

THE VALUE OF EXCLUSION: CHASING SCARCITY THROUGH SOCIAL EXCLUSION IN EARLY TWENTIETH CENTURY ATLANTA

Jason Rhodes

*Department of Geography & Anthropology
Kennesaw State University
Kennesaw, Georgia*

Abstract

In recent decades, a powerful narrative has taken shape which explores the impact of federal housing policies in shaping the highly racialized geography of poverty and privilege which forms the landscape of today's American city. Called the "New Suburban History," it documents the racial discrimination written into the subsidized home loan policies of the federal government after WWII, based upon the assumption that property values depended upon the maintenance of neighborhood homogeneity on the basis of race and class. The discussion launched by the New Suburban History has focused almost exclusively on the *effects* of such policies: by lavishing neighborhoods comprised exclusively of white homeowners with federal subsidies, while targeting the neighborhoods of non-whites and renters for red-lining, these programs, it is argued, became self-fulfilling prophecies of neighborhood growth and decline. Neglected in this discussion, however, is a rigorous examination of the roots of the assumption that the value of the single-family residential home depended upon practices of social exclusion designed to "protect" it from physical proximity to non-whites and renters. The guiding assumption, occasionally made explicit, is that racism precluded a more rational approach to

the assessment of property values. This paper argues that there was nothing irrational about the regulations developed to protect urban property values in the first decades of the twentieth century. These regulations explicitly sought to boost and maintain real estate values by means of artificial limitations placed on the supply of urban land, an approach which ensured that segments of the population would benefit from the scarcity-induced rise in prices, while others faced exclusion in the process of effecting it. The development of these regulations, and the crisis narratives employed to justify them, is traced here from the municipal zoning framework developed at the National Conference on City Planning to its implementation in New York City in 1916 and Atlanta in 1922. The paper concludes with an analysis of the 1938 Home Owners Loan Corporation (HOLC) "residential security map" of Atlanta, which assigned grades to the city's neighborhoods on the basis of their place in the 1922 zoning scheme, which essentially knew two categories, "exclusive" and "excluded." Against the standard narrative, which holds that racism distorted conceptions of property values in the twentieth century American city, what is argued here is that the institution of value, and the social categories of privilege and exclusion which it requires, has fundamentally shaped our categories of race.

Key Words: New Suburban History, Urban Planning, Zoning, Home Owner's Loan Corporation, Critical Race Theory, Atlanta

El Valor de la Exclusión: La Búsqueda de la Escasez a través de la Exclusión Social en la Atlanta de Comienzos del Siglo XX

Resumen

En décadas recientes, se ha instalado un poderoso discurso que explora el impacto de las políticas federales de vivienda en la formación de la geografía altamente racializada de la pobreza y el privilegio que forma parte del paisaje de la ciudad contemporánea de Estados Unidos. Llamada la "Nueva Historia Suburbana", este discurso documenta la discriminación racial escrita en las políticas de créditos hipotecarios subsidiados del gobierno federal tras la Segunda Guerra Mundial, basadas en la presunción de que el valor de las propiedades dependía del mantenimiento de la homogeneidad de los barrios sobre la base de la raza y la clase. El discurso promovido por la Nueva Historia Suburbana se ha focalizado casi exclusivamente en los *efectos* de tales políticas: al premiar a los barrios habitados exclusivamente por propietarios blancxs con subsidios federales, y al excluir a los barrios de no-blancxs que habitan viviendas rentadas, estos programas, según la referida teoría, se volvieron profecías autocumplidas del crecimiento y caída de los barrios. Sin embargo, esta discusión deja de lado los fundamentos primordiales de la presunción de que el valor de una vivienda unifamiliar específica dependía de prácticas de exclusión social designadas para "protegerla" de la proximidad física de no-blancxs e inquilinxs. La presunción primordial, solo explicitada ocasionalmente, es que el racismo evitaba el uso de una perspectiva más racional para estudiar el precio de las propiedades.

En este artículo se argumenta que no había nada irracional en las regulaciones desarrolladas para proteger el valor de las propiedades urbanas en las primeras décadas del siglo XX. Estas estrategias buscaban explícitamente hacer crecer y mantener el valor de las propiedades a través de la imposición de limitaciones artificiales a la oferta de suelo urbano,

una estrategia que aseguraba que algunos grupos poblacionales se beneficiarían del aumento de precios resultante de la escasez. En este artículo se identifica el desarrollo de estas regulaciones y los discursos de crisis utilizados para justificarlas, a través del estudio de la zonificación municipal desarrollada en la Conferencia Nacional de Planificación Urbana para ser implementada en Nueva York en 1916 y en Atlanta en 1922.

El artículo concluye con el análisis del "mapa de seguridad residencial" de la Corporación de Préstamos para Propietarios de Atlanta, de 1938, que asignó puntajes a los barrios de la ciudad según sus lugares en la zonificación de 1922, que reconocía dos categorías: "exclusivo" y "excluido". Contrariamente al discurso usual, que sostiene que el racismo distorsionaba las concepciones de valores de la propiedad en la ciudad estadounidense del siglo XX, lo que se argumenta acá es que la institución del valor y las categorías sociales de privilegio y exclusión que requiere, han sido fundamentales en la formación de nuestras categorías de raza.

Palabra clave: Nueva Historia Suburbana, Planificación Urbana, Zonificación, Teoría Racial Crítica, Atlanta

I. Introduction

In 1938, as part of an effort to survey the nation's cities to estimate neighborhood risk levels for long-term real estate investment, the federal government's Home Owners Loan Corporation (HOLC) produced a "security map" of Atlanta. The map divided the city into 111 residential neighborhoods, and assigned each neighborhood a grade, from A to D, which indicated the projected trend of property values in the area, and thus the level of "security" it offered, or risk it posed, to grantors of home loans. The "area descriptions" which accompany the map reveal that for the HOLC, property values derived from social exclusion: a grade of A or B was awarded to neighborhoods with high levels of homeownership and racial restrictions on the sale of property, while C and D areas were those where renters and non-whites reside. "Proximity to small negro settlement" and "infiltration of lower income groups" are cited as "detrimental influences"

which lower a neighborhood's "security rating," while black neighborhoods, even those housing professors, professionals, and businessmen around Atlanta's black universities, are universally marked "D" (Home Owners Loan Corporation 1938).

This logic, which privileged neighborhoods comprised exclusively of white homeowners for purposes of property appraisal and loan disbursement, was to govern the Federal Housing Authority's massive program of government-backed mortgage loans, which underwrote the post-WWII suburbs while redlining areas housing those from whom white property values were deemed in need of protection.

An impressive literature has emerged documenting the details and assessing the consequences of such value-based strategies of exclusion (e.g., Jackson 1985, Sugrue 1996, Self 2003, Kruse 2005, Freund 2007, Lands 2009). It perhaps comes as no surprise that the federal government's projections of "future value" for people and the neighborhoods in which they resided became, in the words of Jane Jacobs, "self-fulfilling prophecies," as they provided the basis on which home loans were made (Jackson, 1985, 214).

After World War II, the systematic channeling of resources into areas occupied by white homeowners and away from those housing non-whites and renters, coupled with barriers to entry designed to ensure that the demographics of neighborhoods deemed favorable for the maintenance of property values did not change, resulted in a predictable geography of poverty and privilege, prosperity and despair, drawn largely along racial lines. The resulting landscape provided a powerful visual confirmation of the race and class logic on which it was based, as the material inferiority of neighborhoods housing those deemed inimical to property values was often taken as justification of the very strategies which had produced it (Sugrue 1996, Freund (2007).

Such practices of exclusion, and the justifications provided for them, shaped new racial and political identities, as the "neutral" language of property values and "the market" was increasingly deployed in defense of the geography of white privilege, largely replacing

appeals based on claims to white racial superiority common earlier in the 20th century (Kruse 2005, Freund 2007). The irony of racial privilege backed by massive federal subsidy and restrictive local land-use regulations being defended with appeals to "the market" has not been lost on commentators, but did not prevent the "market logic" which informed the politics of exclusion at the local level from being transferred to political discourse at national scale. Here, Kevin Kruse informs us, the tropes of the local politics of neighborhood exclusion were written into the Republican Party's "Southern Strategy" appeal to suburban whites, with those denied access to suburban neighborhoods in the name of property values to be similarly denied a seat at the table of federal largesse, all in the name of the "free market" (Kruse 2005). The narrative cursorily sketched here offers a persuasive account of the historical forces behind the racialized landscapes of poverty and privilege which give shape to our cities, as well as the "free market" defense of white privilege which is such a crucial product, and driver, of the race- and class-based strategies of exclusion undertaken in the name of "value."

The weakness of this narrative, acknowledged by David Freund, is the failure to get beyond documenting the unfolding of suburbanization, with all of its tragic consequences – tragic, at least, for those who hung their hopes on a more inclusive America, or the potential of a radicalized working class – and attempt to trace suburbanization to its roots. That is, to attempt to discover not simply the problems, as perceived by the architects of what became the infrastructure of post-WWII American housing, to which mass homeownership in the suburbs was seen as the solution, but the place these problems occupied in the overarching worldviews of those who conceived the project of loans, zones, and racialized mass homeownership before it became a reality. As Freund puts it, "scant attention has been devoted to the ways in which the architects of federal intervention envisioned the new housing market" (Freund, 2007:101).

In his classic, *Crabgrass Frontier: The Suburbanization of the United States*, Kenneth Jackson offers the explanation that the programs were racist simply because they were American – given the history

of the country, what else could we possibly expect? Racism is presented as fixed, irrational, and external to economic value, yet so powerful a force as to confuse the thinking even of leading economists:

The Home Owners Loan Corporation did not initiate the idea of considering race and ethnicity in real-estate appraisal. Bigotry has a long history in the United States, and the individuals who bought and sold houses were no better than the rest of their countrymen...Indeed, so commonplace was the notion that race and ethnicity were important that [leading real estate economist] Richard M. Hurd could write in the 1920s that the socioeconomic characteristics of a neighborhood determined the value of housing to a much greater extent than did structural characteristics. Prominent appraising texts, such as Frederick Babcock's *The Valuation of Real Estate* (1932) and *McMichael's Appraising Manual* (1931), echoed the same theme. Both advised appraisers to pay particular attention to "undesirable" or "least desirable" elements and suggested that the influx of certain ethnic groups was likely to precipitate price declines (Jackson 1985, 198).

It is obvious enough that there's no necessary connection between skin pigment and the price of housing, or any other good, but explanations which point this out, while attributing the racism of federal home loan policies to the irrationality of bigotry, miss the essence of the property values story. There is nothing irrational, in fact, about the regulations developed to protect urban property values in the first decades of the twentieth century, the presence of which the HOLC made a virtual requirement for neighborhoods to receive a favorable mortgage-risk rating. These regulations, which took the form of private deed covenants, which placed restrictions on the use and sale of the properties to which they were attached, and municipal zoning, which achieved comprehensively through the power of city law what deed restrictions could effect only piecemeal, explicitly worked to boost and maintain real estate values by means of artificial limitations placed on the supply of urban land. The regulatory logic of zoning, in fact, emerged directly out of an elite consensus which formed out of the late-nineteenth century economic crisis, and applied

to markets in urban real estate the principles derived from the conviction that achieving profitable price-levels for the products of industry depended crucially upon regulations capable of effecting and maintaining a reduction in supply.¹

The HOLC's identification of value with social exclusion was one and the same with its identification of value with scarcity, for once it becomes determined that the level of scarcity necessary to effect the desired value, or price-level, must be artificially achieved, the regulatory project, at essence, becomes one of determining which segments of the population will benefit from the scarcity-induced rise in prices, and which will face exclusion in the process of effecting it. While it would be theoretically possible to focus regulatory attention exclusively on the limitation of the supply of a particular good, and allow the struggle over its possession to be decided on its own terms, early 20th century efforts to achieve scarcity through regulation of land and labor markets did so by identifying the group to be excluded on the basis of race. This exclusion was justified not on the basis of economic arguments, but by labeling the group targeted for exclusion as a threat to the safety, and even the survival, of the imagined "community," identified as white, whose regulatory protection was justified through appeals to the same crisis narrative.

While Jackson suggests that racism is an irrational constant which distorts our conception of value, the argument here is that American categories of race are constructs which have been shaped, in part, by a regulatory pursuit of the scarcity which the developers of those regulations held to be value's essence. The trope of non-whites as agents of devaluation in real estate markets, endlessly treated in scholarly

1 As stated by economic historian Martin Sklar, "By the mid-1890s, in the midst of the third long depression in three successive decades, a revulsion against the unregulated market spread amongst the bourgeoisie in all major sectors of the economy. Whatever their programmatic differences, farmers, manufacturers, bankers, and merchants, in addition to already disenfranchised railway capitalists, found a common ground in the idea that unregulated competitive market activity resulted in production of goods and services in excess of effective demand at prices that returned reasonable earnings to producers of normal efficiency. The watchword was 'overproduction' " (Sklar 1987, 53-54).

accounts of post-World War II suburbanization, in fact traces its roots to turn-of-the-twentieth century arguments that immigrant workers were causing a value-destroying glut of industrial labor, from which white working-class living standards, said to be the foundation upon which American democracy rested, required regulatory protection. This narrative was then incorporated at the foundations of the nascent urban planning movement, which took shape around calls to “Save New York” from the presence of those same immigrants in the elite Fifth Avenue shopping district, who were posed as both cause and effect of a value-destroying glut of office space said to threaten the very survival of the city. The regulatory apparatus developed to meet this “threat,” while effecting a value-enhancing limitation on the supply of New York City real estate, took shape in the 1916 New York City Zoning Ordinance. This law, as well as the appeals to a crisis narrative which justified the distribution of regulatory privilege and exclusion on the basis of race and class, would serve as a template for the hundreds of municipalities which adopted zoning in the 1920s (Toll 1969). The federal government’s criteria for determining neighborhood “security risk” as candidates for receipt of mortgage loans, developed by the HOLC in the 1930s, was essentially a matter of rewarding those neighborhoods, and their inhabitants, which had been marked as “exclusive” by 1920s zoning legislation – signified by proscriptions on the presence of non-whites and renters – and punishing those marked for exclusion.

This article traces the development of these regulations, and the racialized crisis narratives with which they were justified. Central to the story are the urban planners, and the regulatory framework they developed at the annual National Conference on City Planning. The article follows these planners, and their proposed zoning legislation, from the Conference to New York, where their regulatory regime, implemented in 1916, would “save the city” from the “immigrant hordes” which threatened it with destruction (Page 1999). It concludes with an account of the 1922 Atlanta Zone Plan of Robert Whitten, co-author of the 1916 New York City Zoning Ordinance, which would write a vision of race- and class-based privilege and exclusion into the landscape of that city, and

the 1938 HOLC “residential security map,” which assigned grades to the city’s neighborhoods on the basis of how they had fared under a regulatory scheme which essentially knew two categories, “exclusive” and “excluded.” The central theme is the development of a regulatory regime which effects a price-enhancing limitation of supply by targeting certain groups for positions either of market protection or market exclusion, and does so on the basis of race, with appeals to a crisis narrative. This regulatory strategy, which sought both justification and popular support by posing non-whites as agents of devaluation, was pioneered by the turn-of-the-twentieth century “race suicide” narrative, which argued that in the absence of regulations designed to exclude immigrants from labor markets, their devaluing presence threatened the white working-class, and the experiment in American democracy which they made possible, with extinction (Walker 1896; Leonard 2003).

II. Gluts of Undesirable People: “Race Suicide” & the Threat to American Democracy

The application of the economic logic of overproduction and crisis to calls for the regulatory protection of white, American-born workers from the deleterious effects of competition with immigrant labor represents a vivid, pioneering example of the ease with which value strategies which seek to place regulatory limitations upon supply find expression in racialized terms. For while in theory such strategies can be expressed in the abstractions of supply and demand, in practice they require identifying a privileged group, or groups, deserving of market protection, along with those groups whose exclusion from the market is deemed necessary in order for a value-enhancing level of scarcity to be achieved.

Progressive economists at the turn of the century analyzed the labor market through the same lens with which they saw unfettered competition resulting in gluts of oversupply, with all their anti-social consequences, in markets for industrial and agricultural commodities. These economists argued that in the absence of regulatory limitations on the supply of labor, particularly legal restrictions on immigration, native-born white workers were subjected to competi-

tion as destructive as that suffered by industrialists in the latter third of the 19th century. The problem, however, ran much deeper than the decline in wages and working conditions which one would expect to accompany an increase in the supply of labor in the face of a given demand. The native born population was apparently registering its protest against the effects of such destructive competition by way of a potentially catastrophic reduction in its birthrate, with the result that the “native stock” was being rapidly replaced by “beaten men from beaten races, representing the worst failures in the struggle for existence” (Walker 1896, 828). Dubbed “race suicide,” this alarming demographic trend made the matter of placing legal restrictions on the supply of labor not merely a matter of protecting “the American rate of wages” and “the American standard of living,” but “the quality of American citizenship,” and ultimately the future of American democracy itself (Leonard 2003).²

Calls for an increase in the wages of white workers were accompanied by discourses designed to create and justify categories of both privilege and exclusion. This “racing” of value, such that non-whites were labeled as agents of devaluation, thus providing moral and legal justification for their market exclusion, while native-

2 The term “race suicide” is thought to have originated with sociologist Edward A. Ross, who would go on to chair the Department of Sociology at the University of Wisconsin (Leonard, 2003). The common axis around which leading proponents of the race suicide narrative revolved was the American Economic Association, founded in 1885 by a generation of young economists looking to make a break from laissez-faire orthodoxy and place the discipline of economics in the service of an interventionist state (Rader, 1966). Ross served as secretary of the AEA during the 1890s, while Yale economist Frances Walker, whose elaboration of the race suicide thesis is discussed below, was the organization’s first president (Ely, 1938). The most influential proponent of the race suicide thesis, in terms of his impact on suburbanization and the shape of the 20th century American city, was undoubtedly Ross mentor and AEA founder Richard T. Ely. Ely would make “race suicide” a standard feature of American economics education through *Outlines of Economics* (Haar, 1989, 43), the most widely used economics textbook in the United States in the first decades of the 20th century (Dorfman, 1946, 212). Ely pioneered the sub-discipline of “land economics” (Rader, 1966), and has been credited with having provided the Federal Housing Administration with its “homeownership vision,” based on the long-term, low-interest mortgage loan, that would be inscribed across the landscape of the post-WWII United States (Freund, 2007, 120).

born white Americans were posited as representing society itself, and thus entitled to regulatory protection, would soon be replicated in calls for regulations designed to maintain the scarcity, and hence value, of residential and commercial urban property, in which categories of privilege and exclusion were similarly both drawn and defended largely along racial lines. Indeed, the “race suicide” discussion can be seen as a vital precursor to the vision of urban space articulated by the pioneers of the comprehensive zoning and urban planning movements, which made property values synonymous with social exclusion, and wrote zones of privilege and exclusion across the early twentieth century urban landscape through municipal zoning regulations and racially restrictive covenants, coupling a regulatory concern with “oversupply” with a strategy for the maintenance of scarcity which doled out privilege and exclusion on the basis of race and class.

In a series of articles in the 1890s, Yale economist Francis A. Walker established the framework for the “race suicide” take on immigration which would have Theodore Roosevelt declaring in 1907 that the dire demographic trend represented “the greatest problem of civilization” (Walker 1892; Walker 1896; Roosevelt 1907).³ Walker, whose directorship of the United States Census in 1870 and 1880 lent the aura of science to his pronouncements on the social significance of demographic data (Leonard 2003), found the basis for his alarmist projections in the discovery that not only was the falling off of the white American birthrate, which began in the middle decades of the 19th century, coincident with the first arrivals in large numbers of immigrants to the United States, but that

3 Roosevelt wanted citizens to understand their duties in the face of such grave peril: “There are countries which, and people in all countries who, need to be warned against a rabbit-like indifference to consequences in raising families. The ordinary American...needs no such warning. It is a simple mathematical proposition that, where the average family that has children at all has only three, the race at once diminishes in numbers, and if the tendency is not checked will vanish completely – in other words there will be race suicide. If through no fault of theirs, they have no children, they are entitled to our deepest sympathy. If they refuse to have children sufficient in number to mean that the race goes forward and not back, if they refuse to bring them up healthy in body and mind, then they are criminals” (Roosevelt, 551).

that the falloff occurred “in the highest degree in those regions, in those states, and in those very counties into which the foreigners most largely entered” (Walker 1896, 824).

This nod in the direction of Census data was the beginning and end of Walker’s “scientific” contribution.⁴ From there it was only a matter of assuring his readers that the addition to the labor market of “vast numbers of men...with a poorer standard of living, with habits repellant to our native people, of an industrial grade suited only to the lowest kinds of manual labor, was exactly such a cause as by any student of population would be expected to affect profoundly the growth of the native population” (ibid, 825). The precise reason for the “profound effect” of the appearance of “vast throngs of ignorant and brutalized peasantry from the countries of Eastern and Southern Europe” on the reproductive habits of the American-born, according to Walker, could be traced to an attempted withdrawal, on the part of “native” whites, from an economic competition which required that they reduce their standards of work and living to those of their racial inferiors: “They became increasingly unwilling to bring forth sons and daughters who should be obliged to compete in the market for labor and in the walks of life with whom they did not recognize as their own grade and condition” (ibid, 825).

Walker’s apocalyptic race vision, and its regulatory implications, were embraced with enthusiasm by the leading Progressive economists of the day, who added new layers to the narrative which amounted to a “racing” of the overproduction account of crisis itself. Progressive stalwart John Commons argued that while the protective tariff placed an artificial limit on the supply of industrial goods, thus helping to maintain prices, the lack of such limits on the supply of labor created a widening gap between the price of goods and that of labor, exacerbating the problem of oversupply

⁴ The problem with Walker’s account did not lie merely with his interpretation of the data, but with his presentation of the data itself. The Census numbers he presented as representing “native American stock” actually included the American-born children of the very immigrants he held to be threatening that “stock” with “race suicide” (Leonard 2003).

by rendering workers incapable of buying back the necessary share of their product (Commons 1920, 159). Further, while during a period of business expansion, increasing industrial demand for inputs should push up costs until they provide a “natural” brake to further production, the rapid increase in immigration during periods of prosperity sent the price of labor in the opposite direction over the course of a boom (ibid).

Fellow Progressive and Wharton Business School Dean Simon Patten outdid Commons in his efforts to “race” the overproduction and crisis narrative by arguing that the same technological revolutions which had made gluts of commodities endemic to capitalism similarly resulted in gluts of people of inferior racial stock, thus allowing immigrants to be viewed not only as agents of devaluation in labor markets, but, when combined with Commons’ account, as both cause and effect of industrial overproduction. By softening the struggle for existence, Patten argued, revolutions in technology made possible the survival of those who would previously have been eliminated by Malthus’ “positive checks” to population, or in Darwin’s “survival of the fittest” struggle for access to the means of life (Leonard 2003). In fact, given the immigration-induced decline in the native white birth-rate, it was clear that modern industrial capitalism was productive of conditions which produced not a “survival of the fittest” competition, but rather one which resulted in the “survival of the least fit.” “Every improvement which simplifies or lessens manual labor,” he explained, “increases the amount of the deficiencies which the laboring classes may possess without their being thereby overcome in the struggle for subsistence that the survival of the ignorant brings upon society” (Patten, cited in Leonard 2003, 693).

The terms of the “race suicide” discussion – overproduction, crisis, and calls for government regulation of markets as the only remedy for these ills – reflected the elite consensus which emerged out of the late 19th century crisis, that unregulated free-market competition resulted in the production of goods and services in excess of that which would result in prices that ensured a profitable return (Sklar 1987). Not only was market regulation seen as necessary to the

maintenance of value, but government regulations became the source of value itself, as value disappeared in their absence. In *Legal Foundations of Capitalism*, John Commons provided a succinct statement of the problem: “While liberty of access to markets on the part of an owner is essential to the exchange value of property, too much liberty of access on the part of would-be competitors is destructive of that exchange-value” (Commons 1939, 17). Regulations which excluded competitors conferred economic value upon the beneficiaries of the exclusion in the form of a privileged market position, which Commons described as a legally conferred enhancement of “bargaining power,” designed to protect favored segments of either capital or labor from the effects of ‘excessive’ competition:

We also have noted that the historical shift to bargaining power [as source of value] has occurred, not only towards the corporate form of consolidations, mergers, and holding companies, but even more towards the regulative form of fixing maximum or minimum standards for the individual and corporate bargains of buying, selling, lending, hiring, and *excluding competition*. Looked at in this way, the first break from the classical economic doctrine of free trade in the United States was in the protective tariff of 1842, which increased the domestic bargaining power of manufacturers. *Consistently with this, but 80 years afterwards, was the restriction of immigration which markedly increased the bargaining power of both organized and unorganized labor* (ibid, 346-7, emphasis added).

Such categories of privilege and exclusion, which in the labor market took the form of legislative restrictions placed on immigration, should thus not be seen as “extra-economic” irrationalities, imposed by racists on the otherwise neutral institution of value, but are essential to the historical development of value itself. The consensus which emerged out of the late 19th century crisis regarding the pernicious effects of unfettered competition, and the crisis-inducing overproduction in which it was believed to inevitably result, found expression in a commitment to a regulatory program which called for the protection of value by means of the legal creation of such categories, and the power to pursue its implementation. The trope

of non-whites as personifications of devaluation, used to justify the proposed regulations, as well as identify those targeted for either privilege or exclusion, found similar application in contemporaneous calls for comprehensive urban land-use regulations which created legal categories of privilege and exclusion designed to prevent the “oversupply” of urban real estate.

III. Defending Fifth Avenue: Property Values vs. “Immigrant Hordes”

The immigrants at the heart of the race suicide narrative had a geography, and perhaps nowhere was their level of concentration higher than on New York’s Lower East Side, described by contemporary reformers as one of the most crowded urban districts in the world (Revell 1992). The problem, according to the Fifth Avenue Association (FAA), comprised of “leading retail merchants, hotel operators, property owners, investors, lenders, and real estate brokers,” was that this “immigrant geography” was increasingly overlapping with their own, a trend which was “doing more than any other thing to destroy the exclusiveness of Fifth Ave,” upon which both property values and the success of their retail businesses depended (Weiss 1992, 51).

As in the “race suicide” narrative, immigrants were seen as both cause and effect of oversupply, though in this case the commodity concerned was not labor, but rather rentable space. Overbuilding drove down property values, making it economical for factories to locate on Fifth Avenue; once there, immigrants further undermined values by destroying the image of exclusivity the FAA had worked so hard to create. In the eyes of the Association, the recently built loft buildings were the “immigrants” among the buildings on Fifth Avenue – it was their presence which was responsible for oversupply, and it was by excluding them that a price-inflating restriction of supply could be achieved. As explained by urban historian Keith Revell:

The newest buildings along the avenue were usually loft buildings. These tall, cheaply constructed buildings created a surplus of rentable space. Although retailers used most of the lower floors, the

upper stories did not suit the needs of shopkeepers. Building owners then rented out upper floors for other uses – as offices, showrooms, and eventually as factory space. Overbuilding drove down rental rates, creating an invitation for non-retail uses and eventually peopling the district with garment workers. This diagnosis gave the [Building and Heights] Commission a ready solution. The Supreme Court had found building height regulations constitutional in 1909. The Commission suggested restricting the height of buildings within 100 feet of Fifth Avenue to 125 feet...Merchants hoped that restricting rentable space would encourage developers to build structures suitable for retail trade, and thus prevent upper stories from converting to office or factory use (Revelle 1992, 29).

The aim was a price-enhancing restriction of supply, though its achievement required categories of privilege – those who would reap the benefits of such restriction – and exclusion – those whose exit from the marketplace was required for the reduction of supply to take place. The FAA would seek to zone the entire city into height and use districts out of a desire to protect the value of real estate on Fifth Avenue between 23rd and 59th Streets, which they described as “the most valuable in the world,” a fact which, in their estimation, itself provided a legitimate justification for regulatory protection (Toll 1969, 178).

While concerns over the constitutionality of New York’s zoning ordinance mandated a legal discourse of health, safety, and the “general welfare,” pressed into the service of creating regulatory protection for private property, efforts to persuade and mobilize the public on behalf of the measure would utilize a narrative composed of martial rhetoric, in which Fifth Avenue, conflated with all that was good in society, demanded public protection from “invading” forces which threatened its very survival. Like the zoning ordinance itself, such rhetoric was a legacy of the efforts of the Fifth Avenue Association which would make easy transfer to the zoning movement that would soon sweep the nation, justifying legal protection for racially exclusive neighborhoods of white homeowners across the United States.

In January 1916, the FAA called a meeting to plan a final push for its efforts to pass what would become the New York City Zoning Resolution, and finally rid the street of the garment industry and its immigrant workers, which at the meeting were referred to as “flies...threatening to swarm worse than ever” (ibid, 177). Passing the zoning resolution and eradicating the “flies,” however, were not entirely the same thing, for the resolution they were proposing was not retroactive: the law would bar future erection of loft buildings in the vicinity of Fifth Avenue, and forbid the location of garment manufacturers in the Avenue’s newly named “business district” after passage of the act, but did not compel existing businesses to move. Both the FAA’s desire to force the Commission on Building Districts and Restrictions (CBDR) “to end its ruminations and bring out a proposal” (ibid, 178-179), as well their efforts to devise and implement an extra-legal strategy designed to empty the street of its “vast flood of workers” would require the public articulation of a “crisis narrative in which they portrayed themselves as the saviors of a Fifth Avenue threatened with physical and social destruction” (Page 1999, 56). The strategy which emerged from the FAA’s January 1916 meeting would be appropriately dubbed the “Save New York” campaign (ibid., 65).

To the public, the issue was framed not in terms of congestion and adequate sunshine, but rather as a matter of civic duty to protect Fifth Avenue, the “common pride” of all citizens (Toll 1969, 159). Ironically, the FAA found little difficulty in framing its calls for the regulatory protection of elite real estate interests and the expulsion of workers from city streets in the language of democracy and “common property” (ibid). As its attorney explained,

Fifth Avenue is probably the most important thoroughfare in this city, perhaps any city in the New World, and its reputation is world-wide, its history and associations rich in memories...It is not only the common property, but the common pride, of all citizens, rich and poor alike, their chief promenading avenue, and their principal shopping thoroughfare. Thus all alike are interested in maintaining the unique place that the avenue holds not only in the traditions of this city and in the imagination of its citizens, but

in the minds of countless thousands and hundreds of thousands from other cities and countries who have at some time or other enjoyed the delights of this unique street (ibid).

The threat, of course, was an existential one, as FAA members informed the public that, in the absence of swift action, “it is not too much to say that the very existence of the avenue, as New York residents have known it for many years, is threatened,” and that “Fifth Avenue, as now known, will be lost to this city forever” (ibid, and Page 1999, 62). The immigrants, apparently, posed to Fifth Avenue the same threat of extinction that they did to the white race.

The FAA would pioneer red-lining as a tool of racial expulsion in defense of property values, securing pledges from the city’s banks to refuse any further loans to garment manufacturers in the vicinity of Fifth Avenue (Toll, 1969, 174-174). They buttressed this with dramatic calls for the public to rally to the defense of their city by joining their proposed boycott of the products of any garment factory that refused to comply with their demand to leave the area. The combination of red-lining, boycott, and public shame which the FAA had engineered in the performance of its civic duty to “Save New York” brought remarkably swift results. The boycott had been called in March, and by July, 95 percent of the garment manufacturers located in what might have fittingly been called the “no-fly zone” had agreed to move (Revell 1992, 34). The Commission on Building Districts and Restrictions (CBDR), charged with the Herculean task of dividing the city into height and use districts, and writing the zoning resolution, would prove as amenable to FAA suggestion as the garment industry, swiftly wrapping up its work and producing the 1916 New York City Zoning resolution, which would become law by a vote of 15-1 that July. New York, indeed, had been saved.

IV. A *Tabula Rasa* for Social Exclusion: From Fifth Avenue to the Suburbs

Zoning, in fact, would find its true home in the suburbs, for while the “Save New York” campaign had been wildly successful, perhaps its most lasting lesson

was that attempts to undo urban development, even in a relatively small area of a city, required a monumental commitment of effort and resources, sustained over a number of years. The Fifth Avenue Association had begun its efforts in 1907, and did not declare victory until 1916. To planners like Edward Bassett and Robert Whitten, co-authors of New York’s 1916 zoning ordinance, the promise of zoning did not lie in its ability to clear downtown districts of undesirable people and activities, which even in New York it was incapable of doing, but to shape development yet to be undertaken, in new residential districts on the outskirts of cities, by developing regulatory controls which ensured that the people and land uses which undermined value would never arrive.

New York’s 1916 Zoning Resolution would become the template for a veritable zoning “movement” in the 1920s, which would bring zoning to over 800 municipalities by the decade’s end (up from just 8 at the end of 1916) (Toll 1969, 193). Indeed, it was not uncommon for municipalities to simply reproduce the New York document, amending only for “local names and locations” (ibid., 231). In the narrative put forward by the veterans of the “Save New York” campaign as they crisscrossed the country with their zoning gospel,⁵ the single-family homeowners whose property required regulatory protection were put forward as “the people,” while the threat to their property values, as well as to “civic spirit,” “permanent welfare,” and “the morale of the neighborhood,” came from the “renting class,” who would face exclusion – as well as higher rents – by means of the same regulations designed to boost the property values of those whom they ostensibly threatened (Whitten 1921, 25). The narrative of the apartment – and the “renting class” – as social menace was occasionally explicitly linked to concern over the prospect of “race suicide,” as cramped apartment quarters – unfit for the rearing of children – were the physical manifestation of the “destructive competition” in which “native” white Americans were engaged with foreigners, while suburban homes with

5 Edward Bennett, who would become known as “the father of American zoning,” would sell the merits of zoning to the Chicago Real Estate Board with the alluring estimate that zoning would increase the value of Chicago real estate by \$1 billion (Toll 1969, 198).

yards represented the “American” standard of living which would perpetuate the race.⁶

At the 1916 Conference on City Planning, in a presentation entitled “The Zoning of Residence Sections,” Whitten explained that “the protection of the homes of the people is probably the primary purpose of use districting [zoning]” (Whitten 1916, 34). The threats to which the “homes of the people” were exposed were not limited to “invasion by trade and industry,” but included “mutually antagonistic types of residential development” and “a too intensive use of the land” (ibid, 35). He lists four possible

⁶ The language used in the successful campaign to ban the apartment from the vast stretches of urban space zoned exclusively for single-family homes occasionally bordered on the apocalyptic. At the 1916 annual conference of Lawrence Veiller’s National Housing Association (Veiller formally represented the Fifth Avenue Association before zoning committees in New York), in a presentation entitled “Shall We Encourage or Discourage the Apartment House?” Bernard J. Newman of the Philadelphia Housing Association castigated the apartment for a host of evils. Apartments, he argued, “provide a shield of anonymity for the man or woman who wants to engage in lewd practices,” and while “one might rejoin here, saying that immorality will exist no matter what type of building houses the immoral woman,” “the important point is that where the facilities exist to shield the crime, it is more certain to flourish undiscovered and for longer periods.” Further, apartment-dwellers tend not to attend church – indeed, “one of the most effective enemies of religious worship today is the multiple-type of building” (Newman 1916, 154-161). While Newman’s litany against the apartment included its identification as an incubator of crime and disease, in the follow-up discussion Otto Davis of the Minneapolis Civic and Commerce Association argued that perhaps even more alarming than all this was the equanimity with which the public was apparently viewing its approaching doom: “If there were being constructed somewhere out on the outskirts of your city some huge ‘tank,’ or ‘zeppelin’ which on completion was to be transported to your city, and whose coming would result in the destruction of the civic interest of two hundred, one hundred, or even fifty of your citizens, what would happen? Your chamber of commerce would hold a meeting and demand that the city authorities take proper action to prevent such wholesale destruction of the finest sentiments. The newspapers would insist upon resistance against such an invader. And yet, we scarcely hear a regret when the monster barrack arises in our midst, asphyxiates civic interest, *puts a premium on race suicide*, causes our moral ideas to deteriorate, and effectually undermines what we have been accustomed to regard as the foundation of the community, the state, and the nation – the American home, and American family life” (Davis 1916, 337, emphasis added).

means of protecting the “residential sections” of the “people” from the two latter perils, all of which had as their intended effect the inflation of land values by limiting the supply of land available for given uses, while increasing demand for that same land through regulations which forced urban activities onto a much greater area of land than they would absorb under a system of *laissez-faire*:

1. Direct limitation of the type of dwelling.
2. Limitation of the percentages of lot that may be covered, and regulation of the size of courts and yards.
3. Limitation of the number of houses or families per acre.
4. Requirement of a certain minimum land area for each family house (ibid, 36).

The general principle to follow was one in which “the residential sections in which apartment houses are permitted should be strictly limited,” such that citywide the protection against “congestion” might be distributed in the following way (Whitten 1920, 5):

For a city like Cleveland it would seem reasonable to contemplate under a zone plan the housing of approximately one-third of the people in one family homes, one-third in two-family houses, and one-third in tenements. On this basis it is estimated that the one family house would occupy 60% of the entire residential area of the city, the two-family house 30%, and the tenements 10%, i.e., to house one-third of the population requires 10% of the residential area. It is clear, therefore, that if the proportion of people housed in tenements is to be reasonably limited, the area in which tenements are allowed must be very narrowly prescribed (ibid).

The practical effect of Whitten’s plan was to create separate, non-competing housing markets in different areas of the city, for different segments of the population. The price of apartment housing would be boosted by artificially limiting the quantity of land apartments could occupy, while the cost of the single-family home

would be raised by placing a regulatory minimum on the amount of land required for their construction. Single-family homeowners would find themselves the beneficiaries of the rise in land values that one would expect to take place as a growing population placed an increasing demand on a limited supply of land, while apartments, and their residents, would be stigmatized. This rise in values, however, depended entirely upon the regulatory scheme governing the use of land, for there was in fact no reason, outside of law, why it was necessary for the housing of one third of the population to require six-times the land area as another third. In fact, in the absence of regulations, if apartments were permitted to compete with the single-family home in any area of the city on the basis of price, there was every reason to think that the immediate trend in the demand for land to be used for residential purposes would be downward (Whitten 1920).

Whitten offered an array of ideological justifications for his calls for regulations designed to limit the supply of multi-family housing, and enforce a geographic separation between the single-family housed “people” and the “renting class.” While there were the obligatory public health reasons to support the assertion that “the apartment house and the one or two family house cannot exist side by side,” namely, that “the apartment cuts off light and air from neighboring homes” (ibid, 4), there is also the matter of asserting regulatory control over the quality of a neighborhood’s population. “The erection of a single apartment house in a block,” he explained, “is almost certain to mean a radical change in the residential population, a decline in the value of the single family houses and a gradual replacement of such houses by apartment houses” (ibid). From here it was but a short step to the race suicide argument:

The apartment house is very well suited to the housing of adults. It is not well suited to the rearing of children. From the nature of the case, children are a nuisance in an apartment house, and the apartment house is an injury to the children... *The vitality, efficiency and morale of the race cannot be long maintained if the major portion of the people of our cities must grow up under such conditions of over-crowding. Degeneracy*

is certain. Our civilization is at stake (ibid, 5, emphasis added).

Behind all the sunshine, democracy, and social meanness, however, lay the bland project of applying regulatory controls designed to inflate the price of a commodity by restricting its supply while attempting to boost demand. This was frequently acknowledged at the Conference, with varying degrees of candor. In a 1916 address, J.C. Nichols, the developer of Kansas City’s Country Club Estates bluntly explained that while:

there are thousands of acres around any city, of the commonplace type...no article of unlimited quantity ever has a great value. Now, if in developing our subdivisions, we can limit the quantity of certain classes of property, if we can create the feeling that we have a monopoly of that class of property around a little plaza or square, if we give the prospective buyer notice that if he doesn’t buy that property today somebody else will buy all that is left of it tomorrow, we are assisting in the sale of that property, and we can raise the prices of the adjoining property...Now, with this cooperation we [developers] have given you, we want you city planners to again realize that a great part of your work of city planning turns on how to help us make our land increase in value rapidly enough for us to afford to do the best things in city planning, and make them permanent, and mark up our prices to enable us to meet our carrying charges (Nichols 1916, 101-102, 105-106).

Because the regulatory power of the state, through zoning, was to effect both the supply of, and demand for, land, it was accepted as a truism at the conference that the proposed regulations themselves were the source of value, and that a profitable market in speculative real estate could not exist without them. The statement of prominent Cleveland realtor Alexander Taylor⁷ at the 1916 Conference expressed the conventional wisdom: “The making or unmaking of value in a community lies in proper restriction of land, and the more rigid and fixed they are, the safer and surer is the land owner’s investment” (Taylor 1916, 178).

⁷ Taylor was one of the founders of the National Association of Realtors, serving as its president in 1910 (Hornstein 2005).

This was no mere theoretical conjecture. Any debate on zoning's role in conferring value was quickly being rendered moot by "the increasing reluctance on the part of lending interests to make loans on unprotected property - or if making loans, their discrimination in favor of protected localities with reference to both the interest rate charged and the amount loaned - considerations like these are proving more eloquent than words in stirring unzoned towns to action" (Swan 1921, 41).

If regulations conferred value, the converse was also true: the absence of them destroyed it. Indeed, the use of land in a manner which undermined the value of nearby property should be viewed as akin to theft, no different from actually taking from one's neighbors "some object of ascertained financial value" (Wright 1916, 117). Once viewed in this way, the privilege conferred by the power to exclude could be construed as a right, mandating state action to which the beneficiaries of exclusion should see themselves as entitled. Lawson Purdy, who was the vice-chairman of both the New York City Heights of Buildings Commission and the Commission on Building Districts and Restrictions, the committees chaired by Edward Bassett which led to the New York Zoning Resolution, put it this way:

The more I have thought of the way that we should proceed to get the courts to see what we wish them to see, the more convinced I am that we should all of us think in terms of value a great deal, popularize the idea of preserving the value of a man's house, of a man's lot. Get that talked about. When you meet one of these judges tell him about it, so that when, bye-and-bye, a case comes before him, it will be entirely familiar to him...The value of the house may be practically destroyed by the erection of stores on such a residential street because the desired atmosphere for the rearing of the family is gone, and the man is just as much entitled to be protected in the value of his house and land against the intrusion of his neighbors and the erection of stores, *as he is to the protection of the police to prevent burglars breaking through and stealing from him* (Purdy 1916, 41-42, emphasis added).

Edward Bassett agreed, and argued that it in public discussion it was crucial that the focus be on the protection of the small property owner. Citing his experience in Buffalo, he stated that the rich, in any event, needed no education with regard to the use of regulations for the enhancement of value:

I said to the gentlemen, "Don't go at it that way. Forget Delaware Avenue and Linwood Avenue," which he referred to as "very handsome residential streets," "and speak of the little streets where the working people and the clerks and everybody live, and if you get them interested in residential zoning they will help you all the way up, *because the other streets will see the subject for themselves* (Bassett 1916, 42, emphasis added).

V. From Municipal Zoning to National Policy: Mapping Exclusion in Atlanta

Robert Whitten arrived in Atlanta in 1922, on the eve of the greatest building boom in the city's history to date (Preston 1979, 92), a timing that would allow him to demonstrate to the citizens of the city just how powerful effective zoning could be. The promise of zoning did not lie in its ability to "clean up" Fifth Avenue, or create race and class homogeneity out of the "chaos" of Atlanta's established residential sections - in fact, it was powerless to effect such change - but to codify exclusion in the laws governing spaces as yet undeveloped. In the case of Atlanta and around the country, zoning would find its true mission in regulating the all-white spaces of suburban homeownership to be constructed in the "building boom" of the 1920s. Both the law governing this space, and the public relations campaign designed to sell it, were direct imports from Whitten's experience with the New York City Zoning Commission, and the National Conference on Urban Planning.

In *The Atlanta Zone Plan: Report Outlining a Tentative Zone Plan for Atlanta* (Whitten, 1922), Whitten both makes a case for zoning, aimed at Atlanta's residential property owners, and offers a tentative plan, which he assures the reader will not go forward until it has been improved upon by the "study and criticism [of] property owners and civic

and business organizations throughout the city” (Whitten 1922, 9). Following the advice of Edward Bennett, Whitten pitched zoning as protection for the small property owner. He asked the reader to imagine a mechanic losing his life savings on account of a greedy neighbor, “thinking only of his own immediate advantage” (ibid, 10), who destroys the value of a street’s residential property by opening a grocery store on an empty lot. We are then asked to consider the case of Mr. Smith, a homeowner in “an attractive neighborhood,” who “believes that children, like plants, must have plenty of sunlight and room in which to grow” (ibid, 3). Smith’s children, and plants, are deprived of their much-needed sunlight by the actions of a “speculative builder” who erects a “four story, sixteen suite apartment house” on the lot directly adjacent to Smith’s, thus condemning them to permanent shade (ibid). It is the purpose of zoning, Whitten informed his audience, to do away with such selfishness: “Zoning is the practical application of the Golden Rule to the use of property” (ibid, 6).

The ethical foundations of the institution thus established, Whitten then unveiled his comprehensive zoning ordinance, designed to zone the entire city into residential sections segregated on the basis of race and class. The first step is to put the renting class in its proper place, as he explains that “one of the chief purposes of the zone plan is to preserve Atlanta as a city of homes...Carefully limited but adequate areas are allowed for apartment house development” (ibid, 10). Whitten proposes two types of “residence districts”: “the dwelling house district, from which apartment houses are excluded, [which] will include the larger portion of the entire area of Atlanta,” and the “apartment house district,” where what he elsewhere referred to as the “renting class” will reside (ibid).

Not all “dwelling house districts” were created equal, of course. Whitten’s “area districts,” once the stuff of conference presentation, became the regulatory code governing Atlanta’s residential space, as his proposed minimum lot areas per family became law when the zoning ordinance passed in 1922. He proposed four area districts, ranging from the “Class A1 district,” which mandated 5,000 square feet of space per family, while also barring duplexes, to “Class

A4,” in which only 625 square feet per family were required. Whitten made clear that the purpose of zoning was simply to provide a regulatory minimum, as he expected “restrictive covenants” to achieve higher levels of exclusion “in all better class residential developments” (ibid, 6). In seeking to promote “a certain degree of uniformity in the development of a block or area beneficial to all owners,” however, the principles underlying zoning and restrictive covenants were the same: “Zoning applies the principle of the restrictive covenants in so far as it can be used to promote public as distinct from purely private ends” (ibid).

Despite the Supreme Court’s landmark 1917 *Buchanan v. Warley* decision, which struck down Louisville’s racial zoning ordinance, and which had formed the basis for the Georgia Supreme Court to declare Atlanta’s own racial zoning ordinance unconstitutional that same year (Lands 2009), Whitten would also zone the city of Atlanta by race, establishing the R1 zone for whites, R2 for blacks, and an “undetermined” zone, denoted R3. He had no trouble justifying racial zoning on the same health, safety and general welfare grounds that served to justify every other aspect of zoning regulation, and hastened to add that in segregating the entire city on the basis of race, care had been taken to ensure that the plan was entirely free of “discrimination” (Whitten 1922).

In fact, while Whitten’s plan provided ample room for the construction of exclusively white residential space in the thousands of acres that would be filled in with park-like subdivisions in the 1920s, the plan provided little room for black expansion, and essentially confined them to existing black neighborhoods, which W.E.B. DuBois once described as stretching out “like a great dumbbell across the city, with one great center in the east and a smaller one in the west, connected by a narrow belt (Dittmer 1977, 12). The racial aspect of Whitten’s zoning ordinance would face its inevitable rejection by the state supreme court in 1924, and in fact the entire ordinance would be struck down by the courts in 1926, which sided with an Atlanta resident who argued that regulations barring her from opening a business on a lot zoned residential amounted to a taking of property (Lands 2009, 156).⁸

⁸ Zoning in Atlanta, and throughout the nation, would be

Despite these legal setbacks, the regulatory logic of Whitten's 1922 zoning ordinance would govern the residential geography of Atlanta's 1920s building boom, which would see the record-breaking construction of at least 14,000 new units in its peak years, from 1924-1928 (Lands 2009, 135). The landscape which emerged, in fact, showed no deviation whatsoever from Whitten's regulatory prescriptions, as it was marked by the sharp geographic limitation of multi-family housing, the creation of vast tracts of land exclusively devoted to housing white, single-family homeowners, and the sharp segregation of neighborhoods on the basis of race and class.

The clearest demonstration of the impact of Whitten's value logic on the residential geography of the city is perhaps provided by the Homeowner's Loan Corporation's (HOLC) 1938 "residential security area map" of the city (see Fig. 1).⁹ ¹⁰ The "A" and "B" grade neighborhoods represent the geography of the 1920s building boom, which covered thousands of acres north of the city with all-white, single-home residential space. These areas, the vast majority of which were undeveloped at the time of Whitten's zoning ordinance, represent what zoning could accomplish given a *tabula rasa* of undeveloped space. Praised by the HOLC as "homogenous" and "well-planned," they represented the vision of residential exclusion developed at the National Conference on City Planning written into the landscape, achieving a level of race and class homogeneity of which the leaders of earlier, and ultimately unsuccessful, efforts to banish blacks from Atlanta's in-town neighborhoods could only have dreamed (Home Owners Loan Corporation, 1938).

rescued by the Supreme Courts *Euclid v. Ambler* decision the following year, and Atlanta's elites would immediately set themselves to the task of rezoning the city.

9 Many thanks to Woo Jang (Department of Geography, Minnesota State University) for preparing the maps presented here.

10 For the HOLC, the chief difference between "A" and "B" areas was that while the "A" areas were what it described as the "hot spots," currently under development, the B areas "as a rule are completely developed. They are like a 1937 automobile – still good, but not what people are buying today who can afford a new one" (Home Owners Loan Corporation, 1938).

Neighborhoods receiving an "A" or "B" rating from the HOLC were all-white, and two-thirds were comprised exclusively of homeowners. Out of 41 neighborhoods receiving either an "A" or "B" rating, only 3 had rates of homeownership less than 90 percent. With one exception, a "B" neighborhood in which apartments were said to account for five percent of all structures, the "A" and "B" neighborhoods are completely devoid of that threat to civilization, the multi-family house (Home Owners Loan Corporation, 1938).

For the HOLC, it was not enough to have achieved a neighborhood in which apartments, blacks, and renters had been entirely excluded. The absence of regulatory protections designed to guarantee their ongoing exclusion meant that there would be "limited" mortgage funds available for one's neighborhood, while mortgage funds availability was listed as "ample" for all neighborhoods which were not only comprised exclusively of white homeowners, but protected by regulations designed to maintain this pattern of exclusion (*ibid.*). Once these appraisal methods were adopted by the post-war Federal Housing Administration (Jackson 1985, 203), white Americans who wished to see appreciation in their property values would be forced, however willingly, to play a game of social exclusion.¹¹

In addition to judging the "social status of the population" when determining a neighborhood's level of mortgage risk, and downgrading neighborhoods "lacking homogeneity" or suffering an "infiltration of a lower grade population," the HOLC insisted that it was crucial when evaluating a neighborhood to take note of the "social status" of those residing in neighborhoods nearby (Home Owners Loan Corporation, 1938). The ideal neighborhood was not simply off-limits to renters, blacks, and "low-grade

11 The purpose of the HOLC was to offer loan assistance to homeowners in the Depression who were facing foreclosure. Despite the risk-assessment criteria it developed, it actually provided loan assistance in all four grades of neighborhood, which provided something of a test of its criteria for mortgage risk. What it found, nationwide, was that "C" and "D" neighborhoods actually had a better rate of loan repayment than those rated "A" and "B." The FHA chose not to amend the lending criteria on the basis of this finding (Jackson 1985, 202).

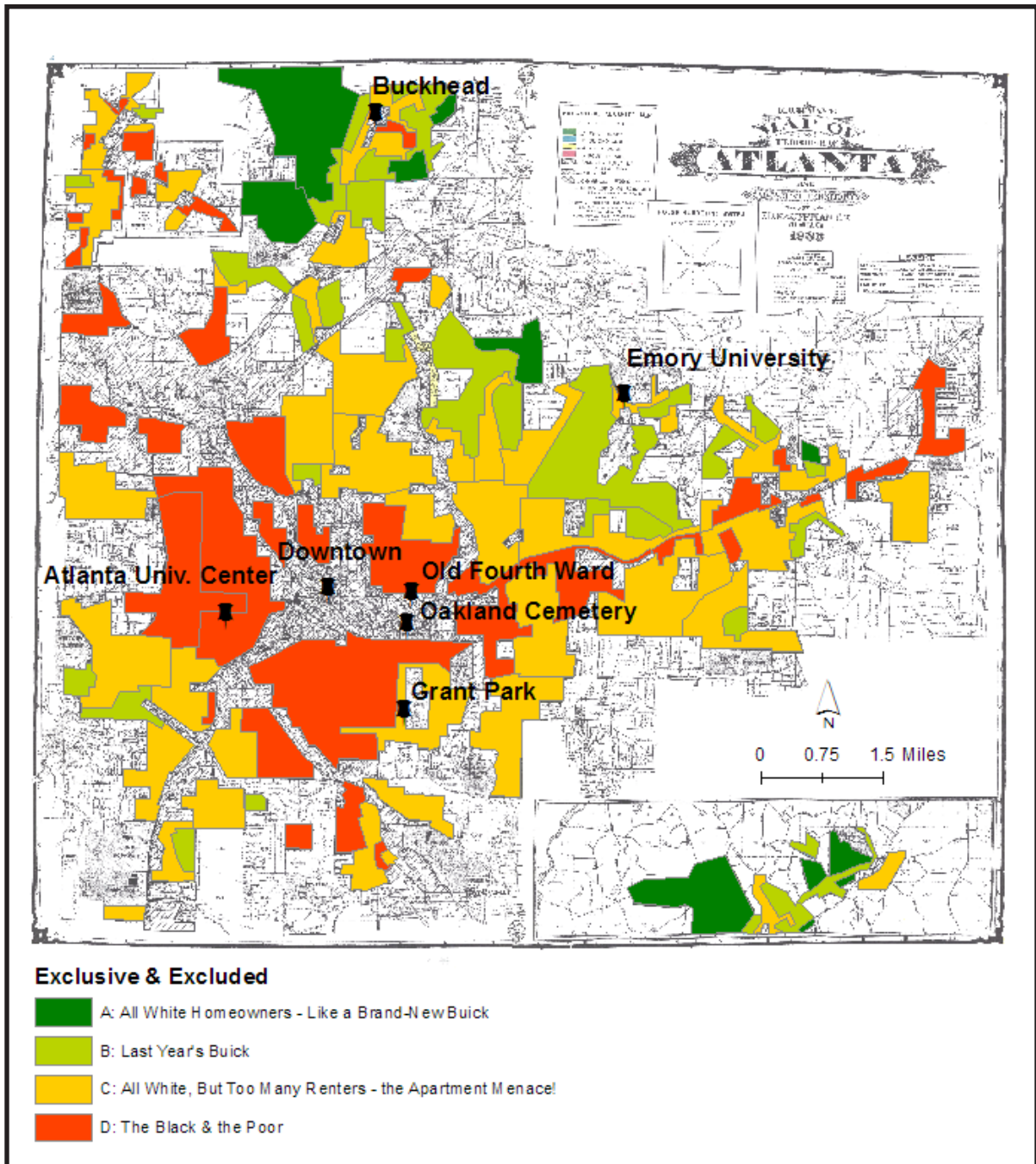


Figure 1. The 1938 Atlanta HOLC Map

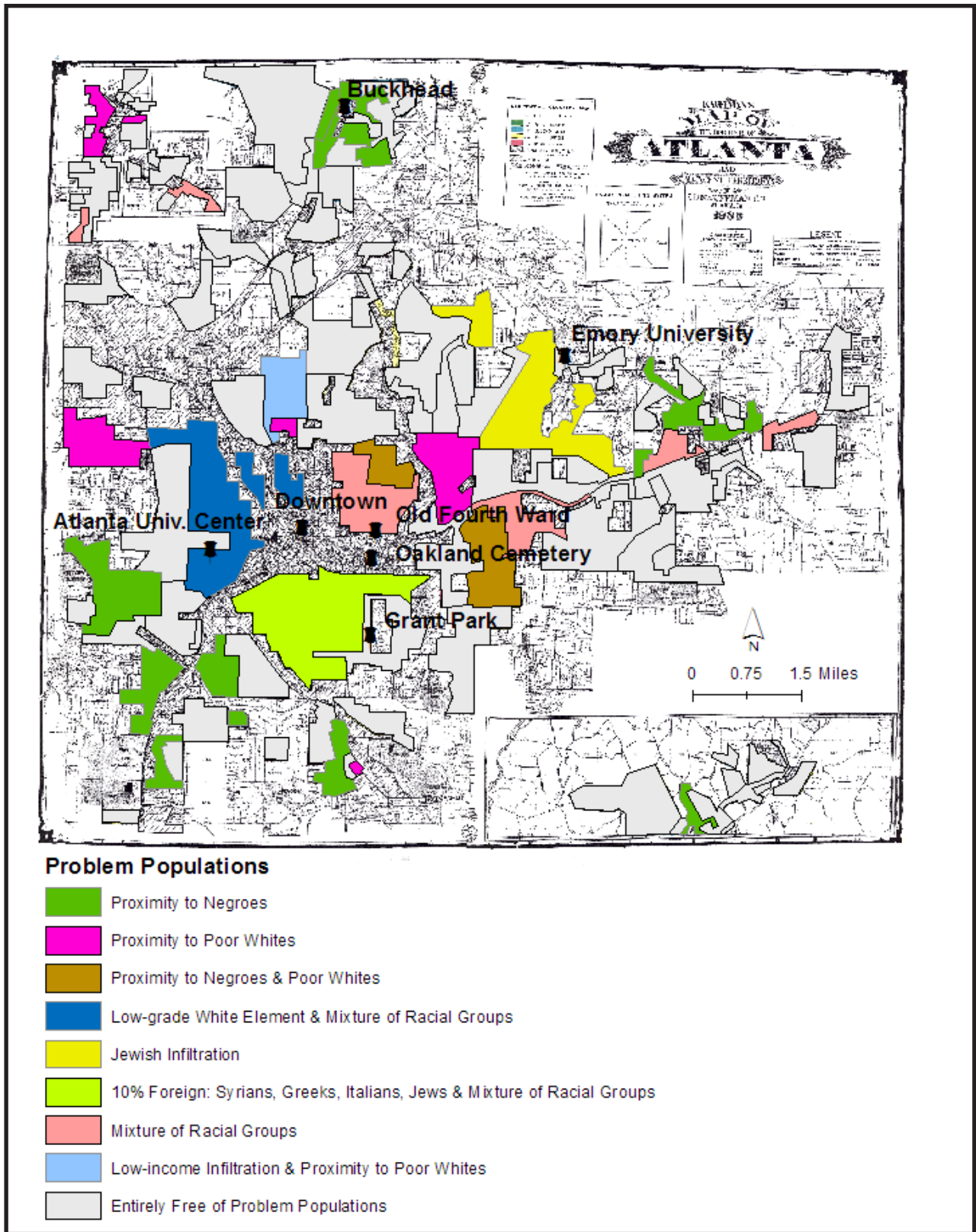


Figure 2. Problem Populations

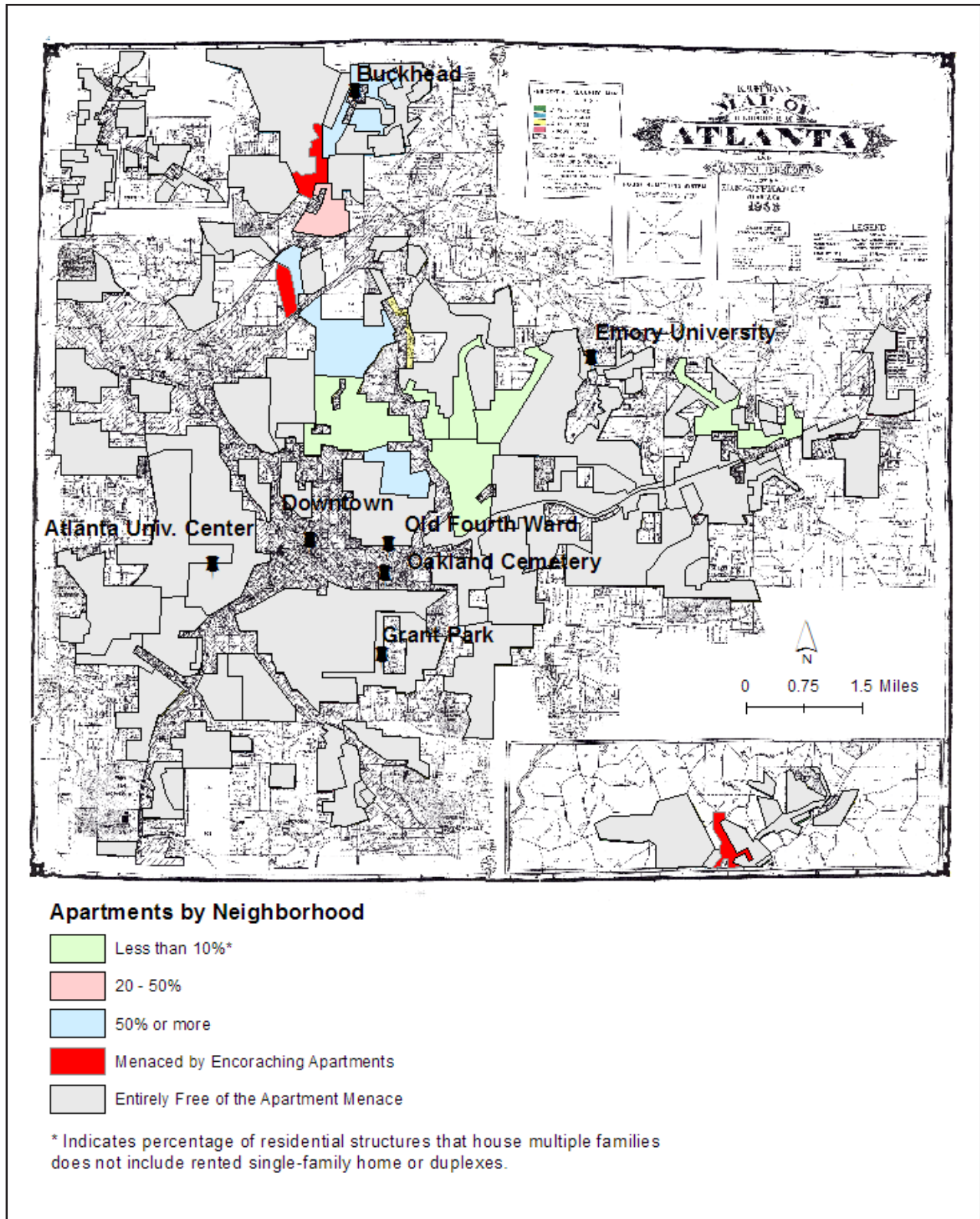


Figure 3. The Apartment Menace

white elements” (ibid), but had achieved physical distance from them. In the “area descriptions” written for each neighborhood, mere proximity to what the HOLC considered to be a “lower grade population” was invariably cited as a “detrimental influence” impacting the neighborhood’s mortgage rating, and gave the “A” and “B” neighborhoods constructed outside of the city an advantage, in terms of mortgage rating, over their in-town counterparts simply on the basis of the physical separation they had effected between themselves and the black or poor. In Atlanta, proximity either to blacks or poor whites was cited as a cause for lender caution, though what was undoubtedly worse than proximity was actual “infiltration,” which was one of the information fields in the HOLC neighborhood reports, which tracked the movements of “undesirable populations.” The vast majority of Atlanta neighborhoods were entirely free of “infiltration,” though instances cited included “infiltration of Jewish families” and “low-income infiltration” (ibid) (see fig 2).¹²

The HOLC shared Whitten’s anathema for apartments, and its concern was expressed by listing the presence of apartments in a neighborhood, or even a neighborhood’s proximity to apartment buildings – referred to in neighborhood reports as “encroaching apartments” – as a “detrimental influence” (ibid). Whitten’s stipulation that the areas of the city permitting apartments be “carefully limited,” and that apartments be banned from “residence districts” was heeded in the subsequent development of the city, as multi-family housing was non-existent in 99 of the 111 Atlanta neighborhoods surveyed by the HOLC in 1938. Of the twelve neighborhoods which the HOLC flagged as having the “detrimental influence” of this form of housing, eight of them were more than 90 percent comprised of single-family homes, and there were only two neighborhoods in Atlanta in 1938 in which at least 50 percent of all structures were listed as multi-family housing (ibid) (See fig 3).

Regulations which channeled white homeowners into exclusive neighborhoods, of course, also created

¹² The language used in the map legend, e.g., “proximity to negroes,” “low-grade white element,” “Jewish infiltration,” etc., is that of the HOLC.

concentrations of renters, non-whites, and the poor. This was entirely by design, as Whitten had made clear, in conference presentations, his belief that segregation on the basis of social class was crucial to the functioning of a vigorous democracy (Whitten 1921). In discussing the Atlanta Zoning Ordinance with *Survey*, the same Progressive journal which had called for the exclusion of “Angelo Lucca and Alexis Spivak” from labor markets for the purpose of preventing “race suicide” (Leonard 2003, 704), Whitten repeated this conviction, and affirmed that achieving such residential segregation was one of the purposes to be effected by his 1922 Atlanta Zone Plan. Recalling his conversation with Whitten, *Survey* editor Bruno Lasker writes that Whitten told him:

...that he was opposed to any zoning that would favor a mixture of residences for families of different economic status. In his opinion it is more desirable that bankers and the leading business men should live in one part of town, storekeepers, clerks and technicians in another, and working people in yet others where they would enjoy the association with neighbors more or less of their own kind (Lasker 1922).

This, of course, was the explicit purpose of Whitten’s various “residence districts,” each with their own minimum lot size. *Laissez-faire* resulted in the pre-Whitten “chaos” of Atlanta’s in-town neighborhoods, in which “large, single-class, single-race neighborhoods were the exception rather than the rule” (Lands 2009, 29). In the post-Whitten proliferation of white space north of the city, into which white homeowners segregated themselves, those remaining behind in the older, in-town neighborhoods found that they, too, had been segregated, without moving.

VI. Conclusion

The Atlanta landscape surveyed by the HOLC in 1938 was the result of a regulatory program explicitly designed to confront the problem, expressed by developer J.C. Nichols at the 1916 Conference, that while “there are thousands of acres around any city, of the commonplace type,” “no article of unlimited quantity ever has a great value” (Nichols 1916, 101-102). The regulatory regime developed at the

Conference, and implemented by Whitten in Atlanta, bluntly sought to inflate and maintain land values by making the law, not the market, the chief determinant of the supply and demand for land. The aim was to force the dispersal of activities of home and work onto far greater areas of land than would result in the absence of regulations, thus increasing demand, while limiting the areas of the city which could be legally used for particular purposes, thus effecting an artificial reduction of supply. There is only one reason to limit supply while increasing demand, of course, and for Nichols, this reason provided the field of city planning with its reason for existence: “we want you city planners to again realize that a great part of your work of city planning turns on how to help us make our land increase in value rapidly enough...and mark up our prices to enable us to meet our carrying charges” (ibid, 105-106).

Limiting supply, increasing demand and raising prices are terms of economics, but such a strategy is at essence a game of social exclusion. Increasing the scarcity of a good is synonymous with limiting access to it, and increasing the quantity of effort required to obtain it. Indeed, the essence of regulatory projects which seek to effect a price-boosting limitation on supply is to determine which segment of the population will benefit from the deliberately engineered increase in value, and which will be excluded from it, an exclusion that is one and the same with effecting the scarcity on which the entire project rests. Atlanta’s all-white suburban neighborhoods would lose their exclusivity, of course, without the category of excluded. There is no such thing as an “A” neighborhood without a “D.”

The protections afforded by zoning and restrictive deed covenants, combined with bank lending practices that insisted upon them, meant that for white families looking to purchase a home, out of the “thousands of acres around [the] city,” only those covered by restrictive land-use regulations made for a sensible investment, thus conferring on this protected space a demand, and value, far higher than would be the case in the absence of such regulations. The same body of regulations that created protection for white owners of single-family homes, of course, also drastically limited

the space available in cities for multi-family housing, or for non-whites and renters to reside, which would have the same effect of raising the price of their housing, due to an artificial limitation on the areas of the city to which they had access. The difference, of course, was that while protected white homeowners would earn a share in the expected steady rise of land values as the demand of an expanding city pressed up against a deliberately limited supply of land, those whose neighborhoods bore the label “excluded” rather than “exclusive” would feel the effects in the way of higher prices for shoddier homes than would be the case if they were free to seek housing anywhere in the city.¹³

As seen, the regulatory projects which would restore the exclusivity of Fifth Avenue by effecting the removal of immigrants, or construct spaces excluding all but white homeowners in the “well planned” neighborhoods that resulted from Atlanta’s 1920s building boom, were not justified with appeals to economic theory, but rather on the basis of crisis narratives which served to justify dividing the population into the categories of “protected” and “excluded” with respect to the proposed regulations. Whether the narrative was that immigrants posed a threat to the survival of the white race, or that in the effort to ban apartments from residential districts, “civilization is at stake,” the race and class bigotry deployed to justify the restrictive land-use regulations developed in the first decades of the twentieth century, and still in place today, had the effect of determining the parties to be protected and excluded within a regulatory regime that had protection and exclusion at its very essence. Contrary to Kenneth Jackson’s contention that the irrationality of racism served to distort the HOLC’s conception of value, it would appear that the pursuit of value not only requires the construction of categories of people which become synonymous with either protection or exclusion, but that this pursuit

13 Southern blacks, apparently, were as aware of the phenomenon as the city planners. The results of a 1919 survey conducted to determine the reasons for the mass migration of Southern blacks to Northern cities during the First World War listed as one of the chief reasons “the segregation laws that forbid their residing outside of a designated area – thus leaving no room for natural expansion and *enforcing a fictitious value upon property rented or sold to them*” (West 1976, 6, emphasis added).

has powerfully shaped the ongoing construction of American categories of race.

References

- Babcock, F. M. (1932). *The Valuation of Real Estate*. New York, London: McGraw-Hill.
- Bassett, Edward. (1918). The Zoning of Residence Sections, Discussion. *Proceedings of the Tenth National Conference on City Planning*. Boston: University Press
- Commons, J. R. (1920). *Races and Immigrants in America* (New ed.). New York: Macmillan.
- Commons, J. R. (1939). *Legal Foundations of Capitalism*. New York: The Macmillan Company.
- Davis, Otto W. (1916). Shall We Encourage or Discourage the Apartment House? National Housing Association. *Housing problems in America*. New York: American Housing Association.
- Dorfman, J. (1946). *The Economic Mind in American Civilization*. New York: Viking Press
- Ely, R.T. (1938). *Ground Under Our Feet: An Autobiography*. New York: The Macmillan Company.
- Dittmer, J. (1977). *Black Georgia in the Progressive Era, 1900-1920*. Urbana: University of Illinois Press.
- Haar, C.M. (M., Kayden, J. S., & American Planning Association. (1989). *Zoning and the American dream: Promises still to keep*. Chicago, Ill.: Planners Press, American Planning Association in association with the Lincoln Institute of Land Policy.
- Home Owners Loan Corporation, "Residential Security Map, Atlanta Georgia" folder: Atlanta, box 82, RG 195, Records of the Federal Home Loan Bank Board, 1933-1983, National Archives and Records Administration, College Park, Maryland; "Security Area Descriptions."
- Hornstein, J. M. (2005). *A Nation of Realtors: A Cultural History of the Twentieth-century American Middle Class*. Durham: Duke University Press.
- Jackson, K. T. (1985). *Crabgrass Frontier: The Suburbanization of America*. New York: Oxford University Press
- Kruse, K. M. (2005). *White Flight: Atlanta and the Making of Modern Conservatism*. Princeton, N.J.: Princeton University Press.
- Lands, L. (2009). *The Culture of Property: Race, Class, and Housing Landscapes in Atlanta, 1880-1950*. Athens: University of Georgia Press.
- Lasker, Bruno. (1922). Atlanta Zoning Plan. *Survey*. (April 22, 1922): 114-115.
- Leonard, Thomas C. (2003). "More Merciful and Not Less Effective": Eugenics and American Economics in the Progressive Era. *History of Political Economy*, 3
- McMichael, S. L. (1931). *McMichael's Appraising Manual: A Real Estate Appraising Handbook for Field Work and Advanced Study Courses*. New York: Prentice-Hall
- Newman, Bernard J. (1916). Shall We Encourage or Discourage the Apartment House? National Housing Association. *Housing Problems in America*. New York: American Housing Association.
- Nichols, J.C. (1916). Financial Effect of Good Planning in Land Subdivision. *Proceedings of the Eighth National Conference on City Planning*. Boston: University Press
- Page, M. (1999). *The Creative Destruction of Manhattan, 1900-1940*. Chicago: University of Chicago Press
- Rader, B.G. (1966). *The Academic Mind and Reform: The Influence of Richard T. Ely in American Life*. Lexington: University of Kentucky Press.

- Preston, H. L. (1979). *Automobile Age Atlanta: The Making of a Southern Metropolis, 1900-1935*. Athens: University of Georgia Press.
- Purdy, Lawson. (1918). The Zoning of Residence Sections, Discussion. *Proceedings of the Tenth National Conference on City Planning*. Boston: University Press
- Revell, Keith D. (1992). Regulating the Landscape: Real Estate Values, City Planning, and the 1916 New York City Zoning Ordinance. In Ward, D., & Zunz, O. *The Landscape of modernity: Essays on New York City, 1900-1940*. New York: Russell Sage Foundation.
- Self, R. O. (2003). *American Babylon: Race and the Struggle for Postwar Oakland*. Princeton, N.J.: Princeton University Press.
- Roosevelt, Theodore. (1907). A Letter from President Roosevelt on Race Suicide. *American Monthly Review of Reviews*, 35.5:550-1
- Sklar, M. J. (1987). *The Corporate Reconstruction of American Capitalism, 1890-1916: The Market, the Law, and Politics*. Cambridge. Cambridgeshire: New York: Cambridge University Press.
- Sugrue, T. J. (1996). *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*. Princeton, N.J.: Princeton University Press.
- Swan, Herbert. (1921). The Effect of Zoning Upon Living Conditions. *Proceedings of the Thirteenth National Conference on City Planning*. Boston: University Press.
- Taylor, Alexander S. (1916). Zoning Through Private Effort. *Proceedings of the Eighth National Conference on City Planning*. Boston: University Press.
- Toll, S. I. (1969). *Zoned American*. New York: Grossman Publishers.
- Walker, Francis Amasa. (1892). Immigration. *Yale Review*, 1.2:125-45
- Walker, Francis Amasa. (1896). Restriction of Immigration. *Atlantic*, 77:822-29
- Weiss, Mark A. (1992). Density and Intervention: New York's Planning Traditions. In Ward, D., & Zunz, O. *The Landscape of Modernity: Essays on New York City, 1900-1940*. New York: Russell Sage Foundation.
- West, E. Bernard. (1976). *Black Atlanta, Struggle for Development – 1915-1925*. Unpublished Master's Thesis. Atlanta University.
- Whitten, Robert. (1918). The Zoning of Residence Sections. *Proceedings of the Tenth National Conference on City Planning*. Boston: University Press.
- Whitten, Robert. (1920). City Zoning. *Journal of the Western Society of Engineers*, 25
- Whitten, Robert. (1921). Zoning and Living Conditions. *Proceedings of the Thirteenth National Conference on City Planning*. Boston: University Press.
- Whitten, Robert. (1922). *The Atlanta Zone Plan: Report Outlining a Tentative Zone Plan for Atlanta*. Atlanta: Atlanta City Planning Commission.
- Wright, Henry. (1916). Financial Effect of Good Planning in Land Subdivision, Discussion. *Proceedings of the Eighth National Conference on City Planning*. Boston: University Press.