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NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

1945

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MEMORANDUM

PREPARED BY THE
NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE

Concerning the Present Discriminatory
Policies of the Federal Housing Administration

All informed observers recognize that the basic housing needs of Negroes are (1) housing accommodations at rates they can pay and (2) more important, additional living space to relieve congestion and to provide for normal expansion. The Census of 1940 revealed a significant number of Negroes with incomes attractive to the private housing market. This number has mounted rapidly through the employment of Negroes in war industries in recent years. The same Census indicates the high congestion in areas occupied by Negroes and the extent of substandard housing conditions. In 1940, two out of every three urban homes occupied by Negroes were substandard. These housing conditions have deteriorated and congestion increased by the extensive in-migration of the past two or three years.

The Administrator and other officials of the National Housing Agency in recent addresses and statements have specifically recognized the fundamental, acute need of Negroes for added living space and housing accommodations. The National Association of Real Estate Boards has recently pointed out to their local boards the sound market for private housing among Negroes, which private builders had neglected and the importance of providing additional space as well as improvement of present neighborhoods. While the only significant contribution of private developers for some 70 years to the housing needs of Negroes has been to allow them to inherit second, third, and fourth-hand houses ill-adapted to family size and incomes, they have shown during the war period under the specific encouragement of the Office of the Administrator of the National Housing Agency increasing interest in the Negro housing market. But in efforts to meet this need they have been largely balked by the difficulty of securing sites available for Negro occupancy as a result of the wide existence of racial restrictive covenants and neighborhood opposition. All present plans and proposals for housing and urban redevelopment point to the large place of private enterprise in the housing of people of all income groups and segments of the community. It is in

this field that the Federal Housing Administration since its inception has wielded an increasing influence upon improved home financing, building standards and neighborhood planning. This influence has served increasingly to orientate and direct the operations of private builders. Through this Agency the Government has provided definite leadership in the private housing field.

There is evidence here, then, that there is a large and growing market among Negroes for private builders; through the FHA the Federal Government should be able to supply the leadership and influence necessary to bring this market and this interest together. But FHA is preventing the Federal Government from assisting Negro citizens in meeting their housing needs. It does this by demanding as one of the bases of its guarantee, the "protection" of racial restrictive covenants; by insisting upon the extension of these racial covenants into new areas and, with the use of Federal funds and power, thereby requiring residential segregation. All of this is done not only without legislative authority, but in plain violation of ministerial duty. The impropriety and illegality of this conduct is further emphasized by the fact that the FHA tends to crystallize and extend through Federal influence segregation of residence by race, which

the Supreme Court itself has decided cannot be effected by municipal ordinance or state law.

In a letter addressed by Abner H. Ferguson to Senator Radcliffe on October 2, 1943, appearing in the Congressional Record for October 7, 1943, page 8250, the Commissioner of the Federal Housing Administration objected to the inclusion of a general non-discrimination clause as an amendment to the National Housing Act. This letter claims that "the act does not permit such discrimination and that our rules, regulations, policies, and procedures are drawn and administered impartially and without the slightest discrimination against any group or individuals on account of race, color or creed". He reinforces this claim by stating "We do not have one set of property standards and construction requirements for Negro housing and another for housing designed for white occupancy, but insist that both meet the same standards and requirements in order to become eligible for F. H. A. insurance." If these protestations were true, we fail to see in the first place why the Commissioner would have any objection to the inclusion of the non-discrimination clause. But closer examination of the policies and procedures of this Administration reveals conclusively that it has discriminated grossly against Negroes in the operation of its program.

The National Housing Act is basically implemented by the Underwriting Manual, issued by the Federal Housing Administration. The Manual describes the techniques used by FHA to determine whether or not mortgages are eligible for insurance under Title II of the National Housing Act. Eligibility is determined by risk rating. This process consists of an examination of mortgage risk and embraces evaluation.

In rating mortgage risks the Manual lists "Protection from Adverse Influences" as one of the features to be rated in order to determine eligibility of loan. "Where little or no protection is provided from adverse influences, the Valuator must not hesitate to make a reject rating of this feature." (Paragraph 932) ". . . . adverse influence includes prevention of the infiltration of business and industrial uses, lower class occupancy, and inharmonious racial groups." (Paragraph 935) (underscoring ours)

The Manual further states "If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes." (Paragraph 937) (underscoring ours)

Even greater emphasis is placed upon these considerations in the case of undeveloped or other sparsely developed areas. The Valuator is warned that deed restrictions

should include the following provision: "Prohibition of the occupancy of properties except by the race for which they are intended." (Paragraph 980 (3), (g))¹ FHA has also issued "Outline of Protective Covenants" containing the exact language of proposed racial restrictive covenants as follows:

"No person of any race other than the _____ shall use or occupy any building or any lot, except that this covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant".

In a conference in Washington last May attended by officials of the N.H.A. and leaders of Negro and housing organizations, the Secretary of the N. A. A. C. P. called to the attention of the Administrator of the National Housing Agency and the representatives of the F. H. A. the indictment of the Federal Housing Administration by Gunnar Myrdal in An American Dilemma^{1a} and asked a direct question regarding FHA policy relative to the guaranteeing of

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The Manual includes other references to racial distinctions as in paragraphs 951; 980(3), (g); 982(1); 1412(3); 1850. We have been advised that some of the sections in the Manual are being revised. We were, however, unable to get the revisions.

1a

An American Dilemma, vol. 1, p. 349-350

loans for Negroes for developments outside of traditional "Negro neighborhoods". The response of the FHA representative was that this Agency did not approve of loans on developments for occupancy by Negroes in what he called "white neighborhoods" or vice versa. He stated in effect that FHA was merely following "business practice". This statement in Commissioner Ferguson's letter to Senator Radcliffe and the racial references in the Underwriting Manual add up conclusively to two inescapable conclusions-- First, that the FHA as a matter of policy is using Government power to crystallize current residential segregation patterns and more, guarantees the extension of such racial patterns of living; and secondly, fosters the spread and acceptance of the fallacious conception that property values or deterioration is associated with race rather than economic factors. This fact of segregation becomes increasingly evident in light of the experience of public or private agencies seeking sites for housing developments. All open areas have become or are rapidly being considered as "white areas" generally confining Negroes in the already overcrowded and congested neighborhoods. Such operations can only serve to tighten the walls of the Negro ghettos in American cities as though by Government edict with the

resultant baneful economic and social consequences.

One inevitable result of Government support to racially restricted housing is to discriminate against Negroes by preventing their bidding in an open housing market. Racial ghettos represent a housing monopoly with the result that the Negro generally pays a larger part of his income for shelter, pays more for what he gets and is forced to live in accommodations where lack of competition does not require adequate maintenance. The result of this complex is the familiar run-down Negro neighborhoods occupied by people of various culture and income levels. Generally, FHA either does not approve loans to Negroes in these run-down neighborhoods or provides smaller guarantees after it practically helps to require them to live in those areas.

The FHA explains that their racial policies follow from local acceptance of the belief that occupancy of property by Negroes automatically produces "blight" and deterioration of property values. Instead of helping to reorientate the thinking based on this outmoded concept, FHA has been guilty of allowing its operations to be charged with supporting the misconception by withdrawal or decrease of loans on property in areas newly occupied by Negroes.

In addition to discriminating against Negroes as

bidders in the housing market these FHA operations actually serve to prevent the use of new and open areas to relieve congestion and provide for the normal expansion of Negroes. By its control of planning and its insistence upon racial restrictive covenants FHA operations further oppose the present trend of judicial decisions regarding the invalidity of residential segregation. In the Louisville segregation case² the Supreme Court decided that a municipal ordinance restricting residential areas by race was unconstitutional. Mr. Associate Justice Day in the opinion for the United States Supreme Court in this case stated:

"It is said that such acquisitions by colored persons depreciate property owned in the neighborhood by whitepersons. But property may be acquired by undesirable white neighbors, or put to disagreeable the lawful uses with like results."

This decision has been reinforced by subsequent decisions.⁵ More recently there is an increasing sign of the recognition by the courts themselves of the social implications of these conflicts as being against the public interest. In Washington, D. C., and other areas the courts have declared

²
Buchanan v. Warley, 245 U. S. 60 (1917)

³
Harmon v. Tyler, 273 U. S. 668 (1926)
City of Richmond v. Deans, 281 U.S. 704 (1930)

racial restrictive covenants invalid because population shifts had already changed the neighborhood occupancy pattern. In the most recent decision on this point Justice Roger Traynor, of the Supreme Court of California, in a concurring opinion indicated that the ultimate result of such covenants was to preclude and shut off the normal growth and expansion of the Negro population, and as such was definitely opposed to the interest of all citizens. In his opinion Justice Traynor stated:

"Race restriction agreements, undertaking to do what the state cannot must yield to the public interest . . . The courts, as agencies of the state must consider all the factors that affect the public interest . . ."4

In a recent decision by the Court of Appeals of the District of Columbia Justice Rutledge, now Mr. Associate Justice of the United States Supreme Court, in a concurring opinion directly challenged the validity of any racial restrictive covenants. With the Courts moving in this direction the FHA is moving inevitably in conflict with the law. Instead of using the funds and power of all the citizenry on the side of sound housing and social policies

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Advance Sheets, 24 Calif. S11 (1944)

5

Hundley v. Gorewitz, 132 F (2d) 23; 77 App. D. C. 48 (1942)

FHA is rapidly moving into a reactionary and untenable position.

In the face of segregation and racial discrimination, the great hope of minority groups in a democracy is the fact that such segregation and discrimination are not Government policy. The NAACP and other Negro organizations and the Negro press have continuously criticized the various federal housing agencies for siding with the segregationists and for recognizing and increasing residential segregation. The experience in Detroit and other tension areas reveals that there was no conflict in areas where different racial groups lived side by side as neighbors but occurred where ~~the~~ groups were spacially separated and remained alienated to one another through social isolation. Our experience with the Japanese-Americans during the War epitomizes the terrible consequences of such isolation. In the years of residency among us we knew so little, apparently, about this group in our midst that we could not separate the loyal from the disloyal as we did with our Italian and German enemies. Instead we abrogated one of the fundamental American civil liberties by herding an entire racial group into isolated areas away from their homes and properties. Residential segregation thus strikes at the very

roots of the democratic process and precludes the full contribution of all groups to the total culture and fibre of the nation. In a day when the Good Neighbor Policy is supposed to govern our relationships with the great majority of the colored peoples of the World such operations at home serve to question our integrity and decrease our influence abroad. Therefore, the entire structure of residential segregation by Government edict as a matter of national and international policy is to be fought with all the force and skill possible; instead we find the FHA lending the forces of the Government in the exact opposite direction.

In light of the considerations we urge upon you the necessity of taking the following action at once:

1. To instruct the Commissioner of FHA to revise its policies and procedures so that the Agency will cease
 - a. the extension of racial restrictive covenants in new areas
 - b. basing the guaranteeing of loans on the use of such covenants.
2. To remove all reference to race from the Underwriting Manual and issue instructions to all per-

sonnel that no distinction on the basis of race shall be made in considering applicants for FHA mortgage insurance.

3. To accept the responsibility for encouraging and assisting private builders to meet the needs of the private housing market among Negroes by gathering and disseminating accurate information on
 - a. the Negro as a good financial risk
 - b. the Negro as a tenant and owner in the maintenance of property and
 - c. the effect of Negro occupancy upon property values as shown by the experience of recent years in housing financed by the Government.

4. The use of racial relations techniques which have been found effective for public housing and other governmental programs to (1) implement sound racial policy, (2) assist in the gathering of data, (3) interpret needs of Negroes to the Agency and (4) to promote the FHA program among Negroes.

October 28, 1944

"Lay it on the wood"

Where our heart's interest really lies there will our treasure inevitably follow, as witness a revealing incident recently reported from Seattle. On the evening of May 5th the local NAACP was holding a meeting in a small negro Church. The speaker was Mrs. Mary Farquarson, former State Senator, who had been asked to talk to them about the case, now before the Supreme Court, involving the citizenship rights of Gordon Hirobayashi, in whose defense she has been active. Mrs. Farquarson made a very complete presentation of the case, going over the high points of the legal brief and also outlining Gordon Hirobayashi's background and education. She ended by reading them a letter in which he set forth his attitude in regard to his American citizenship.

The Rev. F.W. Penick, president of the Seattle NAACP, rose to thank her. Expressing their interest in the case of "This Gordon Hiro-", stumbling as so many of us do over the Japanese name, he smiled and said, "Well, let's just call this boy Gordon, because it seems to me that what's happening to Gordon can happen to any of us." So simply and directly he connected the problem of the rights of one minority group with the problems facing another - the American Negro. As long as there are cases like Gordon's the rights of all racial minorities are threatened.

Then he asked about the financing of the case. Did they have money enough to cover the cost of taking it before the Supreme Court? Taken by surprise, Mrs. Farquarson tried to evade the question. She had not come there to ask for help. She did not want to ask for money from a group of about forty people, apparently just average citizens of limited resources. But Mr. Penick was insistent. How much did they need? And reluctantly she admitted that they were a few hundred dollars short.

Mr. Penick seemed sure of his audience as he remarked that he didn't see a ny reason why they couldn't raise \$250 right there. "We have a custom that's different" he explained, "We don't like pledges and signing things, so we have a way, as we say we 'lay it on the wood'". His hand touched the table top expressively. "I'll be the first" he told them, laying a \$5. bill "on the wood". "It's for Gordon remember, and for what Gordon is trying to do for us."

Quickly the secretary-treasurer took down the names and amounts - none of them individually large - and within ten minutes before the astonished eyes of their guests the sum of \$204.25 was "laid on the wood" for Gordon and for the rights of all Americans of minority groups.

Jackman & Schmidt, Board Members

G.H. Hembold
WSA
Washington, D.C.

For transmission to Lou Goldblatt, Sec.-Treas., ILWU, who will call at Hembold's office for this wire.

Statement for presentation to Lanham Committee - housing situation for Longshoremen port of San Francisco.

Longshore industry here faces critical housing problem which seriously handicaps recruiting of adequate manpower to handle vital war cargoes. Situation becoming progressively worse with accentuation of nations war effort to Pacific Area. The Pacific Coast Maritime Industry Board, official government agency charged with responsibility to secure maximum production and efficiency in West Coast longshore industry, has long recognized longshore housing problem as serious impediment to securing sufficient manpower. With approval of NHA the Maritime Board conducted extensive survey July, 1944, to establish facts and figures as to extent longshore housing problem. Survey conducted by personal contact and examination by questionnaires of individual cases. Survey disclosed following:

- 1) 547 longshoremen faced critical housing problems, 402 of which colored.
- 2) Overcrowding most acute phase of problem. Many cases large families in one or two hotel rooms. Wives and children of longshoremen in close proximity to prostitutes, other disreputable characters. Large families in unhealthy basement rooms, no ventilation, bathing or cooking facilities. Quarters dirty and infested with vermin, rats. Several cases of eleven and twelve members of family in one room. Some families sleeping in shifts or relays. Night workers sleep in same bed day workers have just vacated. Some forced to sleep in railway stations, picture shows, as result of evictions by Public Health Officers because of condemnation and overcrowding. They state quarters unfit for human occupancy. Employers of waterfront labor equally concerned with Maritime Board and ILWU in remedying.

Letter from employers to John Collins, National Housing, dated May 8, 1944, stated: "At present time all shipping under control Federal Government through Army, Navy, WSA and Lend-lease. Ninety per cent cargo handled consists of military supplies and munitions. Recruiting at the present time varies 50 to 100 men per week. Although efforts to increase rate being made. Of new recruits approximately fifty per cent Negroes. Approximate ninety per cent of Negroes married although some do not have families with them because of lack of suitable housing. Our labor turnover of all new employees has been adversely affected by lack of housing. We are requesting your continued assistance in meeting housing problems for our longshoremen."

Maritime Board held numerous conferences with Local Housing Authorities, has exchanged letters and wires with NHD and others in attempt to get more government housing constructed and allocated to longshoremen.

Excerpt from report from Paul Eliel, Chairman of Maritime Board, to John Cushing, Asst. Deputy War Ship. Administrator, summarized situation prevailing July 1944, which situation has grown progressively worse with continuous and unremitting recruitment of additional workers for industry. "Attached please find a memo covering results of housing questionnaire which we filled out last week at longshore hiring hall. It indicates something of deplorable conditions that prevail in re to housing, particularly of Negroes at this time. It shows, among other things, that 285 families have only one room in which to live, and that over half of these families consist of a married couple with children, with children running up to families of seven."

Teletype message from Mr. Cushing to Mr. Helmbold, WSA, under date July 17, 1944, further underscores serious nature this problem: "PCMIB making strenuous effort to improve longshore housing situation in San Francisco which is definitely in deplorable shape, particularly with respect to our colored labor. It is so bad that it is unquestionable affecting efficiency of substantial number of the men."

Following is excerpt from report by Admin. Asst. to Maritime Board: "From observations made in this office, the general tension, loss of work hours, labor turnover and low morale is increased by aggravated personal and family problems and relationship springing from intolerable housing, overcrowding, fear of eviction and actual eviction, profiteering and general maladjustment."

Following survey Maritime Board requested housing authorities to allocate 500 family units for exclusive use of longshoremen. Housing authorities recognize seriousness of problem, but it was impossible to get substantial relief because of general housing shortage and because large majority critical cases colored longshoremen. A few units were made available in outlying districts so far removed that insolvable transportation problems developed.

Only effective solution to problem is construction additional government housing and specific allocation, in large measure, to Negro longshoremen. Maritime Board recently conferred with Admiral Greenslade, co-ordinator for Western Sea Frontier, on matter of future cargo movement and manpower to handle. Based on this and other information received through contacts with the WSA, Maritime Board has undertaken program to increase working force by addition of 1750 men. This will bring total of longshoremen and closely related workers close to 12,000 men, which is significant contrast to the manpower pool of four to five thousand men.

Situation so serious that joint Employer-Union Longshore Recruiting Agency recently agreed no further men to be recruited unless adequately housed. This action taken as last resort, and resulted in 107 suitable longshore recruits turned down between Jan. 5 and 31, 1945. Since Maritime Board Survey July, 1944, approximate net increase 800 men to working force, large percentage of which inadequately housed when recruited.

Efficiency and production vital war industry jeopardized by situation. Night workers spend days searching for housing, thereby losing sleep. Day workers become absentees while searching for housing during day. DPC recently made available \$675,000 to be used to construct central kitchen and four cafeterias on waterfront, as they realized longshoremen must be properly fed. That being the case, Housing Authorities should be provided with funds to erect required housing. Facts set forth above are official records in files of PCMIB, an adjunct of WSA offices at 220 Bust St., San Francisco, Calif. PCMIB joins with union and employers of West Coast Longshore Industry, in urging that action be taken to meet and overcome housing problem in port of San Francisco.

Our recommendations follow:

- 1) Minimum of 1100 family units of government housing be immediately constructed and assigned for exclusive use longshoremen. 1000 for Negro longshoremen.
- 2) Necessary funds, as determined by National Housing Authorities in submitting their budget for next fiscal period, be appropriated and specifically earmarked for this construction. Housing situation in major port areas of San Pedro, Calif., and Seattle, Wash., also acute, but unable to date to develop factual data re extent.

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Race Restrictive Housing Covenants

By ROBERT C. WEAVER*

I. Negro Occupancy and Neighborhood Structure

THE rapid influx of Negroes into industrial centers during the first World War and its aftermath was associated with physical and neighborhood blight in areas where these new industrial workers were concentrated. While there is far from agreement as to the initial influence of this "invasion" upon property values,¹ there can be no doubt of the physical decay which occurred. In every instance, the pressure of mounting populations upon a limited supply of housing resulted in overcrowding, conversions, and excessive wear and tear. It was inevitable that rents per unit would rise, and it was no less inevitable

that the life of the buildings would be shortened. This, of course, is an old, established process. It occurs whenever a neighborhood is occupied successively by families of low income. In the case of the Negro, there is an artificial restriction of the number of housing units available for his occupancy, and the process is accelerated and intensified.

This rapid deterioration of the neighborhoods has become associated with racial characteristics. As a matter of fact, it is a process which occurs regardless of race or color.² But the majority of citizens expect the occupancy of property by Negroes to occasion inevitable physical decay, neighborhood deterioration, and decline in property values. People do not stop to recall that

* Executive Director, Mayor's Committee on Race Relations, Chicago, Illinois. The writer has benefited from suggestions by Dr. Charles S. Johnson of Fisk University and Miss Corienne K. Robinson of the Federal Public Housing Agency. He has also received many helpful criticisms from the editors of this *Journal*.

¹ In many cases the initial sale of property to Negroes involves a large profit for real estate operators and owners. This follows from the extreme demand for any housing for Negroes and from the constantly limited supply. When property is rented to Negroes, it usually yields a higher return because, despite the general low economic level of

Negroes, their need for housing is so great that they double up and often pay more per unit than their white predecessors. When the influx of Negroes is not too great and a few come into a neighborhood with the resulting departure of many whites, values fall. This, however, may be a temporary situation in instances where the Negro population is growing. See Gunnar Myrdal, *An American Dilemma* (New York: Harper and Brothers, 1944), p. 623.

² Homer Hoyt, *The Structure and Growth of Residential Neighborhoods in American Cities* (Washington: Federal Housing Administration, 1939), p. 120.

in the same cities where Negroes are now restricted generally to ghettos, they once lived in many areas and their presence did not give rise to the results which are expected today. Nor are they impressed by the instances where there are a few Negroes in an area and where whites remain without loss in property values or blight to the neighborhood.

As a result of the general beliefs about Negro occupancy, an elaborate and extensive system of race restrictive covenants has arisen. These are compacts entered into by a group of property owners and real estate operators in a given neighborhood who have agreed not to sell, rent, lease, or otherwise convey their property to colored people for a definite period unless all agree to the transaction.³ There are two motivating forces behind the spread of these covenants: race prejudice and interest in property values. From the point of view of democratic ideals, race prejudice is a danger to American cities. Certainly it is not a valid basis for a socially undesirable institution, and the restriction of colored citizens to limited areas has extremely unsocial results for the masses of Negroes and for our cities. Myrdal has described the current situation as follows:

"Segregation has little effect on the great bulk of poor Negroes except to overcrowd them and increase housing costs, since their poverty and common needs would separate them voluntarily from the whites, just as any European immigrant group is separated. The presence of a small scattering of upper and middle class Negroes in a white neighborhood would not cause conflict (unless certain whites were deliberately out to make it a cause of conflict), and might serve to better race relations. The fact is neglected by the

whites that there exists a Negro upper and middle class who are searching for decent homes and who, if they were not shunned by the whites, would contribute to property values in a neighborhood rather than cause them to deteriorate. The socially more serious effect of having segregation, however, is not to force this tiny group of middle and upper class Negroes to live among their own group, but to lay the Negro masses open to exploitation and to drive down their housing standards even below what otherwise would be economically possible."⁴

The mass influx of Negroes into many neighborhoods has caused, and will cause, physical deterioration. This is, in itself, a by-product of restrictions on the areas in which Negroes can live. As a result of these restrictions, there are extreme pressures for colored people to find shelter. When a new area is opened to them, they rush in and the process described above takes place. *Race restrictive covenants, however, have not prevented and cannot prevent the expansion of the living space for mounting Negro populations.*⁵ They delay this movement, make this final break-through almost a rout, and create vested interest on the part of present occupants to keep Negroes out.

The primary causes for blight and a decline in property values are not racial: they are economic. Many of the areas into which Negroes move are already blighted.⁶ Groups of low and uncertain earning power cannot pay rents above a certain level. When there is no available housing designed to meet their needs, they move into any structures which are open to them. Where these are large, old buildings, the new occupants double up, take in roomers, engage in questionable practices, and often receive the un-

³ Richard Sterner, *The Negro's Share* (New York: Harper and Brothers, 1943), p. 207.

⁴ Myrdal, *op. cit.*, p. 625.

⁵ "But in spite of white vigilance on the frontiers of the Negro districts, the line never gets absolutely fixed in all directions. Now and then a small break occurs, and the Negro community gains a little more space." *Ibid.*, p. 624.

⁶ One of the authorities on land economics assigns the following causes to the fall in land values incident to racial and national movements: (1) low-income and slum standards of living of groups, (2) irrational race prejudice, (3) general exodus of former residents, (4) movement into old areas where there was already deterioration, (5) physical surroundings of area. Homer Hoyt, *One Hundred Years of Land Values in Chicago* (Chicago: The University of Chicago Press, 1933), pp. 314-16.

desirable elements from other races who have lost face in their own group. Owners and managers of these properties have little impetus for maintaining them since usually the demand for any type of housing open to Negroes far exceeds the supply; competitive maintenance standards are eliminated as a factor in attracting and holding rental occupants. The longer additional low-rent housing units are kept inaccessible to any group in the population, the greater their push and the more rapid their general influx into high-rent neighborhoods.

As Negro populations have grown in our industrial centers in the North, restrictions hemming them in have become tighter and tighter. The most complete system of race restrictions is in districts adjacent to existing Negro neighborhoods. These districts may be made up of houses now occupied by low-income families or they may be composed of dwellings occupied by middle-class whites. In the present situation, the cessation of new construction in America (except to house war workers) has created a general housing shortage. The usual process of draining off present occupants in the areas surrounding the Negro districts has stopped. Hence, there are no vacancies and no economic incentives for present occupants to move out. Owners, too, are without an economic urge to change racial occupancy, since OPA has generally frozen rents.

⁷ This process, which is not peculiar to areas occupied by Negroes, has been fully described elsewhere: "Forces constantly and steadily at work are causing a deterioration in existing neighborhoods. A neighborhood composed of new houses in the latest modern style, all owned by young married couples with children, is at its apex. . . . The houses, being in the newest and most popular style, do not suffer from the competition of any superior house in the same price range, and they are marketable at approximately their reproduction cost under normal conditions."

"Both the buildings and the people are always growing older. Physical depreciation of structures and the aging of families constantly are lessening the vital powers of the neighborhood. . . . This steady process of deterioration is hastened by obsolescence; a new and more modern type of

The net result is a tightening of restrictions and the creation of a fetish for maintaining and strengthening racial covenants. Such agreements give a sense of false security to their signers at a time when there are no vacancies and practically no new construction. It is the economic pressure of no vacancies rather than the agreements which offers the principal protection to high-rent neighborhoods during the current war.

But this is a temporary situation. As soon as materials are released and construction revived there will be other places available to the present occupants of areas adjacent to Negro homes. Many of the present occupants will move, some because of their fear of ultimate Negro encroachment, more because of the desirability of new and better homes. The result will be vacancies, lower rentals, and a decline in values.⁷

At the same time, there will be little new construction for Negroes⁸ and their need for housing will become relatively greater than that of any other element in the population; they will pay more per unit than any other potential tenant. The profit urge will permit racial covenants to be broken here and there, and it will prevent the renewal of racial covenants which will lapse in the near future.

In low rental neighborhoods, the pressure of potential Negro renters will be great and the mass movement of Negroes

structure relegates these structures to the second rank. The older residents do not fight so strenuously to keep out inharmonious forces. A lower income class succeeds the original occupants. Owner occupancy declines as the first owners sell out or move away or lose their homes by foreclosure. There is often a sudden decline in value due to a sharp transition in the character of the neighborhood or to a period of depression in the real estate cycle." Hoyt, *The Structure and Growth of Residential Neighborhoods in American Cities*, p. 121.

⁸ That is to say, judging from the past, private initiative will do little building for Negro occupancy. Even when it is willing to make an investment, it cannot find sites. The principal hope for new construction for the Negro has been—and apparently will continue to be—public housing projects. In industrial cities it is difficult to find vacant sites for these projects also.

into many of these areas will be inevitable. Racial covenants, in addition to delaying it, will lead to extreme activity on the part of present occupants to preserve the racial composition of the area. The iron band against Negro occupancy will be moved back a little farther where it will be challenged ultimately by the same pressures.

Where adjacent areas are of a higher rent character, the process will be delayed and may be postponed for a period of time, depending in length upon developments elsewhere in the city. Here and there, a break-through will occur. It will be fought. But there is every reason to believe that, as the structures become older and less desirable, the restrictions will finally give way. When they do, the old pattern of occupancy with its attendant results will occur. If, however, there is an adequate supply of low-rent housing units adapted to the income and family composition of the masses of Negroes, fewer colored families will move into the high-rent areas where the size and high rental of existing structures necessitate overcrowding.⁹

As a city develops, the patterns of its neighborhoods and land use change. The speed with which this process takes place usually varies with the rate of population growth.¹⁰ While population changes have furnished the background in which such shifts take place, the rate of new construction has been an even more important factor in facilitating these changes. "The added population causes a pressure for space, a rise in rents, and an increase in building. But the effect of its entry is not confined to a mere quantitative change in building supply; it also causes qualitative neighborhood changes."¹¹

⁹ Myrdal, *op. cit.*, p. 623.

¹⁰ Homer Hoyt, *The Structure and Growth of Residential Neighborhoods in American Cities*, p. 81.

War production has required large movements of workers into American cities; at the same time it has delayed the construction which would normally follow. This means that when materials are released there will be extreme activity in home building. The normal trend toward neighborhood change will be accelerated and with it the movement of families from older houses to newer places will be initiated. The availability of newer houses with the latest modern equipment will push all existing structures down in the scale of desirability.¹² At the same time, the most pressing demand for these "less desirable" houses will often come from the Negroes whose present needs for shelter are most acute.

II. Negro Housing in Chicago

The expansion of housing facilities available to Negroes in northern urban centers follows a fairly well-established pattern. It varies from place to place in specific details, but its over-all features are rather universal. The most striking examples of this process are found in cities where there are sizeable Negro populations and where in-migration has been rapid and concentrated. Chicago is one such city; it is especially significant for this analysis since there are current, as well as World-War-I data for it.

Negroes have lived in Chicago since the city's incorporation, and prior to World War I they were fairly widely distributed geographically. When, after 1910, the city began to grow rapidly Negroes were not able to get into new areas which were opened up to residential use. "The South Side area—largest in 1910—has expanded enormously in a thin strip, which has come to be known as Chicago's 'Black Belt,' and the other areas have also expanded

¹¹ *Ibid.*, p. 82.

¹² *Ibid.*, p. 122.

slightly, but no new areas within the city proper have been open to Negroes."¹³

Myrdal has described the process in Chicago as follows:

"The history of the expansion of the Chicago South Side Black Belt has exhibited the full gamut of Negro housing problems. The constant immigration of Southern Negroes into this segregated area caused doubling-up of families, the taking in of lodgers, the conversion of once spacious homes and apartments into tiny flats, the crowding of an entire family into a single room, the rapid raising of rents, the use of buildings which should be condemned . . . Light industry, wholesale commercial establishments, gambling and vice resorts have been pressing the poorer Negroes southward from the direction of the downtown area. The holding of land for speculation, the high cost of building, the lack of capital have left huge gaps of vacant land in the midst of the most over-crowded Negro areas in the northern half of the Black Belt. The west boundary of the section is sharply delineated by a series of railroad tracks which cut off the Negroes from their poorer white neighbors. The southward expansion has been marked by bitter conflict between the dispossessed whites and the harrassed Negroes. Organizations have been set up to prevent any white owners from selling or renting to Negroes; Negroes who succeeded in getting a foothold, or whites who seemed inclined to give them one for large sums of money, were terrorized and physically maltreated; bitter fear and hatred has marked many of the other contacts between whites and Negroes because of the whites' beliefs that the Negroes were dangerous to their persons and property. There has been practically no expansion to the east despite all Negro pressures and needs. The housing difficulties of the Negroes in Chicago are apparent at every point, and yet neither the City Council nor any other white groups have been willing to do anything about it."¹⁴

At the present, however, something has to be done about this problem. Chicago has been an area of racial tension for the past few years and it is generally admitted that there can be no permanent easement of this tension until something fundamental is done

about the housing of Negroes in the city. In its simplest terms, it is the old, old problem of finding more space in which Negroes can live. Of course, there are matters of slum clearance, reclamation of blighted areas, and enforcement of health and sanitary codes; but all of these proposals are dependent upon finding places in which the overcrowded Negro population can be drained off temporarily and permanently. The need is manifest. The method of achieving it with the minimum of difficulty is not clear. But there are some leads.

The Chicago Plan Commission recently prepared a memorandum on the *Population in the South Side Negro Area*.¹⁵ In 1939 the main South Side Negro area had 252,201 persons living in 4.2 square miles. The Plan Commission observes that such ". . . a density is more than is desirable were the area occupied entirely by three-story walk-up apartments, whereas much of it is taken up with smaller structures." According to the Chicago Residential Land Use Plan, this area had an excess population of about 87,300 persons. Even if it had been built up to the maximum, with a density of 50,000 per square mile, there would have been an excess population of 16,200. The commission concludes: "By either method of attaining a desirable density in the main South Side Negro area, there would be an excess population which would have to be provided for elsewhere."¹⁶ There are two other South Side areas now largely occupied by Negroes and surrounded by vacant land adaptable to residential development. These areas, if built up with single-family homes, as their location would suggest, could house 12,000 persons per gross square mile, and the total land available in them would accommodate

¹³ Myrdal, *op. cit.*, pp. 1126-27.

¹⁴ *Ibid.*, p. 1127.

¹⁵ Memorandum of July 6, 1943, transmitted by

Miss Wattman, Secretary to H. Evert Kincaid, to Miss Elizabeth Wood of the Chicago Housing Authority.

¹⁶ *Ibid.*

37,200 persons. If, through a combination of single-family homes and group houses, these areas were developed at a density of 15,000 per gross square mile, 40,000 could be housed in them.

There are several other areas of Negro occupancy in Chicago. All are small and all have excessive populations. It is extremely doubtful if the Negro population of 1939 could have been housed in the existing Negro areas without involving higher densities than are desirable. Also, it must be remembered that the two outlying areas on the South Side are only theoretically open to Negro occupancy. Recent plans for locating public and private housing projects in them have met violent opposition from whites who have come to feel that they have vested interests even in vacant land contiguous to their homes. In addition, some 70,000 more Negroes have come into Chicago since 1939. They are chiefly concentrated in the main South Side Negro section and they have added to the pressure and over-crowding in this and other areas open to Negroes.

Since this large migration has occurred there has been practically no expansion of the supply of housing open to Negroes. On the contrary, there has been a rapid extension of race restrictive covenants. In Park Manor, for example, the Improvement Association has had a second racial covenant executed by such property owners in the district as did not sign the first one. The association reports that, in the 104 blocks it covers, the property is practically 100 per cent restricted against Negro occupancy. There is a public housing project under construction far south,¹⁷ a private development under construction in one of the South Side "Negro areas," and a public

housing project planned in the same area.

Statistics can be and often are misleading. Although the figures quoted above indicate the need for new areas and new housing units for Negroes, they do not reflect the whole picture nor the true size of the problem. Plans for rehabilitating the South Side must involve the demolition and complete renovation of many buildings which are now occupied. If there is to be an effective job in this regard, it will have to be done on a large scale, preferably in large units at a time, for "a new building on any small parcel of blighted land would lose much of its value immediately upon completion because of the adverse surroundings."¹⁸ The enforcement of health and sanitary codes, too, will require additional demolition. While any such programs are under way, present occupants, many of whom are now living almost on top of one another, will have to find some place to live. This means that any real rehabilitation of the inlying Negro areas will create an additional demand for more space and more houses for Negroes.

Already the pressure of the mounting Negro population has led to the movement of colored people into new areas. In one instance, they have gone into a run-down building on the West Side; in another, they have moved into an old area on the near Northwest Side and have been abused by their Italian neighbors. In still another instance, they were moved into a building which was leased from a bank; this building was covered by a race restrictive covenant and the bank has gone to court to get possession. Because there was no place for the colored families to move, the court stayed their eviction; it also avoided

¹⁷ Although this was a vacant area, white residents, blocks away from it, protested vigorously against a project which would include a large proportion of Negro families.

¹⁸ Chicago Plan Commission, *Master Plan of Residential Land Use of Chicago* (Chicago: The Chicago Plan Commission, 1943), p. 81.

a decision on the legality of racial restrictions. There were, in the early spring of 1944, evidences that the pressure of numbers and the pressure of economic motivation are again forcing the Negro to break out of the existing ghetto. There is no indication, however, that the move will do more than create another ghetto or an extension of the old one. Save for the three projects noted above, no steps have been taken to open additional areas for the swelling Negro population.

The present situation had many parallels just prior to the race riot in Chicago after World War I:

"Practically no new building had been done in the city during the war, and it was a physical impossibility for a doubled Negro population to live in the space occupied in 1915. Negroes spread out of what had been known as the 'Black Belt' into neighborhoods near by which had been exclusively white. This movement . . . developed friction, so much so that in the 'invaded' neighborhoods bombs were thrown at the houses of Negroes who had moved in . . . From July 1, 1917, to July 27, 1919, the day the riot began, twenty-four such bombs had been thrown."¹⁹

III. Negro Occupancy and Property Values

The primary need of the Negro community in industrial centers is more housing. Since this community is made up predominantly of low-income workers, the bulk of this housing should be designed to meet the needs and pocket-books of families with limited earnings. If such housing is not available, Negroes will be forced to move into older structures poorly designed for occupancy by people of their general economic level. This will mean that there will be more conversions, more doubling up, and greater physical deterioration. On the other hand, when properly designed and managed housing is provided for low-

income groups (regardless of their race), it can be and is maintained according to accepted standards. Only recently has the urban Negro dweller had a chance to prove his response to such housing. But competent observers admit that in the public housing projects constructed in the past few years, the Negro is proving to be a good tenant and a good neighbor.

The units made available to colored families under this program often represent the first well-designed, new housing which they have enjoyed on anything approaching group, as opposed to isolated individual occupancy. Already there is a body of evidence which indicates that Negroes *with steady incomes* who are given the opportunity to live in new and decent homes ". . . instead of displaying any 'natural' characteristics to destroy property have, if anything, reacted better towards these new environments than any other groups of similar income." Colored tenants have also displayed desirable rent-paying habits when housed in structures designed to meet their rent-paying ability. For 155 projects in 59 cities having two or more FPHA-aided projects, at least one of which is occupied by Negro tenants, the following results are reported: Collection losses do not exceed one per cent of the total operating incomes for a total of 142 of these projects, 72 of which are occupied by Negroes and 70 by white or other tenants. Five of the 13 projects showing rental losses in excess of one per cent are tenanted by Negroes and 8 are tenanted by whites or others. The collection loss records between the two racial groups do not differ more than one per cent in 51 of the 59 cities, and the records are identical in 34.²⁰

¹⁹ Charles S. Johnson, *The Negro in Chicago* (Chicago: The University of Chicago Press, 1922), p. 3. For a more dramatic story of the part housing played in the race riot of 1919, see Dorsha B. Hayes, *Chicago* (New York: Julian Messner, Inc., 1944), pp. 259-60.

²⁰ The quotation and statements relative to the experience of Negroes in public housing are supplied by Frank S. Horne, Chief, Race Relations Office, Federal Public Housing Authority, in a letter addressed to the present writer.

Although private builders have not generally developed large numbers of houses for Negro occupancy, their experience in recent years affords some pertinent evidence. The FHA has recently stated that, "our experience with Negro mortgagors has been good, and on the basis of credit analysis we consider them as good or better risk than white mortgagors."²¹ Many FHA insured, and otherwise financed houses have been constructed on sites contiguous to public housing projects. Field investigations by the writer in a score of cities have shown that these new houses are uniformly well kept. They have usually taken on the neighborhood characteristics of maintenance which typify public housing projects. Despite these developments, public as well as private efforts have encountered much resistance incident to finding sites for Negro occupancy even in instances where the new projects are planned for vacant areas.²²

There are no conclusive studies on the influence of Negro occupancy upon property values. There is, however, strong evidence in everyday observations to support Moron's contention that "smart real estate dealers have encouraged Negroes to move into old white neighborhoods where property values had begun to decrease. In the change of settlement the same houses automatically acquire a higher resale value or command higher rentals; while, in the case of rent property, the assessed valuation for tax purposes continues to decrease as if there had been no reversal of the income trend."²³ Certainly during the transitional period many of the white owners are encouraged to sell by the lure of

higher prices than are current for similar properties in other sections of the city, and investors often turn to Negro occupancy in order to halt temporarily the natural decline in income and values.

Because private builders have generally failed to provide new housing to meet the needs of upper and middle class Negroes, these groups have been forced to go into existing structures. The owners in a transitional area have a monopoly on the available supply; this means that many Negroes buy homes simply because that is the only way they can get decent housing. It also means that the selling price is usually above the market value *prior to Negro occupancy*. It is inevitable that after the transition is made the value will decline in accordance with the trends in property values in the particular area. It is also inevitable that many of the new buyers will find it difficult to maintain old structures on which they are contracted to pay an extremely large proportion of their earnings. In American cities the Negro has become a handy dumping-ground for obsolescent property. There is a psychological factor—an evidence at times of conspicuous consumption—in this, for the higher income Negro family often proudly moves into areas where property is being abandoned because it no longer meets modern needs. These families usually pay excessive prices for houses which have become obsolete because of changes in the size of families of certain classes or because of changes in living habits.

Equally important as the observations made above is the influence of the Negro's economic status upon the value

²¹ Statement of the Deputy Commissioner of the FHA quoted June 21, 1944 at Louisville, Ky., by Booker T. McGraw, Principal Housing Analyst, NHA, in a speech to the Negro Insurance Association.

²² When a public housing project was planned for Negro occupancy in Chicago on a site already predominantly

occupied by Negroes, a storm of protest arose. It was led by real estate interests and other champions of race protective covenants. The area was adjacent to a "restricted" district, near the lake, and generally desirably located. Thus it was opposed as an area for future Negro occupancy.

²³ Alonzo G. Moron, "Where Shall They Live?" *The American City*, April, 1942, p. 69.

of the property he occupies. The income from property in the Negro ghetto fluctuates widely and conspicuously. This occurs because the area is so concentrated and the incomes of its occupants are so unstable that the area reacts more or less as a unit. In periods of depression, there is a great decline in the earnings of the masses of Negroes, and property incomes in the area fall appreciably. When it is remembered that areas are opened to Negroes during periods of intense industrial activity, it is clear that the subsequent decline in property incomes and values is due to the fact that the majority of the occupants are insecure marginal workers.

If there is a genuine desire to protect property values in high-rent areas contiguous to the Black Belt, there is a more effective instrument than a restriction based on race, creed, or color. As we have noted above, racial covenants may delay Negro occupancy, but they are not an absolute bar; once they give way at any point—under the pressure of the swelling housing needs of Negroes—they no longer prevent the mass influx of Negroes. Nor do they offer protection against the invasion of white tenants of low income—tenants who will also, because of economic necessity, resort to over-crowding and the acceptance of roomers. Most important for property values, however, is the fact that under the current system of racial covenants and its mental framework, once there are a few Negroes in an area, the whites move out *en masse*. It is this movement

of the whites out—rather than the movement of a few Negroes in—that leads to a drastic fall in property values.²⁴ For once there are vacancies, Negroes, without regard to income, standards of living or community attitudes, rush in. They are looking for some place to live. Many are not concerned primarily with neighborhoods or housing standards.

If, instead of restrictions on account of race, creed, and color, there were agreements binding property owners not to sell or lease except to single families, barring excessive roomers, and otherwise dealing with the *type* of occupancy, properties would be better protected during both white and Negro occupancy. This would afford an opportunity for the Negro who has the means and the urge to live in a desirable neighborhood and it would protect the “integrity of the neighborhood.”²⁵ It would also prevent, or at least lessen, the exodus of all whites upon the entrance of a few Negroes. But it would do more; it would become an important factor in removing racial covenants in other improved and vacant areas. Such action would permit areas open to Negro occupancy to expand more normally. It would provide more space and housing units for colored people. This, in turn, would lessen the pressure upon other, ill-adapted (from the economic point of view) neighborhoods, permit selective in-migration of Negroes into such areas, and reinforce the type of protection mentioned above.

increased and the white owner who is contiguous to Negro-owned property can now sell at a higher price than ever before. Many elect to stay in the area although there is a ready buyer for all available property.

In middle-class Westchester, N. Y., there is a similar, though smaller, bi-racial community of home owners. See Lenore Mummy and Dorothy Phillips, “A Dream Come True,” *Negro Digest*, May, 1944, pp. 53-56 (condensed from *Common Sense*, April, 1944).

²⁵ I am indebted to Mr. James C. Downs, Jr., of Chicago for the expressive and significant term “integrity of the neighborhood.”

²⁴ There is a suburban area in Washington, D. C., called Brookland, where the reverse of the usual process has occurred. For over 50 years a small number of Negroes with stable incomes have lived in the area. During the past two decades a large number of colored families have moved in. Just prior to the war scores of colored people built new homes on vacant lots. Most of these homes cost from \$7,500 to \$15,000. They are better designed and constructed than are the existing dwellings. Their occupants were of a higher educational and cultural level than the majority of their white neighbors. Property values in Brookland have

The only permanent protection to values in the better class neighborhoods contiguous to present Negro occupancy is to secure adequate space and housing for the colored population elsewhere.²⁶ If, as has been said before, this housing is well located and well designed, it will be more desirable to low-income, Negro families than are the existing structures in the high-rent neighborhoods. Were such facilities available, the demand of Negroes for high-rent houses in neighborhoods near to the Black Belt would be small. Those who sought such houses would, as in the case of earlier in-migrant groups, be largely persons of comparable or higher cultural and economic status than the present inhabitants. The infiltration of such people, if properly timed and understood, would not lead to mass exodus of present white occupants. It would not occasion physical decay; it would not lead to a decline in property values.²⁷

From this analysis it follows that race restrictive covenants are, in the end, the death knell to white occupancy and desirable occupancy standards in the high-rent areas contiguous to the Black Belt. This follows because the existence of similar racial covenants elsewhere in the city diverts a low-income group from its normal avenues of expansion. Because it cannot go elsewhere, it follows a geographic path of slow but steady and inevitable expansion. When higher income whites "protect" their property against Negroes (what they should be concerned about is not racial occupancy, but occupancy standards and neighbor-

hood integrity), other whites "protect" their property against Negroes too. It is this latter fact which constitutes the greatest threat to the high-rent areas.

IV. What Can Be Done

Negroes move into northern cities principally in response to economic demands.²⁸ Thus the two great waves of Negro migration into industrial centers have been incident to the labor demands of two World Wars. In the first, the migration of Negroes was initiated early because there was an immediate and pressing demand for their labor in war plants. In World War II, Negroes did not begin to move into industrial centers until the fall of 1942, long after there had been heavy in-migration of white workers.²⁹ During both wars the restrictions on areas into which colored workers could live created serious economic, social, and racial problems. At the end of World War I, housing figured largely as the principal cause for the race riots which spread throughout the country.

Some cities view the in-migration of large numbers of Negroes with alarm and hesitate to improve their housing lest it encourage the arrival of more colored people or discourage the out-migration of those who have moved in recently. Such an attitude is unrealistic. As has been pointed out above, the mass movement of Negroes (as of all the elements in the population) is motivated primarily by the prospect of job opportunities. If there continue to be expanding needs for workers, Negroes will con-

²⁶ It is this type of development among non-colored groups which has offered them a natural expansion. Hoyt, *op. cit.*, p. 112. It is the limitations on this normal movement of the Negro population which makes it a threat to property values in the better areas contiguous to the Black Belt. Yet, the very actions and attitudes of the present occupants of the better-class neighborhoods become the chief barrier to a normal expansion of Negro occupancy in other areas.

²⁷ For an actual illustration, see the case of Brookland, D. C. cited in footnote 24.

²⁸ See the present writer's "Economic Factors in Negro Migration—Past and Future," *Social Forces* (October, 1939), pp. 90-101.

²⁹ It has been estimated that seventy-five per cent of the Negroes who migrated to urban centers between January, 1940 and June, 1943 moved after September, 1942. "Negro Internal Migration, 1940-1943: An Estimate," *A Monthly Summary of Events and Trends in Race Relations*, September, 1943, pp. 10-13.

tinue to move into industrial centers, regardless of the availability of adequate shelter. On the other hand, when there are less economic opportunities the rate of in-migration will diminish. The stability and growth of Negro population in urban centers during the past three decades is amply attested by censal data. Past population trends indicate that the great bulk of colored in-migrants are in our cities to stay. It is doubtful if the availability of housing will influence this movement very much. The problem which our cities face, therefore, is to provide adequate, decent housing for their increasing Negro populations.

The analysis which has been presented above indicates that: Negroes need more housing; this housing should be designed to meet the rent-paying ability and family composition of its occupants; more land area must be opened to the use of colored people; and racial occupancy restrictions prevent a rational approach to this problem. The pressure of numbers and the changes in property use which will come once construction is revived will inevitably lead to extensions in the areas and facilities occupied by Negroes. This can be achieved in an unplanned manner or it may be planned. If the former occurs, racial tensions and possible conflict are inevitable; if the latter is engineered, these

tensions can be minimized and conflict may be avoided.

A community wishing to meet this problem in a constructive manner should take the following action:

First: Plan now to make new housing available to Negroes. Municipal authorities should prepare for well-conceived public housing projects, and private enterprise should be encouraged to develop planned communities. These actions should be followed by large-scale slum clearance and reclamation projects. Every effort should be made to prevent building up new ghettos. The extent to which privately financed developments can meet the needs of Negroes depends upon the wages and degree of steady employment Negroes receive in the postwar period.

Second: Be sure that this new housing is located and designed to meet the requirements of the market. It should be available at rents or at selling prices within the reach of its occupants so that they will not have to resort to doubling-up and over-crowding. Group developments will be required, and there should be enforceable occupancy standards.

Third: Take steps now to open new, non-segregated areas to Negro occupancy. It is important to keep these new areas open to all racial groups in the population so that any of these groups can expand in the future without encountering the opposition of other groups which have vested interests in certain neighborhoods.

Fourth: Become informed about the limitations and ultimate social costs of race restrictive covenants. They do not protect property values; they prevent a rational approach to the housing of minorities; they establish ghettos; and they create economic and social problems which lead to racial tensions. As long as they are widespread, each increase in Negro population will occasion the same problems which we now face.

