Mr. Moses is so far as I know . . . the second or third best thing that ever happened to it [New York], and if we can get his ability to marshall technical forces behind this housing program and if we can get him to agree with us, nothing in God's world is going to stop us.

Rexford G. Tugwell

New York redevelopment in the early 1930s was a neighborhood movement, not some grand scheme to prime the national economy. Driven more by local boosters impatient with frowsy property than by visionary capitalist planners, it proceeded with an ingrained caution toward constitutional authority, property confiscation, and City Hall. Across New York, groups that swore off large-scale eminent domain and government intrusion went about exhorting voluntary action to save neighborhoods.

By 1938, fears about large-scale operations were swept away in the turbulence of Mayor La Guardia's second term. During that recession year, the city's left wing helped add the housing amendment, Article XVIII, to the state constitution. New York voters gave their mandate to government-directed clearance, public housing, and re-planning. Hard times forced downtown property owners to face the truth that only massive government aid could rescue them from permanent stagnation. Property interests began to recognize the logic of an extraordinary measure, the "write-down," to jump-start reconstruction. While many property owners were frightened of left-wing attacks on landlords and wary of La Guardia, they came to see Park
Commissioner Moses as a reliable man with the vision for the times. Having pushed the fainthearted aside, Moses was ready to direct the Housing Authority and city plans to rebuild New York.

**Christian Endeavor**

While public attention was drawn to the Housing Authority excavations at Williamsburg and Harlem River, many areas of the city looked to government aid for more conservative ends. As part of the emergency work programs of the early 1930s, realtors and social-welfare advocates had sent hundreds of unemployed architects, draftsmen, and clerks to conduct block-by-block property surveys, the Real Property Inventory. When the Housing Authority took over the inventory in 1934, local boosters had the first scientific measure of neighborhood blight. Statistics for the Lower East Side, Chelsea, Yorkville, and Morningside Heights bolstered the resolve to halt neighborhood decline. The data were soon used by property owners’ organizations, which admired the National Association of Real Estate Boards’ plans for “neighborhood improvement districts” that could upgrade property through coercive zoning. Other neighborhoods looked to influential landlords to spearhead vaguely collective schemes for property improvement. Although most proposals mentioned some role for public housing, they remained staunchly conservative about its scope. As political demands rose for Washington to help the ill-housed “third of a nation,” property owners braced to keep the rescue in their own hands.¹

One of the most debated revivals occurred on the East Side between planning intellectuals and Chamber of Commerce boosters who were convinced that they could reclaim slums without public authority. Collective action was already on the minds of many owners when architect Arthur C. Holden went among them like a machine age Jeremiah, calling private ownership obsolete. Holden said that the East Side’s salvation lay in “pooling” property into district corporations. He explained that an “equity trust” could exchange ownership in property, including mortgages held by banks, for proportional stock in the trust’s title to all the property in a district. Elected trustees could become entrepreneurs of the district’s resources, refurbishing Old Law tenements or clearing them, as necessary. With Reconstruction Finance Corporation credit, they could build modern apartments that Holden claimed would “command a better rental and yet not out of range of the possibilities of the neigh-
borhood.” (Foreseeing no grave displacement, he expected tenants to “decant” into nearby apartments, which would remain within their means because of economies in construction and operation.) Although the equity trust might be armed with eminent domain, it would not need it. Using RFC mortgages as a lever, the trustees could warn hold-out owners, “Take it or leave it.” Moral suasion could reclaim the Lower East Side.²

Impatient to prove his ideas, Holden organized several blocks on Grand Street east of the Amalgamated Dwellings. Meeting with owners and mortgage holders, he tried to reassure them about the value of their equities and liens. Officers from the Equitable Life Assurance Society, the Bank of New York, and the Dry Dock Savings Bank were intrigued, but doubted that they could arrange the release of property titles, let alone the claims of heirs, dependents, and attorneys in trust accounts. A few remained stubborn reactionaries, such as the New York Life Insurance officer who opposed “any slum clearance activity which would disturb the ‘supply and demand’ situation.” “When confronted with the fact that the near future presents no probability of a profitable sale,” the trustee of a family estate sniffed, “nobody knows what the future of a real estate market may be.” Some owners appreciated Holden’s arguments, but one elderly woman, aware that her commercial loft was losing money, nonetheless declared, “I do not believe in owning anything with anybody.” An equally blunt attorney would not advise his client “to surrender his deed for a flock of ‘maybes.’”³

Despite these disappointments, Holden gathered one group of owners at the City Club in late 1935. Langdon Post gave the Tenement House Department’s assurance that cooperating owners would be excused from enforcement of the Multiple Dwelling Law. With that understanding, they proceeded to devise a trustees’ agreement and appraisal plan, but Holden soon recognized that they were waiting for the city’s “commitment with regard to credits for improvements.” Langdon Post granted a three-month stay, but the movement collapsed when owners blamed the city for failing to arrange government-backed mortgages. Doubling Holden’s new era, tenement owners wanted cash up front.⁴

Some neighborhoods relied on private institutions to hold out against blight. In Yorkville and on Morningside Heights, the Rockefellers’ huge resources promised the required stability. The part of Yorkville known as Lenox Hill had been Rockefeller ground since the 1920s, when the family sought compatible neighbors, such as New York Hospital, for the environs of the Rockefeller Institute.
The family helped relocate the Lenox Hill Neighborhood Association to make way for institute expansion, and built model tenements for institute employees on Avenue A (soon renamed York Avenue). John D. Rockefeller, Jr., also gave lavishly to the Memorial Hospital for the Treatment of Cancer and Allied Diseases and purchased an entire block between 68th and 69th streets, Second to Third avenues, to provide the hospital with elbow room. “The whole East Side from about 42nd Street north,” the family realtor advised, “is undergoing a complete change and this block will be extremely valuable.”

Acquiring property to ensure family control of large areas was the Rockefeller approach to city planning. When the Rockefeller Institute worried that speculators would build high-rise apartments across the street on Avenue A, Rockefeller purchased the vulnerable site. Family-built model tenements on Avenue A, rented in Rockefeller fashion to longtime employees, helped to stabilize personnel. Welfare activities also contributed to the overall design. The generous Rockefeller gift for relocation aided the Lenox Hill Neighborhood Association’s venture into model tenements on East 70th Street, which were rented by employees of Lenox Hill Hospital. For the time being, Rockefeller gifts maintained standards on the Upper East Side.

Family hegemony on Morningside Heights proved another matter. Rockefeller interest in the neighborhood also dated from the 1920s, when John D. Rockefeller, Jr., gave generously to the Riverside Church and sent his sons to a nearby progressive academy, the Lincoln School. Later in the decade, he bought property along 123rd and 124th streets and on Morningside Avenue to create a protective zone around the school. Rockefeller’s General Education Board subsidized the physical growth of Barnard College, expecting the campus to complement the facilities of Riverside Church. The philanthropist was accustomed to having his way, as the Reverend Henry Sloane Coffin learned when he oversaw the construction of the Union Theological Seminary across from the church. Rockefeller was annoyed by the grandiose plans for the seminary and threatened to withdraw $200,000 from the building fund. But Coffin prevailed because he was firm. “J. D. is accustomed to having everyone kowtow,” he said, “but he respects those who have intelligent plans.”

By the mid-1930s, alarm about Harlem’s spread forced the Rockefellers to reconsider their stake in Morningside Heights. In 1934, the Riverside Church’s spiritual leader, Dr. Harry Emerson Fosdick, worried about the migration of blacks across 125th Street and down Claremont Avenue. The Rockefeller real estate advisor
warned that Morningside Avenue "has many Negro tenants, and they are encroaching on 124th Street." Family authority had also been challenged by property owners who were skilled at blockbusting. "Of course we have held to white occupancy," the advisor informed Rockefeller, "but our rents have had to be reduced 40% and we still have many vacancies." The family real estate committee reviewed the facts, but needed to know the philanthropist's plans for the Lincoln School "if negro occupancy predominated in the neighborhood." One option was to hold "steadfastly to whites so as to block the negroes, as far as we can, from reaching further west and possibly threatening the surroundings of Riverside Church." Bolstered by the family, landlords and mortgage bankers would hold the line.8

That option prevailed until the spring of 1937, when further black incursions, coupled with family disappointments in other Manhattan property, brought a strategic withdrawal. On April 2, the Rockefeller real estate committee decided to liquidate ownership of Harlem's all-black Paul Laurence Dunbar Apartments, a large share in the Dunbar Bank, and holdings on Morningside Heights. William J. Demorest, the William A. White & Sons partner who handled Rockefeller properties, sent the committee the latest news about black encroachment, including "a rumor that there was a Negro living in 434 West 124th Street." The committee decided to create a cordon sanitaire by demolishing properties on 123rd and 124th streets and on Morningside Avenue. But notices to vacate by July 31 touched off protests, telegrams to Mayor La Guardia, and letters to the newspapers, which attacked "Rockefeller real estate interests." The ruckus reached the philanthropist, who was summering in Maine. His attorney urged demolition without delay. "As you know, this neighborhood is changing very rapidly from white to colored," he noted. "I have been in touch with [John D.'s son] Laurence . . . and he feels as [real estate advisor] Mr. Heydt and I do. We are sure of saving about $300,000 by demolishing this year."9

That news clinched Rockefeller's decision to level the buildings. As he explained to his attorney, "there are 213 apartments, ten have moved, 75% expect to be out by the end of this month and . . . the Catholic priests, a couple of communists and one other person are the ones that are making the stir." The philanthropist got his old friend Albert G. Milbank, an attorney "of broad social interest," to settle matters with Mayor La Guardia and Tax Commissioner Hubert Delany, one of the city's most prominent black politicians. Delany, a partner at the Dunbar Bank, agreed to forego tax collections, which enabled the family real estate office to give tenants a stay
until November 1, after which demolition proceeded. In the 1930s, the Rockefellers depended on middle-class anchorages and pressure on local realtors to hold the line. But Morningside Heights showed the limits of these tactics as well as the distasteful side effects when family traditions failed.\footnote{10}

Private efforts against urban blight continued to intrigue housing reformers who sought collective action without the dangers of state control. Arthur Holden championed this view in city planning circles and urged use of the Real Property Inventory to organize reconstruction districts. He took his pooling ideas to Harlem, Chelsea, and Greenwich Village, anywhere landlords might act on the obsolescence of private ownership. Holden found a congenial forum among the conservatives on the new Citizens Housing Council. In 1937, he joined realtor James Felt on the council’s Committee on Old Housing, which explored cooperative incentives for owners of Old Law tenements. Holden presided over the Committee on Land Assembly, where Felt and other experts, such as Ira S. Robbins, legal counsel to the State Board of Housing, debated assembling redevelopment tracts without eminent domain or large-scale displacement.\footnote{11}

They found support among property owners who favored redevelopment but were unnerved by the public housing threat of Article XVIII of the state constitution. Certainly this drove the concerns of the Merchants’ Association in the mid-1930s. The leader of the Merchants’ Association’s housing cause was Arthur Holden’s cousin, Thomas S. Holden, who was vice-president of McGraw-Hill, a charter member of the Building Congress, and a fund-raiser for Arthur’s property studies on the Land Utilization Committee. Thomas Holden sought his cousin’s advice for a special housing committee made up of “business men, professional men, financial men—not sob-sisters.” Dismayed by the La Guardia administration’s course of action, particularly the city’s determination to request federal public housing funds, he urged “considering what New York needs, rather than what U.S. may give N.Y. or force N.Y. to do.”\footnote{12}

The Merchants’ Association underwrote Arthur Holden’s conservative housing message to taxpayer’s groups. He circulated among property owners draft legislation that called for middle-income redevelopment, which he sharply distinguished from low-rent public housing. He insisted on the principle of fair-share taxes by denying blanket exemptions on improvements, and he called for eminent domain vested in special franchise districts controlled by neighborhood owners. Whereas the Housing Authority’s partisans demanded fore-
closure on slumlords, Holden said that property owners could shape a future all their own.\textsuperscript{13}

**Recession and Revival**

Believers in redevelopment by private effort had their faith tested during Mayor La Guardia's second term. Commercial property interests had already been reduced by hard times when the economy nosedived during late 1937. Poor Christmas sales disappointed retailers such as R. H. Macy and Abraham & Straus, and retail declines continued through the spring. Midtown employers, moreover, had been shaken by CIO strikes and membership drives among salesclerks and white-collar staff. Labor unrest had also struck midtown hotels and high-rise apartments, and the organizational campaign by Local 32B of the Building Services Employees Union climaxed with a virtual general strike. Between the severe contraction of business known as the recession of 1938 and the militance of labor, property owners faced ruinous years unless government lent a hand.\textsuperscript{14}

Midtown owners considered their plea for government intervention to be a call for overdue municipal reform. Harold Riegelman, legal counsel of the Citizens Budget Commission, argued that the city could no longer afford wasteful investment in the outer boroughs. "The only way to get rid of slums is to replan the areas that created them," claimed Riegelman. "You have to visualize a long-term program of reclaiming such sections as the Lower East Side, at the rate of about 4 per cent each year and that calls for heroic measures, which must be financially sound." Warning against costly, duplicative effort, Delos F. Walker, general manager of R. H. Macy and president of the Retail Dry Goods Association, called for housing redevelopment in Manhattan.\textsuperscript{15}

The City Planning Commission, created by the 1936 charter election to advise land-use decisions of the Board of Estimate, endorsed the new reality. Chairman Rexford G. Tugwell hoped to tutor the La Guardia administration in master planning, beginning with the commission's 1938 report that declared New York to be overbuilt and overmortgaged. With a permanent decline in world trade and a permanent class of jobless residents, the city had to forget expansion. Although Tugwell's men reluctantly approved the Queensbridge public housing site in Long Island City, they scorned further spending in the outer boroughs. "The time has now come,"
they added, “for replacing appropriately located obsolete areas with modern housing for low-income groups, particularly where this can be accomplished within walking distance of opportunities for employment.”

That assessment found sympathy with Housing Authority chairman Alfred Rheinstein, who agreed with technical advisor Frederick Ackerman’s dictum about the “replacement era.” Sharing the spirit of La Guardia’s second term, Rheinstein bluntly told a City Council hearing that $1 billion was needed for housing. He went on to inform lawmakers that slum clearance would require city partnership with landlords and private capital. Asked if he could support outer-borough housing, Rheinstein stood by the slum-clearance task on the Lower East Side.

Amid the consensus on the inner city, Park Commissioner Robert Moses made his first bid to seize control of housing policy. He focused on the Mayor’s Committee on Housing Legislation, which La Guardia appointed in November 1938 to coordinate the city’s legislative agenda under the housing amendment, Article XVIII of the state constitution. Chaired by the dean of the New York bar, Charles C. Burlingham, the committee included Moses, Rheinstein, Tugwell, City Council President Newbold Morris, Corporation Counsel Paul Windels, Brooklyn Borough President John E. Cashmore, State Board of Housing Counsel Ira S. Robbins, and Dorothy Rosenman, the influential reformer. Moses planned to proclaim his own agenda for the committee at a black-tie dinner at the Park Department Arsenal on November 22, the evening before it was to meet. Rexford Tugwell and other guests expected a leisurely discussion of housing, sponsored by civic organizations. But Moses intended the dinner to serve as a backdrop for a thirty-five minute speech over municipal radio on New York’s housing future. Earlier, Moses had pressured his staff for a list of housing sites near public parks that would cost a nice round figure, $200 million.

“As Commissioner of Parks of this city, as head of other government agencies, and as a delegate to the Constitutional Convention, my interest in low-rent housing requires no explanation,” Moses read into the WNYC microphone at the arsenal, unaware that Mayor La Guardia feeling upstaged, had ordered the station to cut the broadcast. But the morning newspapers gave front-page coverage to the address, which Moses entitled “Housing and Recreation.” Assuming that the state under Article XVIII would advance to the city $200 million in capital grants and $3 million in annual subsidies, Moses called for ten slum-clearance and rehousing projects around existing
and proposed parks: six in Manhattan, two in Brooklyn, and one each in Queens and the Bronx. He would tackle Manhattan’s land costs by building high-rise projects; his Tompkins Square project would cost $5,200,000, or $9 per foot, but would cram 9,000 rooms on the site. Moses would assess the projects at the value of existing site property, thereby disarming the complaints of taxpayers’ groups, and he proposed to amortize state capital grants with a penny cigarette tax. Integral to the plan was a $45 million start on constructing limited-dividends, renting for $9.00 to $10.50 per room, at East 96th Street in Manhattan, Sound View in the Bronx, Flatbush in Brooklyn, and Aqueduct Park in Jamaica, Queens.19

Moses called his $200 million package a down payment on a twenty-five-year plan to rehouse the million New Yorkers who were trapped in the slums. Pledging to work over the long haul, he claimed that “the public will not tolerate management of such an enterprise by well-meaning amateurs.” He proposed to replace the Housing Authority with a development board composed of himself, Rheinstein, Tugwell, and other municipal experts. Employing real estate professionals, the board would locate sites, purchase property, and bring public pressure—including condemnation—against recalcitrant owners. At the height of the campaign for the housing amendment, Moses, more than any other public official, had spoken the people’s will.

At a meeting of the Committee on Housing Legislation (the Burlingham committee) the following day, Moses pushed for the three-year, $200 million package, while Rheinstein tried to convince the committee to approve a scaled-down two-year version. But Moses’s linkage of housing with parks proved more convincing. As the committee minutes reported, “Mr. Moses contended that argument in [the Constitutional] convention had been based on general community rehabilitation. Suggests $15,000,000 [7½ percent of the $200 million] for playgrounds, schools, police, fire.” Moses had positioned himself as a champion of master planning, forcing Tugwell to agree on the importance of dealing with entire improvement areas. Rheinstein replied that “a general system of parks and highways . . . may interfere with housing projects,” and Dorothy Rosenman remained adamant against diverting housing subsidies to these amenities. But Tugwell said that “the public will demand these facilities.”20

Seizing the moment, Moses moved for a 10 percent diversion of $20 million and the policy of locating projects on recreation grounds. He further insisted that Article XVIII required replacing
the Housing Authority with a development board that worked with the City Planning Commission. The committee met him part way, voting to vest the city’s program, including limited dividends, in “one local agency, i.e., a local Housing Authority” that could wield subsidies for several housing categories. Everyone except City Council President Morris voted to give the housing board the power of eminent domain, and only Rosenman joined Morris against a twenty-year tax exemption. Further debate whittled Moses’s diversion down to 6 percent, which passed with only Rheinstein, Rosenman, and Morris in opposition. In vain, Dorothy Rosenman argued “that every possible cent should go to public housing in view of the greater comparative need for [low-rent] housing over limited dividend housing.” Tugwell swallowed his doubts about this subsidy, insisting “the supervising agency shall have the power to pass on the location of the site, plans and specifications.” With Tugwell’s assumption that the City Planning Commission would have the preeminent say, the formulation passed unanimously.

Having agreed upon a plan, Tugwell, Rosenman, Windels, and others joined Moses to demand a housing czar—a paid professional whose decisions would be subject to vague state review. Although Ira Robbins and Louis Pink preferred a board, which Rheinstein cherished despite its “inefficiencies,” most committee members believed that Article XVIII mandated a construction chief who would exercise eminent domain over wide areas. Excess condemnation had become a relic, useful, Tugwell said, only for small improvements. Moses argued that eminent domain was meant for “great neighborhood programs,” and others concurred that its purpose was “to rebuild large areas of the City.” Again, Rheinstein cast himself as the trimmer, warning there was not enough money for “a great program of parks and playgrounds.” “We must preserve the great capital wealth invested in great commercial buildings of the City,” he continued. “The flow of commerce must be preserved—and housing must be related to it.” Planning Commissioner Tugwell objected that “this attitude has never prevailed before.” Windels, too, favored ambitious projects that might stimulate “private capital, [that] with some public aid, will become interested in rebuilding the City.” Rheinstein dismissed it as utopian, but the Burlingham committee had left him behind.

During the 1939 legislative campaign for the State Public Housing Law to carry out the Burlingham committee’s recommendations, Moses battered what was left of Rheinstein’s credibility. Telling City Hall that housing without recreation was “a joke,” Moses
claimed that Rheinstein never understood large planning issues. The Housing Authority went “bargain shopping for odd lots,” Moses said, without regard for adequate recreation. But Moses refused to share with the Housing Authority data on playground costs for the East River Houses, La Guardia’s pet project for East Harlem. When Moses embargoed similar estimates for Red Hook in Brooklyn, Rheinstein bitterly complained about his “embarrassing” predicament. Moses’s coup de grace was the accusation that the authority mishandled plans to reclaim the Brooklyn Navy Yard “jungle.” Brooklyn housing reformers, along with Fulton Street boosters such as Abraham & Straus department store executive Percy Straus and Brooklyn Eagle editor Cleveland Rodgers, wanted the area razed. But Moses informed his Brooklyn admirers that Rheinstein did not have “the remotest understanding of the problem.” He told Mayor La Guardia that, properly directed, the authority could reclaim Flatbush Avenue all the way to Fort Greene Park. “The reconstruction of the neighborhood should be emphasized,” Moses insisted, “even if all of it can’t be done at once.”

Rheinstein’s men replied that the authority did the best it could with scant resources. They may have bargain shopped, but on the basis of Frederick Ackerman’s “Thirteen Slum Areas.” Stung by the barbs, Ackerman pointed out that Moses’s quest for park space ignored the “close relationship as between living units and place of work or employment.” Moses would locate low-rent housing distant from blue-collar jobs and scatter limited-dividend projects even farther. His sites would require expensive highways, transit lines, schools, police stations, and firehouses. Ackerman argued that Moses, not the authority, was wandering around the city without a plan.

In a decade where everyone dabbled at planning, Moses could devastate the Housing Authority’s efforts confident that few would scrutinize his own. As park commissioner, Moses had done his share of shopping for odd lots, but with certain plausibility. Many of the strips and gores that he had accumulated had an instant legitimacy among reformers who said the poor needed recreation space. He could claim that existing parks, which were heavily subsidized by WPA relief labor, provided the down payment on new housing. The public also believed that when Moses linked housing and recreation, he understood the real purpose of slum clearance, which was to reform slum dwellers. If Moses exaggerated the power of decent housing to rescue wayward youth, so did his generation, which was obsessed with the scientific treatment of juvenile delinquency. When
Moses charged the Housing Authority with ignoring the importance of recreation, his reform theories as well as his site estimates were overblown. But Mayor La Guardia believed that Moses knew what he was doing and that the Housing Authority did not. In late 1939, Housing Authority member Monsignor E. Roberts Moore took stock of the wreckage: “We are a rather temporarily shattered Authority,” he remarked. “Mrs. Simkhovitch and I are really the sole surviving force of the original group.”

Alert Promoters

Moses’s siege of the Housing Authority brought redevelopment to his door. Although reformers dismissed Moses’s Arsenal speech as meddlesome, his plans stirred neighborhoods anxious to put property up for bid. The Washington Square Association, which kept in touch with Moses about what it called “residential improvement” south of the Square, praised his mention of a public project on MacDougal Street. Anticipating an “era of expansion” around the Square, the association agreed with Moses that high-rise apartments could absorb the cost of turning expensive land into green space. “The Committee believes that these [land] values suggest that the solution lies in planning for housing for varied income groups,” these Villagers wrote Moses. “Through rentals graduated with respect to the location and with respect to the facilities furnished it should be possible to create and carry a substantially increased park area.”

Moses’s most cordial reception came from Chelsea, where blight had worried community leaders for some time. Spearheaded by the 23rd Street Association and the Hudson Guild, the Chelsea Association for Planning and Action (CAPA) became the self-styled “alert promoter” of local redevelopment. From the beginning, CAPA saw the need to mobilize public and private efforts to build housing at $7.00 per room, limited-dividends at $12.50 per room, and more expensive projects that would rent on a par with “the finest existing apartments” in the area. It tried to interest the Housing Authority in a low-rent public project for a thousand families as “an incentive” for the private sector to rebuild for “skilled wage earners, white collar employees and junior executives.” A few weeks after Moses’s Arsenal speech, Charles E. Lane, Jr., chairman of the CAPA housing committee, explained that a “limited dividend project [should] be placed in each neighborhood where a public housing project is authorized so as to . . . afford a stimulus to private enterprise.”
Much depended upon involving major corporations, particularly the insurance giants at the other end of 23rd Street. Lane discussed CAPA’s plans with New York Life executives, but had more success with Delos F. Walker, general manager of R. H. Macy and a leader of the Retail Dry Goods Association. In the meantime, Lane used the Hudson Guild to collate Real Property Inventory data on worthy sites. Recalling realtor Fred F. French’s stylish (and high-rent) apartment complex on East 42nd Street, Lane said his committee envisioned “a chain of residential villages wherein adaptations of the Tudor City idea can be extended around the central business area to provide housing for workers in all of the income brackets.” Public housing had become an afterthought. CAPA still talked about 1,000 low-income units, within plans for roughly 5,400 additional units across a range of higher rents. Lane sent his CAPA material to Park Commissioner Moses, along with a gushing statement that Moses was the man to lead this “new field of investment housing.”

Few of Lane’s associates worried about CAPA’s direction. In late 1939, architects Arthur Holden and Albert Mayer, joined by realtor James Felt, took the idea of property owners’ districts to Chelsea—an area, Holden wrote, “where necessary rentals and attainable rentals would meet.” The redevelopers sought the blessing of John Lovejoy Elliott, a leader of the Ethical Culture Society and director of the Hudson Guild. Although interested, Chelsea’s moral spokesman had disparate obligations. “Dr. Elliott explained that his group had for years been seeking low rent housing,” reported Mayer, “...however, he felt that such a neighborhood as Chelsea should have a range of housing accommodations from low to higher, that however, it was a shock to him to think that only higher cost housing was to be erected now.” Although Elliott was discomforted by trends in modern planning, he could not spurn gentrification that was balanced by some provision for the poor.

On the eve of World War II, as the district grew impatient for action, that balance tilted further toward Chelsea’s middle class. The fact bothered architect Robert C. Weinberg, the City Planning Commission staffer who attended several CAPA meetings in 1941. Dr. Elliott presided over the first, which, according to Weinberg, included “several realtors, a representative of the 23rd Street Association, local businessmen, the lawyer of R. H. Macy & Co., several social workers, a representative of the local Republican Club, and Mr. Cavanaugh the restauranteur and host.” Several spokesmen for the Regional Plan Association tried to sell the “importance of comprehensive planning,” but Chelsea leaders were plainly interested in
redevelopment legislation pending in Albany. Weinberg feared that district planning would not survive the community’s narrow interest in “medium cost housing under the Urban Redevelopment Law.”

Moses ignored the Chelsea activists in favor of the 23rd Street “insurance people” and State Insurance Superintendent Louis Pink. Pink shared the expectations liberal New Yorkers had about the housing resources of such corporate giants as Metropolitan Life. The potential for stimulating business and employment, Pink observed, “can be gauged from the fact that this one institution alone is prepared to invest more in this state than we can hope to receive from the Federal government under the Wagner-Steagall Bill.” Pink was alluding to Parkchester, the garden apartment complex for 40,000 residents that Metropolitan was building in the north Bronx. Although he regretted the peripheral location, he admired the fireproof, six-story, elevator-serviced apartment buildings arranged around interior courts. Pink believed that Parkchester pointed the way toward privately sponsored redevelopment of the inner city.

In June of 1939, Moses got Mayor La Guardia’s nod to join with Pink in exploratory talks with insurance executives and prominent bankers. Moses explained that he wanted to see what capitalists were “prepared to do toward slum clearance and reasonably low rental housing. . . . On what basis will they make loans? Will they assume the responsibility for projects in neighborhoods where they are most needed?” Moses raised with the mayor the questions he intended to throw at the executives, and he was also ready to put specific neighborhoods on the table, such as the Lower East Side and the limited-dividend sites mentioned in his Arsenal speech.

With Mayor La Guardia’s approval, Moses met with state housing officials and, behind Rexford Tugwell’s back, City Planning Commissioner Cleveland Rodgers to establish a charter of “cooperation between the city and the companies.” They agreed that insurance companies should get 3.5 percent on their mortgage investment, which they deemed appropriate for nonspeculative ventures. The companies, in turn, would have to tackle projects at least 1 million square feet in size, with lot coverage limited to 50 percent in slum districts and height limited to six stories. In exchange for average room rentals of twelve dollars, the city would assist with eminent domain and 50 percent tax exemption on the improvements for twenty years.

Along with the ground rules, Moses presented Mayor La Guardia with an operational framework that made him coordinator among
the mayor, the state insurance superintendent, and the Board of Estimate. That left out Tugwell's City Planning Commission, the agency that Moses had sided with on the Burlingham committee. The requirement of 1 million square feet (the equivalent of six Manhattan blocks) had enormous repercussions for planning, but Moses refused any role for the City Planning Commission or language that required the insurance projects to dovetail with master plans. Moses's sketchy formulation included a list of proposed sites, including huge chunks such as "St. Gabriel's Park," which stretched from 34th Street to 40th Street, First Avenue to Third Avenue. The proposal rested on the insurance companies' experience with Parkchester-style housing. As park commissioner, Moses knew that Parkchester was a crowded beehive that had inadequate play space for 40,000 residents. But housing and recreation aside, Moses also knew Met Life chairman Frederick H. Ecker well enough not to question Parkchester's spartan facilities.32

La Guardia administration policy that turned over large parts of the city to the insurance industry doomed City Planning Commission attempts at a master plan. Mandated by the city charter to produce a comprehensive overview of future land use for the Board of Estimate, the commission spent 1939 creating a series of maps for parks, arterial routes, and rehousing. All would culminate, Tugwell expected, in a master map of the city's economic development and housing located in outer-borough greenbelts. The map would have been the crowning achievement of public authority. Whatever goodwill there had been between Tugwell and Moses on the Burlingham committee vanished during the City Planning Commission hearings on the proposed maps. Moses circulated through City Hall a memo that ridiculed the arterial plan. Later he attacked the greenbelt proposals as more utopian nonsense. In December of 1939, the commission's map showing proposed sections for slum clearance and rehousing got a hostile reception at hearings, where bank and real estate interests said the commission was redlining districts and perpetuating the very decay the planners were trying to eradicate. Tugwell's staffers were forced to concede that the map showed areas for new housing, rather than the best places to raze Old Law tenements. The compromise document received a compromised fate. Filed in January of 1940 as a component of the proposed master plan, it remained an expression of policy that never was accorded official status. Nevertheless, it established clearance areas for any city official—or civic group—bold enough to seize upon them.33
Strange Bedfellows

Moses commandeered city housing policy because he expressed the activist message of the 1938 constitutional convention better than anyone else. He came to power with the de facto support of the city's left wing, including tenant groups mobilized by the housing crisis of the late 1930s. The would-be construction czar and the rank and file embraced an urban agenda that included a showdown with slumlords, massive slum clearance, and an entire new housing system. But the collective spirit repelled most institutional investors, whom Moses needed to provide the mortgages for his projects. They wanted assurances that a reliable man such as Moses would stay in control.

When public housing became a strident issue in 1937, tenant groups threw their weight behind the cause of large-scale clearance. Even as the vacancy squeeze made adequate relocation impossible, their support remained steadfast. On the Lower East Side, left-wing pressure secured the Housing Authority project at Corlears Hook (soon renamed for Housing Authority member and American Labor party chairman B. Charney Vladeck). They intervened again when the authority began to bulldoze tenements, forcing 800 predominantly Jewish families from the site. A tenants committee formed to

The liberal city's redevelopment potential, 1940 (opposite). The City Planning Commission's "Master Plan, Sections Containing Areas for Clearance, Replanning, and Low-Rent Housing," adopted January 3, 1940, but never formally approved by the Board of Estimate, was the closest New York ever came to an official redevelopment agenda. The commission mapped 9,000 acres of Old Law slums that stretched from the historic centers of the Old Law tenement on the Lower East Side (sections 11, 12, and 13) through Harlem (sections 1, 2, and 3) and the South Bronx. Brooklyn's wood-framed tenements surrounded the Navy Yard from Greenpoint (section 1) to Red Hook (sections 10 and 11). The commission left undetermined the portion suitable for replacement by low-rent public housing. In practice, the term "replanning" provided the allowance for medium- and high-rent improvements. Neighborhood civic and improvement groups, along with the Mayor's Committee on Slum Clearance, headed by Robert Moses, exploited the vagueness. In sections 11, 12, and 13 on the Lower East Side, section 10 in Greenwich Village, and section 4 in West Park, civic groups campaigned for middle-income redevelopments. Other sections were ignored to create new clearance areas, such as Manhattan section 6 near Lincoln Square and Morningside-Manhattanville (between sections 2 and 4).
arrange a relocation deal, but Housing Authority staffer Catherine Lansing heard that the tenants were “moving on passively,” aided by the neighborhood advisory committee. Some tenants balked, however, angered by rumors that they would never qualify for the new housing. Far worse, they lamented the loss of their homes, and one told reporters, “The people here, they fought for housing. They were wrong. Now they can find no place to bury themselves.” The public grief stunned the authority, which scrambled to lessen the damage. The Lower East Side Public Housing Conference came to the rescue, claiming that only twenty-five families had lodged complaints. But the East Side Tenants Union went further. It organized the site families, held a slum-clearance rally, and arranged for participants to tell reporters they were happy to leave their homes for housing progress. As a rank-and-file leader announced, “The tenants themselves, organized as the Vladeck Division of the East Side Tenants Union, have been assisting the Housing Authority by spreading the correct information.” Committed activists, patiently explaining the issues, had made the difference.  

Similar intervention occurred in 1940, when the authority condemned a small black slum on the West Side to make way for the Amsterdam Houses. Many site families that could not qualify for the new project would face Manhattan’s Jim Crow housing market. Bolstered by the New York Youth Congress and the National Negro Congress, a Lincoln Square Tenants League pledged to forge ahead with what it called “the cooperation of the colored and white tenants.” By July 1941, the Tenants League had soothed enough resentment so that it could stage a “farewell to the slums” party to celebrate the demolitions. But tenants soon had their fears confirmed. The Housing Authority acknowledged the difficulties in rehousing blacks in segregated Manhattan, and more than half the displaced tenants ended up in Harlem. When left-wing ideology coincided with needed public works, tenant leaders could stifle doubts about relocation.  

For better or worse, the City-Wide Tenants Council, which came to prominence during the 1936 abandonment scare, had joined hands with the Housing Authority, whose projects could uproot thousands. Seeking political allies, the authority had patronized neighborhood tenant groups to agitate for housing issues. Liberals on the authority board and on civic groups such as the Citizens Housing Council looked to the tenants to convey their reform agenda to the masses and praised the City-Wide as the civic democracy they hoped would flourish in the projects. At times, tenant
groups could become too assertive, presenting authority managers with claims for insiders’ privileges, particularly getting members on project waiting lists. The City-Wide said it carried out the authority’s mandate when it represented project tenants in “collective bargaining” with management. Some tenant leaders recognized that the projects were splendid recruiting grounds for radical causes. Both sides regarded the projects as concrete symbols of the 1930s’ resolve to rebuild urban America. During the post-1936 united front among the left wing and liberals, ideology linked disparate groups behind vast expansion of public housing.36

That consensus could never include urban redevelopment, as long as redevelopment threatened to shove aside the poor. When the Citizens Housing Council’s subcommittee on land assembly debated Arthur Holden’s ideas for property owners’ districts in 1937, City-Wide representatives expected the districts to rehouse site tenants at comparable rents and voted protections for “minority owners, the general public, families to be displaced, city government, and investors in mortgages.” A year later the subcommittee’s proposals for the state constitutional convention required that special districts seek the approval of the City Planning Commission, two-thirds of local property owners, and a majority of tenants. In 1939, the Citizens Housing Council’s subcommittee on redevelopment, chaired by realtor James Felt, hammered out a policy statement that insisted that redevelopment, whether subsidized by federal or local grants, had to find decent, affordable housing for site tenants. Without the moral force of the low-rent program, redevelopment earned scant support from the city’s left wing.37

It soon got even less. In the fall of 1939, the Hitler-Stalin Pact and the outbreak of World War II caught redevelopment, along with other housing policies, in a political crossfire. New Deal liberals hoped to sustain domestic reform under the banner of preparedness and proceeded to draw plans for “defense housing.” But congressional conservatives used the emergency to slash New Deal programs, while Communists denounced President Roosevelt for “warmongering.” Dragged along by the Communists, the City-Wide Tenants Council demanded $1 billion for U.S. Housing Authority projects and jeered anything that smacked of defense housing. City-Wide “reps” on the Citizens Housing Council invited new members from “progressive” labor and consumer groups and maneuvered against liberals’ acceptance of war housing. Under this pressure, the council’s subcommittee on public housing prepared an elaborate
agenda for New York, which refused to delay projects to build the country’s defense. Despite the European crisis, the low-rent program had to proceed “unabated.”

A political minefield waited redevelopment policy when housing liberals and Merchants’ Association conservatives collaborated on the Nunn-Mitchell Bill for the 1940 legislature. Thomas and Arthur Holden had turned the Merchants’ Association idea for equity trusts into complicated machinery for redevelopment districts. The bill offered three modes for housing investment, including the Metropolitan Life–type limited-dividend corporation and the cash-investor stock company, but plainly favored the Holdens’ alternative of equity trusts among property owners. All three modes required redevelopers to get approvals from the City Planning Commission and the Board of Estimate. The bill denied new projects blanket tax exemption and adopted the National Association of Real Estate Boards’ formula to vest eminent domain in the districts by local option. Redevelopers pursuing the trust scheme would have to get consents from owners of 51 percent of assessed-valued property (and area) before they could apply for the power of eminent domain. The bill said nothing about low-rent housing. The Holdens assured taxpayer’s groups that Nunn-Mitchell would keep property improvement in their hands.

Nunn-Mitchell was caught between hostile camps. Park Commissioner Moses remained an implacable enemy. He ridiculed the supervisory requirements, particularly review by Rexford Tugwell’s City Planning Commission. Despite all the safeguards, tenant radicals attacked the threat of displacement, and the City-Wide Tenants Council urged Governor Herbert H. Lehman to veto the bill. The City-Wide’s Tenant Newsletter asked, “What will become of the present tenants?” Although the editors recognized that private capital could play a role in slum clearance, they felt it would have to be “regulated as to tenant selection, construction, rent levels and profits, if its participation is to be encouraged by special privileges.” The Tenant Newsletter warned, however, that “by no means should private capital be endowed with broad powers and be left to operate in such a way that it imperils, albeit indirectly, the future success of low-rent housing.” Moses’s attack was influential, but when Governor Lehman vetoed the bill, he cited the failure to protect displaced residents. For the time being, politics made redevelopment a hopeless cause.

Behind the scenes, however, Moses’s conversations with mortgage investors had reached a promising stage. “The Equitable will
probably do something on its own account,” reported State Insurance Superintendent Pink. “There is at least a possibility that the New York Life and the Mutual will cooperate in an East Side project.” Accordingly, Pink supported a La Guardia administration summit with the insurance executives. The object of the meeting, Moses claimed, was to divide the Lower East Side “between the various semi-public and public groups interested in housing.” The mayor had particular hopes, moreover, for a limited-dividend at 97th Street in East Harlem that would be sponsored by the Bowery and Dry Dock savings banks. In the meantime, Moses quietly got opinions from the city corporation counsel and the state attorney general that under Article XVIII the city could grant irrevocable tax exemptions to limited-dividends. “The banks and insurance companies insisted on an opinion,” was Moses’s explanation to La Guardia for why he had bypassed the City Council on the issue. Strong words on city exemption, he said, were needed to get projects started “without delay.”

Somewhat reassured on taxes, investment leaders thought that they could remove further impediments that depression politics had forced on the State Public Housing Law of 1939. The state housing commissioner had considerable authority to order rent rollbacks in limited-dividends and to pry into tenant incomes. Savings banks held back, claimed Bowery president Henry Bruère, because of the “great fear” that the Housing Authority and the state housing commissioner would impose arbitrary controls over redevelopment companies. Political appointees might dictate rents and tell companies whom to accept as tenants. Bruère insisted that banks’ limited-dividends had to be free to pick their occupants. He wanted as much as anyone to avoid discrimination, “but to hazard the economic success of the enterprise by an attempt to go against the custom of the community,” he warned, “does not seem to me to be desirable from any point of view.” Bruère challenged the moral obligations that had been placed on housing improvement since the Progressive Era, when reformers tied public subsidies to limited-dividends and tenant incomes. For years, bankers chafed at state oversight. In the late 1930s, the private sector signaled that it would not participate unless it could pursue more affluent clientele.

The bankers’ uneasiness put off the mayor’s Lower East Side summit until September of 1940. By then, La Guardia was annoyed that state claims to supervise limited-dividends imposed meddlesome regulations. “Probably you felt strongly about this matter yesterday,” Moses said, trying to calm La Guardia, “because some of the
interested savings bank and life insurance people told you they were worried about successful operation” under the state’s regulations. Moses assured him that with help from Superintendent Pink, Albany would agree to an “entirely separate set of rules governing projects of this kind.”

With these sympathetic allies, bank leaders continued their assault on needless regulations. Bowery vice-president Earl B. Schwulst and Dry Dock president Andrew Mills expected Moses’s support for relaxed state oversight of the East Harlem limited-dividend. Because banks already were “semipublic institutions” regulated by the state, Schwulst and Mills argued for an end to the state housing commissioner’s line-item budget review. Most of all, they wanted guarantees that rent limits, if regulated by the commissioner, could be discussed reasonably behind closed doors. “Banks have no desire to enter into public controversies on a subject of this kind. . . . They have vividly before them the five-cent fare question of the subways,” the executives pointed out. “They have just about the same degree of confidence that a public hearing would support an increase in rentals in a limited dividend housing project.”

Manhattan Borough President Stanley M. Isaacs, for one, was inclined to meet the banks halfway, particularly after learning that Bowery and Dry Dock were backing out of East Harlem. He spoke with Bruère and Schwulst, who complained that regulatory laws “made it impossible for them to proceed.” But Isaacs expected the parties to compose their differences. Conferences with the bankers resumed during the spring of 1941, when state housing officials worked out acceptable changes for the legislature to consider. While drafts circulated among bankers and insurers before the fall 1941 legislative session, the process ran into Mayor La Guardia’s reelection campaign and his pledges for more, not less, municipal supervision of business. Privately, La Guardia agreed with Moses that strong incentives were needed to lure capital into redevelopment.

Instead, the 1941 legislature produced the Desmond-Mitchell Bill, another version of the Merchants’ Association’s cumbersome proposal for private equities. Again, the bill required the franchise districts to gain consents from 51 percent of owners before they could apply for eminent domain. Whereas liberals insisted that redevelopers conform to the City Planning Commission’s master plan and certify existence of relocation housing, La Guardia and Moses again tried to vest supervision with the state and the Board of Estimate. Moses managed to inject a ten-year exemption from city tax on improvements, but could not shake demands by civic reformers
that the City Planning Commission review building density and the left wing's insistence that the Commission certify relocation. Moses hated the result, but a wide coalition, ranging from Al Smith to Dorothy Rosenman, successfully urged Governor Lehman to sign. The Urban Redevelopment Corporations Law was a monument to the 1930s' suspicions of property ownership and the deadlock that imprisoned redevelopment.46

The New York deadlock was part of the malaise from the recession of 1938. Class bitterness, compounded by the outbreak of World War II, had throttled the New Deal agenda without releasing forces for fresh advance. On the national level, economists warned that idle capital stood on the sidelines prolonging stagnation. They debated whether to coax investment with new incentives or threaten capitalists with a tax on excess profits. Municipal experts found the local analogue in the persistent blight that kept cities in paralysis. They blamed the urban predicament on mechanisms of property adjustment that had been deranged by depression politics. Despite hard times, property owners held to their inflated prospects, their "flock of maybes," which prevented the orderly liquidation of values and the urban revival that should have followed.47

The delayed recovery and the desperate search for an urban breakthrough led redevelopment's partisans to advance the kind of government intervention that went beyond eminent domain and tax exemption: the idea of government "write-downs," a simple method to bypass the urban barricades. As outlined by Federal Reserve Board advisor Guy Greer and Harvard economist Alvin H. Hansen in their pamphlet, Urban Redevelopment and Housing (1941), government would forgive property owners' past follies and absorb their losses in the community's best interest. To ease the liquidation and assemblage of property for downtown redevelopment, public grants would make up the difference between what owners believed their property was worth and the steeply discounted value it had for redevelopers. Only government could make this social investment in exorbitantly priced slum land. Hansen, a disciple of English economist John Maynard Keynes's proposals for massive public expenditures to counter the business cycle, argued that Washington had to shoulder the cost as a means to prime the economy. It would take drastic measures to break the metropolitan deadlock. But Robert Moses put his faith in the special bond between reasonable men.48