

MEMORANDUM ON  
HOUSING

In considering the housing problem, particularly with reference to securing a sufficiently intense activity to effect employment, it must be borne in mind that the mere construction of low cost housing for the under-privileged classes, while eminently desirable in itself, will not be of sufficient breadth to affect the general economic situation.

A housing program which will attain sufficient momentum to break the cycle of existing unemployment must, in some manner, attract and unloosen the great reservoir of private capital which is being hoarded in the form of savings and commercial bank deposits, now at an all time peak. The frozen condition of this great reservoir of purchasing power is largely due to the uncertainties of the times, and the fear induced by those uncertainties. To release these funds, it will be necessary to offer something attractive, and of sufficient economic advantage to break down resistance to spending.

The owners of these frozen funds represent a large portion of the middle class of the United States who have jobs or small incomes, and who are conserving every penny at the present time in their desire to be as secure as possible against loss of their income producing work or further deterioration of their income producing capital. A substantial proportion of this class are living in cities in small rented apartments, or small rented houses, paying all the way from \$25 to \$75 a month therefor. If these individuals can be offered

a home which will be an improvement in comfort and convenience over the quarters in which they are now living, and which at the same time will cost them, per month, less than their present rental, they will willingly make a small capital investment to secure the change. Their willingness would be greatly increased if the home offered them is something dramatically new and striking. It is here that the possibilities of the new mass production or fabricated house should be considered with its revolutionary offering of air conditioning, built-in electrical appliances, and its steel construction with the attendant protection against vermin, tornadoes, earth-quakes, lightning and fire hazards. If a plan could be worked out by which a house embodying all these advantages could be purchased for a very small payment down and, say, \$20 a month interest and amortization, it might have sufficient appeal to cause a flood of building activity throughout the country.

In addition to quickened activity and the employment of labor, if the movement should attain sufficient proportions, it would have a vital effect in combatting radicalism, in decentralizing our congested cities, and in providing better health for the population.

It would, of course, result in depreciating the values of certain existing real estate investments, and it might well indeed be opposed by certain elements of labor, such as the local carpenters and plasterers, and by certain great industries, such as lumber.

However, it would seem that the losses involved in a broad movement of this kind would be inconsiderable compared with the gains, and are the losses which naturally result from progress. The country, as a whole, would be much improved in health, comfort and convenience. It would benefit from the steadying influence of home ownership.

The only question is whether the great industries interested in fabricating mass production houses have carried their experimentation to a point where the house is now entirely practical from an operating standpoint, can be promptly erected, and really holds out the advantages claimed for it. If satisfaction can be had on these points, and if these industries which have great resources and enormous potential powers for production, can be induced to join in a program which will make possible the offering of these houses in large quantities at low prices, it may be possible to tap a great reservoir of spending power now frozen by fear, and this in turn may possibly exert a determining influence upon unemployment, and upon the stagnant economic situation.