

CASE STORIES IN AMERICAN POLITICS

THE CASE OF THE

Blighted City



URBAN RENEWAL

case story no. 7

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THE CASE OF THE

Blighted City

by Edward C. Banfield

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AMERICAN FOUNDATION FOR CONTINUING EDUCATION

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preface

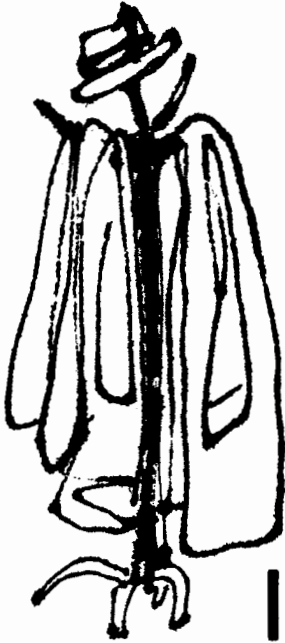
The case-story presents a new approach to the study of American politics. It combines the traditional case-history method with the short story. The case-story acquaints the reader with the facts and the political issues of an important national problem in the form of a dramatic situation drawn from real experience. It raises, for the reader, the political choices which face men and women in public life and which, in one way or another, face all adults.

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EDWARD C. BANFIELD is Professor of Political Science at the University of Chicago. He is the author of *Politics, Planning and the Public Interest* (with Martin Meyerson), *Housing and Government in Metropolitan Areas* (with Morton Grodzins), and *The Moral Basis of a Backward Society*.



I WAS JUST PUTTING MY COAT ON

when the managing editor called me into his office and handed me a cigar.

"Sit down," he said. "I have a special assignment for you. You're going to help the *Sentinel* and its readers decide a very important question. This town's been getting shabbier and shabbier and some people want us to launch a big campaign to fix it up. Tear down the slums. Bring in grass and trees. Put up modern apartments. 'Fight blight!' is the slogan. The trouble is, we don't know enough about it. There's lots of talk about 'urban renewal' and so on. Those are just words to me. We haven't got the facts. We want to know what we're doing before we commit ourselves. That's where you come in. I want you to get us the facts and tell us what they mean. Take what time you need and go wherever you want. Bring back a story that'll help us make up our minds."

That was all. The rest was up to me.

I took an overnight train to the state capital. That was the logical place to start. They had done more about their slums than any other city in the state. Besides, that happens to be the home of a very dignified and determined lady—Mrs. Belknap is her name—who has been a leading crusader in housing matters for the last twenty years, ever since she gave up being a social worker. She was very anxious to help, and she had the whole story right at her fingertips.

"I'm glad the SENTINEL is finally taking this matter seriously. Everybody knows that slums are one of the main causes of crime, divorce, disease—tuberculosis, especially—and poverty."



"I'm glad the *Sentinel* is finally taking this matter seriously. I've been trying for years to get them to take a progressive stand in housing and planning matters," she told me. "Everybody knows that slums are one of the main causes of crime, divorce, disease—tuberculosis, especially—and poverty. I pointed that out to your editors years ago. I told them that if they'd just put a map of the city showing the distribution of crime over a map showing the

distribution of slums and blighted areas, they'd see a very striking connection. Most of the juvenile delinquents would turn out to be in the areas of bad housing. So would TB cases. So would insanity.

"Just from an economic standpoint it would pay you to get rid of your slums, regardless of the cost. Why, the savings from a reduction in crime alone would be fantastic, simply fantastic. Think what it costs to maintain all the prisons and jails! But that's just the money costs. The costs of slums in human values are far greater. Imagine what it must be like to have to spend one's life in those horrible, depressing flats where so many thousands of people are condemned to live. It makes one physically ill just to see those places, they're so ugly. I don't see how you people can stand the sight of them. That's what I told your editors, but it didn't do any good. They wrote a very bad editorial."

I didn't remember any editorial referring to her and I asked her what it said.

"It was one of these very patronizing, know-it-all things," she replied. "The *Sentinel* had no doubt that there was more crime and disease in the slums than anywhere else. But how were they to tell whether this was cause or effect? Maybe criminals go to live in the slums even if they're reared somewhere else. And maybe tuberculosis is most common in the slums not because housing is crowded and unsanitary but because the poorest people live there. If I had any evidence of a scientific kind showing that bad housing caused anything at all they'd be glad to see it. It was that kind of thing. Very unconstructive."

"Were you able to send the editors any scientific studies of these things?"

"No. It's almost impossible to prove what effects are caused by housing as such and what effects are caused by the surrounding conditions in which bad housing almost always exists. That's the irritating thing about the argument they made. Everybody knows that these connections exist, even though they can't be proved

scientifically. Talk to people who have some practical knowledge of these things—social workers or criminal lawyers, for example. You'll find their opinion is practically unanimous."

I told Mrs. Belknap that what I wanted right now was a quick rundown on the main features of the public programs for urban renewal. What, for example, did the words "urban renewal" mean exactly? And how does a city get urban renewal under way? What does it cost? Who pays for it? That sort of thing.

The place for me to start, she told me, is with the United States Housing Act of 1949. In that act Congress declared that,

. . . the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation.

The 1949 Act recognized, Mrs. Belknap told me, that there are very serious obstacles in the way of slum clearance by private enterprise. The worst of these obstacles is the prohibitively high cost of slum properties. They are very much overvalued because of speculation, the misuse of property, and high population densities. The result is that to buy them in order to tear them down and rebuild according to proper standards would cost so much that the new housing would have to sell for perhaps twice as much as other housing of the same quality. In other words, the price of the slum land is way out of line with the value of the same land in a proper use.

Congress dealt with this difficulty by providing for the "write-down" at public expense from the too-high market value to the

“use value.” For example, it might be impossible to buy a particular slum property for less than say \$9 a square foot. Then it would cost some more—say \$1 a foot—to tear down the old buildings and to plan a pleasant and convenient new neighborhood. If cleared land cost \$10 a foot before any construction took place, the new buildings would be so expensive that practically no one could afford to live in them, and so they would never be built. In a case like this, the Housing Act enables the public to pay enough of the \$10 for the builder so he can build new housing at a price ordinary people can afford. For instance, the public may sell the \$10-a-square-foot cleared land to a builder for only \$1.50 a square foot. At that price he has an incentive to build houses for ordinary people. The difference—\$8.50 a square foot—is the subsidy the public pays.

A second serious obstacle in the way of private slum clearance is the difficulty of assembling land. In order to make a real and lasting improvement it is necessary to clear and redevelop a fairly big tract. This is often impossible for a private enterprise because there are always some owners who don't want to sell their properties or who refuse to sell them at reasonable prices. The Housing Act requires that every state that wants to cooperate under the terms of the Act set up an agency—in this state we call ours the Clearance Corporation—which will use public powers to acquire land, by condemnation if necessary, for resale to the private developer.

This is what is called “urban redevelopment.” As Mrs. Belknap explained it to me, here is the way it works:

A local government designates a particular site for a redevelopment project and approves a plan for its development, financing, and so forth.

At the same time the local government undertakes a “positive program” for the modernization and enforcement of zoning laws, building codes, and other regulations to improve housing and prevent the spread of slums.

The local plan is carefully scrutinized by the regional office of the Federal Housing and Home Finance Agency. HHFA has to make sure that it meets certain standards provided by Federal regulation. For example, the project must make suitable provision for housing people who will be displaced by the slum clearance and it may not discriminate against minorities.

When the plan is approved, the Clearance Corporation gets an advance appropriation from the Federal government to acquire and clear the land. It then offers the land for sale to private redevelopers who agree to work within the plan established by the Clearance Corporation and approved by HHFA. Very often the land is sold by competitive bid.

The difference between the amount paid by the redevelopers and the cost of acquiring the land and planning the project is the "project cost." Two-thirds of this cost is paid by the Federal government and one-third is paid by the local governments—usually the state, county, or city.

In the Housing Act of 1949 Congress authorized the expenditure of a billion dollars for slum clearance over a five-year period. The war in Korea interfered with this somewhat, and in 1953 an advisory committee appointed by President Eisenhower found that if slum clearance was not speeded up it would take two hundred years to finish the job. The committee came to the conclusion that redevelopment projects were not enough; the slums were growing faster than they could be redeveloped. What was needed, the committee decided, was a way of preventing the growth of new slums: to stop the "blight" of old neighborhoods and make them "healthy" again.

In the end they recommended three approaches which, taken together, constitute the "renewal process": one, by the strict enforcement of housing and building codes to prevent the spread of blight; two, by improving local services and facilities—schools and parks, for example—to rehabilitate areas worth saving; and three, by clearance and redevelopment to get rid of areas not worth saving.



These recommendations were incorporated into the Housing Act of 1954, which established the Urban Renewal Administration.

“As for appropriations and expenditures,” she said, “it’s hard to give a clear picture because the money actually being spent and the money only intended to be spent if plans go through are sort of mixed in together in the figures. Hundreds of communities have even more hundreds of renewal plans in different stages of completion. If all the money set aside were actually spent, it would amount to two billion dollars or so. Then, too, there is always talk in Congress of providing a few billion more. Some proposals go as high as six billion dollars to be spent by the Federal government alone, not counting what the local governments would add.”

These figures impressed me. I said to Mrs. Belknap that it seemed to me that the country is now pretty well along the way toward solving the slum problem.

“Not at all,” she said. “We have hardly begun. Most of these projects are in the planning stage, and I’m afraid that a good many of them will never get beyond the planning stage, for one reason or another. So far, about 20 per cent of the projects begun have been abandoned, mostly because the communities that start them can’t seem to find a way to finance them even with the Federal help. And about a quarter of the total Federal capital grants will go to only four big cities—New York, Chicago, Washington, and Philadelphia. So you see, the picture isn’t quite as rosy as it may seem at first glance.”

Mrs. Belknap told me that I could see a good example of a rehabilitation project right there on the west side of town.

“You can see a redevelopment project, too,” she told me. “But it looks more like the ruins of a bombed city than anything else right now. We’ve got the old buildings torn down, but for various reasons we haven’t got the new buildings up in their place. So there’s really nothing to look at. The rehabilitation project, on the other hand, is something wonderful you simply must see.”



At the end of the street some kids were playing in a vacant lot.

I thanked Mrs. Belknap for her help and went over to the Clearance Corporation office. One of their men was willing to take me on a guided tour of the rehabilitation project Mrs. Belknap had told me about and I gladly accepted. We got in his car and drove to the other side of the business section. He stopped in front of a little white frame house. "Here we are," he said.

I peered around in all directions. It was just another street as far as I could see. The houses were quite ordinary, all more or less like one another. At the end of the street some kids were playing in a vacant lot. Some of the houses had a little garden space in front and most of them had television aerials. A woman was sweeping off the front steps of her house.

"They look all right to me," I said. "What's the matter with them?"



The Clearance Corporation man reached around into the back of the car and brought out a set of photographs mounted on cardboard. He handed them to me.

'“The same street *before* rehabilitation,” he said.

I was astonished. The pictures showed a street of shacks. But when I looked closely I could see that they were the same houses. The difference was that they had been painted, porches had been repaired and screened, fences had been built. One place had been torn down altogether; that was what made the vacant lot.

“There’s plenty of difference inside too,” the Clearance man told me. “Most of those houses didn’t have inside toilets, believe it or not. Now they’ve all got ’em. Most of them didn’t have hot running water. Now they’ve all got it. Most of them didn’t have adequate windows. Now they’ve got ’em. None of them had any screens. Now they’ve all got ’em.”

“How was it done?” I asked.

“It was simple,” he said. “So simple I don’t know why it didn’t happen years ago. The Chamber of Commerce was embarrassed about these places. They made the city look bad. So about three years ago some of the leading men in the Chamber went to the Mayor to point out the sad state of housing in these neighborhoods and to tell him that we were getting a reputation for being backward. The Mayor appointed a committee of two dozen leading citizens representing every facet of community life. The committee got some assistance from the University, and it came back to the Mayor and City Council with a draft of a comprehensive ordinance setting up all kinds of minimum standards for housing. The ordinance provided that every room must have adequate windows, that every dwelling be adequately weather-proofed and heated, that sleeping rooms have a minimum number of square feet, and so on.

“The City Council passed the ordinance and set up a special agency to enforce it. Of course, there was lots of screaming at first. These houses here, for example, are mostly owned by one or two landlords. When they heard they were going to have to practically rebuild these places they made an awful fuss. But the Mayor and his Committee finally made them see the light, and I know for a fact that now that they’ve improved their properties they’re very glad of it. It’s turned out to be a paying proposition for them.”

“Were they subsidized by the Federal government?”

“No, this project has very little subsidy in it from any source. There were a few places—like the one that was at the end of the street where that vacant lot is now—that were too dilapidated to be repaired. Those were condemned and torn down. Here and there a little land has been bought for redevelopment, and that’ll involve some write-down when it’s sold to a private redeveloper. But in the main this has all been private enterprise.”

"You say that the landlords are finding that it pays to fix these places up. What were the rents before and what are they now?"

It turned out that the average rent went up about \$40 a month.

"How do the tenants like it?"

"They think it's fine," the Clearance man said. "You can go right down the street here and ask at every door. You won't find a single one who isn't happy about what's happened here. They're very proud of their neighborhood."

"Like it better than before?"

"Oh well, they didn't live here before. These are different people living here now."

"What happened to the people who used to live here?"

"They moved. They couldn't afford the higher rents. They're all gone."

"Where?"

"I don't know. Your guess is as good as mine. We didn't keep any records of that."

The Clearance man dropped me off at the Planning Commission. Mrs. Belknap had phoned to make an appointment for me with the city planner, a man named Kipner, and as soon as I'd taken my coat off and shaken his hand I asked him what had happened to the people who had formerly lived in the rehabilitation area.

He gave me a wry smile.

"They've gone off to make some slums somewhere else, I'm afraid. Some of them have moved into other slums where, for political reasons, the minimum housing code hasn't been enforced. Those slums were already terribly overcrowded, but now they're much worse. But they have to live somewhere, so you end up by moving the slum from one place to another. Of course, that's all some people were interested in doing anyhow——"

"What do you mean by that?" I asked.

"It's simple. Slum dwellers are mostly Negroes these days. If you want to get the Negroes out, a rehabilitation project is one

way to do it. I don't mean that all the people who favored that project had that in mind, but some of them did."

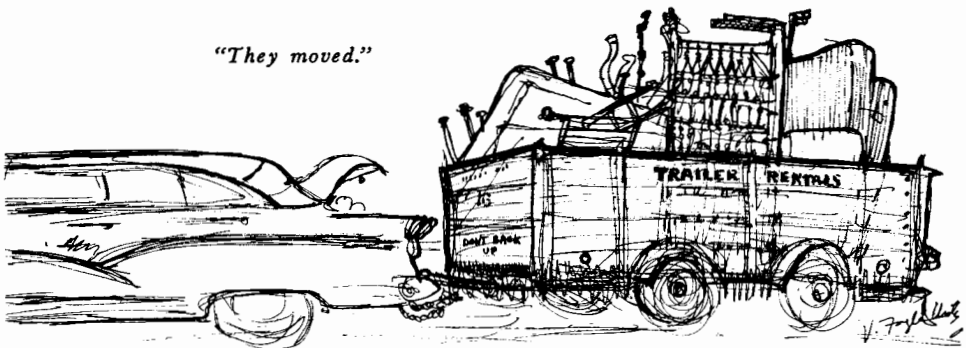
"You mean the people who lived there before were colored? The ones I saw there today were all white."

"Sure," Kipner said. "They were low-income Negroes. As far as I've been able to find out, many of them actually had to leave town because they couldn't find housing they could afford. I suppose some of them headed in your direction. Maybe that's why the *Sentinel* is getting worried. And other Negroes who would like to come into town from the South don't come because there's less and less room for them. By making less housing Negroes can afford they hope to have fewer Negroes. For people who have been looking for a way to reduce the Negro population, enforcing the housing code seems to be the answer. Nobody can accuse them of bias. They're not against Negroes; they're against slums and greedy slum landlords. Understand?"

"Slum clearance may be a good thing even if some people support it for the wrong reasons," I said.

"I agree," Kipner said, "but it's no answer to the fundamental problem."

"What fundamental problem?" I asked.



"The real problem is not buildings, it's people."



"It isn't popular to say this," Kipner went on, "and I don't want to be quoted on it. But the fact is the real problem is not buildings, it's people. There are some people whose living standards are so low that they'd change any place into a slum. They're almost like animals, some of them. They'd just as soon live in filth as not. Some of them have never known anything else and wouldn't like anything else. Some of them are not very intelligent, maybe not much more than morons, but not so bad that they have to be put in institutions. Others have normal intelligence, but never had any opportunities to learn anything. You can't blame them. It isn't their fault. But there it is just the same. Improving old houses or building new ones isn't going to solve their problem. Oh, it might in a generation or two, I suppose. But that's a long time to wait and it's terribly expensive meanwhile. Why, they can turn a new building into a slum almost as fast as you can build it. If you really want to rehabilitate a neighborhood, you've got to get those types out of there, or change them. That's the problem."

"What's the answer?" I asked.

"I don't know," he said. "I've thought about it a lot, but I'll have to admit I don't know. As a planner, I'm used to looking at every situation as a whole. The city is an organism like the human body. A symptom that shows itself in one place may be caused in

quite a different place. We have to try to understand the system as a whole, and often we find that in order to change one part of the system we have to change the whole of it. As, for example, you might have to change the whole way of living of a human being in order to cure a particular illness in one part of him.

“If you look at it this way, housing programs are not very good ways of getting at the problems the slums represent. It might be better to invest the same amount of money in some kind of program to train people to live properly in the city. Train them to keep their garbage cans covered, for example, and to screen their windows. Train them to be a bit more enterprising and to take some pride in things, if that’s possible. It’s wonderful what people with the right attitude can do with a few gallons of paint, a few boards, a hammer and some nails. I don’t know. I’m just speculating. But this is one of those cases where a poultice on the place that hurts won’t cure anything. What’s needed is, so to speak, a fundamental change in diet.

“On the other hand, urban renewal is a wonderful tool for planning. The best yet, I’d say. Having the funds and authority to change the residential use of some parts of the city gives us a



“Train them to keep their garbage cans covered.”

leverage we can use to bring some order out of the chaos—to put into effect a pattern of land use that makes sense. So, while the housing programs don't accomplish what they're supposed to accomplish, they do accomplish—or at least they can accomplish—something else. And since I'm a planner, I happen to be more interested in that something else."

"Tell me about the 'something else,'" I said.

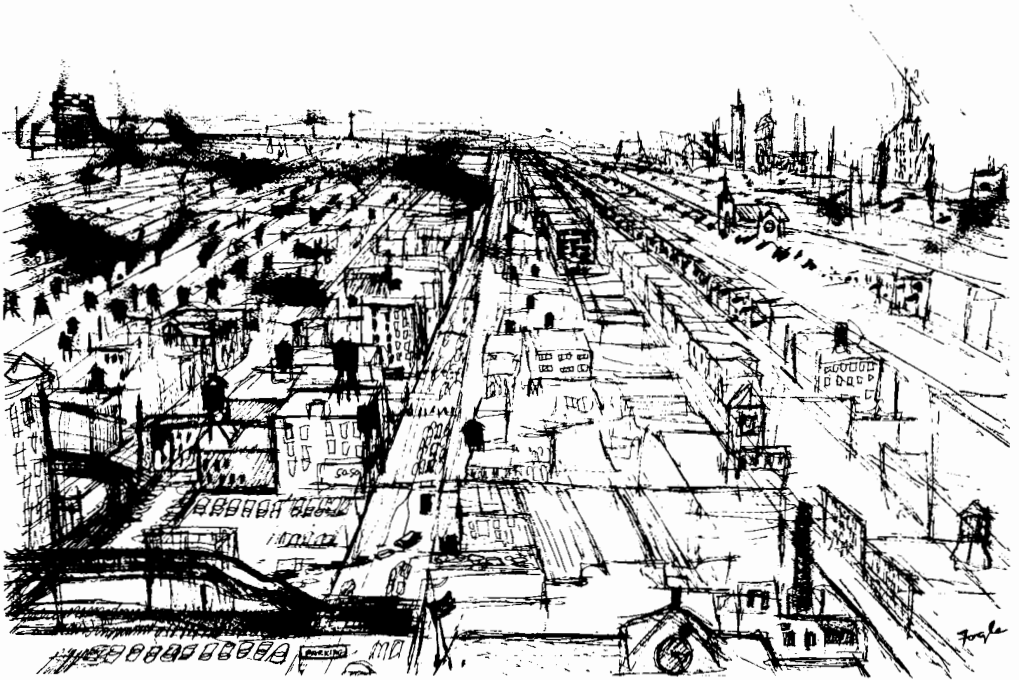
Kipner stared out the window at the city below.

"It isn't easy to explain these things," he began. "I think of the city as a complicated machine. It ought to be a well-designed machine. Every part ought to be designed and put together so that the machine will do its work with as little effort and as little waste as possible. And the machine ought to be beautiful, the way anything truly functional is beautiful."

"And you don't find the city efficient?"

"Of course not. It's ridiculously inefficient. Take the journey to work, for example. Thousands of people drive from the east side of the city to the west side and back again every working day. At the same time other thousands are driving from the west to the east and back again. Sweating and swearing and paying taxes to build all those new highways. Why not have those who work on the west side live there too? And the same with those who work on the east side? Why not have them live there? Or, at least, why not support a modern and efficient mass transit system? It's absurd for all those cars to be choking the highways every day, especially as most of them carry no one but the driver. Take the parks. They are mostly on the outskirts of town, as far as possible from the people who need them most—I mean the people in the high-density areas downtown. Take schools. We're still building schools where kids have to cross busy highways to get to them."

"I don't see how that sort of thing can always be helped," I said. "Suppose a man *likes* living on one side of the town and *likes* his job, which happens to be on the other side—"



Kipner stared out the window at the city below. "The city ought to be a well-designed machine—a truly functional machine."

"Most people don't like it," Kipner said. "Take my word for it, planners have figured out quite a few ways to solve such problems and to give people what they *really* want. I'll have to admit that the solutions are mostly on paper. We don't get much chance to put them into practice, and the reason can be summed up in just one word: politics. Somebody always has something to gain by putting things like schools and parks in the wrong places and somebody always has something to lose by putting them in the right places. And these somebodies always have the ear of the Mayor and the City Council. When it comes to supporting a rational plan, nobody is interested except Mrs. Belknap and a few old reliables like her. It's very discouraging."



"If planning projects are taken out of politics, decisions can be made rationally, not on partisan grounds or to satisfy special interests."

“And how does urban renewal improve the situation?”

“Well, it gives us something to work with. When we design a new neighborhood we can see to it that the parks are in the right places and that there are no highways cutting the school off from the homes. We may even be able to locate the project so as to improve the circulation in the city—cut down the journey to work and eliminate cross-hauling. Looked at solely from the standpoint of housing, a project may not make a great deal of sense. But, personally, I am convinced that even then its value from a general planning standpoint may more than justify it. And if it weren't for politics we could do a lot more with urban renewal.”

“You're against politics?”

“No, of course I'm not. I believe in democracy, and you can't have democracy without politics. But I think where planning is concerned, politics has to be kept within bounds. If planning projects are taken out of politics, decisions can be made rationally, not on partisan grounds or to satisfy special interests. Planning is technical; it isn't the sort of thing that should be decided by majority vote.”

Kipner got to his feet.

“I'm sorry,” he said. “I'm due on the other side of town in just exactly fifteen minutes. I'll have to go.”

I went to my hotel, typed up my notes, read the local papers, had a good dinner, hung around the bar for a while talking about politics, then went to bed. I'd arranged for an early appointment with the Mayor next morning and I wanted to be in good shape for that.

The Mayor turned out to be a little roly-poly fellow, very jolly and red-faced, and a real pro. He made a big show of telling his secretary that this was an important conference and he wasn't to be disturbed. Then he gave me a cigar and lit one himself. I told him that I wanted him to talk off the record and that if later I wanted to use any quotes I'd ask his permission. What I wanted most, I said, was background.

"O.K.," the Mayor said. "Here's the picture. This town's been getting seedier and seedier for years."



"O. K.," the Mayor said. "Here's the picture. This town's been getting seedier and seedier for years, just like most other towns. The people who pay taxes have been moving out to the suburbs by the thousands. It's been easier for them to get FHA loans for houses out there and the state and Federal government have been building 'em fancy expressways to drive back and forth on. I don't blame 'em. I wouldn't mind having a little more room myself. But let's not kid ourselves. With them gone, who's going to pay the taxes? We have to keep on providing the same old city services, you know—police, fire, schools and all the rest.

"Well, that's a different problem. What I was getting at is that the people who are moving into the city to take the places of those who leave are pretty backward types for the most part. Pretty backward. This is off the record now. Most of them are Negroes who've never lived in a city before and don't know how. If they got garbage, they dump it out the window into the street. They forget there aren't any pigs down there like there was at home. Naturally, there are rats, but those people don't care—most of

them don't, that is. Once in a while you find one who looks at these things just like you and me but he doesn't generally stay in the slums long. Somehow he gets out. If it gets cold enough and they don't have anything to burn, they're likely to tear off a door and break it up.

"Don't get me wrong now. There are white people that's just as bad. Lots of them. When I was a kid I used to live in one of those neighborhoods. It was Irish then and people in the other parts of town used to say we lived like pigs. I guess some of us did. Anyway, I remember there used to be signs up, 'No Irish Need Apply.' Then the Irish moved out and the Italians moved in. I wouldn't be surprised if some Irishmen said some uncomplimentary things about the Italians. Now it's the Negroes. Who'll it be next?"

"Well, to get back to the point. Naturally the housing in those places has been getting worse and worse all this time. There's at least a square mile of it that ought to be torn down and rebuilt from scratch. If we could rebuild that, we might be able to bring back some of those people who've left to go to the suburbs. I don't see why we can't offer all the advantages of suburban living right in the center of the city—and more, too. It's just a matter of planning it right. Getting those people back would help a lot. It would keep the big department stores from pulling out. That would give investors confidence. Property values would stop dropping, and one thing would lead to another. I believe it would touch off a real revival for the town.

"Well, my idea was to have one of the biggest redevelopment projects in the country. Tear down that whole slum and rebuild it."

The Mayor inspected the end of his cigar very carefully. I waited for him to go on, but he said nothing.

"But that's not what you ended up by doing," I said finally. "I've been told that the redevelopment project is east of the slums in what used to be mainly a warehouse district. And I've seen the





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rehabilitation project. That's part of what used to be the slum, but not all of it, as I understand."

"I was waiting for that," the Mayor said. "Only I didn't expect you to be so polite. I expected you to say, 'Why did you waste good money repairing houses that should be torn down anyway, especially as repairing them wouldn't bring back the taxpayers from the suburbs? And why did you tear down perfectly good warehouses in the name of slum clearance?'"

"I admit that's what I was thinking," I said. "I just didn't want to get thrown out of your office."

"Well, we might as well talk frankly," the Mayor said. "The reason I didn't do it the way it ought to be done was that I just couldn't. The people wouldn't stand for it. I would have been out on my ear if I had tried to tear down that slum. I would have been right square in the middle of the worst row you ever saw.

"In the first place, there were the people who lived in the slums. I soon found out that a lot of them didn't want to move . . . not even if we provided them public housing at low rents. Some of them didn't want to move because they had some kind of a racket that couldn't exist outside of the slum—prostitutes, gamblers, dope peddlers, and so on—and of course their customers, too. And, believe it or not, some people just like living in a slum. Or, put it this way: they'd rather live in a slum than in a public housing project."

"You were afraid that if you tore down the slums and gave the slum dwellers better housing they would get even with you by voting you out of office? Is that what you mean?"

"No. It wasn't them I was afraid of. They'd vote for me in those precincts anyway. Those are organization precincts. As long as I've got jobs to pass out, I don't have to worry about them. No, what stopped me was a few people who own a lot of slum properties and are getting rich on them. Some of the most respectable people in town, both white and Negro. Some churches too. I could see they were going to fight hard for those big profits.

“And there were the white neighborhoods on the edge of town; they were another thing. Those are the only places where there’s any vacant land. The rest of the town’s all built up. So that’s where the public housing would have to go—the housing for the people from the slums that would be torn down. Relocation housing, it’s called. Well, those neighborhoods don’t want public housing because it would bring Negroes into sections where there aren’t any Negroes. Those people out there on the edge of town aren’t exactly social register characters themselves, but they think they’ve got high-class neighborhoods—and by their standards they have. Some of them spent all their lives scrimping and saving enough to move out of the neighborhoods their people came to from the Old Country. Now they hate to see their new neighborhoods go downhill. Having public housing projects nearby—whether there’s Negroes in them or not—is bad for property values. And their homes are all those people have. They’re the ones who could have beat me at the polls. The organization isn’t very strong out there.”

“Maybe you should have made your fight and taken your licking,” I said.

The Mayor stuck out his jaw. “Personally, I don’t look at it that way,” he said. “I don’t have any respect for a politician with such high principles that he can’t get re-elected. In this game you got to do what it takes to win. Either that or let somebody else play in your place. If you’ve got such a sensitive conscience that you can never make any compromises, you’re too good for politics. You owe it to your party to step aside for someone else. After all, the party wants to win, not just make your conscience feel good.

“I admit, though, I did fool a little with the idea of fighting the thing. But I had the feeling that I might start something I couldn’t stop. This race business has me scared. I didn’t want to get the white people on the edge of town stirred up against the Negroes. They’re troublesome enough as it is now. But there might have been real riots if I had pushed too hard. I just didn’t know whether it would be a good thing to do or not.

“Finally the decision was made for me. The Federal government ran out of money for public housing. Congress cut it down for some reason. Without relocation housing it was out of the question to tear those slums down. We had to do something though. Mrs. Belknap and all that crowd were after us and the Chamber of Commerce felt that it looked bad for the city not to have any kind of a housing program.”

The Mayor leaned back and brushed the cigar ashes off his trousers.

“Then it would be fair to say that you favored the rehabilitation project because it had the advantage of not requiring the relocation of Negroes? And the big advantage of the warehouse site was that practically nobody lived there, so it wouldn’t require any relocation either? Right?”

“That’s the truth,” the Mayor said, “but don’t put it that way. Or if you do, don’t connect me with it. And anyway, you’ve got to admit that there’s something to be said for what we’ve done. The rehabilitation project really has improved a lot of houses. Let’s not forget that.”

“What do the Negro leaders think of all this?”

“That’s a funny one. It really is. There are two important Negro organizations here. I had the presidents of both of them in for a talk while I was mulling over the slum clearance idea. One of them was sitting there where you are; the other was over there. I put it to them. You know what happened?”

“What?”

“They agreed on just one thing—they didn’t like my slum clearance idea. On everything else they disagreed. When you come right down to it, there’s no such thing as Negro opinion, any more than there’s white opinion.”

“What was their objection to slum clearance?”

“They kept trying to tell me my plan was anti-Negro. Negroes, they said—and of course this is right—have been having a hard time getting their hands on some housing. Now I was trying to



"The rehabilitation project really has improved a lot of houses."

take it away from them. In a way that's true, you know. It's a fact that whites would have moved back into that section once it was redeveloped. We would have *some* Negroes there. In fact, I told these two guys I would personally guarantee to find houses for them. But it's true I wouldn't have had many Negroes there. I couldn't. If you get more than a certain number in a project like that, the whites will start moving out and pretty soon it will tip over and be all Negro. But even if the project was to be *all* Negro they would have been right. There just wouldn't be as many people

living there after redevelopment as before. After all, that's the point of having a project like that—to reduce congestion and overcrowding. I told them I am the best friend the Negro ever had in this town, which is true, but I could see I wasn't getting anywhere."

"What did they have to suggest, anything?" I asked.

"That's the funny thing. One of them wanted a lot more public housing. Housing is the Negro's chief problem, he kept saying, and the only way to solve it is to build it, not tear it down. Build a lot of housing that Negroes can afford to rent. That means public housing.

"The other fellow said he was absolutely opposed to public housing and would fight it every inch of the way. Public housing, he said, is bound to be segregated whether anybody intends it to be or not. There aren't enough whites in the low-income group to go very far and most of them won't live in a project with Negroes if they can help it. Not only that, but the better class of Negroes doesn't want to live among the worst class—that's the way he put it himself—of Negroes or whites. So, he said, the projects are likely to be places that nobody will be proud of—and all the worse for being sponsored by the city. Frankly, I think he's right. And if you take into account the interest of the white property owner, that settles it as far as I'm concerned."

"This second fellow," I said. "He was against slum clearance and he was against public housing. What was he *for*?"

The Mayor wrinkled up his face and rolled his eyes from side to side.

"He's not a very practical fellow," he said. "I've never been able to figure him out or make any kind of a deal with him. A fanatic, you might say."

"Well, what did he say?"

"He said, 'Just treat the Negro as you would anybody else and there won't be any housing problem for Negroes. Give the Negro the same job opportunities that whites have—same pay, chance



"And why did you tear down perfectly good warehouses in the name of slum clearance?"

to work up from the bottom, and so on. Give him the same opportunity to buy or rent that whites have. Let him buy or rent on the same terms as whites in any part of town. Just treat him as if he were white. That's all. If you do that, he'll have just as good housing as the whites and maybe better.' Simple, isn't it?"

"It sure is."

"Yeah, one other thing I remember now. He said any housing program for Negroes is an insult to them."

"Well, in a way that seems right," I said. "It does imply that the Negro can't be treated, or oughtn't to be treated, like a white."

"That's what I was telling you. This man is very idealistic and very impractical. It takes all kinds to make a world, doesn't it?"

"To change the subject," I said. "How about the redevelopment project you started over there in the warehouse district? What's happening on that? The land is all cleared. Now what?"

The Mayor made another face.

"That was easy," he said, "and I got a lot of credit for it in the press and with the civic organizations. The big department stores were glad to have those warehouses down because they were afraid Negroes might move into that district and because they want to see the area developed for white customers. The department stores are the big advertisers, so the newspapers were for it. It took us about two years of full-time work to fill in all the forms for the Federal government. What a mess of red tape! But we finally got it approved, and now we've got everything cleared. There's just one thing holding us up now. We can't seem to find anybody who's interested in investing his money in the project. Without a private redeveloper, we're stuck. It'll take quite a few millions. There's nobody in town with that kind of money. I sent a committee of businessmen to talk to the biggest real-estate developers, but they didn't get any satisfaction."

"What do you think the trouble is?"

"I haven't really been able to find out. Some people think they're scared because the project has to be bi-racial—that's required by the Federal regulations, you know. They don't give a damn about race one way or another themselves, of course. After all, they're businessmen and besides they don't live here. But they think if it's bi-racial it may not make money. At least that's what some

people think is their reason. I do know this: the trouble is not with the project itself or with us. Cities all over the country are having trouble getting money for redevelopment. You just about have to give the land and improvements to the private investor to get him interested, and even then you don't always succeed. Maybe the reason is that the investors can get a bigger return on their money somewhere else.

"Anyway, it's a lousy situation from my standpoint. I had all the bugles blowing while I tore those warehouses down. Now I have to figure out how to put something up in their place."

The interview was over. The Mayor stood up and held out his hand.

"Let me give you one piece of advice," he said as we shook hands.

He grinned. "Never run for office."

I had lunch at a restaurant where newspapermen hang out. One of them told me I ought not to leave town without seeing an economist named Allen at the University. Allen had testified against the warehouse redevelopment project at a public hearing, and although his testimony wasn't considered newsworthy by any of the city desks the reporters thought he would give me a slant I wouldn't get elsewhere. "He's a real sour apple," one of them said. "You'll come away thinking there aren't anywhere near slums enough in this country."

After lunch I went around to the University and found Professor Allen in a cubbyhole office which he shared with a great number of books. He looked like a sour apple.

"Sit down," he said after I had introduced myself. "Have they told you how they justify paying \$12 a square foot for the warehouse district, then turning around and giving it away, or almost giving it away, if they can find anyone to take it? Has that been explained? If it has, I wish you'd explain it to me."

I said I had been told that the land was over-priced and that it had been necessary for a public agency to subsidize a "write-down" to get the land to its "use value."

The Professor snorted.

“‘Over-priced!’” he said. “‘Use value!’ I hope they told you what those fancy words mean.”

“Why, yes, as a matter of fact they did,” I said. “They said that land is over-priced if no one can afford to buy it and use it for decent housing. ‘Proper use value’ is the price at which it would be used for adequate housing. Is there anything the matter with that?”

“There’s everything the matter with it,” Professor Allen said. “Suppose I said to you that the big red apples in the corner grocery store are over-priced because I can’t afford to make cider with them. Suppose I said a public agency ought to buy them from the grocery and re-sell them to me for practically nothing to bring them down to their use value. What would you say to that?”

“I don’t think the two cases are comparable,” I said. “Cider is a less important use of apples than is eating them out of hand or making pies with them. But housing is a more important use than warehouses.”

The Professor leaned back and put his glasses on to look at me more closely.

“All that statement means is that you prefer other uses of apples to cider. Suppose the demand for cider was so active and the price so high that apples for eating became outrageously expensive. Would you conclude from that that cider apples represent a ‘proper’ or an ‘improper’ use?”

I was getting a bit confused but I decided to stick it out to see what the Professor was driving at.

“I would say,” I told him, “that if there is competition between cider drinkers and apple eaters for a particular supply of apples, and if the drinkers are willing to pay more for the apples than the eaters, it means that the people with the more intense demand will be made happier by turning the apples into cider.”

“Good,” the Professor said. “And that being the case, would you favor a subsidy to bring the price of apples down to what the

eaters choose to call their 'use' value, meaning, of course, their 'eating' value?"

"No," I said, "I wouldn't. On a matter like that, market demand should rule."

"Right again," the Professor said. "That's exactly the point."

"But," I went on, "houses aren't apples."

"What's the difference? If people will pay \$12 a square foot to use the property for warehouses and only \$2 after the land is cleared, isn't there a presumption that the land and buildings ought to be kept for warehousing? The fact that a warehouse district looks dilapidated doesn't mean that it isn't useful or valuable. It just doesn't happen to be the kind of business that needs to put up a front for the public. But the fact that warehousemen are willing to pay \$12 a foot for the land is significant. It means that it's a good location for them, that a less good location would mean a higher cost of doing business and higher prices to the users of warehouses, which is pretty nearly everybody, directly or indirectly."

"But what if by putting a housing project in there the city could raise the value of downtown real estate, the big department stores and all that? Wouldn't that justify tearing down the warehouses?"

"It would on two conditions," Professor Allen said. "One is that property values elsewhere would have to increase enough to offset the amount of the subsidy. For example, if it could be shown that a project involving a subsidy of say \$1 million increased surrounding property values by \$3 million, we could say that the net 'profit' to the society was \$2 million. So far as I know, no one has taken the trouble to measure carefully the increases in property values that are said to occur when such projects are built. I may be prejudiced, but my guess is that they seldom amount to more than a tenth of the subsidy. But as I say, that's just a guess. Somebody ought to study the matter carefully before we go much further."

"What's the other condition?" I asked.



"I wouldn't give them public housing. I'd give them cash grants instead. Then they could spend their money as they thought best, just as you and I do."

"The other is that the subsidy for the project should be taken out of taxes levied against the increase in the surrounding property values. Why should you and I, to say nothing of all the other people from Maine to California, pay taxes for the sake of increasing the value of those department store properties? I don't

know about you, but I can think of things I'd rather do with my money."

We looked at each other. I couldn't see what was wrong with the Professor's argument, but I felt in my bones that the problem wasn't quite as simple as all that.

"You'd be willing to let the downtown district deteriorate," I said.

"Why, of course, I would," he replied. "If it doesn't pay the downtown property owners to make the investments that are necessary to prevent it from deteriorating, then let it go. I wouldn't substitute my judgment and my money for their judgment and their money."

"But won't it eventually be terribly costly for the whole public if we let the central cities deteriorate prematurely? All those great stores and office buildings will have to be rebuilt somewhere else. It seems terribly wasteful to let a great city go to pot when you could prevent it by a small investment of public money."

"It wouldn't be a small investment," the Professor said. "It would be a very large one. At least a billion a year. Besides, there's very little chance, in my opinion, that such projects will have any very profound effect on the future of the city. But apart from that, there's really no reason to talk about 'premature' deterioration. In our economy all kinds of things become obsolete very fast. Sometimes a manufacturer discards an entire plant and all the equipment in it only five or ten years after building it. He does so because it will pay him to use a new process. We call that progress, and it is progress. We don't shed tears about the old plant. Instead we congratulate ourselves that we have something still newer and better. Why shouldn't we take the same attitude towards our cities? How much are we willing to pay for the sake of slowing down progress?"

"You're getting away from the housing question, Professor," I said. "How about a situation where the spread of a slum forces

down property values in a residential neighborhood. Doesn't that represent a real loss?"

"The fact is," he said, "property values often go up, not down, as the slum moves closer. There's a very good reason why. The land is going to be used much more intensively than before. That makes it more valuable. The argument that we need these housing programs at public expense to keep property *up* is as phoney as it can be. We're holding property values *down* with such projects, in most cases."

I thought that one over. It seemed crazy to me. If the spread of slums *increases* property values, then from an economic standpoint we ought to encourage their spread. We ought to have a Slum Creation Administration instead of an Urban Renewal Administration. I put this absurd conclusion to the Professor just to see what he would say.

"Quite right," he said. "Quite right."

For the first time the sour apple smiled. At least I thought he smiled.

"Let's get back to the human side of this problem," I said. "Think of all the people condemned by poverty to live in the slums. Isn't giving them a decent environment just as much a public responsibility as is building bridges and fighting wars?"

"Certainly not," the Professor replied. "In the first place, most slum dwellers aren't 'condemned' by poverty to live in the slums. By race prejudice, maybe, but not by poverty. Most slum dwellers have incomes large enough to rent or buy decent housing. They happen to prefer to spend their money for other things. They buy fancy cars, or TV sets, or they go to the races. I don't object to their making these choices. Why shouldn't they? But I don't like being taxed to give them housing after they have chosen to spend their money for something else."

"How about the Negroes who can't get good housing because of prejudice? Don't you think public housing ought to be provided for them?"

“No. I think the only fair thing is to give minorities full access to the housing market. That can be done by law. In fact, it is being done in New York.”

“Surely you admit that *some* people absolutely can’t afford decent housing. How about them?”

“I wouldn’t give them public housing. I’d give them cash grants instead. Then they could spend their money as they thought best, just as you and I do.”

“But they might not spend it for housing. They might buy cars and TV sets and go on living in the slums. The slums might be as big as ever after millions had been paid out in grants.”

“Very likely. But I say if that’s what people want, that’s what they should have. Why should the rest of us tell a poor man that he should have a coat of paint on his house instead of a TV set? If you think his level of living is too low, give him some money. But don’t tell him how to spend it. Respect his preferences.”

I wondered what Mrs. Belknap would say to that. The way to cure the slum dweller’s preference for cars and TV sets would be to give him the experience, just once, of living in decent housing. Most slum dwellers, she would probably say, don’t know what decent housing is. A radical change in their housing would make a radical change in their preferences. Kipner would say they have to be educated first, but that once they have been educated, they’ll know how to make the most of good housing. Well-designed structures without, well-behaved people within, in a well-planned city. It occurred to me that Professor Allen was the only one of them who wasn’t trying to change people and things into something they weren’t.

Housing is different from other things, Mrs. Belknap would argue. You can’t leave it to market demand. You have to have decent housing to make a decent society, but you don’t have to have new cars or big-screen TV sets to make a decent society. Publicly subsidized housing, she would probably say, is the most practical way of seeing to it that people spend what they should for housing.

I wanted to try these arguments out on Professor Allen, but I could see that he wanted to get back to his books. I thanked him and left.

On the train going home I tried to collect my thoughts. I was supposed to help the *Sentinel* and its readers make a decision. "Get the facts. . . . Bring back a story that'll help us make up our minds," the managing editor had said.

The trouble was I couldn't make up my own mind on the basis of the facts I had. There were too many angles.

My interviews with Kipner, the city planner, and with Professor Allen had raised the question whether urban renewal programs could be justified even theoretically. Maybe Kipner was right in saying that the real trouble is not buildings, but people, and that you have to find some way of changing the whole way of living and outlook of the people who live in slums. But wouldn't changing their housing change them? And maybe the Professor was right in arguing that it was uneconomic to use land for housing when people were willing to pay more for it in other uses. But should 'the market' control everything?

Then it occurred to me that if you threw out all these theoretical objections to renewal, there would still be practical objections of very great weight. Even if you made the big assumption that the principle was good, you could say the practice was so bad that the whole idea should be dropped. The Mayor had said that he had found it politically impossible to carry out the kind of renewal program the theory implied. Was it really impossible? Well, the facts were that his city was clearing warehouses, not slums, and it had forced people to repair slum buildings that were hardly worth repairing just because that way they had no responsibility to find any other place for the Negroes. Was it an accident that things worked out this way? Could it have turned out any other way? It seemed clear from what Mrs. Belknap had told me that the situation was not very different in most other cities.

At that point the train stopped and switched and I looked out the window at some of the slum shanties on the outskirts of town not far from the *Sentinel* office. I was close enough to see into some of the houses through the open doors. There were two double beds in one room. The window was out, there was no screen, and I could imagine ten million flies. A woman stood in the window holding a skinny baby and staring at the train. We have a blighted city all right, I reflected. But is urban renewal the way to fix it? Is it fair to the taxpayer? And considering the political realities, will it work? I wondered about these questions for a while. Then some others came into my mind. Was it fair to let children grow up in such shanties as the one before me? What kind of neighbors and citizens would such children make? For that matter, would *not having* urban renewal work?

These were questions I would have to answer when I sat down at my typewriter in the *Sentinel* office the next morning.

If *you* were in this reporter's place, what recommendations would YOU make?



THE CASE OF THE BLIGHTED CITY



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