

Speeches and messages: 1975-1976: A Decent home for every American family

Senator Daniel K. Inouye Papers

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SPEECH BY SENATOR DANIEL K. INOUE
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A DECENT HOME FOR EVERY AMERICAN FAMILY

You have asked me today to address myself to "a realistic appraisal of the future of community development and housing in the United States." So let me share with you my thoughts on our nation's commitment to "decent and fair" housing in America -- a commitment set down in law by previous Presidents and Congresses.

For the first century and a half of our nation's existence the Federal Government had left the problem of housing up to the individual and the private market. Only in the 1930's, in response to the Great Depression, did the government move into the housing market. Today, the Federal Government has a pervasive influence on the manner in which Americans locate, build, finance, maintain and manage their housing.

Through the decisions of the Federal Reserve Board, interest rates on mortgages are affected. The creation of institutions like the Federal Housing Administration, the Federal Home Loan Bank Board, and the Federal National Mortgage Association has provided the means for channeling capital into our mortgage markets. Direct government subsidy of low and moderate income housing has affected the supply of housing for millions.

Government actions have influenced more than just the supply and demand of housing, they have also determined where our citizens live. The massive growth of suburban America during the past three decades would not have occurred had the government not built thousands of miles of highways leading in and out of our cities and had the G.I. Bill not provided returning servicemen with mortgage loans to buy their own suburban homes.

Still, the result of all this government activity has not been consistently positive. The problems faced by our citizens -- rich, poor and middle class -- in finding adequate housing at an affordable price seem more severe than ever.

We are all well aware of the high cost of Hawaii housing. As an island state there are unique circumstances to explain our high costs -- including the scarcity of land and expensive building supplies. Still Hawaii's problems are only a slightly exaggerated picture reflected across the nation.

In 1950, seven out of ten American families could afford the average purchase price of a new home. In 1976, only four out of ten families can. The American dream of owning one's own home, that once seemed possible, will remain a dream for most of our citizens, unless we can bring long-term inflation under control.

Since colonial times, our citizenry has shown its concern for the living environment of orphans, widows, and the disabled by creating and maintaining charitable homes for these people. But, public housing for our citizens with less than average means was not sponsored by the Federal Government until 1937. Since that time we have tried numerous approaches -- and not universally successful approaches -- to the problems of housing our low and moderate income families.

For example, public housing has been a significant force in perpetuating, rather than mitigating, segregation. It has been built, on the whole, and not accidentally, as large projects in ghetto areas in large cities. Although this approach was politically salable, it has been uneconomic, resulting in high cost per unit projects.

Most Americans perceive public housing projects as large, deteriorating, poorly designed structures marked by vandalism and violence. This perception has made it unlikely for communities to welcome the new construction of public housing facilities.

Most of us who saw the television report a few years ago on the demolition of a huge project in St. Louis will not forget the pictures of building after building being exploded into oblivion. No more graphic display of a failure in government policy can be imagined.

There is no question that our nation's housing programs to date have met with limited success and much dissatisfaction. The Department of Housing and Urban Development, which was created in September, 1965, was rocked by scandal in the early 1970's. President Nixon, whom we remember as having a strong distaste for scandal, decided that rather than strengthen and clean up the administration of HUD, he would suspend all programs of housing aid for the poor, aged and disadvantaged. The impact of that disastrous decision on the availability of housing for needy Americans will be felt for years to come.

It is my contention that the failures of our housing programs stem not from their conception, but from poor administration by the Executive Branch. Yet, Congress must too accept its share of blame for the difficulties experienced in our housing programs. The Congress

has been long on grandiose statements calling for "decent and fair" housing, but short on providing adequate monies to carry out the necessary projects. We have not been adequately concerned about how housing units were constructed, where they were located, what effect this location would have on either the total community or on the people who would live in them. Our chief concern was unit cost. Housing which is the cheapest to build, may indeed, be the most expensive and least desirable in the long run. False economy in government housing projects has made the Federal Government the largest slum lord in the nation.

In recent years we have become older and wiser about the limitations we face as a society -- the limits of natural resources and the limits in our knowledge of how we can solve our problems. We have also learned that we cannot isolate for treatment the various elements of our society's problems -- or in the words of certain planners -- "everything is related to everything."

Given these truths, it is not necessary that we give up the hope of ever finding solutions. Nor must we accept the Nixon-Ford approach of letting "nature take its course" while we neglect the problems we face. An understanding of our limitations need not limit our determination to work to improve our own lives.

I would like to take these last few minutes to outline the direction I believe our policies should take and our determination should carry us, if we are to revitalize our urban centers.

The first element of a comprehensive urban policy must be a binding commitment to full employment in our nation and its cities. Some people maintain we cannot afford full employment. I maintain we cannot afford anything less.

The Nixon-Ford recession of 1973 to 1976 has cost us at least \$400 billion in lost output and income. In 1975 alone, \$27 billion in revenues was lost by state and local governments. The ten million Americans who are currently out of work or who have dropped out of the job market are wasted resources that could be utilized to build a new and better America.

Full employment can fill the pockets of millions of Americans with needed wages and the coffers of government with tax revenues necessary to finance the second priority of a comprehensive policy -- that is a federal takeover of welfare and health programs for disadvantaged American families.

The financial plight of our cities is in great part a reflection of the fact that they have become the repositories of our poor,

disadvantaged and elderly citizens. If we, as a nation, accept the responsibility for helping those who cannot help themselves, we must channel the necessary assistance to the areas in which those people live.

The next priority in the policy I am recommending could be compared to the famous Marshall Plan which brought about the post-War recovery in Europe.

A "Marshall Plan" for our cities will take a partnership of public and private institutions. It will take the coordination of all levels of government. It will take ideas bubbling up from the bottom, as well as down from the top. It cannot be tentative. Resources and planning must be committed on a continuing basis. It cannot be stop and go.

A few basic principles must guide such a plan. First, we must save the best of what exists in our cities. There are millions of homes that are structurally sound, many of them of architectural distinction, that just need fixing up. Similarly, there are factories, shops, commercial centers, public buildings, etc. that can be recycled. There are good neighborhoods that need to have their streets repaired, their schools modernized, their shopping areas revived.

Using our existing stock of buildings and homes as the foundation for rebuilt cities and neighborhoods, we can assure the architectural and cultural diversity that makes cities exciting and vital places to live and work.

Admittedly there are areas that cannot be saved and should be razed. There will also be a need for completely new developments as our population grows, thankfully at a slowed pace.

The most obvious question that will be raised by this proposal is "Can we afford it?" I say yes! Each project produces jobs and jobs produce revenue. The only programs that do not produce jobs, income and revenue are welfare and unemployment.

To be successful, we must be willing to experiment with new initiatives, as well as to reactivate and refine programs that have had some success in the past.

Recently the Senate passed the Housing Amendments of 1976, the purpose of which is to continue a number of current housing programs. Included in the bill are provisions to strengthen the Section 202 Direct Loan Program with a lowered interest rate for the elderly and handicapped, to continue the Section 312 Rehabilitation Loan Program, to extend the Section 235 Homeownership Program, to improve the Urban Homesteading Programs and other provisions.

Until the new rent subsidy program becomes fully operative we must continue some of our older programs including low rent public housing. Unfortunately, President Ford has threatened to veto this legislation, again raising questions about the Administration's desire to assist low-income Americans find housing and to put our housing industry back to work.

I do not wish to be partisan in this setting, but I do want you to know that I expect, according to all leading pollsters, we will have a new Administration in Washington next January -- one that will be more responsive to the need of government to play a constructive role in revitalizing our nation's cities.

I do not believe that Americans are unwilling to do what is required to assure that jobs are provided to our people, poverty is reduced and eventually eliminated, neighborhoods restored, social services revitalized, and hope returned to our cities and our lives.

The proposals I make today are not beyond our grasp. I do not believe they are beyond our will. We face an enormous task. But it is one I am confident that we are equal to. We can meet our commitment to provide a decent home for every American. We can have fair housing in our nation. We cannot have these things overnight. But we can bring that tomorrow closer by dedication and hard work.