Confessions of a Block-Buster

A Chicago real-estate agent who moves Negro families into all-white blocks reveals how he reaps enormous profits from racial prejudice.

Not long ago in an all-white block on Chicago's West Side, a FOR SALE sign appeared in front of a modest frame bungalow. Immediately a wave of fear swept across the block. A Negro family already was living several blocks away. Not far beyond that was the western edge of Chicago's "Black Belt." Every year its border had been moving closer, enclosing blocks like this one along the way. Suppose the bungalow came into possession of a Negro? What would happen to the rest of the block?

All the residents were plainly worried. Among them were a widow who had been living alone and had no assets but her home, and the parents of four young children who feared what "change" might mean to the youngsters' safety. "Relax," said the bungalow owner. "I'm selling this through a white real-estate man. I won't even talk to a Negro."

Imagine their shock, then, when the FOR SALE sign came down and the new owners moved in—Negroes. And consider the impact of what happened next. Three more buildings, which were already owned by property speculators, "turned" immediately. Other Negro families arrived to look at homes in the block. Real-estate men, both white and Negro, swarmed in.

Almost overnight the family with four children sold out at a sizable loss. So did six other homeowners in quick succession. "We'll stay," a few owners said. "We're broad-minded." But the situation was out of their control. Finally the last of the whites left—whether or not they could afford to move. Like hundreds of others who have been similarly blitzed, they never really knew what had hit them.

I knew. I triggered the whole sequence of events by buying the bungalow and quickly selling it to a Negro. I am a block-buster. Another and perhaps slightly less odious name for my craft is real-estate speculator.

Cornering a Share of the Harvest

I specialize in locating blocks which I consider ripe for racial change. Then I "bust" them by buying properties from the white owners and selling them to Negroes—with the intent of breaking down the rest of the block for colored occupancy. Sometimes the groundwork—the initial block-busting—has already been done by some other speculator by the time I arrive on the scene. In that case all I have to do is to work on the remaining whites and reap my share of the harvest.

I make my money—quite a lot of it, incidentally—in three ways: (1) By beating down the prices I pay the white owners by stimulating their fear of what is to come; (2) by selling to the eager Negroes at inflated prices; and (3) by financing these purchases at what amounts to a very high rate of interest. I'll have more to say about these techniques later.

Block-busting is a relatively new business—only ten to fifteen years old actually—but already it is a crowded field. Block-busters also operate in Washington, D.C., Baltimore, Philadelphia,
MY FUNCTION IS TO DRIVE THE WHITES FROM A BLOCK WHETHER OR NOT THEY WANT TO GO—THEN MOVE IN NEGROES.

New York City, Boston, Cleveland, Detroit, St. Louis and other cities and in some of their suburbs, Chicago alone has more than 700 of us. Because few Negroes can command the necessary financing to enter this occupation, most of us are white, as I am. Over the past ten years we have helped “change” an average of two to three blocks a week in Chicago. Even now, with the overall housing market rather quiet, we bust a new block in Chicago every four to eight days.

With the nation’s Negro population exploding and continuing to concentrate in urban areas, the demand simply never lets up. More than half the citizenry of Washington, D. C., is Negro. Philadelphia is one fourth Negro. In Chicago the Negro population, now one fourth of our citizenry, has nearly doubled in the past ten years and probably will double again in the next thirty, rising to 1,700,000 persons, or half the city’s present population. Even its suburbs, now mostly white, are expected to contain nearly 700,000 Negroes by 1950.

AVERAGE CITIZENS, AVERAGE PREJUDICES

If you are an average white citizen, with average prejudices, you may regard all this as the ruin of metropolitan neighborhoods. I think of it merely as more business for what already is a growth industry. My attitude stems from the fact that few white neighborhoods welcome Negroes who can afford to buy there; yet the need for homes for Negroes keeps growing. I insist there is no solution of this problem. My function, which might be called a service industry, is to drive the whites from a block whether or not they want to go, then move in Negroes.

You might think it would be difficult to bust a block, especially your block. It isn’t really. In most blocks someone almost always is being transferred, wanting a larger or smaller home, or moving away for his health. If I offer enough money, I can buy any building I want—if not directly, then through a front. It doesn’t matter whether Negroes now live nearby. The shock effect of the block-busting, plus my ready financing, can cave in enough of the block to make my efforts successful.

But I prefer blocks near others where Negroes already live—especially old, middle-class blocks with a mixture of frame homes and walk-up apartments. Whites already there have been conditioned to insecurity by the inexorable march of the color line in their direction. This makes these blocks setups for the quick turnover, large volume and the large profits I like. The case of a South Side block I busted is typical.

Twenty-five years ago when most of the block’s residents moved in and Chicago’s population was only 8 percent Negro, none of the whites imagined they might be “endangered.” All this racial business was somebody else’s problem. Then one day reality began to dawn on them. All-white streets along which they drove to the Loop suddenly “turned.” Fairly distant stores and theaters they had patronized, friends’ homes they had visited, or churches they had attended were being swallowed.

“We’ll organize,” some residents said. “We’ll keep the niggers out.” But other speculators and I already were buying buildings in adjacent blocks and holding them until we thought the area was ready to be turned for maximum profit.

You can’t appreciate the psychological effect of such a color-line march unless you have seen it. First, Negro students begin enrolling in neighborhood schools. Then, churches and businesses in the area quit fixing up facilities as they normally might. Parks which have been all white suddenly become all Negro. A homeowner applies to his bank for a home-improvement loan and is turned down. “Too close to the color line,” he is told. Small businesses begin to close. New whites, if they move into the area at all, are apt to be of lower economic class than before, and they are tenants, not owners. Because lending institutions always set aside an area for regular mortgages when change appears imminent, whites can’t buy there if they want to.

So it went in my typical South Side block. But the residents still thought they were safe because everyone had agreed not to sell to Negroes. Hence they weren’t too disturbed when a bluff, friendly accountant who was retiring and moving to Florida announced to neighbors that he was listing his three-flat building for sale. As weeks passed, however, and no buyer was found, their suspense grew, and the owner became desperate. “We’re stuck,” he told his wife. “We told everyone we wouldn’t sell them out. But we have to.”

Up to this point only a few Negro real-estate men rather tentatively had rung doorbells in the block. Now we speculators and brokers, both white and Negro, really went to work. One paid several Negroes with noisy cars to begin driving up and down the street a few times a day. He also paid a Negro mother who drew aid-to-dependent children payments to walk the block regularly with a sign that read “I will move in Negroes.” Another arranged to have phone calls made in the block for such people as ”Johnnie Mae.” Sometimes calls would consist only of a whisper, a drunken laugh or a warning—such as, “They’re coming!”

I didn’t participate in these vicious tactics. Few large speculators do. If I operated so crudely, frankly I wouldn’t have consented to write this report. But I prefer blocks near others where Negroes already live. I told the accountant who was retiring and moving to Florida that I was list- ing his building for sale. As weeks passed, however, and no buyer was found, his suspense grew, and the owner became desperate.

“Well,” I said, “you might get that if you wait. But you know what is happening in the neighbor- hood. If you want a quick cash deal, I’ll give you $18,000.” But, knowing that we speculators often pay proportionately more for the first building on a block to go, he Looped down only $1000 in price. At that point I got a break. My canvasser, who had been talking with other owners, rang the doorbell and called me onto the porch to tell me something.

“Sorry,” I told the accountant. “Negroes will be moving in next door. Eighteen thousand is tops.” His quick call to the neighbor confirmed my canvasser’s report, and he accepted my offer on the spot.

The moment I make a deal, I always place a “Sold by” sign in front of the building. A few
Three housewives who organized to fight block-busting tactics in their Peoria Avenue-95th Street neighborhood have now sold to Negroes: Mrs. Helen Sullivan (left), Mrs. Bernie Brown and Mrs. Diane Bishop. As Mrs. Sullivan puts it, "... pretty soon one sells, then another, then you do too."

"Nobody who has lived in a neighborhood for years, seen his children grow up there, become accustomed to nearby school, church and shopping facilities, likes to be uprooted."
"If anybody who is well established in this business in Chicago doesn't earn $100,000 a year, he is loafing."

Undisturbed by the quarrels of their elders, children play in an integrated block where a Negro's house mysteriously caught fire.
open-occupancy ordinances, which by opening up any neighborhood to Negroes who could afford to buy there would take the pressure off the few collapsing ones which are open.

The police put down violence promptly in any blocks which are busted in a "permissible" area. Yet, if a Negro is leapfrogged into a home beyond this zone, the protests somehow always get out of hand. In one case a policeman guarding a Negro's new home was seen showing several youths how to make a Molotov-cocktail incendiary bomb.

Some churches accept all this, often serving as rallying points for whites trying to "hold the line." One parish even has acted as an agent in the purchase of twenty-two buildings which normal turnover otherwise might have placed in the hands of speculators. When change begins, most churches then simply close up shop and sell most or all of their property.

**Relentless March of the Color Line**

Neighborhood improvement associations actually are usually "all-white" improvement associations. One, the Back of the Yards Neighborhood Council, has kept its area all white. But it began in the 1930's and has a unique authoritarian control extending through stores, banks, churches and industry in its stockyards neighborhood. Every other neighborhood, including one in which retail businessmen raised a war chest of $100,000, has "gone" when the color line reached it. And associations which opposed me before any break-throughs end up happy to cooperate—if I will only "go slow" and not change blocks until association officials say they are "ready." I usually do this to keep their goodwill.

Newspapers, too, help prepare the way. Their only stories in this field usually concern the "panic" aspects. If they print stories about Negroes, it's only in connection with crime or welfare problems or population increases, not with Negro church activity or business and educational success or other aspects of normal life in good Negro neighborhoods.

The Board of Education contributes by writing off a school once it begins to change racially, consigning it to overcrowding, double shifts and supervision by the least experienced and lowest-paid teachers—and by giving it the lowest proportion of counselors.

Then there are my financial sources, which are among the most reputable in the city. My credit is good in almost any bank or savings-and-loan association in town. It also is good with insurance companies, including several Negro firms. Merely by placing an ad in a daily newspaper, I can raise cash by selling my contract paper at a discount to some of the most reputable doctors, dentists, lawyers and other business and professional men in town.

With forces such as these on my side, why should I feel guilty? Am I really the basic cause of whites' fleeing? Do I depress their property values and inflate prices for Negroes? When a Negro has been turned away from a bank, do I "trap" him into accepting a contract sale?

And what alternative can you provide for my function? Would you try to influence your bank or savings-and-loan association to begin lending to Negroes? Would you help remove the pressure on "busted" areas by welcoming a Negro family into your block? Do you even care that my business operates as it does? Whatever my faults and whatever the social stigma I endure, I don't believe I am hypocritical about all this. Can you honestly say the same?

*THE END*