

Confessions of a Block-Buster

The
Saturday
Evening
POST
FOUNDED IN 1728 BY
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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,

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

By NORRIS VITCHEK as told to Alfred Balk



Movers carry out the belongings of a couple who had lived for twenty-two years in southwest Chicago. They left when the first Negroes to come into the block bought the house next door.

"My function is to drive the whites from a block whether or not they want to go—then move in Negroes."

Photographs by Arthur Shay



A policeman guards a Negro-owned house that "busted" a May Street block. Along the street, FOR SALE signs are already up.

New York City, Boston, Cleveland, Detroit, St. Louis and other cities and in some of their suburbs. Chicago alone has more than 100 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 1990.

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 assist in the 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 blacklist 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 her youngsters. 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, even under the fictitious name in the by-line. I just use psychology.

I began my work in this case by sending a postcard to everyone in the block and others in adjacent blocks. The cards said, "I will pay cash for your building." That was all except for my phone number. The word "cash" was the key. It assured homeowners they could get out quickly and reminded them that their neighbors could too. Then a canvasser and I headed for the block to repeat the offer in person.

Best Price for First Building

My first stop was at the home of the retired accountant who owned the three-flat building. "How much are you asking for your building?" I asked him.

"Twenty-two thousand," he said.

"Well," I said, "you might get that if you wait. But you know what is happening in the neighborhood. 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 would come 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.

"His neighbor in the one-story brick just sold for \$14,000," he told me.

"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

such signs—the gaudier, the better—show that events are moving. So does the ringing of doorbells. And with thirty other real-estate men working a block, including regular dealers as well as speculators, those bells ring often.

Changing the rest of this block, as in most other blocks, was easy. After posting my signs, I merely sent a man down one side of the street and up the other punching doorbells.

When a delivery driver who had two young daughters in school said he “probably would leave for the good of the kids,” but wanted to think about it, my man discussed the pros and cons in a friendly way. “If you take my quick deal,” he concluded, “you’ll have no worries about the kids. You can give them a nice yard and have them in a good suburban school next week.” The man and his wife, obviously troubled, decided my canvasser was right. They sold at a \$2000 loss.

To an elderly couple who hesitated, saying their home and neighborhood were the only ones they had known throughout their marriage and they would “stay around and see what our new neighbors are like,” my man said, “I know what waiting has meant to people like you in worry and strain. Waiting never makes it easier. If you take my cash deal while I still can offer it, you can begin looking for a new retirement home tomorrow.” They sold too.

First “Break” Can Bring Trouble

“No, thanks,” several owners told my canvasser. “My own real-estate man is finding me a Negro buyer.”

Some owners on every block consider this. If they can close a deal directly with a Negro, usually it is for a price close to the property’s book value—thus benefiting both. But most whites are reluctant to bargain with a Negro over so large a sum. They know that, in the sixty to ninety days before the closing date, he is more likely than a speculator to have to cancel the deal, despite having earnest money down. Many times, although the owner has listed his property with a neighborhood agent, the real-estate man ends up by arranging a deal with me—with the seller not only accepting a depressed price but also having to pay a broker’s commission.

And so day by day, week by week, month by month, the block collapses further, until the last white finally moves away.

Now admittedly, although somebody would perform this economic function if I did not, these dealings are not always pleasant. In the first place, the Negro able to buy property usually doesn’t want trouble. Yet, being the first to “break” an all-white block, or even second or third, can and often does bring trouble.

For example, there was the case of a Negro salesman who had just been promoted to a supervisory position in his firm. He came to a speculator seeking an income property into which he could move with his family. The speculator told him about a three-flat building he had just bought from whites. “The place we’re renting is bad,” the Negro said, “but we don’t want any trouble. Has the block been busted?” The speculator owned another building there, but the block hadn’t been busted, in the sense that Negroes already were living there. However, knowing the three-flat building would be a good investment for the Negro and that he should be able to carry it financially, the speculator told him, “It’s OK.”

In the first few days after the Negro moved in, a bottle was thrown through his front window, his wife was insulted by several whites who lived in

“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.”



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.”

"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.

the block, and his two children were harassed on their way home from school.

Few Negroes or whites on Chicago's West Side have forgotten the riots involving thousands, three summers ago, after a speculator's sale of a building to Negroes on West Jackson Boulevard. Luckily only the building got hurt. And, fortunately, any incidents connected with the move-ins I handle are so minor in comparison to what Negroes already have experienced that they soon are forgotten.

"You've Sold Out Your Own Race"

Actually, block-busting probably is tougher on the whites than the Negroes. Nobody who has lived in a neighborhood for years, seen his children grow up there, remodeled his home exactly to his liking and become accustomed to nearby school, church and shopping facilities likes to be uprooted. This is particularly true if it happens so suddenly that he has no new neighborhood in mind, if he has to accept less living space and a higher-interest mortgage than he previously had and if he must sell his property at a loss. Several elderly persons have died because of the anguish and upheaval involved.

As a result of my business dealings, I have been cursed, called "nigger lover," "vulture," and "panic peddler," had doors slammed in my face and even been chased by an irate woman with a broom. "You're Communist and un-American!" one owner shouted at me. "You've sold out your own race!" others have yelled.

It is hard to forget, too, how even long-time neighbors and friends may become jealous, suspicious and antagonistic toward one another. After one middle-aged couple had built a suburban home and sold their former home to a speculator—and the speculator had "turned" it—several former neighbors hired a sound truck and drove to the couple's new home. They cruised the block, shouting, "Be sure and meet your new neighbors, the Joneses. They sold out their old block to Negroes."

Once a block has been busted, some white owners simply stare, almost dumbfounded, as we draw up sale papers for them. Others break down and cry. Some say, "It's OK to show the place to Negroes before we move, but we don't want to be in the house to watch it when you do."

But no matter how emotional or awkward some situations may be, there is one compensation for it all—money. Some brokers or investors make a good return only on some deals. I make it on every deal in the three ways I mentioned earlier.

You may believe your home is worth \$15,000, for example. If I bust your block, I will expect to buy it for \$12,000 cash. The odds are that eventually you will sell for that price, if not to me, then to another speculator. If you and your white neighbors did not run, you probably would gain, rather than lose. More than four fifths of the white neighborhoods into which Negroes move hold their own or enjoy an increase in value, according to a five-year Fund for the Republic study of 10,000 transactions in Northern interracial neighborhoods. But the myth that "Negroes lower property values" persists—so whites run, and we block-busters clean up. Within a few days comes profit No. 2: I advertise and sell it to a Negro not for \$15,000, but for \$18,000. Financing the deal myself, I will accept \$500 to \$1500 down, with the remainder on contract. The easy-payment plan, I believe it is called—that is, \$150 to \$200 a month until the contract is fulfilled. When is that? This is profit No. 3, the big

one. The contract is fulfilled when I have been paid principal and interest totaling \$36,000.

These terms, I am told, force Negroes to overcrowd and overuse their buildings by renting out part of them, or to skimp on maintenance, starting the neighborhood on the way to blight. (In most Negro neighborhoods in Chicago the population density is five times that of white areas.) The contract burden, I also am told, forces Negro mothers to work, despite the presence of youngsters at home, compels fathers to take two jobs and can lead to numerous other problems because of the financial strain and anxiety.

Even so, the number of Negro buyers who default on their payments is small. When it does happen in my own business, it is no loss to me, since I retain title to property until contracts are completed. I keep all the payments made until that time, evict the owners and either rent the building or resell it on about the same terms.

The Urban League of Chicago says we speculators make nearly \$1,000,000 a month in our city in "abnormal" profit from Negroes who buy former white property on contract. This could be. I know that I make four times the profit I could for the same amount of effort in all-white real estate. If anybody who is well established in this business in Chicago doesn't earn \$100,000 a year, he is loafing.

"A dirty business," you say? One that whites should fight?

White people in dozens of neighborhoods have tried fighting. They have pressured neighborhood banks and savings-and-loan associations to quit blacklisting their areas, resulting in token concessions. They have held block meetings to warn homeowners not to deal with those of us who advertise "Quick Cash Sales" in newspapers or the classified phone directory, have passed out leaflets listing speculators' names and have ripped up "Sold by" signs which were of larger size or were posted longer than city ordinance allows. They even won a fraud-and-misrepresentation case against two block-busting brokers in Chicago, thanks to several blunders which no established operator would have made. Despite all such resistance, once a block has been busted, only rarely has its complete breakdown been halted. Too many forces are working for us speculators.

Ordaining the "Cave-in" Method

The Chicago Real Estate Board, an organization of the city's most prominent realtors, all but ordained the "cave-in" method in a policy laid down in 1917: "It is desired in the interest of all that each block shall be filled solidly (with Negroes) and that further expansion shall be confined to contiguous blocks. . . ."

The board, which is all white, no longer makes a copy of this statement available in its office, but the policy never has been rescinded or repudiated. None of the board's 1700 members violates it. No member, if he deals with Negroes at all, is likely to arrange for a sale to them in a white neighborhood that is not next to a "Negro block." Once a neighborhood begins changing, none will show homes there to whites.

Lending institutions' "no-Negro" or "no-integrated area" loan policies further perpetuate the trend, restricting Negroes to blocks we bust and forcing them to rely mainly on our contract sales for financing.

The City Council and Mayor Richard J. Daley, who, like his two immediate predecessors, comes from the all-white Bridgeport area of the city, also help. They regularly table every request for

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 breakthroughs 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

Angrily resisting the block-busting agents, these women have stayed in their neighborhood to promote reasonable integration.

