Federal Policy and Postwar Urban Decline: A Case of Government Complicity?

Robert A. Beauregard
New School University

Abstract

Many urban commentators have implicated the federal government in the decline of central cities in the decades just after World War II. They claim that federal policies disproportionately favored suburban development over much needed urban redevelopment and exacerbated the deconcentration and decentralization of people and capital.

Close scrutiny reveals flaws in this argument and four of them are examined in this article: the core premise that suburban growth and population loss in the central cities are inversely related, the lack of attention to the actual chronology of events, the failure to address the geographic incidence of population loss from the central cities, and the deemphasizing of the role of the private sector, often acting with government support. The article concludes with a brief reflection on the tenacity of the complicity claim.

Keywords: Cities; Federal policy

Introduction

The federal government plays a major role in explanations of the decline of large cities in the United States after World War II. Numerous urban commentators have claimed that the federal government was complicit in encouraging the shift of business investment and real estate development from the central city to the periphery of metropolitan areas. The result was a deconcentration of households, retail activity, wholesaling, and manufacturing employment. Subsequent suburbanization undermined central-city tax bases and ignited a downward spiral of social, economic, political, and physical problems from which these cities have yet to recover.

As one indicator of the salience of this claim, a 1999 survey of 160 urban experts identified “the overwhelming impact of the federal government” as “the single most important” influence on the American metropolis during the past 50 years (Fishman 2000, 201). In brief, the argument is that the federal government exacerbated the flight of white middle-income households and investment capital from the older central cities through its Federal Housing Authority (FHA) home mortgage insurance program, federally aided interstate highways, subsidies for water and sewage plant expansion, and tax policy (including the mortgage interest deduction). Consequently, it is asserted, the federal government bears much of the blame for postwar urban decline.

Given the frequency with which the complicity claim appears in the literature, it is surprisingly undeveloped: One searches in vain for a full description and a systematic assessment of its applicability. The claim has the status of received wisdom, and few people even bother citing a source. (When they do, Kenneth Jackson's *Crabgrass Frontier* [1985] seems to be the most common citation.[1]) In short, government complicity is an accusation rather than an empirically substantiated argument.

This article challenges the claim. After briefly reflecting on how the government is portrayed in the literature on postwar urban decline, it considers four issues: the basic premise that suburbanization was at the root of the population loss in the central cities, the history and geographical scope of the claim, and its treatment of the intersection of policy and markets. My goal is a richer, more balanced explanation of postwar urban decline.

Government complicity

In the late 1940s, older industrial cities such as Detroit, Akron (OH), St. Louis, and Providence (RI) began a long slide that led to concentrated poverty; smaller tax bases; fiscal instability; white flight; job loss; physical decay; and large, poor, and segregated minority populations (Altshuler et al. 1999; Beauregard 1993; Bradbury, Downs, and Small 1982; Downs 1997). Scholarly and policy reflections on this reversal of almost 200 years of steady city growth have identified numerous causes. The collapse of heavy manufacturing, suburbanization, and racial transition are often evoked, while reference is also made to the decreasing ability of cities to annex, migration to the Southwest and West, and the spread of automobile ownership, which enabled and supported low-density development.

Many urban commentators consider the federal government one of the contributing factors. More precisely, three different accusations are made: that the federal government has been neglectful, perverse, and complicit.

[1] Jackson devotes a whole chapter to federal subsidies and suburbanization (1985). He has also written the definitive article on postwar housing, suburbanization, and urban decline (Jackson 1980).

Neglect

The accusation of neglect is directed mainly at federal actions during the last quarter of the 20th century.[2] By ignoring the cities, it is said, the federal government ostensibly left them exposed to forces that eroded their economic resources and social attractiveness. For example, Salins (1993) accuses the Republican administrations of Ronald Reagan (1980–1988) and George Bush (1988–1992) of 12 years of "willful neglect" (91). Concerned with pervasive urban poverty and its social correlates, Salins argues that national factors are responsible for these problems, and "only national policies can correct them" (Salins 1993, 93).

Mike Davis (1993) also blames the Republicans, but he extends policies of neglect into the Democratic administration of Bill Clinton and even back to Jimmy Carter. He accuses Republicans of fabricating a fiscal (budget) crisis that stifled new policy initiatives and of radically reducing welfare and educational entitlements, with devastating effects for the cities. Additionally, Davis (1993) points to a congressional conservative coalition of suburban and rural interests that blocks federal reinvestment in the minority-dominated cities. Extending his indictment to the Carter administration, Davis (1993) notes that Carter's Commission for a National Agenda encouraged Washington to reconcile itself to the decline of older industrial cities. To do otherwise, it reasoned, would be to block the emergence of a postindustrial economy. In short, proponents of neglect claim that cities need federal help to solve their problems but that the federal government is shirking its responsibilities.

Perversity

By contrast, the perversity claim accuses the federal government of making matters worse in an attempt to bring about improvement. Good intentions, in effect, have gone awry.[3] Often voiced by conservatives, this accusation can be dated to the 1980s when conservatism once again rose to prominence in national politics, and conservative think tanks (such as the American Enterprise Foundation and the Manhattan Institute) were established to craft conservative policy (Diamond 1995).

In 1998, the Heritage Foundation published a report titled "What to Do about the Cities" (Utt 1998). Its author, Ronald D. Utt, asserted that 30 years of a "vast array of federal programs not only failed to bring the

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[2] The neglect argument can be traced to the late 1930s, when local and national politicians called for a federal department of urban affairs. See Gelfand (1975).

[3] For the general outlines of the perversity argument, see Hirschman (1991). Early versions of the perversity claim as applied to urban policies can be found in Banfield (1968) and Forrester (1969).

cities any relief, but may well have been an important factor in the acceleration of their decline" (2). Counterproductive initiatives fostered social dependency, concentrated social problems geographically, and favored commuters over city residents. Cities subsequently became addicted to federal aid and developed a "New Deal" mentality that ignored local leadership and initiative and encouraged fiscal profligacy (Kotkin 1998). Urban liberalism "sowed the seeds of self-destruction" (Siegel 1997, 239) and "failed policies led the nation's cities to the brink" (Magnet 2000, 3).

Liberal social policy, born in the New Deal and brought to fruition during the Johnson administration's War on Poverty, is the target of this critique. In the 1960s, liberal federal policy failed to nurture the sources of economic growth in cities, failed to grasp the dynamics of neighborhood social structures, and failed to appreciate the importance of a strong moral order. Instead of making cities better, federal policy encouraged criminal behavior, weakened the family, fed the growth of welfare, distorted housing markets, and encouraged tax-and-spend local policies that put city governments in the grip of chronic fiscal stress (Hayward 1998). Federal paternalism, not neglect, was to blame.

Complicity

The accusation of government complicity is different: It argues that federal policies had detrimental consequences for the cities because of their design. The consequences that were realized were the consequences that were intended. They were not perverse but, as Kenneth Jackson (1985) points out, were the preference of most Americans.

Postwar federal policies were weighted with negative attitudes toward city living (Jackson 1980, 1985; Mollenkopf 1983). They encouraged the decentralization of white, middle-income households that subsequently pulled retailing from central business districts. By tolerating racial exclusion and "openly and deliberately advocating racial restrictive covenants" in the suburbs from 1935 to the early 1950s (Abrams 1965, 358), the federal government contributed to the concentration of minority problems in the central cities (Weir 1994). The result was lasting damage in the form of a divided metropolis with minorities and the poor disproportionately confined to the inner city and inner-ring (usually industrial) suburbs.

At the core of these suburban policies were homeownership and highways, the first centered on FHA home mortgage insurance guarantees and the second on limited-access, high-speed highways. "One championed the single-family home, the other the private passenger car. Together they helped push the central cities further along the road to decline" (Gelfand 1975, 222).

Homeownership. The complicity story begins with the Home Owners Loan Corporation (HOLC) created in 1933.[4] One of its primary goals was to reinvigorate the thrift industry during the Depression by making it easier for potential homeowners to obtain mortgages (Carliner 1998; Jackson 1980). The HOLC's major contribution to government complicity was its rationalization of mortgage lending, particularly underwriting procedures and appraisal practices. The result was a set of guidelines that cast urban neighborhoods as high risk, a practice that came to be known as redlining. Lending in these neighborhoods was discouraged. The HOLC's preference was for new construction and socially homogeneous neighborhoods with single-family detached houses. That is, its preference was for the suburbs rather than the cities.

These appraisal guidelines were adopted by lenders and incorporated into two government programs that set aside federal funds to guarantee mortgage loans; the FHA home mortgage insurance program of the 1934 National Housing Act and the VA (Veterans Administration) home mortgage benefit of the 1944 Serviceman's Readjustment Act, popularly called the GI Bill (Wright 1981). By securing and subsidizing loans, the federal government lowered interest rates and made it possible for young families to afford the new tract homes being built in the suburbs.[5] Moreover, by creating secondary mortgage institutions that purchased mortgages from lenders, the federal government increased lenders' liquidity and the amount of capital in the housing market, thereby providing further support for home purchases. Federal tax deductions for mortgage interest payments and local real estate taxes also contributed (Bradford 1979; Carliner 1998; O'Connell 1989).

Homeownership increased as a result, mostly in the new suburbs. Together, the two programs and the HOLC's appraisal guidelines "hastened the decay of inner-city neighborhoods by stripping them of much of their middle-class constituency" (Jackson 1985, 206). Gelfand (1975) agrees: "FHA's preference for sales housing [versus rental housing] helped to spur the post-war mass exodus from the central cities" (217). By making new homes and mortgages readily available in the suburbs but keeping them scarce in the central cities, government policy turned decidedly antiurban.

Highways. The other pillar of federal policy was highway construction, specifically the high-speed, limited-access, divided highways of the federally aided interstate system (Lewis 1997; Rose 1979). Interstate high-

[4] Federal encouragement of home building goes back to the 1920s and efforts by the Department of Commerce to promote standardization in construction and to encourage home buying, for example, through the Better Homes for America campaign (Radford 1996).

[5] Gelfand (1975) notes that from the beginning the FHA "refused to insure mortgages in built-up, old urban areas because they were considered poor economic risks" (123).

ways benefited trucking (over railroads) and automobile travel over mass transit. Along with federal tax policies favoring new plants and equipment, trucking encouraged firms to move out of the cities. Those firms provided jobs that attracted even more households. Moreover, these roads became the pathways along which suburban residents would commute from their bedroom communities to jobs in the central city. In effect, the government was socializing much of the cost of trucking and automobile use.

The culprit in this scenario is the Interstate Highway Act of 1956, which created the National System of Interstate and Defense Highways. Under this program, the federal government paid 90 percent of the costs of multilane, controlled-access highways, while the state governments paid the remaining 10 percent. The plan was to build the full 41,000 miles of the system by 1972. The highways, plus various connecting roads that integrated the interstate system with local road networks, opened up inexpensive land in the metropolitan periphery for development and enabled suburban residents to commute easily to their jobs in the central cities. According to Lewis (1997): "The Interstate made long-distance commuting possible, thereby contributing to the 'white flight' that separated races and classes from each other" (x): whites and middle-income households in the suburbs and minorities and the poor in the central cities.[6]

Homeownership and highways are the twin pivots of the complicity claim. Other factors are mentioned but play a lesser role. They include the failure of the federal government to combat racial exclusion in the suburbs and in its mortgage insurance programs, federal subsidies for new water and sewer infrastructure, tax policy that favored new construction over renovation, and urban policies (such as public housing) that did more harm than good.[7]

This is the complicity claim as I understand it. Numerous other commentators have echoed these themes. David Rusk, the former mayor of Albuquerque, has accused the federal government of adopting a "coherent set of national policies to undermine our cities" (Rusk 1999, 86). The architectural critic Paul Goldberger (2000), in an article on the New Urbanism, wrote that "[i]n the nineteen fifties, the government all but told us to leave the cities" (132). The incentives were mortgage guarantees

[6] The decline of mass transit and the increase in automobile ownership made possible by rising incomes are also part of the story. Between 1945 and 1970, factory sales of automobiles expanded almost 10-fold to over 6.5 million (U.S. Department of Commerce 1975).

[7] Although FHA-granted loans for the repair of existing homes might have benefited cities, this was a relatively small initiative (Jackson 1980). On infrastructure, O'Connell (1989) claims that "[t]he federal role in water and sewer expansion was not significant in the early part of the postwar boom" (188).

and interstate highways. And the well-known urban sociologist Manuel Castells wrote that the federal government was a decisive element in suburbanization. By "introducing key mechanisms for the production of housing and highways, in a form subordinated to the interests of monopoly capitalism," it helped create the "wild city" of the early postwar period (Castells 1976, 6).

Caveats. To be fair, many of the commentators who call forth government complicity recognize two important caveats, one having to do with the origins of the decentralization and deconcentration of households and businesses and the other with the simultaneous existence of federal policies supporting the central cities. When the urban historian Eric Lampard commented on government complicity, he wrote that "[g]overnment programs at all levels...have tended to reinforce *prevailing* [emphasis added] tendencies toward net deconcentration and dispersal" (1986,106). He then went on to note that the policies did not originate the tendencies. In fact, one might rightly claim that decentralization (that is, the movement of people and capital away from the center) has been a characteristic of U.S. urbanization since the 18th or 19th century (Jackson 1975) and that "suburban growth would have occurred in the more prosperous postwar era with or without the FHA, the VA, or entrepreneurs like the Levitts" (Patterson 1996, 76).

True as this might be, the real issue is deconcentration (that is, a reverse of agglomeration tendencies) and the balance of centralization-decentralization forces. It was only in the postwar period that the balance shifted to favor decentralization and the forces of agglomeration weakened.[8]

Second, at the same time that the federal government was reinforcing the tendencies to decentralization and deconcentration, it was also supporting efforts to anchor businesses and households in the central cities and bolster land values through slum clearance and urban renewal. Removing slums would improve the image of the city and make land available for new development. Urban renewal (that is, subsidized redevelopment) would replace blighted buildings and provide a critical mass of new investment to attract private, unsubsidized investment. In turn, new downtowns would entice households back to the cities. These federal policies were supported by municipal initiatives (such as business subsidies) and local progrowth coalitions (Mollenkopf 1983).

Nevertheless, the overall thrust of this national urban policy seemed to be to the disadvantage of the central cities:

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[8] Decentralization does not require that the center shrink, only that growth continue outward. Under deconcentration, the center declines in absolute terms. See Berry (1980), Elliott (1997), and van den Berg and Klaassen (1987). Suburban decade growth rates first exceeded central-city growth rates in the 1930s (Bogue 1985).

> Throughout the decades of the 1950s and 1960s, the government articulated a national interest in central-city revitalization, while at the same time promoting massive redistribution of population and capital investment from central cities to suburbs through highway and housing programs. (Walker and Boxall 1996, 19)

What ensued was the decline of the central cities and the growth of the suburbs.[9]

Despite these caveats, the accusation of complicity elevates the federal government to a central role in the suburbanization that hastened population loss in the central cities. Washington is deemed culpable for the trauma that beset the older industrial cities from the late 1940s onward. Even in the 1990s, with urban economies doing comparatively well and the cities enjoying an image so positive as to attract tourists, immigrants, and affluent households, the government was still accused of neglect. Implicit in these claims is that without policies deemed detrimental, the cities would not have suffered as they did and, absent neglect, they would have thrived. Is this accusation of complicity warranted?

Complicity challenged

The claim that the federal government was complicit in the decline of the central cities in the decades after World War II has four weaknesses. First, the implicit but foundational premise that the suburbs grew mainly by siphoning population from the central cities is problematic. Second, the claim fails to attend closely to the timing of urban decline, suburbanization, and antiurban government policies. These three events are supposed to parallel each other historically, and they do not. Third, the complicity claim is geographically myopic. It ignores the regional and global nature of central-city population loss. Finally, the claim offers a substantively narrow view of urbanization that distorts our understanding of the role of the private sector and household preferences as they influenced and were influenced by government policies.

Clearly, decline is an elusive phenomenon, as much a matter of perception and interpretation as objective circumstance (Beauregard 1993). Consequently, assessing the weaknesses of this argument empirically requires not only a precise specification of urban decline but the disentanglement of the complex forces operating in these cities.

Given the undeveloped nature of the accusation of government complicity and the exploratory nature of my critique, I focus on net population

[9] Slum clearance that demolished housing, displaced businesses, and concentrated black poor in large public housing projects (thus providing further impetus to white flight) makes these prourban policies seem perverse; that is, as having done more damage than repair.

loss as a way to anchor the assessment. Aggregate population loss from a city is a good, simple measure of multidimensional decline (Bradbury, Downs, and Small 1982).

Population loss and suburban growth

Widespread population loss in the central cities arguably began in the 1930s. Before that time, as far back as 1820, few large cities experienced a net loss of residents in any decade. The norm was for cities to grow, not decline, and cities that did experience a population loss almost always rebounded in the following decade. Urban population loss was idiosyncratic. In the 1930s, however, 15 (30 percent) of the 50 largest cities cast off population. This was an anomaly and likely a function of the Depression; in the 1940s, all but one of those cities (Jersey City, NJ) gained population.[10]

Not until the late 1950s did population loss became endemic and persistent. Almost one-half of the large cities lost population in the 1950s and 1960s, with two-thirds doing so in the 1970s. After that, the numbers diminished. The trajectory for medium and small central cities was the same: Population loss began in the 1950s and peaked in the 1970s. The losses continued until 1990 for all central cities, though fewer cities experienced loss and the losses were smaller.

The growth of the suburbs has a different trajectory and points to an important point regarding the link between population loss in the central cities and suburban growth.[11] Suburban expansion extends back to the 19th century, but the automobile-driven, mass suburbanization of the 20th century begins mainly in the 1920s. The suburbs grew significantly in this decade: Their population growth slowed in the 1930s and then accelerated after World War II. In the postwar period, the major decade of suburban growth was the 1950s, with growth slackening in the 1960s and then declining precipitously in the 1970s. The suburbs experienced a large expansion in the 1980s (Forstall and Starsinic 1992; Kasarda and Redfearn 1975).

Implicit in the claim is that central-city population growth and suburban population growth are inversely related: That is, the cities declined as the suburbs grew. The data suggest, however, that the suburbs often grew when the cities were doing relatively well and vice versa. In the decade when the central cities were suffering their greatest loss of pop-

[10] This discussion of population loss in the large cities is based on an analysis of the 50 largest cities from 1820 to the present. Across each of the 11 decades from 1820 to 1930, an average of 1.5 large cities (3 percent) experienced a population loss.

[11] For overviews of early postwar suburbanization, see O'Neill (1986) and Palen (1995).

ulation (1970s), the suburbs were experiencing their slowest growth; both were likely a function of the severe recession of 1973–1975. During the 1960s, when central cities were still suffering huge losses, the suburbs were growing rapidly. However, losses were accelerating while suburban growth was decelerating.

In the 1980s, the suburbs experienced a large population increase, while population loss in the central cities diminished. Only the 1960s fit the premise that population change in central cities was the inverse of that in the suburbs.

The interpretation of the data that is most favorable to the complicity claim is that central-city population loss contributed to suburbanization in the late 1940s and into the 1960s but that other demographic forces then became more prominent. Two are of particular importance before 1980. One was the baby boom when high birth rates significantly increased family size. Married couples who moved to the suburbs did so, in part, to start families. Women were marrying younger and starting families earlier, divorce rates were low, and "[t]he birth rate rose from 19.4 births per 1,000 population in 1940 to a high of 25.3 in 1957" (O'Neill 1986, 40).[12]

The second demographic force was the migration of people from nonmetropolitan areas into metropolitan areas, with most of the white segment of this group taking up residence in the suburbs (Forstall and Starsinic 1992). After the 1970s, immigration began to play a role (Myers 1999; Waldinger 1989). These findings suggest that the complicity claim overemphasizes intrametropolitan migration, particularly outmigration from the central cities to the suburbs. They also point to the possibility that the claim cannot be defended far into the postwar period.

Timing

This leads to the second weakness of the complicity claim: The timing of antiurban government policies, population loss in the central cities, and suburbanization is not as synchronized as the claim suggests. The FHA mortgage insurance program is one of the prime culprits. It began in 1934 and thus precedes the postwar shedding of residents by central cities. At least 10 to 12 years passed before population loss began. Of course, the stagnant economy of the 1930s dampened the use of FHA mortgage guarantees and any impact they might have had. The VA program was passed in 1944 as the war was ending. For both programs, a time lag between implementation and impact is expected. The Interstate Highway Act, which is so often mentioned, was not authorized

[12] The total fertility rate during the baby boom averaged between 3.4 and 3.6 births per woman, compared with 1.8 in 1980 (Bianchi and Spain 1986).

until 1956, well after population loss and suburbanization had begun. This last discrepancy is easily resolved if complicity proponents recognize that the interstate highway program actually began with the Federal Aid Highway Act of 1944. Overall, these are minor problems, but they are nonetheless indicative of the lack of precision in the argument.

The timing issue can also be subjected to a quantitative assessment. Table 1 arrays the loss of white population from the central cities, the growth in the suburban population, and the outputs of the FHA, VA, and interstate highway programs from 1940 to the late 1980s. Population data are drawn from a data set consisting of the largest 50 cities for each decade from 1940 to 1990. Here, I have focused only on those cities that experienced severe population loss; that is, they lost population in at least three of the four decades between 1950 and 1990. These cities—St. Louis, Buffalo (NY), Cleveland, Newark (NJ), Detroit, and Chicago, among others—dominate the interest in postwar urban decline. Consequently, these are the metropolitan areas to which the complicity claim is most applicable and for which it must establish empirical credibility. Since the claim focuses solely on white flight from the central cities and black suburbanization was almost nonexistent in the early postwar period, population loss in the central cities is for the white population only, while suburban growth is for all races.

FHA and VA data are for new housing units under construction. Although we cannot disaggregate the data to separate suburban and central-city locations, the limited spatial data available overwhelmingly support

Table 1. **Urban Population Loss, Suburbanization, and Federal Policies, from 1940 to 1989**

Years	Central City Population Change[a]	Suburban Population Change[b]	New Units Started: FHA[c] (In Thousands)	New Units Started: VA[c] (In Thousands)	Interstate Urban Miles Built[d]
1940–1949	553,908	3,960,902	1,802.8	422.8[e]	[f]
1950–1959	–2,430,859	8,240,025	2,820.7	1,947.9	1,216
1960–1969	–2,519,295	7,857,790	2,191.9	611.9	2,991
1970–1979	–3,209,090	2,800,749	2,354.0	975.0	2,019
1980–1989[g]	–1,270,022	11,390,228	1,383.0	727.0	2,252

[a] Population data are based on the 26 large cities that lost population in three of the four decades between 1950 and 1990. Data are from the Bureau of the Census, *United States Summary: Population*, decennial population reports, 1820–1990. Large cities are those whose populations rank them among the 50 largest cities in the country. The data are for the white population only.
[b] These data are for the 25 suburban areas of the 26 large cities; the suburbs of San Francisco and Oakland (CA) were combined.
[c] For 1935 to 1939, 400,200 new housing units received FHA loans. See U.S. Department of Commerce (1975) for data from 1935 to 1970 and various years of the U.S. Bureau of the Census, *Statistical Abstracts*, for the remaining years.
[d] Data are from the U.S. Federal Highway Administration, 1950–85.
[e] These data are for 1945 to 1949 only.
[f] The Federal Highway Administration does not indicate any interstate urban miles built before 1950. See note d.
[g] For FHA and VA loans, these data are for 1980 to 1988.

suburban bias in the early postwar period (Jackson 1980).[13] The interstate highway data are for the miles added in urban areas in each decade. Because metropolitan areas are mostly urban and the migration between metropolitan areas is not part of the complicity claim, the most appropriate measure of changes in the interstate system is urban miles.

According to the data, suburban growth in these metropolitan areas was greatest, in absolute terms, in the 1980s, and population loss in the central cities was greatest in the 1970s. The FHA and VA programs peaked in the 1950s, while the interstate highway programs did so in the 1960s. Since we can expect little lag between when an FHA or VA loan is granted and the home is occupied and between when a highway is built and then is used, these are temporal discrepancies that need to be explained.

The chronological correspondence of such complex events is always elusive. Time lags between events are endemic, and other forces operate to distort the chronological sequence: The fit will never be perfect. Nonetheless, the complicity argument does require some correspondence between suburban growth or federal policies and central-city population loss. The correspondence, however, is weak.

Also to be noted in table 1 is the numeric discrepancy in each decade between population loss and suburban population growth. In the 1950s, 1960s, and 1980s, white flight alone was hardly sufficient to explain the scale of suburban expansion. In the 1970s, many more people fled the central cities than were added to their suburbs. Of course, the data refer only to a subset of all metropolitan areas.[14] Those who left the central cities could have gone to suburbs in other metropolitan areas or to rural communities. Moreover, suburban population growth in these places was being fueled by migration from other metropolitan and nonmetropolitan areas.[15] In addition, natural increase also contributed to suburban growth. Nevertheless, the complicity claim focuses solely on (white) flight. Its reliance on central-city outmigration—and migration within rather than across metropolitan areas—seems ill advised.

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[13] In the late 1960s, the FHA changed its underwriting practices to encourage inner-city lending. Ironically, this contributed to blockbusting and the exploitation of black home buyers (Bradford 1979).

[14] From 1950 to 1990, the central cities grew from 54.3 million to 77.8 million people. The suburbs of these metropolitan areas went from 40.9 million to 114.9 million people. (This includes the addition of new metropolitan areas.) At the same time, the ratio between the central-city and metropolitan populations dropped from 0.568 to 0.404.

[15] Until the 1970s, migration was primarily from nonmetropolitan to metropolitan areas (Alonso 1978). For example, between 1950 and 1955, 97 percent of national population growth occurred in metropolitan areas (Hauser 1958).

In the 1950s and 1960s, when suburban growth was also robust, FHA and VA programs were very productive, although this was less true for the VA in the 1960s. Both expanded in the 1970s when suburban growth was falling. Population loss in the central cities increased during that decade. Part of the FHA expansion can be attributed to the broadening of its mandate to include inner-city lending. FHA and VA lending diminished in the 1980s, likely because of the growth of private mortgage lending, even as suburban home buying continued strong. The construction of interstate highways in urban areas reached its peak when suburbanization was waning and was still high in the 1970s when suburban growth was anemic.

In sum, the claim of government complicity is weak in its basic premise that suburban growth was mainly a result of central-city population loss, defensible in the role it posits for FHA and VA in suburban growth, but less credible in terms of the impact of interstate highways. Of course, this is only a first-stage approximation and thus a rudimentary test of the claim.

Geography of decline

A third weakness of the complicity claim is its lack of attention to the geography of postwar urban decline. The argument totally disregards the uneven spatial incidence of urban population loss across the country and in other countries. The federal government programs pegged as the culprits were national in scope and coverage and inconsistent with the regional concentration of urban decline. In addition, the fact that industrial cities in other countries (where these specific programs were absent) also lost population during this period suggests that such population loss did not depend on government complicity.[16]

Regionally, central-city decline was primarily a phenomenon of the Northeast. Cities that had relied on manufacturing and ports for their 19th-century and early 20th-century prosperity shed residents and attracted black migrants from the South. Places like Pittsburgh and Buffalo (NY) with their heavy manufacturing industries and inland ports were particularly vulnerable. Consequently, population loss and related problems mainly struck older industrial cities. Since they were disproportionately located in the Northeast quadrant of the country, population loss mainly befell the central cities of this one region.

Of the 26 large cities that lost population in at least three of the four decades between 1950 and 1990, all but four—Birmingham (AL), New Orleans, San Francisco, and Oakland (CA)—were in the Northeast. (See

[16] Of course, Great Britain and the Western European countries employed a variety of development controls to manage population growth and urban redevelopment in the postwar period, including new town policies (Booth 1996).

figure 1.) Of these, only Birmingham's economy relied on manufacturing (it had a large steel industry). New Orleans, San Francisco, and Oakland (CA) were major seaports with relatively small manufacturing sectors. San Francisco was also an important regional service center, particularly for banking. Notably, all four of these cities lost population in only three of the four decades and had much smaller population losses than the industrial cities of the Northeast.[17]

Figure 1. **Persistent Losers, 1950 to 1990**

Note: These are large cities that lost population in at least three of the four decades between 1950 and 1990. A large city is one with a population that places it among the 50 largest cities in the country.

The data for all central cities—see table 2—provides additional evidence for this regional bias. On the basis of census regions, over 80 percent of all central cities that lost population between 1950 and 1990 were located in the Northeast or the north central region of the country. This proportion is slightly higher than the national share of central cities located in these regions, a qualification of the regional bias. That qualification, however, does not change the fact that central-city population loss took place disproportionately in these regions. A higher percentage of cities there lost population than in the other two regions. Contrarily, the policies usually listed as complicit in postwar urban decline were national in scope.[18]

[17] The average 1950–90 population loss for all 26 cities was 27.1 percent. For these 4 cities, it was 6.9 percent.

[18] Regional bias suggests that the complicity claim could benefit from incorporating defense spending. Frug (1999) has written that "[d]efense spending has consistently favored suburban over central city locations" (133) and, arguably, the Sunbelt over the Rustbelt (but see Markusen et al. 1991). The ability of central cities to annex is also relevant here.

Table 2. **Regional Distribution of Population Losers and Gainers for All Central Cities by Size Category, from 1950 to 1990**

	Northeast		North Central		South		West	
	–	+	–	+	–	+	–	+
250,000 and over (N = 37)	9	0	10	3	5	4	2	4
100,000 to 249,999 (N = 56)	20	3	9	6	1	12	1	4
50,000 to 99,999 (N = 98)	24	11	18	14	6	18	4	3
Total losers*	53	(48.6)	37	(33.9)	12	(11.1)	7	(6.4)
Total gainers*	14	(17.1)	23	(28.0)	34	(41.5)	11	(13.4)
Totals*	67	(35.1)	60	(31.4)	46	(24.1)	18	(9.4)
Percentage of losers in the region	79.1		61.7		26.1		38.9	

Note: The table uses regional divisions as defined by the U.S. Bureau of the Census.
*Numbers in parentheses are horizontal percentages.

Moreover, postwar population loss in the central cities was not confined to the United States (Clark 1989; Wegener 1995). Cities in Great Britain and Western Europe also shed residents after World War II (see table 3). The timing of their population loss, though, diverges from what occurred in the United States in that many of these cities lost population in the 1940s as a direct result of the war. Cities in England (bombed by the Germans) and Germany (bombed by the Allies) comprised most of this group. The proportion of cities losing population then rose from 1950 through to the 1980s, a possible indication of population deconcentration. In fact, evidence suggests that cities in other countries—Britain, Germany, and Canada, for example—also decentralized, although they did not experience the mass suburbanization that occurred in the United States (Mieszkowski and Mills 1993).

Table 3. **Population Loss in 62 Cities of Great Britain and Western Europe, from 1940 to 1991**

	1940–1950	1950–1960	1960–1970	1970–1980	1980–1990
Number of cities with a decade loss	21	11	28	37	39
Percent*	33.9	17.7	45.2	60.0	62.9

Source: Mitchell 1981 and 1998.
Note: Included are cities that had a population of 500,000 or more in 1960–61 or a population of 250,000 or more in 1900–01.
*The percentage is the ratio of the number of cities that lost population in a decade to the total number of cities.

These findings point out that postwar population loss in the central cities had a global dimension, that it was not unique to the United States. To explain it, therefore, factors and forces that operated across countries, not solely within them, must be considered. This line of reasoning, plus the fact that many of the British and Western European cities that lost population—Manchester and Liverpool in England and Dresden in Germany, for example—were industrial cities, places the influence of government policies in a different light. It might be that federal policies in the United States were important and even necessary, but they did not act alone, were not sufficient, and might not have been a major contributor to the centrifugal flight of households. By ignoring the geography of postwar urban decline, the complicity claim fails to consider the relative importance (or lack thereof) of government policies.[19]

The failure to take global forces into account is a function of a certain myopia regarding other forces operating on the older industrial cities during and just before the early postwar decades. The government complicity claim is simply too fixated on the federal government—its fourth weakness.

Nongovernmental factors

State and local governments play almost no role in the complicity claim. Yet municipal law and state legislation have hampered initiatives by central cities aimed at solving their problems while empowering suburbs to protect their autonomy and racial homogeneity (Frug 1999). Further, state and local governments have blocked prourban federal policies. As Abrams commented in 1965: "[T]he national power to deal with [the nation's] urban problems is checked by antiquated theories of states rights, home rule, and local autonomy that no longer make sense" (211).

More important, the fact that many of the cities that lost population were manufacturing cities, and that this was the case in other countries as well, suggests that the global restructuring of manufacturing was an important contributor to postwar urban decline (Bluestone and Harrison 1982; Peet 1987). After World War II, the U.S. economy shifted away from heavy manufacturing, particularly steel production and shipbuilding. As the railroads were replaced by trucking and automobile manufacturers shifted to lighter materials in the 1970s, the demand for steel dropped. Textiles and shoe manufacturing moved offshore, and foreign competition weakened U.S. production of radios, televisions, steel, automobiles, and ships. Prior to and during World War II, these industries had spawned big factories with large labor forces and had had impor-

[19] In the survey of experts mentioned earlier (Fishman 2000), not 1 of the top 10 influences on the American metropolis referred to events and conditions outside the United States.

tant agglomerative effects that established the industrial central cities. When these industries collapsed, the local consequences were devastating. The subsequent shrinkage of ports and railroad yards also undermined the drawing force of these cities.

Moreover, the absence of immigration was important in the decline of the older industrial cities (Myers 1999). Through the late 19th and early 20th centuries, immigration to the cities more than compensated for the general movement of population westward and any population loss the central cities experienced. In the 1920s, however, immigration was severely curtailed, with the Depression and the Second World War providing additional disincentives to international migration to the United States. Across the worst period of population loss in the central cities, immigration was minimal.

Of course, blacks from the South were moving to the central cities during this time. Their numbers were not large enough to make up for white outmigration, and the sheer presence of blacks, whether poor or not, caused white households to flee (Massey and Denton 1993; Sugrue 1996). With housing in short supply, schools overcrowded, and jobs in the cities declining, tensions between blacks and whites were high.

Nor do complicity advocates pay much attention to the fact that before 1945, the older cities had experienced nearly 15 years of disinvestment, a surprising omission given the interest in outmigration linked to a search for housing. Private capital had not been available for new housing, office buildings, stores, and new factories (with the exception of defense plants). The federal government had channeled public capital into schools, roads, airports, and housing during the Depression, but the war put a halt to these moneys. When the war ended, the cities were rundown and shabby, and housing was in short supply. In fact, the housing shortage of the early postwar years was critical to the development of tract housing in the suburbs.

The hollowing-out of heavy manufacturing, the falloff in immigration, black inmigration, and disinvestment were not independent of government policy. Changes in government maritime policy harmed the shipbuilding industry and, subsequently, the steel industry. Federal government control over immigration dampened a possible countertrend to white flight. Its agricultural policies and the failure to halt discrimination in the South contributed to blacks' desire to leave for the North. Even disinvestment can be connected to government action or inaction, either through tax policy or interest rate manipulations. The government was certainly a factor in postwar urban decline, but it was not the only or even the major factor.

Overall, the complicity claim gives too little credence to the important role the private sector played in postwar population loss in the central cities and mass suburbanization and the way in which the private sector and household choices influenced and were influenced by government policies. Private capital's reluctance to invest in the central cities after World War II, particularly in housing and commercial buildings and activities, and a penchant for the suburbs were pivotal in the evolution of metropolitan areas. That bias was supported by governmental policies. Tax policies favoring depreciation of new construction, regulations making redevelopment more costly than greenfield investment, and highway construction that opened up inexpensive land to development all contributed to a suburban bias on the part of developers, planners, and bankers. At the same time, some development interests (e.g., the National Association of Home Builders) were pressuring the government to make suburban development easier, while others (e.g., the Urban Land Institute) were urging it to subsidize urban redevelopment. The fact that households were choosing to live in the suburbs further reinforced the antiurban bias of the private and public sectors. The government was certainly involved, but its complicity has to be properly assessed.[20]

Conclusion: Reflections on an interpretation

The complicity claim could undoubtedly be improved. A useful first step would be to bring clarity and specificity to the argument in order to open it to empirical corroboration. In the process, proponents might become more sensitive to the history and geography of postwar population loss. These extensions would deepen the claim's substantive content and reduce the reliance on the federal government.

Why, though, do many urban commentators continue to embrace the complicity claim?

Clearly, the circumstantial evidence and the basic logic of the argument are enticing. The spatial and racial biases of home mortgage insurance programs during this time and the growth of automobile ownership with suburbanization and interstate highway construction are undeniable. Metaphorically, the central cities and the suburbs do not compete for households and investors on a level playing field (Salins 1993). The federal government subsidizes decentralization and sprawl, and state governments subsidize jurisdictional fragmentation: The result is cities that cannot manage their problems and opportunities.

The cities shed population and the postwar suburbs boomed when the country was experiencing one of its most prosperous periods. At that

[20] Vaughan (1980) has written that "[f]ederal policies have not been the root cause of decentralization. That role has been played by market forces" (393). In addition, FHA policy and interstate highway investment were also intended to benefit the banking and construction industries, respectively.

time, the U.S. economy was the envy of the world: Productivity was high and incomes were growing. It seemed that the growth of the suburbs was not only a triumph of U.S. capitalism but was also what people wanted. That the ideology of growth masked federal aid to the suburbs and made it difficult to argue for federal aid to the cities likely made city officials and urban analysts even more intent on showing that the federal government was harming the cities.

Moreover, since the New Deal, the federal government has attracted the attention of policy makers and public commentators. It commands vast resources and broad powers, can act nationally, and (purportedly) can influence private sector decisions. This combination is enticing, particularly to those who champion declining central cities. In addition, the government seems open to public concerns. It is more difficult to influence the private sector; collective pressure is not as easy to deploy and less likely to be influential.

Finally, the allure of the federal government is related to the existence in the United States of what seems to be a federal urban policy cargo cult.[21] For decades, liberal urban theorists and policy analysts have lamented the lack of a national urban policy and called for its immediate adoption (Kaplan and James 1990). If the past is any guide to the future, however, such a policy is fated never to arrive: Hope may wax and wane, but it never dies. Furthermore, emphasizing the government's role in urban decline, even if its influence is detrimental, supports (in a circuitous fashion) the belief that the federal government could mount a successful national urban policy.

Speculation over the tenacity of the complicity claim aside, the claim itself is best classified as received wisdom rather than tested argument. The government might well have been complicit, but, given the flaws this article has just examined, pinning the postwar fate of the central cities on federal policies seems less than prudent.

Author

Robert A. Beauregard is a Professor at New School University.

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[21] A cargo cult is an apocalyptic, millenarian religious movement in which the millennium consists of the arrival of ships or airplanes loaded with cargo, either material goods or ancestors, or both. Such cults were mainly found in the South Sea islands (Jarrie 1964).

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