

FINDING VALUE IN RACISM: THE SPATIAL CHOREOGRAPHY OF BLACK & WHITE
IN EARLY TWENTIETH CENTURY ATLANTA

by

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(Under the Direction of Nik Heynen)

ABSTRACT

In recent decades a powerful narrative has taken shape which explores the impact of federal housing policies in shaping the highly racialized geography of poverty and privilege which forms the landscape of today's American city. Called the "New Suburban History," it documents the racial discrimination written into the subsidized home loan policies of the federal government after WWII, based upon the assumption that property values depended upon the maintenance of neighborhood homogeneity on the basis of race and class. By lavishing neighborhoods comprised exclusively of white homeowners with federal subsidies, while targeting the neighborhoods of non-whites and renters for red-lining, these programs, it is argued, became self-fulfilling prophecies of growth and decline, and it is generally assumed that the racism of both policy-makers and white homeowners distorted their conception of "value." This dissertation argues that the problem with this narrative is that "value," so central to the story, in fact is never defined. It asks what urban planners actually meant by the term "value," which they explicitly stated to be what their exclusive land-use regulations were designed to pursue. It does this by connecting a history of the changing definition of "value" in 19th and turn-of-the-20th century economic theory to the development of exclusionary land-use

regulations at the National Conference on Urban Planning, developed in pursuit of “value,” and argues that privilege and exclusion are essential to the category of “value” itself, regardless of whether they are distributed on the basis of skin color. Against the standard narrative, which holds that racism distorted conceptions of “property values” in the 20th century American city, what is argued here is that the institution of value, and the social categories of privilege and exclusion which it requires, has fundamentally shaped our categories of race.

INDEX WORDS: Value, Political Economy, Racism, Urban Planning, Zoning, Atlanta

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CHAPTER 1 – INTRODUCTION

The concept of capitalist value sits at the center of narratives which seek to explain the historical geography of black and white, rich and poor, which remains inscribed in the landscapes of our cities. We're told of comprehensive zoning schemes and a new "science" of urban planning which wore the quest for value on their sleeves from their inception in the first decades of the 20th century. A seemingly paranoid fear of "undesirable" people and land uses gripped white, urban property owners from the building of the first suburbs in the late 19th century, and expressed itself in the form of public and private strategies of exclusion justified in defense of "property values." "Value" similarly provided the logic and justification for federal home loan policies during the Depression and beyond, which bent the shape of American cities to conform to its vision of race and class homogeneity, and the isolation of the single-family residence from all other forms of land use.

An impressive literature has emerged to document the details and assess the consequences of such value-based strategies of exclusion (e.g., Jackson 1985, Sugrue 1996, Self 2003, Kruse 2005, Freund 2007, Lands 2009). It perhaps comes as no surprise that the federal government's projections of "future value" for people and the neighborhoods in which they resided became self-fulfilling prophecies, as they provided the basis on which home loans were made. After WWII, the systematic channeling of resources into areas occupied by white homeowners and away from those housing non-whites and renters, coupled with barriers to entry designed to ensure that the demographics of neighborhoods deemed favorable for the maintenance of property values did not change, resulted in a predictable geography of poverty

and privilege, prosperity and despair, drawn largely along racial lines. The resulting landscape provided a powerful visual confirmation of the race and class logic on which it was based, as the material inferiority of neighborhoods housing those deemed inimical to property values was often taken as justification of the very strategies which had produced it (Sugrue 1996, Freund (2007).

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

I. What Is Value, Anyway?

What's oddly missing, however, from the accounts on which this narrative is based is any attempt to critically examine the meaning and social significance of the concept of "value" which sits at the center of the story. "Property values" are endlessly alluded to without ever being defined, and it's clear that we are simply to take value to mean price, in this case of houses – good for owners when they go up, bad when they go down. Value, in other words, is exactly what suburban homeowners believe it to be, and the problem, in this narrative, is its inequitable distribution, particularly on the basis of race. Such inequity was not inevitable, it is implied, and it's common in this literature for scholars to make the case that empirical data suggest that the governing assumption that blacks were bad for property values was incorrect (Kruse 2005, Lands 2009). Separated from the contamination of racism and a government housing policy for which "apartheid" is not too strong a word, value, and the home equity in which it has manifested itself to the benefit of so many, are both neutral measurements and positive goods. Their more equitable distribution would contribute to a reduction in economic inequality and remove a powerful plank undergirding the racist politics of "othering" and exclusion so corrosive to our society.

Laudable policy goals aside, the complacency with which the meaning and social significance of value is treated in this literature forecloses the opportunity for a more radical critique. This is because, like racial categories and identities, the social institution of value has its own contingent, contested history, one that can be explored both by examining it as an object of inquiry within the field of economic theory, as well as in terms of the strategies which have been pursued on behalf of its maintenance and protection, particularly in times of crisis. Such an examination is, in fact, crucial to understanding the race- and class-based politics of exclusion, undertaken in the name of value, discussed above. Value, it turns out, is not ultimately about numbers written on price tags, but rather the

channeling of human effort in society. It actually has a fascinating, unexamined history, one which demonstrates that the conservatizing effect of residential property values runs much deeper than that achieved by its discriminatory distribution along racial lines.

II. Geographies of Race, Geographies of Value

This study formed out of an attempt to understand the value logic with which urban planners, and federal policymakers, literally mapped the categories of race and value onto the landscape of American cities. In 1922, the City of Atlanta produced a zoning map which explicitly zoned the residential areas of the city by race and class – the latter effected through the establishment of various minimum lot sizes to be enforced throughout the city, and the exclusion of apartment buildings from districts set aside for single-family homes – and celebrated the implementation of the new regulations as offering a crucial safeguard to property values. In 1938, the federal Home Owners Loan Corporation (HOLC) created a “residential security map” of Atlanta which divided the city into 111 neighborhoods for the purpose of assigning risk-levels to each as prospective candidates for mortgage loans. The HOLC’s value logic mirrored that of the 1922 map. Value was a game of social exclusion, as a good mortgage risk, based upon projected property values, was defined as a neighborhood which had not only succeeded in keeping out blacks and renters, but had regulations in place which barred them from entry. Neighborhoods with bleak value prospects, to be avoided by lenders, housed those whom the regulations in “good” neighborhoods were designed to exclude.

What was the vision of value held by these policy-makers, which apparently made it, in their minds, synonymous with social exclusion? For Kenneth Jackson, author of the classic, *Crabgrass Frontier: The Suburbanization of America*, the answer is obvious enough: racism runs through the

entirety of the American experience, and the story of federal housing policy is simply one more iteration on an apparently timeless theme:

“The Home Owners Loan Corporation did not initiate the idea of considering race and ethnicity in real-estate appraisal. Bigotry has a long history in the United States, and the individuals who bought and sold houses were no better than the rest of their countrymen” (Jackson 1985, 198).

This explanation, however, did not satisfy, for while the author of Atlanta’s 1922 zoning map, and the officials of the HOLC, may well have shared the bigotry of “their countrymen,” this did not explain the logic behind the belief that the “value” of social exclusion could be measured in dollars and cents, or the understanding of value which told the makers of zoning maps where to draw their lines. What did banning apartment buildings from the neighborhoods of homeowners have to do with value, or the insistence on 5,000 square feet of lot space here and 625 there? There was undoubtedly no shortage of bigots in the United States at the time these maps were produced, but only a very small number of them could locate with confidence the “proper place” of everyone in the city.

III. Plan of Study

In an attempt to understand the “value vision” which lay behind the 1922 map which zoned Atlanta by race and class, and the 1938 HOLC map which divided the city into “exclusive” and “excluded,” and assigned mortgage-risk ratings on that basis, I set out to answer three questions:

- 1) What did the authors of these maps, and the urban planning “experts” who developed the institution of zoning say when they talked about value? Did they offer any explanation for the connection they saw between value and race- and class-based social exclusion which provides further insight into the logic that produced those maps than a mere presumption of bigotry?

2) To what extent did economic theory inform, or justify, a conception of value that seemed to mandate social exclusion? Or did the irrationality of bigotry serve to distort the otherwise neutral metric of value, as is often implied in the literature?

3) While Jackson assumes that assumptions about racial categories shaped – and distorted – conceptions of value, to what extent did the regulatory pursuit of value, which was the stated purpose of the Atlanta maps, shape racial categories and identities?

Attempting to trace connections between land-use regulations, economic theory, and ideologies of racism in the early 20th century led to a rather startling discovery. For in doing so, not only did it become clear that the regulations which wrote lines of race and class-based segregation into the Atlanta landscape had a very definite economic logic, not to be confused with the blindness of bigotry, but that, contrary to Jackson's account, in which bigotry is written over the category of value, the regulatory mechanism of zoning emerged out of a context in which economic narratives of value and crisis were written over categories of race.

To see this, it is necessary to place the restrictive land-use regulations which drew lines of privilege and exclusion into the landscape of Atlanta, and cities across the country, within the context of the economic logic out of which they emerged. This logic itself emerged out of a prolonged economic crisis which spanned the final three decades of the 19th century. Economic theory, which dogmatically clung to notions of infinite demand and rational markets which perfectly cleared, was initially at a loss to explain the prolonged slump. Industrial capitalists had less difficulty arriving at an explanation. Interchangeably referring to “overproduction” and “ruinous competition” (Veblen, 1932), they spent the last decades of the 19th century attempting to eliminate competition and restrict supply through price agreements and pools, a value strategy which culminated in the wave of mass mergers which swept the country at the turn of the twentieth century (Sklar 1987). Economic theory eventually caught up with

the capitalists, and the new century began with an equally new economic consensus that value could not be maintained in the absence of regulatory limitations placed on competition and supply (ibid.).

Price and markets, supply and demand – the eyes glaze over when they encounter such economic jargon. This is convenient for those who seek a regulatory enhancement of price by means of the restriction of output, because it helps to hide what in fact is inherently a game of social exclusion. While the point cannot be developed at length here, an example will suffice to suggest the line of argument, as well as to demonstrate that these value games were “raced” from the very beginning of such regulatory projects. In 1896 Francis Walker, director of the U.S. Census in 1870 and 1880, and President of the American Economic Association, published an article in the *Atlantic* in which he applied the lessons of the late 19th century crisis to the American labor market (Walker 1896). The labor market was glutted, he argued, with a value-destroying quantity of labor, and he argued for regulations that would effect a price-boosting limitation of supply. If drawn as a supply and demand curve, the relationship between supply, demand and price is a mere abstraction. In an actual market, the question becomes, who are you going to exclude? Whose labor will exit the market to effect the desired scarcity, and whose will remain to benefit from the boost in price? For Walker, the answer was obvious. It was the flood of immigrants entering the country that was destroying the value of “native” American labor, and he called for anti-immigration laws which distributed exclusion to some, and privilege to others, with ones relation to the regulatory project determined on the basis of race.

The conviction that the value of urban real estate was crucially dependent upon a regulatory regime designed to achieve, and maintain, a price-enhancing restriction of its supply was an article of faith at the National Conference on City Planning, out of which came the zoning regulations which would draw lines of privilege and exclusion into the landscape of Atlanta and cities across the country. The concern was with gluts of office space caused by buildings that were too high, and apartment

buildings which threatened to render vast tracts of urban land worthless by accomplishing with one acre what single-family homes would require ten. The regulations that were developed, and implemented, were designed precisely to meet the purpose: the heights of buildings would be limited, and the apartment would be banned. That this was a regulatory project which had as its explicit purpose the value-inducing creation of artificial scarcity was bluntly acknowledged by its authors at the Conference. The essence of the argument to be developed in what follows is that regulatory projects designed to achieve artificial scarcities are one and the same with projects of social exclusion, because scarcity means nothing if not a restriction of access. Just as with Frances Walker's calls to boost wages for some workers by means of the exclusion of others, all similar projects will feature those privileged as beneficiaries of the price-boosting impact of the regulations, and those whose exclusion will be effected by the reduction in supply. To put it another way, a suburban home would be worth very little if everybody had one.

Crucial to these projects are their means of justification. Though Frances Walker was an economist, he did not use the language of economics to justify his proposed regulatory project. Rather, he established a framework in which white workers represented an imagined community, to which immigrants were said to pose an existential threat – both democracy and the survival of the white race itself were said to depend upon maintaining an “American” standard of living. As the cramped quarters of apartments were said to represent the declining living standards caused by the influx of immigrants, in the battle to ban the apartment it was said, by the author of Atlanta's 1922 zoning resolution, that “civilization is at stake.” Kenneth Jackson is right to identify regulations which exclude on the basis of race and class with bigotry, but the question becomes, bigotry in the service of what? The argument here is that if value depends upon projects designed to create artificial scarcities, then categories of privilege and exclusion, and the narratives developed to justify placing people into them, flow from the

pursuit of value itself. Bigotry does not distort our conception of value. Rather, the pursuit of value shapes our discourses of bigotry.

But what is value, anyway? The second chapter is an attempt to answer that question. It traces the development of the concept of scarcity in 19th century economic thought. Economic theory has always seen value as a representation of scarcity. The question is whether the scarcity which backs value is natural and permanent, or whether it needs to be artificially maintained. The original economic dogma – Malthus’ announcement to the world that scarcity was not only timeless and eternal, but so natural that it sprang from the soil itself – was made as a counter to the provocative claim, put forward by radicals in France and England at the time of the French Revolution, that if people wanted to understand why they were poor, why the procurement of their wants and needs was attended by such hardship and stress, they had only to apply the age-old adage “you reap what you sow” to the activities which comprised the collective effort of society. Take the eons of time spent in service to military and church, they said, or in pouring tea and producing trinkets for the rich, and use it instead to produce the food, clothes and shelter that are in such short supply, and those things would become so plentiful that obedience could no longer be commanded in exchange for them. It is the power to command the obedience of others, they charged, that is in fact the essence of what they said was “misnamed wealth” (Godwin 1996), and those who possess this power take care to use it in a way that ensures the maintenance of the scarcity on which continued obedience to them depends.

These old socialists pressed Adam Smith’s categories of “productive” and “unproductive” labor into the service of their own subversive project, and in so doing they “zoned” the population into two categories, those performing the “necessary labor” which produced the goods for which the majority exchanged their time, and those engaged in

“unnecessary labor,” which produced nothing destined for the vast majority to consume. The latter category, they claimed, dwarfed the former, and to them this spoke not only to the injustice of the present, but also to the potential of the future, were all this “unnecessary” effort redirected for the purpose of fulfilling popular wants and needs.

Malthus’ response to these socialists – that due to some mixture of math, fertility, and soil, poverty was the lot of the majority, regardless of the directions in which their efforts were channeled, or the ways they spent their time, was incorporated at the foundation of the Ricardian value theory which would dominate economics for the better part of the 19th century. One of the essential features of Ricardo’s theory of value was that its insistence upon the natural permanence of scarcity foreclosed the possibility of socialism, the essence of which was a belief in the possibility of a level of material abundance that would not only eliminate poverty, but destroy the foundations of servile obedience to social superiors, which had its basis in scarcity. Another essential feature of Ricardo’s value theory, however, and one which makes this seemingly ancient story immediately relevant to the questions asked above, is that Ricardo’s attempt to theorize and explain value was also, in its entirety, a project which involved him in an attempt to create a visualization of the population as a whole, which was then “zoned” into categories based upon their perceived relation to “value.”

Indeed, tracing the 19th century value discussion, which is the story of economic theory being forced, in the wake of crisis, to abandon a dogmatic assumption of permanent scarcity which in fact traced its roots to an anti-socialist polemic, is to trace an evolution of the “zones of value” which run through the discussion. The evolution runs from Ricardo’s “zone” in which the portion of the population engaged in agricultural production resides, which is certain to expand as population forces farming onto less fertile soil, to the development, ironically pioneered by

that apostle of scarcity, Malthus himself, of value “zones” in the population that have as their purpose the pursuit of value through the creation and maintenance of artificial scarcity. What these “zones” are, and how they relate to the scarcity-inducing zones actually written into early 20th century urban real estate markets, remains to be shown, but the possibility of establishing a connection between them seems promising enough, and that it was I will attempt to do in the pages that follow.

The purpose of the second chapter is not simply to provide necessary background material for a deeper understanding of race- and class-based zoning and housing policies than offered by Jackson’s catch-all explanation of “bigotry,” but also to raise the possibility that perhaps the problem with the all-white suburbs is not that they resulted in the inequitable distribution of value. If it’s the case that zones of privilege and exclusion were etched into our urban landscape not out of the blindness of bigotry, but out of a rational, clear-sighted value vision which held, as suggested above, that the value of desirable housing crucially depended upon regulations which restricted access to it, then it would seem necessary to consider the possibility that perhaps those of us seeking to challenge our urban geographies of privilege and exclusion should consider courses of action designed to undermine value, rather than calling for its more equitable distribution. There’s no plan for action in chapter two, but it’s hoped that it might serve as a springboard for discussion, and it’s suggested that those quaint socialists, who inspired Malthus’ retort, might just have some relevance, if the aim is to replace the pursuit of scarcity with that of abundance, not merely because comfort is preferable to poverty, but because perhaps true “value” lies in severing our wills from projects in which we have no interest.

Radical urban geography, of course, has a rich tradition of both theorizing capitalist value and tracing the ways in which pursuit of it is inscribed in the urban landscape (e.g., Harvey,

1999; Harvey, 1985; Harvey, 1989; Logan and Molotch, 1987; Smith, 2002; Walker, in Dear and Scott, 1981). The value framework advanced in this literature is Marxist, and assumes that value is a measurement of “embodied labour,” i.e., the quantity of labor time “embodied” in the goods which have exchange value in the capitalist marketplace. The question asked at the start of this study – what was the vision of value which informed the makers of early 20th century “zoning” and “red-lining maps? – took the discussion of value developed here in a different direction. The approach did not involve an attempt to determine a “correct” theory of value, which would then be used in an attempt to make sense of selected transformations of the urban landscape. Rather, the project involved an attempt to understand the theory of value which informed elite efforts to regulate urban space. As will be traced in chapter 2, the “embodied labor” theory of value, developed by Ricardo and embraced by Marx, was explicitly rejected by the value theorists who would inform the early 20th century mapmakers’ conception of value. The project here is to trace the development of this conception of value, from theory to regulatory strategy, rather than apply a Marxist understanding of value to an analysis of its pursuit in urban space. Implicit in the argument is the notion that anti-capitalist attempts to grapple with “value” do not necessarily depend upon embracing a Marxist definition, and in fact may well be enhanced by exploring alternatives, especially when those alternative definitions inform regulatory strategies, such as “zoning” and “red-lining,” which have so powerfully shaped the world in which we live.

This chapter represents an attempted genealogy of the concept of economic “value.” As such, the argument which implicitly runs throughout the chapter is that value, as both concept and social institution, is neither fixed nor “self-evident,” but is a process, and is always under construction (Braun 2002, 3). Whether one is seeking to defend or undermine value, the attempt to define it implies action in certain directions, and forecloses opportunities for action in others –

indeed, once one's definition of value approaches the level of dogma, existing opportunities for action can be rendered entirely invisible. The argument is that elite attempts to define value simultaneously result in both openings and foreclosures: if successful, they inform regulatory strategies aiming to "protect" and augment value, while at the same time foreclosing popular discussions and initiatives which might threaten value as a social institution, by implying their impossibility, or even by rendering them entirely hidden from view. In attempting to reveal these processes, it is hoped that the "value story" told here might lend assistance to projects which aim at opening up the very possibilities elite value narratives are designed to foreclose.

The story told here relies upon a textual analysis of key contributions to 19th century attempts to theorize capitalist value. What began as an attempt to understand how theories of value, developed by economists, may have informed the efforts of early twentieth century urban planners to devise and implement land-use regulations which explicitly aimed to "protect" and augment the value of urban real estate (see chapter three) turned into a much larger project of exploring the twists and turns in the relationship, posited by capitalist economists, between the concepts of "scarcity" and "value" which sit at the heart of the 19th century value discussion explored below. What stimulated the larger project was the realization that the concern, on the part of urban planners, between the relationship between scarcity and value, was mirrored in the discussions of the economic theorists who ultimately informed them. Once the project was defined as tracing the relationship between scarcity and value in 19th century economic thought, in hopes of finding a connection between the "value" discussed in economic theory and that pursued by urban planners, the selection of texts was not difficult. Nineteenth century value theory can be broadly divided into two periods: an approximately 50-year period of dominance by the ideas of David Ricardo, and the rejection of those ideas, which took place in the 1870s,

with the marginalist revolution (McCracken 1933). The shift which took place was between Ricardo's "embodied labor" theory of value, which saw value as measured by the labor time required to produce the goods offered for sale on the market, and the "commanded labor" theory of the marginalists, which held that value was determined not by the quantity of labor required to produce the goods for sale on the market, but rather the quantity of labor those goods could command in exchange.

Behind these theories lay a debate as to whether the scarcity which backed value was "natural" and eternal, as Ricardo presumed, or whether the scarcity which backed value required regulation in order to be maintained. Ricardo's assumptions about scarcity were taken directly from Malthus' *Essay on Population*, discussed below, while the "commanded labor" theory of value, and the conviction that scarcity must be maintained by regulations, which typically accompanies it, was ironically also pioneered by Malthus, in *Principles of Political Economy*. This dichotomy between the popular proclamation of the "natural" permanence of scarcity, and an esoteric discussion which holds that in the face of constant revolutions in labor productivity, the maintenance of scarcity, and hence value, requires proper regulation, runs through the entire nineteenth century value discussion. The attempt to trace its development informed the selection of texts which will be explored below.

Malthus' announcement that scarcity, and the mass poverty which was its personification, had its roots in "nature," is explored as a response to anarchist William Godwin's provocative claim that the source of the scarcity behind poverty could be traced to the institutions of society. The next step is to trace the incorporation of Malthus' claim that scarcity is natural into the value theory of David Ricardo, which would dominate economic "science" for the better part of the 19th century. For Ricardo, value is a reflection of scarcity, but requires no regulatory protection,

because it is as natural and permanent as scarcity itself. The subsequent discussion of value is the story of the undermining of these assumptions, both in the realm of theory and in the economic crises which theory was increasingly called upon to explain. The texts selected for analysis are thus Malthus' *Principles of Political Economy*, which ironically offers a pioneering critique of Ricardo's Malthusianism; economist David Wells' *Recent Economic Changes*, which not only paints a picture of the economic conditions which lay behind the marginalist triumph over Ricardo, but which was, as will be seen in chapter three, explicitly cited by American land economists as informing their own efforts to develop "value-enhancing" land-use regulations; and Carl Menger's *Principles of Political Economy*, one of the pioneering works of the marginalist revolution. Just as Malthus publicly shouted the "natural" permanence of scarcity in the *Essay on Population* while quietly developing a theory of value which insisted that the scarcity which backed it required regulatory protection, so too did marginalism provide a popular account of "natural" scarcity while simultaneously informing regulatory projects which insisted that scarcity, and hence value, would disappear in the absence of appropriate regulation. The chapter concludes with an analysis of the economic thought of American marginalists Jeremiah Jenks, Arthur Hadley, and Charles Conant, who embraced marginalism's "commanded labor" theory of value while rejecting its presumptions of natural scarcity, and instead used marginalism as a tool with which to develop, and justify, regulatory strategies designed to boost prices through the limitation of supply, i.e., to maintain artificially the scarcity which Ricardo insisted could be left to "nature." It is the conception of value of these turn-of-the-twentieth century American marginalists, who advised the McKinley and Roosevelt Administrations, which, it will be argued, crucially informed the early twentieth century urban planners in their regulatory pursuit of value. It will also be argued that this conception of value, to be explored below,

requires social categories of privilege and exclusion, which in the American context, would find expression in categories of race.

The work undertaken in producing the second chapter involved taking seriously the notion that there was a “line” to be followed in tracing the 19th century development of the concept of economic value, and that there was something to be gained by making an effort to both find and follow it.¹ The “line” traced is from the early 19th century conviction that scarcity was “natural” and permanent giving way to a broad consensus, forged out of economic crisis at the turn of the twentieth century, that the scarcity which backed value could not be maintained in the absence of regulatory controls. Subsequent chapters will explore the impact of this consensus on the regulatory pursuit of value in urban markets for land and labor in the early twentieth century, and the way in which the value categories of “privilege” and “exclusion” were both justified and expressed on the basis of race.

Chapter Three traces these “zones of value” from the realm of economic theory to the urban landscape via the development of comprehensive zoning regulations. It starts with a discussion of the application of the “overproduction and crisis” narrative to the American labor market, mentioned above, not only because it provides such a striking example of the ease with which regulatory projects attempting to effect a price-enhancing limitation of supply find expression and justification in racialized terms, but because the immigrants “Progressive” economists sought to have excluded from labor markets were also the target of the country’s first comprehensive zoning scheme, the 1916 Zoning Resolution in New York. This legislation, and its mode of justification, which posed the immigrant “invasion” of Fifth Avenue as a threat to the

¹ E.g., as expressed by marginalist pioneer William Jevons, who stated that he was “beginning to think very strongly that the true line of economic science descends from Smith through Malthus to Senior, while another branch through Ricard to Mill has put as much error into the science as they have truth” (Jevons, cited in Keynes 1951, 291).

very survival of the city, would serve as a template for the zoning ordinances which would be enacted across the country, in over 800 municipalities, over the decade of the 1920s.

The regulatory framework was hashed out at the National Conference on City Planning, which met for the first time in 1909. At its inception, participants at the Conference clashed over the definition of the “value,” and differing conceptions of value predictably resulted in quite different proposals for the regulation of urban space. The debate provides insight into the value logic of its winners, who would go on to write the New York zoning ordinance, as they were forced to articulate, against opponents who argued that value derived from labor, that the true source of value in modern society was “all sorts of relations and *privileges*” (New York Committee on Taxation 1916, 20-21).

There’s no privilege without exclusion, of course, and the New York zoning campaign simultaneously wrote both into the landscape, expelling immigrant garment workers, and their employers, from Fifth Avenue, while providing protection to the owners of high-end stores, and effecting a price-boosting limitation on the supply of office space along the way. The urban planners who defined value as privilege at the Conference, and cut their teeth on a racialized campaign to boost the value of New York real estate through the creation of artificial scarcity, would become veritable zoning missionaries after the success of their “Save New York” campaign, fanning out across the country to offer their value-enhancing services while preaching a gospel of social exclusion.

In fact, the true promise of zoning lay in the suburbs, as the undeveloped land on the outskirts of cities beckoned the planners as a *tabula rasa* on which to inscribe their regulatory vision. The chapter follows Robert Whitten, co-author of the 1916 New York Zoning Resolution, and member in good standing of the “value as privilege” club, to Atlanta, where he wrote the 1922 Zoning Ordinance which replaced the chaos of in-town development, for white homeowners at least, with “well-planned” neighborhoods of social exclusion in the suburbs, while banning apartments and prescribing minimum

lot sizes to create an artificial scarcity in the supply of land. The chapter concludes with an analysis of the Home Owners Loan Corporation's 1938 "neighborhood security map" of Atlanta, and the detailed neighborhood descriptions which accompanied it. Whitten's zoning ordinance had divided the city into zones of "exclusive" and "excluded," and the HOLC ratified his vision by meting out assessments of neighborhood mortgage risk on the basis of where neighborhoods fit in to that scheme. The purpose of the chapter is to demonstrate that Whitten, his planning contemporaries, and the HOLC which stamped their work with approval, while slating the "exclusive" and "excluded" for respective courses of prosperity and decline, did not draw their zoning lines out of the ignorance of bigotry, but out of a clear vision of value which put bigotry to very effective use as a means of justification, and in so doing undoubtedly managed to shape its form.

While Chapter Three charts the regulatory creation of "zones of privilege," Chapter Four turns its focus to "zones of exclusion," and attempts to investigate the ways in which the regulatory pursuit of value helps shape racial identities, which are then written into the landscape. Ironically, while Progressive economists argued that white labor was being devalued because it was not "scarce" enough, those same economists developed a narrative in which Southern black labor was approaching utter "worthlessness" on account of that fact that it was deemed to be in entirely too short supply. The difference was that while the white workers to whom these economists sought to offer protection were presumably willing sellers of their commodity, eager to benefit from a regulatory limitation on its supply, Southern black workers, in the face of a dire turn-of-the-twentieth century Southern labor shortage, were refusing to offer their labor in the quantities, and levels of intensity, demanded by employers.

What emerged was the trope of the "worthless Negro," whose "laziness" was said to lead directly to the viciousness with which he allegedly attacked white women (Godshalk 2005). In Atlanta, the

presence of the “worthless Negro” was inscribed in the landscape, in the form of black-owned “dives” and bars just south of the central business district, where black men, despite the desperate need for their labor, had the habit of treating Monday as a holiday, creating a highly visible assertion of their perceived right to offer their labor at the times, and on the terms, of their own choosing.

Like the immigrants to their North, these “worthless Negroes,” and the “dives” they frequented, were posed as a threat to the continued existence of “society” itself. Nobody seemed to mind the apparent incongruity that the regulatory fix proposed out of an alleged concern for the safety of some women was the expansion of an institution – the vagrancy law, and the system of forced labor it fed into – designed to coerce the labor of some men. The campaign against “worthless Negroes” would explode in the 1906 Atlanta race riot, a three-day orgy of white-on-black violence out of which would emerge a new racial regime in Atlanta, in which employers gained the upper hand over the “worthless Negroes,” whose labor, in fact was so valuable to them; white workers, emboldened by their violence, found themselves increasingly able to drive blacks from all but the most menial positions in the local labor market; and the recently rising militance of Atlanta’s nationally prominent civil rights advocates was replaced by public acceptance, on the part of a black leadership which now enjoyed an audience with the white elite, of a narrative which held that “lawless elements” of both races bore the brunt of the responsibility for both the riot and the problems afflicting the city, and needed to be effectively policed. The chapter explores how these new racial identities were inscribed into the landscape of the city, in the form of the removal of the “dives” and the expansion of the “zone” of forced labor; new lines of exclusion written into markets for labor and land; and the success of a campaign, in which middle-class blacks played leading roles, to destroy the “worthless Negro” neighborhood of Beaver Slide, posed as a threat to the health and safety of the community, and replace it with a monument to black “respectability,” posited as the antithesis to “worthlessness,” in the form of the University Homes

housing project of the New Deal. In Atlanta, the regulatory pursuit of value, in this case marked not just by an explosion of violence, but the ongoing threat of it, fundamentally transformed racial roles and identities, and with them the landscape of the city.

In the chapters that follow, in the attempt to connect the “zones of value” in economic theory to the zones of privilege and exclusion which the regulatory pursuit of value has inscribed in our cities, and to explore some ways in which this pursuit has altered and shaped the construction of categories of race, this study hopes to suggest that narratives which stress bigotry’s distortion of value have the inadvertent effect of not simply letting value off the hook, but perhaps also strengthening it, by implicitly suggesting its “goodness” and potential for “good,” if only it were not marred by the categories of privilege and exclusion which in the pages that follow will be argued are, in fact, its very essence.

CHAPTER 2 – IN SERVICE TO SCARCITY: ZONES OF VALUE & THE PRODUCTION OF RACE

I. Introduction

In the preface of *On the Genealogy of Morals*, in which Nietzsche announces his task as uncovering the conditions under which people developed the value judgments known as “good” and “evil,” he argues for the need to subject to scrutiny the *value* of our moral prejudices (Nietzsche 2000). Refusing to assume the “goodness” of the processes which have resulted in our conceptions of the good, he rather suggests that we take a critical accounting of them, and bluntly ask whether they have “hindered or furthered human prosperity” (ibid, 453). No doubt it takes someone already suspicious of the merits of popular morality to even ask such a question, and Nietzsche makes clear at the outset that it is in our moral prejudices that he sees “the great danger to mankind, its sublimest enticement and seduction” (ibid, 455), such that “precisely morality would be to blame if the *highest power and splendor* actually possible to the type man was in fact never attained” (ibid, 456, emphasis in original). What makes the “stimulant, restraint, poison” of our moral prejudices of such profound danger to the future and potential of mankind is that (ibid, 456), while lethal, their effects have been placed above scrutiny, their value taken “as given” (ibid).

Like morality, with which it is so closely related, the “goodness” of economic value, whether taken as a concept or as a social institution, is typically taken as unassailable and beyond dispute. Even in radical scholarship, the manifestations of value – whether jobs, home equity,

economic investment, goods on the market, or money itself – are typically assumed to be desirable goods, while their inequitable distribution is subjected to critique. But what is the “value” that lies behind such things, where did it come from, and how would it fare under scrutiny which demanded an accounting of the extent to which it has “hindered or furthered human prosperity?” How would our stories change if, for example, it were found that the institution of value in fact acted as a check on the production of material wealth, if value, typically treated as a neutral measuring stick, with units of dollars and cents, in fact varied inversely with the ease with which people were able to satisfy their wants and needs? How would we change our understandings of the categories of people whose radically different relationships to the institution of value virtually defines our conceptions of “poverty” and “privilege” if it were determined that value itself mandated such categorization?

Such questions are not random accusations with question marks attached, but, as we will see, emerge directly from the history of value itself, both as theorized by political economists and as a social institution. The similarity between an attempted genealogy of value and Nietzsche’s genealogy of morals, however, does not end with the fact that they both take as their object of inquiry a social institution which is typically regarded as beyond reproach. For Nietzsche, what makes the ascetic morality which defines “good” for the masses so dangerous to the realization of human potential is precisely that it stifles the will, turning it inward to find expression in the impotence of self-flagellation and denial, rather than outward for the purpose of fashioning the world around us in the shape of our desires.

Value, underneath all of political economy’s jargon and leaden prose, is also, at bottom, a project of stifling and channeling wills. Capitalist value theory developed in direct response to calls, which accompanied the upheavals of the French Revolution, for the masses to imagine the

potential of their own wills, or efforts, if they were severed from those of their social superiors and unleashed for the purpose of fulfilling their wants and needs. Radicals such as William Godwin in England and Marquis de Condorcet in France argued that the scarcity which compelled lifetimes of obedience in exchange for mere subsistence was entirely artificial, the product of a system of private property which had as its essence the restriction of access to the land and tools with which the wants and needs of the community could be produced in abundance. The resulting compulsion to toil away at tasks and projects which contributed nothing to the fulfillment of one's own desires was the essence of injustice, they argued. Their innovation, however, was to consider the macro-implications of such a system of exploitation. Dividing the population into those engaged in producing the subsistence needs of the nation, and those whose efforts produced nothing for which the majority exchanged their time, the radicals argued that the staggering quantity of human effort consumed by activity in the latter category made clear that the mass poverty surrounding them was no more than a society-wide demonstration of the truth of the age-old adage, "you reap what you sow." The scarcity which compelled obedience, they argued, was in fact a product of that obedience itself. Given the productivity of human labor, a conscious redirection of social effort was all that was needed to usher in a society of comfort, cooperation, and leisure.

The story of capitalist value reveals it as the antithesis of the radical vision, expressed by Godwin and Condorcet, at levels both popular and esoteric. The ideological response to the radicals came in the form of Thomas Malthus' *Essay on Population* (1798), which provided a popularly broadcast assurance that the scarcity of the means of subsistence was natural and permanent, and would only be exacerbated by any attempt to cheat Nature by increasing the quantity of social effort devoted to their production. Malthus' insistence that the roots of poverty

could be traced to the soils, rather than the institutions of society, was then incorporated at the foundations of the economic system of David Ricardo, which was to dominate the “science” of political economy, in the English-speaking world, for the better part of the 19th century. Ricardo made Nature the sole source of the scarcity which conferred value on goods (Ricardo 1973).

Goods were scarce, and hence valuable, he argued, to the extent that they were difficult to produce, or pry from Nature’s hands. This difficulty could be measured by the quantity of labor time required for production, and Ricardo made this his definition and measurement of value.

By this definition, as the quantity of labor-time engaged in the production of goods for the market increased, the value of those goods should only go up – Ricardo’s theory denied the possibility of a value-destroying general glut of overproduction. Such a state of affairs, however, was precisely what political economy would be asked to explain, and Ricardian value theory, based on a set of assumptions that did its best work in the service of anti-socialist propaganda, was ultimately rejected as having little correspondence with reality. Ironically, it was Malthus himself who pioneered the attempt to place value theory on a more realistic footing. Value, he argued, was not determined by the quantity of labor required to produce a good, but rather the quantity of labor a good could command in exchange. Profit was the difference between the two categories, i.e., profit is maximized to the extent that the quantity of work required to produce goods is exceeded by the quantity of work required to obtain them.

The macro-implications of Malthus’ “value vision” mirrored what the radicals portrayed as a colossal misapplication of human effort: a dynamic capitalism required a large, and growing, class of “unproductive consumers” to maintain a profitable ratio between the quantity of labor expended in production and that which it commanded in exchange. Malthus’ “value,” or “commanded labor,” was the radicals’ “servile dependence,” or Nietzsche’s tamed “will,” and

when he wasn't battling socialism, it turns out that he wasn't even Malthusian: the value of goods, reflected in prices, was not determined by the state of the soils, or difficulty of production, but rather by a proper "proportioning" of effort in society, such that the quantity of labor engaged in the production of goods for the market always set a much larger quantity of labor in motion in exchange for it. This was a "political and moral" project, said Malthus (Malthus 1968, 1), and not a matter of mathematics.

Unlike Ricardo, Malthus was capable of explaining and offering a remedy for capitalist crisis. If we consider Malthus' definition of profit as a fraction, with the quantity of labor-power offered in exchange for goods on the market as the numerator,² and that engaged in the production of goods as the denominator, it's clear that the rate of profit declines if capitalists continue to increase investment in the production of goods for the market absent any simultaneous increase in the quantity of labor to be exchanged for them. This is how Malthus explained the crisis which followed the end of the Napoleonic Wars: the sudden shift of soldiers and others from the numerator of war-related consumption to the denominator of production for the market increased the quantity of goods on the market at the same time that the quantity of labor exchanging for those goods declined. Contrary to the conventional wisdom, which held that economic growth resulted from capitalist saving, i.e., adding to the denominator, Malthus argued that opportunities for profitable saving resulted from additions to the numerator, in the form of workers whose efforts produced nothing for which anyone exchanged their time. This was why war always resulted in a boom. Despite the nearly religious reverence with which "saving" was held in the field of economic thought, Malthus argued that excessive saving, i.e., increasing the quantity of labor devoted to producing goods for the market, absent any increase

² This is his "value."

in the quantity of labor that would exchange for them, not only led to disaster, but was the essence of capitalist crisis.

The value story is the story of Malthus' triumph. For while Ricardo's contentions, that scarcity is rooted in Nature, and that omniscient "market forces" optimize the aggregate channeling of effort in society, were ideally suited as intellectual antidotes to the radical challenge, the three decades of economic depression that marked the end of the 19th century resulted in an elite consensus that ongoing revolutions in the productivity of labor threatened to destroy value, if not subjected to regulatory controls. Ricardo's contention, which Malthus had disputed, that capitalists brought goods to market for the sole purpose of exchanging them with other goods they desired to consume, was no longer given serious consideration, and it was recognized that the "grand prize" of the capitalist game was what Malthus called "leisure with dignity" (Malthus 1968, 216), i.e., an ongoing claim on a portion of the aggregate labor-power of society. Value, then, was not yesterday's labor congealed in today's goods, but the obedience today's production would compel tomorrow.

This conception of value found expression in the "marginalist revolution" within the realm of economic theory, which found value not in the world of production, but rather at the intersections of scarcity and desire, measured in terms of the intensity of effort required to meet one's perceived needs. In *Principles of Economics*, marginalist pioneer Carl Menger brilliantly fused the popular Malthus of *An Essay on the Principle of Population* with the esoteric Malthus of *Principles of Political Economy*, making Malthus' "scarcity ratio" safe for college textbooks by assuming up front that the scarcity which compels human effort is natural and eternal before arguing that the poverty of unmet needs, and "fear" of losing access to the means of subsistence were crucial spurs to the human effort that is, in fact, the essence of value (Menger 1950).

Late 19th century industrial capitalists required little assistance from economic theory to come to the conclusion that, contrary to Ricardo, the demand for goods was not unlimited, and value was not determined by the quantity of labor expended in production. As they successfully pursued strategies of merger and collusion, designed to restrict output and restore the scarcity, and hence value, of their goods, they discovered that a privileged market position – the ability to restrict output and control prices through the elimination of competition – had more value than their tangible assets of land and machinery. These strategies, pursued out of necessity by crisis-driven capitalists, would be justified in the realm of economic theory by a group of influential economists advising the McKinley and Roosevelt Administrations at the turn of the 20th century. Marrying a marginalist theory of value to an “overproduction” account of the ongoing crisis, they would offer an inverted echo of the early 19th century socialists inspired by Godwin, arguing that the scarcity which backed value was impossible to maintain outside of a regulatory framework explicitly designed to place artificial limits on production (Sklar 1987).

This value story is crucial because the value revolution which took place at the turn of the twentieth century, providing the solution to the late 19th century crisis by making value the reward for the maintenance of relative scarcities, rather than a compulsion to engage in self-defeating attempts to increase production by competing with rivals on the basis of price, would form the backdrop for contemporaneous efforts to regulate markets in labor and land, also driven by the pursuit of value. The central regulatory lesson of the late 19th century crisis was not only that the maintenance of value required the deliberate creation of artificial scarcities, but that these scarcities were to be effected by the *exclusion* of competitors from markets. When transferred to attempts to regulate early 20th century land and labor markets, the pursuit of value would be racialized, as those targeted for exclusion would be identified on the basis of skin color

and nationality. While these regulatory efforts will form the subjects of chapters 2 and 3, the discussion that follows here is an essential part of those stories.

The discussion is also crucial because, considered, in Nietzsche's terms, as an attempt to question "the value of existing evaluations" (Nietzsche 2000, 491), what becomes apparent is that far from being a neutral measuring stick, external to ourselves, value is a reflection of our own obedience, offered up in exchange for tickets which grant access to the goods which meet our wants and needs. While the pursuit of these tickets is often equated with materialism, the irony is that their value, in fact, depends upon limiting the quantity of goods for which they will be exchanged. If we ask, as Nietzsche did with regard to morality, the extent to which value has "hindered or furthered human prosperity," our immediate attention might be drawn to the explicit tension between value and material abundance so central to the story of value, not just in the realm of theory, but in terms of the institutional strategies pursued for the purpose of maintaining the scarcity of goods – i.e, their ability to compel our time and effort - regardless of the facility of their production. This, indeed, is a crucial part of the value story, and deliberate restriction of material output in the face of a world characterized by such crushing material need would certainly require a place in any attempted reckoning of value's impact on human well-being. But just as the rejection of Ricardo entailed a recognition that the "prize" of capitalism was not goods, but rather the obedience they compelled, perhaps we should consider the possibility that the true cost of value lies not in the restriction of material output required for its protection, but rather in all the things we give up doing – and becoming – by consenting to lives of obedience in exchange for goods which in fact require very little human effort for their production. The true costs of value, in fact, are opportunity costs, and just as Nietzsche argued with regard to morality, perhaps what makes value so dangerous to us is our apparent inability to even ask whether the

institution of value represents “a sign of distress, of impoverishment, of the degeneration of life” (ibid, 453). Modern capitalist value theory took shape, in fact, out of an attempt to foreclose that very question.

II. The Radical Challenge

In 1793, with the publication of *Enquiry Concerning Political Justice*, anarchist William Godwin helped launch a profoundly subversive social conversation in England regarding the proper allocation of the labor power in the society as a whole.³ Godwin argued that the mass poverty which characterized British society was the result of an egregious misapplication of human effort, and part of what made his critique so dangerous was the ease with which it could be understood: there was a shortage of food, clothing, and shelter for the masses for the simple reason that such a small portion of the total effort of society was channeled in the direction of producing them. The earth was bountiful, said Godwin, and labor was productive – he estimated that the typical peasant produced enough food for twenty (Godwin 1996). Should all the efforts currently channeled in the direction of “unnecessary employments,” such as church, state, and the “manufacture of trinkets and luxuries” for the rich be directed toward the production of necessities, “the necessity for the greater part of the manual industry of mankind would be superseded” (Godwin 1992, 806) and it was possible to imagine a society of universally shared comfort, cooperation, and leisure.

³ “The *Political Justice* appeared in 1793, at the height of the Reaction and the Terror, and no book even of that perturbed period was more profoundly subversive and revolutionary in its teaching” (Foxwell, in Introduction to Menger 1970, xxxi).

Godwin thus “zoned” the population into two sections⁴ – those engaged in the “necessary” labor of producing the subsistence needs of society, and all “unnecessary laborers” supported by the fruit of those efforts, for the purpose of creating a visualization of social labor in aggregate, examining its consequences, and imagining the possibilities associated with channeling it in alternate directions.⁵ For Godwin, however, the misdirected social effort of which he spoke was not a matter of poor organization, but rather one of injustice. The essential feature of the system of private property, Godwin argued, is that it blocks the poor from directly accessing the means of subsistence.⁶ The first injustice which results is the state of servile

⁴ The “zoning” metaphor used throughout this chapter to discuss the ways in which various value theorists have visualized the population, and created categories of people according to their perceived relation to the institution of value, is my own. It is used to suggest that the “zoning” projects undertaken by urban planners in the early twentieth century United States, explicitly undertaken in pursuit of economic “value,” can be viewed as the spatial application of a particular definition of value, which also involves, in the realm of ideology, categorizing people and assigning them to their “proper place.” See below, and chapter three.

⁵ In asking his reader to divide the population of England into those working to produce subsistence, and those who contributed nothing to the subsistence needs of the nation, Godwin was actually working within the conventional economic wisdom of the day. In *The Wealth of Nations* (1776), Adam Smith had similarly divided the population into those laborers engaged in producing the “necessaries and conveniences of life” and those who would be “maintained” by this “fund” while contributing nothing to it. For Smith, both the material comfort of the society as a whole, as well as the weight of the burden on those engaged in the production of “necessaries and conveniences” for the entire society, depended on the number of “unproductive hands” to be supported by “productive labor”: “According, therefore, as a smaller or greater proportion of it [the annual produce] is in any one year employed in maintaining unproductive hands, the more in the one case and the less in the other will remain for the productive, and the next year’s produce will be greater or smaller accordingly; the whole annual produce, if we except the spontaneous productions of the earth, being the effect of productive labor” (Smith 1937, 315). For Smith, the upshot of all this was that “A man grows rich by employing a multitude of manufacturers: he grows poor, by maintaining a multitude of menial servants” (ibid., 314).

⁶ For Godwin, “poor” described anyone who was forced to trade labor in exchange for subsistence: “Poverty is an enormous evil. By poverty I understand the state of a man possessing no permanent property, in a country where wealth and luxury have already gained a secure establishment” (Godwin 1996, 126). This was the standard definition of poverty of Godwin’s day, e.g.: “The characteristic of poverty seems to be, to live from hand to mouth” (Malthus 1968, 46).

dependence in which the poor find themselves in relation to those offering employment, and the second is that they are compelled to labor for the benefit of others. It is, in fact, the command over labor-power itself which is, for Godwin, the true prize offered by this class-bound economic system: “What is misnamed wealth, is merely a power vested in certain individuals by the institutions of society, to compel others to labour for their benefit Godwin 1996, 38).”⁷ As more commanded labor means more of this “misnamed wealth,” Godwin concludes that “the object in the present state of society is to multiply labor; in another state it will be to simplify it” (Godwin 1992, 823).

Godwin’s formulation that the “wealth” of the rich was in fact not represented by their possession of tangible goods, but rather their command over society’s labor-power, meant that the poverty of the many, which compelled them to exchange a lifetime of obedience in exchange for subsistence, was the obverse of the “wealth” of the few. He thus sets up a tension between “what has been misnamed wealth,” i.e., the power to compel labor, and the channeling of labor in directions that will produce comfort and leisure for all. The distinction between a society of class exploitation and one of justice could be visualized by imagining the “zones” into which its aggregate labor-power was channeled: in the first case a zone of hyper-exploited workers engaged in producing the subsistence needs of the entire society is dwarfed by one in which workers exchange their time for those subsistence goods, while producing little or nothing for their own benefit, and in the second, all members of society share in the production of its necessities, with the result that everyone’s “share of labour would be light, and [their] portion of leisure would be ample” (Godwin 1996, 132).

⁷ Godwin’s “misnamed wealth” is Adam Smith’s “value:” “The real value of all the different component parts of price, it must be observed, is measured by the quantity of labor which they can, each of them, *purchase or command*” (Smith 1948, 276).

Godwin's framework became that of the nascent, 19th century socialist movement in England,⁸ though his standpoint of speculative, egalitarian ethics gave way to attempts to empirically ground the assertion that only a fraction of society's effort was of any benefit to the majority. The central message, however, was that as only human labor could produce the necessities and conveniences to be consumed by society, "wealth *is* power over the labour of the poor," and as "the rich can direct their labour in any line they please," the result is not only the stockpiling of luxuries on one side, but the maintenance of scarcity on the other, on which the continued command over labor depends (Hall 1965, 346-7, emphasis added). Were the poor able to place land and tools in the service of directly fulfilling their material needs, as opposed to obtaining them indirectly, through service on projects that typically produced nothing intended for their own consumption, the means of subsistence would be so plentiful that no one could compel obedience in exchange for them.⁹ Indeed, far from portraying capitalism as an orgy of materialist excess, they argued that the maintenance of class relations required artificial *limits* to production. The productivity of the labor at the disposal of the rich went far beyond the requirements of even the most lavish consumption of luxury, such that "ingenuity has been on

⁸ "Godwin may be regarded as the first scientific socialist of modern times, possessed of the seeds of all the ideas of recent Socialism and Anarchism. He exerted a very marked influence on Hall, Owen, and Thompson, and through them on the development of Socialism" (Menger 1962, 40).

⁹ This statement by William Thompson is typical: "The mass of real accumulated wealth, in point of multitude...is so utterly insignificant when compared with the powers of production of the same society in whatever state of civilization...that the great attention of legislators and political economists should be directed to "productive powers" and their future free development, and not, as hitherto, to the mere accumulated wealth that strikes the eye...By means of the possession of this fixed, permanent, or slowly consumed part of national wealth, of the land and materials to work upon, the tools to work with, the houses to shelter whilst working, the holders of these articles command for their own benefit the yearly productive powers of all the really efficient productive laborers of society, though these articles may bear ever so small a proportion to the recurring products of that labor" (cited in Marx 1990, 397).

the stretch to find out ways in which it may be expended (Godwin 1992, 823),” with the result that vast quantities of labor were endlessly being channeled into “wild projects of calamity, oppression, war and conquest” (Godwin 1992, 33).

The vast quantities of squandered, “unnecessary” labor in the exploitative present represented the potential wealth of the society of cooperation, and thus creating visualizations of the use of society’s labor-power, in aggregate, was a crucial tool of propaganda, simultaneously acting as both indictment and inspiration. When conservative merchant Patrick Colquhoun undertook an economic census of the British Empire which divided its workers, according to the categories of Adam Smith, into “a productive class whose labor increased the national income and a ‘diminishing class’ which produced ‘no new property’” (Briggs, 1985:7), he provided the socialists with “the weapon *par excellence* for an attack on classical political economy” (Coontz 1966, 60). The socialists used the tables to create what they called a “map of civil society” (Foxwell, in Introduction to Menger 1962), a portrait of social effort in aggregate, for the purpose of awakening subversive imaginations as to the extraordinary potential of their collective labor-power, if channeled in alternate directions. The table provides a numeric breakdown, by class (e.g., royalty, nobility, etc.) or trade, of all those with a claim on the national income, as well as the amount of income accruing to each (see Table 1). Using the Smithian logic on which the table was based, i.e., the distinction between “productive” and “unproductive” labor, the socialists were able to argue that not only could it be conservatively estimated that one-third of those drawing an income were “useless members of society,” in terms of making a contribution to the material well-being of the community (Gray 1971, 18), but that these “useless” classes, and the institutions they served, absorbed the lion’s share of the national income. While many of the “productive laborers” listed in the table were undoubtedly engaged

in the production of luxuries, they numbered less than half of all income recipients, and received but a fifth of the national income, the remainder being siphoned off in support of “unproductive activity.” The table was “constantly referred to” in the socialist literature of the day (Foxwell in Introduction to Menger 1962, xliii), and became “the statistical foundation of the socialist movement” (Coontz 1965, 62). For the socialists, given the productivity of labor, there was but one conclusion to be drawn from such a “mapping” of the usage of society’s labor-power:

“And we think it must be plain to all, that they, who are now supporting themselves in poverty; the middling classes in decency; and the higher classes in luxury; may, by much less labour *applied exclusively to their own advantage*, surround themselves with every comfort, and forever bid adieu, even to the most distant apprehension of want or poverty; as it is certain that by thus acting, they will not only be gainers of all that is now appropriated to the use of those who do nothing towards the production of that which they consume, but that they will be enabled to removed the greatest of all human errors, the *limit of production*” (Gray 1971, 58, emphasis in original).

Godwin and his socialist progeny didn’t speak of “economic value,” but their impact on the subsequent 19th century value discussion was enormous. The “command over labor” which they referred to as “wealth,” or “misnamed wealth,” would reappear as “value” in later discussions among capitalist economists, along with the same tension posited between this “command over labor” and the “real wealth” of “necessaries and conveniences” so emphasized by these early radicals. Implicit in their analysis was the argument that prices depended on scarcity, but that scarcity, particularly for the crucial items of food, clothes and shelter, had no natural foundation, but rather reflected a distribution of effort in society which, they argued, was the product of class exploitation.¹⁰ This argument would loom large in subsequent attempts to theorize capitalist value. Perhaps most crucially, the socialist practice of “zoning” the population

¹⁰ This was occasionally made quite explicit: “Nothing occasions dearness but scarcity; and nothing occasions scarcity that is permanent, but there being too few hands employed in agriculture” (Hall 1965, 311).

Table 1. The socialist "map of civil society."

A GENERAL VIEW OF SOCIETY;

Being the whole Population of Great Britain and Ireland, in the year 1812; with the respective Incomes of each Class of the Community; distinguishing the probable number of Persons who are not only unproductive, but USELESS MEMBERS OF SOCIETY.

RANKS, DEGREES, AND DESCRIPTIONS.	No. for reference.	Estimated population.	Aggregate Income of each Class of the Community in Great Britain and Ireland.	Ann. Income of each Man, Woman, and Child in each Class, including Servants.	Probable Number of the useless members of Society.	Incomes of the Useless Classes.
ROYALTY:—The King, Queen, and Princesses of their Family	1	50	£ 146,000	£ 2,920	—	—
The Prince Regent, Princess of Wales, and Princess Charlotte	2	50	172,000	3,440	—	—
The remaining Princes and Princesses of the Blood . . .	3	200	183,000	915	—	—
NOBILITY:—Temporal peers, including peers' in their own right	4	12,900	5,160,000	400	12,900	£ 5,160,000
Spiritual Lords or Bishops	5	720	240,480	334	720	240,480
GENTRY:—Baronets	6	12,915	3,022,110	234	12,915	3,022,110
Knights and Esquires	7	110,000	22,000,000	200	110,000	22,000,000
Gentlemen and Ladies living on incomes	8	280,000	28,000,000	100	280,000	28,000,000
STATE AND REVENUE:—Persons in higher Civil Offices	9	24,500	3,430,000	140	12,250	1,715,000
Persons in lesser Civil Offices	10	90,000	5,400,000	60	45,000	2,700,000
ARMY:—Military Officers, including Surgeons and Quarter-Masters, Pay-Masters, Engineer and Artillery Officers, Recruiting Staff-Officers, &c.	11	40,000	4,200,000	40	20,000	2,100,000
Common Soldiers in the Regulars and Militia, including Non-commissioned Officers and Artillery and Engineers	12	450,000	9,800,000	9	225,000	4,900,000
NAVY:						
Naval Officers, Marine Officers, Surgeons, Purser, &c. . .	13	25,000	2,095,000	50	12,500	1,047,500
Seamen in the Navy and Revenue Service, and Marines .	14	320,000	7,204,680	10	160,000	3,602,340
HALF-PAY, &c.:—						
Military, Naval, and Medical half-pay Officers, including superannuated Officers, retired Chaplains, and Widows, and Children of Officers receiving Pensions	15	14,500	856,600	20	—	—
PENSIONS:						
Pensioners of Chelsea Hospital, in and out Pensioners of Greenwich Hospital, Chatham, &c. &c.	16	92,000	630,000	4	—	—
The above Pensioners receiving besides from Labour . .	17	—	420,000	2	—	—
CLERGY:—Eminent Clergymen	18	9,000	1,080,000	120	9,000	1,080,000
Lesser Clergymen	19	87,500	3,500,000	40	—	—
LAW:—Judges, Barristers, Attornies, Clerks, &c.	20	95,000	7,600,000	80	95,000	7,600,000
PHYSIC:—Physicians, Surgeons, Apothecaries, &c.	21	90,000	5,400,000	60	—	—
FINE ARTS:—Artists, Sculptors, Engravers, &c.	22	25,000	1,400,000	56	—	—
AGRICULTURE, MINES, &c.:—Freeholders of the better sort .	23	385,000	19,250,000	50	385,000	19,250,000
Lesser Freeholders	24	1,050,000	21,000,000	20	525,000	10,500,000
Farmers	25	1,540,000	33,600,000	22	770,000	16,800,000
Labouring People, employed in Agriculture, Mines, and Minerals, including earnings of the Females	26	3,154,142	33,396,795	11	—	—
FOREIGN-COMMERCE, SHIPPING, MANUFACTURES, AND TRADE:—Eminent Merchants, Bankers, &c.	27	35,000	9,100,000	260	26,250	6,825,000
Lesser Merchants, trading by Sea, including Brokers . .	28	159,600	18,354,000	112	119,700	13,765,500
Persons employing professional Skill and Capital, as Engineers, Surveyors, Master-builders of houses, &c.	29	43,500	2,610,000	60	32,625	1,957,500
Persons employing Capital in building and repairing Ships, Craft, &c.	30	3,000	402,000	134	1,500	201,000
Carried forward		8,149,577	294,052,665		2,855,000	152,465,930

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into the categories of those who produce the goods which command labor, and those who work in exchange for those goods, anticipates the subsequent value discussion amongst capitalist economists, who also utilized these categories, though in the service of a social project antithetical to that of the socialists. Most directly, however, these socialists influenced the value discussion by way of the response they elicited, in the form of Malthus' *Essay on Population*, as the scarcity assumptions at the heart of his argument would be incorporated at the foundations of Ricardo's value theory, which would dominate the "science" of economics in the English-speaking world for the better part of the 19th century.

III. Scarcity to the Rescue

British conservatives had a persuasive reply to the Godwin-inspired notion that poverty, and the obedience it compelled, was both cause and consequence of the directions down which the efforts of society were being channeled, and it came in the form of Thomas Malthus' *Essay on Population* (1798).¹¹ Malthus announced Godwin as his target in the opening sentence of the preface, and proceeded to argue that the scarcity which Godwin traced to the human institution of private property, and the resulting claims it gave on the right to direct the efforts of the entire society, in fact had its roots in "Nature" itself. Malthus' argument is familiar, of course, though it's rarely remembered that it was written as a broadside against socialism. His argument is ruthless in its simplistic efficiency, and he requires only a handful of sentences in order to fashion a club with which to beat back the radical challenge:

¹¹ The influence of Malthus' *Essay on Population*, which has been said to have stretched as far as the realm of theology, replacing "the older ideas of divine beneficence and earthly abundance" with those of "divine scarcity," is discussed in John Commons *Institutional Economics* (Commons 2009, esp. 246-247).

“I think I may fairly make two postulata. First, that food is necessary to the existence of man. Secondly, that the passion between the sexes is necessary and will remain nearly in its present state... Assuming, then, my postulata as granted, I say, that the power of population is indefinitely greater than the power in the earth to produce subsistence for man. Population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio. A slight acquaintance with numbers will shew the immensity of the first power in comparison of the second... This implies a strong and constantly operating check on population from the difficulty of subsistence. This difficulty must fall some where [*sic*] and must necessarily be severely felt by a large portion of mankind... No fancied equality... could remove the pressure of it for even a single century. And it appears, therefore, to be decisive against the possible existence of a society, all the members of which should live in ease, happiness, and comparative leisure; and feel no anxiety about providing the means of subsistence for themselves and their families.” (Malthus 1996, 4-5).

Scarcity, then, was natural and permanent, and the “close habitations and insufficient food of many of the poor,” along with “war,” and “periodical pestilence or famines” (ibid, 44-45) in fact, were all part of an “imperious all pervading law of nature” designed to restrain population “within the prescribed bounds” (ibid, 5). Not only was it impervious to any radical attempt at a redirection of social effort in the interest of the vast majority, but efforts in such direction, to the extent that they removed the “difficulty of subsistence” which acted as the chief “positive check” to population, would precipitate disaster. Malthus readily acknowledged that channeling social effort in the directions envisioned by Godwin “would tend greatly to augment the produce of the country” (ibid, 65). But therein lay the problem: Were Godwin’s vision actually realized, such that “every house is clean, airy, sufficiently roomy, and in a healthy situation,” “all men are equal,” “and the necessary labours of agriculture are shared amicably among all,” these “extraordinary encouragements to population” would result in a rate of population growth “faster than in any society that has ever yet been known” (ibid, 64-65). Though Malthus begins his essay with the apology that “a long and almost total interruption from very particular business... prevented the Author from giving to the subject an undivided

attention” (ibid, 1), he feels confident in estimating that a century-long Godwinian attempt at universal comfort and leisure would result in the population of England mushrooming from 7 to 112 million, with food sufficient for less than a fourth of these.¹² Long before such a state of affairs had ever been reached, Malthus argues, it was almost certain that “an administration of property, not very different from that which prevails in civilized States at present, would be established as the best, though inadequate, remedy, for the evils which were pressing on the society” (ibid, 69).

Not just the poverty of the poor, then, but the property of the rich, were mere manifestations of an “impervious all pervading law of nature.” In less celebrated passages, however, Malthus indicated that comfort for the majority was undesirable regardless of its presumed effects upon population. In considering the effects of an increase in the purchasing power of the poor, Malthus restates, in his own words, the linkage which Godwin had sought to establish between “the power to compel others to labour” and the poverty of the majority:

“The receipt of five shillings a day, instead of eighteen pence, would make every man fancy himself comparatively rich and able to indulge himself in many hours or days of leisure. This would give a strong and immediate check to productive industry, and in a short time, not only the nation would be poorer, but the lower classes themselves would be much more distressed than when they received only eighteen pence a day” (ibid, 27).¹³

¹² He arrives at this estimate by assuming that England’s population of 7 million doubles every twenty-five years in “geometric” progression, while its agricultural productivity increases only “arithmetically,” such that with each quarter century it is only able to provide for an additional 7 million people.

¹³ Similarly, in spite of seeing hunger, war, plague, pestilence, and famine as direct results of the collision between the “geometric” increase of population and the “arithmetic” increase of the food supply, Malthus provided the same reason for his opposition to birth control: “I should always particularly reprobate any artificial and unnatural modes of checking population, both on account of their immorality and their tendency to remove the necessary stimulus to industry. If it were possible for each married couple to limit by a wish the number of their children, there is certainly reason to fear that the indolence of the human race would be greatly increased...” (Ely 1940, 3-4).

Malthus was against lessening the compulsion to work, regardless of its impact on population. The intent of the *Essay On Population*, however, was to naturalize this compulsion, and the class relations which accompanied them, thus rendering moot any subversive speculations as to the human potential that might be achieved were the poor to channel their efforts in directions of their own choosing, and sever the tethers that bound them to people and projects inimical to the fulfillment of their wants and needs.¹⁴ In this, he was enormously successful. Godwin admitted that Malthus' essay converted many of his own supporters, and the new theory of population, which "scientifically proved" the impossibility of socialism, became the weapon of choice in a "torrent of scurrilous abuse spat [at Godwin] from the pulpit and in the lecture theatre, and smeared across pamphlets, novels and verse" (Marshall, in Godwin, 1985:20). Crucially for the 19th century value discussion, Malthusian assumptions regarding the natural permanence of scarcity, and the ineluctable relationship posited between population and resources, were incorporated at the foundation of the new "science" of political economy, and the categories it erected in its attempts to theorize "economic value." These attempts similarly required an ideological project of "zoning" the population into groups defined by the activities of their members, and the perceived relationship between these activities and the theorized conception of "value."

IV. Don't Get High on Your Own Supply

What had proven so effective as an ideological battering ram against Godwin and the socialists, however, proved to be of less obvious merit to the nascent "science" of political economy, which would ultimately be asked to explain glutted markets, rather than predict

¹⁴ "The Malthusian argument...had a practical purpose. Its purpose was the disillusionment of the Age of Reason and a justification of existing institutions" (Commons 2009, 245).

exhausted soils. David Ricardo, whose economic system would stand supreme in the English-speaking world until the second half of the 19th century, placed Malthus' scarcity assumptions at the heart of his theory of value, and made society out to be a sort of Malthusian wind-up doll, with his key categories of wages, profit and rent all varying in accordance with the extent to which population growth had pushed the pursuit of means of subsistence onto increasingly less fertile ground.¹⁵

If the Malthusian world was one of human struggle against a stingy earth for the fulfillment of wants and needs, Ricardo's standard of value was its unit of measurement, as it measured, in quantities of human labor-time, the difficulty with which humanity procured the articles it sought to consume. Ricardo's was an "embodied labor" theory of value (McCracken 1933, 17), as he argued that the value of a good was determined by the amount of labor required to produce it - literally, by the quantity of human labor-time congealed, or "embodied" within the good itself. As the efficiency of producing a good increased, i.e., as it required less labor-time to produce, its value declined commensurately. Ricardo thus naturalized value, as for him it traced back, not to human institutions and class relations, but to an eternal condition of human struggle against nature, as operative in an "early state" of society featuring exchange of deer and beavers as it was in his own day. Actual market prices did not always reflect values, but they were always headed in their direction, and it was reasonable to assume that the price of a product with

¹⁵ Ricardo's economic system was announced to the world as both complete and correct by a 1918 review written by his disciple, John McCulloch, in the *Edinburgh Review*, England's leading economic journal (Ricardo, 1951, xxi-xxii). The journal would become an organ of Ricardian economics and establish the ideas expressed in *Principles of Political Economy and Taxation* as economic orthodoxy in the English-speaking world, a position they would hold until their decisive rejection by the "marginalist revolution" which took place in economics in the 1870s (Keynes, 1951; McCracken, 1933; See also below).

ten hours of labor “embodied” in it would be double that of a product produced in half the time (Ricardo 1973).

Ricardo’s value theory, and the theoretical system which it supported, ironically erected an ideological fortress against the socialist challenge while simultaneously presenting an account of the channeling of human effort in capitalism which mirrored that of his radical contemporaries, down to the most minute details. For while the socialists were busy with their Colquhoun tables, attempting to lift the veil on the forces directing the labor-power of society and expose them as products of exploitative human institutions, the upshot of Ricardo’s theory was that omniscient, omnipotent forces beyond human control had the beneficent effect of putting everyone in their proper place, even if that place was a large and growing “zone” of Godwin’s “unnecessary labor,” producing “trinkets and luxuries” for the rich.

The promise that there was a secular tendency for the productivity of agricultural labor to decline as it was pushed onto less fertile soil foreclosed socialist visions of the “productive powers” that might be unleashed were the artificial “limits to production” required by the system of private property removed, but Ricardo’s theory also precluded the possibility that a fundamental misdirection of effort, manifesting itself in a glut of oversupply, could result from positive revolutions in the productivity of labor. His “embodied labor” theory of value meant that the purchasing power required to purchase the goods on the market was congealed, as value, in those goods themselves, i.e., if all the goods on the market represented 1 million hours of labor, this was also the quantity of labor, or value, required for all the goods on the market to be purchased and the market to clear. To this he added the assumption that there was no other reason to take the trouble to engage in production other than a “view to consume or sell,” and that the producer “never sells but with an intention to purchase some other commodity, which

may be immediately useful to him, or which may contribute to further production” (Ricardo 1973, 192).¹⁶ Thus, not only did all the purchasing power required to purchase the goods on the market exactly match the value of those goods (for it was the same thing), but it was also, and always, an exact measurement of the *desire to consume*, for the shoe manufacturer only brings \$1000 worth of shoes to market with the intent of exchanging them for \$1000 worth of other goods. It was certainly possible that particular producers would misjudge the market, resulting in a temporary over- or under-supply of certain goods, but this was what the price system was for, and short-term prices which exceeded or fell short of a good’s “natural value” were all that was needed to nudge the efforts of society back in the direction of their optimal deployment. Markets, then, had a built-in tendency to clear, and general gluts of overproduction were impossible (ibid).

As if to render the fortress he’d erected in defense of these “omniscient” forces directing the labor-power of society truly impenetrable, Ricardo added to all this the further assumption that the demand for goods knows no limit, i.e., that there was no need to worry that revolutions in productivity might result in capital without an outlet for profitable production, much less the possibility of workers receiving their means of subsistence in exchange for less working time. The latter concern was dispensed with by the class relations of capitalism. Labor itself was a commodity, with its value determined by the quantity of labor required to produce the goods for which it exchanged its time, i.e., by the proportion of the total number of workers in society laboring in Godwin’s zone of “necessary labor,” producing their means of subsistence. If the quantity of labor required to produce the food, clothes, and shelter consumed by workers declined, the “value” of

¹⁶ This contrasts with the socialist critique, which argued that while the desire for goods ultimately was finite, the pursuit of claims on labor-power itself had no end: “They do not long continue to buy commodities, before they begin to buy men” (Godwin 1992, 811).

labor also declined, precisely to that extent, thus reducing the size of labor's share of the total social product, even as the quantity of goods they consumed remained the same. Such a reduction in the "value" of labor redounded immediately to the benefit of the capitalists, who would always, according to Ricardo's assumption, set the labor no longer necessary for the production of worker subsistence to work producing luxuries for themselves:

"The poor, in order to obtain food, exert themselves to gratify those fancies of the rich; and to obtain it more certainly, they vie with one another in the cheapness and perfection of their work. The number of workmen increases with the increasing quantity of food, or with the growing improvement and cultivation of lands; and as the nature of their business admits of the utmost subdivisions of labours, the quantity of materials they can work up increases in a much greater proportion than their numbers. Hence arises a demand for every sort of material which human invention can employ, either usefully or ornamentally, in building, dress, equipage, or household furniture; for the fossils and minerals contained in the bowels of the earth, the precious metals, and the precious stones" (Adam Smith, cited with approval by Ricardo in Ricardo 1973, 197).¹⁷

This endless appetite for luxury on the part of the rich meant that "no accumulation of capital will permanently lower profits unless there be some permanent cause for the rise of wages" (Ricardo 1973, 192), i.e., the only limit to the profitable deployment of capital for the purpose of the production and consumption of luxuries was "that which bounds our power to maintain the workmen who are to produce them" (ibid, 195). Tragically, however, "that which bounds our power" was none other than Malthus' iron law of population, which manifested itself in rent. Godwin may have imagined that a single peasant could produce food for twenty people, but there was less fertile land on which he would not be so productive. As population grew, agriculture would be pushed onto this less fertile soil, and this was the source of the landlord's

¹⁷ Godwin also cites Smith to make precisely the same point, from the other side of the class divide: "It has been found that ten persons can make two hundred forty times as many pins in a day as one person (Smith, Book I, Chapter I). This refinement is the growth of luxury – the object is to see how vast a surface the industry of the lower classes may be beaten, the more completely to gild over the indolent and the proud" (Godwin 1992, 859).

rent. Since the market price of agricultural goods was determined by the cost of its production on the least fertile soil, a bonus, in the form of rent, accrued to every owner of land more fertile than the worst land that population growth had pushed into cultivation, and rent's share of the total social product grew along with the difference in fertility between the best and worst lands producing food for the market.¹⁸ Since the cost of food essentially determined the cost of labor, the value of the wage increased along with rent, as it would take an increasing number of workers to produce a given quantity of subsistence, thus reducing the size of the capitalist's claim on the total social product: "The natural tendency of profits is thus to fall; for, in the progress of society and wealth, the additional quantity of food required is obtained by the sacrifice of more and more labour" (Ricardo 1973, 71).

Perhaps worst of all is that capital brings this state of affairs onto itself. For Ricardo, capital was literally that which set "productive" workers in motion – the means of subsistence which they would consume, along with the tools, machinery and materials they would use in producing goods for the market. As capital increased, it required more labor, and when labor was in short supply *vis a vis* capital's demand for it, wages would rise, temporarily, above labor's "natural" subsistence-level price. Capital's demand for labor would then be satisfied by the increased production of working-class children,¹⁹ who would not only eventually restore the "natural price" of labor by ending the shortage of workers, but also raise rents and reduce profits

¹⁸ According to Ricardo, if the cost of wheat production on the least fertile ground dictated a market price of \$6 a bushel, and wheat on the best land could be produced for just \$2 a bushel, the rent of the best land would be \$4 times the number of bushels produced (Ricardo 1973).

¹⁹ "The amended position of the labourer, in consequence of the increased value which is paid him, does not necessarily oblige him to marry and take upon himself the charge of a family...yet so great are the delights of domestic society, that, in practice, it is invariably found that an increase of population follows the amended condition of the labourer; and it is only because it does so, that, with the trifling exception already mentioned, a new and increased demand arises for food" (Ricardo 1973, 277-278).

by increasing population and pushing farmers onto less fertile soil. Thus, capital, population, and rent increased in lock-step together, as Godwin's peasant, producing food for twenty, was relentlessly pushed in the direction of land on which his efforts would furnish food only for himself. Long before this state was reached, however, "the very low rate of profits will have arrested all accumulation, and almost the whole produce of the country, after paying the labourers, will be the property of the owners of land and the receivers of tithes and taxes" (Ricardo 1973, 71-72).

By incorporating at the heart of his economic theory a dogma which did its best work as the stuff of anti-socialist propaganda, Ricardo reduced the entire trajectory of human history, at least in the "civilized" states, to a twist of the Malthusian knob. Turn it in the direction of facility in the production of means of subsistence, and the efforts of labor were channeled in the direction of Godwin's "unnecessary labor," producing luxuries for the rich, while the inevitable turn in the opposite direction required increased effort in the production of subsistence, the decline of profits, and ultimately social stagnation. What would prove problematic for Ricardo's theory, in terms of its persuasiveness, was not simply that Godwin's peasant would soon be producing enough food for at least one-hundred, rather than twenty.²⁰ Even more, it was that precisely by rendering the forces channeling labor-power in capitalist society immune to attack that he also rendered economic theory powerless to explain value-destroying economic crises, which were increasingly associated with revolutions in the productivity of labor and gluts

²⁰ American economist D.A. Wells, writing in 1889: "In respect to no other one article has change in the conditions of production and distribution been productive of such momentous consequence as the case of wheat. On the great wheat-fields of the State of Dakota, where machinery is applied to agriculture to such an extent that the requirement for manual labor has been reduced to a minimum, the annual product of one man's labor, working to the best advantage, is understood to be now equivalent to the production of 5500 bushels of wheat...our final result is that ten men working one year serve bread to one thousand" (Wells 1889, 58-59).

of overproduction. Indeed, even as he wrote in 1817, amidst the depression following the end of the Napoleonic Wars, the iron-clad logic which flowed from his dubious assumptions was at a loss to provide explanations for any scenario other than those in which markets happily cleared, though with a Malthusian clock ticking ominously in the background. Having explained the manner in which prices and profits gently prodded capital down the proper, market-clearing channels, Ricardo takes a short break from his totalizing theory with the comment that:

“The present time appears to be one of the exceptions to the justness of this remark. The termination of the war has so deranged the division which before existed of employments in Europe, that every capitalist has not yet found his place in the new division which has now become necessary” (Ricardo 1973, 50).

Ricardo’s theory, and the Malthusianism on which it was based, were ideal as an antidote to the socialist challenge, but the “abstract and unreal character of the assumptions on which [it was] founded” rendered it useless as a tool of governance, particularly in the face of economic crisis (Foxwell, Introduction to Menger 1962, xli).²¹ His market-clearing assumptions, along with his theory of value, which naturalized the scarcity reflected in prices, would be challenged, and ultimately discarded, at least for practical purposes, in an attempt to place economics on a more realistic footing.

Ironically, it was Malthus himself who pioneered this attack on the Ricardian system, arguing that the scarcity which backed value, and the obedience it compelled, could not be left

²¹ “Ricardo, and still more those who popularized him, may stand as an example for all time of the extreme danger which may arise from the unscientific use of hypothesis in social speculations, from the failure to appreciate the limited application to actual affairs of a highly artificial and arbitrary analysis. His ingenious, though perhaps over-elaborated reasonings became positively mischievous and misleading when they were unhesitatingly applied to determine grave practical issues without the smallest sense of the thoroughly abstract and unreal character of the assumptions on which they were founded. Thus, as Jevons has observed, Ricardo gave the whole course of English economics a wrong twist. It became unhistorical and unrealistic; it lost its scientific independence and became the tool of a political party. At one time indeed it went very near to losing its rightful authority in legislation and affairs...” (Foxwell, Introduction to Menger 1962, xli).

up to the “imperious all pervading law of nature” with which he had so successfully battled Godwin. Value, rather, was a project of governance, and was to be maintained, not by “Nature,” and the unyielding law of population, but by maintaining, interestingly enough, an adequate “proportion” of none other than “the unproductive laborers of Adam Smith” (Malthus 1968, 406).

V. When Nature Fails to Cooperate

While the lessons of the *Essay on Population* were popularized in sermons and story-books aimed at the working class (Marshall, in Godwin 1996, 20-21), Malthus’ *Principles of Political Economy* (Malthus 1968) reached a far more limited audience.²² In it, he attacked Ricardo’s mechanistic system, arguing that “the science of political economy bears a nearer resemblance to the science of morals and politics than to that of mathematics” (Malthus 1968, 1). Ricardo, Malthus claimed, had erred in his fundamental assumptions, with the result that his theory offered very little in the way of practical application.²³ Malthus rejected the Ricardian notion that value was determined by “embodied labor-time,” as well as his presumption that demand was infinite, a “doctrine” which, he told him by letter, was *uniformly* contradicted by experience” (Ricardo 1951, volume xi., 326, emphasis in original). Ricardo’s presumption of unlimited demand was based on the belief that the end of capitalist production was the consumption of goods, i.e., that capitalists brought goods to market for the purpose of essentially bartering them for goods of equal value. With this, Malthus, argued, Ricardo had misjudged the

²² The initial reception, and subsequent impact, of Malthus’ *Principles of Political Economy* are discussed at length in McCracken (1933) and McCracken (1961). See the latter, especially, for the influence of Malthus on Keynes.

²³ “A writer may, to be sure, make any hypothesis he pleases,” he wrote to Ricardo in an 1817 letter, “but if he supposes what is not at all true practically, he precludes himself from drawing any practical inferences from his hypothesis” (Ricardo 1951, 239).

entire purpose of capitalist production. Capitalists were not producing in order to satisfy an unlimited desire to consume, but rather in order to “save a fortune” (Malthus 1968, 400), i.e., to secure for themselves an ongoing claim on a portion of the aggregate labor-power of society.²⁴ By severing the Ricardian connection between production and consumption, Malthus not only raised the possibility of a general glut, which Ricardo’s system was bound to deny, but suggested an alternate definition of value, consistent with what capitalists were actually pursuing: a good’s value, he argued, was determined not by the quantity of labor required to produce it, but rather by the quantity of labor which it could command in exchange. Malthus’ alternate conception of value caused him to ground it, not in “nature,” but rather in a proper “proportioning” of the labor engaged in production for the market with the labor that would be exchanged for those goods. With this, he ironically joined the socialists he’d so effectively battled with the *Essay on Population* by arguing that the scarcity which backs value, and commands human effort, has no natural foundation, but rather is a reflection of the directions in which the aggregate labor-power of society is channeled.

Malthus begins his critique of Ricardo by stating that the “embodied labor” theory of value simply has no basis in reality:

“It is not merely what should be the definition and the measure of value in exchange, but a question of fact, whether the labour worked up in commodities either determines or measures the rate at which they exchange with each other; and in no stage of society with we are acquainted does it do this” (Malthus 1968, 85).

²⁴ This was Godwin’s take on such “fortunes.” “It is a gross imposition that men are accustomed to put upon themselves when they talk of the property bequeathed to them by their ancestors. The property is produced by the daily labour of men who are now in existence. All that their ancestors bequeathed to them was a mouldy patent which they show as a title to extort from their neighbors what the labour of those neighbors has produced” (Godwin 1996, 134).

Ricardo is correct in assuming that it is the difficulty of obtaining a desired good which confers value upon it, says Malthus, but the reason the quantity of labor “embodied” in a commodity never bears any meaningful relation to the rate at which it exchanges with other goods is that there are so many sources of this scarcity besides the labor-time required for production. The mere difficulty of acquiring capital often causes the products of the capital in existence to exchange at a rate far higher than would be expected by Ricardo’s standard of measurement, and “natural and artificial monopolies, and temporary deficiencies of supply” all have the same effect (ibid, 83). Value is increased by “every circumstance which contributes in any degree to enhance the difficulty of obtaining” desired goods (ibid), and as Ricardo’s standard reduces the source of value to one solitary factor, it will always be wide of the mark.

Having thus rejected Ricardo’s definition of value, Malthus argues that the standard of “commanded” labor-time brings the measurement of value into line with what capitalists are actually pursuing. He proposes the price of unskilled manual labor as the unit of measurement, and argues that the value of a good, as well as its rate of exchange with other goods, can be determined by dividing its market price by that of, say, a day’s worth of “common agricultural labour,” in order to determine the quantity of labor which it will command in exchange (ibid, 96). It’s not just that such a method of measurement will reflect a good’s value regardless of whether it stems from Ricardo’s difficulty of production, or any other factor. The unit of “common labour” is crucial because it actually indicates the quantity of human effort that will be given in exchange for a particular good at a given point in time, and this effort is the essence of value itself – a good that compels no effort has no value. The maintenance and enhancement of value depends upon limiting access to the things which people want and need, and anything which serves to do this, not simply difficulty of production, measured by Ricardo’s embodied

labor-time, is a source of value. In discussing “the distinction between wealth and value,” Malthus makes this quite clear:

“It has been justly stated by Adam Smith that a man is rich or poor according to the degree in which he can afford to enjoy the necessities, conveniences, and luxuries of human life. And it follows from this definition that, if the bounty of nature furnished all the necessities, conveniences, and luxuries of life to every inhabitant of a country in the fullest measure of proportion to his wishes, such a country would be in the highest degree wealthy, without possessing any thing which would have exchangeable value, or could command a single hour’s labour” (ibid, 299).²⁵

Malthus then considers the macro-implications of such a conception of value. He defines “demand” as “the sacrifice which the demanders must make” in order to obtain the desired quantity of a good, a “sacrifice” which, he goes on to argue, is best measured in units of “common labour,” i.e., “demand” is none other than “value” (ibid, 82). What is crucial for capitalists is the extent to which “demand,” reduced to units of “common labor,” exceeds the cost of production, expressed in the same unit of measurement. Put another way, the more labor will exchange for the product of the “productive labor” producing goods for the market, the greater the value of those goods.

For Malthus, this had two crucial implications. The first was that, contrary to Ricardo, a value-destroying excess of capital²⁶ was not only entirely possible, but in constant danger of

²⁵ And: “It is the want of *necessaries* which mainly stimulates the labouring classes to produce luxuries; and were this stimulus removed or greatly weakened, so that the necessities of life could be obtained with very little labour, instead of more time being devoted to the production of conveniences, there is every reason to think that less time would be so devoted” (ibid, 334, emphasis in original).

²⁶ For both Ricardo and Malthus, “capital” was that which set in motion the “productive labor” engaged in production for the market. Malthus states that “the chief ingredients of capital, and frequently by far the largest, are food and clothing” (Malthus 1968, 319), i.e., the wages of these workers. Thus, an “excess of capital” occurs when the number of workers engaged in production for the market exceeds that which would result in maximum profit. Continue increasing the number of “productive workers” beyond this point, and profits will disappear, or production will result in a loss.

actual occurrence. For according to his conception of value, if the quantity of labor engaged in bringing goods to market increases without a simultaneous increase in the quantity of labor that will exchange for it, the rate of profit, determined by “demand” minus “cost of production,” will by definition decline. This, for Malthus, was exactly what had occurred with the end of the Napoleonic Wars, and explained the glut of overproduction that so befuddled Ricardo: as the “demand” of soldiers and others whose efforts on behalf of the war produced nothing for the market became “costs” in the production of goods, the crucial gap between the quantity of labor exchanging for goods and that engaged in their production narrowed to the point of a crisis of profitability. Value was a matter of proportions, and could only be contemplated in terms of the efforts of the society as a whole.²⁷ “If you were at once to employ all our soldiers, sailors and menial servants in productive labor,” Malthus told Ricardo, “the price of produce would fall more than ten percent, and the encouragement to employ the same quantity of capital would cease” (Ricardo 1951, vol. vi, 155).

The second macro-implication is implicit in the first. Malthus’ conception of value meant that the demand for the product of those workers producing goods for the market could not come from these workers themselves, for their labor-time represented the denominator in the value fraction, the size of which he sought to maximize:

²⁷ This was where Malthus, for all practical purposes, abandoned his Malthusianism. For while Ricardo saw the pressures of population on the soil, and its effect on the costs of labor, as the sole long-term regulator of the rate of profit, Malthus argued that the rate of profit was determined by the ratio between the demand for goods and the cost of producing them, estimated in labor-time (or, the quantity of labor exchanged for products minus the quantity required to produce them). Attempting to determine the rate of profit in light of his own “law of population,” he argued, would “lead to the greatest practical errors,” for while this law was “proceeding with scarcely perceptible steps to its final destination, the second cause [the ratio between the demand for goods and the cost of producing them, estimated in labor-time] is producing effects which entirely overcome it, and often for twenty or thirty, or even 100 years together, make the rate of profits take a course absolutely different from what it ought to be according to the first cause [the law of population]” (Malthus, 282).

“It is indeed most important to observe that no power of consumption on the part of the labouring classes [producing for the market] can ever...alone furnish an encouragement to the employment of capital. No one will ever employ capital merely for the sake of the demand occasioned by those who work for him. Unless they produce an excess of value above what they consume...it is quite obvious that his capital will not be employed in maintaining them...The very existence of a profit upon any commodity presupposes a demand exterior to that of the labour which has produced it” (Malthus, 1968, 404-5; the final sentence was written by the editor).

Maximizing the size of this “exterior” demand meant that the number of workers employed in the zone of “productive labor,” producing goods for the market, had to be properly proportioned with those members of the population outside this zone, in order for the goods they produced to have any value. Echoing Godwin’s argument that the productive powers of human labor were so vast that they dwarfed the capacity of the rich to consume luxuries, Malthus similarly argued that an excessive channeling of labor-power into production for the market would “inevitably lead to a supply of commodities beyond what the structure and habits of such a society will permit to be profitably consumed” (ibid, 325).

While Malthus had battled the socialists with promises of famine, he now argued that given “the fertility of the soil,” and “the powers of man to apply machinery as a substitute for labour” (ibid, 398), “there must therefore be a considerable class of persons who have both the will and power to consume more material wealth than they produce, or the mercantile classes could not continue profitably to produce so much more than they consume” (ibid, 400).²⁸ With

²⁸ And: “But if the master-producers [the capitalists], from the laudable desire they feel of bettering their condition, and providing for a family, do not consume their revenue sufficiently to give an adequate stimulus to the increase of wealth; if the working producers, by increasing their consumption, would impede the growth of wealth more by diminishing the power of production, than they could encourage it by increasing the demand for produce; and if the expenditure of the landlords, in addition to the expenditure of the two preceding classes, be found insufficient to keep up and increase the value of that which is produced, *where are we to look for the consumption required but among the unproductive laborers of Adam Smith?*” (ibid, 406, emphasis added).

this, Malthus zones the non-rich into two distinct categories: the productive laborers producing goods for the market, and the “unproductive consumers” whose chief role, in terms of the value project, was to add to the quantity of labor exchanging for the product of those producing goods for the market, and thus increase “the exchangeable value of the whole produce” (ibid, 398). For Malthus, the two groups form utterly separate classes:

“And it is to be further remarked, that all personal services paid voluntarily, whether of a menial or intellectual kind, are essentially distinct from the labour necessary to production. They are paid from revenue, not capital. They have no tendency to increase costs and lower profits. On the contrary, while they leave the cost of production, as far as regards the quantities of labour required to obtain any particular commodities the same as before, they increase profits by occasioning a more brisk demand for material products, as compared with the supply for them” (ibid, 408-409).

“Unproductive consumers” could be comfortable, as their level of effort in exchange for a wage is immaterial, with respect to value, and profits aren’t dependent on their low wages.

“Productive labourers,” of course, are not so fortunate, and Malthus is heartened by the fact that with ongoing revolutions in productivity, the proportion of the population living off “revenue” can increase relatively to that engaged in productive labor:

“Another most desirable benefit belonging to a fertile soil is, that states so endowed are not obliged to pay so much attention to that most distressing and disheartening of all cries of all cries to every man of humanity – the cry of the master manufacturers and merchants for low wages, to enable them to find a market for their exports. If a country can only be rich by running a successful race for low wages, I should be disposed to say at once, perish such riches!” (ibid, 214).

While steady increases in productivity can democratize comfort, as soldiers, clerks, and teachers increase in proportion to the workers producing the goods for which they exchange their time, Malthus takes care to emphasize that no wage should ever be so high as to permit withdrawal from the labor market: “And whatever may be the state of the effectual demand for labor, it is obvious that the money price of labor must, on an average, be so proportioned to the

price of funds for its maintenance, as to effectuate the desired supply” (ibid, 218). Measured in terms of value, a society in which the masses of people were able to live in comfort by working only two days per week would be a very poor society indeed: “the man who can procure the necessary food for him family, by two days labour in the week, has the physical power of working much longer to procure conveniences and luxuries, than the man who must employ four days in procuring food; but if the facility of getting food creates habits of indolence, this indolence may make him prefer the luxury of doing little or nothing, to the luxury of possessing conveniences and comforts; and in this case, he may devote less time to the working for conveniences and comforts, and may be more scantily provided with them than if he had been obliged to employ more industry in procuring food” (ibid, 336). This state of poverty exists throughout Latin America, he asserts, where “the banana is cultivated with a trifling amount of labor,” while in “the town of Mexico,” the situation is so dire that “the very dregs of the people are, according to Humboldt, able to earn their maintenance by only one or two days labour in the week” (ibid, 339). These problems were institutional, Malthus argued, and while such societies certainly suffered from a dearth of capital, economists were wrong to assume that a mere influx of investment would result in a ready supply of willing laborers. In a society in which the typical commoner’s “wants are few, and these wants he is in the habit of supplying principally at home” (ibid, 349), it is not only necessary for the prices of necessities to be raised to the point that he is “obliged to employ industry in producing food,” but that a willingness to work is effected through the cultivation of a desire to consume “conveniences and luxuries” (ibid, 348). Towards this end, he suggested the cultivation in the poor of a desire for the consumption of “ribands, lace, and velvet” (ibid, 321).

It is ironic that while the Malthus who insisted upon the natural permanence of scarcity earned a word in the dictionary for his efforts, the Malthus of *Principles of Political Economy*, who argued that the maintenance of scarcity required the erection of a regulatory lightning rod for the productive powers of humanity, is almost entirely unknown. It is not as if the latter Malthus has been without influence. John Maynard Keynes, who took his own ideas for channeling human effort in scarcity-inducing directions directly from Malthus (McCracken 1961), called Malthus' insistence that an inadequate amount of "unproductive consumption [on the part] of the landlords and the capitalists" was chiefly responsible for the crisis following the Napoleonic Wars "the best economic analysis ever written of the events of 1815-20," and summarized Malthus' futile attempts to persuade Ricardo by letter of the crucial role of "unproductive consumption" in the maintenance of value by stating that:

"Time after time in these letters Malthus is talking plain sense, the force of which Ricardo with his head in the clouds wholly fails to comprehend. Time after time a crushing refutation by Malthus is met by a mind so completely closed that Ricardo does not even see what Malthus is saying...If only Malthus, instead of Ricardo, had been the parent stem from which nineteenth-century economics proceeded, what a much wiser and richer place the world would be today!...I have long claimed Robert Malthus as the first of the Cambridge economists; and we can do so, after the publication of these letters [between Malthus and Ricardo] with increased sympathy and admiration." (Keynes 1951, 117-118; 120-121).

The turn toward Malthus, however, would not have to wait until the Depression decade of the 1930s. It would come with the global economic crisis which began in 1873, an economic slump which lasted, with occasional intermission, over a period of nearly 25 years.

VI. If We Only Had a Crop Failure

Malthus would not defeat Ricardo in the realm of theoretical discussion. Rather, it was the "mild but chronic state of depression" which was the predominant state of business in the

capitalist world for the last decades of the 19th century (Veblen 1932, 184) that would cause economic theory to increasingly abandon the happy, Ricardian postulates that there was no limit to profitable production, and that markets always cleared. Writing in 1889, before the panic and depression of the 1890s, American economist D.A. Wells characterized economic conditions this way:

“The existence of a most curious and, in many respects, unprecedented disturbance and depression of trade, commerce, and industry, which, first manifesting itself in a marked degree in 1873, has prevailed with fluctuations up to the present time (1889), is an economic and social phenomenon that has been everywhere recognized. Its most noteworthy peculiarity has been its universality...the maximum of economic disturbance has been experienced in those countries in which the employment of machinery, the efficiency of labor, the cost and the standard of living, and the extent of popular education are the greatest...and the minimum...where the opposite conditions prevail” (Wells 1889, 1;3).²⁹

Given its dogmas, conventional economic theory was at a loss to explain the ongoing slump, which gave rise to “a greater number of conflicting economical theories than any other occurrence of ancient or modern time...The result, we need hardly say, has not been to raise the reputation of political economy as a science” (*The Nation*, May, 1879, cited by Wells 1889, 16). A Dutch committee of 1886 located an important cause of the crisis in “the low price of German vinegar,” while in Germany at the same time, partial blame was laid at the feet of the “immigration of Polish Jews” (ibid, 21). The winner of the “Oxford Prize Essay” of 1879 concluded that “the whole world is consuming more than it has produced, and is consequently in a state of impoverishment, and can not buy our wares” (ibid, 22).

²⁹ The influence of Wells *Recent Economic Changes* (1889) was enormous, and is indicated by Richard T. Ely, founder of the American Economic Association, and author of the most widely used university economic textbooks in the U.S. for the first decades of the 20th century (Dorfman 1946, 211), writing in the midst of the Great Depression of the 1930s that: “It is as instructive as it is interesting to see how in our present panic and Hard Times we are following along, step by step, what happened in 1873 and the following years of Hard Times as described by Mr. Wells” (Ely 1931, 18).

As the slump persisted, however, its source was increasingly identified as “industrial overproduction.”³⁰ The excess was not in terms of the number “of useful or desirable commodities in excess of what is wanted” for human consumption, but rather, “an excess of demand at remunerative prices, or, what is substantially the same thing, an excess capacity for production” (ibid, 25-26). This, of course, was what Malthus had referred to as “a supply of commodities beyond what the structure and habits of such a society will permit to be profitably consumed” (Malthus 1968, 325), and what Ricardo had insisted was impossible.

In *Recent Economic Changes*, it was Wells’ task to trace the roots of the ongoing crisis, and in painstaking detail, he lays the blame at the feet of price-destroying revolutions in the productivity of labor which had the effect of glutting markets and eliminating profits. While Ricardo would have predicted a higher rate of profit to accompany rising productivity, assuming the gains included industries producing goods for worker consumption, in fact profits evaporated because the high cost of plant and equipment made it cheaper to continue running them with no profit, or even at a loss, than to shut down entirely and risk losing the entire investment.³¹

Wells begins by stating that:

“When the historian of the future writes the history of the nineteenth century he will doubtless assign to the period embraced by the life of the generation

³⁰ “By the mid-1890s, in the midst of the third long depression in three successive decades, a revulsion against the unregulated market spread amongst the bourgeoisie in all major sectors of the economy. Whatever their programmatic differences, farmers, manufacturers, bankers, and merchants, in addition to already disenchanted railway capitalists, found a common ground in the idea that unregulated competitive market activity resulted in production of goods and services in excess of effective demand at prices that returned reasonable earnings to producers of normal efficiency. The watchword was ‘overproduction.’” (Sklar 1987, 53-54. The reference is to conditions in the United States).

³¹ “Large fixed investment put a premium on economies of scale, and, as Andrew Carnegie explained in what came to be known as ‘Carnegie’s law of surplus,’ every manufacturer preferred to lose one dollar by running full and holding markets through selling at lower prices than to lose two dollars by running less than full or close down, and incur the risk of losing markets, defaulting on interest payments, and falling into bankruptcy” (Sklar 1987, 58).

terminating in 1885, a place of importance, considered in its relations to the interests of humanity, second to but very few, and perhaps to none, of the many similar epochs of time in any of the centuries that have preceded it; inasmuch as all economists who have specially studied this matter are substantially agreed that, within the period named, man in general has attained such a greater control over the forces of Nature, and has so compassed their use, that he has been able to do far more work in a given time, produce far more product, measured by quantity in ratio to a given amount of labor, and reduce the effort necessary to insure a comfortable subsistence in a far greater measure than it was possible for him to accomplish twenty or thirty years anterior to the time of the present writing (1889)” (Wells 1889, 27).

Wells then takes the reader on a grand tour of the productivity revolution of the preceding twenty-five years, in which the major lines of industry featured productivity gains ranging from 200-500% (ibid, 28). Some of the highlights include a 250% increase in the productivity of steel manufacture over a ten-year period (ibid, 43), a 500% increase in the productivity of shoe-making (ibid, 28), and such a revolution in the technology in place in U.S. cotton mills that “one operative, working one year, in the best mills of the United States, will now...supply the annual wants of 1600 fully-clothed Chinese, or 3000 partially-clothed East Indians” (ibid, 50). Ricardo might have been particularly interested in puzzling over the theoretical implications of the fact that the revolution in agriculture had been so great that after all the labor “embodied” in the bread of urban workers had been accounted for, including that required for fuel and transportation, “our final result is that ten men working one year serve bread to one thousand” (Atkinson, cited in ibid, 58).

The problem was that this was bad for business. It wasn’t the revolutions in labor productivity *per se*. Malthus had argued that the production of all commodities could be entirely automated, leaving no labor content whatsoever, and that prices would remain the same so long as the supply coming to market, and the quantity of labor given in exchange for it, remained unchanged (Malthus 1968, 72). Wells similarly argued that the problem was that production

wasn't being sufficiently "restricted or suspended" in the face of these quantum leaps in the human capacity to produce Adam Smith's "necessaries and conveniences of life," with the result being a rate of production which "far exceeds any concurrent market demand" (ibid, 73; Smith 1948, 315). Wells argued that capital had spent the greater part of the 19th century "fully equipping the civilized countries of the world" with the fundamental economic infrastructure of ports, railways, merchant fleets, and telegraph lines (Wells, 1889, 63-64). Now, with "the equipment having at last been made ready, the work of using it for production has in turn begun, and has been prosecuted so efficiently, that the world has within recent years, and for the first time, become saturated, as it were, under existing conditions for use and consumption, with the results of these modern improvements" (ibid, 63).

The aforementioned cost of shuttering plant and equipment provided the perverse incentive to continue production, and the financial means of the large capitalists producing goods for the market meant that bankruptcy no longer played its vital role in ensuring that capital remained in proper proportion to the means of profitably employing it (ibid, 73). Now commonly organized as joint-stock companies, and no longer dependent on the financial resources of a single individual or small group, it was not out of the ordinary for such firms to make "no profit" and pay "no dividends for years, and yet continue active operations" (ibid). The result was that "since 1873," "the prices of nearly all the great staple commodities of commerce and consumption have declined...in manner altogether without precedent in all former commercial history" (ibid, 78).³² Capitalists complained that they were tired of "working for the public" (Sklar 1987, 56), i.e., producing without a profit, and that the current conditions

³² Wells cites price surveys which estimate that the average prices of "thirty-eight leading articles of raw produce" were 18% lower for the period of 1878-1885 than for that of 1867-77. If just the price level of 1885 was compared with the average of the earlier period, the decline was 31%. (Wells 1898, 116).

of “large output” and “keen competition” “threatens our property with virtual confiscation” (Wells 1889, 79).

The tension these capitalists felt between their interests and those of the “public” was none other than that between “wealth,” measured in terms of ease of access to the “necessaries and conveniences of life,” and “value,” which required relative scarcity for its maintenance and preservation. For despite the “unprecedented disturbance and depression of trade, commerce, and industry” of which Wells complained, if measured in terms of quantities of goods bought, sold, and consumed, particularly by the working class, business was booming. “In fact,” said Wells, “the volume of trade, or the quantities of commodities produced, moved and exchanged, has never been so great in the history of the world as during the past ten or fifteen years; and the so-called depression of trade during this time has been mainly due to a reduction of profits, to such an extent that, as the expression goes, ‘it has not paid to do business’” (ibid, 206). Prices and profits had fallen catastrophically, said Wells, but wages, in general, had not, with the result that in this period of “unprecedented” depression, “the purchasing power of wages has risen, and this has given to the wage-earning class a greater command over the necessities and comforts of life” (ibid, 86).

Nowhere was this tension more in evidence than in the matter of the food supply of this apparently coddled “public.” An upturn in economic conditions beginning in 1878 had led many observers to pronounce an end to the crisis which had commenced five years earlier, but time would reveal that this was “only an ‘interruption,’ occasioned by extraordinary causes” (ibid, 6). The “extraordinary causes” Wells referred to were a series of failures “of the cereal crops of Europe and most other countries of the world, with the exception of the United States,” “a failure for which, in respect to duration and extent, there had been no parallel in four centuries,”

resulting in “a remarkable demand on the latter country for all the food-products it could supply, at extraordinary prices” (ibid). The skyrocketing prices not only “went far to alleviate the distress of [even] the foreign agriculturalist,” but the receipts of American farmers were spent largely on the products of industry, domestic and foreign, which resulted in a “boom,” temporarily ending the slump (ibid, 7).

Predictably, the high prices stimulated “the occupation and utilization of new and immense areas of cheap and fertile wheat-growing land” in the U.S. and around the world (ibid, 89). These areas continued producing despite the recovery of areas hit by crop failure, with the result that wheat prices soon crashed to levels far below their previously depressed state (ibid, 90). Wells notes the tension between price and plenty this way:

“In short, it would seem as if the world in general, for the first time in its history, has now good and sufficient reasons for feeling free from all apprehensions of a scarcity or dearness of bread. But, while from a strictly humanitarian point of view this is certainly a matter for congratulation, the results, viewed from the standpoint of the interests involved, which embraces a large part of the world’s population, appear widely different. The effect of the extensive fall in prices of agricultural products during the last decade has been most disastrous to the agricultural interests and population of Europe. It has reduced farming in England and in most of the states of the Continent to the lowest stage of vitality; and, by reason of the complaints of their agriculturalists, the customs duties of many countries have been largely increased, and the conditions of consumers modified. In France, the position has been taken...that the only possible means of salvation...will be for France, Germany, Austria and Italy to sink all political antipathies and jealousies and form an international customs union to exclude all food-products from Russia, Australia, and America” (ibid, 177).

In 1888, when expectations of crop failure in the United States, Australia, Canada, and the Argentine Republic were realized, but the existence of such enormous reserve stocks of grain prevented prices from rising, *Bradstreet’s Journal* found the turn of events “disheartening” (ibid, 175).

The circumstances described by Wells, and their implications, put a practical end to many of the theoretical issues so vigorously debated by Ricardo and Malthus. Ricardo's earnest contention that if capitalists had no desire to consume the products of other capitalists they wouldn't be bringing their own goods to market (Ricardo 1951) no longer seemed worthy of serious discussion. The "great prize" of the system, as Malthus had put it, was "leisure with dignity,"³³ or as Wells put it, the conversion of wealth "into the form of negotiable securities" which allow their owner "to live without personal exertion or risk of the principle" (Malthus 1968, 216; Wells 1889, 75). It was the endless striving for this, rather than the products of industry, which knew no limit, and caused capitalists to throw quantities of goods on the market which far exceeded their desire to consume (ibid, 75). Once this plank in Ricardo's system was removed, i.e., once there no longer existed any Providential guarantee that the demand for goods always equaled their supply, there was equally no reason to suppose that the prices of goods, even in Ricardo's all-forgiving "long-run," would ever reflect their cost of production, measured in labor-time. Rather, any factor which served to push up price by limiting supply in the face of a given demand must be acknowledged as a source of value. As Malthus made clear, this was not just a matter of theory, but also crucial for purposes of "practical application," for if the quantity of capital engaged in producing goods for the market was out of proportion to the means of profitably employing it (Ricardo 1951), value-enhancing strategies should be actively pursued. The "artificial monopolies," which Malthus had noted as an important source of value, had now become absolutely necessary, said Wells, in the form of "syndicates" and "trusts," for while "they are regarded to some extent as evils," "there is apparently no other way in which the

³³ He used the Latin phrase, "*otium cum dignitate*."

work of production and distribution, in accordance with the requirements of the age, can be prosecuted” (Wells 1889, 92-93).

Wells’ account represented the new conventional wisdom, “a revulsion against the unregulated market” by capitalists and farmers desperate for measures which would restrict competition “to an extent sufficient to prevent its injurious excesses” (Sklar 1897, 53; Wells 1889, 75). The field of economic theory experienced a similar reaction against Ricardo. William Jevons, British pioneer of the “marginalist revolution,” reflected the mood with the statement that, “I am beginning to think very strongly that the true line of economic science descends from Smith through Malthus to Senior, while another branch through Ricardo to Mill has put as much error into the science as they have truth” (Jevons, cited in Keynes, 291). The marginalist revolution represented a savvy blend of popular and esoteric, as it took from the Malthus of *Principles of Political Economy* the notion that the value of desired goods derived from their scarcity, whatever the source, while assuming from “population Malthus” the mantle of legitimizing the belief that such scarcity was permanent.

VII. Scarcity vs. Utopia

In 1871, Austrian Carl Menger, with the publication of *Principles of Economics*, helped launch the “marginalist revolution,” which was to bury Ricardo’s “embodied labor” theory of value “beyond recall” (McCracken 1933, 142-3).³⁴ Menger synthesized crucial aspects of both Malthuses, holding that scarcity, or the fact that there were always infinitely more human needs

³⁴ “No sooner than we think of the Austrian School than immediately there comes to our minds the names of Jevons, Wieser, Walras, Menger, and Bohm-Bawerk, and the principle of marginal utility. *The development of the marginal utility theory of value marks very definitely a return in economic theory to the Malthusian trail of Commanded Value, with its approach to value in exchange from the demand side.* Embodied value theory seems to be finally exploded and buried beyond recall” (McCracken 1933, 142-3, emphasis added).

than the goods available to meet them, was in “the nature of things,” while also arguing that “value” was manifested in the intensity of human “struggle” for scarce goods (Menger 1950, 97). For Menger, the tension between value and abundance was made explicit, as only scarce goods could have value, and value increased as the needs which depended upon accessing an additional unit of the good in question increased in importance to the individual – Menger’s value discussion means placing Robinson Crusoe on an island, and imagining how the value of water will change for him as you gradually cut off his water supply. His innovation is his focus on individual psychology in the determination of value – Ricardo’s attempt to “objectify” value in labor-time, Menger argues, “contributed very greatly to confusion about the basic principles of our science” (ibid, 121). Value is subjective, says Menger, for perceived needs and their intensity are the only things which can attach value to goods. The intensity of perceived need for a good is subjective, but varies according to the quantity of the good actually available, as consideration of a thirsty Crusoe will suggest. Just as with Malthus, Menger’s argument is that absolutely irrespective of embodied labor-time or cost of production, when the number or intensity of human needs pressing up against a given supply of desired goods increases, value rises, while when the quantity of desired goods increases against a given number and intensity of needs, value falls. The human effort, or competitive struggle, in pursuit of scarce goods, waxes and wanes with the rise and fall of value, and is, in fact, its essence.

Menger’s value theory stands at the intersection of individual psychology and scarcity on a social scale. He defines a “good” as anything which has been subjectively determined by individuals to be capable of meeting a perceived need, and posits a distinction between “economic” and “non-economic goods,” with implications universally valid for all times and places (ibid, 295). “Economic goods” are scarce, i.e., they exist, in any given society, in a

quantity exceeded by the total quantity desired for consumption, while “non-economic goods” exist in abundance, in quantities in excess of the maximum possible desired (ibid, 94-95).

Menger’s examples are timeless abstractions from class relations: to illustrate a “non-economic good,” he asks the reader to imagine a village, with maximum water requirements of 300 pails each day, situated on a mountain stream with a minimum flow of 100,000 pails (ibid, 98). What happens when water becomes “economic,” i.e., when the total available quantity is reduced to fewer than 300 pails, is that a social “struggle” for water ensues, as individuals become aware that their ability to satisfy perceived needs for water depends upon laying sole claim on certain quantities of it “to the exclusion of all other economizing individuals” (ibid, 99-100). A good’s scarcity, i.e., its economic character, is a prerequisite for value, for “non-economic goods” fail to stimulate any “provident activity” for the purpose of achieving exclusive “command” of them, and “value” requires the realization that a perceived need will go unmet if we fail to lay exclusive claim to a desired quantity of a particular good.

While a good must be scarce to have value, scarcity alone is no predictor of value. Contrary to Ricardo’s formulation that value issues from the production process, distributing itself evenly across all goods produced in the same batch, Menger argues that value is conferred by the intensity of our desires, subjectively determined. Means of subsistence are assigned a special role in his value theory, for the threatened lack of them triggers a “fear” associated with no other type of commodity, inspiring the “effort” and “provident activity” without which value does not exist (ibid, 123). Thus, if water is available to us in exactly the quantity needed for survival, the value attached to it is equivalent to that placed upon life itself. As the quantity of water available to us increases, the level of importance assigned to the needs it is used to fulfill declines. For purposes of illustration, Menger suggests a scale of importance for subsistence

goods ranging from 10 to 0, with 10 indicating the importance attached to the quantity of the good on which life depends, and 0 the point reached where additional units of the good yield no satisfaction, and quite likely become burdensome. To determine the value of, say, water to a particular individual, it is necessary to determine the level of importance attached to the need met by the last unit of water consumed. This “marginal unit” determines the value, to that individual, of all units of the good consumed.

The significance of the marginal unit is easier to see if considered in macro. To take Menger’s mountain village, water becomes an “economic good” when its total available supply is less than 300 pails per day, but if 290 pails are available, the foregone needs may be deemed trivial, perhaps valued at 1 on Menger’s scale. As the water supply is gradually cut off, however, the significance of the needs it is impossible to meet will increase, and the competition for water will become frenetic as its value rises.³⁵ As water becomes more scarce, the “marginal unit” of water consumed satisfies needs of increasing importance to the individual, until finally the need represented by the last unit of water consumed assumes the importance attributed to the maintenance of life itself. Despite the quaint examples, Menger tells us, they accurately describe the forces at work behind prices in a capitalist economy, which reflect the intersection between the scarcity of goods and the intensity of the perceived need for them, subjectively determined.

The fear-inspired “energetic economizing activity” induced by the scarcity of means of subsistence is, of course, none other than the command over labor denounced by the socialists and made the definition of value by Malthus. Menger goes further in mirroring the socialists, however, in stating that the line between economic and non-economic goods represents the line between “civilization” and “communism”:

³⁵ “...the more pressing one’s need for a good the more energetic will be one’s economizing activity whenever it is necessary to procure the good in question” (Menger 1950, 300-1).

“...we can actually observe a picture of communism with respect to all goods standing in the relationship causing non-economic character; for men are communists whenever possible under existing natural conditions. In towns situated on rivers with more water than is wanted by the inhabitants for the satisfaction of their needs, everyone goes to the river to draw any desired quantity of water... This communism is as naturally founded upon a non-economic relationship as property is founded upon one that is economic” (ibid, 100-1).

Both the institution of property itself, and the “present legal order” designed to protect it, are the necessary result of the fact that the vast majority of goods are economic, the result being that not only is it “impossible...for the respective needs of all individuals composing the society to be completely satisfied,” but “nothing is more certain than that the needs of some members of this society will be satisfied either not at all or....only in an incomplete fashion” (ibid, 96-97). Those whose needs go unmet will “have interests opposed to those of the present possessors,” and it thus “becomes necessary for society to protect the various individuals in the possession of goods subject to this relationship against all possible acts of force” (ibid, 97). Just as Malthus argued that a Godwinian experiment would trigger such unprecedented scarcity that the institution of property would by necessity be quickly reinstated, Menger argues that it is the economic nature of goods, i.e., it is their scarcity with regard to the quantity actually desired for consumption, that represents the “economic origin of our present legal order, and especially of the so-called *protection of ownership*, the basis of property” (ibid, 97, emphasis in original). The only way to abolish property, says Menger, is to establish a new “equilibrium between requirements and available amounts” (ibid). Otherwise the result will be merely to change the identities of the haves and have-nots.

Such an elimination of scarcity, and the abolition of property that would result, is, of course, impossible, as Menger argues that the “transition of mankind from lower to higher levels of civilization” is none other than the story of previously “non-economic” goods becoming

economic, as population growth, the spiraling increase of perceived needs and the means of satisfying them, and the occasional “powerful individual”³⁶ who “excludes” others from free access to otherwise plentiful goods all contribute to changing the crucial equation relating “quantity desired” to “quantity available” in the direction of general scarcity (ibid, 102, 104). Indeed, “civilization” has made such progress that the vast majority of goods are now scarce with respect to the desire to consume them, not just “articles of luxury,” but “even the coarsest pieces of clothing, the most ordinary living accommodations and furnishings, the most common foods, etc.” (ibid, 95).

While Menger cites population growth and “growth of human needs” as explanation of the fact that “even the coarsest pieces of clothing” are scarce with respect to the existing desire to consume them, it might seem that even despite these factors, a society capable of outfitting “3000 partially-clothed East Indians” with the annual labor of one person might have within its reach the possibility of eliminating this scarcity, and establishing “communism,” at least with respect to articles of “the coarsest pieces of clothing,” if it really so desired. Menger is happy to explain the scarcity of even the crudest means of subsistence with vague references to “population” and the “nature of things,” but his theory of value, applied to the class relations of capitalism, makes clear that the social structure alone is enough to account for the scarcity of such items, and hence their value – their ability to compel human effort - without reference to these additional factors.

Both between and within societies, Menger draws a line separating those who spend all their time meeting their most immediate subsistence needs, and those with both the luxury and

³⁶ Such individuals also figure prominently in Godwin’s conception of the history of “civilization”: “To consider merely the present order of human society, it is evident that the first offense must have been his who began a monopoly, and took advantage of the weakness of his neighbors to secure certain exclusive privileges to himself” (Godwin 1992, 808).

the foresight to direct their present efforts to the satisfaction of needs anticipated for “ever more distant time periods” (ibid, 153). This line is what distinguishes “primitives” from “civilized peoples,” and history chronicles the tale of traversing the continuum between them (ibid). “Capital” represents the tools of civilization, as Menger defines it as representing those “economic goods that are available to us in the present for future periods of time” (ibid, 303). Possessed of capital, “the quantities of consumption goods at human disposal are limited only by the extent of human knowledge of the causal connections between things, and the extent of human control over these things” (ibid, 74). The benefits of this extraordinary productive power, however – indeed, the benefits of civilization itself – accrue exclusively to those most civilized among us, those in the possession of capital (155).³⁷ Those who have been successfully excluded from possession of this scarce good will find that the satisfaction of their needs begins where those of their social superiors end, as the value of labor is determined like that of any other good, i.e., by the “magnitude of the satisfactions” represented by the last unit consumed (ibid, 171). The implication is that unless labor can find a way to make itself scarce, the value of the last unit of labor consumed by capitalists is likely to be “next to nothing” on Menger’s scale, which is why “each individual can participate in the economic gains connected with employment of goods of higher order [capital] in contrast to purely collecting activity...only if he possesses *capital*” (Menger, 155, emphasis in original). While marginalism, with its focus on individual

³⁷ “Meanwhile, with the continuous development of civilization and with progress in the employment of further quantities of goods of higher order [i.e., capital, so long as they have become scarce, or “economic” goods] by economizing men, a large part of the other, previously non-economic goods of higher order (land, limestone, sand, timber, etc., for example) attains economic character. When this occurs, each individual can participate in the economic gains connected with employment of goods of higher order in contrast to purely collecting activity only if he already has command of quantities of economic goods of higher order in the present for future periods of time – in other words, only if he possesses *capital*. (Menger 1950, 155, emphasis in original; two parenthetical phrases have been eliminated)

psychology, is ideal for presenting economics in such a way that the macro-channeling of effort in society need not be envisioned, its theory of value implies a distribution of effort in capitalist society in which the majority of people spend their time in Godwin's zone of "unnecessary labor," engaged in activities which do little, if anything, to augment the quantity of goods available for them to consume.³⁸

Questioning the "morality" of the benefits derived from property ownership, for Menger, represents "one of the strangest questions ever made the subject of scientific debate," and is "beyond the sphere of our science" (ibid, 173). Value, and the prices which reflect it, are "the necessary products of the economic situation under which they arise," though apparently not all questions of morality are beyond the sphere of economics, for these prices "will be more certainly obtained the more developed the legal system of a people and the more upright its public morals" (ibid, 173-4). Paying workers above their value for the purpose of "providing them with a more comfortable standard of living" is not tenable under the current economic situation, says Menger (ibid, 174). Any attempt to do so "would undoubtedly require a complete transformation of our social order" (ibid, 174).

VIII. The Value of Artificial Scarcity

Like Malthus' *Essay on Population*, marginalism offered an economic doctrine suitable for popular consumption by insisting that existing social relations were rooted in scarcity, the source of which could be traced to "the nature of things." It was the marginalist theory of value, however, which followed the esoteric Malthus in making value a "scarcity-ratio" between quantity available and quantity desired (Commons 2009, 363, 379), that would provide a group

³⁸ Such augmentation would, by Menger's theory, immediately undermine the value of the goods in question, and ultimately, if carried too far, threaten "civilization" with "communism."

of influential American economists with the theoretical basis for grappling with the economic crisis of the late 19th century. While Menger and his British counterparts assumed that, absent distorting influences, marginal units of supply and demand would find one another in market-clearing equilibrium, a group of economists advising the McKinley and Roosevelt Administrations at the turn of the 20th century combined an “overproduction” analysis of the crisis with marginalism’s emphasis on the inverse relationship between value and quantity supplied to provide theoretical justification for corporate strategies designed to restrict output and minimize what they called the “waste of competition” (Sklark 1987; quote is from Jenks 1903, 36).³⁹

The problem was not simply that competition forced capitalists to endlessly adopt improvements in equipment and technique for the purpose of keeping up with rivals, regardless of any increase in the demand for goods, such that the story of the final three decades of the 19th century was one of vast redundancy of plant and equipment. It was that for industrial capitalists, the only route to value was in production for the market, and that growth meant only one thing – increased production and sales. The incentive structure was Ricardian, while the results could have been predicted by Malthus. These economists – Jeremiah Jenks of Columbia, Arthur Hadley of Yale, and renowned financial journalist Charles Conant – used marginalist theory to justify what industrial capitalists, through non-competitive output and price agreements with

³⁹ “A new theory of the capitalist market, one focusing upon disequilibrium, began to emerge in the 1880s, and took substantial form in the 1890s, among American economists...From 1896 to 1901, well before Veblen’s *Theory of Business Enterprise* (1904), Arthur Twining Hadley of Yale University, Jeremiah Whipple Jenks of Cornell University, and Charles Arthur Conant, the nonacademic scholar and financial journalist, took a leading role among those with senior policy-making influence in laying the theoretical foundations for the break with the classical model of the competitive market...[These economists] embraced the language and concepts of marginal utility, but not the equilibrium theory of the Austrian school and its British counterparts” (Sklar, 1987, 57, 68).

rivals, and ultimately through mass merger, were actually trying to achieve: the replacement of competitive with “administered” markets (Sklar 1987, 70), characterized by firms with the market power necessary to chase value not through futile attempts to increase production and force the goods of rival capitalists from already glutted markets, but rather by regulating the denominator in the “scarcity ratio,” allowing them to adjust output to meet demand in the pursuit of optimal prices.⁴⁰

In “Crises and Their Management” (1901), McKinley and Roosevelt advisor Charles Conant offers an analysis of the late 19th century crisis which in many respects echoes that of D.A. Wells, whose *Recent Economic Changes* had appeared twelve years earlier. Noting that, “in a practical sense, if not in theory, over-production in respect to effective demand is not only possible, but has been the actual history of many leading commodities during the last three decades” (Conant 1903, 31), Conant diagnoses the problem as one of “misdirection of productive power” (ibid):

“Overproduction of consumable goods takes place because so large a part of the purchasing power of the community is saved for investment. A better equilibrium would be established between the production of finished goods and the demand for them if the community devoted a larger portion of its purchasing power to obtaining such goods... Too much of the product of labor has been devoted to the

⁴⁰ Superficially, of course, we refer to the integers in the “scarcity-ratio” as “supply and demand.” Taking the class relations which produced it for granted, Menger assumed the scarcity of supply, and made demand a matter of individual psychology, rendering the “scarcity-ratio” safe for college textbooks, while still useful to elites, who seemingly had no difficulty in dispensing with that part of marginalism which borrowed from the *Essay on Population*. Menger’s formula reduces to that of the esoteric Malthus, for assuming a given level of technique, quantity supplied essentially corresponds to the quantity of human effort engaged in production, while both Malthus and Menger measure demand in terms of the human effort a given supply elicits in the world of exchange. In Malthus’ conception, adding to the “denominator” of supply absent any increase in the “numerator” of demand results in a decline of profit, which can be determined by subtracting the denominator from the numerator. Uncontrolled expansion of the “denominator” absent corresponding increases in the “numerator” was apparently the problem of the late 19th century.

creation of new equipment of doubtful or at least postponed utility, and too little to the purchase of the products of existing equipment” (ibid).

Translated, Conant is arguing that “a better equilibrium would be reached,” i.e., profitability might be restored, if capitalists devoted a greater share of their “purchasing power” to the acquisition of goods for their own consumption, and less adding to the capacity to produce goods they did not consume. Put another way, a greater portion of the labor-power of society should be channeled into Godwin’s zone of “unnecessary labor,” satisfying the wants of the rich, and effectively shifting labor-power from production to consumption, and restoring the profitability of the “scarcity-ratio.” Fellow American marginalist, John Bates Clark, whom Conant cites, was more blunt in stating that, “Production does not need to try to over-feed and over-clothe the poor for lack of other consumers to cater to...Let the mills turn out food and coarse goods for labourers, and luxuries and also more mills for the capitalists, and the problem is solved” (Clark, Introduction to Rodbertus 1969, 15-17).

Conant, however, did not share Clark’s hope that the rich could be cured of their habits of excessive frugality, the effects of which were to channel “excessive” quantities of human effort into the production of goods for the market. The problem was structural: competition made investment in “new labor-saving plant with greater efficiency” compulsory for capitalists, and “translated into the secular trend of declining prices and declining rates of profit characteristic of the last quarter of the nineteenth century” (Sklar, summarizing Conant in Sklar 1987, 64-65). Writing almost exactly 100 years after Malthus’ *Essay on Population*, Conant finds his own source of fear in a “geometric” rate of increase, only for him, what threatened society with its

powers of multiplication was not people, but capital, the exponential growth of which “threatened to paralyze enterprise and result in a long period of depression” (Conant 1903, 26).⁴¹

The solution to the problem of over-production, which Conant traced to the structural flaws of competitive markets, was the “consolidation of industry and the restriction of production” (Conant 1903, 35). The former was required to effect the latter, the purpose of which was to match supply with demand at the optimal price-point in terms of profit (Sklar 1987, 70). Not only would the restriction of output raise prices, but rising prices themselves would reduce the quantity of labor-power being channeled into production for the market, by “absorb[ing] a portion of disposable income that might otherwise go into savings free of centralized [i.e., output-restricting] control” (ibid, 70).

In *The Trust Problem* (1903), fellow McKinley and Roosevelt advisor and Columbia University economist Jeremiah Jenks provides this illustration of the “waste” for which competition is responsible, as well as its possible remedy:

“Before the formation of the old Whiskey Trust, the capacity of the existing distilleries was far more than necessary to supply the normal demand of the country at profitable prices. In consequence, agreements were made from time to time among nearly all the leading distillers to restrict the output. One year each distiller pledged himself to run his plant at only 40% of its full capacity. Another year the agreement limited the output to only 28% of the full capacity. After the formation of the Trust, out of more than 80 distilleries which joined, all were closed with the exception of 12 of the largest, best located, and best equipped, which ran at their full capacity; and the output of these was equal during the first one or two years to the entire output of all the distilleries which had been running before...no other source of saving was so great as that which came from running the best distilleries to their full capacity and all the time (Jenks 1903, 33).

⁴¹ “...the increase of railway equipment and the employment of labor-saving machinery in farming and manufacturing has promoted saving *almost in a geometrical ratio from year to year*” (Conant 1903, 29, emphasis added). With regard to the threatened “capital explosion,” Conant goes on to say that it had been averted by finding “an outlet in the undeveloped countries, and this outlet has contributed to the increased sale of manufactured goods, larger earnings for invested capital, and the revival of industry which began all over the world about 1897” (Conant 1903, ibid).

The goal, however, was not merely to bring productive capacity into alignment with market demand. It was to “put prices higher than former competitive rates while still *excluding* nearly all competitors” (ibid, 64, emphasis added). According to Ricardo, and the classical theory of competitive markets, such a strategy should have been impossible: absent legal restrictions, price and profit levels higher than what would prevail under competitive conditions were precisely what invited competition. This was how supply, supposedly, met demand, and markets cleared. The problem, of course, was that in the words of Conant, “the intensity of competition in modern industry has so reduced profits that it requires the most careful calculation to guard against loss” (Conant 1893, 37). These economists found the solution in what D.A. Wells had located as the problem – the high cost of plant and equipment, and the deep pockets of capitalists, which combined to make it both rational and possible to continue production over long periods despite the absence of profits. If the field could be cleared of competitors, Jenks argued, it should be possible to deter future rivals with the threat that if “competition of that kind [i.e., on the basis of price] is tried, prices will be forced down not merely to the normal competitive rates among small manufacturers, but far below that, and those investing their capital for purposes of competition are certain to make, instead of the high profits of the existing combination, very low profits or none at all” (Jenks 1903, 65-66). The problem was that “so far most combinations have overreached and have paid the penalty of trying to secure exorbitant profits. More experience is needed to teach most of them the art of permanent monopoly⁴² – an art that, when learned, will need to be kept under careful control by society” (ibid, 72-73).

⁴² For Jenks, it was a firm’s power to set prices, whether singly or part of a group, that defined monopoly. It did not mean exclusive control by one firm over an entire industry (Sklar, 61).

Aside from his admonition against “overreach,” in stating the case for “combination” and “monopoly” as the solution to the evils which accompanied the “waste of competition,” Jenks was not offering a proposal, but rather a justification for strategies that were already well underway. The entire crisis period, beginning in the 1870s, was characterized by capitalists in “‘nearly every industry employing fixed capital on a large scale’ entering into ‘a pool or other noncompetitive arrangement’ for the purpose of achieving a price-restoring restriction of output (Hadley, cited in Sklar 1987, 59). These pools and output- and price-agreements amongst firms, however, were notoriously difficult to maintain (Kolko 1970, 8), and it was not until the mass merger movement at the turn of the century that Jenks’ vision was largely realized. In the space of six short years, from 1897 to 1903, the “giant modern corporation” was born in the United States, coming into the world by way of the “consolidation of almost 5,300 individual plants” (Mitchell 2007, 9, 12) into industrial behemoths, and establishing, in the words of Jenks, “monopoly in nearly all the leading lines of industry” (Sklar 1987, 279).

The capitalists called before the Senate’s *United States Industrial Commission* (1900) to explain the “tidal wave” crashing over the American economy were blunt in locating the impetus for the mergers in the need to eliminate competition too vigorous to leave a margin for profit (ibid; quote is from Mitchell 2007, 12). The stock valuations of these new firms soared, in spite of the fact that the merger wave “did not even create new factories” (ibid) – indeed, as Jenks detailed, industrial combination typically entailed junking significant quantities of “excess” productive capacity. In wryly noting that mergers and incorporation offered the “benefit” of allowing a “community” to increase its “nominal wealth” absent any increase in production,

Thorstein Veblen suggested that the merger movement had perhaps doubled the capitalized value of the nation's industrial equipment (Veblen 1932, 150).⁴³

As Veblen's estimate suggests, the market power to exclude competitors, control output and raise prices had enormous economic value. It was an intangible value, "grounded on the principle of scarcity" (Commons 2009, 788), and it was reflected in the value structure of the firms themselves, which were capitalized on the basis of projected earnings. Merging capitalists referred to the value in excess of that of tangible assets as "intangible property" (ibid, 650). It was represented by common stock, while preferred stockholders would receive the proceeds of the sale of tangible assets in the event of liquidation (Veblen 1932, 143-4). It was typical for merging firms to issue equal amounts of both types of stock (Mitchell 2007, 71-72), and not uncommon for the value of the common stock to then soar far beyond that of the preferred (Veblen 1932, 145-6), becoming "the most important asset of modern business" (Commons 2009, 788).

⁴³ Veblen's take on the desirability of "monopoly" and "combination" was slightly different than that of Conant and Jenks. In *Engineers and the Price System*, for example, he dared American engineers to explain to the public just how vast the country's productive capacity actually was, and how the "price system" required its throttling (Veblen 1940). His take on the impetus for the merger movement, however, was the same. In *The Theory of Business Enterprise* (1904), he notes the "dogma" of "overproduction" that prevailed among the businessmen of his day, and states that "'excessive competition' is an alternative phrase" to describe the same state of affairs, which for Veblen amounts to "an excess of goods above what is expedient on pecuniary grounds" (Veblen 1932, 217). He also notes the conventional wisdom regarding the solution to the difficulty: "Any proposed remedy...to offset the disastrous cheapening of products through mechanical improvements, has been found in business coalitions and working arrangements of one kind and another, looking to the 'regulation' of prices and output...[Their] tangible, direct, and unequivocal efficiency in correcting this main infirmity of modern business is well-recognized. So much so that its urgent advisability has been formulated in the maxim that 'Where combination is possible competition is impossible.' What is required is a business coalition on such a scale as to regulate the output and eliminate competitive sales and competitive investment within a field large enough to make up a self-balanced, passably independent industrial system – such a coalition of business enterprises as is loosely called a 'trust'" (Veblen 1932, 241-2).

What is significant about these seemingly trivial details of stock valuation is that the common stock represented the value of a privileged market position, protected from competition (Commons 1939, 194, 268-9). The late 19th century “crisis era” of competition was characterized by firms desperate to simply make their tangible assets pay for themselves, while in the “era of monopoly,” successful firms found themselves capable of paying attractive rates of return on capitalizations that exceeded by multiple times their investments in plant and equipment. Jenks readily acknowledged that under ordinary circumstances, such a state of affairs would be sure to invite competition, which was why he took such pains to detail how it could be deterred (Jenks 1903, 65-66).⁴⁴ The purpose of deterrence, of course, was to confer the power to restrict output - to maintain the scarcity on which value is based - such that it is possible to view the common stock of the newly merged firms as the capitalized value of artificial scarcity.⁴⁵

The structural changes advocated by the McKinley-Roosevelt economists, and effected by the mass consolidation of industrial firms at the turn of the 20th century, amounted to a value revolution, making value the reward for the effective maintenance of “relative scarcities” (Sklar 1987, 70) rather than the compulsion to engage in the all-to-often self-defeating attempt to

⁴⁴ “In effect, marginal utility provided the theoretical ground for the pro-capitalist break with the competitive mechanism as the regulator of the market. Its supply and demand curves offered a model with which the firm might plan as a price-maker – instead of merely as a price-taker – virtually inconceivable on the basis of the classical competitive model... It converted an economic reality productive of unmanageable abundances into an economic calculus suited to the restoration and management of relative scarcities” (Sklar 1987, 70).

⁴⁵ Contemporary economist John Commons bluntly defined such intangible property as representing “the right to fix prices by withholding from others what they need but do not own” (Commons 2009, 3) and “the power to *restrict* abundance in order to maintain prices” (ibid, 5, emphasis in original). For Commons, this was not a criticism. In his view, the “cutthroat competition” and “periodic and general oversupplies of commodities” associated with the 19th century “period of abundance” required precisely the sort of “stabilization” strategies advocated by Conant and Jenks (ibid, 779-780). In *The Theory of Business Enterprise*, Veblen notes that the fact that an asset is intangible “signifies among other things that these assets are not serviceable to the community, but only to their owners” (Veblen 1932, 139).

increase production by competing with rivals on the basis of price. They also amounted, on the supply side at least, to the solution to the crisis of the late 19th century.⁴⁶ Once Menger's assumption that markets clear is dispensed with, the value project explicitly becomes a matter of regulating the supply of water on Robinson Crusoe's island, which was the essence of the calls to eliminate the "waste of competition" for the purpose of restricting output, and underneath any economic jargon, always amounts to a concern with the channeling of the aggregate labor-power of society. Both the late 19th century crisis, and its solution, would appear to vindicate Malthus' contention against Ricardo that value is to be measured not by the quantity of human effort expended in production, but rather the activity elicited in exchange. Ricardo would have recognized the "intangible property" which represented the power of the newly merged firms to regulate output and set prices as the rewards of monopoly, enriching their owners while impoverishing the community,"⁴⁷ while Malthus would have argued that as the size of the gap

⁴⁶ The demand-side solution, according to Veblen, came in the form of "demand for supplies caused by the Spanish American War" (Veblen 1932, 194). Veblen refers to the "era of prosperity 1897-1902" (ibid, 97), and it is interesting to note that 1897 marks the start of both the corporate merger movement as well as the increase in military spending in preparation for war.

⁴⁷ Ricardo bluntly criticized schemes to boost value through the creation of artificial scarcity: "Let water become scarce, says Lord Lauderdale, and be exclusively possessed by an individual, and you will increase his riches, because water will then have value; and if wealth be the aggregate of individual riches, you will by the same means also increase wealth. You undoubtedly will increase the riches of this individual, but inasmuch as the farmer must sell a part of his corn, the shoemaker a part of his shoes, and all men give up a portion of their possessions for the sole purpose of supplying themselves with water, which they before had for nothing, they are poorer by the whole quantity of commodities which they are obliged to devote to this purpose, and the proprietor of water is benefited by precisely the amount of their loss" (Ricardo 1973, 184). Malthus' entire point against Ricardo was that in a system in which investment takes place only for profit, maintaining the scarcities that keep investment profitable will result in more productive investment for the entire society, and hence actually more tangible wealth, than a situation of minimal profit margins offering no incentive to invest in productive activity. John Commons refers to the apparent "paradox" that while an abundance of goods often leads to profit-destroying reductions in price, and high prices resulting from actual scarcity is poverty itself, economic prosperity is always associated with the combination of both high prices and abundant quantities of goods. He follows this with the simple explanation that "This

between “demand” and “supply” is what determines the incentive to invest, deliberately widening it is actually what facilitates increased investment in the production of goods for the market. He was interested in “absolute scarcity” only for its usefulness as a weapon against socialism – it was the maintenance of “relative scarcities,” which provided the spur to the ongoing expenditure of human effort he called “value,” which was crucial, under capitalism, to effect the production of tangible “wealth.”

Godwin’s claim that given the productivity of labor, “ingenuity has been on the stretch to find out ways in which it may be expended (Godwin 1992, 823)” seems more relevant, 100 years later, in light of the calls for the deliberate restriction of output in order to augment value, than Malthus’ bleak formula regarding population and soils. The old socialists, mocked for failing to acknowledge “population Malthus’” “imperious all pervading law of nature” might have felt vindicated to find descendents of the esoteric Malthus fretting over the “geometric” rate of increase of “capital,” which represented instruments for the production of wealth. These socialists also realized that the “scarcity-ratio,” representing the relationship between quantities available and desired, derived not from Nature, but rather reflected the aggregate channeling of the labor-power of society. In arguing that the value project required artificial limits to production, they appear to have been ahead of their time:

“That whilst the inhabitants of this and other countries are wanting those necessities and comforts of life, the liberal possession of which constitutes what we call wealth; whilst many obtain them very scantily, and with great difficulty, toil, and anxiety; and whilst others are in the constant fear by circumstances beyond their control; still it is undeniable, that those very inhabitants, aided by the great mechanic power of which they are possessed, are capable of creating, by their own labor, all those necessities and comforts of life to an almost unlimited extent; certainly to an extent amply sufficient to supply the wants of every

is not a paradox if nature is bountiful and if scarcity is the artificial scarcity imposed by the government” (Commons 2009, 131-2). This is the essence of what Ricardo failed to understand in Malthus’ letters to him.

member of their respective communities!...The reason why so many are poor, must therefore be sought for in the *institutions of society*, and this leads us to the important truth of which we have spoken, which is, that there now exists, AN UNNATURAL LIMIT TO PRODUCTION... Take away the *limits to production* and every thing deserving the name wealth would instantly become accessible to all (Gray 1971, 49, 18, emphasis and capitals in original).

The turn-of-the-twentieth century value revolution, which replaced a Ricardian competition in the field of productive investment with a Malthusian project of managing relative scarcities, would shape early 20th twentieth century efforts to regulate markets in land and labor, and the racialized discourses with which they were justified. The lesson learned from the late nineteenth century crisis, that the preservation of value required a regulatory project designed to effect and maintain artificial scarcities, to be achieved through the *exclusion* of competitors from markets, would be easily grafted onto racialized categories of privilege and exclusion in attempts to protect the value of labor and real estate in early 20th century America. Chapters two and three will explore the racialized geographies of black and white which emerged in what would become highly regulated markets for land and labor, creating race-based “zones” of privilege and exclusion explicitly justified with appeals to “value.”

That value narratives are easily racialized should come as no surprise, for as the foregoing discussion makes clear, any esoteric treatment of value requires a visualization of the population as a whole, and a subsequent “zoning” of its members into categories with respect to their perceived relation to value. For Ricardo, there was the “zone” of workers producing subsistence for other workers, on which all else rested; Malthus divided those exchanging time for subsistence into the categories of productive and unproductive labor, and made maintaining a proper balance between the two essential; and for Menger, there were those who would have their needs met under the value scheme, and those that would be excluded, with the need to

protect the former from the latter both explaining the origin and representing the chief function of the state.

Popular explanations of value which seek to defend the institution have as essential features the presumptions that the scarcity which backs value is natural and permanent, and that an omniscient, omnipotent force, which we attempt to disturb at our peril, is constantly at work channeling human effort in optimal directions. Absent from these explanations is any discussion of the “zones” which are both created and required by the value project, and which distribute comfort and misery, and privilege and exclusion, on the basis of one's placement in them. The existence of social zones, however, and the starkly differing treatment and conditions of life meted out within each, is obvious enough. In popular accounts, emphasis is placed upon creating justifications, based upon the personal characteristics of those residing in them, of the existence of these zones, and the chasms of social treatment and experience which exist between them. In 20th century America, of course, this project of justification was undertaken largely on the basis of skin pigmentation, though it seems plain that any construct which performs the service, whether legal status, measurements of performance, or any other device, can be made amenable to the task. Replacing a blunt discussion of the social requirements of the value project with the fiction that the zones reflect the characteristics of those placed within them would appear to be the essence of modern racism.

Nietzsche's question, applied to value, of whether the institution has “hindered or furthered human prosperity” is subversive on its face, because the foreclosure of that question, accomplished when the popular narratives of value and race achieve their aim, is an essential feature of the regulatory project of maintaining value. Questioning the opportunity costs of the activities performed in the social zones of privilege and exclusion is essential to puncturing the

myth of natural scarcity which provides ideological justification for popular value narratives, and a first step in the direction of a social discussion which might conclude that it is the performance of these activities, and not the people within them, that both forms and maintains these zones. Indeed, the respective projects of Nietzsche and those old socialists would appear not to be merely similar, but the same, for in fact it is our own obedience – our own identity-forming personal projects of fashioning our wills into shapes amenable to being channeled in the directions dictated by value – that sits at the foundation of value as a social institution, and is in fact its essence. A social conversation which forms around the question of what we want, rather than what value needs, might just be the first act of disobedience which charts a course leading beyond the institution of value, and the categories of race on which it depends.

CHAPTER 3 – ZONES OF PRIVILEGE: FROM FIFTH AVENUE TO SUBURBAN “WHITE SPACE” IN EARLY TWENTIETH CENTURY ATLANTA

I. Introduction

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

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

need of protection. Much has been written about the effects of such programs, which served to shift economic activity from red-lined cities to cash-flush suburbs, and erected barriers of entry and opportunity to the non-white and the poor (see, for example, Jackson 1985; Sugrue 1996; Self 2003). Far less effort, however, has been made in trying to determine *why* the elites who fashioned these programs assumed that property values were synonymous with social exclusion, and could not survive without it.

In his classic, *Crabgrass Frontier: The Suburbanization of the United States*, for example, Kenneth Jackson offers the explanation that the programs were racist simply because they were American – given the history of the country, what else could we possibly expect? Racism is presented as fixed, irrational, and external to value, yet so powerful a force as to confuse the thinking even of leading economists:

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

The notion that the irrationality of racism makes for bad economics, which comes with the implication that value would be a neutral category if only human beings didn’t interfere, has been repeated in more recent scholarship. LeeAnn Lands, for example, cites academic scholarship which challenges the assumption that black entry into neighborhoods has a tendency to depress property values before asserting that “Atlanta’s whites never offered any evidence to support their claims that black encroachment depreciated values of white owner-operated

property” (Lands 2009, 94). Kevin Kruse similarly points out that despite the certainty on the part of the whites residing in Atlanta’s Mozley Park neighborhood that black entry would decimate property values, “property values in the black-occupied section of Mozley Park actually witnessed a boom” (Kruse 2005, 76).

It’s obvious enough that there’s no necessary connection between skin pigment and the price of housing, or any other good, but explanations which point this out, while attributing the racism of federal home loan policies to the irrationality of bigotry, are missing the essence of the value story. There is nothing irrational, in fact, about the regulations developed to protect urban property values in the first decades of the twentieth century, the presence of which the HOLC made a virtual requirement for neighborhoods to receive a favorable mortgage-risk rating. These regulations, which took the form of private deed covenants, which placed restrictions on the use and sale of the properties to which they were attached, and municipal zoning, which achieved comprehensively through the power of city law what deed restrictions could effect only piecemeal, had as their blunt purpose the boosting and maintenance of real estate values by means of artificial limitations placed on the supply of urban land. The regulatory logic of zoning, in fact, emerged directly out of the elite consensus which formed out of the late-nineteenth century economic crisis, and applied to markets in urban real estate the principles derived from the conviction that achieving profitable price-levels for the products of industry depended crucially upon regulations capable of effecting and maintaining a reduction in supply.

The HOLC’s identification of value with social exclusion was one and the same with its identification of value with scarcity, for as Menger makes clear, the only goods that can meaningfully be called scarce are those which are exceeded in number by those that wish to consume them (Menger 1950, 94-95). Once it becomes determined that the level of scarcity

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

Indeed, in what follows the American elites who pioneered these scarcity-inducing land-use regulations, the implementation of which the federal government would ultimately make a requirement for receipt of federally-backed mortgage loans, will be found arguing, at various times, that immigrants, apartment-dwellers, and African Americans all posed threats not only to the safety and well-being of the “community,” but often, literally, to the survival of “civilization” itself. Pointing out that such arguments are part of a long history of “bigotry,” or that they are on their face absurd, accomplishes little if such a critique is not connected to an examination of the very rational, and consistently pursued, end of achieving a price-enhancing limitation on the supply of land to which such irrational racism was placed in service. Kenneth Jackson attributes land economist Richard Hurd’s contention that “the socioeconomic characteristics of a neighborhood determined the value of housing to a much greater extent than did structural characteristics” to bigotry (Jackson 1985, 198), but in fact both Hurd and the HOLC, whose thinking mirrored his, were thinking quite clearly about value. What Hurd would undoubtedly

explain to Jackson is that his own personal bigotry, if the characterization was indeed correct, was irrelevant in the matter. According to his conception of value, which informed the regulations which bigotry was employed to justify, and was entirely shared by the economists of the HOLC, if access to suburban housing ever became so widespread that even the lower classes found themselves in possession of it, suburban housing would have very little value indeed. The entire regulatory problem, in fact, was that if the “structural characteristics” of housing, and the quantity of land actually available, were the true determinants of the scarcity, or value, of housing, there would be no such thing as a profitable market in real estate. Social exclusion was the essence of value for the HOLC because social exclusion is simply another word for scarcity.

While Jackson suggests that racism is an irrational constant which distorts our conception of value, the argument here is that American categories of race are constructs which have been essentially shaped in regulatory pursuit of the scarcity which the developers of those regulations held to be value’s essence. The trope of non-whites as agents of devaluation in real estate markets, endlessly treated in scholarly accounts of post-World War II suburbanization, in fact traces its roots to turn-of-the-twentieth century arguments that immigrant workers were causing a value-destroying glut of industrial labor, from which white working-class living standards, said to be the foundation upon which American democracy rested, required regulatory protection. This narrative was then incorporated at the foundations of the nascent urban planning “movement,” which took shape around calls to “Save New York” from the presence of those same immigrants in the elite Fifth Avenue Shopping district, who were posed as both cause and effect of a value-destroying glut of office space said to threaten the very survival of the city. The regulatory apparatus developed to meet this “threat,” while effecting a value-enhancing limitation on the supply of New York City real estate, took the form of the 1916 New York City

Zoning Ordinance. This law, as well as the appeals to a crisis narrative which justified the distribution of regulatory privilege and exclusion on the basis of race and class, would serve as a template for the hundreds of municipalities which would adopt zoning in the 1920s (Toll 1969). The federal government's criteria for determining neighborhood "security risk" as candidates for receipt of mortgage loans, developed by the HOLC in the 1930s, was essentially a matter of rewarding those neighborhoods, and their inhabitants, which had been marked as "exclusive" by 1920s zoning legislation – signified by proscriptions on the presence of non-whites and renters – and punishing those marked for exclusion.

This chapter traces the development of these regulations, and the racialized crisis narratives with which they were justified. Central to the story are the urban planners, and the regulatory framework they developed at the annual National Conference on City Planning. The Conference, which met for the first time in 1909, featured a debate over the meaning of value at its inception, and a clash over differing proposals for land-use regulation put forward on the basis of those competing claims. It was a debate which would force its victors to declare that value flowed from "all sorts of relations and *privileges*," not labor, rendering explicit the privilege these planners would in fact write into urban landscapes, by means of zoning regulations, throughout the country (New York Committee on Taxation 1916, 20-21). The chapter follows these planners, and their proposed zoning legislation, from the Conference to New York, where their regulatory regime, implemented in 1916, would "save the city" from the "immigrant hordes" which threatened it with destruction. It concludes with an account of the 1922 Atlanta Zone Plan of Robert Whitten, co-author of the 1916 New York City Zoning Ordinance, which would write a vision of race- and class-based privilege and exclusion into the landscape of that city, and the 1938 HOLC "residential security map," which assigned grades to the city's

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

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

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

“Progressive” economists at the turn of the century analyzed the labor market through the same lens with which they saw unfettered competition resulting in gluts of oversupply, with all their anti-social consequences, in markets for industrial and agricultural commodities. These

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

While in the abstract the problem of the devaluation of labor could be discussed in terms of the vague banalities of supply and demand, in practice calls to actually limit its supply were accompanied by discourses designed to create and justify categories of both privilege and exclusion. This “racing” of value, such that non-whites were labeled as agents of devaluation, thus providing moral and legal justification for their market exclusion, while “native-born” white Americans were posited as representing society itself, and thus entitled to regulatory protection, would soon be replicated in calls for regulations designed to maintain the scarcity, and hence value, of residential and commercial urban property, in which categories of privilege and exclusion were similarly both drawn and defended largely along racial lines. Indeed, the “race suicide” discussion can be seen as a vital precursor to the vision of urban space articulated by the

pioneers of the comprehensive zoning and urban planning movements, which made property values synonymous with social exclusion, and wrote zones of privilege and exclusion across the early twentieth century urban landscape through municipal zoning regulations and racially restrictive covenants, coupling a regulatory concern with “oversupply” with a strategy for the maintenance of scarcity which doled out privilege and exclusion on the basis of race and class.

In a series of articles in the 1890s, Yale economist Francis A. Walker established the framework for the “race suicide” take on immigration which would have Theodore Roosevelt declaring in 1907 that the dire demographic trend represented “the greatest problem of civilization” (Walker 1892; Walker 1896; Roosevelt 1907).⁴⁸ Walker, whose directorship of the United States Census in 1870 and 1880 lent the aura of science to his pronouncements on the social significance of demographic data (Leonard 2003), found the basis for his alarmist projections in the discovery that not only was the falling off of the white American birthrate, which began in the middle decades of the 19th century, coincident with the first arrivals in large numbers of immigrants to the United States, but that that the falloff occurred “in the highest degree in those regions, in those states, and in those very counties into which the foreigners most largely entered” (Walker 1896, 824).

⁴⁸ Roosevelt wanted citizens to understand their duties in the face of such grave peril: “There are countries which, and people in all countries who, need to be warned against a rabbit-like indifference to consequences in raising families. The ordinary American...needs no such warning. It is a simple mathematical proposition that, where the average family that has children at all has only three, the race at once diminishes in numbers, and if the tendency is not checked will vanish completely – in other words there will be race suicide. If through no fault of theirs, they have no children, they are entitled to our deepest sympathy. If they refuse to have children sufficient in number to mean that the race goes forward and not back, if they refuse to bring them up healthy in body and mind, then they are criminals” (Roosevelt, 551).

This nod in the direction of Census data was the beginning and end of Walker's "scientific" contribution.⁴⁹ From there it was only a matter of assuring his readers that the addition to the labor market of "vast numbers of men...with a poorer standard of living, with habits repellant to our native people, of an industrial grade suited only to the lowest kinds of manual labor, was exactly such a cause as by any student of population would be expected to affect profoundly the growth of the native population" (ibid, 825). The precise reason for the "profound effect" of the appearance of "vast throngs of ignorant and brutalized peasantry from the countries of Eastern and Southern Europe" on the reproductive habits of the American-born, according to Walker, could be traced to an attempted withdrawal, on the part of "native" whites, from an economic competition which required that they reduce their standards of work and living to those of their racial inferiors: "They became increasingly unwilling to bring forth sons and daughters who should be obliged to compete in the market for labor and in the walks of life with whom they did not recognize as their own grade and condition" (ibid, 825).

The race suicide narrative shifted the Malthusian concern with the relationship between population and available resources to that between numbers of workers and available jobs, and crucially introduced the notion that even more significant than the question of quantity of population was the matter of *quality*. This, in fact, was what made the creation of a privileged market position for white workers a matter of such urgent necessity. For while the immigrants which created the original American "stock" "came almost exclusively from Western and Northern Europe," the new immigrants, representing "vast masses of peasantry, degraded below our utmost conception," were increasingly hailing from "southern Italy, Hungary, Austria and

⁴⁹ The problem with Walker's account did not lie merely with his interpretation of the data, but with his presentation of the data itself. The Census numbers he presented as representing "native American stock" actually included the American-born children of the very immigrants he held to be threatening that "stock" with "race suicide" (Leonard 2003).

Russia” (ibid, 828).⁵⁰ It was not just that their presence in American labor markets dragged American wages and working conditions down to their own “degraded” state, “breaking down the standard which has been maintained with so much care and at so much cost” (ibid), but that these “races” had “no inherited instincts of self-government and respect for law.” The “socialistic mob,” Walker explained, did not speak English (ibid, 829), and these inferior races, lacking the hereditary traits which would render them fit for democratic citizenship, in fact were planting the seeds of tyranny on American soil, as they knew “no restraint upon their own passions but the club of the policeman or the bayonet of the soldier” (ibid).

Immigration, then, was not so much a labor problem as a matter of national security: “Have we the right to expose the republic to any increase of the dangers from this source which now so manifestly threatens our peace and safety” (ibid)? For Walker, the solution was simple: the “ignorant and brutalized peasantry” should henceforth be denied entry to the United States, thus achieving a regulatory restriction on the supply of labor designed to protect not only American wages and living standards, but to reverse the trends leading towards the gradual extinction of the “American race,” and the end of the grand experiment in American democracy which such extinction would entail.

Walker’s apocalyptic race vision, and its regulatory implications, were embraced with enthusiasm by the leading “Progressive” economists of the day, who added new layers to the narrative which amounted to a “racing” of the “overproduction” account of crisis itself.

Progressive stalwart John Commons argued that while the protective tariff placed an artificial

⁵⁰ Unfortunately for the racial stock of the United States, explained Progressive economist John Commons, “enterprising and intelligent Northern Italians head for South America, while we receive the Southern Italians who are nearly the most illiterate of all immigrants at the present time, the most subservient to superiors, the lowest in their standards of living, and at the same time the most industrious and thrifty of all common laborers” (Commons 1920, 79).

limit on the supply of industrial goods, thus helping to maintain prices, the lack of such limits on the supply of labor created a widening gap between the price of goods and that of labor, exacerbating the problem of oversupply by rendering workers incapable of buying back the necessary share of their product (Commons 1920, 159). Further, while during a period of business expansion, increasing industrial demand for inputs should push up costs until they provide a “natural” brake to further production, the rapid increase in immigration during periods of prosperity sent the price of labor in the opposite direction over the course of a boom:

“When once the flow of immigrants is stimulated it continues for some time after the pinnacle of prosperity has been reached... This makes it possible for great corporations to continue their investments by means of cheap labor beyond the probable demands of the country, with the result of overproduction, loss of profits, inability to pay fixed charges, and consequent panics. Thus it is that immigration, instead of increasing the production of wealth by a steady, healthful growth, joins with other causes to stimulate the feverish overproduction, with its inevitable collapse, that has characterized the industry of America more than that of any other country” (ibid).

Fellow Progressive and Wharton Business School Dean Simon Patten outdid Commons in his efforts to “race” the overproduction and crisis narrative by arguing that the same technological revolutions which had made gluts of commodities endemic to capitalism similarly resulted in “gluts” of people of inferior racial stock, thus allowing immigrants to be viewed not only as agents of devaluation in labor markets, but, when combined with Commons’ account, as both cause and effect of industrial overproduction. By softening the struggle for existence, Patten argued, revolutions in technology made possible the survival of those who would previously have been eliminated by Malthus’ “positive checks” to population, or in Darwin’s “survival of the fittest” struggle for access to the means of life (Leonard 2003). In fact, given the immigration-induced decline in the “native” white birth-rate, it was clear that modern industrial capitalism was productive of conditions which produced not a “survival of the fittest”

competition, but rather one which resulted in the “survival of the least fit.” “Every improvement which simplifies or lessens manual labor,” he explained, “increases the amount of the deficiencies which the laboring classes may possess without their being thereby overcome in the struggle for subsistence that the survival of the ignorant brings upon society” (Patten, cited in Leonard 2003, 693).

These Progressive economists thus developed Walker’s narrative in ways that expanded the destructive range of non-whites as agents of devaluation. As these multiplied, so also did the regulatory fixes advanced which sought to protect “value” by means of race-based strategies of privilege and exclusion. Minimum-wage legislation, for example, was explicitly advanced for the purpose of pricing immigrant workers out of the labor market by depriving them of their ability to undercut ‘American’ labor on the basis of price, presumably their only competitive advantage (Leonard 2003). “The Coolie cannot outdo the American,” explained Edward Ross, who would go on to chair the Department of Sociology at the University of Wisconsin, “but he can underlive him” (ibid, 699).⁵¹ Stripped of their capacity to devalue labor by forcing wages and working conditions down to their own inferior level, immigrants would find themselves unemployed: “No corporation would hire Angelo Lucca and Alexis Spivak for \$3 [per day] as long as they could get John Smith and Michael Murphy and Carl Schneider,” argued the editor of *Survey*, a leading Progressive journal. “It would be the intent and result of such [minimum wage] legislation to *exclude* Lucca and Spivak and other ‘greeners’ from our congregate

⁵¹ Ross’s race suicide views got him fired from Stanford University in 1900. The problem at Stanford was not Ross’ penchant for calling for orgies of racist violence, with statements such as “Should the worst come to the worst, it would be better for us if we were to turn our guns upon every vessel bringing [Asiatics] to our shores rather than permit them to land,” but rather because his attacks on railroad employers of Chinese labor left a bad taste in the mouth of Leland Stanford’s family (Leonard 2003, 697; regarding Ross’ dismissal from Stanford, see Ross 1990, 174).

industries, which beckon to them now” (Leonard 2003, 704, emphasis added). “With regard to a certain section of the population,” assured socialists Sydney and Beatrice Webb, “this unemployment is not a mark of social disease, but actually of social health” (ibid, 699).

The terms of the “race suicide” discussion – overproduction, crisis, and calls for government regulation of markets as the only remedy for these ills – reflected the elite consensus which emerged out of the late 19th century crisis, that unregulated free-market competition resulted in the production of goods and services in excess of that which would result in prices that ensured a profitable return (Sklar 1987). Not only was market regulation seen as necessary to the maintenance of value, but government regulations became the source of value itself, as value disappeared in their absence. In *Legal Foundations of Capitalism*, John Commons provided a succinct statement of the problem: “While liberty of access to markets on the part of an owner is essential to the exchange value of property, too much liberty of access on the part of would-be competitors is destructive of that exchange-value” (Commons 1939, 17). Regulations which excluded competitors conferred economic value upon the beneficiaries of the exclusion in the form of a privileged market position, which Commons described as a legally conferred enhancement of “bargaining power,” designed to protect favored segments of either capital or labor from the effects of ‘excessive’ competition:

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

Such categories of privilege and exclusion, which in the labor market took the form of legislative restrictions placed on immigration, should thus not be seen as “extra-economic” irrationalities, imposed by racists or other miscreants on the otherwise neutral institution of value, but are essential to the historical development of value itself. The consensus which emerged out of the late 19th century crisis regarding the pernicious effects of unfettered competition, and the crisis-inducing overproduction in which it was believed to inevitably result, did not simply represent a level of ideological agreement with respect to how the economy “worked,” but a commitment to a regulatory program which called for the protection of value by means of the legal creation of such categories, and the power to pursue its implementation. The trope of non-whites as personifications of devaluation, used to justify the proposed regulations, as well as identify those targeted for either privilege or exclusion, was similarly applied in contemporaneous calls for comprehensive urban land-use regulations which created legal categories of privilege and exclusion designed to prevent the “oversupply” of urban real estate. Before such regulations could be developed and implemented, however, articulate calls for the unthinkable – an attack upon the artificial scarcity of urban land based upon a Ricardian conception of value – forced the nascent urban planning movement into a debate over the nature of value itself.

III. Value vs. Wealth: Malthus & Ricardo Square Off in New York

The clash would pit radical reformer Benjamin Marsh, for whom the overcrowding of slum districts was the problem, and an end to “protected privilege and exploitation” in the ownership of land the solution (Marsh 1910, 35), against Frederick Law Olmsted, Jr., whose visions of exclusion would be inscribed in suburban landscapes across the country (Fogleson

2005), in a battle for the leadership and direction of the as yet ill-defined urban planning “movement.” Marsh had arrived in New York City in 1907 to assume the position of executive-secretary in the newly formed Committee on Congestion of Population in New York, which viewed with alarm the disease-producing effects of the overcrowding of the city’s slum-tenement districts with “immigrants who are unable to afford American standards in the most expensive places to live,” the large cities in which they were overwhelmingly concentrated (Marsh 1910, 37).

For Marsh and his fellow reformers, however, slum neighborhoods crowded with immigrants were not a symptom of “race suicide,” but rather a reflection of “land monopoly,” and a system of taxation which amounted to both a subsidy of speculation and a tax on productive industry. Channeling the land tax ideas of Henry George into efforts at urban reform, Marsh argued that the property tax was wrongly applied to the value of improvements upon the land, when all that should be taxed was the value of the underlying land itself (ibid; New York Committee on Taxation 1916).⁵² Under the current system, which equally taxed the value of both the land as well as anything built upon it, the construction of model housing for the poor resulted in a higher tax bill than the erection of shotgun shacks, while simply leaving the property vacant in the hopes of speculative gain would result in the lowest tax bill of all.

For Marsh, this last was the worst feature of the system. Land values, he argued, were social, fluctuating with the rise and fall of a community’s population, and the success or failure of its economic activity. In a great metropolis such as New York, of course, the trajectory of land values rose steadily upward, providing an enormous incentive for what amounted to the

⁵² Marsh gives a clear presentation of his views in his appearances before the 1916 New York Committee on Taxation, which provides the source of this account of them (see New York Committee on Taxation 1916).

parasitical activity of purchasing land and then waiting for the arrival, and efforts, of others to push up its price. The idling of vast tracts of land for speculative purposes drove up the price of land sought for productive use, and acted, along with the property tax on improvements, as a tax on the productive activity of the community, resulting in an actual reduction in its tangible wealth.

Marsh framed the issue in terms of monopoly and competition. The current tax system rewarded efforts to monopolize land by withholding its supply, while “untaxing” improvements, and shifting the municipal tax burden entirely onto the value of land itself, would it make uneconomical to hold land for the mere prospect of speculative gain. Not only would this force much land held for this purpose onto the market, driving down land prices generally and acting as a stimulus to industry by reducing rents, but the elimination of taxes on improvements, which effectively acted as a “restraint in trade of buildings,” would result in an increased rate of construction (ibid, 244). As the supply of housing and other buildings increased, so too would the intensity of competition for tenants, further driving down rents and placing the owners of slum housing at a competitive disadvantage.

For Marsh, “land monopoly” was the cause of the brutally inhumane conditions found in the city’s slum districts, and “competition,” to be effected by his proposed tax reform, the solution. Efforts to improve the conditions of housing in the slums which failed to confront head-on the bare fact that it was the high price of land which compelled the overcrowding of the poor were worse than useless. “Charity in congested districts,” said Marsh, is “exploitation’s most powerful ally” (Peterson 2003, 221). This was a lesson which for Marsh had been derived from personal experience. His move to New York had been precipitated by the loss of his position as secretary of the Pennsylvania Society to Protect Children from Cruelty, the result of a

clash which pitted his efforts to protect children from the “cruelties” of slum housing against the interests of the slumlords who sat on the board of the organization, and ultimately declined to pay his salary (ibid, 236). In New York, for Marsh, the distinction between window-dressing reform and real solutions was perhaps personified by Robert DeForest, co-chair of the 1900 New York City Tenement Commission, who warned Marsh upon his arrival that “if you touch the land problem in New York, you probably won’t last here two years” (ibid, 236-7).

This was advice which Marsh would choose to ignore. In 1908, his new organization placed the horrors of the slum districts on display with a “Congestion of Population in New York” exhibition at the American Museum of Natural History. While perhaps always shocking, the tactic of providing middle-class Americans visual entry into the world of the urban poor was not new, having been pioneered by the photography of Jacob Riis nearly two decades before (Schwartz 1993). What was novel in Marsh’s approach was the contention that the slums were merely the most visible, and inhumane, manifestations of a system of land regulation which would never have been born into existence if not for the fact that “the cheapest thing in New York City is human life” itself (New York Committee on Taxation 1916, 239). Save for those with a direct economic stake in the preservation of the “land monopoly,” he argued, all would benefit from an improved stock of housing which absorbed a smaller percentage of average income, and the higher standards of living which would result from the channeling of effort previously absorbed by land speculation into an expanded level of production of goods and services. “Taxation is Democracy’s Most Effective Method of Securing Social Justice,” read one placard at the “Congestion” exhibition, with another declaring that if the burden of taxation were shifted to land values, “Congestion Would Lose Most of Its Charm” (Peterson 2003, 243).

The efforts of Marsh, along with those of his fellow reformers at the Committee on Congestion of Population in New York, were successful enough to persuade the city to establish, in 1910, a “City Commission on the Congestion of Population,” with Marsh as secretary, charged with investigating the causes of overcrowding (*ibid*). Not too surprisingly, the Committee’s study concluded with the recommendation that the proposal to shift the tax burden from buildings to land be placed before the public by way of citywide referendum. The referendum did not take place on the watch of Mayor William Jay Gaynor, who had called the committee into existence, but Marsh and his followers succeeded in pressuring mayoral candidate John Mitchel, who would take office in 1914, into making the campaign promise that, if elected, he would “not interfere” with their efforts to hold the referendum (New York Committee on Taxation 1916, 238).

If the great lesson of the late 19th century crisis was that markets demanded regulations designed to effect price-enhancing restrictions on supply and competition, Marsh’s tax scheme represented the antithesis of what was required for the effective regulation of urban space, and amounted to a call upon the government to engage in the systematic destruction of property values.⁵³ When Marsh’s call, in 1909, for a national conference on urban planning was met with a warm reception, with President William Howard Taft sending two cabinet secretaries to preside over sessions, and the Speaker of the U.S. House of Representatives agreeing to make a short speech, Frederick Law Olmsted, Jr. determined that while such a national forum for discussion of the problems of the city was urgently needed, Benjamin Marsh, and his radical proposals, could themselves be labeled “urban problems,” and set about to ensure that what was to become

⁵³ “It is pointed out that under our laws, as they have existed, people have been encouraged to invest in land as well as in other things. What possible reason is there for the government now to step in and, by utilizing the power of taxation, to take away from present owners a part of their property?” (New York Committee on Taxation 1916, 28).

the National Conference on City Planning and the Problems of Congestion did not serve as a platform for the propagation of Marsh's ideas and influence (Peterson, 2003).

Olmsted, Jr., whose father, the "dean of American landscape architects," had designed Central Park, had himself become one of the leading landscape architects in the country, taking over his father's firm and applying his vision of parklike urban landscapes to the design of elite subdivisions, private estates, public institutions, and, of course, parks themselves (Fogelson 2005, 7). To Marsh's advocacy of regulations intended to drive down rents by pressing land into "productive" use could be contrasted Olmsted Jr.'s application of land-use regulations, in the form of the restrictive deed covenant, designed to exclude people and activities deemed inimical to property values. Blacks were so toxic to property values, he informed Atlanta developer Joel Hurt, that the practice of providing servants quarters on elite properties should be forbidden by the covenants governing space in his newly designed, highly restrictive subdivisions: "The raising of negro children, even those of gardeners, coachmen, and others often provided for," he explained, "is almost certain to result in disagreeable conditions" (ibid, 126).⁵⁴

Further, regulations governing land use in elite residential neighborhoods should be designed to compel *decorative* as opposed to productive use of private space. The ideal was the park, not the farm, and restrictive covenants in Olmsted-designed suburbs not only barred any business use of property, which the covenants declared to be exclusively residential, but, while acknowledging that "many intending purchasers will strongly object to this restriction" (ibid, 169), also prohibited "farm animals" as opposed to pets, which meant explicit bans on cows,

⁵⁴ Hurt hired Olmsted, Jr.'s firm, Olmsted Brothers, which Olmsted, Jr. and his step-brother, John Charles Olmsted, had taken over from their father and renamed, to design Druid Hills, one of Atlanta's earliest suburbs (Fogelson 2005).

goats, pigs, chickens and rabbits on Olmsted properties, a land-use regulation that would become commonplace across suburban America (ibid).⁵⁵

In the spring of 1909, however, Olmsted's target for exclusion was neither the children of servants nor barnyard animals, but radical reformer Benjamin Marsh, and the threatened prospect that the organization of a national conference on city planning would provide him with a national platform from which to argue that the roots of urban problems could be traced to the evil effects of the "land monopoly," and a system of taxation which rewarded speculation while penalizing productive activity. Olmsted accepted Marsh's invitation to attend the conference, but explained in a private letter that he "was afraid of the influence which the conference, hastily gotten up by the Committee on Congestion of Population in New York, would have, and I went into it only in hopes of modifying its influence" (Peterson 2003, 247). In fact, in the words of urban historian Jon Peterson, he had "decided to contest Marsh without stint, no matter what the personal cost in time and energy" (ibid).

It was a battle from which Olmsted would emerge triumphant. He arrived at the 1909 conference, held in Washington D.C., determined to make the conference an annual event, with the duties of planning future conferences to be placed in the hands of "a saner person" than Marsh (ibid). Olmsted achieved this by successfully proposing that a committee be formed to plan the following year's conference, to which he was then named, and lobbying the Russell Sage Foundation for funds to employ a full-time conference "organizer," whose chief job, in fact, would be the mitigation of Marsh's influence, and the steering of the conference in the direction of "expert" professionalism, and away from radical reform. It was urgent, explained

⁵⁵ Olmsted's battle to ban chickens at Druid Hills would be a losing one, however, with Joel Hurt informing him that "Mrs. Hurt has a very decided preference for them" (Fogelson 2005, 169).

Olmsted in his appeal to the foundation, that the conference be relieved “of the danger to which it will be subjected by the well-intentioned Mr. Marsh if he is not forestalled” (ibid, 250).

At the 1910 conference, Olmsted successfully carried a resolution declaring that the purpose of the conference was to act as a forum for discussion open to *all* groups engaged in the planning and shaping of cities, an implicit welcoming of the real estate industry, and that it was not to be seen as a reform organization (ibid, 250-1). Later that year, Olmsted was elected chairman of the organization, while Flavel Shurtleff, whose position the Russell Sage Foundation had agreed to fund in exchange for his efforts to sideline Marsh, was chosen as secretary. Marsh would address the conference for the last time in 1910, and by the third conference, the “problems of congestion” had been pointedly dropped from its title, signaling its shift of focus. The conference, which met annually into the 1930s, would articulate a vision for the regulation of urban space which could be viewed as the antithesis of Marsh’s, and in fact was based upon the same conception of value and markets as that which governed the assumptions of the race-suicide discussion: value required regulatory protection from “excessive competition,” and the price-deflating gluts of oversupply which were its inevitable result. This in turn mandated the creation of legal categories of privilege and exclusion, which would be similarly cast in racial terms.

Indeed, Marsh’s radical proposal for the regulation of space in New York City would be defeated by an alternative regulatory scheme, the 1916 Zoning Resolution, which was not only based upon this racialized value vision of privilege and exclusion, but designed by a cast of the leading “experts” who’d successfully sidelined him at the national conference. Marsh’s hopes for a referendum on his proposal to shift the property tax from buildings onto land values were dashed when incoming Mayor John Mitchel, who’d promised the referendum, instead offered up

another committee, to which Marsh was not named, which was charged with studying the issue. The committee was chaired by Progressive economist Edwin Seligman of Columbia University, who'd made himself the leading academic opponent of Marsh's ideas (Haar et. al. 1989, 37), with Marsh collaborator Frederic C. Howe as secretary, giving the committee a semblance of balance which, in Marsh's estimation, was not deserved.⁵⁶

While Marsh's fiery rhetoric would serve as a safeguard against tedium at the proceedings,⁵⁷ it was the clash over the theory of value underlying his proposal which provided a window into the ideologies behind the competing schemes of land-use regulation. The committee organized the first section of its report in the form of a give and take between the proponents and opponents of Marsh's scheme. The very first "advantage" listed by the proponents of 'tax-shifting' was the benefit to be derived from the removal of all taxation from the "products of labor," as labor was, in fact, the source of all value (New York Committee on Taxation 1916, 17).

⁵⁶ Addressing the committee, Marsh declared that "The public should know that this Committee was appointed by Mayor Mitchel, in repudiation of a pledge before his nomination not to interfere with the referendum on reducing taxes on buildings in 1914, as was recommended by Mayor Gaynor's Commission on Congestion of Population, in 1911, after a careful investigation. It is to the personal financial interest of a majority of your committee not to have the taxes now levied on buildings transferred to land values. A report against this proposal will be the recommendation of a prejudiced, if not to say, a packed jury" (New York Committee on Taxation 1916, 238).

⁵⁷ He assured the committee, for example, that while some of them undoubtedly deserved death for the disease which their defense of the "land monopoly" was sure to inflict upon the poor, it was not a fate he would wish upon them: "It is because the cheapest thing in New York is human life that we have the present system of taxation. I could wish nothing better than that every one of you gentlemen on this Committee who does not favor untaxing buildings be obliged to live in one of those [disease-producing tenement] traps – they are strictly legal – live there until you get the first touch of consumption. I do not want you to follow the sad fate of the 10,000 people who die there from consumption every year, because I do not believe in fitting the penalty to the crime. You should at least have a little touch of consumption, just so as to realize that we have 28,000 new cases of consumption every year. The only thing this so-called reform administration [the government of Mayor John Mitchel] seeks is the conservation of property rights at the expense of human rights" (New York Committee on Taxation 1916, 239).

The proponents of the Marsh scheme, in fact, held to a strictly Ricardian conception of value. This was no accident, as the “single-tax” scheme of Henry George, which served as their inspiration, was based entirely upon Ricardo’s theories of value and rent (George 1925). For while Ricardo viewed the social classes of landlord, laborer, and capitalist as natural and inviolable, he bluntly described landlords as unproductive, and held rent to be not an addition to the wealth of the community, but a mere transfer of the products of the capitalist and the rent-paying farmer to the landlord. Rent rose steadily with population, and as it did so, it raised the costs, and reduced the rewards, of the productive activity which actually supplied the community with the wealth it sought to consume; it would ultimately absorb such a large share of the social product that avenues for the expansion of productive activity were blocked entirely. For Ricardo, all this was as inevitable as it was regrettable (Ricardo 1911). For George, and his acolytes pleading their case before the New York City Committee on Taxation, once the trends explained by Ricardo were understood, there was no reason not to use tax policy to eliminate the rewards of land speculation, which only hastened the trend already in motion, and make society, rather than landlords, the beneficiary of the rent which in fact was merely a reflection of its own growth, by using it to fund the government. Labor created value; land merely absorbed it. Both value and the wealth-producing labor it represented would spiral upward if the brake upon productive activity, in the form of taxation of improvements, were removed, and applied to land speculation, an activity which was worse than useless, as it drove up the costs of engaging in actual production (George 1925; New York Committee on Taxation 1916).

The reply of the “negative” was brief, but it could have been written by either Malthus or Menger:

“As a general philosophy of economics and life,” they began, “it is denied that land is so entirely different from other kinds of wealth,” or that it is possible to

“distinguish between land values as community-made values, and other values as man-made values. What gives value to everything is demand. Without demand, no labor product would have any value whatever... The demand is as important and insistent in the case of labor values as it is in the case of land values” (New York Committee on Taxation 1916, 20).

Further, just as Malthus had argued against Ricardo, the supposition of a zero-sum game between rent and profit could only survive inside of the air-tight world of a theory which positively refused to risk the subjection of its premises to the record of actual experience. In the real world, Malthus had argued, rents, profits, and wages ride the waves of boom and bust together. There’s simply no evidence, he insisted, to suggest that the rise of one comes at the expense of another, and in this he was echoed by those waging their own battle against Ricardo a century later, in the service of the City of New York:

“It is absurd to claim that since all wealth is divided into rent, wages, and interest, if more goes to the payment of rent less will be available for wages and interest. This may be true of a hypothetical static condition; that is, where there is a given sum to be divided, but it is not true of actual life, which is a dynamic condition and which continually changes. If rents rise because of greater population and greater prosperity, it is just as likely that wages will rise at the same time, because of the greater prosperity and the greater demand for the products of industry” (ibid, 24).⁵⁸

Value, in short, was not merely another word for labor, and it was entirely fallacious to assert that rising rents for landlords were indicative of anything other than a general state of prosperity. If the Ricardians battling ‘land monopoly’ in New York had gotten value all wrong, however, what was the source of the value which their opponents would go to such lengths to protect and augment with their own scheme of land-use regulation? However cryptically, this is what Marsh’s opponents on the committee apparently most wished to emphasize:

⁵⁸ Whether they knew it or not, they were echoing Malthus: “But, to estimate rent and wages by the *proportion* which they bear to the whole produce, must, in an inquiry into the nature and causes of the wealth of nations, lead to perpetual confusion and error... Under the most unfavorable view therefore that we can take of the subject, the case of the landlord is not separated from that of other producers” (Malthus 1968, 201; 206).

“Finally, and *above all*, value in modern life comes not so much from the application of labor *as from all sorts of relations and privileges. These speculative relations and actual privileges enter so importantly into all forms of modern income that it would be illegitimate to draw so hard and fast a line between land and other things*” (ibid, 20-21, emphasis added).

The assertion that value comes from “all sorts of relations and privileges,” of course, immediately begs for elaboration: exactly what sorts of relations and privileges do they have in mind? John Commons’ “bargaining power” would certainly make for an educated inference, though fortunately, the campaign which pushed aside Benjamin Marsh’s crusade to tax the “land monopoly” in New York and successfully lobbied for the enactment of the 1916 New York City Zoning Resolution was so blunt in its calls for the protection of value based upon strategies of privilege and exclusion that no inference is necessary to decipher their meaning. Borrowing from the tropes of the contemporaneous “race suicide” narrative, the campaign would present non-whites as agents of devaluation in justifying a regulatory regime designed to protect and inflate real estate values by way of limitations placed on supply and competition, with costs and benefits to be distributed on the basis of race and class.

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

While the 1916 New York City Zoning Resolution would be written by a coterie of the experts who’d successfully excluded Benjamin Marsh from the National Conference on City Planning, their efforts were undertaken on behalf of the owners of some of the most valuable property in the city – representatives of the “land monopoly,” which for Marsh, of course, was the real enemy (Toll 1969).⁵⁹ Indeed, in 1907, as Marsh was arriving in New York to begin his

⁵⁹ My account of the campaign to “zone New York” draws heavily from that of Seymour Toll’s *Zoned American* (1969), which has been referred to as “the classic and enduring treatment of the early history of zoning” (Wolff 2008, 175).

work with the Committee on Congestion of Population in New York, the Fifth Avenue Association (FAA) began a series of private meetings for the purpose of sharing their own concerns over the problem of overcrowding in the city, and its impact on business and property values in its elite shopping district (ibid). The immigrants at the heart of the race suicide narrative had a geography, and perhaps nowhere was their level of concentration higher than on New York's Lower East Side, which was described by both Marsh and his land-owning nemeses as one of the most crowded urban districts in the world (Revell 1992).⁶⁰ The problem, according to the Association, comprised of "leading retail merchants, hotel operators, property owners, investors, lenders, and real estate brokers," (Weiss 1992, 51) was that this "immigrant geography" was increasingly tending to overlap with their own, a trend which was "doing more than any other thing to destroy the exclusiveness of Fifth Ave," upon which both property values and the success of their retail businesses depended (ibid, 51).

The immigrant "invasion" had come in the form of the Lower East Side's garment industry, which had not only almost doubled in size during the first decade of the 20th century, employing nearly 120,000 workers by 1912, but had expanded northward along both sides of Fifth Avenue, such that "suddenly people accustomed to shopping at high-end stores found themselves struggling with 10,000 operatives clogging the streets" (Toll 1969, 115). When the Fifth Avenue Association convened in the spring of 1907, for the purpose of fashioning their own solutions to the problems of "congestion," the ultimate question which they were forced to confront, in the words of legal historian Seymour Toll, was "Who is master of a city's street?"

⁶⁰ In 1907, the number of immigrants arriving in the United States shattered all previous records, and exceeded 1 million for the third straight year (Peterson 2003, 227). It was also the year that Theodore Roosevelt declared "race suicide" to be "the greatest problem of civilization" (Roosevelt, 1907), and in which John Commons elaborated upon the "race suicide" argument with the publication of *Races and Immigrants in the United States* (Commons, 1939).

(ibid, 108). Legally, the patrons of Tiffany's had no greater claim to Fifth Avenue than the Jewish and Italian immigrants who dominated the garment industry, and an unfettered market in the use of land meant that an individual property owner had no control over who his neighbor might be. This was a state of affairs which the Fifth Avenue Merchants Association, with the expert assistance of Frederic Olmsted, Jr.'s colleagues from the National Conference on City Planning, would seek the regulatory power to change. The perceived threat to their economic interests, in the form of "these hordes of factory employees" (Toll 1969, 158), had led them to the conclusion that, in the words of the 1916 Report which marked the fruition of their collective efforts, "New York City has reached a point beyond which continued unplanned growth cannot take place without inviting social and economic disaster. It is too big a city, the social and economic interests involved are too great to permit the continuance of the *laissez-faire* methods of earlier days" (ibid, 184). The regulatory controls which would be established by the 1916 New York City Zoning Resolution would not only confer the "sorts of relations and actual privileges" which, as Marsh's opponents at the New York City Committee on Taxation had urged, "enter so importantly into all forms of modern income," but would serve as the template for the regulatory regime which would inscribe exclusive zones of privilege for white homeowners across the suburban landscapes of the United States.

For the FAA, the problem with the immigrant presence on Fifth Avenue was not that their growing numbers pressed against the limits of available sidewalk space, nor could the Association's desire for the regulatory right to exclude be reduced to irrational race prejudice, which distorted market "rationality" with hatred. The threat which the garment industry, and the immigrants it employed, posed to Fifth Avenue property values was quite real, for the astronomical prices which Fifth Avenue property commanded were entirely dependent upon the

street's ability to project the image, and maintain, in some fashion, the reality, that Fifth Avenue, as an elite shopping district, was one of a kind – not only in the city of New York, but in the United States, and perhaps in the entire world. The value of the street lay in its exclusivity, and maintaining this value required the regulatory power to exclude. The Fifth Avenue Association, in pressing its case before the city's Heights of Buildings Commission – the formation of which was the product of its own efforts – was quite blunt in making this linkage between value and exclusion the essence of its calls for an end to *laissez-faire*:

“The high-class retail business for which Fifth Avenue is so well known is the most sensitive and delicate organism imaginable, depending, first, on the exclusiveness of the neighborhood; second, on its nearness to the homes of the rich and the large hotels; and, third, on its lack of congestion, especially on the sidewalks, so that the customers may not be crowded or jammed in a hurly-burly crowd on their way to and from the different shops...The loft buildings have already invaded the side streets with their hordes of factory employees. If an adequate move were made restricting the occupancy of the buildings so that no manufacturing could be done either on Fifth Avenue or from Madison Avenue over to Sixth Avenue, the matter would be solved. The employees from these loft buildings cannot be controlled. They spend their time – lunch hour and before business – on the avenue, congregating in crowds that are doing more than any other thing to destroy the exclusiveness of Fifth Avenue. If the exclusiveness and desirability of Fifth Avenue are destroyed, the value of real estate on Fifth Avenue will depreciate immediately” (ibid, 158-159).

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

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

The aim was a price-enhancing restriction of supply, though its achievement required categories of privilege – those who would reap the benefits of such restriction – and exclusion – those whose exit from the marketplace was required for the reduction of supply to take place. The Fifth Avenue interests pushing for regulations which would confer upon them a privileged market position recognized the necessity of cloaking their demands in terms of the broader public interest. As stated by Merchant’s Association board member J. Howes Burton, if their efforts had been

“confined entirely to Fifth Avenue there might have been distrust of the motives of those who started it. But the establishment of a great zone was different. This affected the very heart of New York, and comprised all that makes the city worthwhile as a place to shop, play, work and live in. Special interests were thus abolished, and the movement put above suspicion” (ibid, 177).

The FAA would seek to zone the entire city into height and use districts out of a desire to protect the value of real estate on Fifth Avenue “between 23rd and 59th Streets,” which they described as “the most valuable in the world,” a fact which, in their estimation, itself provided a legitimate justification for regulatory protection (ibid, 178). Their efforts, however, received the enthusiastic support of “merchants and real estate interests all over the city” (Revelle 1992, 20), along with “life insurance companies, banks, and savings and loans” (ibid, 35), who likewise

sought regulatory relief from a glutted real estate market, and the protection against value-depressing intrusions of “incompatible” land-uses into established areas, which the designation of land-use districts was designed to provide.

V. Pretexts for Privilege: Eye Strain & Nervous Tics

What the proposed regulations amounted to, in fact, were unprecedented legal restrictions on the freedom of property owners to use and develop their property as they saw fit (Toll 1969, 166). The constitutionality of such provisions would depend entirely on the ability of their proponents to frame them as somehow pertaining to the “health, safety, order, or general welfare of the community,” (ibid, 168) which pressed arguments in defense of property values into rather odd shapes, such as concern that the shadows of excessively tall buildings robbed citizens of much-needed sunlight, contributing to “eye strain” caused by dependence on artificial lighting, and, perhaps worst of all, resulting in increased sick-leave on the part of employees (ibid, 154). The 1913 Report of the Height of Buildings Commission, the recommendations of which would form the basis of the 1916 Zoning Resolution, made no attempt, however, to hide the fact that any purported concern for community well-being was subordinate to the overriding objective of protecting property values. “Height and court restrictions,”⁶¹ it maintained, “should be framed with a view to securing to each district as much light, air, relief from congestion and safety as is consistent with a proper regard for the most beneficial use of the land *and as is practicable under existing conditions as to improvements and land values*” (ibid, 165, emphasis added).

As the defenders of regulatory protection of property values winked their concern for community health and well-being, the courts would ultimately wink back. While municipalities

⁶¹ “Court restrictions” referred to restrictions placed on the proportion of lot area a building was permitted to occupy.

across the country would cite the New York zoning resolution as proof of the constitutionality of their own zoning laws, the Supreme Court would not confer its blessing on the sorts of restrictions on the use of property pioneered in New York until the 1926 *Euclid v. Ambler* decision, which tested the right of Euclid, Ohio, a suburb of Cleveland, to forbid all land usages save for that of the single-family home. It is no exaggeration to say that the influence of the Fifth Avenue Merchant's Association stretched as far the Ohio suburbs, for in his brief to the court, Euclid's attorney wrote that "it may not be amiss to point out that the Euclid Ordinance is almost an exact duplicate of the New York City Zoning Ordinance, except as to local names and locations"⁶² (ibid, 231).

If the menace of "eye strain" was used to help establish a linkage between the regulatory desires of Fifth Avenue property owners and the commonweal, in the suburbs of Ohio reasons given for the exclusion of apartments, industry and retail business included the apparent need to reduce "noise and other conditions which produce or intensify nervous disorders" (ibid, 241). If the arguments are taken at face value, the Court's willingness to bless stringent restrictions on the rights of property out of an apparent concern for the "health, safety, order, or general welfare of the community" would seem decidedly out of character. The same Court had consistently taken a minimalist view of the state's regulatory powers, throwing out consumer protection laws "aimed at protecting buyers from short weights," and, most famously, declaring unconstitutional a minimum wage law for women and children in Washington, D.C. (ibid, 244-245).

Justice George Sutherland, who wrote the majority opinion which denied the state's right to regulate wages, as well as that of the *Euclid* decision, which granted expansive regulatory

⁶² "The Fifth Avenue Association, however, was the key force in bringing the zoning movement to fruition in 1916. Without overstating the case, it should be clear that a private organization, advocating primarily the interests of a very particular section of the city, is behind the national movement for citywide zoning" (Page 1999, 61).

powers over land-use, had spent his career making blunt pronouncements which warned of the “disaster” which would result from misguided attempts to interfere with “certain fundamental social and economic laws which are beyond the power...[and] the right of official control” (ibid, 251). These “laws” he likened to “the forces of nature” itself, the movements of which “are entirely outside the scope of human power” (ibid, 252). “Any attempt to fix a limit to personal acquisition is filled with danger,” he told the New York State Bar Association, as were attempts to place “vaguely conferred powers in the hands of administrative bodies” (ibid, 251).

Sutherland, then, gave every appearance of being an ardent defender of the very system of *laissez-faire* which had brought Jewish and Italian immigrants to the doorsteps of New York’s most exclusive retail establishments, apparently threatening them with ruin. His legal framework, however, for which he credited Michigan Supreme Court Justice Thomas Cooley, his professor at the University of Michigan Law School, explicitly distinguished between regulations which undermined the rights of property, and those which served to maintain them. Minimum wage legislation was of the former variety, and zoning the latter (ibid, 253).⁶³ His colleague on the bench, arch-conservative Harlan Stone, whose court appointment had been opposed on the grounds that he was “J.P. Morgan’s lawyer” (ibid, 284), and who is credited with having swayed an undecided Sutherland to see the constitutionality of zoning, explicitly

⁶³ This was a distinction also recognized at the National Conference on City Planning: “In the past, our states have hesitated and delayed in passing welfare legislation on the ground that the enactment of laws relating to shorter hours of labor, the abolishment of child labor, the provision of old age pensions, compensation for industrial accidents, etc., would result in a situation where the state maintaining the lowest standards would enjoy such a superior advantage in competitive markets as to make the adoption of such laws nothing short of disastrous to local industry...Strange to say, when it comes to zoning, this objection has never been raised. On the contrary, the general impression seems to prevail, and very justifiably so, too, that the unzoned community is at a very serious disadvantage as compared with the community that has adopted a zoning ordinance” (I, 92-93).

explained his vote in terms of the modern economic conditions which required regulatory protection of value:

“There comes a time in the organization of a complex society when individualism must yield to traffic rules, and when the right to do as one wills with one’s own must bow to zoning ordinances or even to *price fixing*. Just where the line is to be drawn between individual liberty and government action for the larger good is the perpetual question of constitutional law” (emphasis added, *ibid*, 248).

VI. A Threat to Privilege Is a Threat to Society: Shall We Save New York?

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

In January, 1916, the FAA called a meeting to plan a final push for its efforts to pass what would become the New York City Zoning Resolution, and finally rid the street of the garment industry and its immigrant workers, which at the meeting were referred to as “flies...threatening to swarm worse than ever” (*ibid*, 177). Passing the zoning resolution and eradicating the “flies,” however, were not entirely the same thing, for the resolution they were proposing was not retroactive: the law would bar future erection of loft buildings in the vicinity of Fifth Avenue, and forbid the location of garment manufacturers in the Avenue’s newly named “business district” after passage of the act, but did not compel existing businesses to move.

Both the FAA's desire to force the Commission on Building Districts and Restrictions (CBDR) "to end its ruminations and bring out a proposal" (ibid, 178-179) as well their efforts to devise and implement an extra-legal strategy designed to empty the street of its "vast flood of workers" would require the public articulation of a "crisis narrative in which they portrayed themselves as the saviors of a Fifth Avenue threatened with physical and social destruction" (Page 1999, 56). Just as with the race suicide narrative, which justified excluding from labor markets the very immigrants the FAA sought to expel from Fifth Avenue, calls for regulations designed to confer privileged market positions on some by means of the exclusion of others strayed far from the economic language of price, the enhancement of which the regulatory restriction of supply was designed to achieve, and instead were made in terms of defending "society" from some threat, posed by non-whites, to its very existence. The threat which the garment industry and its immigrant workers posed to Fifth Avenue property values was not a matter of private economic interest, to be worked out in the "hurly-burly" of the marketplace, for the FAA's Fifth Avenue – a living symbol of race- and class-based social exclusion – was, in this narrative, the most cherished symbol of the city itself, held dear by all New Yorkers. The strategy which emerged from the FAA's January, 1916 meeting would be appropriately dubbed the "Save New York" campaign (Page 1999, 65).

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

"Fifth Avenue is probably the most important thoroughfare in this city, perhaps any city in the New World, and its reputation is world-wide, its history and

associations rich in memories...It is not only the common property, but the common pride, of all citizens, rich and poor alike, their chief promenading avenue, and their principal shopping thoroughfare. Thus all alike are interested in maintaining the unique place that the avenue holds not only in the traditions of this city and in the imagination of its citizens, but in the minds of countless thousands and hundreds of thousands from other cities and countries who have at some time or other enjoyed the delights of this unique street” (ibid).

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

The FAA would pioneer red-lining as a tool of racial expulsion in defense of property values, securing pledges from the city’s banks to refuse any further loans to garment manufacturers in the vicinity of Fifth Avenue. They buttressed this with dramatic calls for the public to rally to the defense of their city by joining their proposed boycott of the products of any garment factory that refused to comply with their demand to leave the area. In a full-page ad which appeared in the New York Times, entitled “Shall We Save New York?,” the FAA decried “the factory invasion of the shopping district,” the “evil” of which is “constantly increasing” (Toll 1969, 176). The presence of factories in the vicinity of “the finest retail and residential sections in the world” was an “unnatural” condition, which threatened not just the beauty, but the safety of the entire city (ibid). Fortunately, of course, “beauty” and “safety” demanded precisely the same sort of protection as that required by property values:

“It is impossible to have a city beautiful, comfortable or safe under such conditions. The unnatural congestion sacrifices fine residence blocks for factories, which remain for a time and then move on to devastate or depreciate another section, leaving ugly scars of blocks of empty buildings unused by business and unadapted for residence: thus unsettling property values” (ibid).

The ad asked “every one who has pride in this great city” to join the FAA in “giving preference in our purchases of suits, cloaks, furs, clothing, petticoats, etc., to firms whose manufacturing plants are located outside of a zone bounded by the upper side of Thirty-third Street, Fifty-ninth Street, Third and Seventh Avenues...”⁶⁴ (ibid). Firms within the zone that made a pledge to leave would be exempted from the boycott, and permitted to stay in their buildings until their leases ran out.

The combination of red-lining, boycott, and public shame which the FAA had engineered in the performance of its civic duty to “Save New York” brought remarkably swift results. The boycott had been called in March, and by July, 95% of the garment manufacturers located in what might have fittingly been called the “no-fly zone” had agreed to move (Revelle 1992, 34). An additional, though unnamed target of the ad had been the Commission on Building Districts and Restrictions (CBDR), charged with the Herculean task of dividing the city into height and use districts, and writing the zoning resolution. Formed in January, 1914 (ibid, 36), the Commission had been at its work for over two years, and the FAA now wanted action, a result it fully expected the ad to achieve. On the day the ad appeared, J. Howes Burton, who coordinated the Save New York campaign, proclaimed that “All red tape has been cut with one stroke. The zoning commission in the future will have no difficulty in carrying out its plans” (Toll 1969, 180). The Commission would prove as amenable to FAA suggestion as the garment industry, swiftly wrapping up its work and producing the 1916 New York City Zoning resolution, which would become law by a vote of 15-1 that July. New York, indeed, had been saved.

⁶⁴ An interesting feature of the ad was that its opening lines might cause an unwary reader to assume some link between the aims of the FAA and Marsh’s calls for a reduction of rent by means of a shifting of the tax burden: “Shall we save New York from what? Shall we save it from unnatural and unnecessary crowding, from depopulated sections, from being a city unbeautiful, *from high rents, from excessive and illy distributed taxation?*” (ibid, emphasis added).

VII. On to the Suburbs: The Vision of the “Chauffeurs”

The story of Olmsted’s coup at the National Conference on City Planning, and the influence of his co-conspirators upon the racialized pursuit of property values which pioneered the nation’s first comprehensive zoning law, as well as the first use of redlining as a tool of racial exclusion, would have significance if only as a tale of historical “firsts.” The significance of the New York experience runs much deeper, however, for not only would the zoning legislation it produced be used as a model in municipalities across the country, but those who produced it, who’d originally rallied around Olmsted in support of the idea that the purpose of urban planning was to increase property values, not deflate them, would emerge from the success of the “Save New York” campaign recognized as the leading experts of an institution which, often with their direct assistance, would be adopted by more than 800 municipalities by the end of the 1920s (Toll 1969, 193).

Lawrence Veiller, who Olmsted tapped in 1910 to head one of the many committees he formed in his efforts to stack the deck against Marsh, and who formally represented the FAA before zoning commissions in New York, listed attorneys Edward Bassett and Robert Whitten, and architect George B. Ford, as the “three chauffeurs on the job” of writing the 1916 New York zoning legislation (Haar 1989, 38). Whitten would go on to establish one of the most successful zoning consultancy practices in the country, writing zoning ordinances for cities such as Boston, Cleveland, and Atlanta, as well as exclusive residential suburbs such as Cleveland’s Shaker Heights (*ibid*), while Bassett, who’d paid such careful attention to the constitutionality of New York’s zoning ordinance, would become recognized as the “father of zoning” (Toll 1969, 143).⁶⁵

⁶⁵ Bassett would join the National Conference on City Planning at the behest of Nelson P. Lewis, the City Engineer of New York. Olmsted’s very first effort to sideline Marsh was to urge him to

Bassett, who'd chaired the 1913 Heights of Buildings Commission, which turned the desires of the Fifth Avenue Association into a list of formal recommendations to the city, as well as the committee which would write the 1916 law, would become a veritable zoning missionary. His autobiography describes a twenty-year flurry of zoning activity following the "Save New York" campaign, in which he visited "every state and all the large cities of the country," where he "made talks before boards of trade, legislative bodies, both state and city, assisted in drawing zoning ordinances and state enabling acts for zoning, tried zoning cases and argued test cases before appellate courts" (Toll 1969, 195).⁶⁶

The federal government would give these "chauffeurs" a push when the Commerce Department, under Secretary Herbert Hoover, established an Advisory Committee on Zoning for the purpose of producing a standard piece of legislation to be introduced in state legislatures, which granted municipalities the power to zone. Named to the Committee were Bassett, Lawrence Veiller, and Nelson P. Lewis, all early Olmsted allies at the Conference who'd made major contributions to the New York zoning effort. Their product, the Standard State Zoning Enabling Act, was "statutory boiler plate made in New York," repeating all the health, safety and welfare justifications pioneered by the zoning effort there (ibid, 201-202). It was published in 1924, and within a year, "nearly one-quarter of the states in every corner of the nation had passed enabling acts which were modeled substantially on the Standard Act" (ibid, 201).⁶⁷

give Lewis a prominent role at the first conference in 1909, which Marsh did (Peterson 2003, 249).

⁶⁶ A Chicago realtor recalls that the Chicago Real Estate Board's initial interest in zoning stemmed from a Bassett speech in which he estimated that zoning would increase the value of Chicago real estate by \$1 billion (Toll 1969, 198).

⁶⁷ The roots of federal efforts to shape the residential housing market can in fact be traced to this point. The details are beyond the scope of this chapter, but involve the Commerce Department's partial funding of Richard Ely's Institute for Research in Land Economics and Public Utilities, which would spend the decade of the 1920s developing and promoting the idea of the federally

The Commerce Department's concern, however, was not with immigrant invasion of elite shopping districts, and indeed, even before the New York legislation was passed, the "chauffeurs" themselves recognized that the project of zoning extended far beyond New York. Once New York's legislation had passed, said Veiller at the 1916 Conference, "a wave will spread throughout the entire land, even into the smaller cities, a wave of public sentiment for the adoption of similar regulations" (Veiller 1916, 158). The public sentiment of which Veiller spoke, however, was not for regulatory protection of shopping districts, but rather for that of the single-family home, and the Commerce Department's Standard Act, which Veiller would help write, made this quite plain: "It is believed that, with proper restrictions, this provision will make possible the creation of one-family residence districts" (Toll 1969, 202).

Zoning, in fact, would find its true home in the suburbs, for while the "Save New York" campaign had been wildly successful, perhaps its most lasting lesson was that attempts to undo urban development, even in a relatively small area of a city, required a monumental commitment of effort and resources, sustained over a number of years. The Fifth Avenue Association had begun its efforts in 1907, and did not declare victory until 1916. To planners like Bassett and Whitten, the promise of zoning did not lie in its ability to clear downtown districts of undesirable people and activities, which even in New York it was incapable of doing, but to shape

backed long-term, low-interest mortgage loan which would be implemented as policy following World War II. Ely's Institute for Research in Land Economics and Public Utilities worked closely with the National Association of Real Estate Brokers (NAREB), whose criteria for assessing property values were developed in the 1920s, and adopted first by the Home Owners Loan Corporation (HOLC) in the 1930s and the Federal Housing Administration after World War II. NAREB identified eight factors used to assess neighborhood "housing conditions": average rents, the number and age of residential units, rates of ownership, the physical condition of the structures, the presence of private bathroom facilities, and *the percentage of persons 'living on the block that are of a race other than white'* (Freund 2007, 129, emphasis added). As explained by FHA economist Homer Hoyt, these criteria became the basis for the massive "real property surveys" undertaken by the federal government, which surveyed "over 150,000 blocks" across the country in the 1930s and early 1940s (ibid.).

development yet to be undertaken, in new residential districts on the outskirts of cities, by developing regulatory controls which ensured that the people and land uses which undermined value would never arrive.

The vision for the regulatory control of the *tabula rasa* of suburban space would be developed by these “chauffeurs” at the National Conference on City Planning, at which Marsh had been long since forgotten. The vision articulated, however, was the antithesis of Marsh’s, for while his scheme for land taxation aimed to reduce the demand for land to that for which there was an immediate desire to use, thus driving down prices, the regulatory regime developed at the Conference, and implemented in cities across the United States, was one designed to inflate land values by limiting the supply of land available for given uses, while increasing demand for that same land through regulations which forced urban activities onto a much greater area of land than they would absorb under a system of *laissez-faire*. Zoning, of course, was the proposed mechanism. It would limit the supply of land by designating certain areas of the city for given land uses, which were forbidden or discouraged in others, and increase demand through the requirement of minimum lot sizes, and by limiting the portion of each lot that could be devoted to a given use. Restrictive covenants, already widely in use, would supplement zoning by demanding a higher level of restriction than that required by the zoning law, if so desired by property owners, or by achieving through private agreement restrictions, such as those based on race, thought to be legally beyond the scope of the police power of the state.⁶⁸

⁶⁸ In addition to typically barring the sale of property to non-whites, restrictive deed covenants also often mandated minimum lot or house sizes, or building costs. The covenants also often placed a number of use restrictions on the property, ranging from the banning of business activity or presence of farm animals, and aesthetic stipulations regarding landscaping, the use of fences, etc. (Fogelson 2005).

The economic logic, and moral and legal justifications given for zoning, should by now be familiar: value flowed from the regulations themselves, without which there would be a price-deflating over-supply of real-estate, as well as “invasions” of “incompatible” land uses – and the people associated with them – into the spaces of those deemed worthy of “protection.” While the legally required mantra of “health, safety, and the general welfare” was ever-present in the justifications provided for zoning, the regulatory restriction of the supply of land, and the value it conferred upon the property of single-family homeowners, was yet another project of privilege and exclusion, and required a narrative which justified both. In the narrative of the “chauffeurs,” the single-family homeowners whose property required regulatory protection were put forward as “the people,” while the threat to their property values, as well as to “civic spirit,” “permanent welfare,” and “the morale of the neighborhood,” came from the “renting class,” who would face exclusion – as well as higher rents – by means of the same regulations designed to boost the property values of those whom they ostensibly threatened with harm. (Whitten 1921, 25). The narrative of the apartment – and the “renting class” – as social menace was occasionally explicitly linked to concern over the prospect of “race suicide,” as cramped apartment quarters – unfit for the rearing of children – were the physical manifestation of the “destructive competition” in which “native” white Americans were engaged with foreigners, while suburban homes with yards represented the “American” standard of living which would perpetuate the race. According to “chauffeur” Robert Whitten, who co-authored New York’s 1916 zoning ordinance before writing Atlanta’s Jim Crow zoning code in 1922, zoning merely provided the gentle regulatory nudge necessary to ensure a residential geography of segregation by race and class which was, in fact, entirely “natural.”

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

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

Ironically, regulatory protection from the evils of congestion would not be developed on behalf of the immigrant residents of New York’s Lower East Side, whose plight had made overcrowding a matter of public concern, but rather for the best-housed segment of the population, single-family homeowners. Indeed, the most crowded living conditions must be permitted for the “cheap unskilled” laborers employed in light manufacturing near the heart of the business district, precisely the group which had stirred Marsh and his fellow reformers to action in the first place (Whitten 1923, 110). Toiling “long hours at low wages,” these workers “can afford neither the time nor the money to live far from their work” (ibid). Given the high price of land near the central business district, the only way to accommodate this industrious group was to “permit a more intensive utilization of the land” (Whitten 1916, 35).⁶⁹

⁶⁹ For Whitten, this was, for the present, a necessary evil. In his ideal city, manufacturing would be nowhere near the central business district, and it was his long-term hope that “regional zoning” would guide industry, and its employees, out of the city proper and into the “industrial suburb” of the future. Speaking in 1923, long after the FAA had declared victory, he exclaimed:

It was an exception he would make for these workers alone. In residential districts to be dominated by the single-family home, regulations which established minimum lot sizes, and limitations on the portions of lots which could be built upon, were seen to be the essence of protection. Whitten cautions against outright bans on apartments, out of concern over their “doubtful constitutionality” (Whitten 1916, 37).⁷⁰ The same effect could be achieved by permitting, in the “protected” residence sections, “a few limited locations where apartment houses may be built” (ibid, 36),⁷¹ so long as they were required to “leave approximately as much open space per person housed as is required in the case of the private house development” (ibid). Such minimum “open space” requirements were to apartments what proposed minimum wage legislation was to immigrants: the purpose was to exclude a certain segment of the population through the prevention of competition on the basis of price.

The “renting class” would be allotted far less space in Whitten’s zoning schemes than the homeowners he found so deserving of protection. It is thus somewhat ironic that the regulations designed to exclude renters would be put forward on the basis of their ability protect against the evils of “congestion.” What made the congestion argument crucial, however, was that it was a “health, safety, and general welfare” argument an attorney could take to court. For while an attempt to ban apartments outright would place one in uncharted legal waters, “any residence zone plan that is based directly and consistently on the prevention of congestion of population is

“What a relief it would be to New York City if the several hundred thousand workers in the garment trades and other light industries located in the heart of the central business district, and all the trucking incident to these industries could be removed to other portions of the metro area” (Whitten 1923, 109).

⁷⁰ Such bans would be found constitutional in the Supreme Court’s 1926 *Ambler v. Euclid* decision (Wolf 2008).

⁷¹ In exclusive Cleveland Heights, for which he wrote the zoning ordinance, he argued that apartments should be “confined to the comparatively small area (about 100 acres in extent) through which they are now scattered,” an area which represented less than 2% of the total area of the town (Whitten 1921, 23).

based on a purpose which the courts can scarcely fail to recognize as being within the plain scope of the police power” (ibid, 39).

Whitten would not stop with excluding renters in his battle against congestion. Upon that legal edifice would also rest his vision for a metropolitan landscape zoned into residential districts which enforced segregation strictly on the basis of class. In the same talk at the 1916 Conference he explained that protection against congestion, in fact, was a relative thing:

“Thus there might be a zone in which a minimum of 5000 square feet of land area per family were required...Another zone might require 2500 square feet of land area per family; another 1250 square feet and another 312 square feet. [This] would afford the means of *protecting the suburban residence sections*, of securing an appropriate distribution of population and of preventing undue congestion in the central area” (ibid, 38, emphasis added).

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

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

The practical effect of Whitten’s plan was to create separate, non-competing housing markets in different areas of the city, for different segments of the population. The price of apartment housing would be boosted by artificially limiting the quantity of land apartments could occupy, while the cost of the single-family home would be raised by placing a regulatory minimum on the amount of land required for their construction. Single-family homeowners would enjoy the privilege of reaping what Marsh called the “unearned increment,” the rise in

land values that one would expect to take place as a growing population placed an increasing demand on a limited supply of land, while apartments, and their residents, would be stigmatized. The value of the unearned increment, however, depended entirely upon the regulatory scheme governing the use of land, for there was in fact no reason, outside of law, why it was necessary for the housing of one third of the population to require six-times the land area as another third. In fact, in the absence of regulations, if apartments were permitted to compete with the single-family home in any area of the city on the basis of price, there was every reason to think that the immediate trend in the demand for land to be used for residential purposes would be downward. Indeed, while Whitten most emphatically wanted to use the power of law to limit the area of a city apartments might occupy, the housing trend he was witnessing, which found an increasing proportion of the population residing in housing which required an ever-decreasing quantity of land, was one which, in his estimation, was heading entirely in the wrong direction.

The problem, according to Whitten, was that not only was there a marked “tendency in most large cities for a larger and larger proportion of the population to be housed in tenements” (Whitten 1920, 4), but that apartments were making an increasingly intensive use of urban space. Whitten cites specific examples from New York, but claims to see the same trend operating in Chicago, Boston, and Cleveland, indicating that the pattern was general. The two-family house was first replaced by two and three story apartments, but “now most of these buildings are of the four-story type, while in certain sections the five and six story tenement is increasing rapidly” (ibid). Whitten emphatically called for the regulatory reversal of this trend, stating that “the limitation of tenement house construction is one of the most important problems in zoning” (ibid).

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

“The apartment house is very well suited to the housing of adults. It is not well suited to the rearing of children. From the nature of the case, children are a nuisance in an apartment house, and the apartment house is an injury to the children...The noise from neighboring apartments, the children swarming in halls, stairways, courts and sidewalks, the general confusion and untidiness, the increased danger from all sorts of communicable disease make life in such a place much less worthwhile than it should be. *The vitality, efficiency and morale of the race cannot be long maintained if the major portion of the people of our cities must grow up under such conditions of over-crowding. Degeneracy is certain. Our civilization is at stake*” (ibid, 5, emphasis added).⁷²

⁷² At the 1916 National Conference of Lawrence Veiller’s National Housing Association, arguments given for viewing the trend of “people of the higher class” to choose apartment life over the single-family home as a menace to the “health, morals and economic well-being of the community” included: increased spread of disease, though it was admitted that it would require study to determine “to what extent this is a real danger instead of a highly probable theoretical one;” the decreased frequency with which mothers would take their infants outside, due to the difficulty of climbing stairs, though it was “granted,” that this was “speculation;” increased danger to children, as they were more liable to fall down in apartments; “grave fire hazard,” as apartments were “scarcely more than tinderboxes” due to poor construction – no evidence for this had been found in New York, but there had been “recent fires” in Philadelphia; apartments “provide a shield of anonymity for the man or woman who wants to engage in lewd practices,” and while “one might rejoin here, saying that immorality will exist no matter what type of building houses the immoral woman,” “the important point is that where the facilities exist to shield the crime, it is more certain to flourish undiscovered and for longer periods;” apartment-dwellers tend not to attend church – indeed, “one of the most effective enemies of religious

Whitten also sought to defend zoning against charges that there was something undemocratic about a regulatory regime which enforced a geography of residential segregation on the basis of social class. Acknowledging that “zoning has been criticized as being anti-social,” and for attempting to “maintain the high class, exclusive character” of some neighborhoods, while relegating “the housing of the industrial workers [to] the less desirable sections of the city” (Whitten 1921, 26), he stated that if the charge was that zoning resulted in class segregation, “I admit the fact but do not consider this result either anti-social or undemocratic in its tendency” (ibid). Demonstrating that his passion for sunlight and fresh air was perhaps eclipsed only by his concern for democracy, he argued that class segregation, in fact, fostered democratic citizenship, while housing arrangements in which people from all classes lived in proximity to one another were actually better suited to a more hierarchical organization of society:

“My own observation is that wherever you have a neighborhood made up of people largely in the same economic status, you have a neighborhood where there is the most independence of thought and action and the most intelligent interest in

worship today is the multiple-type of building;” apartment-dwellers have no stake in policing against “neighborhood evils” which threaten property values – “it is almost repeating a truism to say that the most conserving and conservative force acting to hold man to the retention of the best in civilization is the little patch of ground with the hut upon it that he can call his own.” Perhaps the only thing more alarming than the threat which the apartment posed to civilization was the equanimity with which the public was apparently viewing its approaching doom: “If there were being constructed somewhere out on the outskirts of your city some huge ‘tank,’ or ‘zeppelin’ which on completion was to be transported to your city, and whose coming would result in the destruction of the civic interest of two hundred, one hundred, or even fifty of your citizens, what would happen? Your chamber of commerce would hold a meeting and demand that the city authorities take proper action to prevent such wholesale destruction of the finest sentiments. The newspapers would insist upon resistance against such an invader. And yet, we scarcely hear a regret when the monster barrack arises in our midst, asphyxiates civic interest, *puts a premium on race suicide*, causes our moral ideas to deteriorate, and effectually undermines what we have been accustomed to regard as the foundation of the community, the state, and the nation – the American home, and American family life” (Newman 1916, 154-161; Davis 1916, 337).

neighborhood, city, state and national affairs. In feudal days, the mansion of the lord of the manor was surrounded, at a respectful distance, by the huts of his retainers. It is now assumed that something of this sort would be the ideal arrangement in order to avoid misunderstandings and class hatred. My own opinion is that such an arrangement would be un-American, undemocratic, and anti-social. The so-called industrial classes will constitute a more intelligent and self-respecting citizenship when housed in homogenous neighborhoods than when housed in areas used by all of the economic classes” (ibid).

If the exclusion of renters from the neighborhoods of single-family homeowners inspired them to intelligent citizenship, so much the better. The argument that Whitten would make again and again, however, was that their inclusion posed a threat to all that was held dear. The arrival of an apartment in a neighborhood, he insisted, acted to destroy the homeowner’s “civic pride and his economic interest in the permanent welfare of the section,” (ibid, 25) sounding the death-knell to civic life: “As the home owner is replaced by the renting class, there is a further decline of civic interest and the neighborhood that once took a live and intelligent interest in all matters affecting its welfare becomes absolutely dead in so far as its civic and social life is concerned” (ibid). Zoning, then, was not merely essential to the survival of civilization. The very “morale of the neighborhood” was at stake (ibid).

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

“there are thousands of acres around any city, of the commonplace type,” “no article of unlimited quantity ever has a great value. Now, if in developing our subdivisions, we can limit the quantity of certain classes of property, if we can create the feeling that we have a monopoly of that class of property around a little plaza or square, if we give the prospective buyer notice that if he doesn’t buy that

property today somebody else will buy all that is left of it tomorrow, we are assisting in the sale of that property, and we can raise the prices of the adjoining property...Now, with this cooperation we [developers] have given you, we want you city planners to again realize that a great part of your work of city planning turns on how to help us make our land increase in value rapidly enough for us to afford to do the best things in city planning, and make them permanent, and mark up our prices to enable us to meet our carrying charges” (Nichols 1916, 101-102, 105-106).

Conference participants pointed out that not only did residential zoning boost housing prices, it also boosted the price of commercial property by “limiting the frontage available for business, thereby making that frontage more valuable” (Larwood 1916, 107). In the absence of such restrictions, “store rents are low because there are three times the necessary number of stores” (ibid). Allowing fifty families to be housed in one building, it was argued, had the tragic consequence for other landowners of “depriving them for years, and perhaps forever, from deriving any revenue from their property” (Swan 1921, 38-39). Regulations were thus needed to prevent this “holding in abeyance the effective demand” for land (ibid). Conferring value upon land by forcing the dispersal of housing, in fact, was posed as a matter of simple equity and social justice:

“The aggregate increment in values throughout a city will not be lessened by limiting in a reasonable manner the number of families that may be housed on a given unit of land. On the contrary, it will be increased, given a broader base and made more stable. And who would deny that...in every way it is more desirable that this increment should be shared by a large number of owners than by a mere handful” (Swan 1921, 39).

At the 1929 Conference, in response to a presentation by constitutional scholar Ernst Freund, who argued that now that the legal battle for zoning had been won, it was time to put away the dubious “health, safety, and general welfare” arguments – which had, however, been necessary at the time - and place zoning on a more solid legal foundation, a conference participant from Washington, D.C. gave notice that:

“In Washington we zone not only for health, safety and public welfare, but specifically for ‘preservation of property.’ After a comprehensive plan has been made, the zoning ordinance based upon it determines the areas for definite uses. *If in the administration of the zoning ordinance the Board of Appeals or the Zoning Commission extends, let us say, either the residence area or the business area, does this extension not result in an actual depreciation of property? Both the residential area and the business area in the vicinity are worth less because the supply of each is increased*” (Freund 1929; Grant 1929, 99-100).

In reply, Freund informed the participant that while he was well aware “that property values are a factor in zoning,” such a “principle” was probably not the best one to advance if looking to succeed in court (Freund 1929, 100).

Whitten himself, in a grand think-piece on the future potential of “regional zoning” presented at the 1923 Conference, put forward a utopian vision of a metropolitan land policy in which the regulatory and purchasing power of the state was applied to the task of increasing the demand for land while limiting its supply. He imagined an urban future in which fully 50% of the land in entire metropolitan areas might be set aside for the purpose of effecting a “permanent physical separation between the built up portions of the central city and the built up portions of its satellites [these satellites were Whitten’s imagined industrial suburbs, to which those working “long hours at low wages,” were ultimately to be banished]; and also a similar physical separation between each of the satellites” (Whitten 1923, 98). He imagined these “strips” taken up by “large acreage activities” such as “airplane landing fields, golf and country clubs, private estates, forest reservations, and cemeteries” (ibid, 100). Industrial activity would be permitted on them so long as it was held to “an occupancy limitation of from 5% to 20% of the area of the plot” (ibid, 105). Excluding a wide variety of “large acreage” activities from the “city proper” through the use of zoning would “create a fair and reasonable demand” for some of the land which zoning had removed from the market for residential, commercial, and most industrial activity (ibid, 105). Not all of this vast acreage would have a demand for use,

however, and operating on the principle that “every owner must be allowed a reasonable use of his land,” with “reasonable use” defined as “such as will permit a fair return on the fair value of the land,” Whitten called upon the state to be the guarantor of such fairness (ibid, 103). This was to be achieved through the establishment “of a really adequate and comprehensive regional park system” (ibid, 105), which would allow the state to do its duty to these landowners by purchasing extensive tracts of this land, which was to be deliberately idled for the purpose of creating physical barriers between the various units which were to comprise the metropolitan area. Going out on a limb, Whitten was willing to wager that such a policy would “probably lead to an enhancement of land value” (ibid, 103).

Because the regulatory power of the state, through zoning, was to effect both the supply of, and demand for, land, it was accepted as a truism at the conference that the proposed regulations themselves were the source of value, and that a profitable market in speculative real estate could not exist without them. Like Marsh’s opponents on the Committee on Taxation, they held that “value in modern life comes not so much from the application of labor as from all sorts of relations and privileges” (New York Committee on Taxation 1916, 20-21). The statement of Alexander Taylor at the 1916 Conference expressed the conventional wisdom: “The making or unmaking of value in a community lies in proper restriction of land, and the more rigid and fixed they are, the safer and surer is the land owner’s investment” (Taylor 1916, 178). This was no mere theoretical conjecture. Any debate on zoning’s role in conferring value was quickly being rendered moot by “the increasing reluctance on the part of lending interests to make loans on unprotected property - or if making loans, their discrimination in favor of protected localities with reference to both the interest rate charged and the amount loaned –

considerations like these are proving more eloquent than words in stirring unzoned towns to action” (Swan 1921, 41).

In fact, once the neighboring communities of these unzoned towns begin to adopt zoning ordinances, the laggards will find that they have, in fact, zoned themselves by way of their inaction, as undesirable people and activities, blocked from other areas of the city, will begin to flow in their direction. In the words of Herbert Swan, Executive Secretary of the New York Zoning Committee:

“The adoption of zoning by neighboring communities has in a sense already zoned them. Without their knowing it, they have been placed, as it were, in the position of unrestricted districts to their neighbors. Though they themselves may not have moved, their neighbors have. Today, therefore, they are not at all in the position they were in years ago when building was unregulated everywhere. Then, due to the universal lack of control, they stood on a par with their neighbors – *ownership of property within their boundaries was accompanied with neither privileges nor servitudes not accompanying it elsewhere*. But now, this has all been changed. The fact that property is protected elsewhere makes its ownership in those places more desirable; that it is not protected here makes its ownership less attractive. To permit our neighbor’s garages and factories to locate indiscriminately in our residence districts while he excludes ours can have but one result – it destroys the marketability of our residence property at the same time that it makes our competitors more saleable” (Swan 1921, 41, emphasis added).

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

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

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

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

VIII. There’s No Capitalism Without Scarcity: Zoning as Crop Limitation for the City

While it was common enough for Conference participants to make statements to the effect that “business is the foundation upon which cities are built,” such that if urban planning neglected the interests of business, “the whole structure will fall” (Ihlder 1927, 74), little effort was made by Conference participants to relate the project of restricting the supply of land to any larger project of preventing crises of oversupply in the broader economy. This connection would be made by Richard T. Ely, whose Institute for Research in Land Economics and Public Utilities, which received financial support from the same Commerce Department which had established the Advisory Committee on Zoning, has been credited with providing the Federal Housing

Administration with its “homeownership vision,” based upon the long-term, low interest mortgage loan, that would be inscribed across the post-WWII landscape of the United States.⁷³

Like Whitten, Ely held that the state should become the driving force in land markets for the purpose of effecting a price-boosting limitation of supply and increase in demand. He also shared with Whitten the view that immigration threatened American democracy with the prospect of “race suicide.” Indeed, as the founder of the American Economic Association (AEA) in 1885, Ely was present at the beginnings of the “race suicide” discussion, as the AEA’s first president, Francis Walker, developed the theory, while Ely “protégé” Edward Ross, who would take over from Ely as AEA secretary in 1892, actually coined the phrase (Leonard 2003). Simon Patten, who had ingeniously argued that technological revolutions allowed the “least fit” to survive, contributing to glutted labor markets, was a friend from graduate studies in Germany, and founding member of the AEA, while John Commons, also an AEA member, was Ely’s student at Johns Hopkins University and colleague at the University of Wisconsin.⁷⁴

By the time Whitten presented his vision of an urban landscape with massive swaths of land absorbed by parks, forests, golf clubs, and large estates, he had already joined Ely’s Institute for Research in Land Economics and Public Utilities (Ely 1938, 244). And while Whitten would

⁷³ “No group of urban experts had a more profound impact on FHA operations and the agency’s vision of housing economics than members of the Institute for Research in Land Economics and Public Utilities” (Freund 2007, 119).

⁷⁴ Ely himself would make “race suicide” a standard feature of American economics education. His textbook, *Outlines of Economics*, sold 200,000 copies (Ely 1938, 81), and was the most widely used economics textbook in the first decades of the twentieth century (Dorfman 1946, 212). Quoting Francis Walker, the text informed students that current and recent immigrants had “none of the inherited instincts and tendencies” which had been such a credit to the earlier immigrants who had settled the country, and that they were “beaten men from beaten races” (Freund 2007, 58). Just as with Whitten, Ely finds that exclusion, in fact, is the essence of democracy, as he alerts his readers to the “fundamental and inescapable fact that the ideals of political democracy and equality of economic opportunity are empty of meaning except for a fairly homogenous people...Exclusion must be practiced” (Haar 1989, 43).

justify such a land policy to his fellow urban planners using the language of orderly development, Ely would make the case to economists that effective land policy should be at the foundation of a general economic policy designed to both prevent and respond to crisis-inducing gluts of overproduction.

In a 1932 paper presented to the American Economic Association just a year after advising Americans that if they wished to understand the economic crisis which had engulfed them, they should dig up a copy of David Wells' *Recent Economic Changes*,⁷⁵ Ely argued that the price-destroying gluts of overproduction plaguing U.S. agriculture were expressions of precisely the same economic forces at work in urban real estate markets (Ely 1932). During World War I, he explained, the U.S. government had thrown its resources behind a program of agricultural expansion, and the war effort had absorbed the increased supply. After the war, while the newly farmed areas remained in cultivation, the war demand disappeared, causing a crisis of excess supply which was only exacerbated by the fact that "agricultural productivity during the past decade has increased 50 percent more rapidly than the growth of population" (ibid, 140). Stating that "for a long, long time without any satisfactory researches into supply and demand, public policies have encouraged the expansion of agriculture," Ely calls attention to what he refers to as "an epoch in our history," a conference held by the United States Bureau of Agricultural Economics and the Land Grant Colleges, at which a series of recommendations were developed which "aim to limit agricultural expansion and bring about a satisfactory relationship between supply and demand" (ibid, 139). Government policy should be governed

⁷⁵ See chapter one for a discussion of Wells. In his own book, *Hard Times: The Way In and the Way Out* (1931), Ely stated that Wells' "description of the panic of 1873 and the Hard Times that followed this panic is as illuminating, in respect to the panics that we have had, as anything that I have read. It is as instructive as it is interesting to see how in our present panic and Hard Times we are following along, step by step, what happened in 1873 and the following years of Hard Times as described by Mr. Wells" (Ely 1931, 18).

by the goal of maintaining prices, Ely argued, and for this reason “a great deal of land should lie idle so far as present production is concerned” (ibid, 140). Extending Whitten’s landscape vision from city to countryside, Ely urges the conversion of farms into forest (ibid).

Turning to the city, Ely states, “Precisely that has been happening in urban land which has happened in the case of farm land” (ibid) Making no mention whatsoever of sunshine, fresh air, or democracy, Ely bluntly explains the real impetus behind such regulations as height and area limitations, and limitations on apartments :

“We need smaller and smaller areas of land in the cities in proportion to the population...New York City offers striking illustrations. When it comes to housing, we have the London Terrace Apartment Building...It is said that on this one block five thousand people can be housed; whereas, when this was a part of the formerly attractive Chelsea district and single family houses were on this block, it housed four hundred people. In other words, only one-twelfth of the land area per capita is demanded under these conditions.

Turning to the office building, we have an equally striking illustration of what has been happening in the Empire State Building. It occupies somewhat over 83,000 square feet of land, or a little less than two acres. Probably, under conditions of construction as they existed forty years ago it would have taken ten times that area of land to furnish an equally satisfactory amount of office space. The result of what has happened is that city banks have been failing just as the rural banks began failing several years ago. Distress has spread from class to class” (ibid,140-1).

In the absence of the deliberate regulatory restriction of supply, Ely maintained, technological innovation had the same value-destroying impact on land as it had on the products of industry and agriculture. Pausing for a moment to praise Franklin Roosevelt, then Governor of New York, for policies which were converting farm to forest, he then states that with regard to the regulation of urban space, “*zoning laws and deed restrictions are steps precisely in the right direction*” (ibid, 141, emphasis added).

Ely concludes with the argument that the real purpose of such regulations, both urban and rural, was the channeling of human effort in directions calculated to maintain, or even enhance,

prices, rather than undermine them: “Recovery from depressions is, first of all, a result of the transfer of labor and capital where they exist in excess of proportionality into new lines of activity so that they may satisfy economic wants, new and old” (ibid, 141-142). Adherence to a policy of *laissez-faire* with respect to the channeling of human effort would lead only to the sort of disaster then gripping the nation. The state, he argued, must acknowledge its responsibility for the channeling of effort, not simply by idling farmland and instituting an urban land policy designed to spread economic activity over much wider areas than would be the result in the absence of regulations, but through the development of what he called a “peace time army,” which would engage in “the noncompetitive field,” i.e., which would create demand for goods existing on the market, without adding to their quantity (ibid, 142). Just as Whitten had argued that the state should deliberately set aside significant portions of urban areas for parks and forests, Ely argued that the “peace time army,” which “would be so organized that it could be expanded indefinitely” (ibid, 142) as needed by the economic situation, should be engaged in such non-market activity as “reforestation, maintenance of fire lanes in our forests,” “making beautiful parks of recreation,” and “roadside beautification” (ibid). Ely’s “peace time army” would become the Civilian Conservation Corps of the New Deal (Dorfman 1946, 671).

IX. From Municipal Zoning to National Policy: Robert Whitten Does Atlanta

The linkage of urban to national scales represented by Robert Whitten joining Richard Ely’s Institute for Research in Land Economics and Public Utilities would be replicated at the policy level in Atlanta, where Whitten’s 1922 Zoning Ordinance would divide the public, and its residential spaces, into varying shades of “exclusive” and “excluded,” based on the regulatory logic developed at the National Conference on City Planning, while the federal government’s

1938 Home Owner's Loan Corporation (HOLC) survey of the city would assign each of its neighborhoods a grade, indicating suitability for home loans, based on precisely the same criteria (Home Owners Loan Corporation, 1938). The HOLC "security maps," made for over 200 American cities in the 1930s (Lands 2009, 203), would also be known as the "red-line maps,"⁷⁶ as their appraisal logic would be adopted by the Federal Housing Administration (FHA), and guide its housing policy, designed to reward the exclusive, and punish the excluded, in the decades following World War II (Jackson 1985, 203).

By the time Atlanta's newly-formed City Planning Commission hired Whitten, in 1921, to produce a comprehensive zoning ordinance for the city,⁷⁷ the city's civic elites had already spent more than a decade learning, like New York's Fifth Avenue Association, just how difficult an attempt to undo urban development by means of land-use regulation can prove to be. Their efforts, in fact, had met with far less success than their Northern counterparts. Like the Fifth Avenue Association, the white elites residing in Jackson Hill – a Fourth Ward neighborhood just east of the central business district which provided an address to some of the city's finest homes, and wealthiest citizens – had learned of the evils of a *laissez-faire* approach to urban land development only after the worst effects of city growth *sans* regulation had been brought directly to their doorsteps.⁷⁸

Jackson Hill, in fact, had never been all-white, or all-rich. The name also carried the connotation of residential respectability in the black community, as black professionals and

⁷⁶ These maps, in fact, coined the phrase, their color-code scheme assigned to neighborhoods with the lowest mortgage-risk rating the color red (Jackson 1985)

⁷⁷ They originally wanted to hire a "team" of planners, and considered, in addition to Whitten, Frederic Law Olmsted, Jr., and Nelson P. Lewis, the city engineer of New York whose presence at the 1909 Conference on City Planning represented Olmsted's first move to block Marsh. In the end, they hired only Whitten, citing budgetary constraints (Lands 2009, 143).

⁷⁸ The account of elite white residents attempting to create a "white zone" in Jackson Hill is taken from Lands (2009).

businesspeople owned impressive homes there, and the neighborhood was home to such prominent black institutions such as Big Bethel Church and Morris Brown College. The unregulated building environment meant, of course, that the purchaser of a lot could do with it what he wanted, and as Atlanta's population boomed in the twentieth century's first decades, there was apparently a greater demand for "bungalows" than mansions: "banking on the larger worker-housing market, speculators installed modest bungalows, duplexes, and shotgun homes in the immediate vicinity" of "the grander structures that lined Jackson [St.] and Boulevard" (Lands 2009, 79).

As the formerly empty lots in Jackson Hill were increasingly filled in by white and black workers of modest means, perhaps it was the contrast between the perceived "chaos" of their mixed-race, mixed-class in-town neighborhood and the "order" of park-like landscapes and exclusively white, elite populations, achieved in Atlanta's elite suburban neighborhoods through restrictive deed covenants, that drove the affluent whites of Jackson Hill to begin to seek, in 1910, land-use regulations designed to declare certain sections of Jackson Hill off-limits to blacks (Lands 2009). Their efforts would include private agreements with realtors, threats of violence against blacks moving onto certain streets, and two city-wide zoning ordinances, passed in 1913 and 1916, which attempted to secure the gradual achievement of a city perfectly segregated by race by declaring every street or street section in the city "white" or "black," and mandating that all future home sales and rentals observe the distinction.⁷⁹ The zoning ordinances would be stymied by the courts, but in any event, the "damage" to Jackson Hill had already been done – the neighborhood was a hodge-podge of structures, a testament to the "chaos" of *laissez-*

⁷⁹ Just as in New York, where the effort to zone the entire city was mobilized by a small group whose true interest was the regulatory protection of Fifth Avenue, in Atlanta, it was the elites of Jackson Hill, and their concern with regulating the landscape of their own small neighborhood, which resulted in legislation which subjected every inch of the city to land-use controls.

faire, and the diversity of its population apparently the inevitable result of urban development in the absence of regulatory controls.

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

In *The Atlanta Zone Plan: Report Outlining a Tentative Zone Plan for Atlanta* (Whitten, 1922), Whitten both makes a case for zoning, aimed at Atlanta's residential property owners, and offers a tentative plan, which he assures the reader will not go forward until it has been improved upon by the "study and criticism [of] property owners and civic and business organizations throughout the city" (Whitten 1922, 9). Following the advice of Edward Bennett, Whitten pitches zoning as protection for the small property owner. He asks the reader to imagine a mechanic losing his life savings on account of a neighbor, "thinking only of his own immediate advantage" (ibid, 10) who destroys the value of a street's residential property by opening a grocery store on an empty lot. We are then asked to consider the case of Mr. Smith, a homeowner in "an attractive neighborhood," who "believes that children, like plants, must have plenty of sunlight and room in which to grow" (ibid, 3). Smith's children, and plants, are

deprived of their much-needed sunlight by the actions of a “speculative builder” who erects a “four story, sixteen suite apartment house” on the lot directly adjacent to Smith’s, thus condemning them to permanent shade (ibid). Even members of the “renting class,” however, apparently benefit from zoning, as we are asked to again imagine Whitten’s “speculative builder,” this time destroying the desirability of an area “being generally developed for apartment house purposes” through the selfish construction of a garage (ibid, 4). It is the purpose of zoning, Whitten informs us, to do away with such selfishness: “Zoning is the practical application of the Golden Rule to the use of property” (ibid, 6).

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

Not all “dwelling house districts” are created equal, of course. Whitten’s “area districts,” once the stuff of conference presentation, became the regulatory code governing Atlanta’s residential space, as his proposed minimum lot areas per family became law when the zoning ordinance passed in 1922. He proposed four area districts, ranging from the “Class A1 district,” which mandated 5,000 square feet of space per family, while also barring duplexes, to “Class A4,” in which only 625 square feet per family were required (see Fig. 1). Whitten made clear

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

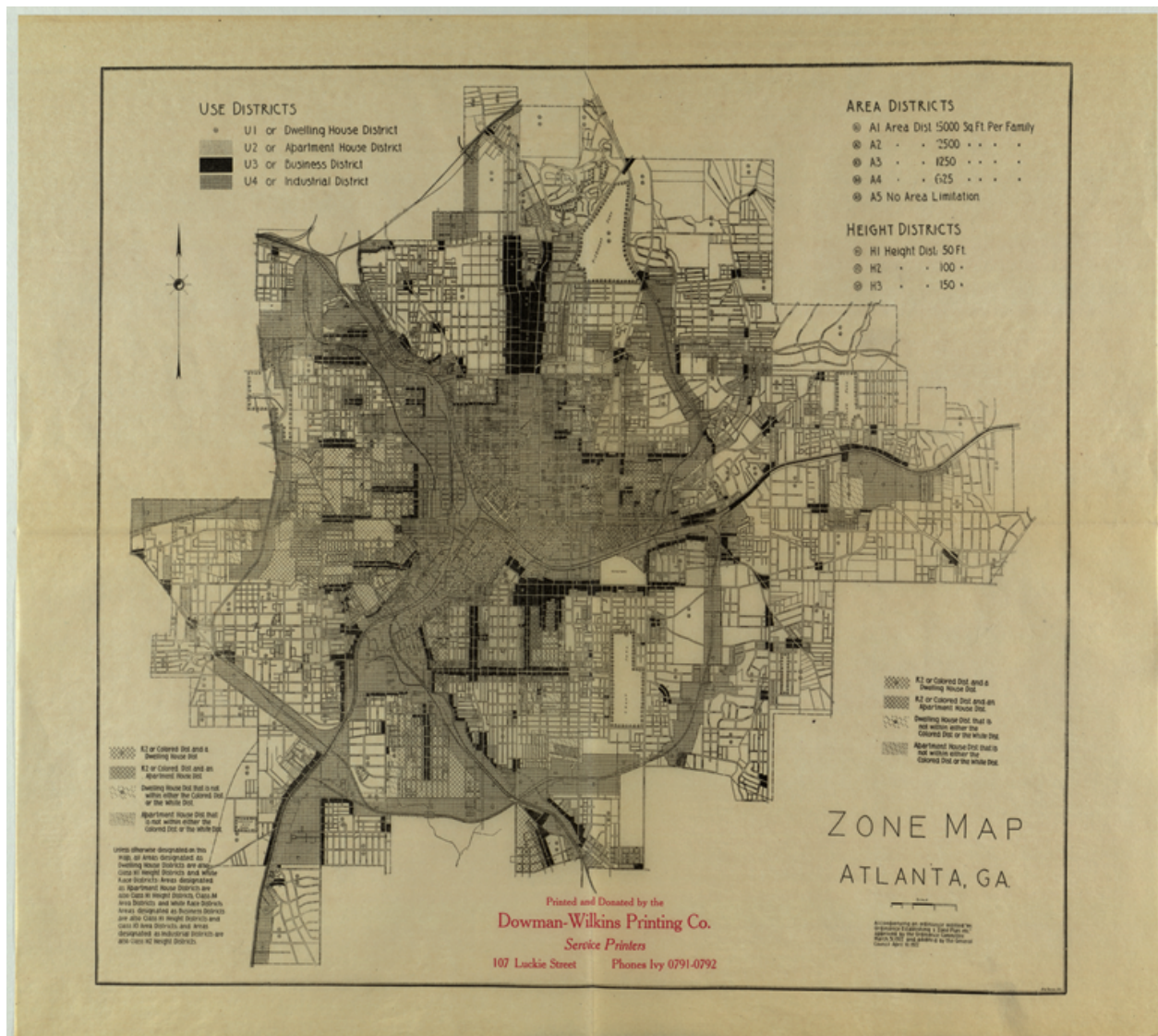


Figure 1. Robert Whitten's 1922 Zoning Map of Atlanta

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

"The above racial zoning is essential in the interest of the public peace, order and security and will promote the welfare and prosperity of both the white and colored race. Care has been taken to prevent discrimination and to provide adequate space for the expansion of the housing areas of each race without encroaching on the areas now occupied by the other" (ibid, 10).

In fact, while Whitten's plan would provide ample room for the construction of exclusively white residential space in the thousands of acres that would be filled in with park-like subdivisions in the 1920s, the plan provided little room for black expansion, and essentially confined them to existing black neighborhoods, which W.E.B. DuBois once described as stretching out "like a great dumbbell across the city, with one great center in the east & a smaller one in the west, connected by a narrow belt (Dittmer 1977, 12).⁸⁰ The racial aspect of Whitten's zoning ordinance would face its inevitable rejection by the state supreme court in 1924, and in fact the entire ordinance would be struck down by the courts in 1926, who sided with an Atlanta

⁸⁰ While it was clear enough that black expansion, somewhere, was both necessary and inevitable, the geography of black expansion was probably too explosive an issue to attempt to resolve by way of legislation. Black expansion into previously white, working-class areas west of the Westside black university district would be agreed upon in private meetings between white and black elites, and would take place, in the 1920s and 1930s, over the violent protests of the whites residing in those areas (Kuhn, 1990).

resident who argued that regulations barring her from opening a business on a lot zoned residential amounted to a taking of property (Lands, 156).⁸¹

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

The clearest demonstration of the impact of Whitten's value logic on the residential geography of the city is perhaps provided by the Homeowner's Loan Corporation's (HOLC) 1938 "residential security area map" of the city (see Fig. 2).⁸² The "A" and "B" grade neighborhoods represent the geography of the 1920s building boom,⁸³ which covered thousands of acres north of the city with all-white, single-home residential space. These areas, the vast

⁸¹ Zoning in Atlanta, and throughout the nation, would be rescued by the Supreme Courts *Euclid v. Ambler* decision the following year, and Atlanta's elites would immediately set themselves to the task of rezoning the city.

⁸² Special thanks to Woo Jang for production of the maps. The HOLC "residential security area map" for Atlanta, along with accompanying neighborhood descriptions, was obtained from the National Archives and Records Administration in College Park, Maryland. The maps were produced by georeferencing the original HOLC map, shown on page 149, and entering the data from the HOLC neighborhood reports into an ArcGis database, which allowed graphic display of the data contained within them.

⁸³ While building took place in all areas of the city during the 1920s, the "A" and "B" neighborhoods were largely undeveloped at the time of Whitten's 1922 zoning plan. The city's older housing stock could be found in the "C" and "D" neighborhoods – "age of structure" was one of the criteria on which the HOLC's grading scheme was based. With some exceptions, particularly in "A" neighborhoods, construction in Atlanta nearly ground to a halt in the Depression decade of the 1930s (Home Owners Loan Corporation, 1938).

majority of which were undeveloped at the time of Whitten's zoning ordinance, represent what zoning could accomplish given a *tabula rasa* of undeveloped space. Praised by the HOLC as "homogenous" and "well-planned," they represented the vision of residential exclusion developed at the National Conference on City Planning written into the landscape, achieving a level of race and class homogeneity of which the elite residents of Jackson Hill could only have dreamed (Home Owners Loan Corporation, 1938).

The neighborhoods are all-white, and two-thirds are comprised exclusively of homeowners. Out of 41 neighborhoods receiving either an "A" or "B" rating,⁸⁴ only 3 had rates of homeownership that were less than 90%. With one exception, a "B" neighborhood in which apartments were said to account for 5% of all structures, the "A" and "B" neighborhoods are completely devoid of that threat to civilization, the multi-family house (Home Owners Loan Corporation, 1938).

For the HOLC, it wasn't enough to have achieved a neighborhood in which apartments, blacks, and renters had been entirely excluded. The absence of regulatory protections designed to guarantee their ongoing exclusion meant that there would be "limited" mortgage funds available for one's neighborhood; adopt the regulations that would provide lenders the guarantee that the exclusion was permanent, and the designation would shift to "ample" (ibid). Once these

⁸⁴ For the HOLC, the chief difference between "A" and "B" areas was that while the "A" areas were what it described as the "hot spots," currently under development, the B areas "as a rule are completely developed. They are like a 1937 automobile – still good, but not what people are buying today who can afford a few one" (Home Owners Loan Corporation, 1938).

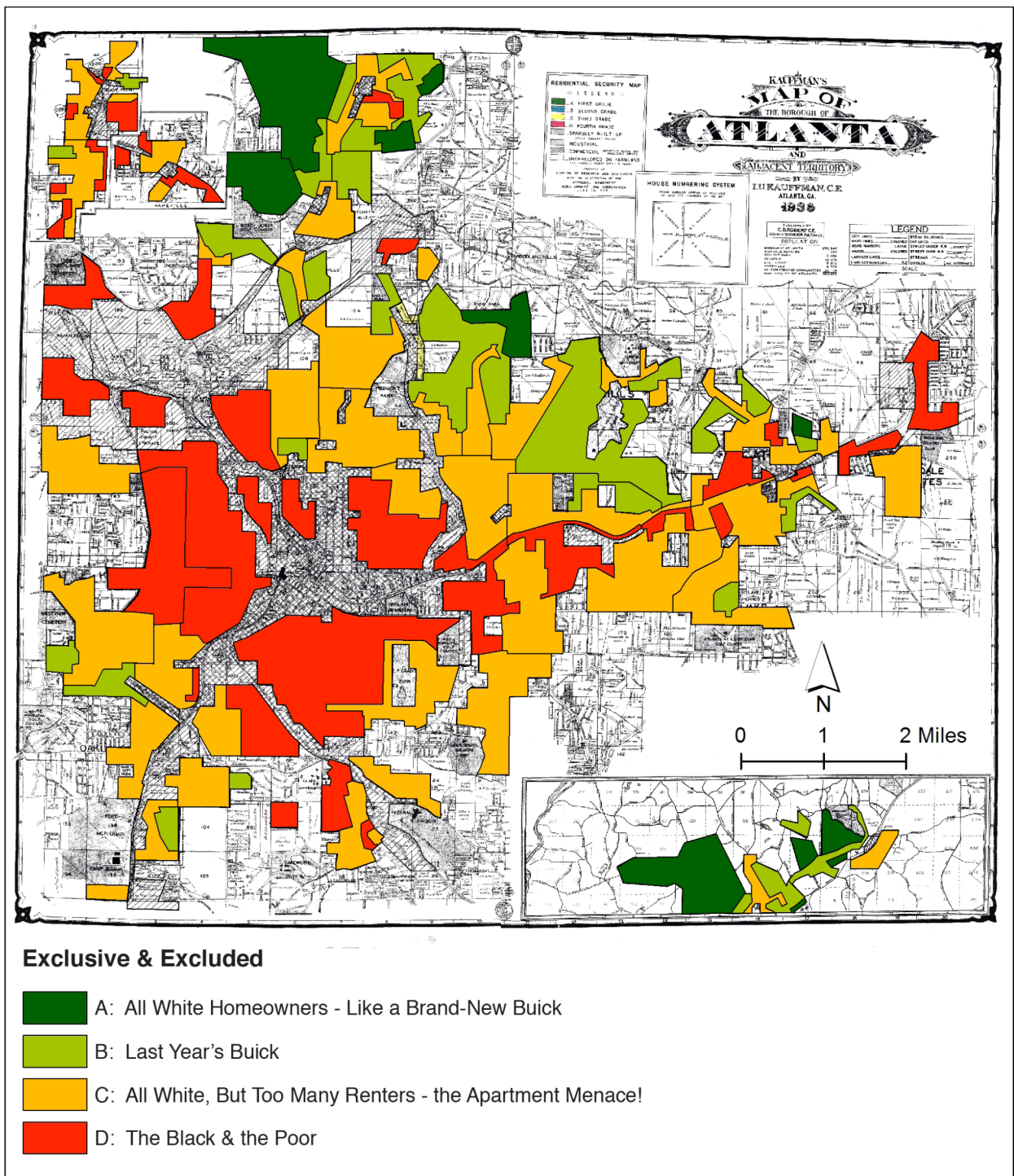


Figure 2. The 1938 Atlanta HOLC Map (Figures 2-7 by Woo Jang)

appraisal methods were adopted by the post-war Federal Housing Administration (Jackson 1985, 203), white Americans who wished to see appreciation in their property values would be forced to play a game of social exclusion.⁸⁵

The HOLC shared Whitten's anathema for apartments, and their concern is expressed by listing the presence of apartments in a neighborhood, or even a neighborhood's proximity to apartment buildings – referred to in neighborhood reports as “encroaching apartments” – as a “detrimental influence” (ibid). Whitten's stipulation that the areas of the city permitting apartments be “carefully limited,” and that apartments be banned from “residence districts” was heeded in the subsequent development of the city, as multi-family housing was non-existent in 99 of the 111 Atlanta neighborhoods surveyed by the HOLC in 1938. Of the 12 neighborhoods which the HOLC flagged as having the “detrimental influence” of this form of housing, 8 of them were more than 90% comprised of single-family homes, and there were only 2 neighborhoods in Atlanta in 1938 in which at least 50% of all structures were listed as multi-family housing (ibid) (See fig 3). The Conference dream of boosting land values by means of the forced dispersal of housing, to be achieved by banning the apartment in areas zoned for single-family residences, was realized in Atlanta's 1922 zoning legislation, and is reflected in an urban landscape almost entirely free of the “apartment menace.”

⁸⁵ The purpose of the HOLC was to offer loan assistance to homeowners in the Depression who were facing foreclosure. Despite the risk-assessment criteria it developed, it actually provided loan assistance in all four grades of neighborhood, which provided something of a test of its criteria for mortgage risk. What it found, nationwide, was that “C” and “D” neighborhoods actually had a better rate of loan repayment than those rated “A” and “B.” The FHA chose not to amend the lending criteria on the basis of this finding (Jackson, 202).

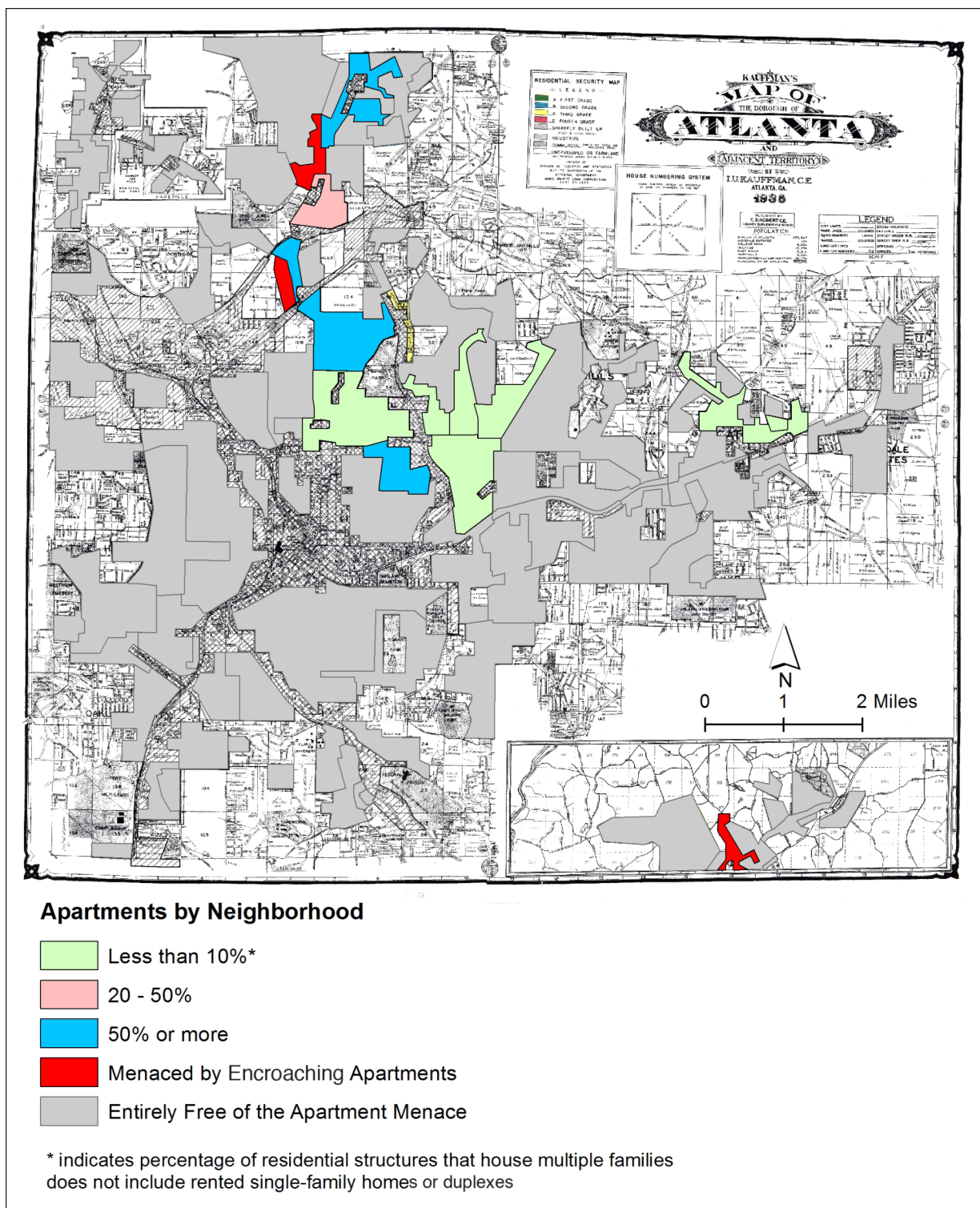


Figure 3. The Apartment Menace

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

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

This, of course, was the explicit purpose of Whitten’s various “residence districts,” each with their own minimum lot size. *Laissez-faire* resulted in the pre-Whitten “chaos” of Jackson Hill, in which there was no stopping a “speculative builder” from erecting a duplex next to a mansion. In the post-Whitten proliferation of white space north of the city, into which white homeowners segregated themselves, those remaining behind in the older, in-town neighborhoods found that they, too, had been segregated, without moving. The “white zone” which Jackson Hill’s affluent white residents had once fought so hard, and so unsuccessfully, to create was by 1938 in a neighborhood that was 95% black, and assigned a “D” rating by the HOLC (Home Owners Loan Corporation, 1938). Indeed, by 1938, there was not a single affluent white person in the city who faced the problems confronted by that vocal group of Jackson Hill residents in

the 1910s. The city had become almost perfectly segregated, not only by race, but by occupational category.

According to the 1938 HOLC survey, of 111 Atlanta neighborhoods, 97 were either all-white or all-black (90 and 7, respectively), with an additional 6 neighborhoods that were 90-99% white or black (ibid., see Fig. 4). A similar level of segregation at the neighborhood level, by occupational grouping, can be seen by examining the HOLC's neighborhood reports, which provide details on the occupational characteristics of the inhabitants of each neighborhood. Typical occupations listed in the "occupation" field for A neighborhoods were "executives, business, and professional men;" for B, "business and professional men, some clerical workers;" for C, "clerical and factory workers;" and for D, "laborers and domestics" (ibid). If neighborhoods which mix concentrations of professionals with clerical workers can be called "professional" neighborhoods, and a "black neighborhood" is defined as one that is at least 90% black, then in 1938 Atlanta was comprised of 54 all-white professional neighborhoods, 34 all-white working-class neighborhoods, 10 black working-class neighborhoods, and 1 black professional neighborhood (ibid). According to the HOLC's neighborhood surveys, out of 111 neighborhoods, only one mixed workers and professionals, while only 14 mixed whites and blacks. Whitten's vision had been realized, and the HOLC punished those neighborhoods that deviated from it: the single neighborhood that mixed professionals with blue-collar workers earned a C rating, while "mixture of racial groups," which the HOLC listed as a "detrimental influence" uniformly earned neighborhoods the grade of D (ibid).⁸⁶

⁸⁶ With the exception of a "C" neighborhood whose 1% black population was cited as a "detrimental influence," black presence in a neighborhood automatically earned it the grade of D. This was true even in the class of Atlanta's one black "professional" neighborhood, inhabited by the "negro business and professional men" and "clerical workers" who lived in the black university district to the west of downtown. Described by the HOLC as the "best negro section

In addition to judging the “social status of the population” when determining a neighborhood’s level of mortgage risk, and downgrading neighborhoods “lacking homogeneity” or suffering an “infiltration of a lower grade population,” the HOLC insisted that it was crucial when evaluating a neighborhood to take note of the “social status” of those residing in neighborhoods nearby (Home Owners Loan Corporation, 1938). The ideal neighborhood was not simply off-limits to renters, blacks, and “low-grade white elements” (ibid), but had achieved physical distance from them. In the “area descriptions” written for each neighborhood, mere proximity to what the HOLC considered to be a “lower grade population” was invariably cited as a “detrimental influence” impacting the neighborhood’s mortgage rating, and gave the “A” and “B” neighborhoods constructed outside of the city an advantage, in terms of mortgage rating, over their in-town counterparts simply on the basis of the physical separation they’d effected between themselves and the black or poor. In Atlanta, proximity either to blacks or poor whites was cited as a cause for lender caution, though what was undoubtedly worse than proximity was actual “infiltration,” which was one of the information fields in the HOLC neighborhood reports, which tracked the movements of “undesirable populations.” The vast majority of Atlanta neighborhoods were entirely free of “infiltration,” though instances cited included “infiltration of Jewish families” and “low-income infiltration” (ibid) (see fig 5).

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

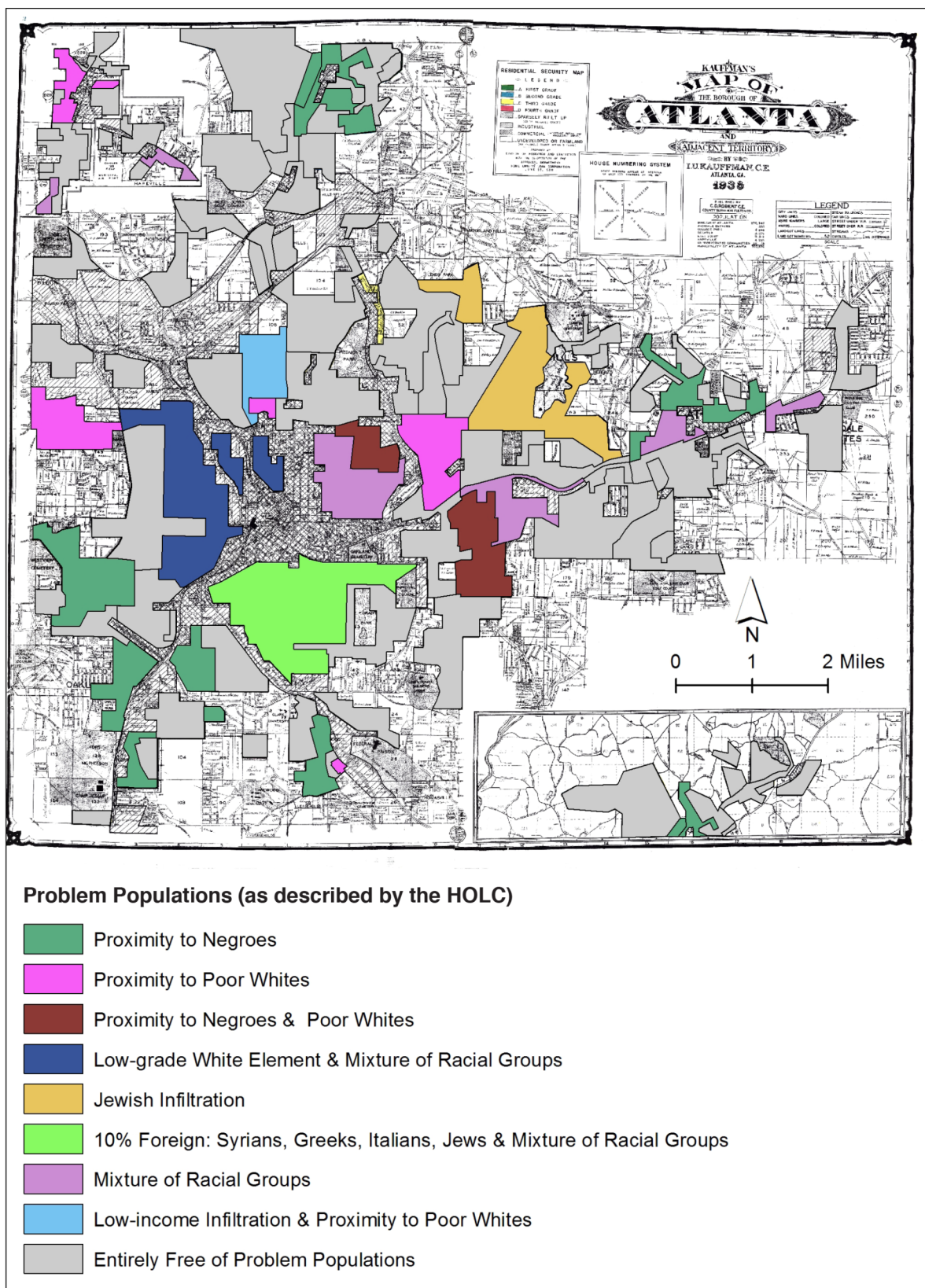


Figure 5. Problem Populations

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

X. Conclusion

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

The protections afforded by zoning and restrictive deed covenants, combined with bank lending practices that insisted upon them, meant that for white families looking to purchase a home, out of the “thousands of acres around [the] city,” only those covered by restrictive land-use regulations made for a sensible investment, thus conferring on this protected space a demand, and value, far higher than would be the case in the absence of such regulations. The same body of regulations that created protection for white owners of single-family homes, of course, also drastically limited the space available in cities for multi-family housing, or for non-whites and renters to reside, which would have the same effect of raising the price of their housing, due to an artificial limitation on the areas of the city to which they had access. The difference, of course, was that while protected white homeowners would earn a share in the expected steady rise of land values as the demand of an expanding city pressed up against a deliberately limited supply of land, those whose neighborhoods bore the label “excluded” rather than “exclusive” would feel the effects in the way of higher prices for shoddier homes than would be the case if they were free to seek housing anywhere in the city.⁸⁷

As seen, the regulatory projects which would restore the exclusivity of Fifth Avenue by effecting the removal of immigrants, or construct spaces excluding all but white homeowners in the “well planned” neighborhoods that resulted from Atlanta’s 1920s building boom, were not justified with appeals to economic theory, but rather on the basis of crisis narratives which served to justify dividing the population into the categories of “protected” and “excluded” with respect to the proposed regulations. Whether the narrative was that immigrants posed a threat to

⁸⁷ In the HOLC’s neighborhood reports on Atlanta, this is evidenced by comments on just how profitable the worst housing in the city is from an investment perspective. Describing the neighborhood Jackson Hill elites once fought so hard to make exclusive, after the fact, the HOLC notes that “Although this area is considered a good negro rental area from an investment standpoint, it also contains one of the city’s worst slum areas.”

the survival of the white race, or that in the effort to ban apartments from residents districts, “civilization is at stake,” the race and class bigotry deployed to justify the restrictive land-use regulations developed in the first decades of the 20th century, and still in place today, had the effect of determining the parties to be protected and excluded within a regulatory regime that had protection and exclusion at its very essence. Contrary to Kenneth Jackson’s contention that the irrationality of racism served to distort the HOLC’s conception of value, it would appear that the pursuit of value not only requires the construction of categories of people which become synonymous with either protection or exclusion, but that this pursuit has powerfully shaped the ongoing construction of American categories of race.

CHAPTER 4 – ZONES OF EXCLUSION: FROM “WORTHLESS NEGROES” TO “VALUABLE MUDSILLS” IN EARLY TWENTIETH CENTURY ATLANTA

I. Introduction

While the “race suicide” narrative was developed in Northern cities for the purpose of justifying calls for the use of state power to protect white wages and property from the price-deflating effects of what was framed as a glut of immigrant labor, in the South a crisis narrative regarding the scarcity of black labor was used to justify regulations designed to compel blacks to work and exclude them from urban space. For the South, the late nineteenth century economic crisis, which had decimated the cotton industry (Wells, 1889), was exacerbated by a crisis of labor control, in which newly freed blacks not only withdrew massive quantities of labor from the plantation fields on which they’d been enslaved – effecting a reduction in labor supply that would prove permanent – but used the leverage derived from the newfound scarcity of their commodity to insist upon conditions of work which minimized white supervision. According to the narrative developed by both Southern elites and Northern economists, blacks preferred leisure to wages, and valued freedom from supervision above all. Blacks’ “crude conception of freedom,” which reduced that lofty ideal to a mere “release from physical restraint” (Brooks 1970, 27), apparently followed them to the city, where in Atlanta, many blacks refused to contract for work for more than days at a time, counted Monday as a holiday, and filled black-

owned bars and “dives” during hours which, in the midst of what was generally described as a severe labor shortage, employers were in desperate need of their work.

What emerged was the trope of the “worthless Negro,” utterly lacking in value unless compelled to work by the state. According to this narrative, *homo economicus* was white: blacks, or at least a troubling portion of them, did not respond rationally to market incentives which would be expected to induce an increased desire to work. On the contrary, the rising wages which accompanied the scarcity of labor only seemed to further enable black withdrawal from the labor market, a withdrawal which would be maddeningly inscribed on the early 20th century Atlanta landscape in the form of black workers congregating around “dives” just outside the central business district, enjoying a drink on a “blue Monday” afternoon.

Black leisure led to rape, went the Southern variant of the “worthless Negro” storyline, which would be respectfully circulated by media outlets throughout the nation, making “relentless war” on black idleness, and the “low dives and joints” which thrived upon it, a matter not only of self-defense, but of the most pressing possible urgency. In Georgia, popular alarm over the threat to Southern womanhood posed by the twin evils of black “vagrancy” and sexual assault was brought to a fever pitch by Hoke Smith’s successful campaign for governor in 1906,⁸⁸ and the Atlanta newspapers which served up a barrage of stories and opinion pieces which made clear that the coercion of black labor was the only imaginable means of securing the safety of white wives and daughters.

⁸⁸ Smith is honored at the University of Georgia with the Hoke Smith Annex, which houses the College of Agricultural and Environmental Sciences’ Cooperative Extension Service.

While it was looming white extinction which threatened the North, and the preservation of white womanhood which rallied the South,⁸⁹ in both cases deliverance from evil required regulation of the labor market and the exclusion of targeted groups from designated areas of urban space. In Atlanta, labor market regulation would take the form of vagrancy laws, which would make the forced labor of the convict lease system, or the municipal chain gang, the penalty for “public display of leisure” on the part of blacks, while municipal authorities had none of the difficulty experienced by New York’s Fifth Avenue Association in the removal of its own problem population from highly visible urban space: given the threat posed by the black bars

⁸⁹ Experiencing a labor shortage, Southern elites had no use for the race suicide argument, and in fact greatly lamented the apparent preference of European immigrants for Midwestern homesteads over low-wage Southern work (Brooks, 31-32). In a 1904 editorial entitled “Race Suicide,” the *Atlanta Constitution* mocked the *Chicago Journal*’s claim that Chicago’s average wage of \$14 a week was insufficient for the raising of a family, thus contributing to white extinction. It was not immigrants, or the low wages for which they were allegedly responsible, that was suffocating the white race, explained the *Constitution*, but rather the selfishness of middle-class white women: “Let us visit one of the homes where the income is only \$14 a week. What do we find there? A buxom woman, Mrs. Rafferty; cheap furniture and a half dozen healthy children. They are happy. A visit to a residence on the Lake Shore drive is a natural sequence. There is luxury; the mistress never works, of course, but is quite fond of her single child – whenever she is at home. There you have it – the two extremes. Nothing else than race suicide is expected along the Lake Shore drive, but Mrs. Rafferty is doing her part toward replenishing her neck of the earth. It is the “middle class” – the great preponderant force in American life and affairs – that must be depended on to maintain the population equilibrium, if the United States are to maintain their Americanism uncontaminated. But very many of the women who, socially, are between my lady of the Lake Shore drive and Mrs. Rafferty are not doing their patriotic duty in this particular. Far from it, they are doing their best to emulate my lady of the Lake Shore drive – and why? The answer is in one word – selfishness. Motherhood is, above all else, unselfishness. So far as the superficial, glittering world of seeing and being seen is concerned, the wife who accepts maternity accepts self-obliteration and social death, in a sense. To this add self-denial, for clothes for the children means fewer clothes, as well as curtailed liberty, for the wife and mother. It also means, perhaps, a plainer menu, no jewelry, no bonbons, no matinees. This average American woman of the “middle class” is up in arms against any such matrimonial programme, and her husband quite concurs with her. The race may go hang....This, in an abstract way, is the milk in the race suicide coconut. The people of the middle classes, who, for all their superior culture and vastly superior tastes, have but slightly larger domestic budget than the Rafferty family, are not willing to make the sacrifices of the Raffertys at the expense of their minds, bodies, and social diversions (*Atlanta Constituion*, 1904).

and “dives” on Decatur and Peters Streets, just south of the central business district, they simply shut them down.

The precipitating event was the 1906 Atlanta race riot, which represented the culmination of the campaign of public invective waged against black idleness and its alleged results. The riot, in fact, proved a watershed event in the history of the city, emphatically announcing a new racial regime of black political disfranchisement – a core plank of the Hoke Smith campaign which would pass the state legislature the following year – and a redrawing of the racial lines in the urban labor market in ways that pushed black workers out of many job categories that had previously been open to them. The new, more rigidly segregated labor market would be accompanied by an increasing drive toward residential segregation, with the riot itself offered as justification for public and private efforts which successfully replaced a residential landscape in which “large, single-class, single-race neighborhoods were the exception rather than the rule” (Lands 2009, 29) with a residential pattern in which markers such as streets and railroad tracks increasingly served as physical boundaries separating all-white and all-black neighborhoods.

The “worthless Negro” narrative, which posed the control of blacks over their own labor-power as a dire threat to the “South” itself, would prove malleable, interpreted and applied by different groups in Atlanta to serve various purposes. While for white elites, the “threat” posed by black “vagrancy” was to be met by measures designed to not only increase the supply of black labor, but ensure its docility, white workers were concerned with eliminating blacks as competitors for skilled and better-paying jobs, an endeavor in which they would prove largely successful. For white workers, the black labor “problem” was not a matter of quantity, but rather one of position: certain blacks had the temerity to loaf on Decatur and Peters Streets, and

supposedly launch assaults on white women, only because blacks in general had forgotten their assigned roles as “drawers of water and hewers of wood,” (Godshalk 2005, 40), a designation which not only allowed white workers to see blacks as misplaced in any job which they deemed desirable, but to connect the behavior, real and imagined, of the most marginal blacks in Atlanta to the very existence of the city’s black middle class, which served as a constant stimulus to the entire race to think beyond its station.

By contrast, white elites did not call for the disappearance of Atlanta’s black middle class, largely comprised of ministers, professors, and businessmen, but rather demanded that its members prove that they were “respectable,” a designation for blacks which sat opposite that of “worthless,” by publicly joining its “war” against black “vagrancy,” and the urban spaces in which it thrived. In the wake of the Atlanta riot, this demand would largely be met, as the pre-riot activism and intellectual energy which had made Atlanta the national headquarters of a “militant” challenge to the conservative black leadership of Booker T. Washington was replaced with efforts to demonstrate that the distinction between “worthless” and “respectable” blacks was real, and that members of Atlanta’s black middle class were personifications of the latter category.

The new racial regime, and the efforts of various groups in Atlanta to impose their own interpretation of it, would be inscribed in the city’s landscape over the early decades of the twentieth century. White workers would police the lines of labor and residential segregation with strikes and violence, erecting racialized barriers between job categories and neighborhoods which blacks would attempt to cross at their peril. The expanding street-system of the city would literally be constructed by the former “Blue Monday” revelers, dragooned into forced

labor as penalty for the crime of leisure. Unlike their counterparts in Cleveland, efforts on the part of affluent white Atlantans to create residential zones which excluded both non-whites and apartments would have no need to reach as far as voicing concern over nervous disorders to meet the legal criteria of “health, safety, and general welfare,” but could use the recent memory of a city engulfed in white-on-black violence to argue that the exclusion of blacks from their neighborhoods was in fact an urgent matter of public safety.

The black middle class would also have the opportunity to impose its vision of the racial order on the landscape. In 1933, the efforts of the “Beaver Slide Committee,” formed by the administrators of Atlanta University and Spelman College to assist Atlanta law enforcement in policing a slum neighborhood by that name, would turn into a proposal for the federal government to raze the entire community as part of its New Deal efforts at “urban renewal.” The proposal, which would win out over a competing plan put forward by white real estate interests to raze the “Dark Town” neighborhood just east of the central business district, would allow middle class blacks to impose their own visions of respectability on the black college area, as the public housing project which replaced Beaver Slide also replaced its residents with the “respectable Negroes” of the black middle class (Ferguson 2002).

W.E.B. Du Bois, who’d been in Atlanta during the removal of the “dives” which followed the race riot, returned to Atlanta University in 1934, after a nearly quarter-century hiatus, in time to offer a challenge to the city’s second successful effort at effecting the mass removal of “worthless Negroes” from urban space. He challenged the dominant narrative, put forward by black and white elites, which characterized the neighborhoods inhabited by these poor blacks as incubators of vice and disease which threatened the entire city, and suggested that

poor blacks become “worthless” to white employers in an entirely new way. His own vision for the public housing project which was to become University Homes was for its prospective inhabitants to go beyond a mere withdrawal from the labor market in asserting control over their labor-power, and channel their energies in directions designed to meet their own wants and needs: for starters, the black women currently providing child care and laundry services to wealthy whites across town could redirect their efforts towards meeting the domestic needs of their own community, while the project could be fed with the produce of the black farmers of Fulton County, a proposal only slightly less reasonable than paying farmers not to grow (Ferguson 2002). In the Depression-era context of mass unemployment, in which Atlanta’s white workers were pressing for the complete expulsion of blacks from the city’s labor market, the ideas of Du Bois would find an audience among lower-level officials in the Roosevelt Administration, though in the end, the predominantly white-collar blacks who would inhabit University Homes, many of whom would, in fact, offer their energies in exchange for resources provided by the government, would channel their efforts in directions far removed from those which he had envisioned (ibid).

The “worthless Negro” narrative, and the ways in which it was inscribed upon the early 20th century Atlanta landscape, is, of course, a story of value. The narratives which argued that white property and labor would be worthless in the absence of government regulations designed to maintain their scarcity can only be understood alongside those which simultaneously insisted upon the necessity of securing a quantity of black labor which would not be forthcoming in the absence of measures which aimed at its compulsion. Returning to the value theories of Malthus and Menger, we can interpret the regulatory efforts aimed at different segments of Atlanta’s population as those designed to limit the quantity of goods – in this case, residential housing –

while boosting the quantity of labor offered, or compelled, in exchange for them. Value, in fact, is a story of protection and exposure, in which narratives are developed which are designed to justify the affording of regulatory protection to certain categories of people – categories created by the narratives themselves – while exposing others to unprotected competition in the market, or the punitive powers of the state. These categories, it can be argued, form the essence of the ideologies of race which inscribed themselves in the Atlanta landscape, and could just as easily have been determined by some more ‘scientific’ measure, such as standardized test scores, as the admittedly rather arbitrary criterion of skin pigmentation. The categories which form the basis upon which protection and exposure, or privilege and exclusion, are distributed are not pre-determined, nor are their boundaries always clearly defined. The result is a landscape which reflects not the efforts of a materialistic people, consumed with maximizing the production of material wealth, but rather the massive quantities of effort devoted to a mean-spirited jockeying for position in a value scheme in which material resources, in fact, are deliberately limited. The all-white zones of single-family homes, protected by public and private regulations which aimed at the maintenance of scarcity, are, along with the chain gangs which built Atlanta’s streets, and the wrecking crews which destroyed Beaver Slide, the physical manifestations of these value narratives.

II. “Worthless Negroes”: Happiness As the Negation of Value

In 1896, the same year in which the American Economic Association’s Francis Walker used the pages of the *Atlantic* to argue that maintaining the value of “native” white labor required regulatory protection designed to maintain its scarcity, the Association published a book-length

monograph, *Race Traits and Tendencies of the American Negro*, which argued that the scarcity of black labor in the South was having precisely the opposite effect on its value, as black refusal to offer its labor in the desired quantity and intensity was causing it to approach “utter worthlessness” (Hoffman 1896, 263). The book, written by Prudential Insurance Company statistician Frederick L. Hoffman, would have enormous influence, as every major white-owned insurance company in the United States, with the exception of Metropolitan Life, would cite its statistics on the higher incidence of mortality among blacks to justify new policies denying life insurance policies to African Americans (Finkelman, Introduction to Hoffman 2004, i).⁹⁰ Hoffman, incidentally, pinned the racial discrepancy in mortality rates upon black sexual immorality.

Hoffman’s chapter on “Economic Condition and Tendencies” documents the “deterioration of the economic efficiency of the ‘free’ negro” (ibid, 256), and makes clear that the “dives” of Atlanta, which symbolized the assertion of the right, on the part of black workers, to control the quantity of labor they would make available to employers, must be seen as an urban manifestation of what elite consensus, North and South, took to be a distinctly regional problem. He cites an 1893 Department of Agriculture report which describes “thousands of acres of the finest rice lands, which have been abandoned and are now lying idle,” (ibid, 258) and lists “the scarcity of negro labor, by which practically all the field work has been done,” as one of the most significant factors contributing to what is described as a massive decline in rice

⁹⁰ Some blacks, at least, may have been grateful for Hoffman’s efforts, for it opened up a lucrative field for black business. Former slave Alonzo Herndon founded the Atlanta Life Insurance Company in 1905, which made him the richest black man in Atlanta, a distinction also held by his son, Norris, upon his death in 1977. The company is still in existence (Grant 1993, 252).

production (ibid).⁹¹ Not only was less rigorous work which paid higher wages easily available, giving blacks little reason to engage in the back-breaking work of rice cultivation, but the report complains that with “an abundance of fish and game, and a mild climate making it easy to live, they are so irresponsible that it is difficult to control labor” (ibid, 258).

Hoffman describes a similar breakdown in the control over labor in the cotton industry, citing the 1895 letter of a Texas farmer to the Senate Committee on Agriculture, which not only gives some indication as to the depth of the problem, but also suggests that for the planters of the South, if immigration threatened “race suicide,” it was a risk they’d gladly be willing to take:

“Of all causes mentioned as contributing to the financial depression of the cotton raiser, the want of reliable labor is perhaps the most important and the most difficult to remedy. As stated previously, our crops are mainly cultivated by negro labor. For several years after the close of the war, the manumitted slave was, from previous training and the force of habit, a very desirable laborer, but as the generation of the ex-slave passed away and a new generation sprang up, they became more lazy, thriftless and unreliable, until they will soon attain a condition of total depravity and *utter worthlessness*...The negro laborer, notwithstanding he gets one-half the crop, and is subjected to no expense, will, upon an average *not work more than four hours a day, nor more than three days per week*. I can only suggest one remedy for this state of affairs and that I admit is impracticable, if not impossible. That is, for the government to deport and colonize the negro in Liberia or the Sandwich islands. If such a thing could be accomplished we might suffer some temporary inconvenience and pecuniary loss but the place of the negro would soon be filled by active, honest and industrious whites from the middle, northern and western states, and Europe. Relieve us of this incubus and your name shall be blessed, even unto the tenth generation” (ibid263).⁹²

⁹¹ Louisiana, South Carolina, and Georgia, in that order, were the country’s leading rice producers in 1889. Georgia’s rice production declined dramatically after emancipation, falling from about 40 million pounds in 1850 to roughly 14 million pounds in 1889. Production in the nation as a whole fell from 215 to 115.5 million pounds over the same period. Describing the “despondent view of the present value of negro labor in the rice fields,” Hoffman concludes with the statement that “we must attribute a decreasing production more to the growing inefficiency of negro labor than to other economic causes” (Hoffman 2004, 258-259)

⁹² While this Texas planter had fond memories of the years immediately following emancipation, in Georgia, at least, what historian Robert Preston Brooks referred to as “the negroes’

The conditions of which this Texas planter complained exploded across rural Georgia in the last two decades of the 19th century, with an increasing number of black farmers able to achieve conditions of work in which they “now planted what they pleased, and worked when they liked, the landlord interfering only to require that enough cotton be planted to pay the rent” (Brooks 1970, 45). An 1880 description of life on a Georgia cotton plantation, written for the U.S. Census of that year, observed that “the slight supervision which is exercised over these tenants may surprise those ignorant of how completely the relations between the races at the South have changed” (ibid, 46).

Not all black farmers enjoyed such freedom from control. The crucial distinction was between share-cropping and renting. Under the former system, the farmer was a mere wage-laborer, paid with a share of the annual crop in lieu of a weekly or monthly wage. Bringing nothing to the farming proposition but his labor, he was forced to submit to the “complete control” of the plantation overseer – and “it is this supervision,” explained the University of Georgia’s Robert Preston Brooks, “that the darkies resent” (Brooks 1970, 53).⁹³ By contrast, the renter furnished his own supplies, though often purchased on credit, and achieved a situation in

misconception of the meaning of liberty” (Brooks, 10) expressed itself in the immediate removal of an estimated 25% of the plantation work force from the fields, mostly women and children, while those that remained reduced their working hours by about a third, to “near the national norm” (Grant, 32). Georgia Governor Charles Jenkins, in his 1867 annual address, blamed the “almost total failure of crops in 1865 and 1866” in part on the “indisposition of the negroes to work” (Brooks 1970, 10, 13; the words are Brooks’).

⁹³ Brooks was named dean of the University of Georgia’s School of Commerce, now Terry College of Business, at its founding in 1920, and served in that capacity until 1945. Brooks Hall, which houses the business school, is named for him. *The Agrarian Revolution in Georgia 1865-1912* (1914), cited here, was his dissertation for the History Department at the University of Wisconsin, and is largely based on his work for the 1910 U.S. Census, in which he contributed to a special report on the plantation system of the South (Brooks 1970).

which “the landlord has nothing to do with the tenant’s crop, no right of supervision as to the sort of crops grown or the amount of labor expended” (ibid, 52). In 1880, when the U.S. Census described Georgia plantations on which blacks “planted what they pleased, and worked when they liked,” over 20% of black farmers had achieved the status of renters (ibid, 53). By 1900, fully 50% of black farmers had achieved this status, while 10% owned their farms, and 40% were working as strictly supervised sharecroppers. The latter category, however, was associated with youth - in the conditions of late 19th century Georgia, not only could young sharecroppers expect to eventually be in a position to become renters by furnishing their own supplies, but the scarcity of labor was so great that many blacks were able to insist upon the absence of supervision despite having none of the capital required to furnish a farm. As Brooks explains, “So great has been the competition for laborers and so completely have the negroes had the upper hand in this matter, that negro wage earners and share hands have in many instances been able to achieve an independent position even without the inconvenience of having to save the small amount necessary to stock a renter’s farm” (ibid, 60-61).

While for “those who favor the position of renter for the negro,” the late-nineteenth century expansion of the institution of renting would be celebrated as a period of emancipation from the share system, denounced as “slavery under a new name” (ibid, 89) for elites such as Brooks and Hoffman, the experiment furnished decisive proof that “the mass of the race are wholly unfit for economic independence,” as “the economic motive that urges men of other races to labor is weak in the negro race” (ibid, 62). While the renting system typically provides the renter every incentive to maximize production, since the farmer’s share is determined by the amount produced in excess of that necessary to pay the rent, in the case of blacks, says Brooks,

“it is the escaping from supervision, not the larger opportunity of profits that the negro has in mind in shifting from the position of wage earner or share tenant to renter” (ibid, 60).

Placed in charge of a farm, the apparent goal of many blacks, in fact, was not to maximize production, but rather reduce their expenditure of labor to a minimum. “From all available facts,” says Hoffman, “it would seem that as a proprietor the negro produces only enough for his own wants, thus curtailing the general production” (Hoffman 2004, 268). Planters complained of a general withdrawal of labor after “an unusually good crop year” (Brooks 1970, 61), and this was made possible by the mild climate and “abundance of game” of which the government reports complained. As Brooks explained, “the demand for labor, emigration of negroes, absence of white labor, *the possibility of the negro’s living for practically nothing*, a foolish lien law, all worked for the negro” (ibid, 32, emphasis added).⁹⁴ Indeed, it was the ease with which the physical environment of the South made possible the attainment of “comfort” and “happiness” that contributed most greatly to black “worthlessness,” a condition achieved when blacks worked only enough to provide for their own wants and needs, and no more. Hoffman provides this explanation for the conflation of worthlessness and happiness, thus rendering the happiness of blacks not merely a threat to their value, but its very antithesis:

“The absence of this supervision, it would seem, seriously impairs the value of the negro as a tenant farmer or small proprietor...The small produce of his farm, together with the earnings of his wife and children in the peanut or strawberry season, enable him to live in comparative comfort, adding little or nothing to the aggregate wealth of the community. He lives, in a word, the life of the West India peasant of whom Froude says: ‘The earth does not contain any other peasantry so well off, so well cared for, so happy, so sleek and contented’...Land at the present rates is very easily obtained by negroes in the Southern states, and once obtained it is very easily held. The genial climate and the productiveness of the soil will

⁹⁴ “But if the labourers could live on air, they could not be bought at any price” (Marx 1990, 748).

supply with little labor the wants of a negro and his family, leaving but a small amount of work to be done to supply those necessities of life which have to be bought for cash...The remarks of Mr. Froude in regard to the negro in the West Indies are equally applicable to the negro throughout the larger part of the South: *'If happiness is the be all and end all of life, and those who have most of it have most completely obtained the object of their being, the 'nigger' who now basks among the ruins of the West Indian plantations is the supremest specimen of present humanity'*" (Hoffman 2004, 269-70, 308-9, emphasis added).⁹⁵

While the general scarcity of labor, combined with an "abundance of cheap land," certainly facilitated the quest for autonomy on the part of Southern black farmers which marked the closing decades of the 19th century, it was the economic crisis of the period, of which the cheap land prices were but a reflection, which in fact made planters increasingly willing, if only temporarily, to cede control of farm management to blacks. Cotton, in fact, was perhaps the textbook example of David Wells' "overproduction and crisis" thesis: the record-breaking cotton crop of 1894, the result of 23.69 million acres planted in cotton, would fetch less on the market than the product of the 9.35 million acres planted in 1873 (Woodward 1971, 185). Faced

⁹⁵ Blacks had no monopoly on "worthlessness" of this variety. In his classic, *The Mind of the South*, W.J. Cash speaks of the independence achieved by non-slave-owning whites in the ante-bellum years, made possible by their ability to access the means of subsistence without submitting to the demands of any employer: "If the plantation system had robbed the common southern white of much, it hadn't robbed him completely. Since it was based on negro slavery, and since negro slavery was a vastly wasteful system and could be made to pay only on rich soils, it had practically everywhere, as I have implied, left him some sort of land and hence some sort of subsistence. It made no claim on his labor, and thus he was, in this respect, as free as the greatest plantation owner...In this regard, it seems to me, the Old South was one of the most remarkable societies which ever existed in the world" (Cash 1971, 38). At the turn of the 20th century, these "worthless" whites were still very much in existence, as evidenced by the following comments of "a prominent white man of Habersham County," in north Georgia fruit country: "It is not a problem of Negro labor, because there is little of that kind there. The white labour will not work for the fruit growers at prices they can afford, even when it is a good fruit year. Often they decline to work at any price. They have many admirable qualities; among them is a spirit of pride and independence, which, rightly directed, would uplift and make them prosperous, but which misguided and blind, as it sometimes is, keeps them in poverty and puts the region in which they live at great disadvantage. Landowners and employers, native and new, are indignant but helpless. They are in the power of the shiftless element of the whites, who say, 'I will work or not, as I please, and when I please, and at my own price, and I will not have Negroes take my work away from me'" (Baker 1973, 83)

with crashing prices and a reluctant work force, many planters abandoned their farms for the towns, granting autonomy in exchange for a specified quantity of cotton. As the number of farms on which such conditions prevailed increased, other planters, desperate for scarce labor, were forced to match these terms. It was the relative worthlessness of cotton, in fact, that made possible that of blacks.

As cotton prices and land values revived at the turn of the century, planters found a renewed interest in the management of their farms, replacing autonomous renters with strictly supervised sharecroppers, and often preferring to let land idle than allow it to continue being managed under renter control (Brooks 1970, 92). The renting system, and the black independence that came with it, reached its zenith in Georgia in 1900 (ibid, 88-89), with the period immediately following witnessing a reassertion of planter authority (ibid, 91). According to Brooks, the planter consensus was that “lands which are increasing in value at so great a rate cannot longer be allowed to remain in inefficient hands” (ibid, 91-92). Hoffman, in fact, seems to anticipate the events of the Atlanta riot as he makes the following remarks with regard to the level of tolerance to be expected of whites when confronted by races which insist upon making use of resources in pursuit of happiness, as opposed to value:

“The day is not far distant when, in the words of Mr. Kidd, ‘The last thing our civilization is likely to permanently tolerate is the wasting of the resources of the richest regions of the earth through the lack of the elementary qualities of social efficiency in the races possessing them.’ When the ever-increasing white population has reached a stage where new conquests are necessary, it will not hesitate to make war upon those races who prove themselves useless factors in the progress of mankind. A race may be interesting, gentle, and hospitable; but if it is

not a useful race in the common acceptance of that term, it is only a question of time before a downward course must take place” (Hoffman 2004, 328-9).⁹⁶

In predicting both “war” and a “downward course,” Hoffman’s words would prove prescient. For if the last two decades of the 19th century were characterized by conditions of increasing independence amongst black farmers, historian John Dittmer would refer to the “race violence, urban ghettos, and Jim Crow laws” of the decades which opened the new century as marking “the nadir of Afro-American history” (Dittmer 1977, xi). Blacks, in fact, could only “squander” rice and cotton fields through the “squandering” of their own labor-power, making regulatory control of black labor the essence of the campaign against black vagrancy as the economy revived at the turn of the century. It is this reassertion of control over black labor, after some decades in which the relative “worthlessness” of the staple commodities of the South permitted a degree of “worthlessness” to be enjoyed on the part of blacks, which forms the backdrop, and provides the essence, of the 1906 Atlanta race riot, which would impose a new racial regime upon that city as part of a broader effort to put an end to “the possibility of the negro’s living for practically nothing” which was simultaneously underway throughout the entire region.

III. Drawing Color Lines, & Contesting Them: Chivalry in Black & White

⁹⁶ Swaggering celebrations of racist violence were common among Progressive economists at the time: “We [Americans] are by nature rough riders – we make concessions only to our equals. If negroes are added to our pop, we do not fraternize as do the French, but keep them in the place which we think fit for them, and lynch law repeals the 14th amendment” (Commons 1920, xviii)

Atlanta at the turn of the 20th century was an experiment in clashing populations, as formerly rural whites, predominantly from the North Georgia mountains, met black farmers arriving from the Black Belt to jointly overtax an urban infrastructure unprepared for the more than doubling of population which occurred from 1890 to 1910 (Dittmer 1977, 12).⁹⁷ While by the time of the riot, white workers had found a collective voice in making race-based claims to a privileged position in the city's labor market, the racial rules of the city were in flux as it was flooded with new arrivals, as the strict, apartheid regime which would govern the city's economic and social life from the aftermath of the riot until the 1960s had yet to be etched in stone. The city's labor unions, which would earn the description of "conservative, Protestant, Democratic, and Ku Klux Klannish" (Dittmer 1977, 31-33) through their practice, initiated about the time of the riot, of setting up "watchdog committees to investigate reports of black economic encroachment" (ibid, 30-31), actually refused participation in an 1898 parade in protest of its exclusion of black workers (Godshalk 2005, 44). Du Bois' *Atlanta University Publications* describe the turn-of-the-century skilled black craftsman, upon whom Booker T. Washington had rested such high hopes, as being "conspicuous" in the "larger cities of Georgia," often working side by side with whites, and at the same rate of pay (Atlanta University 1969, 113-114, 120). Even the legal system had yet to draw a hard and fast racial line, with blacks reportedly occasionally serving on Atlanta juries as late as 1902 (Lands 2009, 8).

As white workers increased their numbers in the city, however, expressions of interracial solidarity, such as "if contractors want to exclude Negroes, that's reason enough to include

⁹⁷ The white population increased from 37,416 in 1890 to 102,861 in 1910, with more than 80% of that growth occurring in the latter half of the period. The black population grew from 28,117 in 1890 to 51,902 in 1910, with nearly 70% of that growth coming 1900-1910. The massive influx of whites during the period resulted in a proportional decrease in blacks from 43% of the population in 1890 to 33% in 1910 (Godshalk 2005).

them” made in 1900 by the white business agent of Atlanta’s Carpenters and Joiner’s Union (Grant 1993, 279), were increasingly replaced by calls which linked a vision of the “proper” position of black workers in the city’s labor market to the threat of sexual violence which black men allegedly posed to white women. “Let us settle this great question like men,” read a 1906 letter to the *Atlanta Evening News*, in reference to this alleged threat, “and let us with the consent and cooperation of our mothers and our sisters settle this thing for now and forever – by letting the negro know that he is a ‘hewer of wood and a drawer of water,’ and that if he values his life or anything he has got, he must stay – now and forever – in the negro’s place” (Godshalk 2005, 40). Labor leaders would find a way to turn this argument into a charge of racial betrayal levied against white elites. O. Delight Smith, the female labor advocate who would be the chief local organizer of the major 1914 strike at Fulton Bag & Cotton Mills, asked why the city’s business leaders were doing “nothing” to stop black rapists, only to answer her own question:

“I can tell you – for the negro’s labor – to get more wealth for the South out of him. It is commercialism willing to trade on ravished white women! Oh proud, Anglo-Saxon race, chivalrous cavaliers of the South, you once were kingly men, lords of creation, but you have sold your birthright for a mess of pottage! You have fallen too low to act as protectors of your women” (ibid, 40).⁹⁸

While Atlanta’s white workers developed a narrative which made the safety of white women – as well as the honor of the “cavaliers of the South” – dependent upon the elimination of black competition in the labor market, black civil rights activists in Atlanta were articulating a

⁹⁸ My account of the Atlanta race riot, and its significance, draws heavily from David Godshalk’s *Veiled Visions: the 1906 Atlanta Race Riot and the Reshaping of American Race Relations* (2005). The significance of Godshalk’s account is his argument that, as indicated by the title, that the riot’s impact on racial discourse was national, and contributed powerfully to the shaping of racial ideology in the United States in the first decades of the twentieth century (Godshalk 2005).

critique of the Booker T. Washington gospel that hard work and a willingness to maintain social separation from whites was all that was necessary for blacks to achieve – however slowly and gradually – political and economic equality. Centered around Atlanta University professor W.E.B. Du Bois , and Atlanta-based *Voice of the Negro* editor Max Barber, these blacks, like the white workers who based their claims to a privileged labor market position around a purported defense of women, would also rest their critique upon a distinct conception of black masculinity. In times that demanded courage, they argued, Booker T. Washington’s practice of using his control over funds contributed by Northern philanthropists to quash criticism of his leadership, and compel fawning praise, smacked of cowardice, not only on the part of Washington, but of all who participated in the game (Godshalk 2005). The 1905 Niagra Conference, whose organization and attendance reflected its “strong Atlanta roots,” was conceived, said Du Bois , for the purpose of creating space in which it was possible to “oppose firmly present methods of strangling honest criticism; to organize intelligent and honest Negroes; and to support organs of news and public opinion” (ibid, 69).

Courage not only meant a willingness to speak one’s mind, but to have the honesty to both articulate and act upon what for these organizers represented a mere truism, confirmed with each passing day of what was, both nationally and locally, a deteriorating racial situation: equality would not come without struggle, and it was cowardly to pretend any different. At the February, 1906 Georgia Equal Rights Conference, organized for the purpose of establishing a local base from which to continue the work of the 1905 Niagra meeting, keynote speaker William J. White articulated this vision of “manly” courage, in direct opposition to the Booker T. Washington’s ongoing plea for patience: “We must agitate, complain, protest, and keep protesting against the invasion of our manhood rights; we must besiege the legislature, carry our

cases to the courts, and above all organize these million brothers of ours into one great fist which shall never cease to pound at the gates of Opportunity until they fly open” (ibid, 73).

The conference words which would echo across the nation, however, were those of African Methodist Episcopal bishop Henry McNeal Turner, whose rhetoric gives an indication of the spirit of militance which characterized the challenge to Washington’s leadership then taking shape in Atlanta. Calling the American flag a “dirty rag” in light of the atrocities committed against blacks in the South and across the nation, he stated that hell itself was “an improvement upon the United States where the Negro is concerned” (ibid, 73). As if to demonstrate his conviction that only those willing to truly speak their minds could be called courageous, he then argued that the rhetoric of white supremacists was mere projection – the true savages in America were the beasts who carried out lynchings and comprised racists mobs. Calling them “ignorant and stupid,” he dared “any one or all of them to meet me in public discussion and I will show that the Negro is a far better man than they are” (ibid, 73). Living up to his characterization of them, white racists North and South called for Turner’s lynching, while President Theodore Roosevelt briefly considered having him arrested for treason (ibid).

IV. Worthless in Atlanta: “Keep Them Hustling”

Despite the colorful language with which white workers denounced Atlanta’s business elites for their alleged racial betrayal, and middle-class black activists derided white racists for the bestial nature of their crimes, it was the conflict between the employers of the city, and the black workers whose labor they so desperately needed, that would define the racial politics of the

period. The planter, it turns out, was in the city, as Northern journalist Ray Stannard Baker, whose 1907 study of the Atlanta race riot would help define the national discourse on race relations for the next several decades (Godshalk 2005), explained that “almost any prominent merchant, banker, lawyer or politician whom I met in the towns [in Georgia] owned a plantation in the country” (Baker 1973, 69). The challenge they faced was the same, urban and rural: the establishment of a system of labor control which brought the quantity of labor black workers were offering in exchange for the means of subsistence much closer to that desired by employers, one which followed Malthus’ dictum that “the money price of labor must, on average, be so proportioned to the price of the funds for its maintenance, as to effectuate the desired supply” (Malthus 1968, 218).

In *Following the Color Line: An Account of Negro Citizenship in the American Democracy*, Ray Stannard Baker describes pre-riot Atlanta as a city that had become “a veritable tinder box,” a state of affairs for which “worthless Negroes,” and the labor shortage they were causing, were held entirely responsible (Baker 1973, 3). Baker immediately follows his “tinder box” description with the explanation that:

“The entire South had been sharply annoyed by a shortage of labour accompanied by high wages, and paradoxically, by an increasing number of idle Negroes. In Atlanta, the lower class – the ‘worthless Negro’ – had been increasing in numbers; it showed itself too evidently among the swarming saloons, dives, and ‘clubs’ which a complaisant city administration allowed to exist in the very heart of the city” (ibid, 3).⁹⁹

⁹⁹ Baker assures his readers that the vast majority of blacks are not “worthless” – the category is limited to those whom employers, or journalists, have determined to be not working hard enough. He describes the “worthless Negro” in this way: “I tried to see as much as I could of this ‘worthless Negro,’ who is about the lowest stratum of humanity, it seems to me, of any in our American life. He is usually densely ignorant, often a wanderer, working today with a railroad gang, tomorrow on some city works, the next day picking cotton...He works only when

With this, the Harvard-educated Baker was simply parroting the words of Atlanta's business elite, whose organ, Clark Howell's¹⁰⁰ *Atlanta Constitution*, had been waging a multi-year campaign of invective and propaganda against these "worthless Negroes," and the "dives" which served them, by the time Atlanta exploded in a fury of white-on-black violence in the fall of 1906. Typical was a front-page *Constitution* article of August of that year, entitled "Vagrant Negroes Fill Streets and Saloons at All Hours of Day," with the tagline "Difficult to Convict Loafers of Vagrancy After They Are Arrested" (*Atlanta Constitution* 1906a). Noting that that the current wage-scale allowed black workers to meet their subsistence needs with far less labor than the city's employers required, the *Constitution* bluntly advocated replacing the market mechanism with legal sanctions designed to "break up his habits of idleness, crime, and self-debauchery, and enforce upon him the duties of labor and self-support" (*Atlanta Constitution* 1903a).

Despite an ongoing attempt to enforce the state vagrancy law,¹⁰¹ the *Constitution* maintained, the city was still "overrun with idling and loafing negroes" (*Atlanta Constitution*

he is hungry, and he is as much a criminal as he dares to be. Many such Negroes are supported by their wives or by women with whom they live – for morality and the home virtues among this class are unknown. This worthless Negro...provokes the just wrath of the people, and gives a bad name to the entire Negro race. In numbers he is, of course, small, compared with the 8 million Negroes in the South, who perform the enormous bulk of the hard manual labor upon which rests Southern prosperity" (Baker 1973, 61).

¹⁰⁰ Clark Howell Hall houses the Career Center at the University of Georgia.

¹⁰¹ In a move called for and heralded by the *Constitution*, not only had the vagrancy law been tightened in 1903, but a statewide campaign of enforcement was simultaneously inaugurated. Under the previous law, which criminalized idleness amongst those lacking a visible means of support, bringing cash to court, which would often be provided by family and friends after arrest, was often enough to escape conviction (*Atlanta Constitution* 1903b). Under the new law, pronounced the *Constitution* in 1903, "all that sort of technical travesty will be done away with and the known or suspected vagrant will have to make a good showing or bond that he is

1906a). What the paper found perplexing, and infuriating, was that the denizens of the dives on Decatur and Peters Streets were not only clearly keeping body and soul together, but had cash to spend on food and drinks “on a clear, sunny day, when contractors and foremen all over the city were making efforts to secure labor at good prices” (ibid). “How do they do it?” the paper asked. Theft was the obvious answer, and the paper was certain that most of the crimes against property in the city could be traced to these idlers, but the article goes on to complain that in fact no crime was necessary for these blacks to maintain their lives of leisure. In a section with the sub-heading “Negroes Can Live Cheap,” the article complains that the vagrancy law

“does not say how much or how often a man must work. He must simply make a living. A negro can work one day in the week and live. He gets \$1.25, and that will support him for a week. In Savannah it is said that the Calvin Law [the tightened vagrancy law passed in 1903, and named for its sponsor] has been so constructed as to require a man to work continuously. That construction might work wonders in Atlanta” (ibid).

Even those black workers who steadily held what they considered to be “full-time” jobs were increasingly redefining that term to refer to a four-day workweek. While the old practice, the *Constitution* explained, had been the refusal to work Saturdays, which “left only five working days,” the “new rule is to take off Saturday and Monday” (ibid). Those adhering to this “new rule” were “known to each other and police as ‘blue Monday niggers,’” and “one has but to stroll on Decatur Street Monday morning to ascertain what a large following the ‘blue Monday niggers’ have” (ibid). Atlanta’s business class was so desperate for labor that it was apparently

pursuing a ‘fair, honest, and reputable livelihood,’ or will immediately catch up with that requirement of good citizenship” (ibid). By 1906, the *Constitution* would be arguing that the new law was not enough.

willing to accept, at least for purposes of propaganda, black workers' new definition of "full-time:"

"If all the negroes would work regularly four days in the week the situation would be good, but the trouble is that hundreds of negroes believe in Blue Monday, Blue Tuesday, Blue Wednesday, Blue Thursday, and Blue Friday....There is no doubt, say the police, that there are in the city today not hundreds but thousands of negro vagrants who never work a day in the week. It is this class that is a menace and a danger to the people. One remedy may be a less strict construction of the Calvin Law, and this may be tried in some of the courts" (ibid).

For the *Constitution*, it was not enough to point out, as had Baker, that this "worthless" element worked only when hungry. Measures were required to produce the hunger that compelled them to work. A planter had explained to Baker "how hard it was to get a negro tenant even in the busy season to work a full week – and it was often only by withholding the weekly food allowance that it could be done" (Baker 1973, 77). The application of this wisdom, urged the *Constitution*, was required in Atlanta. Employers of negro servants, the paper argued, were unwittingly enabling vagrancy through the misguided generosity, or absence of oversight, which permitted black domestic servants to effect a transfer of food from the kitchens of the rich to their own homes:

"One of the greatest evils that afflicts the domestic life of our people and creates idleness, confirmed vagrancy and criminal viciousness among the negroes of town and country is the back-door commissary graft allowed to the cooks and house servants of white families. There is, we venture to say, hardly a household in Atlanta having one or more negro servants that does not give up surreptitiously every day food enough to support one or more strapping vagrant negro loafer" (*Atlanta Constitution* 1903c).¹⁰²

¹⁰² Baker echoed the *Constitution* here as well: "It was simply amazing to me, considering the bitterness of racial feeling, to see how lavish many white families [in Atlanta] are in giving food, clothing and money to individual Negroes whom they know. A Negro cook often supports her

There was great value in hunger, the *Constitution* maintained, while those whose food made “Blue Monday” possible were in fact, however unwittingly, contributing to what amounted to devastating economic losses, and the actual destruction of property. In an editorial entitled “Keep Them Hustling,” the paper stated that:

“The country districts need labor and will soon need more. It is not only a duty to the city populations, but a boon to the farmers to hustle the idle pensioners on the back-door stealages of servants out into the fields, where steady labor and honest wages are to be had. The people of the South are throwing away scores of millions of dollars every year by the enforced levies made upon their supplies by vagrants and their almoners in our kitchens. It is not only right, but a protection to peace, person and property to compel every vagrant to labor for himself, or to work under penalty for the public weal. Idleness is an inducement to crime, and the crime that is done by the vagrant to get bread and meat is a spoliation of some other man’s property” (*Atlanta Constitution* 1903d).

Atlanta was “overrun with idling and loafing negroes” despite the fact that with a 1905 population of 115,000, its 17,000 arrests in that year gave it the highest per-capita arrest rate in the nation (Baker 1973, 3). The number arrested would increase to 21,602 in 1906 (*ibid*). Blacks, who comprised slightly less than 40% of the population, accounted for 62% of all arrests, nearly 90% of which were for “charges of disorderly conduct, drunkenness, idling and loitering, or simply suspicious behavior” (Godshalk 2005, 25). The *Constitution* complained that even with the tightening of the law effected in 1903, blacks had developed expert stratagems for beating vagrancy charges in court:

whole family, including a lazy husband, on what she gets daily from the white man’s kitchen” (Baker 1973, 37).

“Even under the Calvin Law it is difficult to define exactly what a vagrant is. He proves that he worked one day this week and two days that week. He proves that he has two or three dollars in his pockets, that probably has been given him since his incarceration. A white man has been found for whom the prisoner’s old mother probably cooks, who is willing to testify that the defendant has a good character for the negro. When this defense goes to the jury, the defendant is acquitted...In many cases the negro puts up such a good defense in the police court that the recorder knows he can’t be convicted in the state courts, so the prisoner is sent to the city chain-gang for 30 days – the best that can be done” (*Atlanta Constitution* 1906a).

Faced with the limitations of both law and moral exhortation, the *Constitution* ultimately determined that “it will never be possible to rid the city of vagrants and loafers until the dives are abolished” (*Atlanta Constitution* 1906b). The *Constitution*’s campaign to, in its words, “drive out the dives” (*Atlanta Constitution* 1906c), was part of a larger campaign for black political disfranchisement, the theme of the 1906 gubernatorial campaign, in which “for over a year, from June, 1905 to September, 1906, the white press and politicians convinced the whites of Atlanta and Fulton County that they had suffered twelve horrific assaults on white womanhood” (Mixon 2005, 76).

For those making the arguments, the seemingly disparate issues of “vagrancy” and the labor supply, downtown bars, black political participation, and the protection of women from the alleged threat of sexual violence were seamlessly tied together by what was perceived as the urgent need to settle the question of the proper position of blacks in society. It was idleness that led to the “viciousness” that made black men a threat to white women. This “viciousness” would disappear, along with the “dives,” if the “negro” was in his proper place, performing “hard manual labor” six days a week, as advocated by the *Constitution* (Deaton 1969, 149). It was a connection the *Constitution* would make repeatedly: “[The police] have found that idleness

breeds viciousness, and say that the loafing vagrants are the class that are assaulting white women” (*Atlanta Constitution* 1906a). The inferiority of intellect and character which mandated black disfranchisement were the very qualities which made blacks born to be “drawers of water and hewers of wood.”¹⁰³ Hoke Smith’s successful 1906 campaign for governor stressed the economic opportunities that would open up for working-class whites as a result of measures forcing “the negro” to assume “the natural status of his race, the position of inferiority.” (Baker 1973, 242). He made an object lesson of the 1903 opening of his Piedmont Hotel in Atlanta, as he hired only whites as chambermaids and bell-hops, positions overwhelmingly dominated by black workers at the time (Mixon 2005, 45), presaging the sharp redrawing of the racial lines in the city’s labor market which would follow in the aftermath of the riot.

Even the husband of an alleged rape victim would filter the story of his family’s tragedy through this narrative. After providing Ray Stannard Baker with an account of the “strange rough-looking Negro” who’d assaulted his wife while she was at home alone, he explains how his views of blacks had changed after moving to Atlanta from Pennsylvania:

“When I came here, I tried to help the Negroes as much as I could. But many of them won’t work even when the wages are high: they won’t come when they agree to and when they get a few dollars ahead they go down to the saloons in Atlanta. Everybody is troubled about getting labour and everyone is afraid of prowling, idle Negroes. Now, the thing has come to me, and it’s just about ruined my life” (Baker 1973, 6).

¹⁰³ “The people of the South have no ill-will toward the negro. They oppose the potentialities of his bulk in local government because they know that he does not know, and but few of his kind can ever know, the ethics and import of a citizens political duties. But if the negro will labor he will always find work and wages sufficient to make him the most independent and happiest of the labor classes of the world” (*Atlanta Constitution* 1903a).

V. Riot

The riot erupted on the evening of September 22, 1906, as “blacks and whites from miles around descended on Five Points [the heart of the city] to enjoy their customary Saturday on the town” (Godshalk 2005, 85). The actions of the newspapers would seem to support *Voice of the Negro* editor Max Barber’s contention that the entire affair had been planned. The Friday edition of the *Atlanta Evening News* had announced, “It is time to act, men; will you do your duty now” (ibid)? On Saturday, four non-events would be reported in the most hyperbolic fashion as cases of “negro” men assaulting white women, with the papers issuing “extra” editions into the evening to report each additional “attack.” Newsboys spent the day on the Five Points square shouting out the sensational headlines, and the “updates” provided by the “extra” editions: “Negro Attempts to Assault Mrs. Mary Chafin Near Sugar Creek Bridge; Two Assaults; Angry Citizens in Pursuit of Black Brute Who Attempted Assault on Mrs. Chapin Rescued from Fiend by Passing Neighbor; Third Assault” (Godshalk, 87). A “self-appointed leader” mounted a soap-box around the time the third “assault” was reported, denouncing blacks for their crimes, and calling “Southern men” to action. About thirty minutes into his exhortations, reported the *Atlanta Journal*, “several thousand people of all classes driven by frenzy because of repeated assaults on women of Fulton County mobilized at Marietta, Peachtree, Whitehall, and Decatur Streets” (Mixon 2005, 10), ushering in an orgy of white-on-black violence which would wax and wane over the next three days, killing and injuring dozens, and causing considerable property damage throughout the city.¹⁰⁴

¹⁰⁴ This last would worry the *Constitution*. Writing in the aftermath of the riot, it noted that at some point the mob ceased to discriminate on the basis of race as it carried out its acts of

The violence of the riot was a microcosm of the racial settlement which would be enforced in its aftermath. The initial wrath of the mob was directed at the “dives” of Peters and Decatur Streets, where crowds were described as “smashing poolroom and restaurant windows, battering down doors, turning rooms topsy-turvy, and wrecking entire buildings” (Godshalk, 96). In the central business district, black businesses which served a white clientele were particularly targeted for attack: the *Atlanta Independent*, Atlanta’s black weekly, charged that murders of black barbers had been committed by “white barbers...unable to cope successfully in Atlanta in competition with negro barbers,” and went on to charge that barbers were only one of many groups for whom the riot served as a “cover to destroy their competitors” (ibid, 122). Rioters also “targeted both black dwellings that were situated alongside white residences and black settlements that bordered white neighborhoods,” presaging the drive for residential segregation that would follow the riot.

The attacks on black businesses – not just the “dives,” but “respectable” establishments, such as barber shops, which served an upper-class white clientele in the heart of the central business district – were accompanied by raids on middle-class black neighborhoods, suggesting the conceptual link between black bars, churches, and universities made repeatedly in the white press in pre-riot Atlanta, which denounced “black ministers and black educators for encouraging black assaults by teaching their parishioners and students that they were the social equals of whites” (ibid, 41).

While the male citizens of Brownsville, a black-middle class neighborhood anchored by Gammon Theological Seminary and Clark University, would be arrested *en masse* for having

destruction, a development which “can not but strike apprehension into the mind of the conservative thinker” (Godshalk 2005, 99).

taken the trouble to arm themselves in anticipation of the approaching mob, the “worthless Negroes” of Dark Town, an area just east of the central business district described as the “city’s worst slum” (Dittmer 1977, 127), would earn the gratitude of the east side’s black middle class by putting up a defense which kept the mob out of the area. As an armed crowd of whites gathered on Peachtree St. preparing to enter the neighborhood, the residents of Dark Town put out the streetlights, enveloping the area in darkness. According to the version of events still being passed down by Dark Town residents decades after the riot, when a policeman called out that protection was on its way, the roar from the neighborhood was, “Don’t send the militia! We want the mob!” (Godshalk, 102). Regardless of the veracity of this account, the retreat of the mob in the face of gunfire from the neighborhood was real, leading Clark College Professor William Crogman to reflect on the events of the riot in this way: “Here we have worked and prayed and tried to make good men and women of our colored population, and at our very doorsteps the whites kill these good men. But the lawless element in our population, the element we have condemned, fights back, and it is to these people that we owe our lives” (ibid, 112).¹⁰⁵

VI. Aftermath

The immediate aftermath of the riot announced the institution of a new racial regime in Atlanta, in which employers gained the upper hand over the “worthless Negroes,” whose labor, in fact was so valuable to them; white workers, emboldened by their violence and the success of the Hoke Smith campaign, found themselves increasingly able to drive blacks from all but the

¹⁰⁵ “In 1979 Horace Sinclair, who launched his career as an Auburn Avenue barber in the 1920s, informed an interviewer that the actions taken by Dark Town residents during the riot helped to seal the area’s reputation as the place where ‘the bad niggers’ reigned. That Sinclair punctuated his account with phrases such as “You ought to hear them talk about that” and “That’s what they say” suggests how widespread these stories had become” (Godshalk 2005, 110).

most menial positions in the local labor market; and the militance expressed just months before at the Georgia Equal Rights Convention was replaced by public acceptance, on the part of a black leadership which now enjoyed an audience with the white elite, of a narrative which held that lawless elements of both races bore the brunt of the responsibility for both the riot and the problems afflicting the city, and needed to be effectively policed. To the extent that the riot was in part a war against black business competition, that war was won, as the black business district not only shifted from Peters and Decatur Streets to Auburn Avenue in the wake of the riot, but turned inward to the service of its own community, and away from competition with white business for a white clientele (Kuhn et. al. 1990, 95).

The social roles which the riot sought to impose through violence - poor blacks as steady laborers, not idlers, white workers as beneficiaries of a race-based claim to preferred treatment in the labor market, and middle class blacks as keepers of social order, not champions of equality - would be written into Atlanta's landscape in the ensuing decades, marked by the disappearance of the "dives," the lines drawn by white workers in "defense" of jobs and neighborhoods, and, ultimately, the leading role played by middle-class blacks in targeting a poor black neighborhood for destruction in the name of removing the threat it allegedly posed to the entire community. While in time this landscape would undoubtedly convey the powerful, if erroneous, message that the racial regime imposed in the wake of the riot was both timeless and permanent, perhaps the most significant, immediate lesson of the riot was that in Atlanta, "worthlessness" was not an option.

VII. The Value of Worthlessness

The state of emergency created by the riot provided the city's elites with a free hand with which to reach for a "final solution" to the problem of vagrancy, and that of the "dives" which symbolized the assertion of control, on the part of black workers, over their labor-power. In the midst of the riot, the Atlanta police department announced a crackdown designed to ensure "a round-up of practically all the vagrants in Atlanta," promising "one of the largest hauls Atlanta has ever seen" (*Atlanta Constitution* 1906d). At a Chamber of Commerce-sponsored meeting immediately following the riot, a "Committee of Safety" was appointed, charged with "encouraging local government officials to curb any further threats to the public order" (Godshalk, 139). Their first recommendation, implemented by the City Council, was to immediately close all bars in the city, and require them to apply for new licenses.¹⁰⁶ Those issued new licenses would thenceforth be segregated on the basis of race. Those permanently closed were almost exclusively located on "Peters, Decatur, and Marietta Streets – epicenters of riot activity and areas heavily frequented by poor and working-class blacks" (Godshalk 2005, 144). A minimum drink price was also levied, designed to discourage drinking amongst the working classes of both races, upon whom the riot had been blamed (*ibid*).

Though the disappearance of the "dives," celebrated by the *Constitution* as a "wonderful metamorphosis" and "nothing short of a revolution," etched the post-riot shift in race relations clearly into the downtown landscape, far less visible were the places to which those arrested for vagrancy had disappeared, and where they were to spend their future Monday afternoons (*Atlanta Constitution* 1906e). Some of the largest fortunes in Atlanta, it turns out, had been built

¹⁰⁶ The initial suggestion, made by Chamber of Commerce president Sam Jones, had been to revoke the licenses of all bars catering to blacks. The Committee of Safety advised that this might appear "arbitrary," and so the "dives" were closed by way of a procedure designed to give the appearance of being applied equally to all bars in the city. (Godshalk, 143).

on the backs of blacks whose “habits of idleness, crime, and self-debauchery” had been cured by the vagrancy laws, suggesting that the trope of worthlessness was quite valuable, if not “worthless negroes” themselves.

Indeed, James W. English, chairman of the post-riot Committee of Safety, had built his fortune upon the exclusive use of convict labor at his Chattahoochee Brick Company, located on the outskirts of Atlanta. A former mayor of the city, and captain in the Confederate Army, he was reverently referred to as “Atlanta’s Grand Old Man” (Godshalk 2005, 139). The working conditions in his brick factory, however, exposed by a 1908 investigation by the Georgia Legislature into the use of prison labor, would shock even his fellow Atlantans, and suggest the great chasm that exists between the “worthlessness” of Blue Monday revelry, and the “value” contributed to building the fortune of “Atlanta’s Grand Old Man:”

“Chattahoochee Brick – like so many southern industries in which the new slavery flourished – forced laborers to their absolute physical limits to extract modern levels of production from archaic manufacturing techniques of a distant era. The plant used a brick-making process little changed from seventeenth-century Europe. Nearly two hundred men sold by the state of Georgia, the local county, and the city of Atlanta – virtually all of them black – labored at the complex of buildings, giant ovens, and smokestacks nine miles from the city and a short distance from the Chattahoochee River...Gangs of prisoners sold from the pestilential city stockade on Bryan Street dug wet clay with shovels and picks in nearby riverbank pits for transport back to the plant...Once dried, the bricks were carried at a double-time pace by two dozen laborers running back and forth...Witnesses testified that guards holding long horse whips struck any worker who slowed to a walk or paused. By the end of every day, 200,000 or more bricks were loaded on the railcars...A string of witnesses told the legislative committee that prisoners at the plant were forced to work under unbearable circumstances, fed rotting and rancid food, housed in barracks rife with insects, driven with whips into the hottest and most intolerable areas of the plant, and continually required to work at a constant run in the heat of the ovens. The plant was so hot that guards didn’t carry guns for fear their cartridges might spontaneously detonate...Another former guard said Captain Casey was a “barbarous” whipping boss who beat fifteen to twenty convicts each day, often until they begged and screamed. ‘You can hear that any time you go out there. When you get within a

quarter of a mile you will hear them,' testified Ed Strickland" (Blackmon 2008, 344-345).

Joel Hurt, the real estate developer whom Frederic Law Olmsted, Jr. advised to bar both chickens and live-in black servants from his exclusive Druid Hills development, built the fortune with which he erected the Hurt Building, one of Atlanta's tallest early-20th century skyscrapers, in much the same way. At the legislative hearings, Hurt would state that far from engaging in cruelty, the guards at his convict-run coal mines and furnaces did not drive the laborers hard enough, despite reports of workers being beaten to death in his camps, and the testimony of his former chief warden to the effect that "no prison guard could ever 'do enough whipping for Mr. Hurt'" (ibid, 349). Hurt's business dealings reveal that the steady expansion of the system of convict labor resulting from the tightening, and increased enforcement of the state's vagrancy laws had made wheeling and dealing in the forced labor of blacks, so recently worthless, a lucrative and cutthroat trade.

In need of more laborers for his mines in 1904, Hurt explained that he contacted a man who was a dealer in "the sale and resale of leases on convicts," informing him by letter that:

"If you will name the lowest price at which you are willing to dispose of them, we may be able to come to an agreement. In making a price, state whether the men are average able-bodied; how many of them are white, if any; whether any of them are maimed or crippled, or in any way disabled... Your very truly, Joel Hurt" (ibid, 348).

When after a long series of intense negotiations by letter and telegram the "trader" sold the convicts to another bidder, Hurt informed him that "We will hold you for all damages which we may sustain if you fail to deliver the convicts" (ibid, 349).

Joel Hurt's slave-backed legacy is still etched into the Atlanta landscape in the form of the Hurt Building, and the Druid Hills and Inman Park neighborhoods, which he developed. James English's brick company, which ran on labor often transported directly from the "dives" railed against by the *Atlanta Evening News*, owned by his son,¹⁰⁷ produced nearly 33 million bricks over a 12-month period spanning 1906 and 1907, millions of which were purchased by the city for the construction of sidewalks (ibid, 345, 351). In 1908, amidst the revelations of the brutality of the system, and great public outcry that led a competing brickmaker to begin advertising "convict-free bricks" in the *Atlanta Constitution*, the convicts would be removed from the brick factories and coal mines of men like English and Hurt, and put to work on the public roads, as part of a region-wide effort at bringing the South's notoriously poor roads up to the standards of the rest of the country (Preston 1979, 27).

The labor of the blacks who'd announced their claim to a four-day workweek with their visible, "Blue Monday" presence on the outskirts of the central business district, and who'd been denounced in 1906 as becoming "more bumptious on the street," and "more impudent in [their] dealings with white men" (Mixon 2005, 1), would be pressed into the construction of the expanding street-system of Atlanta. The clamp-down on "vagrancy" in Georgia's cities, in fact, would lend itself directly to the reassertion of planter control in the countryside. As Robert Brooks, writing in 1913, explains:

"A few years ago, absentee owners were unable to give any regular attention to their tenants because of the distance between town and plantation, and the condition of the country roads, but now with the transformation in the condition of the roads [he refers to the "the noteworthy improvement in the roads since the convict lease system was abolished and the prisoners began to be used on the

¹⁰⁷ The mansion built by James English's son, Harold English, sits directly across from the Governor's Mansion in Atlanta.

public roads” (Brooks 1970, 90-91)], landowners are buying cars. Owners with this quick method of transportation run out daily to their farms, spend the day in the work of supervision, and return to their families at night...their plantations apparently suffer but little from the fact of their non-residence on them. It would be difficult to find anywhere farms more excellently operated” (ibid, 94).

As this example suggests, the disciplinary effect of the crackdown on the dives reached much further than those it most immediately affected, whose “impudent” leisure was exchanged for grueling toil. The increasing enforcement of the vagrancy law, which went hand in hand with an expanding system of forced labor in Georgia, had a disciplinary effect on the entire work-force, as the mere threat of enforcement was “often enough to force unemployed blacks to take undesirable, low-paying jobs as servants and common laborers” (Dittmer 1977, 88). In a 1919 *New Republic* article on the effect of vagrancy laws in the South, Atlanta’s Walter White¹⁰⁸ describes cases in which black maids were arrested for vagrancy immediately upon quitting their jobs, and instructed in court to work off their fines by returning to the homes of their previous employers. In Bainsbridge, Georgia, an attempt was made to use the vagrancy law to force black homemakers to perform domestic service for white employers or else face charges of vagrancy. When the black men of the town informed the city government that unless the law was repealed, they would resist “to the last drop of blood in their bodies,” no further arrests on this basis were made (White 1919).

While the attempted over-reach in Bainsbridge was successfully resisted, the expanded enforcement of the vagrancy laws, which culminated in the mass arrests of “practically every

¹⁰⁸ White would go on to be called “Mr. NAACP,” for his role as executive secretary for that organization from 1931 to 1955. In his autobiography, he relates how though with blue eyes and light skin he could easily pass for white, it was the boyhood experience of witnessing the 1906 Atlanta riot in his Dark Town neighborhood that made his “spirit” and “heart” black (veiled, 112).

vagrant in Atlanta” in the wake of the riot, caused the late 19th and early 20th century complaints of the “worthlessness” which resulted from three-day workweeks on the farms, and “Blue Monday” in the city, to fade quickly into the distant past. By the second decade of the century, in the face of a new labor shortage caused by the “Great Migration” of blacks to northern cities to fill positions opening up in wartime industries, the charge of “worthlessness” had been long since forgotten. Rather, without black labor, “we go bankrupt,” was the frank acknowledgement of the *Macon Telegraph*, in defense of its calls for the arrest of labor agents seeking to lure black workers away from the South (Grant 1993, 291).

The trope of the “worthless negro,” described by Ray Stannard Baker as representing “the lowest stratum of humanity...of any in our American life” (Baker 1973, 61) justified the regulatory construction of a “lowest stratum” of both local and regional labor markets in the South, which made the “unbearable circumstances” described at the 1908 inquiry into the convict-lease system the penalty for attempted “worthlessness” on the part of blacks, while adding the fear of forced labor to the apparently inadequate stimulus of hunger in compelling black willingness to labor on employers’ terms. While few would countenance the conditions operating in Georgia’s forced labor camps, once they were revealed, the *Constitution’s* proposed remedy for the near-“worthlessness” of reluctant black labor – hunger plus physical force – could hardly be dismissed as mere Southern churlishness with respect to the race question. Indeed, in making and implementing their anti-vagrancy proposals, Southern elites were merely echoing – or being echoed by – the leading economists of the day, as already seen in the American Economic Association’s publication of *Race Traits and Tendencies of the American Negro*. The 1899 economics textbook of Yale’s Arthur Hadley, one the Roosevelt advisors encountered in chapter one, explains the need for regulations designed to compel black labor in this way:

“It must not be assumed that emancipation is a good thing for every man or for every race. Compulsory labor is better than no labor at all. *If people are not ready to work for fear of starvation tomorrow, they must be forced to work by physical compulsion today.* If they are not accessible to the motives of ambition, there is danger that the loss by the introduction of free labor will outweigh the gain” (Hadley 1899, 37, emphasis added).

For both the editors of the *Constitution* and the “progressive” economists of the American Economic Association,¹⁰⁹ the difference between “worthlessness” and “value,” with respect to black labor, was marked by that between “market freedom” and appropriate regulation: were blacks left to seek the means of subsistence in the manner, and on the terms, deemed most suitable to them, the value of their labor – measured in terms of available quantity and degree of docility – would simply disappear. Indeed, the problem with truly “free markets” was that such markets contained a variety of exits, as blacks could potentially convert the scarcity-induced value of their labor-power into patterns of work which minimized labor-market participation, or land-ownership, which, again, in the absence of appropriate regulations, could conceivably result in a further or even total withdrawal from markets in labor and goods. And without regulations compelling rural blacks to engage in activity other than chasing the “abundance of fish and game,” and enjoying the “mild climate making it easy to live,” it was possible that the market for the buying and selling of black obedience to white employers might disappear entirely, a condition of labor market breakdown reflected in federal government reports which blamed non-market access to food on a state of affairs in which blacks were described as being “so irresponsible that it is difficult to control labor” (Hoffman 2004, 258).

¹⁰⁹ Hadley, just quoted, would serve as president of the AEA from 1898-1899, and was followed by Richard T. Ely, who served 1900-1901.

The “worthless negro” was one who consumed the entire product of his own labor, “adding little or nothing to the aggregate wealth of the community” (Hoffman 2004, 269). The “valuable negro” was one who continued laboring for the benefit of “the community” long after his own subsistence needs had been met. The elimination of “worthlessness,” and the reinstatement of “value,” punctuated by the violence of the 1906 riot, had a distinct, physical geography, and could be read in the landscape as the removal of the “dives,” and the expansion of arenas of forced labor, or the sight of a plantation-owner, driving on convict-paved roads, to replace independence and leisure with oversight and control.

VIII. “There’s Got To Be a Mudsill Somewhere”

While business elites used the atmosphere of crisis created by the riot to impose regulatory controls designed to increase both the quantity and docility of black labor, white workers used the opportunity to engage in the “systematic” expulsion of black workers from desired job categories (Ferguson 2002, 48). In this they were aided by the fact that an estimated 5,000 blacks – described as “black students, laborers, sanitation workers, the best mechanics and the most prominent colored citizens” – fled the city in the wake of the riot, while many more remained at home, afraid to return to work (Mixon 2005, 122). With the disappearance of its black employees, the city’s Sanitation Department announced that they would be replaced by white workers, as the head of the department explained that “we are employing the scum of God’s creation...and I know we can get good white labor” (ibid). In the months preceding the riot, the Atlanta-based Georgia Federation of Labor had called upon the railroads to remove blacks from all skilled positions, citing lack of intelligence, and the period would mark the

institution of the practice, on the part of the city's labor unions, of policing the urban labor market for signs of black "encroachment" into "white" trades. The notion that unions offered protection from labor market competition with blacks was used both as a tool in recruiting, as well as in efforts to maintain solidarity during strikes (Gaston 1957, 277), making Atlanta typical of the Southern trade unionism of the era, which has been described as "in good measure a protective device for the march of white artisans into places held by Negroes" (Mitchell, 1935-36, 31-32).¹¹⁰

Though white elites often stressed the idea that blacks were "content" with their "natural status" of "inferiority" (Hoke Smith, cited in Baker 1973, 242), white workers were typically more blunt in arguing that white supremacy was a project requiring active control. One post-riot letter to the *Georgian* praised the rioters for having "take[n] things in their own hands to *regulate* blacks" (Mixon 2005, 117, emphasis added), while another, written by a self-identified "typical Southern white workingman of the skilled variety" (Baker 1973, 84-85) offers a vivid glimpse into the mentality behind the "Ku Klux Klannish" efforts of Atlanta's labor unions to police labor market lines of privilege and exclusion, drawn on the basis of race:

"When the skilled negro appears and begins to elbow the white man in the struggle for existence, don't you know the white man rebels and won't have it so? If you don't, it won't take you long to find it out; just go out and ask a few of them, those who tell you the whole truth, and see what you will find out about it. All the genuine Southern people like the Negro as a servant, and so long as he remains the hewer of wood and carrier of water, and remains strictly in what we choose to call his place, everything is all right...There are those among Southern editors and other public men who have been shouting into the ears of the North

¹¹⁰ This drawing of the color line by Atlanta's trade unions was part of a national trend. AFL President Samuel Gompers, who in 1900 had argued that separate unions for blacks were a practical necessity, given the sentiments of white workers, would by 1910 be arguing for the wholesale exclusion of blacks from the labor movement, on the grounds that they could not "understand the philosophy of human rights" (Woodward 1971, 361).

for twenty-five years that education would solve the Negro question; there is not an honest, fearless, thinking man in the South but who knows that to be a bare-faced lie. Take a young Negro of little more than ordinary intelligence, even, get hold of him in time, train him thoroughly as to books, and finish him up with a good industrial education, send him out into the South with ever so good intentions both on the part of his benefactor and himself, send him to take my work away from me and I will kill him...I don't want any educated property-owning Negro around me. The Negro would be desirable to me for what I could get out of him in the way of labour that I don't want to have to perform myself, and I have no other uses for him" (ibid).

For this writer, apparently, "those who will tell you the whole truth" will readily acknowledge that, properly trained, any "Negro of little more than ordinary intelligence" was perfectly capable of competing with a "Southern white workingman of the skilled variety." Now that it was over, at least, the riot was not about rape, but about placing the black worker in "what we choose to call his place," which would result from a social decision to systematically distribute work designated as "skilled" or "disagreeable" on the basis of white and black. A Birmingham attorney who spoke with Ray Stannard Baker was equally blunt in putting his finger on what he referred to as "the problem" (Baker 1973, 85):

"It's a question of who will do the dirty work. In this country the white man won't: the Negro must. *There's got to be a mudsill somewhere.* If you educate the Negroes they won't stay where they belong; and you must consider them as a race, because if you let a few rise it makes the others discontented" (ibid, emphasis added).

The attorney, a man by the name of Gustave Mertins, then handed Baker a copy of his 1905 novel, *The Storm Signal*, which elaborates upon the notion that designating blacks as "mudsills" was a matter of social necessity:

“The Negro is the mudsill of the social and industrial South today. Upon his labour in the field, in the forest, and in the mine, the whole structure rests. Slip the mudsill out and the system must be reorganized...Educate him and he quits the field. Instruct him in the trades and sciences and he enters into active competition with the white man in what are called the higher planes of life. That competition brings on friction, and that friction in the end is the Negro’s undoing” (ibid, 85-86).

The armchair sociology of the skilled worker of Atlanta, and the sometimes-novelist of Birmingham, in fact displayed a perfect grasp of the rules which would govern the post-riot Atlanta labor market, in which Du Bois’ celebration of the “conspicuous” number of skilled black artisans in the cities of Georgia would give way to a period which “marked the decline of Georgia’s black craftsmen” (Dittmer 1977, 31). After the late nineteenth and early 20th century period of uncertainty regarding the proper “places” of whites and blacks in the city’s rapidly expanding labor market, the riot would mark the beginning of an era in which the racial “rules” of that market, defined and defended by strikes and violence, were seemingly etched in stone: as the doors leading to skilled craft positions were increasingly closed to them, and walls were erected around black businesses which limited them to an all-black clientele, blacks outside of industry found themselves locked into traditionally black occupations such as janitor, porter, and providers of personal services to the rich, while those within it found themselves consigned to jobs labeled dirty, dangerous, labor-intensive and itinerant (Gaston 1957). All but the most dangerous or unpleasant work involving machinery was reserved for whites, and as a result of this, blacks found themselves squeezed by technological unemployment at both ends of the labor market, for as labor-intensive work performed by blacks was mechanized, it became re-classified

as “white,” while whites displaced by machinery made a habit of raiding the least-offensive categories of work to be found on the other side of the color-line (ibid, 285).¹¹¹

Edward Gaston’s *A History of the Negro Wage Earner in Georgia, 1890-1940*, provides industry by industry accounts of the color lines drawn into the state’s early 20th century labor markets (Gaston 1957). It is the story of the decline of black blacksmiths and carpenters, and the near-monopoly of blacks on jobs in turpentine-stills, fertilizer plants, and brick-making. In industry after industry,

“the proportion of Negroes employed was reduced as the processes of production became more technical, or labor-saving devices took over tasks formerly done by hand. Yet in the industries engaged in manufacturing and processing where the work was largely unskilled, heavy, or dirty, Negroes continued throughout the era to maintain a near monopoly on employment” (Gaston 1957, 222).

None too surprisingly, “black” and “white” were defined by what people assigned to those categories actually did, such that the characteristics of the work performed by whites and blacks became the essence of racial stereotypes. Blacks might be portrayed as lazy when a vagrancy law was required, but in the daily routines of work, they were seen as uniquely suited to performing the most strenuous physical toil. While whites successfully pushed blacks out of many skilled crafts in the early 20th century, Gaston explains the near-monopoly of blacks on the “skilled hand trades” of plastering and cement finishing over the entire forty-year period of his study with the observation that “negroes and many whites believed that the work involved in plastering was too hard for whites” (ibid, 231). Similarly, with respect to the predominance of blacks as railroad firemen, despite the skill involved, Gaston refers to the common belief that

¹¹¹ Often, this took the form of political demands that blacks employed by city and state governments be replaced by whites (Gaston 1957, 286).

“because of the heat encountered and the strength required, the Negro was better suited for the work” (ibid, 239).

For Ray Stannard Baker, the distribution of seasonal, itinerant work to the “mudsills” of society turned into the trope of the “floating Negro,” who “prowls the roads by day and by night, he steals; he makes it unsafe for women to travel alone” (Baker 1973, 178). Alerting the reader to the “danger from the floating Negro,” the description he offers is of one who “works only when he is hungry,” but somehow finds himself always working – “today with a railroad gang, tomorrow on some city works, the next day picking cotton” (ibid, 61). Baker, in fact, provides a perfect illustration of the tendency to paint the characteristics of the work performed onto the bodies of those performing it with the observation that itinerant, seasonal work has a knack for attracting precisely this “floating, worthless Negro,” as he states, with no sense of irony, that “the turpentine industry has brought many such Negroes to the neighborhood of Statesboro” (ibid, 178).

The sharp racial lines drawn into the post-riot Atlanta labor market were accompanied by a new pattern of rigid residential segregation. The hardening lines of racial segregation and the strict relegation of blacks to a position at the bottom of the labor market, from which few were afforded avenues of escape, in fact, went hand in hand. The landscape of turn of the twentieth century Atlanta was not simply one in which the skilled black artisan was “conspicuous,” and could be seen working side by side with whites at the same rates of pay, but one in which “whites and blacks could be found [living] in all quadrants of the city...and on the majority of blocks” (Lands 2009, 34). By 1938, that landscape would be replaced by one in which, according to the Home Owners Loan Corporation’s Atlanta survey, which divided the city into

111 neighborhoods, and analyzed the race and class characteristics of their inhabitants, not only were there no concentrations of skilled mechanics residing in any black neighborhood,¹¹² but all but one concentration of skilled mechanics identified by the study was located in an all-white neighborhood (see Figs. 6 & 7) (Home Owners Loan Corporation, 1938).

The post-riot shift in the racial geography of the city's housing patterns was in part undertaken voluntarily on the part of blacks, who sought collective refuge from the threat of white violence. In the wake of the riot, blacks replaced a residential geography which found them "scattered throughout the city in small enclaves near their employment" (Ferguson 2002, 26) with one which found them increasingly concentrated in the Westside neighborhoods surrounding the black universities and in what became known as the Old Fourth Ward, just east of downtown. The concentration of the city's black population facilitated the shift on the part of Atlanta's black businesses, which also found a new center in the Old Fourth Ward in the aftermath of the riot, on serving an all-black clientele. In the atmosphere of post-riot Atlanta, the black community turned inward (ibid).

The threat of violence from which blacks sought refuge in residential concentration did not disappear with the conclusion of the riot. Working-class whites "defended" the racial borders of their neighborhoods with the same tactics with which they policed the racial lines of the labor market. The employees of Fulton Bag and Cotton Mill, who drew an early color line in Atlanta with an 1897 strike in protest of the company's hiring of twenty black women, and succeeded in having the industry declared off-limits to blacks,¹¹³ similarly conceived their

¹¹² A "black neighborhood" is defined here as neighborhoods that are at least 90% black.

¹¹³ The strike is credited as the event which convinced employers industry-wide that mixed-race workforces were not worth the trouble. Georgia's cotton-mill operatives were 20% black in

neighborhood of Cabbagetown as all-white space, to be defended with violence. A post office administrator explained to Ray Stannard Baker that the neighborhoods of the rich were the only white neighborhoods black mail carriers could safely enter, as “it’s natural for them to have a negro doing such service. But if we sent negro carriers down into the mill district they might get their heads knocked off” (Baker 1973, 30). The concern was apparently justified, as a Cabbagetown resident, recalling the neighborhood in the 1920s and 1930s from decades later, explained that

“after dark a colored man wasn’t allowed in Cabbagetown at all. We’d rock them out of there, you know. We used to have a time rocking the colored boys back across the railroad tracks towards Edgewood Avenue and over on Decatur Street” (Kuhn 1990, 36).

1890, and only 3% at the turn of the century. In Atlanta, after the 1897 strike, the position of “operative” was reserved for whites (Grant 1993).

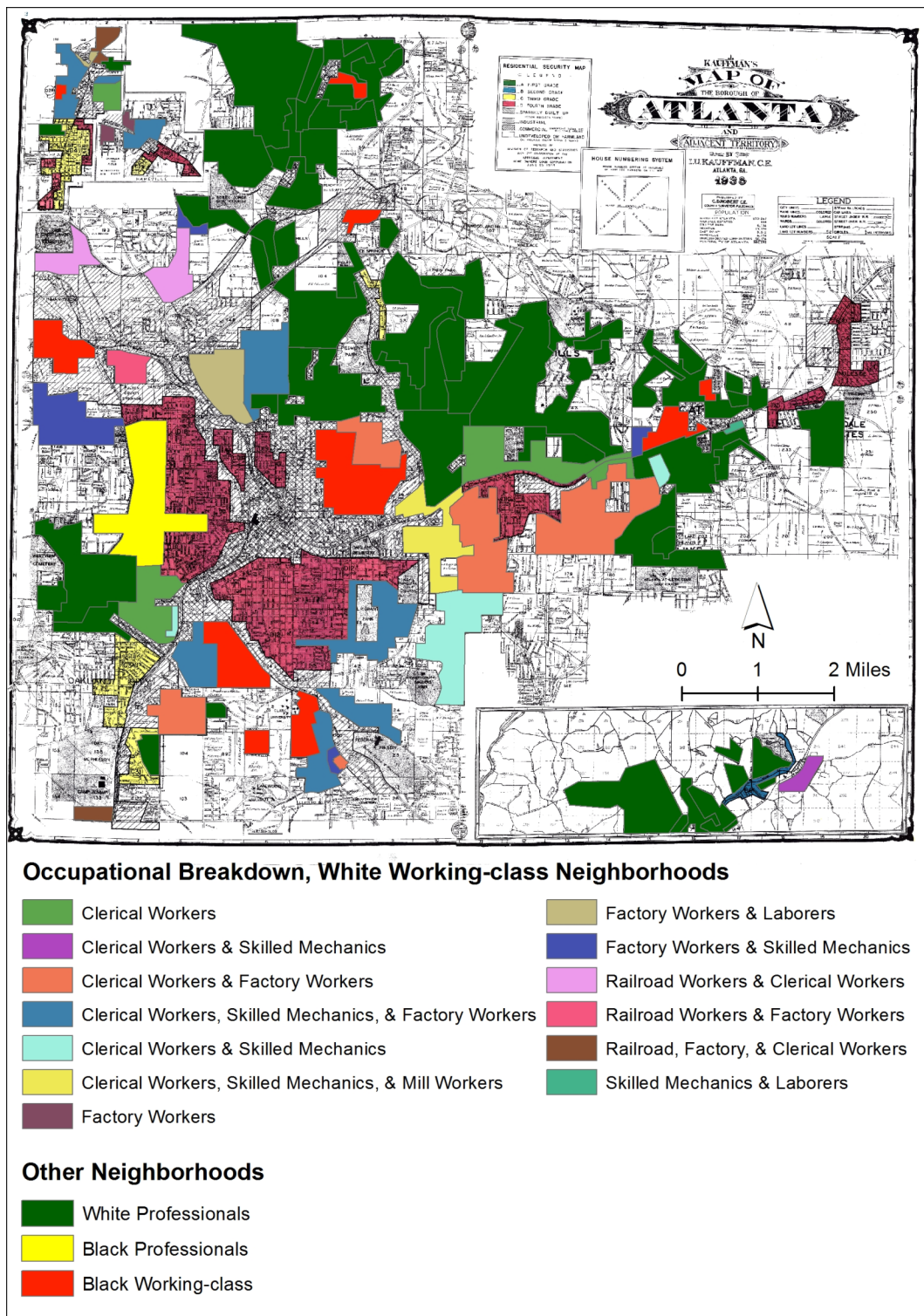
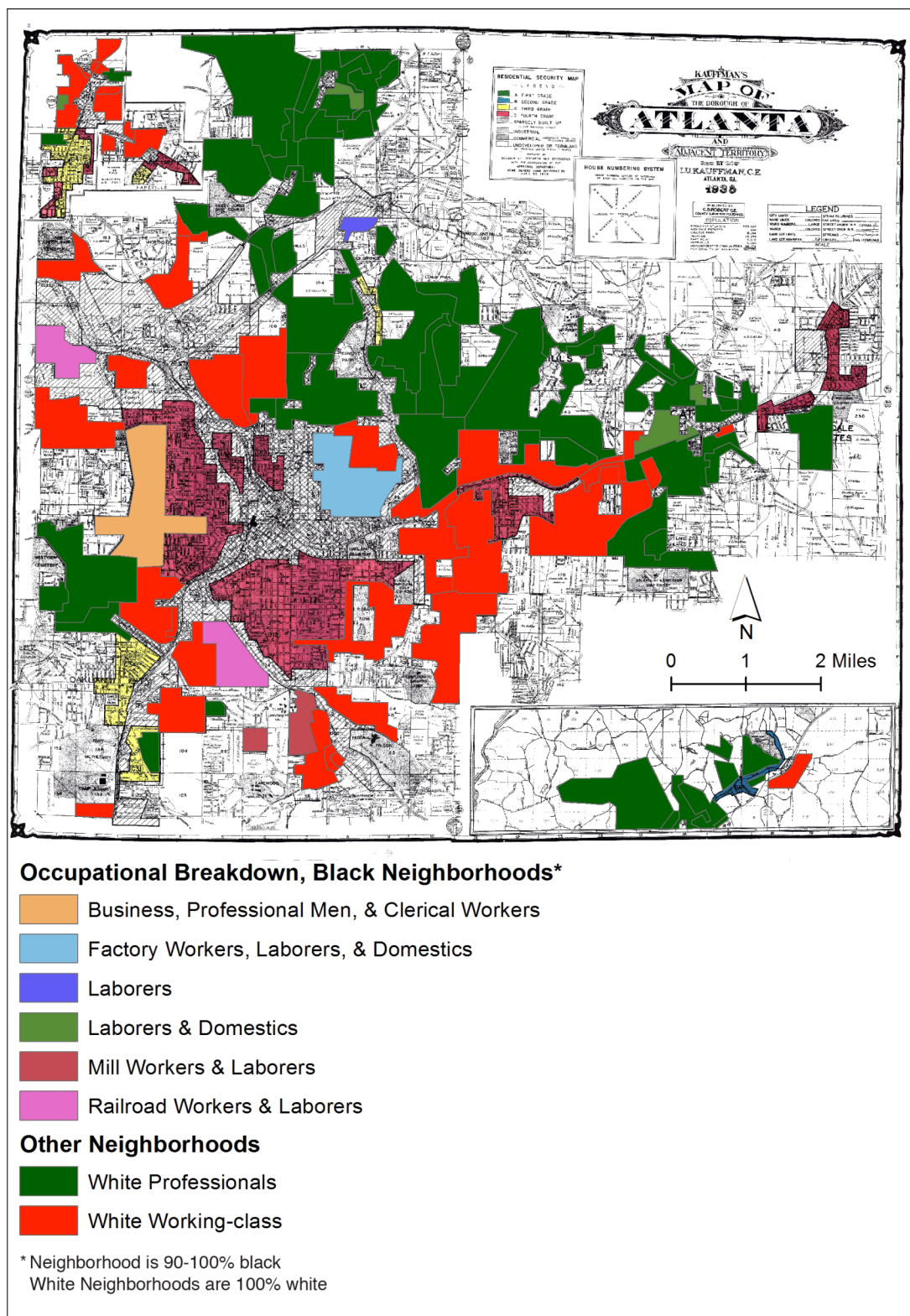


Figure 6. Occupational Breakdown of White Working-Class Neighborhoods



Not only was the violence of the riot always in the background, ready for deployment against transgressors of the color lines etched as borders into labor markets and neighborhoods, but the 1906 riot, in fact, was not the last of its kind. The 1909 strike against the Georgia Railroad, in protest of the company's replacement of white with black firemen as a cost-saving measure, erupted into mass violence against strikebreakers and black employees, and destruction of railroad property. In a letter published in the *Constitution*, the union asked whether "the people of Georgia [would] back their own men, or will they back the Georgia Railroad in trying to ram negro supremacy down the throats of its white firemen" (Matthews 1974, 617). Across Georgia, trains were halted on the tracks, the white strikebreakers and blacks manning the trains were beaten, and company property was vandalized. The town of Thomson, Georgia officially informed the railroad that it would no longer permit its trains to pass through the town, while Governor Hoke Smith refused to mobilize the state militia in defense of railroad property. Company guards who fired into the mobs attacking company employees and property were arrested, making the 1909 Georgia "Race Strike," as it came to be known, perhaps the only time in American history that a major corporation has stood defenseless against the violence of the working class (Matthews 1974).

The knowledge that such violence lay beneath the surface, and could be unleashed at any moment, itself became a powerful weapon in the drawing and policing of color lines, such that the threat of lawlessness on the part of whites became the basis of calls for the passage of laws to protect them. In arguing for the city's first comprehensive residential segregation ordinance,

passed in 1913, City Councilman Claude Ashley, the sponsor of the bill, bluntly raises the specter of lawlessness amongst whites to urge the passage of a law against blacks:

“I have been out among the people of the lower part of the fourth ward every night for several weeks imploring them to calm themselves and let council act. I am afraid that unless this ordinance is passed there will be trouble. The people are asking council for the same relief the legislature of California gave its people against Japanese invasion. I’ll tell you frankly that I don’t want to go out there tonight and tell the people that council would not relieve them” (*Atlanta Constitution* 1913).

The establishment of residential segregation, in fact, was crucial to the project, backed by strikes, mass violence, and the force of law, of designating blacks as the “mudsill” of Southern society, and keeping them in that position. Leaving aside the real estate benefits which accompany residential segregation on the basis of race, as designating only certain areas of the city as “all white” or “all black” reduces the quantity of land available to everyone, thus raising its price,¹¹⁴ it would appear that any project aiming at the construction and maintenance of racial categories denoting “privilege” and “mudsill” would be undermined by residential proximity between the two groups. Distance, undoubtedly, facilitates the maintenance of the hatreds and fictions upon which the categories rest, while the sharing of residential space and neighborhood facilities would presumably militate against the maintenance of the strict separation of functions achieved in the spaces of work.

¹¹⁴ The effect is the same as placing regulatory limitations on the areas of a city which can be used as “business” or “residential,” a benefit of zoning much praised at the National Conference on City Planning. Southern blacks, apparently, were as aware of the phenomenon as the city planners. The results of a 1919 survey conducted to determine the reasons for the mass migration of Southern blacks to Northern cities during the First World War listed as one of the chief reasons “the segregation laws that forbid their residing outside of a designated area – thus leaving no room for natural expansion and *enforcing a fictitious value upon property rented or sold to them*” (West 1976, 6). To the extent that this was an evil, of course, it was not one from which they would escape with a move north.

Indeed, it would seem crucial that any group socially marked as being uniquely suited to dirty, dangerous and menial tasks be housed in conditions appropriate to the designation. Not only would comfort at home presumably run the risk of reducing tolerance for suffering at work, but desirable housing for the “mudsill” could only stand as a counter-narrative, written into the landscape, against the entire social construct of the “mudsill” itself. These speculations aside, in Atlanta there was no visual disconnect between the hot, dirty, and menial positions reserved for most blacks in the workplace and the residential landscapes which formed the spaces in which they lived. Indeed, “the condition of the neighborhoods in which black Atlantans had to live was the most visible manifestation of their noncitizenship in the city” (Ferguson 2002, 23). The neighborhoods of those “naturally” disposed to the performance of dirty tasks were also “naturally” suited to the location of the city’s garbage dumps, and had no need of garbage pick-up or municipal sanitation services (Ferguson 2002, 23-24). The occupational geography which found blacks located next to brick kilns, in fertilizer factories, or in the performance of menial service found its residential counterpart in slums matching the description of this 1910s Westside neighborhood, the landscape of which provided emphatic reinforcement to the entire “mudsill” narrative:

“White city officials redlined the area and refused to provide basic sanitation services routinely available in white residential areas. Outdoor latrines polluted drinking water, spread disease, and posed grave risks for children who occasionally tumbled into them. Housing, though expensive, was notoriously inadequate; rapacious landlords, many of whom were white, were infamous for failing to maintain overcrowded black dwellings. Poor ventilation facilitated the spread of tuberculosis and other diseases. The city offered no park or playground for black youths” (Godshalk 2005, 230).

Indeed, the effect of the racial regime installed in the aftermath of the 1906 race riot seemed to be to assign everyone to their “proper” residential place in the city, both racially and with respect to occupation. By 1938, of the 111 neighborhoods surveyed by the federal Homeowners Loan Corporation (HOLC), 97 were either all-white or all-black, with an additional 6 neighborhoods that were 90-99% white or black (Home Owners Loan Corporation, 1938). Of the 55 neighborhoods with concentrations of white professionals, all were all-white neighborhoods, and only one contained a mixture of professionals and non-white collar workers (“clerical workers” were the only workers listed in neighborhoods that had concentrations of “businessmen,” “executives,” or “professionals”). Thirty-four neighborhoods with white workers were not only all-white, but had no concentrations of professionals. If a “black neighborhood” is defined as one that is at least 90% black, and “professional” neighborhoods can include mixtures of professionals and white-collar workers, then by 1938, 99 of 111 Atlanta neighborhoods could not only be designated as white or black, but as exclusively working-class or professional (Home Owners Loan Corporation, 1938). Put the “mudsill” in his proper place, apparently, and everyone else falls in line.

IX. A Landscape of Respectability: The Destruction of Beaver Slide

In the aftermath of the riot, the militant calls for racial equality that came from the Georgia Equal Rights Conference would be replaced by participation, on the part of Atlanta’s leading black journalists, ministers, and professors, in the construction of a narrative which blamed the riot on the “lawless” elements of both races, and the acceptance of a role as enforcers of social order, not opponents of apartheid. The central trope of the riot – the “worthless negro”

as threat to the entire community – would in fact become the black middle class’ stock-in-trade, as it could safely be wielded in efforts to bring much-needed resources to black neighborhoods. Appeals for health and sanitation services could be couched in terms of the threat of diseases spreading from the black slums to white neighborhoods, while demands for parks and recreation could be made in terms of their efficacy in the reduction of crime, and the production of “steady, sober employees” (Ferguson 2002, 44).

While the approximately 6% of Atlanta blacks who in 1930 comprised the city’s small core of black professionals, business owners, and white-collar workers (ibid, 32) may have, to some extent, relied upon the “worthless negro” trope as a matter of practical necessity in the face of the racial regime instituted in the wake of the riot, the elitist nature of the programs of “uplift” which became the essence of Atlanta’s middle-class black “activism” in the decades which followed make clear that public requests for whites to grasp the distinction between what Rev. Henry Hugh Proctor called “the educated, property-holding or church-going element of the colored race” and “the worthless, irresponsible vagabond” reflected a set of racial categories in which many of them most sincerely believed (Godshalk 2005, 78).

Atlanta’s black middle-class would try in vain to find a group of working-class blacks interested in being taught to “improve” their habits of work and leisure; they would prove far more successful when they turned their attention to “improving” the landscape, rather than the people, which surrounded Spelman College and Atlanta University, only this would require, according to the racial categories to which they’d so steadfastly adhered, the removal of the population they’d originally sought to “uplift.” They would get the opportunity when their desire to eradicate what one black religious leader referred to as the “community parasites”

residing in the Beaver Slide slum located at the doorsteps Atlanta's most prestigious black universities coincided with the white business class' plans to effect mass "negro removal" in select communities throughout Atlanta, as part of the federal government's New Deal "urban renewal" programs. The sifting process which would distinguish the "respectable" blacks, who deserved to be the beneficiaries of government-provided housing vastly superior in quality to that resided in by the majority of Atlantans, of either race, from those for whom the appropriate government policy was the destruction of homes, and forced removal from neighborhoods, would place the tropes mobilized in the Atlanta race riot at the foundation of federal government policy, and draw a line of division in Atlanta's black community separating "privilege" from "exclusion" still very much in evidence today (Ferguson 2002).

As the dust cleared from the riot, Atlanta's business class made clear that it would tolerate no deviation from the "official" riot narrative, encapsulated in Ray Stannard Baker's exclamation, "the ignorant negro and the uneducated white; there lies the trouble" (Baker 1973, 17)! When John Temple Graves, editor of the *Georgian*, defended the riot in the pages of the *New York World* as a defense of white womanhood that would "keep the negro in order for five years," *Voice of the Negro* editor Max Barber asked for, and got, the chance to respond (Mixon 2005, 120). There had been "no 'carnival of rapes'" in Atlanta, said Barber, only a "frightful carnival of newspaper lies" (ibid, 120). Atlanta was rife with criminal violence, he said, but its perpetrators were not black, but rather white racists "as lawless and as godless as any savages" (Godshalk 2005, 117). In the hours leading up to the riot, charged Barber, elite Atlantans had warned "trusted" black servants "to go home," suggesting advance knowledge of the violence, and he also asserted that a "prominent banker" had informed him that emissaries of the Hoke Smith campaign had "blackened their faces, knocked down a few white women and fled," in an

effort to create the atmosphere of panic which elites were then able to manipulate into mass violence (Mixon 2005, 120).¹¹⁵

Barber's accusations would prove to be the last of the militant rhetoric emanating from Atlanta's black middle class. Summoned to the office of James English, president of Fourth National Bank, slave-driving owner of Chattahoochee Brick, and chairman of the newly formed "Committee of Safety" advising the city in the wake of the riot, Barber was informed that "You must leave the city within twenty-four hours or I will not be responsible for the consequences" (Godshalk 2005, 118).¹¹⁶ While English used death threats to chase Barber out of town, his Committee of Safety took the unprecedented step of crossing the color line to meet with elite blacks and secure their pledge "to go house to house in their communities and urge blacks to stay inside and avoid congregating in large groups" in exchange for promises of police protection for their neighborhoods and institutions (ibid, 138-141).

Barber's exile sent a clear message to Atlanta's black middle class regarding the scripted riot narrative to which they were expected to adhere. Within days of the riot, Clark College President William Crogman, who had stated in a private letter that "we owe our lives" to the

¹¹⁵ Barber noted that white men in blackface had been killed while committing crimes in South Carolina, Kentucky, and Texas, while another was imprisoned in Washington, D.C., who had been arrested while disguised as a black man, suggesting that if the Hoke Smith campaign had, in fact, conceived such a deception, their efforts would not have been particularly original (Mixon 2005, 77).

¹¹⁶ Barber fled to Chicago, where he tried to maintain the *Voice of the Negro*, renamed the *Voice*. Booker T. Washington ignored requests for financial assistance, and the paper folded in 1908. Barber then moved to Philadelphia and took a job as a teacher, only to lose the position when Washington informed his employers that he was "unfitted for the job." The journalist, who had once rivaled Du Bois in influence, then spent four years working menial jobs while putting himself through dental school in Philadelphia. Though he never regained his former stature, he was an active member of the NAACP, and "into the the 1920s, he spoke stirringly to his fellow African Americans about his New Black Man's faith in the value of ideas and the potential power of civil rights agitation" (Godshalk 2005, 197).

black working class of Dark Town, and their armed defense of the community, would co-write a letter to the *Georgian* with Gammon Theological Seminary President John Wesley Bowen, who'd been beaten over the head with a soldier's rifle during the attack on the Brownsville community (Mixon 2005, 110). The "infamous negro dives," they declared, were "the hell-bottom of our race" (Godshalk 2005, 141). As if to ratify Barber's banishment from the city, they blamed "these black men who have stirred up hatred of the races by their crimes against white women" for the violence of the riot, and vowed to "cooperate with the proper authorities in ferreting out" the Brownsville citizen who had fired into the mob approaching their town, thus slaying a police officer (ibid).

The language was typical of that which came from black elites in the wake of the riot, and it inaugurated a pattern of fundraising and institution-building on the part of Atlanta's black middle-class which strengthened the tropes of the riot with every appeal. At a mixed-race fundraising event for Morris Brown College just months after the riot, Henry McNeal Turner, who just a year earlier had scandalized the country by referring to the American flag as a "dirty rag," and deriding white racists as "stupid" and "savages," would base his appeal on the need to separate black "people of questionable character from those of unquestionable character" and to clamp down on crime in the black community. It was a performance for which James English would reward him with \$10 (Godshalk 2005, 160).¹¹⁷ Henry Hugh Proctor, the First

¹¹⁷ Du Bois refused to attend the event, stating that "There is no use of my going over there and saying what I really believe, and I will not go over there and say what I do not believe" (veiled, 160). Du Bois enraged the white elite when he informed them that the problem of sexual assault in Atlanta involved white men and their domestic servants, prompting a flurry of letters to be written to journalist Ray Stannard Baker in an attempt to influence his treatment of Du Bois. Apparently it worked, because Baker did not include any portion of his extensive interview with Du Bois in *Following the Color Line*, and his *American Magazine* rejected an article which he sent them (160). The riot, and Barber's exile, ended Du Bois' civil rights activities in Atlanta. In the aftermath of the riot, Du Bois severed his ties to the Georgia Equal Rights Convention –

Congregational Church minister who had once warned whites that they had “better beware or they would find firebrands under their houses and poison in their coffee,” would achieve national acclaim for his public support of the post-riot crackdown on “vagrancy,” and his vow to “open my church and make it as attractive as the dive” (ibid, 159). Hoke Smith publicly endorsed his fundraising campaign, which would net \$5000 from white business elites in the year following the riot (ibid, 159).

In post-riot Atlanta, the avenues open to the militants who had spear-headed the 1905 Niagra Conference, and its follow-up, the 1906 Georgia Equal Rights Convention, appeared to be exile, silence, or capitulation. The actions of figures such as Henry Hugh Proctor, however, were more complex than they might at first appear. He took the money of men such as Hoke Smith and Coca-Cola founder Asa Candler¹¹⁸ and used it to create a genuine oasis of services for blacks in the heart of downtown Atlanta, which would reach tens of thousands of people in the decade following the riot.¹¹⁹ As described by historian David Godshalk,

“Just outside its doors, First Church maintained Connally Water Fountain, touted as the city’s only integrated fountain and promoted as a dry alternative to saloons. Hoping to compete with the lures of the street and the alley, the church also offered young men a gymnasium and a black Boy Scout troop. It provided the downtown area’s only black public restroom and, in summer months, a public bath for black men at one penny per visit. African Americans, shut out of the white public library, could choose among the 3,000 books housed in the church’s reading rooms, which were open twelve hours daily. For children there was a kindergarten; for young women, there were cooking and sewing classes. In the

which after the riot changed its name to the Colored Convention of Georgia, and preached reconciliation – and focused on national activism (Veiled, 175).

¹¹⁸ Candler’s name should never appear too far from the following quotation. Speaking in defense of child labor in the textile mills, he stated, “The most beautiful sight that we see is the child at labor; as early as he may get at labor the more beautiful, the more useful does his life get to be.” (Woodward 1971, 418).

¹¹⁹ Built in 1908 with funds from Atlanta’s business elite and Booker T. Washington’s network of philanthropists, the First Congregational Church still stands at 105 Courtland Street in downtown Atlanta.

1,000-seat auditorium, church members staged pageants and dramas, including the morality play *Everyman*, with Proctor and Du Bois in leading roles...A prison mission provided monthly religious services, pastoral comfort, and free Bibles for black convicts. An employment bureau served as a clearinghouse for black job applicants, providing referrals for nearly 7,000 laborers and domestic workers in 1916 alone” (ibid, 211).

Du Bois, who could never bring himself to mouth the words required to bring such facilities into existence, understood both the need for the survival of Atlanta’s black institutions in post-riot Atlanta, as well as the difficulty of the compromises of principle which successful stewardship of those institutions often required. Speaking of Atlanta University President John Hope, whose lifelong silence regarding the riot spoke to a refusal to either buttress the official narrative with insincere comments or jeopardize his own institution by speaking his mind, Du Bois stated that his leadership:

“did not make for the strong, bold, and spectacular; but it did make for accomplishment; it did make for slow, sure advance, and in a world so torn by hate and difference and misunderstanding in which John Hope lived, it was perhaps the only sure way” (ibid, 142-3).

The problem was that all too often, appeals for funds made on the basis of the need to modify the behavior of poor blacks in the interest of the safety or well-being of the entire community were followed by efforts to actually make good on the promise. In the early 1930s, for example, the Neighborhood Union, founded by Lugenia Burns Hope, the wife of the Atlanta University president, would, along with the Atlanta Urban League and the black branches of the YM and YWCA, organize an array of clubs which aimed at making black workers more suitable in the eyes of employers. Organizing the clubs by gender and occupation, participants were “encouraged to make the best use of their leisure time by engaging in wholesome recreation” and were instructed that “their security of employment rests upon their efficiency, observation of rules and regulations, and their general attitude towards the public” (Ferguson 2002, 38-42).

None too surprisingly, these efforts “were almost never greeted with enthusiastic support by the groups they were meant to serve,” as they “almost always condemned the individual work and leisure behavior of black workers, and played to the interests of white employers” (ibid, 38).

The essence of the shift in politics from pre-riot militance to post-riot attempts to “uplift” and “improve” the black working class was a shift in the direction of critique, from that of the structures of Southern society to one which embraced the trope of the “worthless Negro” and aimed its criticism at impoverished black people themselves. To some extent this undoubtedly merely reflected the position of weakness in which Atlanta’s black middle-class found themselves within the strictures of Atlanta’s tightened, post-riot apartheid regime. The Atlanta University School of Social Work, for example, would appeal to white fears and perceived self-interest in making the case for resource provision to blacks, arguing for the provision of health care in black communities by noting that “disease and crime can no longer be segregated” (ibid, 44). The logic of the pre-riot anti-dive campaign would be marshaled by Atlanta’s black middle-class in efforts to secure funding for recreational facilities in black neighborhoods. In the absence of “wholesome” outlets for recreation, they contended, blacks would resort to “degrading pool rooms, low dance halls, and bootleg joints,” which damaged worker productivity by encouraging patrons to “carouse all night long” (ibid). White employers had an interest in municipal investment in parks and recreation for blacks, the School of Social Work contended, as without them, “regularity and efficiency on the job is affected” (ibid).

Regardless of whether the trope of the “worthless Negro” is deployed in the service of a desired crackdown on “vagrants” or in attempt to secure resources for the black community, however, the effect of arguments which pose the black working-class, and its behavior, as a threat to the physical health and material prosperity of the larger community is to create an

ideological framework which not only places poor blacks outside of the imagined “community,” and thus beyond any claim on its protection, but legitimizes the violence of the “community” which will inevitably be directed at blacks in an effort to meet to the perceived “threat.”¹²⁰

Unsanitary conditions in slum neighborhoods may in fact result in diseases which spread to the larger community, but if the discussion of this is framed in a manner which buttresses a narrative in which “worthless” blacks are posed as a threat to “society,” the “disease” in need of eradication will quickly become poor blacks themselves. Eliminate them, in fact, and it is even possible to imagine a “perfect community” (*Atlanta Constitution*, 1925).

The shift from a politics of “uplift” to one of “eradication,” made on the part of middle-class blacks associated with Atlanta’s Westside black universities with respect to the residents of the slum community of Beaver Slide, was one, in fact, that could easily be made entirely within the confines of “worthless Negro” logic. The perceived squalor of Beaver Slide, in fact, had long troubled the black professors and businessmen whose homes sat atop the highest the highest hills in the city (Haynes 1940, 26), overlooking the slum which sat in the flood-plain. These

¹²⁰ Ray Stannard Baker’s *Following the Color Line* is a brilliant example of an ideological construct which divides the black community into two groups, one deserving protection, and the other deserving violence. The designations are “objective,” because they are ostensibly based on behavior – after careful study, it can be safely pronounced that home-owning blacks have a distinct tendency to act like homeowners, while those assigned to itinerant labor have a “dangerous” propensity to wander. It is an ideology perfectly designed to meet the needs of society, for nobody needs more of the black preacher’s labor, anyway: it is the reluctance of those being pressed into the performance of the most dangerous, unpleasant tasks which must be overcome with regulations. As Baker explains: “...there are to be found two very distinct kinds of Negroes – as distinct as the classes of white men. The first of these is the self-respecting, resident Negro. Sometimes he is a land-owner, more often a renter; he is known to the white people, employed by them, and trusted by them...On the other hand, one finds everywhere many of the so-called “worthless Negroes,” perhaps a growing class, who float from town to town, doing rough work, having no permanent place of abode, not known to the white population generally...This worthless Negro...*provokes the just wrath of the people*, and gives a bad name to the entire Negro race...Of course idleness leads to crime, and one of the present efforts in the South is toward a more rigid enforcement of laws against vagrancy. In this the white people have the sympathy of the leading Negroes (Baker 1973, 61).

were “marginal minded” people, explained Atlanta University sociologist Walter Chivers (Ferguson 2002, 189), and their presence just outside the gates of some of the most renowned black universities in the country undermined the atmosphere of respectability those associated with these universities had worked so hard to create and maintain. For the past thirty years, said Spelman College President Florence Read at a 1933 meeting held to discuss the possibility of shifting from a policy of containing Beaver Slide to one which aimed at its eradication, only “combined moral force has kept Beaver Slide in confines” (ibid).

While “worthless Negro” arguments pressed into the service of demands for health care and recreation for blacks would fall on deaf ears, calls for expanded police presence in Beaver Slide would allow blacks associated with the Westside universities to establish a special partnership with the city, in which representatives of the universities joined forces with police officials to launch a crackdown on crime the slum outside their doors. The call for the crackdown was made in the form of an “urgent appeal” to the city’s law enforcement officials, published in the January 6, 1925 issue of the *Atlanta Constitution*. The writer, who identifies himself as the Executive Secretary of the black General Missionary Baptist Convention of Georgia, as well as a resident of one of the Westside, middle-class black neighborhoods plagued by what he refers to as the “eyes-sore” of Beaver Slide, deploys the full-spectrum of arguments used by the *Atlanta Constitution* in its campaign, twenty years earlier, to “drive out the dives.” The argument that middle-class blacks are deserving of a claim on the protective powers of the state is justified on the basis of the contrast, which the reader is asked to recognize, between them and those blacks deserving of heightened exposure to the state’s punitive power, in this case the residents of Beaver Slide:

“With the beginning of this bright new year, I should like to see Atlanta and Georgia enter upon a law and order program in a vigorous and positive way, and I

should like to see it start in 'BEAVER SLIDE.'...The first ward is almost solidly a colored community. I suppose 90 percent of the residential property is owned by colored people, and we challenge any ward in the city to show a better record for law and order. In fact, I do not believe any ward can show as good a record...In our ward we have three good colleges, one high school, two of the city's best public schools and about 30 churches.

But we have one and only one eye-sore – 'Beaver Slide.' Please, Chief Jett, 'clean out Beaver Slide.'...Here they ply their [boot-legging and gambling] trade in the open, day and night, Sunday and Monday; they have no respect for passers-by, men, women, nor children...God bless the Neighborhood Union, for it is due largely to the repelling effects of these good women, backed by an upright manhood, that "Beaver Slide" has not slidden over her banks and affected the community more, but we have decided that they must confine their operations to 'the Slide.'

'Put Them to Work'

We would like to have a perfect community, and we do not wish to put the city to the expense of keeping patrol officers out here. These able-bodied men should be made to work instead of being community parasites...This year should mark a new epoch with our state and city enforcement officers. 'Beaver Slide' is the best place to begin...We must love our state and redeem her fair name. If a man cannot love his state and be jealous of her good name, he should move to Mexico, where all outlaws may get together and exterminate each other...Please, 'clean out Beaver Slide.'" (*Atlanta Constitution*, 1925 all caps in original).

This call resulted in the formation of the "Beaver Slide Committee," comprised of representatives of the black colleges and the Neighborhood Union, which worked with city police to oversee the expansion of police presence in the slum community (Ferguson 2002, 189). In 1933, Atlanta University President John Hope would submit a proposal to the federal government for Beaver Slide to be razed and replaced with the public housing project which would become University Homes. The PR campaign carried out by the Atlanta Housing Authority, formed for the purpose of overseeing "slum-clearance" in Atlanta, and backed by the middle-class blacks of the Beaver Slide Committee, would go further in identifying the slum areas targeted for destruction as epicenters of vice and disease, as it would label these neighborhoods, and their residents, as "cancers" on the community.

The slum areas targeted by the Atlanta Housing Authority for demolition were not identified on the basis of their rates of crime and disease, but rather on their proximity to prominent institutions, such as the State Capitol, Grady Hospital, Georgia Tech University, and the black universities on the Westside, which proved eager to seize the opportunity to clear the poor from their immediate vicinities (Ferguson 2002). Raymond Torras, secretary of the City Planning Commission, admitted in a 1934 “Tentative Report of Housing Conditions, Atlanta, Georgia,” that it was “in a somewhat arbitrary manner [that] we have defined, roughly, the areas in which we felt that some form of housing activity should take place” (Torras 1934, 5). The identified areas, which corresponded to those which the aforementioned institutions sought to have cleared of their undesirable inhabitants, were then analyzed for the purpose of justifying demolition.

According to Torras, the areas selected as “blighted” represented 5% of the total area of the city, while housing 17% of the city’s population (ibid, 6). Torras estimated that nearly one-third of all crime in the city was committed by the 17% of the population which resided in these areas, while accounting for nearly 29% of the city’s 830 deaths by tuberculosis, and over 25% of all cases of infant mortality. These areas were “deficit districts,” said Charles Palmer, the first president of the Atlanta Housing Authority, who was also reputed to be the largest owner of office space in the Southeast (Ferguson 2002, 169). He estimated that the social problems which festered in first slums razed for “urban renewal,” the Tech Flats neighborhood adjacent to Georgia Tech, and Beaver Slide, cost taxpayers an annual \$74,380 a year, while only \$7809 in taxes was collected from those districts (Palmer, 1937).

The Atlanta Housing Authority produced “spot maps” depicting the areas selected for clearance as manufacturers of vice and disease, which they then distributed to Atlanta

newspapers and influential citizens. These “spot maps,” which provided justification for the destruction of neighborhoods, also indicated the sites which would be selected for the location of public housing (see figs. 8 & 9). It also produced a 17-minute film, aimed at a popular audience, designed to win public support for the program of slum clearance (Atlanta Housing Authority, ca. 1940s). The film took some liberties with the dry facts of Torras’ report, for while the blighted areas still represented 5% of the city’s total area, they were now responsible for 69% of tuberculosis deaths, 57% of infant mortality, and over 60% of all crime (in the report these figures were 29%, 25%, and 33%, respectively). For the public, the “somewhat arbitrary manner” of site selection to which Torras referred in his report was replaced with the assurance that “the science of rehousing dictated these sites,” though it was honest enough to allow that, according to this “science,” “each must be anchored, as they call it, to a permanent landmark” (Atlanta Housing Authority, ca 1940s).

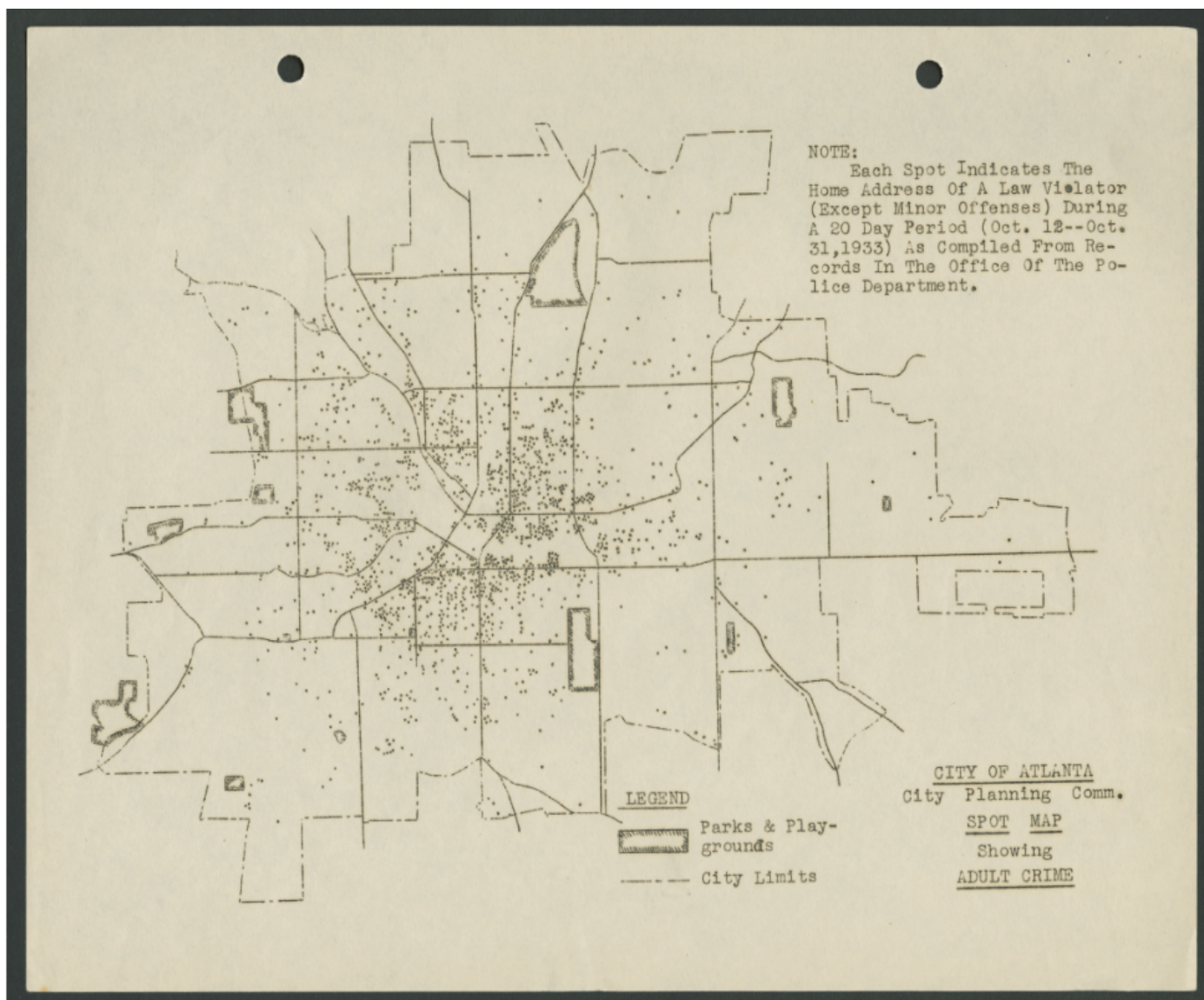


Figure 8. Spot Map Indicating “Deficit Districts”

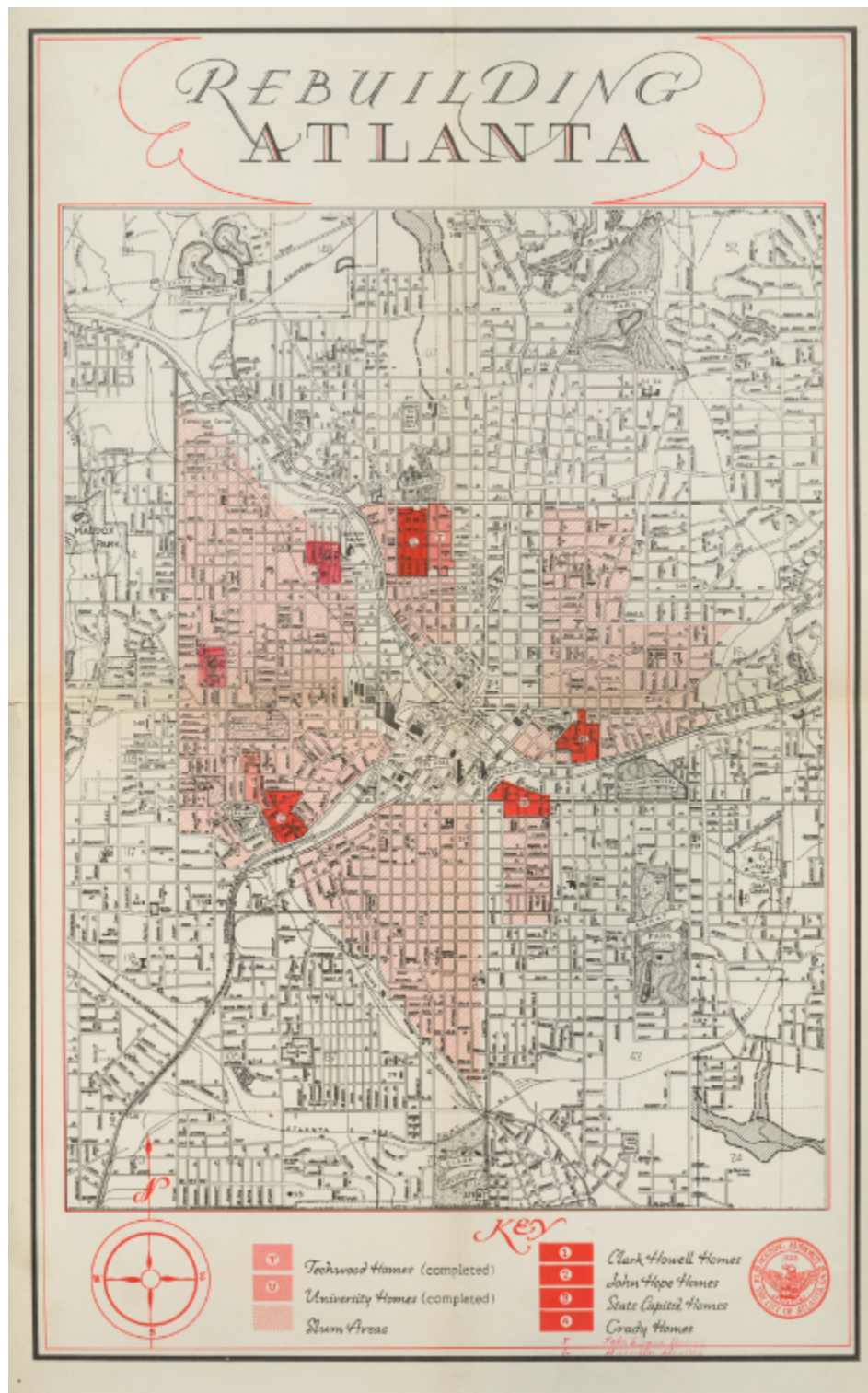


Figure 9. Proposed Areas for Public Housing & “Slum Clearance”

While the film, entitled “...and the Pursuit of Happiness,” took pains to convince the audience that it was less expensive to destroy these neighborhoods than maintain them, its central message was that these slums, and their inhabitants, posed such a threat to the wider community that they should undoubtedly be destroyed regardless of cost. Calling the slums “a cancer on Atlanta, Georgia,” the narrator goes on to describe their inhabitants. Accompanied by footage of black families in front of dilapidated shacks, and a black woman doing laundry in an outdoor barrel, the narrator explains that,

“In such surroundings, crime, disease, and other social problems breed. Families cook and eat and sleep all within the same rotting walls. In such conditions there can be no privacy, no delicacy, no sanitation. It’s a jungle world, breeding jungle life, where many children learn to steal, to fight civil authority, to forage like little jungle animals, and often to take what they want, wherever and whenever they can find it. So these areas breed a group from which we cannot expect much contribution toward the upbuilding of the city or the nation. A group that obviously has a degrading influence on the body politic, the community standards of life, and the very physical standards of the race itself. Like a bad apple in the barrel, the slum must drag down the standards of the whole community to its primitive level. And the slum, like many another blight, must be treated as a disease upon the body politic, must be wiped from the face of this earth, for it’s a condition not to be tolerated by a humane and civilized people.”

Both the film and the Housing Authority generally perpetuated the fiction that it was the residents of the neighborhoods being destroyed that were to be the beneficiaries of the substantial upgrade in housing that would replace the razed shacks, though in fact, the “bad apples” from the “deficit districts” would be excluded from the new housing by design (Ferguson 2002, 210).

W.E.B. Du Bois would challenge the depiction of Beaver Slide residents put forth by both the “Beaver Slide Committee” and the Atlanta Housing Authority. While the stark poverty of the people residing there, and the dilapidated condition of their housing, allowed middle-class whites and blacks to accept without challenge the characterization of the neighborhood as a hotbed of crime, DuBois and his students undertook a detailed study of the area which amounted

to a miniature census, as they determined the number of families in the area (241), the number of vacant houses (67), and the occupations, income, and rent paid by nearly all (235) of the families demonized by white and black elites as residents of the notorious Beaver Slide (Du Bois 1934). In the same way that in 1906 Atlanta, people who actually took the time to look for black rapists would have discovered that they were, in fact, very difficult to find, Du Bois' study suggests that the criminals, "parasites" and "jungle animals" said to inhabit Beaver Slide could best be believed in by those who, in fact, knew nothing about its residents. After interviewing nearly every resident of the slum community, the study, which was actually made at the request of Atlanta University President John Hope, concluded that:

"It is a slum by reason of poverty, and not by reason of vice or crime. There is very little evidence of criminal tendencies. There is some playing of numbers, and gambling and drinking, but no evidence of commercialized sex vice, and most of the families are normal families with few lodgers. The houses are nearly all old, and sadly in need of repairs. Nevertheless, there is much evidence of care, some flowers and shrubbery, and normal home life... The chief characteristic of this group is its poverty. Of 235 families reporting, 69 had no income and were mostly on relief, though a few were living on savings or on the charity of friends. Forty-one families had an income of less than \$5 per week, and some were of considerable size." Du Bois and his students also reported a general "skepticism about the proposed new housing" among the residents of Beaver Slide (ibid, 1-3).

Du Bois hoped that these skepticisms would prove to be unfounded. His own vision of the federal housing project, which would destroy Beaver Slide and become University Homes, was that it would not only house the former residents of the housing it destroyed, but that it would become the site of a new project of experimentation in black cooperative economy which would allow blacks to protect "themselves by the very segregation of which they are victims; that they concentrate [their] consuming power for mass buying, elimination of the middle man's profit, and an increasing number of productive operations. I know this is difficult. I know it has

vast chances of failure, but I believe it has clear possibilities of success, if it is led by trained men of unselfish character, and if it eliminates the private profit motive” (Du Bois 1973, 91).

For starters, he suggested that “there is no reason why colored farmers surrounding Atlanta should not furnish food for the 600 families in the Atlanta housing project” (ibid, 87). He imagined community kitchens, and was planning a trip to Germany to study their methods of industrial education – he wanted “to find out if possible through German experience the real cause of the partial failure of the Negro industrial schools of the South so ardently championed by the late Booker T. Washington, and to be able to suggest methods by which these industrial schools, instead of developing into ordinary colleges, might again apply themselves to the problem of inducting American Negroes in industry” (ibid, 57). Others associated with the University Homes project imagined the construction of commercial-quality laundry facilities, as fully 20% of employed black women provided laundry services to white families out of their own homes. The idea was to not only allow these women to compete with commercial laundries in terms of quality, and replace sweat-labor with the work of machines, but to improve the home lives of these women by allowing them to conduct this work outside of their living spaces, in modern and clean facilities (Ferguson 2002, 204-5).

In the depths of the Depression, in which Du Bois reported that over one-third of the residents of Beaver Slide were unemployed, his vision of an “economically self-contained” community, in which many residents did not seek outside employment, but rather “would serve the good of the community as doctors and laundry workers, teachers and cooks” was an ambitious one, as he readily acknowledged, but was not viewed as entirely far-fetched (the words are Ferguson’s, in summary of Du Bois’ vision; Ferguson 2002, 204). Indeed, “Du Bois’ scheme

found enthusiastic support among other housing reformers in Atlanta and Washington, D.C.” (ibid, 204).

In an Atlanta in which, according to federal government survey, over 50% of the housing was considered sub-standard (Kuhn 1990, 32), the deliberately created misimpression that the “mudsills” were going to be housed by the federal government in some of the finest working-class housing in the city may have created an atmosphere in which anything seemed possible.¹²¹ Visions of Atlanta’s poorest citizens not only living in a level of comfort previously unthinkable within the confines of the city’s system of apartheid, but engaging in industrial education which would teach them to produce for themselves, rather than exploitative employers, would soon be dashed, however, both by federal law and the conservative black administrators selected by Atlanta University President John Hope to run University Homes.

The idea that grants from the federal government might enable project administrators to equip the facility with an industrial laundry, community kitchen, carpentry shops, and the means for conducting a program of industrial education was put to rest with the passage of the Wagner-Steagall Act in 1937 (Ferguson 2002). The act placed management of the public housing projects to be constructed with federal funds entirely in the hands of local administrators, who

¹²¹ Linda Ferguson describes the upgrade in housing conditions the new tenants of University Homes would experience in this way: “The project units’ amenities – their modern facades, indoor bathrooms, and electric appliances – were virtually unknown to all but the wealthiest black Atlantans. These amenities meant that bathing was merely a matter of turning on the hot-water faucet, rather than of hauling water from an outside pump or spigot, heating it up in a kettle on top of a wood- or coal-burning stove, and pouring it into a metal tub” (Ferguson 2002, 214). As to the fiction that such amenities were reserved for the “mudsills,” the Atlanta Housing Authority’s Charles Palmer took pains to ensure that in conveying this misimpression he did not undermine the logic which posed poor black Atlantans as a threat to the health and safety of the entire community, upon which the case for the entire project rested: “As long as they menace the health of the community because of the spread of disease and vice that comes from their condition, the community is economically justified in housing them better to protect itself from the contamination of that cancerous area” (Palmer, 1935).

would, in the case of Atlanta and around the country, turn out to be conservative elites, not left-wing reformers, thus removing the influence of those who had entertained radical visions of the possibilities of government housing. Equally important, it replaced the original funding scheme, in which only 55% of the costs of the projects were to be recouped in rent from tenants over a 60 year period, the rest to be federally subsidized, with one in which the projects were to pay for themselves, with tenant rent to cover all costs amortized over the same period of time. This legislation punctured the illusion that the housing was for the “mudsills,” as the new cost scheme would render the housing unaffordable for all but those with above-average incomes, even without any of the facilities Du Bois had imagined.¹²²

In fact, the income requirements for residents in University Homes were set so high that despite the acute housing shortage in Atlanta, project administrators had difficulty finding tenants able to pay the rent. With 80% of black Atlantans earning less than \$1000 per year in 1937, 45 of the largest apartments, which required an income of \$1440 for occupancy, remained vacant six months after the project’s opening. (Ferguson 2002, 212). On her visit to University Homes, Eleanor Roosevelt praised the quality of the facilities while criticizing the project for pricing the housing beyond the means of most Atlantans (ibid, 207). The project’s inability to

¹²² Another crucial feature of the Wagner-Steagall Act was the requirement that public housing in no way contribute to a value-destroying increase in the stock of housing. Despite Atlanta’s “notoriously tight” housing market, and the fact that over 50% of the city’s housing was deemed “sub-standard” by the federal government, Atlanta real estate interests echoed those around the country in originally objecting to public housing on the grounds that “there was already too much housing in Atlanta” (Kuhn 1990, 47). Wagner-Steagall met this concern with the requirement that which required “that for every low-rent unit built with United States Housing Authority funds a unit of slum housing had to be razed” (Schwartz 1993, 58). Public housing thus became a tool for using government funds to create a scarcity of housing which would not exist in the absence of government intervention, as the norm in cities around the country was for the number of units destroyed to exceed the number built, a pattern which would continue in the “urban renewal” program of the 1950s and 1960s, resulting in substantial increases in the cost of housing for the poor. Clarence Stone documents this for Atlanta (Stone, 1989).

provide an industrial laundry would, in fact, disappoint none of the future residents of University Homes, for despite the fact 17% of Beaver Slide's employed residents had listed "laundress" as their occupation, not a single laundress would find residence in the new public housing facility (ibid, 213).

Even if the residents of Beaver Slide had somehow been able to meet the income requirements for occupancy in University Homes, it is doubtful that they would have made it through the stringent screening process instituted by the middle-class blacks placed in charge of the tenant selection process. Atlanta University's housing committee explained its tenant selection process by stating that:

"[The] university wishes to serve [the] wage earning class who have sufficient ambition, character and skill to have steady employment under anything like normal conditions. Select on the basis of their desire to live in the neighborhood of the University both because they appreciate the general atmosphere and will contribute something" (Ferguson, 200).

The university's original proposals for tenant selection, in fact, were criticized as too stringent by the federal government (ibid). The recollections of some of the projects earliest residents, however, suggest that they were adequate to its purpose:

"At that time, when you put in your application, they screened you. I mean, you know, they found out your reputation, how you paid your rent, and what kind of neighbor you had been, and all such as that. And then they sent somebody out to interview you and see what kind of housekeeper you are – what they don't do now [the interview takes place in the late 1970s]. Even you had to tell them what church you belonged to. And when they done that, then if you had a good reference, you moved in" (Kuhn1990, 49-50).

"Oooh, they didn't just have any- and everybody in here. They didn't want nobody to come in raising sand and tearing it up. They wanted, well I'll say some of the nicest people they could find to put in here" (ibid).

As the new residents of University Homes had their belongings sprayed with insecticide upon entry into the building (ibid, 51), the former residents of Beaver Slide "quietly folded their

tents like the Arabs,” in the words of the *Atlanta Daily World*, the city’s black daily (Ferguson 2002, 210-211). And despite the fact that the Atlanta Housing Authority’s Charles Palmer would still be claiming, in his 1955 autobiography, that the projects housed “only extremely low-income families” (Palmer 1955, 18), not a single Beaver Slide resident would find occupancy in University Homes, nor would any effort be made either to assist them with new housing or to “track their relocation” (Ferguson, 210-1).

The events of Atlanta’s 1906 race riot were undoubtedly ancient history to most Atlantans by the time University Homes was constructed in 1937. Public memory of the event had no doubt been powerfully shaped by the scripted narrative, to which Atlanta’s black middle-class adhered under the threat of violence, which justified the post-riot crackdown on “vagrancy,” and the tightening of Atlanta’s apartheid regime, by placing blame for the riot squarely on the shoulders of the “lawless elements” of both races (Baker 1973, 44). It was the adherence to this narrative, however – a script which endlessly posed the “worthless Negro” as a threat to the health and prosperity of the community, and forced middle-class blacks to find their “respectability” in the distance they could place between themselves and Atlanta’s most exploited class – which lay the institutional foundation for what would become the “Beaver Slide Committee,” and a landscape in which University Homes, that monument to black middle-class “respectability,” would be erected atop the leveled housing of the “worthless Negroes” of Beaver Slide. Max Barber’s exile for challenging the official riot narrative, and the national prominence, and unprecedented access to resources with which Henry Hugh Proctor was rewarded for becoming its most effective black spokesman, were, in fact, a crossroads for Atlanta’s black middle-class. What undoubtedly began as a pained admission of defeat, as the Georgia Equal Rights Conference changed its name to the Colored Conference of Georgia, and

critique of Booker T. Washington's lack of "courage" to speak bluntly gave way to public expressions crafted to meet the approval, and win the financial support, of men like James English and Hoke Smith, became an institutionalized ritual in which not only appeals for funds, but ultimately the social function of Atlanta's black middle-class itself, was justified on the basis of the alleged threat posed by blacks of the "Blue Monday" variety, and their endless need for appropriate regulation.

The violence of the 1906 Atlanta race riot, and the construction of racial categories which followed in its wake, must be seen as a project of labor regulation, set against the backdrop of the late 19th century crisis. The problem, for elites, was bluntly a matter of the lack of willingness, on the part of black workers, to supply their labor in the quantity, and at the level of intensity, which employers required. "Worthless Negroes," who could perhaps be tolerated in the midst of economic depression, became the enemies of society when there was money to be made, and neither Southern elites nor Northern economists minced words in declaring that the requisite quantities of black labor would be obtained through coercion, not market transaction. This coercion was a regulatory project, manifested in the closing of the "dives," the tightening of the vagrancy law, and expansion of the zones of forced labor. The violence of this coercion is what clearly defined the previously blurred roles of racial identity, firmly establishing black workers as "mudsills," with respect to their share of the work to be performed, while distributing to whites a race-based ticket to privilege. For white workers, efforts to establish a race-based claim to the top end of the labor market were surely rendered infinitely easier with the institution of a regulatory regime in which blacks could be sent to the chain-gang for refusal to work on employers' terms.

The rampage of the race riot, the horrors of Chattahoochee Brick, and the death-threat against Max Barber had disciplinary effects which extended far beyond their immediate targets. Expressions of interracial solidarity on the part of white workers, as well as calls for militant action to challenge the color line on the part of middle-class blacks, disappeared as Southern elites displayed their willingness to use violence to coerce black labor, and to create chambers of misery which would surely inhabit the nightmares not only of those who experienced them, but of all who heard their details.¹²³

Indeed, as the violence against “worthless Negroes” expanded, a violence which largely took the form of the legalized kidnapping which was the essence of the vagrancy law, white workers and middle-class blacks increasingly accepted the category of “worthless Negro,” as defined by white elites, and proceeded to define themselves against it. For white workers, “black” referred to those who performed the tasks, and resided in the neighborhoods, which remained after they had taken their pick, and this self-definition resulted in lines drawn into labor and housing markets which would be defended with violence. No doubt in a context of scarcity, in which the landscapes of black neighborhoods made it painfully clear that, as Carl Menger put it, the requirements of some members of the community would either be met “incompletely,” or “not at all” (Menger 1950, 97), much of white racism in defense of jobs and housing was motivated by the “fear,” which Menger hails as the prime source of the “economizing activity” which gives substance to value, of a “lack of food, clothing, and shelter” (ibid, 123). In the same

¹²³ Southern elites made no secret of their belief in the efficacy of horror as a tool of discipline. For John Temple Graves, the editor of the *Georgian* with whom Max Barber sparred on the pages of the *New York World*, the time-tested method of lynching wasn’t enough. For blacks accused of rape, he advocated “some new and mysterious mode of punishment – the passing over a slender bridge into a dark chamber where in utter darkness and in utter mystery that assailant of woman’s virtue would meet a fate which his friends would never know and which he himself would never come back to understand” (Godshalk 2005, 42).

way that this fear was apparently not sufficient to compel blacks to offer their labor in the desired quantity, however, it may fail to fully explain the conduct of Georgia's early 20th century white workers, who have been described as seeming "to fear negro competition more than they feared exploitation at the hands of their employers" (Will Alexander, quoted in Gaston 1957, 277). One can imagine fears beyond poverty and hunger which might motivate the embrace of a racial identity which exempted one from being targeted in rampages such as the 1906 race riot, or subjected to the horrors of forced labor at Chattahoochee Brick.

After the riot, and the death threat against Max Barber, Atlanta's black middle-class also defined itself against the "worthless Negro," offering its services in the project of regulating black labor with the promise of helping to deliver "steady, sober employees." While in the immediate aftermath of the riot, efforts on the part of the white elite to control the narrative coming out of Atlanta would find cooperating blacks materially rewarded for their efforts, as the racial roles defined by the riot settled into routine, the white elite showed little interest in the maid and janitor "schools" organized by black middle-class reformers, or in arguments for investing in improvements in black quality of life based on mitigating the alleged threat to the "community" posed by the black poor. It was when they called for violence, in the form of a "vigorous" police crackdown on the residents of Beaver Slide, that middle-class blacks found their self-selected role as junior partners in the project of regulating black labor ratified by a "special partnership" with the city, in which they were invited to help oversee the expanded police presence in the Westside slum.

X. Conclusion

This chapter has detailed the ways in which the post-riot crackdown on “worthless Negroes,” and the identity-forming positioning which took place with respect to them, were written into the landscape. This geography, indeed, is the geography of the city and beyond, from the race-based categories of “mudsill” and “privilege” written into spaces of work and neighborhood, to the city’s convict-constructed street system which led out to newly “well-managed” farms. Unseen in the landscape, however, are the effects of what is probably the “mudsill” construct’s most crucial social function: the foreclosure of ideological spaces and possibilities, which leaves as its legacy physical spaces which simply aren’t there. While this might be symbolized by an empty *Voice of the Negro* office, or Georgia Equal Rights Conferences never held, what makes the construct of the “mudsill” such a conservatizing force is that it results in worldviews which take the existing allocation of social effort, and the quantity of resources it produces, as given. The result is a jockeying for position within the given scheme which precludes the asking of Du Bois’ question, which ultimately boils down to, ‘What would happen if we all were to do something else?’ Atlanta’s early 20th century white workers embraced a racial identity which defined its social role as defending a privileged claim on existing scarce resources, not challenging the source of the scarcity, while the black middle-class strove to demonstrate itself as both a worthy and necessary partner in the white elite’s project of increasing the quantity, and improving the quality, of menial black labor. Behind the viciousness of Atlanta’s skilled white worker, who vowed to kill any black who threatened his job, or the futility of the efforts of the college-educated black Atlantans, who set up classes to teach maids to be maids, lay the violence-inspired fear which resulted in both white workers and middle-class blacks defining themselves against the trope of the “worthless Negro,” failing to

realize that in endlessly calling for his “proper” regulation, they were, in fact, regulating themselves.

CHAPTER 5 – CONCLUSION

This project began out of an attempt to understand what the urban planners who drew lines of privilege and exclusion into their zoning and “red-lining” maps, and from there into the landscapes of our cities, meant when they said “value,” and how their definition of it related to the categories inscribed in their maps, and where they drew their lines. Studies which made the assumption that the racialized pursuit of value in the 20th century city was a story of bigotry distorting an otherwise, or at least potentially, neutral economic category failed to satisfy. Understanding maps explicitly drawn in service to “value” would seem to require, from the beginning, an understanding of what their authors held that “value” to be.

My approach – to read what urban planners had to say about value, while also looking to economic theory, to see what connections might exist between ideologies of value developed by economists, and the value ideology being written into the landscape of the early twentieth century city – led to the realization that the “value” being chased by the map-makers, and informing the HOLC’s criteria for assessing mortgage risk – was not only a measurement of scarcity, but a scarcity which the planners felt required a regime of strict regulation to create and maintain. If I had stopped there, I might have been left with a story of height limits for buildings and minimum lot sizes.

It was the suggestion of Richard T. Ely – the land economist credited with providing the FHA with its “homeownership vision” – that the analysis of “overproduction” in David Wells’ *Recent Economic Changes* provided the clearest statement of the “problem” to which zoning laws and restrictive deed covenants were seen as crucial to the “solution” that made me realize

that the dull details of the regulatory project developed at the National Conference on City Planning were actually part of a much larger story (Ely 1931, Ely 1932). I had started with the assumption that there was something wrong with analyzing “value maps” without paying any heed to what their authors thought about value. This assumption was confirmed, but in a much larger way that I had originally expected, for I realized that the zoning story was just one part of what was, in fact, a society-wide implementation of regulatory regimes born out of the experience of the late 19th century crisis, based on the conviction that in the absence of regulations designed to prevent what Veblen wryly referred to as the “disastrous cheapening of products through mechanical improvement” (Veblen 1932, 241-2), value would cease to exist. This logic, of course, was endlessly repeated at the Conference, where the value in land was held to depend entirely on regulations limiting its supply.

The realization that we completely misunderstand the efforts of the planners at the National Conference on City Planning if we casually label the affair a “gathering of bigots,” as Kenneth Jackson’s account, if taken seriously, would apparently have us do, and that we must see it as part of a general turn towards the regulatory management of “relative scarcities” (Sklar 1987, 70), was a fascinating one, but it led me out onto so wide a field that I began to lose sight of the questions that had originally launched the journey. It led, for example, to the study of a quarter-century economic crisis that I’d previously known nothing about, and a search for the value logic of the artificial scarcity pursued at the Conference in the history of corporate mergers. Similarly, asking the extent to which economic theory had informed the value strategies inscribed in zoning maps had originally seemed like such an innocent, and obvious question. I specifically wanted to read the theorists who had influenced the planners, and I thought that it would simply be a matter of reading them and making an attempt to relate theory

to map. The realization that the pursuit of value through the creation of artificial scarcities at the Conference relates to value theory because a debate over whether the scarcity which backs value is natural or artificial is what launched modern value theory in the first place, and that Malthus' artificial scarcity manual, *Principles of Political Economy*, hides behind the fig-leaf of the ultimate natural scarcity manifesto, the *Essay on Population*, was more than fascinating, but it threatened to turn the maps which launched my projects into footnotes in a story about economic theory, rather than the other way around.

What I hope my project has suggested, if not demonstrated, is that the zones of privilege and exclusion written into the 1922 zoning map of Atlanta, and ratified by the HOLC in 1938 were of the essence of the value being pursued, not extraneous additions to it. This is because the driving logic of the project was not, in fact, bigotry, but the value-enhancing creation of artificial scarcity, and scarcity is nothing if not a restriction of access. As the "race suicide" narrative so readily attests, regulatory projects designed to achieve price-boosting limitations of supply inherently feature those who will be their beneficiaries, and those whose exclusion will be effected by the reduction in supply. Bigotry doesn't create these strategies. It justifies them.

These processes of justification, in turn, powerfully shape racial categories and identities, for in fact what is being justified is the establishment of social positions. In Atlanta, the regulatory project which changed "worthless Negroes" into "valuable mudsills" simultaneously made white skin a ticket to privilege in the labor market, and caused middle-class blacks to exchange identities as opponents of apartheid for roles as voluntary "keepers of the peace." Similarly, once whiteness became a criterion for scarcity in suburban property, part of a set of markers designed to distinguish certain areas from the "thousands of acres around any city, of the commonplace type" (Nichols 1916, 101-102), a defense of the whiteness of one's neighborhood

became synonymous with a defense of scarcity, or value, itself. Rather than trying to imagine what property values might look like if not marred by prejudice and bigotry, we might ask what “whiteness” would be worth in the absence of artificial scarcity.

One of the key features of the suburbanization narrative of Jackson and his progeny (Jackson 1985, Sugrue 1996, Self 2003, Kruse 2005, Freund 2007) is that by linking property values to racial exclusion, federal housing policies effectively subsidized what became a racist, right-wing politics of exclusion, which ironically used free-market rhetoric to steer government resources into the suburbs and away from the cities. The implication is that if bigotry had not been written into the infrastructure of home finance, we might have a saner, and perhaps less mean-spirited politics today. There’s no doubt that the suburban “defense” of all-white neighborhoods, which the mortgage criteria of the Federal Housing Administration effectively mandated, has powerfully shaped both racial and political identities in the United States (Kruse 2005, Freund 2007). If viewed as a project of creating and maintaining artificial scarcities in real estate markets, however, it can be seen that regardless of whether privilege and exclusion was based on skin color, it was at the essence of the project of creating and maintaining value.

Commenting on Veblen’s definition of a “vested interest” as a “marketable right to get something for nothing,”¹²⁴ Richard T. Ely, credited with providing the FHA with its “homeownership vision,” doesn’t quibble with Veblen’s characterization of what is taking place, but simply argues that for the sake of social stability, a larger slice of the population should be given a stake in the project: “latterly among democratic thinkers a tendency has shown itself not so much to fight the vested rights as to extend vested rights, and thereby a stake in social stability, to the lower middle class and skilled workers” (Ely, cited in Tilman 1987).

¹²⁴ i.e., to obtain value not through the production of goods or services, but by limiting their supply.

The essence of “vested rights” is artificial scarcity, and Ely’s means of extending them came in the form of federally-backed mortgages which would only be granted to properties playing the artificial scarcity game, i.e., which had regulations designed to exclude. While Kevin Kruse argues that the conservatism resulting from these programs were the result of provisions which required exclusion on the basis of race, Ely recognizes that the “stake” in “social stability” lies in bringing people over to the “exclusive,” as opposed to the “excluded” side of the fence in a regulatory project which will benefit the former and harm the latter. The details of the criteria for determining who stands where, with respect to the fence are not the key issue. What’s important is that there’s no such thing as a “vested right” without the power to exclude, and while the narratives justifying exclusion would change with changes to the criteria for exclusion, the categories of “exclusive” and “excluded” would remain the same.

As mentioned, Ely saw the project of creating, and maintaining, artificial scarcities in land by means of zoning and restrictive deed covenants as part of a larger project of battling the problem of “overproduction.” While as a regulatory project, this would have him calling for the conversion of farms to forests in the countryside, and a ban on apartments in towns, he makes clear that at essence it is a project of channeling human effort. Like Malthus, he divides the working class into two groups, those producing goods for the market, and those who do not. He also follows Malthus’ value logic with regard to them. Because the point is to maximize the gap between the quantity of labor that goes in to the production goods for the market and that which exchanges for them, it won’t do to raise the wages of what Malthus would call “productive” workers, and Ely explicitly says that this should be avoided. Rather, what Ely calls for, in the midst of the Depression, is an increase in both the number and remuneration of “white-collar workers, physicians, teachers, and ministers” (Ely 1931, 50-51).

The value vision of Malthus and Ely, and the regulatory projects which flow from them, represent as goals the state of affairs which Godwin and the early socialists denounced: the creation, in pursuit of value, of zones inhabiting “little-consuming producers on the one hand, little-producing consumers on the other hand” (Kropotkin, cited in Wells, 1889, 94). It is a value regime which, as acknowledged by Malthus and Ely, requires a “mudsill,” which in turn requires narratives of justification. The argument here is that we should go beyond simply denouncing practices of exclusion, and the logic of the narratives that justify them, and rather seek to expose the “zones of value” which rest upon social exclusion, and the value logic which they serve.

A frustration encountered in this project was my inability to get very specific about the relationship between the regulatory pursuit of artificial scarcity in land, which I attempted to document in great detail with respect to the development of zoning regulations, and the regulatory project, which Richard Ely explicitly linked to his support for zoning and restrictive deed covenants, of channeling increasing quantities of human effort into Godwin’s zone of “unnecessary labor” for the purpose of mitigating, and preventing, crises of “overproduction.” My excitement at discovering this connection between strategies for regulating markets in labor and land, and the belief that the connection could be demonstrated, somehow, through an examination of the HOLC’s “zoning” of Atlanta’s neighborhoods into the categories of “A,” “B,” “C,” and “D” based upon the race and class characteristics of their inhabitants, never developed very far beyond the ability to point out that the connection existed. While some development was achieved through the implicit likening of the “mudsill” category in the Atlanta labor market to the Malthusian “denominator,” or the Godwinian “zone” of “necessary” labor, and the suffering which was held to be inevitable for those assigned to that category, this

likening could not get very far because of the impossibility of determining exactly *for whom* anyone in Atlanta was working. It was obvious enough, of course, that the huge class of African Americans engaged in domestic service for the rich were expending their energies precisely on behalf of that class, but I quickly came to the realization that no data existed which would allow me to determine the size, or location, of those laboring in the “necessary zone” of labor, producing the means of subsistence for Atlanta’s working class.

Excessive precision on this point may well have proved superfluous, but a good bit of the promise of the critique of the early socialists, which the esoteric Malthus, and his followers down to Keynes and Ely then inverted with their regulatory value strategies, seemed to be the ability to demonstrate, in some empirical fashion, the respective sizes of the “zones” of “necessary” and “unnecessary” labor, and their geographic location, and I especially wanted to draw a tight connection between these zones of human effort and the actual “zones” of the 1922 Atlanta zoning ordinance, which I believe can be argued were drawn in the service of the same conception of value. My initial plan, which seems hopelessly ambitious at this point, was to use the HOLC’s data on occupational make-up of the residents of Atlanta’s 111 neighborhoods to turn their 1938 map into a modern, socialist “map of civil society,” with a tip of the cap to the descendents of Godwin.

The questions which I was only partially able to answer in this study – who and where are the “mudsills,” what are the narratives which justify the regulatory projects which create and maintain the social categories in which they’ve been placed, and not only *who* are they producing for, but *how many*, seem as relevant today as they were in early 19th century England or early twentieth century Atlanta. If they can be effectively answered, they would seem to offer the opportunity of developing a narrative capable of simultaneously challenging both racism,

whether based upon skin color, legal status, or any other “mudsill”-justifying narrative, as well as the “there is no alternative” value narrative which is so effective in foreclosing avenues for social change in our own day. The ability to demonstrate that our current value regime requires “little-consuming producers on the one hand, [and] little-producing consumers on the other hand,” along with massive state intervention, as well as racist narratives of justification, in order to both create and maintain them, would seem to allow us to both visualize the artificial nature of current arrangements, and potential avenues for radical change.

I have not yet worked out solutions for the problems encountered in this study, but a possible future approach would involve attempting to answer these questions in *micro*, as opposed to expressing frustration over the refusal of government statistics to organize themselves in the categories that would provide satisfying answers to my socialist questions. I can imagine a project which identifies “mudsill” communities, or “zones of exclusion,” in Atlanta neighborhoods today, and then relies upon qualitative research techniques to get at information not provided by existing statistics, as I attempt to tell a story which relates details about the directions in which the directions in which human effort is being channeled to regulatory regimes which establish “zones” of privilege and exclusion, and the racist narratives which justify them, all in the pursuit of “value.”

An attempted engagement with Marx, and Marxist scholarship, as part of the value narrative traced in chapter two, would seem to have added unmanageable quantities and complexities of material to what was undoubtedly already an overly ambitious attempt. It is hoped, however, that my attempted engagement with “capitalist value,” as a theoretical category in the realm of economic thought, an object of regulatory pursuit in the field of urban planning, and a social institution around which racial categories were shaped and contested in early twentieth Atlanta,

has implicitly suggested that for those interested in an understanding of capitalist value in theory for the purpose of informing projects designed to undermine it as a social institution, an exploration of non-Marxist sources can be fruitful. The discovery that the value theories of Malthus and Menger were, in fact, the antitheses of the “value” critiques of Godwin and his socialist descendents, which I attempted to demonstrate in chapter two, would seem to suggest that an anti-capitalist critique of value can be developed out of an inversion of capitalist value theory itself, and that crucial radical insights can be gained by means of a critical examination of the “value visions” on which the regulatory pursuit of capitalist value are based.

To cite one example, radicals might take seriously Menger’s equation of the absence of scarcity with communism, and consider the fact that if non-market access to food on the part of early-twentieth century blacks in Atlanta was seen by the elites of the city to pose a serious threat to the institution of value, perhaps projects explicitly designed to create such access to the means of subsistence should be placed at the center of attempts to undermine value as a social institution. Indeed, in future research, as I attempt to analyze the contemporary geography of zones of privilege and exclusion in Atlanta, and efforts to maintain and justify them, one of my goals is to identify the “survival strategies” engaged in by those inhabiting “zones of exclusion,” and determine the extent to which they represent threats, existing or potential, to the value which would not exist in the absence of such zones.

Asking after the “value vision” which informed the “zoning” and “red-lining” maps of Atlanta resulted in “answers,” or the beginnings of answers, far larger than I originally anticipated, and doubtless of sizes and complexities that exceeded my capacity to adequately manage them, at least within the confines of this project. The beginning of an answer which I will take with me into future research, and which I hope I have successfully at least suggested in

the foregoing pages, is that to the extent that capitalist value is requires a regulatory project in pursuit of artificial scarcity, that project requires the channeling of effort in directions which create categories of privilege and exclusion that have crucially shaped the racial categories which have contributed so powerfully to the shaping of our identities, regulating our behavior, and impoverishing the world in which we live. Visions of value, whether explicitly articulated or passively received, imply action in certain directions, and foreclose the opportunity for action in others. It is hoped that the continued critical engagement with the visions of value which have inscribed themselves in our urban spaces, and upon our categories of race, will open up possibilities for action which those value visions in fact are in part designed to foreclose, and perhaps lead to the channeling of effort in directions which lead beyond the institution of value, and the “zones” of privilege and exclusion upon which it so crucially depends.

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