Joint Center for Housing Studies
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A Rambling Edifice:
American Housing Policy in the Twentieth Century

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"The home building industry is already condoning – and using – housing subsidies for veterans, elderly people, farmers, middle-income families and families living in urban renewal areas. Why shouldn't it get a shot at low-income housing?"

Richard W. O'Neill, "The Question Is Not Whether to Subsidize the Poor, But Should We Expand Our Market," *House and Home* 28:6 (December 1965), 89.

Introduction

The passage of the Housing Act of 1961 in June of that year gave John F. Kennedy a first and rare victory at law-making. In presenting Kennedy's housing legislation, administration officials announced with much fanfare that the main feature of the law was a new program aimed at encouraging construction of homes for moderate-income urban families.

The legislation, however, contained nine titles that encompassed a multitude of programs. Labeled an "omnibus housing bill," the law boosted a startling number of existing programs. Its provisions covered not only old favorites – public housing, urban renewal, Federal Housing Administration (FHA) mortgage insurance, and the Federal National Mortgage Association (Fannie Mae) – but also separate housing programs for distinct groups, including the elderly, college students, rural dwellers, and cooperative housing owners. Furthermore, prior to its final enactment, the legislation had included a provision for extending federal home financing for veterans, which was removed and passed as a separate law on the same day. Less than thirty years after it was begun in the 1930s, American federal housing policy had developed into a structure of Byzantine complexity.

How and why American housing policy got so complicated are questions scholars have largely neglected to answer.[1] Historians, for their part, have conceived of the federal approach, in Gail Radford's useful phrase, as a two-tier policy. In the upper tier are programs aimed at financially assisting the private banking, real estate, and home building sector to produce homes for the affluent and some portion of the middle class. Historians have credited this tier – generally associated with the FHA – with the proliferation of single-family homes, most suburban development, and racial discriminatory practices.[2] The lower policy tier consists of programs that serve low-income populations. Of these programs historians have paid most attention to public housing, which they distinguished from the top-tier programs as existing outside the private, for-profit market and operated by centralized government agencies.

But if it has been built on two tiers, American housing policy is an edifice cluttered with balconies, back halls, and rambling wings that bear a strange resemblance to the main building. Since the nation's fundamental housing laws were passed in the 1930s, government officials added haphazardly to the basic housing-policy structure. The government put in dozens of new programs and, in some cases, whole divisions to serve specific groups of citizens. These efforts have created something that looks less like a single two-tiered structure and more like a complex of housing policies.

Interestingly, America's housing policy complex grew steadily regardless of the political climate. Most of the framework for the policy complex was constructed in the 1940s and 1950s during both liberal and conservative ascendancies. Although Republican and Democratic congressional majorities and presidencies influenced the nature and scale of housing schemes, each in turn contributed to the steady buildup of programs.

Indeed, despite much ideological commotion over the proper role of government in American society, the components of the policy complex ran the gamut from liberal state-centered programs to conservative (loosely speaking), business-oriented programs. Sometimes the government took a direct role in developing projects and lending. At other times it used indirect means such as FHA mortgage insurance and tax incentives. And in many cases, the government employed both approaches to benefit the same population group.

While the two main policy approaches, symbolized by the FHA and public housing respectively, competed with one another to serve the mass of consumers in the cities and suburbs, the additional components of the housing complex were aimed at particular groups of citizens who were deemed either extraordinarily worthy or essential to the stability and growth of the nation. Chief among those Americans who received special consideration in the distribution of housing were moderate-income families, old people, farmers, soldiers, and even college students. Yet not all apparently deserving groups were rewarded with a special housing program. Some were unable to achieve the status. Even with the support of the president of the United States, for example, efforts to create housing programs for racial minority groups failed.

The following pages sketch the political origins of the main components of the housing complex – middle-income, elderly, veterans, college, and rural housing.[3] These histories illuminate two important characteristics of American social policy. The first is that government in the United States provides social and economic benefits to its citizens on a fragmentary and improvised rather than systematic and coherent basis. The second is that worthiness does not determine who shall receive government assistance. Rather political influence – exercised through lobbying, public sympathy, and perceived and actual electoral strength – does.

Context: Two Tiers and Two Factions

Two different and frequently conflicting political philosophies have shaped American housing policy. One is essentially the idea that government programs should aid the activities of private business. It expresses not so much the notion of laissez-faire as it does the concept that the private sector, if hindered as little as possible, will produce the greatest good for the greatest number. The other philosophy is that government or other entities outside the realm of the business sector should direct housing programs. It is based on the idea that business left to its own devices produces slums and other unacceptable forms of housing.

The major parties to American housing policy claimed their respective territories in the 1930s. On the left was a motley assortment of social workers, architects, regional and urban planners, members of labor organizations, and religious leaders who shared the vision of government-funded housing replacing the deplorable slums and sprawl of metropolitan America. Inspired by European experiments, they originally conceived of a housing program carried out by an assortment of entities – local governments, unions, cooperatives, and limited and non-profit organizations – that existed outside the private for-profit building industry, which the reformers blamed for the malevolent slums. Progress at the local level was slow, however, and with the election of Franklin D. Roosevelt in 1932, they shifted their sights to the federal government. The public housers, as they called themselves, struck first, sneaking a trial program into the public works provision of the economic recovery bill of 1933.[4] They then conducted a long and artful political campaign for a permanent federal public housing program that bore fruit in the Housing Act of 1937. Although Congress formulated public housing more as an anti-poverty measure than a mass housing program, the public housers were hopeful that they could now begin to realize their grand socialist vision of government housing.[5]

Meanwhile, the private housing industry had been working assiduously to persuade the federal government to rescue it from the wreckage wrought by of the Great Depression. Faced with the catastrophic impact on the economy of the collapse of the home finance and building sectors – not to mention the pain of massive foreclosures on home-owners – officials in the Roosevelt administration rolled out a number of measures to save the housing industry. In 1933 the federal government created the Home Owners Loan Corporation to bail out savings-and-loan associations and the next year passed the National Housing Act to salvage the mortgage market, raise building standards, and aid those such as lenders and brokers who dealt in residential mortgages. Not surprisingly, the president of the National Association of Real Estate Boards, Herbert U. Nelson, was instrumental in drafting and marshaling political support for these laws.[6] The failure of the private sector to create national mortgage associations to buy FHA mortgages and thereby inject credit, the lifeblood of the home-building and selling industries, led in 1938 to the government's establishment of the Federal National Mortgage Association, soon nicknamed Fannie Mae. In the following decades, housing industry representatives, federal officials, and eventually reformers would make countless adjustments to the National Housing Act to make FHA and FNMA do their bidding.[7]

Thus, the two tiers of housing policy took form. During World War II, the supporters of the two approaches came into direct conflict for the first, but not the last, time. The issue was the government's contracts to build homes for thousands of workers in defense industries who poured into newly expanded factory towns. War workers would become an early example of a group receiving special housing programs.

The Lanham Act, passed in October 1940, called for 700,000 units of federal housing[8] for defense workers to buttress rapid military industrial production. This act and particularly its proposed extension two years later, the creation of the National

Housing Administration to supervise all federal agencies concerned with housing, and the decision of the War Productions Board to halt all private construction galvanized the housing trade associations to mount full-time lobbying efforts at the highest levels of government to press for the largest possible role for private enterprise and the minimum role for government-sponsored housing. At the same time, public housers organized to press to make the war-workers housing permanent and eventually part of the public housing program. Thus began the political debate between private and public interest groups that would rage through the war and postwar eras.[9]

The two sides fought even more fiercely over the postwar planning of cities. The National Association of Real Estate Boards was instrumental in conceiving of a national urban redevelopment program based on slum clearance, and for a moment it looked as if the representatives of private and public housing might work together. Public housers had sold their program as a way of ridding the nation of slums, even though many of them felt clearance should only come after new housing had been built so as not to cause housing shortages for low-income families. Nonetheless, the housers were highly pragmatic in politics, and in the discussion of postwar planning saw an opportunity to hitch their program to urban redevelopment. This, of course, infuriated the private real estate and housing industry, whose spokesmen disavowed the postwar urban redevelopment program as long as it contained public housing.

After four years of political deadlock, a liberal alliance of labor, social work, planning and architecture, veterans, and religious organizations managed in the wake of Harry S. Truman's surprise election to achieve the Housing Act of 1949. This landmark law started the urban redevelopment program but also restarted the public housing program. Before the housers could savor their victory, the private industry organizations launched vicious and well-organized attacks in states and cities across the country. Then because of the Korean War expenditures, Truman cut his requests for funding of public housing, to which Congressional conservatives were only too happy to acquiesce. Public housing was then further staggered by resistance, fueled by racism and economic fears, to new projects in local communities. Nonetheless, the political clout of big-city officials and local businessmen interested in rebuilding downtowns and containing racial minorities was able to keep urban redevelopment and public housing alive – at the cost of displacing residents of their homes.

The election of Dwight D. Eisenhower shifted the political equation only a little. His administration allowed housing industry representatives to shape the Housing Act of 1954, which renamed urban redevelopment "urban renewal." Urban renewal was intended to shift anti-slum efforts from clearance and public housing to rehabilitation and enforcement of building regulations. Public housing survived in the new program, but just barely. In the 1954 law the home builders tried to supplant public housing with FHA programs that would encourage private development of urban renewal and low-income housing. At the same time, the private industry representatives and congressional conservatives did their utmost to minimize if not eliminate funding for public housing.

Not Forgotten: The Middle-Income Group

Despite the local and national political vicissitudes of public housing, liberal reformers persisted in their long-standing campaign for non-commercial government-supported housing to shelter a broad swathe of American households. Such a program would provide homes to working- and lower-middle-class families, as well as the unskilled and the unemployed poor. In the minds of most reformers, this meant housing not only what they often termed the "low-income group" but also those in the category they variously called the "moderate-income," "middle-income," or "middle third." [10]

Many reformers pictured the "middle-income" group occupying the upper reaches of the low-income category, although the precise boundaries of the group varied somewhat. Depression-era conditions muddled classifications further. In those years, underpaid people with middle-class values – characterized by a work ethic and participation in civic activities (such as labor unions) – constituted a submerged middle-class. Such poor industrious people made ideal tenants, and thus became a desirable clientele for the early public housing program. From this perspective, they were virtuous and therefore deserving of support – in contrast to undeserving lower-class ne'er-do-wells. Even those in the social work wing of the public housing movement – settlement house and social workers who wanted to help impoverished slum dwellers – found themselves serving working-class clients. In some cases the social workers even supported slum clearance projects that would replace the poor with middle-class residents. For those housers connected to organized labor, the issue was more straightforward: they believed that a broad public housing program should help middle-income workers obtain needed rental units.[11]

Although many housing reformers were vague about the definition of the middle-income population, especially its upper limit, the discussions of postwar housing programs led some observers to be more specific. The Democratic Senator of Idaho, Glen H. Taylor, defined the middle-income group as the "solid core of our nation – the factory workers, tradespeople, school teachers, office workers and the like." Others such as Senator Russell B. Long of Louisiana invoked "the forgotten third," who were "average, typical American families" who lived in neither slums nor mansions but deserved a decent home. In the postwar years, some housing advocates began to describe the middle-income group as those earning more than the maximum amount required for eligibility to public housing but not enough to acquire good homes available through the private market.[12]

Over the years housing reformers devised a number of ways to provide homes for middle-income households. At different times, different leaders proposed limited dividend corporations and cheap loans, but many reformers favored the vehicle of the cooperative, in which residents of a housing project shared ownership and usually a limit on profits from re-selling their dwellings. Early on the housing reform movement embraced cooperatives first as a way for working-class households to finance a single-family home and later as the technique to develop inexpensive apartments. In the late nineteenth century, ethnic and neighborhood building society cooperatives formed to help members get the capital to build and/or buy their homes. In the early twentieth century, labor organizations developed cooperative apartment complexes in New York City, which fed the fervor for public housing in the 1920s and 1930s. Leading public housing supporters espoused cooperatives as an alternative and less-expensive form of home ownership. They conceded that home ownership was more appropriate to moderate-income households than to the low-income group which they felt would be better off renting.[13]

The cooperative concept was devised as a way to escape some of the strictures of the free enterprise system, which at various times and in various sectors failed to function for the benefit of certain parties. Producer and consumer cooperatives had appeared in the nineteenth century in response to inequities of the market. Some producers' and marketing co-ops such as the Sun-Maid Raisin Growers' Association and the Land O'Lakes Creameries, which originated in the early twentieth century, grew to be highly successful companies and gave credibility to the cooperative way. During the Depression and war years reform-minded government officials in agencies such as the Resettlement Administration and Bureau of Labor Statistics lent their support to cooperative settlements, such as Jersey Homesteads, a community inhabited by members of the International Ladies Garment Union.

That they seemed to exist outside the capitalistic world of profit seeking and individual ownership made cooperatives appealing to those of a leftward political bent. The apparent non-market character and left-wing supporters of cooperative housing, however, alienated conservatives and the representatives of the housing business. Although cooperatives were simply an alternative form of ownership that belonged to the world of the private market with its profit-motivated transactions, conservatives remained suspicious of them.[14]

Perhaps for that reason, the supporters of cooperative housing enjoyed relatively limited success in inserting it into federal housing policy. Despite much effort by the public housers in the 1930s, the Congress eliminated a provision for cooperative building societies from the landmark Wagner Act of 1937 that put public housing on a permanent footing. Housers such as Catherine Bauer, the preeminent public houser who coordinated support for the program for organized labor, were bitterly disappointed but hoped it could be reinstated later. The congressional election of 1938 swung the political pendulum against the New Deal and postponed the cooperative component of the public housing platform, although that same year amendments to the National Housing Act that established the FHA law included cooperative societies among a long list of entities eligible for a new rental housing insurance program for rehabilitating slums.[15]

Setting aside the sundry farm community cooperative ventures of the Resettlement Administration, the chief federal effort at cooperative housing in the 1930s was a tiny program started under the auspices of the Works Progress Administration (WPA) in 1936. Lawrence Westbrook, a former Texas legislator and founder of the Texas Cotton Co-operative Association who had gone to Washington to work on relief programs in the New Deal, devised the Mutual Ownership Plan as a way of providing homes to working-class Americans who would own the houses collectively. With the support of Michigan senator, James Couzens, Westbrook led a WPA project to create inexpensive housing for automobile workers in Pontiac, Michigan, on the Mutual Ownership Plan. After completing the Michigan project, Westbrook resigned to create a privately-financed mutual home ownership project in rural Duval County, Florida, which ultimately failed.[16]

The federal government's efforts to place America on a wartime footing provided an unexpected opportunity for public housers in general and supporters of cooperatives in specific. Soon after its passage in 1940, the Lanham Act to build temporary housing for war workers became the source of a struggle between conservatives who wanted to ensure the housing be destroyed after the war and liberals who wanted to see at least some of the better housing converted to public housing for low-income workers. The Federal Works Agency, the successor to the WPA, adopted Westbrook's mutual housing scheme for a small fraction of the Lanham defense workers' housing appropriations, and later the head of the National Housing Agency, the new federal department created in 1942 to run all housing programs, chose to support the mutual ownership projects. Westbrook hired as the director, the government sponsored eight projects in five sites, comprising a total of 4,050 dwelling units. By definition, the cooperator-owners of the mutual housing projects were lower-middle-class workers, not the urban poor.[17]

As World War II came to an end, housing reformers began to renew their push for cooperative housing for middle-income families.[18] During the 1940s, acute shortages of homes combined with the example of the Mutual Home Ownership program to spur a new wave of housing cooperatives. Labor unions, religious organizations, and groups of veterans and idealistic professionals started enough "consumer" housing cooperatives to give the appearance of a potentially national movement, which enjoyed a flurry of positive publicity in the late 1940s. Giving the movement a stylish panache, modern architects – including Gregory Ain, Garett Eckbo, and even Frank Lloyd Wright – signed on to design modern housing and site plans for cooperative projects. At the same time, a

1945 amendment to the Lanham Act making servicemen eligible to live in the war workers' projects extended the life of the projects, including the mutual housing ones.[19]

Meanwhile, leading housing liberals pushed cooperative housing as a part of a broad-based national postwar housing policy. Unlike public housing, cooperative developments depended upon obtaining credit or capital from private sources. As such, advocates of cooperative housing were able to insert a provision in the original version of the Wagner-Ellender-Taft postwar urban redevelopment bill of 1945. The provision was written to give developers of cooperatives better FHA insurance terms and therefore easier mortgage terms. The provision did not survive, and in any event, the Congress did not pass the bill. A similar provision was dropped from subsequent versions of the postwar legislation, although a 1948 FHA bill did authorize insurance of 90 percent loans with forty-year maturities. But what the cooperative supporters really wanted was a predictable source of cheap credit to finance cooperative projects; in other words, direct loans from the federal government.[20]

After the surprise re-election of Harry Truman to the presidency in the fall of 1948, the drive for federal financing of cooperative housing picked up speed. The following year, Democrats and Republicans sponsored sixteen different bills providing for government loan funds to cooperatives with amounts ranging from $6 billion to $100 billion. These provoked criticism from the mortgage banker and home builder associations, who condemned the entire concept as destructive to private mortgage lending, and from more liberal voices who thought the idea was experimental and should be approached carefully. In June 1949 Senator John Sparkman of Alabama, chair of the housing subcommittee of the Senate Committee on Banking and Currency, and Brent Spence, chair of the House Committee on Banking and Currency, introduced companion bills that would have created a new Cooperative Housing Administration within the federal Housing and Home Finance Agency (HHFA) that would lend up to $1 billion in low-interest, sixty-year loans to cooperatives or nonprofit organizations for moderate-income rental housing.[21]

When the push for the Housing Act of 1949 prevented further action on the bills in that session, public housers and cooperative housing advocates acted to rally support for the cause. During the summer, Edward Weinfeld, president of the National Housing

Conference (the major public housing advocate group), top labor officials Walter Reuther and William Green, and leading social workers such as the Rev. John O'Grady, Secretary of the National Conference of Catholic Charities, came out for cooperative housing publicly and privately. Housing advocates such as Catherine Bauer contributed articles to the press. In December 1949 the liberal housing alliance – including representatives of public housing, labor, social service, veterans' organizations and cooperatives – held a conference in Washington to endorse a cooperative housing program very close to what Sparkman and Spence had proposed.[22] Officials in the Truman administration, including the president, had been privately supportive all along, and in January 1950 in his State of the Union Address, Truman called on Congress to initiate "a vigorous program to help co-operatives and other non-profit groups" to build middle-income housing. Truman and congressional Democrats inserted into the proposed 1950 housing bill Title III, which would create a national mortgage corporation to give fifty-year loans at the low-interest rate of 3½ percent to housing cooperatives.[23]

The cooperative housing proposal became enmeshed in the public housing wars, however, which led to its downfall. After five years of fighting against public housing, the housing industry organizations were mobilized against what they believed were further encroachments on private enterprise. In the Congressional hearings the spokesmen for the real estate lobby, especially the United States Savings and Loan League which feared the plan would take business away from its members, stridently condemned the program as inflationary and socialistic. The cooperative housing provision received another unexpected blow when Thomas McCabe, spokesman for the Federal Reserve Board, testified that a national mortgage corporation for cooperatives would fuel inflation. Although the liberal alliance for the most part stood for cooperative middle-income provision, the waning of the postwar housing shortage undermined the crisis atmosphere. The huge outpouring of public support that had sustained the campaign for the Taft-Ellender-Wagner act failed to materialize for cooperative housing.[24]

The cooperative housing amendment died a quick death in March 1950 when first the Senate and then the House voted it down. Some early supporters such as Ellender succumbed to the industry's political campaign and voted against it. As enacted, the

Housing Act of 1950 supported cooperative housing with the conservative tools of technical assistance and easier FHA mortgage insurance terms. The executive director of the National Association of Housing Officials, John M. Ducey, pointed out bitterly that while the industry opponents argued that the provision of low-interest loans unfairly favored cooperative buyers over home buyers, the industry men and everyone else had supported the section of the 1950 housing act that gave direct loans for housing college students and professors at an even lower interest rate of 2½ percent. Although labor and other members of the public housing alliance continued to call for federal aid to cooperative housing throughout the 1950s, it would be eleven years before federal legislation was enacted.[25]

Middle-Income Coops Live in New York City

Even as Congressional conservatives defeated federal financing of moderate-income cooperative housing, the idea found a new life in that hotbed of housing policy, New York City. There the success of labor union cooperative housing projects earned cooperatives a degree of mainstream political support. By the 1940s, housing conditions in New York were, as usual, more extreme than anywhere else. Even during the war, housing shortages had been acute, and afterwards they reached crisis proportions. Whereas in other metropolitan areas the issue of housing shortages for middle-income households eased somewhat in the 1950s, it persisted in New York, particularly New York City. Besides the high cost of housing in New York, the city's civic and political leaders feared the loss of the city's middle-class population would undermine local employment. The desire to protect the city's economy, therefore, lay behind some of the political pressure for new housing.

But more than that, there was much money to be made in the city's real estate market. Under the aggressive leadership of Robert Moses, who held down numerous political posts,[26] urban redevelopment meant reallocation of low-rent and industrial areas from private landlords to politically-powerful institutions and individuals. The city's hospitals and universities wanted to expand, and banks and insurance companies looking to invest in large-scale real estate schemes supported housing programs that would benefit them. Moses had pioneered redevelopment projects such as Stuyvesant Town in the early

1940s, and the powers and federal funding made available by Title I of the Housing Act of 1949 gave him almost free rein to condemn and clear "slums" and replace them with housing for people of middle-income and above.[27]

In addition, New York State's 1926 law supporting limited dividend or nonprofit cooperative building projects made that particular form of housing a logical type to use at redevelopment sites. Among the most successful early efforts in New York City were those of the Amalgamated Housing Corporation, an offshoot of the Amalgamated Clothing Workers Union. Under the iron-willed leadership of Abraham E. Kazan, Amalgamated Housing Corporation had developed cooperatives in lower Manhattan and the Bronx and, remarkably, had been able to preserve them during the Depression. After World War II, Kazan wanted to add more middle-income projects on the Lower East Side, an idea which dovetailed with Moses' plans for upgrading lower Manhattan. Soon Kazan became "Moses' favorite redeveloper" and moderate-income cooperative projects began to multiply in New York. Besides the Manhattan projects, in 1950 the state housing commissioner under Governor Thomas Dewey reactivated the 1926 limited dividend program, which further stimulated cooperative ventures such as Bell Park Gardens, an 800-unit project for veterans in Queens.[28]

Still New York officials did not consider it enough. With such powerful forces at work, the state, led by Republican State Senator McNeil Mitchell, in 1955 passed the Limited Profit Housing Companies Act to help finance development of middle-income housing. Better known as the Mitchell-Lama program, after Mitchell and his ally, Alfred A. Lama, a Democratic State Assemblyman from Brooklyn, the act permitted the state and city governments to lend up to 90 percent of the cost of building a housing project to nonprofit or limited-dividend corporations, including cooperatives. In addition, the law gave the developers a thirty-year exemption from real estate taxes of half the project's value. In return, the housing companies were limited to a 6 percent profit on their equity investment.

As before, the exact nature of the type of inhabitants of the new housing was unclear. In signing the bill, Governor Averill Harriman declared that it would stimulate development of homes for tens of thousands of families whose incomes excluded them from public housing but did not allow them to afford private housing. Mitchell had earlier described the needy as "white-collar workers…who do not wish to become government dependents…These families are the backbone of economic, social, and political stability in our nation, and their needs cannot be ignored any longer." Worried that the departure of white moderate-income residents to the suburbs threatened the city's tax base, city and state officials pushed cooperative housing to create barriers against slums and stem suburban flight. [29]

Harriman's successor in the governorship, Nelson Rockefeller, embraced the idea of middle-income housing and pumped up the Mitchell-Lama program to become a major engine of housing production. Rockefeller initiated the nation's first state housing finance agency, which lent to private housing developers at below-market interest rates backed by tax-free bonds, secured by New York State.

Thanks in large part to Rockefeller's innovative financing strategies, New York's housing program made a significant impact on the housing field. In the first place, Mitchell-Lama produced a great deal of housing for middle-class New Yorkers. Eleven years after its passage, the law had produced forty-eight projects consisting of more than 19,000 units for middle-income families. In addition, there were another twenty-nine developments with about 11,500 units under construction and twenty-five more projects with 7,600 in planning. By the 1980s, the state and a similar New York City program had produced more than 232,000 units in the city and throughout New York State. Second, New York's actions influenced other states. By 1968, about half a dozen other states had adopted laws encouraging cooperative and nonprofit housing similar to Mitchell Lama. By 1972, nineteen states had emulated New York by establishing a housing finance agency, and many others followed in the succeeding years. Finally the New York program inspired a federal program to support cooperative moderate-income housing, some eleven years after the failed attempt of the Housing Act of 1950.[30]

The Moderate-Income Group and Federal Policy

In 1961, the newly appointed head of the HHFA, Robert Weaver, was eager to produce new legislation to fulfill John F. Kennedy's campaign pledge to revive the nation's housing policy. Weaver, who had worked in the New York State housing commission and seen the Mitchell-Lama program first-hand, used the New York program as a model for the most innovative provision of what became the Housing Act of 1961. At the same time, Weaver, who was one of the early supporters of the federal public housing program, revived the effort to extend federal housing policy to moderate-income families.

The proposal, called Section 221(d)(3), authorized the FHA to insure rental housing "below-market rate" mortgages for non-commercial developers such as nonprofit organizations, limited dividend corporations, and cooperatives who built or repaired rental structures with five or more units for moderate-income families. In an intricate way of avoiding charges on the federal budget, the law set the interest rate for these mortgages at less than the interest on the average market mortgages, and authorized the Federal National Mortgage Association or Fannie Mae to purchase the Section 221(d) (3) mortgages. The program began slowly – producing only 37,400 units in its first five years of operation – but then began to pick up momentum. It helped produce about 117,000 starts between 1961 and 1968, at which time it was superseded by another construction subsidy program for buildings with rental units. Cooperative housing spread as well, but the condominium form of ownership – which coincidentally first received FHA insurance in the 1961 housing law – has surpassed the cooperative in popularity.[31]

Aside from the number of units it produced, the Section 221(d)(3) program of the 1961 housing act permanently established the moderate-income group as part of the low-income group population served by special federal housing legislation. The phrase "low- and moderate-income" became a standard term, used to this day, in all United States housing legislation for the poor and near-poor. As it has since the early proposals, defining the moderate-income group, especially in regard to its upper limit, has been difficult. Since the 1960s, government officials, conservatives, and liberals debated whether the subsidizing of middle-class families was justified or necessary.[32] In the 1990s, housing advocates, state and local officials, and even business leaders have called for "workforce housing" programs that would serve that part of blue-collar and white-collar lower segment of the middle-class that fits the older definition of moderate-income.

Although the drive for a moderate-income housing policy had mixed success outside New York City, the housing reformers succeeded in their effort to expand the definition of those in need of federal housing support to include the moderate- or middle-income group. The precise definition of this group has proved elusive, and the amount of federal support for its housing has fluctuated over the years. Yet the efforts on its behalf obtained a special status for that element of in the population.

A New Need to Shelter the Aged

Even as the effort for cooperatives for the forgotten middle turned local in the 1950s, the champions of the progressive vision of non-commercial housing turned their attentions to another group that was deemed needy – the low-income aged.

Although the issues of old age pensions, particularly for widows, dates from the nineteenth century, it was in the 1930s that the elderly became known as a group that the federal government should serve. The Great Depression inspired a host of old age movements and anti-poverty efforts that included pensions, but it was the efforts of Dr. Francis Townsend that created a political firestorm in favor of old age pension. Townsend referred to the elderly as “civil veterans of the Republic,” a direct attempt at associating this population group with another group, military veterans, that received honor and government financial benefits. The political movements for pensions helped produce the Social Security Act of 1935, one of the most popular and enduring achievements of Roosevelt’s New Deal.[33]

Over the following decades, the growth in the number of older Americans and the demonstration of their political influence helped spread the notions that older citizens had special needs and that American society must accommodate them. In the postwar United States, gerontology took hold in American universities as a field of study and practice and the number of jobs serving the elderly began to multiply. The elderly also exercised increasing economic influence, as demonstrated by developers who starting in the 1950s built retirement communities such as Sun City, Arizona. At the same time, the “aging” people developed into a permanent and highly-effective political force recognized at the highest levels by the White House Conference on Aging, which has been held once a decade since 1961.[34]

Influential lobbying organizations include not only those that have directly represented the elderly – such as the American Association of Retired Persons, the

National Council of Senior Citizens, and the National Retired Teachers Association – but also those that speak for institutions that serve or treat the elderly – the American Association of Homes for the Aging and the National Council on the Aging, for example. These and similar organizations have helped achieve an impressive array of "direct income-transfer" programs. Besides the Social Security Act, they can claim much credit for the Older Americans Act of 1965 and its subsequent extensions and expansions, federal Civil Service Retirement Benefits, Medicare, and Medicaid. In addition, the political interest groups have ensured the elderly get their share of other federal redistributive, social betterment, and health programs.[35]

Housing policy nicely exemplifies the growing political sway of the elderly. As social workers began to investigate the needs of low-income old people, the nineteenth-century tradition of old age homes gave way to the idea of nursing-home types of facilities and mainstream living quarters – such as apartments and houses – fitted for and/or dedicated to elderly inhabitants. The perception that the aged, and the aged poor, needed better housing first emerged as a topic of national discussion in the 1940s – at the same time as the issue surfaced in Scandinavian countries, the United Kingdom, and Canada. In the United States, the American Public Welfare Association and the American Association of Social Workers were among the first national organizations to call attention to the housing needs of the aged. In 1946, the National Association of Housing Officials – a mainstay of the public housing coalition – published a bibliography on the topic of housing for the aged. In 1947, the Welfare Council of New York City issued a report on housing the low-income aging, and the following year, the University of Michigan began an annual Conference on Aging. The Truman administration responded to and helped further the growing interest in the welfare of the elderly by calling for a Federal Security Administration to hold a national conference on aging.[36]

As an offshoot of these efforts, in July 1952 the University of Michigan, the federal HHFA, Federal Security Agency, and the Michigan State Medical Society sponsored a national conference on housing for the aging in Ann Arbor, Michigan. The conference of more than 400 delegates concluded that elderly people did not wish to live in their children's' homes, but preferred to live in "communities representative of all age groups to living in special developments for older people." Health and welfare groups such as the American Public Health Association and the National Social Welfare Assembly continued to promote the general idea of elderly housing at meetings, while government officials and architects pondered where and in what kinds of buildings older people should live.[37]

Beating the drum for elderly housing, housing reformers and government officials in several states were able to start programs for older people in the early 1950s. The state commissioner of housing in New York in late 1951 ordered that at least 5 percent of future state public housing projects should be built for and assigned to elderly couples and single persons. In 1953, Massachusetts had concluded "that a public exigency exists which makes the provision of housing for elderly persons of low-income a public necessity" and became the first state to provide loans and subsidies for public housing targeted to the elderly. Soon public and private groups were taking steps to develop living quarters for the elderly in places as varied as Florida, California, Michigan, Nevada, and Maine. By 1955, the movement had grown so much that the Council of State Governments made several recommendations on elderly housing in its special report for the annual Governors' Conference on the problems of the aged.[38]

In the middle of the decade, the movement for elderly housing reached Washington. In June 1955 the Senate passed without a fight a provision that made aged men and women eligible to live in public housing even if they did not live in inadequate housing. Although the measure was dropped in the conference with the House, it returned in the Housing Act of 1956, which also allowed the aged to get first preference in public housing and authorized construction of new public housing designed to meet the needs of the elderly at higher costs than other units. Not to be outdone, the supporters of the private industry tier of the housing policy complex also added new FHA mortgage insurance programs for the elderly in the 1956 Act. The law also directed the Housing and Home Finance Administrator to set up an advisory committee on housing for the elderly.[39]

With the door for elderly housing programs flung open, housing reformers returned for more. In 1957, provisions that made it easier to use FHA insurance to build for the elderly were one of several that offended conservatives such as Miles Colean, the spokesman for the mortgage bankers, and Senator Prescott Bush of Connecticut. Elderly, college, and middle-income housing, Colean lamented, would further burden FHA with "special governmentally supported functions."[40] But a phalanx of housing and elderly interest groups and government officials pushed for elderly housing throughout the 1950s and 1960s.[41]

The aged of low and moderate incomes held a great deal of appeal to housing reformers. At a time when public housing management officials were beginning to grow concerned about the increasing number of troubled families in their projects, elderly tenants appeared as members of either the worthy poor or the submerged middle-class, or both. In the face of growing numbers of migrant African Americans and other minorities in the inner cities, the elderly – even minority elderly – represented a turning back to a politically safe population. Indeed, the elderly of the 1950s and 1960s belonged to the same generation and class of people whom the public housing movement had targeted in the 1930s – only now they were older. Hence, as Lawrence Friedman notes, many jurisdictions that would have rejected public housing for families approved public housing for the elderly.[42]

In 1959 the liberals' crusade for elderly housing reached a crescendo with an extraordinary proposal. Introduced in the House, it called for the government to make low-interest loans to nonprofit organizations to build apartment buildings for the moderate-income aging population. With many expensive provisions, the Housing Act of 1959 was subject to much wrangling – and two presidential vetoes – but in the end, the Congress ratified a $50 million revolving fund for direct loans to nonprofits and nursing homes to build rental housing for elderly persons. For good measure, the legislators also threw in a new FHA program that offered mortgage insurance on new or renovated buildings in which at least half the dwellings were inhabited by elderly people. The direct loan program, known as Section 202 of the National Housing Act, drew on the college housing program of 1950 for the direct loan mechanism (see below). But in targeting those whose incomes were too high to qualify for public housing and too low to afford good market-rate units, the liberal housing reformers continued the quest to expand the government-subsidized housing program.[43]

The most strenuous opposition to Section 202 came from Norman P. Mason, Eisenhower's HHFA administrator. Mason condemned the elderly housing scheme in the language of the anti-public housing forces – that it was an unwarranted intervention by the federal government into the market, would take away business from private enterprise, and was destined to become a giant, expensive program. Mason's most telling thrust, perhaps, was to show the meaninglessness of the provision that no one could receive the government loan unless the borrower showed that it was unable to obtain a similar loan elsewhere on as favorable terms – similar to wording in college and rural housing legislation. No lender, Mason pointed out, could match the fifty-year term, 98 percent loan-to-cost ratio, and extremely low interest rate.[44]

Otherwise, the reaction to the precedent-breaking Section 202 program was surprisingly mild. The spokesmen of conservative business interests deplored piling social goals on to the FHA, but few bothered to mention the elderly housing program by name. The representative of the National Association of Home Builders demurred on the grounds that history showed that private financing and enterprise would "produce greater results more quickly" than one based on federal appropriations – and then recommended a proposal to give for-profit companies the same advantages as nonprofits received under an existing FHA rental housing program. The low and fixed or declining incomes of a significant proportion of older Americans was a persuasive argument in favor of financial assistance for the elderly, however, and spokesmen for both the real estate boards and home builders tacitly bowed to it when they acknowledged the need for elderly housing. Interestingly, few at the time seemed to have noticed the potential of the program to separate older people from their fellow citizens.[45]

After the passage of the breakthrough Section 202 program, the tempo of elderly housing legislation increased. The politically-moderate president, John F. Kennedy, strongly supported the cause. The Housing Act of 1961 more than doubled funding authorization for Section 202 from $50 million to $125 million and increased the amount of loans to 100 percent of the development cost. In May 1962 he established the President's Council on Aging, which he asked to study the modernization and rehabilitation of homes of the elderly. Later that year the Congress adopted with little debate the Senior Citizens Housing Act, which stated that previous elderly housing programs had proven their value and demonstrated the urgent need "to meet our responsibilities to our senior citizens." The act boosted the Section 202 direct loan fund by another $100 million, broadened the rural housing loan program to include the elderly, and – raising the prospect of elevator-apartment buildings among the corn fields – authorized the Farmers Home Administration to issue direct loans to nonprofits and cooperatives to build rental housing for old people of low and moderate incomes. Yet Kennedy's enthusiasm for the issue was not sated. In February 1963 he issued a Presidential Message requesting more for housing for the elderly through direct loans, the encouragement by HHFA of group residences, and making elderly individuals eligible for the FHA Section 221 urban renewal housing for low- and moderate-income families.[46]

If it were possible, President Lyndon Johnson was even more enthusiastic about the elderly than Kennedy had been. In 1964 he too issued a Presidential Message that called for more elderly housing. Later that year, a new housing act passed with Johnson's blessing expanded the FHA low- and moderate-income housing program to older individuals, gave a special subsidy to elderly people in public housing who could not pay their rents, and again raised the authorization for the direct loan fund. The administration-sponsored Housing Act of 1965 included a provision for the elderly in its new rent supplement program, raised the allowable costs for building elderly public housing, and made yet more funds available for direct loans for elderly projects and lowered the interest rate that could be charged for them. This represented the housing phase of LBJ's wide-ranging campaign to assist the elderly: only eleven days earlier Johnson had signed the Medicare bill, creating national health insurance for the aged, which along with the civil rights law many consider the most far-reaching legislation of his administration.

By the late 1960s, in fact, the elderly had become ensconced in the housing policy complex. Provisions to promote one or another housing program for older Americans became standard fare in housing legislation.[47] In the 1980s, the laws on elderly housing had become focused on details. In 1983, for example, Congress enacted a requirement that pets be allowed in federally-subsidized elderly projects, even though they were not allowed in family projects where presumably children would have enjoyed them.

Left unexplained in the discussions over the years about elderly housing was what exactly distinguished it from the homes of everyone else. From a financial standpoint, a universally-applied housing program based on income would have encompassed elderly people. The early arguments in favor of elderly housing asserted that older people require special physical accommodations and perhaps trained personnel, but excluded the house-bound, bedridden, and anyone else unable to perform housekeeping such as shopping for and cooking food. Some envisioned features designed to reduce possibility of accidents – such as non-slip floors, non-slip bathtubs with grab-bars, stoves with automatic cut-offs, easily operated windows, and plenty of sunshine and heat.[48]

In a 1952 address to the Southern Conference on Gerontology, Henry S. Churchill, an architect and social critic, argued that housing for the aged was important and too much neglected, but was only part of a general problem related to poverty, "not one that overshadows every other aspect." The special design features for the elderly, moreover, were "equally desirable for any good housing, without classification into housing for infancy, childhood, adolescence, maturity, and senescence." Churchill systematically considered each element. On warm resilient floors, "I ask, for whom should they be cold and hard?" Safety features on stoves "should be mandatory for gas equipment anyway," and as for non-slip bathtubs, "Young people slip, too." "Is there one of those items," Churchill challenged his audience, "that would seem out of place in your own home?" Since he spoke, these and similar safety features have become common in dwellings of people of all ages.[49]

Increasingly the chief distinction of elderly housing was that it was specifically assigned to old people. In 1988 a provision of a fair housing law exempted elderly projects from prohibition of discrimination against families with children. By then the earlier notion that the elderly should be integrated in communities of people of all ages had all but disappeared. It is true that many aged people suffered from poverty, ill health and other infirmities in greater proportion than many other population groups, and that society should remedy these afflictions. But the history of elderly housing also indicates that it filled political as much or more than physical or economic needs.[50]

Veterans' Housing

Throughout the history of the United States, Americans have regarded those who served in the nation's armed forces during war as special citizens. Soldiers and sailors who returned from the wars have been objects of great admiration, feted as heroes during national holidays. Furthermore, the United States government has compensated – in various ways and different degrees – military personnel for their service. The government paid veterans, of course, to show national gratitude, but this was not always the only motive. After the Revolutionary War, the Civil War, and World War I, veterans became involved in one form or another of political unrest concerning their livelihoods. Concern about assimilating the former soldiers back into American society was another reason to provide veterans with benefits.[51]

Veterans, like other Americans who identified themselves as a distinct group, developed organizations to support each other and advance their collective political interests. After the Civil War, they formed the Grand Army of the Republic, and veterans of other conflicts formed the Spanish-American War Veterans, Veterans of World War I, and so on for each war. By the time the United States joined the allied powers to fight World War II, the largest veterans' organizations were the American Legion and the Veterans of Foreign Wars, although veterans continued to form and join other smaller groups. The American body politic, then, considered veterans to be a group possessing both symbolic and literal significance and deserving of special consideration.

Just what that special consideration would be, however, has varied over time. During most of the nineteenth century the nation expressed its gratitude toward former soldiers and their dependents through pensions limited to those wounded during their military service and to impoverished soldiers' widows. In the latter part of the century, the lobbying of the Grand Army of the Republic contributed to an expansion of the program first to veterans injured at any time from manual labor and then to those who achieved old age. By the early twentieth century, veterans' pensions had become relatively broad and generous but were criticized by Progressive-era reformers who believed the pension system was entangled in the corrupt practices of party politics.

After World War I, reformers helped craft a more stringent policy that would encourage the veterans to be self-sufficient. The federal government offered inexpensive health insurance through three different agencies as well as medical treatment and vocational education for disabled soldiers. (In 1930 the government consolidated these agencies into a new department, the Veterans Administration.) Veterans protested such a limited program and demanded bonus payments, to which Congress acceded in 1924, although payments were not to begin until 1945. The fierce economic depression inspired a campaign for immediate disbursement of the bonuses, which led to the Bonus Army march of veterans on Washington in 1932. That episode ended abruptly when the army under General Douglas MacArthur violently routed the Bonus Army encampments. For some, the image of the Bonus Army made the veterans of World War I appeare more pathetic or threatening than heroic.[52]

In an era when poverty threatened the masses of Americans, the new president was inclined to minimize the distinction between veterans and other citizens in regard to government benefits. In 1933 Franklin Roosevelt announced his policy to the American Legion, explaining that

> ...no person, because he wore a uniform, must thereafter be placed in a special class of beneficiaries over and above all other citizens. The fact of wearing a uniform does not mean that he can demand and receive from his Government a benefit which no other citizen receives.[53]

Roosevelt then drastically narrowed veterans' compensations – reducing the pension rolls by almost 700,000 – and replacing them with job programs – through the Civilian Conservation Corps and Federal Emergency Relief Administration – , available to all citizens. Congress, as it has been wont to do, proved more receptive to the arguments of the soldiers' organizations and three years later passed – over FDR's veto – a $2 billion package of veterans' benefits package. Nonetheless, during the first part of the twentieth century, the idea that the soldiers and sailors who returned from war duty should receive benefits was by no means universally accepted.

Officials in the Roosevelt administration were mindful of the political history of veterans, however, and soon after the United States joined the fight against the Axis powers in December 1941, they began to develop plans for coping with returning soldiers and sailors. The officials were particularly concerned about a repeat of the post-World War I recession and unemployment of former soldiers that led to the Bonus March – which the United States Army had violently suppressed. Their knowledge that European unemployed veterans participated in fascist political movements only added to their worries. In large part to avert political instability, in early 1942, the Post-war Manpower Conference, an outgrowth of the National Resource Planning Board, first floated the idea of a package of benefits for veterans. The list of proposals varied widely, including unemployment insurance, but – in part inspired by a Wisconsin law for World War I veterans – many concerned training and education. The reason for the generosity was that, as one conference member put it, after the question of winning the war, "idle veterans drifting aimlessly about the country in search of non-existent jobs" posed the greatest danger to the nation.[54]

After this exploratory venture, Roosevelt appointed another group, the Armed Forces Committee on Post-War Educational Opportunities for Service Personnel, to work out specific proposals, which it did in conjunction with the American Council on Education, a lobby association for higher educational institutions. The two organizations came up with a modest program (for paying for a year of higher education, for example) which the Roosevelt administration sent to Congress for consideration. The plans shifted from the idea of compensating the wounded and/or combat veterans to all who had served, but emphasized self-sufficiency rather than the traditional bonuses.

At this point, the American Legion entered the fray and launched an extraordinarily successful lobbying effort on behalf of a broadly-based social policy. This was somewhat surprising as the Legion, an intensely patriotic and conservative organization, had not heretofore supported generous government benefits for veterans. Yet, at its national convention in September 1943 the organization voted to draft a plan for veterans that included medical care, unemployment insurance, four-year college education, home and farm mortgages, and furlough pay – an almost complete social welfare package. Thus, the Legion took a first step down the path of support for liberal social legislation – which in 1949 would include public and cooperative housing, programs that were oft-decried by conservatives as "socialistic."

The G.I. Bill of Rights

By December 1943 the Legion's committee, after consulting widely, drafted a bill with these provisions and, in an inspired public relations move, dubbed it the G.I. Bill of Rights. In March 1944, a new bill based on the Legion's draft legislation was introduced in the House and Senate. That the bill aimed at blanket support for all veterans rather than, as in the past, favoring the disabled soldiers did not sit well with the VFW and disabled veterans' groups. Over the next two months the Administration's and Legion's bills were combined, the House and Senate passed their versions, and a conference committee reconciled the two as the Servicemen's Readjustment Act of 1944. The two bodies passed it overwhelmingly, and on June 22 Roosevelt signed the G.I. Bill into law. Although limited to former soldiers, it dispensed social benefits broadly much like the National Resources Planning Board, a New Deal agency that was overwhelmed by the conservative political tide of the 1940s.[55]

Although it helped *initiate* lasting changes in American society, the Servicemen's Readjustment Act as conceived and written did not transform the United States. The G.I. Bill originally was intended to be a short-term measure that, as its title suggested, aided the reintegration of the some 16 million veterans into civilian life. Providing a year's worth of unemployment insurance to ease the transition, the law offered refresher or retraining courses, an education for those whose schooling had been interrupted, and/or a quick stake – via a guaranty of 50 percent of a loan of up to $2,000 – to those who wanted to get a home or start a business or farm. The law's creators thought that relatively few veterans would attend school and those who wanted to buy homes would take out loans quickly. Both assumptions would prove wrong.[56]

Like the enactment of much initial legislation throughout the twentieth century, the passage of the law opened the door to lobbying for a larger, long-term program. The following year veterans' organizations – again led by the American Legion – raised a clamor to increase the benefits and expand access to them. As before the representatives of the disabled veterans' organizations opposed the approach that ignored them, but politicians found the idea of increasing benefits to veterans irresistible. In December 1945, the Congress passed a series of amendments to the new law that broadened the provisions and lengthened the eligibility period for the education and housing provisions. In the following decades, subsequent legislation would offer similar packages of benefits to the veterans of the Korean and Vietnam wars and finally for all those who served in the armed forces at any time. Thus, the 1945 amendments started a process that transformed a limited program offering temporary help to veterans who needed it to readjust to civilian life to a large-scale generous social program that rewarded veterans as members of a special group.[57]

The G.I. Bill's widely-used and celebrated education program and the mortgage insurance program system of the FHA have overshadowed the housing component of the Servicemen's Readjustment Act and its successors. But the veterans' loan program is important as both social and housing policy because, like the other parts of the G.I. Bill, it offered a benefit to members of a population group regardless of need.

From its creation, the VA loan program was closely associated with the private housing industry, a sector considered vital to the health of the United States economy. This fact distinguishes it from other components of the G.I. Bill – just as the same association differentiated important government housing programs from such social policies as social security and welfare. Indeed, the authors of the veterans' loan scheme intended it to benefit not only veterans but also the private housing industry, whose representatives played a role in creating the program. Officials of the FHA and trade associations from the savings-and-loan and financial associations, according to political scientist Suzanne Mettler, shaped the program. Moreover, there is evidence that the counsel for the United States Savings and Loan League actually drafted the loan provision. Finally, the bill's chief sponsors – John Rankin of Mississippi in the House and Joel Bennett "Champ" Clark of Missouri – were conservative and unlikely to support anything but a method that would aid private business.[58]

Because the act supported private lenders rather than aiding veterans directly through government loans or public housing, it was obvious to observers that the housing trade associations took a keen interest in the G.I. Bill's provisions. "The real estate boys read the Bill, looked at one another in happy amazement," social critic John Keats recounted, "and the dry rasping noise they made rubbing their hands together could have been heard as far away as Tawi Tawi." Others went further and accused the associations of mortgage bankers and savings and loans of forming a cabal to foist high interest rates on veterans. This the trade associations strenuously denied, but they closely monitored the decisions about the requirements for participating in the VA program, which they felt would greatly affect their members' business.[59]

Regardless of its potential for private profit, the veterans' housing program failed to help veterans make the transition to civilian life in the immediate postwar years. This was in part because the program as first written was ineffectual, but mainly because the housing markets were overwhelmed by millions of returning soldiers and, because many of them were married or married soon, their families. Few homes had been built during the depression and war years, even as defense factories attracted rural residents to urban and industrial centers. As the war came to a close in 1945, the arrival of large numbers of demobilized service personnel precipitated a housing shortage of epic proportions. Veterans were forced to squeeze in with relatives and friends and scramble for shelter in trailers, coal sheds, cellars, and even tents in the public parks. In Washington, D.C., reported long-time housing reformer John Ihlder, a man became so distraught about being unable to find an apartment that he leapt to his death from the Taft Bridge. To make matters worse, the housing shortage quickly inflated rents and home sale prices. As state and local officials cried out for help, political pressure for homes for veterans and their families grew so great as to ride roughshod over the conventional approaches to policy.[60]

Indeed, the call for veterans' housing became the most potent political force in housing policy in the postwar years. Federal, state, and local governments rushed to enact a flurry of measures to place the veterans and their families in homes before all others. As early as 1944, local public housing authorities began to place veterans and their families ahead of others on the waiting lists for vacant apartments.[61] In October the War Production Board and the National Housing Agency (NHA) gave honorably-discharged vets who applied to build or remodel their homes immediate priority for materials. By spring 1945, officials in Congress and the Truman administration grew increasingly concerned about reports of severe housing shortages in West Coast cities. In May the NHA declared that vets unable to afford rents in private housing were now eligible for public housing even if they did not currently live in "substandard housing." The following month, Congress – with hardly a word of debate – amended the Lanham Act to allow "distressed" vets and their families to move into government-owned defense workers' housing the government had built on a temporary basis during the war and even to build new temporary housing where existing structures could not meet the need. Housing shortages continued to worsen, however, and the federal government ordered that surplus temporary units, including Navy Quonset huts, be transferred to locales in cities and universities for veterans' housing. In December 1945 Congress again amended the Lanham Act to authorize almost $192 million for moving more surplus structures, but applications for veterans' housing far surpassed the authorization and a few months later Congress approved another $250 million to build new temporary housing for the vets. At the same time, it was painfully apparent that the G.I. Bill's housing program had attracted few takers, so in December 1945 Congress tried to sweeten the pot by liberalizing its terms.[62]

The political surge for veterans' housing threatened the respective domains of both sides of the ongoing housing policy conflict. The advocates for private housing feared that the demand for veterans' programs was unleashing one form of public housing after another. To slow the stampede, John M. Mowbray, representing the National Association of Real Estate Boards, tried to argue that people were exaggerating the housing crisis. In and out of the federal government, private industry sympathizers lobbied to lift controls on building materials immediately. Public housers countered that this would do little good as long as shortages of materials persisted and there was not enough good permanent public housing to shelter low-income families not served by private industry. But housers were not happy with the new agenda either. An editorial in NAHO's organ grumbled about the magical powers of the word "veteran" to suppress sensible discussion and worried that the rush to provide Lanham temporary housing to vets could create big administrative headaches in selecting responsible tenants and getting rid of substandard temporary housing.[63]

The new president, Harry Truman, heeded the conservatives and in October 1945 removed the wartime controls on building materials. In response, however, developers produced not homes but "a rash of race tracks, summer resorts, bowling alleys, stores, and cocktail bars." Truman changed course and created a new Office of Housing Expediter to run a crash housing program. The president named Wilson Wyatt, the former mayor of Louisville, Housing Expediter and then chief of the National Housing Agency. A tireless and driven worker, Wyatt boldly proposed resuming controls of construction materials and allotting them for residential construction, extensive price and rent controls, premiums (subsidies) for building material producers, and loans to promote prefabricated housing.[64]

Congress passed Wyatt's program only after much pressure from the Democratic leadership, but the Veterans' Emergency Housing Act of 1946 made little headway. The fragmented small-scale nature of the housing industry and labor strikes in lumber, steel, railroads, and coal undermined Wyatt's optimistic predictions of housing production, as did the Housing Expediter's infatuation with manufactured housing and the inexperienced Lustron Company in particular. Truman executed an abrupt about-face, ended controls on building materials, eased them on rents, and forced Wyatt to resign. In 1947, the government repealed most of the Veterans Emergency Housing Act, but this only signaled a retreat from obvious failures such as building materials and manufactured housing, not from veterans' housing. [65]

Such was the power of the veterans' housing issue that long after the war's end Congress continued to shower advantages on veterans seeking homes. In 1946 the government converted the FHA war workers' housing program (enacted in 1941) to a program for veterans. The following year Congress gave former servicemen and women preference in the sale and rental of new housing. Over the next two years Congress extended that preference as well as a ban on evicting over-income tenants in public housing, which meant that many veterans who were the highest priority applicants could stay. Meanwhile, the government tried to help those vets inclined towards agriculture by giving them first choice in obtaining government direct loans or loan insurance for buying or improving farms.

In the postwar years the cry for veterans' housing – entwined as it was with the postwar housing shortage – penetrated the discussion of virtually all housing issues including the debate over the Taft-Ellender-Wagner legislation for low-income public housing and urban redevelopment – eventually codified as the Housing Act of 1949.[66]

Toward a Permanent Program

Out of all the political commotion, the G.I. Bill's loan program produced a permanent veterans' housing policy. This was doubly ironic because the Servicemen's Readjustment Act of 1944 was intended as temporary aid in the transition to civilian life and the housing provisions had virtually no impact on the housing shortage. In the year following its passage, the loan program attracted few applicants. Outcries from around the country about government red tape and the unavailability of real estate loans prompted a congressional investigation. It found the usual administrative problems of a new program and that, under the law's provisions, monthly payments were too high and appraisals – based on a prewar "reasonable normal value" that did not reflect recent inflation – were too low for many vets to bid against civilian home buyers. Hence, in 1945, Congress lifted the requirement that the VA approve loans before they were made, doubled the maximum mortgage guarantee to $4000, extended the terms on the loans the government would guarantee to twenty-five years, and changed the appraisal to a reasonable value in the opinion of a VA-approved appraiser. But the most significant change Congress made in the program was to lengthen the period a former armed service person was eligible to apply for a loan from two to ten years. This in effect changed the loan provision from a transitional to a long-term program.[67]

VA Housing Starts, 1946-1960

(units in thousands)

1946	91.8	9.0
1947	160.3	12.7
1948	71.7	5.3
1949	90.8	6.3
1950	191.2	10.0
1951	148.6	10.5
1952	141.3	9.8
1953	156.5	11.2
1954	307	20.0
1955	392.9	24.2
1956	270.7	20.4
1957	128.3	10.9
1958	102.1	7.8
1959	109.3	7.3
1960	74.6	6.1

Source: National Commission on Urban Problems, *Building the American City: Report of the National Commission on Urban Problems to the Congress and to the President of the United States* (Washington D.C.: U.S. GPO, 1968), Table 14, 107.

The number of VA loans now moved upwards, thanks to the easier regulations and the stimulation provided by the Reconstruction Finance Corporation's purchases of VA loans in 1947. Still, the lending rate was not spectacular – it peaked at about 50,000 per month in 1947 only to fall sharply in early 1948 and continued to drop until the middle of the following year. Moreover, the great majority of the loans went to buy existing homes, which did little to expand the overall supply of housing.

As the decade came to an end, Americans married in unprecedented numbers, fueling an intense demand for homes that the private sector – even with government supports and increasing available credit – could not meet. The American government responded by pumping up the G.I. loan program, expanding its reach even further. To make the VA loans available to a larger group, Congress included provisions in the Housing Act of 1950 that raised the maximum amount of guaranty from 50 to 60 percent of the loan or $7,500, whichever was less, and stretched the payback period to thirty years. The law also expanded eligibility to single widows of veterans and gave veterans who had taken out a VA loan but lost their homes through no fault of theirs another try. Finally in the 1950s, the VA loan program took off, with the number of VA-guaranteed housing starts averaging close to 200,000 per year. The program hit its highest point in 1955 when it claimed 393,000 or 24 percent of all private non-farm housing starts.

Not content to liberalize the terms of G.I. Bill loans, Congress inserted a provision in the Housing Act of 1950 to lend money for home purchases to veterans directly. Similar to its action in regard to farm housing in the Housing Act of 1949, the Congress specified that the VA should make direct loans only in places where other lenders were unavailable, such as small cities and towns and rural areas. Still, the program replaced private lenders such as savings and loan associations with a government agency, and thus was the type of measure that incurred opposition from trade groups jealous of any encroachment on their potential business. Even business opposition, however, could hardly overcome the devotion Congress felt towards soldiers returned from battle.

By the 1950s, the G.I. Bill had evolved into a most distinctive government program. Its generous provisions produced an extreme form of mortgage insurance that allowed extraordinarily easy terms for borrowers and gave virtual carte blanche to private lenders. Unlike most mortgages, the program did not limit loans to some portion of the value of the house, but rather allowed borrowers to take out loans of up to 100 percent of purchase price. Moreover, the terms of the guarantee allowed for loans with no down payment. The lenient loan provisions, remarkably, did not take financial need into account. Nonetheless, the program lacked a mechanism for government oversight of local underwriting decisions. And because of bureaucratic indecision and despite Congress's initial intention, the VA, rather than the NHA or its successor the Housing and Home Finance Agency, administered the program.[68]

On paper, the VA loan program almost resembled an entitlement program whereby all citizens benefit. Of course, the requirement of service during the war limited the program. In practice, G.I. housing loans were far more limited than the educational provisions, which arguably recast American society along more egalitarian lines. African Americans, particularly in the South, were unable to get mortgages from local white-run savings and loan companies. Still, one housing expert deemed it the most sweeping and financially reckless of all the federal housing programs. [69]

The impulse to enable every veteran to buy a house proved to be abiding. After extending to Korean War veterans the benefits it had bestowed on World War II vets in 1952, the Congress twice in 1954 and 1955 passed extensions of loan guarantee and direct loan programs by voice vote. After continuing the direct loans in 1957, Congress extended both programs in 1958, 1959, and 1960, in the last instance ignoring Eisenhower's plea to let them expire.[70]

Despite the decline in VA-guaranteed housing starts in 1960 to their lowest point in twelve years, the Senate passed an early version of the Housing Act of 1961 containing an expansion of the veterans' guarantee and direct loan programs as well as an extension of the final dates by which veterans were allowed to apply for loans. The Senate acceded to more generous terms set out in a separate House bill, however, and the two chambers passed the law at the same time they passed the Housing Act of 1961, with which it was clearly associated. Although this appeared to be the last renewal of the veterans' home loan programs, it was not. New G.I. bills, whose provisions included VA home loan programs, were enacted in the following years, making veterans' benefits permanent and extending coverage to all service personnel, regardless of war or peace-time enlistment. Within the American polity and the housing policy complex in particular, veterans of the armed forces – whether they served during war or peace – became enshrined as a group deserving of special treatment.[71]

Big Housing on Campus

A sign of the potency of the issue of veterans' housing – if another were needed – was that it provided an entry for representatives of higher education to obtain federal funds for campus housing – a thought that would have been anathema before the war. In the fall of 1945, in the midst of the uproar over housing shortages and the plight of veterans seeking shelter, the Senate Committee on Banking and Currency held hearings on the Wagner-Ellender-Taft bill. Although the hearings mainly concerned public housing and urban redevelopment, the representative of the American Council on Education, a lobbying umbrella organization for college and university associations, managed to get on the docket. The representative, Francis J. Brown, took the opportunity to request that the government provide colleges and universities funds to build dormitories for their students. Citing the deluge of veterans and their wives and families into the nation's schools, he argued that schools needed more housing and at prices that the vets could afford. And since enrollments were going to balloon over the next ten years, Brown asserted, colleges would need more than just an emergency action. Senator

Bourke Hickenlooper, an Iowan Republican, rejected this last notion and declared it unnecessary to start a permanent program to solve a temporary problem. The rest of the Congress apparently agreed with Hickenlooper and, setting aside Brown's request for grants and loans, amended the Lanham Act to authorize the federal government to pay to move the temporary war workers' structures to college and university grounds. Hence, Quonset huts, prefabricated shelters, and barracks sprouted on the nation's campuses.[72]

In 1949, representatives of college and university associations returned to Capitol Hill to request aid to build housing for students, even though the number of veterans enrolling in colleges had begun to drop. At congressional hearings held in July 1949, Goodrich C. White, president of Emory University and a member of the federal relations committee of the American Council on Education, pleaded the situation was "nothing short of desperate." Arthur S. Adams, University of New Hampshire president, representing both the American Council on Education and the Association of Land-Grant Colleges and Universities,[73] claimed that building costs were so high that faculty and students would be unable to afford any housing the schools might build. John A. Hannah, president of Michigan State University and the Association of Land-Grant Colleges and Universities, testified that higher education institutions needed federal aid because they had been unable to build and operated at reduced levels during the war but now faced increasing enrollments as well as high building costs. The stopgap Lanham Act units authorized in 1945, he asserted, were too few and inferior anyway. Having brought up the idea of federal aid when veterans were swamping colleges, Hannah and the other leaders now shifted the justification from large veteran enrollments to simply large enrollments.[74]

The national legislature responded positively. In the first session of the 81st Congress, two Democratic senators (Claude Pepper, D-Fla., and Matthew M. Neely, D-W.Va.), offered an amendment to the Housing Act of 1949 that would have provided the schools with $100 million in grants and loans to pay up to half of the costs of building dormitories. Congress chose not to include the amendment in the controversial law, so in April 1949 Senators John Sparkman and Ralph E. Flanders (R-Vt.) introduced a revised version that Sparkman later re-submitted as Title IV of what became the Housing Act of 1950. In the revised bill, the Senate dropped the grants component and instead focused solely on direct loans at below-market rates. As enacted, the college housing program provision called for the head of the HHFA to approve loans to the educational institutions from a government fund of up to $300 million.[75]

The federal college housing program offered the schools generous credit terms. The government loans could cover up to the total development cost of a housing project, were repayable over forty years, and had low interest rates (calculated from the rate of recently issued government bonds plus a quarter of a percent). These terms were better than what was available on the open market, which implied that the government's direct loans could take business away from private lenders – and thus the sort of thing that housing industry spokesmen usually considered a sin. To allay possible concerns about the violation of private enterprise, Congress inserted a provision in the law that stated that the government could not make a loan unless the institution demonstrated it was unable to borrow on terms as favorable elsewhere. Since the schools had no incentive to borrow from the government if better loans were available elsewhere, however, this provision was little more than a fig leaf. In a similar token gesture, the Congress required economic construction and prohibited "elaborate or extravagant design or materials," vague instructions that were all but unenforceable. Clearly, the authors of the law were trying to be as helpful as possible to the schools.[76]

Despite its flouting of private enterprise taboos, college housing proved to be almost as politically appealing as veterans' housing. Both Southern Democrats and moderate Republicans sponsored the loan provision of the 1950 bill. College housing was the central element of the Housing Act of 1950, proclaimed Democratic Senator Burnet R. Maybank of South Carolina, and the "first peacetime program of Federal aid to higher education." The Congress did not debate its report on college housing in open session, and both the Senate and House passed the bill on a voice vote.[77]

In response to complaints of the college and university representatives that the housing law was too restrictive, Congress in 1955 passed a series of generous amendments. It increased the terms of the loans to fifty years, placed a ceiling on the rates that the HHFA Administrator could charge the schools, and increased the borrowing authorization by $200 million to a total of $500 million. The lawmakers also expanded the definition of "college housing" loans to include "other educational facilities" such as cafeterias, student centers or student unions, and infirmaries. In the wrangling over the

1955 housing bill – most of which concerned public housing – Eisenhower singled out college housing as “a desirable program” whose “expansion was justified.” Ike’s sole objection was that he felt Congress had set the interest rates for the college housing loans too low to attract private investment. In the final vote, the Senate overwhelmingly passed the bill and the House – divided over public not college housing – narrowly approved it.[78]

In the years to follow, federal officials practically fell over themselves to give the colleges loans on easy terms. The government increased the loan fund in 1956 to $750 million, raised it again the following year by $175 million, and in 1959 added another $250 million. The Housing Act of 1961 raised the loan fund by $1.2 billion over the next three years to reach a total of $2.875 billion. After that authorization expired in 1965, the Housing and Community Development Act of 1965 gave the program another three-year set of increases totaling $1.2 million and a new low ceiling for interest rates. In fact, Congress insisted on low interest rate ceilings over the opposition of both Eisenhower and Johnson administration officials who feared they would injure private investment.[79]

Yet the government’s largesse did not satisfy the colleges and universities. Like many other American groups and institutions before and since, the schools were tantalized by the prospect of tapping the federal treasury for support. From 1945 onwards American Council of Education and other higher education lobby groups pushed not only for cheap loans, but also for straight cash payments and those not just for housing.

Indeed college housing was merely the first step in a campaign for broad federal support of higher education that gained traction during the Cold War. Although the national government had occasionally stepped up to support higher education, the efforts had been sporadic – such as the 1862 Morrill Act giving public lands to help establish schools – and specialized – aimed, for example, at agricultural and vocational training. Building on the military training and scientific research conducted by colleges and universities during World War II, the American Council of Education and other higher education lobby groups in the postwar years sought federal funds to pay instructors, assist with student tuition, and build all types of school facilities. At a time of national anxiety over losing technological ground to the Soviet Union, they achieved much of this and more through such legislation as the National Defense Education Act of 1958 (which besides assisting local schools, provided higher education students with loans and fellowships and funded foreign language study and training provided by colleges and universities), the Higher Education Facilities Act of 1963 (which authorized grants and loans to build and enhance libraries and classrooms), and the Higher Education Act of 1965 (which provided grants for college libraries and teacher training and authorized insurance for student loans). The college housing program was eventually folded into a general program for college facilities, which lasted until its repeal in 1998, by which time enrollments had fallen from previous heights and the nation enjoyed abundant credit.[80]

The schools' desire for wide-ranging federal support explains why their leaders spoke of college housing in terms of specific students' financial needs, but implemented the program to suit the interests of their institutions as a whole. In arguing for the housing program, the colleges and universities asserted that students would not be able to afford the high costs of housing unless the schools received a federal subsidy. This implied that the savings from the loan subsidy would be passed on to their students, particularly less well-off students, in the form of lower housing charges. Yet in practice, the schools did not charge lower rents either to lower-income students or at the dormitories that received federal financing. To the extent that the subsidy was passed on to students, an analysis of the program concluded, the savings from the subsidy went to all residential students – , rather than just the low-income ones, which meant that the amount of savings to students was insignificant compared to the total cost of enrollment. The institutions' intricate budgetary bookkeeping, however, obscured whether schools passed on the savings to students, increased the overall amount of housing they provided, or merely used it to free up funds to finance other aspects of the institution. In any case, the institutions of higher education treated the college housing loans as part of their general operations funds.[81]

While some criticized the college housing program as inefficient and superfluous, others defended it as a part of the wide-ranging federal support they felt that the nation's education institutions needed. Regardless of the validity of these opinions, this program clearly benefited private and public institutions that used the subsidies to enhance the experience of their customers, the students (and in some cases, also some of their employees, to wit, faculty). College housing gave special political treatment to the students in institutions of higher education and, more broadly, to the institutions themselves. From this perspective, some of the political magic of veterans' housing rubbed off on college and university students, who then received the special status afforded to certain groups in American society. Hence, as far as housing policy is concerned, the significance of the passage in 1950 and subsequent expansion of the college housing program was the privileged status it bestowed on yet another particular group of Americans.[82]

The Rise of the Rural Housing Policy Domain

Among the specialized housing fields, none has a longer history or greater scope than rural or farm housing, yet it is one of the least known and studied areas of housing policy. Agriculture and farm life occupy a special place in the culture of the United States. From the days of Thomas Jefferson, Americans have celebrated agrarianism as a repository of national values such as republican virtue and individualism. During the nineteenth century, federal and state governments promoted farming, primarily through land distribution schemes such as the Homestead Act of 1862. In the late nineteenth and early twentieth centuries, reformers promoted plans to resettle immigrants and the urban poor on farm land as a way of solving the nation's social problems.

Yet rural America also suffered from economic problems – such as low crop prices and high freight costs – and chronic underdevelopment, especially in the South. Rural discontent inspired the populist political movement in the late nineteenth century and focused attention on farm issues. The growing interest in the academic fields of land economics and rural sociology further stimulated thinking about agricultural reforms in the early twentieth century. The idea of federal legislation to get agricultural credit to farmers and ranchers gained popularity and culminated in the passage of the Farm Loan Act of 1916. It created twelve farm land banks, which were to extend credit to farm loan associations in their respective districts.[83]

But from the early 1920s, American agriculture went into a steep economic decline. In response, policy makers proposed a variety of schemes including price supports, cooperative marketing, allotment of the size of crops to be sold domestically, and reduction of farm production through retirement of marginally productive lands. As the national Depression took hold, reformers of various stripes advocated back-to-the-land projects as a way to fight unemployment and revive rural America. The influential agricultural economist and government official, M. L. Wilson, campaigned for subsistence farm communities to absorb displaced farmers. Political leaders such as New York governor Franklin D. Roosevelt advocated regional planning programs that included government aid for schools, roads, and electrification projects as ways to restore rural areas to their historic place in American society.[84]

As president of the United States, Roosevelt, who believed strongly in the virtues of farm life, initiated a wide variety of rural improvement programs inspired by the proposals and state programs of the preceding decade. To rebuild rural credit infrastructure, which had virtually collapsed, FDR in 1933 issued a presidential executive order and signed the Farm Credit Act, setting up the Farm Credit System that consolidated several credit programs. Resettlement schemes ranged from the subsistence homesteads program – including Arthurdale, the planned community in West Virginia, which Eleanor Roosevelt championed – to the rural rehabilitation communities for stranded farmers (who had left their farms for the cities) and unemployed agricultural workers run by the Federal Emergency Relief Administration.

A new agency, the Resettlement Administration, was established in 1935 in the Department of Agriculture to supervise these projects. Nonetheless, these highly ambitious attempts at economic development – even more challenging during a time of national depression – ran into organizational and financial problems. Many, especially Arthurdale, proved to be lightening rods for criticism from anti-New Deal conservatives. Partly to blunt the opposition and partly to deal with the impoverished tenant farmers of the South, the Roosevelt administration in 1937 transferred the responsibilities of the Resettlement Administration to a new agency, the Farm Security Administration.

Although the resettlement programs survived under the aegis of the Farm Security Administration, they remained the object of congressional attacks until the mid-1940s when most were sold off to satisfy the critics. Conservatives were still not satisfied, and in 1946, Congress created a more conventional-appearing agency, the Farmers Home Administration, to take over the Farm Security Administration and other rural credit programs.[85]

While efforts to resettle farmers in communities and restart the flow of credit in rural areas were underway, two new liberal programs enacted in 1937 aimed at securing homes for the rural poor through government subsidies. Taking into account the virtual inability to get housing loans in impoverished rural areas, the Bankhead-Jones Farm Tenant Act, passed in July, sanctioned direct government loans to approved farm tenants, laborers, and share-croppers on exceptionally easy terms – a 3 percent interest rate with forty-year terms – to buy and repair farms. In the following twelve years, the act helped finance the improvement of more than 44,000 farm homes and the construction of 15,000 new houses.[86]

For those too poor even to buy a house with subsidized credit, there was a new public housing program. Although the United States Housing Act of 1937 was devised primarily to solve city slums, it also allowed for public housing in rural areas. By 1946, more than 300 rural counties and parishes, primarily in the South, had set up thirty-four rural housing authorities. They had built more than 500 free-standing houses on small one-to-two-acre farm lots, mainly in South Carolina, Georgia, Mississippi, and Arkansas. Powerful white Southern Congressmen, whose political beliefs ranged from anti-New Deal conservatives to pro-New Deal progressives, supported such blatant subsidy measures to alleviate poverty in their region – as long as the programs did not promulgate racial integration.[87]

In the postwar years, liberal public housers looking to expand their program resumed their efforts to connect with rural constituencies. In May 1945 a housing advocacy organization, the National Committee on Housing, encouraged local groups in Kentucky that were studying farm housing to take their plan nationally. The president of the National Committee on Housing, Dorothy Rosenman, spoke to the Kentuckians on the "Importance of the Farm to the Nation," pointing out the close relationship between the farm house and income-producing operations of the farm. About the same time a National Association of Rural Housing was organized in Atlanta, with officers from Georgia, Louisiana, and South Carolina, to campaign for a national program of rural slum clearance and low-rent housing. Eleanor Roosevelt, who had long been concerned with rural poverty, joined the chorus for farm housing.[88]

The agitation helped to fix rural housing permanently in the national policy complex. On August 1, 1945, Senator Robert Taft, Republican of Ohio, released the influential report of his Special Subcommittee on Housing and Urban Redevelopment that recommended an active national housing policy carried out by both private and government entities. Besides FHA and public housing, the report called for a comprehensive attack on the farm housing problem. That same day, New York Senator Robert Wagner proposed the first postwar housing program, which included a provision for rural housing. The following year Wagner and Taft cosponsored with Allen J. Ellender, Democrat of Louisiana, a substantive postwar housing and urban redevelopment bill that included rural housing provisions written by Department of Agriculture staff members and approved by the Secretary of Agriculture. These provisions survived the subsequent battles over the legislation, which became known as the Taft-Ellender-Wagner bill, and were finally enacted as Title V of the Housing Act of 1949.[89]

Title V expanded the program of loans initiated under the Bankhead-Jones Farm Tenant Act of 1937 that gave government loans to purchase farms and homes. It was thus the sort of direct subsidy that was anathema to the real estate industry. The law not only authorized federal loans – Section 502 established a $250 million fund for loans of 33 years at a 4 percent interest rate – to assist farm and nonfarm families in obtaining adequate housing, it also provided two types of grants for those with incomes too low to support a loan. One plan (Section 503) set aside $5 million to make payments to borrowers who would start to earn enough within five years to be able to pay back a loan. The other (Section 504) authorized $25 million over four years to assist low-income farm owner-operators whose farms were not productive enough to support a family while repairing their own homes. To satisfy conservative and business-oriented critics, the law required that the recipients of the financial aid be unable to fix or buy their farms and homes on their own or by borrowing and `if they became able to afford private financing, they were to refinance. Yet these qualifications were toothless.[90]

It might seem surprising that the rural housing component of the 1949 act was not more controversial. After all, Title V used the government, not private lenders as in FHA-type programs – , to lend to individuals, and went so far as to sanction direct grants.

Furthermore, the 1949 housing act included benefits to nonfarm families, who might not operate a farm or even work in agriculture at all, as long as they wanted to purchase a farm. The representatives of the business sector were for the most part preoccupied with the public housing and urban redevelopment sections of the 1949 housing legislation, but in Congressional hearings some did register their opposition to farm housing. The conservative American Farm Bureau attacked it as inflationary. The National Association of Home Builders raised the specter of creeping bureaucratic control over individual Americans, but the program's heavy reliance on local county committees and the Farmers Home Administration's unremarkable record supervising farm plans undercut such criticisms. Furthermore, for the most part the program aimed to serve areas so economically depressed that private industry did not see much opportunity for profits and therefore did not put up much of a fight. In the Congress, some opposition came from representatives from the Midwest, where large and highly commercialized agriculture dominated.

Such opposition was not strong enough to overcome broad support for the program. Numerous government committees had reported the crying need to improve rural housing conditions and the lack of available and affordable credit to do so. Northern and Midwestern liberals who favored government activity in social welfare and were concerned about rural poverty backed the program. At the same time, Southern populist New Dealers and conservatives wanted to help their region, where the problems that the rural housing program addressed were most prevalent. In addition, there was a general sense that agriculture was a valuable part of the nation's heritage that should be preserved. Significantly, pleas to extend aid in the 1949 bill to migrant farm workers fell on deaf ears. After all, migrant workers belonged to the lowest class of agriculture labor and were generally looked down upon by those who were better off.[91]

With the passage of the Housing Act of 1949, the Farmers Home Administration within the Department of Agriculture began to build a rural housing agency like the federal urban housing agency – now the Department of Housing and Urban Development – with branches similar to that of the FHA and the federal public housing programs. With the steady support of Southerners on its appropriation committees, Congress placed provisions in housing acts in 1954, 1955, 1957, and 1959 to increase authorizations for the farm housing loans and grants. The Housing Act of 1961 further transformed the program to rural housing in general by authorizing housing loans to owners of non-farm buildings in rural areas, which could be towns of populations of up to 2,500 – a number raised to 5,500 four years later. In 1962, the Senior Citizens Housing Act authorized direct and insured loans for building elderly projects.

Two years later, the Farmers Home Administration received authority to give grants for low-income housing for domestic farm labor. The Housing and Urban Development Act of 1965 set up the Rural Housing Insurance Fund to allow the Farmers Home Administration to insure and guarantee housing loans for home purchases, repair, and development of rental housing – completing the creation of another Federal Housing Administration in the agriculture department. Even the Model Cities law of 1966 expanded rural housing by authorizing Title V loans for newly-built homes and expanding the types of cooperative housing projects eligible for the Farmers Home Administration loans. The Housing and Community Development Act of 1968 allowed the Agriculture Department to use the new reduced-interest low- and moderate-income housing construction programs approved for the Department of Housing and Urban Development. And the pattern continued in the following decades. Indeed, since 1949 almost every major housing bill has had some sort of rural housing provision.[92]

In contrast to the battles over the methods and purposes of urban low-income housing, rural housing was able to grow relatively unimpeded into a small policy kingdom. This is all the more striking because the agriculture department's housing programs used all the types of market interventions and subsidies – direct as well as insured loans, for example – that the low-income urban programs did. The continuing poverty in rural areas, portrayed vividly in national publications over the years, helps but does not fully explain the political success of rural housing. The extraordinary meaning of farm life in American history and the political strength particularly of agriculture, particularly Southern agriculture, also helped endow at first farmers – present, former, and potential – and later all rural dwellers with the special status of beneficiaries of American social policy.

Disfavored Groups

Even as the federal government showered benefits on some population groups, officials and advocates made claims for other groups whose members may have been just as deserving but were never so favored. In 1949 and 1950, Hertha Kraus, an associate professor of social economy at Bryn Mawr who had experience in planning and managing public housing in Europe, surveyed housing needs in the United States and found three types of poorly served "atypical families." One was elderly people, who as we have seen, would in the following years receive many programs to assist them. Another was low-income large families, who were not as such the beneficiary of any special program, but whom public housing administrators accommodated in the 1950s and 1960s.[93]

The third group was working mothers, whom Kraus showed tended to have many dependents (usually children but also aged parents) and low incomes. Many were divorced or widowed and further burdened by being the heads of their households, as well as the conflict between the responsibilities of motherhood and the need to earn a living. Their housing needs, Kraus explained, were similar to that of others except they depended on dwellings that facilitated housekeeping and care of their dependents. Their plight would be alleviated if they could share a home with one or two other women, but public housing administrators and private landlords generally excluded such tenants. Kraus thought that community facilities such as day care centers or visiting housekeepers would also greatly benefit this group. In 1950 only a few public housing projects had group services that aided the working mother, and only a few organizations – such as the Young Women's Christian Association – paid any attention to their problems. Lyndon Johnson's Great Society would introduce government-sponsored day care, but since then the number of single mothers rose in future decades and the demand for child care and other supportive services has become more urgent. As for housing, the political system has delivered few of the kind of mutual or community services that Kraus recommended for working mothers. Those employers who have implemented flexible work schedules and workplace child care would seem to have surpassed the government in responding to the problems of working mothers. Despite or perhaps because of the society's reverence for motherhood, a societal ambivalence about mothers working outside the home and the lack of powerful associations to advocate housing and other social benefits has prevented this group from reaching special status enjoyed by others.[94]

There was another population group whose needs were as widely recognized as the elderly or college students but who fared no better than working mothers, and in the early 1950s the effort to give its members decent housing reached the highest levels of the United States government. The postwar years had brought a series of events advancing civil rights for African Americans – including the 1948 Supreme Court decision striking down racial deed restrictions, the order to integrate America's armed forces in 1951, and the 1954 landmark Supreme Court opinion in Brown v. Board of Education banning racial segregation in schools. Beyond these milestones, the great migration of minority groups to the cities, violence against blacks who moved into white neighborhoods, and the large number of low-income minority group members who inhabited slums raised the race issue.

In regard to housing, a consensus of postwar observers recognized the obvious fact that discrimination and poverty forced African Americans to pay more than others to live in some of the worst housing available. The National Association for the Advancement of Colored People (NAACP), which had spearheaded the drive to do away with racial covenants, continued to press for justice in housing as well as other walks of life. After a national conference was held in 1949, a group of civil rights activists founded the National Committee against Discrimination in Housing (NCDH) in June 1950 to establish nondiscriminatory and non-segregated housing in the United States. In the 1940s and 1950s, idealists worked to develop "inter-racial" communities in private and public housing.[95]

In the early 1950s, the HHFA Administrator Albert Cole threw the weight of the Eisenhower administration behind the movement for minority housing. Cole organized conferences around the country that uncovered evidence that blacks of all incomes suffered from poor housing and discrimination in lending. In 1953 the President's Advisory Committee on Housing, which laid out much of the content of the Housing Act of 1954, called attention to the problems of minority groups, but produced no specific programs to deal with them – other than perhaps the Voluntary Home Mortgage Credit

Program, a minor provision of the Housing Act of 1954 that was supposed to help members of racial minority groups obtain home loans, but did little.[96]

In 1954 the HHFA put together a conference on Housing for Minority Families to come up with practical suggestions. A broad cross section of social, civic, labor, and industry groups – including the National Council of Negro Women, the American Federation of Labor, and the National Lumber and Building Material Dealers Association – – attended. Despite lively discussion, however, the gap between organizations committed to ending existing segregation as soon as possible and those entrenched in the current system proved too wide to bridge. The NAACP and the NCDH wanted the FHA to cease to insure housing and especially large developments like Levittown that discriminated against racial minorities. Yet mortgage lenders insisted that there was plenty of financing for housing for blacks but the real problem was a lack of land for development. The representatives of the savings and loans, many of which were rooted in white neighborhoods, felt threatened by any federal activity at all and condemned the whole business as socialistic. Faced with this resistance and potentially explosive issues of blacks displaced by the federally-financed urban renewal program, Cole fired the agency's leading civil rights advocate and retreated into a gradualism that effectively encouraged more segregation in public and private housing.[97]

Meanwhile, the movement to give racial minority groups access to good housing reached to the business sector. Responding to the racial issue, in 1954 the president of the National Association of Home Builders (NAHB), Richard G. Hughes, announced that he believed blacks were entitled to houses as good as those whites bought and declared "minority housing" to be a priority of the home builders' organization.[98] NAHB members formed a Minority Group Housing Committee, whose purpose was to find ways to provide African Americans with decent, affordable homes – a limited goal that skirted the integration issue. Yet when Hughes and two white builders in Houston, Texas developed a suburban subdivision for the African-American market, mortgage lenders discriminated against their black customers, who therefore found it difficult to obtain financing to purchase the houses. In the face of this obstacle, the home builders' effort to build homes for non-white families dissipated.[99]

During its last year in office, the Eisenhower administration briefly revived discussions on the issue of minority housing, which ended serious consideration of a housing policy specifically aimed at minority groups. John F. Kennedy's sole accomplishment, a long-delayed executive order to stop the federal agencies from abetting discrimination, applied only to new housing. In 1968 the Johnson administration passed a far-reaching anti-housing discrimination act and the Supreme Court prohibited racial discrimination in all real estate transactions. Since then, virtually all federal civil rights efforts in housing have followed this legal route against discrimination, and no administration has seriously considered setting up the kinds of direct aids that the government provides other groups such as farmers, veterans, and the elderly.[100]

Conclusion

When the housing policy complex began to grow in the 1950s, conservatives objected to the accretion of FHA programs aimed at particular population groups. They argued that the FHA and the housing industry in general should be left to operate freely in the pursuit of private profits (a sort of government-supported laissez faire, an oxymoron). Miles Colean, an industry spokesman, disparaged such programs targeted for social purposes as barnacles on the good ship FHA. Of course, the same conservative critics – and some supporters – of using FHA for social goals also opposed public housing and other government-managed social housing schemes as a dangerous intervention in the operation of the market.

Already in the early 1950s, however, these criticisms of targeted interference with the "market" rang hollow. The basic aim of the public-housing policy-tier was to correct the miserable effects of the market on low-income people. At the same time, however, the entire tier of federal housing finance programs – starting with the FHA mortgage insurance program – intervened in market operations to benefit particular business interests. In the years after the two tiers were first developed in the New Deal, Congress busily passed programs employing the FHA and direct government-run mechanisms to assist particular population groups that were deemed worthy of special support from the government.

In retrospect, the preferences the federal government showed to these groups seem natural or inevitable, but they were not. Political strength, more than need, determined who would have housing assistance. It helped if a group could be portrayed sympathetically. The forgotten middle-income family, the neglected widow, the patriotic soldier, and the noble farmer were attractive images, especially if combined with well-chosen statistics demonstrating special needs. Interest groups propounded these images and arguments as they lobbied on behalf of their constituents. Their political activity was made all the more effective if a particular group, say the veterans, had the potential to sway elections by voting in a block. In contrast, working mothers and racial minorities had housing needs but lacked political clout and provoked feelings among the American public that ranged from ambivalence to hostility. Without political influence, even needy groups would not receive special housing programs.

Of course, good, even compelling, cases can be made on behalf of giving housing benefits to moderate-income families, old people, veterans, rural dwellers, and possibly even college students. But their special status raises the question of why these citizens and not others should benefit from housing programs. No matter what income limits are set as criteria for eligibility for moderate-income housing programs, is it just to disqualify those whose income barely exceeds that limit or those whose income exceeds the limit but have financial burdens such as ill family members? Do the able-bodied elderly really need special housing treatment? And should the government be allowed to segregate older citizens into separate communities?

Franklin Roosevelt once declared that wearing a uniform should not place someone above other citizens. Even if veterans deserve a reward for their service on behalf of the nation, should it come in the form of financial aid to purchase a house or for tuition? Other citizens deserve these things too, and other ways – such as money or tax exemptions – might be found to reward veterans. Similar questions can be raised about those who happen to live in rural areas. As for college housing, it is not even clear how much benefit the students and faculty – as opposed to their institutions – actually received from the federal program.

The point here is not that these housing programs should be revoked. It is that if housing programs are to meet the needs of citizens, the nation might be better served with systematic help for all citizens or, if that seems too extreme, aid to all citizens below a certain level of wealth or income. The further lesson of the history of the housing policy complex is that politics has created a social policy that is both inconsistent and incomplete.

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[1] Because of its daunting complexity, few authors have attempted to survey American housing policy. Perhaps the most comprehensive survey is Barry G. Jacobs, Kenneth R. Harney, Charles L. Edson, and Bruce S. Lane, *Guide to Federal Housing Programs* (Washington, D.C.: Bureau of National Affairs Inc., 1982). A recent instructive overview is Alex F. Schwartz, *Housing Policy in the United States: An Introduction* (New York: Routledge, 2006); and see also, Henry J. Aaron, *Shelter and Subsidies; Who Benefits from Federal Housing Policies?* (Washington, D.C.: Brookings Institution, 1972).

[2] Gail Radford, *Modern Housing for America: Policy Struggles in the New Era* (Chicago: University of Chicago Press, 1996); see also, Robert B. Fairbanks, *Making Better Citizens: Housing Reform and the Community Development Strategy in Cincinnati, 1890-1960* (Urbana: University of Illinois Press, 1989); John F. Bauman, *Public Housing, Race, and Renewal: Urban Planning in Philadelphia, 1920-1974* (Philadelphia: Temple University Press, 1987); Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933–1965* (New York: Oxford University Press, 1975). Discussions of programs oriented towards the private-sector can be found in Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985); Dolores Hayden, *Building Suburbia: Green Fields and Urban Growth, 1820–2000* (New York: Pantheon, 2003); Gwendolyn Wright, *Building the Dream: A Social History of Housing in America* (New York: Pantheon, 1981); Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Knopf, 2003); and Lizabeth Cohen, "From Town Center to Shopping Center: The Reconfiguration of Community Marketplaces in Postwar America," *American Historical Review* 101 (October, 1996), 1050-1081. Analyses of the history of federal housing policy and racial discrimination include Arnold Hirsch, "Containment on the Home Front: Race and Federal Housing Policy from the New Deal to the Cold War," *Journal of Urban History* 26, 2 (January 2000), 158-189; Raymond A. Mohl, "Whitening Miami: Race, Housing, and Government Policy in Twentieth-Century Dade County," *Florida Historical Quarterly* 79:3 (Winter 2001), 319-345.

[3] Two program areas that are not considered here are housing for military purposes and programs for the handicapped and disabled. Military housing is funded and managed through the Department of Defense and follows a different appropriations approval route. Housing for the handicapped and disabled was added to the housing policy complex more recently—from the 1960s onwards—and therefore belongs to a different time period than that covered here.

[4] The National Industrial Recovery Act of 1933 created the Public Works Administration, which among its other activities acquired land and built public housing projects through its Housing Division.

[5] Some recent accounts are Radford, *Modern Housing for America*; D. Bradford Hunt, "Was the 1937 United States Housing Act a Pyrrhic Victory?," *Journal of Planning History* 4:3 (August 2005), 195-221; Alexander von Hoffman, "The End of the Dream: The Political Struggle of America's Public Housers," *Journal of Planning History* 4:3 (August 2005), 222-253.

[6] The National Housing Act created the Federal Housing Administration (FHA) to dispense federal mortgage insurance to lenders and allowed the government to charter tax-exempt national mortgage associations to invest in mortgages. For Nelson, see Janet Pearl Davies, *Real Estate in American History* (Washington D.C.: Public Affairs Press, 1958), 178-179.

[7] Many summaries have been written; see, for example, Gertrude Fish, "Housing Policy During the Great Depression," in Gertrude Sipperly Fish, ed., *The Story of Housing* (New York: Macmillan, 1979), 200-210.

[8] The government sponsored and built this housing but under the auspices of the Federal Works Agency, not the U.S. Housing Administration which ran the public housing program.

[9] The trade lobbyists scored an early victory in 1942 with Section 608 of the National Housing Act, an amendment that allowed the FHA to insure mortgages for rental housing for war workers.

Davies, *Real Estate in American History*, 200-205.
[10] von Hoffman, "The End of the Dream." A good expression of the public housing advocates' vision is *A Housing Program for the United States,* A Report Prepared for the National Association of Housing Officials, Public Administration Service Publication No. 48 (Chicago: Public Administration Service, 1935).

[11] Lawrence M. Friedman, *Government and Slum Housing, A Century of Frustration* (Chicago: Rand McNally and Company, 1968), 99, ff.; von Hoffman, "The End of the Dream," 235-236; Allan F. Davis, *Spearheads for Reform: The Social Settlements and the Progressive Movement: 1890-1914* (New York: Oxford University Press, 1967), 103-122; Joel Schwartz, *The New York Approach: Robert Moses, Urban Liberals, and Redevelopment of the Inner City* (Columbus: Ohio State University Press, 1993); "UAW-CIO Post-War Housing Program," *Public Housing* 10:10 (October 1944), 7.
[12] Kristin Szylvian Bailey, "The Federal Government and the Cooperative Housing Movement, 1917-1955," Ph.D. dissertation, Carnegie-Mellon University, 1988, 85-86.
[13] Edith Elmer Wood, *Recent Trends in American Housing* (New York: Macmillan Company, 1931), 171, ff; Catherine Bauer, *Modern Housing* (Boston: Houghton, Mifflin Co., 1934), 133; "Cooperative Housing with Public Loans Seen Beneficial," *Public Housing Progress* 4:10 (June-July 1938), 3.
[14] Before switching to the condominium form of collective ownership, for-profit developers developed cooperative housing, particularly in New York, California, and Florida. See Matthew Lasner, "Own-your-owns, Co-ops, Town Houses: Hybrid Housing Types and the New Urban Form in Postwar Southern California," *Journal of the Society of Architectural Historians* 68:3 (September 2009), 378-403; Matthew Gordon Lasner, "No Lawn to Mow: Condominiums, Cooperatives, and the Emergence of Collective Homeownership in Metropolitan America, 1881-1973," Ph.D. dissertation, Harvard University, 2007.
[15] Catherine Bauer, "Now, At Last, Housing: The Meaning of the Wagner-Steagall Act," *The New Republic* 92 (Sept. 8, 1937), 121.
[16] Bailey, "The Federal Government and the Cooperative Housing Movement", 35-36; Paul Keith Conkin, *Tomorrow a New World* Second Edition (New York: Crowell, 1975), 132.
[17] Bailey, "The Federal Government and the Cooperative Housing Movement," 39-55; Elsie N. Danenberg, *Get Your Own Home the Co-Operative Way* (New York: Greenberg, 1949), 142-143.
[18] Catherine Bauer to Anthony Smith, Secretary, CIO Subcommittee on Housing, December 5, 1944; Catherine Bauer to Herbert Emmerich, January 22, 1945; Catherine Bauer to Lee Johnson, January 1, 1945, p.4, in Catherine Bauer Wurster Papers, Bancroft Library, University of California, Berkeley, California; "Senator Wagner Announces Plan for Housing Bill," *Journal of Housing* 2:4 (April 1945), 54; "Co-Op League Housing Conference Draws Big-Name Speakers," *Journal of Housing* 2:9 (September 1946), 204-205.
[19] Conkin, *Tomorrow a New World,* 202-211, *passim*; Stephen White, *Building in the Garden: The Architecture of Joseph Allen Stein* (New York: Oxford University Press, 1993), 81-99; "Co-op Houses," *Architectural Forum* 84:1 (January 1946), 89-95; Bailey, "The Federal Government and the Cooperative Housing Movement," 61-62; Kristin Szylvian, "Cooperative Home Ownership and the Housing Act of 1950," Paper delivered at the Social Science History Association, October 10, 1996, 12-13.
[20] Danenberg, *Get Your Own Home the Co-Operative Way*, 43; Subcommittee on Housing and Rents [staff] of the Committee on Banking and Currency of the United States Senate, *Report on Domestic Cooperative Housing* (Washington, D.C.: U.S. Government Printing Office, 1950), 16-20; 28-32.
[21] Richard O. Davies, *Housing Reform during the Truman Administration* (Columbia, Missouri: University of Missouri Press, 1966), 118-119; "Hearings Start on Middle-Income," *Journal of Housing* 6:8 (August 1949), 253.
[22] Davies, *Housing Reform,* 167-168, n.7; Murray D. Lincoln, "Statement before the Senate Banking and Currency Committee on Amendments S. 2246, Monday, January 16, 1950." Lincoln testified as president of the Cooperative League of the United States and as a representative of the National Cooperative Mutual Housing Association. Reuther was president of the United Auto Workers and housing chairman of the Congress of Industrial Organizations and Green was president of the American Federation of Labor.
[23] N.S. Keith to Raymond M. Foley, memo on cooperative housing conference, January 25, 1949, Box 2, Subject correspondence files of HHFA administrators, 1947-65, folder, Division of Slum Clearance and Urban Redevelopment, Record Group (RG) 207, National Archives (NA), College Park, Maryland; Bailey, "The Federal Government and Cooperative Housing," 80-91, 86 (quotation); Davies, *Housing Reform*, 118.

[24] Bailey, "The Federal Government and Cooperative Housing," 88, 92, 95-96; Davies, *Housing Reform*, 119-120.
[25] Davies, *Housing Reform*, 120; Bailey, "The Federal Government and Cooperative Housing," 94; "Congress Says 'No' on Cooperatives," *Journal of Housing* 7:4 (April 1950), 122, 126, 145; John M. Ducey, "Comment on Consistency," *Journal of Housing* 7:4 (April 1950), 145.
[26] These included as of 1946, Commissioner of Parks, chairman of New York City's Postwar Works Program, New York City Construction Coordinator, and housing representative on the City Planning Commission. The most complete account of Moses is Robert A. Caro, *The Power Broker: Robert Moses and the Fall of New York* (New York: Knopf, 1974).
[27] Joel Schwartz, *The New York Approach: Robert Moses, Urban Liberals, and Redevelopment of the Inner City* (Columbus: Ohio State University Press, 1993); "'White Collar' Aid In Housing Sought," *New York Times*, March 20, 1947, 19; "City Stunted By Lack of Housing," *New York Times*, June 16, 1947, 23; Douglas Dales, "$100,000 Asked For State Housing," *New York Times*, January 13, 1950, 1.
The Housing Act of 1954, which established the federal urban renewal program as the successor to the urban redevelopment program of the 1949 act, named moderate- as well as low-income households displaced by slum clearance as targets of its housing programs.
[28] Schwartz, *The New York Approach*, 134-138, 135 (quotation); "Housing Program of State Shifting to the Lower Middle-Income Group," *New York Times*, February 23, 1950, 16; "New York State Gives Housing Aid to Lower Middle Income Families," *Journal of Housing* 8:5 (May 1951), 163-166.
[29] Joseph P. McMurray, Report on Middle Income Housing in New York State, January 26, 1956 (Albany, N.Y.: Division of Housing, State of New York, 1956); Warren Weaver, "Harriman Signs 6 Housing Bills," *New York Times*, April 19, 1955, 29; "New Law Hailed as Aid in Housing; States Limited Profit Act Seen Leading to Private Projects Promptly," *New York Times*, August 4, 1955, 16; Douglas Dales,, "Moderate-Income Housing Supported by State Senate," *New York Times*, March 30, 1955, 1, 21; Ira S. Robbins, "To Increase Housing," Letter to the Editor, *New York Times*, April 14, 1955.
[30] Other than New York, Detroit, thanks to the efforts of the labor unions there, has probably developed the most cooperative housing. James E. Lash, *Report of the Task Force on Mitchell-Lama Housing* (New York: New York Housing and Development Administration, 1967), Appendix A; Anthony DePalma, "No Rush for Mitchell Lama Buyouts," *New York Times*, July 26, 1987; National Commission on Urban Problems, *Building the American City: Report of the National Commission on Urban Problems to the Congress and to the President of the United States* (Washington D.C.: U.S. Government Printing Office, 1968), 136; Hilary Botein, "New York State Housing Policy in Postwar New York City: The Enduring Rockefeller Legacy," *Journal of Urban History* 35: 6 (September 2009), 840-843; Margaret M. Brassil, "Post-Federal Housing Policy: States Take on Low-Income Housing," Paper presented at the American Political Science Association annual meeting, Boston, Massachusetts, August 28, 2002, 6-8.
[31] Section 236 of the Housing and Community Development Act of 1968 succeeded Section 221 (d) 3 and was highly productive. National Commission on Urban Problems, *Building the American City*, 147.
[32] William L. C. Wheaton, "Solving the Middle-Income Housing Problem," *The Housing Yearbook – 1963* (Washington DC: National Housing Conference, 1963), 48-49. Besides issues of fairness and need, many believe it is essential to subsidize moderate-income families in order to mix different income groups in housing developments to avoid projects inhabited entirely by impoverished households. See discussion in National Commission on Urban Problems, *Building the American City*, 145-147. Starting in the 1970s, federal officials at the Department of Housing and Urban Development, in an effort at achieving clarity in policies, began defining very low-income, low-income, and moderate-income income groups based on median income for a particular metropolitan area.
[33] David Hackett Fischer, *Growing Old in America* (Oxford; New York: Oxford University Press, 1978), 157-195, 181 (quotation); Carole Haber, *Beyond Sixty-Five: The Dilemma of Old Age in America's Past* (Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1983); Gladys Engel Lang, ed., *Old Age in America* (New York: H. W. Wilson Co., 1961); Alan Brinkley, *The End of Reform: New Deal Liberalism in Recession and War* (New York: Alfred A. Knopf, Distributed by Random House, 1995).
[34] Prior to the first White House Conference on Aging, the Truman administration convened a national meeting to address issues of the aging, which was followed by similar gatherings in 1952 and 1956.
[35] See essays in Robert B. Hudson, ed., *The Aging in Politics: Process and Policy* (Springfield, Ill.: C. C. Thomas, 1981), especially Robert H. Binstock, "The Politics of Aging Interest Groups," 47-73 and Robert

A. Harootyan, “Interest Groups and Aging Policy,” 74-85; Henry J. Pratt, *The Gray Lobby* (Chicago:University of Chicago Press, 1976).

[36] Hertha Kraus, “Older Persons Have Special Housing Needs: And so do large families and working mothers,” *Journal of Housing* 7:1 (January 1950), 17; Eleanor Watkins, *Report made to the World Health Organization and the Committee on the Hygiene of Housing of the American Public Health Association on Housing the Aged in England, Holland, Denmark, and Sweden* (New Haven: The author, 1951); National Association of Housing Officials, *A Bibliography: Housing for the Aged* (Chicago: The Association, 1946); Conference Group on Welfare of the Aged, Subcommittee on Housing, *Report on Housing the Low Income Aging* (New York: New York Welfare Council, 1947).

[37] “Conference on Housing For Aged Draws over 400,” *Journal of Housing* 9:8 (August 1952), 271 (quotation); “Studies Planning Building Under Way to House the Aged,” *Journal of Housing* 11:2 (February 1954), 39; “Emphasis on Housing the Aged Continues,” *Journal of Housing* 12:6 (June 1955), 201; “Design for Aged Single Persons,” *Journal of Housing* 10:1 (January 1953), 17; Massachusetts State Housing Board, *Housing for the Elderly; Standards of Design* (Boston: Commonwealth of Massachusetts, 1954).

[38] “Housing for the Aged- Action Programs Are Beginning To Take Shape,” *Journal of Housing* 9:6 (June 1952), 197-199, 203; Chapter 668 of the Acts of the Commonwealth of Massachusetts 1953; “Massachusetts Votes Funds to House Aged: Amends Blight Law,” *Journal of Housing* 10:7 (July 1953), 235-236; “Housing Problems of the Aged Gaining Official Recognition,” *Journal of Housing* 11:7 (July 1954), 220; “Emphasis on Housing the Aged Continues,” *Journal of Housing* 12:6 (June 1955), 201.

[39] “Who Will Build for the Nation’s Aged?” *House and Home* 7:6 (July 1955), 136-137; “Housing Law: After Long Labor, A Mouse,” *House and Home* 8:3 (September 1955), 39-40; Grace Milgram, *A Chronology of Housing Legislation and Selected Executive Actions, 1892–1992: A Report by the Congressional Research Service; Printed for the use of the Committee on Financial Services, U.S. House of Representatives, One Hundred Eighth Congress, second session* (Washington, D.C.: U.S. Government Printing Office, 2003), 58, 61.

[40] “Housing Policy: Is the Senate Pushing Housing Toward Total Government Rule?” *House and Home* 12:1 (July 1957), 64, 68.

[41] There are a myriad of published works explaining and exhorting elderly housing. Some examples from the 1950s are “A Minimum Housing Program for the Nation,” *The Housing Yearbook - 1955* (National Housing Conference: Washington, D.C., 1955), 5; Nan Robertson, “Sweden Builds Gay Homes for the Aged,” *The Housing Yearbook – 1958* (National Housing Conference: Washington, D.C., 1958); Mary Cleverley, *Housing for the Elderly, an Address to the National Council of Negro Women, Inc.* (Washington, D.C.: U.S. Federal Housing Administration, 1957); Housing Authority of the City of Milwaukee, A Report on Housing Accommodations of Elderly Persons in the City of Milwaukee (Milwaukee: City of Milwaukee, 1958); National Council on the Aging, *Building for Older People: Financing, Construction, Administration* (New York: 1961). *Journal of Housing*, the organ of the National Association of Housing Officials, published articles on the progress of elderly housing throughout the decade, and leaders of organized labor and other pro-public housing groups supported it.

[42] John P. Dean, “Public Housing For the Aged,” *Journal of Housing* 2:9 (September 1946), 203-204; Lawrence M. Friedman, *Government and Slum Housing, A Century of Frustration* (Chicago: Rand McNally and Company, 1968), 129-131.

[43] Rachel G. Bratt, *Rebuilding a Low-Income Housing Policy* (Philadelphia: Temple University Press, 1989), 88-90.

[44] United States Committee on Banking and Currency, *Housing Act of 1959: Hearings Before the Subcommittee on Housing of the Committee on Banking and Currency, House of Representatives, Eighty-sixth Congress, first session* (Washington: United States Government Printing Office, 1959), 39-40.

[45] Statement of Robert A. Holloway, Chairman, Realtors’ Washington Committee of the National Association of Real Estate Boards, Committee on Banking and Currency, *Housing Act of 1959*, 282-283; Statement of Carl T. Mitnick, president of NAHB, Committee on Banking and Currency, *Housing Act of 1959*, 462-463, 465; Statement of Samuel E. Neel, General Counsel, Mortgage Bankers Association of America, Committee on Banking and Currency, *Housing Act of 1959*, 504-506.

[46] John F. Kennedy, Executive Order 11022, “Establishing the President's Council on Aging,” May 14, 1962; *Housing a Nation* (Washington, D. C.: Congressional Quarterly Service, 1966), 46, 48.

[47] Such provisions can be found in the housing acts of 1968, 1970, 1974, 1978, 1979, 1983, 1987, 1988, 1990, 1992, and 2000.
[48] "Design for Aged Single Persons," *Journal of Housing* 10:1 (January 1953), 17; Massachusetts State Housing Board, *Housing for the Elderly; Standards of Design* (Boston: Commonwealth of Massachusetts, 1954).
[49] "Housing for the Aged- Action Programs Are Beginning To Take Shape," 199, 203.
[50] Dean, "Public Housing For the Aged," 203; "Housing for the Aged- Action Programs Are Beginning To Take Shape," 197.
[51] Shay's Rebellion, the Greenback movement, and the Bonus Army, respectively are examples.
[52] Suzanne Mettler, "The Creation of the G.I. Bill of Rights of 1944: Melding Social and Participatory Citizenship Ideals," *Journal of Policy History* 17: 4 (2005), 348-349; Suzanne Mettler, "Policy Feedback Effects for Collective Action: Lessons from Veterans Programs," unpublished manuscript, May 13, 2002, 9-14; Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge: Belknap Press of Harvard University Press, 1992).
[53] Mettler, "The Creation of the G.I. Bill of Rights of 1944," 349.
[54] Keith W. Olson, *The G.I. Bill, The Veterans, and The Colleges* (Lexington: University Press of Kentucky, 1974), 4, 7 (quotation).
[55] Olson, *The G.I. Bill*, 10-17; Mettler, "The Creation of the G.I. Bill of Rights of 1944," 365-366.
[56] Edward E. Odum, Solicitor of the Veterans Administration, expressed this view in 1945. See Olson, *The G.I. Bill*, 38. For the purpose of the housing bill, see U.S. President's Commission on Veterans' Pensions, "Objectives and Historical Development of Veterans' Loan Benefits" in Paul J. Mitchell, ed. *Federal Housing Policy and Programs: Past and Present* (New Brunswick, N.J.: Rutgers University, Center for Urban Policy Research, 1985), 106-112.
[57] The 1945 amendments pertaining to education included increases in the monthly subsistence allowances for veterans, elimination of the one-year limit of education for older veterans, and extension of the time in which veterans would be allowed to acquire schooling. See Olson, *The G.I. Bill*, 37-38. The Veterans' Readjustment Assistance Act of 1952 offered veterans of the Korean War transition payments, unemployment insurance, education, and housing similar to those of the original G.I. Bill. The Veterans Readjustment Benefits Act of 1966 did the same for Vietnam veterans but also those who served during the relative peace of the Cold War. Passed in 1974, the Vietnam Era Veterans Readjustment Act extended the time limits for educational assistance as well as increasing payments to veterans attending college. In 1984, by which time the United States had established all-volunteer armed forces, a new "G.I. Bill," sponsored by Representative G. V. (Sonny) Montgomery, a conservative Democrat from Mississippi, revived education benefits for all military personnel and extended them to members of the National Guard and Reserve. The proffered education benefits were narrowed somewhat over time, finally requiring a financial contribution from veterans to activate government payments.
[58] Mettler, "The Creation of the G.I. Bill of Rights of 1944," 363; William L.C. Wheaton, "The Evolution of Federal Housing Programs," Ph.D. Dissertation, University of Chicago, 1953, 234. For its part, the National Association of Real Estate Boards, "kept hands off the bill itself." Davies, *Real Estate in American History*, 213. A segregationist, Rankin introduced the bill, later opposed the education and other benefits that he feared would give too much aid to Mississippi's African Americans, but in the end voted for it.
[59] Kenneth Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), 233 (quotation); "Denies G.I. Bill Scheme" *New York Times*, August 15, 1944; "Ruling Awaited On Veterans' Bill, *New York Times*, September 12, 1944. For early interest of the Mortgage Bankers Association in veterans' programs, see "Favors Insurance of Liens on Farms," *New York Times*, September 8, 1943.
[60] John Ihlder to Harry S. Truman, June 25, 1947, cited in David R. B. Ross, *Preparing for Ulysses: Politics and Veterans during World War II* (New York, Columbia University Press, 1969), 238.
[61] "Service Men Get Housing Priority," *New York Times*, November 2, 1944, 31; "Servicemen's Families Favored for Public Housing- Pittsburg, Omaha," *Journal of Housing* 2:2 (February 1945), 46; "Veterans Assured Priority Aid for Home Building," *Washington Post*, October 3, 1944, 2.
[62] *Housing a Nation*, 23.
[63] Ross, *Preparing for Ulysses*, 238-239; "The Magic of the Word, 'Veteran,'" *Journal of Housing 2:8* (August 1945), 126.

[64] Davies, *Housing Reform,* 43 (quotation), 44.
[65] Davies, *Housing Reform,* 50-58.
[66] The change in the FHA program was ratified in a provision of the Veterans' Emergency Housing Act of 1946; Housing And Rent Act Of 1947 (Public Law 80-129, June 30, 1947). ; The Housing And Rent Act Of 1948 (Public Law 80-464, March 30, 1948) extended rent control and veterans' preference in new housing to April 1, 1949. Farmers Home Administration Act of 1946 (Public Law 79-731, August 14, 1946) amended the Bankhead Jones Farm Tenant Act. "How Veterans Organizations Stand on Housing," *Journal of Housing* 2:12 (December 1946), 279; "Federal Aid For Veterans Housing," *Journal of Housing* 3:2 (February 1947), 37; "Office of Housing Expediter Administers Rent Controls- Also Begins Wind-up of Veterans Emergency Program," *Journal of Housing 3:8* (August 1947), 226-227; "Elderly Single Persons Asked to 'Double Up' Make Way for Vets," *Journal of Housing* 4:8 (August 1947), 24; "New York Has Four Way State Housing Program," *Journal of Housing* 5:3 (March 1948), 70-71.
[67] Suspension of the VA's prior approval requirement pertained to loans issued by lenders under state or federal government supervision. Lee E. Cooper, "High Prices Curb 'GI' Home Buying," *New York Times,* March 29,1945, 22; S.H. Scheibla, "GI Loan Lag," *Wall Street Journal,* April 4, 1945; Charles Hurd, "The Veteran; Ending of Red Tape on Loans for GI's Held Needed to Spur New 'Enterprise,'" *New York Times,* July 15, 1945, 18; U.S. President's Commission on Veterans' Pensions, "Objectives and Historical Development of Veterans' Loan Benefits" in Paul J. Mitchell, ed. *Federal Housing Policy and Programs: Past and Present* (New Brunswick, N.J.: Rutgers University, Center for Urban Policy Research, 1985), 110-111; Mary K. Nenno, "Housing in the Decade of the 1940s—The War and Postwar Periods Leave Their Marks," in Fish, ed., *The Story of Housing*, 253.
[68] Nenno, "Housing in the Decade of the 1940s," 253-254; (indecision)CHECK Wheaton, "The Evolution of Federal Housing Programs," 237-241.
[69] Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005), 101-102; Wheaton, "The Evolution of Federal Housing Programs," 242.
[70] The "Veterans Readjustment Assistance Act of 1952," signed by President Truman on July 16, 1952, was known as the Korean G.I. Bill. *Housing a Nation*, 32-34, 37, 40, 41, 45.
[71] In March 1966 Congress and President Lyndon Johnson agreed on the Veterans' Readjustment Benefits Act of 1966, a "Cold War G.I. Bill," that revived the program for those who served for two years in the armed forces after the Korean War, but also a Vietnam War G.I. Bill, that made those who served between August 5, 1964, and May 7, 1975 eligible for benefits. The Veterans' Housing Act of 1970 removed all time limits on the use of VA loans, as well as further increased the programs' benefits. In 1976 the government added a provision to cover those who served in the peaceful interlude between the end of World War II and the onset of the Korean conflict. In 1978, special benefits were extended to Vietnam era veterans. The Veterans' Educational Assistance Act of 1984, renamed the Montgomery G.I. Bill after Rep. Sonny Montgomery, extended education benefits to the peacetime volunteer armed forces, including the National Guard and Reserve personnel. See History of the Veteran Administrations Home Loan Program, <http://www.va-home-loans.com/history_VA_loan.htm>, viewed June 25, 2007. SPACING ISSUE
The provisions for each set of veterans varied over time, with education benefits becoming less generous. See Olson, *G.I. Bill*, 104-108.
[72] John J. Agria, *College Housing; a Critique of the Federal College Housing Loan Program* (Washington: American Enterprise Institute for Public Policy Research, 1972), 15-17.
[73] Land-grant colleges were created by the U.S. Morrill Act of 1862 and public (state) institutions.
[74] Agria, *College Housing*, 19. For the origins and early history of the interest group organizations for institutions of higher education, see Hugh Hawkins, *Banding Together: The Rise of National Associations in American Higher Education, 1887-1950* (Baltimore: Johns Hopkins University Press, 1992)**.**
[75] Agria, *College Housing*, 17-20.
[76] Public Law 81-475, April 20, 1950.
[77] Agria, *College Housing*, 21.
[78] Housing Amendments of 1955 (Public Law 84-345, August 11, 1955); "Housing Law: After Long Labor, A Mouse," 39-40. The amendments also extended eligibility for the loans to junior colleges and colleges' nonprofit subsidiaries that provided housing or facilities and eased the eligibility requirement to show the unavailability of private market loans by substituting the phrase "equally as favorable" loan terms and conditions for "generally comparable."

[79] Public Law 84-1020, August 7, 1956; Public Law 85-104, July 12, 1957; Public Law 86-372, September 23, 1959; Public Law 87-70, June 30, 1961; Public Law 89-117, August 10, 1965. For summaries, see Milgram, *A Chronology of Housing Legislation*, 62, 65, 73, 101; Agria, *College Housing*, 35-36.

[80] The major political obstacle to comprehensive government support of higher education was the issue of separation of church and state, chiefly because for many years the lobby group of public schools, the National Education Association, opposed any federal aid to parochial schools as a threat to its members' self-interest. J. L. Morrill, "Higher Education and the Federal Government," *Annals of the American Academy of Political and Social Science* 301 Special issue on Higher Education under Stress (September 1955), 41-45; R. H. E. "A Good Program," *The Journal of Higher Education* 29:3 (March 1958), 163-166; "Huge U.S. Aid Held Need of Colleges; 4-Year Plan Asks Grants and Loans for Facilities and Help to Students," *New York Times*, February 12, 1961, 80; James L. Sundquist, *Politics and Policy: The Eisenhower, Kennedy, and Johnson Years* (Washington, D.C.: The Brookings Institution, 1968), 195-220; Thomas R. Wolanin, editor, *HEA: Reauthorizing the Higher Education Act: Issues and Options* (Washington, D.C.: The Institute for Higher Education Policy, 2003), 96-97. For a list of federal programs of assistance to schools of higher education, see the Chronology of Federal Education Legislation, in Thomas D. Snyder, Alexandra G. Tan, and Charlene M. Hoffman, *Digest of Education Statistics, 2005* (Washington, D.C.: National Center for Education Statistics, 2006), 574-581.

[81] Only a small portion of federal funds reached junior colleges where more low-income students enrolled. The merging of many accounts and revenue sources by colleges and universities makes tracking the transference of the subsidy into college budgets, let alone determining the degree to which students benefited, extremely difficult. Agria, *College Housing*, 67-78, 90.

[82] Agria, *College Housing*; Israel Rafkind, *The Federal Government's College Housing Loan Program; a Critique and Alternative* (Washington, D.C.: American Council on Education, 1966).

[83] William N. Stokes, Jr., *Credit to Farmers; the Story of Federal Intermediate Credit Banks and Production Credit Associations* (Washington: Farm Credit Administration, 1973).

[84] Conkin, *Tomorrow a New World*, 77-88.

[85] Conkin, *Tomorrow a New World*, 182-185, 229-230.

[86] Paul E. Grayson, "Farm Housing in the United States and Recent Farm Housing Legislation," *Journal of Farm Economics* 32:4, Part 1. (November 1950), 595.

[87] Conkin, *Tomorrow a New World*, 183-184; Milgram, *A Chronology of Housing Legislation*, 10; Grayson, "Farm Housing in the United States," ibid. In addition, the government built and operated dozens of migrant farm labor camps, a far less popular program discontinued in 1947.

[88] "Rural Housing: National Committee on Housing," *Journal of Housing* 2:8 (August 1945), 132; "Rural Housing Activity Reported on Three Fronts," *Journal of Housing* 2:6 (June 1945), 87; "Rural Housing Urged By Mrs. Roosevelt," *New York Times*, July 20, 1945, 9.

[89] "Senator Wagner Announces Plan for Housing Bill," *Journal of Housing* 2:4 (April 1945), 54; Davies, *Housing Reform*, 22-27; Mark I. Gelfand, *A Nation of Cities: The Federal Government and Urban America, 1933–1965* (New York: Oxford University Press, 1975), 138-144 ff.; Milgram, *A Chronology of Housing Legislation*, 21; "Action and Inaction in Washington: Wagner-Ellender-Taft Bill gets Senate Okeh," *Journal of Housing* 2:5 (May 1946), 9; Grayson, "Farm Housing in the United States," 595.

[90] Grayson, "Farm Housing in the United States**,"** 595-597.

[91] Grayson, "Farm Housing in the United States**,"** 597-601.

[92] On Southern political support, see Henry J. Aaron, *Shelter and Subsidies: Who Benefits from Federal Housing Policies?* (Washington, D. C., The Brookings Institution, 1972), 148; for rural housing legislation, see Milgram, *A Chronology of Housing Legislation*, passim. In 1994, the Farmers Home Administration was reorganized into the Farm Service Agency, which carries out most of the same programs today.

[93] Hertha Kraus, "Older Persons Have Special Housing Needs," *Journal of Housing* 7:1 (January 1950), 17; Hertha Kraus, "Large Families Have Special Housing Needs: And so do and working mothers," *Journal of Housing* 7: 3 (March 1950), 90-91, 107; D. Bradford Hunt, *Planning a Social Disaster: The Unraveling of Public Housing in Chicago* (Chicago: University of Chicago Press, forthcoming).

[94] Hertha Kraus, "Working Mothers Have Special Housing Needs…," *Journal of Housing* 6:12 (December 1949), 428-429; Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Welfare Mothers Survive Welfare and Low-Wage Work* (New York: Russell Sage Foundation, 1997).

[95] Juliet Saltman, *Open Housing: Dynamics of a Social Movement* (New York: Praeger Publishers, 1978), 44-45; Eva C. Gup, "Application Office 'Prepares' Tenants for Inter-Racial Living," *Journal of Housing*

6:1 (January 1949), 15-17; Eunice and George Grier, *Privately Developed Interracial Housing: an Analysis of Experience* (Berkeley: University of California Press, 1960).

[96] John J. Vax, "Home Financing Assistance by the Voluntary Home Mortgage Credit Program," *The Phylon Quarterly* 19: 1 (1st Qtr., 1958), 81-82.

[97] Albert M. Cole, "Federal Housing Programs: 1950-1960," in Fish, ed., *The Story of Housing*, 318-321; Arnold R. Hirsch, "Searching for a 'Sound Negro Policy': A Racial Agenda for the Housing Acts of 1949 and 1954," *Housing Policy Debate* 11:2, 393-441.

[98] Hughes and others did not go so far as to call for racially-integrated developments, which at that time still were considered experimental propositions. See, for example, "Interracial Housing – Current News Reports indicate Variety of Activities in the Field," *Journal of Housing* 12:6 (June 1955), 200-201.

[99] Richard G. Hughes, "Minorities Need Housing—Now Is the Time to Act," *NAHB Correlator* 8:12 (December 1954), 2-4; "Housing Minority Groups: South Acres Estate, Houston, Texas," *NAHB Correlator* 8:12 (December 1954), 5-7; NAHB, Report of the Minority Group Housing Committee January 14, 1955; Report of the Minority Group Housing Committee May 14, 1955. The *Washington Letter* of the National Association of Home Builders, October 12, 1955, no. 517, 3 mentions the Minority Housing Committee, but issues in subsequent years do not mention the committee.

[100] Ernest M. Fisher, *A Study of Housing Programs and Policies: Prepared for U.S. Housing Administrator Norman P. Mason* (Washington, D.C.: U.S. Housing and Home Finance Agency, 1960);*Views on Public Housing, Symposium of Letters Written at the Request of Norman P. Mason* (Washington, D.C.: Housing and Home Finance Agency, 1960). Albert M. Cole, "Federal Housing Program," in Fish, ed., *The Story of Housing*, 321.