

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL HOUSING CONFERENCE

Washington, D. C.

February 29, 1976

It's a pleasure to be here today with my friends from the National Housing Conference. We've shared many hard-fought battles over the years.

No one needs to remind you that the last two years have been an absolute disaster for the housing industry.

Housing starts slid straight downhill from the banner years of the late '60's and early '70's.

Bankruptcies in the home construction industry became widespread.

Home mortgage interest rates skyrocketed to unprecedented levels.

And government-assisted housing starts slowed to a trickle.

Some of this collapse can be attributed to the decline in the national economy. But no one can deny that government non-policies and policy failures have played a major role.

This Administration has failed to insure a level of housing production sufficient to meet the Nation's needs. Its policy has been simple and precise: "Let the market forces operate while the bottom falls out of the market."

Now we are told that the housing industry is recovering -- that things are looking up.

That should come as no surprise. Things always look up when you're flat on your back. Sure, housing starts will increase in 1976. They had no place to go but up.

Despite this recovery, however, 1976 will not be a banner year for the housing industry. Mortgage interest rates will decline only slightly and a cloud will continue to hang over multi-family construction, despite Federal assistance. In short, 1976 will be a modest recovery year for housing, but production still will fall far short of anticipated needs.

I don't want to dwell on the past, particularly one as glum as the depression from which housing is just now emerging. I'm an optimist. I'd rather talk about the future and the opportunities it presents. I'd rather talk about the capacity of the construction industry to meet our housing needs. I'd rather talk about the public and private sector initiatives that can make our national housing goals a reality.

We have a national housing goal in this country that you and I consider to be very important, but that others have chosen to ignore. That goal contains two separate but closely related objectives.

The first portion of the goal commits the government to provide "a decent home for every American family." That means a sound structure, with suitable plumbing and heating facilities in compliance with reasonable building standards.

The second part of our national housing goal commits the government to provide "a suitable living environment" for the family that occupies the home. This suggests that a sound structure is not enough. It must be located in a healthy neighborhood with good schools, clean streets, reasonable public safety and, hopefully, a little greenery.

A decent home in a suitable living environment for every American family was a wise goal in 1949 when we conceived it. It was sound in 1968 when it was repeated, and it remains a worthy goal today.

In 1968, we placed a numerical value on our national housing goals. We agreed -- and I emphasize "we" because both the Executive and the Congress participated in the decision -- that 2.6 million new housing starts a year were necessary to meet our national housing goals.

Unfortunately, once we agreed on the goal not much was done to meet it.

During the first five years under our goal we did pretty well. New housing starts from 1969 through 1973 averaged 1.9 million units a year.

But since then, we have had nothing short of a disaster. Housing starts in the three-year period from 1974 to 1976, despite the recovery, will average approximately 1.3 million units a year, exactly half the production necessary to meet our goals.

But what does this low production mean to the average American family?

First, it means higher home prices. As housing becomes more scarce, families are forced to bid more for existing housing, driving the price out of reach of many families.

Second, it means overcrowding and substandard units. Children live with their parents longer, families are forced to double-up, and substandard units that are ready for replacement remain in use.

Finally, it means that little housing is available for low and moderate income families. These families depend on a large supply so that they constantly can upgrade the quality of their own housing by trading up.

There are several steps that must be taken to restore housing production to levels that are sufficient to meet our housing goals.

First and foremost, we need economic policies designed to put America back to work. At present we are wasting our economic resources day after day.

Almost eight percent of the work force is unemployed. Twenty percent of industrial capacity is idle. Some \$54 billion in Federal tax revenues were lost in 1975 due to the recession. Another \$27 billion was lost by State and local government.

And here's the real killer. We will lose more than \$1 trillion in production, output and income, from the beginning of the recession to 1980.

An economy that is losing that much output and the personal income that goes with it just can't afford much new housing. So we need full employment and rising personal incomes to make housing purchases a reality.

Second, we need a steady and expansive monetary policy. Every time the Federal Reserve tightens the monetary screws, the whole economy suffers. But when the economy gets a cold, housing gets double pneumonia. Monetary policy must be sufficiently expansive to take housing off the economic roller-coaster by insuring an adequate supply of credit at reasonable interest rates.

Third, we need policies designed to make home ownership available to a larger number of American families. That means we have got to reduce mortgage interest rates. If looser monetary policy is not enough, we will just have to do it more directly.

The Federal government must get into the business of making mortgage money available at reasonable interest rates to the average American family. This is the heart of any national housing policy.

I have introduced a bill to establish a Federal Housing Bank to buy up low rate mortgages and assure a steady supply of mortgage money at a fair rate of interest -- six percent to a maximum of seven percent -- for persons who want to own their own homes. The amount of the mortgage should be that necessary to finance a modest but adequate dwelling. It is a bold idea, but the time is clearly past for tinkering.

Through such a program, the American dream of owning a home can become an American reality once again.

Fourth, we need programs that will allow young families to enter the housing market. At present, housing policies are upside down. Families can afford a large house when the children are mature and they don't need a big home. But when they first start a family, they can't afford anything.

I am examining various programs that will reduce the initial monthly payments on a mortgage so that young families can get a piece of America.

Fifth, we need specific policies designed to revitalize the multi-family housing industry. We must carefully examine local, State and Federal government regulations that are preventing multi-family construction.

Sixth, we must create a National Domestic Development Bank for the long term financing of public facilities. This alternative financing method is absolutely essential. Capital investment by local governments again has slowed because money is so dear. Without the sewers, roads, schools, courthouses, recreational facilities and health facilities we need, our goal cannot be reached.

Seventh, we never really have had a program for the production of housing units suitable for low and very low income families. The rent supplement program, which assists families directly, has been small and not geared to produce new housing units.

The traditional public housing did produce housing, but high operating costs kept rents too high for low income families. The public housing program, when coupled with an adequate program of operating subsidies, might have produced new housing, but this has not been tried, nor has Congress mandated the integration of these two programs to produce much needed housing.

We need a program to meet this very basic need. And, any such program would have to be based on a recognition that housing for very low income families would be more expensive than housing for middle income families. More expensive because;

It must be built sturdier to withstand the hard use of large numbers of children.

It must be built to be maintenance-proof for the same reason.

It must include the costs of community and recreational facilities so that these would be available when the units are ready to be occupied.

Without such an approach we are doomed to continue to house very low income people in slums. And this is intolerable.

Finally, and perhaps most important, we need to revive government assisted housing construction programs for low and moderate income families. In 1968, we made a commitment to build 600 thousand government assisted housing units a year. The present Administration has welched on that commitment.

Government assisted housing starts in 1974 were about 60 thousand units, one-tenth of our national goal. In 1975, they still were below 100 thousand units.

This is a national tragedy and a disgrace. Low-income families are living in housing that would be considered substandard in any industrialized country in the world.

Yet, this situation is tolerated in the world's richest Nation.

You and I know that Section 8 by itself is not the answer. We need a strengthened and expanded Section 235 program. We need to expand public housing programs. We need to pull Section 236 out of the mothballs. And we need to provide State Housing Finance Agencies with a source of credit so they can make a contribution, too.

But that only takes care of half of our goal -- "the decent home."

The other half of the goal -- "a suitable living environment" -- is just as important and certainly more often ignored.

This Administration has turned its back on our Nation's cities.

It has encouraged the flight of jobs and income.

It has denied aid in the moments of greatest need.

Just two weeks ago, President Ford vetoed a bill that would have provided desperately needed emergency financial relief to our cities.

You and I know that any program that provides a decent house without a decent neighborhood is doomed to fail. Good schools are necessary to help break the cycle of poverty; parks are necessary to provide physical and emotional relief from the city; clean streets are necessary if a neighborhood is to remain decent and its people to have pride. Without these amenities a decent house will not remain decent.

Unfortunately, the last two Administrations have given low priority to programs designed to revitalize our neighborhoods. However, we do have the Community Development program. This is a good program and it should be continued. But it is not enough.

We need economic development as well as community development.

We need housing rehabilitation money, as well as new construction assistance.

We need grants to repair existing infrastructure as well as programs to build new facilities.

In short, we must arrest present policies which encourage the throw-away city and embark on a new conservation approach. Conservation of housing, conservation of neighborhoods, conservation of infrastructure, and conservation of cities must be the top priority.

I have tried to speak briefly about the opportunities that exist, about the need to reverse present policy trends, and about the importance of reaffirming our housing goals. The opportunity exists, the goals are there.

All we need now is the commitment, the will, and the leadership to reach them. I ask you to join with me in accepting this challenge and demanding that decent homes for Americans be among the highest priorities of our Nation.

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REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL HOUSING CONFERENCE

WASHINGTON, D.C.

FEBRUARY 29, 1976

*Leon Weiner*

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*Joe McHugh*

*Joe Keenan*

IT'S A PLEASURE TO BE HERE TODAY WITH MY FRIENDS FROM THE NATIONAL HOUSING CONFERENCE. WE'VE SHARED MANY HARD-FOUGHT BATTLES OVER THE YEARS,

L NO ONE NEEDS TO REMIND YOU THAT THE LAST TWO YEARS HAVE BEEN AN ABSOLUTE DISASTER FOR THE HOUSING INDUSTRY,

L HOUSING STARTS SLID STRAIGHT DOWNHILL FROM THE BANNER YEARS OF THE LATE '60'S AND EARLY '70'S,

L BANKRUPTCIES IN THE HOME CONSTRUCTION INDUSTRY BECAME WIDESPREAD,

L HOME MORTGAGE INTEREST RATES SKYROCKETED TO UNPRECEDENTED LEVELS,

L AND GOVERNMENT-ASSISTED HOUSING STARTS SLOWED TO A TRICKLE,

SOME OF THIS COLLAPSE CAN BE ATTRIBUTED TO THE DECLINE  
IN THE NATIONAL ECONOMY, BUT NO ONE CAN DENY THAT GOVERNMENT  
NON-POLICIES AND POLICY FAILURES HAVE PLAYED A MAJOR ROLE.

THIS ADMINISTRATION HAS FAILED TO INSURE A LEVEL OF HOUSING  
PRODUCTION SUFFICIENT TO MEET THE NATION'S NEEDS. ITS POLICY  
HAS BEEN SIMPLE AND PRECISE: "LET THE MARKET FORCES OPERATE  
WHILE THE BOTTOM FALLS OUT OF THE MARKET."

NOW WE ARE TOLD THAT THE HOUSING INDUSTRY IS RECOVERING --  
THAT THINGS ARE LOOKING UP.

THAT SHOULD COME AS NO SURPRISE. THINGS ALWAYS LOOK UP  
WHEN YOU'RE FLAT ON YOUR BACK. SURE, HOUSING STARTS WILL INCREASE  
IN 1976. THEY HAD NO PLACE TO GO BUT UP.

↳ DESPITE THIS RECOVERY, HOWEVER, 1976 WILL NOT BE A  
BANNER YEAR FOR THE HOUSING INDUSTRY. ↳ MORTGAGE INTEREST RATES  
WILL DECLINE ONLY SLIGHTLY AND A CLOUD WILL CONTINUE TO HANG  
OVER MULTI-FAMILY CONSTRUCTION, DESPITE FEDERAL ASSISTANCE.

↳ IN SHORT, 1976 WILL BE A MODEST RECOVERY YEAR FOR HOUSING, BUT  
PRODUCTION STILL WILL FALL FAR SHORT OF ANTICIPATED NEEDS.

↳ I DON'T WANT TO DWELL ON THE PAST, PARTICULARLY ONE AS GLUM  
AS THE DEPRESSION FROM WHICH HOUSING IS JUST NOW EMERGING. I'M  
AN OPTIMIST. I'D RATHER TALK ABOUT THE FUTURE AND THE  
OPPORTUNITIES IT PRESENTS. I'D RATHER TALK ABOUT THE CAPACITY  
OF THE CONSTRUCTION INDUSTRY TO MEET OUR HOUSING NEEDS. I'D  
RATHER TALK ABOUT THE PUBLIC AND PRIVATE SECTOR INITIATIVES THAT  
CAN MAKE OUR NATIONAL HOUSING GOALS A REALITY.

goals

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L WE HAVE A NATIONAL HOUSING GOAL IN THIS COUNTRY THAT YOU AND I CONSIDER TO BE VERY IMPORTANT, BUT THAT OTHERS HAVE CHOSEN TO IGNORE. THAT GOAL CONTAINS TWO SEPARATE BUT CLOSELY RELATED OBJECTIVES.

L THE FIRST PORTION OF THE GOAL COMMITS THE GOVERNMENT TO PROVIDE "A DECENT HOME FOR EVERY AMERICAN FAMILY." THAT MEANS A SOUND STRUCTURE, WITH SUITABLE PLUMBING AND HEATING FACILITIES IN COMPLIANCE WITH REASONABLE BUILDING STANDARDS.

L THE SECOND PART OF OUR NATIONAL HOUSING GOAL COMMITS THE GOVERNMENT TO PROVIDE "A SUITABLE LIVING ENVIRONMENT" FOR THE FAMILY THAT OCCUPIES THE HOME. L THIS SUGGESTS THAT A SOUND <sup>Building</sup> STRUCTURE IS NOT ENOUGH. IT MUST BE LOCATED IN A HEALTHY NEIGHBORHOOD WITH GOOD SCHOOLS, CLEAN STREETS, REASONABLE PUBLIC SAFETY AND, HOPEFULLY, A LITTLE GREENERY.

h A DECENT HOME IN A SUITABLE LIVING ENVIRONMENT FOR EVERY

AMERICAN FAMILY WAS A WISE GOAL IN 1949 WHEN WE CONCEIVED IT.

h IT WAS SOUND IN 1968 WHEN IT WAS REPEATED, AND IT REMAINS A  
WORTHY GOAL TODAY.

h IN 1968, WE PLACED A NUMERICAL VALUE ON OUR NATIONAL HOUSING  
GOALS. WE AGREED -- AND I EMPHASIZE "WE" BECAUSE BOTH THE  
EXECUTIVE AND THE CONGRESS PARTICIPATED IN THE DECISION -- THAT  
2.6 MILLION NEW HOUSING STARTS A YEAR WERE NECESSARY TO MEET OUR  
NATIONAL HOUSING GOALS.

h UNFORTUNATELY, ONCE WE AGREED ON THE GOAL NOT MUCH WAS DONE  
TO MEET IT.

h DURING THE FIRST FIVE YEARS UNDER OUR GOAL WE DID PRETTY  
WELL. NEW HOUSING STARTS FROM 1969 THROUGH 1973 AVERAGED 1.9  
MILLION UNITS A YEAR.

h BUT SINCE THEN, WE HAVE HAD NOTHING SHORT OF A DISASTER e

h HOUSING STARTS IN THE THREE-YEAR PERIOD FROM 1974 TO 1976, DESPITE

THE RECOVERY, WILL AVERAGE APPROXIMATELY 1.3 MILLION UNITS A

YEAR, EXACTLY HALF THE PRODUCTION NECESSARY TO MEET OUR GOALS.

h BUT WHAT DOES THIS LOW PRODUCTION MEAN TO THE AVERAGE

AMERICAN FAMILY?

FIRST, IT MEANS HIGHER HOME PRICES. / AS HOUSING BECOMES

MORE SCARCE, FAMILIES ARE FORCED TO BID MORE FOR EXISTING HOUSING,

DRIVING THE PRICE OUT OF REACH OF MANY FAMILIES.

SECOND, IT MEANS OVERCROWDING AND SUBSTANDARD UNITS.

h ~~CHILDREN LIVE WITH THEIR PARENTS LONGER~~, FAMILIES ARE FORCED

TO DOUBLE-UP, AND SUBSTANDARD UNITS THAT ARE READY FOR REPLACEMENT

REMAIN IN USE.

L FINALLY, IT MEANS THAT LITTLE HOUSING IS AVAILABLE FOR LOW  
AND MODERATE INCOME FAMILIES. L THESE FAMILIES DEPEND ON A LARGE  
SUPPLY SO THAT THEY CONSTANTLY CAN UPGRADE THE QUALITY OF THEIR  
OWN HOUSING BY TRADING UP.

L THERE ARE SEVERAL STEPS THAT MUST BE TAKEN TO RESTORE HOUSING  
PRODUCTION TO LEVELS THAT ARE SUFFICIENT TO MEET OUR HOUSING GOALS.

L FIRST AND FOREMOST, WE NEED ECONOMIC POLICIES DESIGNED TO PUT  
AMERICA BACK TO WORK. L AT PRESENT WE ARE WASTING OUR ECONOMIC  
RESOURCES DAY AFTER DAY. *People need jobs to pay for housing*

L ALMOST EIGHT PERCENT OF THE WORK FORCE IS UNEMPLOYED.

L <sup>sum</sup> TWENTY PERCENT OF INDUSTRIAL CAPACITY IS IDLE L SOME \$54 BILLION  
IN FEDERAL TAX REVENUES WERE LOST IN 1975 DUE TO THE RECESSION.  
ANOTHER \$27 BILLION WAS LOST BY STATE AND LOCAL GOVERNMENT.

L AND HERE'S THE REAL KILLER. WE WILL LOSE MORE THAN \$1 <sup>1/2</sup>

TRILLION IN PRODUCTION, OUTPUT AND INCOME, FROM THE BEGINNING  
OF THE RECESSION TO 1980.

L AN ECONOMY THAT IS LOSING THAT MUCH OUTPUT, AND THE PERSONAL  
INCOME THAT GOES WITH IT, JUST CAN'T AFFORD MUCH NEW HOUSING. L SO WE  
NEED FULL EMPLOYMENT AND RISING PERSONAL INCOMES TO MAKE HOUSING  
PURCHASES A REALITY.

SECOND WE NEED A STEADY AND EXPANSIVE MONETARY POLICY. EVERY

TIME THE FEDERAL RESERVE TIGHTENS THE MONETARY SCREWS, THE WHOLE  
ECONOMY SUFFERS. BUT WHEN THE ECONOMY GETS A COLD, HOUSING GETS

DOUBLE PNEUMONIA. MONETARY POLICY MUST BE SUFFICIENTLY EXPANSIVE

TO TAKE HOUSING OFF THE ECONOMIC ROLLER-COASTER BY INSURING AN

ADEQUATE SUPPLY OF CREDIT AT REASONABLE INTEREST RATES.

THIRD, WE NEED POLICIES DESIGNED TO MAKE HOME OWNERSHIP  
AVAILABLE TO A LARGER NUMBER OF AMERICAN FAMILIES. THAT MEANS  
WE HAVE GOT TO REDUCE MORTGAGE INTEREST RATES. IF LOOSER MONETARY  
POLICY IS NOT ENOUGH, WE WILL JUST HAVE TO DO IT MORE DIRECTLY.

THE FEDERAL GOVERNMENT MUST GET INTO THE BUSINESS OF MAKING  
MORTGAGE MONEY AVAILABLE AT REASONABLE INTEREST RATES TO THE  
AVERAGE AMERICAN FAMILY. THIS IS THE HEART OF ANY NATIONAL HOUSING  
POLICY.

I HAVE INTRODUCED A BILL TO ESTABLISH A FEDERAL HOUSING BANK  
TO BUY UP LOW RATE MORTGAGES AND ASSURE A STEADY SUPPLY OF MORTGAGE  
MONEY AT A FAIR RATE OF INTEREST -- SIX PERCENT TO A MAXIMUM OF  
SEVEN PERCENT -- FOR PERSONS WHO WANT TO OWN THEIR OWN HOMES.

THE AMOUNT OF THE MORTGAGE SHOULD BE THAT NECESSARY TO FINANCE

A MODEST BUT ADEQUATE DWELLING. IT IS A BOLD IDEA, BUT THE TIME IS CLEARLY PAST FOR TINKERING.

THROUGH SUCH A PROGRAM, THE AMERICAN DREAM OF OWNING A HOME CAN BECOME AN AMERICAN REALITY ONCE AGAIN.

FOURTH, WE NEED PROGRAMS THAT WILL ALLOW YOUNG FAMILIES TO ENTER THE HOUSING MARKET. AT PRESENT, HOUSING POLICIES ARE UPSIDE DOWN. FAMILIES CAN AFFORD A LARGE HOUSE WHEN THE CHILDREN ARE MATURE AND THEY DON'T NEED A BIG HOME. BUT WHEN THEY FIRST START A FAMILY, THEY CAN'T AFFORD ANYTHING.

I AM EXAMINING VARIOUS PROGRAMS THAT WILL REDUCE THE INITIAL MONTHLY PAYMENTS ON A MORTGAGE SO THAT YOUNG FAMILIES CAN GET A PIECE OF AMERICA.

FIFTH, WE NEED SPECIFIC POLICIES DESIGNED TO REVITALIZE THE  
MULTI-FAMILY HOUSING INDUSTRY. WE MUST CAREFULLY EXAMINE LOCAL,  
STATE AND FEDERAL GOVERNMENT REGULATIONS THAT ARE PREVENTING  
MULTI-FAMILY CONSTRUCTION.

SIXTH, WE MUST CREATE A NATIONAL DOMESTIC DEVELOPMENT BANK  
FOR THE LONG TERM FINANCING OF PUBLIC FACILITIES. THIS ALTERNATIVE  
FINANCING METHOD IS ABSOLUTELY ESSENTIAL. CAPITAL INVESTMENT BY  
LOCAL GOVERNMENTS AGAIN HAS SLOWED BECAUSE MONEY IS SO DEAR.  
WITHOUT THE SEWERS, ROADS, SCHOOLS, COURTHOUSES, RECREATIONAL  
FACILITIES AND HEALTH FACILITIES WE NEED, OUR GOAL CANNOT BE  
REACHED.

SEVENTH, WE NEVER REALLY HAVE HAD A PROGRAM FOR THE PRODUCTION  
OF HOUSING UNITS SUITABLE FOR LOW AND VERY LOW INCOME FAMILIES.

h THE RENT SUPPLEMENT PROGRAM, WHICH ASSISTS FAMILIES DIRECTLY,  
HAS BEEN SMALL AND NOT GEARED TO PRODUCE NEW HOUSING UNITS.

h THE TRADITIONAL PUBLIC HOUSING DID PRODUCE HOUSING, BUT  
HIGH OPERATING COSTS KEPT RENTS TOO HIGH FOR LOW INCOME FAMILIES.

h THE PUBLIC HOUSING PROGRAM, WHEN COUPLED WITH AN ADEQUATE PROGRAM  
OF OPERATING SUBSIDIES, MIGHT HAVE PRODUCED NEW HOUSING, BUT THIS  
HAS NOT BEEN TRIED, NOR HAS CONGRESS MANDATED THE INTEGRATION OF  
THESE TWO PROGRAMS TO PRODUCE MUCH NEEDED HOUSING.

h WE NEED A PROGRAM TO MEET THIS VERY BASIC NEED. AND, ANY  
SUCH PROGRAM WOULD HAVE TO BE BASED ON A RECOGNITION THAT HOUSING  
FOR VERY LOW INCOME FAMILIES WOULD BE MORE EXPENSIVE THAN HOUSING  
FOR MIDDLE INCOME FAMILIES. MORE EXPENSIVE BECAUSE;

IT MUST BE BUILT STURDIER TO WITHSTAND THE HARD USE OF LARGE  
NUMBERS OF CHILDREN.

IT MUST BE BUILT TO BE MAINTENANCE-PROOF FOR THE SAME REASON.

IT MUST INCLUDE THE COSTS OF COMMUNITY AND RECREATIONAL  
FACILITIES SO THAT THESE WOULD BE AVAILABLE WHEN THE UNITS ARE  
READY TO BE OCCUPIED.

WITHOUT SUCH AN APPROACH WE ARE DOOMED TO CONTINUE TO HOUSE  
VERY LOW INCOME PEOPLE IN SLUMS. AND THIS IS INTOLERABLE.

FINALLY, AND PERHAPS MOST IMPORTANT, WE NEED TO REVIVE  
(236) (235) section 8 - ~~221-D3~~  
GOVERNMENT ASSISTED HOUSING CONSTRUCTION PROGRAMS FOR LOW AND  
MODERATE INCOME FAMILIES. IN 1968, WE MADE A COMMITMENT TO BUILD  
600 THOUSAND GOVERNMENT ASSISTED HOUSING UNITS A YEAR. THE  
PRESENT ADMINISTRATION HAS WELCHED ON THAT COMMITMENT.

Section 8 - where you pay everything above 25% of  
income for rent.

236 is Interest Subsidy to 1% — Rental  
235 - Interest Subsidy to 1% — Home ownership

221-113-10 Govt guaranteed MTG  
plus Rent Supplements  
-14-

h GOVERNMENT ASSISTED HOUSING STARTS IN 1974 WERE ABOUT  
60 THOUSAND UNITS, ONE-TENTH OF OUR NATIONAL GOAL. In 1975,  
THEY STILL WERE BELOW 100 THOUSAND UNITS.

2 THIS IS A NATIONAL TRAGEDY AND A DISGRACE. LOW-INCOME  
FAMILIES ARE LIVING IN HOUSING THAT WOULD BE CONSIDERED  
SUBSTANDARD IN ANY INDUSTRIALIZED COUNTRY IN THE WORLD.

h YET, THIS SITUATION IS TOLERATED IN THE WORLD'S RICHEST NATION.

h YOU AND I KNOW THAT SECTION 8 BY ITSELF IS NOT THE ANSWER.

h WE NEED A STRENGTHENED AND EXPANDED SECTION 235 PROGRAM. WE

NEED TO EXPAND PUBLIC HOUSING PROGRAMS. WE NEED TO PULL

SECTION 236 OUT OF THE MOTHBALLS AND WE NEED TO PROVIDE STATE

HOUSING FINANCE AGENCIES WITH A SOURCE OF CREDIT SO THEY CAN

MAKE A CONTRIBUTION, TOO.

But, the HUD area offices  
just don't respond to  
applications because around

L BUT THAT ONLY TAKES CARE OF HALF OF OUR GOAL -- "THE  
DECENT HOME."

L THE OTHER HALF OF THE GOAL -- "A SUITABLE LIVING  
ENVIRONMENT" -- IS JUST AS IMPORTANT AND CERTAINLY MORE OFTEN  
IGNORED.

L THIS ADMINISTRATION HAS TURNED ITS BACK ON OUR NATION'S  
CITIES.

L IT HAS ENCOURAGED THE FLIGHT OF JOBS AND INCOME.

L IT HAS DENIED AID IN THE MOMENTS OF GREATEST NEED.

L JUST TWO WEEKS AGO, PRESIDENT FORD VETOED A BILL THAT  
WOULD HAVE PROVIDED DESPERATELY NEEDED EMERGENCY FINANCIAL  
RELIEF TO OUR CITIES.

L YOU AND I KNOW THAT ANY PROGRAM THAT PROVIDES A DECENT  
HOUSE WITHOUT A DECENT NEIGHBORHOOD IS DOOMED TO FAIL. L GOOD  
SCHOOLS ARE NECESSARY TO HELP BREAK THE CYCLE OF POVERTY;

L PARKS ARE NECESSARY TO PROVIDE PHYSICAL AND EMOTIONAL RELIEF  
FROM THE CITY. L CLEAN STREETS ARE NECESSARY IF A NEIGHBORHOOD  
IS TO REMAIN DECENT AND ITS PEOPLE TO HAVE PRIDE. L WITHOUT

THESE AMENITIES A DECENT HOUSE WILL NOT REMAIN DECENT.

L UNFORTUNATELY, THE LAST TWO ADMINISTRATION HAVE GIVEN  
LOW PRIORITY TO PROGRAMS DESIGNED TO REVITALIZE OUR NEIGHBORHOODS.

L HOWEVER, WE DO HAVE THE COMMUNITY DEVELOPMENT PROGRAM. L THIS  
IS A GOOD PROGRAM AND IT SHOULD BE CONTINUED. L BUT IT IS NOT  
ENOUGH.

L WE NEED ECONOMIC DEVELOPMENT AS WELL AS COMMUNITY  
DEVELOPMENT.

*and* WE NEED HOUSING REHABILITATION MONEY, AS WELL AS NEW  
CONSTRUCTION ASSISTANCE.

*L* WE NEED GRANTS TO REPAIR EXISTING INFRASTRUCTURE AS WELL  
AS PROGRAMS TO BUILD NEW FACILITIES.

*L* IN SHORT, WE MUST ARREST PRESENT POLICIES WHICH ENCOURAGE  
THE THROW-AWAY CITY AND EMBARK ON A NEW CONSERVATION APPROACH.

*h* CONSERVATION OF HOUSING, CONSERVATION OF NEIGHBORHOODS,

*L* CONSERVATION OF INFRASTRUCTURE AND CONSERVATION OF CITIES MUST  
BE THE TOP PRIORITY.

*h* I HAVE TRIED TO SPEAK BRIEFLY ABOUT THE OPPORTUNITIES THAT  
EXIST, ABOUT THE NEED TO REVERSE PRESENT POLICY TRENDS, AND  
ABOUT THE IMPORTANCE OF REAFFIRMING OUR HOUSING GOALS. *L* THE  
OPPORTUNITY EXISTS, THE GOALS ARE THERE.

L ALL WE NEED NOW IS THE COMMITMENT, THE WILL, AND THE  
LEADERSHIP TO REACH THEM. L I ASK YOU TO JOIN WITH ME IN  
ACCEPTING THIS CHALLENGE AND DEMANDING THAT DECENT HOMES FOR  
AMERICANS BE AMONG THE HIGHEST PRIORITIES OF OUR NATION.

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