

for public housing projects. In either case, the political method is used for determining the need and assessing the burden of the costs involved.

A Housing Shortage

ALTHOUGH the foregoing campaign statement did not say so, many persons believe that a housing shortage exists in the United States at the present time. They say that there are not enough dwellings to satisfy the demand. They say it isn't right that some American families should be deprived of better housing, especially when they appear willing to pay for it. They say that private builders aren't doing the job, that the competitive system isn't functioning properly. Many persons believe that the government ought to do something about such a situation.

A seeming corrective for any shortage is to produce more of the things which are scarce—in this instance, produce more houses. And that's precisely what a great many citizens believe the government of the United States ought to do: carry on and enlarge its public housing program. Other persons will argue that the job should be done by the state governments. And still others believe that the cities and communities ought to do the job through their own local governments. If the hours of

earnest and vigorous debate as to which of these branches of government ought to do the job had been spent in home construction, this housing shortage would be much less acute than it is. And the sad part of all such debate is that it blinds the participants to the true nature of the problem.

The problem is that there are not enough dwellings to satisfy the demand *at prevailing prices*. And the fact is that someone has been interfering with prices—the means by which the market equates the demand for housing against the available supply of houses.

Price Fixing

SOMEONE has been trying to set too low a price for housing, thus causing too much demand. Theoretically, such interference could originate with individual owners of houses, apartments, and other dwellings. Suppose an apartment house builder were to open a new project, for some reason offering all of his well-built and highly desirable apartments at a monthly rental of \$10, including utilities. In most communities such a ridiculously low rental rate would bring forth far more applications from tenants than could be satisfied. The apartment house owner would have created a housing "shortage" simply by building housing and offering it for rental at less than the prevailing