

Labor Unions - Business enterprises.

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ACTIVITIES OF THE EUROPEAN  
LABOR MOVEMENT IN THE  
HOUSING FIELD ;  
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A survey prepared by

Heinz Umrath

Amsterdam, December, 1952

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I N T R O D U C T I O N

This report does not pretend to be a comprehensive study of the activities of the free trade unions and the co-operative and other non-profit associations in the housing field.

Such a study, valuable as it would be, asks for much more research than could be done in the time which the writer had at his disposal. Furthermore, the scope of this report had to be limited in order to make it readable for those who already have too little time to go through all the documents they find on their desks every day.

Under these circumstances an attempt has been made to give a bird's eye view of the European housing scene -- past and present -- as far as the labor movement is concerned.

In some cases, like Sweden and Germany, the influence of the trade unions and other sections of the labor movement is quite obvious. But in countries like Great Britain and Belgium direct housing activities of the unions themselves are more or less non-existent, though there cannot be any doubt that without the constant pressure of the workers' organizations much less progress would have been made. It was, of course, much more difficult to do justice to these "intangible" achievements, than to describe such well-known institutions as "Svenska Riksbyggan" and H.S.B., or the pilot-project Schleswig-Holstein, where 10,000 dwellings were built under the auspices of the D.G.B. Therefore, it is quite possible that too much emphasis has been placed here, and too little there.

What emerges is a picture of a surprising variety of possibilities and achievements. In housing, as in so many other fields, the European labor and trade union movement has demonstrated a high degree of vitality, inventiveness and force. Tens of thousands of unknown men and women have sacrificed much of their spare time in order to make their contribution to the building of better houses and brighter towns and villages, and so to prepare a better future in a free world. The amount of genuine initiative and real devotion which is hidden behind these activities cannot be measured in statistics or balance sheets, but it has helped to make life more tolerable and to increase the material and moral values on which Western democracy is founded.

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Heinz Umrath  
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THE ACTIVITIES OF THE  
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NORWAY

I. The Early Beginnings (1860-1910)

Though Norway is one of the small European countries where industrialization started rather late, the housing situation was criticized very early, especially in the capital city of Oslo, then Christiania. When in the middle of the nineteenth century rents went up more quickly than wages, unrest among the workers was growing. In 1865 the "Kristiania Arbeiterssamfund" (Christiania Workers' Association) opened general debate on the housing problem, and suggested the formation of working class housing societies. Their intention was to co-operate in the building and acquisition of one-family houses for the workers, whereby building costs would be lowered by common execution of part of the work by the prospective owner-occupiers themselves.

"Arbeitersamfundet" did not succeed in realizing its program or part of it. But in the following period the influence of its activities was felt when several housing associations were formed, among them "Nylands Arbeiters Byggeforening" (Workers Building Association "New Land") in 1873. As in other countries the results of these early ventures were not spectacular. The consequence was that the labor and trade union movement concentrated on propaganda and education in order to make the electorate more housing-minded. Norway's greatest playwright Bjørnstjerne Bjørnson lent his voice to this struggle, when he gave a vivid description of the appalling housing conditions of the industrial workers in his famous play "Ultra Vires".

During this period of propaganda and education, which lasted till the first world war, much emphasis was laid on the devastating consequences of land-speculation, which was thought to be the foremost cause for the increase of rents.

Especially in Christiania the housing shortage became worse and worse because building activity stayed far behind the increase of the population. During the four years from 1905 through 1908, for instance, the number of inhabitants went up by 13,000, but only 1,072 dwellings, sufficient for not more than 5,000 people, were constructed.

In 1910 the labor movement formed a special housing committee, which asked for a long-term housing-policy on the part of the municipalities. In order to achieve this task the municipalities were to assist building societies which intended to build good and inexpensive dwellings for lower income families. Part of the dwellings were to be one-family houses. The assistance was to be given by guaranteeing the building capital up to 85%.

## II. Municipal and co-operative housing.

During World War I, "when business boomed and private capital was looking for investments more profitable than housing" <sup>1/</sup> several thousand dwellings were built by the municipalities, especially in and around Oslo.

In 1922 the building activity of the local authorities diminished. But several years later, co-operative housing associations started their work with the aid of the municipalities, which guaranteed up to 90% of the building capital.

The trade unions played a decisive role in the formation of the first co-ops. One of these societies, the "Bygnings Arbeiternes Boligproduksjon" B.B. (Building Trade Workers' Production Enterprise) is still active in the contracting and housing field. From its formation in 1928 till the German invasion it built 3,000 dwellings. After World War II its production was about 10,000 dwellings (1945-1952). In 1929 the OOBS "Oslo og Omegns Bolog- og Sparelag" (The Housing and Saving Society of the District of Oslo) was founded on the example of the Swedish HSB. The city of Oslo was the driving force and assisted this agency by giving guarantees, providing loans at low rates of interest, etc.

The co-operative societies formed the "Norges Kooperative Byggeselskapers Landsforbund" (Norway's Federation of Co-operative Building Societies), which in 1929 stated among others the following demands:

- 1) The municipalities must purchase or guarantee enough land in order to protect the co-operatives against speculation.
- 2) The municipalities must guarantee loans made by co-operative societies up to 90% of the building costs.
- 3) The State must make it an obligation of the insurance companies to put a fixed percentage of their capital at the disposition of the housing societies.

When the Norwegian Labor Party formed the first Labor Government in 1936, the trade unions wanted to find a new and more permanent basis for a long term housing program.

<sup>1/</sup> Boligreising i Norge og andre land, Aivind C. Hansen, Oslo 1949, p.44.

They suggested a common effort of the central government, the municipalities and the co-operative societies, the latter including also the associations working as contractors. In 1939 a beginning was made with the preparation and execution of a national housing program. A few months later Norway was occupied and all plans had to be shelved for more than five years.

III. The post-war period.

In 1945 Norway housing shortage was estimated at about 111,000 dwellings. The Government proposed a national housing program for the construction of 100,000 units in four years. Lack of raw materials and labor was so serious and other investment activities so urgent, that it took almost 7 years (1945 to 1951) to fulfill the original program:

Construction of dwellings in Norway

1945	1,200
1946	6,700
1947	14,800
1948	16,400
1949	17,700
1950	22,400
1951	<u>21,000</u>

101,000

Up till now this rate of construction has only been sufficient to cover the normal increase of demand. It may be expected that at the present pace the housing shortage will be eliminated within 20 years. This may seem to be a long proposition, but for a country like Norway, which is deprived of rich natural resources, this will mean that very heavy sacrifices must be made. The post-war results could only be achieved by a very heavy effort. In 1949 the contributions of the public authorities to the financing of housing, required 4.1% of the national income, the highest percentage of any European country.

Financing of social housing takes place via "De Norske Stats Husbank" (The Norwegian National Housing Bank). The maximum amount of loans is as follows:

for houses built by local authorities or recognized  
co-operative societies 90 to 95%

for houses for 1 - 4 families (built by prospective  
occupiers) 85 to 95%

for others 75 to 85%

The rate of interest is as low as 2.5% for the first 15 years. Amortization runs over 100 years for stone houses and

75 years for wooden houses. Owner-occupiers, co-operative and municipal enterprises get part of the loan interest-free and unredeemable, if the prospective occupiers are all persons with incomes below a certain limit. The share of the co-operative societies in the post-war building activity was about 15% of the total; a remarkable increase compared with the pre-war period.

As in Sweden local parent societies are the actual builders, whereas the daughter societies become the owners of the projects. Construction is carried out by special contracting enterprises, one of which is "BB", the Building Trade Workers' Production Enterprise. The parent societies have collected a remarkable amount of experience in the technical as well as in the financial and administrative field.

Though the Norwegian housing co-operative societies are much younger than their Swedish counterparts, they have already secured their place in the national housing scene, which after the war developed rather clearly in the direction suggested by the unions in the thirties: co-operation between the central government, acting through the Housing Bank, the municipalities and the co-operative societies.

SOCIAL HOUSING ACTIVITIES  
OF THE EUROPEAN LABOR  
MOVEMENT: SWEDEN.

Preliminary draft by  
Heinz Umrath.

A. The Housing Situation in Sweden.

SWEDEN has a very special housing problem: though the percentage of new buildings is very high, the size of most of the dwellings is much too small, especially for larger families.

As about half of the existing urban dwellings have been built since 1930, Sweden hardly knows any of the slum problems which play such an overwhelming role in other highly industrialized countries. But, on the other hand, in 1939 three-quarters of the population lived in small dwellings of not more than two rooms and a kitchen. In the towns, half of the dwellings had only one room and a kitchen. So, overcrowding was - and to a certain degree still is - the main housing problem in Sweden.

This situation is one of the consequences of the late but rapid industrialization of the country. Sweden stayed neutral in both world wars and pursued a very active economic policy in the thirties under the Labor Government. Both facts together resulted in that during the last 20 years the migration of workers from the country to the towns was much greater than in most of the other European nations.

Whereas in 1870 75% of the Swedish population were employed in agriculture and related activities, in 1950 the agricultural population represented not more than 25% of the whole.

On the other hand the urban population, which formed only 13% of the total in 1870, has now grown to 60% of the increased population (1850 : 3,500,000; 1900: 5,000,000; 1950: 7,000,000)

This trend has been speeded up during every decade: the increase in population in the towns between 1940 and 1950 was twice as great as in the preceding 10 years, and nearly four times greater than from 1920 to 1930.

The high wartime rate of marriages of 63,000 per year, an increase of the birth rate from 13.7 per thousand inhabitants in 1933-34, to 20.2 in 1945 and 18.4 in 1948, together with the constant migration from country to town, were the main causes of this development.

This great expansion of the town population together with the serious overcrowding mentioned above are the reasons why even a building program which contributed nearly half a million new homes between 1939 and 1950 was not sufficient to cope with the housing shortage in urban areas.

Nevertheless, a slow but remarkable improvement can be noted. By 1945 the number of urban families occupying not more than one room and kitchen had decreased to 44% (against 50% in 1939)

and further progress has been made during the last years. In 1949, for instance, out of 41,551 new dwellings, 14,800 consisted of 3 rooms and a kitchen (35%) and 12,500 of 4 rooms and a kitchen (30%). This means that at least two-thirds of newly constructed dwellings had 3 or more rooms and a kitchen, compared with about a quarter in 1939 and two-fifths in 1946. In 1950 a slight recession occurred, but still 50% of all new dwellings had 3 or more rooms and a kitchen.

#### B. Current Swedish Housing Program.

In 1948 a long-term housing program was adopted by the Riksdag, the Swedish Parliament, aiming at solving the housing problem within 15 years. The goal was not only to eliminate the difference between the number of houses available and the number of prospective households, but also to raise both equipment and space standards according to up-to-date requirements.

In order to fulfil this program within 15 years the Social Housing Commission estimated that 60,000 units should be built each year, of which 45,000 would be in urban and 15,000 in rural areas. Though this is a very high rate - about 9 new dwellings per thousand inhabitants per year, - it does not seem impossible to reach this goal. This was demonstrated by the high production in 1938 and 1939 (53,400 and 58,600 respectively) and in 1946 and 1947 (59,900 and 59,000 respectively). As already indicated, the proportion of units with 3 rooms and more was also satisfactory in the post-war years.

Nevertheless there are strong indications that in Sweden as elsewhere the long-term program has to be spread out over a longer period than originally assumed. The official anti-inflation policy, the increased production for export and re-armament and the dollar shortage have resulted in keeping the housing program far below the 60,000 mark ever since 1947, the actual numbers being as follows:

1948 : 48,000	1950 : 44,000
1949 : 42,000	1951 : 40,000

One of the reasons for this drop to a volume not high enough to cover the natural annual increase of households was that many skilled building workers were attracted by better working conditions and higher wages into other industries. As this tendency is diminishing on account of the contraction in some lines producing durable consumers' goods, labor for the building industry is again becoming more abundant. Under these circumstances the government hopes again to reach the original aim of 60,000 units in the coming years.

#### C. The Co-operative Movement.

Sweden is a country with not only strongly organized labor unions, but with a co-operative movement of great importance as well. One of every three Swedish families is a member of a consumers' co-operative society, all of which show a spirit of initiative in the best tradition of free enterprise. The central organization of the consumers' co-operative societies,

the Co-operative Union (KOOPERATIVA FORBUNDET, or KF) is running flour-mills, refineries, shoe-, garment- and furniture factories; it owns forests with saw mills and paper works, a publishing house and a modern new ceramic factory producing tableware and bathroom fixtures used by its own members and in the homes built by the co-operative housing societies. These activities in the production field serve a double purpose. They not only provide the members of KF with quality products for a decent price, but are also part of a deliberate policy aimed at breaking monopolies and price-rings.

Probably in no other country of cartel-ridden Europe has the co-operative wing of the labor movement followed a more constructive line in its endeavor to raise the living standard of the whole population by constructive action in the economic sector than in Sweden. In many cases KF started production in order to bring prices of monopolized goods down, in others it was enough to threaten with another example to bring the cartels into line.

As early as 1909-1911 a small margarine factory succeeded in breaking the margarine cartel. When the latter revived, KF opened a big factory followed in 1932 by the acquisition of a vegetable oil refinery.

Similar steps were taken in the milling trade. Factories for crisp rye bread, macaroni and rolled oats followed.

The rubber boots cartel was the next "victim" (1926). Three years later farmers were able to buy superphosphates from a KF-factory.

The most spectacular enterprise was the attack on "Phoebus", the International Lamp Cartel, by "Luma" in 1931. "Luma" is now controlled by the Scandinavian Cooperative Unions. Even before World War II "Luma" made it possible for the Swedish population to make savings of about 6,000,000 Kroners a year.

#### D. Co-operatives and Housing.

No wonder that in housing too the cooperative societies-- in close collaboration with the representatives of the labor and trade union movement, first in local and later also in the central government -- set the pace in promoting building for the lower-income groups.

Co-operative housing in Sweden dates from 1880. But, as in most other countries, these were small societies, financially weak, so that the members, who had contributed their small savings, had often to bear a considerable risk.

In 1916, the Stockholm Co-operative Housing Society (K.S.B.) was founded by the Central Union of Social Labor and the Stockholm County Council, which administered about 2,500 dwellings in 1945.

The growing housing shortage during World War I induced groups of tenants to organize "tenants associations" in order to protect the interests of their members.

The government tried to alleviate the housing shortage by granting subsidies for new buildings and by introducing rent control. The Conservative Government, which followed the war-time coalition in 1923, repealed the rent control act.

Subsidies had already been discontinued in 1921. The consequence was a sudden increase in rents, which went on till 1930. As building costs decreased in the same period speculative building had its heyday, as the following table shows :

	<u>Rent and Building Costs in Sweden.</u>	
	(1914 = 100)	
	Rents.	Building Costs.
1924	180	216
1930	209	208

E. Emergence of H.S.B.

As the "tenants' associations" were not able to prohibit this development they took the decisive step and went into the building field themselves. The new "Tenants' Savings Fund and Building Societies" started in Stockholm in 1923, but spread to other towns rather quickly. Already in 1924 a central organization, the H.S.B. (Hyvesgasternas Sparkasse och Byggnadsforeningars Riksforbund) emerged, which was soon to become a decisive factor in Swedish housing. In the first ten years of cooperative operations on a national scale, more than 17,000 units were produced. This meant that the share of the co-operative movement was about 10% of all urban housing construction. By eliminating the speculative profits on all levels of land purchase, construction, sales and administration, savings of about 25% in monthly costs were secured, which meant a return of about 7% on the members' equities.

The H.S.B. organization is a fine example of a middle way between centralization and self-government. The national "Tenants' Savings Fund and Building Society" functions now as a general savings bank and as the central planning and financing office of all local H.S.B. societies.

At this office some 600 architects, engineers, town-planners, accountants, administrators and financial experts work under five general managers, whereas an administrative council of 17 members forms the board of directors. The latter is chosen by the Convention of the local H.S.B. societies .

F. Organization of H.S.B.

Locally a two-fold set of co-operative organizations shares in the building of new projects and the general administration of the finished houses.

The "parent" society, which works also as a branch office of the national H.S.B.-savings bank, buys the sites and finances and builds the houses. The finished projects are taken over by a separate, subsidiary co-operative society, the "daughter" society, formed by the people who intend to live in the new

houses. A management committee elected by the members is in charge of the general administration of the project.

Book keeping and bulk purchase of coal and other items remain in the hands of the "parent" society, on which the "daughter" society is represented. As economies in running expenses are reimbursed to the dwellers, this system works very effectively.

Normally the prospective occupier of an apartment or a house has to buy shares of the co-operative society amounting to at least 5% of the total cost of the dwelling.

Even before World War II, when building costs were much lower than at the present time, it was impossible for this method of cheap building through large-scale planning and bulk purchases of building materials etc. to provide the possibility for the lowest-income groups to occupy one of these dwellings. The main reason was that they were not able to save enough money out of their earnings to buy the share capital entitling them to life tenure.

For this reason several municipalities helped such families in order to enable them to acquire certain types of dwellings. In Stockholm therefore H.S.B. built four types of apartments. For type "A" share capital amounting to 10% of the cost had to be bought; for type "B" apartments it was 5% ; type "C" was rented without a deposit to tenants who could not afford to buy share capital, instead of which a subsidy was paid by the city of Stockholm; the same was the case for type "D" dwellings, which were reserved for large families.

#### G. Government aids to Financing of Cooperative Housing.

After the war general "family accommodation grants" were introduced for families with at least two children under 16 years, which cover the great majority of families with average or low incomes. These grants are not paid out in money, but in the form of a reduction in rent or, in cases of owner-occupiers, in a reduction in the annual installments on State loans. These subsidies are not only paid to members of co-operative societies, but to everybody falling under the legal provisions.

The same is the case in connection with building subsidies in general, which are granted in order to keep rents at a low level even in newly built dwellings.

The Swedish system of subsidies works on several levels. For the first and second mortgages -- provided by the normal credit and banking institutions -- the rate of interest is guaranteed by the central government for 10 years at 3 and 3.5 % respectively.

A third loan is provided by the State at a rate of 3% . . .

and a redemption period of 40 years. This third loan combined with the first and second, may cover up to 100% of the value of the property in cases where the builder is a municipality or a corporation owned by the local government. For co-operatives the limit is 95% and for private builders 85 to 90 %. Industrial enterprises of national importance can also get loans up to 95% for housing members of their staff, if they guarantee the margin between 85 and 95% of the value of the property.

As the "value of the property" depends on the returns on the investment and as this return is limited by rent control, "supplementary loans" are granted by the State on top of the third mortgage loans to fill the gap between capitalized value of the rent and actual building costs. These loans are interest-free and unredeemable for the time being. On account of the increase in building costs after the outbreak of the Korean war, this form of subsidy has been extended in 1951.

The rules just mentioned apply to apartment houses only. Single family houses may be financed in a similar way up to 90% of the actual value. Instead of an interest - free unredeemable loan a lump-sum subsidy of 8,000 Kroner (\$1600) is paid for houses not exceeding a maximum surface.

The well-known Swedish system of "own home" construction (egenhem program) enables persons who are willing to contribute part of their spare-time to home-building to provide their 10% share of the cost by their own labor.

The previous review will make it clear that the co-operative societies do not receive any special preference in connection with these subsidies, which are given in the form of interest-free, unredeemable loans. The interest-guarantee too is available to all groups of builders who observe certain minimum and maximum rules as to standards and space.

The only discrimination could be found in the slight difference in the amount of the value of the property covered by the third mortgage. But this seems to be part of a deliberate policy of the Labor Government to induce people who can afford it to contribute at least a small part of the building capital themselves.

#### H. Cooperatives' Share in Total Housing Program.

In Sweden, as in some other West European countries, the co-operative housing societies now have to share the field of non-profit housing activities with local government. Nevertheless the production of new co-operative houses is still higher than before the war, when H.S.B. and other non-profit associations already played a rather important role.

Since 1921, 1,118,000 dwelling units have been built in Sweden. The following table shows the number produced in the various periods:

Number of Units.		
1921	- 30	259,000
1931	- 39	365,000
1940	- 45	200,000
1946	- 51	294,000

Exact figures of the share built by different groups of builders are not available for the time before 1949. The nearest estimate is, that in the period 1921 - 1930 at least 10% were built by co-operative housing societies. During the thirties this percentage was somewhat lower, as speculative builders provided for two-thirds, whereas the share of owner-occupiers building for themselves was rather high too. Since 1941 the co-operative societies again became very active although in the last few years they have had to yield much of their gains to the municipalities. But there is much co-operation between these two groups, which account for about half of the newly built houses between themselves. Further details can be found in the following table :

Number of dwellings built in  
1949 and 1950 in S W E D E N.

Year	Number of dwellings.	Percent built for					
		The State or county councils %	Municipal- ities or public enterprises. %	Co-oper- ative enter- prises. %	Employers %	Owner Occu- piers %	Other private build- ers. %
1949	41 551	0.9	32.1	15.8	6.5	22.0	22.7
1950	43 935	1.3	32.6	15.5	5.8	23.9	20.9

These figures reveal that even in Sweden, where the living standard is higher than in any other country with the exception of the United States, many people cannot afford to save the sum necessary to become a member of a housing co-operative. As the central government in Sweden is not prepared to finance the co-operative and other non-profit associations up to the full amount of the total costs, other agencies must provide sufficient dwellings for renting purposes.

In Sweden this task is fulfilled more and more by the municipalities. Sometimes the financial department of a city or town is in charge of the housing program, sometimes the job is done through a special chartered corporation owned by the municipalities but often under joint management with independent groups.

Even so the co-operative societies, especially H.S.B., still play a more important role than the number of their new houses seems to indicate.

In the course of its long-time activities H.S.B. has acquired a great stock of knowledge and experience in all fields related to modern housing and town planning. Its techniques of modern organization of the building site, of efficient construction, the use of up-to-date equipment and installations in the most rational way cannot be matched by most other building agencies in Sweden. Besides, H.S.B. and other societies have developed a housing standard which is without any doubt the highest in Europe.

The municipalities now make use of this know-how, so that a great percentage of the houses built by local government are planned and constructed by H.S.B.

One of the reasons for this development is the fact that H.S.B. has available a centralized purchasing agency and in many cases even produces building materials in its own factories or in factories owned jointly with K.F., the consumers co-operative society.

Many thousands of the pre-fabricated "egenhem" houses have been manufactured by H.S.B.

#### I. Building Trades' Unions and Housing Enterprise.

The strength of the co-operative housing movement in Sweden is not based on H.S.B. alone. Just as the foundation of this great, modern enterprise was the reaction of the tenants in the early twenties to a very critical housing situation, so was "Svenska Riksbyggan" the answer of the building workers to the threat of unemployment in the 1940's. In 1940 and 1941 building activity declined heavily to 25,700 and 16,800 units respectively, because the uncertainties of the war made the risk for speculative building too great. At the same time the Government for the first time offered loans up to 95% to co-operatives.

Under these circumstances the building workers' unions founded "Svenska Riksbyggan" (SR) in order to be able to make full use of the new provisions to provide work for their unemployed members.

In order to make membership in SR attractive to the prospective occupiers of new dwellings, who must also contribute in 5% of the cost in the form of shares in the society, the building worker - entrepreneurs tried to lower building costs by modern means. The savings thus achieved were not distributed among the building workers but fully reimbursed to the tenant-members of S.R.

In contrast to H.S.B., Svenska Riksbyggan does no construction work but uses mostly "Fackforeningarnas Byggnadsproduktion" (Trade Unions' Building Enterprise) as a general contractor. This building society was founded in 1922 under the influence of the "Guild Movement" in Great-Britain and elsewhere. In contrast to the adverse experiences which these new free enterprises had in most other countries, the Swedish experiment was rather successful. In the first ten years of its existence "Fackforeningarnas Byggnadsproduktion" was able to increase its share capital from a mere 47.450 Kronor in 1923 to 257.639 K in 1932 and to build up a reserve of 75.000 Kr. Both share capital and reserve showed a favorable development even in the time of the Great Depression.

The strength of this co-operative contracting enterprise was its connection with the consumers' co-operative societies and with H.S.B. So Svenska Riksbyggan from the very beginning had a very efficient and successful general contractor at hand. "Trade Unions' Building Enterprise" is now the central body of the local enterprises with branches in 15 different towns.

S.R. is now projecting houses of a total value of 100,000,000 Kroners (\$20,000,000) per year. Its construction office employs a staff of 150 trained people.

The 1952 convention of the Swedish Building Workers' Federation voted to put 4,000,000 Kroners (\$800,000) at the disposal of its Board for investment in the enterprises of the Federation in the building and building materials industries.

J. The Swedish Federation of Labor (L.O.) and Housing.

The Swedish housing scheme is a fine example of Labor's initiative. It should be mentioned that not only the building trades workers are directly active in this field but during the last years, other trades have joined in the capital of S.R.. H.S.B. too has its strong connections with the trade union movement: in 1939 the Swedish Federation of Labor L.O. (Landsorganisasjon) invested 1,000,000 Kr in the National H.S.B. Society. L.O. could have found investment opportunities which would have yielded a higher

return, "but - wrote "Hyvesgasten", a publication of the Swedish Tenants' Association - "with one stroke of the pen L.O. made it possible to build 1,000 new, modern and cheap dwellings. The tenants will pay 25% less than in privately built houses and the workers will find employment even in wintertime".

Even the latest developments, leading to a greater share on the part of the municipalities, does not actually diminish the direct activities of labor in the housing field. Not only are labor(s) representatives members of the city administrations, in many cases the new "public corporations" have a mixed management of representatives of the political parties, the co-operative societies and the labor unions. Thus the Stockholm non-profit chartered housing corporation is governed by a board of five directors, including one member each of the two largest political parties, two S.R. representatives -- one of the Stockholm and one of the national organization--, and a vice-president of the Swedish federation of Labor, L.O..

K. Conclusion.

Though this survey of the activities of the Swedish labor and co-operative movement is not complete -- there are many smaller associations with a fine record too --, Sweden emerges as a country where the struggle to overcome the housing shortage and the misery of overcrowded and sub-standard living conditions has high priority. Here the labor movement through its various organizations has taken the initiative where ever it was possible. Ways and means have been discovered and used in order to provide all groups of the population with a decent place in which to live. Free enterprise has found new possibilities in the co-operative societies of tenants and of building trades workers. Both make use of all possibilities of modern methods and techniques. Lately they have joined their forces with local government in order to improve housing standards for the last "third of the nation" too.

It may be that in Sweden various new and modern forms of free initiative and efficient co-operation have opened the road to a society founded both on individual freedom and social responsibility.

THE ACTIVITIES OF THE  
EUROPEAN LABOR MOVEMENT  
IN THE HOUSING FIELD

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DENMARK.

THE GENERAL SITUATION.

Compared with most other European countries Denmark seems to have a very favorable housing situation.

According to a statement of the Danish Ministry of Labor and Housing, in 1950 the housing shortage amounted to between 30,000 and 35,000 dwellings, if the housing standard were the same as in 1939. In addition some slum clearance must be done, especially in rural areas. The normal need for new houses can be estimated at 16,000 to 19,000 per year, with an additional demand on the part of people who want to live in a one family house instead of a block of flats.

THE NEW HOUSING POLICY.

The Danish Government, which started on a small scale to grant loans for the support of housing as early as 1887, has developed a very special technique aiming at the stimulation of co-operative and other non-profit housing agencies.

By a deliberate effort to avoid house-building by public authorities as much as possible, the Danish Government has succeeded in securing an important place for the housing associations. The following table shows that a complete change has taken place during and after the last war.

HOUSING AGENCIES IN DENMARK.  
(Urban districts only)

Period	Public Authorities	Housing Associations.	Private	No. of dwellings pr. yr.
	Percentage of total			(1000)
1919 - 1929	12	22	66	10
1930 - 1939	3.5	2.5	94	18
1940 - 1946	14	31	55	7
1947	14	20	66	10
1948	13	35	52	17
1949	9	44	47	21
1950	10	44	46	18

This result was achieved by granting the same low rates of interest and long periods of redemption which were available to local authorities to the non-profit societies. Furthermore the loan limit guaranteed by the local district council is 97% for the latter compared with 95% for local authorities, 90% for prospective owner-occupiers of modest means, and 85% for other private builders.

The preference given to non-profit housing associations in Denmark stems from two reasons. In the first place, it is recognized that private building must be supplemented by other building agencies which are directly concerned with the social side of housing. Secondly, the Danish people are very reluctant to leave this task to the central or local authorities. The non-profit organizations seem to combine the advantages of a spirit of initiative and competition with due understanding of the social and financial aspects of housing. The advantages of this system are formulated as follows :

"In this way it is possible to build good and healthy houses at a reasonable price -- particularly for people of modest means, because the building societies are not working for profit and therefore are able to supply houses at cost price.

"The co-operative and other non-profit building societies also make it possible to achieve a better balance in building activity than is possible in private building alone since they can take more account of seasonal factors and are more independent of the money market. Moreover they are in a better position than private building firms to co-ordinate and utilize the experience gained in the construction and management of housing.

"The non-profit organisations will often be able to undertake the building of large units and thereby make possible better planning and lay-out, providing in the course of constructional operations for such amenities as day nurseries, kindergartens, play rooms, laundries, etc.

"Last, but not least, should be mentioned the importance of the "self-financing" of the co-operative house building which is implicit in this form of organisation and is made possible by the fact that all savings, including the savings effected by the gradual redemption of the mortgages, must be used for the building of new houses.

"The carrying through of a building enterprise through the co-operative and other non-profit building organisations is a very considerable relief to the public administration, since these organisations take over both the direct administration of the particular blocks, which would otherwise have to be taken over by the public authorities if they had had to undertake the building, and furthermore they assume many of the social and cultural tasks which would otherwise have to be undertaken by the Government or the local authorities. At the same time a certain degree of private initiative and competition are preserved, as in many localities there will

be several independent building societies created on the initiative of different interested groups in the district, and an interest in the housing problem is created and maintained in the population". \*

#### THE CO-OPERATIVE HOUSING SOCIETIES.

The first lasting co-operative housing societies in Denmark were a joint enterprise of the co-operative consumers movement and the trade unions. When some years before World War I, building activity burst after a speculative boom, these organisations wanted to attack the two main plagues which threatened their members: the shortage of low-rent dwellings, and unemployment. Thus, in 1912, the "Workers Co-operative Housing Society" was founded. In 1913 the "Workers' Co-operative Building Society" followed. Both organisations still play a leading role in Danish housing activity, having built 6,000 (WCHS) and 5,000 (WCBS) dwellings respectively.

A third big enterprise, the "Social Housing Society", was founded in 1933 and has constructed 5,500 flats in Copenhagen alone, and several other projects outside of the capital. All in all, 255 housing societies with more than 48,000 dwellings are affiliated with "Det Kooperative Faellesforbund" (Urban Co-operative Union).

#### Labor's role in rural housing.

(Arbejderbo.)

Up to the late thirties, practically all social housing was concentrated in the capital city of Copenhagen. Even when the Government declared that rural areas should share in the facilities of the new Housing Act of 1938, little progress was made in the provinces.

It was under these circumstances that the Labor Movement's Advisory Council for Economic Affairs" took the initiative in a remarkable way. In 1941, together with the Federation of Danish Trade Unions, the Building Trades National Association, the Federation of non-profit Housing Societies, and the Urban-Co-operative Union, the Advisory Council established a new association: "Arbejderbo".

The task of this enterprise is mainly to assist in the formation of local building societies in the provinces and to give advice to these societies on technical, economic and administrative questions.

The Building Trades Unions granted an interest-free loan in order to enable "Arbejderbo" to start its activities. In the meantime the association has become a flourishing concern paying 3% interest on its debenture shares.

"Arbejderbo" works under management of an architect, has a technical and an accounting department at its main office in Copenhagen, and several field secretaries.

\*Ministry of Labour & Housing, Housing in Denmark, 1950 pp.9 &10.

During the first ten years of its existence "arbejderbo" has assisted 175 housing societies building from one to several hundred houses at various places. In total about 11,000 dwellings have been constructed, most of them in provincial towns and rural areas, as the following table indicates:

Dwellings constructed by "Arbejderbo", 1941 - 1951.

Provincial towns	6,501
Suburbs of provincial towns	448
Rural municipalities	1,583
Suburbs of Copenhagen	2,449
	<hr/>
Total	10,981.
	<hr/> <hr/>

Thus "Arbejderbo" became another example of the new and healthy blend of modern efficiency and social initiative which can be found in so many co-operative and trade union organizations.

BUILDING WORKERS' PRODUCTIVE SOCIETIES.

In the field of housing production Denmark can also look back on a long history of co-operative societies. During a bitter struggle in 1899, when the building workers were locked out for a very long time, the bricklayers, joiners and carpenters founded co-operative workshops. Though they had to go through hard times more than once, these societies succeeded by trial and error and with the help of the trade unions. They always paid relatively high wages and granted good working conditions, even in times when the employers in general were not prepared to follow this example. Time and again these co-operatives have proved that enterprises founded and managed by workers are able to compete with private contractors.

More and more the organizations of the labor movement -- trade unions and consumers' co-operatives -- became shareholders in these enterprises, thereby replacing the former worker-shareholder who was employer and employee at one and the same time. General developments in the housing field have given a strong impetus to the co-operative building movement. Though the workers' enterprises have had to compete for contracts in the social housing sector with private enterprise -- all projects must be submitted for public tenders -- they are making more and more headway, so that gradually much of the actual building of association-houses is done by co-operative enterprises. In 1948 the total turnover of the co-operative building and contracting societies amounted to 26,600,000 Kroner; the number of employees was almost 1,000.

Another promising development in the co-operative sector was the establishment in 1947 of "Boliud", an enterprise for production and wholesale distribution of building materials. Here too the building trade unions work together with the housing and building societies.

#### CONCLUSION.

Denmark is another of the small countries bristling with new initiatives in many ways. The excellent co-operation between the Labor and Trade Union Movement, and the Co-operative Consumers' and the Housing and Building Societies, has opened the possibility of developing a very special type of activity in the housing field.

This was especially the case when the policy of the former Labor Government was in line with a housing program executed to a large extent by non-profit organizations.

Lately, this development has been threatened by the new policy of credit restrictions and high interest rates. Therefore the Labor and Trade Union Movement has demanded that these measures should be terminated, in any case as far as housing is concerned.

On the other hand, organized labor in Denmark understands that certain steps have to be taken in view of another problem closely connected with housing: the rent-problem. The widening gap between rents for old and new houses, it is realized, must be bridged sooner or later.

THE ACTIVITIES OF THE  
EUROPEAN LABOR MOVEMENT  
IN THE HOUSING FIELD

A Survey Prepared by  
Heinz Umrath 1952.

GERMANY.

I. THE SITUATION BEFORE WORLD WAR I.

Though no concerted efforts in the field of social housing were made prior to the end of the runaway inflation in 1923, the housing problem was much discussed in Germany as early as the late 19th. Century.

A. Early co-operative societies.

In connection with the social legislation which was inaugurated by Bismarck, the first chancellor of Imperial Germany, co-operative housing societies were founded as early as 1881 in many parts of that country, which witnessed some of the worst examples of overcrowding and other unhealthy housing conditions in Europe.

The non-profit housing associations were based on the "Co-operative Societies' Law", which gave a legal status to this kind of free enterprise. One of the provisions stated that the "non-profit" character must be guaranteed by the limitation of the dividend paid on the share capital to 4% per year. All earnings surpassing this limit had to be used for the general purposes of the society,

Whereas the share-capital was brought together by the occupiers of the apartments or the owner-occupiers of one- or two-family houses on the one hand and by employers, municipalities, and welfare organizations on the other, relatively important loans were provided by the funds of the "Workens' Compensation and Old Age Insurance for Workers".

These great social funds - the immediate results of the social legislation mentioned above - granted loans on mortgages with an interest rate of 3 to 3½% and 1½% amortisation per year.

The Imperial Government as well as the Governments of the German States (Lander) including Prussia, were convinced that "the elimination of the crying housing conditions of the low-income groups was an urgent social and moral task". For this reason they summoned the local authorities to help the co-operative housing societies as far as possible in order "to alleviate the housing misery at least partially."

According to the order of the Prussian Government dated March 19, 1901, the municipalities should participate in the share capital of "Workers' Co-operative housing Societies" or grant them

loans on mortgages on favorable conditions and to a higher degree than offered in the free market. For their own employees they should build small and healthy dwellings themselves or erect housing societies of their own, thereby following the example of the Prussian State, which accepted "the improvement of the housing conditions of the workers and officials of government agencies as a task of the State"

The municipalities should guarantee loans made by private banks, lower the rates for the construction of streets, sewers and water-supply etc. The most interesting paragraph of the order runs as follows : " An effective land policy of the municipalities is of the greatest importance for the improvement of housing conditions . The main cause of the present unsatisfactory conditions is the unhealthy land speculation, which certainly can be successfully attacked by a change of the existing law only. But already now the municipalities could limit this speculation by buying as many future building sites as possible".

Far-sighted as these suggestions were, they did not receive much response. The condemnation laws were practically unchanged until today, and only a handful of municipalities followed the advice to acquire land.

As in most other countries the majority of people were not yet "housing-conscious". Besides, local policies were the exclusive field of the real estate interests, as before 1918 in most places only house-owners had the right to vote in local elections, whereas in small places no elections took place at all. Under these circumstances the labor movement could not have any confidence in a housing policy which was entrusted to the very interests which were most strongly opposed to the ways recommended by their own government.

#### B. Trade Unions and the housing problem.

Therefore the trade unions asked for more activity on the part of the Federal and State Governments, based on a long term program and coupled with tax regulations which would take away most of the profits made by land speculation. Other points suggested in the "Correspondence of the General Commission of the Labor Unions in Germany" (Korrespondenzblatt der General-Commission der Gewerkschaften Deutschlands) were: Give local government a general option for the purchase of building sites; and to extend the local transit systems to regions outside of the congested towns, where land could be bought cheaply.

But in view of the unfavourable situation in the political field, the unions stated time and again that a real effort to attack the housing problem could only be made if the overwhelming influence of the real estate interests could be reduced both in the state legislature

and city councils. Consequently they coupled the struggle for better houses with their fight for general and equal franchise. Especially when a housing bill of the Prussian Government had had no chance in the Prussian Diet, which was elected according to the notorious "three-classes" franchise, the unions together with other progressive groups concentrated in this issue.

At the same time they did not relax in their endeavour to make people more "housing-conscious". In Berlin for instance, as early as 1893 the "Workers' Committee for Hygiene" (Berliner Arbeiter-Sanitäts-Kommission) had published a report on the housing situation in this city. This report was based on official statistics and on research work done by medical students and building trade workers under the supervision of an M.D. who was a member of the Berlin City Council. The aim of this publication was "to make the workers housing minded" and "to draw the attention of public opinion to the question of public hygiene".

C. An early housing study.

Another remarkable enterprise in this field seems to have been one of the first examples of Labor-Management co-operation. In 1901 the "Health Fund for Office Workers" in Berlin started regular housing inquiries among their sick members. This action was soon followed by similar institutions in other German towns. The health funds were part of the system of social security measures introduced by the conservative German Government in the 1880's. The executive boards of all these institutions were chosen according to the old democratic principle of "no taxation without representation". As the employees paid two thirds of the contributions they had the right to elect two thirds of the members of the board. The other third was chosen by the employers who paid the remaining third.

Even in these early times the labor representatives were practically all connected with the trade unions, whereas the delegates of the employers in most cases were men with a keen interest in social progress. They all were convinced "that the health of the population depends to a very high degree on the standard of the existing dwellings".  
1).

These inquiries went on until the 1920's when under the impact of the visible housing shortage after World War I the first energetic steps were taken to improve the housing situation. Each annual report is a source of rich statistical material, telling the story of human misery and showing that bad dwellings, lack of hygiene, and overcrowding put a high burden on the national economy and are causes for a low degree of productivity. Here was an institution

1) First Housing Inquiry of the Ortskrankenkasse für den Gewerbebetrieb der Kaufleute, Handelsleute und Apotheker, Berlin 1902.

which had to pay for the consequences of the housing misery, These costs may have been inevitable when the population of our industrial centres had grown rapidly within a short period and when most economic resources were used by expanding industry. But the figures and the pictures of these studies made it quite clear that the price measured in lost working hours and in the costs for medical care, not to speak of the human misery, had become so high that it could no longer be overlooked.

Here are a few figures shown out of this wealth of information :

i.

Percentage of Members of the Health Fund suffering from tuberculosis, who shared their bedroom with other persons:

<u>Number of other persons</u>	1901	1913	1916
0 "	5.9%	17.3%	21.2%
1 "	23.9%	33%	38%
2 "	31.7%	25.1%	23.8%
3 "	16.3%	16.0%	11.0%
4 "	14.4%	4.8%	3.8%
5 "	2.9%	1.6%	1.5%
6 "	3.3%	1.0%	0.5%
7 or more	1.6%	0.2%	0.2%
	100%	100%	100%

ii.

Percentage of sick members, who had to share their bed with another person.

	1913	1914.
Of all sick members	7.99	11.06
Of members suffering from tuberculosis	17.02	29.56

Of all households of more than 5 persons more than 60% had not enough space to provide all persons with their own beds in 1914. There were quite a few cases where 7 or more people had to share three beds between themselves.

iii.

Percentage of all sick members living in an apartment of one or two rooms.

Living in:	1901		1913			
	male	female	street-side		backyard.	
			m.	f.	m.	f.
Kitchen only	4.9	8.7	0.6	1.4	0.1	0.2
One room.	19.3	20.3	19.1	14.9	12.2	9.9
One room & kitchen.	52.1	45.7	22.4	25.7	51.0	50.2
Total	76.3	74.7	42.1	42.0	63.3	60.3
of whom living together with more than 2 persons.			25%	19%	28%	14.8%

Though the situation improved much between 1901 and 1913- the last year before the first World War -- even then many families lived under appalling circumstances. There were even several cases, where a sick member had to share the one and only room with as many as four or five people. Even a greater number lived in an apartment with one room and kitchen together with 6 and more persons. These facts should be borne in mind because there was no visible housing shortage in Germany prior to World War I, as the number of dwellings was about as great as the number of households. But still the national economy had to pay for the social costs of overcrowding. It was under these circumstances that the unions insisted that more must be done to eliminate the housing misery in the ever-growing industrial centres than non-profit building societies and benevolent employers were able to do.

D. Housing for lower-income groups.

Between 1902 and 1913 more than 1000 co-operative housing societies built about 120,000 small dwellings. That is about 10,000 a year out of an annual total of 150,000 to 250,000 new dwellings. (The exact numbers are not available the total investment of non-profit societies was 508 million Marks; the price for the smallest unit was about 5000 Marks).

The employers of the coal mines in the Ruhr area owned 94,027 small dwellings in 1914, which were let to their employees. Similar projects were built by the Krupp factory in Essen, the Prussian State mines in the Saar region and many other industrial concerns. Whereas some of the co-operative houses were constructed in already overcrowded sections, others were built after the famous example of the "Garden Cities" in England.

Here the first beginnings of modern town- and country-planning were shown to a people living in some of the worst slum-areas of our industrial society. But the development of all these projects was hampered by two main obstacles.

E. Financing and Land Policy.

In the first place financing was very difficult. The public old age insurance institutions were practically the only sources able and prepared to provide money for this purpose. The maximum loan was 75% of the value. If the municipalities guaranteed the remaining part, mortgage loans up to 90% and sometimes even 100% were granted. But the financial means of the old age insurance institutions were limited.

Loans in the normal market, i.e. from real estate banks, insurance companies and savings banks, covered 50% to 60% of the value only. For people who were most in

need of a cheap and healthy dwelling it was almost impossible to provide the remaining 40%. Just before the outbreak of World War I the Free German Trade Unions' Federation went into life insurance business together with the Co-operative Consumers' Society. The intention was to use much of the savings for cheap housing. But this new branch of trade union activity could not be developed for many years on account of war and inflation.

The second obstacle was the lack of a far-sighted land policy. Whereas several European countries or municipalities had taken the steps necessary for sound development so that villages, towns and cities were able to grow steadily, in Germany most of the areas surrounding the towns were in the hands of real estate corporations, which did not intend to sell or to develop their property if they were not able to get a very high profit. 1)

The co-operative non-profit societies could not buy this land, because the high prices prevented them from achieving their aim of building cheap houses for lower-income groups. So they had to look for cheap farm land far outside the metropolitan areas. The consequence was that much space was left open, often near the centre of the town, where streets and all the public utility installations already existed, whereas new "colonies" emerged far outside the city borders. Here new roads had to be built; large investments had to be made in order to provide water, gas and electricity; the transportation system had to be extended and the new dwellers, who were looking for a cheap place to live, had to pay for everything. Only if one realizes the consequences of this situation, is it possible to understand why the trade unions repeated time and again that no progress in housing could be made at all without an adequate transit system.

## II. Between the two World Wars.

At the end of World War I and after five years of the most spectacular run-away inflation a modern industrial country had ever experienced, Germany had to start with 600,000 households without a dwelling. The number of families without homes of their own was much greater, because many of the hundreds of thousands of newly married couples lived with their parents or in-laws. The actual shortage was probably more than one million not to speak of the 489,700 overcrowded dwellings (5.6% of the total), which were counted in 1927. This figure too is an understatement, because an apartment consisting of a kitchen and one room was considered overcrowded only if it was used by more than four persons.

1) In Berlin in 1921 the real estate corporations owned land sufficient for more than 50 years extension of the city.

Between 1924 and 1931 2,080,000 new dwellings were built including 181,000 by conversion of big apartments into two or more small ones. The top year was 1929, when the construction of new dwellings reached 340,000. This achievement was made possible by cheap loans from the public authorities, which disposed of huge amounts collected after the currency reform via a special tax on landlords. The inflation had exterminated most debts, and mortgages from the pre-inflation time were revaluated at 25% of the nominal value. The interest on the remaining 75% had to be paid as a tax, which amounted to 1,25 to 1.75 billion Marks a year. Half of these tax receipts was used for mortgage loans covering the margin between 30 or 40% and 90% of the value of new houses and bearing 1% interest. The remaining 10% had to be provided by the builder.

A. Share of the co-operative societies.

The co-operative non-profit housing associations increased their share in building activity steadily. Only the depression and the Nazi Regime were able to change this general trend, as the following table shows.

Housing and Builders in Germany.

Year	Private builders.	Non-profit societies.	Public corporation and authorities.
	Number of newly built dwellings.		
1927	169 395	78 426	33,269
1928	180 900	90 889	31 538
1929	173 139	109 121	30 010
1930	156 754	121 394	27 148
1931	118 749	92 587	18 492
1932	91 672	27 282	11 337
1933	99 660	19 546	12 986
1934	133 542	30 187	25 760
1935	154 845	40 050	17 127
	%	%	%
1927	60.3	27.9	11.8
1928	59.6	30.0	10.4
1929	55.5	34.9	9.6
1930	51.3	39.8	8.9
1931	51.7	40.3	8.0
1932	70.4	20.9	8.7
1933	75.4	14.8	9.8
1934	70.5	15.9	13.6
1935	73.0	18.9	8.1

B. Increasing housing shortage.

Though from 1927 to 1930 about 300,000 dwellings a year were added to the housing stock, the housing shortage increased rapidly, because the number of new marriages greatly exceeded the number of new houses. According to the census of 1933 1,100,000 households were without a home compared with 600,000 in 1927. But the economic breakdown during the depression again revealed the difference between the social need for a decent house for every family and the economic possibility of paying for it. Though most of the new houses were built with cheap loans they became too expensive for many lower-income families. In 1932, 150,000 houses found no dweller. "At the end of 1932 more than one million households had no home of their own in Germany. The fact that not even 10%, nay, apparently not a single one of these families disposed of enough purchasing power, to rent one of the empty apartments, clearly shows the wrong relation between rent and income. But the outside impression was that there was no housing shortage in Germany". 1)

C. Housing and the Labor Unions.

Against this background it is no wonder that the German labor movement took more interest in housing than even before. They approached the problem from three sides. In the first place they repeated their demands for an adequate housing law, a sound land policy and assistance for social housing projects.

The two other steps are much more noteworthy, because they show a remarkable change compared with the pre-war practice: not only were the co-operative housing societies fully endorsed, but the unions went into the building and housing business themselves.

III

The Production enterprises of the Building Trade Workers' Unions.

During the first years of the Weimar Republic the German General Federation of Trade Unions (Allg. Deutscher Gewerkschaftsbund, ADGB, and the General Federation of Free Office Workers (Allgemeiner Freier Angestellter Bund, AFA) still were inclined to demand a solution of the housing problem by legal provisions, putting the task of building and administering new houses in the hands of semi-official local and regional bodies.

At the same time another group of unionists expected more from action and initiative of their own than from new rules and regulations. As in other countries these people wanted to do the building job themselves in order to demonstrate that good and decent houses can be built

1) W. Fey, Deutscher Wohnungs - und Siedlungsbau. 1936. p. 22.

for a decent price. They were convinced that this was the one and only way to break price rings and other restrictive practices.

The building trades workers were the first to start co-operative building (=production) societies (Bauhuten) in Berlin and seventeen other places in 1919.

In 1920 on the initiative of the Building Trades Workers' union a co-ordinating organization was founded under the name of the "Federation of Social Building Enterprises" (Verband Sozialer Baubetriebe, VSB). The task of the VSB was not only to assist the existing non-profit building enterprises but also to start new ones and to make sure that small houses and apartments were built which were of a good standard and not expensive.

A. Organisation of the nonprofit production enterprises.

The VSB was a chartered company. In addition to the managers and the board of directors, who were of course the representatives of the union-shareholders, there was an advisory council representing the local non-profit production enterprises. In order to avoid a too high degree of centralization regional "federations" were created, becoming the link between the locals and the national organizations. In 1922 the VSB was the "mother society" of 207 "daughter-societies" which had more than 21,000 employees.

B. The "non-profit" character of VSB.

This new venture was hit very hard by the run-away inflation in 1922 and 1923. Furthermore, the non-profit enterprises had to overcome many difficulties and infantile diseases. The local managers were in most cases former building trades workers. People who are familiar with the building trades know that the best architect may be the worst financial manager. No wonder that not every carpenter proved to be a first class business man. For, even though these enterprises are called "non-profit", they work on a strict business basis and have to compete in the open market. The "non-profit" character means that the shareholders cannot get a dividend of more than 4% any profit exceeding this margin being used for social purposes or for lowering prices; it means too that labor-management relations have to be excellent from both sides.

C. The VSB between Inflation and Depression.

From the beginning the non-profit building enterprises were keen competitors in the open market, but when the currency reform at the end of 1923 was followed by a severe capital shortage the VSB and its affiliates

had to start all over again .

Not all local enterprises were able to sustain the strain of the first difficult years and quite a few never recovered from the consequences of the inflation and other setbacks. But whereas the number of affiliates of VSB declined between 1923 and 1929 from 173 to 128, the average number of employees per enterprise increased during the same period from 118 to 228.

As in Germany a contractor who has more than fifty employees is classified as "big business", practically all the non-profit building enterprises belong to this category.

The total turnover went up from 41,045,370 Reichsmark (RM) in 1924 to 137,651,000 RM in 1929, an increase of 235%. As the number of affiliates declined, the average turnover per enterprise increased still more (351%)

Among the customers, the non-profit housing societies and other non-profit associations played an ever-growing role, as the following table shows :

Turnover of Non-profit Building Enterprises 1924-1929.

Customers.	Private Enterprises.	Non-profit Associations.	Public Corporations.
1924	18%	50%	32%
1925	18%	57%	25%
1926	12%	65%	23%
1927	17%	64%	19%
1928	15%	67%	18%
1929	12%	73%	15%

The increase of contracts with the non-profit associations was of course strongly influenced by the public assistance given to social housing. But the VSB enterprises did not only work as contractors for the non-profit organizations, but for private and public corporations too. Through 1929 they built 82,000 dwellings, a number which surpassed greatly those of any other contractor. Contracts with private and public customers increased also from 7,358,000 RM and 13,037,000 RM. respectively to 16,942,000 and 20,508,000 RM in the period from 1924 to 1929.

These results were achieved by special services which the VSB rendered to the affiliates. In 1926 a department for efficient management was established. This department gave advice to the affiliates in all

technical and administrative questions.

The same line was followed in the accounting field. By unified bookkeeping and calculating systems the results of the different affiliates could be easily compared and causes of losses eliminated. These measures were necessary, because in the first years the results were not too promising. But by concerted effort and especially the efficient guidance of VSB in 1929 the movement was well established and famous for the good service it gave to all customers.

D. Enterprises in the building materials' industry.

The VSB as well as a number of its affiliates owned enterprises in the building materials' industry. In 1929 twelve brickyards, two saw-mills, four quarries, three mechanical joineries, and three cementware factories were the most important among those enterprises.

The most remarkable feature of this adventure was, that it was the result of the labor movement only, especially of the building trades workers' unions. Though they encountered the adversities of the inflation and the stabilization crisis in the very years of their start, the VSB emerged as one of the most important building concerns in the country, and exercised a very sound influence on prices. The Great Depression had an adverse effect on V.S.B. and its affiliates as on every enterprise. But only the Nazi regime was able to eradicate this new piece of free enterprise and genuine initiative from the German economic scene.

E. Trade Unions and Housing Associations.

In 1922 the convention of the General German Trade Unions' Federation (ADGB) urged direct activities of the unions in the housing field. One of the reasons was that financial aid by the public authorities was being used more and more for expensive houses instead of for dwellings for lower-income groups.

Inflation raged so heavily during 1922 and the greater part of 1923 that nothing could be done before 1924. But in March 1924 the Deutsche Wohnungsfürsorge A.G. für Beamte, Angestellte und Arbeiter (German Housing association Inc. for Government Officials, Office and Factory Workers), known as DEWOG, was founded by the Federations of the three great organizations of officials white collar and manual workers together with VSB.

The initial capital amounted to 50,000 RM. It was increased several times and, when the co-operative life insurance society "Volksfürsorge" became a shareholder too, it was brought up to 3,000,000 RM.

DEWOG founded affiliates all over Germany, and altogether built between 40,000 and 50,000 dwellings for low-income families before the Hitler regime brought an end to this hopeful beginning in 1933.

Many of these projects became famous for their excellent equipment such as mechanical laundries, playgrounds and kindergartens.

Besides this great enterprise of the national free trade union federations, several local associations worked in the same field. In Berlin, for instance, the GEHAG, Gemeinnutzige Heimstätten A.G. Berlin (Non-profit Housing Corporation Berlin) was sponsored by the local trade unions' center, five of the largest co-operative building associations, two social associations founded and financed by the unions, the Health Fund of the Borough of Berlin-Neukölln, and the City of Berlin, in 1924.

When the Nazis took over in May 1933, GEHAG had built 10,094 dwellings, of which 7,194 were apartments and 2,900 one-family houses (free standing or attached). 6,444 of these were owned by GEHAG, 1,534 by other housing associations, 1,091 by municipalities, 336 by labor unions and 686 were sold to private owners.

In addition to the above other union organizations were active in the housing field too. The "Heimat" building society of the independent Union of White Collar workers (Gewerkschaftsbund der Angestellten) was administering more than 10,000 dwellings in 1933. The Christian Unions co-operated with the "Building and Saving Funds" (Bausparkassen), which, like the British Building Societies, tried to collect building capital from the savings of their members. The "Gemeinschaft der Freunde Wustenrot" (Community of Friends "Wustenrot"), one of the oldest building and saving funds in Germany, had a "treaty of friendship" with the Christian Unions. In 1931 this community had 44,814 saving members, 30% of which were manual workers and 18% white collar employees.

The regular trade unions did not agree with this method, because they thought that the income of most of the workers' families did not flow regularly enough to enable them to fulfil the obligations of the savings contract over many years.

The Christian and the independent unions and their housing societies were eradicated by the Hitler regime too. After World War II they joined the free trade unions in the DGB. Only some of the white collar workers' organizations remained outside this national federation and formed an independent group, the DAG (Deutsche Angestellten Gewerkschaft).

The greater part of the union-owned housing stock was destroyed during the war. Step by step

the DGB and the DAG recovered their property, which was under trusteeship after the occupation, and started to rebuild the various projects.

(see below)

IV - THE HOUSING PROBLEM IN THE GERMAN FEDERAL REPUBLIC

A. The post-war housing shortage

War damage and the rapid population increase are the main causes of the housing shortage in post-war Germany.

2.3 Million dwellings were destroyed or uninhabitable at the end of the war. Another 2.3 million are needed for the 9,250,000 refugees, if one small apartment is calculated for every four persons. Furthermore, since 1945, about 1.2 million more households were formed than dissolved. Between 1945 and 1950 about 1 million dwellings were constructed or repaired, so that the deficit can be calculated as follows:

	millions
War damage	2.3
Refugees' need	2.3
New households	<u>1.2</u>
	5.8
Construction and repair	<u>1.0</u>
Total deficit	<u>4.8</u>

In 1950 a housing census revealed also that the number of households surpassed the total number of 9.5 million dwellings by about 4.5 million. It can be expected that in the years 1951 to 1955 the number of households will increase by 200,000 every year, whereas in the following years the increase will be smaller. All in all 6.5 million dwellings or 425,000 per year must be built till 1965 in order to eliminate the most urgent housing shortage within this period. Even then an extensive slum clearance program will be necessary, as many of the existing houses are far below the minimum standard.

**B. The First Housing Law of 1950**

Under these circumstances the Bundestag, the Federal Parliament, unanimously accepted the First Housing Law of 1950. The aim of the law is to stimulate "social housing" so that 300,000 out of an average of 400,000 new or reconstructed dwellings, to be built annually during the first six years, can be afforded by lower-income groups. For this purpose the governments of the Federal Republic and the German States (Lander) provide loans with a low rate of interest (See Appendix ). The maximum floor area is limited; rents and the allocation of the dwellings are controlled.

An other form of incentive is offered by tax relief. Dwellings built in this sector must also remain within a maximum, somewhat greater than under the first category. The rent has to be calculated on a cost plus basis, but the allocation is not controlled.

Houses built without any state assistance are completely decontrolled.

**C. Construction and reconstruction**

Post-war house building and reconstruction in Western Germany did not have any real importance before 1949, the first full year after the currency reform in 1948.

The following tables show some of the most recent developments, including a comparison with the pre-war housing activity in the area of the German Federal Republic.

1

Housing construction and repair of war damage in the territory of the G.F.R.

Year	Total dwelling units	1936 = 100	Per 1000 population	
			Total	New construction
1928	196,760	107	5.4	5.4
1929	196,550	107	5.3	5.3
1936	183,100	100	4.7	4.7
1949	215,000	117	4.5	1.0
1950	362,300	198	7.6	4.1
1951	407,400	222	8.5	5.1

ii

"Social housing" according to 1st  
Housing Law

Year	"Social housing" number	% of total	Other including "tax relieved" number	%	Total housing number
1950	261,100	73	99,200	27	362,300
1951	293,000	72	114,400	28	407,400

iii

Share of building agencies in total housing

Year	Non-profit associations %	Public corpora- tions and authorities %	Private builders %
1950	30.2	7.4	62.4
1951	37.	6.	57.

iv

Per cent Construction and reconstruction

	1950	1951
Newly constructed	54.5	66.1
Reconstructed	26.2	22.1
Repaired	10.2	4.2
Converted	9.1	7.6

(It should be noted that in international statistics the West German figures always show the total dwellings added to the housing stock per year, whereas the figures of most other countries do not include repaired and reconstructed houses.)

D. Co-operative housing societies

As indicated in table iii, the share of the co-operative housing societies and other non-profit associations is almost at the level they reached in the best years of the pre-Hitler period. This is very remarkable for a country where all savings of lower-income families were wiped out for a second time within one generation.

Even in cases where 90% of the total cost is covered by private public loans, the necessity of contributing at least 10% puts much hardship on the prospective dweller.

#### E. Trade unions and housing after World War II

When the trade unions re-emerged after their suppression during the Nazi regime they formed one big federation instead of the many which pre-Hitlerite Germany had known. The German Trade Union's Federation, D.G.B. (Deutscher Gewerkschaftsbund) is now the national organization of all workers in industry, agriculture and transportation; only part of the office workers are staying in a separate white collar workers' union, the D.A.G. (Deutscher Angestellten Gewerkschaft).

The unions succeeded in getting back part of the houses owned by their co-operative housing societies in the pre-Nazi days. In the beginning of 1952 more than 42,000 usable dwellings were in the hands of these societies again. Another 3,400 damaged premises were not yet repaired. The union-owned societies hope to recover about 60,000 dwellings eventually. Many others are lost for the time being, because they are in the Soviet Zone of Germany.

The GAGFAH is one of the greatest housing enterprises in Germany again. In 1952 80,000 dwellings were owned by this society alone. The chance that the unions will be re-instated as shareholders of GAGFAH is very slim, because the Ministry of Labor uses this society as a public housing agency, so that the former majority held by the unions would now represent a small minority only.

New housing construction of the union-owned societies is beginning to expand again. Some very serious drawbacks had to be overcome, as no national trade union organization existed before 1949. The regional, or "Zonal", centres had to start from scrap. After almost 20 years of non-existence, collective bargaining and the training of a new leadership were tasks which absorbed all the human and financial resources of the reborn organizations.

But housing is such a threatening problem in Western Germany that the DGB soon had to take action, in order to help not only its members but as many of the destitute people in Germany as possible, especially among the refugees. For this reason the DGB and the affiliated unions concentrated their efforts not on the union-owned housing societies only, but spread their activities in the housing field over other areas too.

In 1950 the Arbeitsgemeinschaft Gewerkschaftlicher Wohnungunternehmen was formed (Association of union-owned Housing Enterprises) in order to coordinate the housing activities of all unions.

Already in 1951 the union-owned housing societies built almost 10,000 dwellings. This number will be surpassed in 1952. These dwellings set the pace for a good housing standard. The housing societies get much help from the Building Materials Department of the Co-operative Wholesale Society, which can offer all sorts of building parts and materials of high quality for a decent price.

The Union of Workers in the Building and Building Materials Industries came to an understanding with their employers which made it possible to use surpluses of the "Vacation Payment Fund of the Building Industry" for house building.

Together with the ECA (now MSA) a special project for miners' houses in the Ruhr area was developed by the organizations of employers and employees in the Ruhr Coal Industry. A premium of 2 DM has to be paid on every ton of coal. Together with other resources, whereof 100,000,000 DM are from counterpart funds, this amount will be sufficient to build about 53,000 houses for miners in 1952 compared with 47,000 in 1951. Whereas in 1945 at least 400,000 miners had no homes at all, this number will be reduced to 90,000 in 1953 and probably totally eliminated in 1955.

The Marshall Plan made great endeavours to assist the German housing effort all along the line. Between April 3, 1948 and June 30, 1952 402 million DM have already been released from counterpart funds for housing purposes.

(This is the official figure of the MSA Division of Statistics and Reports (June 1952). Other unofficial sources ("Wohnungen für Jedermann) mention 600 million DM.)

Outstanding among the projects financed by MSA is the famous Housing Competition in 15 German towns and cities. Here pilot projects of 200 or 300 dwellings were built according to special plans which were chosen from 720 suggestions. This enterprise promises to fulfil the original purpose: to demonstrate that by modern building techniques important savings can be achieved. Currently MSA funds are aiding, with the co-operation of the German Mine Workers' Union, in meeting the shortage of miners housing in the Ruhr through the financing of some 6,000 dwellings.

Perhaps most spectacular of the various undertakings initiated by the U.S. Mission was the famous Schleswig-Holstein project, where about 10,000 dwellings were built in 1949-51. Part of this pilot project was called "Hans Bockler-Colony" after the late president of the DGB, as it was the German Federation of Trade Unions which created the spirit and the organization necessary for the ultimate success of the original plan.

#### F. A MODERN CO-OPERATIVE SOCIETY: NEUE HEIMAT

The present housing associations, especially in the great cities, cannot be compared with the first co-operative housing "adventurers" of fifty years ago. The early amateurs who more often than not had expected that idealistic notions could make good the lack of capital, were replaced by modern managers, who make use of all means of modern efficiency to achieve the same goal the old-timers had in mind: to build and administer decent houses at a decent price.

One of the best examples in Germany is the "Neue Heimat" non-profit housing society and its affiliates in Hamburg. "Neue Heimat", a union-owned free enterprise, went into the building business in 1926, whereas one of its affiliates, the "GEWOG", was founded in 1910. The "Neue Heimat" concern of Hamburg owned more than 10,000 dwellings before the war, most of which were destroyed or damaged. At the end of 1951, 3,120 dwellings were in use again. In the two years, 1952 and 1953, another 4,219 will be added. When reconstruction is complete, "Neue Heimat" will have at its disposal about 11,000 modern dwellings and 200 shops and offices. The intention is to build at least 2,000 new dwellings a year after 1953.

This association is so well equipped with all sorts of experts that even private builders ask "Neue Heimat" to act as their "building trustees". In 1952 alone 39 private builders entrusted the construction of 458 dwellings and 17 business premises to "Neue Heimat".

In order to be able to exploit all the possibilities of modern house building, "Neue Heimat" employs a staff of experts in all fields related to housing: real estate councillors, experts in finance, architects, building engineers, bookkeepers, accountants and real estate administrators. The technical bureau is equipped with the most modern installations, the book-keeping department is fully mechanised.

Financing is undoubtedly the most important single factor in post-war housing. A great enterprise like "Neue Heimat" has many advantages which smaller concerns do not have available. On the one hand, for instance, several thousand tenants have to pay rent every month whereas on the other hand interests on mortgage loans have to be paid every three or six months only. In the meantime "Neue Heimat" can use the

accumulated rents for short-term financing of the actual building activity, thereby saving the rather high interest rates which would be charged if this short-term money had to be secured by loans from the banks.

This example shows clearly the importance of the "non-profit" character of the housing associations; the amount of interest saved has to be used for the one and only purpose of this sort of enterprise - the building of new dwellings.

By making use of all the possibilities of this kind and working with the utmost efficiency, "Neue Heimat" was recently able to build 684 dwellings without any public aid. Though it would have been possible to charge a rent 40 to 50% higher than that allowed for "social housing", "Neue Heimat" let these dwellings for the low rent too.

### G. The Schleswig-Holstein Pilot-Project

The most promising step which the trade unions in Western Germany have taken in the housing field, is the famous Schleswig-Holstein Project. About 10,000 dwellings were built in one limited region according to one over-all plan and with one aim: to re-settle 10,000 industrial workers and artisans from the East near the factories and work-shops where they could again get productive and gainful employment. Almost 40,000 men, women and children were transferred from old military camps, huts and other unhealthy and over-crowded shelters to new and modern dwellings.

#### 1. REFUGEES AND THE HOUSING SHORTAGE

Schleswig-Holstein is the northernmost state of the German Federal Republic. Before World War II, when Schleswig-Holstein was a province of Prussia, agriculture was the main industry, though the shipyards and navy-establishments of the city of Kiel, some minor industries in other towns, especially Lubeck, and the neighbourhood of the great urban agglomeration of Hamburg and Altona had already brought some changes into the over-all picture.

After the war more than a million refugees from the Eastern part of Germany were stranded in the blind alley between the North Sea, the Baltic, and Denmark. Soon they formed about half of the population of the new state. Work and homes became the most urgent problems for several hundred thousand families. Even if a great part of the refugees could be transferred to other areas of the Federal Republic, where the ratio between the pre-war population and newcomers was more favorable and where the tremendous war losses had caused a man-power shortage, more than 300,000 dwellings would be needed.

Before the currency reform in 1948 no real housing program could be developed. Nevertheless the government of the new State - then a labor government - had laid the foundations for a housing drive of great dimensions. The Ministry of Social Affairs prepared the plans and blue-prints of large-scale housing projects based on the principles of normalization and simplification.

But financing was the bottle-neck. During the post-war period of run-away inflation, building activity was of no importance and after the currency reform in 1948 the problem of financing social housing, especially for the refugees, had to wait till savings reached a certain volume and the first steps toward the payment of war-damages could be taken.

## 2. RESETTLEMENT AND PRODUCTION

On the other hand the ECA was strongly interested in an immediate attack on the refugee problem. Here, in the middle of Europe millions of families were not able to earn a living, whereas many factories and workshops could not get the manpower they needed in order to expand their production. Both had to be brought together and housing was the decisive factor. So a great effort in home-building was completely in line with the aim of the Marshall Plan: to restore the economic health of Western Europe.

This was the reason why in 1949 the ECA in Paris approached the free organizations in Western Germany and asked them to make suggestions to help the refugees find a place in the economic process again and thus to increase European production.

## 3. A BOLD, NEW ENTERPRISE OF THE LABOR UNIONS

The German Trade Unions' Federation realized that here was a possibility for a bold, new enterprise and decided that the first step had to be taken in one of the states with a high percentage of refugees. The Institute for Economic Research of the Trade Unions prepared the outlines for a plan of "productive assistance for refugees" combining new and lasting employment, resettlement and housing. The situation in Schleswig-Holstein offered all the possibilities of realizing this threefold purpose.

The representatives of the ECA and of the High Commissioner of Germany - especially the Office of Labor Affairs - fully endorsed the project but insisted that counterpart funds could only be used if building costs were reduced considerably by the use of the most efficient methods of production and organization. This was to be a pilot-project demonstrating that modern industrial ways and means could be successfully introduced in the building industry.

The problem was how to organize, finance and execute one single project of 10,000 dwellings, dispersed over a number of towns and villages, within the shortest possible time and for the lowest possible price.

Never before had an experiment of such a scale been made in continental Europe. The trade unions were neither builders nor contractors, but they realized that they would have to have a big finger in the pie if their plan was to succeed. On the other hand they did not want to embark in a new field that was only indirectly connected with their original task:- care and struggle for the welfare of their members - especially as the new houses were not being built for trade unionists but for anyone who could contribute to the increase of production if he could find a dwelling at the place of his employment. To be sure, this is an outstanding example of the new trade union policy, aimed at raising the welfare of union members by helping to increase production and thereby strengthening the foundations of general welfare.

#### 4. THE OUTLINES OF THE PROJECT

The trade unions suggested building the 10,000 dwellings for refugees as one unified undertaking. Only a limited number of standard types of houses and apartments were to be constructed. The existing non-profit housing associations were to be the builders and prospective owners. The actual building was to be performed by general contractors according to the normal procedure of submitting tenders or bids.

Once the outlines of the project were agreed to, the task of the unions was mainly to co-ordinate the various groups of regional and local planners, builders and prospective tenants - the latter in view of the fact that resettlement and re-employment of refugees was one of the decisive aims. For this purpose the legal form of a chartered association was chosen. The association was founded in September 1949 and named the "Working-Party for Productive Refugees' Aid". When the "Working-Party" was complete the following organizations and authorities were represented:

The German Federation of Trade Unions;  
The Union of Workers in the Building Industry;  
The Ministry of Social Affairs of Schleswig-Holstein;  
The Association of Refugees in Schleswig-Holstein;  
The Federation of Non-profit Housing Associations;  
The Association of Schleswig-Holstein Housing  
Enterprises;  
The Co-operative Wholesale Society of Germany.

The Co-operative Wholesale Society served as a central purchasing agency and became one of the decisive factors in the effort to lower building costs.

This combination was based on the intention of making use of available forces and of avoiding the foundation of new organizations, and furthermore of replacing responsibility for every phase of the work where it belonged. Whereas centralization was accepted where necessary, the principle of "functional decentralization" and individual initiative was applied as far as possible.

By following this principle the labor unions made it quite clear from the beginning that they had no intention at all of doing business in the building industry or in any other phase of the project. This had to be the task of the normal agencies -- non-profit housing societies, co-operative wholesale associations, contractors, etc. -- but the unions understood that there had to be a central force bringing the various components together and hammering out the broad designs in order to reach the ultimate goal. They were convinced that the solution of the refugee problem and the elimination of the housing shortage were tasks which could not be overlooked by organized labor.

The trade unions therefore brought the various free organizations and the Schleswig-Holstein government housing agencies together, formed the "Working-Party for Productive Refugees' Aid" and were prepared to share the board of directors together with the State Minister of Social Affairs. The management of the supervising and co-ordinating office at Kiel was assigned to a leading member of the Building Industries' Union.

#### 5. THE ROLE OF THE CO-OPERATIVE HOUSING SOCIETIES

The co-operative societies are in general local organizations. The regional and the national federations in Germany did not have the influence and significance of H.S.B. or R.B. in Sweden, for instance, which always worked as central planning and co-ordinating agencies. In Germany the national organization played their important role -- as mentioned above -- in the field of accounting and cost-control.

In Schleswig-Holstein, for the first time, a significant group of co-operative societies became partners in a large scale project, which meant that they had to act as the executive arm of the "Working-Party", and thus had to transfer part of their own activities to this common agency.

Thus the blue-prints and specifications for the five types of dwellings were designed at the Kiel office. Plumbing, electric wiring and other installations as well as chimneys, stairs, window frames and doors had to be provided according to the standardized pilot plans.

The "Working-Party" had made a choice too of a limited number of types for the various parts of the houses, such as walls, roof-construction, ceilings, and newly developed bricks made from the rubble of houses destroyed during the war or according to new procedures making use of light materials, such as mixtures of concrete and slag from blast furnaces.

The local societies got permission to use blue-prints or materials or parts other than specified in the master plan only in a very few cases when local conditions were such that it was impossible to avoid changes.

This combination had great advantages both for the local co-operative societies and for the total project.

The societies were able to make use of their long experience on the one hand and put it at the disposal of the "Working-Party". On the other hand they shared in all the advantages of bulk purchases and had no trouble with financing, as the latter problem was put primarily in the hands of the Working-Party. Furthermore the necessity of negotiating with the local authorities for building licences was reduced to a minimum, as the standard types got a general licence, so that the task of the local authorities were confined to smaller changes and to the fitting of the local project into town- and country-planning schemes.

## 6. COST REDUCTION BY COMPETITION

The "Working-Party" wanted to get the houses built for the lowest price without lowering the housing standard.

Therefore the co-operative societies were obliged to invite tenders from all firms which were able to do the various jobs.

Price-rings and cartelization are rife in the European building industry. It is quite common for the various contractors to decide among themselves who shall be the lowest bidder. The latter has to increase the total sum which he wants to submit according to his calculation, by a certain amount, the greater part of which he has to share out later among his competitors who did not get the contract.

The labor unions were convinced that much could be gained if real competition were the rule in the building industry, one of the reasons why they were so active in the building field before the Hitler regime. (See above, p. )

The Schleswig-Holstein project was a step in the right direction because the local societies were not obliged to look for a contractor in the local market but were able -- on account of the size of the total project -- to make use of the services of a much wider circle of firms than in normal cases.

This is illustrated by a very remarkable example. In one case thirteen local firms submitted their bids. The prices varied between 203,000 DM and 228,000 DM. This narrow margin seemed to indicate that all thirteen may have worked hand-in-glove. But a fourteenth tender was delivered by a very efficient contractor from another place. His price was 155,000 DM. Of course he got the contract. This may be an extreme case, but it indicates what can be achieved by concerted action.

## 7. BULK PURCHASE

The Working-Party calculated that 30 to 40% of the total building costs had to go to the outer shell of the houses, whereas the other 60 to 70% were needed for finishing. Thus most of the savings had to come from the second part.

Therefore it was decided to limit the bulk purchasing for the shell to those parts which had to be supplied by specialized manufacturers. Bricks, tiles and concrete were excluded, especially as it seemed to be cheaper to buy them from local industries, because otherwise higher transportation costs would have cancelled out possible savings.

Bulk purchasing was mainly concentrated on such items as: 53,450 windows; 56,290 doors; stoves, kitchen ranges, sanitary installations including bathtubs and W.C.'s, and the various accessories.

The total amount of the bulk purchases was slightly more than 9 million DM, which means that savings of about 2.5 million DM were made on these items alone.

This result could only be achieved because the "Working-Party" made use of the experience of the Co-operative Wholesale Organization which had available a building materials' department with an excellent staff of experienced buyers.

Here too, free competition was the guiding principle. In all cases of bulk purchasing a great number of firms, both manufacturers and wholesalers, were invited to make offers. For this purpose very often public advertisements were placed in newspapers with a wide circulation all over the Federal Republic. By this method the Co-operative Wholesale Organization succeeded in buying most of the doors as 36.30 DM instead of a former price of 46.30 to 48.50 DM. Savings on window frames were even greater; here 31.00 DM were paid instead of about 50.-- DM.

8. CO-OPERATION BETWEEN PRIVATE AGENCIES AND THE GOVERNMENT

Another decisive factor was the close co-operation of the State offices and local authorities with the "Working Party". As already mentioned, the State of Schleswig-Holstein has been in an emergency situation ever since the end of the war. In 1946, 42% of the population were refugees without houses and without work. In 1952 this percentage still is 34, the highest of all German States and about double the average of 17% in the Federal Republic.

After careful consideration the State Government was prepared to find new homes and gainful employment for 600,000 people in addition to an original population of 1,400,000. No wonder that the authorities welcomed the initiative of the Free Trade Unions' Federation and that they were prepared to give every assistance possible to an organization which tried to solve the double problem of housing and re-employment of a great number of refugees.

As there was no time to be lost, a joint commission of the "Working Party" and the State Building Board was formed in order to take steps which would cut through all bureaucratic regulations. This commission visited all places where there was a chance of finding employment for refugees. Building sites were chosen, plans for road- and street-building approved, the local manpower and building materials' situation examined, and overall co-ordination prepared. Without this action on the local level by the central organizations -- "Working-Party" and central authorities -- the whole project would have been hampered by the notorious red tape which is characteristic of so many large-scale institutions.

9. FINANCING

As already mentioned the E.C.A. was strongly interested in this project and an allocation of 40,000,000 DM out of counterpart funds formed an essential part of the plan for the financing of a total of about 88,500,000 DM.

This 88.5 million DM were financed as follows:

Counterpart Fund . . . . .	40,000,000 DM
State Loans . . . . .	36,500,000 "
Federal Funds. . . . .	3,500,000 "
(Equalization of war losses)	
Builders' Capital. . . . .	<u>8,500,000 "</u>
Total for 9,746 dwellings. . . . .	<u><u>88,500,000 DM</u></u>

The original calculation was 85 million DM for 10,000 houses. The increase was caused by the general rise in prices and wages which took place during the time of construction as a consequence of the post-Korea boom.

Thus the average costs per unit for land and building were 8,900 DM. Without the increase of prices and wages, 8,500 DM to 8,700 DM would have been sufficient compared with 10,000 DM per unit under the normal social housing program of Schleswig-Holstein at the beginning of 1950. Taking into account that in the new project bathtubs, kitchen ranges and closets were included for the first time, savings of at least 15% were achieved. That means that about 1,500 more dwellings were built than would have been possible under normal conditions; or -- to state it the other way round -- that about 15 million DM were saved.

#### 10. FURTHER INCREASE OF PRODUCTIVITY POSSIBLE

The people on the spot are convinced that it would be possible to increase productivity further, if the organization of social housing were pursued with the same spirit of initiative and voluntary co-operation on a large scale which was exhibited by all parties concerned in Schleswig-Holstein. Even a project of 2,000 houses would offer great possibilities. Improvements could be made in the preparation and organization of the building sites, by further exchange of experiences between the different building agencies, and by a still higher degree of standardisation.

In the financing field, too, savings seem to be possible. Though the State of Schleswig-Holstein renounced or lowered the costs for fees and special taxes, it was unavoidable that considerable fees had to be paid to banks, which operated as middlemen only. Even money from the counterpart fund became more expensive through these transactions. There is a strong inclination on the part of the Federal Government to channel the money for social housing through real estate credit institutions, even if this is not economical. This seems to be a form of subsidy to these institutions, which is strongly resented by the non-profit housing societies and contrary to the practice in other countries.

#### 11. CONCLUSION

The Schleswig-Holstein project is one of the most outstanding examples of what can be done by team work in the field of social housing. Here the E.C.A. created an opportunity. The Federation of Free Trade Unions grasped the chance. Within a short time a combined organization of free enterprise, labor unions and government agencies started a project which

fulfilled all the conditions of the European Recovery Program.

In 9,746 dwellings 34,052 persons were accommodated. Of these 11,150 were additionally employed in industry, and the export trade. 97% of the new workers were refugees. All 11,150 helped to increase markedly the productive power of the Schleswig-Holstein economy within a very short time.

The construction of the houses took place on a level of productivity which had not yet been reached in Western Germany, but which can be surpassed if the experience gained in this case is used elsewhere.

THE ACTIVITIES OF THE  
EUROPEAN LABOR MOVEMENT  
IN THE HOUSING FIELD

A Survey Prepared by  
Heinz Umrath 1952.

HOLLAND.

I. THE SITUATION BEFORE 1900.

Large-scale industrialization started later in Holland than in countries like Belgium, Great Britain and Germany. Nevertheless, in the second half of the 19th century the housing problem became acute in the Netherlands too.

As early as 1853 the Royal Institute of Engineers, at the request of King William II, made a report on housing conditions. The rapporteurs used rather plain language stating that many so-called dwellings were sources of decay and worse than animal shelters. However, no official steps were taken.

Yet here and there both socially-minded, well-to-do persons and working-class people founded the first housing associations.

In 1853 the "Association for the Well-being of the Working-Class" of Amsterdam built 18 dwellings; in 1870 the number was 334. Other places followed this example.

In 1872 the early labor organizations held a meeting, asking the city council of Amsterdam to build 5000 workers' houses. Some years before, in 1868, the "Building Society for the Acquisition of Homes" had been founded as a co-operative society, which now owns about 3,000 dwellings. The "Amsterdam Association for the Building of Workers' Dwellings" dates from the same time.

The beginnings were not too promising. But later the city of Amsterdam was prepared to provide such associations land free of cost and a loan of 1,800,000 guilders at a low rate of interest ( $4\frac{1}{2}\%$ )

These and other steps were far from sufficient to eradicate the appalling housing misery both in the cities and in the villages. In 1892 in Amsterdam alone almost 5,000 basements were being used for shelter by the very poor. About a thousand of these cellars were so low that a normal person could not stand up in them. Even the few beginnings of slum clearance did nothing to change the housing conditions of the lowest income groups -- in those days a rather large part of the population. They had to leave the old slum-dwelling, where they paid about 80 or 90 Dutch cents (then about 40 to 45 ¢) a week for rent. But in the

new houses, which replaced the old ones, the rent was 1.70 guilder (85¢).

The "Building Association Jordaan" -- the "Jordaan" is one of the old congested sections of Amsterdam -- reported in the late Nineties that they cleared a block of old dilapidated houses and offered the new dwellings to the inhabitants of the old ones. The new rent was h.fl.1.70 (85¢) a week. Out of 103 families only 9 were able or willing to sign the new contract. \*

These circumstances were duplicated in all European countries. There can be no doubt that even in those times, when in many cases a "low-income family dwelling" consisted of one single room with the kitchen and the W.C. both in small, adjoining closets or cabinets, the greater part of the poorer families could not afford to pay the economic rent for a somewhat better home. Even the housing associations could only provide dwellings for the higher paid workman.

The financial basis of the non-profit societies was too small for an over-all attack on the prevailing housing misery, so that prior to the Housing Act of 1901 not more than 10,000 dwellings were built by associations all over Holland.

The leaders of the young labor movement had no illusions about these facts. They wanted to raise the standard of living for everybody. This may be a common notion in our days, but at the end of the last century poverty was still an accepted fact among broad groups of the population. Their answer was that the gap between income and rent had to be bridged by charity.

This did not satisfy the labor people. They asked for an active housing policy on the part of the public authorities.

## II. THE HOUSING ACT OF 1901.

After 50 years of growing housing misery the Dutch Parliament, elected under a more liberal, though not yet general, franchise, passed the Housing Act of 1901. This piece of legislation was so well designed, that only a few amendments have had to be made in it during the fifty years of its existence. There are, of course, quite a few points which should be altered now. For this reason a Royal Commission suggested in 1947 replacing the old act by two new ones; a housing law and a town- and country-planning act. But it can be stated that the act of 1901 opened a new area which was distinguished by a great improvement in the housing situation in general. The ultimate aim,--good, inexpensive dwellings for all families -- may not yet have been achieved and the number of slum-

\* De Nieuwe Tijd, Amsterdam, 1899/1900; p.677.

dwelling is still high, though lower than in most of the other industrialized countries. But this is not the fault of the Housing Act, but rather of the fact that social development, especially in this field, was hampered by an economic policy which was more often than not very short-sighted -- much to the dissatisfaction of the labor and trade union movement.

A. The legal provisions of the Act of 1901.

According to the Housing Act all municipalities must issue building by-laws. A technical department has to supervise the execution of these regulations. Town-planning and zoning become an obligation too. In this connection and in order to stimulate the public acquisition of cheap land for further town extension, the expropriation (condemnation) procedure for housing purposes was simplified.

Deteriorated dwellings can be declared uninhabitable; in such cases the tenants have to evacuate the dwelling after a short period. In order to promote slum-clearance, premises adjoining uninhabitable houses can also be condemned.

Local authorities and non-profit housing associations can receive low-interest loans from the central government for housing purposes. If necessary a subsidy is paid to balance the profit and loss account of social housing agencies.

III. Housing development before World War II.

.a. Progress made.

Though after the inauguration of the Act the number of houses built by associations grew from year to year it was not before 1913 that more than 10% of all newly built dwellings were constructed by non-profit organisations

The number of housing associations is limited in order to avoid duplication. In 1914, 350 recognized associations existed.

During and after World War I the number and activity of the non-profit housing associations increased rapidly. Under the influence of the housing shortage and the pressure of public opinion, the Government granted loans and subsidies on a rather extensive scale.

Not only the free trade unions but also the organizations of the Protestant and of the Catholic workers urged for an enlarged housing program.

In addition to the housing associations the municipalities started large housing projects too. This step was very important in view of the old problem of housing the poor, the aged and other groups living on the fringe of society.

Much was achieved by a far-sighted land policy of progressive city administrations. Here, in many cases, leaders of the labor movement acted together with other socially-minded people. The city of Amsterdam, for instance, acquired most of the land which will be needed for its extension during many years to come. Town plans were designed which in some cases covered an expected development until the year 2000.

In the mining district of Southern Limburg, where the Catholic trade unions are rather strong, two great non-profit organizations "Ons Limburg" and "Thuis Best" built about 10,000 houses. They have an excellent technical office and provide the administration for a number of affiliated societies. As the activities of "Ons Limburg" cover the whole province of Limburg a special agency was entrusted with the task of acquiring land for future projects in order to prevent speculation.

Shortly before World War II the number of non-profit housing associations was about 1,100, the majority of which were workers' associations. During the years from 1902 to 1940 164,036 association dwellings were built of which about 110,000 were constructed with financial assistance by the public authorities according to the "financial provisions" of the Housing Act.

596 out of 1,045 Dutch municipalities (56.6% of the total) also took the initiative in the housing field. Their share during the same period was 60,450 dwellings. Thus associations and municipalities together built about 224,000 units or almost 20% of the total of 1,266,000 dwellings constructed during the first 40 years of our century. In 1940 about 10% of the existing housing stock in Holland could thus be classified as "social housing".

The achievement of the Housing Act may be illustrated by the fact that at the end of the 19th. Century the average Dutch citizen occupied half a room only but drank 13 pints of alcohol per year. In 1938, the consumption of alcohol had dropped to 2½ pints whereas - on the average- every person had one room to live in.

b. The unsolved problem.

Great as the achievements were during the first forty years of the Housing Act, the number of cheap dwellings was still not sufficient.

Every housing census made in various Dutch Towns in the late thirties showed that in many cases more than one family still lived in one dwelling. On the other hand, at the same time, about 3% of all dwellings were empty.

This contradiction found its cause in the fact that the

authorities had not made full use of the possibilities of the Housing Act. Only during the first World War and immediately afterwards, when private builders were very reluctant to take the risk of rising building costs and political insecurity had the government assisted the social housing agencies whole-heartedly. It was in those years that the share of social housing rose from 40% of the total built in 1916 to 87% in 1920, when almost 22,000 dwellings were constructed by non-profit associations and municipalities. This number rose to about 25,000 in 1921. But owing to a system of subsidies which was very gratifying to private builders, this section of building enterprises constructed about 15,000 dwellings in 1921 compared with only 3,000 in 1920. Consequently the share of social housing fell from 87% in 1920 to 63% in 1921.

In the course of the following years it became more and more evident that the government had used the social housing agencies as a stop-gap only during the years when speculative builders were not prepared to deliver the goods. The consequence was -- as stated before -- that in the coming years not enough houses were built for lower-income groups and especially for large families, which are rather numerous in Holland.

The labor movement protested against this policy from the very beginning.

c. A Plan of Action by the Labor Movement

In the early thirties the Great Depression hit Holland too. Building activity dropped all along the line and the construction of houses showed a very erratic development (see table).

<u>Number of Dwellings Built</u>			
1930	51,501	1935	45,231
1931	50,580	1936	30,281
1932	41,341	1937	29,119
1933	44,425	1938	38,375
1934	52,591	1939	36,830

The number of unemployed increased from year to year and reached 37.7% of the total labor force in 1935. The building industry suffered still more heavily, reaching its highest point in December 1935, when more than 56% of the building trades workers were without employment. In the following year, 1936, this percentage never dropped below 42.3%.

From the beginning of the depression the labor and trade union movement had insisted the energetic measures should be taken, measures which a wealthy country, like Holland was in the thirties, could well afford to take in spite of the deterioration of international trade. When the crisis mounted from year to year the Dutch Federation of Trade Unions (Nederlands Verbond van Vakverenigingen, N.V.V.) together with the labor party issued "Labor's Plan

for action" (Het Plan van de Arbeid), similar to the plan of the Belgian labor and trade union movement. In this document the whole national economy was analysed and suggestions were made for an energetic attack on unemployment. Housing played a very important part in this program. Slum-clearance was to be extended on a large scale. New houses were to be built according to the income and size of the families of the prospective dwellers.

As money was cheap and plentiful it would have been easy for the public authorities to raise loans in the open market and to finance non-profit housing associations according to the provisions of the Housing Act.

In fact, nothing was done. To be sure, the Government tried to stimulate the construction of low-priced dwellings by private builders with the explicit aim of lowering the general level of rents in order to be able to enforce a further squeeze of wages ! For this purpose 2nd. mortgages were granted to private builders with a low rate of interest.

During 5 years, less than 200 such dwellings were built. "This development demonstrates that the aim -- the construction of cheap dwellings in order to be able to force wages down - was not achieved"\*

#### d. Conclusion.

There can be no doubt that the period between 1901 and 1940 was an area of great progress in social housing in Holland.

Many new houses were built and old ones disappeared. The housing standard improved step by step. But in too many cases the gap between rent and income could not be bridged. Thus we see empty houses on the one side and families pressed together in a space much too small for decent shelter on the other. All over the country, often in "picturesque" corners of old towns and villages, people had to live in hovels, lacking the space and light and air every human being is entitled to.

Farsighted men and women, among them the leaders and many from the rank and file of the unions of all denominations, had laid their fingers on the sore spot of a society, where these evils could exist side by side with scores of idle building workers and at a time when there was no lack of building material. They had stated time and again that ill-housed people were a threat to the health and the productivity of the whole nation. But the conception of fighting deflation by still more deflation had driven a whole continent down the road leading to the heaviest depression of modern times.

\* H.G. v. Beusekom, p.27, De Volkshuisvesting.

#### IV. THE POST-WAR PERIOD.

##### A. The housing shortage.

Without making allowance for the necessity of slum-clearance and rehousing parts of the population in accordance with modern town-planning concepts, the housing shortage in Holland amounted to about 300,000 dwellings in 1947.

One cause was the extensive war damage indicated by the following figures :

completely destroyed	80,000 dwellings
heavily damaged	40,000 "
lightly damaged	400,000 "

The rapid increase of the population was of still greater significance. The number of inhabitants is growing by about 1.5% each year. This alone means that 35,000 new dwellings must be constructed annually in order to give sufficient accommodation to young married couples. When reconstruction and new building started after the armistice several facts had to be taken into account.

1. All other sections of the national economy had also suffered during the war by destruction and looting. Furthermore huge investments had to be made in order to provide employment for the growing number of young people. Thus housing had to compete with industry, agriculture and transport in the first place.
2. Labor and raw materials were scarce and international trade had deteriorated.
3. Building costs had increased rapidly, whereas rents were frozen on the pre-war level in order to put a brake on inflation.

Under these circumstances housing had to be fit into the framework of a general system of financial and economic priorities. This seemed to be the only way to make the most efficient use of the available resources of man-power and raw materials for the rapid reconstruction of the country.

##### B. The Building Program.

In 1948 the Minister of Reconstruction and Housing issued a long-term Building Program. After making allowance for the construction of industrial, agricultural and commercial buildings, of schools, churches and hospitals and of roads and canals, it seemed possible to build houses at such a rate, that in 1965 every family could have a dwelling of its own.

If a certain percentage of the new construction were duplex-houses (a large house temporarily sub-divided for the use of two families) the immediate goal could be reached in 1960.

During the then following years 35,000 houses should be built each year for the natural increase of households, whereas at the same time the duplex-houses should be converted into regular dwellings. After 1965 slum-clearance should take place on a large scale.

In order to execute this program the Government would have to provide grants-in-aid paid out of taxes as far as the general economic situation would permit it.

C. The realization of the program.

During the first years after the war, reconstruction and repair-work played the foremost role. But from 1948 onwards production was always higher than the number laid down in the long-term program.

Number of new dwellings 1947-1951.

	<u>Program.</u>	<u>Construction.</u>
1946	----	2,000
1947	----	9,200
1948	30,000	36,400
1949	35 to 40,000	42,800
1950	40,000	47,300
1951	45,000	58,600
<hr/>		
Total 1946-1951	155,000	196,300
<hr/> <hr/>		

D. The share of the housing associations.

In connection with the rapid industrialization of the country and the necessity of achieving the highest possible degree of productivity of labor, great efforts were made to diminish the shortage of workers' houses. Consequently the housing associations together with the municipalities were the main agents of post-war residential building.

Percentage of houses built by associations and municipalities.

	<u>Associations.</u>	<u>Municipalities.</u>	
			<u>total</u>
1947	39	29	68
1948	32	48	80
1949	33	40	73
1950	26	39	65
1951	27	43	70

At the end of 1951 the 1036 associations owned about 245,000 dwellings or 10.5% of the total housing stock. Of course, in the industrial centres the associations play a much greater role.

Percentage of dwellings owned by associations and municipalities in selected towns.

Town.	Total No. of dwellings.	Owned by Associations. %	Municipality %
Almelo	7,143	30	2
Amsterdam.	201,662	14	6
Enschede.	17,852	30	-
Groningen.	27,206	22	4
Hilversum.	15,916	14	6

In 556 out of the 1,011 Dutch municipalities one or more housing associations exist. The numbers vary from only one each in 387 and two each in 80 municipalities to 20, 23, and 30 respectively in the three great cities of The Hague, Rotterdam and Amsterdam.

E. The national organisations.

598 associations, owners of 155,995 dwellings, and 76 municipalities with 82,257 dwellings, are members of the National Housing Council. This central organization is an advisory body and acts as a representative of the social housing agencies in general.

Lately the Council, which has made important contributions to the development of standards and techniques, extended its activities into the field of large-scale planning and designing. In order to lower building costs and achieve higher productivity the council advised its members to build 5,000 dwellings according to a limited number of standard types. For the interior of all these types uniform parts are to be used so that a high degree of standardization and simplification will be achieved. Bulk purchasing will enable the suppliers to make use of the most efficient production methods.

The Catholic housing associations are linked together in diocesan organizations. Together with the Catholic Trade Unions' Federation they form the Catholic Housing Institute, which works on similar lines as the National Housing Council.

At the beginning of 1952, 203 associations, the owners of 47,800 dwellings, and two municipalities with 2,537 dwellings, were members of the "Institute".

## F. Financing of Social Housing.

Under the Housing Act so-called "advances" can be given by the central government with the aim of financing social housing projects up to 100% of costs.

The central government does not deal with housing associations directly, but uses the municipalities as an intermediary, which has to bear the risk in any case.

The municipalities decide which part of the money available for housing purposes shall go to the associations and which part shall be put at the disposal of the municipal housing department.

Since 1948 the central government has not been providing advances to municipalities. The municipalities have to find the money for housing and other investment purposes in the open market. In order to facilitate these transactions, the Treasury does not issue too many loans, so that the municipalities have a fair chance to place enough bonds -- at least under normal circumstances.

The rate of interest for bonds of local authorities is fixed by the Treasury so that the costs of the loans issued in the open market will not be too high.

At the moment the rate of interest is  $4\frac{1}{4}\%$  for long-term issues.

The municipalities grant the so-called "advances" to the non-profit housing associations on terms equal to the actual total costs of the new houses, including the cost of the land, though the latter is often let on long-term lease. Loans for the actual construction costs must be repaid in 50 years; in cases where the land has to be bought the advance for this part must be repaid in 75 years.

Financing of new projects has to be secured for the total, actual cost. The subsidies, which are necessary to stabilize rents of new dwellings on a level corresponding to the present wage level, are paid in annual instalments.

This regulation applies to social housing only, Private builders get a lump sum subsidy covering about a third of the building cost.

## V. Trade Unions and Housing.

### A. Building Costs.

The labor unions of the various denominations (General, Protestant and Catholic) are working together in many fields. Labor-management co-operation has also made progress after World War II.

As high building costs are one of the obstacles to the further expansion of the building program, a joint commission of employers' and employees' representatives made a study of the possibilities of increasing the productivity in the building industry. In a report published in 1952, a list of recommendations was issued including suggestions for the introduction of new production methods, especially for work during cold weather, co-operation between labor and management, comparison of the results of different enterprises, improvement of training facilities, unification of by-laws etc.

The General Dutch Building Trade Union (N.V.V.-I.C.F.T.U.) is especially active in this field. They try to make their members productivity-minded by discussing the question of "Productivity and a high standard of Living" in their periodicals as well as in special publications.

In view of the urgent necessity of achieving higher productivity and securing a fair share of the results for the workers, the building trade unions have agreed to introduce piece work methods.

This system was already very much in use before the war but at that time gangs of workmen contracted with the employer without any supervision by the unions.

In the post-war agreement the rates are fixed by joint labor-management committees and in most cases based on time-studies. As the unions are employing experts they are able to examine and supervise the results of the studies

Furthermore the unions insist that scientific methods must not be used as a basis for the establishment of payment by piece work rates only, but also for the technical improvement of the organization and efficiency in all stages of the building industry.

**B. Housing programs and financing.**

"Given the aim of attaining a socially acceptable level of housing, the fact that housing, especially working-class housing, has in most countries proved a poor speculation for private capital as compared with the yield from other sectors, invariably has meant the intervention of public authorities" \*

This statement of the Economic Commission of Europe can be whole-heartedly underwritten by the unions, But they are rather doubtful whether the intervention of public authorities will always materialize when necessary.

The experiences of the thirties and even to a certain degree during some of the post-war years, demonstrated that the unions must watch the development of social housing very carefully.

\* Methods and Techniques of Financing Housing, UNO-ECE, Geneva, 1952.

Therefore, when the Dutch Federation of Trade Unions (N.V.V.) prepared a new plan of action, the "Welfare Plan" of 1952 much attention was again paid to housing.

The N.V.V. not only endorsed the long-term program of the Minister for Reconstruction and Housing, but suggested speeding up. This would serve a double purpose; the elimination of the housing shortage and of slum-dwelling in the shortest possible time and the productive employment of the growing labor force.

As financing is the ever-recurring bottleneck, the N.V.V. insists that the Government make full use of the financial provisions of the Housing Act and induce the institutional investors to regularly channel part of their investments into social housing. This could be done via a long-term gentlemen's agreement between these institutions and the Bank of Dutch Municipalities or by the active intervention of the government. As part of the capital expenditure of the public authorities is financed out of tax-receipts, the same method could be applied to the financing of housing. A low rate of interest should be maintained under all circumstances.

The N.V.V. understands that the gap, which exists between the rents for pre-war and post-war dwellings is undesirable for both social and economic reasons.\* They are prepared to co-operate in an adjustment of the old rents under three conditions :

1. Repair and upkeep must be guaranteed.
2. Part of the increase must be paid into a housing-fund, which will be used for the financing of subsidies for new houses.
3. Wages and other low incomes must be adjusted in order to maintain the present purchasing power.

Like the building trade unions, the N.V.V. fully endorses all efforts to lower building costs by better organization and more efficiency. Steps should be taken to ensure that lower costs will result in lower prices. For this purpose the formation of price-rings and cartels must be prevented.

The co-operation between the National Housing Council and the unions is rather strong. By a regular exchange of suggestions and experiences both try to promote social housing as much as possible.

#### CONCLUSION.

By the common effort of the Dutch people the worst effects of the war have been overcome rather quickly. In the housing field much has been achieved by concerted

\* Rents for old houses stand at 115% of the pre-war level, those for new houses at 130 to 160%.

action of the public authorities - which are strongly influenced by the trade-union wings of all major political parties - the housing associations and the municipalities. It is the strong conviction of the labor and trade union movement of all denominations that social housing is an urgent task. Not only is the well-being of every individual at stake, but better housing is also a condition for an efficient and smoothly running economy. The outstanding fact that Holland had practically no labor troubles for many years is strongly connected with the far-sighted housing policy of the unions, a policy which was only possible because there was reason to hope for better times to come. One of the symbols of this better future are the many thousands of inexpensive and attractive houses which are constantly built all over the country.

THE ACTIVITIES OF THE  
EUROPEAN LABOR MOVEMENT  
IN THE HOUSING FIELD

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A Survey prepared by  
Heinz Umrath 1952.

BELGIUM.

For a long time Belgium was the most densely populated and industrialized country on the Continent. Nowhere were so many working-class people pressed together in a small space; and nowhere on the continent was the trade union movement so active on a large scale so early.

Thus, in the Eighties, strikes and unrest swept over the country and like a flash of light revealed the many dark spots of the social scene. One of the worst was the housing situation.

THE FIRST HOUSING MEASURES.

It was under this pressure of the labor movement that the first serious steps for the improvement of the living conditions of the working classes were taken. Among these was the Act of August 9th.1889 empowering the General Savings and Pension Fund to grant low-interest loans to credit societies which on their part helped those who wished to build or buy a working-class house.

In 1950, 220 credit societies existed, which had made loans to 240,000 mortgagors. In most cases a life insurance contract is combined with the loan.

This system was rather successful, but only those workers were able to make use of it who could count on a regular income for 15 to 20 years, so that they would be able to pay the amortization and interest.

THE "NATIONAL SOCIETY" AND OTHER HOUSING AGENCIES.

As early as 1912, additional facilities were suggested, because large groups of ill-housed workers were unable to afford a decent dwelling within the frame-work of the existing regulations. Large families especially had to live in slum-dwellings for lack of financial means. The new legislation was retarded by the outbreak of the First World War.

The National Low-Cost Housing and Dwellings' Society was founded by the Act of October 11th.,1919. The National Society is a joint enterprise of the State and the Provinces and grants loans to "Low-Cost Housing Societies", of which 310 existed in 1951. Of these 265 are local or regional housing societies, either limited liability companies or co-operative societies. The capital is provided one-fifth by the State, one-fifth by the province and the remaining three-fifths by municipalities and public assistance boards.

Other "low-cost housing societies" are : tenants' co-operative societies (26); societies formed by employers for housing their employees (18) and some societies connected with welfare organizations.

These different societies backed by the National Society have built 82,000 houses and apartments between 1919 and 1951, of which 23,500 were sold and 58,500 rented.

Other central agencies active in social housing are the National Smallholding Society, providing loans for people who want to build in rural or semi-rural districts, and the Large Families' Housing Fund, a co-operative society formed by the League of Large Families .

More than in any other country the Belgian Housing Policy is aiming at the acquisition of owner-occupied houses by as many low-income families as possible.

#### LABOR AND HOUSING.

Though this endeavour was successful to a certain degree and has contributed much to the improvement of the housing situation, the labor movement was rather critical for several reasons.

In "Labor's Plan of Action" (Plan van den Arbeid) of 1935, much emphasis is laid on the fact that the desire to own a house is largely based on the fear of being dislodged from a tenants' dwelling. But in many cases the burden of home ownership is much too heavy for an average low income family. The consequence was that the credit and housing societies had at least as much trouble with the interest-paying owner-occupiers as they had with the rent-paying tenants.

Besides, the least instability in economic activity always was followed by a rapid decrease in applications for the financing of new houses. The "Plan of Action" shows the following figures of houses sold by the National Low-Cost Housing Society :

1928: 2503	1930 : 4307	1932 : 1047
1929 : 3062	1931 : 1930	

Even the slight recession which occurred in some Belgian industries lately seems to have had similar consequences. The number of building licences declined steadily for some time, as is indicated in the following table.

Building licences issued in August 1949 - 1952.

1949 : 5,169	1951 : 3016
1950 : 5,519	1952 : 2786

### THE NECESSITY OF SLUM CLEARANCE.

Another aspect is that not much progress has been made in slum-clearance.

Like all other countries where industrialization started early, Belgium has many old, substandard houses. A Survey published in 1952 shows that two-thirds of all dwellings were built before 1914. In the Southern province of Wallonia, the percentage is 80%. In the city of Ghent 20,000 families live in slums or emergency buildings.\*

Though after 1931 grants were available to the National Low-Cost Housing Society and the municipalities for slum-clearance purposes, only 6,000 slum-dwellings were closed up or demolished and 7,500 dwellings erected for former slum-dwellers or large families living in overcrowded quarters.

In "Labor's Plan of Action", a joint enterprise in 1935 of the political, trade unions' and co-operative labor organizations, slum-clearance was one of the demands put forward in connection with a program for housing and town and country planning. But in a government policy of deflation there was not much room for this method of counter-acting the depression.

### CONCLUSIONS.

The Belgian example shows clearly that the housing problem cannot be really solved if too much emphasis is laid on owner-occupancy. Too many low-income families are not yet prepared to bear the risk of long-time obligations for the amortization of the capital and the payment of interest, especially when this means that the step from cheap slum-dwellings to the ownership of a house must be done at one time.

Under these circumstances the Belgian Trade Unions are seriously discussing the possibility of going into social housing themselves, thus following the example of their friends in other countries.

There is a growing need for low-rent houses in all the Belgian towns, where more than 75% of all families still live in rented dwellings.

The Belgian trade unionists have demonstrated time and again that they know how to find an up-to-date solution for the problems of the people. There can be no doubt that they will succeed again by promoting social housing, especially as Belgian legislation offers the possibility for such a contribution to the improvement of the housing situation.

\* Bouw, June 7, 1952.

THE ACTIVITIES OF THE  
EUROPEAN LABOR MOVEMENT  
IN THE HOUSING FIELD.

A survey prepared by  
Heinz Unrath 1952

GREAT BRITAIN.

General observations.

In no other European country has local government played such a decisive role in the housing field as in Great Britain after the Second World War. Housing associations on the other hand have never built a great number of houses in that country, though they fulfilled a special task in setting examples of modern building and planning methods.

This development in the direction of public housing began just after the First World War, as the following table indicates:

New construction of permanent dwellings in Great Britain.

Years	Public authorities.	Private buildings*
Percentage of total.		
1919-1929	38	62
1930-1939	26	74
1948	90	10
1949	89	11
1950	86	14
1951	88	12

\*including a small number constructed by housing associations.

The reason for the marked difference between the vigorous activities of co-operative and other non-profit housing associations in many continental countries and the conspicuous lack of it in Great Britain may be found in the fact that local government always has played an important role in the development of the British social scene. So, when the housing problem became acute, the local authorities of the rural and urban districts, the boroughs and county boroughs, seemed to be the natural agencies to take action in this field.

The 19th. Century.

Great Britain was the country where the industrial revolution took place first. Consequently, the first big agglomerations of over-crowded residential quarters emerged here too. Nowhere else did the early industrial age leave so many landmarks in the way of slums and over-crowding; and nowhere was the housing problem discussed so early.

In 1838 the "Chadwick Report" on sanitary conditions of the laboring class was published and in 1851 the "Labouring Classes' Lodging-Houses Act" gave certain limited powers to the local authorities enabling them to improve the most crying housing conditions. Though a long series of "Housing Acts" reached the statute book in the second half of the 19th. Century, the number of houses erected by local authorities was negligible compared with the production of private enterprise. Much was done during that period in the direction of improving sanitary conditions, and several cities did some slum clearance and replaced the old dwellings with new ones. However, a total of not more than 6,000 to 7,000 municipal dwellings were built before 1900.

#### Before World War I.

In 1905 the outstanding trade union leader John Burns joined the Cabinet of the Liberal Prime Minister Campbell-Bannerman and later of Mr. Asquith, as head of the Local Government Board. Under these administrations the powers of the local authorities were greatly enlarged by such decisive measures as the "Housing and Town Planning Act" of 1909.

But all these steps did not result in the building of enough dwellings for low-income families. On the contrary "an astronomic housing problem was taking shape". For "the impact of the 19th. Century sanitary legislation was to be felt. The new sanitary code which had the effect of infinitely increasing the minimum cost of house building was producing the gap between earning and rent-paying capacity -- which has never been bridged, and during the next 14 years (1900-1914) it was plainly shown that private enterprise could not produce houses which could be let at rents within the means of low-paid workers. Such was the stage, back-clothed with decaying cottages, winged with foul slums and diurnally gas-lit cellar dwellings". 1)

Between 1900 and 1914 building activity was not even high enough to satisfy the needs of the growing population. Though in 1906 about 130,000 dwellings were constructed, the number fell to 30,000 in 1910 and did not rise to more than 60,600 in the last year before the First World War. Out of the 200,000 dwellings built between 1909 and 1914, a mere 11,000 were erected by local authorities. Lack of finances was the main reason why no use was made of the legal possibilities. Experimental projects like the garden city of Letchworth - the first realization of a "New Town" - or of the "flourishing concerns" of decent working-class dwelling of Bourneville and Port Sunlight could not be duplicated on a large scale as long as the gap between the average family income and rent-paying capacity could not be generally bridged.

1) See BRITISH HOUSING AND PLANNING YEAR BOOK 1950, p.26

Under these circumstances a definite attack on the housing problem became a national task. Thus, during the last years before the First World War, a policy of national subsidies and financial aid for low-rent housing was advocated by the foresighted people of all political parties. "These declarations coming after sixty years of sustained private effort, were an open confession of the impossibility of securing adequate dwellings for the working-classes, if public assistance is not given". 1)

### Between the wars.

Though a national housing policy became a non-partisan issue even before World War I, it is a recognized fact among British housing experts that it was the influence of the British Labor Movement which gave the housing drive such a strong impetus ever since 1919.

After some years of experimenting with various sorts of subsidies, the Minister of Health of the first Labor Government (1924) understood that a long-term building program was needed in order to guarantee steady employment in the building industry, which was hampered by a lack of skilled workers. The new program aimed to guarantee regular employment in the building trades for 15 years, based on a general scheme of housing subsidies. Local authorities receiving these grants were required to stipulate in the building contracts that one apprentice had to be employed for every five building operatives.

This system of a long-term program based on reasonable subsidies for both municipal and private building agencies resulted in the annual number of new dwellings increasing regularly until the building season 1927/28, when 260,698 dwellings were built, of which local authorities erected 120,494; private builders with subsidy, 77,725 and private builders without subsidy, 62,479.

In the following years housing activity declined and from 1930 onwards subsidies were paid only for slum-clearance purposes and the relief of overcrowding. Even so, the output of local authorities never fell below 60,636 in the depth of the depression (1930/31). In the second half of the '30's when private building reached nearly 300,000 units per year, the activities of local government recovered steadily. In fact, it was this activity of the public authorities that counterbalanced the decline in the private sector which began after the saturation point was reached in the private market in 1937. (See table)

1) Harry Barns, F.R.I.B.A. - The Slum, Its Story and Solution.

Houses erected in Great Britain 1935/1939.

	Local	Private Agencies		Total
	Authorities	subsidy	non-subsidy.	
1935/36	79,486	222	279,607	350,315
1936/37	87,423	797	281,683	369,903
1937/38	92,047	2,551	265,058	359,656
1938/39	121,653	4,207	233,013	358,873

The total output between the two wars amounted to 4,334,328 dwellings, of which 470,920 were built by private agencies with government subsidies and 1,332,189 by local authorities. The balance of 2,531,219 were privately built houses, mostly for owner-occupiers. As the number of houses built by local authorities for letting was far from sufficient to meet the demand, and as private building for letting was negligible for many years, thousands of families were unable to find a dwelling unless they could afford to buy a house.

When the depression occurred and the general subsidies were abolished in 1930, the situation in the building trades was very bad. Under these circumstances a tri-partite fund was established in order to persuade people to invest in building at a time when money was cheap and easy to obtain. Under the chairmanship of the Secretary General of the National Federation of Building Trades Operatives this fund spent £10,000 for advertisements. It is an open secret now, that often the opinion of the trade union leaders was voiced by articles which were published under high-sounding names in the national newspapers.

Thus, Great Britain experienced her greatest housing-boom in the Thirties. Taking the whole inter-war period together, almost a third of all new houses were built by public authorities. This was far from enough, considering the need for low-cost houses for letting purposes and the necessity to eliminate slum-dwellings and overcrowded areas; but a beginning was made, especially in the last years before the Second World War, which saw a serious effort to enforce replacement of old houses by slum clearance.

After World War II.

In 1946 the actual housing shortage was calculated at about 850,000 dwellings, including war damage and acute overcrowding. Over the next 15 years, i.e. till 1960, this was expected to increase to 1,400,000. Furthermore many of the 12.4 million dwellings existing in 1946 were so old that it was estimated that about 5 million should be replaced within a short time (see table).

Age-groups of houses in Great Britain, 1946.

	millions
Over 85 years old	3.4
55 to 85 " "	2.3
30 " 55 " "	2.4
Less than 30 "	4.3
	<hr/>
	12.4

This was only one side of the post-war housing problem. Great Britain had to build not only houses but also factories, farms and other commercial buildings. Whereas in 1938 45% of the output of the building industry went into housing (exclusive of repairs) after the war in the framework of a full employment policy and under the pressure of the unfavorable development of the balance of payments, investments in industry had to have high priority in the allocation of manpower and material. Under these circumstances the Labor Government decided to limit the housing program to 200,000 units per year. A maximum of one out of every 5 houses could be built by private builders, the remainder by local authorities, who had the final decision as to the private quota as well.

The main purpose was to narrow the gap between the supply of and demand for houses for letting purposes and within the rent-paying capacity of lower-income families. Financing was provided by the Central Government via the Public Loans Board. Rent-subsidies are paid over a period of 60 years. The standard subsidies were £22 per year until February, 1952 and are now £35.12- payable 2/3 by the State and 1/3 by the local authority. In many cases the local authorities pay a higher subsidy.

The normal "Council" house had an area of between 950 and 1100 sq.ft. The Conservative Government is trying to increase the number of houses, but at the same time has lowered the standard to 750 sq.ft., which according to unbiased British experts is decisively too low. Furthermore, the new administration intends to change the ratio between public and private houses from 4:1 to 1:1 by inducing the local authorities to assist prospective owner-occupiers in the purchase of a house.

Though it is remarkable that the general policy of subsidising housing is endorsed by the Conservative Government the Labor Movement is opposed to the changes made during the last year, because they are felt to threaten the social and economic development of the country. Labor mobility and the need for rising production make it necessary that more and more Council houses become available. Making houses too small is felt to be a short sighted policy, though it is granted that a certain degree of differentiation should be observed so that the size of the dwelling can be better matched to the number in the tenant family.

Furthermore the Trade Union Congress is strongly convinced that Great Britain cannot afford to extend her housing program at the expense of the expansion of her industrial capacity.

Another point in the Conservative Party policy which is strongly resented by the TUC is that the flow of financial resources is more and more regulated by the rate of interest instead of by direct allocations. Whereas the increase from 3% to 4½% in the rate of interest charged by the Public Loans Board is compensated by higher subsidies as far as houses themselves are concerned, all other expenditures of local governments have to bear the higher rate. This is a severe burden on the financing of other essential services such as road- and school-building and many other facilities needed by housing projects.

The general picture shows that while a general housing policy is a non-partisan matter in Great Britain, nevertheless there are marked differences. The Labor and Trade Union Movement wants to handle housing within the general framework of the national economic policy. As under such circumstances housing has to share first priority with other important sectors like industrial expansion and -- at present -- rearmament it is felt that the actual housing program should satisfy the most urgent demand, which is still to be found among those families who cannot afford to purchase a house.

#### Housing Associations.

As mentioned in the beginning, housing associations and other non-profit housing agencies have not built many dwellings in Great Britain. According to the National Federation of Housing Societies, the central body which comprehends about 500 societies, the total number of dwellings owned by all housing societies in Great Britain is about 65,000, of these, 205 so-called "Family Housing Associations" form the most important group. Others are connected with industrial enterprises. Though some of these have played an important role in the development of town- and country-planning, they have little or nothing in common with the continental co-operative societies.

A typical post-war development on a co-operative basis are the "Self-Build Housing Societies", of which the "Federation" counted 88 among its members at the end of 1952.

The members of the self-build housing associations -- never more than 50 -- pay £25 to £50 to the loan stock by weekly instalments of 2s.6d. to 5s. and contribute 25 hours per week of their own labor over a period of about 2 years. The general financing of the scheme comprises a 90% mortgage loan from the local authority, the remaining 10% being contributed by the members as stated above.

The housing subsidy is payable on condition that the houses are "to let" by the association, which shows clearly the co-operative character. Building for owner-occupancy can also be arranged. In both cases the local authorities must be prepared to give their assistance within the framework of the existing regulations.

Attractive as the idea of "Self-Build Housing Societies" may look at first, several severe drawbacks cannot be discounted. Very often the members must travel 30 to 50 miles to the building site. Adding travelling time to 25 hours extra work makes a working week of almost twice the normal length. Even an addition of a mere 25 hours seems to be unbearable over a long period. Thus "self-build housing" is not an answer to the housing problem, particularly in metropolitan areas, where the situation is most threatening and where housebuilding cannot be compared with spare-time gardening in the back-yard. No wonder that even according to the most benevolent observers the self-builders are tired and worn-out when the house is finished and that what started as an inspiring enterprise peters out as a heavy, and often cursed, duty.

Still, the housing societies have always had a role to play in the British housing scene. They were the promoters of new ideas, often backed by generous philanthropists who a hundred years ago wanted to alleviate the appalling misery of the ill-housed, and later provided the example for the garden cities and the homes for old-aged people. They never solved the social problem as such, but often they made valuable contributions as to how the problem, or at least one side of it, should be approached. Not without good reason they were once called the "light cavalry" of Britain's great army fighting the battle for good and inexpensive houses all over the country.

Houses Built in Great Britain 1945 - 1952.

	permanent	temporary	total
1945	3,000	9,400	12,400
1946	55,400	83,000	138,400
1947	139,700	46,400	186,100
1948	227,600	18,200	245,800
1949	197,600	100	197,700
1950	198,000		198,000
1951	195,000		195,000
1952	130,600		130,600
(first 8 months)			
Total	1,146,900	157,100	1,304,000

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FRANCE

THE GENERAL SITUATION

France lost about 600,000 dwellings during the last war. Besides, more than 500,000 were heavily, and about 600,000 slightly, damaged.

The French government assisted reconstruction greatly. From 1945 to March 31, 1952 almost 800,000 permanent dwellings were repaired and more than 100,000 reconstructed. Over half of the funds were provided either by State subsidies or by State loans at low rates of interest (4 to 5%).

"Social housing", i.e. low-cost dwellings for rental purposes have played a minor part in the French housing picture. Out of a total of 268,000 newly built dwellings (including the 100,000 reconstructed ones) 21,300 were "low-cost dwellings". According to a report of the "Inspection des Finances", the accounting department of the French Exchequer, even most of these houses were rather expensive and displayed a luxury which a poor country cannot afford. The conclusions of the report confirm the opinion of the free labor movement that only a very few cases, for instance, the projects of the CIL's (see below), are new houses within the means of low-income families.

FINANCING AND SUBSIDIZING SOCIAL HOUSING

Nevertheless it should be emphasized that France has available a well-known organization for the advancement of social housing, which was established between the two World Wars, and which probably would be a good instrument in a country with greater financial stability than post-war France.

The "Public Offices for Moderate Rental Housing" (Offices publics d'habitation a loyer modere) are set up by the State on application of the "Departements" (counties) or the municipalities. These "Offices" and "Moderate Rental Building Associations" (Societes d'habitation a loyer modere: HLM) obtain first mortgage loans made available to the Treasury by the "Deposit and Consignment Office". The loans cover 75% of the building costs. If the local authorities guarantee another 15%, the amount of the loans can be increased up to 90%. The

rate of interest is for the first two years nil, from the second to the 10th year 1% and later 2%. The State makes up the difference between these rates and those required by the Deposit and Consignment Office. The period of redemption may be as long as 65 years.

The balance between the State loan and the total costs of building and land must be furnished by various sources (local authorities, employers etc.). It is just this last part of the funds necessary for the building of new houses, which makes it very difficult to finance dwellings for low-income families, even though the State may make another contribution towards interest.

"Building Loan Societies" (Societes de credit immobilier) make loans to prospective owner-occupiers who intend to build houses complying with certain standards and not exceeding a maximum price. The societies obtain loans from the Treasury under the same conditions as the non-profit organizations. The builder borrows on a first mortgage from the Building Society for a slightly higher rate of interest and with a shorter period of redemption. The amount of the loan can not cover more than 80% of the building costs. Though the nominal rate of interest is rather low (2.75% after 10 years) the real rate is much higher (about 4.5%) as contracting charges are high and the borrower must take out a life insurance policy. The precarious financial position of the French government and the reluctance of influential parliamentary circles have put a brake upon the extension of the total amount of housing loans, which would be needed for an adequate social housing program covering 250,000 to 300,000 units a year. According to the latest figures only 125,000 dwellings were started in 1952, whereas the expectation for 1953 is even less (120,000). A total of 75,000 dwellings were completed in 1951, with 220,000 still under construction at the beginning of 1952. Only part of these are "low-cost houses" built by HLM and other non-profit organizations.

The lack of governmental funds has had the consequence that much of the building is done by private persons, in which case State subsidies can be provided over a period of 20 years. The annual installment is 500 francs per square meter for a maximum of 110 square meters. The builder may borrow from the "Credit Foncier" on 20 to 30 year terms, the nominal rate of interest being 6.8% whereas the real rate is 8.5% for 20 year and 7.5% for 30 year loans. The loans cover only a rather small part of the building costs, as the "Credit Foncier" grants mortgages on the basis of the "estimated value", which is lower than the actual costs. The loans may cover 60% of the estimated value, if a subsidy is granted and if the State guarantees that part of the loan which exceeds 50%.

Under these circumstances the trade union and other socially minded organizations have been trying to find ways and means to tackle the housing problem in a way which might make decent new housing available to workers and other moderate income families.

#### THE INTER-TRADE HOUSING COMMITTEES

In Roubaix and Tourcoing, for instance, a beginning has been made with a new experiment.

In 1943 an Inter-Trade Housing Committee (Comite Inter-professionnel du Logement - CIL) was established by the employers of various industries. The intention was to create a housing fund which should be financed by voluntary payments of a certain percentage of the total pay-roll. In the beginning the rate was 1%. Later it was raised to 2%.

Immediately after the Liberation the labor unions were invited to join in the activities of the fund, which is now administered by a board of 16 employers' delegates and 16 representatives of the unions. As far as the textile industry is concerned the employers' contribution to the fund is guaranteed by special provisions in the collective bargaining agreements.

The C.I.L. is not a building agency but initiates and finances housing projects through "low-cost housing societies" and houses for prospective owner-occupiers. Using its own funds for the 15% cash required, it makes use of Government loans through the H.L.M. program for the balance.

The example of the twin-cities Roubaix - Tourcoing has been followed by similar committees in other towns and provinces. At present more than a hundred C.I.L.'s exist all over France and between 7,000 and 8,000 dwellings have been built through their activities.

The C.I.L.'s are also rather active in the field of town and country planning.

Furthermore they help to improve old, dilapidated houses.

#### FREE TRADE UNIONS AND HOUSING

The free trade unions in France have a constant up-hill struggle to fight against the communist-dominated C.G.T.

They realize that they must show the French people tangible examples of social progress. Therefore social housing is of the greatest importance, especially in a country where progress in this field has been frustrated time and again by the lack of continuity and the bad organization of the building industry.

For this reason the free labor movement "Force Ouvriere" has developed a keen interest in the housing problem.

Together with other democratic trade union centres, F.O. organized a technical assistance team, which in 1951 studied social housing in Holland, Scandinavia and Great Britain. Their report, "Des Logements" (Houses), is an excellent document.

In 1952 the F.O. invited the European Regional Organization of the I.C.F.T.U. to hold the first international trade union housing conference in Paris.

This conference, together with an exhibition taking place simultaneously, was a remarkable demonstration of the housing activities of the free European trade union movement.

In order to exploit the experience gained at this occasion, F.O. is planning to organize a roving exhibition of social housing projects.

The most ambitious plan of the F.O. is in the field of actual building. Being convinced that only the establishment of one or more pilot-projects can clear the bottleneck in which social housing is stuck in France, they are trying to form a combination of housing-minded organizations in the trade union movement, which together with the M.S.A. should succeed in channeling more of the money earmarked by the government for housing purposes into the social sector.

By using the most efficient methods, and by building decent houses without unnecessary luxury equipment, such an experiment could make a real contribution to social progress in France.

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SWITZERLAND

THE DEVELOPMENT OF THE HOUSING ASSOCIATIONS

The first housing associations in Switzerland were founded in the second half of the 19th century. As the workers for whom the dwellings were intended were unable to contribute savings of any importance, these first non-profit housing agencies were initiated by so-called "public benefit societies" and chose the legal form of joint stock companies.

Only in the last years before the 1914 - 1918 war were co-operative housing societies established in connection with the growing labor movement. Most of these early co-operatives were founded by railway workers. After the First World War the co-operative housing movement made remarkable progress, more often than not in strong collaboration with the co-operative consumers' societies.

TRADE UNIONS AND CONSUMERS' CO-OPERATIVES TAKE  
A LEAD

In 1927 the association of Swiss Consumers' Co-operatives together with the trade unions and the co-operative housing societies established a special banking institute, the Central Co-operative Bank (Genossenschaftliche Zentralbank). During the first twenty years of its operations this banking house granted loans for the financing of about 5,000 new dwellings.

CO-OPERATIVES DURING AND AFTER WORLD WAR II

When building activity decreased in the first years of World War II, subsidies were granted by the Federal Government, the cantons and several cities. The regulations were rather favorable for non-profit societies constructing dwellings for lower-income families.

Under these circumstances many new co-operative housing societies were founded. 833 of the 928 building and housing societies which existed at the end of 1947, when the last census was taken, are active in the German-speaking part of the country. The most important ones are: Allgemeine Baugenossenschaft Zurich (General Housing Co-operative Zurich) with more than 2,000 dwellings; the Familienheimgenossenschaft Zurich (Family Housing Co-operative,

Zurich) with about 1,100 dwellings; and the Allgemeine Baugenossenschaft Luzern (General Housing Co-operative, Luzern) with more than 1,200 dwellings.

In the French speaking part of the country the movement has important footholds in Geneva and Lausanne.

All in all, the co-operatives built about one quarter to a third of all new dwellings during and after the last war. In Zurich the share was even higher, though in this city the local authorities were active in the housing field themselves.

THE ASSOCIATION OF SOCIAL BUILDING ENTERPRISES

The Swiss Building Workers' Unions are very active in the building and contracting field. The oldest of their enterprises date from 1907 and 1909.

During recent years the number of enterprises which are members of the national federation, the Association of Social Building Enterprises in Zurich, has been growing steadily. So is the number of employees and the volume of contracts, as the following tables indicate:

NUMBER OF MEMBERS OF THE SWISS ASSOCIATION OF SOCIAL BUILDING ENTERPRISES

	<u>Number of Enterprises</u>	<u>Employees</u>
1940	13	275
1945	24	922
1950	42	1662
1951	45	1767

TURNOVER OF SWISS SOCIAL BUILDING ENTERPRISES (Frs.Sw)

Customers:

<u>Year</u>	<u>Housing Co-operatives</u>	<u>Private Builders</u>	<u>Public</u>	<u>Total</u>
1944	4,138,000	3,419,000	1,174,000	8,731,000
1945	6,135,000	4,765,000	1,079,000	11,979,000
1946	8,240,000	7,725,000	1,690,000	17,655,000
1947	10,685,000	7,278,000	3,494,000	21,457,000
1948	16,620,000	7,274,000	2,891,000	26,785,000
1949	16,352,000	6,062,000	3,124,000	25,538,000
1950	16,343,000	7,997,000	3,513,000	27,853,000
1951	16,531,000	11,789,000	3,338,000	31,658,000

The most remarkable feature of this development is the fact that in the last years a growing number of private customers have placed their contracts with the workers' enterprises. This indicates clearly that these co-operatives, which have available modern workshops and up-to-date machinery, are able to compete in the free market, though they offer better social provisions than private enterprise in general.

This success can be attributed to the efficient and businesslike manner which the social building enterprises have developed, especially during the last years. Only if they use modern methods and techniques can the trade union-owned production enterprises fulfill the important task which they have to play in a free economy to put a brake on the general tendency to stabilise high prices and preserve old fashioned customs by cartelization and price rings. These practices are especially frequent in the building industry. Therefore it is difficult to over-estimate the importance of union-owned building and contracting enterprises.

The promising development that this movement shows in Switzerland as well as in Scandinavia should be studied very carefully by its friends in other countries.

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AUSTRIA

Housing Legislation under the Austro-Hungarian Monarchy:

When the housing problem began to arouse the interest of large groups of the population, present-day Austria was a part of the Austro-Hungarian Empire, covering many regions which belong now to countries behind the iron curtain.

Some legislative steps in the housing field, taken at the end of the 19th and the beginning of the 20th century, were of little effect but in 1910 and 1911 two important acts were adopted. The "Act for Improvement of Housing Conditions of the Low-Income Groups" and the "Housing Welfare Fund". These regulations opened the way for co-operative housing societies all over the country, as the fund could guarantee second mortgage loans of up to 90% of the costs of land and building. At the same time these loans were recognized as "gilt-edged" investments, so that social insurance funds and saving banks were able to provide the loans at the same low rate of interest (4 - 4½%) at which first mortgage loans were obtainable.

The intention of the Act was to provide 21 million Austrian Crowns within 10 years, but the outbreak of World War I brought an early end to this long-term action.

Nevertheless, the number of co-operative housing societies increased between 1908 and 1914 from 52, in that part of the monarchy which now forms Austria, to more than 200. Within the three years from 1911 to 1914, 763 buildings with 4,769 dwellings in the social housing section were financed with the assistance of the Housing Welfare Fund.

Several of the co-operative housing societies were connected with trade unions. The railway-workers' organizations, especially, had founded a number of housing co-operatives in various towns.

In 1915, when plans were made for the resumption of co-operative building activity after the war, the Co-operative Housing Society of Employees of the Southern Railway took the initiative in the formation of the National Association of Austrian Non-Profit Housing and Building Societies

(Reichsverband der osterreichischen gemeinnutzigen Baugenossenschaften and Bauvereinigungen), which in 1928 was transformed into the Central Association of Non-Profit Housing Societies in Austria with a membership of 155 societies.

Of course, a mere 5,000 dwellings were no answer to a housing problem that was - and still is - one of the most appalling in Western Europe. Whereas a housing vacancy reserve of about 3% is calculated as necessary under normal circumstances, it was 0.2% in the Vienna of 1912. 73% of the total housing stock in that city was formed by one-room-and-kitchen dwellings. The housing shortage was so serious that not only were lodgers often taken in, but even the letting of beds was no uncommon feature. In 1907, 22% of the families living in a one-room-and-kitchen apartment had one or more lodger or "bedgoers" (Bettgeher)!

It is obvious that only a bold program could have brought real improvement.

#### Between the Two Wars

After World War I the influx of tens of thousands of refugees from the now independent parts of the former Dual-Monarchy added to the tense housing situation. But the runaway inflation which hit Austria in the early twenties retarded the resumption of general building activity for many years.

Between 1921 and 1928, 8,753 dwellings were constructed with the assistance of the Federal Housing and Settlement Fund, the successor to the former Housing Welfare Fund. 5,720 of these dwellings were built by non-profit housing societies and about 3,000 by municipalities other than Vienna.

The total building activity in Austria between 1919 and 1928 shows the following results, exclusive of Vienna:

Private building	8,220 dwellings
Dwellings built by employers	
a. private	2,700
b. public	4,600
"Lander" and municipalities	13,140
Non-profit societies	<u>4,240</u>
	32,900

During the same time in Vienna 37,000 dwellings had been built by the municipality and more than 3,100 by non-profit societies. The impact of this Vienna housing drive, which will be described later, induced the Federal Government to reconsider their attitude in the housing field, especially as the Federal Housing and Settlement Fund was exhausted.

They decided to give private building a chance and promote it out of the yield of a rent tax. In 1929 the new "Act for Rent Regulation and the Promotion of Housing" opened equal possibilities to all housing agencies. The actual result was as follows:

	No. of dwellings
Private builders	7,560
Non-profit societies	3,608
Municipalities	<u>46,800</u>
Total	57,968

Building costs varied rather widely; they amounted to an average of S. 21,400 per dwelling built by non-profit societies to S 29,600 for privately built apartments.

Altogether, non-profit housing societies built about 12,200 dwellings between World War I and the German occupation of Austria in 1938.

#### The Vienna Housing Drive.

Looking backwards it is difficult to understand why the housing drive which the City of Vienna started in 1923 met with so much opposition. That one of the biggest cities in impoverished post-war Central Europe was the first to make an all-out assault on the housing shortage should have been hailed in every quarter. Probably this would have been the case if the program had been a non-partisan undertaking. On the other hand it is most significant that no real attempt to fight housing misery had been made in Central Europe before organized labor was safely entrenched in one of the important local administrations.

So it happened that "Housing in Vienna" became the symbol of Labor's fight for a better standard of living. Probably it was this symbol as such that was attacked by the foes of the labor movement.

As soon as Austria had regained financial stability after World War I, the City Council of Vienna, which was controlled by a labor majority, vigorously attacked the housing problem. Vienna is more than a city: it is one of the "States" of the Austrian Federal Republic. For this reason the administration has wide powers to levy taxes. Thus, in 1923, a housing tax was introduced.

As rents were very low in consequence of the preceding inflation, the effect of this tax was to diminish the gap between the rent-level of pre-war and post-war houses,

using the receipts as an equalization fund for financing and subsidizing new housing projects.

The tax was progressive, putting the heaviest burden on dwellings with a high pre-war rent-value, but still it was much lower than the pre-war rent-tax out of which two-thirds of the Vienna budget was financed.

### THE RESULTS: 60,000 HOUSES IN 10 YEARS.

The first building program, set up in 1923, covered 5 years. The intention was to build 25,000 dwellings. Even in 1926 the program could be enlarged by another 5,000 units. Within less than 4 years 30,000 dwellings were finished. In 1927 a new program for an additional 30,000 units was adopted. All in all, the City of Vienna constructed 64,000 dwellings between 1923 and 1934, when the Labor Administration was ousted from the City Hall -- not by the ballot but by the illegal use of military force.

The program was an example of modern town-planning by a community which had to use its means very economically. So the famous "Courts" were built - a revelation for everybody who knew the densely populated "human warehouses" of Central European towns.

Formerly up to 85% of the land was covered by 5- and 6-story buildings void of all sanitary amenities. The density in these areas was 2,000 per hectare (800 per acre): about twice the top limit considered tolerable. Now, wide court-yards between the buildings permitted light and air to flow in. At "Washington Court", for instance, the buildings do not cover more than 28% of the land.

33 central laundries, 55 kindergartens, 14 maternity consultation offices, 66 educational centres, mostly with a public library, were part of the amenities these new blocks of flats offered to their inhabitants.

A small part -- about 13 % -- of this building program consisted of one-family houses. Though the administration understood that rows of houses are a better solution than blocks of flats, it seemed to be impossible to push the development so far. Even now, economic circumstances prevented having more than 54% of all new dwellings built with a kitchen and two or more rooms. 37% still had a kitchen and one room only. 9% were one - room dwellings for single persons. Nevertheless, about 7,500 of the 64,000 dwellings built by the City of Vienna between the wars were small one-family houses.

There can be no doubt that the Vienna housing drive is one of the most outstanding contributions the labor movement has made to social progress between the two wars. Many observers are convinced that the fact that the Communist party never got any hold among the Austrian workers -- notwithstanding the many difficulties which visited that small country -- can be directly related to this great achievement. The thousands of houses

which were built year after year were the tangible sign that times were changing, that tens of thousands were released from the most appalling misery of old, dark and overcrowded houses; that in a free community much could be done even for the least of its citizens. Such an environment is no feeding ground for Communist ideologies, but is an example for the free labor movement and the whole free world, of how to fight totalitarianism.

#### AFTER WORLD WAR II.

The last war extinguished what was achieved in the 20 years before. Bombing, fighting and another much greater wave of refugees caused the housing shortage to increase to at least 250,000 units. Dilapidation and decay add many more every year.

Besides 40,000 families living in slum quarters, 10,000 live in barracks, 10,000 refugee families (31,000 people) in emergency shelters, 58,000 persons in 91 camps maintained by the Federal Government, and about 3,000 agricultural workers in cellars or stables. Many thousands are forced to share part of an apartment with other families.

The City of Vienna resumed her old activities and has built about 18,000 new dwellings after the war. The program is to build 6,000 new units a year. Furthermore 2,000 dwellings which were destroyed during the hostilities have been reconstructed. The administration, which again is dominated by the Socialist Labor Party, understands that housing is not only important as such but has to be part of a policy of full employment. Thus in the winter 1952/53, 137 million shillings are being spent to employ 10,000 building workers steadily.

The two Federal agencies are the "Housing Reconstruction Fund" and "The Federal Housing and Settlement Fund".

With the assistance of interest-free loans from the "Housing Reconstruction Fund" about 38,000 dwellings have been reconstructed since 1945.

The "Housing and Settlement Fund" lends low-interest loans to municipalities and to recognized housing co-operatives or housing societies. Up to the end of 1951, 14,000 dwellings were financed in this way, of which 4,200 were in connection with specific industrial projects.

A further 5,700 dwellings were partially financed by similar funds established under the administrations of the various Federal "Lander".

The co-operative housing societies were not able to participate on a large scale in post-war building activity.

Inflation and high building costs made it difficult for their members to save the required down-payment of 30% of the cost of their dwellings within a few years.

The non-profit housing societies, which were introduced on a large scale during the German administration, are the agencies used by private and nationalized industries for special housing projects.

Contracts for industrial housing are made at the local level, but the nationalized industries' administration exercises supervision through control of fund allocations. It also sponsors research in building design and cost reduction to see to it that the funds go as far as possible. These funds are combined with loans from the Federal Housing and Settlement Fund and in a few cases with the savings of members of housing co-operatives.

At the plant of the Amalgamated Austrian Steel Works (Voest) at Linz, the work of several housing societies is co-ordinated into one large - scale project. This makes possible a site layout according to modern garden city concepts. Cost reductions come from the utilization of slag from blast furnaces, a by-product formerly thrown away but now used to make light-weight concrete walls.

The trade unions together with management form a committee selecting the prospective tenants for dwellings in the non-profit housing societies.

Loans from the VOEST management made some co-operative building possible after the prospective occupiers had made a down payment of 10% and/or contributed their own labor. Self-help is also promoted in the coal-mining areas.

Here too, one has to realize that self-help offers no solution to the bulk of the housing problem as such. The population of Linz, for instance, increased from 115,000 in 1934 to 188,000 at present. There are 68,000 households and 44,000 apartments. Only a large-scale program can bring improvement in such a situation.

The Austrian labor movement is trying to follow the example of Vienna in other places too. The city of Linz hopes to find ways and means to build more than the 120 dwellings a year which can be financed out of the city's budget. But Linz and other towns are lacking the tax-powers Vienna has, because of its legal status as a "land".

The trade unions are convinced that much more could be done, if the available funds were distributed according to the real economic and social needs. Especially the Reconstruction Fund more often than not is used for the reconstruction of houses in places where there is much less need than in others, and often for houses to be sold rather than rented.

Furthermore, Austria should be one of the countries where international financing could be of great importance. Even in connection with special industrial projects much could be done in this field, which is under special consideration by the Free Trade Union Movement.

THE ACTIVITIES OF THE  
EUROPEAN LABOR MOVEMENT  
IN THE HOUSING FIELD

A Survey Prepared by  
Heinz Umrath 1952

ITALY

THE PRE-FASCIST PERIOD

The Italian co-operative housing movement was just beginning to find its place in the Italian economy when the Fascist Regime suppressed all democratic institutions.

In 1907 and 1908, legal provisions were made authorising co-operative societies to raise loans from certain public and private institutions on advantageous terms. The state gave subsidies by paying one-third of the interest and by exempting new projects from all taxes on real property for a period of 10 years. The municipalities were encouraged to assist co-operative housing societies by providing building land and granting further subsidies, which could also be given to special housing agencies called "autonomous bodies" (enti autonomi).

According to official statistics the following results had been achieved up to the end of 1914:

NUMBER OF SOCIAL HOUSING AGENCIES

Co-operative societies	528
Autonomous bodies	51
Municipal housing enterprises	40
Mutual benefit societies	22

These agencies had constructed a total of 111,160 rooms, each offering accommodation for two persons. As in other countries, housing activity came to a standstill during the First World War.

BETWEEN WAR AND DICTATORSHIP

In the early twenties the movement gained new impetus, especially as the provisions for public assistance were quite generous. Skilled and white collar workers founded co-operative housing societies in many cities and towns. In Rome alone there were 126 in May 1922, which planned the building of about 5,000 units.

The 250 housing co-operatives of the state railway employees were federated into the National Federation of Co-operative Building Societies. The State made extensive grants to these organizations and the railways reduced the rates for the transportation of building materials for members of the Federation, by 50%. In Rome alone the railway men's housing co-operative owned 477 buildings with 1,158 flats, and the Turin society had built about 800 dwellings at the end of 1922.

There was also a hopeful beginning by several building guilds, which formed the Federation of Italian Building Consortiums and Co-operative Societies. The activities of these building and contracting enterprises were strongly backed by the Italian Federation of Building Workers.

#### THE PRESENT SITUATION

As stated above, all activities on the part of free associations were killed by the Fascist regime. More than 20 years of totalitarian dictatorship completely eradicated the roots of co-operative enterprise.

As the Italian trade union movement was dominated by the Communists for many years after the last war, no initiative could be expected from this source.

So, the first beginnings of social housing in the Italian Republic were undertaken by such organizations as the "National Housing Institute for State Employees" and the "Autonomous Institutes for Popular Houses". These and similar agencies built about 73,000 dwellings with 370,000 rooms between 1945 and 1949. As about 12 million rooms are needed in order to reach even the very low housing standard of 1931, this achievement is almost negligible.

#### INA - CASA PLAN

Since 1949 a new effort is being made within the frame-work of the "Fanfani-Plan", which was sponsored for the double purpose of fighting unemployment and constructing houses for low-income families.

The plan provides for the building of 200,000 working-class dwellings (700,000 rooms) over a period of 7 years. Financing will be provided by state- or counterpart-funds (33 1/3%), compulsory employers' and workers' contributions (1.2 and 0.6% of wages respectively) totalling 58 1/3%, and 8 1/3% from instalments paid by owner-occupiers or from net profits on rented dwellings.

The funds are collected and administered by the National Insurance Institute (Istituto Nazionale Assicurazioni) which gave the name of "INA - CASA" to this special housing effort. In 1950 15% of the national total of 73,000 dwellings was built according to this plan.

#### TRADE UNIONS AND HOUSING

The two democratic trade union centres which were founded after the break with the Communists, the Confederazione Italiana Sindacato Lavore (C.I.S.L.) and the Unione Italiana del Lavoro (U.I.L.) stress that much more must be done to alleviate a situation where 45 million people live in 35 million rooms, including kitchens.

U.I.L. is strongly convinced that the unions must take the initiative themselves and promote the building of several pilot-projects in the industrial centres.

Italy lies in the front line of the struggle against powerful Communist unions. There cannot be any doubt that a bold example in the way of social housing achievement would be of the utmost importance. It may be hoped that the initiative of the U.I.L., which is trying to mobilize special counterpart-funds of the M.S.A. for this purpose, will be successful.

Such a pilot-project can only be a beginning. It should be followed by other steps, especially in the direction of putting new life into the idea of co-operative housing, which is still at a low ebb in present-day Italy.

## THE E.R.O. AND HOUSING

The European Regional Organization of the ICFTU already discussed the housing problem at its first meeting, in November, 1950. Soon a European Housing Conference was planned and prepared by a committee of housing experts of the National Centres, which convened twice: in Brussels on November 1st and 2nd, 1951, and in London on January 9th 10th and 11th, 1952.

The European Housing Conference took place in Paris on February 16th to 18th under the chairmanship of Is. Smets (Belgium). The Trade Union Centres of fourteen European countries were represented by 59 delegates. In addition, about twenty national and international organizations sent observers. Total attendance was about one hundred.

During the Conference an exhibition was held in the same building, "La Maison de la Chimie". Here, the participating countries displayed models, development schemes, photographs and statistical tables and charts showing what had been already accomplished, and indicating the directions in which plans for social housing were being developed.

The Conference was an impressive demonstration of the trade unions' resolution to tackle the housing problem as an international task, especially in the framework of European integration.

The proceedings of the Conference together with "The Trade Union Declaration on Social Housing in Western Europe" were published by the ERO in its "Report on the European Housing Conference".

Following a suggestion of the Conference, the Regional Council of the ERO created a Standing Housing Committee, composed of a number of housing experts from various countries. The committee has the task of studying the housing problem in connection with national and international social and economic developments, and reports to the Regional Council and the Regional Conference.

The first meeting of the committee took place on August 4th and 5th, 1952, in Paris. The following items were thoroughly discussed:

- 1) The present state of social housing construction in Europe. What steps should be taken in certain countries to prevent the threatening decline in building activities?
- 2) The question of reducing building costs and the problem of prefabricated houses.
- 3) The problem of rent legislation in connection with a long-term housing program.

- 4) Plans for collecting the necessary material for carrying out a thorough examination and implementing a realistic long-term program for building social dwellings in Western Europe.
- 5) Plan of campaign for the immediate encouragement and promotion of the building of social dwellings in Western Europe.

One of the co-opted members of the committee was requested to act as secretary of the committee in cooperation with the secretary of the ERO, and to prepare several reports in connection with the various points discussed at the first meeting of the committee. In order to make the general public more housing-minded, it was decided that the possibility of producing a film on housing should be examined. Full attention should also be paid to the possibility of assisting social housing out of counterpart funds, especially in connection with the Moody Amendment of the U.S. Mutual Security Act.

At the Regional Conference of the ERO at Lugano on October 22nd to 24th, 1952, the secretary of the Standing Housing Committee reported on the activities of the Committee. After a lively discussion the following resolution was adopted unanimously:

"The Conference of the European Regional Organization of the ICFTU, assembled in Lugano from 22nd to 24th Oct. 1952, fully endorses the Trade Union Declaration regarding social housing in Western Europe adopted by the European Trade Union Conference on Housing in Paris 16th to 18th February 1952, and stresses especially the following points:

1. The social and economic urgency of an increase in the construction of working-class houses is obvious. The trade unions emphasize this need also in relation to mobility of labour and increased production, and demand that in this connection it be given the necessary degree of priority.

2. As soon as possible slum clearance should be started on a large scale. The necessary preparatory steps should be taken immediately.

3. It is the task and the duty of the Governments to see that the necessary financial means are made available for housing on a long-term basis.

4. The Conference fully endorses the efforts of the trade unions in certain countries giving practical examples in the field of social housing, and urges the Governments concerned, together with the M.S.A., to make available the required funds in order to enable a considerable extension of these projects.

5. Full consideration should be given to the proposals for the international financing of social housing.

6. The suspension of rent control and of tenants protection Acts cannot be considered at present as a contribution towards the solution of the housing problem.

Furthermore, the Conference requests the Standing Housing Committee of the European Regional Organization to make a thorough investigation of the rent problem and to proceed vigorously with its activities."

The attention of the ERO was also drawn to the possibility of financing social housing through international agencies. Therefore a member of the Standing Housing Committee, J. Bommer (Holland), was requested to prepare a "Report on the Financing and Implementing of European Housing Projects".

That report and another one on "Rent-Policy" will be discussed at the second meeting of the Standing Housing Committee, which will take place early in 1953.

Thus the international labor movement is joining the National Centres in their activities in the housing field. Ways and means must be sought and found to induce those countries where the housing effort is still lagging behind, to follow the many examples of a progressive housing policy which have been described in this report.

The whole weight of the powerful organizations of the free trade unions must be used for the realization of far-sighted, long-term housing programs.

Social housing is an urgent and lasting task in the whole free world. It is here that tangible results can demonstrate what a modern democratic community can - and must! - offer to all its citizens.

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