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ADDRESS BY MAYOR HUBERT H. HUMPHREY PREPARED FOR DELIVERY FRIDAY,
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Fellow-Citizens:

It is now almost five months since your new administration came into office. During this period we have been dealing with a series of difficult problems -- law enforcement, the mounting rate of traffic accidents, increasing juvenile delinquency, the extremely serious problem of taxation and finance and the need to strengthen the machinery of city government. And -- the most difficult problem of all -- we are attempting to find some solution to the desperate shortage of homes.

Each of these problems is deserving of the most careful attention, and in future weeks I should like to speak in detail about each of them.

In this brief talk, however, I wish to limit my discussion to the housing situation and to review the various ideas that have been advanced for its solution.

In all frankness, I must tell you that the housing situation is most desperate, and all indications are that it is going to get a good deal worse before it gets better.

Shortly after I assumed office in July, I established a housing committee made of 25 leading citizens. They represent the social agencies, veterans organizations, and governmental bodies that are concerned with this problem. The committee has met frequently to discuss many specific proposals which included trailer camps, prefabricated housing, portable housing, conversion of empty school buildings and fire stations, adapting tourist camp facilities and Quonset huts.

Each suggestion was carefully investigated. Unfortunately, in each case various obstacles rendered the suggestion unworkable.

Meanwhile, the crisis has continued to mount. The Mayor's office is besieged daily by dozens of persons -- most ex-servicemen-- who are unable to find living quarters of any kind. Families have taken shelter wherever they can find it -- in automobiles, in unheated buildings, in empty business quarters, and in places totally unfit for decent habitation. The incident of a man, his wife, and baby child living in the bus depot is not an isolated case. Thousands of families have doubled and tripled up so that as many as 12 or 14 people are living in 3 and 4 room apartments.

There are many violations of zoning, building, and health ordinances. Thorough enforcement would mean the eviction of many additional hundreds. Thus, many quarters are in use that are unfit for human habitation.

What has caused this tremendous housing pressure? This question is raised daily, and I believe a clear understanding of the problem's causes is essential. First, more than 5,000,000 persons the nation over have left farms to take residence in cities, and few of them are returning. Second, veterans are now coming back, a large proportion of them married and eager to establish homes of their own. Third, during the depression there was much doubling and tripling up, and with the prosperity of the war years the doubled up families obtained separate living quarters for themselves. Fourth -- and this is the fundamental factor -- during the depression of the '30's only 2,700,000 new family dwelling units were built, and the number of families grew nearly twice as fast. Then, during the war, construction of homes was all but frozen. Add to this the natural attrition of older homes, and you have the basic cause of the shortage.

Minneapolis' situation is worse than elsewhere for two reasons: (1) Minnesota is one of the five states without public housing legislation, and (2) the city's financial situation is such that we do not have the funds on hand for needed public housing, even if such were permissible.

The only permanent solution is more construction. But we cannot wait for that solution. The nation needs today 12,600,000 new homes, and the most optimistic estimates for construction in 1946 is only 475,000. At any rate, it will be 10 years at least before construction will even begin to catch up with housing needs.

The situation hits the veterans the hardest. Already some 2,000,000 families have doubled up, and of this group 1,100,000 are veterans. Another 1,600,000 married veterans who have no established homes are to be discharged and army surveys show that 1,300,000 more veterans intend to marry within the next year. This means that a prospective total of 2,900,000 veterans will be without homes in 1946, in addition to the present 1,100,000 who have already doubled up. How ironic the problem is! The very families that should have preferred treatment are now suffering the most.

Into the midst of this crisis there comes now a new factor -- the dreaded threat of soaring rents. This threat takes the form of a concerted drive to remove OPA rent controls.

I want it clearly understood that I am unconditionally opposed to the abolition of rent control and I shall resist, with every resource at my command, the efforts that are being made to abolish it. No greater disservice to the veterans and to the public generally has been contemplated than the movement to end rent control.

Let me tell you briefly how rent control operates.

Rents for housing units in this area were frozen at the amounts received on March 1, 1942. This method was determined to be generally fair and practical in its application.

The maximum rent regulation provides certain grounds upon which rents may be adjusted by petition of landlords. In addition to other reasons, rents may be adjusted upwards if the landlord can show that the net income of a certain property is less now than for a representative period prior to March 1, 1942.

The local OPA office has compiled figures from records covering 15,000 rental units which show that the net income of landlords in general in Minneapolis is considerably greater now than prior to rent control. This may be explained by the fact that properties are 100 per cent occupied at present, tenants change less frequently, rent is paid promptly, and there is a considerable decrease in services customarily supplied by landlords.

That incomes to landlords are greater today than they were in 1942 is further reflected in the fact that income-producing properties are being sold at greatly increased prices, and these prices are always determined by the income-producing values. Thus, rental properties in the main are yielding more -- not less -- income.

Moreover, many rents in Minneapolis have been raised by OPA. Approximately 22,000 petitions for rent readjustments have been filed in the Minneapolis-St. Paul OPA rent office, and approximately 15,500 upward rent adjustments have been granted. Approximately 72 per cent of the petitions have been granted in whole or in part.

With respect to new rental units coming on the market for the first time after March 1, 1942, the OPA may reduce their rents if they are found to be higher than the rent generally prevailing for comparable accommodations on March 1, 1942.

The OPA also restricts evictions of tenants. Landlords owning housing accommodations prior to November 1, 1942, may gain possession for purposes of self-occupancy under the provisions of local law by filing proper notices to vacate. If one buys a home in which tenants already reside the new landlord cannot remove the tenant until after a six-month waiting period. For veterans of World War II the period is shortened. The rent regulations provide certain grounds under which tenants can be removed, which include violation of obligations of tenancy and the committing of nuisances on the premises.

Now I say to you, in all honesty and frankness, that no one would deny that certain phases of the OPA rent control program could be improved. Inequalities and specific injustices do temporarily exist. But, whatever its minor weaknesses, rent control has worked -- and worked to the advantage of both landlord and tenant.

Since publication of an open letter to me from the Property Owners association, I have received dozens of calls and letters from leading Minneapolis realtors assuring me that OPA rent control has operated here in an effective and efficient manner and that they wanted it understood that they personally favored its continuation.

In its letter to me, the Property Owners group said that 2,200 housing units are being withheld from the rental market because of the OPA rent control. I have checked with the local OPA office and I find that there is no evidence to support this assertion. My

is continuing to investigate to determine if there are any landlords so greedy and so cynical that they are withholding units at a time when so many parents and children, mostly veterans and their families, are without roofs over their heads.

There are apparently a number of housing units vacant because owners are attempting to sell and do not desire occupancy while sale is being negotiated. Many homes are being sold at tremendously inflated prices which encourage present owners to sell rather than rent. There is no sound reason why price ceilings on sale of homes should not be maintained just as they are on rents, commodities, automobiles, and other essential items.

The failure to impose price ceilings on the sale of homes is having the effect of inflating rents, because many persons are buying today -- not because they wish to own the particular piece of property, but because that is the only way they have to obtain a place in which to live. Such a scheme hits directly at the veteran, most of whom do not have the money to meet an inflated price for a home.

The answer to our problem is not ending rent control. Indeed, the end of rent control would be disastrous. It would mean inflation, which would most certainly, just as it did after the last war, end the construction boom even before it gets started.

Those who agitate for end of rent control might do well to study the history of the postwar period of the '20's. During the First World War rents were held to a 4.9 per cent increase, while the general cost of living went up 61.8 per cent, according to Bureau of Labor statistics. But after the war ended price regulations were abandoned and rents jumped. In 1919, they went up 13 percent on the average, in 1920, another 20 per cent, and in 1921 another 8 per cent.

By 1922 they had increased to 154.4 a rise of 47 per cent after the war. These increases are mild compared to what some landlords would be charging today if there were not control on rents, because the pressure today is many times greater than what it was in 1920.

After the last war contractors built 400,000 new homes in 1919, but they found that, despite the demand for new housing, buyers simply couldn't pay the prices demanded for new homes. They continued to compete for the old apartments. So the building boom was killed in its infancy. And that is precisely what may happen again now.

It is in the interests of our free enterprise system that there be a general tightening, rather than relaxing, of our price controls. No one profits from inflation. History has made that painfully clear.

What then is the solution to Minneapolis' housing crisis? I must confess that the answer to this problem is baffling. There is no easy answer. In the long run, the answer is construction both private and public. The long-run solution demands that we have low-cost housing for low-income groups and this means we must have enabling legislation to permit establishment of municipal housing authorities.

But we cannot wait for this solution. We need action now to alleviate the present suffering and hardship. This means we must follow a drastic course that requires the complete and unselfish cooperation of all residents.

We must open all space which we have in our homes beyond our most immediate needs. There are thousands of homes in Minneapolis that are occupied by one-person families. These homes can -- and they must -- take in tenants. I know that this means an invasion of one's privacy and that the earnings from such rents serve as no inducement to many persons who can afford the luxury of excessive living space.

That such space exists was clearly demonstrated when more than 80 offers of home-sharing were extended following the newspaper account of the young man and his family who were stranded in the bus depot. This incident was dramatic and it got special attention. But there are hundreds of similar cases. I wish I had the time to tell you about some of them in detail.

The veteran is rightfully resentful of this situation. He wants a home and a job. He is entitled to both. The unvarnished truth is that he is not going to get a home unless you open yours to him. Share-your-home-with-a-veteran's family -- that should be our slogan for this crisis.

Surveys show that there are thousands of 8, 10, 12 and 14 room homes -- some even larger -- that are today occupied by one or two persons. This is the only possible source of additional living quarters. If you have such space I ask you to call or write the War Housing Bureau, 414 South Eighth St., Atlantic 4344. I repeat -- if you have any possible living space, whether it be one room or two, call the War Housing Bureau, 414 South Eighth St., Atlantic 4344.

There are many thousands of homes the city over that can be converted from single-dwelling units to duplexes. They can be converted *in any section of the city in full* ~~in any section of the city~~ in full compliance with city zoning and building ordinances.

I want to urge, in the ~~str~~ strongest possible way, that every householder take inventory of his property, that he open his excess living space to others and that he convert his property into additional dwellings.

This is our only hope for averting a major calamity. The hardship and tragedy that are resulting from the shortage of homes is

unbelievable. The problem has reached the stage where it must be handled on the basis of a citywide emergency in which all citizens cooperate with complete unselfishness.

We are challenged now to demonstrate our gratitude for the sacrifices that our young men and women made as members of the armed forces. The sacrifice that we will make as householders is nothing compared to what theirs has been.

By opening your home to a veteran, you will demonstrate that by unselfish cooperation we can solve our difficult community problems. That is the American way.

Thank you and good evening.



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