

## WILL THE REAL "FORCED HOUSING" PLEASE STAND UP

It is always a pleasure for me to appear on a platform with Ray Brummet, one of our leading real estate dealers in Jefferson City and perhaps one of the leading real estate dealers in the nation in terms of his honest willingness to publicly admit and state the point of view of the real estate industry. While I will tonight rather strongly attack some of the things which he has said because I believe they are based on misconception, I want to make it clear that I am in no way attacking him personally for I have the greatest respect for his ability as a real estate operator, for his talents as a businessman who is, as he suggested, in this field for the sole purpose of making money and not for the purpose of engaging in any social experimentation. He has outlined to you tonight the classic statement of the position of the real estate industry a position which some members of that profession <sup>sometimes</sup> adhere to more in theory than in practice -- but nonetheless the basic theories on which they operate when they discuss problems of integrated housing.

Because Mr. Brummet has placed so much emphasis in his remarks upon the social "official" significance of real property" in a capitalistic free enterprise system and because he has based so much of his own opinions, views, and actions upon his own desire to make money I thought I would start out this evening by giving you a few ideas on my own frame of reference as to the "social significance of real property", and the importance of deeply reconsidering the way we currently handle real property transactions in a free enterprise capitalistic economy.

## FREE ENTERPRISE SYSTEM IS VITAL

First, let me say that I start with the assumption that the free enterprise capitalistic system is a good one, is the right one, and is in fact the best one for allocating the resources in our society. I think we all know that it is not the only way in which resources could be allocated by a society. The theory underlying our capitalistic

system is that goods and services are free to compete in the market place solely upon the merits which they may offer. The allocation of resources in such a society is determined by the "dollar votes" which any goods or service receives in the market place. We have made the basic underlying policy decision in creating such a capitalistic system, in sticking by it through the years, and in <sup>permitting</sup> ? it to determine the allocation of our resources that if you ~~give~~ give private individuals a profit incentive they will maximize the use of that segment of society's mass of resources which happens to be possessed by them. Thus if you give a farmer a profit incentive he will endeavor to obtain better fertilizers and a higher yield from his land than he would if you placed him in a collective farm, granted him a guaranteed annual income which could not be exceeded regardless of the amount of his production, and then confiscated the entire production in the interests of some giant state planning machine. Similarly in the manufacturing world one has only to think of the ill-fated Edsel manufactured some years ago by the Ford Motor Company to understand the true social significance of the profit motive incentive in the allocation of resources. When the "dollar votes" did not materialize for the Edsel, the Ford Motor Company ceased production and we no longer allocated our resources to it. One has only to contemplate what would have happened in a Communistic, planning-dominated economy to ~~plan~~ fathom the real distinction between the two kinds of economies. If some planner in the Soviet Union had decreed that the Edsel be manufactured they would still be making this monstrosity today even though the people did not want it.

At least, therefore, in this kind of context that I find myself thinking when I hear Mr. Brummet speak of the "social significance of real property". I think that the real social significance of real property is that we have decided to structure a free enterprise capitalistic economy and to protect and to defend the right of an individual property owner to possess and to guard against interference in the use of his property.

We encourage him to allocate it in such a way that will maximize his own profit and thereby maximize the utilization of resources in society. However, we must bear in mind that the concept of property belonging to an individual only has any meaning in the framework of a civilized capitalistic society which has made the basic policy decisions I outlined above -- decisions that real property and private ownership of it is worth ~~prop~~ protecting. This, we must recognize is basically a policy decision which has meaning only in the framework of an organized governmental structure and a civilized society with the police powers sufficient to protect the possession which they have decided is important for the well being of the society. Thus, Mr. Brummet, it is also my assumption that if I am to talk about the "social significance of real property" as you have challenged me to do I must talk about the regulations which society without which that property and private ownership of it could not exist ~~is~~ <sup>has</sup> chosen to place upon its ownership. Mr. Brummet is in the process of constructing in Jefferson City one of its largest and most attractive suburban developments. I visited one of his display houses just recently and was impressed not only with the quality of the individual structure but with the quality and standards of the neighborhood. Mr. Brummet has talked at length about not interfering and forcing something upon the owner of real property but yet he knows and I know that in establishing this subdivision he was protected by the knowledge that government will protect him, that society has made certain value judgments and will exercise them to protect him from anyone who would buy property in that subdivision and use it in such a way that would be harmful to the residential character of the neighborhood. Thus, Mr. Brummet, if I were to purchase one of your houses I would be forced to refrain from utilizing it to establish a filling station, a vulcanizing plant for putting retreads on old tires, a bar or a brothel. Mr. Brummet I am sure does not oppose this force being placed upon me. It seems to me that the same society which gives meaning and strength to the term private property by protecting it with police power and which forces

the owner of the property not to use it in certain ways can also make the policy decision that it is in the interest of the kind of society which he wants to say that the individual can continue to dispose of his property in an unfettered fashion with the sole exception that he cannot discriminate in making that disposition because of the race of the party to whom he is selling.

It seems to me that the policy makers in our society can and must take notice of the fact that even though it is vitally important to protect the rights of the individual seller that the net impact of the discriminatory exercise of these rights has amounted to total disruption of our social ~~fabric~~ fabric to prevent such disruption ~~so~~ seems to me in a society not only can, consistent with the basic underlying principles of our country and with our concepts of rights and free ownership of property set the limit that the owner shall not discriminate because of race but I feel our society must make this determination.

Now I am fully aware of many of the fears which the white property owner has when he considers this problem many of which were discussed by Ray Brummet in stating why he feels he will lose money if he ceases his discrimination and why he opposes our efforts to bring about a meaningful integration of neighborhoods. As I said earlier, I respect Ray Brummet for his honesty. I am tired of dealing with members of the real estate profession who would ? and who actually often lie to us by claiming that there is no discrimination in housing. "Why there are white people to whom we won't sell", they often say. One refreshing thing about Ray Brummet is

that you do not have to begin by proving and arguing the point that there is massive discrimination in housing in the United States. ~~HOWEVER, THERE~~

~~ARE A NUMBER OF MYTHS~~

There are in the fears of the whites and in the willingness of the real estate profession so ably demonstrated here today by Mr. Brummet to cater to those fears a number of myths and I think if we can debunk the myths and the slogans and if we can persuade the real estate profession to help us in debunking the myths and the slogans we can move ourselves much quicker towards a reasonable solution to these problems. With this thought in mind I would like to discuss with you today some of the myths which I see .

1. We must end the myth that housing discrimination as it exists in the United States today is the result of private action by individual buyers and sellers. There is something very inviting about the concept which the real estate profession is advancing. The image of the individual white home owner sitting in a small bungalow in the suburbs, a bungalow which represents his life savings, making the private individual personal discriminatory decision

that when he sells this house he does not want to sell it to a Negro. Nothing could be further from the ~~reality~~ realities of the situation. The fact is that the discriminatory patterns which exist in the United States where we see all our large cities now with a large Negro ghetto in their center surrounded by what former Mayor Richardson Dill of ~~Philadelphia~~ Philadelphia called a "white noose" is not the result of millions and millions of private individual discriminatory decisions. The fact is that this discriminatory pattern is the direct result of active participation and manipulation in the market by the very members of the real estate profession who today claim that it is not their job to be concerned with the social aspects of these problems. In years past they have been deeply concerned in maintaining what they call "the homogeneity" of neighborhoods and they have worked actively to insert restrictive covenants in their property transactions and to exclude members of minority groups from their developments without any regard whatsoever for the wishes of the individuals who are living in those developments.

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In fact, it ~~is~~ not only been the real estate profession but the United

States government which as recently as fifteen years ago enforced rigid housing discrimination upon suburban property holders. It was not the individual decision of those property holders but the decision of the United States government which decreed that the post war building boom financed in large extent, as it was, with federally guaranteed loans and mortgages with a building boom for whites only and a building boom which did not even take into consideration the wishes of those white home owners. In 1948 if, as a builder, I had wanted to build an integrated housing development the Federal Housing Administration would not have granted me mortgage insurance and if as an individual home owner a serviceman, if you will, returning from overseas where I had fought in hand to hand combat on the Pacific Islands and my life had been saved by my Negro comrade on numerous ~~occ~~ occasions if I had wanted as a private home owner to use my GI loan rights to move into an integrated area and to move to an area where I would have my comrade as my neighbor the government and the real estate community would have prohibited me. It would have been I -- at that stage -- who would

have been the victim of forced housing not the innocent white home owner who would want to exclude a Negro. So I say, we must end the myth that housing discrimination is the result of private action by individual buyers and sellers: the fact is that the real estate dealers actively participate and encourage segregation in housing and in the past even the United States government has actively encouraged and even enforced segregated discriminatory housing.

2. We must end the myth that Negroes moving into a neighborhood cause property values to decline. The fact is that many studies show property values increase when Negroes ~~xxx~~ move in and that the only occasions on which they decrease is where they are temporarily depressed by the unscrupulous action of real estate speculators attempting to panic white home owners.

~~It is true~~ It is true that on some occasions when white home owners panic after the first Negro moves into a neighborhood property values may appear to plummet. But this distorts the meaning of the word value. I remember studying the matter in connection with Washington, D.C.



where we found cases in which a \$15,000 dollar house in an all white neighborhood which had experienced its first Negro resident was sold by a panicked white home owner to a speculator in the morning for \$12,000 and resold in the same afternoon to a Negro family for \$18,000. The fact is, that the demands for housing among Negroes is so high that property values tend to rise rather than fall when Negroes move in. An article in the professional press of the real estate fraternity, in the July 1952 issue of The Appraisal Journal stated the following:

"After the first hysterical selling phase passes, prices become ~~stabilized~~ stabilized then gradually increase ... it is usually found that sales activity is greater in racially mixed areas especially in low and moderate price ranges and that the high effective demand upon Negro buyers not only sustains price levels but often increases them. "

A study in San Francisco compared the property values of homes in areas that Negroes had moved into with areas from which they were excluded., and found:

"The prices in the ~~ex~~ neighborhoods undergoing racial change did not fall; in fact in some cases they rose. "

3. We must end the myth that Negroes cause a neighborhood to deteriorate: the fact is that neighborhood deterioration is usually a function of income level of the inhabitants and of the level of city services and code enforcements by governmental units. It is a fact that in some areas unscrupulous landlords crowding many Negroes into a small area and failing to keep up with their maintenance have caused ~~deterioration~~ deterioration of a neighborhood in which Negroes live but it is an equally strong fact that <sup>had</sup> ~~at~~ the cities involved insisted upon strict enforcement of the building codes, the occupancy limits, and the maintenance requirements, these things would never have occurred. I remember an area in St. Louis where I lived and from which I moved several years before the first Negro came into the area. I have gone back and driven through that area today and it has deteriorated. But the most visible sign of deterioration is the trash and papers in the street and driving through there one weekend I noticed in front of many of the large apartment houses that the garbage cans were lined up in the street having been placed there on Friday night

for Monday morning pickup. This is prohibited by city ordinance yet the landlords who do not want to pay a janitor to come in on Sunday night or Monday morning early and therefore have the containers placed out on Friday evening before the work force goes home and the city which refuses to penalize them are really the ones who have caused the deterioration in that neighborhood not the Negro.

4. One has only to look at the housing developments which have been integrated such as Windermere Place in St. Louis to see that minority group families keep their property up as well or better than the old time white residents. The Philadelphia Human Relations Commission conducted a study of this matter and concluded:

"We can think of many blocks where Negro home owners have kept up their properties far better than the previous white owners."

We must end the myth that the white man has lost his right to discriminate against undesirable Negroes.

Clear fair housing laws are enacted.

The fact is we all discriminate in many ways ... in fact Ray Brummet has pointed out here tonight that the white man is perhaps the most

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discriminating of all. In years past to define somebody as a

discriminating individual ~~each~~ was a compliment and not an insult.

It meant that he made wise decisions, he smoked good cigars, he drank

fine wine, he dressed with impeccable taste, he spoke with courtesy

and consideration of all those he met. When I order a hamburger I am

discriminating against the hot dog and when I take the bus I am dis-

criminating against the train. There are many white people who I would

not want living next door to me and there are probably many Negroes.

However, the enforcement of fair housing laws would not deprive the

white man of his right to refuse to sell to somebody who was undesirable.

A right, which incidentally, I feel is seldom exercised. I have owned

two houses now and my white neighbors who moved out have not been

very fussy always about the whites who they sold to and had I been

allowed to vote on several occasions I would have found the new white

neighbors undesirable. The fact is that whites seldom exercise this

~~right~~ right to exclude other whites who are undesirable and the further

fact is that for those few discerning and "discriminating" home owners

who want to limit their sales only to desirables they will be allowed to continue to do so as long as desirable and undesirable are not defined in such a way as to correspond to the race of the potential purchaser.

All, therefore, we will be saying is that you cannot discriminate because of race ... just put the plain and simple words of a proposed fair housing law say on its face. We are not saying and we will never say and I pledge the agency for which I work in the enforcement of such a statute if it is ever enacted that the white people in this world, the Negroes in this world, the home owners of this world, are giving up or abandoning their right to determine that a given individual might be likely to establish a brothel or might be likely to have noisy children or might be likely to bring barking dogs or noisy cars into a neighborhood but I am giving up under such a law and I think all men can reasonably be asked to give up their rights to base their "discrimination" solely on the grounds of the race of the potential purchaser.

5. We must end the myth that fair housing laws are unenforceable. The fact is that they are enforceable and that when the real estate community says they are not and opposes them for this reason they are engaging in the

greatest kind of hypocrisy. First, if the laws are unenforceable why bother to oppose them. Secondly, what they mean when they say the laws are unenforceable is that they fear enforcement of the laws against them. They may also have valid fears, where they have had no experience that the enforcement of the laws will be abused. For that there are remedies in the courts and the political remedy of bringing pressure upon the enforcement agency to change its ways. But if the law is enforced as written to prohibit discrimination against individuals for race and if the enforcement agency takes action only where such discrimination can be established and proven, then the real estate community should have no complaint. If what they are saying is that these laws will be difficult to enforce and that the enforcement agencies may be called upon to use delicate tact and understanding and that it may take considerable investigation to establish proof and that there will be some discrimination with which people can continue to get away and which we will not be able to prove then I suspect that is true. But we do not repeal our laws against murder because we are unable to capture every murderer. I admit if such a law passes we will not ~~not~~ catch every incident of housing discrimination -- in fact the doubtful cases will be resolved in favor of the

accused, in accord with the American principle of innocent until proven guilty. But just because we cannot catch them all does not mean we should not attempt to catch the few that we can prove and it does not mean that such a law is not keeping in the American tradition and a good idea.

6. We must end the myth that Negro children are inately less intelligent than white children and that integrated schools, caused by integrated housing, will result in lower educational standards. The assumption that there are innate differences in the ~~intellect~~ intellectual potential between Negroes and whites is flatly denied by all scientists. It has, however, been recognized that there are differences in the educational motivation and the levels of educational attainment of Negroes and white children. After 80 years of discrimination and segregation we could not expect less. In suburban communities, particularly, the fear that permitting a few Negro children into the schools will lower their standards of the schools is completely fallacious. The children of Negro families able to afford to live in suburban homes generally have the same aspirations and motivations as white children,. They do not ~~suffer~~ suffer





from the limited educational horizons of children from economically depressed areas ("The Myth of Racial Integration, Page 13").

7. Finally, we must end the myth and the slogan growing out of it that the passage of fair housing legislation amounts to "forced" housing. ~~IKKX~~  
~~KXXXXX~~ The true application of the slogan forced housing would be to the situation under which the Negro has been forced to live for many years. The situation which recently existed in Jefferson City when the Dean of Lincoln University purchased a house in a previously all white neighborhood. The white home owner exercised his free choice to sell it to him, the free choice which many white home owners say is their sole reason for opposing integrated ~~housing and~~ housing and fair housing laws. But actually what his white neighbors wanted was not the right to determine whom they could sell their house to but the right to determine to whom their neighbor could sell his property. The Dean of Lincoln, a man more highly educated than almost anyone else in the neighborhood, did succeed in purchasing the house and he was harrassed with nasty phone calls at all hours of the day and night. His wife is mistreated

and the man who sold to him and moved to another town found that the harrassment followed him there with his former neighbors attempting to have him fired from his new job and writing letters to the Ku Klux Klan attempting to have him harrassed in his new location. It is, in short, forced housing which we ~~are~~ already have and the Negro member of the middle class who has obtained a good job and has a good income and who wants to educate his children in good middle class schools who is forced to live in the slums, who is forced and denied the right to purchase a house solely based upon the dollars which he possesses. Consider the Negro in New York who is forced to pay higher rent for square foot in Harlem than is charged for square foot in the best Fifth Avenue apartment. It is the Negro who is forced to live in slums and in ghettos with inadequate city services and inadequate police protection. It is the Negro who is forced to suffer the humiliation of going to a real estate dealer and attempting to purchase housing and being turned down. It is the white who would like to live in an integrated neighborhood who is forced to live in a segregated neighborhood by ~~a~~ real estate dealers

and mortgage lenders who prevent Negroes from moving in next door to him and by real estate dealers who will not show to him, a white man, in neighborhoods which have some Negroes in them telling him that "those are Negro neighborhoods , you don't want to live there". And it is all of us who are forced to see a perversion of the free ~~index~~ enterprise capitalistic system hoisted upon us by the ~~arbitrary~~ arbitrary restrictions of the real estate trade. That system assumes that it is the color of your money and its purchasing power in the market place which allocates goods and services and not ~~arbitrary~~ arbitrary unrealistic restrictions based upon the color of your skin. The real estate profession has been spreading the ~~myths~~ myths I have listed for so long that they have begun to believe them themselves and I would challenge responsible leaders of the real estate profession and Ray Brummet, I include you in that group for some strange reason, to realize that you have more to gain than any group in our society by ending these ~~artificial~~ artificial restrictions. You have enough problems when you go to sell a house. They tell us, you know, the average home owner or the average home buyer thinking to purchase a home will look at twenty or thirty houses . A real estate man, seeking

his commission, must drive this individual all over town looking for a home with all the rights/ specifications. We all want certain things and we have a ranking list of priorities when we go home hunting. We want a decent yard, we want a certain size kitchen, a white ? cabinet, closet space, we may want a playroom or a den or extra bathroom or a barbeque pit, a large lawn to play in, or a small lawn to save us mowing. To find the house with the right combination of these items the average home owner or potential home buyer looks at some 25 or 30 houses before purchasing.

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8. If you add to the list of ? which the real estate dealer or broker in showing the property must take into consideration the factor of the racial composition of the neighborhood you have cut down the potential houses which you can show a ~~prop~~ prospective buyer, thereby cutting down in the long run the number of sales you will make and the number of commissions which you will have received. The job of the real estate broker of our society should be to make and manufacture and sell housing to provide a market for the sale and purchase ~~an~~ of housing

and the quicker the real estate dealer gets himself out of the race  
business and back into the housing business the quicker he is going  
to make more money, have a more stable profession, and the quicker  
we will meet our national goal of housing every citizen in safe, sanitary  
and decent housing.