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# An Historical Analysis of Federal Housing Policy from the Presidential Perspective: An Intergovernmental Focus

Roger W. Caves

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**Summary.** The Federal government in the United States has been involved in housing policy for over 80 years. The involvement has grown from a handful of programmes to a vast array of programmes dealing with numerous aspects of housing. This paper provides an historical examination of how Presidents, from Herbert Hoover to Ronald Reagan, have viewed housing, their role in initiating Federal housing policies and programmes, and the role of the Federal government in resolving the country's housing problems. Essentially, we have experienced three periods of Federal housing policy — a period where Presidents set the Federal housing policy agenda, a period where Congress became the centre of action, and a period where Presidents and Congress shared the initiative in developing and setting the Federal housing policy agenda. This paper examines Federal housing policy through these three periods.

## Introduction

The United States federal government has been involved in housing for more than 80 years. This involvement has grown from the creation of a small number of housing programmes to the vast array of programmes dealing with rental assistance and supplements, elderly housing, mortgage insurance, housing for the handicapped, home improvements/modernisation, Indian housing, etc., which exists today. As the years have passed, we have seen a dramatic increase in the sheer number of housing programmes and the money devoted to them along with increasing disagreements over these programmes between involved parties.<sup>1</sup>

This article examines the evolution of federal housing and community development policy from the presidential perspective with a special emphasis being placed on the role of government in housing. This particular focus has been undertaken to illustrate how presidential initiatives in federal housing policy have changed. Essentially, we can see three changes that have occurred in Federal housing policy over the past 80 years or so. During the early years of Federal involvement in housing under the Hoover and Roosevelt Administrations, the chief executives initiated housing actions. A transition to a period in which the US Congress dominated policy formation occurred during the Truman through Johnson years. Finally, from Nixon to the Reagan

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<sup>1</sup> There is certainly no paucity of information on the history of planning housing and community development in the United States. A number of revealing investigations into these areas have been written, including works by Scott (1971), Krueckeberg (1983), and Gerckens (1979). Scott (1971) provides a fascinating account of the many actors shaping planning and housing and community development policy. He offers numerous insights into various pieces of federal housing legislation and on how presidents perceived America's housing needs. Funigiello (1978) and Gelfand (1975) provide extensive studies into the role of the federal government in city affairs and federal-city relations. Works by Fish (1979), Lord (1977), and Nenno and Brophy (1982) offer historical examinations of housing and community development policies.

Administration, we witnessed a period where Presidents have trimmed and adjusted Federal housing policies and programmes and shared the initiatives with the US Congress.<sup>2</sup> The article is not designed to provide a thorough coverage of everything that has happened in federal housing policy but rather to examine notable actions.

This article is organised into three sections. Each section corresponds to one of the three changes described above. Section one provides a brief overview of how and why Federal housing policy was initiated and developed during the Hoover and Roosevelt years. Section two examines presidential ideas and philosophies regarding housing during the transition to a period in which Congress dominated the initiation of housing policies and programmes from Truman to Johnson. The final section discusses how Presidents and Congress have shared the initiative for developing ideas for housing policies and programmes from Nixon to Reagan.

#### **Setting the Federal Housing Agenda: Hoover to Roosevelt (1920s-1945)**

Early measures that directly or indirectly affected housing set the tenor for later Federal housing activities can be traced to 1892.<sup>3</sup> However, the analysis of the evolution of federal housing policy begins with Herbert Hoover and Franklin Delano Roosevelt.<sup>4</sup> They set the agenda and started the ball rolling.

#### *Herbert Hoover (1929-1933)*

To understand his outlook on housing matters, we must begin the discussion with Hoover's tenure as

Secretary of Commerce (1921-1928). Three years after the end of World War I housing conditions in the US were at a less than desirable level. As Secretary Hoover wrote to Dr. James R. Angell of the Carnegie Corporation:

The situation today throughout the country is that on present wage levels and present building costs there is utterly no hope whatever of the working class providing their own home. We are a million and a half homes short and there is a tendency for home ownership to decrease (Hoover, 1921).

Hoover suggested the situation could be improved if we harnessed the manpower of unemployed Americans to help construct homes.

During his first two years as Secretary of Commerce, Hoover created a public and a private body to deal with housing matters. In 1921, he established a Division of Building and Housing (DBH) within the Department of Commerce to stimulate home building in the US. In the next year, he created a private organisation called Better Homes in America, Inc. which was intended to support the work of the DBH and to conduct research on housing design and home ownership. Design competitions with prizes up to \$5,000 were held each year to find superior housing designs and to stimulate home ownership.

On 1 August 1930 President Hoover announced the convening of the White House Conference on Home Building and Home Ownership. This Conference, with 25 committees, sought to examine past and present problems associated with home building

<sup>2</sup> Most of the information contained in this article can be found in the presidential libraries. Researchers interested in obtaining information on the holdings of the presidential libraries and on the availability of research support should contact the libraries at the following addresses: Herbert Hoover Library, West Branch, Iowa 52358; Franklin D. Roosevelt Library, 259 Albany Post Road, Hyde Park, New York, 12538; Harry S. Truman Library, Highway 24 at Delaware Street, Independence, Missouri 64050; Dwight D. Eisenhower Library, Southeast 4th Street, Abilene, Kansas 67410; John F. Kennedy Library, Columbia Point, Boston, Massachusetts 02125; Lyndon B. Johnson Library, 2313 Red River Street, Austin, Texas 78705; Gerald R. Ford Library, 1000 Beal Avenue, Ann Arbor, Michigan 48109; Jimmy Carter Library, 1 Copenhill Avenue, N. E., Atlanta, Georgia 30307.

<sup>3</sup> While many individuals and textbooks begin discussions of direct federal government involvement into housing and community development with the 1930s, federal concerns about these areas commenced as far back as 1892. At that time the US Congress expressed concerns about housing conditions by initiating a study on slums and blight in the US. Some 16 years later, President Theodore Roosevelt created an advisory committee to study slum problems in Washington, DC (Fisher, 1959). Federal activities continued during World War I as the federal government built housing for federal employees working in shipyards and in other defense related industries. However, its wartime housing activities failed to convince Congress of the necessity for a permanent federal programme (Fisher, 1959). Nevertheless, the seeds of greater federal involvement had been planted.

<sup>4</sup> Several authors have analysed the early years of federal housing and community development policy. Scott (1971) examined the importance of planning and housing to Herbert Hoover while Mitchell (1985) and Birch (1980) discussed Hoover's Conference on Home Building and Home Ownership. Earlier, Gelfand (1975) wrote of Franklin Roosevelt's ideas regarding these topics. Mollenkopf (1983) wrote about the New Deal programmes, the Federal Housing Administration, the Public Works Administration — Housing Division, and Public Housing under Roosevelt, and McDonnell (1957) and Fisher (1959) examined the Housing Act of 1937.

and home ownership, and to make recommendations for improving housing. Among the topics discussed at the Conference were: types of dwellings, business and housing, blighted areas and slums, and housing and the community.

Hoover's varied activities in the field of housing indicate just how important he felt housing was to the nation. In a letter to the Editor of *Better Homes and Gardens*, Hoover noted:

Every new home is a new cell in our social and economic system. It becomes the centerpoint of new economic demands which radiate in every direction. But, above all, the pride in one's own home, the environment provided for children, the inspiration which it gives to national ideals are the hopes of the nation (Hoover, 1931a, 1).

Although stressing that the Federal government should assist and co-operate with the private sector in meeting the nation's housing needs, Hoover cautioned Americans on the result of having the Federal government competing with the private sector by noting 'every time the Federal Government goes into a commercial business, 531 Senators and Congressmen become the actual board of directors of that business' (Hoover, 1928). Increased Federal involvement would result in a bigger government, a situation disliked by Hoover.

During the Great Depression of the 1930s, America witnessed a period of massive foreclosures, the collapse of the mortgage system, and a severely distressed construction industry. The situation was so bad that some 50 per cent of all home mortgages in the Nation were in default and foreclosures neared the astronomical rate of 1,000 per working day in 1931 and 1932 (US Department of HUD, 1974, 7). In response to the Depression, Hoover instituted a money-sided attack on the nation's housing problems. He proposed a Home Loan Bank Board and a system of discount banks across the US to provide additional money for home mortgages and to stimulate home construction. This measure was later passed by the US Congress and signed by President Hoover on 22 July 1932. The Reconstruction Finance Corporation (RFC), created in 1932, made loans on low-cost housing projects to help diminish failures and foreclosures of homes. It represented a measure designed to pump credit into a faltering economy.

Although Hoover's housing activities were

initiated in response to the effects of the Depression — essentially emergency relief — he did help set the stage for later Federal ventures into housing. Many of his ideas and programmes, such as promoting research on housing and design and home ownership, a conference on home building and home ownership, and stimulating the construction of new housing, have influenced policy makers over the years. Finally, the authorisation of Federal funds to finance slum clearance through the National Industrial Recovery Act of 1933 represented an early attempt to eradicate the nation's slums. The next such measures did not occur until the Housing Acts of 1949 and 1954.

*Franklin D. Roosevelt (1933–1945)*

When Franklin Delano Roosevelt assumed the presidency in 1933, unemployment and housing problems caused by the Depression continued to plague the country in both urban and rural areas. Depending on the area, government officials felt the housing crisis could be dealt with either by constructing new dwellings or repairing existing structures. In either case, creating jobs to meet the housing demands of the country was a way to help ease the effects of the Depression.

Roosevelt echoed Hoover's belief that the role of the public sector in housing should be to co-operate with the private sector. Should the private sector fail to provide effective remedies, the public sector must act to correct the situation. The question then became which level was best equipped to handle them. He recognised that 'States, counties, municipalities may not have the necessary legislative authority or funds to undertake local problems' (Roosevelt, 1935, 1). He also indicated 'if a national public housing program is to be effective it must be the sum of thousands of local programs, each undertaken in the same spirit which the Federal Government has shown in the past ...' (Roosevelt, 1935, 1).

During Roosevelt's 12 years in office and the various New Deal programmes, Federal involvement in housing grew. The National Housing Act of 1934 created a government insurance programme for residential mortgages and provided a stimulus to housing construction by offering government insurance for home repairs and improvements. Three years later, the Housing Act of 1937 established the permanent federally aided, low-rent public housing programme — a programme designed to help relieve

the country's unemployment problem and to help improve social conditions in the cities. While many people welcomed this as a means to provide adequate housing for many low-income families, others viewed it as an intrusion into the workings of the private sector and an entry point for even greater permanent government involvement in housing.

The large number of Federal agencies dealing with housing matters, directly or indirectly, concerned Roosevelt. Too many agencies dealing with housing may lead to duplication of effort and conflict between agencies. In 1942, Roosevelt signed an Executive Order consolidating the housing activities of 16 agencies under the auspices of one National Housing Agency (NHA). Working under the NHA were three constituent units: Federal Housing Administration, Federal Home Loan Bank Administration, and the Federal Public Housing Agency. New Deal housing activities continued to be directed towards helping ease the Depression and to help in the war production effort. Economic recovery was the number one priority in the US. The only question remaining was whether the various New Deal programmes would be retained or abolished once the Depression and war period ended. Time would show that the housing activities of the Hoover and Roosevelt Administrations laid the foundations for future Federal housing policies and programmes and that permanent Federal involvement had taken root.

#### **Growing Congressional Action: Truman to Johnson (1945–1969)**

The foundations were now in place for greater Federal involvement in housing.<sup>5</sup> While Hoover and Roosevelt set the agenda for early Federal involvement in housing, the US Congress started taking an increasingly active role in housing matters. Political bickering tended to characterise the relationship between the various Presidents and the US Congress, regardless of party affiliation.

#### *Harry S. Truman (1945–1953)*

When Harry Truman became President of the United States on 12 April 1945, he was confronted with the end of World War II, a nation with inadequate housing and employment for the returning veterans and other Americans, and other domestic problems. Once again, the country was faced with the problem of needing more jobs and housing.

Housing represented a vital and pressing problem to Truman, who once remarked, 'a decent standard of housing for all is one of the irreducible obligations of modern civilization' (Truman, 1945). It was shameful that in a nation such as ours people had to live under intolerable living conditions. To him, bad housing led to, or caused, a number of social disorders or problems, and improving living conditions would, in turn, improve the social conditions of our cities.

One of Truman's major goals was the enactment of a comprehensive national housing strategy for present and future populations. According to Truman, little progress had been made by past programmes, as he once commented, 'it is almost unbelievable that we should have made so little progress in providing decent housing conditions for millions of American families' (Truman, 1948). Past housing programmes appeared simply reactionary in nature, reacting to special or emergency situations. A new comprehensive housing programme was needed.

Since housing problems continued to be national in scope, Truman felt the Federal government had to be involved. However, as was the case in the earlier Hoover and Roosevelt Administrations, discussions continued to be waged on whether or not the federal government should be involved in solving the nation's housing problems. Many maintained the private sector could handle any housing problems, but others felt that without Federal intervention, the cost of housing provided by the private sector would be too costly for many Americans.

<sup>5</sup> The 1940s and 1950s represented critical decades in the evolution of Federal housing and community development policy. The Housing Acts of 1949 and 1954 became landmark pieces of federal housing legislation. Davies (1966) provided a comprehensive examination of federal housing policy during the Truman administration, while Scott (1971) and Hays (1985) wrote about Truman's frustrations over the politics of the Housing Act of 1949. McFarland (1978), Friedman (1968), and others have investigated various aspects of housing policy during the Eisenhower years. Mollenkopf (1983) examined Kennedy's attempt to create a Federal Department of Urban Affairs and Housing while McFarland (1978) and Gelfand (1975) discussed the creation of what would later become the Federal Department of Housing and Urban Development during the Johnson administration. In addition, Gallion and Eisner (1983), Scott (1971), and Derthick (1972) have examined the often discussed New Towns In-Town Programme. The Model Cities Programme has also been subjected to investigations by Henig (1985), Gorham and Glazer (1976), Frieden and Kaplan (1975), and Hays (1985).

Truman, as did his predecessors, advocated a partnership between the public and private sectors. In a 6 September 1945 Message to Congress on comprehensive housing legislation, Truman (1945) declared, 'the cardinal principle underlying such legislation should be that house construction and financing for the overwhelming majority of our citizens should be done by private enterprise'. Government should supplement the activities of the private sector — a belief previously mentioned by Hoover and Roosevelt.

A major initiative of Truman's was the reorganisation of all agencies involved in housing — President's Reorganisation Plan No. 3. To place all agencies dealing with housing under one agency had been a goal of earlier presidents. Truman wanted to co-ordinate all housing functions under one agency, Housing and Home Finance Agency (HHFA), which would consist of the Office of the Administrator and three constituent agencies: the Home Loan Bank Board, the Federal Housing Administration, and the Public Housing Administration. This reorganisation would eliminate the fragmentation of housing activities among the various agencies of the federal government.<sup>6</sup>

Rent control was another controversial issue facing Truman. He felt rent controls were needed to assure that adequate and affordable housing was available to Americans. Those opposed to rent control claimed Truman had become the 'most hated man in America' and that by advocating this, he would destroy individual's property rights (Gaddis, 1947). Nevertheless, although claiming it to be plainly inadequate, Truman signed the Housing and Rent Control Act of 1947. Truman believed he had no choice but to sign it — without any rent controls, Americans would suffer. He alluded to this dilemma in a 30 June 1947 Message to the US Congress:

Without any rent control, millions of American families would face rapidly soaring rents and wholesale evictions. We are still suffering from a critical housing shortage. Many families are desperately seeking homes. In their desperation, they

would have to submit to demands for exorbitant rent. Even this inadequate law presents fewer dangers than would the complete lack of rent control (Truman, 1947).

From his perspective, Congress had failed the American people by taking a 'step backward in our efforts to solve the critical problem of providing sufficient additional housing for our citizens' (Truman, 1947). While calling the legislation 'this unsatisfactory law', Truman (1947) declared we should be taking steps to improve housing, not taking steps that would essentially negate current housing assistance.

Having failed to get Congress to pass the Administration sponsored Taft-Ellender-Wagner housing bill, Truman reluctantly approved the Housing Act of 1948, legislation he termed an 'emasculated housing bill' (Truman, 1948a). Although acknowledging that the bill 'would be of some help in meeting the critical housing shortage', Truman stated:

The new bill fails to make any provision for low-rent public housing. It fails to make any provision for slum clearance and urban redevelopment. It fails to include any provision for special aids for farm housing. It includes only limited provision for research to bring down building costs. In short, the Congress in enacting this bill has deliberately neglected those large groups of our people most in need of adequate housing — the people who are forced to live in disgraceful urban and rural slums (Truman, 1948a).

Throughout Truman's tenure in office, he encouraged Congress to develop and enact a comprehensive national housing strategy. However, philosophical differences between Truman and members of the Republican Party prevented Truman from realising the passage of a comprehensive national housing strategy until 1949. While his Democratic Party was proposing comprehensive housing legislation, Truman felt the Republican Party was attempting to destroy it by advocating alternative policies. Believing the Republicans were constantly being per-

<sup>6</sup> Not everyone saw the need for the reorganisation. Private sector groups opposed it on the grounds that it would simply allow the federal government to become more involved in housing, a comment voiced in earlier attempts to consolidate federal housing activities. Truman even encountered opposition from fellow Democrats. Harry Byrd (D. Va.) felt the various agencies would not be consolidated as Truman envisioned (*Congressional Record*, 1947, 9649–9662). Instead, the agencies would be conducting business as usual. Despite the opposition, Reorganisation Plan No. 3 was approved by the US Senate on 22 July 1947, by a vote of 47 to 38 (*Congressional Record*, 1947, 9669).

sueded by money and real estate interests, Truman commented:

Republicans in Washington have a habit of becoming curiously deaf to the voice of the people. They have a hard time hearing what the ordinary people of the country are saying. But they have no trouble at all hearing what Wall Street is saying. They are able to catch the slightest whisper from big business and the special interests (Truman, 1948b).

The history of differences between Truman and the Republican Party is long and complex, a topic worthy of its own investigation, but a brief discussion of some differences will illustrate the relationship. For instance, Truman was upset with the first session of the 80th Congress because he felt its only accomplishment was to change the name of the Wagner-Ellender-Taft bill, the Administration sponsored housing bill, to the Taft-Ellender-Wagner bill. In 1948, Harry Cain (R. Wash.) introduced an amendment to the housing bill to exclude any provision for public housing, a Republican Party ploy which upset Truman. Truman believed the change was designed mainly to benefit real estate interests and not the Americans in need of housing. Later, addition, Jesse Wolcott (R. Mich.) sponsored several alternative housing bills that Truman vigorously opposed. Finally, the ultimate Republican disappointment occurred when one of original comprehensive housing bill sponsors, Robert Taft (R. Ohio), abandoned it in favour of another Republican Party sponsored housing bill. This infuriated Truman who felt Taft had run out on his own bill.

On 15 July 1949, after seven years of political manoeuvring, Truman signed into law the Housing Act of 1949. His wish for a comprehensive national housing policy was realised. The Act established 'a national objective the achievement as soon as feasible of a decent home and suitable living environment for every American family' (Truman, 1949). Truman was clearly pleased with its passage. He declared:

This far-reaching measure is of great significance to the welfare of the American people. It opens up the prospect of decent homes in wholesome surroundings for low-income families now living in the squalor of the slums. It equips the Federal Government, for the first time, with effective

means for aiding cities in the vital task of clearing slums and rebuilding blighted areas. It authorizes a comprehensive programme of housing research aimed at reducing housing costs and raising housing standards. It initiates a program to help farmers obtain better homes. (Truman, 1949).

The Housing Act of 1949 was to become one of the most often cited pieces of Federal housing legislation in history.

#### *Dwight D. Eisenhower (1953–1961)*

Federal housing policy changed with the election of Dwight D. Eisenhower as the 34th President of the United States. He stressed the idea that good housing was necessary for good citizenship and for the economic and social well-being of the nation:

The development of conditions under which every American family can obtain good housing is a major objective of national policy. It is important for two reasons. First, good housing in good neighborhoods is necessary for good citizenship and good health among our people. Second, a high level of housing construction and vigorous community development are essential to the economic and social well being of our country. It is, therefore, properly a concern of this government to insure that opportunities are provided every American family to acquire a good home (Eisenhower, 1954).

Centralisation of power was not the answer to solving America's housing problems. As Eisenhower commented at the 1957 Republican National Convention, 'we believe that, if a job must be done by government, it should whenever possible be done by State and local rather than by the Federal Government — and not the other way round' (Eisenhower, 1957b, 2). To do the opposite, Eisenhower indicated 'who wants to go back on the New Deal — Fair Deal toboggan of loose spending, centralization, punishment of business and fiscal irresponsibility?' (Eisenhower, 1957a, 8). He believed the Federal role should be to provide leadership to the other levels of government and not to assume responsibility for the job. In past years, he felt, we had tended to do the exact opposite:

Every State failure to meet a pressing public need has created the opportunity, developed the excuse

and fed the temptation for the national government to poach on the States' preserves. Year by year, responding to transient popular demands the Congress has increased Federal functions. So, slowly at first, but in recent times more and more rapidly, the pendulum of power has swung from other States toward the central government (Eisenhower, 1957c, 3).

Instead of expanding Federal involvement in housing, Eisenhower advocated a greater role for the private sector, a common theme voiced by Republican Party members. He declared in a 1958 Message to the US Congress:

It has been the fixed policy of this Administration, and should be the consistent purpose of Federal Government, to seek in every way to encourage private capital and private investors to finance in competitive markets the myriad activities in our economy, including housing construction (Eisenhower, 1958).

This role would be realised through incentives in Federal legislation designed to stimulate the construction industry.

The organisation of federal housing activities also concerned Eisenhower and his aides. In 1953, through Executive Order 10486, he established an Advisory Committee on Government Housing Policy and Programs, composed of HHFA officials, business and labour leaders, and other individuals to study the organisation of federal housing activities. It recommended retaining some programmes without change, modifying some programmes, creating new programmes, and the grouping of all activities under one agency with a lead administrator. In the following year, he declared in a Message to the US Congress:

The present organization of Federal housing activities is unsatisfactory. The Housing and Home Finance Agency is a loosely knit federation of separate organizations. Its present structure is cumbersome, inefficient and lacks clearcut recognition of administrative authority. The result is confusing to the public. Neither the Congress nor the Executive Branch can expect it to achieve good and efficient management (Eisenhower, 1954a, 6).

Eisenhower decided against the reorganisation for

fear of losing the needed support of conservative Republicans for his 1954 housing programme (Gelfand, 1975, 259).

Several pieces of housing legislation were enacted during the Eisenhower years. The Housing Act of 1954, the major housing legislation of the fifties, broadened the country's urban redevelopment programme and changed the name of the Housing Act of 1949's 'slum clearance and redevelopment programme' to the 'slum clearance and urban renewal programme'. When Eisenhower signed the Act on 2 August 1954, he emphasised its importance to the nation:

It has been one of our major legislative goals. It will raise the housing standards of our people, help our communities get rid of slums and improve their older neighborhoods, and strengthen our mortgage credit system. In coming years it will also strongly stimulate the nation's construction industry and our country's entire economy (Eisenhower, 1954b).

The Act required local governments to develop a 'Workable Program' for community development prior to becoming eligible for urban renewal funds. It also provided Federal financial assistance to local, regional, and state jurisdictions engaged in comprehensive planning — the Section 701 Program. Although objecting to the inclusion of some new programmes written into it by the Democrats, Eisenhower signed the Housing Act of 1955 on 11 August 1955. Among other things, this legislation created a new programme for public facility loans that would be administered by the HHFA. Under the Housing Act of 1956, relocation payments to individuals and businesses displaced by urban renewal were authorised and General Neighborhood Renewal Plans (GNRP) were created. These Plans offered a preliminary look into the renewal activities proposed for an area and indicated how the activities were to be achieved.

Eisenhower continually spoke of the conflict between his Republican Administration and the Democratic controlled Congress. He alluded to the dangers of this conflict by remarking, 'when the Executive and Legislative branches are under different party control, it becomes difficult for the people to assess the results — there is a confused political situation that leads to partisan bickerings and inefficiency in the public business' (Eisenhower, 1957a,

1). These 'bickerings' became very apparent in 1959.

Two housing bills, S.57 and S.2539, were vetoed by Eisenhower in 1959 on the grounds that they would result in excessive and unnecessary spending. Although asking Congress for 'sound and constructive housing legislation' in a Message to the Senate regarding S.57, he stated 'to my disappointment the Congress has instead presented me with a bill so excessive in the spending it proposes, and so defective in other respects, that it would do far more damage than good' (Eisenhower, 1959a, 1). In his later veto of S.2539, Eisenhower continued his campaign to cut Federal spending. He proclaimed 'it does not help the housing industry for the Federal government to adopt methods that in these times would increase inflationary pressures in our economy and thereby discourage the thrift on which home financing is heavily dependent' (Eisenhower, 1959b, 2).<sup>7</sup> After Eisenhower's vetoes, an acceptable housing bill was developed — S.2654 (The Housing Act of 1959). This Act established the Section 202 housing for the elderly programme, provided an FHA programme for nursing homes and for urban renewal relocation payments, and broadened the Section 701 programme. Eisenhower signed the legislation without comment.

Eisenhower's housing beliefs and actions tended to confuse some of the American people. On the one hand, some felt he was simply extending past Democratic Party ideas and adhering to the beliefs of Franklin Roosevelt and Harry Truman. It angered them that he was taking credit for things earlier Democrats had advocated. Others felt he was moving too slowly in his effort and not really telling Americans what his administration had accomplished. In this regard, Abe J. Greene, Associate Editor of the Patterson, New Jersey, *Evening News*, suggested that he needed to tell the American people what he had on his mind and what he had accomplished in a type of 'fireside chat' (Greene, 1953, 1). The debate over the role of the Federal government in meeting America's housing needs would continue for years to come.

*John F. Kennedy (1961–1963)*

The 1960s represent a turbulent time in American history. While the Vietnam War was escalating, our cities were being torn apart by economic, social, and environmental problems. Americans turned to John F. Kennedy in the hopes that he would lead the country to greater prosperity.

The conditions of America's communities and cities greatly concerned Kennedy. If we were to advance the Housing Act of 1949 goal of 'providing a decent home and suitable living environment for every American family', we would need to conserve and improve our existing housing stock and to build new housing at prices people could afford. In a 1961 Special Message to the Congress on Housing and Community Development, he indicated that the country's policy on housing and community development must be directed toward the accomplishment of three basic national objectives:

First, to renew our cities and assure sound growth of our rapidly expanding metropolitan areas. Second, to provide decent housing for all of our people. Third, to encourage a prosperous and efficient construction industry as an essential component of general economic prosperity and growth (Kennedy, 1961a)

Kennedy was elated over the passage of the Housing Act of 1961. This legislation provided direction for new and existing housing. It established a below market interest rate programme (Section 221 [d][3]) that expanded opportunities for subsidised housing and made public agencies eligible to receive direct loans for elderly housing by expanding the Section 202 programme begun in 1959. During his remarks upon signing the Act, he stated 'this bill is the most important and far reaching legislation for housing and community development since the enactment of the Housing Act of 1949' (Kennedy, 1961c, 1).

Kennedy realised that the Federal government alone could not meet the housing needs of the

<sup>7</sup> The reactions to Eisenhower's vetoes were mixed. Jesse Helms, then Executive Director, North Carolina Bankers Association, applauded Eisenhower's veto of S.57 and regretted 'that such a preponderance of state and local officials feel that they must turn to the Congress for solutions to local problems which, so very often, are not really problems to be solved by government' (Helms, 1959, 1). On the other hand, Attorney Daniel M. Berger wrote to Eisenhower and expressed his concern over the role of the private sector. He commented that 'only public housing can do the job [housing people displaced from slums as a result of an urban renewal program] because private interests have very little reason to make investments in housing projects which are intended for low rental income people' (Berger, 1959, 1).

American people. As had Hoover, Roosevelt, Truman, and Eisenhower before him, he called for a public/private partnership. The public sector would do everything in its power to lessen the housing problems, but the private sector must fulfill its role. Kennedy acknowledged the importance of the private sector when he indicated:

The continued progress of our housing and community development programs in America depends in large measure on your actions towards shaping and supporting the future growth of American cities and towns, thus assuring this Administration's goal of 'a decent home and suitable living environment for every American family' (Kennedy, 1963, 1).

To demonstrate his concern for America's urban areas and their housing and community development problems, Kennedy (1961b) advocated the creation of a cabinet level Department of Urban Affairs and Housing. According to Kennedy, this was necessary because our cities needed a voice at the highest level of government, the executive and legislative branches needed a department to help them formulate and execute urban affairs and housing policy, and the States and localities needed a department to help them with their housing and urban affairs problems. Moreover, the activities of the National Housing Agency had grown steadily over the years and was time for a new more encompassing agency to handle the growing federal activities in rebuilding our urban areas.<sup>8</sup> In the end, Kennedy's proposal for a new Department of Urban Affairs and Housing was defeated. However, the issue was to resurface during the Johnson Administration.

#### *Lyndon B. Johnson (1963–1969)*

Johnson continued and extended Kennedy's policies towards housing and community development during his tenure in office, when we were to witness a massive explosion of social welfare programmes and

Federal grants. In the two years of the 89th Congress, the number of separate grant-in-aid authorisations jumped from 221 to 379; during this period Federal grants to states and localities increased from 18.8 per cent to 20.7 per cent of domestic Federal expenditures (Palmer, 1984, 6). Under his 'Creative Federalism', all levels of government as well as the private sector were to participate in the solution of America's urban problems. However, Johnson felt the Federal government had to assume the major responsibility for ameliorating the problems. Opponents, on the other hand, saw this as a way to increase the Federal presence in the city.

The nation's housing problems were complex. Johnson suggested that some of the problems plaguing our cities were:

— some 4 million urban families living in homes of such disrepair as to violate decent housing standards; — the need to provide over 30 per cent more housing annually than we are currently building; — our chronic inability to provide sufficient low- and moderate-income housing, of adequate quality, at a reasonable price; and — the special problem of the poor and the Negro, unable to move freely from their ghettos, exploited in the quest for the necessities of life ... (Johnson, 1966).

To complicate matters, construction levels failed to meet the increased demand for housing. He called on the Federal government to develop and to implement a variety of programmes designed to ease the aforementioned problems.

A number of major Federal housing activities took place during the Johnson years. For example, the Housing Act of 1964 raised the dollar limits of FHA insured home mortgages, extended the rural housing programme, and enabled single low-income displacees to become eligible for low-rent public housing. One year later, in 1965, two noteworthy pieces of Federal legislation were passed — the Department of Housing and Urban Development Act and the Housing and Urban Development Act. The former

<sup>8</sup> Not everyone was sold on the proposed Department of Urban Affairs and Housing. Although assured by Kennedy that it would not interfere with States' rights, some individuals remained skeptics. For instance, Bernard Hillenbrand, Executive Director, National Association of Counties, commented that it opposed the new department because it would create more bureaucracy and that it would expand the role of the Federal government in areas which they believed should be left to the States and localities (Hillenbrand, 1959, 1–4). In addition, Luther Gulick, President, Institute of Public Administration, objected to a Department of Urban Affairs and Housing because 'such a philosophy can only result in a further parochialization of interests that ought to be of major significance in the policy decisions and programs of all Federal agencies' (Gulick, 1961, 1).

piece of legislation created the Federal Department of Housing and Urban Development, a goal of both Kennedy and Johnson. While applauded by some, others opposed its creation on federalism grounds. This concern can be seen in the following passage:

Even further, some said that, 'If Washington pays the bill, Washington directs the action', meaning that the Federal government would usurp local initiative and authority, thereby violating the traditional view that community planning belonged to residents and their immediately elected officials. (US Department of Housing and Urban Development, n.d., 20).

Still others objected to it on the grounds it would pirate away functions from other Federal departments and because the term 'urban' would upset non-urban constituencies (US Department of Housing and Urban Development, n.d., 18–19). The latter piece of legislation actually gave Johnson many of the activities he had requested — extensions of several housing programmes, grants to low-income individuals in urban renewal areas to make home repairs, and grants for urban beautification.

The growing blight and decay in neighborhoods around the country concerned Johnson. In his Message to Congress recommending a Demonstration Cities Programme, Johnson (1966) voiced his high hopes by noting '1966 can be the rebirth for American cities'. He felt our responses to city problems had been inadequate and earlier urban assistance programmes were too small in scale and plagued with archaic building practices. He hoped Congress would pass legislation that would increase the supply of low- and moderate-cost housing, rehabilitate existing housing, and create other programmes designed to alleviate other urban problems.

Johnson's hopes were realised when Congress approved the Demonstration Cities and Metropolitan Development Act of 1966 (later Model Cities). This landmark legislation focussed on entire neighbourhoods, not simply parts of neighbourhoods. As Secretary of HUD, Robert C. Weaver commented, 'the aim is to demonstrate how a program in one neighborhood can contribute to the healthy growth of the entire city' (Weaver, n.d., 2). Calling it an experimental and innovative programme, Weaver

(n.d.) hoped that innovative solutions could be tested, proved valid, and re-applied to other areas. It was one of the country's most comprehensive pieces of housing legislation with authorisations for the development of various community facilities, urban renewal activities, and mortgage insurance for new town construction.

The failure to provide decent housing continued to plague Johnson. At one point in his 1968 State of the Union Message, Johnson (1968a) declared, 'surely a nation that can go to the moon can place a decent home within the reach of its families'. Some of his concerns were eased with the Housing and Urban Development Act of 1968 which expanded earlier legislation and authorised several new programmes. Recommended by the President's Committee on Urban Housing, which was headed by industrialist Edgar Kaiser, this established the ambitious national goal of constructing 26 million housing units over a 10 year period — 6 million units devoted to low- and moderate-income families. It also authorised programmes for flood insurance, new community development, and created programmes designed to encourage low-income family home ownership — Section 235 — and to enable rent reduction for lower-income families through the Section 236 programme. Johnson (1968b) even went as far to say the legislation was the 'Magna Carta to liberate our cities'. For a number of reasons, ranging from changes in administrative attitudes, and a too ambitious target, to later reductions in funding, the ambitious national goal was never realised.

### **Sharing the Initiative: Nixon to Reagan (1969–1988)**

The previous section illustrated how Federal housing policy grew in the US from 1945 to 1969. While presidents were still active in setting the nation's housing agenda, Congress started exerting a more dominant role. From 1969 to the present, we have witnessed presidents and the Congress sharing the initiative in setting the nation's housing agenda. As such, this period is characterised by presidents trimming and adjusting housing policies and programmes with Congress.<sup>9</sup>

<sup>9</sup> The amount of literature on housing and community development policy continued to grow during the later administrations. Books by such authors as Hays (1985), Mollenkopf (1983), Hartman (1983) and Mitchell (1985) have aided us in understanding housing and community development policy during the Nixon, Ford, Carter, and Reagan administrations.

*Richard M. Nixon (1969–1974)*

With the election of Richard Nixon as President in 1969, US housing policy began to undergo major changes. Although he acknowledged the importance and severity of America's housing problems, he did not share Kennedy and Johnson's views on the role of the Federal government in alleviating the problems. He adhered to the Eisenhower philosophy — the private sector, not the Federal government, should play the major role in the provision of housing.

The massive growth of Federal programmes inherited from previous administrations greatly concerned Nixon. He felt the Federal government had grown too much and too fast. In essence, it had become too large and cumbersome. Simply spending vast amounts of Federal dollars would not solve the problems. In some instances, the problems had become worse. He alluded to this problem by remarking:

In the last five years the Federal government enacted scores of new Federal programs; it added tens of thousands of new employees to the Federal payroll; it spent tens of billions of dollars in new funds to heal the grave social ills of rural and urban America. No previous half decade has witnessed domestic Federal spending on such a scale. Yet, despite the enormous Federal commitment in new men, new ideas and new dollars from Washington, it was during this period in our history that the problems of the cities deepened rapidly into crises (Nixon, 1969).

When Nixon assumed office, he did not seek major changes in HUD programmes. He continued the programmes of the Democrat controlled US Congress. In fact, he even acknowledged that other housing programmes were planned to grow substantially in the years ahead (Nixon, 1970a). Although speaking of expanding Federal housing programmes, he also recommended consolidating a number of categorical grant programmes into an urban community development revenue sharing programme. Categorical grants tended to generate red tape and to conflict with local priorities. By setting aside some Federal revenue and sharing it with the States, States would be able to develop and fund their own urban programmes. This went hand in hand with Nixon's belief that government is best

when it is closest to the people it serves — the 'New Federalism'. Congress, however, did not consent to his recommendation. Instead, it expanded the new housing subsidies programme established under the Housing Act of 1968.

Nixon had inherited an inflation problem which compounded the country's housing woes when he came into office. He pledged that his administration would take 'every possible step to solve this most serious housing problem consistent with the overriding need to contain inflation' (Nixon, 1970b). Inflation represented the predominant reason for the lag in housing production. If we could not contain inflation, we would be unable to meet the 1968 national goal of constructing or rehabilitating 26 million housing units over a ten year period. HUD noted this dilemma when it declared 'since the national housing goals were reaffirmed and quantified in the 1968 Act, the harsh erosion of inflation and the tight monetary policy necessary to curb it have grievously crippled our nation's housing industry' (US Department of HUD, 1970, 1).

Nixon's frustrations over past housing programmes came to a boil in 1973. In his 1973 State of the Union Message on Community Development, Nixon proclaimed:

there has been mounting evidence of basic defects in some of our housing programs. It is now clear that all too frequently the needy have not been the primary beneficiaries of these programs; that the programs have been riddled with inequalities; and that the cost of each unit of subsidized housing produced under these programs has been too high. In short, we shall be making far more progress than we have been and we should now move to place our housing policies on a much firmer foundation (Nixon, 1973).

He also announced the suspension of new activity under Federal subsidised housing programmes effective 5 January 1973, until a study of alternatives to the current housing subsidy programmes could be completed. The programmes suspended by Nixon were public housing, rental supplements, Section 236 rentals, Section 235 homeownership, college housing, and Section 202 loans. Prior commitments would, however, be honoured. The suspension of the subsidised housing programmes did not please some members of the US Congress, which had neither been consulted nor given legisla-

tive approval for the suspension of funds. Within Congress, Democrats claimed that the problems were not with the various programmes but with HUD mismanagement. According to them, correct the HUD mismanagement and the programmes would work. The ramifications of Nixon's action would be felt for some time.

In 1973, unhappy with current programmes, Nixon ordered a study of federal housing programmes. Its purposes were to reassess the various programmes, see what was working, and what was not working. It was completed 19 September 1973, and essentially confirmed Nixon's beliefs that the current programmes were in need of change. The study uncovered such problems as internal inconsistencies, numerous duplications, cross-purposes, and overlaps as well as outright conflicts and gimmickry (US Department of HUD, 1974, 22). In a 19 September 1973 message, Nixon spoke of what the study told him. He noted, 'Federal programs had produced some good housing — but they have also produced some of the worst housing in America' (Nixon, 1973b). Furthermore, he proclaimed:

The present approach is also very wasteful, for it concentrates on the most expensive means of housing the poor, new building, and ignores the potential for using good existing housing. Government involvement adds additional waste; our recent study shows that it costs between 15 and 40 per cent more for the Government to provide housing for people to acquire that same housing themselves on the private market (Nixon, 1973b).

The study's conclusions gave Nixon the opportunity to advance new programmes. One such programme was the experimental housing allowance programme which gave low-income households a direct cash payment to be used for finding accommodations.

While probably most remembered for the 1973 suspension of housing subsidy programme funding, Nixon can be applauded for a number of accomplishments. In a 1 November 1972, radio address, he announced that:

Our average expenditures for community development and housing have been \$1 billion a year higher in the Administration than in the previous four years ... Housing starts last year reached an alltime record high of 2.1 million units — and are

now more than 65 per cent above the 1960 to 1968 level. Federal assisted housing for low and moderate income families has increased more than fourfold since 1968 (Nixon, 1972). One year later, he proudly indicated that the amount of housing assistance provided to American families was 'more housing assistance than the total provided by the Federal Government during the entire 34-year history of our national housing program preceding this Administration' (Nixon, 1973a).

The relationship between Nixon and the US Congress could be described as uneasy. Although Nixon did not seek major changes in existing HUD programmes when he assumed office, Congress was not supportive of his later actions. He failed to win its support for a new Department of Community Development or the creation of an urban community development grant programme. His 1973 suspension of housing funds and the results of the study on federal housing programmes also generated anger from members of Congress. They felt the current programmes were working and that minor alterations and better management by HUD would alleviate any problems. Nevertheless, the ill feelings were carried over to the Ford Administration.

#### *Gerald R. Ford (1974–1977)*

Ford continued Nixon's policies of revenue sharing and returning the decision-making process back to the States and localities. In addition, he advocated only minimal Federal involvement in housing and other urban matters. Ford recognised the importance of housing to the country. On one occasion, he claimed 'good housing is one of our greatest assets, and our objective was and is to assist in the recovery of the housing construction industry and to help get the building trades workers back to their productive and meaningful skills' (Ford, 1975a). Ford saw, as had Nixon, the need to cut Federal spending. Instead of adding to the growing national deficit, the country should strive to hold down inflation and to do anything and everything to reduce high interest rates.

Several events affecting Federal housing policy occurred during Ford's short tenure as President. First, the landmark Housing and Community Development Act of 1974 was enacted. This Act, the first major piece of housing legislation since 1968, con-

tained the means to return power to the communities for many programmes by removing many rigid categorical grants, including urban renewal and Model Cities, and replacing them with a single, more flexible block grant for community development. This enabled cities to determine and set their own priorities under broad Federal guidelines. In addition, Congress revived the public housing programme by allocating additional funds. Finally, the Act created the Section 8 programme for low- and moderate-income housing which contained provisions for rental subsidy, new construction, and substantial rehabilitation programmes.

A second noteworthy event occurred in 1975. Three years earlier, in 1973, Richard Nixon impounded some \$250 million of Section 235 homeownership subsidy programme funds because he felt the programme was flawed and ineffective. After an investigation, impending law suits, and concern over a legal showdown with Congress on the impounding of the funds, Ford released the funds. They would now be used for a new and revamped Section 235 programme. Ford hoped releasing the funds would aid in the housing industry's recovery.

Ford did not enjoy a smooth relationship with Congress over housing legislation. He encountered opposition throughout his administration. The Housing and Community Development Act of 1974 was a compromise piece of legislation between the Ford Administration and Congress. In the following year, Ford and Congress clashed over what should be done regarding the nation's housing slump. The disagreement took the following shape:

Congressional Democrats wanted to stimulate the housing industry so that it would help lead the economy out of a recession. The administration argued that a general economic recovery would help the industry most (Congressional Quarterly, 1976, 26).

The Democrats wanted additional housing subsidy programmes but Ford said no. He vetoed the programmes on the grounds that they were too expensive. Ford also vetoed the Emergency Housing Act of 1975 on 24 June 1975 on the grounds that 'this bill's provisions for the protection of home-owners who are presently unemployed or under-employed due to economic conditions and who face foreclosure on their homes, though well intentioned, unnecessarily place the Federal government in the retail loan-

making business as a sole means of relief' (Ford, 1975b). On 2 July 1975, Ford signed the Emergency Housing Act of 1975 — after compromises between the House and Senate.

Congressional opposition to the Ford Administration's housing policies continued in 1976. While Congress wanted to revive the public housing programme that had been suspended by Nixon, the Ford Administration opposed its revival. In the end, Ford acquiesced to Congress in exchange for reduced funding for public housing. Nevertheless, Ford was disturbed over the actions of Congress. In discussing the performance of the 94th Congress, he declared, 'rather than make the necessary hard decisions, this Congress has more often responded with weak compromises and evasions' (Ford, 1976).

#### *Jimmy Carter (1977–1981)*

After Jimmy Carter's election, many Americans thought the country would return to more Federal involvement in housing matters. Carter proposed a more active role in urban matters than in the previous Nixon and Ford Administrations. However, according to Hays (1985, 152), 'the Carter Administration, which took office in 1977, did not display the desire for large new social welfare initiatives that previous Democratic administrations had shown'. Carter felt the federal government should not act alone or in isolation from the other levels of government and proposed that the country should build a 'New Partnership' in which all levels of government, the private sector, and other organisations would work together to solve the nation's problems — an idea advanced by previous Presidents.

The economic climate of the country appears to have dictated the types of housing activities undertaken during the Carter Administration. Carter recognised this fact and the need to improve our economic conditions in his 1981 State of the Union Message:

The most important action government can take to meet America's housing needs is to restore stability to the economy and bring down the rate of inflation. Inflation has driven up home prices, operating costs and interest rates. Market uncertainty about inflation has contributed to the instability in interest rates, which has been an

added burden to homebuilders and homebuyers alike (Carter, 1981).

Carter's first year in office proved fruitful. He had requested Congress approve legislation designed to improve and to stimulate housing and the housing industry. Congress granted his request with the passage of the Housing and Community Development Act of 1977 and appropriated additional funding for more subsidised housing units. This broad legislation contained provisions for public housing, rehabilitation, the Section 8 rental subsidy programme, and urban homesteading. It also added provisions for Urban Development Action Grants (UDAGs), grants used to promote and stimulate private investment in the economic development of distressed areas. Housing components were often included in UDAG projects.

Funding for subsidised housing also increased in 1978. Under the Housing and Community Development Amendments of 1978, a new rehabilitation programme was established under the Section 8 existing housing programme. But during 1979, Congress started to clamp down on Federal spending for housing programmes, and trimmed the subsidised housing budget. Congress turned and, instead, changed priorities to increasing appropriations for community development — the apparent way of the future.

Carter appears to have been somewhat more active than the earlier Nixon and Ford Administrations in the field of housing. He resumed programmes that had been reduced or axed by the earlier administrations. However, as Hays (1985, 152) suggests, 'Carter proved unsuccessful in pushing through many of the modest proposals he did make'. Edwards (1980) attributes some of the problems on lack of skill in dealing with Congress and poor personal relations with various members of Congress. Ultimately, in his four years as President, concerns over an increasing Federal deficit prompted Congress, on occasion, to deny his requests for more housing assistance. On other occasions, Congress did increase appropriations for various housing programmes. Housing policy continued to be placed on Carter's urban policy agenda.

#### *Ronald Reagan (1981–1989)*

A growing national deficit and apparent dissatisfaction with Jimmy Carter's policies may have contri-

buted to Ronald Reagan's overwhelming victory over Carter in 1981. Reagan brought with him a belief that America had gotten away from the original meaning of Federalism. Instead of trying to solve their own problems, State and local governments kept turning to the Federal government for solutions. Reagan, feeling this was taking the easy way out, offered the following warning to local officials:

you're becoming more aware that to get a job done, the very last thing you should ask for is Federal money. First, there are so many strings attached that Federal projects take a lot longer to complete. And second, local money pays the bill anyway. Once the Federal vacuum cleaner gets through with the pockets of the local taxpayers, there isn't enough spare change left to run local government (Reagan, 1981).

Instead of assuming more power, the Federal government should return the power and money to the lower levels of government so that they can develop programmes better suited to their particular needs.

Housing does not appear to be a high priority on Reagan's domestic policy agenda. While reversing a number of past housing programmes, he has also advocated Federal withdrawal from housing matters. This is consistent with his privatisation philosophy — the private sector is better equipped to meet the housing needs of the American people. As such, he feels that we need to discover ways to stimulate private sector actions and not simply rely on the Federal government for solutions.

Dissatisfaction with past housing programmes led Reagan to appoint a President's Commission on Housing in 1981. He wanted the Commission to provide him with recommendations on developing a national housing policy and to discuss what role the Federal government should play in meeting the housing needs of the American people. Unlike earlier presidential appointed bodies that studied housing matters, Reagan's Commission on Housing started its job with the belief 'that the genius of the market economy, freed of the distortions forced by government housing policy and regulations that swung erratically from loving to hostile, can provide for housing far better than Federal programmes' (Commission on Housing, 1982, xvii). According to the Commission, too many problems had occurred

with earlier federal housing programmes. It noted that 'the 1970s taught not only the limits of the good that can be done by government action, but also the depths of the harm that can be wrought by ill-thought or ill-coordinated government policy' (Commission on Housing, 1982, xvii). The Commission's findings were not unexpected. They adhered to Reagan's beliefs that many housing programmes were too costly and were not achieving the goals they were meant to achieve. Many programmes were simply not cost effective. Moreover, the Commission recommended shrinking the growth of federal housing programmes. Finally, the Commission recommended the use of housing vouchers as a better way of helping the poor find existing housing. The Commission's findings echoed Reagan's sentiments and provided him with support for his housing programme.

Reagan (1984) has indicated support for the Housing Act of 1949 national goal of 'providing a decent home and suitable living environment for every American family'. However, his actions, on occasion, seem confusing and contradictory to many Americans. For example, in 1981, Reagan requested and Congress cut Section 8 funds. In addition, before receiving Section 8 assistance, individuals would now have to pay 30 per cent of their income for rent, instead of the previous 25 per cent. One year later, Reagan vetoed legislation that would subsidise interest rates for new home buyers. Although designed to assist and stimulate the home construction industry, he vetoed it on the grounds that the legislation would add to the growing national deficit. Moreover, since a number of industries were suffering from the national recession, Reagan did not feel he could help just one industry.

The passage of any Federal housing legislation during the Reagan administration has been rare. In 1983, Reagan signed the Housing and Urban-Rural Recovery Act which extended the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) programmes through 1986, and extended other programmes, at different rates, dealing with urban homesteading, public housing, parts of Section 8, and Section 202 programmes. It did, however, repeal the Section 8 New Construction programme.

The first substantial piece of housing legislation was signed by Reagan on 5 February 1988 — seven years after he assumed office. The Housing and

Community Development Act of 1987, a compromise piece of legislation between the administration and the US Congress, provided \$30.6 billion for housing and community development — \$15 billion for housing and community development in the fiscal year beginning 1 October and \$15.6 billion in the following fiscal year. In signing the Act, Reagan (1988) acknowledged some of its noteworthy provisions:

1. It makes permanent the Federal Housing Administration's insuring authority.
2. It gives permanent authorisation to the housing voucher programme.
3. It provides new opportunities for public housing residents to take control of their own lives by managing or buying their housing.
4. It provides training and technical support for the establishment of new resident management groups and allows them to reinvest savings from resident management to establish small business enterprises.

He also praised the housing bill for making progress in eliminating some ineffective programmes such as the Rental Housing Development Grant and the Section 235 subsidy programme.

Reagan has not been a champion of social welfare programmes. When he arrived in office, he sought to halt and reverse their expansion. During his first year in office, to get his message across, he cut the budgets of a number of housing programmes. Deeper cuts in some programmes and the elimination of other programmes have followed. He had consistently vetoed legislation that was not, in his opinion, cost effective or what he terms 'budget-busting'.

The Reagan Administration has encountered opposition to its housing actions. While Reagan has advocated a drastically reduced role for the Federal government in housing matters, the Democrat controlled House of Representatives has opposed his initiatives and has even advocated greater funding for some housing programmes. The Republican controlled Senate had been more receptive to the Reagan Administration's proposals and willing to compromise with the House. However, the Democratic Party took control of the Senate in 1986. Overall, during his tenure in office, we have wit-

nessed a struggle between the Reagan Administration, the Democratic controlled House, and the Republican controlled Senate over the structure and function of Federal housing policy (Hays, 1988).

### Concluding Comments

This article has examined how Presidents have viewed and responded to America's housing problems with a special focus on the role of the Federal government in resolving them. To varying degrees, the Federal government has been involved in housing matters for over 80 years. We have witnessed periods when some Presidents have called for increased Federal programmes and assistance in housing while other Presidents have advocated only minimal Federal involvement. For the most part, the degree of Federal involvement follows political party lines. Democratic Presidents have tended to favour increased Federal involvement in housing matters while Republican Presidents have wanted to curb Federal involvement. Republicans also favour greater roles for the States, local governments and the private sector.

The role of the President in housing policy has changed over the years. During the early periods of Federal involvement, Presidents took the initiative and set the agenda for developing responses to the country's housing problems. Later, during the 1940s to the late 1960s, a transition occurred in which Congress started exerting more influence in setting the housing policy agenda. As such, it became a centre of action. More recently, we have observed a period where Presidents and Congress are sharing the initiative in formulating the Federal housing policy agenda.

At the present time, Reagan has called for drastic reductions in Federal housing assistance. However, Congress has not wanted Reagan to pursue his Federal housing policy goals. It is not supportive of his dismantling of various Federal housing programmes. In the end, some programmes have been eliminated while others have been restructured. He has even voiced support for the privatisation of public housing. It remains to be seen whether the President or Congress will take the initiative in trying to resolve the country's housing problems.

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