

FAMILY PROPERTIES

RACE, REAL ESTATE,
AND THE EXPLOITATION OF
BLACK URBAN AMERICA


BERYL SATTER

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ORGANIZING LAWNDALE

Ruby Kirk's triumph was part of an activist surge that would transform Lawndale, and this time it would be insiders who would play the major role. A not inconsiderable factor in this surge was the appointment in January 1966 of a new pastor to Lawndale's Presentation parish. The job—hardly a plum position—happened to have fallen on one of the city's most prominent Catholic liberals—Monsignor John J. Egan.

Ironically, the move was ordered by Cardinal John Patrick Cody, the recently appointed head of the Archdiocese of Chicago, as part of an effort to halt the social activism of Chicago's priests. Although Cody came with the reputation of a Church liberal, he deemed the city's wealth of priest activists as a movement to be stopped at all costs. "I understand there are some troublemakers in this city," he told a conservative crony. He would "put them in their proper place."¹

Among the first of the "troublemakers" whom Cody moved to contain was Monsignor Egan, who was in charge of the archdiocese's Office of Urban Affairs, an innovative, nationally known body that trained pastors in community organizing. The forty-nine-year-old Egan had participated in practically every agency in Chicago that dealt with either urban or religious matters, transforming the OUA into what one commentator called "the light and the power of the Church's city apostolate."² To Chicagoans, his sudden appointment to Presentation parish was clearly an effort to silence him. Egan's transfer was a "blow to liberalism," the *Chicago Daily News* reported. It was probably meant as "the first step in 'phasing out' the influential archdiocesan Office of Urban Affairs." "Put to Pasture?" read its headline about Egan's new job assignment.³

Presentation parish was as far from a center of influence as one could get. In 1950, it had been an all-white parish of 1,600 families, but by 1966, the area was 100 percent black and only 400 families remained associated with the church. Presentation Church was a decrepit structure with peeling

paint, a filthy basement, and a fragile furnace that gave out regularly during the winter months. It was also in dire financial shape. To run its programs and maintain the plant, Presentation's former pastor bequeathed to Egan a cash balance of \$382.

But as Cody would soon learn, the idea that Jack Egan could be silenced simply by putting him in charge of a declining parish in an impoverished, non-Catholic neighborhood was profoundly misconceived. "Archbishop Cody had an unbelievable power of underestimating people," Egan recalled. "We were Chicagoans. We understood power. We were survivors." Egan arrived in Lawndale just as Martin Luther King's Chicago crusade was focusing national attention on the West Side. If Cody didn't understand the significance of the moment, Egan did. "I'm living with black people for the first time in my life," Egan recalled. "Archbishop Cody couldn't have given me a greater gift. I don't think he thought of it that way. I think he thought he was getting rid of me."⁴

Despite being a white Irish Catholic, Egan brought to Lawndale a body of experience that Martin Luther King Jr.'s Southern-based SCLC cadre inevitably lacked: a lifetime's worth of connections to local social networks, a decadelong immersion in every aspect of Chicago housing activism, and a deep commitment to the direct engagement with the local community favored by James Bevel's rival, organizer Saul Alinsky.

Just months before his new assignment, Egan explained his approach to a national gathering of Catholic Social Action adherents. "In a democracy, it is presumed that people generate their own social structure, strength, and direction. If the ravages of unemployment, segregation and family collapse atrophy this ability," he said, others, including the Church, must step in to "develop and train competent, knowledgeable community organizers" who can help create "indigenously powerful" community groups. Local action would benefit not only the poor but "*the entire urban democratic fabric.*"⁵ Egan encouraged religious activists in impoverished neighborhoods to "hit the pavement and start knocking on doors" in order to learn from the community. The poor "are as smart as you," he reminded his listeners, but "their diction is not the diction that makes the secretary at the other end of the phone pay very close attention to what is being said." It was therefore essential that Church activists and "deprived"

community members cooperate: they supply “the facts and all sorts of insights ... [and] you can be the mouthpiece.”⁶

Egan’s transfer to Presentation gave him the chance to put his beliefs into practice. He immediately set about transforming the church into a hub of community life. He had the great fortune to be aided by Peggy Roach, a lay activist who devoted her talents to supporting his work. As Egan’s biographer put it, Egan was “the steam engine, spitting out visionary schemes [and] subtle maneuvers.... Peggy was the steel in the engine, ... keeping his drive focused and his projects on track.” Another talented laywoman, Ann Coe Pugliese, came up with a brilliant solution to the church’s material needs. She launched a newsletter, titled *Friends of Presentation*, which was sent to the 1,500 people on Egan’s personal mailing list. It described the most pressing problems facing Presentation and suggested that readers pledge \$2 a month toward solving them. The appeal netted \$4,000 a month, which was enough to cover the parish’s immediate expenses (but not enough to replace the faulty furnace).⁷

Next, Egan moved to the issue closest to his heart: training community organizers. He divided Lawndale into “parishes” of one block each. He told Chicago-area seminarians that, if they wanted to have a true “inner city experience,” they could take one of these mini-parishes as their own. They were to show up at Presentation Saturday mornings at nine and spend the day immersing themselves in the world of their block. The goal was to transform that block into a community. “You’ve got to get to know every person in every house or apartment,” Egan told the seminarians. “You’re to find out who is ill; who is out of work; who has housing problems; whose kids aren’t in school. At the end of the day, you’re to report to me on every problem you uncover. We’ll discuss then what we are going to do about it.”⁸

Egan called his program Operation Saturation. By the fall of 1966, he had recruited thirty seminarians to make weekly visits to one-block areas in Lawndale.⁹ He also brought in volunteers from all over Chicago to help with everything from sweeping the streets to distributing clothing to neighborhood children. Egan’s enthusiasm for Lawndale was contagious. “It was like an ad for Florida,” one participant recalled of a notice Egan posted at one of Chicago’s Catholic colleges. ““We need your talents, your competence, your compassion. Come, live with us and learn from the

people. Let yourself be touched and let your heart be opened. Feel the joy here,”” the notice beckoned.¹⁰

The reality was somewhat more mixed. “I don’t think there was a day that went by there wasn’t a shooting,” one Presentation worker recalled. Volunteers confronted conditions that shocked them: glass-strewn streets, abandoned buildings, and kitchen walls covered with cockroaches that wriggled into motion with the switch of a light. They faced verbal threats from teenage boys who were upset that “a bunch of grays” were infiltrating their neighborhood.¹¹ Most depressing, perhaps, was the reaction of some older Lawndale residents to the sudden influx of young white Catholics knocking on their doors. “People would say we were in peril,” a volunteer remembered. “They would say ‘What are you doing? You’d better get out.’” Still, according to another volunteer, although “there was reluctance to talk,” in the end “there weren’t very many [seminarians] told they couldn’t come in.” And Egan had not misled them. As Presentation’s school principal noted, “Everything important going on in the country was reflected on the West Side of Chicago.”¹²

Among those most profoundly affected by Egan’s call was Jack Macnamara, a tall, slender thirty-year-old Jesuit in training from Skokie, Illinois. Macnamara’s family had experienced its share of hardship. When Macnamara was in high school, his father was diagnosed with multiple sclerosis. Then he developed cancer. Until his death six years later, Macnamara’s father was unable to work, and Macnamara, the oldest of five children, helped support the family. At eighteen he enrolled as a full-time student at Loyola University, while also working forty hours a week at Delta Airlines—the midnight to 8:00 a.m. shift. Macnamara next entered the University of Chicago Law School, but after one year he quit law school and entered the Society of Jesus. In the fall of 1966 Macnamara had just concluded a mandatory year of teaching Latin at a Jesuit high school in Cincinnati, and was now completing his studies to be a Jesuit at the Bellarmine School of Theology.¹³

After hearing Egan’s pitch at his seminary, Macnamara committed himself to visiting a Lawndale block every week. He learned the rules of community organizing from Tom Gaudette, who had been trained by Alinsky and who was now helping Egan’s volunteers get their bearings. First, the organizer must learn to listen, because “the people ... know better what their situation is than anyone.” Second, “the people have to be

involved in solving their own problems,” since they “have the capacity within themselves” to do so. These principles made sense to Macnamara, but he was increasingly frustrated by the necessarily limited results produced by once-a-week visits. Macnamara was being taught at the seminary that “love” was the solution to the plight of the ghettos, but his encounter with the people of Lawndale brought him to a different conclusion: “What struck me is that they know how to love better than we do. What they need is some accomplishments, ... a victory.” And only committed organizers would help deliver that victory. With Egan’s support, Macnamara got permission from his Jesuit supervisor, Father Robert F. Harvanek, to rent an apartment in Lawndale and move there for the summer of 1967. Using his apartment as a base, he would devote himself full-time to community organizing.¹⁴

Thus was born the Presentation Church Community Organization Project. To staff it, Macnamara reached out to some of the students he had taught at St. Xavier High School in Cincinnati. Macnamara “was not your usual Jesuit Latin teacher,” as one class member put it. He had rushed them through the required Latin and then spent the remainder of the year discussing cutting-edge theological works such as Harvey Cox’s *The Secular City*, which called for the Church to take its place at the forefront of social change. To his students, Macnamara was “an extraordinary guy who was opening our tiny narrow Catholic middle-class brains” to the pressing issues of the day. He helped them realize that their dreams were possibilities. When Peter Cassady, a student leader, announced that he wanted to get everyone in the school socially involved, Macnamara worked with him to engage the students in community life. Ultimately a remarkable 400 out of 1,300 students volunteered with social service organizations.¹⁵

On hearing Macnamara’s plan for Lawndale, Cassady volunteered to join him and to bring some others along. Soon Macnamara had a “staff” of ten former students, all of them white, under twenty, college freshmen or sophomores. The young men agreed to spend the summer in Macnamara’s cockroach-infested apartment close to Presentation, “next door to the Red Rooster grocery store, where they used to pour red [soda] pop on the meat to make it look good.”¹⁶ One bedroom had two sets of bunk beds sleeping four. In the other, the bunk beds were triple height, sleeping six. The

students’ instructions were vague: they were to go door-to-door and to “listen.” Their weekly pay was “five dollars and unlimited cigarettes.”¹⁷

Over the summer, Macnamara and his students set out to organize Lawndale. They didn’t know much about the neighborhood’s history. Until about 1963, Chicagoans still spoke of Lawndale as an “old, worn-out Jewish area” or “ghetto” whose population had always been “very poor.” But by 1967, the myth that Lawndale had been “an area of middle-income Jews” that inexplicably decayed once “low-income Negroes” moved in was already in place. Sometimes the fanciful elevation of Lawndale’s past was even more extreme. According to an early newspaper story about Macnamara and his organizers, the young men hoped to learn why the walls were now crumbling in “homes that, a generation ago, had been among the finest in the nation.”¹⁸

The organizers were energetic and resourceful. They challenged neighborhood kids to basketball: if the teenagers won, they each got two dollars, but if the college boys won, the losers had to volunteer two hours of their time or bring other boys to a meeting to plan a summer program.

¹⁹ On learning that Lawndale received less garbage collection than other neighborhoods despite its greater population, Macnamara’s boys staged a “dump-in” during which they deposited uncollected, overflowing bins of garbage on the steps of City Hall. Shortly thereafter, the city began regular garbage pickups in Lawndale. When the students realized that there was no playground for area children, they bussed local youngsters to a playground in Mayor Daley’s all-white Bridgeport neighborhood. After three tense “play-ins” in Bridgeport, the city suddenly found the resources to construct a playground on one of Lawndale’s many empty lots. Construction began on July 3 and was completed by July 18.²⁰

These small victories weren’t enough, however, to mobilize the neighborhood. The Presentation Church Community Organization Project did a lot of listening during the summer of 1967, but the complaints the students heard from residents didn’t add up to any single issue they could organize around. “It was total frustration,” one student recalled.²¹

Then one day something changed. Macnamara was making a routine visit to a parishioner named Ozirea Arbertha, who lived with her mother and four children in a two-flat building. Arbertha’s husband, David, had been killed in an automobile accident a year before. Now she endured a

three-hour daily commute to work nights at a far South Side post office, where she earned \$5,800 a year. Her mother worked full-time as a nurse's aid, earning \$3,400 a year. Despite their combined annual income of over \$9,000, Arbertha was in a financial quagmire. "If I just didn't have this big house payment every month, I think I could make ends meet," she told Macnamara, as tears streamed down her cheeks. She told him that she paid \$240 a month for her building. Macnamara was shocked. His own family had struggled to make mortgage payments of \$108 a month on a \$12,000-a-year income. He understood immediately that "there was something really out of line" with Arbertha's payments.²²

In subsequent meetings Arbertha told Macnamara more of her story. She and her husband had purchased their building on contract in 1959, for \$28,000, from the real estate firm of Fushanis and Forman. "Yes, we knew it was an awfully high price," she told him. "But we had looked so long. Out South, all over the West Side—in every neighborhood that would take Negroes.... And this was the best we could find. So we decided to make the sacrifice." The Arberthas spent an additional \$8,000 to replace the building's ancient furnace and rickety back porch and to add new sewer and water lines, new plumbing, and new floors for the kitchen and bathroom. Still, they had managed to make every payment, until David's sudden death. Without his salary of \$9,000 a year, the family's income was cut in half. Life had been a desperate struggle ever since.²³

At first Macnamara did not understand the full complexities of Arbertha's position. "I did not know what a real estate contract was," he admitted.²⁴ If Macnamara didn't have the larger picture, however, his friend and spiritual mentor Jack Egan did. He told Macnamara that it was "absolutely necessary" for his organizers "to get their facts and to do their homework" on this issue. He also asked John McKnight, the Midwest director of the U.S. Commission on Civil Rights, to educate the group on the contract sales problem.²⁵

With McKnight's help, Macnamara soon mastered the "fairly complicated and painful" technicalities of conducting title searches to uncover the real owners of a building and what they paid for it. On investigation, he learned that three months before selling the building to the Arberthas for \$28,000, Fushanis and Forman had purchased it for \$15,000. He also learned that this transaction was typical of the vast majority of buildings on her block. "I was horrified," Macnamara recalled.

"Not so much that people would do this sort of thing but because of the way it affected the lives of the people who were victimized."²⁶

Next, his group decided to research the property records for buildings in an eight-block area in Lawndale. They found that almost every building had been sold to the current residents on contract at grossly inflated prices. They were stunned not only by the devastating financial consequences of contract selling for Lawndale's residents but by the enormity and ease of the speculators' profits. As Mark Splain, one of the former St. Xavier students who joined Macnamara in Lawndale, recalled, "you could flip these properties with no cash," making it "an unbelievable capitalist dream" of easy riches.²⁷

Here finally was an issue that could mobilize Lawndale, and Macnamara was eager to begin. But Egan was skeptical about using contract sales as an organizing focus. Exploitative contract selling was "the worst-kept secret in Chicago," he told Macnamara. "City Hall knows about it. Real estate firms know about it. But no one is saying anything about it because the power behind contract buying is so great some people have been killed who have tried to correct the situation." Saul Alinsky was equally discouraging. "If I were you I would leave it alone," he said, adding that a friend of his had "died trying."²⁸

These odd mentions of people who had "died trying" to stop exploitative contract sales were probably distorted references to my father, who, as Egan and Alinsky knew, had devoted years to that battle and had died, exhausted, at the age of forty-nine.²⁹ Their hesitancy to tackle contract sales had to do less with personal fear than with the enormity of the undertaking. As one of the college students pointed out, echoing Egan, the scale of contract selling was so huge that it simply "could not have happened without the permission and the complicity of the Democratic Party." As another discovered, the city's judiciary—in all likelihood the place where challenges to the contract system would end up—contained numerous patronage workers who "themselves speculated in 'contract properties' ... or represented those who did."³⁰ Alinsky and Egan were savvy enough to know that open challenges to Daley's machine were doomed to failure.

But Macnamara would not be deterred. "To hell with you," was his immediate reaction to Alinsky's discouraging comments. He vehemently

disagreed with Alinsky's requirement that an organization's focus be readily comprehensible, easy to mobilize around, and ultimately winnable—a perfectly logical strategy if issues were simply a means to the end of creating group solidarity. "My feeling is that if you get involved in something ... it's not simply about building the organization," Macnamara said. "Maybe we have to go after some things even if we're not sure of the outcome." He added, "Here were these people who we had gotten started on this ... who really wanted to do something about it." He wasn't going to drop the issue because it was too difficult.³¹

As the summer drew to an end, Macnamara felt he had just scratched the surface of the problems plaguing Lawndale. He couldn't leave now. So, for the second time, he petitioned his Jesuit supervisors for a postponement of his theological studies. For the second time, they granted his request. His staff, however, had to return to school. Several of the boys were eager to continue working with the project, but in the fall of 1967, nineteen-year-olds who were not in college might be drafted and sent to Vietnam. This was a risk Macnamara could not ask them to take.

He came up with a solution. He met with the deans of his volunteers' colleges and proposed that the students receive college credit for community organizing. Almost to his own surprise, he succeeded. "We're very conservative here," the dean of Holy Cross College said, "but I think this is something we should do."³²

Macnamara's band now returned with renewed dedication to the task of organizing Lawndale. Some worked with the tenants of several slum buildings to pressure landlords into improving property maintenance. Others supported Lawndale resident Ruby Kirk, who had just begun to organize her building at 3901 West Jackson.³³ But contract sales remained a priority. Following Egan's command to "get their facts and to do their homework," they spent most of their time—"hundreds of hours"—conducting "brain-numbing title-searches" in the basement of City Hall, or what student organizer Michael Gecan described as "the sixth rung of hell at the Chicago title and trust offices." They went "building by building, day after day, that's what we did," he recalled. The result was a rock-solid factual grounding. "I mean, we had this thing down cold."³⁴

Armed with detailed financial information on practically every building in Lawndale, Macnamara's organizers walked the neighborhood. The months they had already put in paid off: "People would talk to us on their stoop or they'd invite us in," Splain recalled. Eventually the organizers "got around to asking fairly direct questions about when people bought their house and whom they bought it from, how much it cost, and what their monthly payments were." It soon became apparent that, although almost everybody on the block had bought on contract, nobody really talked about it. Their silence wasn't a matter of denial, Splain said, but simply a conviction that "this was the way the world worked. That's how people bought. They basically worked two jobs or more to try to keep the property up and not lose the property."³⁵

In January 1968, after months of one-on-one discussions, the students convinced about a dozen Lawndale contract buyers to come to a meeting at Presentation, where Macnamara explained all he had learned about the exploitative structure of contract sales. His talk was met with "abso-lute, dead silence." No one wanted to admit publicly that they had been "taken."³⁶ But Ruth Wells, a Lawndale resident who had already been working with Macnamara on the issue, would soon put an end to this reticence.

For several months Wells had been tangling with her contract seller, Moe Forman, over a \$1,500 fee he had added to her already high monthly payments. She and her husband, James, had bought their two-flat in 1959 and never missed a payment. Their contract specified that after half the balance was paid the couple could switch to a regular mortgage. But now that they were half paid up, Forman had come up with a mysterious additional charge. Wells was outraged. "If this man could just put \$1,500 on my bill out of the sky like this, I'll never finish paying," she said. "It's just like blackmail, only I don't know what I've been blackmailed for." As she recalled, she was "tired of being cheated every way I turned—whether it was for purchases of the home or of groceries.... I'd had this bad, tight feeling all these years and now I was going to do something about it."³⁷

Wells talked to Father Egan, who put her in touch with Macnamara's group. With the help of Sister Andrew, a nun who had formerly worked as a real estate agent, Macnamara found out that Wells's building, which she and her husband had bought for \$23,000, had been purchased by Forman only the month before, for \$13,500. They convinced Wells to get an FHA appraisal of her home's current value. To her shock, her \$23,000 building,

in which she and her husband had installed a new bath and kitchen, a new roof, new wiring, a new back porch, fencing, new front steps, and a sidewalk, was now valued at just \$14,750.³⁸

Macnamara and Sister Andrew encouraged Wells to act on her own behalf. “Go and see the man yourself. Tell him what you know and ask for something off,” they urged. Wells finally agreed to confront Forman in his office. It was a cold day in December 1967. She was accompanied by Macnamara, Sister Andrew, and Father Egan. This eased her nerves. With all those people there to back her up, she felt protected: “In case he comes across the desk, I believe they’ll catch him.”

Wells’s first impression of Forman was that he didn’t look good. “You could tell he ate all the wrong stuff.... He just looked like that,” she recalled. Forman was recalcitrant. He told her that the \$1,500 was for insurance. Wells struggled to contain her fury. “Maybe you got us mixed up with one of your other properties. I don’t live on North [Lake] Shore Drive,” she told him, referring to an elegant white neighborhood. “I live in *Lawndale*. We don’t have any mansions out there to be paying \$1,500 for insurance.” Wells asked how he slept at night. “He said he slept very well except when he worked a little too hard at the office,” she recalled. And why not? “He’s getting checks in the mail every month, educating his kids, and if you’re ragged and hungry that’s *your* business. But I told him *why* I thought he slept pretty good. He said when he got ready for spiritual advice he definitely would not come to me. I thanked him and told him I wouldn’t go to him either.”³⁹

Wells demanded to see a copy of the insurance policy. As Forman reached across the table to hand her the forms, Wells noted that “his hand began to quiver like a leaf in the wind.” In years of dealings with Forman, this was the first time she had ever seen him nervous. Earlier that day, Wells had prayed to God for a sign. “I wanted to know if I was wrong. If I was wrong I would not return to this man, but if I was right I would like to go ahead and fight this thing to the bitter end.” Forman’s shakiness was the sign she needed. “I thought, ‘Somebody done touched him and let him know. He’s feeling something he’s never felt before: *guilt!*’ He’s all trembling and shaking, really upset. And I thought to myself, ‘I didn’t upset him, but I know *who* did.’”⁴⁰

In the end, Forman refused to budge on the insurance charge, but he agreed to cut \$1,000 off her contract payment. “One thousand dollars!” she

gasped as soon as she was out of his office. This was serious money. Since buying their building in 1959, she and her husband had been “going like mad just to keep up. I was afraid to miss a day’s work and my husband was the same.... Sometimes I’d have one dollar to last all the week. I’d keep it in my wallet. I’d be afraid to break it.” Macnamara congratulated her on her success: “That’s the first time you ever made one thousand dollars in an hour!”⁴¹

Invigorated by this experience, Wells was among those attending the small gathering of contract buyers that Macnamara arranged at Presentation. She sat through that first tense meeting thinking, “*Something* is missing there, but I don’t know what it is.” Then she figured out what it was. When Macnamara gathered people for a second meeting, in January 1968, the featured speaker was not Macnamara but Wells. She had never addressed an audience before. Other than Macnamara, she didn’t know a soul in the room; between her long hours at work and her responsibilities at home, she’d never had time to get to know her neighbors. She was so frightened that she held on to the back of a chair just to steady herself. But when Wells spoke, she was eloquent. She detailed her history with Moe Forman. She told the audience how she had been overcharged. Then she asked “if any of them was in the same boat.”⁴²

The effect was electric. Practically every hand in the room shot up. Wells encouraged the people gathered there to “tell your family and your friends, your neighbors, the people you work with, if they bought on contract they should come out.”⁴³ At the next meeting approximately two dozen contract buyers decided to form an organization, the Contract Buyers of Lawndale (CBL). Within months, attendance at the CBL’s Wednesday night meetings had snowballed beyond the wildest expectations of Presentation organizers.⁴⁴ The group expanded so quickly in part because it had a perfect target for its anger—Moe Forman. On February 3, Wells returned to Forman’s office. Since Forman said he wouldn’t see her “if any of those church folks are with you,” she brought along some twenty Lawndale residents instead, as well as several Presentation Church Community Organization Project workers who were not in religious orders. Of the Lawndalers, Wells recalled, “I picked out the ones I knew had bigger mouths than mine.... Some of the ladies ... love to get at people like him.” Forman tried to cancel the meeting when he saw the size of the group, but they pushed their way into his office.

Wells asked Forman to repeat his refusal to negotiate “so all my friends could hear it.” At this point, Forman quickly offered to “deduct the \$1,500” from Wells’s bill along with another few thousand off the contract balance.⁴⁵

But Wells and the others were no longer interested in individual gestures. With the help of Macnamara and his organizers, the group now had quite a bit of information on F & F Investment. They knew that Forman held contracts on several hundred buildings in their neighborhood. They knew that he had charged most of the buyers double to triple the price that he himself had paid for the buildings shortly before reselling them. They were also aware that FHA appraisals now estimated the buildings’ worth as only marginally above what Forman had bought them for.

There was only one action that Forman could take to make up for what he had done. The group demanded that he renegotiate the price of every building he held on contract in Lawndale. They proposed a “fair price” formula, which consisted of his original purchase price plus an additional “fair profit” of 15 percent. They wanted credit for what they had already paid on the principal and their interest rates lowered to what they would have been on a standard mortgage. In short, they wanted Forman to reduce the debt of each contract buyer by approximately \$10,000 to \$15,000.⁴⁶

Wells and her group understood that they had no legal case against Forman. “We cannot fight you through the courts because the law does not protect us,” they told him. But now that his dealings were public knowledge, they expected him to negotiate.⁴⁷ When Forman refused, Wells lost her cool. “How would you like to be on television, explaining to the people coast to coast what kind of louse you are?” she blurted out. She unnerved Forman further by mentioning his daughter in college “down state,” at the University of Illinois. “What is she going to tell her friends down there when she find out that what her father do for a living is beat down poor people?” she asked.⁴⁸

The group left Forman’s office that day with no promises. But Forman was shaken. He had never confronted anything like this, Wells supposed: “All these black folk knowing the answers. And all these white folk living in Lawndale where he don’t think it’s safe for a white man to go.”⁴⁹

A week later, Wells attempted to meet with Forman again. This time, he was not available, the group was told. Luckily, they had a backup plan. With signs prepared and the police notified, they picketed Forman’s office in the zero-degree cold. They also visited Forman’s North Side neighborhood. In groups of twos, Lawndale residents knocked on his neighbors’ doors. They passed out flyers that described the high price that Forman had charged them for their homes. Picketing and leafleting in downtown Chicago or in a white Chicago neighborhood was frightening. “I was a good deal scared.... My lips was dry.... I thought I was perpetrating evil,” recalled Lawndale resident Clyde Ross of his first experience on a picket line. But there was no trouble. “In Forman’s neighborhood several residents invited the pairs who visited them in for coffee. Many expressed sympathy with the cause,” the group reported.⁵⁰

The CBL’s next move was to invite Forman to meet with Lawndale residents in a public forum to be held at Presentation Church. There they would discuss further the renegotiation of his contract holdings. They very much hoped he would attend. If he refused, they told him, they would picket his home and his office until he changed his mind.⁵¹ Forman waited until the day before the meeting to reply, but he agreed to their request. In Lawndale, news of Forman’s forthcoming appearance had an explosive effect. Over four hundred residents packed Presentation’s community room, eager to confront him in person.

Forman never showed. He did, however, have a letter messengered to the meeting. It explained that he held only a partial interest in his hundreds of contract properties. The remaining interest was held by the “Estate of Lou Fushanis, deceased,” which was currently tied up in probate court. Any changes to contract balances would have to pass through the Probate Division of Chicago’s judicial system. Nevertheless, Forman wanted to show his good faith. “I individually am acceding to your request that the contract balances be renegotiated and that the guide lines ... for the renegotiations are appraisals to be secured from F.H.A.,” he wrote.

This news brought “a shout of joy” from the crowd. Lawndale residents would soon discover that Forman had no intention of renegotiating his contracts, but for the moment they felt a new sense of power and possibility. Once Macnamara was able to tell the media about the CBL’s “million-dollar victory” over Moe Forman, “the phone rang off the hook with reporters.”⁵² CBL membership expanded dramatically. By April

1968, 500 Lawndale residents regularly attended the group's Wednesday night meetings. By November, participation had grown to over 1,000.⁵³

The key to the CBL's success in organizing the community may well have been the commitment and maturity of its activists.⁵⁴ Within weeks of its founding, four neighborhood residents emerged as the "indigenous leadership" of the CBL. All were migrants from Mississippi and Alabama—the very people whose degraded "rural culture" both white and established black Chicagoans blamed for Lawndale's decay. Through the CBL, these migrants finally talked back to the city that had entrapped them economically and then blamed their background for their problems.

Clyde Ross, one of the four, was born in Farrell, Mississippi, in 1923, the seventh of his sharecropping parents' thirteen children. Despite growing up in a culture in which "every white man was the jury, and every white man was the policeman, and every white man was the governor," Ross wasn't raised to hate white people. His parents told him, "Don't classify all white people as the same.... Pick out who is a friend and who is against you." Ross's Southern background gave him important insights into the shaky foundations of white power. "White kids will attack you, but they'll never attack you by themselves. So I found out that, hey, they're afraid of me." White anxiety derived not from a fear of black violence, he concluded—after all, "black people have no police, they have no power, they have no guns, they have no murderous organizations, no Klan groups"—but from guilt. "They're afraid that someday they're going to get paid back for what they done."⁵⁵

Ross moved to Chicago in 1947. "After you come out of the army," he said, "you couldn't stay in Mississippi no more" without a constant fight. But finding a good-paying job wasn't easy. "I had spent so much time working in the South that I didn't have no time for education. So you come here, you had to take less of a job." He found employment at the Campbell Soup Company. The work was difficult. Hot cans had to be guided down the assembly line. Workers could get badly burned. Still, it was better than the alternatives. "Campbell's Soup was a cheap job, but it was a steady job," he recalled. He started at Campbell's in 1948 and stayed there for the next twenty years.⁵⁶

In 1961, Ross and his wife, Lillie, were expecting a child. The apartment they shared with Ross's extended family was already overcrowded, so he set out to find his own place. When he asked about a modest-looking home in a white neighborhood, the realtor told him the price was \$50,000. Though the prices he was quoted in Lawndale were also outlandish—in the \$25,000 range—he thought he might be able to swing it. But when he tried to apply for a mortgage the loan officer told him flatly, "We don't finance in that area." Ross recalled the humiliating experience. "He closed his little window when he said that and he never looked up again. I stood there for about five minutes to see what he was going to do. He acted like he was busy" and left Ross waiting there, as if he were invisible.⁵⁷

Ross ended up buying a two-flat on contract from Joseph Berke. The white real estate agent showed up at Ross's home in a Cadillac with a black female secretary, ready to ferry Ross and Lillie around Lawndale. "I thought the guy must be all right if he's got all black help," Ross recalled. He put \$1,000 down and paid \$260 a month for a \$27,500 Lawndale two-flat. When he joined the CBL and got the building appraised seven years later, he learned that its true value was \$15,000. But by then Ross already knew he'd been exploited. One day the building's original owner, an Italian American, came back to sell Ross some radiator caps; he had taken them from the apartment when he moved, but they didn't fit the radiators in his new place. He spoke so fondly of the building that Ross asked why he'd sold it. "They gave me \$12,000 for it," the man said. "They made me, they threatened me. They was in here every day. They were gangsters, bad men." Then he asked what Ross had paid for the place. When Ross said "\$27,000," the man sat silently for a long time. When he finally spoke, his concern wasn't for Ross. "They cheated me," he said.⁵⁸

Ross's experience was typical. Soon after he and his wife moved in, the furnace broke down. He was forced to pay an extra \$40 a month to replace it. "I was already paying [Berke] \$260 a month," he recalled. "My wife was furious.... I had no money for food or medical expenses—my wife was pregnant and I couldn't get a doctor." Ross faced the bitter truth: "I realized then that I was stuck for life." He took a second job, working four hours a night for two dollars an hour. "Man, that was work. I did it for three years. When I'd leave for work in the morning the baby would be asleep. When I'd come home at night he'd be asleep too. One day I

realized that I was really messing up my family. I picked up my kid and he pulled away.... My own kid didn't even know me.”⁵⁹

In late 1967, Ross heard “some talk in the neighborhood” that a “young white fellow” named Macnamara had been researching the real estate situation in Lawndale. He attended the first meeting at Presentation Church, and he saw the shame in his neighbors’ eyes when Macnamara described how their contract purchases had been rigged. Ross decided that the time for shame was past. At the next meeting, after Wells described her encounter with Forman, Ross told his own story to the group. Afterward, Macnamara asked Ross if he’d be willing to work more closely with the organizers. With that, Ross became something he’d never been before: an activist.⁶⁰

One of the first things he did was recruit his brother-in-law, Charlie Baker. As a *Washington Post* reporter later described him, Baker was a lean man “with an open, wide face, a small mustache, sparkling eyes and an easy smile.” A CBL worker put the matter more succinctly: “Charlie was a charmer.”⁶¹ Born in Banks, Mississippi, in 1926, the second of three sons, he had an eighth-grade education and worked as a sharecropper until the age of eighteen. Like Ross, Baker moved to Chicago after serving in the army during World War II and found a job at Campbell’s Soup Company. In 1948, Baker married Ross’s younger sister Charlene.⁶²

Baker had been the first of the two men to buy in Lawndale. He knew that he had few options, since in 1960, he recalled, “a colored person” couldn’t venture into most white Chicago neighborhoods “and live,” much less “buy a home” there. The seller, a white man named John Karras, showed him a two-flat for \$26,500. Baker thought the price was high, but Karras told him that the building held three apartments: a large floor-through on the first floor and two smaller ones on the second. Baker was dubious about the double apartment setup on the second floor. “Shouldn’t these people have two ways out?” he asked. Karras reassured him. “Put a crash panel in here. They could come right out through your kitchen.”⁶³

Baker and his wife decided to go for the deal. When he called to arrange the closing, Karras said that “we didn’t need no lawyer because he was going to be fair with me.” He even threw in something extra: he’d had the crash panel door installed on the second floor at his own expense. Baker paid his first monthly installment of \$197 on January 20, 1961. He was so

excited that he encouraged Ross to purchase his two-flat a few blocks away.⁶⁴

Baker soon found that his first payment was not the total charge. With insurance and interest, he owed not \$197 but \$247 a month. Baker and Charlene moved into the back apartment of the second floor and rented out the front and the ground floor. Three months later, the housing inspector showed up. That’s when Baker learned that crash panels had been outlawed in 1956. He had to correct the violation or pay a fine of \$200 a day. Baker moved out the second-floor renters, thus cutting his income by \$80 a month. Around the same time, Baker was told that his back porch required immediate repair. He brought the violation notice to Karras. “It is your house; you do your own repairs,” Karras snapped. He did help Baker get a loan to rebuild the porch, which added to his monthly payment. Baker came to the same conclusion as Ross: “I was stuck.” He got a second job driving a cab, and Charlene took a job as well. The situation was hard on their children, but the alternative was to lose the building. Baker carried on, wrangling with Karras over various fees and desperately trying to keep up his payments. When his brother-in-law told him about the group forming in Lawndale that wanted to do something about the situation, Baker eagerly joined them.⁶⁵

The third resident to emerge as a CBL leader was Henrietta Banks. A stylish thirty-eight-year-old mother of seven, Banks sported two-toned, black-and-bleached-blond hair and had a dazzling smile made all the brighter by one of her front teeth—gold with a heart-shaped cutout in the center. When she smiled at you, “you would need sunglasses,” one of her coworkers recalled.⁶⁶ Banks and her husband, Saul, migrants from Alabama, both held full-time jobs, Saul as a welder and Henrietta at a printing firm. In 1961, they paid \$25,000 for their building, which the previous owner had sold to a speculator shortly before for \$14,000. Although they enjoyed their home and kept it in “spotless” condition, the couple lived “in constant fear of missing a monthly payment” and losing the building. The Bankses paid their monthly charges without complaint until May 1965, when the contract seller turned over their contract paper to a new investor. By then the Bankses had paid their balance down to \$19,000. But the new owner insisted that the outstanding amount was \$22,000. When Mrs. Banks asked why they suddenly owed an extra \$3,000, he told her, “I am not responsible for what happened with the other

guys. The sale price is now \$22,065.” At that, this normally cheerful woman could not contain her rage. “One day ... I am going to shove these very papers down your throat,” she threatened her new creditor. Three years later, Banks was among those accompanying Ruth Wells on her second visit to Forman.⁶⁷

Banks proved to be a “born organizer.” In February 1968, she, along with Wells, Ross, and about a dozen others began going door-to-door to talk about contract sales. Many residents denied that they had bought their homes on contract, even though the CBL had proof that they had. Banks intuitively understood that her neighbors’ responses were rooted in shame and fear, feelings that would vanish once they understood that this was a group and not an individual problem. “So I took my contract along with me and showed them how bad we got stung.... I felt that if I showed that thing I would bring some people out.” Her decision to tell her own story first was the right one, and her method was quickly adopted by all the other CBL organizers. Ross described a typical encounter. After telling his own story, Ross would say, “By the way, he paid [X amount] for this place.” This started the ball rolling. They would say: ‘That dirty son of a bitch.’” Then Ross would explain that the Contract Buyers of Lawndale were trying to “get all the people similarly situated to organize” to pressure their contract seller to renegotiate the contract price. “Do you think he will?’ ‘Yes, I think he will.’” Such reassurance was usually enough to bring another person into the organization.⁶⁸

Ruth Wells, of course, was the fourth Southern-born resident to take the lead in the CBL. Wells struck most people as quiet and levelheaded, “a tall, dignified, forthright lady,” as one of the college boys described her.⁶⁹ But she had also waged a lifelong struggle against surges of anger that she could not always control. The twelfth and youngest child of farmer parents, she had moved from Mississippi to Gary, Indiana, at the age of fourteen. She found work in a factory and then in an office. When she was laid off from her job, she tried to sign up for unemployment benefits and discovered that in Indiana a black woman seeking state aid was automatically sent to work as a maid in a white person’s home. If she refused, she was considered to have turned down a legitimate offer of work and was therefore not eligible for unemployment payments. Wells was outraged. When the woman behind the counter offered her maid’s work starting “today,” she retorted: “Why can’t your mamma do it? Why

can’t she be the maid?” Wells felt some satisfaction when the woman turned bright red, but she also knew that she would not be getting benefits in Indiana anytime soon.⁷⁰

In 1952, she moved to Chicago, where she married James Wells, a Mississippi-born foundry worker. Wells worked at the Department of the Navy in suburban River Forest, and she pursued a number of outside interests as well. She belonged to a women’s social group, the Nonchalants, which raised money for needy families. She was active in the Missionary Baptist Church. But once she and James bought their two-flat in Lawndale on contract, the demands of the building took up most of her time. By the winter of 1968, though, Wells’s time—and her temper—were redirected into challenging the contract sellers of Lawndale.⁷¹

The group had one additional, invaluable resource, Jack Macnamara, whose efforts on behalf of the CBL had taken on a missionary zeal. The decisive moment for him had come in December 1967, when he arranged a dinner for the families of the students who had worked with him that summer and fall. He invited Reverend Robert F. Harvanek, his Jesuit superior, to address the gathering. Harvanek praised the community organization project as a worthy endeavor but added that he was keeping a close watch on it. If at any point the project needed to be “put out of existence,” he assured the parents in attendance, he would do so. Macnamara was profoundly upset by Harvanek’s comments, by the thought that months of grueling labor could be snuffed out in an instant. That night he lay awake, torn between frustration at his powerlessness and devotion to the vow of obedience he had taken as a Jesuit, which might require that he abandon the cause. By dawn he had come to a resolution. “I decided that ... what I was doing could maybe get me killed, drive me crazy, get me kicked out of the Jesuits, and I just, for some reason, was willing to accept all of those consequences. Once I got to that point, I was at peace.” From that moment on, Macnamara plunged into work for the CBL with “cadre-like” intensity. Soon the stress was showing. One observer noted that he “regularly works 18-hour days and now carries only 150 pounds on his six-foot frame.” Another commented, “He’s going to kill himself the way he’s working. He looks terrible.”⁷² Throughout 1968, Ross, Baker, Banks, Wells, and Macnamara drew more and more Lawndale residents into the CBL. Determined to pressure the sellers into renegotiations, the organizers first grouped CBL members by contract

seller. Members would then picket their contract seller, both at work and at home. Since many sellers hid their identity behind land trusts, the CBL also picketed the banks that held these trusts, demanding that the banks either force the trust owners to renegotiate their contracts at a fair, FHA-appraised value or turn over the owners' names.⁷³

The organization also picketed the Chicago offices of the Federal Housing Administration, although by this point the FHA had changed its policies regarding areas like Lawndale. In July 1967, in part as a response to the urban riots that broke out between 1964 and 1967, the FHA directed its local offices to consider all buildings in "riot or riot-torn areas" as "acceptable risks."⁷⁴ But this turnaround hardly made up for past injuries. As Charlie Baker told the Chicago press, "Since the FHA would not insure mortgages for us when we bought our homes, the federal government must share the blame." John McKnight seconded Baker's view. "As far as I'm concerned, the white racist institutions—particularly the old FHA—are even guiltier than the speculators," he said. "They created the conditions."⁷⁵

Twice a week, every week, through the spring, summer, and fall of 1968, the CBL pickets were out in force. They made little headway. Most of Chicago's savings and loan institutions refused to turn over their records. One official told CBL members, "You don't deserve anything from me! Get out of my office!" The FHA was just as intransigent: "I don't know how anyone can say FHA was responsible for any local situation in Illinois. We have no area of responsibility there.... We were merely following policy," an administrator insisted.⁷⁶

The most virulent resistance came from the contract sellers themselves. It sometimes took the form of crude threats, such as the West Side realtor who told a CBL member, "If you set one foot in here I'll blow your ... brains out!" The sellers were particularly enraged by CBL visits to their neighborhoods. As pickets approached the home of contract seller Al Weinberg, he shouted to police, "They're passing out scurrilous literature. Arrest them; it's all a pack of lies!" In response to a reporter who asked exactly what part of the CBL's "fact sheet" was untrue, Weinberg became practically apoplectic. "If you ever come here again you better come out here with weapons!" he raged.⁷⁷

Some of the reasons for the contract sellers' fury were obvious. The sellers felt they were being defamed; many had wives and children who

were nearly hysterical "under the pressure" of this sudden notoriety.⁷⁸ But the sellers' anger went deeper than that. By now, most contract sellers in Lawndale had softened their original harsh terms. Many of the contracts they held were on overcrowded and decrepit buildings (conditions that the sellers insisted bore no connection to the inflated prices they had charged). They were hard-pressed to find buyers for these properties—much less the black home buyers with middle-class incomes that had earlier constituted a ready market for Lawndale buildings. The drop in demand created a risk, since they dared not leave their buildings vacant—empty properties were often severely vandalized. Given this situation, most contract sellers no longer evicted after a missed payment or two. Indeed, approximately 60 percent of Lawndale's contract buyers now retained possession of their buildings even if they were up to six months behind in their payments.⁷⁹

Besides, what was wrong with the way the sellers did business? After all, their work was based on bedrock American values, such as "the integrity of a contract" and "the legitimacy of profits the market will bear." After years of telling their customers that they were doing them a favor by offering them homes on contract, some had come to believe their own sales pitch. "I liked the people on the West Side," one man said. "I was good to them." He seemed genuinely shocked when confronted by angry CBL members. "I couldn't believe it when they said I had cheated people. I came home to my wife and said, 'Isn't this the American system, where we make as much profit as we can?' She said, 'yes, you're right.' Two days later she said, 'No, *you're* wrong and *they're* right.'" Ultimately, this contract seller agreed to renegotiate.⁸⁰

Many contract sellers were bothered as well by the CBL's visible backing from Catholic institutions. Black anti-Semitism was a fact of life in formerly Jewish, currently all-black areas like Lawndale where the remaining white businessmen, of whatever degree of moral probity, tended to be Jews. "The general discontent with Jewish businessmen is growing stronger in the Lawndale community all the time," reported one Jewish community activist in 1967.⁸¹ Lawndale's Jewish contract sellers seemed to feel that this "general discontent" was manageable as long as outside agitators did not stir it into something uglier. Now they were being publicly denounced by sanctimonious men in collars. The Catholic Church had no great commitment to justice for blacks, the sellers believed, while its long tradition of disdain for Jews was beyond dispute. To some, the

CBL seemed just the latest manifestation of that sorry Catholic tradition of scapegoating Jews, in this case Jewish small businessmen.⁸²

In the spring of 1968, the contract sellers of Lawndale united into the Real Estate Investors Association. They contributed up to \$5,000 each—the precise amount determined by the number of contracts held—to pay for a common legal defense.⁸³ Their decision to form an interest group was in part a response to the general social situation, which had become even more charged. On April 4, 1968, Martin Luther King Jr. was assassinated. On April 5, black enclaves in cities across the country exploded in days of rioting. In Chicago, the worst of the violence, arson, and looting occurred in Lawndale—the neighborhood's third riot in four years. Many in the CBL were shocked by the riot's intensity. "I thought they was going crazy," Ruth Wells recalled. "The man that they rioted about didn't go for violence at all.... It didn't make no sense." But the sorrow of the community's older members had little effect on the area's young men. They smashed virtually every shop window along Madison Avenue, a major commercial strip, and set at least five enormous fires that engulfed three solid blocks of that street.⁸⁴

That same day, April 5, 1968, attorney Irving Block sent Monsignor Egan his first official correspondence as the legal counsel for the Real Estate Investors Association. His letter informed Egan and the CBL that most of his clients were willing to "work out deals on an individual basis." But "today a new facet has been added." His clients had been visited by CBL members who indicated that "unless we capitulate entirely to their demands, ... physical violence would be attempted. I take this opportunity of placing myself on record that these threats have been made," he lectured Egan. "On a day when the Negro community has apparently run wild and is looting and pillaging, it ill behooves any group to permit threats of this kind," he continued, warning that, "if there is picketing tomorrow and evidence of violence, we shall seek those responsible and demand retribution." Egan had a choice: "helping these people or seeking headlines." The nastiest aspect of the letter was a small detail at the bottom that Egan surely noted as the personal threat it was: "cc: Cardinal Cody."⁸⁵

Block's threats convinced CBL members that they needed attorneys of their own. Unexpected help came from one John O'Connor, a banker and the owner of a Chicago trucking firm. O'Connor had read a series of

articles in the archdiocese newspaper the *New World* that portrayed CBL members as "good hardworking people" whose activities were a perfect example of "self-help" in the ghetto. The paper's depiction of Macnamara, Egan, Sister Andrew, and other Catholic activists in Lawndale as emblematic of "the spirit of Vatican II" served to legitimize the CBL for Catholics throughout the city—O'Connor among them. Touched by the CBL's situation, he decided that this was a group he wanted to support. Years later, Peggy Roach recalled the shock and pleasure of opening unsolicited mail from O'Connor that contained checks for five, sometimes ten thousand dollars. He followed the checks with a call to Macnamara, asking what else the CBL needed. Macnamara answered without hesitation. "We need forty lawyers."⁸⁶

Three weeks later, the CBL got its attorneys. O'Connor had called Judge Harold Sullivan, a progressive Chicagoan who happened to be his brother-in-law and who was also shocked by the obvious injustice Lawndalers had suffered. Sullivan in turn invited all the progressive attorneys he knew to join a legal support group for the CBL. "We promise each participating member of our group a rewarding experience and the chance [to work toward] the removal of a basic root evil," he wrote.⁸⁷ The attorneys met with the CBL in the summer of 1968. They heard an impassioned plea. "We need help in Lawndale and we need it now," Clyde Ross said. "We aren't asking for any handout. We are only asking for a chance to ... keep our neighborhood clean.... How can we keep our property up when we have to pay twice as much as white people for our homes, and then all this money is taken out of Lawndale and goes to ... white suburbs?" He concluded on a personal note: "I'm 45 years old.... What chance do I have? ... If you white people, who took the time to come down here tonight, help us—then we have a chance."⁸⁸

The attorneys agreed to help. That summer, while CBL members continued their picketing, legal negotiations began. As the *NewWorld* reported, the first meeting of the legal volunteers with Irving Block resulted in a verbal battle "punctuated by sharp complaints and recriminations from both sides." Block let loose. He accused the Catholic Church of fomenting the CBL's activities. CBL members denied the charge, insisting that "the black people of Lawndale ... were the main power behind CBL." The result of the three-hour session was the renegotiation of the contract of a single home. At least "a precedent for ...

direct negotiation between buyers and contract holders was established,” the *NewWorld* concluded optimistically.⁸⁹

While negotiations limped forward, the CBL pushed for change on other fronts as well. Here Egan played a major role.⁹⁰ Throughout the spring and summer Egan and Macnamara attended meetings of the Metropolitan Housing and Planning Council, where Macnamara was appointed to a subcommittee to work on legislation “relating to the prevention of economic exploitation of racial prejudice in residential real estate.” Macnamara drafted a multifaceted law that would leave legitimate contract sales untouched, while providing solid, enforceable remedies for people who had purchased on contract at obviously exploitative terms.⁹¹

Thomas Foran, the U.S. Attorney for northern Illinois, wrote to John Horne, the chairman of the Federal Home Loan Bank Board, formally requesting that the FHA intervene on behalf of the contract buyers of Lawndale. While he might have taken this action in any case, it didn’t hurt that Foran was a close friend of Egan’s. Although the two men started out as adversaries over the Hyde Park conservation plan, Egan had gradually won Foran over. “He was a regular visitor to our house. Marvelous to our children,” Foran recalled. And although passionately opposed to Egan’s views on urban renewal, he was “all the way with Jack” on the CBL.⁹²

In his letter, Foran pointed out that the FHA was already involved in the issue because its discriminatory practices left Lawndale residents no choice but to buy on contract. He also castigated the Federal Savings and Loan Insurance Corporation (FSLIC). When some of the savings and loans that had given mortgages to the contract sellers—thereby enabling them to buy the properties that they immediately resold on contract—became insolvent, their holdings had been taken over by the FSLIC. By 1969, the national press would note that the cost of their insolvency to the FSLIC in insurance payments alone was \$100 million. The “FSLIC now holds more slum real estate mortgages than any Chicago institution,” the *Washington Post* reported.⁹³

Foran offered a way for the FSLIC to salvage something from this debacle. He argued that the FSLIC could divest itself of these properties and aid the exploited contract buyers at the same time. It need only lower the mortgage amounts owed by contract sellers, “if those sellers in turn agree to renegotiate their contracts and to pass on the discount to the

contract purchasers.” Foran gave the FSLIC one more reason it might want to get rid of these mortgages as soon as possible. Savings and loan institutions had often granted mortgages to speculators—including men who “had hoodlum connections”—that were considerably higher than the buildings’ worth. In return the savings and loans got “kickbacks” from the speculators. In short, Foran was now investigating several Chicago-area savings and loans for the crime of “misapplication of federally insured funds.” The FSLIC would do well to get out now.⁹⁴

In July 1968, the first of two public hearings on the repercussions of exploitative contract sales were held by the Public Welfare Committee of the Illinois House of Representatives. Assistant U.S. Attorney Thomas Todd “created a furor” when he disclosed Foran’s plan to prosecute the savings and loans. The real drama of the hearings, however, came from CBL members who “poured out their financial tales of woe.” Clyde Ross told how he struggled at day and night-shift jobs to make principal and interest payments that would eventually total \$46,872. “If something isn’t done soon to get these leeches off our backs, there’s really going to be trouble here,” he told the committee, his voice trembling with emotion. Macnamara stressed his belief in free enterprise but insisted that what had happened in Lawndale was “actually an unconscionable, large-scale, price-gouging racket.” Representative James W. Carter noted that although all of the real estate agents and bankers involved in contract sales had been invited to the hearing, “none of them showed up.” In contrast, hundreds of black Lawndale residents packed the room; many of them had sacrificed a day’s pay in order to attend. Representative Robert E. Mann added that if the real estate and loan officers involved wouldn’t come voluntarily, they should be subpoenaed and forced to testify.⁹⁵

The committee’s follow-up hearing, held in mid-November, was even more emotionally charged. This time the testimony was dominated by the speculators, finally forced to tell their story. Irwin Spector of the Real Estate Investors Association admitted that he had paid \$14,000 for a Lawndale building that he promptly resold to Howell Collins, a black buyer, for \$25,500. He also admitted that he owned fifty similar contracts. When Representative Mann called both the price and the profit “unconscionable,” Spector was unrepentant. “In a free economy a house is worth what anyone will pay for it,” he insisted. Mann challenged Spector’s contention that he operated in a free economy. On the contrary, Chicago

contained a dual housing market rich with possibilities for exploitation. “You knew there was a white market anxious to sell and a black market anxious to buy,” he chastised. Spector’s attorney, Irving Block, denounced the hearings as a “kangaroo court.” Mann shook his finger in Block’s face, telling him, “We are not going to continue to listen to your running commentary!” When Block kept raising objections, Representative Carter told Block to “Shut up!” or leave the hearing. “Outbursts from witnesses and legislative members as well as spontaneous applause and catcalls from the audience marked the proceedings in which charges and counter-charges flew,” a witness summarized.⁹⁶

The vehement debate that characterized these hearings was an indication that the climate had become more favorable for the CBL’s challenge to the sellers. In the 1950s and early 1960s, when contract selling was at its peak, talk of the federal government’s complicity and demands that slum-lords renegotiate fully legal housing contracts generated passionate opposition from business leaders and attorneys, who almost unanimously cast such arguments as an attack on the American way of free enterprise. By 1968, however, there was a smoother fit between the CBL’s demands and the mood of white Chicago.

In part, this shift was due to the riots following King’s murder, which, though they confirmed the hostile impression of blacks held by many white Chicagoans, signaled to others that immediate action was needed to remedy ghetto conditions. The CBL’s demand that black owners should pay a fair price for their housing now seemed a reasonable alternative to a potential uprising. Even President-elect Richard Nixon’s response to the April riots seemed to lend support to the CBL. “People who own their own homes don’t burn their neighborhoods,” he commented.⁹⁷

By the end of the year, Chicago newspapers had largely come out in support of the CBL. The FHA should work with the CBL to renegotiate the contracts, the *Sun-Times* editorialized, since that would “encourage black capitalism, home ownership and economic self-sufficiency in black communities.” Federal policies concerning home ownership, many only a few years old, now seemed “crass, blatantly discriminatory and, well, un-American,” the *Sun-Times* added. Even the *Wall Street Journal* supported the CBL’s analysis. “There is no doubt the restricted housing market and

the resultant contract buying contributed to the emergence of the slum,” the paper reported.⁹⁸

Sympathy for the CBL, however, was not just a reaction to the riots. It also reflected the group’s moral, even spiritual appeal. Although the energetic engagement of Catholic activists had been a catalyst for the creation of the CBL, when Wells, Baker, Ross, and Banks took charge, they brought with them the black Southern church’s culture of resistance. They opened CBL meetings with a long, spontaneous prayer. Members then “testified” about their experiences as contract buyers. As *Atlantic Monthly* reporter James Alan McPherson noted, CBL members identified contract buying with “sin, renegotiation with salvation, and the League itself as God’s instrument of salvation.” The transformation unleashed in Lawndale was a product of the group’s ability to fuse anger, economic analysis, and a sense of communal mission. Ruth Wells said that, before the CBL was organized, “I didn’t even know my next-door neighbor.” Now, CBL members constituted a vibrant and close community, linked and strengthened by religious faith. Speaking of the group’s solidarity, Macnamara recalled, “There were people who turned down fantastic settlements, \$10,000 and \$12,000 settlements, until the seller would agree to renegotiate everybody’s contract on the same basis.”⁹⁹

The CBL’s spirit had a profound effect on white observers. Many of Chicago’s liberal Catholics—and even those who did not identify themselves as liberal—had been horrified by the white Catholic resistance that had met Martin Luther King’s 1966 open occupancy marches. Michael Gecan, for example, started out “working class and conservative.” His outlook shifted as he learned about the civil rights struggle from his Jesuit teachers. But the real change for him came with King’s marches. “I saw people, whites who looked like me, stoning the marchers, and it was a tremendous eye opener,” Gecan said. “We lived violence all the time but this was different. This wasn’t just like guys on your turf or you’re on their turf. This was murderous, completely uncontrollable.” When he heard a call for volunteers to organize in Lawndale, he responded.¹⁰⁰

While work with the CBL allowed many young Catholics to make up for “Cicero”—the shorthand term for the several neighborhoods where whites had attacked black marchers—it also gave them an outlet for their religious yearning. “I think we were stunned by how great the CBL members’ liturgy was,” Gecan recalled. Maureen McDonald, another

volunteer, similarly told how impressed she was when she first heard contract buyer Howell Collins, “a little bit of a fella,” deliver an opening prayer at CBL meetings. “He could quote his Scripture. You know, Catholics never read the Bible, so it was wonderful to listen to how he could take that Scripture and apply it to life in Lawndale.” “They really took to the religious dimension,” another white observer said of the “lapsed Catholics” working for the CBL. “I remember ... some of them saying that CBL was church for them. It was the only real religion they had felt for a long time.” ¹⁰¹

Chicago’s liberal Jews, too, flocked to support the CBL. Their spokesman, Rabbi Robert J. Marx, the founder of the Jewish Council on Urban Affairs (JCUA), believed that the struggles of black ghetto residents had an automatic resonance for Jews. “We need not remind our people of the constraints of ghetto living,” he wrote. The white mob behavior he had witnessed during King’s Chicago marches was particularly upsetting. “What I saw in Gage Park seared my soul,” he wrote. The rage of the neighborhood’s whites demonstrated “how the concentration camp could have occurred, and how men’s hatred could lead them to kill.” ¹⁰²

That the CBL was a black organization challenging mostly Jewish slum landlords undoubtedly complicated this direct Jewish identification with blacks as fellow victims of oppression, but it did not diminish liberal Jewish support. For Marx, a desire to confront Jewish slumlords had been a major spur to his creation of the JCUA. ¹⁰³ By the mid-1960s, organized Jewish challenges to Jewish slum landlords had cropped up in cities around the country. Even though, as one prominent Jewish scholar explained, Jewish holdings in black ghettos represented “an infinitesimal fraction of the American Jewish economy” (in fact, “Negro banks may well be the major slumlords” in these areas, he noted), they loomed large symbolically. Not only were Jewish slumlords’ activities immoral; they also threatened the urban-centered black-Jewish political alliance that was the basis of any political power Jews might hope to wield. ¹⁰⁴ Marx was keenly aware of this national debate. When Macnamara contacted him early in 1968 with information about the CBL’s campaign against Moe Forman, therefore, he was eager to help. ¹⁰⁵

Marx also viewed the CBL’s battle as an opportunity to grapple with the larger issue of what he called the “interstitial role of the Jew—his being caught between larger social forces which all too often ... press him into marginal endeavors.” In April 1968, Marx wrote an essay, “The People in Between,” that used the figure of the Jewish slum landlord to examine the workings of institutional anti-Semitism. How was it, Marx asked, that Jews so often functioned as the hated symbol of governing powers to which they were only marginally connected? The answer was that, since Jews were neither part of the masses nor part of their society’s elites, they had historically been used by those elites to fulfill “certain vital yet dispensable functions.” To illustrate his point, he referred to Poland, where Jews were barred from owning land but were granted the right to collect taxes and sell liquor. When tensions arose between the Polish state and the peasants, Poland’s ruling class could distract the peasants by turning them on the Jews. Similarly, in the United States, Jews were excluded from the real sources of power—the senior management of banks, utilities, and insurance companies was overwhelmingly gentile—but were welcome to act as urban middlemen, that is, as ghetto merchants or contract sellers. ¹⁰⁶

Marx argued that this interstitial role turned Jews into the visible symbols of exploitation. But there was such a thing as “positive interstitiality,” he pointed out. “The advantage of this role is that freedom to criticize is unhindered by ... external institutional ties.” The key was for Jews to become aware of their position. Then they would see how power really operates and thereby discover new ways to challenge oppressive institutional control. In short, American Jews must “deal with their slumlords and contract sellers, just as the archdiocese must deal with its Ciceros.” If they did so, Marx believed, they could demonstrate “that freedom is Judaism, that Passover is not 3,000 years old—that it is today, and that we are part of it.” ¹⁰⁷

Undoubtedly, some of Chicago’s Jews supported the CBL because they were embarrassed by the contract sellers and eager to distance themselves from such socially marginal operators. “They were ashamed of them, wanted no part of them, even though some of them were big Israeli bond donors and all that kind of stuff,” recalled Warren Lupel, then a young attorney working with Irving Block to defend the contract sellers. ¹⁰⁸ But for many members of the Jewish community, their motives went beyond

embarrassment. The Human Relations Commission of Skokie, Illinois, a heavily Jewish suburb of Chicago, passed a resolution “fully supporting and endorsing” the aims of the CBL. The Chicago Board of Rabbis stated its “vigorous moral opposition to the exploitation of blacks and specifically to any exploitative practices that may be involved in the contract sales in question.” Several Jewish groups visited Jewish contract sellers to tell them that they had an ethical duty to do the right thing. Some of these sessions were “rather intense, with the rabbis and others refusing to leave, or to let the realtor leave for quite long periods,” one observer reported. On rare occasions, these sessions produced results. “Rabbi, I have to talk with you.... I can’t live with myself. My conscience can’t take any more,” one seller told Marx. He later renegotiated his contracts.¹⁰⁹

The CBL’s active discouragement of anti-Semitism further brought the two communities together. “Every once in a while someone would say something anti-Semitic, but it would just never go anywhere,” Michael Gecan recalled. This was “partly because Rabbi Marx was around,” but more centrally because “everyone knew that the issue was broader than that.” Henrietta Banks confronted anti-Semitism head-on. As she wrote in a letter to the *West Side Torch*, a predominantly black newspaper, “several non-Jewish realtors” engaged in contract sales swindles, while the CBL received support “from several prominent members of the Jewish community.... I point this out to you for future reference so that it doesn’t appear that the issue is a Jewish issue.”¹¹⁰

While Chicago Jews could feel good about their willingness to confront their coreligionists, they might have felt a bit queasy about the coverage of the contract sales issue—especially in the Catholic press. The *New World* account of Al Weinberg’s reaction to CBL leafleting, for example, included several photographs of the contract seller. One showed a pale, stoop-shouldered man in his fifties or sixties holding his dog, which the *New World* described as “a huge German Shepherd,” on a short leash. Between the photos and Weinberg’s verbal challenge to CBL members to bring their weapons next time they visited his street, the message was clear: Weinberg was a Northern version of Alabama’s Bull Connor. Photos of the hunched, angry Weinberg contrasted with other, far more dignified images on the same page: the saintly, smiling Sister Andrew helping a black Lawndale couple apply for an FHA appraisal on their home and contract buyer Alan Frazier, whose portrait, apparently shot from a low

angle, made him appear to loom tall, erect, and smiling.¹¹¹ For all that the CBL denied that a black-Catholic alliance was targeting depraved Jewish businessmen, this was precisely the message conveyed by the *New World* photographs.

The *New World* also hinted that the contract sellers were violent men. William Dendy, writing in the *New World*, described the steadfast courage of Macnamara and his college volunteers who supported the CBL “even when their lives were threatened” by “certain targets of their campaign.”¹¹² In truth, physical attacks occurring in Lawndale were hardly the work of contract sellers, as the *New World* implied, but rather of some black residents who despised the white organizers as intruders into their community. As one black local recalled, Macnamara and his boys “were getting their asses kicked. There were more ass-whoopings that they took than people might want to talk about.”¹¹³

On the whole, the young white volunteers had decent relationships with the community. Marc Young, a white Catholic who worked with Macnamara, described playing basketball with the local teenagers, eating meals together, and watching sitcoms in a “living room full of black folks from the neighborhood.” Yet Lawndale was not transformed overnight from what it had been for years—a place where the “hate was so thick you could cut it with a knife.”¹¹⁴ Especially among the young, there was an under-current of violence that flared up periodically. “It was a very angry, violent time,” Michael Gecan recalled. He recounted what happened to Bill Ford, one of the summer helpers, who had gone out to do some interviews. “Some guys caught him on a street. One said, ‘Open your shirt.’ Bill did and the guy cut his chest lightly. He said, ‘What’s my name?’ Bill said ‘I don’t know.’ So then the guy cut another mark into his chest, and said, ‘Now what’s my name?’” Bill got three or four letters sliced onto his chest before he was able to make it out. “Pablo was his name.”¹¹⁵

Harassment of Macnamara’s white helpers also took a more organized form. A group of black teenagers whom the college students nicknamed the “Mau-Maus” started showing up at Macnamara’s apartment to threaten them. The challenge, the students understood, was based on “teenage testosterone turf grounds as well as on racial grounds.” Nevertheless,

“they scared us, those guys,” recalled David Quammen, a Yale undergraduate who lived at Macnamara’s that summer. “They were much more capable of violence than we were.... And we really didn’t know how to deal with them. A Gandhiesque, white, well-meaning liberal shrug was not a particularly respected response.”¹¹⁶

Macnamara refused to defend himself or to report any of the petty thefts to which he and the others were sometimes subjected. There was one member of Macnamara’s household who was not intimidated by the Mau-Maus, however. To Eddie Smith, a sixteen-year-old African American, the Lawndale toughs were not to be taken seriously. They were “just local gangbangers, just ... nobodies,” who saw the Presentation Church organizers as “vulnerable do-good honkies, and what’s better than to take advantage of a bunch of do-good honkies?”

The fact that a black teenager had joined “Macnamara’s band” went completely unmentioned in press accounts, which focused on the anomaly of young white men living in ostensible peace in the city’s worst black ghetto. But Eddie Smith played a crucial role in the group’s lives. Part of what won the white organizers’ acceptance was the interracial mix of their household. “I was Jack’s token black,” Smith recalled. “That kind of made it seem OK to have white folks in the neighborhood, because they had a black kid that they were trying to send in the right direction.”¹¹⁷

Smith had come to Macnamara in a circuitous way. Originally from Cleveland, Ohio, he had been a difficult child, causing endless trouble for his divorced mother, a nurse. “I was incorrigible.... Disrespectful to adults and very bullyish,” Smith recalled ruefully. “I had a chip on my shoulder and I really didn’t have a reason to have one.” His behavior landed him in a youth detention center at the age of twelve. A year of incarceration did nothing to tame him. “I didn’t need but two hours of sleep a day. The rest of the time I was into some crazy shit.”

Smith converted to Catholicism as a teenager, mainly because he wanted access to the superior sports equipment at the Catholic schools. His new faith brought him into contact with Father Denano, who worked at Cleveland’s Epiphany Church. Smith was fearless; by fifteen, he was already over six feet tall, a hulking, handsome young man full of uncontrollable rage. Nevertheless, he was awed by Father Denano, “a little Italian guy,” as Smith called him, who was “just holy, holy, holy.” Denano took it upon himself to watch over Smith. “He was always there for me,”

Smith said. “If I was in trouble at 3:30 in the morning, all of a sudden that fucking guy was standing there, looking me right in the face.”

It was Denano who led Smith to Jack Macnamara. “He told me, ‘You’ve got to get out of here. You’re going to die or you’re going to wind up in jail for a long time. Maybe a change of scene would do you some good. I got these friends in Chicago.’ And that’s how it all started,” Smith recalled. Denano was convinced that a stay in Lawndale would encourage Smith’s latent “dogooder tendencies” and offer a worthy outlet for his considerable energy. What he didn’t realize was that Lawndale “was *way* worse” than Smith’s former neighborhood in Cleveland. Smith attended Lawndale’s Crane High School, which had a student body of over four thousand. “Our high school was jam-packed.... The teachers were trying, but there was so much going on in a classroom with forty-eight students that it was virtually impossible for them to do their job.” The high school had great sports, though. Smith joined the football team, which won him respect on the streets: “I had a free pass, like everyone else on the team, to walk the neighborhood and do what we pleased.”

On top of endless hours of research and organizing, Macnamara now had to serve as surrogate father to a troubled teenage boy. It was a challenge. Shortly before Smith was supposed to graduate, he attacked a teacher who commented that he was getting a diploma only because he was an athlete. Smith shoved the teacher off a second-floor balcony. “He was lucky he lived,” says Smith. “I was lucky he lived too.” The teacher didn’t press charges, but Smith was forced to transfer to a new school just weeks before graduation.

Behavior of this sort was not easy for Macnamara to deal with, but in truth, some of Smith’s rough ways benefited his group. Smith used his social and physical power to protect the nonviolent organizers he lived with. “Jack had been punched a couple of times, and it pissed me off,” Smith said. When people hurt Jack, “I wanted to kill them!” When some local boys robbed the apartment, Smith made it his business to find out who was involved and then “deal with it.” The local “nobodies” got “stomped in the face ... eight or nine times by a guy, saying ‘You remember them white boys upstairs? I like them white boys.’” This was enough to stop a repeat of the harassment, at least when Smith was around.

¹¹⁸

Eddie Smith wasn't the only African American who looked after the white boys on Independence Avenue. Some older CBL members also saw to protecting Macnamara and his charges. One night a whole group went to the spot where the Mau-Maus hung out. As Macnamara recalled, "They warned them. They said, 'These people are very important to us. You guys stay away from that apartment.' And Mrs. Luceal Johnson said, 'If I see your black ass again over at that apartment I'm going to blow it off!'"¹¹⁹

The problem was that Smith didn't always act as a protector to his white housemates. Smith admitted that he "had so much rage" that he couldn't always direct it. After King's murder, he was one of the boys who ran amok in the streets. "I felt like somebody needed to pay," he recalled, like "somebody needed to be shot." Since there was nobody "to reach out to," he joined his friends in looting.¹²⁰ Occasionally Smith even turned his anger on Macnamara. His fury, he claimed, was triggered by Macnamara's "mild-mannered meekness. It bothered me that it was OK if we were disrespected." One day Smith hung Macnamara out their building's third-floor window. "I had him by one wrist, and I had him out the window. And I said something stupid about, your life is in my hands." To Smith's amazement, Macnamara "didn't even get scared." Smith pulled him back in. "I spent the rest of my time trying to make that up to him. He didn't even try to throw me out!"

Smith's violence was inexplicable, even to himself. "I don't come from privilege but I come from a good, solid family background. For some reason, I wanted to act like I was from the other side, which I wasn't." But Smith had been subjected to his share of violence. He spent much of his childhood with his mother's family in Talladega, Alabama, a "very racist environment." He remembered one incident in particular from the time he was five or six. As he and his friends were playing at a creek, a white man approached the boys and asked where they were from. When Smith "sassed" him in response, "he lifted me up by my neck and slammed my face down into the rocks.... He just kept slamming my face down, and then he tried to drown me."

Smith experienced violence in Cleveland, too. Once he found himself in a white area of the city pursued by some white boys, "and they got me. And there was a grown man.... This fucking guy picked me up by my balls." He told the ten-year-old, "You keep your fucking jig nigger ass out of here or I'll kill you, you black bastard. Nigger, I'm going to let you go

this time, but just remember the time that a white man gave you something. I'm giving you your fucking life." Smith got the message: you don't "cross certain boundaries."

Despite his explosive character, Smith had a certain charm that won over teenagers and adults alike. Egan liked to call Smith "my bonnie little lad." Smith, like the rest of the Macnamara boys, got five to ten dollars a week to live on, but Egan would often slip him some extra money: "He'd come over and hug my neck.... And I'd go home and find three bucks in my pocket, which was great!" The older ladies of the CBL also doted on Smith. Henrietta Banks and Ruth Wells "loved me to death. They heard all the bullshit and they couldn't believe it. They thought I was just misunderstood." Smith felt particularly nurtured by Macnamara: "As much as I wanted to grow, he would allow it. I think he wanted me to keep my blackness as close to my heart as I could."

This is not to say that Smith didn't feel ambivalence about his life with Macnamara's group. He worried that if his friends found out where he lived, it would "totally disturb" his image. Sometimes Smith led Black Power rallies at Crane High School. "I'd stand in front of a podium with my fist up in the sky for revolution. *That* was the image I wanted. *Not* me living with some white boys." The Catholic experience, too, was confusing. "You spend a couple of years with Jack Macnamara, you get a little bit confused about religion, and about what God really means." Smith saw Macnamara as someone who tried to live like Jesus, that is, like a Jew—a positive association, given the boy's experiences in Alabama, where the Jewish shopkeeper, unlike the other white shopkeepers, gave equal credit to his black customers and treated them with warmth and respect. "So it really confused me. Knowing that Christ was a Jew, why were Catholic guys saying these bad, negative things about Jews, making jokes about them? I was like, 'Oh God, I think I'll be a Muslim.'"¹²¹

For all concerned, the experiment in interracial living and organizing was eye-opening. In the summer of 1968, Egan told a reporter that among the many benefits of the CBL was "the superb education" the college students had received, and he was right in more ways than he realized. For Michael Gecan, "as violent and tough as everything was, it was in that moment that people felt that racial and religious unity was a possibility."¹²² For the white boys, life with Smith, a "rough-edged" teenager with a "gleaming smile," was both challenging and enlightening. Smith could

have been speaking for all of them when he said, “Some of us were closer than others, but we were all friends. Even I wanted some change in this world, and this was as good a place as any to start.”¹²³ In spite of a year of activism, by the end of 1968 the CBL’s campaign to pressure the sellers to renegotiate their contracts was stalling on all fronts. Only a single major contract seller had agreed to cooperate. U.S. Attorney Thomas Foran’s plea to FHA and FSLIC officials had gone nowhere.¹²⁴ The lawyers Judge Sullivan had rallied to help the CBL were proving ineffectual since the law, they explained, was on the sellers’ side. On the legislative front, Macnamara spent months working with the Metropolitan Housing and Planning Council to draft a law to aid the buyers, only to find that the other members of the committee opposed any provisions that would have retroactive power.¹²⁵

The CBL’s tactics also bore little fruit. For the most part, the pickets failed to shame the sellers into renegotiating. On the contrary, many felt that simply to clear their names, they had to stand firm against the CBL. “There were family issues, at least for Moe Forman,” recalled attorney Warren Lupel. “Members of the family saying, ‘Daddy, were you doing these horrible things?’ or ‘Is this true what they’re saying about you?’” Any seller who considered renegotiating was rallied by Irving Block. He “never minded picketing in front of his office,” Lupel said, but “Block was upset when there was picketing in front of his home ... because that affected Ann, his wife.”¹²⁶

The sellers expressed their sense of persecution in an advertisement they took out on November 1, 1968, in enemy turf—the *New World*. “Will all Chicago-area small businessmen be subjected to this same shameful harassment?” the advertisement began. Contract buyers had been “perfectly satisfied with their properties” until outside “agitators” based in the Presentation Catholic Church “incited the contract purchasers by telling them they had been ‘exploited.’” Since then, the contract sellers had faced relentless harassment. They suffered pickets around their homes, “outrageously insulting pamphlets” distributed to their neighbors, and even anonymous phone calls warning them to “get out of Lawndale if you want to live.” The sellers had tried to be reasonable. “Because pressure of this type, no matter how unethical or illegal, has an effect on one’s family,” they had “offered to submit the whole situation to the American Arbitration Association,” to no avail. “*The Contract Buyers*

Association rejected this offer, instead demanding the right to renegotiate contracts on their own terms!” Although the *New World* published this advertisement, the editors were not impressed by its arguments. “The old bromide about outside agitation ... sounds like it rolled up from the plantations 100 years ago. The members and officers of CBL live in Lawndale,” the *New World* responded in an editorial.¹²⁷

The CBL was under severe financial strain as well. With no tool at its disposal other than moral suasion, it sorely needed a reliable source of funding to continue its work. For a brief moment over the summer it seemed that its financial problems might be over. Gordon Sherman, the president of Midas Muffler, had announced that he wished to donate a quarter of a million dollars to an organization that would help the people of Chicago. He got in touch with John McKnight, a likely source of progressive contacts. McKnight decided that Sherman should meet Monsignor Egan and he set up a dinner to bring them together.

Egan came to the dinner exhausted after a long day of meetings, but when he realized the nature of Sherman’s quest “the tiredness left me immediately and my mind cleared.” The money would best be spent, he said, by funding “a tough, responsible people’s community organization” in Lawndale. He suggested something “built in the manner of The Woodlawn Organization and directed by Mr. Saul Alinsky” that would rein-vigorate the CBL and ensure its longevity and financial security. A week later, Egan and Sherman met with Alinsky, who said he would consider the proposition. To Egan’s shock, Alinsky then held a second, private meeting with Sherman and convinced him that the money should go not toward Lawndale but to funding something Alinsky had long dreamed of: a permanent training institute for community organizers.

Egan was outraged by the betrayal. “When I learned about what happened I was furious and that nearly broke the fine relationship between Saul and me,” he recalled. Egan eventually accepted Alinsky’s action, on the grounds that the training institute was also a reasonable use of Sherman’s charitable funds.¹²⁸ But the CBL, meanwhile, remained in financial straits. To address the problem, the CBL reconstituted itself into two entities: the Contract Buyers League, an all-black organization headed by Ruth Wells, Henrietta Banks, Clyde Ross, and Charlie Baker, and the Gamaliel Foundation, a mostly white nonprofit “advisory” organization devoted to raising money to support the CBL’s activities.¹²⁹

The creation of the Gamaliel Foundation in December 1968 as a separate fund-raising organization went some way toward answering the CBL's financial problems. The foundation was headed by Jack Macnamara, who once again petitioned his Jesuit superior, Father Harvanek, for permission to continue working in Lawndale. Macnamara's promise to obey whatever decision Harvanek made could not hide his less than complete confidence in his superiors' judgment: "Even if Christ's representatives in the institutional Church operate irrationally and close-mindedly, I will be happy to submit myself enthusiastically."¹³⁰ Harvanek granted the extension. For the time being the CBL would have a full-time, passionately committed organizer and fund-raiser in addition to its staff of four.

Yet this organizational realignment, and Macnamara's continued involvement, did not compensate for the meager results of the CBL's long year of effort. Members were growing dispirited over their inability to move the sellers. As Charlie Baker told a reporter: "We are ... losing faith in the white man who says that the legal system can be changed. We are losing faith in those who say that justice can be achieved within the framework of the law."¹³¹

The CBL therefore decided to embark on a new tactic, what Baker called the "big holdout."¹³² Members would withhold their monthly contract payments until the sellers agreed to renegotiate. The idea arose spontaneously from the group. After another long day on the picket line, members recalled, "one of the women" said "the only thing we should do is hold the money."¹³³ It was an extremely risky strategy, since contract sellers could easily evict the buyers and repossess their homes. But enacted en masse, it was also a brilliant strategy, since most of the contract sellers still held mortgages on the properties; without the monthly payments, the sellers risked defaulting on their own mortgages.

The organizers laid the groundwork for the payment strike through one-to-one discussions with members, who, once they understood the principle of a holdout, were all for taking action. Many had been "almost compulsive" about making their payments. To hold payments back was to profoundly alter their long-standing deference to the sellers. They geared themselves for a showdown that might well involve, in one Gamaliel worker's words, "the spectacle of thousands of black men, women, and children being evicted from their homes as winter approaches." The CBL

organized its "anti-eviction" teams.¹³⁴ The stage was set for the thing Chicagoans feared most: a confrontation in the streets.