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Professor Ghosh's research offers an interdisciplinary outlook towards understanding the processes of colonial urban formation.

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The Bonds of Inequality: Debt and the Making of the American City. *By Destin Jenkins*. Chicago: The University of Chicago Press, 2021. 320 pp., 26 halftones, 10 tables. Paper, $25.00. ISBN: 978-0-226-81998-3.
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Reviewed by Jessica Ann Levy

Who is worthy of debt? Who benefits from it? In this well-researched and rigorous account of municipal finance, Destin Jenkins offers a fresh perspective on these and other questions, pulling back the curtain on the various actors who have shaped bond markets and cities. Viewed as a tool of civic progress during the early twentieth century, and used frequently during the mid-twentieth century to fund the segregated Keynesian city, municipal debt increasingly became a weapon used to bludgeon American cities into submission during the 1970s and 1980s. Jenkins selection of San Francisco as a case study for examining the history of municipal debt may, at first, seem surprising given its relatively strong economic record in comparison to declining Rustbelt cities. That it too found itself subject to the whims of bankers, credit-rating agencies, and bondholders only reinforces Jenkins' argument chronicling the rise of bondholder supremacy.

The story begins in the 1930s during a moment of crisis for the municipal bond market, decimated by the Great Depression and threatened by a tax revolt by wealthy Americans. In a notable reassessment of the relationship between the New Deal and American finance, Jenkins reveals the former's role in rekindling the municipal bond market. Long hailed for its role separating commercial and investment banking, the Banking Act of 1933 (a.k.a. Glass-Stegall) exempted certain types of government-issued bonds. This, combined with the federal government's 1941 decision to tax earnings on its own bonds, gave "states and their political subdivisions a virtual monopoly on tax exemption," turning cities into "tax havens" (p. 37) for wealthy investors. The results of these policy decisions were predictable. Between 1946 and 1966, state and local indebtedness increased six-fold from $16.5 billion to $99 billion.

Meanwhile, cities like San Francisco took advantage of exceptionally low interest rates just after the Second World War, assuming considerable debt to fund the construction of a consumer playground for the city's white middle- and upper-class residents and tourists. Taken together, these various debt-financed projects comprise what Jenkins terms an "infrastructural investment in whiteness." "Just as federally guaranteed mortgages propelled white middle-class suburbanization, municipal debt made possible the well-paved streets, downtown parking garages, new sports arenas, and rehabilitated art spaces for . . . white middle- and upper-class urbanite[s]" (p. 69). Not forgotten, white working-class San Franciscans likewise benefited, albeit unequally, from their participation in segregated building trades. In short, "municipal debt" enabled "what was effectively a cross-class, intraracial compact," wherein "white workers built the playground for . . . white middle" and upper-class consumers, while "wealthy white bondholders collected tax-exempt interest income on it" (p. 79).

In one of the more illuminative chapters, entitled "Shelter," underlining the consequences of cities' growing dependence on the bond market, Jenkins investigates the overlapping forms of shelter cities provided for capital and residents. Complementing scholarship by historians like N.D.B. Connolly and Rebecca Marchiel, Jenkins complicates longstanding narratives about postwar capital flight by revealing the mechanisms through which bondsmen continued to profit from Black urban communities. "If we move the focus from one financial instrument—the mortgage—to another—new housing authority bonds—we find millions of dollars invested in the inner city throughout the 1950s" (p. 97). While all eligible to receive various state guarantees, capitalists benefited unequally from this investment in cities. Jenkins groups capitalists into three categories: little c (slumlords, absentee owners, and small-property owners), middle c (developers), and big c (bondsmen and institutional investors) and reveals the inequities between them. "By the mid-1950s the state effectively privileged the continued accumulation strategies of real estate developers, bond financiers, and insurance companies over little c" (p. 92), while Black professionals, public-housing tenants, Japanese renters, Chinatown residents, and white white-collar professionals, among others, were left bearing the consequences of these struggles.

By the 1960s, the postwar intraracial compact that saw cities borrowing to fund the Keynesian city began to unravel in the face of rising interest rates and growing debates over what and who the city was for, leading some to question the role of municipal debt in urban development. In this context, creditors benefited from actions undertaken by city officials and bondsmen in previous decades to insulate the bond market from capricious voters. Following the passage of the San Francisco Charter of 1932, for example, the comptroller—a key figure in administering urban finance in line with bondholder politics—was allowed to remain in office with the support of only four of the eleven members of the Board of Supervisors and invested with "'sweeping powers over all public agencies'" (p. 24). These and other decisions were crucial in giving rise to bondholder supremacy, which appeared on full display during the 1970s and 1980s. Squeezed between taxpayers refusing to borrow to redress racial inequalities engendered by decades of debt-financed infrastructural investment in whiteness and lenders demanding higher interest rates and shorter repayment timelines, cities underwent a process of structural adjustment. Jenkins' use of the term is a direct nod to the similarities between U.S. cities and Third World nations, both of which faced pressure under creditor-backed structural adjustment programs to adjust some things (i.e. budgets for social services and infrastructure), while preserving regular payments to bondholders.

A brilliant work of history and social criticism, *The Bonds of Inequality* is a must-read for anyone seeking to understand the role of debt in modern urban America. One of the great strengths of Jenkins' analysis is his detailing, in eloquent and exacting prose, of the ways urbanites' lives and fortunes have been shaped by wealthy and powerful individuals, some of whom may have never stepped foot in the city. While focused on municipal bonds, the book contains numerous insights for those interested in others kinds of debt, including the racialized and gendered logics structuring bond markets; the role of unelected officials in enabling market dependency; and the fundamental tension between borrowers and creditors. In this formidable and timely account, Jenkins reveals how a relatively small group of individuals—bondsmen—came to wield outsized influence over U.S. cities and the people who call them home, and gestures to some ways we might redress this inequity.

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