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NEWS RELEASE

from the Desk of SENATOR HUBERT H. HUMPHREY

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AMERICA NEEDS 2,000,000 NEW HOMES EACH YEAR

Construction of two million new homes each year is needed to house the American people decently, Senator Hubert H. Humphrey (D., Minn.) declared last night in an address before the annual banquet of the National Housing Conference in Washington, D.C.

Unless the Nation accepts that goal, Senator Humphrey warned, "we will be losing the battle for better housing".

"Our present housing program is too little and too late," he warned.

"We need two million homes a year, but we are only getting half of that amount. We need a slum clearance program that clears slums at least as fast as they are created. Our present program is clearing them at about a tenth of the rate at which they are expanding. We need housing for families of every income group. Our present program serves only about the upper income third. We need a lot of community facilities, a two-year shelf of public works. We have a shortage, and a one-month shelf.

"In short, we have a 50% program in housing volume, a 10% program in slum clearance, a 30% program in housing for all income groups and a 5% program in community facilities.

"In all of these fields, we should have 100% programs, programs large enough and complete enough to utilize the skills and resources of the American people -- large enough and complete enough to build a decent home in a suitable living environment for every American family".

"A million homes will be required each year to accommodate new families, to permit undoubling, and to provide a reasonable vacancy rate," he said.

"A half million more new homes are required each year to replace dwellings which are destroyed or demolished by fire, windstorm, by highway construction, and by public building and other public actions.

"But if we were only to build 1,500,000 homes, we would never eliminate our present substandard homes. There were 15 million substandard homes in the Nation in 1950. If we spread the job over a 20 year period, we would have to replace 500,000 substandard homes a year. We can do that job only if we are building two million homes a year. At present rates of building, the number of substandard homes is increasing, not decreasing."

Senator Humphrey said his estimates on the Nation's housing needs were based on a study just completed by the National Housing Conference.

"We need some form of parity in residential building, to tell us whether or no we are making progress or slipping backwards. It should establish the level of production required to provide homes for our new families to replace our slums, to maintain full employment in building, and to provide for a rising standard of living.

"The two million figure reached by the National Housing Conference study provides us with such a measure of minimum objectives," Senator Humphrey declared.

Other excerpts from Senator Humphrey's remarks follow:

"The Housing Act of 1949 pledged our Nation to the proposition that every American family had a right to a decent home and a suitable living environment. The Congress declared that the maintenance of high residential construction was necessary in order to insure continued full employment and the steady growth of our national economy and our high standard of living. Those principles are as applicable today as they were in 1949 -- only more so."

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"The entry of the Federal government into the housing industry helped improve housing conditions for the American families, and helped improve economic conditions for the American home building industry. The home building industry was never so successful, never so strong, and never so profitable as in the year following the adoption of the 1949 Act."

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"For the Administration to state as a goal that we want to build only 1,000,000 homes next year is indeed to be moving backwards. We are being asked to be content with a 25% decline from the construction levels of four years ago. We are asked to stabilize residential construction at a low level. Such a permanent cutback is not a program for America. It is a program rather for the timid, the tired and the short-sighted. This is a program of depression. It is a program of unemployment for 300,000 or 400,000 workers who should be employed in building new homes. This is a program for the perpetuation of the housing shortage, and for the maintenance of high prices."

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"We have suffered from a revival of know-nothingism in this country, and now we have a new political philosophy of do-nothingism. Let us pray that this is not a prelude to a new 1949. Let us never forget that housing construction reached a peak in 1925, from which it declined unnoticed to the collapse of 1929."

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"When home building lags, the economy fails to expand as rapidly as before, and all of us lose."

"In years of rapid economic expansion, residential construction has accounted for over 4% of our gross national product. In 1950, it was 4.4%. Today it is nearer 3%. This year our economy is not expanding. We will not produce an extra \$10 billion in wealth and income. We will be lucky to produce as much as we did last year. That extra production of an expanding economy could have resulted in the construction of a half a million or a million additional homes. If we can continue to expand our economy at a steady rate, we can build two million and more homes a year without spending any more of our income for housing than we have in the past. If we fail to do so, we invite economic stagnation or worse."

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"It is clear that public housing will fail to achieve its purposes unless the program is modified in certain important respects. There must be an end to barren and institutional-looking projects. There must be a lot of experimentation with single homes, smaller projects, and better design. Much more attention must be given to housing for aged couples and single persons. Real attempts must be made to mix public and private housing, to avoid the creation of large unnatural areas of low income families. The income limits in public housing should be raised to permit continued occupancy of families who otherwise would be forced to return to slums."

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"We cannot move forward with slum clearance, or rehabilitation, we cannot expand housing production, and we cannot stabilize building unless we can develop means for building a very large volume of new homes for the 12 million or more middle income families. Their incomes are too high for public housing, and too low for new private housing. There is little evidence that the private economy has made any progress in this field in recent years. Almost all of recent construction has served higher income families, and the market for such families may well be approaching saturation".



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