

“Democracy’s Unfinished Business”: Federal Policy and the Search for Fair Housing, 1961-1968

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In July of 1963, the administrator of the Housing and Home Finance Agency (HHFA), Robert C. Weaver, spoke to a meeting of his Intergroup Relations Service (IRS), the “race relations” staff charged with promoting non-discrimination in federal housing programs. His talk came at a time of dramatic change in the federal government’s relationship to metropolitan development. After three decades of condoning and even actively promoting the racial segregation of neighborhoods, federal officials began, in the early 1960s, to declare their commitment to open occupancy and the promotion of “fair housing.” During the presidential campaign, John F. Kennedy had promised to eliminate discrimination in federal housing programs with “a stroke of the presidential pen,” and soon after his election appointed Weaver—a former “race relations” officer, an outspoken advocate of equal housing opportunity, and a black man—to run the HHFA. Then in November of 1962, Kennedy made good on his campaign promise, issuing Executive Order 11063, which prohibited racial discrimination in some federally-supported residential development. The Order had a very limited reach, to be sure, applying in the end to less than 1% of the nation’s housing units. But Weaver and IRS officials insisted that the Order was open to a broader interpretation, repeatedly embracing not only its “letter” but also what they called its “spirit.” Viewing Kennedy’s action as part of a larger wave of civil rights reform— particularly in light of recent amendments to the Executive Order on Equal Employment Opportunity—Weaver and other HHFA officials insisted that they had a new mandate to dramatically re-orient both federal policy and practice.

Weaver used his appearance before the IRS that summer to outline this vision, and to identify a strategy that, he hoped, would both alter the government’s impact on metropolitan development and help remedy the results of past discrimination. The key, he explained, was making the pursuit of “fair housing” a responsibility of *all* housing officials, a goal integral to

the day-to-day operations of all HHFA units. In short the work to promote fair housing could no longer be a special assignment, one relegated to members of the “race relations” staff. “[T]he implementing of the President’s [Executive Orders],” he told his staff, is a responsibility of all associated with the HHFA. The head of each constituent agency is held responsible for the implementation over the programs under his jurisdiction, and all line staff have the primary responsibility of carrying out the requirements and purposes of these Orders just as they have with respect to all other policy and program objectives and requirements. In other words, the President’s Orders will be carried out through the operations of the total staff and not through a new or separate operational staff.¹

Weaver called, in effect, for transforming the culture of the housing bureaucracy. He hoped to change the way that officials thought about racial equity and the impact of federal interventions, both past and present.

The Administrator fully recognized that achieving such a transformation posed no small challenge. It would require that officials at the Federal Housing Administration (FHA), the Public Housing Administration (PHA), the Urban Renewal Administration (URA), and the Federal National Mortgage Association (FNMA) not only commit themselves to altering patterns of discrimination that their agencies had long sustained, but also to actively channeling housing resources to populations long denied the benefits of federal largesse. And it was the job of the IRS staff, Weaver explained, to facilitate this. By “work[ing] closely with and through the heads of Agency units,” he continued, the race relations officers should “encourage key staff member[s] to . . . make the fullest contribution toward the achievement of equal opportunity.” Critically, Weaver also insisted that a mere shift in “policy and program objectives and requirements” would not suffice, for it was equally important to change the very *language* of federal policy, and with it the ways that housing officials conceived of their mission and conveyed it to the public. “There is no place under our equal opportunity policy goals,” Weaver explained, “for usage of concepts and statements connoting separateness. Our usage should take on appropriate alternatives such as housing open to or available to or accessible to Negroes, or nonwhites or minorities in lieu of ‘Negro housing,’ ‘nonwhite housing,’ ‘minority housing,’ etc.”²

Weaver’s appointment and his involvement in HHFA reform efforts represented an important victory for critics of federal housing policy. Since the early 1930s, he had been among the small group of civil rights activists and federal officials who had consistently challenged government housing programs, documenting how they favored whites, denied resources to minorities, and helped maintained a strict “color line” in most of the nation’s metropolitan areas. These critics were well aware that since the Depression, government policy had helped build a two-tiered, or “dual” housing market that actively segregated metropolitan regions and their material

resources by race. Moreover these critics recognized that by promoting racial segregation the state had helped legitimize it in new ways, further popularizing and even normalizing the assumption that integrated neighborhoods threatened whites’ investments, their communities, and their personal safety. So when Weaver and like-minded reformers came to power in the early 1960s and received a mandate to “correct” the damage done by past federal action, they saw the HHFA’s mission as twofold: to change both the ways that the government shaped urban outcomes and the ways that Americans literally *conceived* of the market for homes.

But an executive order and Weaver’s appointment were not enough to significantly alter the course of the powerful programs that were reshaping the nation’s metropolitan areas. When Weaver ended his service as the nation’s chief housing official in 1968, he had far from achieved the hoped-for transformation in both government operations and thinking. His tenure did witness some important reforms, including passage of Title VI of the Civil Rights Act of 1964, which extended prohibitions against racial discrimination in federal housing, and the elevation of HHFA to cabinet level status in 1965 (creating the Department of Housing and Urban Development, or HUD). Still by 1968 the structure of most federal housing and development agencies had barely changed, and the assumptions about the dual housing market, so long entrenched in practice and in bureaucratic culture, continued to guide federal operations. Indeed not until 1967 did the PHA abandon a controversial tenant placement practice that helped segregate public housing sites, and that year an internal FHA investigation revealed what realtors and homebuyers alike had long recognized, that the agency continued to deny mortgage insurance to most non-whites, in defiance of the Executive Order. On top of this, Title VI did *not* apply to federal programs of insurance or guarantee, thus excluding from its purview all private homes financed with the assistance of the FHA or Veterans Administration (VA)—that is, the market for housing that benefited most from New Deal-era reforms.³ Finally, the fast-growing “conventional” market for home mortgages, while overseen and indirectly subsidized by federal regulatory agencies including the Federal Home Loan Bank Board, remained unaffected by fair housing law.

Given Weaver’s credentials and the government’s new commitment to protecting civil rights, why was the HHFA and later HUD unable to implement substantive and effective reform? Why did the new “fair housing” mandate prove to be so inadequate? Observers have long noted that congressional, bureaucratic, and private sector opposition to racial integration stalled reform efforts, that opponents sharply curtailed officials’ enforcement authority, and that housing agencies often did not fully exercise “what statutory and regulatory power [they] had.” Meanwhile many of the government’s new “race blind” policies actually helped “perpetuate, if not strengthen, the dual, segregated housing patterns in this country.”⁴ But to fully appreciate the legacy of past federal actions, and the impediments that they created for reform efforts during the Weaver era and beyond, it is crucial to consider both the structural and ideological impacts of government policy, which together transformed the ways that countless whites came to understand the politics of race and residence in metropolitan America. For by the 1960s, state policy had not only helped create a racially segregated,

“dual” market for housing. It had also—quite paradoxically—helped convince whites that the government had done no such thing: that the growth of all-white suburbs and the concentration of black poverty in central cities were simply products of consumer choice in a free market for homes.

The structural transformation of the housing market has been well documented. When Weaver and other federal officials attempted to remake government policy in the early 1960s, they inherited a vast federal bureaucracy—oversight and regulatory programs, mortgage insurance programs,⁵ and a public housing program, among others—that had supported segregation for three decades and that had created a powerful new market for private housing, almost exclusively for white people. The programs that restructured the mortgage market and that built and managed public housing had been grounded in the principle that “separate but equal” was perfectly acceptable. And critically, by the 1960s the flourishing market for private housing had become foundational to post-war economic growth, in part by fueling a massive “flight” of white people to the ever-expanding suburbs. Suburbanization, in turn, further insulated countless whites from racial minorities, who they continued to view as threats to their families, communities, and property values. In short, federal policies had been instrumental to building both the segregated metropolis and, with it, a political and economic constituency deeply resistant to change. To alter these government programs—as well as the “urban outcomes” that they had produced—would require more than executive orders and a legislative ban against discrimination.

Of equal importance, reformers at the HHFA and HUD inherited a powerful ideological legacy that would further complicate their efforts. Throughout the first three decades of federal intervention in the market for residence, most public officials and their private sector allies had insisted that the development of the “dual” market was, indeed, a *market* driven development, a product not of federal intervention but of consumer choice. They insisted, in short, that the federal government was not directly responsible for the segregated outcomes that its programs had helped produce. Thus in the early 1960s, when Weaver was charged with reforming federal policy, he met widespread resistance from whites deeply invested in the myth that the state was not culpable for the spatial and economic segregation so characteristic of the post-war metropolis. In the eyes of countless political leaders, federal officials, and white homeowners, there was simply no evidence that the federal government had helped create the problem. Why then, they asked, should the government be responsible for finding a solution?

To examine the origins of this resistance and its impact on fair housing reform, this paper first revisits the institutional and ideological inheritance of three decades of federal intervention in the American metropolis. It shows that by the time the federal government committed itself to fair housing in the early 1960s, it had already helped create both a *housing market* and a *housing politics* deeply resistant to the kind of reform that Weaver and others hoped to achieve. Then it looks within the HHFA and HUD during the Weaver years, reconstructing

internal debates over strategies and methods for promoting the new “fair housing” mandate. It documents the isolation of the IRS, the widespread resistance to its efforts (both from HHFA officials and the private sector), and reformers’ negotiation of that resistance. Their response proved to be very complicated, driven both by political exigency and their desire to make racial reform constitutive of HHFA policy, rather than a “special project” of its “race relations” staff. Perhaps unrealistically, Weaver and the IRS hoped to fundamentally transform HHFA operations and its political culture, so that all staff members—not just the officers of the IRS—understood the importance of supporting equality in housing. In the end that hope, given the impediments to reform, might have only further undermined their efforts to convince whites that real change was necessary.

The institutional and ideological inheritance: federal housing policy and the politics of post-war housing

To fully understand the obstacles facing reform-minded officials in the 1960s, it is important to consider how three decades of federal intervention had revolutionized not only the market for housing—and with it the nation’s metropolitan landscape—but also the national debate over the politics of race and housing. First, New Deal-era and post-war interventions created a market for residence that systematically benefited whites and denied resources to racial minorities. Federal policy subsidized (suburban) homeownership for white applicants and restricted minority access both to mortgage loans and new housing development. And it both under-funded and segregated its public housing programs, while supporting urban redevelopment projects that only further undermined existing minority neighborhoods. Second, and quite paradoxically, federal intervention helped popularize the myth that the resultant racial segregation of wealth and neighborhoods *owed nothing to the state’s own efforts*. Federal officials insisted, instead, that they were merely respecting the demands of the market for residence. Indeed they traveled the country—and even took to the airwaves—to remind whites that it was not the government, but rather the consumer, that was fueling economic recovery and the remarkable prosperity realized by millions in a new suburban nation. As a result, by the time that Weaver was appointed to head (and to reform) the HHFA, countless white Americans—politicians, businesspeople, homeowners, voters—were deeply invested in the myth that the government bore no responsibility for the racial and economic segregation of the American metropolis.

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That federal housing programs created a two-tiered market for housing, one that benefited whites while denying most of its benefits to racial minorities, has long been documented. New Deal-era selective credit programs—especially federal interventions in the mortgage market—have received the most attention. Scholars have shown that the state’s subsidization of homeownership for whites—through the Federal Housing Administration (FHA) and Veterans Administration (VA)—provided a crucial structural support for the post-war economy of consumption as well as for key domestic industries, helping make housing the “bedrock” of

the new consumer economy and “central. . . [to] postwar prosperity.” And their studies have shown that federal programs have fueled the segregation of neighborhoods, capital, tax bases, and metropolitan resources by race, creating new kinds of racial and socioeconomic segregation unique to the modern United States.⁶

Still most contemporary discussions of this legacy continue to understate the impact of federal interventions on the post-war housing economy, by focusing solely on FHA and VA programs, while largely ignoring the state’s role in shaping and sustaining the conventional, or “non-insured” market for mortgages. Economists, planners, and policy makers have long recognized that New Deal officials (and their private-sector allies) were interested not just in rescuing a generation of lenders and borrowers, but also in creating mechanisms that would promote future economic growth. Key to achieving these goals was the creation of a vibrant “secondary mortgage market” and, closely related, the stimulation of conventional mortgage lending. Both goals were addressed throughout the Depression and post-war period through the creation of selective-credit initiatives, most important the programs of the Federal Home Loan Bank Board (FHLBB), the Federal Savings and Loan Insurance Corporation (FSLIC), and the FNMA. The FHLBB took the first step by insuring individual S&L accounts—through its FSLIC, established in 1934—which enabled private institutions to increase their mortgage commitments and to compete with FHA-insured lenders. Eventually the FHA, the twelve reserve banks of the FHLB system, and the FSLIC helped give rise to the lucrative secondary mortgage market, which increased the flow of housing credit in both the insured and conventional markets, in part by attracting more types of private lenders into the home loan business. And critically, by standardizing and insuring the long-term mortgage, these programs made home loans negotiable between metropolitan regions, thereby creating a *national* market for their purchase and trade.

A restructured, stable, and very flexible new market for mortgages generated even more housing credit, thus further expanding the market for real estate, construction, and housing-related goods. And by the late 30’s, legislators made the growth of the secondary mortgage market an important focus of federal housing policy. Through Federal Reserve policy, the Home Owners Loan Corporation’s (HOLC) direct investment of about \$300 million into the S&L industry, the establishment of FNMA in 1938, and the centralization and coordination of housing agency activities in 1939, the government expanded its efforts to both enhance and consolidate an institutional support system for private market operations.⁷ And critically, these selective credit programs further promoted the discriminatory appraisal standards that guided FHA (and later VA) operations, essentially making racial segregation a constitutive element of a new national market for housing. The results were already tangible by 1940. State activity had drawn countless financial institutions into the mortgage market for the first time and dramatically expanded the supply of housing credit, transforming the market for home finance and structuring it to systematically deny its benefits to people of color. And throughout the post-war decades, new initiatives (most important, the GI Bill home loan provisions) and constant tinkering with the National Housing Act quickly established home finance debt as a

central component of national economic growth.⁸ In short, focusing solely on FHA and VA operations tells only a partial story about the government’s impact on post-war housing patterns, because it neglects related selective credit initiatives that both enabled the high-profile mortgage insurance programs to function profitably and revolutionized the conventional market for home loans.

Equally important to understanding the post-war politics of race and housing is the way that these state interventions have been portrayed, both during the early years of suburban growth and in subsequent accounts. While acknowledging that federal programs facilitated and even subsidized the new long-term, amortized mortgage, most scholars continue to portray the mortgage revolution itself as the product of “free market” forces, and accuse the state, at worst, of “legitimizing systematic discrimination.” A recent synthesis captures the consensus among many observers, when it describes the FHA and VA programs as “private market solutions” to the housing crisis which, “while heavily subsidized by the federal government,” merely provided “encouragement and assistance,” and “broaden[ed] [the] potential consumer market.” Agencies such as the HOLC, FHA, and FDIC, the study concludes, represented liberals’ reliance on “unregulated private markets” to revive construction and meet consumer demand.⁹

Housing economists, by contrast, have long understood the state’s role very differently, arguing that its combined regulatory and subsidy functions together *created new kinds of market structures and market relationships, which sustained activity that otherwise likely would not have occurred*. Beginning with the creation of the FHLBB, HOLC, FSLIC, and FHA, the state essentially designed a new market for credit, established the rules for its operation, and sustained its existence. It was the widespread use of a new, federally monitored and guaranteed mortgage instrument that created an unprecedented amount of capital for the purchase (and thus the construction) of housing, on terms that enabled millions of Americans to afford homeownership for the first time. So while the federal government did not directly loan money, and while most of its administrative costs were eventually covered by borrowers’ fees and other income, its interventions created a new kind of credit market, one which made widespread lending, borrowing, construction, and repair. In short the state created and sustained conditions in the home finance market—both its government-insured and conventional sectors—that spurred homebuilding, created jobs, created demand, and ultimately introduced substantial equity into the portfolios of some families, but not others.

Prominent among the writers who have detailed “the almost total ubiquitousness of government in economic life” were some of the economists—such as Miles Colean of the FHA—who originally designed and managed federal housing programs in the 1930s and 1940s. Colean reported that as early as 1946, “all building and real estate activities were more completely under surveillance and control than during the war,” which meant that “real estate finance was equally influenced by governmental action.” Others have noted how federal initiatives “create[d] and [kept] in operation a greater number of banks and S&L’s than a purely

competitive process would have permitted.” By one account federal credit programs “increased the flow of funds into residential construction by approximately \$18 billion” in the 1950s alone, while “not materially improving the housing status of the very low-income groups in society.” Among the beneficiaries, meanwhile, were industries that had traditionally shied away from the mortgage market, like life insurance companies, which quickly assumed a commanding position in that market. The biggest winners were the nation’s mortgage companies, which actually “developed to meet a need that was created when FHA and VA operations were successful in creating (at least partially) a national market for mortgages.” Writing in 1965, Raymond Goldsmith summarized the consensus among housing economists, explaining that “[t]he effects of government participation in the residential mortgage market were so strong, pervasive, and intricate that it is impossible to visualize the form this market would have had in the absence of government intervention.”¹⁰ Notably economists have not shied away from describing these housing programs as subsidies, in sharp contrast to many scholars who have commented on the federal role in shaping the post-war market.¹¹

Most important for the history of fair housing reform, this story about federal subsidy was almost invisible in popular debates about metropolitan change during the 1940s, 1950s, and 1960s. Put simply, while critics and scholars have called attention to federal culpability since New Deal programs first began to revolutionize the market for residence, the federal government and their private sector allies rarely acknowledged this culpability, most often denied it, and instead went to great lengths to popularize an alternative story: the claim that urban growth, the rise in homeownership rates, and the resultant segregation of the American metropolis was a purely market-driven phenomenon. Not surprisingly most whites, deeply invested in the Cold War era’s celebration of individualism and free market capitalism, embraced the myth that their new prosperity—and their new status as homeowners—was simply the result of an unrestrained market for residence.

Officials’ denial of responsibility for segregation was the result, in large measure, of their need to justify the state’s unprecedented new involvement in private financial markets. Garnering support for adventurous pump-priming measures required appeasing many audiences, be it fiscal conservatives uncomfortable with federal involvement in mortgage finance, businesspeople and investors wary of risk-taking, or consumers reluctant to spend. Each group took comfort in the claim that federal policy was not *creating* new market activity, but rather *correcting* an otherwise healthy economic system. Meanwhile this defense worked well in response to the state’s most vocal critics, the civil rights activists who objected to the government’s endorsement of racial segregation.

So whether the challenge came from a congressman worried that the state was overstepping its authority or from an activist opposed to the racial rules that governed FHA, PHA, and other programs, housing officials deflected responsibility to a faceless “market” for property. State interventions, they insisted repeatedly, were not altering market outcomes, but rather were “loosening up” credit markets, and allowing them to return to their “normal” levels of activity.

As one of the programs’ defenders explained to skeptical senators at the hearings on the National Housing Act in 1934, new federal interventions were not interfering with market activity, but rather were merely “unleashing” pent up capital.¹²

Consider a speech by FHA Commissioner Abner Ferguson, presented in April, 1941 to a meeting of the Negro Business Conference in Washington D.C. His audience was well aware that federal policy had been excluding most African Americans from the fast-growing market for housing credit, and no doubt hoped for some sign that the wartime emergency might alter FHA practices. Instead Ferguson explained that federal mortgage programs could not help most black people.¹³ “[I]n any consideration of how the FHA program can benefit negroes,” he began, “certain things must be kept in mind”:

The law is one providing insurance of loans made by private capital to property owners for the repair. . .[or] purchase. . .of homes. . .Nowhere in the law is there any compulsion upon financial institutions to make these loans. And, of course, in our form of Government the Federal authorities cannot dictate to whom a private financial institution shall or shall not lend its depositor’s funds.¹⁴

The agency was “enjoined by the law,” he continued, “to insure only those mortgages which are economically sound,” for properties located in neighborhoods that are “desirabl[e] as a place of residence over a long period of years.” And black occupancy had been deemed “undesirable” not by the FHA, he explained, but rather by the market itself. So while Ferguson insisted that his agency would give all qualified borrowers “the same consideration. . .regardless of race, color or creed,” he quickly conceded that “[a]s applied to Negroes” the FHA has “two specific problems. . .marketability and income.” He explained that “FHA operations, of course, do not create the market. . .The FHA can only follow the trends in the existing market and accept it as we find it. . .” And since most blacks were poor, he concluded, they could only “be provided adequate housing. . .through Government subsidy”—i.e., through public housing.¹⁵

This characterization of government mortgage policies—emphasizing the state’s respect for and responsiveness to the “free market,” and attributing discriminatory outcomes solely to market forces—served as a chorus for white public officials and their allies in the private sector throughout the 1930s, 1940s, and 1950s. And significantly they spent very little time defending their racial practices to minorities, focusing, instead, on popularizing their programs among white business people and consumers. Most assertive was the FHA itself, which sponsored a multi-faceted promotional campaign to draw people into the new market for home improvement and suburban homeownership. Beginning in 1934 and continuing into the 1950s, the agency aggressively encouraged borrowing and lending nationwide, in part through a massive PR campaign that included speaking tours, radio and film advertising, the distribution of promotional literature, regional “home” fairs, and door-to-door canvassing of millions of individual homes. The campaign’s message was clear: the American consumer and

American businessman held the keys first to national recovery and then to sustained economic growth. Above all else, this campaign assured its audience that federal intervention in mortgage markets was essentially “non-interventionist,” and wholly “compatible” with free enterprise.

It began in the summer of 1934, with the “Better-Housing Campaign,” a multi-million dollar national effort to stimulate borrowing and spending for both home improvement and new home construction.” Within a week, the FHA had supplied 28,000 financial institutions with copies of the rules and regulations for Title I loan insurance. Meanwhile the agency’s new “public relations division” initiated local “Better Housing” campaigns in thousands of communities, by appointing regional, state, and district directors who in turn supplied educational materials to the countless businesspeople, chambers of commerce, and civic groups that eagerly solicited advice. By early December, the agency had appointed 4,513 community chairman, who in turn had initiated 3,245 community campaigns. And by then, house-to-house canvases were underway in over 1,100 cities and towns, in which volunteers tried to “persuade property owners,” as FHA Commissioner James Moffett explained, to get started on “the modernization and repair work they need.” In the first three months alone, the agency spent \$1.3 million on the “Better Housing Campaign” and mailed out over 52 million pieces of literature. In 1934, the FHA organized 4,000 communities and initiated 3 million household visits. By March of the following year, campaigns were underway in 6,000 communities—which together contained about 65 percent of the country’s population—and house-to-house canvases in over 2,000 locales had reached 5.6 million individuals, while securing pledges for over 1 million home improvement jobs. Moffett described his agency’s work as a “massive education campaign.” The “business of the Housing Administration,” he told an audience of bankers in 1934, “is a vast, nation-wide selling job, an educational campaign to sell the public on Better Housing.”¹⁶

Meanwhile the agency enlisted the nation’s newspapers and magazines, supplying them with “education copy” and inviting dailies and press associations to use the FHA’s “spot news and feature service.” The agency prepared films, radio promotions, exhibits, and posters for distribution and broadcast nationwide. An FHA-produced weekly radio feature—“The Master Builder”—was so popular that the agency drafted a form letter to expedite responses to fan mail. And in a particularly aggressive campaign, also initiated in August of 1934, senior FHA officials spoke directly to the public over NBC and CBS affiliate stations, introducing listeners to the new mortgage insurance system, assuring them that it was now safe to borrow, and reiterating that the recovery would be driven solely by the forces of supply and demand. The broadcasts explained how FHA programs would “invite capital once more into the home-mortgage field, . . . restore normal real estate values, [and]. . . permit new construction to proceed again.” They would do so not through government spending, but rather by “loosen[ing] up frozen credits in the form of existing mortgages.” These were “straight business proposition[s],to be financed almost wholly out of savings deposits and other funds in the hands of private lending institutions.”¹⁷

Parallel to this very public educational campaign was a more private one targeting the housing, home finance, and related industries, as well as the nation’s municipal officials. Beginning in the Fall of 1934, FHA administrators appeared annually before dozens of trade and municipal associations nationwide. In just his first months in office, Moffett introduced the mortgage insurance system to meetings of the Chicago Association of Commerce, Pittsburgh’s Duquesne Club, and the New York Chapter of the American Institute of Banking. That December, he assured builders in Knoxville, Tennessee that the FHA would promote a robust recovery in construction. The following Spring, he spoke before the Advertising Club of New York, the Oklahoma Chamber of Commerce, and a meeting of the National Retail Lumber Dealer’s Association in Washington, D.C. And his successors toured the country throughout the 30s, 40s, and 50s, addressing hundreds of audiences: real estate groups; chambers of commerce; local, state, and regional associations of bankers, mortgage bankers, and builders; and the national conferences of groups including the American Title Association, the National Association of Mutual Savings Banks, the Home Builders Institute, the American Bar Association, and the Institute of Cooking and Heating Appliance Manufacturers.¹⁸

The main purpose of these appearances was to educate business people about the new mortgage market, to update them on amendments to the National Housing Act of 1934 (which created the FHA and FSLIC), and finally to exhort them to lend, advertise, build, and spend. Speakers urged audiences to encourage consumption either by spreading the word about the new mortgage programs informally, or by enlisting to help with the agency’s formal promotional efforts. For example Moffett told a national conference of lumber dealers to

[a]dvertise more. . .[and to] [t]ry new methods of promotion. Make every property owner in your community conscious of the program through which a responsible citizen can either improve an existing building or build a new home.¹⁹

Yet these speeches were constantly bracketed by a story about the “market-friendliness” of FHA operations, by an insistence that federal interventions were compatible with—and respectful of— “private enterprise.” In 1935, while speaking before a meeting of the American Title Association in Memphis, Commissioner Ferguson outlined what he called the “fundamental premise” of the insurance program:

1. That private capital operations in the housing field are both necessary and desirable.
2. That private capital in that field can and must be made effective upon a far wider scale than has ever been possible heretofore.
3. That the collapse of our real estate and mortgage market under the impact of the depression was not caused by any defect in the theory of private capital operation, as such, but by the unsound, unrealistic and disastrously short-sighted system of appraisal and finance which those operations were conducted.

This was common knowledge, he noted, adding that he was therefore “puzzled by talk, emanating from certain quarters, . . . that the program of the Federal Housing Administration is an unwarranted and competitive intrusion by the Federal Government into legitimate private business sphere.” The program was in no way “an attempt by the government to infringe upon private businessmen,” he explained. “To private business it offers not a threat but an opportunity.”²⁰

After a war-time hiatus, the FHA resumed its multifaceted promotional campaign—in large part due to the urging of the National Association of Home Builders and other private groups. In addition to launching an “economy housing” campaign in January of 1949, FHA administrators made hundreds of appearances before industry groups, where they guided the private sector through the post-war revisions of the National Housing Act—the repeated liberalization of lending terms, for example, or cutbacks in Federal insurance activity during the Korean War.²¹ In some cases, the FHA literally reprimanded private organizations for not doing more to accelerate borrowing and building.²²

And throughout the campaign they celebrated the state’s sensitivity to the needs of the free market. Administrator Raymond Foley set the tone in his September, 1945 speech before New York financial and building interests. “[N]ever in recent years,” he told an audience at the Waldorf- Astoria, “has there been a more generally expressed agreement that the housing task of this nation is one to be done for the most part by private enterprise.” He confidently predicted that once restrictions on building materials were lifted, that the nation could meet its citizens’ housing needs solely “through the channels of private enterprise.”²³ This story was, quite literally, a chorus for the FHA’s post-war appearances and publicity. In 1948 and 1949, for example, builders in Illinois, Oklahoma, and Texas learned that the fates of their industry would be determined by “competitive supply and demand economics,” and that the anticipated growth in housing starts would be a testament to the “determination of private industry to surmount the current difficulties in . . . housing American families.” Similarly, mortgage bankers in New York City and builders in Madison, Wisconsin learned that it was “up to private industry as a whole” to jump-start the housing economy. FHA representatives told builders in North Carolina that moderate income housing “must be produced by private industry,” and assured mortgage bankers in California that “adequate funds [were] available” for the financing of new housing projects. In 1951, mortgage bankers in Washington, D.C. learned that the boom in housebuilding and suburban development had “been accomplished with private funds by private investors,” while realtors in Georgia were reminded that “[e]very dollar” spent on government-guaranteed homes “is private capital and every property is privately owned.” “It is your program,” explained Commissioner Franklin D. Richards, “as well as your government’s.” Speakers clearly distinguished between its “private” market operations and the state’s presumably less desirable alternatives. Speaking to builders and lenders in Tennessee in 1951, for example, Richards explained that unless the nation’s businesses met the needs of moderate-income families, his agency would have to acknowledge that “private enterprise is not equipped to do the job.”²⁴

This ambitious PR campaign represented only part of the agency’s efforts to cast federal mortgage programs as incentives, and not subsidies. Since the first debates over the National Housing Act in 1934 and well into the 1950s, public officials and their allies repeatedly reminded skeptics that federal housing initiatives simply “thawed” frozen markets and “let loose” what one New Deal official called “sleeping capital.”²⁵ Richards revisited this theme in testimony before a Banking Subcommittee in February of 1952, reminding legislators that “[t]he FHA does not make loans and does not plan or build housing.”

I want to emphasize the fact that every cent of money advanced under any FHA plan is private capital of private lenders. It is important, too, to take into consideration that this is a completely voluntary system. The \$25 billion in loans that the FHA has insured is solely because of the confidence of lenders and borrowers in the system.²⁶

Fittingly, when the agency commemorated its 25th anniversary in 1959 by publishing a brief history of FHA operations, it described itself as a “do-it-yourself program.” The pamphlet concludes that the “FHA is a helper only,” and that its achievements are those of “the builders, lenders, realtors, and other members of industry with whom it has worked, and the American families whose enterprise and integrity have made the program succeed.”²⁷

Throughout the post-war decades, meanwhile, the government’s powerful housing programs—reorganized in 1947 under the Housing and Home Finance Agency (HHFA)—continued to both subsidize certain kinds of residential development and to discriminate by race. Despite the Supreme Court’s 1948 decision in *Shelley v. Kraemer*—which ruled race restrictive covenants to be unenforceable—early HHFA administrators proved unwilling to enforce the principle of equal housing. While the FHA (and VA) agreed to deny insurance to properties carrying restrictive covenants, they waited until February 15, 1950 to enforce it, and HHFA officials continued to defend discrimination in its mortgage insurance programs, even after removing the racially explicit language from its *Underwriting Manual*. Perhaps the most openly recalcitrant HHFA Administrator was Eisenhower’s nominee, Albert Cole, who announced during his confirmation hearing in 1953 that he would not oppose local efforts to maintain patterns of racial segregation, and who fought against enforcement of non-discrimination throughout his term. Arguing that the “market” could not withstand integration, and repeatedly deferring to LHA’s on questions of racial fairness, Cole became a virtual spokesperson for opponents of a vigorous federal role.²⁸ During his term the PHA continued their longstanding practice of accepting and endorsing racial segregation, in part by letting local authorities set the criteria for tenant selection. On top of this, urban renewal programs were creating new segregated housing, often replacing racially *integrated* neighborhoods, while also displacing countless minority families. And the FHA continued to encourage discrimination in housing sales, by condoning—and indirectly advocating—appraisal standards which identified black occupancy as a “risk.” While the FHA supported some black homeownership in the South, it did so only in segregated neighborhoods, while it simply refused to help finance most housing for blacks in the North.²⁹

Even in the wake of the *Brown v. Board* ruling, with pressure mounting on the HHFA to support fair housing reform, Cole only reasserted his commitment to a two-tiered federal policy, insisting that the government could not “legislat[e] acceptance of an idea.” Just as they had throughout the post-war decades in response to civil rights protest, HHFA officials stood behind their discriminatory policies and practices, insisting that their agencies were simply respecting the private market for property. Prominent among their critics were the staff members of the HHFA’s Race Relations Service (RRS), the predecessor to the IRS. Led by Frank Horne, the RRS saw recent Supreme Court rulings as providing an opportunity to encourage reform. They hoped to guide federal policy, as Arnold Hirsch has written, “away from the reinforcement or extension of ghettoization.” But as Hirsch’s meticulous reconstruction of their efforts has shown, the RRS was “marginalized from the beginning” and ultimately “rendered impotent,” both by Cole’s opposition (including the removal of Horne in 1955) and by the HHFA’s embrace of urban renewal.³⁰

Nonetheless the open housing movement continued to gain momentum during the 1950s, and its activists continued to challenge HHFA policy. Upon his appointment as Administrator in 1959, for example, Norman P. Mason received a copy of *Where Shall We Live?*, a report published the previous year by the Commission on Race and Housing, directly from the Commission’s chair, Earl B. Schulst. The so called “Schulst Report” explicitly indicted the federal government for past and present policies which, the Commission argued, had both created and sustained new patterns of racial segregation and racial inequality. And Mason constantly heard from civil rights organizations—“both militant and moderate,” by his own description—who endorsed the Schulst Report’s recommendation for an Executive Order on Equal Opportunity in Housing. Mason and his race relations staff carefully examined both *Where Shall We Live?* and the *Report, 1959* of the U.S. Commission on Civil Rights (which echoed the Schulst report critique and its recommendations), and repeatedly discussed their critiques of federal policy. Meanwhile the RRS alerted Mason about new cases of discrimination, reporting in the summer of 1960, for example, that local FHA offices were denying black applicants access to information about sale and rental properties as well as the government-approved brokers who were handling them. That winter, Mason was also forced to address instances of employment discrimination within the HHFA, when black URA employees were refused service in a government cafeteria in Fort Worth, Texas. And if Mason showed little interest in promoting anti-discrimination, nor did local and regional officials. The URA’s regional director noted that he knew “from personal experience that there are a number of Federal employees who would not use the restaurant facilities were they integrated.” He described the aggrieved URA staffer as a “crusader” who might “cause irreparable damage to our programs.”³¹ Throughout the housing bureaucracy, officials repeatedly insisted that they were not discriminating in hiring and contracting, despite evidence to the contrary.³²

Such responses were typical, and show that despite continued pressure from open housing activists, HHFA units continued to resist attempts to liberalize their procedures or change their bureaucratic cultures. Mason’s office articulated a typical response to reformers critiques, when

asked by Justice Department officials in 1960 to predict how the proposed Executive Order would impact agency operations and the market for housing. Insisting that its programs placed “no limitations with respect to race, color, creed or national origin,” the HHFA explained that it was “already following the direction of the proposed Executive Order.”³³ The ban on race restrictive covenants, in their eyes, had “solved” the race problem in federal housing operations. Thus it was hardly surprising that the RRS officers continued to face an indifferent housing bureaucracy. George W. Snowden used his appointment as head of the RRS³⁴ in January of 1959 to call attention to the agency’s deterioration and its desperate need for both support and new direction. Three months into his term he complained that “very little progress has been made” in its attempt to “secure approval of a clearly delineated agenda for the operations of the Racial Relations Service.”³⁵

Most important, this indifference towards the RRS reflected the belief, held throughout the housing agencies and much of the private sector, that racial discrimination was simply not a pressing issue. And it is the political and intellectual origins of this resistance that requires further exploration. For a major obstacle to garnering support for fair housing lay in officials’ conceptualization of the markets that they served: specifically, their insistence that white and black housing markets were separate, that they had always been so, and that this was a natural phenomenon.

Here the legacy of past federal operations was already fueling white intransigence. The HHFA’s report to the Justice Department is especially revealing, because it illustrates officials’ understanding both of the government’s past culpability and its present responsibility. Acknowledging that the FHA did, indeed, continue to support lenders who followed discriminatory appraisal practices, the HHFA explained that such “actions have necessarily been guided by practical consideration. For example, it has not as yet considered it practical to prohibit discrimination in all housing assisted with an FHA-insured mortgage, except where such prohibitions have been enacted into law by the State Legislatures.”³⁶ Equally prominent among the “practical considerations,” in the minds of most HHFA operatives, was the existence and immutability of the dual, racially segregated housing market. Consider, for example, that a 1960 agency report on RRS activities defined “minority group” as “families of any group which ‘cannot find credit generally available to them to the same extent and under the same terms and conditions as are generally available to others in the same community.’” That same report relieved the FHLBB of responsibility for supporting S&Ls that practiced discrimination, noting that “[l]ending policies are set by the individual associations.” And it added that “[o]ccasionally, savings and loan associations run by non-whites for the benefit of their own people unable to get financing from the normal outlets or from banks helped by the Federal Home Loan Bank Board who do not loan to nonwhites have made application to and been chartered by the Federal Home Loan Bank Board. . .” Evidence of the RRS’s powerlessness to disrupt these patterns and this thinking, even Snowden referred developers interested in building integrated projects to the Voluntary Home Mortgage Credit Program (VHMCP). He informed an applicant from St. Paul, Minnesota, for example, that the program

provides for “minority groups in any area who cannot obtain loans on terms as favorable as are generally available to others in the area.”³⁷

That so many officials assumed and accepted the existence of this racially tiered market—whether by conviction or simply necessity—helps explain the depth of resistance to fair housing initiatives throughout the HHFA’s constituent units. When asked in 1959 to describe the potential impact of an Executive Order on public housing operations, PHA officials reaffirmed their support for non-discrimination, noting that “in the provision of housing units there [must] be equitable treatment of all races in the eligible market.” Yet simultaneously—and apparently without seeing a contradiction—they embraced the principle of separate but equal. “Where because of local laws and customs there is separation of the races,” they insisted, “the housing provided Negroes and other non-whites is generally expected to provide the same facilities, amenities, and to be of the same construction as the units for whites. In the overall this requirement is being met.” The report continued: “As to open occupancy, PHA takes no position. We leave such decisions to the localities,” and support the locality either way. Similarly, the URA left decisions about racial placement to local custom and local authorities.³⁸

What these documents reveal is housing officials’ conviction that by prohibiting restrictive covenants and the racially-explicit language in federally-sanctioned mortgage appraisal handbooks, they were doing all that was needed to end government support for residential segregation. Erased from their vision of the government’s role was the degree to which existing patterns of discrimination had been shaped in the past—and continued to be shaped in the present—by federal intervention: by the PHA’s tenant placement strategies, by the URA’s redevelopment programs, and most dramatically by the array of oversight, regulation, and guarantee programs that had restructured the private market for housing capital. When questioned about their support for open housing, officials from the FHA and FNMA regularly pointed to their adherence, since 1950, to the prohibition against race restrictive covenants,³⁹ or to their participation in the VHMCP, as evidence of their commitment to fair housing. In short, they declared their opposition to policies that explicitly required segregation, while continuing to support programs that continued to promote segregation and that allocated resources to minorities under the condition that they self-segregate. Beyond this, Mason’s efforts on behalf of fair housing were limited to proposals for alternative gestures, such as issuing public statements “reaffirming [the HHFA’s] support of state laws against discrimination in housing.”⁴⁰

Particularly telling is these officials’ insistence that they *were* supporting equal opportunity. For in the final analysis, it suggests their inability to even *conceive* of truly integrated residential neighborhoods. Facing mounting pressure to reform agency practices in the summer of 1960, for example, Mason wrote to the editor of *American Builder* magazine about the strides that federal agencies had *already made* to support the fair housing movement. He made the point by comparison, looking back to his appointment in 1954 as FHA Commissioner, and recalling

being “aware of the lack of any meaningful program to reach the potential buyers among our nation’s minority groups”

Taking office in Government at the time I did coincided with what I think was a real breakthrough point in race relations in America. Not only was there more favorable attitude generally, but the doors to economic, educational, and cultural opportunities were opening more widely.

And central to that breakthrough, in Mason’s mind, were the new opportunities for minorities afforded by *certain* government housing and redevelopment programs. Commenting upon civil rights protest against the HHFA, he wrote that

Naturally, one of the major challenges for me and the American community is to be certain that all qualified American families shall have unrestricted opportunity to be housed in accordance with their means. In this connection, I feel certain that nothing opens the door more fully than the great urban renewal and redevelopment plans made effective by President Eisenhower in the Housing Act of 1954.”⁴¹

Clearly reform of FHA practices was off the table, in Mason’s mind. Indeed later that year, in its report to the Justice Department on the proposed Executive Order, the HHFA described the FHA’s role “[n]ot as that of enforcement, but as that of an important assist to state action,” and predicted that insertion of a non-discrimination clause in the FHA’s insurance agreement would “have the practical effect of destroying the FHA mortgage insurance program.” In other settings, Mason assured realtors that the HHFA was still committed to helping “Mr. Average Citizen to bring up and house his family.” The housing agencies were not simply focused on helping “the poor,” he noted, who he described as “the unfortunate citizen[s] who may have to be supported by subsidy.”⁴²

Mason actually understated the HHFA’s focus on helping “Mr. Average Citizen.” For the health and expansion of Administration’s “private market” programs remained the central preoccupation of public officials, a range of private industries, and of course the millions of Americans eligible to benefit from federal largesse. At the local, regional, and national levels, representatives from the home finance, real estate, development, and a wide range of durable goods industries worked closely with federal officials to monitor and manage the operations of the FHA, VA, FNMA, FSLIC, and FHLBB. And their national representatives worked diligently to secure expanded federal support for these operations, which together continued to liberalize the terms of long-term mortgages while making their purchase, sale, and transfer relatively risk-free for lenders and borrowers.⁴³ People of European descent continued to benefit tremendously from the federal government’s commitment to promoting home construction and home ownership.

It would be difficult to underestimate the depth of support for the HHFA's "private market" operations, or its supporters' investment in the story that these programs were unencumbered by government interference and free from government subsidy. Since the depths of the Depression, federal officials and their private sector allies had been repeating this story in Congressional hearings, press releases, and public relations campaigns.⁴⁴ And this story was alive and well on the eve of Kennedy's election, when Congressman Albert Rains (D., Alabama) addressed the annual convention of the National Association of Home Builders on "The Outlook for Mortgage Credit Legislation in 1960." Worried that tight money policy was distracting the administration from the "national. . . policy of improving housing conditions and encouraging homeownership," and that the "home building industry" was bearing much of the burden, Rains declared that the government "cannot and must not let housing production continue to fall." The solution, he explained, would come from "an immediate injection of vitally needed mortgage credit for FHA and GI financing," and creation of "a really effective secondary market mechanism to meet the longer range problems of financing your industry." Specifically, Rains had introduced legislation that would authorize an additional \$1 billion for an FNMA program that purchased FHA and GI loans on low and moderate priced housing. "It is this provision which I hope will ease the growing mortgage credit famine in your industry," he explained. "As preventative medicine I can think of no more worthwhile form of government investment." But Rains insisted, throughout, that "these mortgage purchases are not subsidies, they are not grants." The purpose of the bill, rather, was "to restore the home buyer and the builder to their rightful place in the economy." Seemingly unaware of the contradiction, Rains also predicted that the "injection of this flow of mortgage credit on liberal terms would have a multiplying economic effect," providing "a powerful catalyst in increasing the availability of mortgage credit generally."⁴⁵

Given the history of federal intervention in the housing market, it is not surprising that HHFA officials, faced with mounting pressure to end discriminatory practices, constantly drew a sharp line between their responsibility to promote fair housing, on the one hand, and their responsibility to the "free market" for homes, on the other—even if that market accepted racial segregation. When M. Carter McFarland, Director of the agency's Division of Economics and Program Studies, performed an internal review of *Where Shall We Live?* for the HHFA's Office of Program Policy, he supported the Civil Rights Commission's call for a non-discriminatory policy in HHFA operations, calling their report "moderate in tone and generally objective." But he was skeptical of its recommendation that FHA and PHA programs "carry with them a positive requirement that the housing provided be for open occupancy." "Those drafting the report," he complained, "ignore completely the fact that the nature of the Federal aids do not lend themselves as a device for forcing integration in housing."⁴⁶ While nominally committed to reform, federal officials were deeply invested in the myth that entire sectors of the housing economy—those aided by "indirect" federal action, rather than "direct" subsidy—were off limits.

Reforming federal policy: Robert Weaver and the HHFA, 1961-1964

It was in the context of these two powerful forces—a state-supported housing market grounded in the principle of segregation, and the paradoxical but widely-held belief that state policy had neither fueled that market’s growth nor shaped its course—that one must consider the campaign for “fair housing” during the Kennedy and Johnson administrations.

The limits of that campaign have been well documented; executive orders, civil rights legislation, and minor adjustments to existing housing programs did little to undo patterns of racial segregation, in either the private or public housing markets, and they helped direct only limited resources to racial minorities. Yet Weaver and the staff of the new Intergroup Relations Service, despite their limited statutory powers, still pursued an ambitious reform program. This examination introduces their efforts and the resistance that they encountered. By doing so, it demonstrates how the two-tiered housing market—both its existence and popular assumptions about its permanence—undermined early federal efforts to undo decades of state-sponsored segregation.

Narratives about federal fair housing reform generally begin, for good reason, with Kennedy’s campaign promise and efforts early in his presidency to issue an Executive Order. His declaration did, indeed, usher in a new era of reform, validating decades of open housing activism, and giving a new prominence and urgency to the debate over the government’s role in combating discrimination. Moreover once endorsed by a sitting President, the fair housing issue served as a constant backdrop to debates over housing and metropolitan politics, engaging policy makers, private businesspeople, and concerned citizens. A careful consideration of internal debates over fair housing during this period—as they were captured in the papers of the HHFA and HUD—reveals the degree to which past federal policy and powerful popular assumptions about the federal role helped undermine efforts to achieve substantive policy reform. Most notably, Weaver and other reformers presented different rationales, in different venues, about the necessity for aggressive government action. Within the IRS, they openly discussed the legacy of past government policy, and developed reform strategies specifically designed to rectify those policies. But meanwhile they presented a much less controversial story to most housing officials and private sector actors, aware that these audiences were deeply resistant to the fair housing cause. To these groups Weaver and the IRS described fair housing as an opportunity to “open up markets” to all citizens, while playing down (or often simply ignoring) the legacy of past federal actions. In short, whites’ deep investment in the story about “free market” activity forced Weaver and others to blunt their searing critique of federal culpability, and present in its place a careful public appeal designed to encourage support for open occupancy. This careful negotiation of the opposition, however, might have contributed to a strategic concession—the marginalization of Intergroup Relations officers—that only further undermined the fair housing campaign.

If Kennedy's endorsement of open housing had unsettled countless white politicians and voters, his nomination of Weaver to lead the HHFA was equally troublesome. First, Weaver hardly fit the profile of past Administrators, men either drawn directly from the private development sector or distinguished by their political support for private industry. Not surprisingly, past administrators had consistently joined builders, bankers, and realtors in supporting federal policy that focused on boosting private market activity and in opposing legislative efforts to produce extensive public and low-income housing. Weaver, by contrast, was a Harvard-trained economist who specialized in labor and housing issues, and he was a veteran of the *public* housing and development sector. Thus his selection quickly raised concerns that the government might divert its energies and resources towards less profitable—or “market friendly”—urban priorities.

Perhaps even more worrisome was Weaver's proven track record as a critic of residential segregation. His first public service came during the Depression, serving as a Racial Relations Advisor in the Public Works Administration and the U.S. Housing Authority, where he ensured that federal programs reserved dwelling units for black applicants. Weaver then signed on with the War Production Board and the War Manpower Commission, before leaving the public sector at war's end. Yet by then he had begun to publish studies of northern race relations and “Racial Policy in Public Housing.” As early as 1940, Weaver declared that the war against Fascism was causing many Americans to “question the racial policy of our own democracy,” and accused federal officials of alternatively ignoring black interests—“either explicitly or implicitly”—or “accord[ing] [them] ‘special’ treatment as a group apart.” Indeed Weaver insisted that U.S. policymakers had “not considered [blacks] an integral part of the body politic.” Writing in 1944, he dismissed claims that the upsurge of wartime civil rights activism was sparked by “enemy agents or by a few native radicals,” declaring simply that “the mass of Negro Americans are seeking the same goals as other citizens.” Blacks “want to be like the rest of the population,” Weaver noted, adding that “the rest of the population is surprised and at times resentful.”⁴⁷

Weaver went on to author two important books and numerous articles about the origins of racial inequality (most famously *The Negro Ghetto*, published in 1948), and became a leading advocate of open housing. By the late 1950s, as chair of the National Association for the Advancement of Colored People (NAACP) and the National Committee Against Discrimination in Housing (NCDH), he had become a prominent figure in a national campaign to secure an Executive Order forbidding racial discrimination in federal housing programs. Meanwhile he targeted specific HHFA programs for their support of discriminatory practices, calling upon the PHA to integrate its residential projects, denouncing URA policies that displaced low-income black families, and suggesting that the FHA end its support for discriminatory appraisal standards. When Kennedy announced Weaver's appointment to lead the HHFA in 1961, he was also serving as vice-chair of the New York City Housing and Redevelopment Board. In short, no one familiar with Weaver's career would have doubts either about his position regarding the government's racial policies or his commitment to substantive reform. His fiercest

opponents were certainly aware, and used his record in an attempt to derail the appointment, first by spreading rumors that Weaver had worked with Communist front groups during the Depression, then by challenging his stance on open occupancy at the February confirmation hearing. (While confirming his support, Weaver ultimately dodged the issue by insisting that it was for the President to decide). Despite the opposition of Republicans and key Southern Democrats, his appointment was approved by a narrow margin. He was sworn in on Feb. 11, 1961.⁴⁸

What many of Weaver’s critics understood, however, was that the job of Administrator gave him only limited power to shape the direction of U.S. housing policy. HHFA administrators were consulted on legislative proposals, but could do little more than advise. Complicating matters further for Weaver was Kennedy’s appointment in December of 1960—during the transition—of a Task Force on Housing and Urban Affairs, which presented its findings weeks before Weaver’s confirmation. For it was the Task Force’s recommendations that provided the template for the omnibus housing bill proposed by the administration later that year. But the Task Force, clearly preoccupied with navigating legislation through a sharply divided Congress, had proposed a remarkably cautious spending package, which focused almost exclusively on extending funding for existing programs. Thus Kennedy’s housing bill, while calling for reforms to urban renewal and public housing policy and for funding of 100,000 new public housing units, represented less a reform of the federal government’s role than a reaffirmation of its longstanding approach to urban problems. Weaver was in no position to challenge the proposal, which passed with minor amendments. And even those amendments revealed the depth of opposition to progressive reform. Conservative congressmen vigorously challenged a proposal to create an FHA program that would aid low and moderate income families (eventually removing some of its more generous terms), while they killed a “land bank” program which would aid municipalities to buy and set aside land for future use. Such programs, critics feared, would undermine the free market for property.⁴⁹

By contrast legislators registered few complaints about the omnibus bill’s continued support for the private housing market, a market that systematically (and indeed openly) discriminated against racial minorities. Thus while the legislation made minor adjustments to FHA operations, it did not challenge the federal oversight and regulatory apparatus that primed “free market” operations, that actively subsidized private homeownership, and that segregated that market by class and by race. There was ample evidence that reform was needed. In 1961, according to a NCDH report, “[l]ess than 2 per cent of the new homes insured by FHA and VA [were] available to nonwhite families,” while builders were receiving “Federal aid for the construction of new ‘all-white’ subdivisions.” Meanwhile private mortgage lenders, they added, continued to “profit from Federal benefits, chartering and insurance” yet still “deny loans on the basis of race and religion.”⁵⁰ Weaver’s appointment notwithstanding, the existing machinery of federal policy, which had helped create a powerful market for private housing and with it a powerful (and growing) constituency to protect it, was resistant to the kind of structural reform that would open up the housing market to racial minorities.

Of course Weaver was well aware of government culpability, and often expressed his dissatisfaction with the current statutory landscape. He was especially candid in correspondence with constituents frustrated by the HHFA's failure to promote the markets for low income, moderate income, and minority housing. But the Administrator could only respond that he simply lacked the authority that it needed. "[V]irtually all the Federal assistance under this Agency are indirect aids," he explained to Mrs. Louise Woodford in the Spring of 1961, and "under existing law and Federal policy, this Agency has no authority whereby it can compel a private person or a local community to do anything."⁵¹ He repeated this message frequently in the months between his appointment and passage of the Executive Order in late 1962, whether the complaint concerned discrimination by private lenders in Columbus, Ohio, or the obstacles to securing an FHA or VA loan in New Orleans. Weaver made it clear that he wanted the government to do more. "You are doubtlessly aware," he repeated in many of these letters, "of my personal position favoring an open-occupancy requirement in all housing assisted in any way by the Federal Government." But he always concluded by acknowledging his tenuous position, stating that he did "not believe I could or should undertake to impose such an open-occupancy requirement without such a policy directive from either the Congress or the Executive."⁵²

Unfortunately there would soon be more signs that structural reform would be slow in coming, most notably in the defeat of Kennedy's bill to elevate the HHFA to cabinet status. Similar proposals had been floated throughout the 1950s, even by members of the home building lobby, but the Eisenhower administration, generally inattentive to the needs of central city voters, never saw urban issues as particularly pressing. The proposal reappeared in the Democratic Party platform and in Kennedy's campaign speeches, then in an April, 1961 bill to abolish the HHFA and replace it with a Department of Urban Affairs and Housing (DUAH). Kennedy supported the idea, but faced considerable opposition, from both the private and public sectors. The National Association of Real Estate Boards feared that the department would infringe upon private sector operations (at one point insisting, instead, that the government dismantle both the PHA and URA, and sell off FHA operations to the private sector). Mortgage bankers were equally concerned that the FHA—the program that basically put their industry on the map—might lose its independence, while the United States Savings and Loan League (USSLL), for comparable reasons, feared changes in FHLBB and FSLIC policy. In the end both the Mortgage Bankers Association and the National Association of Home Builders (NAHB), long divided on the issue, promised their support under the condition that current FHA operations were not altered. But county and suburban officials, as well as rural congressmen, were wary of a shift in the government's focus to the central cities, and many local officials—including some urban mayors—feared that the consolidation of federal power would undermine municipalities' freedom of action. Southern congressmen, meanwhile, announced their apprehension that Weaver, a black man, would be appointed Secretary (even demanding of Kennedy that he promise *not* to appoint an African American; the President refused). The House rejected the bill—by a vote of 264 to 150—a year to the day after Weaver's confirmation as head of the HHFA.⁵³

By then Weaver had already focused his attention on the fight to secure an Executive Order on fair housing. A long-time advocate, Weaver could now lobby for presidential action from within the administration. He regularly expressed his support for the Order, even to constituents. Meanwhile the stakes were raised in the Fall of 1961, when both the NCDH and the U.S. Commission on Civil Rights issued reports calling upon the President to issue the Order. Kennedy’s public endorsement suggested that decades of agitation were finally paying dividends. As early as November, a draft Order was on Kennedy’s desk, awaiting his endorsement.

Kennedy waited another year before signing, and scholars have long speculated about the reasons, pointing to his fear of estranging Southern Democrats, whose support he coveted for creation of the DUAH (until that proposal was defeated in February of 1962), and later his desire to postpone a controversial debate over open housing until after the mid-term Congressional elections.⁵⁴ Only adding to his apprehension, no doubt, was the public response to the proposal, which included unsolicited warnings about the potential consequences of Kennedy’s action. Members of the real estate and development industries were particularly vocal, insisting that it was one thing to forbid discrimination in federally supported housing, but that meddling with the “private” market for homes could only lead to disaster. In the Spring of 1961, for example, a builder from Daytona Beach wrote Weaver warning that “[a] directive from HHFA, Congress, or an Executive order that any VA or FHA housing must be integrated” would mean that “all of our plans for. . . developments will be out the window, as our people, both white and colored, are not ready for this yet.” He was “confident that should this directive take effect, the FHA and VA offices might as well close,” noting finally that he was holding off on new construction projects until he knew “what requirements we will have to meet.”⁵⁵

Also that summer, the National Association of Home Builders reported on its members views about the proposed Executive Order, predicting that it “would result in a sharp decline in the production of new homes.” To its credit, the NAHB recommended a public education program about the merits of open housing, to ease consumers’ and thus builders’ fears. But in private correspondence with Kennedy, the NAHB’s Leonard Frank painted a darker picture, noting that while Association members “share[d] your concern with meeting the housing needs of all segments of our population,” they “generally. . . find home builders able to finance and produce new homes only within the framework of existing community attitudes.” The impact of an Executive Order, Frank predicted, would be “unsettling. . . likely [resulting] in considerable decline in new home starts, with a sizeable resultant unemployment.” This would “have a far-reaching and adverse impact on the economy.”⁵⁶

So when Kennedy finally kept his campaign promise, signing Executive Order 11063 on November 21, 1962, there could be no illusions about the depth of popular opposition. Indeed recognition of whites’ conviction that “fair housing” directives were somehow disrupting the “free market” for property led to an Executive Order with a very limited scope. While the

Order outlawed racial discrimination in new, federally-supported construction, it did not cover existing units. And critically, it did not apply to housing financed by private savings and loan associations, even those overseen—and ultimately underwritten—by the reserve and insurance functions of the FHLBB. Finally, the FHA decided to exclude from coverage all of the one- and two-family homes whose mortgages were insured by its agency. Weaver lacked the authority to demand FHA compliance (in part because of that agency's special statutory relationship to the executive branch). Thus the nation's privately-owned homes, whether purchased with conventional or federally insured mortgages, were exempt from the fair housing order. In the final analysis, Kennedy's landmark intervention, while carrying great symbolic importance, only applied to about 1% of the nation's housing.

Weaver and his IRS staff were undeterred, however, and pursued a much broader reform agenda. But they did so cautiously, recognizing the depth of opposition to reforms that appeared to interfere with the "free market" for homes. As a result, their early attempts to publicize and promote the Executive Order and the HHFA's fair housing agenda were clearly calculated to appeal to constituencies presumably hostile to the idea that the government had both helped create the problem and was deeply involved in perpetuating it.

What makes reformers' caution so salient is the divergence between this public strategy and their actual critique of federal policy. Weaver had of course been documenting federal culpability for segregation since the 1930s, and the NCDH's 1961 appeal for an Executive Order, meanwhile, made this case in no uncertain terms, declaring that "[t]he housing market and the face of America have been transformed in the past 25 years by the programs of the federal government." "The federal government has become the single most important factor in the nation's housing market," the report continued, in part because "[h]ousing with FHA- and VA-insured mortgages has accounted for the major portion of all non-farm housing constructed in the United States since World War II" and because "[f]ederally-aided and supervised banks and lending institutions provide the major portion of all home mortgages." Yet the government, the NCDH explained, had "taken no meaningful action to bar discrimination in federally aided-housing," while it "continues to subsidize and support segregated housing while deploring its existence." Weaver clearly endorsed this view, noting privately that the Order should "cover mortgages made by savings and loan associations" that were insured by FSLIC.⁵⁷ But the HHFA Administrator lacked the influence to convince a President facing considerable pressure from reluctant legislators and a powerful development lobby. This put Weaver and the IRS in a difficult position, and struggling to balance conflicting priorities. While they hoped to pursue a far more comprehensive reform of government housing policy, they still recognized that Kennedy's Order, no matter how tentative, carried both symbolic weight and *potential*. So they decided to popularize the new "fair housing" mandate in terms that would be least threatening to white Americans.

The result was a public campaign that downplayed the crux of their argument for reform: the legacy of past government actions. In his first public statement on the Executive Order, Weaver

set aside his critique of PHA, URA, and FHA policy, instead celebrating Kennedy’s action as an affirmation of the free market for homes. Fair housing, he explained, was simply an acknowledgement that many consumers—namely minority consumers—were not being served. He expressed his “hope and belief that this order, by removing artificial market restrictions, will permit that demand to achieve its natural growth.”⁵⁸ Placing the focus on unleashing “pent-up” demand—and only briefly mentioning the fact that discriminatory practices were to blame in the first place—Weaver presented the Executive Order not as response to past, “racially” motivated acts, but rather as a healthy market corrective from which all would benefit. This same message provided a chorus for a late December HHFA press release concerning the Order, which focused on the birth of a *new* housing demand made possible by the “growth of a non-white middle class. . . . in white-collar and upper blue-collar occupations, as distinct from service and labor occupations.” “The recent emergence of [this] large urban nonwhite middle class,” the HHFA explained, “has required that we rethink many of our economic policies and redefine such terms as effective housing demand.”

In a society which has chosen free competition and free enterprise as the channel for economic expansion and improvement of living standards, such a basic commodity as decent family housing should be readily available to every American family.

The press release only briefly mentions the “deterrent” that racial restrictions had placed on blacks trying to own homes, before concluding that “[g]ains in income among nonwhites and the removal of artificial barriers in the housing market are bringing [the] goal [of fair housing] closer to attainment.”⁵⁹

Popular opposition to reform also encouraged the IRS staff to downplay their role as the fair housing “police.” This conversation began as early as November, 1962, when Weaver and his colleagues, attempting to build support for the proposed Order, even entertained the possibility that by limiting its scope they might avoid angering their fiercest opponents. Likewise in a confidential memo to Weaver written in the summer of 1963, special HHFA consultant George Schermer spoke about the importance of separating the IRS’s (albeit limited) enforcement responsibilities from its other operations. The former was a “ ‘police’ type of function,” he noted, requiring “the tactics of sleuth”—traits, he insisted, “not readily combined with those of the persuader and promoter.” He explained that the IRS’s other work required a separate staff of specially trained assistants, “intelligent, highly motivated persons. . . who possess the knowledge and judgment necessary to evaluate socio-economic and political-public relations factors.” Recognizing that the IRS would be selling the fair housing agenda to a reluctant audience, both within the HHFA and the general public, Schermer concluded that the staffers needed to be “energetic and persuasive” and “have enough character and courage to speak candidly to their superiors, to local authorities, and others who might attempt to intimidate them.”⁶⁰

Of course there was little need to convince IRS staff about the urgency of their mission. But in sharp contrast to the public fair housing campaign, Weaver and his colleagues presented a very different rationale and even a different history to its own operatives. They forged ahead, internally, with an ambitious program to not only dismantle the “dual market” but also to change the way that housing officials and ultimately the American public conceived of the market for homes.

Most notably, the IRS and their supporters continually discussed the legacy of past federal actions, which they saw as a central justification for more aggressive reform. And critically it was this rationale that encouraged them to look beyond the Executive Order’s limitations—what they called the “letter” of the law. Schermer captured their view succinctly in a July, 1963 memo to Weaver, which dismissed the “narrow and strict interpretation” of the Order— forbidding the government from sanctioning or subsidizing “overt practices of discrimination”—in favor of the “broader, more vigorous and more creative interpretation,” that it “holds out considerable potential for an effective attack upon discrimination and segregation in housing and that it should be exploited to the limit.” He suggested that the Order, when read carefully, gives the “impression that the President intended that the agencies should employ every resource at their command to affirmatively implement both equal opportunity and the process of desegregation.”⁶¹

In effect Weaver and the IRS, lacking the statutory power to dismantle federal support for the dual housing market, set out to *convince* officials of the necessity of doing so. They began by encouraging HHFA staff and the executive branch to embrace their broader interpretation of executive action. In a series of recommendations submitted that Spring to the President’s Committee on Equal Opportunity in Housing, the Administrator advocated a policy of non-discrimination in a range of federally-supported developments not clearly covered by the EO, such as hospital units, libraries, and recreational facilities built with aid from the Community Facilities Administration. And by the time that Intergroup Relations Specialists convened for the July 1963 Conference in Washington, D.C., the FHA’s IRS representative, Oliver Hill, had outlined a program for popularizing and institutionalizing this more expansive view. “[T]he Intergroup Relations Service,” Hill wrote to Weaver July 17, “should be strengthened and streamlined to include elements of review and evaluation of all sections, divisions, and operations that relate both to the letter and spirit of the Executive Orders.” “The Manual and all policy and procedural documents,” he continued.

should be carefully reviewed and revised to remove all references to dual markets in housing and rewritten to reflect a more positive approach to a single market in housing keeping with the spirit and objectives of the President’s Executive Order. This positive approach should also include a definition of the duties and responsibilities of other technicians, such as appraisers, land planners, mortgage credit evaluators, etc., in terms of Intergroup Relations considerations.

It was urgent that IRS activities be “accelerated,” Hill added, given the swell of civil rights protest, urban violence, and “increasing racial tensions.”⁶²

A week later Weaver gave his speech to his IRS staff, in which he described implementation of the Executive Order as “a responsibility of all associated with the HHFA,” instructed commissioners and “all line staff” to carry out “the requirements and purposes of these Orders just as they have with respect to all other policy and program objectives and requirements,” and declared that there was “no place under our equal opportunity policy goals for usage of concepts and statements connoting separateness.” In the weeks that followed, he sent the same message directly to the commissioners of the HHFA’s constituent agencies, asserting that “[w]e are all of one mind in that this statement will be a guideline for Agency-wide operations.” He also used these communications to announce the appointment of Schermer as special consultant to the HHFA on Intergroup Relations, and to note that B. T. McGraw, assistant to the administrator for Intergroup Relations, would co-chair the new Task Force on education and training. Its mission, he explained, was to make fair housing a “total staff, not separate staff effort.”⁶³

No doubt for many staff members in attendance that July, Weaver’s call for what amounted to a revolution in housing policy and practice could not have been more welcome. But the administrator could do little more than encourage this transformation. The Executive Order gave him limited—and ultimately ineffectual—enforcement authority, permitting IRS staff to merely encourage mediation between individual agencies and aggrieved parties. Thus Weaver concluded his remarks that July by telling his audience to “advise and assist” HHFA officials as well as private sector operatives. The IRS staff should encourage housing officials, he explained, to “stimulate the adoption and revision of policy and procedure.” And perhaps most disheartening, Weaver felt it necessary to remind IRS officials not to perform line activities. Their role, he confirmed, would be largely an advisory one, as it had been for their predecessors in the RRS. The IRS staff was charged with maintaining program and occupancy records, with distributing copies of the Executive Order and other informational publications (including “Questions and Answers,” “Trends Toward Open Occupancy,” and “Potential Housing Demand of Non-White Population”), and with investigating complaints of non-compliance. They were given virtually no authority to actually enforce the fair housing mandate.⁶⁴

To some degree, quite paradoxically, Weaver and other reformers might have actually preferred it that way. To be sure, political exigency forced them to accept the IRS’s marginalization. But at the same time they were deeply invested in a vision of HHFA reform that would make a separate “race relations” division unnecessary. This long-range vision emerged in internal correspondence, most notably in George Schermer’s recommendations to Weaver about strategies to expedite implementation of the Executive Order. Calling upon the commissioners

of the PHA, FHA, and other constituent agencies to become “active promoters and participants” in pursuing this broader agenda, he explained that

implementing the order is not a unique matter to be treated separately from other executive responsibilities or delegated especially and solely to a special staff unit such as the IRS.

And most notably, Schermer prefaced his recommendations by acknowledging “the assumption that the IRS as presently constituted might not have a continuing function at all and might be dispensed with or completely reorganized.” He was clearly optimistic that the new political climate would ultimately vindicate this thinking. Embracing the “broader” interpretation of the EO “appears justified,” he told Weaver, “in light of national events occurring since November, 1962, the greatly intensified civic and governmental concern for civil rights and the expectation that the EO will be strengthened and broadened in the near future.”⁶⁵

Both men seemed to be weighing such optimism about the future course of civil rights reform, meanwhile, against the numerous indicators that the IRS, as currently constituted, was having little impact. As the July conference came to a close, Schermer informed Weaver that the “OA, URA and PHA Intergroup Relations Advisors are very frustrated and confused about their role.” “The role and function of the advisor has not been spelled out and in several instances,” he explained, and “the regional executives are not paying much attention to the [IRS staff].”⁶⁶ Meanwhile from the PHA’s Intergroup Relations advisor, Philip Sadler, came word that his staff had “not been effective in influencing policy to the degree that we might wish but there is no question that we are free to make the effort.” He expressed a widespread desire among IR officers “for a great commitment on the part of other operating officials to the philosophy and goals of sound social engineering rather than merely to the technical aspects of providing structures.” Sadler was not optimistic, however, concluding that “[t]he PHA has operated for so long on the acceptance of ‘separate but equal,’ inherent in the racial equity policy and supporting formulas, that we can look forward to a long and difficult period of attempting a change in focus to equal opportunity.”⁶⁷

Sadler’s focus on the stubbornness of the dual housing market is significant, for it highlights both the tenuousness of the IRS’s position and the development of an internal conflict within HHFA reform circles that proved, in the end, to be quite debilitating. The conflict was not of their own making. On the one hand, Weaver and the IRS staff justifiably wanted recognition and the authority to promote real reform, so that they could pursue both the “letter” and the “spirit” of the Executive Order. Yet at the same time, they embraced a vision of reform that would lead, if pursued to its logical conclusion, to the elimination of any special “race relations” agency. There were no clearly identifiable “camps” within the HHFA, each pursuing discrete strategies, but rather a seemingly irreconcilable tension between the desire for radical change and the harsh reality that most housing officials were at best indifferent and at worst quite hostile to the IRS’s work. So while Weaver, Schermer and the some race relations staff

might speculate about (and even work towards) a future in which the IRS would be unnecessary, they were constantly reminded of the need to bolster current IRS operations. A near constant stream of such reminders came from the field, as IRS agents called upon Weaver and McGraw to provide them with more resources and greater authority. “It appears that for the first time in the history of the housing programs,” Sadler wrote B.T. McGraw in July of 1963, “the overt authority and support for the Intergroup Relations function rests on a broader bases than the amount of prestige such a Service enjoys with the administrators of the programs. It becomes important, then, to identify it as a top staff function, not merely an auxiliary function.” At this point Sadler made one of countless requests registered during these years to elevate the titles of IRS staff members (in this case from “Director of Intergroup Relations Branch” to “Assistant Commission (Equal Opportunity)”). IRS staffers repeatedly requested more status, higher pay, and additional staff, both secretarial and administrative.⁶⁸

Sadler’s request also reflected his acute awareness that white bureaucrats, homeowners, and renters were deeply invested in preserving a racially segregated market for residence. “The public housing program,” he wrote that summer, “has 25 years of unlearning to do in respect to intergroup relations. . . .The law of learning applies here and how much time can be allowed to a purely learning process arises as a major question.” He felt that “education along entirely new philosophical lines must be undertaken” with the local operatives, who handle complaints. Schermer likewise acknowledged in 1963 that IRS efforts were “subject to a tremendous range of interpretations and ingrained resistance.” And he recognized that the paucity of black HHFA employees, as he explained in a confidential memo to Weaver, was leading white employees to view the IRS as “a means of providing ‘token assignment’ of non-whites at the executive and technical level.” Schermer concluded, rather grimly, that “[t]he IRS has not been taken seriously, and the morale has suffered accordingly.”⁶⁹

At times the disconnect between the IRS’s grand vision for fair housing policy and the daily reality of white resistance did, in fact, break down along predictable lines. Weaver, Schermer, and others at the Office of the Administrator were more likely to speak, in somewhat abstract terms, about the long-range goal of making the IRS redundant, while field officers, particularly in the PHA and URA, focused on the urgency of empowering the IRS to re-educate whites. At an August, 1963 meeting of the Task Force on Education, for example, Weaver reiterated the need to pursue the broader interpretation of the Executive Order, and was seconded by the Oliver Hill, who called upon the HHFA to be aggressive, and to “avoid reference to minority group terminology. . . in order to avoid the feeling of separateness in housing.” By sharp contrast Sadler and his counterpart at the URA, Larry Duncan, emphasized the need to draw up “specific standards” for IRS officials and “spell out the[ir] specific goals.” Both expressed concern that it was “unclear whether we are implementing the spirit of the Order or overstepping our boundaries.”⁷⁰ To take on the dual market for housing, they insisted, the IRS needed clearly defined goals and the authority to see them through.

Further complicating the IRS's efforts were the constant reminders that this dual market was not only deeply institutionalized, but seemed to be growing increasingly impenetrable, *despite* the Executive Order. Not only was virtually all privately-owned housing exempted, regardless of the federal government's involvement in financing, but even the Order's rules regarding federally-owned units were being ignored. Weaver and the IRS repeatedly heard assurances from housing officials that they were "entirely in accord with the views and policies" articulated by the OA. But just as often they insisted, as did J.S. Baughman of the FNMA in July of 1963, that their agency "has generally been following these guidelines in its intergroup relations activities."⁷¹ Others repeatedly seemed incredulous about the new demands being made on their agencies. So while PHA Commissioner Marie McGuire claimed to be "in full accord" with the new directives, she still resisted Weaver's insistence that her regular staff take on responsibilities traditionally assigned to the IRS representatives. She expected her staff, instead, to "lean heavily" on Sadler when necessary, and counted on him to "take initiative in all matters involving minority-group considerations and intergroup relations. . . ." Weaver was not pleased, and reiterated that "each of the constituent agencies should impress upon their staffs that the carrying out of [the Executive Order] is a function of the entire staff." McGuire finally admitted that Weaver's directive did call for "some change in emphasis," although she still resisted the concept that her staffers, and not the IRS representatives, would be responsible for taking initiative. "Perhaps the greatest adjustment to be made," she noted, "is in the way HHFA constituents have all tended to view Intergroup Relations as being primarily a trouble-shooting role."⁷²

Ironically it was FHA Commissioner Philip Brownstein who actively embraced Weaver's new recommendations, even requesting clearer guidelines regarding "how and when intergroup relations officers are to be involved in operating decisions, policy formulation, and staff review." Still there is little evidence that the agency pressed its local agents (or private real estate professionals) to reform appraisal and lending practices in FHA mortgage insurance programs. Meanwhile the VA carefully followed the FHA's lead. And on top of this, the direct impact of both programs continued their rapid decline. By the time that Kennedy issued the Executive Order, the FHA and VA together insured only 21% of private home purchases nationwide. According to agency calculations, the Order had encouraged lenders—especially S&Ls and life insurance companies—to shift away from government insured mortgages and into the "conventional" mortgage market. Already by January of 1964, FHA and VA programs insured (or guaranteed) only 16% of new purchases.⁷³

Local resistance to integration only further hampered enforcement of the Order. The depth of that resistance among realtors, local officials, homeowners associations, and countless white homeowners has been carefully documented for decades. And HHFA officials daily dealt with the ramifications, as reports from the field described how local authorities discouraged sales to minorities, or how vandals were attacking the homes of minorities who dared break the color line. This violence, in turn, was leading insurance companies to cancel the new homeowners' fire and property insurance.⁷⁴ In a telling response, some developers responded to whites'

intransigence not by endorsing more aggressive enforcement of the Order, but by trying to expand the sectors of the private market that were already open to black occupancy. NAREB President Charles L. Warden, for example, suggested to Weaver in early 1963 that the government encourage minorities to better utilize the VHMCP, a program that specialized in financing home purchases for low and moderate income purchasers.⁷⁵ Perhaps it should not be surprising that even Weaver, despite his principled opposition to this dual market, still recommended the VHMCP to constituents who complained about the lack of housing choices for minorities.

For without more authority, Weaver and his colleagues had few other options. Thus throughout 1964, IRS officers struggled to find their footing. In March, the Intergroup Relations officers from Zone IV (which covered Missouri, Kansas, Colorado, Arkansas, Oklahoma) met in Fort Worth to “explore techniques in developing a more functional approach for the accomplishment of the objectives” of the Executive Order. Also that month, IRS staff from the mid-Atlantic states complained about “[i]nsufficient staff training on their responsibilities regarding Executive Orders 11063 and 10925, amended.” And at the national conference in Washington that summer, the IRS staff registered a litany of complaints. There was an “apparent operational conflict,” they reported, “between goal priorities of housing production and equal opportunity in housing.” They called for more “explicit directives” to “provide specific guidelines and procedural methods” for all staff working to implement the Executive Order. They requested that the HHFA develop “appropriate compliance procedures” for both the housing and revised employment Orders. And they called for the “development and prompt utilization of an effective public information and affirmative action program to inform all segments of the community and industry” of the Orders’ requirements. No doubt the staff found little comfort in the conference agenda, which was devoted to discussions of new social science research on race relations and the IRS’s role as “liaisons” to the HHFA constituent units.⁷⁶

The widespread indifference to the HHFA’s fair housing efforts must have been especially upsetting to those agency reformers, among them Weaver, who were actually refraining from presenting their more controversial critique of federal programs and the bureaucracy that administered them. In internal memoranda and reports, at least, Weaver and IRS officials continued to justify their campaign by pointing to the legacy of past discrimination. A dramatic example circulated in 1964, when Real Estate Commissioner Milton G. Gordon wrote about the government’s “obligations. . . to resolve. . . conflicts [concerning] property rights and civil rights.” Aggressive reform was necessary, he argued, because of the federal government’s long record of discrimination against minorities, starting with slavery and ending with the existing “array of governmental sanctions. . . especially in our suburbs, to keep out minorities.”⁷⁷ Weaver’s scholarship, meanwhile, continued to document government culpability. In 1964 he wrote that the FHA had “accepted the concept of homogenous neighborhood and, until 1947, the instrument of the racially restrictive covenant.” Weaver even suggested that federal policy, by “making home ownership more attractive than rental” and promoting “practically all

new construction. . . . in lily-white suburbs,” had helped “[r]acially homogeneous neighborhoods. . . . achieve. . . . a new prestige.” But if Weaver’s analysis of racial inequality was well informed, there was some evidence that he had perhaps misjudged the current political climate. Or perhaps he only claimed to speak for *some* when he declared, in 1964, that “Americans are not interested in living in a series of suburbs surrounding the ruins of their old central cities.”⁷⁸

In his four years as administrator, Weaver did oversee several important changes in HHFA racial practices. He helped secure funding for urban renewal programs as well as improved oversight of the URA’s relocation procedures. But for the most part, he faced resistance. Not only was he unable to crack the discriminatory practices in the “private” market, but some amendments to existing HHFA policy turned out to be quite damaging. Changes in Title I, for example, permitted more localities to devote redevelopment funds to “best use”—which in most cases meant revenue-producing commercial development—rather than providing for low income residents. Meanwhile local white opposition to the placement of public housing sites limited the PHA’s production, at a time when Local Housing Authorities could not keep up with demand. The sheer complexity of HHFA operations partly explains the inertia and resistance to Weaver’s and the IRS’s initiatives; indeed at times even IRS leadership was criticized as being “uncreative,” “defeatist,” and “pedantic.”⁷⁹ Yet the greater obstacle was the deep-seated opposition, in both the public and private sectors, to achieving real racial reform, an opposition rooted in whites’ powerful investment in a racially segregated market for residence. Events of the mid-1960s soon confirmed that this dual market would remain a formidable foe.

Title VI, cabinet status, and the limits of racial reform, 1964-1968

In 1964, Title VI of the Civil Rights Act ostensibly expanded the federal government’s commitment to non-discrimination in “federally-assisted programs,” declaring that “no person. . . on the ground of race, color, or national origin” should be “excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the Housing and Home Finance Agency.”⁸⁰ And by the fall of 1965, President Lyndon Johnson had guided through Congress, with minimal opposition, a plan to elevate the HHFA to cabinet status, creating the Department of Housing and Urban Development. In January of 1966, he announced his decision to appoint Robert Weaver as HUD’s first Secretary.⁸¹

For fair housing advocates, these interventions represented compromise measures, at best. Title VI did not—despite its statutory claim—forbid discrimination in “any program” supported by the HHFA; excluded were programs of insurance or guarantee, thus exempting from scrutiny the sale of private homes obtained with an FHA, VA, or FNMA mortgage. And like the Executive Order before it, Title VI did not apply to “conventional” mortgage lending, despite the government’s prominent role in sustaining that market. Making matters worse, Title VI’s enforcement provisions seemed designed only to *dissuade* government action. Federal officials

were forbidden from cutting off funds to a specific program unless “(1) compliance by voluntary means cannot be secured; (2) there has been an express finding on the record after an opportunity for a hearing of a failure to comply; (3) the action has been approved by the Administrator, and (4) thirty days have elapsed after the House and Senate Committees having legislative jurisdiction over the program have received a full report.”⁸²

Given the legislation’s restricted scope, the furor that arose over Title VI appears unwarranted. Still most housing officials were quite confused about the Act’s coverage, and many feared that fair housing requirements would disrupt their operations and the markets that they served. To ease their concern, the HHFA released a “Q&A” brochure that clarified the differences between Title VI and the Executive Order and that identified which government programs would be “affected by the nondiscrimination requirements.” Notably, the pamphlet fudged the issue of discrimination in federal mortgage programs, citing Title VI’s exemption of the FHA, but insisting nonetheless that Executive Order 11063 “continues to apply” to its operations.⁸³

Meanwhile Title VI enforcement was haphazard at best, in large part because HUD officials continued to defer to local authorities, and whites continued to resist open occupancy in the private market and in public housing of any kind. In the fall of 1965, Vice President Hubert Humphrey requested an investigation into the housing agencies’ compliance with the Civil Rights Act, only to learn that 80 per cent of the complaints investigated by the PHA seemed to indicate non-compliance. PHA Administrator Marie McGuire read the evidence differently, noting somewhat defensively that, “[r]ightly or wrongly, we have interpreted valid as including those complaints related to such allegations as the perpetuation of racially segregated housing through some action of the Local Authority. Such complaints may have had substance but were not subject to a finding of noncompliance at the time because they predated the effective date of Title VI regulations...” In the other cases, she assured Weaver, all but two “involve Local Authorities that have now filed assurances of compliance.” And since the remaining two were “expected to file statements of assurance with regard to compliance shortly,” her agency saw “no reason to plan formal compliance hearings as a result of complaint investigations.” McGuire did concede, at the same time, that site selection for public housing units remained “a most difficult problem to handle. The nature of the program itself often creates controversial reactions on the part of some citizens who regard public housing as a threat to their neighborhoods.” Yet she reiterated the importance of accommodating local officials, to ensure proper service provision for new PHA units.⁸⁴

The HHFA had only complicated the enforcement task by approving a plan, in the summer of 1965, to give local housing authorities (LHA’s) two options for complying with Title VI’s tenant placement requirements. They could choose either the “First Come, First Served” option, under which every applicant for public housing would be “assigned a place on a community-wide basis in sequence based on date of application,” or the “Freedom of Choice” (FOC) option, under which applicants indicated their preferred location. Notably in the FOC plan,

“[e]ach applicant is informed that he may indicate a preference for housing without regard to color patterns in any project,” effectively allowing whites to choose projects known for their racial homogeneity. Not surprisingly, a report in the summer of 1966 reported that about 90% of the local authorities had “elected to use the FOC plan,” which “seems not be producing any changes in color patterns wherever it is in effect.” Worse still, in many cities the “white” projects remained under-utilized, while blacks faced waiting lists—and very long waits—for placement. In Cleveland, for example, white applicants were offered more units, especially the larger units, and waited often less than a month (and no more than three) for placement. For blacks who selected larger units, by contrast, the wait generally lasted over three months, and regularly over a year.⁸⁵

Nor did Departmental status give federal officials new powers to enforce the fair housing mandate. Notably, even the *naming* of the new cabinet level department reflected Johnson’s deference to the building and development lobbies, who were uncomfortable with its proposed title. The President feared that a “Department of Urban Affairs and Housing” might be interpreted to place unwarranted emphasis on the more comprehensive vision of reform long advocated by reformers like Weaver, a vision articulated most recently in the recommendations of the 1964 Task Force on Metropolitan and Urban Problems. He felt that industry leaders would be far more comfortable with a Department of *Housing* and Urban *Development*, which suggested a narrower focus on the built environment, as well as continued federal support for the private housing market. Indeed the National Association of Home Builders was among the organizations who promised to support Johnson’s bill only in return for a promise that FHA operations would not be disrupted. Likewise the President secured the support of the USSLL by promising to maintain the FHLLB’s independence (still an executive agency, it had been removed from HHFA’s jurisdiction in 1955). The VA’s mortgage guarantee programs also remained separate.⁸⁶

So the new Department of Housing and Urban Development—comprised of the FHA, PHA, URA, FNMA, and the Community Facilities Administration (CFA)—controlled only some of the programs that had so dramatically shaped metropolitan development patterns and the distribution of housing resources. Moreover HUD had no special authority to require FHA or FNMA to comply with existing federal non-discrimination law. In November of 1965, officials calculated that less than 2% of the nation’s existing nonfarm housing units were subject to either the Executive Order or Title VI, and that probably less than 25% of new construction would be in coming years. As Carter McFarland later observed, the creation of HUD in 1965 “proved a limited triumph, at best.” Compromised from the outset “to satisfy vested interests,” the Department proved ill-equipped to deal with the range of issues that had become central to what he called an “urban crisis.”⁸⁷

For Weaver and the IRS staff, meanwhile, there was no shortage of evidence that popular opposition to fair housing was only intensifying. Numerous efforts to secure open housing for minority servicemen were unsuccessful. In 1967, the National Association of Real Estate Boards

used its annual convention to reconfirm their opposition to fair housing legislation. And from around the nation, individuals wrote the Secretary complaining that local realtors, or even “resale committees” at federally-financed cooperatives, were denying blacks access to properties. One writer added that when local FHA offices were informed about the situation, they “politely repl[y] that it was assumed that tenants could run their own affairs, and refused to intervene.” Not surprisingly, a number of hostile correspondents directed their rage against Weaver as a black man, or against blacks in general. (Many letters were marked “do not send to secretary,” presumably by his staff). A typical example accused Weaver and his “people” of being unwilling to “work to get what you want, but will steal, kill, burn, and say we owe you this. Have you ever thought what you owe America, Whites, and just people.” Most critics were civil, by contrast, and regularly offered the Secretary unsolicited advice. A white hotel owner in Florida, for example, suggested that HUD build separate units for blacks, explaining that the desire for exclusion was not about “color,” but rather “choosing one’s associates.”⁸⁸

But Title VI and cabinet status did nothing to accentuate IRS authority or to clarify its mandate. As a result, its staff continued to cite the urgency of “firm[ing] up procedures and render[ing] manifestly evident our Agency’s affirmative action.” In internal memoranda, they complained about the IRS’s “uncertain organizational structure and assigned responsibility.” The Office of the Administrator (OA) at the HHFA continued to receive complaints from the field about the lack of respect afforded IRS representatives, the lack of attention that their work received in press releases and government publications, and the misrepresentation of HUD policy in public forums. But in the mid-1960s the OA office had only seven full time permanent employees (McGraw, George Nesbitt, Lloyd Davis, and four administrative assistants) and no funding for temporary or part time assistance. So McGraw, already lacking real enforcement powers, was also forced to spread himself very thin. During an IRS Team Visit to Chicago, Milwaukee and Detroit in the Spring of 1965, he met with local businesspeople, civil rights groups, consumers, and public officials “to share experiences with problems and approaches, hindrances and helps.” Yet he lacked the authority to treat these meetings as more than an “informal and off-the-record family discussion.”

McGraw did experiment with ways to increase his agency’s efficacy. In July 1966, for example, he circulated a memo to staff members encouraging them to practice what he called “Creative Federalism,” pointing to cases in which Regional offices had pressured local housing authorities to account for the racial segregation of their urban renewal programs, and encouraging other regions to follow their lead. Meanwhile the IRS regional staffs devoted considerable attention to individual cases of non-compliance. But they complained that their work was “aimed primarily at ‘putting out fires,’” while “what is really needed is a ‘fire prevention’ program of aggressive affirmative action to achieve equal opportunity objectives and free choice for all in housing selection.”⁸⁹ And critically they had little success altering agency-wide operations. Meanwhile the OA was often reduced to distributing bulletins, circulars, and letters to constituent units, reminding them of the need to comply with Title VI and the Executive Order.⁹⁰

This did not stop IRS officials from further exploring their more radical critique of state policy, from discussing their more ambitious plans for reform, and from embracing reports critical of the government's "heavy reliance on individual initiative" when "the need is for massive social action."⁹¹ But these remained little more than discussions, internal to the IRS and HUD leadership, and largely invisible in the Department's public political discourse. Prominent among the forces sustaining this critique were independent civil rights organizations and grassroots activists, who complained that federal programs were only aggravating urban poverty and fueling segregation. They also noted that black communities felt excluded from the policy process, particularly in negotiations over the Demonstration Cities program. This concerned McGraw, who told Weaver in 1966 that many communities felt that HUD had "lost sight of democracy's commitment." McGraw went on to dismiss widespread assumptions that ghetto residents are a homogenous mass who "have no real leaders" and that existing legislation "takes care of the open housing business," calling instead for HUD to make a "definitive break with past practice." Current legislation, he told Weaver, is "hardly sufficient for the nature of the task," and HUD needed to both tap into local resources and have true citizen participation in planning and execution of its programs. He added, finally, that HUD "will have to look to loosening up the color patterns in the ghetto, as well as outside of it."⁹²

If the IRS's more assertive critique of federal policy remained a largely internal discussion, by the mid-1960s this critique was, slowly, becoming part of the national debate over metropolitan growth and fair housing, thanks to the work of civil rights and housing activists. So ironically, groups including the American Friends Service Committee (AFSC) found themselves criticizing HUD officials such as Robert Weaver, longtime supporters of progressive reform who had been forced for years to pursue a more restrained and calculated approach to promoting open occupancy. The AFSC repeatedly challenged Weaver about the FHA's non-compliance with the Executive Order, while also issuing public statements and reports on HUD activities. When the Department issued new guidelines for achieving equal opportunity in housing in 1967, the Friends complained that its language was too vague, and did not clearly "require" the end of discriminatory tactics nor "provide for an affirmative approach to be taken by participants in the FHA and VA programs regarding the Executive Order." "Over five years of delay and non-observance of the Order," they concluded, "would suggest that more than the abstention from discriminatory practices is required."⁹³

Weaver's response to the AFSC critique revealed the Secretary's frustration, and perhaps his impatience, with HUD's ineffectiveness. Writing that the Department had been "vigorously following positive programs and procedures to demonstrate our commitment to [the Executive Order]," he added that "[a]s the Department becomes fully staffed, both here in Washington and in the field offices, we look forward to even further improvements in this area." And in his public statement regarding the AFSC report, Weaver simply commented that "this Department has done all in its power to implement that Order." This did not amount to much. In an internal communication that November, the Secretary could only report that FHA directors

“have recently met” with area brokers to educate them about the policy of non-discrimination.⁹⁴

Reports from the field continued to document the futility of the IRS’s efforts. In February of that year, the AFSC’s James H. Harvey wrote McGraw to express his “total disappointment in the conduct” of local FHA officials in Philadelphia. Harvey attended an area-wide meeting that month, called by the regional FHA director in accordance with the OA’s new directive to implement the Executive Order. To his dismay, Harvey watched as “the issue of non-discrimination was not directly approached,” and “no specific aspects of racial discrimination were mentioned.”

The terms “equal opportunity” and “intelligent and sensible approach to the problem” were frequently used; however, participants in this meeting—brokers in particular—were not told what is expected of them with regard to the Executive Order. . . . There was no evidence of intergroup relations officials’ influence or participation in the planning of the meeting or in the meeting itself. No mention was made of the work and responsibilities of the intergroup relations people.

Harvey was particularly disturbed to hear the Executive Order “discussed as if it were a new document to be issued,” adding that

in my judgment the provisions of the Order and the policy and posture of FHA with regard to the Order are no more meaningful to the participants in this meeting than they were before [it was issued in] 1962. FHA is still treading softly, speaking politely (to the delight of the real estate industry) about discrimination in housing.

“The brokers and sales people attending this meeting,” he concluded, “still regard the FHA and the Department of Housing and Urban Development as not being serious about eliminating or preventing racial discrimination in housing.” This impression was no doubt reinforced by the meeting’s itinerary, which was “primarily directed toward FHA procedures for the acquiring and disposing of properties. FHA policies regarding non-discrimination were given a week secondary position.” The *last of ten* topics listed for discussion that day was “FHA policies regarding non-discrimination in the sale of FHA-owned properties.” Harvey noted that “[t]his portion was preceded by a joke told by the FHA director, then some parts of the [Executive] Order and regulations were read.”⁹⁵

By fall of that year, IRS reports on the state of “fair housing” efforts simultaneously conveyed both a sense of urgency and defeat. The pressure was on HUD, they explained, because of a “constant and growing threat of ghetto unrest and violence,” because advocacy groups (such as the AFSC) were calling attention to the Department’s inefficacy, and because “the White House and Department of Justice are pressing HUD daily to take leadership in equal opportunity objectives.” That the executive branch was demanding more from these reformers

must have struck them as ironic—at best—given the President’s apparent unwillingness to battle Congress over the institutional constraints that continued to prohibit substantive fair housing reform. This left an understaffed, under-funded IRS fighting battles that had preoccupied them for years. They were still trying “to get Department-wide plans under way for a unified system of reporting and collecting of data on minority group participation,” adding that the process was currently “more rife with gaping holes than substance.” (They expected “[p]eriodic progress reports. . . [to] be instituted,” but noted that this “has not yet been done.”) The Inspection Division would “make systematic compliance inspections” and investigate cases of supposed discrimination, they reported, “as soon as that Division reaches its projected staffing levels.” They had agreed to “confer with” the commissioner of the FHA “relative to the development of a satisfactory FHA site policy.” They noted that “[a] letter on Relocation and Equal Opportunity in Housing addressed to all HUD program participants. . . has been written.”⁹⁶

Then in what might be read alternatively as an act of defiance, naivety, or perhaps desperation, the IRS reasserted—and even expanded upon—the bold program for reform first outlined by Weaver, Schermer, and others in the early days following issuance of the Executive Order. “In view of all [the] pressures” facing HUD and the nation, the IRS concluded, “it is obvious that we must find ways to convince our own staffs of the urgency of the crucial situation. . . and HUD’s steadfast commitment to equal opportunity and civil rights objectives.” The Department needed to remain attentive, they explained, to the needs of urban residents and the total urban environment. And most important, it was crucial that the staff “find or create a way to make all administrative and line operators understand that. . . [production of houses]. . . is no longer the singular prime consideration.” Housing officials “must be convinced or oriented or trained or persuaded that HUD’s very existence is based on the broader motives and goals of human revitalization.” The IRS’s “efforts to accomplish our basic goals will be largely futile,” they concluded, “until and unless appropriate reorientation of our entire staff—in Washington and in the field—is achieved.”⁹⁷

If Weaver was pessimistic about the prospects for change in the nation’s housing bureaucracy, he could find some hope in the passage of the Fair Housing Title of the Civil Rights Act of 1968. And even though a last-minute compromise on the bill undermined its enforcement mechanisms, Weaver nonetheless forged ahead.⁹⁸ In a massive correspondence with agency officials and the private sector, he continued to encourage compliance with federal law, and even solicited help from editors and advertisers to spread the word about fairhousing.⁹⁹ Then in an October 15 memorandum to “All Principal Staff,” the Secretary sent out a “Clarification of Law and Department Policy Re. Integration,” noting that he “would like every Department Official to assure that all members of [their] professional staff become familiar with the contents of the Notice.” Sadly, Weaver deemed it necessary to remind “everyone in the Department” to “recognize our firm policy against segregation of the races,” and then to provide a brief history lesson on the federal commitment to non-discrimination. He began with Truman’s order to desegregate the armed forces in 1948, then discussed the Court’s

ruling in *Shelley v. Kraemer*, citing it as “the basis of the landmark decision in 1954 of *Brown v. Board of Education*.” After briefly mentioning court rulings forbidding discrimination in public accommodation, facilities, and education, he then reminded officials about the Executive Order and Title VI, adding that “[w]e have increasingly sought under HUD regulations to give meaningful content to these prohibitions.”

Then in a telling conclusion, the Secretary reminded housing officials why the work of promoting fair housing was necessary. It was the fall of 1968, and Weaver still found himself justifying open occupancy and the need for equitable federal programs to the men and women who ran the housing bureaucracy. And the dramatic difference between the story he presents in this brief directive, on the one hand, and his careful critique of government culpability, on the other, brings into sharp relief the obstacles—political, institutional, and ideological—that he and other reformers had faced throughout the 1960s. Those obstacles had not only limited their power to change the way that the federal bureaucracy operated and distributed its benefits, but had also shaped the story that reformers could tell about the origins of inequality and the importance of a decisive federal role. Symptomatic of this, Weaver’s memo ends with a call for action that reaffirms the nation’s commitment to equality of opportunity, but that ignores the federal government’s role in segregating the modern metropolis.

Underlying [the] various steps taken by the Federal Government towards desegregation is, I believe, a clear recognition of the fact that the enforced patterns of racial separation, which have characterized many aspects of our society, are handmaidens to the problems of racial discrimination and hostility which so plague us today. Separate but equal is inherently unequal because it denies to one group the choices and opportunities which are the promise of American life and the badge of first class citizenship. The goal is not a random mixing of peoples or the blotting out of social and cultural identities, but rather to allow every man the same natural choices as to where to live and travel and the same opportunity to fulfill his potential. In the difficult work ahead, I believe we must rededicate ourselves to this goal.¹⁰⁰

By no means should we read Weaver’s appeal as disingenuous. For decades, reformers had identified federal complicity in the segregation of housing and housing resources. Weaver was prominent among the critics, and in the late 1960s he continued to write about the government’s responsibility and to discuss it, privately, with sympathetic colleagues. Indeed in private forums he was still describing the goal of fair housing and the task facing the federal government as what he termed “democracy’s unfinished business.” But in the realm of public policy—and in the context of the housing politics that shaped it—Weaver presented a story much more palatable to white officials and the white public. Thus in the 1968 memorandum he found himself, again, unable to present the same kind of critique that had long informed his scholarship and advocacy. The political and ideological constraints created by the dual market for housing prevented Weaver and his colleagues from offering their more

controversial views about the legacy of federal policy, and with it their more ambitious program for reform. These constraints had long prevented them from achieving the kind of systemic change that, they hoped, might have altered how the federal government left its mark on the nation's suburbs and its cities.

- 1 Weaver to HHFA officials, July 26, 1963 and "Summary of Administrator Weaver's Statement to the Officers of the Intergroup Relations Service. . .," in Record Group (RG) 207, Box 113, "Intergroup Relations (McGraw), policy memos, 1963" (National Archives, College Park, MD).
- 2 Weaver to HHFA officials, July 26, 1963 and "Summary of Administrator Weaver's Statement to the Officers of the Intergroup Relations Service. . ."; "HHFA-Guideline for the Primary Role and Principal Responsibilities of the Intergroup Relations Staff. . .", Aug. 20, 1963. Both in RG 207, Box 113, "Intergroup Relations (McGraw), policy memos, 1963."
- 3 For good introductions, see Beth J. Lief and Susan Goering, "The Implementation of the Federal Mandate for Fair Housing," in Gary A. Tobin, ed., Divided Neighborhoods: Changing Patterns of Racial Segregation (Newbury Park, Calif., 1987), 243-5, and Rachel G. Bratt and W. Dennis Keating, "Federal Housing Policy and HUD: Past Problems and Future Prospects of a Beleaguered Bureaucracy," Urban Affairs Quarterly 29(1), 1993: 3-27.
- 4 Lief and Goering, "Implementation," 231-2, 243-5, 258.
- 5 The VA "guaranteed" loans, often in combination with FHA insured mortgages, enabling veterans to secure 100% loans for home purchases. VA guarantees thus enabled applicants to waive the down payment.
- 6 For a good introduction to this enormous literature, see Douglas S. Massey and Nancy A. Denton, American Apartheid: Segregation and the Making of the Underclass (1993); Kenneth Jackson, Crabgrass Frontier: The Suburbanization of the United States (1985); and Gail Radford, Modern Housing For America: Policy Struggles in the New Deal Era (1996); Melvin Oliver and Thomas Shapiro, Black Wealth/White Wealth: A New Perspective on Racial Inequality (1997); Thomas J. Sugrue, The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit (1996); Gregory R. Weiher, The Fractured Metropolis: Political Fragmentation and Metropolitan Segregation (1991); Becky Nicolaides, My Blue Heaven: Life and Politics in the Working Class Suburbs of Los Angeles, 1920-1965 (2002); and Robert Self, American Babylon: Race and the Struggle for Postwar Oakland (2003). The quote is from Lizabeth Cohen, A Consumer's Republic: The Politics of Mass Consumption in Postwar America (2003), 121- 3. Given that the impact of federal mortgage initiatives has been well documented by critics and economists since the early 1950s, it is surprising that most synthetic treatments of the New Deal have either simply ignored the mortgage programs or, at best, treated them as minor components of the state's new activist role. For a discussion, see David M. P. Freund, "Marketing the Free Market: State Intervention and the Politics of Prosperity in Metropolitan America," in Thomas J. Sugrue and Kevin Kruse, eds., The New Suburban History (under consideration with the University of Chicago Press).
- 7 For example, in 1937 the Board of the Federal Reserve passed provisions of Regulation A intended to encourage lenders to grant real estate loans (as well as loans for the purchase of consumer goods on an installment basis). See Carl E. Parry, "Selective Instruments of National Credit Policy," in Karl R. Bopp, et.al., Federal Reserve Policy (Postwar Economic Studies, No. 8) (Washington, D.C.: Board of Governors of the Federal Reserve System, 1947), pp.73-4. In Feb. 1938, the Reconstruction Finance Corporation created the Federal National Mortgage Association. Passed on June 7, 1939, Reorganization Plan No.1 created a Federal Loan Agency

to coordinate the efforts of the RFC Mortgage Co., the FNMA, the FHLBB, the HOLC, the FSLIC and the FHA.

- 8 For an introduction, see Grebler, Role of Federal Credit Aids, 29-30, 36, 42; Marvell, Federal Home Loan Bank Board, 19, 27-29, 31; Semer et.al., “Evolution of Federal Legislative Policy,” 74; Frederick E. Balderston, Thrifty in Crisis: Structural Transformation of the Savings and Loan Industry; Parry, “Selective Instruments, 73-4; and David M. P. Freund, “Making it Home: Race and Development in Suburban Detroit, 1940-1967.” (Ph.D, Michigan, 1999).
- 9 Cohen, Consumer’s Republic, 122, 197, 30, 404. Many observers either ignore these programs’ subsidy function, or argue specifically that no subsidy was involved (with the exception of the VA program). For a discussion of this literature, see Freund, “Marketing the Free Market,” and Colored Property: State Policy and White Racial Politics in the Modern American Suburb (forthcoming).
- 10 Raymond Goldsmith, The Flow of Capital Funds in the Postwar Economy (1965) 277-9, 303, 446; James Gillies, Federal Credit Programs in the Housing Sector of the Economy: An Aggregate Analysis (1963) 427, 457-60; Balderston, Thrifty in Crisis, p.21, Raymond J. Saulnier, Constructive Years: The U.S. Economy Under Eisenhower, 42; George F. Break, The Economic Impact of Federal Loan Insurance (1961) 45; Miles Colean, The Impact of Government on Real Estate Finance in the United States (1950) 106, and chp. 7 for an excellent summary; William E. Dunkman, Money, Credit and Banking (1970), p.394. See also Henry J. Aaron, Shelter and Subsidies: Who Benefits from Federal Housing Policies (1972).
- 11 The state’s decisive interventions were most often downplayed in accounts written during the early post-war decades, but many writers have continued this tradition today. See Freund, “Marketing the Free Market.” William L. Silber, among others, describes FHA, VA, and FNMA operations as policies aimed at “altering the characteristics of a financial market instrument, thereby making it more desirable from either the lender’s standpoint and/or the borrower’s.” Like many economists, Silber *starts with the assumption that these programs subsidize particular producers and consumers*, and then focuses on the debates about which kind of subsidies—direct, or those achieved through selective credit policies—are the most “efficient” means of achieving policy ends. These commentators do not debate the federal government’s impact on certain sectors of the economy, but rather focus on determining what Silber calls the “appropriate method of subsidization.” William L. Silber, Selective Credit Policies: A Survey, in Ira Kaminov and James M. O’Brien, Studies in Selective Credit Policies (1975) 95-121. Silber also points out that the income transfer costs associated with direct subsidies (by transferring funds from “taxpayers” to “recipients of the subsidy”) are also produced by credit controls. Policies such as portfolio restrictions, for example, “produce a subsidy to mortgage borrowers and home buyers. . .The main point is that such income transfers occur in all selective credit policies, only in some cases they occur within the budget and in others outside the budget.” (117-8) For a useful introduction to selective credit policy, see Guttentag, “Selective Credit Controls,” in Kaminov, pp.35- 40.
- 12 See Freund, Colored Property.
- 13 Since the federal government first intervened in the market for housing, its programs and practices have been the subject of extensive criticism. Important examples include: Charles Johnson’s early reports in the Crisis; Herman Long and Charles Johnson, People and Property: Race Restrictive Covenants in Housing (1947); Robert Weaver, Negro Ghetto (1948); Charles Abrams, Forbidden Neighbors: A Study of Prejudice in Housing (1955); Clark, Dark Ghetto; Marc Gelfand, Nation of Cities (1975); Chester Hartman, Housing and Social Policy (1975); Jackson, Crabgrass Frontier; and Radford, Modern Housing For America. Arnold Hirsch reconstructs attempts to reform federal housing practices from within in “‘Containment’ on the

- Home Front: Race and Federal Housing Policy from the New Deal to the Cold War," Journal of Urban History 26, vol.2 (Jan., 2000):158-180. While Abrams' important study of housing and prejudice provides few details of federal operations, it nonetheless offers an acute analysis of the ways that policy and private market activity helped to *create* post-war economic values. Abrams argues that the federal government, the private sector, and local activists together helped to reinforce white suburbanites' conviction that a "good" neighborhood was a racially homogeneous one. See Forbidden Neighbors, esp. chp.12.
- 14 Ferguson, "Talk before Negro Business Conference, April 18, 1941, Department of Commerce," RG 31, Speeches, Box 29, "Speeches—Correspondence" (Ferguson, 1939-1941).
- 15 Ferguson, "Talk before Negro Business Conference, April 18, 1941. (Note: "the barometers of" is hand-written, replacing "responsible for" in the typescript). In the days preceding his appearance, Ferguson asked his speech writer if he might emphasize that it was "occupants who make slums far more than the structures in which they live"—advice that the author ignored. Ferguson to Draper, April 3, 1941 (memo), with attached clipping from the Grand Rapids Herald (from which Ferguson took the quote). RG 31, Speeches, Box 29, "Speeches—Correspondence."
- 16 Moffett estimated that this program of "nation-wide organization and education. . .[had] created more than \$145,000,000 worth of business." (A post-war agency report re-calculated that total to be as high as \$210 million). "New U.S. Housing Plan," speech by Hon. James A. Moffett, Chair, FHA, over "a Nation-Wide Network of the Nation Broadcasting Company," Wed. night. (August 15, 1934); "Address of Federal Housing Administrator James A. Moffett at Oklahoma City. . .Before the Chamber of Commerce." March 1, 1935 (released to press); Moffett to Bankers Forum of New York Chapter, American Institute of Banking (annual dinner), NYC, in honor of Rudolph S. Hecht (president, ABA), Dec. 12, 1934 (press release). Addresses collected in RG 31, Speeches, Box 29, "Early Moffett Speeches." See also Federal Housing Administration, The FHA Story (1960), p.9.
- 17 FHA Story, p.9; "New U.S. Housing Plan," speech by Hon. James A. Moffett, Chair, FHA, over "a Nation-Wide Network of the Nation Broadcasting Company," Wed. night. (August 15, 1934). Moffett, over the Columbia Broadcasting System hookup, 9:45 pm, under auspices of the U.S. Building and Loan League, Sept. 28, 1934. (RG 31, Speeches, Box 29, "Early Moffett Speeches.") The Evening Star and Sunday Star, Washington, D.C., published a pamphlet version of this speech, and distributed it at no cost.
- 18 Moffett to Construction League and the Construction Code Authority at hotel in Knoxville, Tenn., Dec.6, 1934. The speech was broadcast over the NBC network; "Address of James A. Moffett. . .before Chicago Association of Commerce, 12:15 pm, Wed. Oct. 24, 1934; Moffett at the Ft. Duquesne Club, Pittsburgh, Penn, Dec. 5, 1934; Moffett to Construction League and the Construction Code Authority at hotel in Knoxville, Tenn. (Broadcast over NBC network) Dec. 6, 1934; Moffett to Bankers Forum of New York Chapter, American Institute of Banking (annual dinner), NYC, in honor of Rudolph S. Hecht (president, ABA), Dec. 12 (press release: 13), 1934; "Address delivered by Mr. James A. Moffett, Federal Housing Administration, at a luncheon of the Advertising Club of New York, Thursday, December 13. . .at 12:30 p.m." Dec. 13, 1934 [broadcast over NBC; press release]; "Address of Federal Housing Administrator James A. Moffett at Oklahoma City. . .Before the Chamber of Commerce." [released to press] March 1, 1935; "Address of Federal Housing Administrator James A. Moffett Before the National Retail Lumber Dealer's Association, Shoreham Hotel, Washington, D.C., 2:30 pm, Wed., April 17," April 17, 1935. RG 31, Speeches, Box 29, "Early Moffett Speeches."
- 19 "Address of Federal Housing Administrator James A. Moffett Before the National Retail Lumber Dealer's Association, Shoreham Hotel, Washington, D.C., 2:30 pm, Wed., April 17" (1935). A

- few months earlier, advertisers in New York City were asked to “persuad[e] industry that it does a fine job for itself and for all business through liberal use of its advertising space to point out how and why its products can be used in modernizing and repairing buildings.” “Address delivered by Mr. James A. Moffett, Federal Housing Administration, at a luncheon of the Advertising Club of New York, Thursday, December 13. . .at 12:30 p.m.” Dec. 13, 1934 (broadcast over NBC; transcript in press release); RG 31, Speeches, Box 29, “Early Moffett Speeches.”
- 20 “Address by Abner H. Ferguson before the American Title Association Convention, Memphis, Tennessee.” Oct. 14, 1935 RG 31, Speeches, Box 29, “Speeches, 1935-1939.”
- 21 Greene to Foley, August 18, 1945; Greene to Franklin D. Richards, Chairman, Committee No.2, Decentralization and Simplification Procedures, Aug. 18, 1945; Greene to Ernest P. Jones, Chairman, Committee No. 1, Rehabilitation of Existing Housing and Promotional and Educational Campaigns, Aug. 18, 1945; Greene to Kent R. Mullikan, Chairman, Committee No.4, Middle Market and Small Farms, Aug. 18, 1945; Richards to Builders and Lenders, Greensboro, North Carolina, March 14, 1949 (RG 31, Speeches, Box 31). Richards to the NAHB, Chicago, Jan. 24, 1951 (RG 31, Speeches, Box 32). See also: Richards to Mortgage Bankers Association, Chicago, Jan. 25, 1951.
- 22 Speaking to mortgage bankers in Texas in 1951, for example, Richards lamented the “continued resistance on the part of mortgage lenders to make loans under Section 8 and Section 203 (d),” and told his audience that it would be to their advantage to “give study to the internal organization of your companies, whereby you can make and service these low mortgages efficiently and on a profitable basis.” Richards to Texas Mortgage Bankers Association, Fort Worth, Texas, April 12, 1951. RG 31, Speeches, Box 32. This text is repeated in speeches to other professional organizations.
- 23 “Speech delivered by Raymond M. Foley, Commissioner of the Federal Housing Administration, before a committee of financial and building interests, hotel Waldorf-Astoria, New York, New York,” Sept. 12, 1945.
- 24 “Address of Franklin D. Richards. . .Before the National Association of Home Builders, Chicago, Ill., Stevens Hotel, Feb. 24, 1948”; Richards to Regional Meetings of Oklahoma and Texas Home Builders, Fort Worth, Texas, June 25, 1948; Richards “West Coast” speech (here delivered in Los Angeles, July 1948 to an unspecified audience of home builders and financiers); Richards to Wisconsin Builders Association, Madison, May 26, 1948; Richards to Annual Mortgage Bankers Convention, Hotel Commodore, NYC, Sept. 23, 1948; Richards to Builders and Lenders, Greensboro, North Carolina, March 14, 1949; Richards to American Bankers Association, Western Savings and Mortgage Conference, San Francisco, April 4, 1949 (RG 31, Speeches, Box 31); and Richards to Washington Conference for Men Under 35, Sponsored by Mortgage Bankers Association of America, Mayflower Hotel, Washington, D.C., Jan. 15, 1952; Richards to the Georgia Association of Real Estate Boards, Atlanta, Oct. 19, 1951; Richards to NAHB, Low Cost Rental Housing Conference, Memphis, Tennessee, May 4, 1951 (RG 31, Speeches, Box 32). On the FHA’s public relations campaign, see Freund, “Marketing the Free Market.”
- 25 On the public-private alliance’s appeals to Congress in the early New Deal, see Freund, “Making It Home.”
- 26 “Statement of Franklin D. Richards, Commissioner, FHA, Before the Subcommittee of the House Banking and Currency Committee,” Feb. 5, 1952. RG 31, Speeches, Box 32.
- 27 FHA Story, p.22.

- 28 For a thorough discussion of Cole's tenure, his stand on non-discrimination, and his role in stalling open housing reform, see Hirsch, "Containment," esp. pp. 170-178.
- 29 Hirsch, containment, 161-162; Weaver, Negro Ghetto; National Committee Against Discrimination in Housing, "Needed: 'A Stroke of the Pen'," in RG 207, Box 64, "Intergroup, Exec. Order, 1961"; Jackson, Crabgrass Frontier; Flora Y. Hatcher, "Overall Summary Report of Housing Hearing of Commission on Civil Rights, Feb. 2-3, 1959, NYC," 207, in Box 25, file "Racial Relations, Intergroup Relations"; "Material prepared for Harold Tyler, Justice Dept., re. effect of an executive order on housing activities. . ." (Oct. 4, 1960), in RG 207, Box 40, "Intergroup (Snowden policy memos), 1960." Hirsch also discusses the Tyler memo in "Containment," 182.
- 30 Hirsch, "Containment"; Arnold Hirsch, "Choosing Segregation: Federal Housing Policy Between *Shelley* and *Brown*, in From Tenements to Taylor Homes: In Search of an Urban Housing Policy in Twentieth-Century America, Baumn, Biles, and Szylvian, eds. (2000); Freund, "Making it Home." (Cole quoted in Hirsch, "Containment") 173.
- 31 See Mason to David W. Kendall, Special Counsel to the President, Feb. 29, 1960 and exchange between Mason and Schwulst; Memorandum for David K. Kendall, March 4, 1960; Mason to Carl V. Ramney, Compliance Division, June 29, 1960, regarding allegations of discrimination by the Philadelphia FHA office; L. Clifford Davis to Norman Mason, Dec.22, 1960; John A. Foster to Mason, re. Skyline Cafeteria, Dec. 23, 1960. RG 207, Box 40, "Intergroup (Snowden policy memos)"
- 32 In the Spring of 1959, when Richard Nixon, Chair of the President's Committee on Government Contracts, requested housing and other agencies to report their efforts to investigate discrimination in employment by firms receiving government contracts, most agencies replied, for most categories, that "No action has been deemed necessary." See John C. Hazeltine to Mason, "Annual Report on Nondiscrimination," July 15, 1959, in RG 207, Box 25, file "Racial Relations, Intergroup Relations." For an introduction to the response of industrial leaders, see "Notes on Discussion, Industry Advisory Committee on Housing Studies, Asst. Admin. Henry O. Talle, Chairman, New York, NY, Nov. 13, 1959, in RG 207, Box 24, file "Study on Low Income Housing."
- 33 "Material prepared for Harold Tyler."
- 34 His served as assistant to the administrator for intergroup relations.
- 35 "General Activities of the Racial Relations Service in the Office of the Administrator, HHFA," March 18, 1950, in RG 207, Box 25, "Racial Relations, Intergroup Relations." On the fate Horne and the RRS, see Hirsch, "Containment," pp.174-5.
- 36 "Material prepared for Harold Tyler." Hirsch also discusses these materials in "Containment," 182.
- 37 Government Implementation of Equal Opportunity in Housing," working paper, n.d. (sent to Special Counsel to the President on Feb. 29, 1960); Snowden to Mrs. Beatrice Coleman, Sept. 16, 1960. In RG 207, Box 40, "Intergroup (Snowden policy memos)."
- 38 "Agency Program Operations and Policy to Provide Equal Treatment and Opportunity," PHA to Mason, April 23, 1959, RG 207, Box 25, "Racial Relations, Intergroup Relations"; "Material prepared for Harold Tyler"; and discussion in Hirsch, "Containment."
- 39 See, for example, J. S. Baughman (FNMA Administrator) to Mason, "Agency Program Operations and Policy to Provide Equal Treatment and Opportunity," April 13, 1959, in RG 207, Box 25, "Racial Relations, Intergroup Relations."

- 40 See, for example, J. S. Baughman (FNMA Administrator) to Mason, “Agency Program Operations and Policy to Provide Equal Treatment and Opportunity,” April 13, 1959, in RG 207, Box 25, “Racial Relations, Intergroup Relations”; Mason to Mr. R.E. Diamond, Grosse Pointe Woods, Oct., 1960, in RG 207, Box 40, “Intergroup Relations (Snowden)”; Mason to Julian H. Zimmerman (FHA Commissioner), July 1960.
- 41 Mason to Patrick Sheehan, July 28, 1960, in RG 207, box 40, file “Intergroup Relations (Snowden) Correspondence, 1960.”
- 42 “Material prepared for Harold Tyler”; “Address by Norman P. Mason, U.S. Housing Administrator, to the Annual Convention of the National Association of Real Estate Boards, Toronto, Nov. 11, 1959,” in RG 207, Box 49, “NAREB, Royal York Hotel, Toronto, Nov. 11, 1959.”
- 43 Freund, “Making it Home.”
- 44 Freund, Colored Property.
- 45 Albert Rains, “The Outlook for Mortgage Credit Legislation in 1960,” address before the Annual Convention of the NAHB, Chicago, Jan. 18, 1960. Copy in RG 207, Box 49.
- 46 M. Carter McFarland to Annabelle Heath (Asst. Admin., Office of Program Policy), “Review of *Where Shall We Live*,” Jan. 9, 1959, in RG 207, Box 25, file “Racial Relations, Intergroup Relations.” McFarland also notes that report “ignore[s] the responsibility that members of the minority race also have in determining where they shall live.”
- 47 Weaver, “Racial Policy in Public Housing,” Phylon 1, no. 2, 1940, 149; Weaver, “Whither Northern Race Relations Committees?,” Phylon 5, no.3, 1944, 205.
- 48 Gelfand, Nation of Cities, 310-313.
- 49 Gelfand, Nation of Cities, 315-8.
- 50 National Committee Against Discrimination in Housing, “Needed: ‘A Stroke of the Pen’,” in RG 207, Box 64, “Intergroup, Exec. Order, 1961.”
- 51 See, for example, Weaver to Mrs. Louise H. Woodford, April 25, 1961 in RG 207 “Intergroup Relations, Correspondence, 1961.”
- 52 See, for example, Weaver to Mrs. Louise H. Woodford, April 25, 1961; Weaver to Mrs. Joseph Carey, May 3, 1961; Weaver to Mr. J.E. Jenkins, May 18, 1961, in “Intergroup Relations, Correspondence, 1961.”
- 53 Bratt and Keating, “Federal Housing Policy,” and Judith Heimlich Parris, “Congress Rejects the President’s Urban Department, 1961-62,” in Frederic N. Cleaveland et.al., Congress and Urban Problems: a casebook on the legislative process (1969)191-2; Gelfand, Nation of Cities, 327-9, 331-3; M. Carter McFarland, Federal Government and Urban Problems: HUD: Successes, Failures, and the Fate of our Cities (1978) 16-18.
- 54 For good introductions, see the discussions in Lief and Goering, “Implementation,” and Gelfand, Nation of Cities.
- 55 Mr. A.R. Thomas to Weaver, March 29, 1961, in RG 207, “Intergroup, Corr., 1961.”
- 56 See materials in RG 207, “Intergroup, Corr., 1961, especially discussion of the NAHB report in Memo for Lee C. White, Asst. Special Counsel to the President, July 19, 1962; Leonard Frank to

- Kennedy, June 28, 1962, and CEIR, Inc., "Survey of Home Builders' Opinion on Impact of a Possible Executive Anti-Discrimination Order."
- 57 NCDH, "Needed"; Weaver to Fred Kramer, n.d., RG 207, Box 93, "President's Commission on Equal Opportunity in Housing" (1962).
- 58 Statement by Robert C. Weaver, Nov. 20, 1962, in RG 207, "Intergroup Relations, Exec. Order, 1961."
- 59 See HHFA press release, Dec. 29-30, 1962 and "Potential Housing Demands of Non-White Population in Selected Metropolitan Areas," Dec., 1962, in RG 207, "Intergroup (McGraw, policy memos), 1963."
- 60 George Schermer to Weaver, ("Confidential"), July 7, 1963, RG 207, "Intergroup (McGraw, policy memos), 1963."
- 61 George Schermer to Weaver, ("Confidential"), July 7, 1963.
- 62 Weaver to David L. Lawrence, Chairman, Pres. Comm. On Equal Opportunity in Housing (March 11, 1963, Box 93, "Pres. Comm"; Hill to Weaver, July 17, 1963, "Intergroup (McGraw, policy memos), 1963."
- 63 McGraw was joined by Morton Schussheim, Assistant to the Administrator, Office of Program Policy. See introduction to this report; Weaver to HHFA officials, July 26, 1963 and "Summary of Administrator Weaver's Statement to the Officers of the Intergroup Relations Service. . ."; "HHFA-Guideline for the Primary Role and Principal Responsibilities of the Intergroup Relations Staff. . .", Aug. 20, 1963; Weaver to OA Principal Staff Members, Aug. 20, 1963; Weaver to PHA, Aug. 7, 1963; "HHFA Education and Training Program to Implement the President's Executive Orders," Notes on Task Force Meeting of Aug. 30, 1963.
- 64 Weaver's comments at Opening Joint Session reported in "HHFA Staff Conference of Intergroup Relations Specialists," July 18, B.T.M.; Philip Sadler, IR, PHA, to B. T. McGraw, July 3, 1963, "Intergroup (McGraw, policy memos), 1963."
- 65 George Schermer to Weaver, ("Confidential"), July 7, 1963, "Intergroup (McGraw, policy memos), 1963"
- 66 George Schermer to Weaver, July 18, 1963, "Intergroup (McGraw, policy memos), 1963" In sharp contrast to his memo of July 7, Schermer concedes that scaling back IRS responsibilities and placing implementation of fair housing policy in the hands of agency executives would only further undermine morale.
- 67 Philip Sadler, IR, PHA, to B. T. McGraw, July 3, 1963, "Intergroup (McGraw, policy memos), 1963"
- 68 Philip Sadler, IR, PHA, to B. T. McGraw, July 3, 1963; McGraw to Weaver, July 11, 1963; Hill to Weaver, July 17, 1963. RG 207, "Intergroup (McGraw, policy memos), 1963"
- 69 Sadler to Weaver, July 18, 1963; Schermer to Weaver, July 10, 1963; Schermer to Weaver, ("Confidential"), July 7, 1963, in RG 207 "Intergroup (McGraw, policy memos), 1963"
- 70 "HHFA Education and Training Program to Implement the President's Executive Orders," Notes on Task Force Meeting of Aug. 30, 1963, RG 207 "Intergroup (McGraw, policy memos). The FHA saw little need to resist the IRS's fair housing campaign. See Freund, Colored Property.
- 71 Baughman to Weaver, July 30, 1963, RG 207 "Intergroup (McGraw, policy memos), 1963."

- 72 McGuire to Weaver, Aug. 1, 1963; Weaver to McGuire, Aug. 7, 1963; McGuire to Weaver, Aug. 12, 1963. RG 207 “Intergroup (McGraw, policy memos), 1963”
- 73 Brownstein to Weaver, Aug.5, 1963, RG 207 “Intergroup (McGraw, policy memos), 1963”; “Summary of Progress Under the President’s Executive Order on Equal Opportunity in Housing,” Feb., 1964, in RG 207, Box 134, “President’s Commission on Equal Opportunity in Housing, 1964.”
- 74 For one discussion, see “Summary of Progress Under the President’s Executive Order on Equal Opportunity in Housing,” Feb., 1964, in Box 134, “President’s Commission on Equal Opportunity in Housing, 1964.” For an introduction to white resistance, see Abrams, Forbidden Neighbors; Hirsch, Making of the Second Ghetto; Hirsch, “Massive Resistance in the Urban North: Trumbull Park, Chicago, 1953-66,” Journal of American History (Sept., 1995); Gary Gerstle, “Race and the Myth of the Liberal Consensus,” Journal of American History (Sept., 1995); Sugrue, Origins of the Urban Crisis; Self, American Babylon.
- 75 See Weaver’s response to Warden (April 4, 1963) regarding NAREB’s suggestion that the President’s Committee on Equal Opportunity in Housing look into the “fullest possible utilization” of the VHMCP, in RG 207 Box 93, “Presidents Commission on Equal Opportunity in Housing, 1962.”
- 76 Wm. F. McKinney to James F. Neville, March 11, 1964; Warren P. Phelan to Weaver, March 9, 1964; HHFA Intergroup Relations Conference, “Conference Program and Highlights,” June 1-5, 1964; McGraw to Weaver, March 16, 1964. RG 207, Box 132, “Intergroup Relations, Policy Memos.”
- 77 Gordon, “What are the obligations. . . .,” in RG 207, Box 132, “Intergroup Relations, Policy Memos, 1964.”
- 78 Weaver, The Urban Complex (1964), pp.36-7, 60. See also Gelfand’s discussion in Nation of Cities, pp.313-4.
- 79 This was evidence, in Schermer’s view, of “the nature of the human animal not to innovate in a bureaucracy unless there is very direct leadership and encouragement.” George Schermer to Weaver, July 18, 1963, “Intergroup (McGraw, policy memos), 1963”
- 80 Title 24, Subtitle A, Part 1.
- 81 See discussions in Bratt and Keating, “Federal Housing Policy,” Gelfand, Nation of Cities, and Parris, “Congress Rejects the President’s Urban Department, 1961-62.”
- 82 Lief and Goering, “Implementation,” 233. Semer to Baughman, Brownstein, etc., “HHFA Regulations under Title VI. . .” in RG 207, Box 129, “Civil Rights Act, 1964.”
- 83 “Questions and Answers on the Effect on HHFA Programs of the Nondiscrimination Requirements of Title VI of the Civil Rights Act of 1964,” May 1965, in RG 207, Box 129, “Civil Rights Act of 1964.”
- 84 See exchange, esp. McGuire to Weaver, Sept. 27, 1965, in Box 129, “Civil Rights Act, 1964.”
- 85 Nesbitt to Weaver, July 18, 1966, Box 191, “Intergroup Relations Memos, 1966.”
- 86 See Gelfand’s discussion in Nation of Cities, 375-6.
- 87 HUD briefly included the government’s mass transportation programs, before they were transferred in 1966 to the Department of Transportation. Gelfand, Nation of Cities, 375-6;

- Robert Sauer memo for Dean Determan, White Housing Conference on Civil Rights, Nov. 2, 1965, in RG 207, Box 129, "Civil Rights Act, 1964."; McFarland, Federal Government, 18-21.
- 88 See Brownstein to Weaver, Dec. 13, 1967, in RG 207, Box 1, "Civil Rights Act, 1968"; "The Negro NCO's, Fort Polk, La." to Weaver (and others), Jan. 7, 1967, in RG 207, Box 1, "Anon. Letters"; Anon to Weaver, July 17, 1968; "An American Family" to Weaver, rec. Nov. 6, 1967, in RG 207, Box 1, "Anon. Letters"; RG 207, Box 2; RG 207, Box 191, "Intergroup Relations (Correspondence), 1966."
- 89 Lloyd Davis to McGraw, conveying a report from Ellen Tarry in Region I, May 18, 1966. RG 207, Box 191, "Intergroup Relations memos, 1966."
- 90 McGraw to Robert A. Sauer, April 8, 1965, in RG 207, Box 129, "Civil Rights Act, 1964"; Hummel to Weaver, July 17, 1967, in RG 207, Box 253, "Intergroup Relations Memorandums, 1967"; Box 253, "Intergroup Relations, Memorandums, 1967 (Aug.-Dec.)"; McGraw to Weaver, "Employment Restrictions for Fiscal Year 1967," in Box 191, "Intergroup Relations Memos, 1966"; McGraw to Weaver, April 12, 1965, in Box 165, "Intergroup Relations Policy Memos, 1965"; McGraw to Principle Intergroup Relations Staff, July 13, 1966, in Box 191, "Intergroup Relations (memos) 1966"; Box 242, "Equal Opportunity in HUD Operations and Programs, 1967."
- 91 "Operative Effects of Fair Housing Legislation" ("For Internal Distribution"), summarizing the NCAD's 1965 report, Trends in Housing.
- 92 McGraw to Weaver, Sept. 9, 1966, RG 207, Box 191, "Intergroup Relations Memos, 1966"; McGraw, "Notes on the Revitalization of Racially Ghettoes Areas," Oct. 21, 1966. See also McGraw to Weaver, Sept. 30, 1966, on Hunters Point violence and its implications for HUD policy.
- 93 James H. Harvey to Weaver, Nov. 28, 1967; Chester C. Shore to Weaver, Oct. 27, 1967. RG 207, Box 1, "American Friends Service Committee, Inc.," 1968.
- 94 Weaver to Shore, Nov. 13, 1967, RG 207, Box 1, "American Friends Service Committee, Inc.," 1968; "Statement by Secretary R. Weaver. . . May 23, 1967," in RG 207, Box 253, "Intergroup Relations Correspondence, 1967 (Jan-May)"; Memos in Box 253, "Intergroup Relations Correspondence, 1967 (Jan.- May)" and "Intergroup Relations, Memorandums, 1967 (Aug.-Dec.)."
- 95 James H. Harvey, National Representative, Housing and Urban Affairs, AFSC to McGraw, Feb. 20, 1967, in RG 207, Box 1, "American Friends Service Committee, 1968."
- 96 "Evaluative Memorandum on Departmental Equal Opportunity Activities," in RG 207. Box 253, "Intergroup Relations Memos, Aug-Dec. 1967."
- 97 "Evaluative Memorandum on Departmental Equal Opportunity Activities," in Box 253, "Intergroup Relations Memos, Aug-Dec. 1967"; "Housing Segregation and Governmental Process in the United States: An inventory of the current status of the major operative factors," prepared by the Intergroup Relations Service, May 1967, in RG Box 253, "Intergroup Relations Memos, Aug-Dec. 1967."
- 98 See George R. Metcalf, Fair Housing Comes of Age (1988), chp.5.
- 99 See correspondence in RG 207, Box 1, "Civil Rights Act of 1968."
- 100 Weaver to All Principle Staff, "Clarification of Law and Department Policy Re. Integration," (memo and notice) Oct. 15, 1968, in RG 207, Box 1, "Civil Rights Act, 1968."