

# U.S. Making Few Inroads on Slum Housing

By RICHARD F. JANSSEN  
Staff Reporter of THE WALL STREET JOURNAL  
WASHINGTON — The ghetto experts are getting another jolt.

The cause is a deceptively technical-looking document, called Working Paper No. 26 of the Census Bureau, but its message is a disturbing and potentially explosive one: That the nation hasn't been making any real headway in eliminating slum housing.

Until a recent reappraisal the country could take some comfort from census statistics showing that the lowest class of housing — "dilapidated" — had been dramatically slashed by 1.6 million units between the 1950 and 1960 censuses, a cut of more than 40%.

Now, officials admit that was a monumental miscalculation. The exact number remains subject to considerable doubt, but new estimates place the decline in the decade at much less than 100,000 units, perhaps only 6,000 — or none at all. "It's almost a standoff," says a Census Bureau technician. Unofficially, bureau statisticians figure there were roughly 3.6 million dilapidated housing units in use in 1950, and the number as of 1960 was still something more than 3.4 million units.

The new numbers are certainly a disappointment to housing officials, particularly in light of the billions of dollars poured into urban renewal and public housing in recent years. And the newly apparent lack of progress, some suspect, may partly explain the frustrations that erupt in rioting.

## "Big Job Ahead"

The massive mistake is also an embarrassment, of course, to the Government's statistical overseers who so frequently have to admit that numbers issued as economic truth were later found to be far off the mark. The Census Bureau said earlier this week, for instance, that its housing-starts figures had been exaggerating actual activity ever since 1963, and Treasury Secretary Fowler last week conceded that the fiscal policy proposed in January might well have been quite different if he'd known then that his economists were making a \$3 billion error in estimating tax revenues.

The discouraging new numbers on slums only buttress his conviction, says Federal Housing Commissioner Philip N. Brownstein, "that we've not done enough. . . . There's a big job ahead." Each year, he fears, "as you eliminate some dilapidated housing, additional ones come into that category." But the data also suggest, he says, that the Johnson Administration is correct in placing more emphasis lately on rehabilitating rundown housing units rather than relying solely on the more costly process of replacing them with entirely new ones.

The reappraisal is viewed even more grimly by some private housing experts. "It raises the question of are we getting any better" in improving the housing lot of the less-privileged, says Michael Sunicinast, chief economist of the National Association of Home Builders. And the answer, he says, is "probably not." Perhaps equally unsettling, he adds, is that "we don't know what's happened" since 1960 because the Government attempts to measure housing conditions only once each decade. Compared with the almost undented inventory

of deteriorating dwellings, moreover, the few available clues aren't reassuring—urban renewal knocked down an average of only 89,000 units a year in the 1960-64 period, he says.

## Data-Gathering Method

Whatever impact the report may have on Federal housing programs themselves, it will certainly help shape the way the Census Bureau goes about gathering data on "housing quality" in its next regular census in 1970. "I don't know how we're going to do it then," an official laments, "but it's pretty clear that what we won't do is repeat what we did in 1950 and 1960."

Also clear, planners add, is that the risks of mismeasurement are potentially greater for the 1970 census because it's slated to be the first one conducted mainly by mail rather than personal visits. Officials could have guessed it anyway, they say, but trial runs in a few communities show that "householders rate their units more favorably than experts, homeowners to a greater extent than renters." Somehow, the bureau will try to avoid asking people to describe their own houses in such words as "excellent" or "very bad," hoping it will get more accurate answers by asking them to check such specifics as whether their front porch needs repairs.

Actually, the difficulty with the past statistics wasn't much different, officials have found. The regular census enumerators were told to judge whether houses were "sound," in need of repair and this "deteriorating" or if they were "dilapidated," which was defined as in a condition "endangering the health, safety or well-being of their occupants." They found far fewer than they had in 1950, but re-checking by more highly trained "special evaluators" later turned up enough evidence to convince officials that the first version "understated by at least one-third" the number of dilapidated dwellings in use.

## Three-Way Classification

The reasons may never be fully known, but analysts suspect one element may be that a greater proportion of the regular census takers were from lower-income groups that weren't accustomed to very high standards of housing themselves. They may have been confused by the change to a three-way classification from 1950's simpler "dilapidated" or "not dilapidated." The defects may have been harder to see in 1960, the report also suggests, because of more installation of new sidings that cover up "serious structural defects," for example.

While they look forward to getting a better measure in 1970, some analysts question whether they'll have any better idea of the long-term trend because one more change of method and definition could make comparisons even more difficult. In the meantime, Government publications are sticking with the now-discredited original 1960 census version of 2.3 million dilapidated units down from 3.9 million in 1950, even though the latter is considered too large. Also confusing, some observers note, is that these statistics lessen the reliability of the separate series of "standard-substandard" breakdowns which depend in part of availability of certain plumbing fixtures.

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# Economic News

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## ARE SLUMS HERE TO STAY?

The question, "Are slums here to stay?" seems to be more relevant than ever before. It seems as though slums always have been here, and always will be. Congress certainly must think they are here to stay, when serious thought is given to a \$40 million rat-control bill.

It seems that the billions of dollars spent on federal urban renewal aren't even making a dent in the slums of our urban areas.

An article in the Wall Street Journal on August 10, 1967, by Richard F. Janssen (reprinted on other side) dramatically points out that the battle against slums has been a losing one. It appears that no amount of federal funds is going to make a dent in the situation. Aside from the billions spent on urban renewal and the millions on rat control, Congress is going to spend millions on rent subsidy, none of which will help with the real problem of providing decent housing for the masses that presently populate our city centers.

## MIDDLE CLASS MOVES TO SUBURBS

The masses which comprise the middle class will not, and need not live in rat infested, dilapidated and congested slums in core areas. They hold jobs which provide an average wage and the stability which makes it possible to move into new subdivisions with very little down payment on \$20,000 to \$30,000 homes with a 6.6% loan for a 35-year period. Most of them have children or will have children, and the suburb seems to be the answer to the housing problem.

Besides the house payments, furniture and auto payments are two of the main budget busters that face this middle-class family that moved into a new home in the suburbs.

It is soon discovered that once dad leaves the house with the family car, mama is on foot for transportation. Public transportation just isn't. So, for a while, mama drives dad to work and picks him up, which disrupts her whole day. So, the inevitable happens, mama gets a second car. Of course the budget really goes haywire after that; with the kids growing up to make things even tighter budgetwise, the charm, beauty, peacefulness and joy of suburban living soon becomes a hassle.

The middle class would live in the center city if the choices were not limited to slums or \$350 per month apartments. The problem is economic. Private developers cannot pay the high prices asked for core-area properties (including slums) and, when high prices are paid for building sites, moderate-priced apartments just can't make the venture profitable.

## WHAT'S THE CAUSE OF THE PROBLEM?

The cause of the problem is the property tax structure. The problem is that valuable sites are paying low taxes, just as slums pay low taxes. As long as the property taxes are low, owners can sit on slums and vacant sites (usually a billboard pays the taxes) and wait for a pie-in-the-sky price. This way the profit motive is working against private development. If the present tax structure is allowed to continue, only the federal and state governments will be able to develop the city centers properly. On the other hand, if the property taxes on slums and choice vacant sites were made so high that they would become a liability, instead of a profitable investment, private developers would be able to purchase and develop them.

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