

STRATEGIES FOR HOUSING
CHANGE

by

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ABSTRACT AND PREFACEAbstract

This thesis attempts to examine strategies for housing change from a radical perspective, as it is broadly defined. Since housing activists bring to their work a basic mind-set about the processes and goals of social, economic and political change, it is critically important in a study of housing policy to examine the perspectives from which strategies can be drawn. The radical point of view with respect to housing issues was chosen for this paper because little formal work has been done on it. A definition of the housing problem is given and followed by a general framework for examining radical strategies and housing. The characteristics and perceptions of different social and economic groups with respect to housing are described. The bulk of the thesis is devoted to a description of the social and economic role of housing with suggestions for further research and action. The areas discussed in this chapter include: shelter, production, investment, taxation and subsidies, geographic distribution, income redistribution, and social and environmental functions of housing.

Preface

The scope of this thesis may appear to try to cover all ground in sight. Since theses are normally more narrowly defined and rigorous studies, an explanation of why this was written this way is in order.

Over the past five years I have been involved in considerable housing organizing and advocacy activity, and I have written two manuals on housing research and organizing. This experience, plus the work I have done at M.I.T., brought me to a point not long ago when I realized that I had to pull my thoughts together on the broad issues involved in housing before I could comfortably take on a new activity in the field. Since the university is seen as a place in which students can experiment with ideas in a learning situation without the everyday pressures of normal professional life, I sought to take this last opportunity (for a while) to prepare a paper in which most of the work is in conceptualization and not library research.

However, the task I have undertaken is one which obviously does not end with this thesis. Therefore, I see it as a working paper which suggests some directions for further research and action. It will be put to specific use within the month by Urban Planning Aid, Inc., an advocacy planning organization located in Cambridge. I will be working with them on basic housing research and providing technical assistance to some city-wide and regional housing

groups (e.g., the new Tenants' Association in Boston).

STRATEGIES FOR HOUSING CHANGE

I. Introduction

News item:

DERRY, Northern Ireland. A 28-year-old unemployed laborer vowed last night to burn himself to death as a protest against housing conditions in this Northern Ireland city.

Ambrose Moore, married and the father of three, complained that he is confined to a rat-infested apartment and said unless proper accommodation is provided he will soak himself in gasoline next week and set fire to himself.

Moore said that as a result of the deplorable housing, his wife is in a state of nervous collapse and two of his children are in the care of the welfare authorities.

He added, "I might as well be dead. I will regard my sacrifice as a protest for all the families of Derry who are suffering from terrible housing conditions."

Moore has been on a hunger strike for the past two weeks as a protest against the housing conditions.

--Boston Globe, Jan. 1, 1969

Few Americans would use self-immolation as a tactic for drawing public attention to the plight of slum-dwellers. But like Ireland, the United States has had its share of militant housing protests, often mounted as part of broader issues, notably civil rights, in recent years.

Yet militant action is frequently more form than substance. The now famous tactic of rent strike -- conducted

extra-legally and sometimes accompanied by the possibility of physical violence if evictions are blocked -- is often used to get the local authorities to do nothing more than enforce their own laws (usually housing codes). In contrast, the same tactic might demand significant changes in the landlord-tenant relationship or be part of a long-range strategy for dealing with housing problems.

Both the public in general and activists have understandably tended to confuse militance with radicalism. In some cases, goals, strategy and tactics have not been well thought-out or at least their connections are not made clear to participants or observers. But in most instances, it comes down to a matter of interpretation. Victory to one group may be cooptation to another. Defeat to some may be a "learning experience" to others. Implicitly or explicitly, the context of any action and basic approach to it provide the framework for evaluating its implications.

This context and approach derive from several factors. A housing activist will attempt change according to his perception of how housing issues relate to other urban issues, such as employment, health, welfare or transportation. And, perhaps more important is his basic mind-set about the processes and goals of social, economic and political change. It, then, seems critically important in a study of housing policy to examine the perspectives from which strategies can be drawn. I am most concerned here with two approaches to housing issues, which can broadly

be called "liberal" and "radical." I will not deal with "reactionary," "conservative," "statist," "fascist," or similar types of approaches. Since the terms "liberal" and "radical" have vague, undefined and often perjorative meanings, I will try to describe the specific differences between them by the use of admittedly over-simplified ideal types and examples. Because there are so many varieties of opinion within each viewpoint, it becomes necessary to differentiate them by a fundamental criterion. Basically, the liberal believes that what he considers necessary change can be brought about within the present system. The radical doesn't, and he may define his objectives differently, in addition.

Liberals

In the liberal view the American political system is pluralistic; interest groups, political parties and voluntary associations compete for and share power. Since public policy is seen as a matter of compromise between groups in "the mainstream of American politics," the liberal believes it is the interest of any groups presently excluded, such as minorities and the poor, to integrate into the mainstream. When mechanisms do not adequately handle conflict, as in collective bargaining, the liberal will institutionalize the conflict.

Many problems derive from inefficiencies or corruption

in government and business, according to the liberal, and can be solved by further rationalization of bureaucracies (which often takes the forms of coordination, and centralization -- or decentralization) and the election or appointment of well-motivated public officials and the encouragement of enlightened corporate executives. Liberals split on whether emphasis should be placed on public, private or "self-help" approaches to problems. In some cases such views also overlap with those of more traditional conservatives.

Keynesian and New Deal solutions to economic problems are emphasized by liberals -- specifically fiscal and monetary policy to counter business cycles; and various forms of direct and indirect subsidies to deal with some of the undesirable side effects of market distribution of resources, e.g., social security, public housing, medicare, agricultural support payments and public assistance. These ameliorations in the outcomes of the distributive process make it unnecessary to question the process itself.

Radicals

As was previously noted, radicals do not believe that their ultimate goals can be achieved unless there is a fundamental change of the "present system," which is usually defined by them as capitalism.

However, within that basic framework, it is more difficult to give a "portrait" of the radical. Traditional

disagreements on significant issues are reflected today on the left in sectarianism and a form of political schizophrenia. Divisions have occurred around both normative questions (What is the vision of an alternative to capitalism?) and positive ones (What theory best explains what has happened and what is likely to occur in the future?-- a question which would lead to what is a radical supposed to do with respect to that prediction.).

One major debate surrounds the viability of capitalism as an economic system. Some Marxists still believe that the "contradictions in capitalism" will result in an internal economic crisis. Others argue that the crisis of capitalism has been shifted to the underdeveloped countries, and that current "wars of national liberation" are the manifestation of this. And still others claim that the crisis of American capitalism is cultural and not economic. They point to the weakening of traditional values that were important to the growth of capitalism -- hard work, competition, etc. -- among youth today.

A second difference involves views of the role of the state, both ultimately and at the present time. While most groups believe the state under capitalism is a "tool of the ruling class," the traditional Marxist sees at least an intermediate period "after the revolution" when a strong state will be controlled by the working class. This means that some Marxists, like some liberals, will strongly

favor public, rather than private responses to current political issues, such as housing. On the other hand, radicals in the anarchist tradition look to voluntary associations and autonomous groups, rather than government, for social and economic answers. The cooperative movement, community corporations, and attempts at "self-help" endeavors may derive in part from this tradition.

There is not much agreement on which social group in society will be the main agent of change or which group or sub-group is the "vanguard." But, in addition to the more traditional industrial working class, youth, blacks, the poor and the "new" working class (professionals, technicians and other white-collar workers) are now potential constituencies to organize.

Organizations and individuals on the left have varying scenarios for radical change. Some view "the revolution" as an apocalyptic event sometime off in the future, frequently related to a major political or economic crisis. Others attempt to "build the good society within the old" by encouraging counter-institutions in which radical precepts can influence everyday life. And still others predict the transformation of capitalism to socialism, communism or whatever, through the slow process of "reformist" structural change in existing institutions. In their actions they are almost indistinguishable from liberals.

Attempted organizational forms range from the small

vanguard organization to the mass-based political party.

While most radical programs still call for the substitution of centralized or decentralized economic planning for the market mechanism and profit motivation, some tend towards attempts at harnessing the market mechanism for social ends (e.g., Yugoslavia). This is an important issue in examining housing solutions.

This cursory and somewhat superficial description of the differences between and among liberals and radicals does not give the observer much of a road map in interpreting current activity around housing issues. In fact, most activists in housing policy operate from an unclear ideological framework. Ultimate goals and basic assumptions are usually tacit and often contradictory, and a clear-cut interpretation is hard to construct. As for tactics and short-run strategy, liberals may use militant and illegal actions, while radicals may organize strictly by law. In fact, certain forms of militance are now mainly associated with non-radical strategies. The tactic of "filling the jails," which proved effective and gained popularity during the early years of the civil rights movement, now draws fire from radicals. Civil rights activists believed that the public authorities would see the error of their ways when confronted on a moral issue with this tactic. But current issues of concern to the New Left do not reflect such a trusting view of the ultimate forces of law and order. "What's wrong," a San Francisco radical

activist said recently, "is that Movement rhetoric has become revolutionary but its strategy is still liberal. That's a killing combination. Like Lenin -- and the NLF -- we need a reformist rap and a revolutionary plan."¹

The explicit intent of this thesis is to examine strategies for housing change from a radical perspective, broadly defined. To do this, it first becomes necessary to separate out matters of strategic or tactical militance from long-range strategies and goals.

But why examine housing issues from a radical perspective? For one, most formal analysis is openly or tacitly in the liberal tradition, and that analysis needs no repetition. And, then, that tradition is of little help to radicals, on the one hand, although the movement itself, to the extent that it exists, has no clear analysis of its own approach towards housing. On the other hand, housing activists, while not now embracing a general radical analysis of society, may still define "the housing problem" in such a way that liberal goals and/or methods are inadequate. This paper will not be able to provide a firm analysis to either group, but will attempt to suggest directions that future research and action might take.

Here it is necessary to make clear two issues which this paper assumes and therefore will not deal with. First, the question of whether the radical analysis of society and of social change is correct is well beyond the scope of this paper. If I were writing a paper based on, say,

liberal suppositions, I would assume their general acceptance and not justify them. In the interests of length, I will not attempt to defend radical supposition, but simply assume that much of the radical approach is valid. The only thing I will explicitly reject is an apocalyptic view of revolution and the small vanguard form of organization. In other words, I will assume the need for some form of broad-based organizing and strategies for intermediate action.

The second question I cannot hope to answer is whether or not needed change in housing can be brought about within the present system. For one thing, there is no general agreement on the definition of what the housing problem is. (See below for further discussion of definition.) A radical definition of the problem is unlikely to be amenable to liberal solutions, and it is clearly debatable whether a liberal definition of the problem would even allow for correspondingly liberal solutions. Secondly, were a common definition to be found, the question could yet remain impossible to answer. How would one "prove" that solutions can be found within the system --i.e., technologically, politically, economically and socially? And finally, it is unclear how important it is to attempt to deal with the question. It would be improbable that most liberals would be convinced by a well-documented argument that liberal solutions won't work or can't be achieved within the system and therefore take a more radical approach.

For radicals, it is a little more complicated. If it were shown that most or all housing demands could be met within the system, many radicals would see little future in organizing around housing issues. On the other hand, those activists on the left whose organizing strategy involves choosing issues where there is a good chance of winning would be interested in learning which housing demands can be met within the system and what effects they will have. In any case, the issue as a whole cannot be resolved a priori in this paper; only suggestions of what issues are most easily met can here be given.

It has been mentioned several times already that the definition of the problem both reflects one's general approach and influences the direction of one's actions. Outlined here are four related areas in which the housing problem manifests itself. Part of this definition incorporates commonly held views of what's wrong with housing, while the rest derives from a more radical analysis. This definition as presented is still fairly tentative and open to change. The points raised here are all discussed in greater detail in subsequent sections.

1. Condition, price and supply: Although estimates vary as to number, it has been well-documented that many American households still live in substandard or overcrowded conditions and/or pay more than they can afford for housing.² In some areas of the country there is an absolute shortage of housing, while in others a deficiency

of standard, affordable residences. Reasons for this situation and possible points of intervention are sought either on the supply side (inefficiencies or inherent defects in production and distribution systems causing high costs and/or underproduction) or the demand side (not enough effective demand, and income posited as both a cause of and a solution to the problem) or both.

2. Lack of control and economic "alienation": Most tenants are obviously insecure and unable to control their immediate environment. To the extent that the homeowner feels insecure about meeting one or two mortgage payments and impotent in the face of rising tax rates, he also suffers from lack of control. On a deeper and perhaps not readily perceived level, the concept of exploitation that occurs on the job occurs in housing. Although the term exploitation in common usage refers to deplorable working conditions (in the case of employment), low wages or unusually high or "unfair" profits, the more exact use of the term by Marxists and other radicals refers to the concept that workers never recover the full value of their labor because the employer makes some profit from it. In Marxist terminology, the worker is "alienated" from his work. Transposed into the housing sphere, one can say that the tenant or homeowner is "alienated" from his place of residence to the extent that another individual or corporation is profiting from his housing need. The most extreme statement of this position would hold that ultimately no

part of the consumer dollar should go towards profit. Less "pure" interpretations would include making certain necessities (food, shelter, transportation, etc.) "public utilities" in which profits were banned or highly regulated; or, even more moderate, taking profit out of providing necessities to those who cannot afford them (which would appear to be almost impossible in an otherwise capitalist economy).

3. Consumerism: Related to the question of profit is the role that housing plays as a major consumer expenditure in the economy. If one accepts the analysis set forth by Baran and Sweezy,³ monopoly capitalism must somehow absorb the economic surplus it generates; otherwise it will stagnate. One of the major ways in which they see the surplus absorbed is by the artificial stimulation of demand through advertising and "built-in obsolescence." Advertising serves to induce changes in fashion, create new wants, set new standards of status, enforce new norms of propriety. And the expansion of credit in the post-war period has added to the expansion of aggregate demand. Expenditures for housing and household durables, appliances and furnitures, have been an important component of that expansion. The production of large amounts of housing for those currently in need of it (see #1 above) in the manner it has been produced and marketed until now, will only perpetuate the same situation. What is being criticized here is not increasing standards of living, which decent

housing and adequate furnishings and appliances bring, but rather the increasing proportion of the consumer dollar which is above and beyond what Baran and Sweezy define as the "socially necessary cost of production."

4. Community: The kinds of issues which arise under the general notion of community are not really housing issues per se, but often manifest themselves in housing problems. Controversies over open occupancy and the mixing of different income groups within one housing development or neighborhood are symptomatic of the cleavages which exist between races and economic classes in most areas of economic and social life (employment, education, etc.). Yet housing solutions which do not take these issues into account would clearly be unsatisfactory. And then there is still the more nebulous questions surrounding "quality of life" issues, which is again a question of housing styles or patterns -- suburbia vs. central city; family privatism vs. neighborhood collective life; degree of control over environment beyond the confines of one's home, etc.

II. General Framework

The development of a useful radical perspective on housing requires first an explanation of the context in which contemporary American radicals formulate their strategies.

The "Movement" today, as perceived by its adherents, can basically be divided into two groups: white and black. The white part of the Movement consists primarily of students and young adults from middle class backgrounds. Organization activity is mostly centered around Students for a Democratic Society, a group which started out in the early 1960's advocating participatory democracy, then focused its attention on anti-war activity, became anti-imperialist and now, at least on the national level, also takes an anti-capitalist position. The two movements which attracted much support in the past decade -- civil rights and anti-war -- failed to give rise to a sustained adult multi-issue left organization or political party.

Some of the issues which engaged SDS members four or five years ago have now been adopted in part by more moderate groups -- for instance, working with the poor in black and white urban communities around immediate issues, has now been picked up by the War on Poverty and VISTA (although their approaches are not quite the same).

Radical whites at the present time consider the only

radical (i.e., anti-capitalist) black group to be the Black Panthers, who also advocate black nationalism. The rest of the black movement is considered to be either "black capitalist" (e.g., CORE, and the more moderate groups) or simply cultural nationalist. Blacks, of course, may have a different perception of the situation.

Organizing around housing issues has not been particularly high priority for the Movement in recent years. The war in Vietnam, racial violence at home, and campus issues, received most of the attention. At times, university-based groups of students have gotten involved in housing issues in the community surrounding their schools.

The question then becomes for what reasons would Movement activists organize around housing issues? And further, were they to do so, how would it be done?

The criteria that radicals use, whether consciously or not, to evaluate such questions, can be divided into the following categories:

--which constituency is to be organized?

--what is the relationship of the issue to the social and economic structure of the country?

--how does it fit into a broader organizing strategy?

--how does it radicalize people?

The rest of this chapter will discuss these four points in more detail. I do not intend to present conclu-

sions on these matters, but rather to make explicit some of the underlying factors and assumptions which guide radicals in their work.

(1) Constituencies: One of the main debates in the Movement today is about which groups of people should be organized. Some radicals insist that it is necessary to determine the most important constituency and then concentrate all efforts in working with that group. Others take a more flexible position, believing that there are several groups which deserve attention or at least that it is impossible now to determine which is the most important.

The position that each radical takes on the various debates on the left outlined in Chapter I will in part determine which constituency he is most concerned with. For instance, traditional Marxists look to the industrial working class to be the main revolutionary force, while those who believe that the crisis of capitalism is primarily cultural emphasize working with young people.

For obvious reasons, blacks have decided that they will organize blacks, although there is still debate within the black movement as to how that should be done best. The debate I have described here and the constituencies listed below represent a spectrum of opinion in the white movement.

--workers: this group consists of the "old" working

class -- industrial workers; and the "new" white collar workers, technicians, non-self-employed professionals, etc. Organizing attempts include trade union organizing, forming radical caucuses within unions and supporting black caucuses when they form. "New" working class radical organizations have so far formed mostly in the professions -- teachers, welfare workers, city planners, university professors, etc. Attempts are made to reach these groups "on the job" as well as in the community.

--youth: "Youth covers students (university, junior college and high school), G.I.'s and young working adults. Organizing has taken place mostly at the schools themselves. In addition, to raising issues of personal concern to them, many of these groups get involved in "other people's problems."

--women: There are signs that an independent movement of women is emerging based in part on their "oppressed" status in society -- and in some ways similar to the black movement.

(2) Social and Economic Role: An analysis of the relation of housing to the rest of the economy is an important factor in choosing issues and constituencies. For instance, some approaches call for raising demands which strike at the heart of American capitalism, although these are often unlikely to have much chance of success. Others prefer to

work on immediate or intermediate issues which have some chance of gaining real improvements for people in the short-run, but also raise more fundamental concerns.

In addition to the economic consequences of housing, there is a strong social component. The problem of racial segregation is an example of this.

My approach is essentially a functional one -- I assume that institutions and social relations are somehow functional within the current system, or at least once were. Any attempts to change a particular practice must take into account the reasons it came into being and stayed that way.

(3) Organizing strategy: There are really two different aspects of organizing strategy. One concerns the organizational style which is adopted and the other involves the directly "strategic" problems of building a strong organization. Style questions would include the organizer's attitude toward the encouragement of wide participation by many people as opposed to concentrating on the development of a small group of knowledgeable leaders.

Direct strategy questions would involve both notions of basic organizational and political direction (e.g., building a mass-based political party; developing strong single-issue organizations; forming coalitions of particular groups, etc.), and the more immediate "either-or" types of decisions (e.g., multi-issue vs. single-issue organizing;

community-based involvement vs. organizing on the job or in school, short-run "coinable" issues vs. "non-cooptable" demands).

(4) Radicalizing people: There is no clear agreement on the left as to how formerly non-political, or at least non-radical, people become radicals. However, most radicals operate on the premise that it happens through some or all of the following ways: confrontations with those in power to "expose" "real" power relationships; back-up political education and propoganda to help people draw radical conclusions from their own experience and external events; and muckraking in in which the defects of the system are documented.

III. Constituencies

When the housing activist chooses an issue around which to organize he is by implication deciding what kind of social and economic group he wishes to work with. Some strategies, for instance, appeal to a broad range of people -- like rent control -- and are likely to attract a varied following. Other issues involve relating to a much more narrow constituency -- e.g., trying to get housing codes enforced.

It is important for the radical and the housing activist of any political persuasion to be aware of the relationship of issues to the constituencies that become involved with them. As suggested in the previous chapter, the radical may be as interested in the specific constituency as in the issue. The less ideological housing activist would still want to be aware of the needs, desires and perceptions of the people attracted to his cause. For instance, an urban renewal controversy might attract many homeowners wishing to keep poor people out of the neighborhood.

This chapter attempts to present a very impressionistic view of the different constituencies and their perceived and "objective" relation to housing issues. It is based on general observation and not substantiated by any "hard" evidence. It is meant merely to illustrate and make explicit some of the underlying factors involved.

Much more detailed research needs to be done on this matter. Figures on the magnitude of each group in the country and in specific cities and metropolitan areas would be useful to organizers trying to develop programs.

Blacks

(1) Middle class families living in ghetto, ghetto fringes and some suburbs: Black families with enough money to move to suburbs may not because of formal discrimination as well as the disproportionately high prices charged black home-buyers. Inner city residents who want to move to the suburbs and black suburbanites are probably divided on the issue of neighborhood stability in integrated areas. Suburbanites may wish to maintain stability by inducing whites to remain, while preventing a black influx which would "tip" the neighborhood. In spite of the fact that it means the creation of a suburban ghetto, inner-city blacks might want a black move to suburbs. Some would probably prefer to live in the same way that other ethnic groups do, clustering together by choice. Other middle-class families prefer to stay in the inner city and build a black economic base there. This group provides much of the leadership for the development of black entrepreneurial endeavors, including housing development corporations, as well as more cooperative and community-oriented economic development. Enforced fair housing laws are important to bring the prices charged blacks

seeking home ownership in the central city more in line with "white" prices. As with other inner-city homeowners, high tax rates, and in some cases unfair tax assessments, will be a problem.

(2) Working class families living in the central city:

The tenants in this group are concerned about paying high rents for substandard conditions, high, at least, relative to their incomes and relative to equivalent quality housing in white areas. The same problems of high prices, getting credit, and high tax rates hit homeowners more acutely than tenants, locking some into usurious land contract agreements. They also have trouble providing adequate maintenance for their properties because of low incomes. (Some tenants and homeowners in this group, plus some middle class families, will be the main beneficiaries of federal housing assistance under Sections 235 and 236.) Like other ghetto dwellers, working class black families and individuals may be displaced by urban renewal projects or highway projects.

(3) Poor families living in the central city: This group, many of whom receive welfare, suffer more than working class tenants from the same problems: bad conditions, high rents, and potential displacement. A larger proportion, however, live in public housing. Their troubles are less with conditions and rents than with relations with management, evictions, etc. Those receiving public assistance may be involved in the welfare rights movement.

(4) Middle class professionals and students (mostly young adults), in schools and jobs: Most of the people in this group are concerned less with their own housing problems than with the housing problems of others. Black students in universities and colleges are very anxious to change university policies towards urban problems in general and housing in particular. While sometimes protesting dormitory conditions and policies, they also protest issues not immediately affecting them, such as expansion plans or real estate investments. To professionals and other college graduates, social workers, poverty lawyers, advocate architects and city planners, housing problems are part of their jobs. Some in this broad group are consciously political in their approach, with varying degrees of nationalism or radicalism, and serve as political organizers.

Other Minority Groups

Mexican Chinese, Japanese and Puerto Rican families living in enclaves in central city (mixture of income groups, mostly low-income): These groups, like blacks, face high rents, poor conditions, discrimination, threat of potential displacement, etc. But in some cases they are more resistant than blacks to dispersal because of common cultural ties reinforced by language.

Whites

(1) Middle (and upper) class families living in central city: This group does not have much of a housing problem as such; in fact, most of its "housing" problems are city- or neighborhood-related, e.g., fear of crime. The main interest is in preventing encroachment by less affluent and darker-skinned residents, and in some cases supporting attempts to claim or reclaim areas lying near the heart of the city for upper-middle class use (through such things as urban renewal -- the South End -- and zoning -- up-zoning of lower Second and Third Avenues in Manhattan).

(2) Middle (and upper) class families living in suburbs: Like their counterparts in the central city, most affluent suburbanites feel strongly about maintaining the quality of their area, both "socially," through outright discrimination and "environmentally," through restrictive zoning ordinances which exclude small lots and multi-family housing, and which indirectly exclude the less affluent and blacks. However, it is in these communities, as opposed to white working class suburban ones, that the most active fair housing campaigns have been waged. The responses of suburban youth are best considered with other young people below.

(3) Working class families living in the suburbs (homeowners): The working class suburban family probably perceives the burden of mortgage payments and rising property taxes in the light of its other credit commitment (installment payments on household durables and possibly two cars).

The moderate-income suburban family, and others now living in the central city who wish to move farther out, are currently caught in the squeeze of restrictive zoning ordinances and the marked increase in house prices resulting from inflation and high interest rates. Working class areas are probably even more resistant to the influx of blacks, in part because of fears about declining property values.

(4) Working class families living in central city (both homeowners and tenants): Homeowners still paying off their mortgages probably find this a problem, also in the light of other credit commitments. But the city-dweller is probably more concerned about the high proportion of income going to taxes as compared to the suburbs, and about finding money to repair aging buildings. Except in cities with severe overall housing shortages, white working class families probably pay less rent than black families for the same quality housing, and it probably more closely approximates a "market" rent. However, housing conditions, particularly in older cities are not entirely up to standard. Again there are at times perceived threats of encroachment: by blacks, highways, urban renewal, institutional expansion, etc. Moreover, schools, other public facilities and city services may be deteriorating. These neighborhoods, to the extent that they have successfully prevented encroachment, are fairly stable. However, the attractions of suburban living are sometimes stronger than the attractions of the old neighborhood, which is convenient and familiar, and which is a

likely ethnic enclave of European immigrants and their descendants in the industrial North and Northeast. If, as a result of increasing affluence, these city inhabitants can move, they may break the old ties and do it.

(5) Poor families living in central city: Many of these families, often on welfare, suffer from the same problems that poor blacks encounter, but probably less severely, unless they are "hillbillies" or other low-status migrants from the rural South who meet equivalent discrimination. Many live in public housing, and those in private housing are subject to high rents and bad conditions.

(6) Aged individuals living in central city -- now low-income but most from working or middle class backgrounds: The elderly find themselves living on fixed incomes, such as social security and pensions, in a period of general inflation and increasing rents. Particularly if they live in cities with acute housing shortages, their rents are climbing far beyond their ability to pay. One study has projected that nearly half of the 3.4 million white urban households needing housing assistance in 1978 (living in substandard conditions or paying more than 20-25% of income for housing costs) will be headed by a person aged 65 or older. ¹ Many elderly homeowners probably find their houses too large for one or two people and would prefer small quarters if they could be found at reasonable prices.

(7) Middle (and upper) class professionals and students (mostly young adults) in schools and jobs: Like black middle class students and young adults, this group is by and large concerned with the housing problems of others and not their own. Students have joined with blacks or initiated on their own anti-expansion campaigns against universities, and some have served in community social service programs run by universities. College graduates and professionals working in low-income areas or on their problems are also involved in housing issues, through agencies like VISTA, Community Action Programs, social work agencies, legal assistance, etc. White student-aged radicals have attempted to do more direct organizing around housing in local communities, but this has decreased in favor of university-related housing issues. In terms of their own housing problems, some students and young adults have organized rent strikes, as recently in Ann Arbor, or worked for rent control which would curb their own high rents as well as their neighbors. Some young people, perhaps in reaction to the privitism of the suburbs, seek an antidote to their alienation through communal living situations.

IV. Social and Economic Role of Housing

Shelter

The provision of shelter, of a roof over one's head and a place to live, is of course the most obvious and principal function of housing. However, the question of what constitutes "decent" housing has never been fully resolved. Standards of adequacy reflect cultural definitions and levels of affluence, both among different nations and between different periods in history. But even the oft-quoted legislative mandate expressed in the 1949 Housing Act -- a "decent home in a suitable living environment"-- remains vague and undefined.

This section will not dwell on a definition of decent housing, but rather give a brief run-down of the major characteristics of housing as shelter, alluding to possible relevance to radical strategies and analysis. Some of the issues will be discussed at greater length elsewhere.

Physical Quality: The physical quality of housing is probably the most evident and elemental aspect of housing. Most organizing around "immediate issues" has principally involved problems of substandard housing conditions, as set by standards of health, safety and sanitation, however defined.

Despite the laws setting minimum standards for structural soundness, fire safety, sanitation, plumbing and other health measures, slum conditions in housing persist. More direct actions by public agencies to correct housing violations (receivership, emergency repair services) have

had limited effectiveness. Militant efforts to enforce housing codes and institute receivership or emergency repair programs have occupied a good part of housing activists' time, and they have found these tools limited. In fact, given the financial structure of the slum housing market, vigorous enforcement of housing codes alone would result in the condemnation of some buildings, the abandonment of others, and drastically increased rents for most tenants. Many low-income homeowners might be forced to sell.

Design: Design strongly influences behavior and the relationship of people to their environment, but notions of what constitutes adequate design are even vaguer than the varying standards of health, safety, etc. This is discussed more fully in the section on the social and environmental aspects of housing.

Cost: The cost of housing is significant to occupants in terms of how much of their incomes must be spent on shelter; it is significant to producers of housing in that it determines the volume and type of housing that gets built.

The following table taken from the Kaiser Commission report shows the cost components in occupying housing, and demonstrates that the real costs for housing are spread among many more ingredients than the cost of construction and maintenance of the dwelling.

Rough Breakdown of Monthly Occupancy Cost of Three Kinds
of Housing¹

	Conven- tional single- family home (percent)	Mobile home (percent)	Elevator unit (percent)
Debt retirement (mortgage payment).....	53	55	42
Site rent.....	...	28	...
Taxes.....	26	4	14
Utilities.....	16	11	9
Maintenance and repair.....	5	2	6
Admin. and similar costs.....	13
Vacancies, bad debts and profit.....	16
	100	100	100

The radical's estimate of cost components would stipulate what portion of the housing dollar consists of "non-productive" cost, i.e., profits, interest and taxes (although taxes should be considered in a separate category).

By separating out the factors of profits and interest, taxes and labor, materials and miscellaneous expenses, one gets a gross estimate of "non-productive" cost. The following break-downs for a single-family home and elevator apartment are based on these assumptions:

1. On the average, the mortgage payment consists of half interest and half principle.

2. The selling price of the building, i.e., that which is reflected in the principle, has a 15 percent

profit component.

3. Utilities and maintenance and repair have 10 percent profit components.

4. All administrative expenses are part of labor and materials.

5. Of the "vacancies, bad debts and profit" for apartment house owners, 10 percent of the 16 percent total is allotted to profit. It should be noted that this figure does not take into account profit from depreciation and other tax deductions. Similarly, tax deductions for interest and property taxes are not reflected in homeowner costs.

Gross Estimate of Non-Productive Occupancy Cost for Single Family Houses

	Total (percent)	Taxes (percent)	Interest & Profit (percent)	Labor, Materials & Misc. (percent)
Debt retirement...	53			
interest.....	26.5		26.5	
principle....	26.5		4.1	23.4
Taxes.....	26	26		
Utilities.....	16		1.6	14.4
Maintenance & Repairs.....	5		.5	4.5
	100	26	32.7	42.3

Gross Estimate of Non-Productive Occupancy Cost for Elevator
Apartment

	Total (percent)	Taxes (percent)	Interest & Profit (percent)	Labor, Materials & Misc. (percent)
Debt Retirement...	42			
interest.....	21		21	
principle....	21		3.2	17.8
Taxes.....	14	14		8
Utilities.....	9		1	
Maintenance & Repair.....	6		.6	5.4
Admin. & Similar costs.....	13			13
Vacancies, bad debts & profit.....	16		10	6
	100	14	35.8	50.2

It can be noted in broad terms that taxes, profits and interest constitute over half the occupancy cost of these two types of housing. The break-down also can be looked at in a different way. The property tax is, in effect, a general consumption tax on housing.² Sales or excise tax rates are ordinarily stated as a percentage of the total consumer cost of the item excluding the tax itself. If that procedure was followed with the above figures, the proportion of profits and interest would appear to be an even larger portion of the "real" (i.e., without tax) housing cost.

The radical might then see the general problem of cost reduction in terms of "chipping away" at the size-able non-productive cost of housing. Most liberal strategies,

on the other hand, emphasize decreasing the productive cost of housing by new technological developments and so on. Cost reduction through increased administrative efficiency does not fit clearly into either category.

Location: The location of a dwelling will have some influence on its expense and often on its design. Differences in climate will be the most significant variable in determining how sturdy and well-insulated a residence must be, and the topography will in part dictate the layout. A number of consequences follow from these gross differences in location.

For instance, squatter settlements of the sort common in Latin America³ are less likely to spring up spontaneously over night in the Northern part of the United States, where only more mobile and "self-help" forms of new housing technology would make such development possible -- mobile homes and the building system developed by Neil Mitchell are examples.⁴ However, the "squatting strategy" has been fairly successfully adapted in cold, damp climates. The recent spate of vacant building takeovers by the homeless in Britain and slumdweller in Italy is a case in point.⁵

Supply and demand: The number of households and their geographic location and size determine the basic demand for housing. However, even this figure is not independent of supply, since households often split when the supply is

plentiful and double-up when it is tight. Therefore, it is sometimes difficult to say at which point "normal" demand is located.

In broad terms, however, demand is most closely associated with population growth and mobility, and rate of household formation. For instance, the post-war baby boom spurred the market for single-family suburban houses until several years ago, when the post-war babies started getting married or at least taking apartments of their own. This has been one of the major factors behind the increased demand for multi-family housing, in addition to the current interest of mortgage lenders in income-producing properties. (See p.60.)..

But demand is also measured as "effective" demand, i.e., how much money people can afford to spend for housing. Current public policy combines a mix of strategies to lower the cost of specific housing units (public housing, interest-rate subsidies and rent supplements) and subsidize income (social security, public assistance, unemployment compensation proposals for guaranteed annual income or negative income tax). Proposals for the use of housing allowances would fall somewhere in between these two approaches.

As a long-term strategy, only an increase in supply will alleviate shortages of standard, affordable housing. The Kaiser Commission report recommends a 10-year goal of 26 million new and rehabilitated housing units, including at least 6 million for lower-income families.⁷ The

1968 Housing Act also sets this figure as its target. These figures assume that this volume of construction will provide enough standard housing to keep up with population growth and household formation, replace or renovate slum dwellings, replace standard units which will be accidentally destroyed or demolished for non-residential uses, and allow for increased mobility of the population. The production target of 26 million new and rehabilitated housing units in the next decade calculates the elimination of all substandard housing; it will not necessarily eliminate all crowding and doubling.⁸ This target would require the production of an average of 2.6 million units a year, including 600,000 publicly subsidized ones. The Douglas Commission recommends the construction of 2.0 to 2.25 million housing units a year. Of these, 500,000 would be for low- and moderate-income families (exclusive of the elderly).⁹

However, some notes of skepticism and caution have been expressed about these housing goals. The skepticism comes from several sources. Counter-cyclical monetary measures are drawing financing away from the housing sector; and interest rates are unlikely to decline substantially for the foreseeable future. (See p.64.) The Kaiser Commission, in fact, indicates that an inflationary economy would seriously jeopardize a program for construction and rehabilitation of 26 million dwelling units.¹⁰ Critics are also

cynical about the willingness of the federal government to subsidize 10 times the number of units it did in the last decade.¹¹

But is the stimulation of such a large aggregate increase in housing production the best approach in the context of economic operation, particularly in its housing component? Frank Kristoff, in a study prepared for the National Commission on Urban Problems, criticizes the approach:

...it is not conceivable that normal economic forces could sustain a rate of new construction two or two and one-half times the rate of household formation for more than two or three years without causing an accumulation of vacancies that inevitably would disastrously affect housing production....If there is anything that the analysis of the components of inventory change for the nation or the central cities clearly demonstrates, it is that every new unit added to the housing market must either satisfy the demand for housing of a new household or (directly or through the turnover process), it must replace a unit that was lost or withdrawn from the market; otherwise, it will be added to the vacancy supply....the answer to the urban housing problem does lie in setting generalized aggregate goals of housing production of 2.5, 3.0 or 3.5 million of new housing units annually. If the market process is to be improved upon, methods must be devised for dealing directly with the needs of housing-deficit families. Only in this manner can the improvements inherent in the market process be perceptibly hastened.¹²

The Kaiser Commission persuasively demonstrates that technically the resources for its production goal are available in the economy.¹³ The Kristoff analysis essentially questions whether those resources could be successfully

used in the present market system, should the country attach a higher priority to housing.

In terms of organizing, the supply and demand issue becomes most obvious when there is an absolute shortage of housing. This situation tends to be localized in a small number of cities, notably Boston, New York and San Francisco at the present time. According to a 1967 Bureau of Labor Statistics report, these were the three cities with the highest increase in rents in the previous decade (New York: 25.6 percent; San Francisco: 34.5 percent; Boston: 34.7 percent; compared with the nationwide average increase of 14.4 percent).¹⁴ It is not surprising then that rent control has become a big issue in all three cities. In New York, tenant groups have been fighting to ensure the continuance and improvement of the present rent control law and its extension to uncontrolled properties. In San Francisco, an initiative petition campaign was successful in getting a referendum on last November's ballot on rent control and tax abatement. (See p.82.) And finally, in Boston and its inner-lying suburbs there have been several attempts to re-institute rent control or otherwise provide relief from rapidly rising rents.

While few organizations pushing for rent control claim that it is a real substitute for increased housing construction, they do maintain that, as a temporary measure, its benefits outweigh its costs.¹⁵ Moreover, organizers find

that rent control campaigns unite a broad range of people around a common issue. The San Francisco attempt, which appealed to both tenants and small homeowners, is particularly interesting. On the other hand, rent control organizing can sometimes obscure the real need for increasing the supply of housing.

Ownership: The final characteristic of housing is tenure. This matter of ownership will also be discussed at greater length in the section of social and environmental functions of housing.

Production

Housing is the most important consumer good in the economy.

"Americans spend over \$100 billion annually to buy, rent, operate and maintain their places of residence. About half goes for direct housing expenditures (such as rents or mortgage payments) and the remaining half for utilities, furniture, domestic help, and other household items. In addition, residential structures and their sites constitute almost one-third of the national wealth: more than one-quarter of new capital investment each year goes into housing."¹

The cost of producing housing is made up of a number of factors. The chart below (source - Kaiser Commission report)² indicates the approximate breakdown of costs for a typical single-family house and an elevator apartment unit.

Rough Breakdown of Initial Development and Construction Costs

	Conventional Single-family unit (percent)	Elevator apartment unit (percent)
Developed land.....	25	13
Materials.....	36	38
On-site labor.....	19	22
Overhead and profit.....	14	15
Miscellaneous.....	6	12*
	100	100

*The cost of hiring an architect is one principal reason for this higher figure.

Land

Over the last several decades, land has been the fastest rising cost factor in the housing cost formula.³ While land development costs have been increasing along with quality of work, raw land costs have gone up considerably and large-lot zoning has driven up the price of land per unit.⁴

The problem of high land cost raises several issues. From the standpoint of radicals, and many liberals, profit gained from land speculation is probably the most obvious example of the "unearned" nature of most investment profit. And John Stuart Mill's proverbial quip: "Landlords grow rich in their sleep," is no less true today than it was in his time. A few years ago House and Home stated flatly that "since World War II land speculation has created more millionaires than any other form of business investment."⁵

Favorable tax treatment (capital gains and low property taxes) encourages speculation and helps produce the patchy development of suburbs as land owners keep their property off the market in the hope of obtaining a higher price. Proposals to limit speculation therefore have come from several different motivations: desire to get more rational land use and development; desire to raise revenue in ways other than the property tax on improvements (see p.84); and for reasons of equity. The idea of completely or partially shifting the burden of the property tax from improvements

to land has been around since Henry George's time. Variations of this scheme are used in such places as New Zealand, Denmark, Australia and Western Canada.

Since drastic increase in land value is frequently associated with the addition of public improvements (bridges, tunnels, subways, highways, etc.), it has been suggested that land owners benefitting from the improvement help pay for it by an extra assessment. For instance, almost half a century ago the City Club of New York made a study of the cost of the Interborough subway system, completed in 1908. The study showed that the subway had cost \$43 million, while the rise in property values amounted to over \$80 million for only the stretch from 135th Street north. In other words, property owners in the northern section of the city received a gift almost double in value to the entire cost of the subway.⁶ Similarly, the recent extension of the MBTA in the Boston area has sent land values soaring in nearby Quincy.

Britain in the immediate post-war period nationalized "development rights," attempting to capture much of the unearned increment deriving from increases in site value. In this way the English tried to use part of the increase in some land values to compensate owners of land with decreasing values caused by public action, such as the shift of a major road, and to retain the remaining increment as general revenue.

The plan was substantially modified after several years.

The other major problem relating to high per-unit site cost -- large-lot zoning -- has prompted the recommendation that state or federal agencies be given the authority under certain circumstances to pre-empt local zoning ordinances for a social purpose, e.g., the construction of low-income housing in the suburbs.⁷

Builders: The home-building industry -- and construction in general -- has been noted for its decentralization and lack of concentration, particularly in comparison to other major American industries. The fifty largest housing producers, of all types, account for less than 15 percent of annual production,⁸ although there are signs that the largest builders are steadily capturing a larger share of the market.⁹ However, small firms continue to survive and form the dominant pattern in the industry because the localized and unstable nature of the market discourages many large firms with high overhead from participating.

Recent trends indicate that the mobile home and home manufacturing part of the industry is increasingly important. In addition, there has been a pronounced change from emphasis on the production of single-family homes, representing almost 90 percent of total housing production in the 1950's, to an increase in multi-family units, which now represent about one-third of housing starts.¹⁰

Overhead and profits range from 10 percent of final selling price for small builders to 25 percent for the largest ones.¹¹ Profit levels vary widely from year to year and across the industry. Although some firms make large profits, the 1963 net profits of contract construction companies averaged almost two percentage points lower than the average for all industries together. The turnover rate was also higher for construction than other major American industries.

Building materials: Because so many different products are needed in the construction of a house, no one manufacturer dominates the building material field, but a number of giant companies produce building materials in a number of very concentrated product lines, notably gypsum and window glass.¹² However, even when other product lines are not heavily concentrated, "competitive pricing" procedures and "reasonable" profits are not an assured result.

According to the Kaiser Commission report, the top four companies in the vitreous and semi-vitreous plumbing fixture industry accounted for 56 percent of the market in 1964, and for metal plumbing fixtures the top four firms produced 46 percent.¹³ In other words, there is only a moderate degree of concentration in the industry. A federal court verdict handed down earlier this month, in May of 1969, convicted three plumbing companies and three executives of illegally raising and fixing the prices on such fixtures as bathtubs, toilets, and sinks.¹⁴

The case was part of an indictment against 15 companies in 1966, the others pleading no contest. Involved were sales of approximately \$1 billion (between 1962 and 1966) -- or about 98 percent of the enameled cast iron plumbing fixtures and 80 percent of the vitreous china plumbing fixtures sold in the United States during that period.

The scope of the verdict is much wider than the more publicized price-fixing actions four years ago against General Electric and Westinghouse, which resulted in millions of dollars in damage payments.

Construction is generally regarded as a technologically stagnant industry -- and it is, relative to other major American manufacturing fields. But a steady pace of new product development has still come about primarily from building material firms. Cost reductions have been made in a number of products, such as exterior paint (one-third savings), and gypsum board (one-third savings over wet plaster).¹⁵ The manufacturer's share of the construction dollar is likely to increase in the future as major components and sub-assemblies are used more. Increasing concentration in the construction industry is also indicated by small signs of vertical integration through mergers between building material suppliers and builders. In fact, General Electric and Westinghouse are now active, or at least apparent, competitors in housing development ventures in Florida acting through building subsidiaries or associated firms.¹⁶

Labor: High hourly wage rates in the construction industry are not reflected in yearly earnings. Median annual earnings for construction in all crafts in 1965 were \$5,867, as compared with \$7,002 in basic steel. In the same year, over 44 percent of all construction workers reported earnings of less than \$3,000.¹⁷ The seasonal and unstable nature of the industry means that "full time" workers are employed far less than a full year.

It is commonly thought that construction unions are powerful in the home building industry.

Construction in general is a highly unionized industry, but homebuilding in most parts of the country is not organized at all. While approximately 80 percent of construction workers belong to local affiliates of one of the 17 AFL-CIO Building Trades Unions, significantly less than half of homebuilding employees are covered by collective bargaining agreements. A labor survey conducted by the National Association of Home Builders Economics Department in May 1968, showed that 29 percent of the NSHB members in residential construction employed union labor and 71 percent employed nonunion labor. The pattern of unionization in the homebuilding work force varies widely from city to city and region to region; the West Coast and many cities are unionized, but a larger part of the nation is not.¹⁸

Discrimination in construction employment, a very real problem, cannot be blamed solely on exclusionary union practices. It has been pointed out that the record on minority group employment in real estate, banking, the management and ownership of construction firms, and in other fields related to homebuilding is most likely no better.¹⁹ Moreover, since most of homebuilding is non-unionized, employers must assume responsibility for charges of discrimination.

How should radicals approach issues involved in housing production? In which directions should the production of housing move?

The two most obvious concerns for radicals are these:

- increasing the supply of housing at lower cost;
- increasing earnings and job security for workers in homebuilding and ending discrimination against black workers.

However, strategies to deal with these problems which are consonant with radical values, analysis and long-run strategy, may take markedly different forms.

(1) increase supply and lower costs: Cost reduction attempts emphasize the development of new technology for the homebuilding industry and more efficient operation of the construction process. The current strategy includes overcoming barriers to further new product development (mostly building codes) and industrialization (mostly fragmented markets). HUD Secretary George Romney recently launched "Operation Breakthrough," an attempt to aggregate markets, surmount local building and zoning laws, and involve large industrial firms in the production of housing for low-income families.²⁰

Skepticism has been expressed about the cost saving potential of new housing technology. The Kaiser Commission concludes that "even with implementation of effective policies to squeeze out every practically attainable cost reduction, we can realistically expect a reduction in

monthly housing costs of only about 10 percent in the foreseeable years ahead."²¹

Even if production costs could be substantially reduced, the extent to which real cost savings will get passed on to consumers is highly questionable. Although it is far from certain that rapid industrialization of home building will bring heavy concentration of production in the industry, there is ample reason to believe that economies of scale will induce small firms to fall away. The degree of potential concentration still will be limited by transportation and storage costs, at least geographically, but we can nevertheless expect a move towards oligopoly in the industry. And, as has been well documented, monopoly and oligopoly in an industry maintain non-competitive pricing.²²

The dominant characteristic of American industry today is oligopoly, so that the development of this pattern in the production of homes would not be unexpected. Although the result will probably be no better than in other industries, it is not likely to be worse. However, the question radicals might ask is: Are there any characteristics of the present homebuilding industry that should be preserved?

Radicals would probably prefer that the beneficiaries of an increased rate of construction be consumers, particularly low-income families and construction workers -- not the construction companies. This end might be achieved through the expansion of "self-help" housing, in which the

future occupant of the house (or current occupant, if it is being rehabilitated) performs all or some of the labor. The construction process is not yet so rationalized and technical that non-professionals are barred from it. As late as 1949, an estimated one-third of total houses in the United States were built by non-professionals -- many with the aid of subcontractors. Today owner-builders produce one-tenth of total housing starts.²³ This approach may be attractive to the radical who is concerned about the alienating effects of the division of labor. But, unless a new "self-help" technology is developed,²⁴ it is unlikely that the self-help approach will be very useful except in some rural areas, particularly the South and Southwest, and for some single-family homes.

More promising perhaps is the formation of builder cooperatives by workers. The present structure of the industry is still conducive to small scale operations. Unlike workers in assembly-line industries where "proletarianization" has progressed to the greatest extent, construction workers, particularly in homebuilding, are highly skilled, independent, and used to working in small self-sufficient groups. In addition, most housing producers require low capitalization, such that, builder cooperatives would not need heavy funding to enter into production.

(2) earnings -- job security -- black employment:

Extensive unionization, an alternative to production cooperatives and a more traditional radical organizing approach, assumes that workers are best organized around their common

exploitation by employers.

Probably a greater concentration in the industry would best serve the immediate interests of workers for higher yearly earnings and job security because there would be fewer employers to negotiate with. These same employers would in turn be in a better position to negotiate a guaranteed annual wage and to make more efficient use of manpower.²⁵

Blacks have a particular problem -- deciding whether to form their own unions or to gain membership in the more established craft unions. This problem, although deserving fuller treatment, will not be dealt with at greater length here.

Investment

Because housing is such a large expenditure item, taking the largest single fraction of most family budgets, both homeowners and owners of rental properties usually make their purchases on credit. Housing is therefore tied to the money market much more than any other consumer purchase.¹ Similarly, financing institutions constitute the most powerful factor in the production of housing.

If financing is crucial to housing, mortgages are likewise a significant item in the capital market. Recently more than half the net flow of funds from financial institutions to the capital markets has taken the form of mortgages.² The home mortgage debt at the end of 1967 was \$235.6 billion. The total mortgage debt comes to \$340.6 billion when loans on multi-family and commercial properties are added.³

The share of mortgages in the total debt structure of the country has been increasing steadily.⁴ The home mortgage debt now approximates 62 percent of the nation's personal debt.⁵ The emphasis on mortgages for investments is closely related to the fact that they generally pay among the highest rates of return of all major assets.⁶

The major institutional lenders providing funds for the mortgage markets are commercial banks, savings and loan associations, mutual savings banks, and life in-

insurance companies. The extent to which each institution concentrates on mortgage lending varies, as does the portion of the mortgage debt it holds.

The largest source of funds comes from the savings and loan associations,⁷ which in 1964 held more than 40 percent of the total mortgages owned by financing institutions. Since savings and loans exist primarily to make mortgage loans, mortgages make up well over 80 percent of their assets.

Mortgages constituted 35 percent of the share of all assets held by life insurance companies in 1964. Although these companies also issue home mortgages, much of their activity is in commercial and income property. Commercial banks have only 13 percent of assets tied up in mortgages, but play an important role in the production of housing by issuing short-term construction loans. Like savings and loan associations, mutual savings banks, are heavily involved in real estate lending, with 70 percent of assets in mortgages. In addition to large institutional lenders, more than one quarter of the mortgage debt is held by mortgage companies, individuals (mostly junior and purchase money mortgages) and other institutions (pension funds, credit unions, foundations, universities and trusts).

Because most houses are bought over a long period,

house purchasers are very sensitive to the ruling terms of credit. This becomes particularly apparent when compared with other major forms of consumer credit.

Is housing "abnormally" sensitive to the impact of credit compared, say, with automobiles? A car, we will assume, is bought for \$2,400. It is to be paid for in twenty-four monthly installments over a two-year period, and the rate of interest is 12 percent on the unpaid balance. The total interest cost will be \$144 (12 percent of the average unpaid balance of \$1,200), or \$6 per installment. With the addition of the \$100 repayment of principal every month, each installment will total \$106. Now, if the rate of interest goes up by one-half, to 18 percent, the monthly charge will be \$109 instead of \$106 -- an increase of less than 3 percent.

By comparison, consider a house bought on a thirty-six-year mortgage for \$24,000, bearing an interest rate of 5 percent on the unpaid balance. Amortization of principal will require \$666.67 each year and the annual interest charge will be \$600 (5 percent of \$12,000). The total annual charge will therefore be \$1,266.67 or \$105 a month. If, again, the interest rate goes up by one-half, to 7 1/2 percent, the annual interest charge on the house will rise to \$900, and the total cost of buying the house per year will increase from \$1,266.67 to \$1,566.67. The increase on a monthly basis will be from about \$105 to \$130, or nearly 24 percent. Thus a 5 percent increase in interest rates increases the cost of purchasing an automobile (on the basis of the figures given) by 3 percent and a house by 24 percent. Moreover, not only do changes in interest rates bring a disproportionate percentage change in the size of the repayment installment, but since the amount of money involved is so large compared with the total income of the house purchaser, these changes effectively shift particular houses from one income-group market to another.⁸
(emphasis mine)

The initial consumer decision to buy rather than

rent, and subsequent decisions about size and quality of the dwelling purchased, are largely dependent upon the amount of down payment and monthly debt service required. This being the case, control over the supply of mortgage funds, the length of time allowed for repayment, and the rate of interest charges become powerful tools for deciding how much housing will be made available and to whom.

The FHA and VA mortgage insurance and guarantee programs have played an important role in the post-war period in adjusting at least two of the three crucial mortgage terms to make homeownership possible for many households who could not have otherwise afforded it. Monthly debt service charges were reduced by decreasing, and virtually eliminating in some cases, the required downpayment, and the steady extension of the length of term. But these programs have not been able to exercise much control over the interest rate. This has become more obvious in recent years, as the liberalization of the other two credit terms has reached its limits.⁹ The total effect of this combination has been to lower monthly service charges, but not to reduce the ultimate cost of the house (in fact, a long-term mortgage at high interest rates may increase the cost).

To consumer-oriented organizations, the devices used since the end of World War II for extending maturity and decreasing down payment have little long-range effect in reducing housing costs;

they do not add proportionately to the housing dollar and, indeed, may result in increased charges necessitated by what the lender continues to regard as increased risk. The program protects lenders from loss of investment. It is of considerable value to the builder, enabling him more readily to find a market for his house. Yet it is claimed that during the period of rising prices and steady consumer demand of the last decade, the bounty of increased profit per unit was not shared with the consumer to any large extent.¹⁰

Besides setting terms of credit, lending institutions exercise considerable leverage over investment decisions and consumer preferences because they can deny credit for particular projects or to particular people. This is most obvious in discrimination in lending to minority groups and in the "red-lining" (with government consent) of declining urban areas, which in part helps accelerate deterioration. In the past several years, such practices have lessened, but financial institutions have barely made a dent in the large backlog of potential loan requests.

Although the long-term volume of new construction is closely related to demand, on a year to year basis the level of new building fluctuates sharply, largely in response to the availability and price of credit. During periods of inflation, interest rates are increased and the supply of loanable funds curtailed as a countercyclical monetary measure. This both constricts the general availability of credit in the economy and at the same time diverts money from long-term, fixed-term

instruments (bonds and mortgages) to short-term securities such as stocks. There can also be a diversion of resources within the construction sector itself. Most institutional lenders believe that high interest rates and inflation are here to stay for a while; such lenders are therefore reluctant to get trapped in long-term, fixed-rate investments. Many are shifting to mortgage loans on income-producing properties -- principally multi-family housing and commercial enterprises -- in which they can acquire equity participations as a hedge against inflation.¹¹

Two issues dominate discussion of housing and credit. First, should housing production be cushioned from the effects of counter-cyclical monetary policy? Aside from the question of cushioning, what mechanisms can be found to encourage the flow of more money into the housing sector? Both these concerns are based on liberal assumptions about the economy -- i.e. the use of fiscal and monetary policy to promote equilibrium, and the use of public and private mechanisms to promote "equity," which is to say that housing is "unfairly" treated now.

These matters will be discussed in more detail in a page or two. However, I first wish to hint at what might be a radical theoretical view of the problem.

A Marxist analysis of the economy would consider interest, like profits, as part of the "surplus" which

would largely be eliminated in a rationally planned economy.¹² In addition, a good portion of the sector of the economy categorized as "Finance, Insurance and Real Estate" in the national income accounts would also be unnecessary, according to Baran and Sweezy:

That some of the resource utilization of the finance, insurance, and real estate sector should be counted as necessary costs of producing the social output no one would deny. Any society based on division of labor and the purchase and sale of commodities requires some sort of banking system, though its functions could be much simpler and hence its costs much lower than they are now. If all sorts of insurance were automatically provided to everyone as part of a comprehensive social security system, all the footless trappings of agents and salesmen and collectors and accountants and actuaries and the huge buildings that house them could be dispensed with. And as for real estate -- which in dollar volume accounts for well over half the total income of the sector (\$25.8 billion in 1960) -- a staff of supervisory and service workers is clearly necessary, but the entire parasitic business of buying and selling and speculating in real estate, where the big money is made under capitalism, would have no reason¹³ for existence in a rational social order.

In their analysis, Baran and Sweezy view "finance, real estate and insurance" as "merely a form of surplus absorption" necessary to maintain the system. "The prodigious volume of resources absorbed in all these activities does in fact constitute necessary costs of capitalist production. What should be crystal clear is that an economic system in which such costs are socially necessary has long ceased to be a socially necessary economic system"¹⁴ (emphasis theirs)

A further distinction can be made on the question of what constitutes value in real estate. If "true" value can be considered use-value or productive value, rather than speculative value (buying and selling of existing properties in anticipation of high rent returns),¹⁵ much real estate investment could be considered speculative, particularly in relation to slum properties. While a portion of the speculative profit goes to the landlord, another part is reflected in the mortgage and the interest paid on it to the bank.

I do not intend here to prove or disprove this analysis. But even if it is essentially valid, it still does not give the radical housing activist much to go on for the development of program and strategy. Demands for the elimination of interest and profit in housing are absurd in an otherwise capitalist economic system. It does suggest, perhaps, the circumventing of financial institutions wherever possible. Another aspect of the housing finance issue for radical organizers is the opportunity to raise the general question of who makes investment decisions in this country and how they are made.

This gets us back to the earlier debate on the relationship of counter-cyclical monetary policy to the housing sector. The arguments can be summarized briefly as follows:

--against special privileges for housing:¹⁶ Stability

of the economy is more important than stability of production in the housing sector. Over the long run, the level of housing production is related to demand, although instability due to insensitivity to the price and availability of credit exists in the short-run. It has not been demonstrated that inefficiencies in housing production are created by aggregate instability (as opposed to localized fluctuations). In fact, counter-cyclical effects are beneficial to the housing sector in that home buyers are pressed to borrow most heavily when interest rates are low, and builders are forced to build when upward cost pressures are least pronounced. Efforts to cushion the mortgage market from monetary policy are likely to be unsuccessful in enlarging the total supply of loanable funds without threatening stabilization objectives. Diversions of funds from other capital needs would affect those areas with a weak position in the credit markets -- mostly municipal bonds and small businesses -- which have high social priorities rivaling that of housing. Sharp swings in the mortgage market are best avoided by the increased use of fiscal policy, particularly the selective use of income tax rates.

-- for special privileges for housing: Housing is a non-postponable commodity. Some proponents of this position argue that the housing sector as a whole should receive special treatment.¹⁷ Others see the need to distinguish between housing in general and programs in areas of special need during periods of tight money. Monetary measures which

restrict the housing market bring no commensurate or immediate reaction in other sectors of the economy.¹⁸

Much of the money for industrial plant expansion comes from internal funds, less directly affected by development in the capital market. Moreover, the industrial borrowers can pass on the bulk of interest increases in tax deductions and cost increases to the consumer.

Both positions have much truth in them. In the name of stability, housing consumers are being asked to bear an unusually inflationary cost. A 1 percent increase in the interest rate has an effect on monthly ownership costs comparable to a 13 percent increase in total development and construction costs.¹⁹ On the other hand, monetary policy alone does little to dampen new plant and equipment investment in the majority of the industrial sector. Perhaps the question should not be whether or not housing should be cushioned, but rather whether fiscal policy would be a more effective and equitable way of controlling inflation than monetary policy.

The present unusually high rate of interest deserves special comment. Theoretically, high interest rates, when used as an anti-inflationary weapon, are supposed to fall at some point after the boom has been checked. Yet, for the foreseeable future, there will be a world-wide shortage of capital. Hence, the long-term trend of interest rates is up.²⁰

In addition, it appears that the Nixon administration

has settled in for a long period of using inflation and high interest rates as a part of American foreign policy. "A high interest rate structure is the only shield between this country and a complete balance of payments disaster. Moreover, any loosening of the overseas lending and investment controls is just another incremental factor pushing interest rates up."²¹ There are signs that the economy has been busy "making institutional arrangements to accommodate itself to its new frantic life style", including the Federal Home Loan Bank Board's plans to tap capital markets in a bigger way to help insulate the housing market from high interest rates.²² Nevertheless, bankers already see 10 percent mortgages on the horizon.

If this prognosis is correct, housing will be in trouble for a while to come -- at least for those consumers who cannot adjust to the higher interest rates. Any attempts to lure money from other sectors (e.g., pension funds) in the mortgage market must be interpreted in this light. This does not necessarily apply to funds for equity financing since they carry both a hedge against inflation and ample depreciation allowances.

The following areas are ones to which radical organizers might devote some attention and further research:

1. The role of government: On the federal level there are several possible policy directions that might be taken. One involves the government's actions with regard to credit regulation and flow of funds to the private mortgage

market. The separation of FNMA into the secondary market and special assistance functions (GNMA) represents an attempt to bring more money into the private market (FNMA) without any budgetary impact. Unfortunately, GNMA is only authorized, not required, to purchase subsidized mortgages, thereby jeopardizing some of the new FHA interest-subsidy programs. One proposal calls for the issuance of Federally-secured bonds by GNMA to tap new sources of credit and to obtain lower interest rates. This borrowed money would be used to purchase FHA subsidized mortgages in much the same way as the "old" FNMA did.²³ Assuming GNMA were to give advanced commitments, this scheme would be a form of direct lending.

"The more daring approach is direct lending to consumers. If the success of the building program depends upon the government insuring lenders and in times of crises supporting the secondary market so that lenders are assured of liquidity and even of new funds to lend, it seems to many that lenders are serving no function. They should be bypassed, and the funds made available directly to the consumer."²⁴

Federal agencies have functioned in the past as direct lenders. FNMA has loaned over \$5 million to owners of rental projects.²⁵ The VA also had a direct lending program. Presently, low-interest loans for rehabilitation are made under Section 312 of the Housing Act.

Commenting on the scope of a proposed direct lending program, Charles Haar has stated:

Essentially it is a question of scale. If direct-lending programs were to become too comprehensive they would threaten the independent existence of financial institutions For the government to undertake the financing of all houses produced in the United States is simply not in the cards. And the argument for direct lending to the consumer would confine it to specified areas and certain price sectors. Lender's profit -- except possibly as a servicer -- would be eliminated. Where the lender does perform a job, the profit margin should be commensurate with the function -- certainly no return should be permitted for risks not in fact assumed.²⁶

Although Professor Haar's proposal makes direct lending sound unthreatening, he still believes that it would be politically unfeasible.

At present there are some state and local governments which already make direct loans. In New York, the Mitchell-Lama law authorizes the state and city to make loans to builders at low interest rates and also grants tax exemptions of up to 50 percent of the normal real estate tax. Housing produced under the law has been for middle income families.²⁷ However, some of the scandals early in the law's history illustrate the ways in which favorable loans and tax treatment can result in windfall profits to builders.

The state of Massachusetts has set up a Housing Finance Agency to make direct loans to developers of moderate income projects. These loans will be backed by the sale of bonds. The constitutionality of the new agency has yet

to be tested in the courts.²⁸

2. banks and other financial institutions: In the past several years, banks and insurance companies have been trying to buy themselves a form of "social" insurance. These financial institutions have a major investment in the central city -- an investment they don't care to see go up in smoke. After several consecutive summers of urban rioting, an increasing number of banks and insurance companies have committed themselves to the financing of improvements in inner-city and ghetto areas. Homes in areas which were formerly avoided by banks and redlined by the FHA have become eligible for mortgage credit. Families ordinarily considered poor credit risks are now able to apply for loans.

Most bank loans are intended to encourage homeownership. "Baldly stated, the idea is this: 'If you own your own home, you don't burn it.'"²⁹ According to George H. Robinson, vice president of Boston Five Cents Savings Bank (a member of the 22-bank Boston Banks Urban Renewal Group --BBURG), "our primary objective is to provide homes for the rootless in the ghetto area and thus help avert or minimize disorders.... There's no gamble of our depositors' money involved....the Federal government is assuming the social risk."³⁰ However, the program does cost the banks extra money to administer.

In many large cities, banks have formed associations like the Boston group, to provide mortgage financing,³¹

sometimes at special rates. Mortgages that bear a gradually rising interest rate starting at 3 percent annually are being offered by four Philadelphia savings banks in a loan program for poor families.³²

The highly-publicized program of the nation's life insurance industry to improve housing and job opportunities for slum residents by investing in high-risk areas has shown mixed results. The companies have not had to assume too much risk, with 80 percent of all funds committed up to June, 1968, carrying government guarantees of one sort or another. Many of the loans have been outside high-risk areas or to families with incomes exceeding \$10,000.³³

What all this activity seems to indicate is that the banks are particularly vulnerable at the present time to demands for more community responsibility. Organizers might find therefore, that they can develop some "winnable" issues around bank policies while at the same time raising questions about the way banks function and in whose interests.³⁴

3. credit unions: Credit unions have not yet played a significant role in the real estate market.³⁵ In 1965 they had issued .27 percent of all real estate loans in the country; in 1967 credit unions held \$650 million in one-to-four-family mortgage loans. On the other hand, credit unions in Canada have a long history of providing mortgage loans to their members.

The notion of a community using its own savings to finance its own needs has been around for a long time.

The building societies that came into existence at the end of the 18th century in Britain as organizations of working class mutual aid were the early forerunners of today's savings and loan associations. They consisted of groups of people who saved to buy land to house themselves, and, when the first house was completed, borrowed money on its security to build another, until all the members of the society were housed, at which point the society disbanded. The building societies changed their character in the 19th century and became permanent, but failed to expand for lack of capital.³⁶

The same problem would face existing credit unions were they to start massive mortgage lending. In the past several years their loans have exceeded savings and they have been forced to cash in some of their shares in savings and loan associations. They presently have about \$1 billion in such shares.

For housing activists wary of government programs (red tape, paternalism, etc.) and suspicious of or hostile to banks and other financial institutions, the credit union idea could be attractive. However, there are several problems with this approach. Credit Union charters in many states limit or prohibit the use of mortgage lending by credit unions. Small community-based credit unions will have trouble accumulating enough money to make mortgage loans of any real size, particularly for multi-family housing. Credit unions are to some extent tied into the existing credit structure, and therefore to interest rates.

The main difference is that they are non-profit. And finally, the initiation and administration of a credit union, like any cooperative, can be time consuming and can divert activity from other needed tasks.

4. financing from other private sources: A number of private non-profit institutions whose stated purposes are avowedly social (e.g., churches, universities and labor unions) have large amounts of capital invested in stocks, bonds, some real estate and other securities. The response to James Forman's demand that churches and synagogues grant \$500 million in reparations to the black community for economic development demonstrates that such institutions are somewhat vulnerable to such appeals. Students and community groups might be effective in prying loose some portion of university endowment funds for real estate investment at low interest rates. For instance, Wesleyan University has set up a revolving fund of \$1 million to stimulate low-income and middle-income housing in Middletown, Conn. Loans with interest rates as low as 1 percent a year will be made on a relatively short term basis to nonprofit groups that will undertake new construction and rehabilitation projects.³⁷

The AFL-CIO has been lending mortgage funds for several years already, and is now seeking to raise \$1 billion from the pension, welfare and union funds of affiliates to invest in low-income housing. The program will encourage local unions and pension fund trustees to

invest their money for construction of housing projects in their own cities. It is unclear whether or not these projects will be primarily for union members.³⁸

Taxation and Subsidies

Government actions on the local, state and federal levels distort to some extent the expected effects of "free market" production and distribution of housing. Such actions range all the way from the exercise of monetary policy on the national level by the Federal Reserve Board to restrictions placed on development by local zoning ordinances and building codes. In this section, however, I wish to focus on the more direct financial role of government in its spending and taxation powers.

There are essentially two functions that taxation and subsidies perform in housing. The first is obvious; revenue is raised for future expenditure by governmental units for purposes other than housing. The second is the provision of constraints and incentives which, added to market factors, determine the aggregate shape of private investment decisions in housing. Direct government expenditures on housing also serve the same function.

However, it is not always easy to clearly distinguish these two functions. For instance, the local property tax exists primarily to raise revenue, but has a distorting effect on the housing market by influencing the location of new construction and also acting as a disincentive for housing investment. On the other hand, another tax mechanism, income tax deductions by real estate owners for

depreciation and interest, does not raise revenue, but is really another form of government expenditure.

Much attention has been focused in recent months on the question of tax expenditures. Many people have become alarmed because the wealthy use tax loopholes to avoid their full tax responsibilities; in other instances, advocates of more direct federal subsidies decry the use of tax expenditures as a form of back-door, and therefore less accountable, spending.

Estimates have been made comparing the magnitude of tax deductions to subsidies on the federal level in specific budget areas. According to one report, almost twice as much money is "allotted" to housing and community development in the form of tax expenditures as is budgeted in direct grants.¹ Budget outlays for fiscal 1970 are projected at \$2.8 billion; but tax deductions are expected to reach \$5.2 billion. This latter figure is derived from the deductibility of mortgage interest for owner-occupied houses, plus the deductibility of property taxes, plus excess depreciation allowances for rental housing. These figures are even more striking when compared to the ratio of budget outlays and tax expenditures for other domestic social programs. A similar breakdown for fiscal 1970 for budget outlays and tax expenditures respectively for other areas would be: education and manpower -- \$7.9 billion to \$0.9; health and welfare -- \$55.0 billion to \$19.5 billion; and commerce and transportation -- \$9.0

billion to \$9.7 billion (the only other one in which tax expenditures exceed budget outlays).

The theory that tax expenditures, like direct grants, contribute to desirable social goals is questioned by even such an establishment journal as House and Home, organ of the house-building industry. In an editorial entitled "To house the poor, we throw a banquet for the middle class and hope some crumbs fall to low-income families"² the magazine estimated that last year the federal government spent \$1 billion subsidizing housing for low-income families (public housing, welfare and taxes lost through income tax deductions) while allotting \$3.7 billion to the middle-class through tax deductions for interest paid on mortgages, deducted property taxes and accelerated depreciation.

The rest of this section deals with how property and income taxes operate with respect to housing and how radicals might approach this issue. However, first it would be useful to spell out some of the more basic questions that radicals might also examine.

A much more detailed analysis than has been done up until now of who specifically benefits and who loses from present subsidy and tax arrangements is needed. On the one hand, it would appear that the middle class, broadly defined, is receiving more than the poor. But the incidence of taxes would also have to be examined to see where revenues are coming from. Moreover, it may be that the benefits

of tax expenditures are not distributed evenly within the middle class as a whole, but rather that they are assigned disproportionately to families at the wealthier end of the scale and to firms and individuals who profit directly from increased housing production, e.g., real estate, construction, building materials, banks, etc. One radical has analyzed the effect of corporate involvement in urban development in the following way:

If the cities can be rebuilt at a handsome profit, who loses? Not the financiers and corporations. The poor at least stand the chance of gaining some more jobs and housing which are an improvement over what they now have. The losers will be the wage earners, whose standard of living will be increasingly taxed to pay for the profits at the top and the physical uplifting at the bottom.

Further research might concentrate on (A) determining the validity of this and alternative models of the costs and benefits of subsidies and taxes; (B) investigating in detail how these mechanisms operate for specific corporations or industries and within specific metropolitan areas; and (C) applying this analysis to the development of a program around these issues.

A model of who gains and who loses is important, but an analysis of why it happens that way is also needed-- for two reasons. The left should be able to anticipate the direction of federal spending and tax incentives and understand the forces that influence those policies, e.g., budgetary constraints due to the war or fiscal policy,

effectiveness of real estate and construction lobbies, etc. Furthermore, if it is true that government policies are regressive on balance, then considerable muckraking should be done about the ways in which this happens and why. Liberals traditionally believe that the government, in its use of a progressive income tax and in its spending for social welfare, acts to equalize the distribution of resources.

Documentation of the ways in which this hypothesis appears false, in the framework of an analysis, can be effective even if not directly related to organizing.

The Property Tax: The property tax is more important in the fiscal system of the United States and relative to national income than are comparable taxes in any other advanced country in the world except Canada. It finances one-fifth of civilian general expenditures of federal, state and local governments.⁴ On the local level, the property tax constitutes just under one-half of general revenue and about two-thirds of locally raised general revenue.⁵ But these averages do not reflect the wide geographical variation that exists in local dependence on the property tax. The major source of difference appears to be the extent to which local nonproperty taxes are employed, e.g., sales, income, excise, etc. In general, central cities rely less on property taxes to finance public services than suburbs do.⁶

The property tax can be seen as comprising two different types of taxation. The tax on business and agricultural

property is similar to other forms of business taxation in that most of it is eventually shifted forward to the consumer. However, unlike other business taxes the property tax varies between small geographical areas, and therefore influences the location of commercial and industrial uses.⁷ Since it is a tax on land and capital (rather than profits or gross receipts), it puts a heavier tax burden on capital- and land-intensive industries, such as public utilities (electric, gas, railroads) which then shows up in rates to users.⁸

The tax on residential property, on the other hand, is best compared to a general consumption tax, since well over 90 percent of all property taxes on housing are borne by housing occupants, both owners and tenants. From this perspective property taxes nationally average about 19 percent of the rental value of urban housing, which is equivalent to an excise tax of nearly 24 percent on rental value, excluding property taxes. This proportion varies geographically, with houses in the Northeast carrying the equivalent of a 30 percent sales tax. On this aspect of the property tax Dick Netzer has commented:

These very high tax rates are greatly in excess of the rates applicable to other forms of consumer expenditure, with the exception of taxes on liquor, tobacco and gasoline.....It is simply inconceivable that, if we were starting to develop a tax system from scratch, we would single out housing for extraordinarily high levels of consumption tax. More likely, we would exempt housing entirely from taxation, as many states exempt food from the sales tax.¹⁰

The main criticisms of the property tax can be summarized briefly:¹¹

1. It is at least as regressive as other forms of state-local taxes (with the exception of a progressive personal income tax), and is highly regressive for renters, particularly those living in central cities.

2. Since the tax is equivalent to a very high consumption tax, it discourages consumption of and investment in housing, either in building new housing or rehabilitating old housing. This is especially true for central cities.

3. Differential tax bases between central city and suburbs and among suburbs creates wide variation in the scope and quality of public services, leads to an undue emphasis on fiscal considerations in land use planning, and distorts the locational decisions of business establishments.

4. It is a difficult tax to administer equitably.

An activist's approach to property tax issues will depend in part on the kind of community in which he works. The property tax has traditionally been a homeowners' issue. Even though the incidence of the tax is more regressive for tenants, the tax component of the monthly rent is not readily perceived. In addition, there is no assurance that a reduction in the property tax would bring a concomitant decrease in rent. Therefore, the problem

becomes one of finding ways in which tenants and small homeowners (e.g., in a white working class community) can see their common interest in reducing property taxes.

The main remedies offered to the property tax revolve around either (1) decreasing dependence on it, or even eliminating it, by tapping new sources of revenue locally or sharing revenue or functions with other levels of government; or (2) maintaining it, but shifting its burden and improving its administration.

1. Decreasing dependence on property tax: Because of increased grants-in-aid from federal and state governments for such things as education, transportation and welfare, local governments in the past half-century have become less dependent on property tax. Among suggestions to accelerate this trend is that of transferring total financing and possibly administrative responsibility for such functions as education and poverty-linked services to state and federal levels. Many political figures, usually Republicans, are now urging revenue-sharing in the form of no-strings-attached block grants to states and cities.

Tapping new sources of revenue can be promising but also potentially problematical. Most other forms of local taxation are regressive, and therefore their introduction or increase will not aid low- and moderate-income households. Only graduated personal income taxes

are clearly progressive, but they are politically unpopular among rich and poor alike. Radicals most frequently suggest taxing corporate profits, but this is not without problems. Taxes on gross receipts, value added, and profits have a mildly regressive incidence pattern, something like the general sales tax, if it is assumed that most of the tax is passed on to consumers. Only if it is assumed that stockholders bear a substantial part of taxes on corporate profits, and a mechanism is established to ensure this, will these taxes become progressive among upper-income groups.¹²

2. Maintaining property tax, but shifting burden and improving administration: There are several ways in which the property tax can be maintained, yet part of the burden shifted away from residential uses. At present a number of cities already have an assessment ratio for single-family houses which differs significantly from that of other types of property. In general, it's lower.¹³ Frequently industrial and commercial enterprises are taxed at relatively high ratios, with multi-family housing in the middle, then single-family homes, and vacant land at the low end of the scale. One way to shift the tax burden would be to further widen the differential between residential and non-residential uses or, where equalization exists, to institute differential assessments. A variation of this

strategy was built into a recent rent control and tax relief campaign in San Francisco, which appears from a distance to be a fairly creative organizing approach towards unifying tenants and small home owners. The Committee for Fair Rents and Taxes¹⁴ circulated an initiative petition which called for a form of rent control coupled with tax abatement for small property owners with gross monthly rental sources of \$1000 or less corresponding to the reduction in rental income. It also proposed tax relief for small property owners and owners of single-family residences when permanent improvements are made. The petition included procedures for enforcement by local neighborhood boards (composed of tenants, homeowners and small property owners) of rent control, and tax abatement, as well as code enforcement and nondiscrimination in housing.

A separate petition contained a "Declaration of Policy" with respect to state laws which the rent control and tax abatement petition, directed to the city, could not deal with. Prior to the passage of a tax reform law two years ago which equalized assessment-to-value ratios, small property owners and homeowners often paid taxes on assessments of 10 percent of appraised value, while commercial and industrial firms were assessed up to as much as 50 percent. The law equalized assessments at 25 percent. The Declaration of Policy was intended to commit San Francisco legislators to supporting repeal of the law

and substituting a return to 10 percent assessment: "and additionally, in order to provide for any tax revenues lost as a result of this policy it will be the policy of the City of San Francisco, State of California, that the burden of taxes fall upon those corporate bodies operating within our city whose gross profits exceed \$1 million annually."¹⁵ The opinion of the Committee on Fair Rent and Taxes was that San Francisco's multi-million dollar corporations were so rooted financially in San Francisco that the change in assessment policies would not cause them to move. And in any case, the Committee seeks a repeal of the equalization law for the entire state, which would minimize the tendencies of firms to move from one city to another. However, they do not deal with the problem of the potential shifting forward to consumers of the business property tax.

It is my understanding that the petition campaign was successful in getting the issue on last November's ballot as a referendum, that the referendum won, and then that the Mayor declared it unenforceable. I do not know what has happened since or to what extent the petition drive and referendum campaign were successful in organizing tenants and homeowners into sustained groups.

Another possibility for shifting the tax burden and emphasizing an anti-big business point of view would be to demand an end to the special "tax agreements" that large new industrial or commercial complexes enjoy (e.g., the

Prudential Center). However, even if this issue were won, it would still have only a negligible effect on the actual tax payments of small homeowners.

In some cities, such as Boston, the ownership of a large portion of the potentially taxable real estate by tax-exempt institutions, such as private universities, churches or hospitals, is one of the factors influencing high tax rates. Demands could be made that such institutions be required to make payments in lieu of taxes to the local municipality (many universities do already). For such a strategy to be effective it might best be coupled with a broad campaign aimed at one of these institutions. But like commercial "tax agreements," the connection between institutional tax payments and the effective tax rate to homeowners will hardly be perceived. Moreover, demands made of universities, churches and hospitals for more community responsibility and involvement would more fruitfully involve direct aid to community groups, not to public officials.

And finally, another proposal for changing the incidence of the property tax involves the exclusive taxation of land values, or substantially heavier taxation of land than of buildings.¹⁶ Another variation is taxing only increases in land value -- the "unearned increment" that results from community improvements and general growth in population and business activity.

A land tax is attractive for several reasons. It begins to get at the non-revenue problem of high land costs resulting from speculative real estate dealings, and would in effect be a more complete capital gains tax on land. The tax would be neutral as to land use, but would encourage more intensive use of land. This would encourage owners of vacant land and parking lots in central city areas to invest in building on their sites, and discourage the withholding from development of land in suburban areas in the hope of high speculative profits.

A recent study made in Milwaukee by the Urban Land Institute concludes that the shift of taxation from buildings to land

would be popular with most voters because it would reduce the taxes on most owner-occupied homes (since their improvement-to-land value ratio is well above the city-wide average). Taxes on slum property would be doubled or tripled, but this would not affect many voters living in the slums, since most slum dwellers are renters and (as any good economist can demonstrate) taxes on land cannot be passed on, but must be paid out of the owner's pocket.

Further research is needed on specifically who benefits and who loses from site value taxation.

The consolidation of tax bases and regionalization of financing are not unreasonable proposals, given certain assumptions such as the need to rationalize bureaucratic functions. However, these problems of administrative reform should not be of primary concern to radicals. Getting better administration of an inherently inequitable

tax without making other changes is not a radical strategy. Moreover, the potential costs and benefit impact of regionalization schemes on various groups is as yet unclear. It is worth noting that, for a variety of reasons beyond the scope of this paper to explore, regionalization has received strong support from prominent business leaders, who may well influence the course of its direction.¹⁸

Federal Income Tax: Unlike the property tax, issues surrounding the federal income tax as it relates to housing are not likely to be ones around which radicals involved in housing issues can organize effectively on a local level. Nevertheless, the effects of income tax provisions are still of concern to radicals. It is important to develop an understanding of the ways in which homeowners are accorded differential tax treatment and how this might possibly influence strategy in organizing among tenants and homeowners.

As noted earlier, it is essential for radicals to develop a clear and explicit analysis, and eventually a program, about the ways in which the tax structure and other government policies are used to further corporate ends.

It has been well established that the present tax structure substantially favors homeownership over tenancy.¹⁹

The homeowner is permitted to deduct from his taxable income local property taxes and interest on his home mortgage. In addition, the homeowner does not have to report as taxable income the imputed rental value of his home. It has been estimated that at 1965-7 tax rates, the typical

homeowner was able to offset about 12 percent of his annual housing costs. (Very wealthy homeowners recovered almost one-third.)²⁰

Except for the exclusion of imputed net rent, low- and moderate-income homeowners benefit little from these tax breaks. Tax payers who take the standard deduction do not benefit at all from the allowed deductions for homeowners. In 1965, 81.1 percent of those taxpayers with under \$5,000 adjusted gross income used the standard deduction; for those between \$5,000 and \$10,000 it was 43.8 percent and for over \$10,000, 23.4 percent. Moreover, tax savings for low- and moderate-income homeowners who itemize deductions may be meager if they are in a low tax bracket.²¹

It is relatively clear that favorable tax treatment for homeowners in general has been influential in increasing the rate of homeownership,²² and that this trend was fostered as part of deliberate policy. The general issue of homeownership, and who benefits and loses from it, will be discussed elsewhere. However, the question of inequity that has been raised is appropriately dealt with here.

Richard Slitor has commented:

Many of the criticisms of the tax treatment of homeowners as compared with tenants, which are ostensibly concerned with "horizontal inequities" (as between persons at the same income level), are in reality triggered by the "vertical tax differentiation" (as between higher and lower incomes) which results from excessive benefits for wealthy homeowners and the inability of lower-income taxpayers to secure the benefits.²³

He further suggests that this situation be remedied by maximum limitations on deductions, and the encouragement of cooperatives and condominiums in multi-family dwellings in inner city areas so that low-income residents can reap some of the tax benefits available to homeowners.

Real estate investment decisions are also heavily influenced by the corporate and personal income tax structure. The major economic incentives in the field of housing investment are leverage, an adequate interest rate-gross earnings rate differential, tax depreciation and inflation.²⁴ And the profitable use of tax depreciation is in turn largely dependent on the other factors.

Socially undesirable consequences of the normal working of the real estate market, such as under-maintenance and high turnover rates of slum dwellings, are encouraged by combined use of accelerated depreciation formulas and capital gains treatment upon resale, with only token recapture at ordinary tax rates of excess depreciation. Only investors with substantial incomes from other sources reap the full benefit of fast depreciation or other tax credits which can be deducted against other income. Commenting on the use of tax credits, although the point applies to accelerated depreciation as well, Richard Slitor asserts: "In effect, it makes the credit a kind of negative income tax on the housing income but one which applies to the claimant a means test in reverse."²⁵

The Nixon Administration appears to favor the use of

tax incentives over direct government spending, particularly in the field of housing and community development. Both the Kennedy and the Percy plans for improving urban housing also strongly recommended the expansion of tax incentives.

However, Congressional opposition, particularly in the House Ways and Means Committee, and the apparent "tax revolt" (whether real or the creation of the media) will probably prevent any major extension of tax incentives in the housing field in the near future. On the other hand, proposals to decrease existing incentives in housing have been notably absent from most tax reform measures. Present tax incentives have become so embedded in the financial structure of the real estate and construction industry that attempts to dislodge them are likely to prove fruitless unless accompanied by alternative programs for urban development based on different kinds of financing and incentives.

Geographic Distribution

Housing is an almost unique consumer good in that it is attached to a particular site. Even mobile homes are seldom moved once "anchored." This means that homeowners or tenants spend their housing dollar on a "housing package," which includes neighbors, schools, services, and convenient transportation and/or work. The housing market, therefore, bears the burden of distributing households among geographic areas, and that distribution is based on criteria which often have nothing to do with housing. As a result, the crisis in race relations manifests itself in controversies over open occupancy, and the question of segregation by economic class underlies many battles over zoning ordinances.

The maintenance of the present social structure depends to a certain degree on racial and class segregation. Activities strongly tied to the neighborhood -- socialization, schooling, meeting friends and potential marriage partners -- all tend to integrate people in a particular life style, set of expectations and social niche. At the same time, the notion of individual class mobility makes people think they can "get out" and move to a "better" neighborhood.

In order to maintain a given social structure, residential integration of races and classes can only occur when clear caste or class lines prevent egalitarian interaction (as in Southern cities until recently or in

high schools using tracking systems, where distinctions are perpetuated).

New federal housing programs which provide for mixing income groups in subsidized developments give at least nominal recognition to the existence of an "income barrier." That some of these new programs encounter difficulties at- tests to the persistence of non-racial barriers.

Mixing is seen as a way for low-income families to acquire status, incentive and alternative (more middle class) models for behavior. And a tacit basis for it is the liberal belief in individual mobility through equality of opportunity, as is pointed out by Chester Hartman: "Generally, the heterogeneity argument is buttressed by terms such as "more democratic," although why this one manifestation of inequality is chosen as a symbol of non-democracy in a society with such wide income disparities and such unwarranted poverty is unclear."¹ Commenting on the problem of achieving economic heterogeneity, he further points out: "The only way in which low-income families -- at least those who wish to do so -- will be able to integrate themselves successfully with families of higher socio-economic status is through a type of program that has not yet been developed: i.e., through creation of sovereign consumers by widespread use of rent or income supplements."² This is really another way of saying, the way to diminish income segregation is to diminish income differentials.

The geographical configurations of races and classes, and the attitude and institutions which perpetuate them, present an ambiguous set of problems for radical organizers. Group concentration in different areas creates some of the same conditions for organizing that exist in the factory setting. People with basically the same "objective" interests, brought together in one place and under certain circumstances, realize their common plight. The most obvious example of this is the ghetto. Strategically the dispersal of blacks to surrounding communities serves to split their potential political power. Moreover, most blacks do not consider integration into white America their highest priority now. This is not to say that fair housing legislation shouldn't be supported, for it is also beneficial. Because the black housing market would open up if open occupancy laws were strictly enforced, ghetto dwellers would be aided.

Organizers in white neighborhoods, particularly working class ones, cannot write off the race issue. One of the principal housing concerns in such areas is keeping blacks out, and usually also keeping out housing for low-income families. The organizer may understand the real or imagined fears that prompt such attitudes. He may also be aware that liberal statements about equal opportunity and brotherhood do not speak to the community's realities.

The problem then becomes one of at least neutralizing

neighborhood residents on issues of race while actively pursuing organizing on things not directly related to that question. At a later time, it is hoped, a strong organization will be in a position to form a coalition with black groups around specific issues (e.g., highways, tenants' rights, etc.).

Income Redistribution

The production, marketing, financing, taxation and consumption of housing also serve to redistribute income in some way. Therefore, any attempt to solve housing problems is likely to have an intended or unintended side effect of a change, however slight, in the present income configuration.

The matter of income redistribution and housing is not one which activists would organize around directly. However, a model of the income effects of different housing policies, both present and proposed, would be helpful to the radical in his work. Apparent reforms, when their effects have finally percolated through the economy, frequently turn out to produce more inequality than before.

There are several different models that can be developed to measure the types and magnitude of income redistribution. The most radical point of view would probably require starting from scratch by assuming a model in which everyone has equal income at the beginning, and then measuring all mechanisms used to change the distribution (wage differentials, profits, education tracking, taxation, etc.).

A perhaps more useful model would take the initial distribution of income as given (from wages, interest, social security, etc.) and then look at such things as taxes, costs and benefits of government programs and

consumer price differentials to judge how income is further redistributed.

And yet a third type of model might measure income distribution between a specific neighborhood as a whole and the rest of the city or metropolitan area.

The following items might be included in a model to measure income redistribution with respect to housing, although some of them would be excluded with more limited assumptions:

1. Percentage of income spent on housing: The pattern is regressive in that the poor pay a much higher percentage of their incomes than the more affluent.¹ For instance, a significant portion of the incomes of ghetto dwellers is transformed through housing into withdrawal of capital from the community by owners of rental housing.²

2. Comparison of quality of housing to price: For instance, according to 1960 census statistics, nonwhites -- regardless of income -- must earn one-third more than whites in order to afford standard housing (based on allocation of 20 percent of earnings for mortgage payments or rent).³

3. Analysis of incidence of costs and benefits from taxation and subsidies: As was already mentioned in the section on taxation and subsidies, it would be useful to distinguish between benefits to particular business or interest groups, like real estate investors, land speculators, construction companies, etc., and benefits (or the

lack thereof) to various income classes.

4. Assessment of the benefits or losses resulting from exclusionary practices (whether zoning, out-right discrimination or others): For instance, being forced to live in certain neighborhoods means that one must also accept inferior city services, poor schools, inadequate and costly transportation, etc. This is, in effect, an additional "tax" for living in deteriorating areas.

5. Analysis of housing credit structure: The high price or unavailability of mortgage or other forms of home credit for some groups in the population also acts in a redistributive way.

6. Profits and interest: A more radical analysis would also include in a model of income redistribution the effects of profits (Producer, financier, owner of rental property, etc.) and mortgage interest.

Social and Environmental

Relationships among people -- specifically different racial and income groups with respect to geographic location -- have already been discussed. In this section I wish to focus on some of the other aspects of housing's social and environmental functions.

As a setting for relationships among people and between people and their physical environment, housing reflects broader cultural and social values. For instance, housing design expresses communal or privatistic impulses; tastes for the monumental and grandiose or the intimate; it reflects concern with symbols or social status or, on the other hand, with function; it can be solidly immobile or flexible and subject to individual modifications.

Contemporary planners and architects ask how people can gain more control over their environment and have searched for designs which permit or encourage the individual to interact with his environment, supplying, for example, sliding walls. But these contributions on the part of architects answer the issue only partially. And inherent contradictions impede a full-scale response. People who wish to control their environments very likely lack that sense of control in other areas of their everyday lives. And just because they are seldom autonomous, they experience difficulty in relating independently to their environment. In other words, the problem adheres to others, and solutions will not be fully effective unless similar efforts are made in other areas of social and environmental life. As a young British architect has observed:

It is pointless for us to design buildings with partitions that can be moved, to permit freedom of expression, when our whole educational development is one that teaches us that we cannot control our environment. Most people would never dream of affecting the built environment, or of planting trees themselves in the barren piece of "keep off" grass outside their house. Not till kids in school can tear their building to bits every term and re-erect it to their own design, can we see people really expressing themselves in their building.¹

Relatively scant attention has been given to the role of women as it relates to housing. Charles Abrams has commented on the difficulties encountered by mothers in raising children in the central city. A city means high-rise apartment buildings and a shortage of convenient day care centers, nurseries, good schools and recreation.² And he adds that suburbia does not finally answer the needs of women and families for it lacks diversity and is usually inconvenient for working mothers.

Women, in a sense, are the most important housing consumers since most decisions on purchase of household equipment furniture and often even the house itself are in the hands of wives and mothers. Real estate brokers recognize this and make good use of it in their sales pitches:

...when it comes to convincing the husband that he should meet the price which an adamant seller refuses to cut, we leave that to the wife whom we have already sold. She will do a better job of selling him, even at a higher price.³

Home is the housewife's workplace, so it is no surprise that manufacturers of housing goods make her the target of their advertising and promotion. And since, as it has

recently been pointed out, it takes two incomes for the average family to purchase a home, many wives work for their housing, and so take a double interest in what they get.⁴

More wives seek employment, but they also continue to have full-time jobs as housewives and mothers. The present design and geographic distribution of housing does not alleviate a very real female problem of schedule and workload. The nuclear family is the basis of most housing design, with the major exception of "singles" apartments in large cities and housing for the elderly. The possibilities of women sharing child-rearing and household responsibilities with each other are sharply diminished by the present style of housing. One proposal for a "multiple family housing unit"⁵ is similar to the housing arrangements of the Israeli kibbutz, but it is suitable only for an urban setting. According to it, there would be private apartments with separate cooking facilities for couples and individual adults, apartments for children old enough to separate themselves from adults, and ample communal space and facilities for community activities, such as occasional meals, recreation, day care, etc.

Most women who have gotten involved so far in the emerging female liberation movement are of middle-class background. Since in that culture women are seen as both housing consumers and the mainstays of nuclear family housing arrangements, they may be interested in exploring further their power and their preferences in housing.

Radicals have yet to develop a clear position on the question of housing ownership. On an ideological level, radicals in the Marxist tradition basically oppose private ownership of property, and therefore believe in state ownership of housing; those with a more anarchist bent would prefer to see some form of cooperative housing. Homeownership is usually ignored and tenancy rejected, by both groups. These positions, however, when placed in the context of 1960's America, lose some of their clarity as guides to immediate action. The number of available intermediate strategies depends on the emphasis of the organizer, and that is in turn dependent on his ideological inclination and organizational strategy.

(1) public ownership: Advocates of public ownership argue that under present conditions the private sector cannot be counted on to provide adequate housing for low- and moderate-income households. The Metropolitan Council on Housing in New York City, a federation of more than 90 tenant organizations in both public and private housing, states in a position paper:

...we feel it is illusory, at best, to turn to private enterprise for the initiative to rebuild our cities. Time after time private enterprise has shown itself completely incapable of meeting the housing needs of the nation. Private speculation and the drive for profits are the source, not the solution, for slums.⁶

The council calls for a massive reformed public housing program with tenant control on all levels of administration and decision-making, from tenant selection policies to project design. They urge the city and State of New York to become the landlord of last resort by taking over buildings which are poorly maintained in time to save them. To support this position, the group points out that real estate ownership is a voluntary investment by the buyer. If he cannot maintain his property in accordance with law, he has no business making this type of investment. For the remainder of the private housing stock, the council recommends "strict public control," specifically the extension of rent control to all rental housing.

(2) cooperatives: Housing cooperatives, and the cooperative idea in general, have attracted many American radicals for quite some time. Some, who might ultimately support the public ownership of housing after the revolution, have little confidence in this government as landlord and see cooperatives as the best "pre-revolutionary" alternative. Others believe that cooperatives are a good end in themselves. And still others are primarily interested in cooperatives as an "alternative institution," freeing its members from the outside pressures of landlords or public housing authorities and primarily creating a communal environment as a base for further political work unrelated to the cooperative.

In Britain, where one-quarter of all housing is owned

publicly (Council Housing), a proposal has been made to turn it over to tenants to own and run it cooperatively.⁷ Local authorities have been selling Council homes to tenants for more than 10 years, and the cooperative proposal was presented as an extension of that practice. To make the cooperative plan attractive to potential tenant buyers, it also included a provision by which the cooperative member can share in the appreciation of the property when he chooses to move.

One reason for opposing public ownership was expressed in the proposal as follows:

The private tenant can at least hate his landlord for taking advantage of the conditions of shortage for his own financial gain. The council tenant knows that he is fortunate in having his house, and feels that he has been done a favour. The local authority which is his landlord never does anything for its own financial gain. It always acts in its wisdom for its tenants' own advantage. In the long run, power employed paternalistically provokes far greater resentment than power employed selfishly or even antagonistically.⁸

The cooperative would set rents in relation to its commitments, with subsidies for members obtained through the machinery of social welfare rather than through housing. They urge this with the qualifier that "...social welfare is no substitute for social justice, but that until we can achieve the latter we have to utilize the former....we do not want the ability to pay an economic rent to be the criterion of membership of a housing cooperative."⁹

Except for some of the financial details, there may

be little difference between this proposal and the tenant control of public rental housing recommended by the Metropolitan Council on Housing. Met Council rejects cooperatives at the present time on two grounds. Tenant cooperatives, at least in New York City, have relatively high rents (carrying charges). "In the new middle-income cooperatives, the tenant-cooperators are beginning to realize that they are dealing with the illusion of cooperation, not the reality. They are not in control. The builder, the City and State agencies which hold the mortgages, and the banks and money-lenders which control interest rates -- these have real control."¹⁰ Secondly, making old, deteriorated buildings into cooperatives, the group believes, would only place the burden of years of landlord neglect on the tenants who would have to pay for major repairs.

In evaluating strategies for ownership, the organizer should examine the trade-off between raising the issue of ownership (e.g., in the development of a 236 project which is going to be built anyway) and getting emmeshed in a long-range cooperative development plan which might divert his and the group's energies from more important activity.

(3) tenancy in privately owned housing: Whether or not tenancy is ultimately a desirable form of housing tenure (for all or part of the population) will not be discussed here. For the organizer, the problem is more often one of

response to landlord-tenant issues on an immediate basis. He can suggest change of tenure to public or cooperative ownership and/or he can organize a tenant union to bargain with the landlord.¹¹ In many cases the latter strategy is the most appropriate, particularly for initial organizing.

(4) homeownership: If ideological reservations about homeownership (i.e., ownership of private property) are set aside, homeownership has much to be said for it. From the point of view of the individual household, buying a home may make a lot of sense. Moreover, well over half the population has chosen this alternative.

In a book published in 1945, John P. Dean explores some of the criticisms of homeownership.¹² Many families whose income level or personal obligations make it unwise to buy a house are often pressured into a home purchase through the efforts of promoters and unscrupulous real estate developers. Those who do buy sometimes find themselves the owners of gerry-built houses or ones unsuited to their needs. While consumers are at the mercy of the marketplace when purchasing any product, Dean points out that a home purchase is such a major and relatively long-term investment that more protection should be offered. Moreover, he explains how many of the same values said to result from homeownership can be achieved as well for a tenant.

The ideology of homeownership, Dean finds, serves the needs of American industrialists. He details the elaborate

promotional campaigns conducted by appliance manufacturers, real estate developers, and others connected to the residential market. Furthermore, it is noted that many factory owners prefer homeownership as a hedge against successful unionization. If a labor force has a "stake in the community," it will be less mobile. Even if union demands go unanswered, workers will be reluctant to leave their jobs if that means leaving their homes.

The FHA and VA mortgage insurance and guarantee programs, with their careful screening of applicants and minimum property standards have provided to some extent certain reforms that Dean recommends. Yet there has been no implementation of his more basic economic criticisms.

The radical has the task of resolving a perhaps theoretical attitude towards homeownership with everyday organizing. Opposing, staying neutral or supporting programs for homeownership are all plausible positions.

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Chapter III

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