


Revisiting the Second Ghetto

In Blueprint for Disaster, Bradford Hunt asks "what went wrong with public housing in Chicago?" His brilliant, multi-causal answer is important because Chicago became the nation’s largest and most influential program in the postwar era, standing along side of New York City. Hunt shows that from its New Deal origins in 1937, public housing in the United States failed the ultimate test of the marketplace. The “projects” quickly became dwelling places of “last resort” in the minds of the working class. Blacks and whites alike sought to avoid the stigma of living in or even next to one. And from the start of “urban renewal” on the near South Side a decade later, researchers found that many displaced residents, who were
eligible for public housing, chose to move elsewhere. In spite of having few options other than crowding into another substandard, albeit more expensive apartment in another “blighted” neighborhood, they rejected living in the projects. The Chicago Housing Authority (CHA) would change the skyline with its modernist tower blocks, but it never accounted for more than a small fraction of the metropolitan housing market.

To answer Hunt’s question, then, requires a larger context in order to interrogate the role of public policy in shaping the physical, social, and cultural geographies of the American city since the end of World War II. Over a quarter century ago, Arnold Hirsch in the seminal Making of the Second Ghetto erased the color line between de jure and de facto segregation in northern cities like Chicago. One of his key contributions was exposing an “era of hidden violence” directed by white residents against African-Americans attempting to move into their neighborhoods. The other two books under review, Andrew J. Diamond’s Mean Streets and Beryl Satter’s Family Properties, shed important new light on the impacts of government planning by following those displaced by the urban renewal bulldozer into these contested zones on the South and West Sides of the inner city.

All three authors continue to work within Hirsch’s conceptual model, which is framed by the centrality of white racism in both the individual decisions and the government programs that went into the creation of a dual housing market. While white flight to new houses in segregated suburbs was subsided by home mortgage insurance and highway programs, black mobility was sealed off, “redlined” by the dual housing market. Government and business combined to steer aspiring homeowners from working class racial and ethnic minorities into a self-fulfilling cycle of predatory lending, property foreclosure, family eviction, and neighborhood decline. As Hirsch uncovered, the formation of public policy was intimately connected to private market decision-makers through the percolation of grassroots politics up the federal system. The violent defense of community/parish boundaries by white Chicagoans was certainly never hidden from City Hall.

Diamond’s Mean Streets illuminates the role street gangs played in drawing the battlelines in this mostly working class war of racial identities of place. Taking a long-range perspective, the Associate Professor of American History and Civilization at the Université Charles de Gaulle in Lille, France, and after his recent years in the schools, social service, and recreation workers structured, engaged young people between the ages of 14 and 16 years old in non-academic and vio- lent street gang turn, engaging them in the walls of the South Side’s neighborhoods in place up through the 1980s. At the second, citywide level of analysis, breaking up the area of multiculturality” towards race, he pinpointed the 1946, a region of the city blacks at the center of the community’s working class so-called “upwardly mobile” group of blacks. Wanting a place in the racial and ethnic affirmative actions of the 1970s, blacks did not want to be part of the working class ghetto of the 1940s.

For some time now, the goat theories of race and ethnicity and gangsterism. Among the
historical records documenting the history of Chicago’s black community, the social and economic factors that led to the formation and persistence of street gangs have been inadequately studied. The signifi- cance of street gangs as a form of community mobilization and as a means of maintaining social order in the face of economic hardship and political repression has received little attention. This lack of attention is particularly surprising given the widespread belief that street gangs are a major problem in American cities. The purpose of this chapter is to examine the role of street gangs in shaping the political economy of Chicago’s African American community from the 1930s to the 1970s. The analysis is based on an examination of the historical records of the Chicago police department, the Chicago Board of Education, and various other governmental and non-governmental agencies. The data collected for this study come from a variety of sources, including police reports, court records, school records, employment records, and interviews with gang members and their families. The data are analyzed using a combination of qualitative and quantitative methods.
Lille, France, contrasts the composition and purposes of street gangs before and after the war. “Youth subcultures,” he posits, “stretching between schools, street corners, and perhaps most important, public and commercial recreation spaces were central settings within which urban residents constructed, negotiated, defended, and reified racial and ethnic identities between 1910s and 1960s.” (p. 5) Males between sixteen and twenty-five years old coming of age in the city sought out these “interzones” precisely because they offered unique testing grounds where fear and desire, pleasure and violence coexisted. Fighting for exclusionary use of these spaces, in turn, engendered racial and ethnic identities that could define neighborhood boundaries for a generation. The 1919 race riots, for instance, erected the walls of the first ghetto’s “Black Belt” on the South Side that remained in place until they burst at the end of World War II and the beginning of a second, Great Migration.

Postwar social and economic change created a “crisis of masculinity” (p. 190), a decisive turning point in the history of youth gangs towards racialization and violence. When school ended in the summer of 1946, a reign of white “juvenile terrorism” erupted in vicious attacks on blacks at beaches, parks, and other public and commercial leisure venues. Diamond offers deep insight into the anxieties facing young men from the working class as they attempted to make the expected transition to an upwardly mobile adulthood of a good job, car, family, and homeownership. Wanting a piece of this American Dream, instead they were facing a future of feminized, stigmatized, low-pay service job as drop-outs or veterans who did not want to go back to school.

From this analysis, Diamond proposes what is essentially a scapegoat theory of the “other” as the basis for the formation of white street gangs. Acting out their powerlessness in front of the neighborhood became an alternative route to manhood, honor, and group respect. Consider the riots documented by Hirsch at public housing sites for returning vets, which had integration mandates during the late 1940s and early 1950s. Examining arrest records, Diamond refines our understanding by highlighting the large proportion of offenders under twenty-one. These massive mobs were the flashpoints in what became an endless guerilla war fought out in the racial interzones of a block-by-block battle of defense, retreat, and flight.

If a future of factory closures, community loss of the successful to
the suburbs, and neighborhood deterioration looked bleak to white youth, their African American and Latino counterparts faced even more dismal prospects. Besides much lower chances of getting a decent job due to discriminatory hiring practices, for example, eighty percent of the city’s students on half-day, double shifts in the public schools were African Americans. This was a direct result of City Hall’s policy of segregation that left half-empty schools in white neighborhoods and overcrowded ones in the ghettos. In the wake of the 1954 Brown v. Board of Education decision, moreover, both black and white Chicagoans felt disfranchised by government conspiracies to impose either “apartheid” or integration, respectively. Diamond also provides some tantalizing comparisons of the ways in which Puerto Ricans and Mexicans attempted to negotiate their own identities of place in a city increasing divided into just two opposing sides of the color line. “Indeed, what the patterns of gang violence documented by youth workers in the field reveals,” he underscores, “is that race was, in fact, an organizing principle of youth violence during this period.” (p. 219)

Shifting the focus from white to black youth subcultures in the sixties, he examines their evolution into much larger and more violent-prone “fighting gangs” that were as willing to take on the police as their rivals. Long before drugs came to dominate the informal economy of the ghetto, street gangs underwent a metamorphosis from small groups defending patches of local “turf” to highly structured and heavily armed “nations” with hundreds of soldiers. The reorganization of the gangs into hierarchical, clientele regimes coincided with the peaking of job losses in manufacturing, household displacements by the urban renewal bulldozer, and gang formations in the new, segregated public housing projects. On the South Side, the Blackstone Rangers came to dominate, while the Cobras and the Vice Lords fought a civil war on the West Side. Puerto Ricans were cast as black in spite of nationalist self-images, while some Mexicans and Mexican-Americans sought to achieve white status by attacking blacks.

But defense of racial and ethnic identities now transcended spatial boundaries. The drive-by shooting from a stolen car became an all too common part of everyday life. In July 1961, a non-gang African American was killed outside of the all-white high school in the hotly contested, West Side district of Lawndale. Five hundred “racial defenders” from the rival Cobras and Vice Lords showed up together in front of the school to get revenge.

In Chicago, in contrast to the no-mans-land of independency, “then,” he notes, “we had in effect a second politics. There was a radicalization of movement. Angels Bangers grew much bigger. Movement was the resistance. A new surrender was not the same, crusade to fight. The schools lost 1964 and 1965. At the same time, something else was going on in the political and the personal. Following the Watts uprising, many Americans, rather than give up, took up their flight. All kinds of male youth—black, white, heavily la...
revenge. Random attacks on whites by black gangs throughout the neighborhood created a reign of terror over the next several days that provoked a white backlash. Significantly, its 2,000 strong march of solidarity was organized by the Latin Cobras, a gang based in Pilsen far to the east of the initial incident. The protesters demanded a crackdown by City Hall, including the unleashing of the police department’s new, riot-trained canine units. Its chief, O.W. Wilson responded with a battle cry, “‘gangs must be crushed’” (p. 254) and the creation of a secretive, Gang Intelligence Unit to carry out this mission.

In two chapters, Diamond lays out the civil rights movement in Chicago from the black street gangs’ point of view. Already engaged in mortal combat with the almost all-white police force, they remained independent and skeptical of its non-violent tactics. “Resistance to police, then,” he proposes, “offered the same forms of valorization that violence had in earlier years, but with much greater potential for oppositional politics. The interface between the police and youths was in the early 1960s a radicalizing space...”(p. 255) In short, the roots of more militant countermovements such as the Black Panthers, White Supremacists, and Guardian Angels grew out of the barrel of a gangster’s gun.

Mayor Richard J. Daley’s humiliating defeat of the civil rights movement hardened the determination of the gangs to mount an armed resistance against the occupying forces of “law and order.” With the surrender of Dr. Martin Luther King, Jr. in August 1966, the non-violent crusade to dismantle the dual housing market and integrate the public schools lost whatever little credibility it had on the street. Starting at the same time as the Watts riots of 1965, a series of clashes between the gangs and the police spiraled out of control on the West Side into rebellion. Following the assassination of Dr. King in April 1968, a walkout of students from the business-as-usual public schools would escalate into a major uprising, resulting in widespread arson, terror, and armies in the streets. Rather than retaining white families in the city, the institutionalization of a dual housing market had an opposite, boomerang-effect of accelerating their flight to the suburbs.

Although Mean Streets opens a new window on working class, male youth subcultures in the city, the book is unbalanced. It is far too heavily laden with theories of identity formation within the gangs and
virtually empty of their members’ sexuality and gender relationships. What little Diamond tells us about teenage girls seems out of place and tacked-on to the end of a few chapters. Were violent acts of male “valorization” committed in the front of public audiences for homoerotic excitement, group bonding, or gladiator machismo to impress the opposite sex? Moreover, what did non-membership or membership and rank in a gang mean in terms of status from the women’s points of view? Perhaps an even more serious imbalance is the almost complete absence of parents. These kids never go home; they are not a part of their families’ struggles for survival, travails in substandard dwellings, and failures to achieve the American Dream of homeownership.

Beryl Satter’s *Family Properties* goes a long way towards filling in this pivotal piece of the story. The Rutgers history professor pulls the analytical lens out from the street corner to illuminate the residential blocks and public spaces of Lawndale. This is a truly remarkable book of painful memories and careful research on racial succession and neighborhood decline in the postwar period. Her personalized account of destroyed lives and community disintegration takes on special meaning in the wake of the latest global meltdown of the housing market. And like the subprime mortgages that caused the current crisis, the installment contracts available in redlined areas were purposely designed to produce the same endgame of loan defaults and property foreclosures. If Lawndale’s double-shift students were left unsupervised as latch-key kids for most of the time, it was because all the adults were out working day and night. If they missed even a single payment, they faced shift eviction by the sheriff’s police.

In both cases, unscrupulous businessmen took advantage of government policies they helped enact in order to descend on a community like a swarm of vampires sucking out its life blood and material wealth before moving on to drain the next. Satter grew up in Lawndale after the war, where her father was an aspiring lawyer, radical defender of civil rights, and guilt-ridden landlord of four integrated, albeit deteriorating apartment buildings. Her childhood neighborhood was where successful Jewish immigrants had moved to get away from the “ghetto” of the Maxwell Street area on the near West Side. During the interwar period, they had bought up the properties and built up a densely packed area of walk-up apartment buildings, ethnic shops, and community institutions. As a people

in-between, it might not have mattered to anyone.

In 1950, during the post-war baby boom, Lawndale was a dynamic neighborhood where many of the biological theories of the time predicted the “invasion” of Negroes and the slow white flight from sprawling ghettos of renewal and blight. It was essentially impossible for the whites to

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But Lawndale paid a heavy price for integrating some of its housing during the exodus of the next generation of the successful to the suburbs. It was a dying slum, according to government and business planners “ecological theory” of the life-cycle of neighborhoods. They considered any “invasion” by even a single “inharmonious” racial or ethnic household to doom them like plants infested with bugs. To stop the cancerous “blight” from spreading, the highway planners conducted the first round of urban renewal surgery. “It [the expressway] sliced the neighborhood in two and essentially destroyed it. Routines that had marked daily life were now impossible,” Satter recalls. (p. 29)

Real estate planners also redlined Lawndale, cutting it off from access to the private credit markets that offered the highly advantageous terms of FHA insured mortgages. Instead, African American property buyers were forced to sign installment contract plans that were rigged with fraudulent schemes to steal their American Dream. They became victims of a cruel logic of foregoing needed repairs, overcrowding, and exploiting their tenants to the maximum. At the end of the day, the speculators would trick the homebuyer into missing a payment and loose all of their hard-earned savings.

“The cycle of ‘blockbusting,’ white violence, urban crime, white flight, and community decay that beset Lawndale from the late 1950s on,” Satter reports, “was depressingly familiar to anyone who had followed the processes of racial change in Chicago.” (p. 93) By then, 85 percent of property loans held by black Chicagoans were installment contracts. Together with the merchants’ equally exploitive, wage garnishment system of credit, the dual housing market created the urban equivalent of the Southern sharecropper locked into debt peonage and hopeless poverty.

Beryl Satter has written a riveting narrative filled with villains and heroes. Family Property spins a cautionary tale of cycles of community protest and political reform that result in “smokescreens”, behind which the powers-that-be switch from one exploitive system of predatory lending to the next. The first round was fought almost single-handedly by the author’s father, Mark Satter. Taking the speculators to court, he exposed their illegal conflicts of interest as they acted simultaneously as secret owners, good-
faith real estate brokers/lawyers, and hidden moneymen creating secondary markets in these installment contracts. In Lawndale, an interlocking group of six speculators controlled over two-thousand buildings, turning them over and over to unsuspecting buyers at an average profit rate of 73 percent. But the crusading lawyer ran into a solid wall of resistance among the Chicago bench and bar. The legal fraternity ostracized him, contributing to an early death in 1965, when his daughter was six years old.

If the passage of fair housing ordinances and credit reform laws during this cycle seemed to vindicate his position, they were actually sidestepping around it, while establishing new schemes. City and state politicians joined with real estate industry bankers and brokers to deceive the public by banning some of the most glaring abuses while opening up a new cycle of exploitive lending practices and financial meltdown. Leading to the savings and loan debacle of the mid-seventies, they enabled the vampire speculators to tap illegally into the federal government’s mortgage insurance programs for low-income homebuyers in previously redlined, post-riot neighborhoods. In the final, knock-out round of stripping Lawndale bare, abandoned buildings were either torn down by the city’s wrecker’s ball or burned down by the speculators’ arson-for-hire schemes to rip-off insurance companies. Leaving behind a no-man’s land of empty lots and crack houses, the six vampires of Lawndale moved on to prey on their next victim lying just to the west, Austin.

*Family Properties* is an exemplary model of a micro-history that projects a much larger, national picture of the devastating impacts of the dual housing market on the American city in the postwar period. Satter balances the depressing decline of the neighborhood with uplifting, individual stories of community organizers, grassroots leaders, defiant priests, and pro-bono lawyers. Out of their collective efforts came the passage of two significant reforms by Congress in the mid-seventies: the Home Mortgage Disclosure Act and the Community Reinvestment Act. While both shed a light of public scrutiny on some predatory lending practices, the legislators purposely left open other loopholes in gray areas of the law, where regulators were barred. The pain felt worldwide by putting the secondary markets in subprime mortgages beyond their gaze hammers home the fundamental lesson of her case study of Lawndale. It was not the African American and Latino homebuyers who were lacking something that prevails, it was the racial and class sign that was apparent.

In 2014, the Chicago Housing Trust Fund was part of the history of the city, and the Chicago Housing Authority was still blaming itself for the failure of its public housing projects and spaces. To the families of the Lawndale of 1965, the CHA failure was the result of good intentions in a bad war. Already 1968, the year that the Chicano Cultural War began, had been a war on the South Side.

Family Properties is a micro-history that sets the stage for the broader story of the Chicago Housing Authority loser that led to the failure of the Chicago Housing Authority. It is a story of the rise and fall of the Chicago Housing Authority and the struggle for social justice in the city of Chicago. It is a story of the struggle for housing justice in the city of Chicago and the struggle for social justice in the country. It is a story of the struggle for housing justice in the city of Chicago and the struggle for social justice in the country.
that prevented them from achieving the American Dream. On the contrary, it was the credit instruments these working class families were forced to sign that were deficient in protecting their basic civil rights.

In a similar way, Bradford Hunt absolves the residents of public housing for the social disorder and gang violence of the projects. Nor does the historian from Roosevelt University rely on the conventional fallback of blaming the architects for design flaws in their high-rise towers and public spaces. To be sure, there were plenty of them. But in answering why the CHA failed the test of the marketplace, he shows how a multi-faceted set of good intentions by New Deal reformers went horribly wrong after the war. Already the recipient of the planning historians’ Lewis Mumford Prize for the best book of the year, *Blueprint for Disaster* is a tragedy built upon a constellation of misguided assumptions about the economic, social, and cultural values embedded in urban housing markets and community identities of place. This is policy history at its very best.

First, the reformers’ belief that city slums were the result of market failure may have led unintentionally to the stillbirth of public housing at its creation. Driven to uphold their theories of public sector intervention, post-war administrators in Washington became obsessed with driving down the cost of building a dwelling unit. They faced a virtually insurmountable challenge in the face of other federal programs promoting homeownership, including financial subsidies, tax deductions, and free highways to the crabgrass frontiers of lower cost land. In this case, City Hall comes out as innocent of the charge that it was the source of the decision to build the rows of tower blocks. The ward bosses vetoed locations for projects outside of the first ghetto, but left their design to the planners. From 1955 to 1959 the new mayor, Richard J. Daley, fought a losing battle on their behalf in Washington for walk-up, double-decker townhouses. Forced to take high-rise modernism on the cheap or get nothing, the CHA was turned from a community builder of neighborhood units into a housing construction and property management bureaucracy.

Second, public housing reformers assumed that first priority should be given to the poorest families and to others least able to pay market rates for housing in the private sector. But their social ideals ran counter to their utilitarian imperatives to establish self-financing, local public housing agencies that collected enough tenant rents to cover their
maintenance and repair costs. Torn between the two goals, CHA’s progressive director, Elizabeth Woods, made a fateful decision in 1953 that she would later regret. By changing rent policy from a fixed amount to a percent of income and setting income limits, she purged the working families and replaced them with households with much lower incomes, who tended to become long-term tenants. Starting a downward spiral of physical disrepair as rental income fell below maintenance costs in the mid-1960s, the CHA became the city’s biggest slumlord. By then, anyone who could afford housing in the private sector was moving out. The exodus of the working class created additional lost income from vacancies on the top floors of the new tower blocks soon after they opened and their elevators stopped working.

But Hunt places primary blame for the demise of public housing in Chicago on another, far more controversial cause that he calls “youth density.” Again, a confluence of economic utilitarianism and social idealism produced a massive collective of 3-5 bedroom apartments for very large families. While normal neighborhoods had two adults for every child, ratios in the reverse became evident immediately to the mostly two-parent families moving into the Stateway Gardens and the Robert Taylor Homes on the South Side. But their best efforts were simply overwhelmed by too many children with nowhere to go and little to do. City Hall refused to respond, leaving them underserved by other local agencies such as school and library programs, health clinics, welfare services, police protection, and parks and recreation.

Left unsupervised, some of the kids became vandals breaking light bulbs and elevators, which the CHA could no longer afford to fix. Some of them would grow up to become gangsters in the projects’ badlands of drugs and guns. For Hunt, the social disorder generated by extraordinary youth densities was the fatal factor in a constellation of well-intended policies gone bad. Taken together with a highly politicized management, the consequences of these decisions were the reason public housing became the marketplace’s least desirable choice of last resort.

In answering the question of what went wrong in Chicago, Hunt and the other two authors offer useful frameworks of analysis for assessing current housing policy. In Chicago, a tradition of private planning and public policy has meant that the CHA’s 1998 Plan of Transition has torn
down the high rises, rebuilt a few small sites as mixed income villages, and left the vast majority of tenants to fend for themselves in the private rental market of "Section-Eight" vouchers. However, this out-of-sight, out-of-mind strategy, the three historians reminds us, does shows up as gang wars, failing schools, and crime waves in the working class neighborhoods disrupted by influxes of more displaced households than their communities can absorb. More than ten years on, City Hall has still not lived up to its promise to provide relocated households with the full array of social welfare and job-training services it never gave them while they were living in the projects. Now sitting amidst the ruins of the subprime mortgage crash, local government will have a hard time meeting these lofty commitments to social justice and environmental equality.

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