Land Institute. Testifying before a Senate committee in 1936, Schmidt argued that if the federal government undertook a full-scale slum clearance and low-cost housing program it would cost \$50 to \$60 billion, which was much more than the country could afford. If it mounted a more modest effort, if it tore down some old tenements and put up new buildings on the same sites, it would unwittingly create the slums of the future. The reason, he told the committee, was that “it is people who make slums, and not houses,” a position that was completely at odds with the conventional wisdom of housing reform.<sup>45</sup>

Starting in the late 1930s, however, the downtown business interests began to change their minds about slum clearance (if not about low-income housing). What brought about this change was not the Housing Act of 1937, for whose passage they had done virtually nothing, but the growing concern over decentralization. By then they realized that the central business district’s worst problems, especially its declining property values, slumping retail sales, and high vacancy rates, were mainly the product of decentralization, not of the depression. Contrary to expectations, they discovered that many well-to-do Americans who had moved to the periphery were no longer coming to the center, that they were patronizing the outlying business districts rather than the central business district. Many downtown businessmen and property owners also realized that in order to curb decentralization and revitalize the

central business district it would be necessary to do more than just increase downtown's accessibility. It would also be necessary to induce the well-to-do to move back to the residential neighborhoods surrounding the central business district—a step, it was assumed, that would greatly enlarge the market for downtown goods and services.

But these neighborhoods—many of which stood in the shadows of downtown skyscrapers, “right up against the highest cost real estate in the city,” said New York congressman Ralph A. Gamble—had fallen on hard times. The houses were old and dilapidated, high in tax delinquencies and code violations, at best unsanitary and at worst uninhabitable. Many of the streets were dirty and dangerous. The few parks and other open spaces provided little relief from what Harland Bartholomew called “a nightmare of ugliness and blandness.” The well-to-do had long fled from these neighborhoods, leaving in their wake the poor and the transient, two groups that were highly susceptible to delinquency, crime, disease, and dependency. If conditions were bad now, they would soon be worse. As R. F. Hewitt, a Seattle real estate man, pointed out, these neighborhoods were “no loan” territories. They were “blacked out,” or redlined, by the banks and insurance companies. Thus, said Hewitt, the neighborhoods “most in need of improvements will have to do without any improvement at all, with nothing in sight for the property that is there but to keep on going down hill.” It would not be long, warned A. J. Stewart, a Louisville banker, before many of the buildings in these neighborhoods would deteriorate “to the point where [no one would] live in them,” and “we would probably have a desert around our [central] business section.”<sup>46</sup>

Before the late 1930s such a warning would not have alarmed the downtown business interests. They did not think these run-down areas would remain residential neighborhoods indefinitely. They assumed that in time they would be needed for more intensive uses. As two experts explained, the conventional wisdom was “that the belt of land encircling the central business district would [eventually] be used for the expansion of department stores, wholesale houses, warehouses, and factories” as well as office buildings. By the late 1930s, however, this assumption was open to question. During the mid and late 1920s office buildings were expanding vertically rather than horizontally. And during the early and mid 1930s they were not expanding at all. As a result of the collapse of the economy and competition from outlying business districts, neither were department stores. Warehousing and wholesale trade were declining too, a result in part of direct buying from factories. And factories were moving farther and farther away from the center. Well aware of these trends, Charles T. Stewart, director of the Urban Land Insti-

tute, declared in 1941, "There is nothing to lead us to believe that we shall need [the run-down inner-city neighborhoods] for commercial or industrial purposes."<sup>47</sup>

Once the downtown business interests realized that the run-down inner-city neighborhoods were unsuitable for middle- and upper-middle-class residences and unnecessary for commercial and industrial purposes, they viewed them with growing alarm. So did other Americans. To some, these run-down areas were "urban deserts," to others a "housing swamp," and to yet others "the collar of slums which is threatening to strangle [the] downtown business section." "Here and there a central [business] section has maintained itself in the face of blight all about like New York's Wall Street or Chicago's 'Loop,'" one observer pointed out. But they were the exceptions. In most cities it was not clear that the central business district would survive "surrounded by an ever increasing zone of slum property," wrote another observer. Given these dire prospects, most downtown businessmen and property owners came to the conclusion that it was imperative to do something about the run-down inner-city neighborhoods, to rehabilitate the buildings if possible and to demolish them if they were structurally unsound or had outlived their usefulness. Private enterprise should take the initiative, but if necessary, public authority, local, state, and even federal governments, should help out.<sup>48</sup> In other words, downtown business interests were now ready to support slum clearance to shore up the central business district.

But slum clearance had not been designed to shore up the central business district—or, for that matter, as a way to create jobs in the building trades and give a boost to the American economy. Rather it had been designed with two other objectives in mind. The first was to wipe out the "lung blocks," "Bedbug Rows," "Whiskey Islands," and, in the words of Merlo J. Pusey, other "such symbols of human degradation"—and to wipe out the worst of them, not necessarily the ones adjacent to the central business district. By cleaning out what Pusey called "the Augean stables of our cities," by demolishing the unsanitary and overcrowded tenements and shacks infesting them, the advocates of slum clearance hoped to abolish (or at the very least reduce) the crime, immorality, disease, and disorder that had long plagued urban America. It was not just rhetoric. More often than not, slum clearance was not carried out in the run-down neighborhoods adjacent to the central business district. With the help of the PWA and the U.S. Housing Authority, New York undertook just over a dozen slum clearance projects between 1935 and 1942, more than any other American city. But as a result of the high cost of land on the Lower East Side, only two, First Houses and Vladeck Houses, were in lower Manhat-

tan, not far from Wall Street and the financial district. Two were in upper Manhattan, one in Harlem, and one in East Harlem. The rest were in the outer boroughs, half of them in Brooklyn.<sup>49</sup>

The second objective was to build decent housing for low-income Americans—not for all of them, said Senator Wagner, only for those who lived in “conditions which are detrimental to morals, to health, and also to safety.” (And not for the unemployed or the poorest of the poor, noted the U.S. Housing Authority, but for working-class families that could not find decent housing at reasonable rents.) Since private enterprise could not afford to put up decent low-cost housing, the job fell to public authority—to local housing authorities, which would build it, and the federal government, which would subsidize it. Once identified with parks and playgrounds, slum clearance was now synonymous with public housing. Public housing follows slum clearance just “as night [follows] day,” Henry J. Linton, a member of the Columbus, Ohio, Metropolitan Housing Authority, told a joint congressional committee on housing. Build better houses for slum dwellers and you “do away with the slums,” Helen Alfred, secretary of the National Public Housing Conference, advised the Senate Committee on Education and Labor. Again, it was not just rhetoric. Through the late 1930s most of the slums cleared in Atlanta, New York, and other cities were reused for low-income housing. Most of it was put up by local housing authorities, some by limited-dividend companies. The new houses were better than the tenements and shacks they replaced, more sanitary, less crowded, and more attractive. But though the rents were low, they were usually too high for the tenants whose homes had been demolished in the name of slum clearance.<sup>50</sup>

From the perspective of the downtown business interests, slum clearance left much to be desired. What good would it do if local authorities wiped out slums in Harlem and East Harlem or Williamsburg, in Brooklyn, and Queensbridge, in Queens, while leaving in place “the dirty collar” of run-down neighborhoods around the central business district? What good would it do if they cleared the Lower East Side, but built public housing on the sites, thereby providing decent housing at reasonable rents, yet leaving the central business district surrounded by low-income groups?<sup>51</sup> In other words, what would slum clearance do to increase the demand for downtown goods and services? The answer was, not much. What the downtown business interests needed was therefore a form of slum clearance that would wipe out not the worst slums, but rather the run-down neighborhoods adjacent to the central business district, some of which, strictly speaking, might not even be slums. A form of slum clearance in which the slums would be used not for public hous-

ing for the poor, but for private housing for the well-to-do, high-quality housing that would attract the upper middle and middle classes from the periphery to the center, where their great purchasing power would help revitalize the central business district. What the downtown business interests needed was not so much slum clearance as what would be called urban redevelopment (and later urban renewal).

Although the most powerful, downtown business interests were only one of several groups in favor of urban redevelopment. Among the others were local officials, who believed that run-down inner-city neighborhoods were a heavy burden on the cities' fiscal system. Replacing them with stable upper-middle- and middle-class residential communities would not only reduce the cities' soaring expenditures but also enlarge their shrinking tax bases. Also in this category were city planners, many of whom, observed Catherine Bauer, "saw redevelopment as the means toward more rational and efficient organization of central areas," a way to remove "wasteful or inappropriate land uses" from the inner city. For some it may have been a source of power and prestige, too. Many real estate interests also supported urban redevelopment. Some believed that it would stimulate residential construction and boost property values in the inner city, while others hoped that it would head off the growing demands for subsidized housing in urban America. Ironically, some advocates of public housing also favored urban redevelopment, especially after World War II. They assumed, mistakenly it turned out, that urban redevelopment would displace so many inner-city residents that the authorities would have no alternative but to build public housing to relocate them.<sup>52</sup>

Although these groups formed a powerful, if unstable coalition, they had their work cut out for them. Politically and legally, it was not hard to make a strong case that the cities should demolish buildings that were a nuisance, a threat to public health and public safety and a menace to the general welfare of the community.<sup>53</sup> That was surely a legitimate use of the police power. Nor was it hard to make almost as strong a case that the cities should tear down dilapidated buildings, provided they paid the owners fair market value. But it was very hard to make a case that the cities should raze the run-down residential neighborhoods adjacent to the central business district when many were not the worst slums and some were not slums at all. Moreover, property in these neighborhoods was as a rule far more expensive than property in other run-down sections that were much farther from the central business district but in even worse condition. How could the municipal authorities justify razing the close-in run-down neighborhoods when they could rebuild even

worse slums in other parts of the city at even less expense? The answer, said the downtown business interests and their allies, was that the cities should wipe them out because they were blighted areas (or blighted districts). To put it another way, the cities should use urban redevelopment to get rid of blight.

Americans had used the term “blight” to describe slums at least as early as the turn of the century. But it was not until the early 1910s that they began to speak of “blighted areas” or “blighted districts” as a distinct part of the urban environment. Speaking at the Fourth National Conference on City Planning in 1912, J. Randolph Coolidge, a Boston architect, pointed out that Boston, New York, Philadelphia, and other cities all had “blighted districts,” which he defined as areas “in which land values after a period of increase are stationary or falling.” Blight, he went on, was an economic, as opposed to a social, problem. Its causes were well known to city planners, but its remedies were “more easily suggested than applied.” Coolidge’s talk, which greatly impressed Lawson Purdy, one of the architects of New York City’s pioneering zoning ordinance, sparked a lengthy discussion. Dana W. Bartlett observed that Los Angeles had a “blighted neighborhood” just north of the central business district, on the site of the proposed new civic center and Union Station. Walter B. Stevens added that St. Louis had blighted districts, which were a concern of the newly appointed city planning commission. And Frank B. Williams, a lawyer and another leader in the campaign for zoning in New York, said that “where the blight goes far enough in time it may even tend to become a slum district.” He saw no reason why blighted districts should not be condemned, replanned, sold off, and redeveloped.<sup>54</sup>

During the next quarter of a century Americans grew more concerned about blight. But they had an even harder time defining a blighted district than they had defining a slum, about the definition of which, Lawrence Veiller once wrote, “no two people agree.” To some, a blighted area was one in which property values increased less rapidly than they did in other parts of the city—or in which they actually decreased. To others, it was an area in which “buildings have become more or less obsolete,” an area characterized by “building vacancies, a general appearance of decay and dejection, and no prospect of a renewed market for its original use or for other purposes.” To still others, it was “any area in which the large majority of buildings, whether commercial, industrial, or residential, are old, and in which fundamental repairs are not being made.” According to the Committee on Blighted Areas and Slums of the President’s Conference on Home Building and Home Ownership, a blighted area was “an economic liability to the community”—as opposed to a slum, which was “a social liability.” Following a similar line of reasoning, oth-

ers defined it as “any area in which economic development has been substantially retarded,” “one in which a normal development has been frustrated,” and “one in which the taxes do not pay for public service.” As if to underscore how vague the concept was, William A. Stanton, secretary of the Comprehensive Plans Committee of Philadelphia, wrote that broadly speaking a blighted area “is a district which is not what it should be.”<sup>55</sup>

But if it was hard to define blighted districts, it was easy to find them. By the late 1930s and early 1940s they were visible everywhere in America, in cities big and small, filling the space, wrote Harland Bartholomew, between the close-in slums surrounding the central business district and the outlying residential sections that housed the well-to-do. In Chicago, for example, the blighted districts, which more or less encircled the Loop, covered fully 51 square miles, about one-quarter of the entire city (and twice the size of Manhattan Island), and housed around 1.3 million people, two-fifths of the city’s population. Chicago was by no means unique. Based on the 1930 census, one study found 54,000 blocks in 93 cities with more than 100,000 people that were in “an advanced state of blight and obsolescence.” A decade later another study reported that 173 square miles of 117 large cities were “so blighted as to require complete rebuilding.” According to other estimates, anywhere from one-fifth to one-half of the cities’ residential, commercial, and industrial districts were blighted. And in 1944 W. E. Reynolds, commissioner of the Public Buildings Administration of the U.S. Federal Works Agency, told the House Committee on Public Buildings and Grounds that “urban blight and slums, next to the war, constitute the greatest threat which confronts the American people.”<sup>56</sup>

Reynolds’s statement is more than a little puzzling. To argue that slums were one of the greatest threats facing the American people was one thing.<sup>57</sup> But to couple urban blight with slums—and to argue that blighted districts were also one of the greatest threats—was quite another. It was regrettable that property values rose less rapidly in some areas than in others (and even that they fell in still others). But values could not always go up, much less go up at the same rate everywhere. It was also regrettable that some buildings grew old and obsolete, that some landlords did not make needed repairs, and that some neighborhoods went into decline. But that was to be expected. And it was regrettable that property taxes did not cover the costs of public services in some districts, that some of these districts were “an economic liability” and that others were not what they “should be.” But that too was to be expected. Even assuming that the municipal authorities should clear the slums, why

should they also raze the blighted districts, many of which, even their critics conceded, were not slums?

Blighted districts should be razed, the downtown business interests and their allies responded, because they were incipient slums, a point made as early as 1912 by Frank B. Williams. “Every blighted district is a potential slum,” wrote Bartholomew in the early 1930s. (“Reconstruction of slums will be an endless process,” he insisted, “unless we stem the[ir] chief source—the blighted district.”) Henry Wright, a landscape architect, housing reformer, and leader of the Regional Planning Association of America, made a similar point. The slum, he contended, “represents an advanced case of ‘blight.’” As incipient slums, blighted districts were as much a social as an economic liability, the breeding grounds of the crime and other pathologies that, said Milwaukee city attorney Walter J. Mattison, had “disastrous effects [on the] health, safety, morals and welfare of the community.” In blighted districts as well as slums, observed Edward S. Burrell, a midwestern sociologist, one found “blighted lives, stunted, dwarfed, twisted lives . . . acts of violence and immorality, [and an environment] where pauperism and alcoholism come to be regarded as natural and normal.”<sup>58</sup>

Blighted districts should also be razed because they were “civic cancers.” Americans had begun to employ cancer as a metaphor for social problems in the late nineteenth century. And before long it was routinely applied to the slums. “There is no cure for cancer but the knife,” E. R. L. Gould pointed out in 1900, “and so the slum can be eradicated in no other way than by uprooting it, stock and branch.” Lawrence Veiller agreed. “The slum,” he declared in 1920, “is exactly like a cancer on the body social and body politic.” The only remedy for it is “the surgeon’s knife,” he added, “and the sooner it is out, the less serious the operation.” Edith Elmer Wood, who disagreed with Veiller on other issues, took the same position. By the mid 1920s Americans began to liken blight to cancer, too. Over the next two decades the metaphor became commonplace. Thomas C. Desmond, a New York state senator, referred to “the cancerous disease of blight” (as well as to “the fatal plague of blight”). And Homer Hoyt, probably the country’s foremost real estate economist, argued: “Like a cancer, blight spread[s] through all the tissues of the urban body and the urban organism [is] unable to cure itself except by a major surgical operation.”<sup>59</sup>

This view led inescapably to the conclusion that blighted districts were “infectious,” in the words of the Boston City Planning Board—a “contagion,” in the words of A. R. Clas, director of the housing division of the Public Works

Administration. Blight “engulf[s] ever larger sections of the city,” a Temple University political scientist warned. It “spreads in an inward direction toward the central business district,” wrote Charles T. Stewart, “and in an outward direction toward the substantial residential areas.” It was therefore “a menace” to “the entire community,” Stewart declared. Inner-city residents could try to escape blight by moving to the outlying residential districts, but eventually it would catch up with them. And these districts too would be blighted. Surgery was the only remedy. “If the cities are to live,” said Joseph L. Kun, a Philadelphia judge, “they must remove the blighted areas, which like a cancerous growth would eventually destroy them.” Remove and then rehabilitate them, wrote the Boston City Planning Board, before they “sapped the vitality of the city’s existence.”<sup>60</sup>

According to the downtown business interests and their allies, blighted districts and slums were a threat not only to the city’s social well-being but also to its fiscal solvency. As Clas put it, they were an “economic drain” on the community. By this Clas meant that blighted districts and slums consumed much more in public services than they produced in property taxes—three times as much, estimated Ernest J. Bohn, president of the National Association of Housing Officials, five times as much, calculated Nathan Straus, then head of the Hillside Housing Corporation of New York. This was a novel idea. For decades Americans had been deeply concerned about the social costs of the slums, about the impact of overcrowded and unsanitary housing on public health, public safety, personal morality, and public order. But through the 1920s they had not made a connection between the rising levels of crime, delinquency, immorality, and poverty, and the growing fiscal problems of the city. With the coming of the Great Depression, however, property values fell and municipal revenues plummeted. Stuck with a heavy bonded debt and soaring relief payments, most cities were hard put to reduce expenditures. As many cities found themselves in dire financial straits, even on the brink of bankruptcy, many Americans began to make the connection between social and fiscal problems. Once it was made, blighted areas came under sharp attack on the ground that they did not pay what Edith Elmer Wood called their “[fair] share of the economic burden.”<sup>61</sup>

In defense of this position, Wood, Clas, and others pointed to several studies made in the early and mid 1930s. One, which was done in Indianapolis by Indiana University’s Bureau of Social Research, found that the city spent \$4 per capita on public services in most neighborhoods, but \$27 per capita in one blighted district. To put it another way, Indianapolis spent 26 percent of its

taxes for police, fire, health, and sanitary services on only 10 percent of its population. A more elaborate study was done in Cleveland in 1934 for the Metropolitan Housing Authority. It found that one small, largely black run-down district that had 2.5 percent of the city's population produced \$225,000 in property taxes, but consumed \$2 million in public services. Studies in Boston, Birmingham, and Chicago came up with similar findings. And in 1939 the Public Buildings Administration of the Federal Works Agency reported that the cities' slums and blighted districts, which made up about one-fifth of the residential areas, generated only 6 percent of the property taxes yet absorbed fully 45 percent of the public services. During the 1940s similar studies revealed that slums and blighted districts were a fiscal drain in Atlanta and Los Angeles too.<sup>62</sup>

These studies left a lot to be desired. When they estimated how much different parts of the city paid in property taxes, they were highly accurate. But when it came to apportioning the costs of public services by neighborhood, they were much less reliable. To make things more complicated, it was very hard to draw the boundaries of blighted districts and slums, to figure out where they stopped and normal neighborhoods started. Nor was that all, wrote Mabel L. Walker, an expert on both blighted districts and tax policy. Given the great differences in income levels and property values in the city, it was not "surprising or even distressing" to find that some sections "pay more in taxes than they receive in services, just as other sections receive more than they pay." Moreover, it was very hard to tell whether the disparities were a function of blight or poverty. Since the blighted districts were ordinarily the most congested districts, it was also very hard to tell whether the disparities were a function of blight or density.<sup>63</sup>

Despite their shortcomings, these studies were widely cited as proof that blighted districts were a fiscal drain on the community, one that would grow larger over time. As blight spread, many residents would try to escape it by moving to what Commissioner W. E. Reynolds called "the far-flung fringe of cities." But blight would follow them. To provide public services to the growing blighted areas—and also to maintain the old infrastructure in the center and build a new infrastructure on the periphery—would force the local authorities to raise property taxes. This would drive businesses and residents out of the city and push tax rates even higher. The result, Wood wrote, was that the cities, already "facing death from dry rot at the center," would be forced into bankruptcy. It would cost lots of money to raze and rebuild the blighted districts, Reynolds conceded. But as James Sweinhart, a *Detroit News* reporter,

pointed out, the cities were already spending a fortune to subsidize the slums and blighted districts, as much as \$30 million a year or \$1 billion in a generation, which was more than enough to cover the costs.<sup>64</sup>

By the late 1930s it was not hard to make a strong case that the cities should build spacious and sanitary dwellings on the sites of the cleared slums and blighted areas and, even if it took a small subsidy, set their rents within the reach of the working class. Given the acute shortage of adequate low-cost housing and the deep-seated belief that poor housing was the main source of the cities' worst social problems, it was not hard to make almost as strong a case that the federal government should help out. Even Senator Robert A. Taft, the nation's leading conservative, conceded as much.<sup>65</sup> But it was very hard to make a case that the cities should demolish lower- and working-class homes and replace them with middle- and upper-middle-class housing that the former residents could not possibly afford. At a time when housing was in short supply, it was even harder to make a case that the cities should not use the cleared sites for housing at all, but instead for commerce and industry (or even parks and playgrounds). In other words, why should the cities build anything but low-income housing on the sites of the slums and blighted areas adjacent to the central business district? Why should they reuse them in a way that would reduce the supply of housing for the very groups most in need of it?

According to the downtown business interests and their allies, there were several reasons. One was that property there was much too expensive for low-cost housing. With prices running as high as \$6 to \$20 a square foot, far more than the \$1.50 a square foot that the Federal Housing Authority was willing to pay for slum clearance, it was impossible to build good low-income housing on these sites without charging rents well beyond the reach of working-class families. It would have been possible to hold down rents by redefining good low-cost housing—by, for example, lowering the sanitary standards, eliminating the courtyards and other open spaces, and abandoning the goal of reducing population density. But the reformers would have strongly objected to these measures. It would also have been possible to hold down rents by providing what the *New York Times* called “back-breaking subsidies,” local, state, or federal. But such subsidies would have been unacceptable to officials like Harold Ickes, who held that “[public] housing must be able to pay its own way,” and to reformers like Wood, who conceded, albeit reluctantly, that slum clearance should “at least approximately pay its own way.”<sup>66</sup>

At a time when cities were reeling from the Great Depression—and the center was losing population to the periphery—why did property values re-

main so high in many of the worst slums and blighted areas? According to contemporaries, the reasons were twofold. In some places, the landlords could squeeze so many families into so little space that the buildings were very profitable. In others—even in places where the depression and residential dispersal had driven rents down and vacancies up—the owners believed their property would in time be needed for the expansion of downtown stores, offices, and hotels. They behaved in an “ostrich-like” manner, wrote Henry Wright, ignoring the facts and “cling[ing] to values that never existed or that have long since disappeared.” Helping to maintain what Wright called “fictitious” values were the banks, which were unwilling to write off, or even write down, their mortgages and thus lower the book value of their assets, and the cities, which were reluctant to lower assessed values and thereby reduce revenue from property taxes. As Earl Bryan Schwulst, executive vice president of New York’s Bowery Savings Bank, told a congressional committee, the cities “have got to keep the assessed value up in order to collect sufficient taxes to keep going.”<sup>67</sup>

Sooner or later, Wright and others argued, property values would fall in the slums and blighted areas, even in those adjacent to the central business district. Sooner or later they would reach a point where, in the words of Homer Hoyt, they would reflect the property’s “net present income” rather than the owner’s “false hopes for the future.” But until then the local authorities should build low-income housing on low-cost sites on vacant (or largely undeveloped) land on the periphery. Only on these sites would it be possible to provide high-quality low-income housing. Not only should the lower and working classes be encouraged to move to the periphery, a recommendation made by the Regional Plan of New York as early as the late 1920s, but the middle and upper middle classes should be encouraged to live in the center. As planner Carol Aronovici said, “we should quit trying to rehabilitate lower Manhattan for the poor and give it back to the well-to-do by building expensive, luxurious and well planned apartment houses in which they could live close to the financial district.” Walter Mattison agreed. Move the population out of the blighted areas, he told a congressional committee. Construct large housing projects for them on the outskirts of the city. Encourage private enterprise to build high- and middle-income housing near the central business district “for people who could afford to pay for it.”<sup>68</sup>

According to the downtown business interests and their allies, there were also fiscal reasons why the cities should not build low-income housing in the slums and blighted areas adjacent to the central business district. Most cities were in dire financial straits, plagued by increasing costs and decreasing rev-

enue, caught between the growing demand for services and a shrinking tax base. The construction of low-income housing in the center would only make matters worse. It would not increase revenue. To the contrary, it would surround the central business district with poor people, few of whom could afford to shop in downtown stores and hire downtown professionals. It would therefore do little to revitalize the central business district and raise property values there. This was a grim prospect because the central business district produced a large share of the city's property taxes and consumed a small share of its public services. As late as 1930, a few years before the full impact of the depression had been felt, downtown Milwaukee accounted for fully 25 percent of the city's revenues and barely 5 percent of its expenses. And in the mid 1930s downtown Boston generated more than twice as much in income as it absorbed in services.<sup>69</sup> If property values continued to decline in the central business district, the local authorities would be forced to raise taxes in the residential sections, a step that would drive more well-to-do residents to the suburbs and further undermine the cities' fiscal position.

The construction of low-income housing in the center would not reduce expenses either. For low-income and, to some degree, middle-income neighborhoods were a fiscal drain on the cities. Take the case of Boston. According to a survey by the city planning board, a congested part of South Boston consumed more than \$5.7 million in services, but produced less than \$500,000 in income. A residential neighborhood of triple-deckers, the typical housing type in many of Boston's working-class communities, absorbed more than twice as much in services as it generated in taxes. Even a residential neighborhood in suburban Roslindale produced slightly less in revenue than it consumed in services. Only a high-rent residential neighborhood in the Back Bay and what the planning board called a miscellaneous residential neighborhood in the Fenway generated more than enough in taxes to offset their costs. Summing up, the board wrote, "About 88½% of the population, using about 90% of the gross area, fail to pay taxes enough to cover the services rendered their residential areas." Roughly three-quarters of the deficit was made up by the central business district—the remainder by the high-rent and miscellaneous residential areas.<sup>70</sup> Unless Boston was highly idiosyncratic, it was hard to escape the conclusion that the construction of low-income housing in the center would not help solve the cities' fiscal problems.

What would help was the construction of high- and middle-income housing in the center, especially on the sites of the slums and blighted areas adjacent to the central business district. If public authority was able to clear the sites and private enterprise was willing to build the housing—and if, as a re-

sult, the well-to-do moved back from the periphery to the center—the fiscal benefits would be substantial. As brand new apartment houses replaced rundown tenements, property values would rise—not only in the inner city, but also in the central business district. Municipal revenues would go up. And as the well-to-do displaced the poor, who relied much more heavily on public services, municipal expenditures would go down. Also, if the construction of attractive high- and middle-income housing in the center slowed down residential dispersal, the cities would not have to build as many schools, highways, and other facilities on the periphery—another fiscal benefit. The center, Matisson pointed out, already had the necessary infrastructure. “We have all the facilities in the center of the city that we want. We want . . . people to come back, and take advantage of those facilities. And if [they do], I am satisfied that the present tax rate, which is on a [downward] spiral, and has been for years, will be arrested, and actually recede.” If the slums and blighted areas could be cleared and redeveloped for the well-to-do, “we will be able to restore the economic stability of the cities themselves.”<sup>71</sup>

Another reason the cities should not build low-income housing in the slums and blighted areas adjacent to the central business district was that it was not necessarily “the best and highest use” of the land. By this standard, one area might be best used for commerce or industry. Another might be more appropriate for parks and playgrounds. Still another might be best used as a parking lot or a garage—especially if automobile parking was what “the community most needs at that spot,” remarked John Ihlder, former head of the community development department of the U.S. Chamber of Commerce. In some places “the best and highest” use might be housing, conceded Walter H. Blucher of the American Society of Planning Officials (ASPO). But it might not be low-income housing. As one observer wrote, it might be high-, medium-, or low-income housing or some combination of the three. To assume every blighted area should be reused for housing and every housing project should be built for low-income groups would be a terrible mistake, argued Alfred Bettman, chair of the Cincinnati Planning Commission, first president of the American Society of Planning Officials, and chair of ASPO’s Committee on Urban Redevelopment.<sup>72</sup>

How could the cities get “the best and highest use” out of a slum or blighted area? Given that inappropriate land use was considered one of the principal causes of blight, what could they do to make sure that the cleared sites were not reused in inappropriate ways? What could they do to prevent redevelopment from giving rise to the conditions that had made slum clearance necessary in the first place? The answer, many Americans believed, was that the

cities would have to plan—and to plan well. As the ASPO Committee on Urban Redevelopment said, “With the exception of small neighborhoods which are simply ailing a little, the problem of the redevelopment of a blighted area is a city planning problem, par excellence.” New York mayor Fiorello La Guardia, a strong supporter of public housing, agreed. Although slum clearance was designed “to provide decent homes in decent neighborhoods for American families,” the process “will frequently leave land that should be used for a variety of purposes, rather than housing alone, and we should turn to good city planning for a guide to what these uses should be, as well as for the general physical pattern according to which redevelopment should take place.”<sup>73</sup> Here was a splendid opportunity for many city planners who were looking for new tools to shape the physical development of the city, and especially to attract more of the well-to-do from the periphery to the center and thereby slow down the dispersal of population and the decentralization of business.

Bettman told a congressional committee how the planners would figure out “the best and highest use.” Consider a typical blighted area of small-scale industries and run-down residences. To determine whether it should be redeveloped for industry or housing, the planners would have to pose a set of questions. For what types of industry was the area an appropriate place? Within the area, what was the best location for which industries? Also, for what types of housing was the area an appropriate place? And where should the housing be located? To answer these questions, Bettman pointed out, the planners would have to develop “a general plan for the whole urban unit,” a plan that would spell out “the future land uses of the whole city,” not only the workplaces and residences, but also the street systems, recreational spaces, public schools, and parking facilities. Then they would have to see how the blighted area in question fit into the plan. “A general, comprehensive or master plan—giving it one or the other of those names—is an absolute essential for [an effective] redevelopment of any portions of the urban territory.” In this process of “planning for the future,” Bettman said elsewhere, the planners “should not be weighted down at the very start with devotion to the past.”<sup>74</sup>

Not everyone found these reasons convincing. Despite the high cost of land, many champions of public housing argued that it was possible for the cities to clear the slums and blighted areas and, with a small subsidy, build good and cheap houses for low-income groups. If it could be done in Europe, it could be done in America. And if it could be done, it should be done—and in such a way that the rent was within the reach of the lower- and working-class residents whose homes would be torn down in the name of slum clear-

ance. If the cities did not build housing for these people, clearance would do little but move the slums from one part of the city to another. Other Americans took issue with the arguments that the construction of low-income housing in the slums and blighted areas adjacent to the central business district would exacerbate the cities' fiscal problems and preclude using the land in the most appropriate way. One of the most outspoken critics of the effort to divorce slum clearance from low-income housing was Elizabeth Wood, executive secretary of the Chicago Housing Authority. Taking it as given that the objective of slum clearance was not just to wipe out bad housing but also to build good low-income housing, she lashed out against urban redevelopment. Cities, she said, should not rebuild blighted areas "*for the purpose of restoring purchasing power to the central business districts*," "*for the purpose of restoring municipal income*," or "*for the purpose of giving private enterprise new areas in which to operate its business*."<sup>75</sup>

Many housing reformers shared Wood's position. But they were a very small group. By the 1940s a large and growing number of Americans were more than willing to divorce slum clearance from low-income housing. Inclined to blur the line between slums and blighted areas, Americans were also inclined to sharpen the line between urban redevelopment and housing and even between urban redevelopment and slums. As the ASPO Committee on Urban Redevelopment wrote, "it is of the utmost importance to realize that urban redevelopment is not to be restricted to slum areas or to housing [and] that urban redevelopment legislation, though important for housing, is not housing legislation." Ulysses S. Grant III, head of the National Capital Park and Planning Commission (and grandson of the Civil War general and U.S. president), agreed. "Urban redevelopment is not merely an effort to provide decent homes for the poor," he remarked. "Slum clearance will necessarily be included as an important element, but only one element of the redevelopment [process]."<sup>76</sup> The ASPO Committee on Urban Redevelopment stressed the importance of building housing for the residents who were displaced by urban redevelopment. But it was moved not so much by the prospect that these residents would be uprooted as by the fear that the problem of relocating them might stall the attempt to rebuild the slums and blighted areas for the well-to-do.

By the early 1940s the downtown business interests and their allies had laid the ideological foundation for urban redevelopment. They had provided a rationale for razing the run-down residential neighborhoods near the central business district even though many of them were not slums. They had also

provided a rationale for building high- and middle-income housing on the cleared sites even though this housing would be far too expensive for the lower and working classes. But it was one thing to make a case for urban redevelopment and another to rebuild the inner city. And with the encouragement of the downtown business interests, planners, lawyers, economists, and other experts worked to identify the obstacles to urban redevelopment and to figure out how to overcome them. This was no mean task. But it was made somewhat easier because the advocates of slum clearance and low-cost housing had been wrestling with much the same issue since the late 1920s and early 1930s.

The experts identified three main obstacles to urban redevelopment. One was that it was very expensive to acquire land in the slums and blighted areas adjacent to the central business district. Property values there were extremely high, often, noted the Chicago plan commission, “out of [all] proportion to the future use value of the land.” Developers had little interest in buying land in the slums and blighted areas “when they can buy land elsewhere in the city at much lower prices,” said Charles B. Bennett, director of the Los Angeles City Planning Department. (By buying vacant land on the periphery instead, they could also avoid the additional expense of tearing down the existing structures.) Not even institutional investors who were inclined to back large-scale housing projects—and who, as a New York City banker remarked, “would be content with a modest return on their investment”—were willing to pay such inflated prices. It was the high price of real estate, more than anything else, that prevented urban redevelopment “on anything but the most piecemeal and sporadic basis,” a congressional report concluded. To John Blanford, a federal housing administrator, the problem was more or less intractable. “There was once a theory,” he said, “that time alone would solve this problem. It was argued that in time the competitive rebuilding of outlying areas would drain the value out of the slum areas, down to the point where they could be profitably rebuilt. But the theory has been shattered. . . . The only thing that has been drained has been the purse of those who, in the final analysis, pay for all the social and economic cost of slums.”<sup>77</sup>

Another obstacle to urban redevelopment was that it was very hard to assemble the land. A typical city block might have twenty or even forty lots, many of which were owned by several persons, some of whom might be unable to sell because the title to the lots was clouded (or held by trusts with multiple beneficiaries, not all of whom could easily be found). Even if most of the owners were willing and able to sell, a handful of holdouts was all it took to stymie the process. For example, an attempt to stop the spread of blight in the

vicinity of the University of Chicago failed because the developers were unable to assemble a single block of parcels. And to be effective, to create a wholesome and stable residential community in the inner city, required not a single block but ten or twenty blocks, declared Arthur W. Binns, an expert on the subject. Coleman Woodbury, another expert, agreed. Echoing the warnings of Edith Elmer Wood, Langdon Post, and other advocates of slum clearance, he argued that lot-by-lot or even block-by-block development was doomed. “For a reasonable chance of success, a redevelopment project, particularly a residential one, would have to be large enough to stand out against the surrounding blight and squalor”—which would otherwise envelop it.<sup>78</sup>

Yet another obstacle to urban redevelopment was that it was highly likely that the new housing would be too expensive for the old tenants. Once their homes were demolished, they would have nowhere to go except to other slums and blighted areas. Given the acute shortage of low-cost housing, they would be lucky to find apartments even there. The relocation of displaced families was “the real Achilles heel [of] urban redevelopment,” said Ferd Kramer, president of the Metropolitan Housing and Planning Council of Chicago. It was so serious a problem that Charles Abrams, Catherine Bauer, and others argued that before the demolition of the existing buildings was even considered it was necessary to find or provide housing for the displaced tenants at rents they could afford—on the same sites, if possible, elsewhere if need be, in old buildings if available, in new ones if not. As Philip Klutznick, another member of Chicago’s Metropolitan Housing and Planning Council, observed, “it would be inhuman and immoral to undertake a slum clearance and urban redevelopment program without a clearly defined method for the handling of displaced families.” This did not mean the blighted areas now housing low-income groups should not be rebuilt for high- and middle-income groups, declared the ASPO Committee on Urban Redevelopment. What it meant was that any redevelopment program that replaced low-income housing with high- and middle-income housing without at the same time dealing with the relocation problem would not only impose a great hardship on the displaced families, but also move the slums and blighted areas from one spot to another.<sup>79</sup>

To all but a few advocates of urban redevelopment, it was evident that neither private enterprise nor public authority could overcome these obstacles on its own. Assuming that he had the capital, a private developer would have to negotiate with scores or even hundreds of property owners, a handful of whom could block his efforts. Most property owners would probably ask unreasonably high prices and, once the first few parcels were sold, the owners of

the remaining ones would probably raise their prices. Forced to pay inflated prices, a developer would be lucky to earn even a modest return on his investment. He would also have to deal with what one observer called a host of “distasteful” problems, including protests from tenants, who opposed the demolition of their homes, pressures from housing reformers, who expected developers to help relocate the displaced families, and the bureaucratic red tape that was all but inevitable in a large-scale housing project near the center of the city.<sup>80</sup> Making matters worse was the uncertainty of the housing market. Walter Mattison and other advocates of urban redevelopment might believe that many middle- and upper-middle-class families were ready to move from the periphery to the center. But were they? No one knew, not even the developers.

What the developers did know was that by virtue of the standstill in residential construction in the 1930s and early 1940s there was a strong pent-up demand for high- and middle-income single-family homes on the periphery. Land there was relatively inexpensive. It cost one-fourth as much as land near the center, according to one estimate, one-fifth to one-tenth as much, according to another.<sup>81</sup> It was relatively easy to assemble, largely because ownership was highly concentrated. It was less difficult to develop vacant land on the periphery than to redevelop built-up land near the center; and it took less time. Bartholomew and other planners might bemoan the waste, inefficiency, and fiscal drawbacks of residential dispersal—or what would later be called urban sprawl. But for most developers, it was far more attractive to build single-family homes on the periphery for the many well-to-do Americans who wanted to move away from the center than to build apartment houses near the center for the few well-to-do Americans who might want to move back from the periphery.

Public officials could not overcome the obstacles to urban redevelopment either, at least not on their own. By exercising the power of eminent domain, they could acquire large parcels of land at fair market value. And with the help of the U.S. Housing Authority, they could build low-cost housing for the families that would be displaced by the redevelopment process. But to put up high- and middle-income housing would cost “untold millions of dollars,” wrote the National Institute of Municipal Law Officers—far more than the hard-strapped cities could afford. Nor was money the only problem. An effort to demolish the slums and blighted areas would arouse fierce opposition from residents, many of whom were strongly attached to their homes and neighborhoods and few of whom could afford to live in high- and middle-income apartment houses. In the face of this opposition, advocates of urban

redevelopment had to make a case that the area to be redeveloped was indeed blighted. But despite many attempts to define blight, the concept remained extremely vague. If, as one expert wrote, a blighted area “differs only in degree from one that is not blighted,” how could anyone draw a distinction between a blighted area and an ordinary low-income neighborhood?<sup>82</sup>

There were also legal and moral issues. According to the courts, cities could “take” private property, provided they paid fair market value and used the property for a public purpose. Following this line of reasoning, the courts had recently allowed cities to clear slums and build low-income housing on the sites. But it was far from clear that they would uphold a program by which cities “took” private property in the blighted areas in order to build high- and middle-income housing. And it was far from clear that cities should press ahead even if the courts were inclined to go along. If cities had the money, advocates of public housing insisted, they should use it to build decent homes for the lower and working classes—not to subsidize housing for the upper middle and middle classes, which already had access to good housing on the outskirts of the city. Private real estate interests, especially the National Association of Real Estate Boards, had other objections. It was bad enough that many cities had already gone into the low-income housing business, they argued. It would be even worse if they now went into high- and middle-income housing. To do so would be to take a huge step toward the “socialization of real estate.”<sup>83</sup>

If neither public authority nor private enterprise could overcome the obstacles to urban redevelopment on its own, perhaps they could overcome them by working together. Or so the downtown business interests and their allies hoped. The trouble was that public authority and private enterprise were not used to working together. Through the mid nineteenth century public authority had routinely joined forces with private enterprise to stimulate economic development. But later this practice gave way to what might be called, for lack of a better term, an adversarial arrangement. Under this arrangement, public authorities granted private companies a franchise to build and operate the street railways, gas systems, and other public utilities other than the waterworks. They also regulated these companies. Under the watchful eyes of the courts and state legislatures, public authorities regulated the building industry as well. They established fire zones, drafted building codes, imposed height limits, and formulated zoning regulations. They also granted building permits—and, at least in theory, inspected everything from elevators to fire escapes.

This adversarial arrangement was the subject of a nationwide debate in the

early twentieth century. Some Americans attacked it as one of the principal sources of corruption in the cities. Others defended it as the most efficient way to promote private initiative and still protect the public interest. On one point, however, both sides agreed—this arrangement was only workable if private enterprise was eager to take on the project. But after World War I private enterprise had virtually no interest in building low-income housing, at least not under the existing building codes and other regulations that, in the eyes of the builders, made it all but impossible to earn even a modest return on capital. And by the late 1930s private enterprise had little or no interest in building anything, not even high- and middle-income housing, in blighted areas. What discouraged builders, Alfred Bettman told a Senate committee, was blight, a disease that is “something less visible, more subtle, deeper, than the mere age or structural obsolescence of the existing buildings,” a disease so insidious that it does not respond to conventional remedies, a disease that is rapidly spreading all over the country.<sup>84</sup>

Given these circumstances, advocates of urban redevelopment concluded that the adversarial arrangement would have to be abandoned. What sense did it make to follow a regulatory approach if there was nothing to regulate? Instead of imposing regulations, local officials should offer inducements. One was to give urban redevelopment projects a long-term partial exemption from property taxes. Another was to use eminent domain to make it easier and less expensive to assemble large parcels of real estate. Both inducements were discussed in many cities; and in some they were made available. But with a few exceptions—the most conspicuous of which was Stuyvesant Town, a middle-income housing project built by the Metropolitan Life Insurance Company on eighteen square blocks of lower Manhattan—they did little to encourage private enterprise to rebuild the slums and blighted areas.<sup>85</sup>

What else could local officials do? How else could they induce private enterprise to engage in the highly risky business of rebuilding the slums and blighted areas, to bear with the bureaucratic red tape and long-drawn-out negotiations that were integral parts of the redevelopment process, and to endure the fierce attacks of the tenants and their supporters in labor unions and religious groups? By the early 1940s advocates of urban redevelopment had come up with an answer, at the heart of which was a radical, indeed unprecedented, proposal. Local officials would have to buy the property at fair market value and then sell it at a much lower price, a price so low that private developers could make a profit. As Hugh Potter, president of the Urban Land Institute, explained, they would have to bridge the gap between the market value of the blighted property, however inflated, and its “actual value for purposes of

redevelopment.”<sup>86</sup> To put it another way, in order to wipe out the slums and blighted areas adjacent to the central business district, local authorities would have to subsidize the construction of high- and middle-income housing.

In defense of this controversial proposal, its supporters made several points. They noted that some Americans opposed the idea of “writing down” property values on the ground that it would bail out the property owners in the slums and blighted areas. “Why,” these Americans asked, “should the community buy up blighted property when the owners are demanding prices far in excess of its real value? Why [should] the public protect those owners from loss any more than other individuals or groups saddled with bad bargains?” If the issue were that simple, “Why indeed?” wrote economist Guy Greer, a consultant to the Federal Reserve Board and one of the principal advocates of urban redevelopment. But it was not that simple, he pointed out. The property owners could make a plausible case that if the authorities took their holdings they should pay fair market value, particularly in the case where the authorities assessed these holdings at fair market value. The property owners could also make a plausible case that since urban redevelopment was designed to benefit the community as a whole, the community as a whole should help pay for it. To these reasons George Herbert Gray, a consultant in architecture and city planning, added another. Through “lack of prudent foresight,” the local authorities were partly to blame for the obsolescence of the physical infrastructure of the cities, which was one of the main causes of blight. If the public bore some of the responsibility for creating the blighted areas, it should bear some of the cost of eliminating them.<sup>87</sup>

Other Americans objected to the proposal to write down property values on the ground that it would cost too much. Given that the cities were so strapped for money, how, these Americans asked, could they afford to subsidize the rebuilding of slums and blighted areas? This was a fair question, advocates of urban redevelopment acknowledged. Indeed, wrote the Chicago Plan Commission, “At first glance, the redevelopment of blighted areas seems to be . . . too costly for most cities.” But on close analysis, it makes good fiscal sense. A well-conceived redevelopment project would not only reduce municipal expenditures. It would also raise municipal revenues. One such project, wrote the Detroit Housing Commission, was designed for the Gratiot redevelopment area, a hundred-acre site located a few blocks northeast of Detroit’s central business district. To acquire and clear the land would cost \$3.75 million, the commission estimated. But even after a write-down of about 75 percent, the project would generate so much more in property taxes that the city would

be able to amortize its investment in only fifteen years.<sup>88</sup> Redevelopment might increase property taxes in the short run, its sponsors conceded, but in the long run it would reduce them.

The cities could, of course, do nothing. They could “let nature take its course,” wrote Homer Hoyt, the real estate economist, and Leonard C. Smith, a real estate appraiser. They could allow the slums and blighted areas to deteriorate, watch as their residents moved to the periphery, and wait until property values in the inner city sank so low that private developers were prepared to rebuild without a public subsidy. But the cities had followed that course for generations, Guy Greer pointed out, and the problem of blight had grown steadily worse. It made much more sense, he argued, for cities to “face up to the problem and buy the blighted areas as rapidly as possible, paying as little as possible but often paying more than can ever be recovered except indirectly through the enhancement of values throughout the whole community.” Hoyt and Smith agreed. So did Alfred Bettman. Although it might be tempting to leave the owners of slum and blighted property to “stew in their own juice,” it was not an option, he insisted, because “the rest of us,” the ordinary citizens who “pay for the social and economic consequences” of blight, “stew in the same juice.”<sup>89</sup>

As Bettman was well aware, the cities had no authority to “take” property and sell it, let alone to sell it at below fair market value. But the states—or, by constitutional amendment, the voters—could give the cities this authority. Early in the 1940s the downtown business interests launched a campaign to persuade the state legislatures to do so. They had some success in New York and a few other states before World War II forced them to put the campaign on hold. Toward the end of the war the advocates of urban redevelopment renewed their efforts. With the downtown business interests, and especially the Urban Land Institute, in the forefront, they managed to overcome the opposition of conservative real estate interests. Before long Maryland, Minnesota, and Pennsylvania gave their approval to urban redevelopment. By the end of the war about twenty states, and not only the heavily urbanized states of the northeast and midwest, had passed enabling acts, and several others, most of which would soon follow suit, were considering them.<sup>90</sup> (Following New York’s lead, several states also abolished the regulations barring insurance companies and other fiduciary institutions from investing in redevelopment projects.)

The early enabling acts fell into two categories. Some entrusted urban redevelopment to private redevelopment corporations. They gave these corporations the power to “take” and raze land in the slums and blighted areas—or,

in some states, to acquire land already “taken” by the municipality—and to build housing projects on the cleared sites. Tax abatements were common features of these acts, as were limits on dividends. Other enabling acts delegated urban redevelopment to public housing authorities. Under these acts, which had the strong support of organized labor and other members of the public housing lobby, the authorities were empowered to use public funds (or public credit) to build low-cost housing (and often required to rehouse the displaced tenants). The Urban Land Institute and other groups criticized both types of acts on the ground that they were housing, not redevelopment, acts. (The ULI also attacked the second type on the ground that it discouraged the participation of private enterprise.) As a result of this criticism, the later enabling acts (and before long the great majority of them) took a different approach. Under these acts, urban redevelopment was turned over to a public agency, an arm of the local government. It was empowered to “take” land, to clear it, and to sell (or lease) it, in whole or in part, to private firms or public bodies, which, in line with the city’s master plan, would rebuild the cleared sites for their “best and highest use.” Although some of these acts allowed tax abatements, few limited dividends. Although a few required that the agency certify that decent housing was available for displaced tenants at rents they could afford, this requirement, writes historian Marc A. Weiss, was honored “more in the breach than in the observance.”<sup>91</sup>

In theory, the enabling acts gave local officials a good deal of control over urban redevelopment. Indeed, their approval was required at virtually every step in the process. In practice, however, they had relatively little say over which areas would be redeveloped. Given that the downtown business interests were the principal force behind urban redevelopment, local officials were under intense pressure to designate as slums and blighted areas the neighborhoods adjacent to the central business district—and, even if they were not the worst neighborhoods, to slate them for redevelopment first. Given that the rebuilding would have to be done by private enterprise, local officials were also under intense pressure to designate as slums and blighted areas those neighborhoods in which private capital was prepared to invest, which tended to be neighborhoods like the South End in Boston and Bunker Hill in Los Angeles, the chief virtue of which was proximity to the central business district. As Charles Bennett of the Los Angeles City Planning Department pointed out, “Community redevelopment is essentially a private undertaking, financed by private funds. If those funds are not forthcoming, there will be no redevelopment.” Which neighborhoods will be redeveloped—and in what order—will therefore depend “largely upon the preferences of those who are ready and

willing to finance the respective projects." The National Institute of Municipal Law Officials agreed. "Private capital will dictate the area in which its monies will be invested," it wrote. No city can "force the investor to put its money into a particular area against its will."<sup>92</sup>

Most cities moved promptly to take advantage of the state enabling acts. Indianapolis set up a redevelopment agency in March 1945. Baltimore and St. Louis followed a few months later. Philadelphia created one in 1946. And Providence joined the fold a year later, as did Chicago. By the late 1940s all but a handful of big cities had either established redevelopment agencies or turned other bodies—such as the housing commission (in Detroit) or the city planning commission (in Minneapolis)—into them. In charge of the typical redevelopment agency was a five-man board, appointed by the mayor, on which business and real estate interests were heavily represented. In Providence the board consisted of a banker, a builder, an architect, a manufacturer, and a lawyer. In Philadelphia all but one of the five board members were realtors. And in Pittsburgh the board included a retired steel company executive, a department store president, and, as chairman, Mayor David L. Lawrence, Pennsylvania's most powerful Democratic politician. Funding came from various sources. Business interests gave \$150,000 in seed capital to the Pittsburgh Redevelopment Authority. The Indianapolis city council earmarked ten cents per \$100 of assessed value for urban redevelopment. The Milwaukee city council appropriated \$1 million; and shortly after the voters approved two bond issues—one for \$2.5 million, the other for \$3.5 million. The voters also approved a \$2 million bond issue in Providence, a \$5 million bond issue in Baltimore, and a \$15 million bond issue in Chicago—to which the Illinois state legislature added another \$11 million.<sup>93</sup>

Most redevelopment agencies went about their business in the same way. With the help of Harland Bartholomew and other city planners, they made surveys of the slums and blighted areas. On the basis of the surveys, the staff recommended that several of them, sometimes as many as fifteen or twenty, be designated redevelopment areas. The board then reviewed them, accepting some, though sometimes only after revising their boundaries, rejecting others, and, on occasion, adding some that had not been on the list. The board submitted its recommendations to the city council, which, after holding public hearings, officially designated the redevelopment sites and incorporated them into the city's master plan. In the meantime, the redevelopment agencies urged the city council to provide the money to acquire and clear the land—either by appropriating funds from general revenues, by levying a new tax on private property, or by putting a bond issue on the ballot. They also ap-

pealed to private firms, the most responsive of which were life insurance companies, to rebuild the slums and blighted areas. After reaching agreement with a developer, the agency submitted the plan to the city council. If and when the council gave its approval, the agency acquired and cleared the land and then sold or leased it.<sup>94</sup>

This flurry of activity, which got under way in the early and mid 1940s and gathered momentum in the postwar years, produced a host of surveys and plans. And before long hundreds of slums and blighted areas, many of which were adjacent to the central business district, were slated for redevelopment. But by the end of the decade very little rebuilding had been done. Indianapolis, one of the first cities to set up a redevelopment agency, managed only to acquire most of the land for one of its two initial redevelopment projects. Detroit, which had mounted an ambitious redevelopment program, did little more than condemn the first ten blocks of the Gratiot redevelopment project and start condemnation proceedings on the remaining thirty-three. In Chicago the New York Life Insurance Company was making plans for Lake Meadows, a housing project on the near South Side, but it didn't break ground until the



*Chicago's Lake Meadows (Architect and Building News, January 12, 1956)*



*Pittsburgh's Gateway Center (Equitable Builds a Gateway, 1964)*

early 1950s. And neither Michael Reese Hospital nor the Illinois Institute of Technology, two Chicago institutions that would later play an active part in urban redevelopment, had as yet built anything. In Pittsburgh the Equitable Life Assurance Society was negotiating with the redevelopment authority over the future of a twenty-three-acre blighted area in what had once been the core of downtown Pittsburgh. But the first phase of what would be called Gateway Center, three twenty-story office buildings, would not be built for several years. Only in New York—where the Metropolitan Life Insurance Company put up Stuyvesant Town (as well as Riverton, a small housing project in Harlem) and other developers erected a few housing projects in Manhattan and two of the outer boroughs—had any slums and blighted areas been rebuilt by 1950.<sup>95</sup>

One reason that few slums and blighted areas were rebuilt in the postwar years is that urban redevelopment was so new and complex a program that it took the redevelopment agencies a while to figure out how to implement it. A far more important reason was that these agencies operated under powerful legal, political, and fiscal constraints. By the early 1940s, it was clear that cities had the right to take private property in order to clear slums and build public housing. But it was not clear that they had the right to take private property and sell (or lease) it to developers. Nor was it clear that they had the right to sell (or lease) the land at less than fair market value. Shortly after the redevelopment agencies went into business, their opponents challenged the enabling

acts on the grounds that taking land for urban redevelopment was not a public purpose and that selling it at less than fair market value was an illegal tax. With a few exceptions, the courts upheld the laws, ruling that the main objective of urban development was slum clearance, a public purpose to which the transfer of private property from one individual to another was “purely incidental.” The courts also ruled that a write-down was not an illegal tax. The trouble was that in most cities it took so long for the lawsuits to work their way through the courts that the redevelopment process was delayed. A case in point is Detroit, where the housing commission began condemnation proceedings for the Gratiot redevelopment project in February 1947. A taxpayer’s suit brought the proceedings to a halt eight months later. Although the Michigan Supreme Court ruled that the city had the right to sell land at less than fair market value in October 1948, it did not rule until December 1951 that the city had the right to take slum or blighted property for resale to private developers. In the end the housing commission spent almost five years just to acquire the Gratiot redevelopment area.<sup>96</sup>

Urban redevelopment also got bogged down in the city councils. As often as not, the councils were under strong pressure to reject the redevelopment agency’s recommendations. This pressure came from residents who did not want to be displaced from their neighborhoods, even if planners labeled them slums or blighted areas, and businessmen who did not want to start anew in other locations. It also came from spokesmen for the lower and working classes, who stressed that the displaced tenants could not afford to rent apartments in the new housing projects and would be hard pressed to find decent apartments at reasonable rents elsewhere. To make matters worse, many slums and blighted areas were occupied largely by blacks and other minorities. Hence civil rights and liberal groups often objected to designation on the ground that it was a scheme to remove racial and ethnic minorities from neighborhoods in which they were not wanted. Pointing out that Metropolitan Life had excluded blacks from Stuyvesant Town, the nation’s largest and best-known redevelopment project, these groups protested that the redevelopment laws had no specific provision against racial discrimination. And they pointed out that much of the private housing market, to which the displaced tenants would have to turn, was closed to blacks and other minorities.<sup>97</sup> These groups might have been less vociferous in their opposition if they could have counted on public housing to provide space for the displaced families. But public housing was on the defensive, its future in doubt. Little wonder the redevelopment agencies had as much trouble designating redevelopment areas as they had acquiring the land on which they stood.

Even if the courts rejected the legal challenges and the city councils withstood the political pressures, the redevelopment agencies faced another problem. They had to find the money to acquire and clear the redevelopment sites. The agencies appealed to the cities. But most cities were in dire financial straits, in no position to spare much for urban redevelopment. Not even the most prosperous of them could afford the large write-down required by private enterprise, observed a California planner. The agencies also appealed to the states, which were in better financial shape than the cities, but often dominated by rural interests unsympathetic to urban problems. The agencies appealed to the voters, too. But the voters could not be counted on. Although they approved bond issues in some cities, they rejected them in others—among them St. Louis, where a \$10 million bond issue that was supported by scores of civic groups but opposed by the Negro Citizens' Committee, an organization sponsored by the local branch of the NAACP, failed to win a majority, much less the required two-thirds. In the end the redevelopment agencies got money from all three sources, but it was not enough. Urban redevelopment was much too expensive. For example, the Detroit Housing Commission spent more than \$6 million to acquire a hundred-plus acres for the Gratiot redevelopment area, almost \$50,000 per acre.<sup>98</sup> But according to experts, the slums and blighted areas covered not hundreds of acres but thousands—and, in a few cities, tens of thousands. Even before the end of World War II, it was plain that neither the cities nor the states could afford to acquire and clear the slums and blighted areas—and that if these run-down areas were to be rebuilt the federal government would have to provide most of the money.

Before the mid 1930s most Americans would have been dismayed at the idea that the federal government should help out. With few exceptions, they were deeply committed to the tradition of local self-government and extremely wary of federal intervention in urban affairs. They held that American cities were better off dealing with their problems on their own, that federal involvement would only make things worse. As a result of this attitude, historian Mark Gelfand has pointed out, the national government played a much less active role in urban affairs in the United States than in other countries. Aside from building harbors, improving rivers, and, among other things, housing defense workers during World War I, Washington ignored the nation's urban problems. This approach changed abruptly in the mid and late 1930s, a time when the country was reeling from the effects of the Great Depression. In an effort to reduce unemployment and provide relief, the Roo-

sevelt administration undertook a host of public works projects that deeply entangled the federal government in urban affairs. It also launched a public housing program that not only established the principle of federal aid for slum clearance, but also removed many of the political, legal, and organizational constraints on urban redevelopment. By the late 1930s and early 1940s many Americans, including many members of the National Association of Real Estate Boards and other conservative groups, had come to believe that the federal government had an obligation to help the cities rebuild the slums and blighted areas.<sup>99</sup>

The breakthrough came in 1941, shortly before the United States entered World War II, when three serious proposals were put forward spelling out how the federal government should meet this obligation. One was drafted by NAREB's Committee on Housing and Blighted Areas—and, with some changes, was adopted a year later by the Urban Land Institute. Another was written by Guy Greer and Alvin H. Hansen, a Harvard economist and strong advocate of Keynesian economics, after discussions with the National Resources Planning Board and the nation's major planning organizations. The third was prepared by the Federal Housing Administration, the agency that handled the government's housing programs. At the core of these proposals were the answers to several difficult questions. Which federal agency should oversee urban redevelopment? How much control should it exercise? Should the federal government provide the cities long-term or short-term subsidies? How much should urban redevelopment focus on building houses, how much on rebuilding cities? Should construction be done by private enterprise, public authority, or some combination thereof? Each proposal answered these questions in different ways. But on several vital points they all agreed—that federal subsidies were necessary for the acquisition and clearance of slums and blighted areas, that rebuilding had to be done on a large scale and in accord with the city's master plan, and that cooperation between public authority and private enterprise was essential.<sup>100</sup>

None of these proposals stood much of a chance once the country went to war. But in an effort to lay the groundwork for the postwar years, some of their sponsors pushed for congressional action. With the help of Alfred Bettman, a leading authority on planning and zoning law, Greer and Hansen drafted the Federal Urban Redevelopment Act, which was introduced by Senator Elbert Thomas, a Utah Democrat, in April 1943. At the request of the Urban Land Institute, Senator Robert F. Wagner, the New York Democrat who had led the fight for the Housing Act of 1937, submitted the Neighborhood Redevelopment Act two months later. Under both bills the federal government would

lend cities money to acquire and clear slum and blighted properties that had been designated redevelopment areas and incorporated into the master plan—and which would subsequently be sold or leased to developers at below market value. But under the Thomas bill, by far the more radical, the federal government (or, to be precise, a new federal Urban Redevelopment Authority) would exercise a good deal of control over the process. Under the Wagner bill, which the senator called “an encouragement to enterprise bill,” Washington would leave virtually all the decisions up to the cities, acting, in Gelfand’s words, as “a benevolent banker,” doing only what was necessary to safeguard its investment. Neither bill made it out of committee.<sup>101</sup> But along with several other bills that were introduced a few years later, the Thomas and Wagner bills provoked a vigorous debate over federal aid for urban redevelopment and triggered a political battle that would drag on until the end of the decade.

Supporters of federal aid for urban redevelopment argued that the cities were “an essential part of the nation,” that they contained much of its population, produced much of its wealth, and paid much of its taxes. They are so vital to the nation’s welfare that “the Federal Government cannot afford to sit by and let [them] deteriorate and decay,” said Pittsburgh mayor David Lawrence. But to rebuild them would cost billions, even ten of billions, much more than the cities could afford. They could not count on much help from the states either. Short of a thorough overhaul of the nation’s tax system, which, wrote Greer, was extremely unlikely, they had nowhere to turn to other than Washington. Without its help, nothing could be done “except in a few of the wealthier States,” argued Thomas D’Allesandro, Jr., mayor of Baltimore and spokesman for the U.S. Conference of Mayors. Under ordinary circumstances, municipal funding would be preferable, conceded Charles T. Stewart. But circumstances were anything but ordinary. Decentralization was devastating the cities. “To propose that cities reeling under such a blow finance the operation that is necessary to effect a cure is to overlook the essential nature of the problem. It is like saying that each man should stand on his own two feet without recognizing the fact that a sick man needs some assistance.”<sup>102</sup>

Opponents of federal aid for urban redevelopment countered that the rebuilding of slums and blighted areas was a purely local matter. It was one thing for the federal government to provide funds for low-income housing, Senator Taft told a strong supporter of urban redevelopment, but it was quite another for it to subsidize the rebuilding of run-down neighborhoods. “I cannot quite see what the Federal Government has got to do with how Cincinnati lets itself look, or how any other city lets itself look,” he said. To arguments

that redevelopment would stimulate business and generate employment, Taft replied: "If that justifies public works of a purely local character we would have Federal participation in building all the schools in the country, all the hospitals in the country, and everything else." Along the same line, another opponent asked, "Why should we bail out insolvent real estate . . . any more than we bail out insolvent shoe-shine parlors, grocery stores, manufacturing enterprises, or railroads?" And why, a Kansas congressman protested, should "the lowly taxpayers of southeastern Kansas . . . have to contribute to the re-building of the slums in New Jersey"? Some Americans also objected to federal aid for urban redevelopment on the ground that the government had fiscal problems of its own. If Congress voted to subsidize the rebuilding of slums and blighted areas, it would increase the national deficit and create yet another huge and costly federal bureaucracy.<sup>103</sup>

By the end of World War II, the lines were drawn. In favor of federal aid for urban redevelopment were the downtown businessmen, big-city mayors, and city planners, the three groups that were in the forefront of the campaign to curb decentralization. The downtown businessmen saw it as a way to revitalize the central business district, the big-city mayors as a way to alleviate the growing fiscal problem, and the city planners as a way to reorganize the metropolis along more efficient lines. Allied with these groups were several civic associations, which thought that urban redevelopment would wipe out the slums and blighted areas; labor unions, which hoped that it would generate employment in the postwar years; and business groups, which believed that it would give a boost to the building trades and related industries. Opposed to federal aid for urban redevelopment were a highly diverse group of rural congressmen who did not see how their constituents would benefit from the program, conservative realtors who felt that the federal government was already too deeply involved in the private sector, and housing reformers who believed that urban redevelopment was severely misguided. Among the most outspoken of them was Catherine Bauer. "In the sacred name of 'master plans,' 'Bold reconstruction,' 'saving cities,' and whatnot," she wrote, "it is proposed to bail out with Federal subsidy the owners of slum and blighted property—not in order to rehouse their present tenants properly, but to stimulate another wave of speculative overbuilding for well-to-do and thus, it is naively hoped, to turn the tide of decentralization and preserve downtown property values based on high densities and even higher hopes."<sup>104</sup>

The issue came to a head in August 1945, a couple of weeks before the end of World War II, when a subcommittee of the Special Senate Committee on Post-War Economic Policy and Planning recommended the establishment of

a provisional program of federal aid for urban redevelopment. Since the subcommittee was chaired by Taft, who saw no reason the federal government should help rebuild the cities, it was not surprising that the program focused on clearing slums and improving housing—that, in Gelfand's words, housing was “the theme and urban redevelopment the variations.” Federal aid would be provided only for areas that were “predominantly residential” or would be “redeveloped primarily for residential use.” Most of the subcommittee's proposals were subsequently incorporated into a general housing bill that was sponsored by Taft, Wagner, and Allen J. Ellender, a Louisiana Democrat, and referred to the Committee on Banking and Currency, which was chaired by Wagner. If the Wagner-Ellender-Taft bill disappointed city planners, who felt it took a much too narrow approach to urban redevelopment, it outraged conservative businessmen, who feared it would lead to higher taxes. The bill also troubled downtown business interests, which protested that it gave the federal government far too much control over urban redevelopment. Despite these strong objections the Committee on Banking and Currency included federal aid for urban redevelopment in the General Housing Act of 1945, an omnibus bill that dealt with a wide range of federal housing programs, many of which were more controversial than urban redevelopment. In early April 1946 the committee sent the bill to the Senate, which passed it, with overwhelming bipartisan support, a week later.<sup>105</sup>

Things went much less smoothly in the House. Led by the U.S. Chamber of Commerce, the National Association of Home Builders, the U.S. Savings and Loan League, NAREB, and ULI, which denounced Wagner-Ellender-Taft as “one of the most dangerous bills introduced in years,” the opposition rallied around a rival bill sponsored by Representative Jessie P. Wolcott of Michigan, ranking Republican on the House Committee on Banking and Currency. The Wolcott bill provided for federal aid for urban redevelopment—though it limited the federal government's contribution to one-half of net project cost, a measure that would have reduced the city's capacity to write down the value of slum and blighted property to a point where it could be redeveloped for low-income housing.\* But on many other issues it differed greatly from the Senate bill. With the House sharply divided, both bills died in committee. In March 1948 Taft introduced another omnibus housing bill. The Senate passed it a year later—though only after adopting several amendments, one of which replaced short-term subsidies with long-term grants, a change that severely

\* Net project cost was the difference between what the redevelopment agency spent to acquire and clear the site and what the developer paid for it.

weakened federal control over urban redevelopment. But this bill also died in committee in the House, which instead passed another bill sponsored by Wolcott that omitted federal aid for urban redevelopment and other even more controversial features of the Senate bill. After a few months of political wrangling, the lawmakers finally passed an omnibus housing bill from which federal aid for urban redevelopment and other major provisions of Taft-Ellender-Wagner had been removed. Although far from happy with the bill, President Harry S. Truman signed it.<sup>106</sup>

As the political battle dragged on, it became clear that there were two main stumbling blocks to federal aid for urban redevelopment. One was that its supporters were sharply divided over several major issues—for example, how the process should be managed, how the costs should be apportioned, and above all how the areas should be rebuilt. These issues not only pitted planners, reformers, and businessmen against one another; they also pitted planners against planners, reformers against reformers, and businessmen against businessmen. As Walter H. Blucher lamented in the mid 1940s, “there are several camps and each camp is more interested in cutting the throat of the other camp than in getting [a bill out of] Congress.” As time passed, these camps were able to resolve many of their differences. But they still faced a larger stumbling block. From the outset federal aid for urban redevelopment was not considered by itself, only as part of omnibus housing bills, which dealt with a wide range of controversial programs. Among them were federal aid for public housing, federal loans for farm housing, and federal insurance for home mortgages. It was these programs (or proposed changes in these programs) that aroused the fierce opposition of realtors, bankers, and builders, blocking the omnibus housing bills and thereby stymieing federal aid for urban redevelopment.<sup>107</sup>

By far the most controversial of these programs was federal aid for public housing. On one side were NAREB, ULI, and several other trade associations that considered public housing a form of socialism. Many of these groups supported urban redevelopment, but not at the price of more public housing. As one of their spokesmen put it, “If I had to choose between seeing every old city in the country as an ash heap and seeing the government become a landlord to its own citizens, I should prefer to see the ash heaps.” To these groups, no omnibus housing bill that provided federal aid for urban redevelopment was acceptable if it also provided federal aid for public housing. On the other side were the U.S. Conference of Mayors, the White House, organized labor, and a host of liberal groups, all of which believed that public housing was needed to solve America’s housing problem. Many of these groups supported

urban redevelopment, but not at the expense of public housing. They were willing to compromise on some points. They would go along with a proposal to replace short-term subsidies with long-term grants—though not with a proposal to lower the federal government's contribution from two-thirds to one-half of net project cost. But they would not support an omnibus housing bill that included federal aid for urban redevelopment if it left out federal aid for public housing.<sup>108</sup>

The stalemate was finally broken in 1949, thanks largely to the efforts of President Truman and the Democratic leaders in Congress. Fresh from his unexpected victory in the 1948 election, Truman urged the Eighty-first Congress, which was controlled by the Democrats, to enact the Wagner-Ellender-Taft bill. The Senate needed no urging. With a solid majority behind public housing, the bill sailed through in April. But it ran into strong opposition in the House, where a coalition of conservative Republicans and southern Democrats had kept public housing bottled up in committee for four years. The opposition was unable to prevent the House Committee on Banking and Currency from reporting out an omnibus housing bill that included federal aid for public housing and other provisions of the Senate bill. But it was able to prevail on the House Rules Committee to table the bill. Knowing that most of the members favored the bill, the House Democratic leadership threatened to resort to a new procedure by which a bill could be brought to the floor without the approval of the Rules Committee. In the face of this threat (and under strong pressure from the White House), the Rules Committee reversed itself. In the long and often acrimonious debate that followed, the opposition focused largely on public housing (and barely mentioned urban redevelopment). When the House voted, by a narrow margin, to retain federal aid for public housing, the battle was over. The House passed the bill in June. A conference committee worked out the differences between the Senate and House bills. And in mid July Truman signed the Housing Act of 1949, Title I of which provided for federal aid for urban redevelopment.<sup>109</sup>

Title I authorized the federal government to help the cities acquire and clear slum and blighted property in designated redevelopment areas and sell or lease it to private developers (or public agencies) at below market value. The help would be funneled through the Housing and Home Finance Agency, which was empowered to make \$1 billion in long-term loans and \$500 million in capital grants to local redevelopment agencies. The agencies would use the money to write down the value of the property to the point where it would attract the interest of developers. The federal grants could cover up to two-thirds of net project cost; the redevelopment agency would

have to come up with one-third. To make things easier for the hard-strapped cities, this could be done not only by putting up cash but also by donating land, installing sewers, streets, and utilities, and building parks, playgrounds, and other facilities. In deference to Senator Taft, who took a very narrow view of urban redevelopment, Title I limited federal aid to slums and blighted areas that were “predominantly residential” or would be redeveloped for predominantly residential use. In either case, the areas would have to be rebuilt in line with the city’s master plan. As a concession to the housing reformers, Title I also stipulated that the families displaced by urban redevelopment would have to be rehoused in “decent, safe, and sanitary dwellings” that were reasonably priced and conveniently located.<sup>110</sup>

Federal aid for urban redevelopment was adopted—and, as Mark Gelfand points out, adopted in a relatively short time—largely because it meant different things to different groups. Downtown business interests saw it as a way to lure the well-to-do from the periphery to the center, a development, they believed, that would slow down decentralization and shore up the central business district. To other business interests, especially the building trades, it was a way to stimulate private enterprise; and to organized labor, it was a way to generate employment. Big-city mayors viewed federal aid for urban redevelopment as an opportunity to replace low-income slums and blighted areas with middle- and high-income neighborhoods, a move, they thought, that would alleviate the growing fiscal problem. City planners viewed it as an opportunity to redesign the metropolis along more efficient lines—and, above all, to curb the haphazard residential dispersal that they believed was destroying the cities. Even many housing reformers, some of whom had once had reservations about federal aid for urban redevelopment, believed that in view of the postwar housing shortage it would be impossible to raze the slums and blighted areas without building additional public housing. “Seldom has such a variegated crew of would-be angels tried to sit on the same pin at the same time,” wrote Catherine Bauer, one of the housing reformers who remained dubious about urban redevelopment.<sup>111</sup>

On the surface, federal aid for urban redevelopment seemed an extension of the Housing Act of 1937. The preamble to the Housing Act of 1949 stressed the nation’s commitment “to remedy the serious housing shortage, to eliminate slums and blighted areas, and to realize as soon as feasible the goal of a decent home and a suitable living environment for every American family.” This commitment was also emphasized in the report of the Senate Committee on Banking and Currency. It declared not only that “the primary purpose

of federal aid . . . is to help remove the impact of slums on human lives rather than simply to assist in the redevelopment or rebuilding of cities," but also that "no slum-clearance program can successfully proceed without simultaneous provision for an adequate program of low-rent public housing for low-income families." Thus in addition to restricting federal aid for urban redevelopment to slums and blighted areas that were "predominantly residential" or would be redeveloped for predominantly residential use, the Housing Act of 1949 also authorized the federal government to subsidize the construction of an additional 810,000 low-income housing units and stipulated that the local authorities would have to find or build adequate housing for displaced families.<sup>112</sup>

But Title I of the Housing Act of 1949 was less noteworthy for what it did than for what it did not do. Despite the "predominantly residential" clause, it did not require the developers to build low-cost housing on the sites of the former slums and blighted areas. Provided the local redevelopment agency gave its approval, they could build high-priced apartment houses, office buildings, convention centers, and even parking lots. Nor did Title I require the cities to accept federal aid for public housing in return for federal aid for urban redevelopment. Although it did provide that displaced families should be relocated, the Housing and Home Finance Agency did not enforce this provision, and for the most part the local redevelopment agencies ignored it. Title I did not specify which slums and blighted areas should be designated redevelopment sites either. It left the decision up to the local redevelopment agencies, which tended to choose areas that were run down enough to justify demolition, but not so run down as to scare off developers. Hence most of the sites would be located near the central business district (or, in some cases, inside the central business district).<sup>113</sup> Indeed, Title I left virtually everything in the hands of the redevelopment agencies, which were extremely responsive to pressure from downtown businessmen and elected officials. With the subsidy coming in the form of long-term loans and capital grants, the government had little control over what these agencies did with the money.

Far from an extension of the Housing Act of 1937, Title I was a major departure in public policy. Its overriding objective was not to wipe out the slums in order to build decent housing and pleasant neighborhoods for low-income families. Rather it was to curb decentralization—to induce the well-to-do to move back to the center by turning the slums and blighted areas into attractive residential communities—and, by so doing, to revitalize the central business district and ease the cities' fiscal plight. Title I did little for the housing reformers, many of whom hoped that the redevelopment agencies would sell or

lease the cleared sites at cut-rate prices to local housing authorities. But it did much for the downtown business interests, big-city mayors, and city planners who spearheaded the campaign against decentralization. It provided the money for urban redevelopment without which the state enabling acts were worthless. The redevelopment agencies could now undertake what one observer called the “drastic surgery” needed to clear the slums and blighted areas that ringed the central business district. And to clear them on a scale heretofore unheard of—not just parcels, not just blocks, but entire neighborhoods, some of which covered scores of acres.<sup>114</sup>

Even after Congress passed the Housing Act of 1949, it was not clear how long it would take the local redevelopment agencies to acquire and clear the slums and blighted areas—or, to put it another way, how long it would take them to overcome the opposition of the residents, many of whom had a strong attachment to their neighborhoods. If the designation process aroused enough opposition, it was not clear how long it would be before the housing reformers became disenchanted with the program—and, when they did, how long before the coalition that supported urban redevelopment fell apart. Even if the redevelopment agencies were able to acquire and clear some of the slums and blighted areas, it was not clear that private developers would be inclined to rebuild them—especially when they had so many other less risky and irksome ways to make a living. Even if private developers were inclined to buy (or lease) the cleared sites, it was not clear that many well-to-do Americans were prepared to move from their single-family homes on the periphery to apartment houses in the center. Finally, if many well-to-do Americans moved, it was not clear what would happen to the low-income families who were displaced to make room for them—whether, as some critics warned, the result would simply be to move the blight from one part of the city to another.<sup>115</sup>

But once Title I was on the books—once the local redevelopment agencies could apply for federal loans and grants to acquire and clear slum and blighted property and sell or lease the cleared sites to private developers at below market value—one thing was clear. And that is, in rebuilding the slums and blighted areas—in designating the redevelopment sites, in deciding on their future uses, and in negotiating with developers—these agencies were prepared to ride roughshod over their residents. In the interest of revitalizing the central business district, they would do whatever was necessary, even dispossess hundreds of thousands of low-income families (and thousands of small businessmen). That many of these people were members of racial and ethnic minorities, that most of them had no desire to move and no place to move to, and that some of their neighborhoods were not slums or blighted ar-

eas made no difference.<sup>116</sup> The redevelopment officials would show as little concern for the well-being of the people who lived in the redevelopment sites as the highway engineers showed for the well-being of the people who lived in the path of the freeways. From the perspective of these officials—and, even more important, from the perspective of the downtown business interests and their allies who had transformed slum clearance into urban redevelopment—these people were in the wrong place at the wrong time.