

SPEECH BY CONGRESSMAN LES AuCOIN  
Before the Portland City Club  
Portland, Oregon  
November 18, 1977

Thank you very much Bruce. It's a pleasure, as always, to return to the City Club and I've been looking forward to this. In fact it's just plain good to get out of the East and return to Oregon.

People -- in case you haven't noticed -- are a little different in the East.

The other day, for example, I was waiting on a street-light in downtown Washington and all of a sudden I discovered a man standing beside me with his hand in my hip pocket!

I immediately asked him what he thought he was doing.

The guy looked up at me and said, "making change."

"Well, if you needed help, why didn't you ask me?" I said.

Whereupon, the man said: "Don't you know anything? In this town, it isn't safe to talk to strangers!"

Ladies and gentlemen, today I want to talk about life in cities. Specifically, I want to talk about housing. But I want to talk about it in a broader policy sense than just shelter. I want to talk about it in terms of people and that fundamental something we call "community."

I've worked in the vineyards of housing policy since I arrived in Congress. I have seen some successes. I have seen some failures. But I have seen no startling breakthroughs. And I'm convinced it's because we haven't been asking the right questions.

First, we have to look at housing as a vitally important national priority. And when we talk of decent shelter, we've got to realize we're talking about one of Man's most basic needs.

The government began to recognize this over forty years ago when President Roosevelt pronounced our nation "one-third ill-housed...one-third ill-clad...and one-third ill-fed."

In the following decades, a lot of federal efforts were launched to meet this nation's basic need for housing.

In many ways, we were successful. The little single-family home with a white picket fence became the American Dream -- and it became true for millions of people.

Today, however, we are at different crossroads in housing policy. It's a problem just as serious as the one Roosevelt saw. Maybe it's even more serious -- because it's not nearly as concrete, easy to see, or as easy to deal with.

You see, it's not entirely a question of putting up more houses anymore. We've done that. The question is also where we're going to build those houses. And by the same token, it's no longer a question of simply putting a roof over people's heads. Instead, it's a question of doing it in a way that creates a human community.

Looking back on how it used to be, it's clear that a lot has happened to us since World War II.

A cavalcade of events ranging from television, the two-car family, interstate freeways, modern aviation, campers and motor homes, and cheap energy have helped build a go-go society that's now suffering some major strains.

In this society, we've all come to live in our separate little ghettos. For our senior citizens, once an important part of the primary family structure, it's now the vogue to cluster them into "senior estates." For the young, it's ballet classes, little league, summer tennis camps, or a dozen other activities. For parents, it's the golf club, the bridge club, bowling leagues, men's and women's organizations, or something similar. But invariably, the emphasis is on one's self...on a search for self identity, which is all right -- but the question is: what happened to family identity? Somewhere along the line, it seems to have lost its importance.

For the most part, the headquarters for all these rapid changes has been the suburb.

In many ways, the suburb's the ultimate in the Great American Dream. And yet, one has to ask: Are we Americans really happy with our daily life? Are we a completely healthy society?

The following figures suggest that we are not.

o In the midst of unparralled prosperity, crime has increased 91 per cent in the last ten years. "White collar crime" is up 313 per cent in the last three years.

o The use of tranquilizers and anti-depressants have more than tripled in 12 years.

o There has been a 36 per cent increase in crimes committed by juveniles.

But apart from these figures, isn't it just possible to draw a parallel between the "everybody do your own thing" style of family life and "every man for himself" approach to natural life among an increasing number of fragmented interest groups? Since we are creatures of our living environment, I don't think it's going too far to make this link.

But if this is the case, what, then, have we learned?

Let me suggest that instead of a housing policy, what we need to think of is a "family policy." A policy that sees housing as one of several tools to restore the sense of family to our lives.

None of us are naive enough to believe that society can suddenly become a living version of some television program like "The Waltons." The days of that kind of family unit are gone forever. Moreover, the suburbs are here and no one is putting them down.

But what we can do is take another look at our cities and see what we might do to approximate what we used to know as the "family" experience -- so that there can be an alternative to endless suburbs, as a quality kind of living experience.

Earlier this year, my wife Sue and I spent a fascinating evening with Margaret Mead, a woman of absolutely extraordinary mental powers.

In that evening we talked of turning to the next closest thing to the family unit as a way to achieve that "family experience" or sense of community. The next closest thing is the neighborhood. And we talked about the value and opportunities neighborhoods provide.

If we can build a new housing policy to reverse the shift from "neighborliness" to "distance" -- from well-knit communities to suburban sprawl -- we can make a difference.



And that's why I said earlier that the key housing question today, unlike the days of FDR, isn't so much if we're going to build homes -- but where we're going to build them.

If, through rehabilitation of existing structures, through neighborhood parks and other human amenities, through special government and private sector activity, we can make the city a place for the senior citizen...the young family...the middle age family...and the single person alike, we will have the diversity in which strength can be drawn from each other.

If federal programs can foster imagination in local planning, there can be doctor's offices, grocery stores, pharmacies, laundries, and other retail outlets as integrated components of the neighborhood community. A person in that kind of community wouldn't have to travel far to meet his needs.

My guess is that such a city -- made up of clusters of human scaled communities -- would be a lot like the towns we used to know. Because of their close-knit character -- because there was a sense of belonging -- assaultive crime wasn't a big fear because people knew each other...and stood up for each other. As Margaret Mead put it, we had close friends, we had neighborhoods, we had community.

I wouldn't dare try to design all the elements of a "family policy" today. My purpose is to simply say that housing, and many other government policies, should be re-examined in this new context. Because I submit that the breakdown of the American family is the cause of most of our great social problems today. Federal activity should not aid and abet this, but to help turn it around. And I think housing, and what we do with housing, is one way to do it.

In this light, two things are worth mentioning right now in the federal housing arena. First, in this year's Housing and Community Development bill, a major new program has been created which has tremendous promise.

It's called the Urban Development Action Grant program.

Its purpose is to invest some 1½ billion dollars over the next three years in ways that will leverage private capital to form a working partnership between the public and private sectors in saving the city with fresh new ideas.

For example, these funds could be used by cities to buy unused or underused land within the city limits, build the necessary infrastructures, and then -- with those front-end costs out of the way -- entice private investment in conventional as well as low and moderate income housing, in retailing, and job producing light industry.

The second thing is an effort by the Department of Housing and Urban Development to win the approval of the Administration for a dramatic new commitment to housing rehabilitation in next year's budget.

What is contemplated here, and what I intend to support, is not any newly designed program. I think we have the tools we need in place right now. Instead, I'm talking about an unprecedented increase in the use of one of those "tools" -- the Section 312 rerehabilitation program...making it eight times larger than it is today.

Housing rehab is extremely important in any new housing policy. It salvages the huge investment of capital and energy already built into earlier construction. It does so by reclaiming empty, abandoned structures. It is a key tool in transforming city blocks into human neighborhoods -- and neighborhoods, in turn, into building blocks that produce livable, robust, vibrant cities.

Now earlier, I mentioned that "where" was the biggest question in building decent houses today -- not "if." That's not entirely true. There's another dimension of the housing issue that makes owning a home an increasingly difficult and "ify" thing for the average family.

I'm referring, of course, to the explosion of housing costs. In the last six years, the average price of an existing home jumped 65 percent -- from \$23,000 to \$38,000. For new homes in that same period, it was even more drastic -- an increase of 89 per cent, to \$44,000.

So far this year, the average price of a new house has increased one per cent a month. This means that a home which sold for \$50,000 in 1972 would now cost some \$79,000. This means if nothing is done, by 1990 the cost of an average home will reach \$90,000!

That, ladies and gentlemen, would price all but three of every ten American families out of an average-priced new home. The impact of this would be enormous. In 1950, seven out of every ten families could afford a home in the average price range!



If a decent home is fundamental to a "family policy," that trend simply must be reversed. I don't think any of us is enough of a sociologist to begin to predict the toll this trend could ultimately have on American families.

In the coming months, I will be spending a good deal of my time chairing a special task force of the Housing Subcommittee with the job of looking into this problem and seeing what kind of federal action, if any, can be used to help keep home ownership a reality for the average American.

It's not necessary to list all the areas this inquiry will be going into. Let me say, however, that I believe one of the most significant areas is government regulations. Excessive regulations and time delays represent dollars to builders. And in the preliminary poking around I've done on the subject, it's amazing how little sensitivity local, state and federal government agencies show toward the consumer impact of their actions.

Let me give you just one example. I know of housing developments today that are required to have neighborhood roads built to the same standards as federal highways! Insanity!

Builders, of course, pass those costs along -- they don't absorb them. And so what we're dealing with here is a government process in which there is no countervailing consumer pressure to hold costs down when it comes to determining these regulations. Who speaks for the consumer when some government employee decides a neighborhood street must accommodate the stress of freeway trucks -- and forces that cost on him? A key goal of my task force will be to see if we can find ways of applying leverage against such unnecessary requirements. Giving special considerations in federal programs such as housing and community development grants to cities and states with one-stop permit systems is, for example, one way to create such coverage. We'll be looking for others.

So far, I've been focusing on urban housing. But it isn't just urban areas that require attention in a national housing policy for families. It's rural areas and small towns, as well. First, the health of small towns will play a major role in any urban strategy. They must remain stable or there'll be population loss which will ultimately be translated into greater urban impaction and ever-increasing demands for services in cities that are already hard-pressed financially. And speaking of rural housing, it may startle those of us in the comfort of this room to know that there are places in Oregon where residential sanitary facilities are represented by a bucket on the front porch. Yes that's right -- right here in Oregon! This is the hidden housing crisis because it's not

as visible to us as the housing crisis of the cities. The truth is that both must be looked at as parts of the same problem. One can't be solved without the other.

Let me conclude by offering a few observations on items in the news that relate very directly to whether or not we can succeed in a national housing policy.

o The first is that to build houses, you've got to have private capital to do it. Government simply can't do it alone. There have been suggestions that the Administration will move to eliminate preferential treatment on capital gains -- in the name of tax reform. All I can say is that the Administration ought to learn that tax change is not necessarily tax reform. What's needed is a tax cut, similar to those employed by President Kennedy in the 1960's to, one, overcome the drag of the huge Social Security tax increase and, two, stimulate investment capital. I oppose the elimination of the capital gains provision and I submit that if it were eliminated, it would be devastating to housing.

o Finally, no discussion of housing policy would be complete today without a word about the attempt of HEW and the Office of Management and Budget to "cash out" virtually all existing housing assistance programs and use the money to help pay for a proposed welfare reform program.

The idea is that we should take that estimated \$5 billion, give it to the poor, and let them find their own housing.

I take strong exception to this and I would predict open warfare in Congress if it should formally be proposed.

Under this rationale, the government has no duty to stimulate the housing industry when supply is short, it has no obligation to attack blight, it has no responsibility to help revitalize community neighborhoods.

What it would do, is, in effect, put government assistance in the hands of slumlords and encourage them to keep the slums as they are.

And, in my judgement, it's like taking the multi-billion defense budget, dividing it up among each of us and saying, "here, go out and defend yourself."

We obviously need better thinking in the housing policy field today. I can tell you that that kind of thinking is beginning to emerge in Congress. It's also emerging among the bright lights at HUD.

The question is whether the President is going to listen to them or to the myopic vision of OMB and HEW. With his help, we can have an innovative, new housing policy. A "family" policy, and concrete steps to create a sense of community again. Without his help, Jimmy Carter may well waste one of the great opportunities of our time. For the sake of the American family, I hope he seizes that opportunity.

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