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What Motivates our Lawmakers? A Retrospective on Sixty Years of Public Housing: 1937-1997

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I have reviewed this completed senior honors thesis with this student and certify that it is a project commensurate with honors level undergraduate research in this field.

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**What Motivates our Lawmakers? A Retrospective on Sixty Years of Public
Housing: 1937-1997**

by Will Simerl

**College Scholars/University Honors Project
The University of Tennessee, Knoxville**

May 3, 1999

Our lawmakers first crafted our public housing programs and policies in the 1930s, at the end of the Great Depression. Over the past sixty years, Congress has revisited these issues several times. Congress modified the original housing program, the United States Housing Act of 1937, with the Housing and Urban Redevelopment Act of 1949. In 1966, Congress again debated housing issues, this time searching for alternatives to Public Housing. In 1997, Congress continued to debate major housing legislation. Public housing has clearly been an important issue to Americans and their lawmakers in the twentieth century.

Each time Congress considers housing, it discusses two main questions: “Who should public housing be for?” and “Why should we have public housing?” As the answers to these questions have changed over time, so have our public housing policies and programs.

Public housing, by definition, has always been for low-income Americans. However, from the 1930s to the 1950s, housing was for the low income within the working class. Since the 1950s, public housing has been for the poorest of the poor. This shift in clientele caused public housing to change from a program for short-term economic support to one for long-term social welfare assistance. At the same time, public housing’s image has become increasingly negative in the eyes of the American people.

Congress has also changed its mind concerning the reasons for public housing programs. During each housing debate prior to 1997, some members of Congress provided economic reasons for public housing, while others argued that helping the needy should be our driving concern. Members of Congress will always claim to embrace helping the needy, but they seem much more willing to act when economic growth is involved. The congressional debates concerning public housing in this century support this argument. In the debates of 1937, 1948,

and 1966, Congress presented economic benefits of housing programs, then voted to implement them. In 1997, Congress presents no such benefits, and votes to curtail housing programs.

Many factors influence congressional debate, but the economy is always one of the most important. Regime theory suggests that all of a nation's political ideas are molded by that nation's dominant means of accumulating capital. As the methods of making money change, so, too, will the political ideas. Connections between money and politics are not new. If a politician wants to be re-elected, he or she had better make sure the economy prospers. The best way to make the economy prosper is to cater to the interests of the powerful businesspeople who run the economy. Therefore, generally, political ideas will follow economic ideas.

Theoretically, there have been two dominant economic regimes of the 20th century. The first, progressive-liberalism or modernism holds two basic economic tenets. They were a Fordist approach to production and a Keynesian approach to consumption. Henry Ford, for whom Fordism is named, pioneered the use of the assembly line. This method of production made his cars less expensive than others, and available to a very wide market of customers. Producers of other goods followed his examples during much of the twentieth century. John Maynard Keynes, an famous English economist, maintained that the best way for an economy to prosper was to include more and more people in the market for more and more goods. Progressive-liberal government leaders implemented policies that helped people consume as many goods as possible.

Along with these economic ideas went ideals of community ownership and a commitment to social welfare programs. Our economic system needed the poor to increase their consumption and thus expand the markets for our goods. The poor cannot simply buy a house, and all of the accessories that go with it. They need government help. Theoretically, the poor consumed the

least, so their consumption had the potential to increase the most. So, following regime theory, politicians in the progressive-liberal era would have supported social welfare programs as methods of increasing the consumption of the poor and of expanding the national economy. These social programs could be funded primarily because large corporations were willing to pay higher taxes. As long as their taxes were helping to cultivate long-term market growth, everyone was happy.

Sometime during the 1960s, countries such as Japan and Germany began selling large numbers of their goods within the United States. They were expanding their markets by moving into other countries, and American companies were losing out. Gradually, American business leaders began to realize that they needed to move into other countries to expand their markets as well. Decades of isolation had allowed American companies to be very inefficient. Foreign companies were producing better products and reaping the benefits. American companies needed to expand to other countries, to modernize, and to become more efficient. To do so, they needed capital, and could no longer afford to pay high taxes. The ability to expand overseas meant that they no longer needed the American poor, so they had no reason to keep paying high taxes. Theoretically, the post-modern or neo-conservative era began sometime in the 1970s and continues today. In this era, we assign less value to social welfare programs, because they no longer benefit powerful companies.

What will happen to a specific political program that persists through different economic regimes? The above description is very simplistic. No particular program should conform exactly to the theory, but long-term general trends should. This study examines the public housing program in the United States, beginning in the middle 1930s and continuing to the present day. Public Housing is a classic progressive-liberal social program that was borne out of

the Great Depression. The first major public housing law, passed in 1937, has remained the symbolic basis for public housing to the present day. In 1997, Congress began considering a bill which would reform public housing and repeal the 1937 Housing Act. Did we value public housing more during the progressive-liberal era than we do today? If so, is this change in priorities due to changes in public housing's residents and changes in our economic system?

In attempting to answer these questions, I will concentrate less on actual changes in public housing than on changes in congressional arguments over time. Although many factors besides Congress' attitudes have the potential to change public housing, congressional arguments should be a good measure of what our leaders think about housing. Additionally, changes in laws are slow to become physical housing changes. Congressional arguments will change more rapidly, as Congress changes its collective manner of thinking. A major potential drawback to researching congressional debate is that one can never tell if a member of Congress really believes what he or she is saying, or if there is some ulterior motive for taking that position. In any case, observing how Congress changes its positions on a single issue over the course of sixty years will provide interesting insights.

THE UNITED STATES HOUSING ACT OF 1937 (WAGNER-STEAGULL ACT)

The 1937 Public Housing Law set the stage for all of the United States' public housing efforts of the 20th century. According to its supporters in Congress, the law was intended to eliminate "unsafe, unsanitary" housing for low-income families, reduce unemployment, stimulate business activity, and create a U.S. Housing Authority. The main provision of the bill was to create a National Housing Authority that would supply grants and loans to local housing authorities. The local housing authorities would then use the money to finance housing for families who could not afford private housing. In general, the bill proposed that the federal government would pay for construction of public housing, while tenants' rents would pay for operation.

Like any law, the 1937 Housing Act was a product of its time. Fears about disease, crime, and the legacy of the Great Depression coincided with a housing shortage, high unemployment, and the power of labor unions to influence this landmark legislation. Housing had become a moral and economic "anchor," providing stability to our country in turbulent times. The law, fueled by all these concerns, was indicative of a shift to the Keynesian economic thinking which anchored the progressive-liberal regime in the United States throughout most of the twentieth century.

The Great Depression has influenced American ideas and policy throughout this century, but its memory was especially clear to Americans in the late 1930s. Much of the economy had recovered, but some sectors were lagging behind, and every minor recession held the possibility of becoming the next depression.

One sector of the economy that had not recovered was the building industry. Unemployment in the building trades was clearly a major driving force behind the 1937 bill. In

1936, Senator Robert Wagner, a Democrat from New York, its main sponsor, stressed the need for a housing program by claiming that fifty percent of the nation's eleven million unemployed men were building industry workers. In addition, he claimed that an additional thirty-five percent of unemployed men work in trades directly dependent on the building industry. Thus, an amazing eighty-five percent of America's unemployed were unemployed due to the building industry's slump (CR 4889).

Why were these people unemployed, and why did Senator Wagner care so much? He stated that unemployment was not caused by the depression, and therefore was not temporary. Rather, "changes in the mechanical methods of business" caused permanent changes in our economy. Mechanical production was replacing people and leading to high rates of unemployment. He stated that per capita production was twenty-five percent higher in 1936 than in 1929. Overall production did not match this rate, so people lost jobs. To Wagner, unemployment was clearly a problem that was affecting everyone: "Unemployment has become a Frankenstein created by our modern industrial system." "The yet uncured sore spots in our economic system must not be neglected or they will again threaten the whole system with disease" (4889).

Was the answer to our problems to reverse the technological trends that had created this disaster? Wagner did not think so. He stated that "to interrupt (technology) would be to stop the very thing that has brought us from savagery into civilization." Wagner was clearly progressive; to him, progress was inevitable. Technological improvements were "good for the people as a whole." He believed that if technological advances continue, they would create "possibilities of a new era of abundance." Wagner also endorsed the progressive belief that technology would bring increased recreational opportunities to our workforce. He stated that "working people will

have greater opportunities for leisure and self-development.” However, all benefits of progress could only come if the economy expanded, and the economy could only expand if work was found for the jobless, who were “draining our national resources” (4889).

By making these and similar statements, Wagner is clearly endorsing a Keynesian model of economic development, emphasizing that markets need to expand by including more and more of the American people. In a radio address in 1937, Wagner states, “While the depression has been broken, there is still need to create even wider opportunities for reasonable business profits.” He believed that the consumer goods industries had greatly recovered, but claimed they could not expand further because of low national purchasing power. Clearly, he believed that unemployment was a major cause of that lack in purchasing power. Thus, the economy cannot expand until the unemployment problem is remedied. (6258)

Any attempt to reduce unemployment and stimulate home building would require a broader market for housing. Wagner believes this market should include both wealthier and poorer Americans. “We must not repeat the errors of the 1920s, when the building boom took care of those at the top but neglected the foundation, and thus ended in collapse” (4892).

Most supporters of the housing bill seemed to agree that the bill’s main purpose was to reduce unemployment. Edward Curley of the House of Representatives, another Democrat from New York, agreed with Wagner. Curley stated that “any remedy to restore normalcy” to our economic structure must restore building industry workers to their jobs. His three stated reasons for supporting the bill were improving worker’s living conditions, re-employing building workers, and broadening and stabilizing the potential market of the building industry (4602).

Sources outside of Congress confirmed the job-creation orientation of the 1937 Housing Act. On May 23, 1936, the *Houston Chronicle* endorsed the bill, stating that the building

industry was the only unrecovered American industry (9327). Additionally, modern housing scholars agree on unemployment's importance. Both Dick Cluster and Richard Bingham state that unemployment was the major reason for the act's passage (18, 58). The unemployment issue fits well into Marxist theory. Marxist theorists believe our lawmakers are primarily concerned with pacifying the working class and serving business interests. Not only does reducing unemployment reduce the likelihood of social unrest, but it will also bring formerly unemployed people into the housing market, expanding opportunities for business.

Besides building industry unemployment, the Great Depression influenced support for the Housing Act in other ways. As a result of the depression, many Americans could not afford adequate housing. These people lived in slums, large clusters of substandard housing located in every American city. Slum dwellers made up the huge potential market of which Mr. Wagner and Mr. Curley spoke, but they also presented other problems to our policy makers. Slums were widely viewed as breeding grounds for crime and disease, and many people wanted them destroyed. Many social activists believed that decent housing should be available to all people, as a natural right. One group of social activists emphasized the removal of slums, another the creation of housing. The controversy over the relative importance of slum clearance versus housing plagued the public housing movement into the 1960s, and likely led to many of public housing's most infamous failures (Bauman 23). During the debate over the 1937 Housing Act, the two seemed equally important.

In the early 1930s, some social activists began to call for a public housing program. Many believed decent housing was a right, which all people deserved. Many also hoped public housing would be a stepping stone to a new, communitarian social order. They envisioned public housing as a tool not only for recovery, but also for restructuring the country's social order.

These activists were led in part by Catherine Bauer, who published *Modern Housing* in 1934. In it, she established three important guidelines for successful public housing. She claimed that any housing program must come from the initiative of the working class, must have quality housing as its highest priority, and must be placed on dispersed, peripheral sites to maintain cost-effectiveness (23). While the 1937 Public Housing Act did come, at least in part, from the initiative of the working class, it specifically made the reduction of unemployment and the clearance of slums higher priorities than quality housing. Due to the emphasis on slum clearance, public housing projects were concentrated in central cities, not scattered throughout metropolitan areas.

Public housing was never intended primarily to produce quality housing. There has always been some other purpose or motivation. According to Bauman, different groups lobbied in favor of the 1937 Housing Act, all for very different reasons. “Congressional testimony on the Wagner bill by communitarians such as Wood, Bauer, and Woodbury continually emphasized good, well-designed housing and the need for children to grow up in safe, sanitary homes; in contrast, Ernest Bohn, testifying in behalf of the professionally-oriented NAHO, stressed the economic and social costs of slums and denied that public housing necessarily competed with private sector housing” (43). Beginning with the 1937 law, housing has been closely tied to slum clearance. The “replacement rule,” a part of the housing act, ensured that public housing would not flood the housing market with new housing. Units of public housing could only be built after substandard units were destroyed in slum clearance (Jacobs 81). Thus, the supply of housing remained constant, and the price of private housing did not decrease. The replacement rule is just one of many safeguards in the housing act that protects private builders’ profits.

Congressional arguments confirm the relative importance of slum clearance over the production

of quality housing. The shortage of decent housing for needy Americans is mentioned by Congressmen many times, but the need to destroy the evils of slums is discussed even more frequently.

Mr. Wagner, who obviously had several reasons for supporting the bill, clearly believed that slums are causes of disease and crime. He spoke of the “universally accepted truth that substandard housing conditions aggravate disease, crime, and immorality.” Emphasizing that removing bad housing is as important as building new housing, he urged his colleagues to support the “socially enlightened policy of clearing away the areas where disease and crime find their natural breeding place.” Mr. Wagner seemed to truly believe that his slum clearance and housing programs would improve people’s lives, thereby reducing the incentive for crime. He stated, “If we wish to check the transgressions that the young are perpetrating against society, we must first remedy the injustices that society has perpetrated against them.” Mr. Wagner’s plan to eliminate crime and disease fit nicely with his plan for economic recovery. Not only is crime a social problem, but “vice and crime are heavy costs upon the purse and vitality of the people.” (CR 1936 7609)

The problem of crime hints at a much larger problem: widespread social unrest. Nathan Strauss, the first administrator of the United States Housing Authority, spoke about this concern: “A nation built on human misery at the bottom is unstable for those at the top. Your hard business sense tells you that crime, disease, and revolt against society is bred in the slums. A decent home for every American family would be a stout bulwark indeed for our democratic form of government and our free institutions. The slums must go or the society that tolerates them will” (Jacobs 80).

Henry Ellenbogen, a Democrat from Pennsylvania, the main House sponsor of the bill, argued that the local economic costs of slums were extremely high. He mentioned an area in Cleveland where, in one year, the city spent two million dollars on services and collected less than 200,000 dollars in taxes. Most members of Congress envisioned public housing working simultaneously with slum clearance, limiting the new housing to central city slum locations, but Ellenbogen had different ideas. He hoped that public housing would be first built on vacant land, then slums cleared and more housing built (CR 1936 7609). In 1936, this distinction was minor, but it became more important in later years.

Congress was very concerned with Europe's experience with public housing. Mr. Wagner, particularly, cited London's success as a reason the United States should implement a housing and slum clearance program. He pointed out that many United States cities had a homicide rate thirty times larger than London's, where slums had been cleared. He also asserted that "England's recovery is due largely to the construction activities of the Government (4891)." Slum clearance and murder rates were not necessarily correlated, but Mr. Wagner apparently assumed they were. Many supporters of the bill viewed England's policies as wonderfully progressive, while many opponents viewed them as dangerously socialistic.

Congress was at least somewhat concerned with providing quality housing for the needy. Due to pressure from labor unions, lawmakers were especially worried about needy members of the working class. Catherine Bauer had called for the working class to push for public housing, and the labor unions of the 1930s responded. Pressure from organized labor was one of the major reasons the bill passed. Michael Jacobs believes one of the major motivations behind the 1937 bill was to "respond to the ever-growing trade union movement." He claims that "pressure from labor" led to the bill (73). The bill was supported by the AFL, and by most of our nation's

working class. Most Americans supported the bill, a fact that most members of Congress must have considered.

Congress responded to labor, and it also realized that there was a serious housing supply crisis, which was affecting much of the population. Mr. Curley estimated that fifty percent of the population could not afford decent housing. Mr. Wagner estimated that the number was above sixty percent. Another congressman, Samuel Dickstein, a Democrat from New York, believed the crisis would grow much worse. He pointed out that many families were “doubled up” in homes, that the number of new families by marriage would soon increase, that a large number of people were moving from farms to cities, and that the average family size was decreasing, necessitating more homes per capita (CR 1936 10036). Many members of Congress were concerned with this obvious need for new homes. Mr. Curley stated that public housing should “remain permanently in reach of low income groups.” Mr. Wagner advocated housing for the “vast majority who need it most.” He urged his fellow congressmen to “make sure that large and deserving sections of the population are not forgotten in the midst of recovery” (6258).

So, members of Congress in the 1930s at least talked about the ideal of providing quality housing for Americans who could not afford it. Who were these Americans? Congress was providing housing not because they believed it was some natural and inalienable right, for all people. The poor who eventually lived in the first wave of public housing had very special characteristics that distinguished them from today’s typical public housing tenants.

First, they were a potentially large group. Fifty to sixty percent of the population is a huge number of people. That many people could have great influence when voting. Even more likely, by not having a home and not consuming as much as possible, that many people would cause a major disruption to our economy. The wealthy needed the poor to continue to prosper.

Second, early public housing tenants were usually families. In fact, the bill specifically instructed housing authorities to favor families when choosing tenants. During the debate, the privileged position of families was never questioned. Our lawmakers simply assumed that the housing would be primarily for families. Mr. Curley stated the purpose of the debate was to find ways to supply new housing for low-income families who could not get it alone (4602). One of Mr. Wagner's four main reasons for supporting the bill was that it developed decent, safe, and sanitary housing for families of low income (4889). Families, specifically nuclear families, were assumed to be the preferred manner of living. This assumption is a sign both of the time period and of the motivations of the bill's supporters. The congressional debates of 1936 suggest that "family values" were even more popular than they are today. Also, families, especially with children, happen to consume many more goods per housing unit than single people, putting more money back into the economy than a single person or a couple would. Members of congress were also interested in promoting "stability," after all the chaos of the depression. Members of stable families were assumed to be unlikely to commit crimes or revolt against society.

Finally, potential public housing tenants were members of the working class. Congress made it clear that public housing was for the "deserving" poor. This "deserving" poor was the working poor. Peter DeMuth, a Democrat from Pennsylvania, makes this clear on August 11th, 1937, when he defended the bill by explaining that "no tenants will be accepted who do not have steady employment at sufficient wages to pay the proposed rent, however low it may be" (8697).

With current anti-public housing rhetoric centering on returning power to local areas, it is interesting to note that the congress of the 1930s was very much in favor of local control. Mr. Wagner emphasized that housing was a "community matter," and that power should be given to local authorities, whose ideas come "from the initiative of the people in the communities

concerned” (CR 1936 4891). By “local authorities,” Wagner does not mean local elected officials. He means appointed administrators of local housing authorities, semi-autonomous local non-profit organizations funded by tenant rent and federal money. Supporters of the bill considered local governments to be too full of corruption, and hoped “professional” administrators would more closely pursue Congress’ goals. Mr. Curley emphasized that local management should be “professional, not political.” This emphasis on professionalism, as well as Mr. Curley’s defense that the bill “was submitted to me by experts,” reveals that he and other supporters followed the tenets of progressive-liberalism (4603). “Professional experts” were very respected and were assumed to know best how to solve problems and to handle situations (Pynoos 11). Mr. Ellenbogen was another supporter who advocated local control but wanted to reduce corruption. He defended the bill by claiming that it provided flexibility enough to meet local needs while also mandating federal standards to ensure proper use. Local control was meant to allow the programs to serve specific social and economic needs of localities. Local business needs were particularly important. In 1936, Mr. Wagner confirmed this by claiming “the strict decentralization of administration among the various localities would guarantee that all activity be carried out in close contact with the general business needs of the community” (4891). As every city was different, local control would help the program reach its objectives, provided corruption didn’t get in the way.

Interestingly, the bill’s opponents also advocated “local control,” and claimed it as a reason to oppose the bill. Before the Great Depression, American social programs were considered the responsibility of local government. Robert Luce, a Republican from Massachusetts, argued that housing was a local responsibility, one for which the federal government should not need to provide money (CR 1937 9236). Indeed, the affordability of the

project was one of the major reasons opponents did not support the bill. They believed the federal government should not and could not pay for the new programs. Arthur Vandenburg, a Republican from Michigan and a vocal opponent, claimed that “we don’t have the money” to sustain large projects (9347). Walter George, a Democrat from Georgia and another opponent, was against any “additional tax upon the taxpayers of this country” (9564).

The other major argument against the bill was that it would cause the United States to become socialist. Mr. George claimed public housing was “a roadway . . . that will have literally no end” and would eventually lead to “a state of socialism.” He claimed “we cannot build homes for a part of our people without building houses ultimately for the remainder of our people” (9564). The National Lumber Dealers’ Association, one of the few national organizations that opposed the bill, claimed that “no federal government can provide homes for all its citizens, and past experience of the Federal Government’s participation in vast housing developments has resulted in tremendous waste and failures.” They claimed the bill would “interfere with private building of homes” (9350). Mr. George called public housing “a threat to private enterprise” (9564).

Due to these objections, the bill’s supporters spent much time explaining how the bill was intended to help private builders. Additionally, bill supporters claimed the program would promote democratic values. Mr. Wagner went into detail about how the proposed law would help business: “. . .a low rent program would give a decided impetus to private industry. It would create purchasing power by swelling the volume of employment. It would increase the demand for raw and fabricated materials that business produces. It would tone up the residential standards of every element of the population” (Jacobs 73).

Lawmakers also emphasized how the bill would protect private industry. Tenants must be able to afford a rent significantly lower than the minimum needed to obtain standard private housing in an area. Public housing was intended for people who could not afford private housing. Since the income ceilings were tied to the cost of private housing, the ceilings would lower when private housing became cheaper.

In addition, cost limits for public housing construction were extremely low. These restrictions were not meant solely to save money. Private industry demanded that public housing be built cheaply so that no one would ever choose public housing over private housing. Evidence from after the first units were built suggests that the cost limits worked well. “The first results, under local direction, were almost universally ugly and depressing developments, segregated, stigmatized by origin and residency requirements, resented by local citizens, and located in the worst sections of town” (Jacobs 81). Mr. Wagner understated the situation in 1936 when he claimed that the bill “contains every possible safeguard against competition with private industry” (Jacobs 73).

The housing program was first introduced in Congress in 1935, but not passed until 1937. The major reason seems to be that Franklin Roosevelt did not endorse the bill until 1937. “Without pressure from the executive to force the housing bill out of the House committee, which was strongly influenced by the building sector, the measure was doomed to failure” (Jacobs 80). One of Roosevelt’s reasons for not endorsing the bill may have been that other New Deal programs were working, and the economy was recovering. A recession in August of 1937 seemed to change Roosevelt’s mind. “The recession once and for all made Roosevelt a believer in the necessity for permanent state intervention and the application of the Keynesian principle of deficit spending” (Jacobs 80). After he endorsed the bill, it passed by a vote of four to one in the

Senate and three to one in the House. Roosevelt's sudden endorsement supports the notion that economic recovery was the primary motivating factor behind the passage of the 1937 Housing Act. To those concerned with quality housing, the outcome was mixed. Bauman argues that the bill "represented a compromise-- a fusion of communitarian vision, professional empiricism, and political reality. The legislation clearly satisfied the housers' demand for a permanent housing agency, but couched the housing vision in the Depression-era vocabulary of national emergency and job creation" (43).

Everyone who spoke of the welfare and well-being of the poor during the debates over the 1937 public housing act made a critically important assumption. They assumed that problems among the less privileged in society would cause universal problems. Whether the crisis was the possibility of economic depression caused by under-consumption, or the possibility of a revolution if the poor became too unruly and unhappy, the most powerful members of our society respected the role of the poor. They believed that their own power, and the health of the nation, depended on everyone's well-being. Therefore, they believed the government should ensure the success of all its citizens, because failure by a few meant catastrophe for the many. Mr. Wagner summarized the attitude of the 1930s by asserting that "we are passing from an age when the worthy individual could help himself to an era when we must rely more and more upon cooperative action" (Jacobs 78). This attitude would continue unchanged until well after the passage of the next major housing legislation in 1949.

The debate over the 1937 Housing Act clearly supports the idea that economic concerns were very important to lawmakers. Issues such as reducing unemployment and creating new markets were the driving forces behind the bill. Also, the 1937 act's housing was clearly intended for the working poor, who would provide the most economic benefit for the nation.

Other concerns were very important, but without the underlying economic benefits, it is unlikely the 1937 Housing Act would ever have become law.

THE HOUSING ACT OF 1949 (TAFT-ELLENDER-WAGNER BILL)

The first major modification to the 1937 public housing act came in 1949. Twelve years had passed since Congress passed the original act, and our country was a very different place. We had recovered from the Depression and fought World War Two. The war, combined with economic prosperity, caused massive changes in Americans' living patterns. As thousands of veterans returned from the war, experts anticipated another housing and employment crisis similar to the one which occurred during the 1930s. It is in this context that Congress debated the 1948 Public Housing and Urban Renewal Act, which they eventually passed as the Housing Act of 1949. The effects of the Act, along with a migration of city dwellers to suburban areas and an equally large move of southern blacks to northern cities, dramatically changed our country's urban areas (Bauman in Schaffer 285).

The 1948 Taft-Ellender-Wagner bill made several important modifications to the 1937 Housing Act. The biggest change was a renewed and re-funded urban redevelopment slum clearance program. More than any other program, the urban renewal program drastically affected public housing. The 1948 act stipulated that urban redevelopment areas be primarily used for housing, a stipulation that was removed in only a few years. The urban renewal/public housing interplay is one of the great urban issues of the 20th century. Had public housing been more independent from urban renewal, it might have been a much more successful program. Besides the emphasis on urban renewal, the TEW bill also made specific changes to public housing. It authorized 160 million dollars to construct up to 500,000 new units over five years (CD 1948 171). It also stated that local housing authorities could not discriminate against tenants who were

receiving other forms of federal assistance, such as welfare. Additionally, the bill ordered that housing authorities give priority to potential tenants who were displaced by public action, such as urban renewal (Prescott 24). These policy changes eventually began to alter the social composition of public housing's residents. With a different constituency, public housing began to serve an entirely different purpose. Public housing began to become what it is today.

Why did Congress make such important changes to the public housing program?

The reasons are varied, but they fall into three general categories. The current program had done little to solve urban problems. Congress feared a housing shortage, especially one which would affect the vast numbers of returning veterans, a potentially huge voting block with great political power. Perhaps most importantly, Congress wanted to help downtown businessmen who were concerned with the economic devaluation of central business districts. Soon after the monumental changes of the 1949 Act, public housing became less of a "way-station" for the temporarily troubled working class, and more of a permanent home for the poorest of our poor. The debates over all of these issues continued one of the fundamental arguments surrounding the 1937 law, the dispute between those who advocated public housing for housing's sake, and those who wanted to serve another end, such as slum clearance or economic development.

While the Housing Act of 1937 had provided much quality housing, it clearly had not even begun to solve the problems of urban slums and of widespread substandard housing conditions. Bauman makes this point while discussing Philadelphia's situation: "By 1943, despite federal aid from . . . New Deal alphabet agencies, and despite the passage of the 1937 Wagner-Steagall Housing Act, basic urban services such as water

delivery, sewer, lighting, and education had deteriorated, leaving an ever-expanding area of urban slums and blight” (Bauman in Schaffer 232). So, by the middle 1940s, the 1937 law had ceased to work as well as its drafters had hoped it would. America once again faced a housing shortage, and members of Congress attempted to draft yet another housing bill.

During World War II, housing advocates and urban planners worried about how they would house returning GIs and their families. They feared a housing shortage as severe as the one ten years earlier. Many planners envisioned expanded public housing as an answer to the coming crisis. Guy Greer, senior economist of the Board of Directors of the Federal Reserve System, estimated in 1944 that the U.S. needed 1.6 million new dwellings per year for the next ten years. Because many Americans had low incomes, he concluded that public housing would play an important role in meeting this need (Bauman in Schaffer 236). After the war, private industry, fueled by government-subsidized home loans and highway building, constructed homes in record numbers. Housing production had slumped very low during the war, when all labor and materials were directed toward the war effort. A population increase, migration into cities, and a wartime building slump combined to create a huge housing demand (CD 166). Private industry responded, building 859,000 homes in 1947 (166). However, the building industry had a history of inconsistency. Before rebounding in 1947, it had built 715,000 homes in 1941, but only 169,000 in 1944 (166). Like Greer, most experts predicted a need for well over a million homes each year for the next decade, and Congress was unsure that the building industry could provide so many homes without help.

Not only were planning experts convinced of the need for massive numbers of new homes, but they had also established ideas about how our reconfigured cities should look. "Architects, planners, and housers often traced the roots of urban social and physical decay to the haphazard urban growth pattern inherited from the nineteenth century" (Bauman in Schaffer 233). Planners of the 1940s were interested in space and order. They viewed the city as an organism, and were fearful of urban slums. Unchecked, they could spread like cancer throughout an area, destroying everything in their paths. The urban renewal program seems to have been a direct attempt to destroy the source of slums, and to save downtown areas from a fate of urban blight.

Housing had an important role to play in this fight against urban disease. Officials and planners noticed that not only was most new housing being constructed in suburbs, but commercial areas were also moving with the new housing. Many of the most powerful people in every city had large downtown landholdings. As people and businesses deserted downtowns, leaders feared that slums would spread, devaluing their investments and weakening their power and influence.

So, for slightly different reasons, planners and downtown businessmen both supported the 1948 bill, hoping it would stop slums and reinvigorate central city areas. Two other groups, both of whom supported the 1937 bill, also lent their support to its 1948 modification. Labor unions and housing advocates both worked in favor of the bill, each for their own reasons. According to Bauman, "the economic concerns of downtown businessmen dovetailed with the reform agenda of housers, planners, and organized labor" (79). Presumably, unions supported the bill because union members were prime candidates to become public housing tenants. Housing advocates such as Catherine Bauer

of Philadelphia generally supported any strengthening of public housing. Bauer supported this bill, but it seems she had a serious reservation. She pushed for housing on the urban periphery, while the bill specifically kept it in central cities by tying it to slum clearance.

All of these groups used their support to influence the legislation that became the Public Housing and Urban Development Act of 1948. Congress showed, through its speeches and debates, why it thought housing legislation was important.

According to Bauman, the T.E.W. bill was first conceived essentially as a redevelopment bill. The housing shortage and a reasonably powerful pro-housing lobby caused lawmakers to include provisions for public housing and to state that redevelopment areas be used primarily for residential purposes (92). His assessment seems to coincide with the arguments presented in the *Congressional Digest*. No real opposition existed in Congress to the redevelopment portions of the bill. The bill also made slight changes to mortgage finance laws, which no Representatives opposed. All of the controversy surrounding the bill involved the provisions for public housing. In 1948, the National Association of Real Estate Brokers, the North American Home Builders, and the American Savings and Loan League attacked the public housing sections of the bill as "communistic." The bill was defeated in the Senate by a vote of 45 to 48. According to Bauman, President Truman was very angry. The next year, behind the active support of the President and a letter writing campaign by Dorothy Montgomery of the Philadelphia Housing Association and Lee Johnson of the National Public Housing Council, the bill was finally passed and enacted into law (92).

What happened during the congressional debates immediately before the bill's passage? What reasons did our representatives give for opposing or supporting the W.E.T. bill? How did this reasoning correspond to the dominant ideas and concerns of the time?

Senator Ralph Flanders, a Republican from Vermont, summarized the progressive-liberal view on the public housing. He stated that the former system had "failed to achieve efficiency and economy of the modern industrial system" (CD 174). His words stemmed from the belief that technology and progress would inevitably make everyone's lives better, if we only committed ourselves wholeheartedly to it. To Flanders and other members of Congress, our urban crisis was an anomaly that simply did not fit their view of how the world worked. All the best modern "experts" had committed their skills to the public housing program, yet it was not successful. Despite the lack of success, both Congress and the general public trusted "experts" more than ever. According to Bauman, "Between 1935 and 1960, the authority of the so-called expert burgeoned and infused a larger and larger sphere of American life" (91). The influence of housing experts is apparent in the debate over the 1948 T.E.W. Bill.

While congressmen did not ever mention that their ideas came from "experts," they showed the sort of top-down planning and detached rationality that epitomized an expert's point of view. The housing program is the answer to a giant puzzle that is governed by a rational and strict set of rules. Supporters of the bill were attempting to maximize industrial efficiency, to encourage support for our democratic system of government, to clear slums, and to provide housing for working-class Americans, especially veterans. Those opposing the bill feared the new law would interfere with

private industry, cost the government too much money, and turn our country into a socialist state.

Perhaps the most "progressive" goal of the bill's proponents was to promote economic efficiency. Senator Flanders claimed that the bill would encourage research toward new techniques, materials, and methods for mass production. He also supported the bill's "financing aids for the establishment of mass production methods and the creation of mass markets." His vision of efficiency required the cooperation of labor unions and local communities. He wanted workers to "accept labor-saving devices and techniques." In addition, he thought local communities should modernize building codes and reduce corruption. If everything worked well, this broadening of markets would lead to "new business opportunities and profits" and "more and steadier jobs" (CD 176).

Senator Flanders was not alone in supporting the bill for economic reasons. Raymond Foley, the administrator of the U.S. Housing and Home Finance Agency, claimed that with proper government help, the housing industry could be worth seven billion dollars each year, "contributing to national prosperity." Without government help, the construction industry's productivity varied greatly from one year to the next. Wide fluctuation in building caused unsteadiness in employment which affected the national economy. To solve this problem, Foley advocated government programs, like the T.E.W. bill, to help the construction industry build for members of society who previously could not afford quality housing (186).

The alleged economic benefits of the T.E.W. bill were closely tied to another benefit. All members of Congress can attribute their power and place in status to our democratic system of government. If average citizens lost faith in our democratic system

of government, congressmen would be first to lose their power. A socialist revolution seemed to be a very real fear for the Congress of 1948. They suspected that if widespread unemployment and substandard housing continued, people might soon look to change their government. Even if the system didn't change, certainly many congressmen would lose elections. During the debates, Senator Brien McMahon, a Democrat from Connecticut, emphasized that point when he proclaimed that the American home is the "bulwark of our liberties" (184). Raymond Foley agrees, claiming that a supply of adequate housing is "essential to a sound and stable democracy" (186). Many lawmakers believed that socialist ideas, among other ills, originated in slums. Eradicating slums was essential to their plan.

Slum clearance was the primary program of the T.E.W. bill, and nearly everyone in Congress supported it. As stated before, all of the controversy concerned the public housing provisions. Without the immense popularity of slum clearance, the public housing provisions would never have become law. The debates in 1948 indicate that Congress was much more concerned with removing slums than with providing quality housing. Senator Flanders believed that "slums are contaminating the lives of millions of Americans" (174). Raymond Foley urged congress to "eliminate slums and blighted areas" (186). A widespread belief in environmental determinism, the notion that an individual's physical environment has a profound influence on his role in society, fueled these concerns. Senator McMahon claimed that bad housing caused juvenile delinquency, and that cramped conditions led to an increase in "nervous and mental disorders" (184). Mr. Foley states that "the character of a home affects the character of a family." Rates of disease and crime were higher in the "blighted" areas of the cities.

While the physical condition of the housing probably did not directly cause crime and disease, supporters of the TEW bill certainly pretended it did. Many writers of the time referred to slums as "blighted" and urban problems as "cancer." When Congress heard poor areas described in these terms, rehabilitation was obviously not the solution. The only remedy for serious disease is massive surgery, and Urban Renewal certainly fit the bill. Public housing, at times, seemed to be an afterthought. In general, members of Congress emphasized destroying urban problems over providing urban solutions. Leading the fight against emphasizing slum clearance over affordable housing, just as she did in 1937, was Catherine Bauer of Philadelphia. She firmly believed that public housing should be built where people wanted to live: on the urban fringes, far from slum and urban renewal areas (Bauman 44). For the 1948 law, Congress did at least pay attention to some of the housing advocates' concerns. The bill stated that urban renewal areas must be redeveloped for "primarily residential" purposes. Senator Flanders declared that any programs of slum clearance must be accompanied by an adequate supply of low-income housing. Many proponents of the bill were public housing supporters, but even they expected the housing sections of the bill to "ride the coattails" of the slum clearance provisions.

The public housing portions of the law may have had limited support in Congress, but they were quite popular with the American people. Senator McMahon alleged that adequate housing was the American people's "number one social concern." He contended that the "situation is urgent" and that four to five million families were living "doubled-up" because they could not find housing. He also said that the "number of veterans who lack housing is alarming" (CD 184). Senator Robert Taft, a Republican from Ohio and

one of the bill's major sponsors, stated that fewer than half of veterans and half of families could afford standard housing. In addition, he believed that "countries have an obligation to see that people have housing they can afford" (178). Before World War II, homebuilders generally only built for the "high end" of the market. Theoretically, as wealthy people moved into new housing, middle-class people would move into their homes. As they moved on, those below them on the economic ladder would move to their housing. In theory, this cycle of housing provided housing for everyone, even though new housing was built mostly for the wealthy. Supporters of new public housing for the poor noticed a couple of reasons why the cycle was not working. Senator Flanders claimed that "filtering down" did not work because too few people were at the top of the system, so relatively little housing was built. Senator Taft observed that too few people at the bottom of the cycle had enough money to properly care for homes, so they fell into disrepair and became slums. Their arguments were good ones, and new public housing was built due to their efforts. However, while this public housing was for poor people, it was definitely not for the poorest people, as it is today. Senator Taft emphasized that public housing was intended for the "lowest-income workers with steady jobs." Congress had many important reasons for serving the working class. Labor unions and veterans' groups were very politically powerful. A skilled worker who needs quality housing has great potential to contribute to the national economy. A home is one prerequisite to keeping a steady job. Additionally, a worker is able to purchase all the essentials of twentieth-century American life: home appliances, a car, and food and clothes for his family. If you give housing to an extremely poor, unskilled person, not only can he not

pay rent, but he will not hold a steady job, and therefore will not contribute to the economy through his purchases.

While fear of socialism drove some of the bill's support, the same fears motivated much of its opposition. Opponents did not believe the federal government should be involved in public housing for three major reasons. They argued that the federal government did not have the money, that public housing interfered with the private housing industry, and that large programs such as public housing would increase in size until they caused the U.S. to become a socialist state.

The arguments that the federal government could not afford public housing centered on the idea that state and local governments could afford it. Senator James Kem, a Republican from Missouri, stated that the federal debt was 258 billion dollars, and the state and local debt amounted to 2.5 billion dollars (179). He reasoned that local governments should pay for public housing, because their debt was so much lower. The U.S. Chamber of Commerce agreed, stating that "state and local governments should bear responsibility," because the federal government "has no money" (185).

In addition to attacking the program's affordability, its opponents challenged its effect on private builders. Senator George Malone, a Republican from Nevada, believed we didn't need "new agencies, new bureaus, and additional road blocks in the path of private enterprise builders" (175). Senator Harry Cain, a Republican from Washington, thought public housing would intrude on private housing's market, claiming that "public housing will be built at the expense of private housing" (181). The Chamber of Commerce stated that to provide the most housing, private industry should be free of "unnecessary government regulation." The Chamber might be refereeing to public

housing's use of scarce building materials. If not, its assertions are questionable, because the proposed program included no real "regulation" of private industry.

One concern that stirred congressmen's emotions was the accusation that the program was Communistic. Senator Kem explains to his fellow congressmen that the bill is an example of the "Russian" economic system that Europeans have tried to combine with the American system, producing "unhappy results." He believed the proposed law is an attempt to "scuttle the American system." He believed that "the sky is the limit" for government spending (179). The Chamber of Commerce agreed, asserting that once the government started spending money on the projects, it would continue even if the plans did not work.

In general the bill's opposition was voiced by conservatives who did not want any money spent on federal employees, anti-Communists who attacked social programs, and congressmen who seemed to cater to the interests of the high-end building industry. Interestingly, both the bill's support and its opposition claimed to be helping the construction industry. It is also interesting to note that no one attacked the usefulness or effectiveness of public housing. The spectacular failures that haunt public housing's image today had not happened yet, and Congress still believed that public housing would work.

The arguments for and against the 1948 Taft-Ellender-Wagner bill were very similar to those voiced in the debates concerning the 1937 public housing law. Through labor unions and veterans' groups, public housing still had an important constituency. It was still meant for the working poor. Additionally, congressmen still believed that public housing was a necessary part of improving the economy by expanding markets for

consumer goods. The major differences were that Congress in 1948 was more concerned about the voters who would benefit from public housing, while they were less concerned about unemployment in the building trades. The depression was over, but many veterans had returned from the war in need of housing. Also, the 1937 law seemed to be a housing law with urban renewal as an afterthought. The 1949 law was an urban renewal law with housing as an afterthought. The change in emphasis is subtle, but it had a profound effect on the events that unfolded following the passage of the 1949 law.

Both the 1937 law and the 1949 law provided money for the construction and operating costs of public housing. Neither included any provisions for major renovations or modernization expenses. In the early 1950s, the original public housing projects were in need of their first major renovation. For the first time, housing authorities were faced with a major expense and no way to fund it (Hartman).

At the same time, two non-controversial aspects of the 1949 Housing Act conspired with geographic trends to drastically change public housing's clientele. The 1949 law specifically prohibited Housing Authorities from discriminating against tenants who were receiving public assistance, such as welfare. Additionally, it required housing authorities to give special consideration to tenants displaced by government action, including urban renewal. Welfare recipients and those displaced by urban renewal were mostly poor and black. Soon after the law went into effect, massive suburban building projects opened single-family homes to those who could never before afford them. Many working-class public housing tenants could then afford to move, and most did. Simultaneously, another migration was occurring. Massive numbers of poor blacks fled

the economic and civil-rights problems of the urban South, and they arrived in northern cities in record numbers (Stegman 53).

All of these trends conspired to drastically alter the profile of the average public housing tenant. Before 1950, most had been poor, white, working class families. After 1950, tenants became increasingly poorer and a higher percentage were black. These poorer families could afford to pay much less rent than the working-class families who moved to the suburbs, and housing authority revenues began to decline, just as their expenses were increasing. Besides renovation expenses, the new, extremely poor tenants brought a host of social problems to public housing. Public housing projects had been built as an antidote to the slums, but now they were becoming slums themselves.

The slum clearance authorized by the 1949 law was only exacerbating public housing's problems. First, urban renewal did not really help to supply new housing. According to Martin Anderson, who wrote *The Federal Bulldozer* in 1964, "In line with the belief that urban renewal has alleviated the housing problem is the belief that the federal urban renewal program is essentially another kind of public housing for low income families. This is not true; only a small fraction of the total construction in urban renewal is devoted to public housing" (7). Besides not supplying much new housing, the urban renewal program actually intensified the housing crisis among the very poor because it destroyed so much housing. Anderson summarized urban renewal's effect on housing: "In essence, the federal urban renewal program eliminated 126,000 low-rent homes, of which 80 percent were substandard, and replaced them with about 28,000 homes, most of them in a much higher rent bracket" (67). Writing about Philadelphia, Bauman agreed that urban renewal had a negative effect on public housing:

"Philadelphia's experience illustrates exquisitely the untoward consequences of shackling public housing to urban development" (Bauman in Schaffer 238). Clearly, most of public housing's problems began soon after the 1949 law went into effect.

Interestingly, the majority of problems experienced in public housing following the 1949 act were not caused by controversial policy decisions. The only controversial portion of the bill, that which authorized new public housing construction, did little to harm the program. The most problematic policy decision was keeping public housing in slum areas, closely tied to urban redevelopment. This locational decision led to many troubles, but no congressmen disputed it. A few housing advocates, such as Catherine Bauer, did advocate building public housing on the urban fringe, but the idea was not taken seriously enough to enter congressional debate. Public housing had reasonably powerful support in 1948, but urban renewal had the strong support of downtown businesses, who counted on it to salvage their investments. In an effort to save our cities' central business districts, the quality of our public housing was compromised.

In the early 1950s, one could see the beginnings of a regime shift among social scientists who studied housing. According to Bauman, in 1951 "houser-planners, with the aid of contemporary sociological theory, had begun stripping away the lingering traces of communitarian idealism that once undergirded the vision of public housing" (125). Thinkers such as Morris Janowitz and William H. Whyte espoused the ideal of the heroic individual who pursued socially defined goals and stood out from the "lonely crowd." As the physical quality of low-income housing improved, social problems continued, and many people began to question environmental determinism. Goals of planners, such as diversity, became less important, and individual goals received more attention.

According to Whyte, since individuals voluntarily selected neighborhoods, their preferences for homogenous communities deserved the same respect as others' desires for diversity (125).

At the 1951 Michigan Housing Conference, led by Frederick Gutheim, housing experts again focused on individual needs. Social scientists at the conference looked to individual and social, rather than societal and economic, reasons for public housing's problems. One of the conference's conclusions was that "some families have natural homemaking abilities, others don't. Some are teachable, others are marooned in bad living habits and routines. Individuality is an important factor in relating particular families to a particular type of house" (126). This conclusion seems obvious today, but individual needs had never been a priority for public housing. Rather than the environmentally deterministic mantra of "good housing makes good people," social scientists in the 1950s began to conclude that "good people make good housing" and "bad people make bad housing." Even progressive-liberal standard-bearers like Catherine Bauer Wurster adjusted their views to accommodate individual needs and preferences. In 1952, she commented on how her perspective had changed since the 1930s. She realized that constructing large high-rise projects would not "suddenly transform (housing projects) into models of Dutch neatness, German discipline, Scandinavian co-operative genius, and Latin urbanity." The communal ideals of the 1930s were no longer valid in the 1950s. She went on to state, "At the time (the 1930s) there was a widespread feeling among progressive housers and planners that social, economic, and technological forces would push us inevitably in a single direction: toward a more collective mode of life." Wurster recognized the strength of the individual and of the family unit by recommending

the building of "much smaller, more varied public housing developments with a bona-fide domestic character." (126)

These changes in professional opinion coincided with changes in public opinion toward government-subsidized housing. Elizabeth Wood stated "the concept of public housing as modern safe, and sanitary waystations for the mobile working class faded in the late 1950s" (Bauman in Schaffer 249). Richard Bingham noted in his book, *Public Housing and Urban Renewal*, that in 1958, public housing was described by some as "human cesspools, . . . massive barracks for the destitute, . . . a twenty million dollar slum. Public housing has become synonymous with welfare, unemployment, illegitimacy, crime, drugs. . ." (58). Bauman explains this change in public opinion: "Even in the 'cooperative' social environment of the 1930s, Americans had responded phlegmatically at best to public housing. During the individualistic postwar years, opposition to public housing stiffened. Seemingly, the fortunes of public housing fluctuated inversely with the index of economic indicators, which climbed steadily in the early 1950s" (136). He also notes that the 1950s suburban lifestyle "fostered an intensive family lifestyle and social conservatism" (136). Fears of socialism in this time of McCarthyism may also have played a role in diminishing public housing's reputation.

Public housing's decreased popularity, combined with the continued power of downtown business, led to the passage of the 1954 Housing Act. This act made only minor adjustments to the 1949 act, but it had the effect of strengthening urban renewal and weakening public housing. The act removed the stipulation that urban redevelopment areas be used primarily for residential purposes. It also made urban renewal easier by stating that only twenty percent of buildings had to be substandard for

an area to be considered "blighted" (136). After this law went into effect, the pace of urban redevelopment increased. Public housing construction also increased, but only because more housing was needed to re-house those displaced by urban renewal. Because many of these people were removed from standard housing, the increase in housing construction did little to alleviate problems.

The aftermath of the 1948 and 1954 laws began to redefine public housing's role in our society. Though much housing was built, this led to little progress in solving social problems. Progressive-liberal ideals began to lose favor with housing experts and with the public, and public housing began to acquire a negative reputation. Public housing changed from a program that accommodated the upwardly mobile working class into a welfare program that served the poorest Americans. All of these changes had profound effects on Congress' debate of the next major housing legislation, Lyndon Johnson's rent-subsidy program.

THE 1966 RENT SUBSIDY PROGRAM

By the 1960s, the political and economic climate for the discussion of public housing issues was quite different that it was in 1937 or 1948. There was no longer a housing crisis for America's white middle class (Bauman in Schaffer 245). Private builders had produced an ample supply of inexpensive single-family housing that, combined with federally-subsidized loans and highways, made suburban housing available to many people. As the working class's need for housing disappeared, so, too, did much of the political power of the housing advocates. Even so, the housing dilemma was not solved for all Americans. Increasing numbers of people were "left behind" by our country's newfound prosperity. During the 1950s, more and more of these people had moved into public housing. During the 1960s, public housing's mission shifted to serve these new residents.

By the 1960s, the average public housing resident was becoming increasingly poor. Federal housing policy changed to accomodate this fact. According to Bauman, ". . . under Kennedy, Washington retooled public housing policy and transformed housing projects into welfare centers for the poor" (182). John Pynoos wrote, "Over the years, family public housing has experienced a shift from poor white tenants, either temporarily unemployed or working, to primarily welfare-dependent minority tenants. A major cause of this shift has been the rising numbers of public-welfare recipients among the general population of those who need public housing" (Pynoos 190). Many writers noticed the change in public housing's clientele. Oscar Lewis, Daniel Patrick Moynihan, and Nathan Glazer all refered to the "culture of poverty" that they noticed developing in America's cities. Alvin Schorr described a "cycle of poverty." He observed that the percentage of Blacks in public housing between 1951 and 1961 had increased from 41 percent to 51 percent. Over the same time period, the average incomes of public

housing residents increased 13 percent, while the average income for all Americans increased 44%. (Bauman 182)

The emphasis in federal housing policy shifted from economic support to social work. According to Bauman, “. . . by November 1963, public housing had evolved from a large-scale community building program aimed at supplying safe and sanitary housing environments to upwardly mobile working-class families into a housing strategy emphasizing the delivery of welfare services to socially and psychologically demoralized tenants” (182).

In light of the changing purpose of public housing, Congress considered Lyndon Johnson’s “rent subsidy” program in 1966. This program would begin the shift away from Housing Authority owned, government-funded housing, toward privately owned, government-subsidized housing. Public housing’s new negative reputation contributed to the climate of the talks. For the first time, housing advocates did not support additional public housing. They still supported housing programs, but more and more neo-conservative ideas can be seen within the otherwise progressive-liberal “Great Society” rent subsidy program. Congress believed that the distribution of housing units throughout a city would allow tenants to live beside employed, middle-class neighbors. Theoretically, the middle-class neighbors would be “good examples” to those on public assistance, helping them escape the “culture of poverty.” The Rent Subsidy program did not actually change public housing, but its debates involved many of the same arguments that public housing debates did.

Supporters of the Rent Subsidy program used many of the same arguments that were utilized in the debate over the 1949 and 1937 housing laws. They also developed some of their own, which indicated that Congress’ priorities were changing. Congress still believed that the program would benefit the housing industry, by allowing more people to afford new housing.

They still claimed that many people needed the program. They were still concerned that slum housing was harming its residents. They were still concerned with saving central cities from “blight.” The program was clearly in the progressive-liberal tradition. One congressman even went so far as to proclaim that all the past housing programs were good, but they just needed to be bigger. Along with these older ideas, Congress had some new ideas. They were suddenly concerned with “flexibility.” They wanted to integrate different income levels and avoid “labeling” residents. Perhaps most amazingly, were interested in protecting “the variety and quality of urban life.”

The House Committee on Banking and Currency, which endorsed the bill, clearly still subscribed to Keynesian economic principles. It believed the bill would “enable many people of low and moderate income to translate their housing needs into effective demand and thus lend support to the homebuilding component of the economy” (CD 12). Individual lawmakers agreed. Senator Thomas Dodd, a Democrat from Connecticut, supported the bill in part because it “encourages private industry” (20). Representative Leonard Farbstein, a Democrat from New York, insisted that the bill would benefit private builders, private owners, and private financiers (30). So, economic concerns were still very important to lawmakers. However, both Senator Dodd and Representative Farbstein used the economic argument not as their primary motivation for supporting the bill, but more as a defense against opponents who insisted the bill was socialist.

Dodd seemed primarily concerned with abolishing slums. He insisted that “urban decay remains the greatest unanswered domestic problem in America today.” He complains that as more people move to the suburbs, “slumlife grows darker, choking the downtown heart which

once invigorated urban living.” He argues that “children can never get a better life in the slums” (20).

Dodd also addressed another important issue. Previous lawmakers were so concerned with the possibility that public housing might compete with private housing that they set its income ceiling at twenty percent below what is needed to afford private housing. This left many people both ineligible for public housing and unable to afford private housing. Dodd argued that the public housing program penalized ambition because it expelled “anyone who makes more than a subsistence income” (20). So, he argued, families bypass chances to improve their income, because they knew that they would lose their homes if they made more money. Robert Weaver, the Administrator of the U.S. Housing and Home Finance Agency, agreed, stating that the twenty percent gap leaves four million families without decent housing (16).

Representative Farbstein made different arguments, presenting many ideas which are still followed today. He praised the Rent Supplement program because it would allow many Americans to afford private housing. Being in private housing allows them to avoid being segregated in public housing “ghettos.” The privately-owned homes within the rent supplement program would allow for a “healthy mix of people.” Farbstein quoted Lyndon Johnson when he stated that these developments would promote “the variety and quality of urban life” (30).

Farbstein’s new arguments are important for many reasons. First, he calls public housing a “ghetto” of the poor. Previously, lawmakers had always referred to slums, not public housing, as “ghettos.” In the past, they believed public housing would be the antidote to slums. Farbstein’s comment indicates that public housing projects are *becoming* the slums, not eradicating them. Second, Farbstein’s call for a “healthy mix of people” shows that he believed public housing’s mix of people was unhealthy. By 1966, attempts to eradicate crime and disease

by tearing down slums and building public housing had been ongoing for thirty years. This strategy, which was based on theory that bad housing caused these problems, was clearly not working. Social scientists and lawmakers alike grasped the idea that a large concentration of poor people in one area caused social problems. Lawmakers believed that integrating housing across income levels would prevent these problems. This belief is especially significant because it is still popular today.

The concept of “variety and quality of urban life” came into wide acceptance after it was popularized by writers like Jane Jacobs and William H. Whyte in the 1950s and 1960s. Before then, and during the debate over the 1948 and 1937 laws, “urban life” was definitely not *en vogue*. According to Bauman, “Nurtured as planners on a steady diet of anti-congestion invectives, planners in the 1940s still equated slums and blight with land overcrowding and they recited a litany of correlative evils such as poverty, high typhoid and tuberculosis rates, crime, delinquency, and low levels of literacy (Bauman in Schaffer 231).” If one can assume that “urban” can be somewhat correlated with density, the fact that Johnson and Farbstein mention “urban life” could mean that the anti-congestion attitudes of the 1940s had begun to change.

Like its proponents, opponents of the Rent Subsidy program used a mixture of new and old ideas to support their arguments. The congressmen fell back on such time-honored arguments as insisting the program was socialist and worrying that it would be open to corruption. The minority report of the House Committee on Banking and Currency suggested that the rent subsidy bill was “foreign to American concepts” because it “kills incentive for homeownership” (CD 13). Representative Paul Fino, a Republican from New York, worried that economic integration might “educate” the more affluent people in a development “to do exactly what the underprivileged person is doing-- cut down on his own initiative and enjoy the same

kind of subsidy benefits his neighbor enjoys” (25). Fino and other congressmen also worry that the bill gives the Housing Administrator too much power. Fino says the bill’s language is “loose, ambiguous, and flexible enough to write all kinds of abuses” (25). These concerns, while they figure prominently into opponents’ arguments, are not new or exciting.

The most interesting arguments that are made against the bill involve the evils of economic integration. Conservative congressmen speak with such horror about economic integration that one may speculate they are really thinking about another kind of integration. Several of the arguments against the bill could be thinly veiled attempts to do everything possible to keep white people from having to live with black people.

The minority report of the House Committee on Banking and Currency states that it is unfair for higher income tenants to have to live with lower income tenants. It also contains such cryptic statements as “there is more to neighborhood preference than the monthly cost of one’s dwelling” (13). Mr. Fino worried that the program will “reweave the national social fabric” (25). The Representatives did not go into detail about why they hold the views they do, so there is no way of knowing for sure if they were racist. If they were not racist, they may have been worried that their constituents would not approve of the program. Senator John Tower, a Republican from Texas, insisted that people would not “take to (economic integration) too well” (21). Whatever their reasoning, it is interesting that opponents of the bill, mostly Republicans, did not support economic integration while proponents, mostly Democrats, did. As we shall see later, the supporters of the 1997 housing bill, mostly Republicans, are very much in favor of economic integration.

The Rent Subsidy program was one of the first programs to shift federal funding from building housing authority-owned housing to subsidizing private housing. Though it did not

have a major impact on public housing, the Congressional arguments concerning it are interesting for a number of reasons. The supporters of the bill supported many of the same housing ideas that are still popular today. The ideas they embraced became more and more popular throughout the 1970s and 1980s, eventually revealing themselves again twenty years later in the arguments over the 1997 housing bill.

Not only did new ideas creep into Congress' thinking, but the answers to the questions of "Why?" and "For whom?" were different in 1966 than they were in 1937 and 1948. Public housing tenants had become very poor, and undeniable social problems persisted in housing projects. In light of these developments, the Rent Subsidy Program was meant to "fix" public housing, not simply to expand it, like in 1948. Congress looked for alternatives because traditional public housing was not working. Clearly, public housing's new, very poor tenants contributed to its problems.

While housing's clientele had changed, its economic purpose remained. The Rent Supplement program was firmly grounded in Progressive-Liberal theory, aiming to expand our nation's markets by helping the poor to ascend the economic ladder.

THE 1974 HOUSING ACT AND THE SECTION EIGHT PROGRAM

The debate over who public housing should be for-- very low income Americans or a mix of incomes including the working class-- continued. This nagging question has plagued public housing for the last thirty years. In 1969, Congress passed the Brooke Amendment, which capped public housing rents at twenty-five percent of a family's income (Stegman 53). Many local housing authorities were already experiencing a funding crisis, and the Brooke Amendment reduced already insignificant revenue. In 1972, to address the problem, Congress authorized the payment of operating subsidies to local housing authorities (CD 1997 227). The subsidies

increased every year, and Congress looked for ways to replace the traditional public housing program with something more cost-effective.

In 1974, Congress created the Section 8 program by revising Section 8 of the 1937 Public Housing Act. Though the traditional public housing program remained in existence, Section 8 became the main vehicle for low-income housing assistance. At first, the Section 8 program included components intended to stimulate new housing construction and housing rehabilitation as well as certificates and vouchers for tenant- and project-based assistance. In 1983, Congress repealed the “New Construction” and “Substantial Rehabilitation” components of the program. Soon after, it ceased to fund the “Moderate Rehabilitation” component. Since then, the Section 8 program has consisted solely of Housing Certificates and Housing Vouchers (231).

Housing Certificates can be both tenant-based and project-based, but no more than fifteen percent of any one housing authority’s certificates may be project-based. With tenant-based certificates, low-income tenants rent units from a private landlord at or below the federally-set Fair Market Rent for a particular area. The tenant pays thirty percent of her income, and the Department of Housing and Urban Development pays the difference. “Tenant-based” means that the subsidy is tied to the occupants. At the end of a lease, they may move into another approved unit and keep the same subsidy arrangement. Project-based certificates are similar, except that the subsidy is tied to a unit. When one family vacates, another eligible family may occupy that unit and take advantage of the subsidy for that unit (231).

Housing vouchers were authorized by Congress in 1983. The most popular component of Section 8, they are very similar to tenant-based housing certificates. Instead of choosing a unit that rents for the less than the Fair Market Rent of an area, eligible tenants may rent any unit in which the rent is “reasonable,” as determined by HUD. The federal government will pay the

difference between the Fair Market Rent and thirty percent of a tenant's income. If a unit's rent is more than the Fair Market Rent, the tenant will pay more than thirty percent of his income as rent. If the rent is less, he will pay less than thirty percent (231).

The Section 8 program continues to be the most important part of our housing policy throughout the 1970s, 1980s, and 1990s. Traditional public housing continues to exist, but most new funding goes to Section 8 programs. Although housing programs have changed significantly over the past thirty years, one fundamental argument concerning government-assisted housing has remained. Congress still argues over who public housing is for: those who are poorest and need it the most, or the somewhat less poor, who might give programs a greater chance of success.

THE 1997 HOUSING OPPORTUNITY AND RESPONSIBILITY ACT

In January of 1997, Representative Rick Lazio, a Republican from New York, introduced House Resolution 2, the Housing Opportunity and Responsibility Act. The act, if passed, would have repealed the 1937 Housing Act and would have made several changes to current federal housing programs. examination of the various argument used by Congress, both in favor and against the bill, illustrates their connection to the dominant political and economic ideas of the late 1990s. Comparison of these arguments to those surrounding the 1937, 1948, and 1966 housing acts reveals some significant changes in Congress' beliefs over time.

According to the House Committee on Banking and Financial Services, the 1997 housing bill was designed to “remove disincentives for residents to work and become self-sufficient, provide rental protections for low-income residents, deregulate the operation of public housing authorities, and give more power and flexibility to local governments to operate housing programs” (CD 236). Major provisions of the bill include the following: consolidating funding into two block grants, allowing housing authorities to prohibit individuals who have a history of drug or alcohol abuse from moving into public housing, requiring unemployed adults in public housing to perform 8 hours of community service per month; setting income-targeting provisions that allow more working-class tenants into public housing, allowing housing authorities to set minimum rents, providing for some resident management, and allowing for the possibility of “home rule flexible grants.” A “home rule flexible grant” would allow the federal government to give money that it had previously allocated directly to HUD to local governments instead, provided that HUD approved the local government's financial plan. The bill also included provisions to help HUD take over the management of “troubled” housing authorities.

The bill's supporters present a variety of reasons why these changes would be beneficial. The ideals of flexibility, income mixing, and preserving urban vitality that were introduced during the debates over the 1966 Rent Subsidy program figure prominently in their reasoning. Additionally, they use the idea of local control, used by the progressives in 1937. They reject environmental determinism, choosing instead to value "community" over actual physical dwellings. Rather than speaking of society's responsibility to help the poor, they speak of the poor's "obligation to pursue self-sufficiency." The Republicans' strongest argument may be simply that the current program is not working. Even more interesting than the arguments which the bill's supporters make are the arguments they fail to make. No one suggests any possible economic benefits of public housing. Economic benefits apparently do not exist in 1997 as they did in 1937 or 1948.

Nearly all members of Congress accept that allowing more working people into public housing will improve it. Republicans, who support the housing reform bill, believe that those improvements are worth making space for working people by excluding very poor people. They firmly answer the question of "Who is housing for?" by stating that it is for the poorest people who can support a stable community, not necessarily the poorest who need housing the most. Representative Jim Leach is referring to the tendency of Public Housing to concentrate the very poor when he states that "many aspects of current public housing programs" are failures (242). Representative Bob Riley likes the proposed law because housing authorities "will have flexibility to create mixed income environments." Rick Lazio brags that the legislation will "remove federal rules that punish working families in public housing." He is also proud that it "eliminate rules that concentrated poorest families" in the very worst housing (246). Mr. Lazio is one of the few Republicans who tries to serve both sides of the argument by mentioning the

poorest of the poor. He argues that we can create mixed-income neighborhoods “without shutting out the poorest of American families from affordable housing opportunities.” Income mixing, or moving public housing toward slightly more affluent tenants, is obviously a part of the Republicans’ plans for public housing.

The idea of “preserving urban vitality,” introduced in the debates over the 1966 law, continues in 1997 with the idea of “community.” Congress in 1997 seems very concerned with the preservation of communities rather than the simple provision of housing units. Rick Lazio states the proposed law is “less about shelter than it is about the creation of an environment where we can begin to successfully address poverty” (246). Michael Castle, a Republican from Delaware, speaks about “community based solutions” to housing problems (252). The congresses of 1937 and 1948 were much more concerned with simply providing quality housing than with “community,” due to their firm belief in environmental determinism. Over the years, we have learned that solving social problems is more complex than simply providing housing that does not fall down. Congress recognizes this by specifically rejecting environmental determinism, but there is no evidence that their plan for public housing will work, either. Moving into a quality physical dwelling is at least a concrete change in a person’s life. How are we to judge improvements in “community,” a concept which is very difficult to measure?

The issue of local control is very important to Republicans in congress today. “Local control” is an issue that almost everyone supports, though each person’s definition of the term is as different as his reason for supporting it. For instance, liberals in 1937 supported local control over public housing, but they advocated that it take the form of local housing authorities staffed by professionals. They feared the corruption evident in local governments, and wanted to keep public housing authorities separate from them. Conservatives in 1937 were also in favor of local

control, because they wanted state and local governments to fund housing programs. Supporters of the 1997 housing bill also support local control. Deborah Pryce, a Republican from Ohio, likes the bill because it “returns more decision making authority to states and localities where it belongs” (240). Michael Castle thinks that the bill will allow local housing authorities “flexibility in managing federal funds” allowing them to better serve residents (252). Jack Metcalf, a Republican from Washington, suggests that good local housing authorities will enjoy “less federal interference” in their affairs (252). While congressional Republicans obviously support local control, they make it less clear exactly why they think it will work. Time has shown that housing authorities are affected by local politics and thus subject to corruption. In fact, the boards of most authorities are appointed by local mayors (233). If local control allows officials to devise innovative methods of serving public housing’s tenants, then it is a positive development. However, there is no reason to believe that public housing will fit into local leaders’ economic development plans. Local leaders could easily divert public housing funds for other uses. Local politicians are “closer to the people” than Congress, but they are also closer to political pressure from local business needs.

Local housing authorities must devise more cost-effective solutions to their housing problems, as Congress anticipates that it will cut the housing budget. Jim Leach, a Republican from Iowa, advocates “fiscal responsibility” and a “freeze on spending” (242). Deborah Pryce concedes that the bill is needed in this time of “limited federal resources” (240). Michael Castle wants to use the bill to “create fiscally sound and physically safe environments” (252). According to the National Low Income Housing Coalition, Congress cut public housing’s budget by twenty percent between 1995 and 1997, and the proposed housing bill would have reduced it even more. Although no member of Congress mentions it in the debate, the bill would

have eliminated the requirement to replace all demolished housing (NLIHC). Whatever the effects of local control may be, Republican members of Congress clearly want to reduce funding for housing.

In the arguments over the 1937 and 1949 laws, many members of Congress asserted that society had a responsibility to help the poor. The mandatory community service provisions of the bill indicate that current House Republicans believe that the poor have a responsibility to society. Jim Leach states that the community service provisions uphold the “long-held American precept that those who receive assistance from a community should give back to that community in some way” (242). Deborah Pryce says that “those on federal assistance share a responsibility and an obligation to pursue self-sufficiency” (240). Richard Baker, a Republican from Louisiana, thinks the service requirements are positive because they provide an opportunity for tenants to attain valuable skills (248).

One strong argument for overhauling any program is that that the program is ineffective. Housing reform supporters believe that the current public housing system is a complete failure. Jim Leach states that “many aspects of the current public housing programs . . . have been judged by experts as well as the public as a failure” (242). Rick Lazio asserts that the current system is a “portrait of a failed past.” He believes the *status quo* condemns people to a “life without hope, life without sense of community, life without the rewards of individual achievement or success.” He also says the old system “force(s) children to grow up in an environment of violent crime where they are isolated from the economic and social opportunities of mainstream America” (242). Richard Baker thinks that the current system “condemns children to an awful life” (248). Bob Riley thinks that the old system was a “short-term solution” that became a “long-term problem” (252). The American people, like Congress, view public housing as a failure. Public

housing clearly has problems, but we need a viable solution to our low-income housing crisis. Public housing could be a valuable aspect of that solution. In 1993, the number of households that pay more than fifty percent of their income for rental housing rose to an all-time high of 5.3 million. According to HUD Secretary Andrew Cuomo, only 75 out of 3,400 housing authorities are considered “troubled.” In many large cities, public housing accounts for a large percentage of the housing that is available to very low-income families (234). Sudhir Venkatesh, in a study of Chicago’s public housing, concludes that many tenants are satisfied with public housing. He asserts that a “community” has developed in public housing, and that it is best improved gradually, rather than with a drastic overhaul that will displace its residents. After all, was not urban renewal a drastic overhaul that everyone thought would work well?

The bill’s opponents are dissatisfied with a number of its components. They believe that public housing is basically working, and that a few troubled housing authorities in big cities give it a bad reputation. They believe that allowing more working-class tenants into public housing will result in the poorest tenants becoming homeless. They argue that the repeal of the 1937 housing act will weaken federal housing law and symbolically show that we are no longer committed to housing the poor. They also object to the requirements for community service.

Democrats in Congress today think that most public housing is working. Joseph Kennedy of Massachusetts says we “should not condemn the entire system” because of the failing of a few housing authorities. According to Kennedy, Republicans do not support public housing because “it has become fashionable for politicians to identify some God-awful monstrosity where we have warehoused the poorest of the poor, then walk in front of these awful buildings and say ‘Gosh, this is a terrible condemnation of the Lyndon Johnson Democratic commitment to the poor, and it obviously does not work’” (CD 243). Bernard Sanders of Vermont, Congress’s only

independent, believes public housing works in many places (245). Another Representative, Bruce Vento, a Democrat from Minnesota, says that the majority of public housing is good (253). Of course, whether public housing is “good” and whether or not it is “working” are very, very difficult concepts to define, and no one in Congress even attempts to do so.

Democrats agree with the Republican’s notion that allowing more working people into public housing will improve public housing, but they believe that doing so will also create more homeless people. Kennedy believes that housing authorities should not “throw out poor people” (243). Jesse Jackson, Jr. of Illinois says that the bill will “add to the homeless” (247). Barney Frank of Massachusetts concedes that housing authorities will improve when the poor are excluded, but argues that our overall housing situation will deteriorate (255). Nearly all agree that too many families with “social problems” concentrated in public housing is bad, but to what extent is lower income correlated with drug use and crime? Raymond Struyk noticed this in his book *A New System for Public Housing*. He advocates income mixing, but says “serious questions still remain about the value of a goal attracting higher-income tenants as opposed to more responsible tenants.”

Democrats in Congress have other objections to the bill. They do not want to repeal the 1937 Housing Act, nor do they want to require public housing residents to perform community service. They believe that repealing the housing act which began public housing would symbolically “abandon our commitment to the poor” (CD 247). They also compare public housing to other federal subsidies such as tax breaks, and ask why corporate CEOs and other high-income federal beneficiaries are not required to perform community service. These objections are important, but most opposition to the bill came about because it cut public housing’s funding. Kennedy, Sanders, and Waters all agree that their major objection is that the

proposed bill would have cut HUDs budget by twenty-five percent. If the funding were restored, they may have supported other parts of the bill.

Congress reveals a major reason for overhauling public housing in the arguments it avoids. The two major reasons Congress voted for public housing in 1937 and again in 1949 were concerns about economic development and helping large groups who were potentially large voting blocks. Today, neither of these exists, which may be the reason that Congress wants to restructure public housing and reduce its funding.

During the debates over the 1937 and 1948 housing laws, proponents made very powerful economic arguments in favor of public housing. In 1937, our national prosperity depended on the benefits that public housing would bring to employment and the consumption of durable goods. In 1948, when Congress feared that our downtowns would be suffocated by expanding slums, housing was one of many proposed remedies. In today's economic climate, public housing seems to be more of a chore that we must complete in order to appease our guilty consciences, rather than something we must do to ensure our economic survival. No one in Congress mentions any economic benefits of public housing. As low-income jobs continue to move offshore, the low-income jobs that public housing residents might hold are increasingly unimportant to our national economy. The goods that poor people can consume are insignificant compared to what a single high-income family can consume. In 1995, the average income for a public housing tenant was \$6,420. That means it would take five public housing families to consume what a family with an income of \$30,000 does alone. By the same reasoning, it would take more than fifteen public housing families to consume what one family with an income of \$100,000 does. Why would Congress spend large amounts of effort and money on those who contribute so little to our national economy?

Another major reason why Congress voted for public housing in 1937 and 1948 was to appease different groups of people. In 1937, the labor movement was very important. In 1948, labor was still important, and World War II veterans needed housing. Both times, there was widespread public support for public housing. Today, this is not the case. According to Donald Smith, the administrator of the Los Angeles Housing Authority, "Public housing has almost no constituency" (Kandell 11). Joseph Kennedy states that "the poorest of the poor do not vote" (CD 243). As public housing has attempted to serve poorer and poorer Americans, the political power of its most obvious supporters, its residents, has decreased significantly.

On April 30, 1997, The House of Representatives passed the Housing Opportunity and Responsibility Act by a more than 2 to 1 margin. The Senate also passed a housing reform bill in September of 1997, but it was slightly different than the House's version. During the conference committee, the bill was changed significantly, possibly due to pressure from President Bill Clinton. In October 1998, President Clinton finally signed public housing reform into law as a part of the 1999 HUD/VA appropriations bill. The final bill institutes income targeting to form mixed-income housing developments, requires community service, and consolidates housing authority funding into block grants. The income targeting was softened from the original House version of the bill. The final bill reserves forty percent of public housing for households who make less than thirty percent of an area's median income, while the original House bill reserved only thirty-five percent. On the issue of local control, the law authorizes a demonstration project in which up to 100 local governments may apply for the federal funding that would normally go to local housing authorities. Additionally, housing authorities may convert housing developments into vouchers if their plan to do so is approved by HUD. To summarize, most of what the Republicans in the House supported made it into the final bill. The one major surprise

is that the budget for HUD has actually increased. Another notable addition is that of 50,000 new housing vouchers. Seventy-five percent of these vouchers are reserved for the “very low income,” who make less than thirty percent of an areas median income. If the law functions as it appears, then it may be a true commitment to real income mixing. If more “very low income” families use vouchers to live in private housing, and more “low income” families move into public housing, then income mixing may be implemented without creating more homeless people.

Some parts of the bill are exactly the way House Republicans hoped they would be, and some parts are very different. We will have to wait at least a few years to witness the true effects of the new public housing laws on our nation’s low income housing problems. Although the results of their latest actions remain inconclusive, Congress’ attitudes toward public housing have most certainly changed over the last sixty years. Every major expansion of public housing came about either because Congress had a major economic reason or because they wanted to appease a certain group. In the last thirty years, Congress has used public housing to attempt to deliver welfare services to increasingly poor tenants. More recently, Congress has attempted to shift public housing away from very low-income tenants. Congress has many reasons to try to avoid providing programs for those with very low incomes. Those with low incomes usually do not vote. Since we have discovered other methods of expanding markets to fuel economic growth, we no longer need to stimulate consumption among the poor. Additionally, wealthy Americans have proven themselves to be very good at consuming massive amounts of goods. Unlike in the 1930s, we no longer face the threat of widespread social unrest. Public housing is publicly regarded as a failure. Indeed, the language used in the debates concerning the Housing

Opportunity and Responsibility Act of 1997 indicates that Congress views public housing as ineffectual and nonessential to our national prosperity.

Both public housing's tenants and its economic function have changed significantly since the program began in 1937. Public housing originally helped the working class to fully participate in the expansion of our economy. According to Bauman, it was a "way station" for the upwardly mobile poor. In 1948, Congress chose to expand public housing because it retained a valid economic purpose and served a relatively powerful constituency. Congress meant to expand markets, preserve downtowns, and provide housing to returning veterans. By the 1960s, public housing served the poorest people in our country. Housing no longer retained a constituency, but it still had an economic purpose, because we still embraced Keynesian methods of expanding markets. By 1997, public housing had a horrible reputation, no constituency, and no economic reason for continuing to exist. With only their consciences to guide them, members of Congress predictably attempted to dismantle public housing.

The traditional public housing program is clearly not the answer to our nation's current housing crisis. However, if we are to find a solution, we must first develop a commitment to helping the needy find quality housing. With no obvious political or economic motive for helping the poor, it seems unlikely that we will solve our housing problems any time soon.

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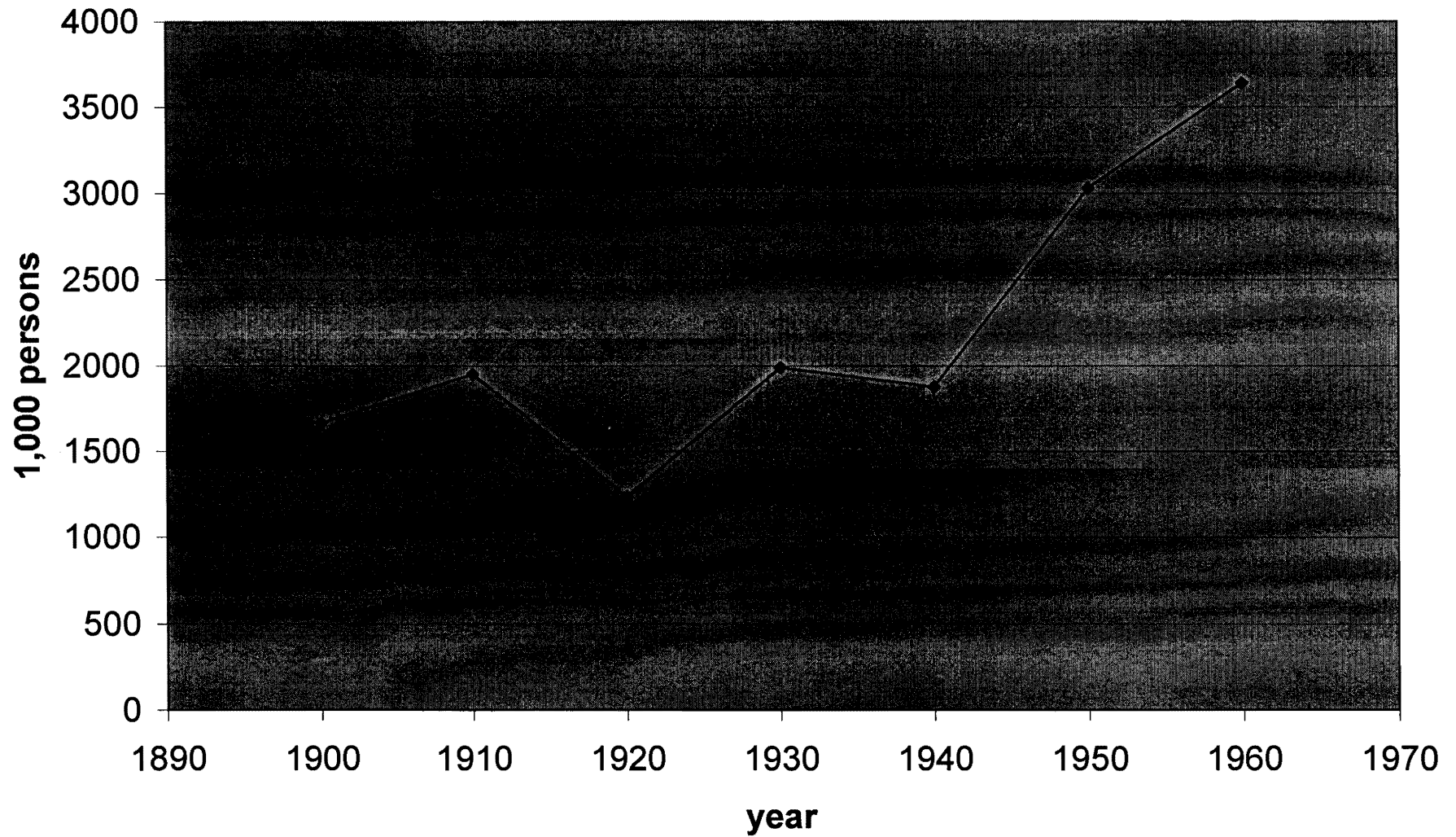
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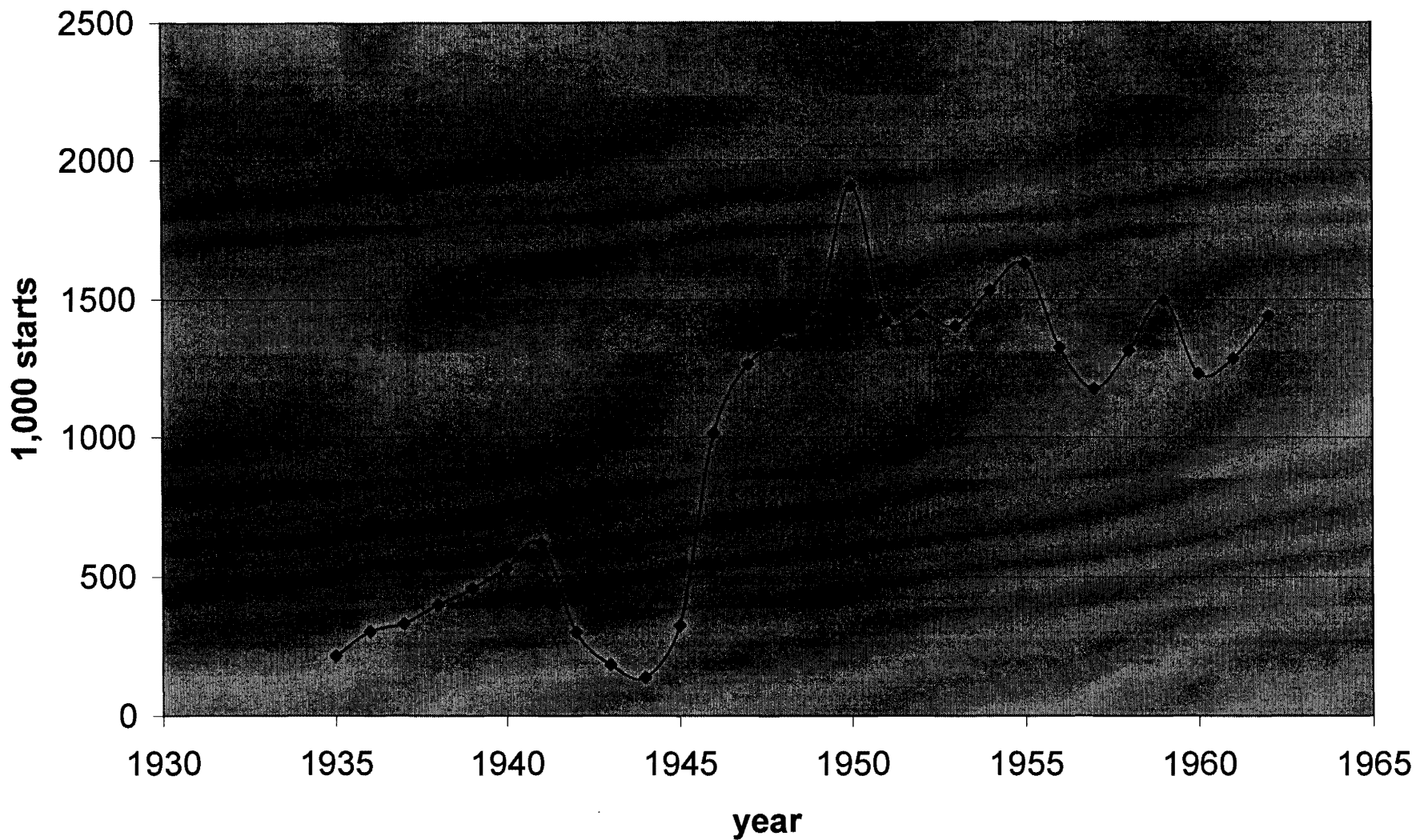
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Construction Employment



private housing starts



public housing starts

