

Home Loan Corporation Aid Is Denied Negroes

By Cyril Briggs

Government discrimination against Negroes once more stands exposed—this time in the functioning of the Home Owners Loan Corporation.

The HOLC is one of the many alphabetical panaceas set up by President Roosevelt, and which are functioning mostly on paper. The HOLC is supposed to be the answer to the prayers of tens of thousands of harassed small home owners threatened with the loss of their homes by foreclosure. In most cases, these homes represent the life savings of these small homeowners.

The case of Daisy Jones, 41 West 131st Street, New York City, is typical of the attitude of the HOLC toward small home owners. It is typical, particularly, of the widespread discrimination by HOLC officials against Negroes.

Miss Jones, a Negro worker, slaved and sacrificed all her life to put aside "something for old age," under a system which throws its aged workers on the scrapheap. Today she is facing not only the loss of her home, but of her health and the only means of livelihood available to her during the present, prolonged dislocation of capitalist industry, with its unemployment and suffering for over 14,000,000 workers and their dependents.

Rules Against Negroes

Miss Jones is unemployed, but because she is a home owner she cannot get relief. And because she has to take in paying lodgers, the HOLC now rules that she cannot get a government loan.

This ruling is made under a new HOLC provision, popularly known in Harlem as the "Rooming House Alibi." It was adopted several months after Miss Jones had made her application for a loan, but it has been invoked against this woman as against thousands of other Negro small homeowners.

Against what group is the Rooming House Alibi particularly aimed? Bear in mind the widespread job-discrimination against Negroes, the vast number of unemployed Negro workers—out of all proportion to the Negro population; the lower wages paid Negroes, the thousand and one other discriminations they suffer in relief and other fields. Out of these conditions arise the economic necessity of Negro families doubling up in homes, or taking in paying lodgers, with resultant overcrowding and increase in the death and sick rate among Negroes. This, true of large sections of white workers, is more marked among Negroes.

The Rooming House Alibi was

rushed through after thousands of Negro small home owners, persuaded by government propaganda into believing that the Roosevelt New Deal meant a new chance for them, had made applications for loans in the effort to save their homes. The government and its H.O.L.C. found the Rooming House Alibi an excellent cover for its discrimination against the Negro small home owners.

A Typical Case

The case of Miss Jones is typical of this deliberate anti-Negro discrimination. For almost a year the H.O.L.C. officials fed Miss Jones with promises that they were "endeavoring to close the loan." As late as Dec. 17, 1934, in a letter, they so informed Miss Jones. Yet less than two weeks later, on Dec. 28, they brusquely notified her that her application for a loan was rejected.

Correspondence between the mortgagees and the H. O. L. C. reveal that not only Miss Jones, but the mortgagee had been led to believe that the H. O. L. C. would grant her a loan. The mortgagees are the Franklin Society, 217 Broadway, and B. Bloch, 215 West 91st Street, first and second mortgage holders, respectively. They are now threatening to foreclose, and take her home from Miss Jones.

What Is to Be Done?

Miss Jones' case, as already pointed out, is not an isolated incident. The Rooming House Alibi affects thousands of Negro small home owners, and many white small home owners. Individual resistance and protests against the ruling class will get them nowhere. They must get together, organize and by united struggle force the H. O. L. C. to stop its cynical discrimination against them—discrimination which objectively plays into the hands of grasping finance corporations holding mortgages on their properties.

In many parts of the country, Small Home Owners Associations have been organized and are functioning effectively where they link up their struggles with the general struggles of the working class. Actively aided by the Communist Party, the Unemployment Councils and other militant organizations, these associations of small home owners have wrested many concessions from the H. O. L. C. and the mortgagees.