

# Undated: General: Priorities - Housing

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PRIORITIES - HOUSING

DELIVERED on February 25th to  
National Priorities Committee by  
copy of speech. (DURING THE NIXON/  
ADMINISTRATION)

DURING MY DECADE IN

WASHINGTON, THOSE OF US IN GOVERNMENT WHO  
WRESTLE WITH THE ENORMOUS PROBLEMS WHICH  
EACH ELECTED MEMBER OR OFFICIAL MUST FACE,  
GENERALLY HAVE SOUGHT THE BEST POSSIBLE  
SOLUTION WITHOUT REGARD TO PARTY EVEN  
THOUGH IN OUR SEARCH WE REFLECTED SOME  
LOCAL OR REGIONAL BIAS OR POINT OF VIEW.  
INDEED, MANY WOULD ARGUE THAT IN THE  
EVOLUTION OF THE POLITICS OF THIS COUNTRY  
EARLIER CLEAR DIFFERENCES AND SHARP  
DISTINCTIONS BETWEEN

DISTINCTIONS BETWEEN PARTIES HAVE  
DISAPPEARED. THESE DIFFERENCES HAVE NOW  
BEEN SO "FUZZED UP" THAT SOME POLITICAL  
SCIENTISTS AND OTHERS FEEL THERE IS NO  
IDEOLOGICAL CHOICE. THE ADHERENTS OF  
GOVERNOR WALLACE ON THE RIGHT, AS WELL  
AS THE RADICAL LEFT, INSIST WITH EQUAL  
FERVOR THAT THERE IS NO SIGNIFICANT DIF-  
FERENCE, AND THEREFORE NO REAL CHOICE,  
BETWEEN THE REPUBLICANS AND WE DEMOCRATS.

WELL, † AM HERE TODAY TO TELL YOU  
THAT THERE IS A DIFFERENCE--AN IMPORTANT  
DIFFERENCE. THAT

DIFFERENCE. THAT DIFFERENCE IS ONE  
OF PRIORITIES AND OF CHOICES. IT IS  
A QUESTION OF THE DEGREE OF OUR CONCERN  
FOR PEOPLE--PARTICULARLY FOR THE PEOPLE  
WITHOUT POWER, THE PEOPLE WITHOUT INFLUENCE--  
AND TOO FREQUENTLY THE PEOPLE WITHOUT HOPE.

IN A SENSE ALL GOVERNMENT ACTIONS  
ARE A MATTER OF PRIORITIES. ALL GOVERNMENT  
DECISIONS ARE A MATTER OF CHOICES.

AND IT IS IN THIS AREA THAT THIS  
REPUBLICAN ADMINISTRATION HAS NOW CLEARLY  
DEMONSTRATED WHERE

DEMONSTRATED WHERE ITS LOYALTY AND  
CONCERN IS DIRECTED.

WHILE THEY HAVE DEMONSTRATED THEIR  
BIAS IN A NUMBER OF AREAS IT IS MY  
PURPOSE HERE TODAY TO GIVE PARTICULAR  
ATTENTION TO WHAT I BELIEVE HAS BEEN  
THEIR MOST DISASTROUS AREA OF NEGLECT AND  
THE PRIME VICTIM OF THEIR ILL-CONSIDERED  
POLICY.

I REFER TO ONE OF THE BASIC  
NEEDS OF ALL MEN--SHELTER--OR WHAT WE  
MORE COMMONLY REFER TO AS HOUSING.

THERE HAS BEEN

THERE HAS BEEN SOME TALK--  
SOME SPECULATION--THAT WE ARE IN THE EARLY  
STAGES OF ANOTHER REPUBLICAN RECESSION.  
CERTAINLY THIS APPEARS TO BE A STRONG  
POSSIBILITY. BUT BE THAT AS IT MAY, THERE  
IS NO QUESTION BUT THAT IN THE AREA OF  
HOUSING WE ARE NOT ONLY IN A RECESSION  
BUT IN A MAJOR DEPRESSION. AND THERE  
IS NO QUESTION BUT THAT THIS IS A  
REPUBLICAN ENGINEERED DEPRESSION.

TODAY WE FIND HALF OF OUR  
PEOPLE--VIRTUALLY ALL MODERATE INCOME  
FAMILIES--PRICED OUT OF THE HOUSING  
MARKET. HOUSING

MARKET. HOUSING STARTS HAVE PLUMMETTED FROM AN ANNUAL RATE OF 1.9 MILLION AT THE TIME PRESIDENT NIXON TOOK OFFICE TO UNDER 1.2 MILLION UNITS THIS CURRENT JANUARY. THIS IS LESS THAN HALF THE NUMBER NEEDED IF WE ARE TO BEGIN TO MEET THE HOUSING NEEDS OF OUR PEOPLE.

THE PRESIDENT'S ECONOMIC REPORT CLEARLY INDICATES THIS IS NO TEMPORARY CONDITION AND THAT WE CAN ANTICIPATE CONSTRUCTION OF ONLY 10 MILLION UNITS BY THE END OF 1975.

THE POLICIES OF THIS

THE POLICIES OF THIS  
ADMINISTRATION, IF THEY ARE PERMITTED  
TO PREVAIL, WILL LEAVE US WITH LESS THAN  
HALF OF THE 26 MILLION NEW UNITS WHICH  
WERE FOUND TO BE NEEDED IN THE 1968  
HOUSING ACT.

NOT ONLY IS NEW HOUSING NOT  
BEING BUILT IN QUANTITIES SUFFICIENT TO  
MEET OUR MOST MINIMAL NEEDS, EXISTING  
HOUSING IS BEING PRICED OUT OF REACH OF  
A MAJORITY OF OUR NATIONS FAMILIES. THIS  
IS TRUE WHETHER YOU RENT OR BUY. IN THE  
MIDST OF THIS HOUSING DEPRESSION WE FIND  
UNPARALLELED INFLATION



UNPARALLELED INFLATION. THE COST OF HOUSING--THE LARGEST SINGLE FAMILY EXPENDITURE REQUIRING 26% OF THE FAMILY BUDGET IS UP MORE THAN 10 PERCENT IN THE PAST YEAR.

ONE OF THE PRIMARY COSTS IN PURCHASING A HOME IS THE COST OF MONEY. THIS ADMINISTRATION'S TIGHT MONEY POLICY HAS RESULTED IN AN UNPRECEDENTED INCREASE IN THE COST OF HOME MORTGAGES. THE AVERAGE INTEREST RATE ON NEW HOME LOANS THIS JANUARY WAS 8.35 PERCENT NATIONALLY.

IN THE WESTERN

IN THE WESTERN UNITED STATES IT WAS  
OVER 9 PERCENT. AND ON TOP OF THIS,  
MANY A BUYER HAS TO PAY "POINTS" WHICH  
FURTHER INFLATE THE COST OF BORROWING  
MONEY.

EVEN AT THESE FANTASTIC RATES  
MONEY IS NOT AVAILABLE IN SUFFICIENT  
QUANTITIES.

AND THIS HIGH COST OF MORTGAGE  
MONEY IS AN ADDED BURDEN WHICH WILL  
AFFLICT THE HOME OWNER NOT JUST TODAY BUT  
FROM NOW UNTIL THAT DISTANT DAY, TWENTY  
TO THIRTY YEARS

TO THIRTY YEARS HENCE, WHEN HIS HOME IS  
FINALLY PAID FOR. AS THE REPUBLICANS  
HAVE TIGHTENED THE MONETARY SCREWS--AS  
THEY HAVE INCREASED INTEREST RATES--THEY  
HAVE PARTICULARLY INCREASED THE COST FOR  
LONG TERM BORROWERS SUCH AS HOME BUYERS.

BY THE ECONOMIC DECISIONS THIS  
ADMINISTRATION HAS MADE, IT HAS DENIED  
TO MILLIONS OF AMERICANS A BASIC RIGHT--  
THE RIGHT TO OWN A HOME. THE ADMINISTRATION  
OBVIOUSLY FAILS TO GIVE HOME OWNERSHIP,  
AND DECENT HOUSING, THE PRIORITY IT  
DESERVES. THERE

DESERVES.

THERE IS LITTLE POINT IN ENGAGING  
IN RHETORIC ABOUT IMPROVING OUR ENVIRONMENT  
IF WE ARE GOING TO ADOPT POLICIES SO  
DESTRUCTIVE TO MAN'S MOST IMMEDIATE  
ENVIRONMENT--HIS HOME.

NOW I KNOW THE PRESIDENT WILL  
TELL US THE POLICIES WHICH HAVE RESULTED  
IN THIS HOUSING DEPRESSION ARE FOR THE  
PURPOSE OF FIGHTING INFLATION.

CONCERN OVER INFLATION IS  
NEITHER A NEW NOR A PARTISAN ONE. THE  
REPUBLICAN PARTY

REPUBLICAN PARTY PLATFORM OF 1968 DECRIED  
THE INFLATION WHICH, AND I QUOTE "ROBS OUR  
PAYCHECKS AT A PRESENT RATE OF 4 1/2 PERCENT  
PER YEAR." THEY WENT ON TO LAMENT THE  
"CRIPPLING INTEREST RATES, SOME THE  
HIGHEST IN A CENTURY, (WHICH) PREVENT  
MILLIONS OF AMERICANS FROM BUYING HOMES  
AND SMALL BUSINESSES, (AND) FARMERS AND  
OTHER CITIZENS FROM OBTAINING THE LOANS  
THEY NEED."

WITHOUT BELABORING THE POINT,  
THE SITUATION TODAY IS MUCH WORSE. WE  
CAN ALMOST TALK

CAN ALMOST TALK OF THE "GOOD OLD DAYS".

I WANT YOU TO KNOW THAT I SHARE FULLY THE PRESIDENT'S EXPRESSED CONCERN ABOUT INFLATION. AND I WISH HE WOULD TAKE EFFECTIVE ACTION TO HALT IT. FOR IT DOES ROB THE PAYCHECK OF EVERY WORKING MAN. IT DOES DEPRECIATE THE VALUE OF EVERY AMERICAN'S SAVINGS AND THAT OF HIS INSURANCE POLICY. INFLATION IS PARTICULARLY BURDENSOME, AND COSTLY, TO THOSE WHO MUST EXIST ON FIXED INCOMES, WHETHER IT BE RETIREMENT INCOME OR SALARIES AND WAGES. IT IS HARDEST ON THE LEAST ORGANIZED AND THE

ORGANIZED AND THE LOWEST PAID. IT IS PARTICULARLY BURDENSOME TO FARMERS AND SMALL BUSINESS MEN WHO ARE NEITHER FREE NOR ABLE TO SET THE PRICE FOR THEIR PRODUCT OR SERVICE.

WE MUST ALL HELP FIGHT INFLATION. BUT THIS REPUBLICAN ADMINISTRATION APPARENTLY BELIEVES OTHERWISE. INCREASED INTEREST RATES, IN ADDITION TO CUT-BACKS IN FEDERAL SPENDING FOR EDUCATION, HEALTH, AND WELFARE PROGRAMS, MUST APPARENTLY DO THE JOB. A TIGHT MONEY POLICY IS THEIR ANSWER.

WHILE BANKERS GET

WHILE BANKERS GET RICHER--AT  
AN UNPRECEDENTED RATE--THOSE WHO MUST  
BORROW SUFFER INCREASINGLY.

SINCE NIXON'S ELECTION THE  
PRIME RATE--THE LOWEST RATE AT WHICH THE  
MOST SECURE BORROWER CAN GET MONEY--HAS  
INCREASED 36 PERCENT. WE NOW HAVE THE  
HIGHEST INTEREST RATE IN OVER A HUNDRED  
YEARS.

WHILE THIS REPUBLICAN ADMINISTRATION  
INCREASES THE BURDEN ON THE SICK, ON  
CHILDREN, ON STATE AND LOCAL TAXPAYERS,  
AND ON EVERYONE



AND ON EVERYONE WHO MUST BORROW TO  
PURCHASE THE NECESSITIES OF LIFE, THE  
BANKERS AND OTHER LARGE LENDING  
INSTITUTIONS ARE EXPERIENCING HIGHER  
EARNINGS, EARNINGS INCREASING AT AN  
UNPRECEDENTED RATE. FOR EXAMPLE, THE  
FIRST CHICAGO CORPORATION, OWNER OF FIRST  
NATIONAL BANK OF CHICAGO, REPORTED  
EARNINGS UP A WHOPPING 44 1/2 PERCENT  
THIS LAST YEAR. BANK EARNINGS INCREASES  
IN EXCESS OF 25 PERCENT ARE COMMON.

WHILE THE REPUBLICAN PARTY TALKS  
ABOUT THE DEMOCRATS BEING SPEND-THRIFTS.

WITH THE TAX

WITH THE TAX DOLLAR, THIS UNFETTERED--  
INDEED GOVERNMENT ENCOURAGED--INCREASE  
IN INTEREST RATES RAISED THE COST OF FINANCING  
THE NATIONAL DEBT BY \$1.6 BILLION DOLLARS IN  
1969. THIS IS MORE THAN THE ADDITIONAL  
AMOUNT WE ATTEMPTED TO VOTE FOR EDUCATION  
AND HEALTH.

AND ALL THESE COSTS TO MR. AND  
MRS. AVERAGE AMERICAN HAVE NOT ONLY BEEN  
BURDENSOME BUT ALSO OBVIOUSLY INEFFECTIVE  
IN THE FIGHT AGAINST INFLATION.

THE RATE OF PRICE RISE HAS  
INCREASED, NOT DECREASED, SINCE THE  
REPUBLICANS TOOK

REPUBLICANS TOOK OVER THE WHITE HOUSE.  
THIS PAST YEAR IT WAS 6.2 PERCENT  
COMPARED TO THE 2 PERCENT AVERAGE DURING  
THE KENNEDY-JOHNSON YEARS.

REPUBLICAN EFFORTS HAVE NOT ONLY  
BEEN MISDIRECTED--THEY HAVE BEEN  
ACCOMPANIED BY A FAILURE IN PRESIDENTIAL  
LEADERSHIP. THE PRESIDENT HAS REFUSED  
TO ATTACK ONE OF THE PRIME CONTRIBUTORS  
TO THE INFLATIONARY SPIRAL. INDEED ONE  
OF HIS FIRST ANNOUNCEMENTS AFTER ASSUMING  
THAT HIGH OFFICE WAS TO GIVE THE GREEN  
LIGHT TO BIG

LIGHT TO BIG INDUSTRY--TO STEEL, COPPER,  
ALUMINUM, AUTOMOBILES, AND OTHER BASIC  
INDUSTRIES, AS WELL AS TO FINANCIAL  
INSTITUTIONS, TO INCREASE THEIR PRICES.

HE WOULD NOT TAKE THEM TO THE  
WHITE HOUSE WOODSHED IF THEY INCREASED  
PRICES, HE SAID. HE WOULD UNDERSTAND  
THAT THEIR RESPONSIBILITIES WERE TO THEIR  
STOCKHOLDERS, AND TO MAXIMIZING PROFITS,  
AND NOT TO CONCERN THEMSELVES WITH THE  
EFFECTS SUCH SELF-CENTERED BEHAVIOR MIGHT  
HAVE ON THE REST OF US. WHAT A CONTRAST  
TO THE LEADERSHIP DEMONSTRATED BY HIS  
PREDECESSORS, PRESIDENT

PREDECESSORS, PRESIDENT, KENNEDY AND  
PRESIDENT JOHNSON.

IT IS HERE THEN THAT WE DEMOCRATS  
SEPARATE FROM OUR REPUBLICAN COUNTERPARTS.

HOW IS THE BILL FOR FIGHTING  
INFLATION GOING TO BE PAID--AND BY WHOM?  
THAT IS THE QUESTION. THIS IS WHERE WE  
DIVIDE. THIS IS WHERE WE DIFFER.

THE DEMOCRATIC CONGRESS HAS  
EMPOWERED THE PRESIDENT TO RESTRICT CREDIT.  
THE REPUBLICAN PRESIDENT INCREASED THE  
COST OF CREDIT INSTEAD IN HIS FUTILE  
EFFORTS TO FIGHT INFLATION. IT IS TIME  
HE USED THE TOOLS

HE USED THE TOOLS WHICH HAVE BEEN PROVIDED EFFECTIVELY TO HALT INFLATION AND TO DO SO WITHOUT SUCH DAMAGING EFFECTS TO THE HOUSING INDUSTRY.

WHILE THE DEPARTMENT OF HOUSING AND URBAN AFFAIRS HAS ENGAGED IN SOME WORTHY EFFORTS SUCH AS "OPERATION BREAKTHROUGH"--AND I APPLAUD THE CONCEPT-- THE ADMINISTRATION ECONOMIC PHILOSOPHY AND POLICIES HAVE UNDERCUT THE VERY FOUNDATIONS UPON WHICH ANY SUCCESSFUL HOUSING PROGRAM MUST BE BUILT.

THIS ADMINISTRATION

THIS ADMINISTRATION IS JUST  
NOT SPENDING THE MONEY NECESSARY TO ACHIEVE  
ANY BREAKTHROUGH IN THE HOUSING FIELD.  
WHILE OUR FEDERAL DEFENSE RESEARCH EFFORTS  
ARE FUNDED AT A \$7 BILLION A YEAR CLIP,  
SPACE RESEARCH AT \$4 BILLION, AND AGRICULTURAL  
RESEARCH AT \$600 MILLION, THE DEPARTMENT  
OF HOUSING AND URBAN DEVELOPMENT GETS  
SOME \$20 MILLION.

IF WE ARE TO SOLVE THE HOUSING  
PROBLEM WE MUST HAVE A CONCERTED ATTACK  
ON THE PROBLEM. IT IS NOT JUST  
GOVERNMENT--BUT IT REQUIRES GOVERNMENTAL  
LEADERSHIP. WE MUST

LEADERSHIP.

WE MUST ALSO GET RID OF OUTMODED PRACTICES, FOR IN THE NEXT 30 YEARS WE MUST BUILD NEARLY AS MANY UNITS AS NOW EXIST IF WE ARE GOING TO ADEQUATELY SOLVE OUR PROBLEM. -

THIS INCLUDES OUTDATED BUILDING CODES AND PRACTICES. WHILE ON SITE LABOR COSTS HAVE DECLINED IN RECENT YEARS, I KNOW MY FRIENDS IN LABOR WILL RECOGNIZE THAT WE CANNOT AFFORD TO PERMIT BARRIERS TO MORE EFFICIENT CONSTRUCTION TO REMAIN IN PLACE.

NOR CAN WE



NOR CAN WE AFFORD TO INSIST ON THE  
USE OF OUTMODED BUILDING MATERIALS.

THE ECONOMIES OF MASS PRODUCTION  
MUST INCREASINGLY BECOME AVAILABLE TO THIS  
INDUSTRY. MOBILE HOME MANUFACTURERS ARE  
CURRENTLY RESPONSIBLE FOR ONE-FOURTH OF  
THE NEW SINGLE FAMILY DWELLING UNITS  
CONSTRUCTED. THE TECHNIQUES RESPONSIBLE  
FOR THEIR INCREASING SUCCESS MUST BECOME  
AVAILABLE FOR OTHER TYPES OF HOUSING.

AND WE NEED TO GO BEYOND THE  
IMMEDIATE CONSTRUCTION OF HOUSING TO  
EXERCISE AN INCREASED CONCERN FOR THE  
NATURE OF THE

NATURE OF THE COMMUNITIES WE BUILD. WE SEE SOME HOPEFUL SIGNS IN NEW TOWNS LIKE COLUMBIA, MARYLAND, BUT THIS IS AN AREA WHERE WE LAG FAR BEHIND MANY WESTERN EUROPEAN COUNTRIES.

OUR BIGGER PROBLEMS OF COMMUNITY DECAY, OF SCHOOL SEGREGATION, OF TRANSPORTATION FROM HOME TO JOB, WILL NOT BE SOLVED UNLESS WE PLAN AND BUILD STABLE INTEGRATED COMMUNITIES.

EVERY MAJOR DEVELOPMENT MUST BE SO PLANNED THAT IT IS A MICROCOSM OF THE KIND OF TOTAL COMMUNITY WE DESIRE, ONLY GOVERNMENT CAN

ONLY GOVERNMENT CAN DO THIS JOB.

WE MUST MAKE PROVISION FOR LOW AND MIDDLE INCOME HOUSING IN EACH OF OUR MAJOR DEVELOPMENTS. IN THE PAST PUBLIC HOUSING HAS MEANT "BARRACKS FOR THE POOR" BUILT IN THE LEAST DESIRABLE PART OF TOWN. HOUSING WHICH IS THE CHEAPEST TO BUILD, MAY INDEED, BE THE MOST EXPENSIVE IN THE LONG RUN WHEN COSTS NOT DIRECTLY RELATED TO SITE ACQUISITION AND HOME CONSTRUCTION ARE INCLUDED.

THERE ARE MANY CONFLICTING CLAIMS ON THE RESOURCES--ECONOMIC, TECHNICAL, AND MORAL--

AND MORAL--OF GOVERNMENT. I KNOW THERE ARE OTHER VERY IMPORTANT PRIORITIES TO WHICH I UNDERSTAND OTHERS HAVE ADDRESSED THEIR ATTENTION BEFORE THIS BODY. I DO NOT POSE AS AN EXPERT ON THE HOUSING PROBLEM, BUT I DO KNOW THAT IT IS A CONCERN OF OUR PEOPLE WHICH IS HEARD WITH INCREASING FREQUENCY. ANY CURSORY EXAMINATION OF THE PROBLEM WILL FULLY DOCUMENT THAT IT IS ONE WHICH WILL BE EVEN HIGHER ON THE AGENDA FOR AFFIRMATIVE ACTION IF THIS ADMINISTRATION'S LACK OF ATTENTION AND MISGUIDED POLICIES ARE NOT SOON CORRECTED.