

Notes for Welcoming Remarks
Cleveland Residential Housing and Mortgage Credit Project
January 25, 1995

Economist - Adam Smith

? how to satisfy human wants?

Demands for many things come and go

- not much demand for stagecoaches
- demand for PC's and CD's

Basic Wants: Food, clothing and shelter

Universal - totally independent of human traits, political systems, etc.

Two ways to meet people wants : markets; political (State)

Much of 20th century : contest of ideas

Political affairs : democracy vs. dictatorship

Economic affairs : markets vs. collectivist

Mussolini

Final few years of millennium

- contest is over

future (21st century) : democracy and markets

Countries all over the world are moving to market approaches to providing food, clothing and other wants.

Shelter:

Housing: ? If markets are superior in providing what people want, what prevents people from obtaining adequate shelter?

Market failures : "sand in the gears".

When “sand in gears” results in disparities based on race, sex, religion or other human characteristics,

- especially divisive effect on the social fabric of a society

Declaring that markets have failed and turning to a political approach is not an option.

We really have no choice but to press ahead with efforts such as the Cleveland Project to find the friction points and eliminate them.

Importance : for us in Cleveland

Model for others

? Cleveland Unique?