

"HOMES for AMERICA"

The End of a Slum

By

DAVID DUBINSKY

President, International Ladies' Garment Workers' Union

WE are gathered here to break ground for a housing development that will provide homes for more than 1,600 families. Only a few of the old structures remain standing on this site. When their walls come tumbling down the last sign of the slum and the sweatshop will disappear forever from this corner of Manhattan.

Many of us are here today as natives returning to the scenes of our childhood. We are the sons and daughters of this East Side, the children of immigrants, who dared the terrors of the sea and a strange land to search for freedom. To the miserable hovels on these streets our parents came from the old country with nothing more than their household belongings and with hearts filled with hope.

There were rooms in these houses where the sun never shone. There were rooms in which children slaved over bundles of garment work, breathing in the foul air that made them tubercular before they were grown up. There were rooms in these houses in which, in a not too distant past, men and women worked to the point where they dropped.

Here, on the streets whose outlines are now disappearing, men and women spoke in a multitude of tongues. But all of them spoke of the same dream. The dream of an end to poverty. The dream of enough to eat. The dream of trees in the streets and homes filled with fresh air and sunshine.

Now we stand in the midst of this rubble. It is frightening in its similarity to the bombed areas in some European city. But with us this destruction is the beginning of progress. Soon the first of the four new houses will rise from these ashes. Many persons have contributed foresight, skill, know-how, planning to make this development possible. But not present are those who lived out their wretched lives in the slum jungle at the foot of Grand St. This is the fulfillment of their most daring dream that some

day the slum would be ripped down. They held fast to that hope through many years when the sacred right of private property was invoked to justify their misery.

Fifty-three years ago, the International Ladies' Garment Workers' Union was officially organized to war against the sweatshop. This war, that has continued for more than two full generations, has been more than a simple effort to raise wage standards. This has been a war of liberation to free people from endless hours of work in cellars, in stables, in dark hallways, in bedrooms where the garments of 50 years ago were made.

Now, 50 years later, the garment workers return to their place of origin. We have wiped out the sweatshop. Now we return to wipe out the slum.

This is not our story alone. This is the story of American trade unionism: the overall effort of working people to go beyond the improvement of working conditions in the shop, to build a healthier community and a happier civilization.

Although the ILGWU prides itself on many pioneering efforts, we are not the first trade union to erect homes for low and middle income groups. We are now glad to add our bit to this continuing war against the slums.

We have been motivated in this action by the knowledge that
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This special four-page JUSTICE feature has been prepared on the occasion of the ground-breaking ceremonies held on the site of the ILGWU houses at the foot of Grand St., in New York's East Side, on the afternoon of Nov. 21, 1953.

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Design for Better Living

By
ROBERT MOSES

New York City Construction Co-ordinator

In 1952 the Corlears Hook project, organized under Title I of the National Housing Act of 1949 and the city's Redevelopment Companies Law, was undertaken under the joint sponsorship of the United Housing Foundation, International Ladies' Garment Workers' Union and the Edward A. Filene Good Will Fund, through the East River Housing Corp.

The project will comprise 1,638 apartments, containing 7,250 rooms, at an average cost of \$2,750 per room. The United States government contributed \$3,655,769 to write down land values, and the city in all \$1,827,887. The total cost will be \$19,360,000, including a shopping center and garage. Tax exemption has been granted for a period of 25 years and will amount to approximately \$430,000 per year, with an overall total of \$10,750,000. This project will be completed in the summer of 1955. The monthly carrying charge is \$17 per room, with a down payment of \$625 per room.

When the Corlears Hook project is completed, the total current tax exemption will amount to \$695,000 per year, and the grand total tax exemption will amount to \$15,290,000 for all projects.

Mr. Abraham E. Kazan has been the working genius of this project since its inception and is, I am happy to say, continuing at Corlears Hook. One of his great contributions has been in the smooth, humane, orderly and expeditious moving of tenants out of old rookeries and into better housing.

The bright, eager little critics of our slum clearance never mention such successes. They only look for the in-between hard-luck cases, of which there are, to be sure, some for whom as yet we have not been able fully to provide. They magnify the number of dissatisfied people, chronic kickers and recalcitrant tenants who are never satisfied, no matter what is offered them.

These critics sneer at slum clearance because there are still several thousand acres of slums. They advocate repair where repair is impossible. How could the old tenements in the Corlears neighborhood have been repaired? They had to be rooted out and tall, new buildings on small coverage substituted.

Here we shall have a small city, partly built by the unions and partly public housing, with the East River, Corlears and other parks, with a parkway and wide streets and

with all the other products of imagination, energy and public spirit.

Critics build nothing. They live on mud-throwing and false, garbled statistics. They claim the net result of all our housing works is fewer apartments, which is false; that we put too many people on an acre but not enough of them; that our buildings are too high, but too few; that we should build only on vacant land on the outskirts of the city and fix up the slums with rubber bands, scotch tape and violations, crucifying all landlords, tearing up mortgages, and reducing rents. If we could ostracize our critics for five or six years, all our troubles would be over.

I am happy to see the great unions in business for their members and neighbors. You may be sure that the city stands ready to give even more productive cooperation, and I believe the federal government will extend further aid in writing off useless buildings and guaranteeing loans.

This is another great day for the new East Side. It proves that at the end of 300 years we have the brains and resources to rebuild the original city and to maintain its supremacy.

Government Aid In Clearing City Slums

By
ALBERT M. COLE
Federal Housing Administrator



Tearing down slum dwellings and reusing the land for the building of decent homes, or other desirable private and public re-uses, is one of the very worthwhile accomplishments going on at

this time in many parts of the country. It is an activity that requires, and is being given, an increasing amount of cooperation between the local and federal government and private industry.

It should be a source of much satisfaction to the International Ladies' Garment Workers' Union that it is playing a part in giving new use and beauty to this area on Manhattan's East Side which less than a year ago was a slum.

It is appropriate that this is to be a cooperative housing project, because it is through cooperation that it is coming into being. The slum is being cleared through cooperation between the City of New York, which instituted the slum clearance and urban redevelopment project, and the federal government's Housing and Home Finance Agency, which provided the assistance made available under Title I of the Housing Act of 1949. Rebuilding the land with good homes requires cooperation on the part of the sponsors of the project, of private finance and construction, and of the Federal Housing Administration as insurer of the mortgage.

As Housing Administrator, I am pleased to have the opportunity, in this special feature of JUSTICE, to congratulate the union for its part in this undertaking. To make possible good, moderate-priced housing for the members is no ordinary function of a union, and in doing this the ILGWU is demonstrating enlightened leadership for its own members and the people of the New York area.

More information on cooperative housing is contained in a booklet entitled "What Every Cooperator Should Know." It may be obtained from the United Housing Foundation, 345 East 46th St., N. Y. 17, N. Y.

For information on the ILGWU houses write to East River Housing Corp., 550J Grand St., N. Y. 2, N. Y., or call Oregon 3-3900.

Dream Makers Of New York's East Side

By
HERBERT H. LEHMAN
U. S. Senator from New York



The ground-breaking for the new East Side housing project is an auspicious occasion. It marks a moment of realization for the leadership and the membership of the International Ladies' Garment Workers' Union.

It means breaking ground for the transformation of a dream into a reality, the translation of a hope into bricks, mortar and stone. It means erecting in the historic East Side of New York a living monument to the labors, achievements and aspirations of the men and women who gathered from many lands in that teeming area of New York City over the past 75 years and who have played such an historic role in the building of their adopted city, state and nation.

Now the ILGWU is launching a housing project for the improvement, the beautification and the uplifting of the very area from which, from its earliest days, it drew its greatest strength. This housing development is not only a monument to the East Side but also to New York City and the nation.

I recall that many years ago I was privileged to be associated with Aaron Rabinowitz in the building of the first East Side housing project, the Grand Street project. It was the first step in what became a steady progression toward the eradication of slums and tenements. In that great march, strong impetus came from the efforts of such mighty spirits as B. Charny Vladeck and Meyer London.

I know that David Dubinsky recognizes the ground-breaking as a symbolic milestone on the road which stretches far ahead. I am comforted in knowing that such far-sighted and untiring leadership he and his associates have given in the past will persist despite all discouragements, until we have reached our goal in this and other fields.

But Is It Socialism?

By
HERMAN T. STICHMAN
New York State Commissioner of Housing



The conditions which exist in slums do not affect alone the individuals who live there. Substandard areas take their toll from the citizenship of the entire municipality.

If private enterprise cannot do the slum clearance and neighborhood redevelopment job, government would not seem to be competing with it by entering this essential field on a proper basis.

New York State, through its government has for years been working with its citizens to improve family living and, in order to achieve that goal, has been aiding our municipalities and private builders in clearing substandard sections and providing good homes in good neighborhoods.

But our State government only goes so far in its direct handling of the problem. The determination here has been that if citizens individually cannot solve the problem of the home and its surrounding neighborhood, they should do so acting together as a group, as a government.

Some believe that any direct public aid in the building of housing even for families in the lowest income earning groups is socialism or worse. Others, also among those in opposition and who are themselves engaged in housing or real estate, have said that the same funds should be paid over to them

so that they may subsidize housing instead of having public agencies do the job. That, they say, would not be socialism. They do not dispute the need for government intervention, only the method of applying it.

The electorate decided, however, that when a job vital to the welfare of the public is so immense, that of redeveloping slum areas, sheltering our lowest income groups over a long term, improving their family living and health conditions generally and reducing juvenile delinquency, the people organized as a government can best accomplish it, as has historically been done, for instance, with public roads, schools and parks.

No informed person regards those functions as socialist or suggests that government should subsidize private enterprise in the performance of those functions.

And it has been pointed out that merely by changing the manner of disbursement, that is, paying the money to private builders to do the job to their profit, does not change the character of the basic fact that necessity exists for some government intervention in the field.

The issue remains as to whether the need is so strong, the task, basic as it is to municipal redevelopment, so complex and the inability of private enterprise over the years

to accomplish the slum clearance phase so clear, that government aid is required.

If it is, then mere use of the alternative which the majority regard as the more efficient in this instance, does not in and of itself change performance of a service essential to the public into something socialist. That remains so although the granting of free scope to private initiative to the fullest extent possible is rightly regarded as essential to democracy.

This regard for the essential needs of the underprivileged here is of aid not only in this country but in our efforts to combat the "isms" abroad. Thus the representative in Asia of the American Federation of Labor has written to us:

"During the past three weeks I have been touring 15 cities of southern Japan visiting no less than 200 local union offices. With us we carried hundreds of copies of the March issue of Rodo Pacific containing the article based on your material.

"We found a terrific reaction as the local labor leaders wistfully looked at the Al Smith project and said, 'My God! Is this capitalist America?' We made many converts with your material! In Japan, public housing projects are generally only for the richer persons, not for workers."

Cooperative Housing Helps City and Citizen

By
ABRAHAM E. KAZAN

President, Amalgamated and East River Housing Corporations



A little over a quarter of a century ago at about this time of the year, I stood among a small group of dreamers, of pioneers, and took part in another celebration.

The occasion was the ground-breaking ceremonies for a cooperative building. There was no band then, no radio broadcast. But to the group involved, this was a most unusual and most important event. They were coming to grips with a most difficult economic problem. They were venturing to build a house for their own use—a risky undertaking.

With no standing in the community it would have been quite impossible for them to proceed if not for the sponsorship of the Amalgamated Clothing Workers of America.

From these beginnings this group of 300 families has grown to a point where there are now 2,600 families living in two cooperative communities—in the upper Bronx and on the lower East Side—in buildings owned and operated for their mutual benefit.

Now we again celebrate a similar event. We have broken ground for a cooperative development. This time with the experience gained we are venturing on an enterprise that will house 1,668 families. The assistance and sponsorship comes again from a labor union, the International Ladies' Garment Workers' Union.

The need for decent housing for the man of moderate means is as great today as it was years ago. Thousands of people are willing and ready to invest their life savings in order to provide their families with decent housing at a cost within their means.

It is quite clear to me that if we are to solve the difficult housing problem in our city without passing it on entirely to the government—state, city or federal—all organizations, all labor unions, churches and other non-profit organizations, should join hands, not only to assist those who already have the desire to help themselves, but also to develop that idea in the minds of those who need better housing and do not know how to help themselves.

Our mortgages must also learn to treat the applications that they receive for mortgage loans with greater understanding and consideration where the aim is for a group to help itself, even to the extent of a slight sacrifice on the mortgagee's part by way of interest rates. After all, the elimination of slums and their replacement with good housing should be a community problem. For unless our banks and insurance companies assist our cooperative approach, there will be

more and more demand for government-subsidized housing—even from the middle-income group.

I do not want to minimize the work of the city, state or federal government in the field of slum clearance and of subsidized housing for those who cannot pay a fair rental. I acknowledge the assistance given our existing projects in the form of partial real estate tax exemption. It is urgent, however, that housing authorities should study the cooperative method which adds no burden to the city, even in cases where partial relief from taxes is granted.

Let me illustrate my point by citing the Amalgamated project in this immediate vicinity. In 1930 when we built Amalgamated Dwellings on Grand St., there were those who criticized the city and state authorities for granting partial exemption to such projects on the ground that the loss of revenues would hurt the city. Twenty years passed. During this period Amalgamated Dwellings paid taxes based on land only. Then the exemption expired, and the cooperative now is paying full taxes.

But what was going on in the immediate neighborhood during this period? Did private construction follow our example, did they build new communities and bring new taxes to the city? No—the neighborhood deteriorated continually, so that the city was collecting less and less in taxes from the properties surrounding our development. There was no new building until the Amalgamated Union sponsored the Hillman Housing project. Through this cooperative development 807 families found good homes at an average rental of \$15 a room.

The city granted the new project partial tax exemption for 25 years. While the City of New York will not get any additional income from the improvements during this period, it has, however, the assurance that it will receive no less than the prevailing taxes at the time of the erection of the project. Had we not demolished the slum tenements and built this project, I am quite positive that the city would have received less and less in taxes as the neighborhood deteriorated.

In addition, the city gains through lower maintenance costs of a improved neighborhood as compared to a blighted one.

I am proud of our cooperative achievement started 25 years ago. I am happy to see the ILGWU sponsor this program, and I hope that before very long this example will result not only in supplying homes for 1,700 families, but also in inducing other organizations to follow suit and help produce many more decent homes.

Housing--Football of National Politics

By
IRA S. ROBBINS

President, National Housing Conference



The Housing Act of 1949 is sound in its approach. No radical changes in its provisions are necessary. The defects in the program are due primarily to administrative policies on both the national and local levels. That does not mean that our minds are closed to suggestions and recommendations for new approaches and legislation. We welcome and study them, but the burden of devising them is on those who advocate a change.

The authorization for 135,000 public housing units a year for six years should be revitalized, and construction to the fullest extent should be permitted without further delay. Bert Seidman, of the American Federation of Labor, has pointed out that the construction of more than 2,000,000 homes a year by private enterprise and public agencies is needed to meet the nation's needs in the next six years. At the rate of 1,000,000 a year, a program of 135,000 public housing units annually would be only 13 1/2 per cent of the total—a small percentage in the light of the enormous number of low income families who require decent housing. And if the annual output achieved 2,000,000, the public housing would only constitute 6 1/2 per cent of the total.

When it comes to homes for middle income families, the Housing Act of 1949 definitely requires revision. Despite a high level of construction activity, and despite the advent of co-operatives under Section No. 213 of the National Housing Act, there are millions of middle income families in a no-man's-land. Their incomes are too high for public housing, and they cannot afford to rent or buy private housing. The 20 per cent gap requirement in the present law should be eliminated. It is a stupid compromise. It says frankly to one segment of the population: "Even though you can't possibly afford private housing, we won't let you into public housing."

Most needed is legislation authorizing direct federal loans to co-operatives and non-profit corporations at the going rate of interest repayable over long periods of time.

The theory of the present law is sound, but the execution in many cities leaves much to be desired:

higher standards of planning neighborhoods, instead of spotty projects, having no relation to the neighborhoods in which they are located, or to adjacent areas, should be required; the relocation of displaced families—and individuals as well—should be recognized as a major problem. In many communities the relocation requirements in the federal manual and the provisions

in the contracts are callously thrown into the waste basket;

Public housing, as the records will show, is supported by the highest officials, city councils, business, civic, labor and welfare groups and from the man in the street in hundreds of communities. The real opposition came from a coalition of reactionary Republicans and Dixiecrats in the House of Representatives. They ignored the pleas, official and unofficial, from all over the country. They simply used the slogans and misleading statements of the well-organized, well-financed anti-public housing lobby as a justification for their actions.

It has been charged that the opposition to public housing came from those who made money out of operating slum properties and from those who were glad to accept FHA and other aids to builders, but who didn't want anyone else to get help. In my opinion, there are at least two other sources of opposition. The first is the small group of men who have used public housing as a whipping boy—a straw man—to create powerful organizations like the National Association of Home Builders and the National Association of Real Estate Boards. The other is organizations like the United States Savings and Loan League and the Mortgage Bankers of America, many of whose members are rugged individualists. Their basic philosophy is, "I came up the hard way—the government must be kept out of business." They are not concerned with what happens to people or to cities—that is not relevant to their philosophy.

The groups that have succeeded in killing off public housing on the federal and some local levels have used the technique the Nazis used to use and Communists still use. They are not Nazis or Communists, but they have a party line which involves the constant repetition of the big lie. You are familiar with that line: "Private enterprise can do the job. Law enforcement will clear slums. Public housing is a burden on the small home owner." None of these slogans is true. The men who utter them are like ostriches who bury their heads in the sand; they are like parrots who repeat the same expression again and again; unfortunately, they have made monkeys out of those who believe in public housing, who have no axes to grind, who have no money with which to fight.

It is about time a new organization was formed—"The Veterans of Wars on the Domestic Front." Among those who deserve membership in that group are the men and women who not only believe in, but also work for better housing, better neighborhoods and better cities.



Pres. Dubinsky Pictures End of a Slum

Plight of Middle Income Families

By

CHARLES ABRAMS

Author of "A Housing Program for America"

To consider the Corlears Hook cooperative as just another "project" is to lose sight of its larger implications. For its cornerstone is also the cornerstone of a greater venture looming on city horizons.



The local housing authority (when Congress hasn't nipped the funds) is the entrepreneur for the slum-dweller, as the private homebuilder is for the better-heeled. But there has been no housing entrepreneur for the in-between family — the average family.

In Denmark, the trade unions assumed the responsibility. Housing cooperatives are also far advanced in Sweden and Holland. But in America cooperative housing is still a wobble rather than a movement.

The reasons are lack of initiative, lack of know-how, and lack of financing. In showing how the Corlears Hook project can be done, the ILGWU has supplied the initiative; in letting Abraham Kazan do the job under David Dubinsky's supervising eye and acumen, it is using the know-how; and in using union funds to help launch the project it has met the initial financing troubles.

But it takes more than a demonstration to make a program. We need more such projects, and the only way we can get them is through a federal formula which provides the major financing, encourages the formation of similar cooperatives everywhere, and draws on the know-how that already exists in New York City and spreads that know-how throughout the country.

Another Slum Cleared

There is something special about the \$20,000,000 cooperative housing project sponsored by the International Ladies' Garment Workers' Union on the lower East Side. On this site, where Grand Street meets the East River, the last slum in this section of Manhattan has been razed. In the rookeries, now happily a thing of the past, many garment workers lived out a wretched existence in sunless, fetid rooms where women and children slaved over garments brought into the homes in bundles on the backs of their menfolk. Here tuberculosis was endemic in the only homes which many of the new immigrants were to inhabit.

But now the sons and daughters of some of these immigrants are to see the fulfillment of a dream, the end of a major slum as well as of a sweatshop. It is fitting that a union whose members are so closely associated with this section of Manhattan should erect what David Dubinsky truly calls "a living memorial of what free and independent working people can create in a progressive society through their own efforts."

Although other unions are also making war on the slums by erecting cooperative homes for low and middle income groups, much more remains to be done. There are still many thousands of acres of slums in this city, and many thousands of families still live in old-law tenements that are over fifty years old, breeding places for disease, juvenile delinquency and crime. Slum clearance is an unfinished job. Congress should stimulate every effort at slum clearance and the fostering of cooperative housing; the dividends these efforts will pay in health and material and spiritual results will be incalculable.

—Editorial, *The New York Times*, Nov. 27, 1953

(Continued from Page 5)

the crusade for homes is an unfinished job. Our need in New York is great for new housing. New York City has 9,000 acres of slums, an area ten times as great as Central Park. Half a million families live in these slums, enough people to fill the city of Philadelphia.

In our city alone, nearly 500,000 families live in old law tenements put up more than 50 years ago. Nearly 30,000 families live in sickening cellars. Out of these slum conditions come disease and epidemics, come juvenile delinquency and crime. The slum has been growing in New York faster than new building to replace inhuman dwellings.

Yet, in the face of these conditions and in face of the inability or unwillingness of private builders to meet the needs of these families, the Congress of the United States has called a halt to the federal building program. Our Congress has reversed a firm commitment not because housing needs have fallen but because of the selfish pressures of the all-powerful real estate lobby.

The present Congress has shown a heartless and inhuman disregard of America's housing needs. Several weeks ago, on a nearby site, the President of the United States in defending this unfortunate action of Congress, pointed out that "if anyone knows the heart of America, you can't go to them (to the people) and show them that great bodies of citizens are living in novels, unfit habitations, and not get help." I agree with the President of the United States that the heart of the American people is good. But I don't think the same can be said for the heart of the present Congress of the United States.

It is to the credit of another Republican, Robert Moses, that in this matter of housing he read the Administration a necessary lecture on its sad neglect of America's housing needs. This sharp lecture was both timely and necessary.

May I also add that there might be some serious question about the heart of the American banking community in this matter of housing. When this housing project was originally conceived, the banks and insurance companies of this community were approached for a mortgage at the then prevailing interest rate to make possible decent and adequate housing at reasonable rents. They, however, were far more interested in a higher interest rate than in a better community. So the bankers went on strike! They refused to give a mortgage.

Now, our union is not in the banking business. But we are in the business of worrying about the human needs of our members and of our community. If the bankers and insurance companies were out on strike against the housing needs of New Yorkers, we felt that this was one kind of strike our union could break with a clear conscience. It was then that our union offered to supply the \$15,000,000 on a mortgage needed if the bankers persisted in their strike.

This was a departure from our normal policy of investing union funds in government bonds only. But since this project was to be insured by the Federal Housing Authority, we felt that this investment was on a par with government bonds. So we offered the funds and just as bankers and big capital sometimes break labor strikes, so, this time, we broke the bankers' strike.

And I wish to compliment the Bowery Savings Bank for having come forward with the necessary mortgage.

When these buildings go up, we plan to dedicate each building to those of our leaders who laid the cornerstones for the fight against the sweatshops and the slums. We think it is fitting, because these buildings—this clearing of the slums by working people for working people—was part of their great dream to which they dedicated their lives.

They conceived this bright dream in the darkness of the old East Side. It is fitting that in the new East Side their names should appear on the buildings that express their dream in steel and stone.

We are proud that working people, acting cooperatively through a union, can now offer the funds necessary to finance what amounts to the creation of a little city within our greater city.

This project is a symbol of the independent worker, of the independent American.

It is a new day, born of the New Deal, when working people through their individual and cooperative effort can care for their own needs and the needs of their families.

We are proud to put our name on these buildings, not because we want our insignia on a great physical structure, but because we want our name associated with an historic spiritual achievement. These buildings will stand as a living memorial of what free and independent working people can create, in a progressive society, through their own efforts.

These buildings will be a monument to the enslaved and exploited worker of the old days, whose sacrifices cleared the way for the self-sustaining, independent worker of today.

It is this New Day that gives American democracy its fullest meaning. It is not only the employer who has a voice in the plant; the worker has a voice, too. It is not only the banker who shall finance homes; labor may finance homes, too. It is not only the men of wealth who shall have a voice in government; working people shall have their voice, too. It is not only the landlord who shall own dwellings; working people may, through cooperatives, own their own dwellings.

That's the meaning of the New Day. And these buildings are a monument to that great and creative spiritual truth!

Corlears Hook Project

During the recent political campaign we disagreed, sometimes strongly, with David Dubinsky and the Liberal Party, but our friendly row with Mr. Dubinsky was because of his politics, not because of the quality of his citizenship. Today we are happy to congratulate him on another fine community service, which he has sparked.

The International Ladies' Garment Workers' Union, which he heads, is investing \$7,500,000 to help finance the Corlears Hook cooperative housing project. Ground-breaking ceremonies will be held tomorrow.

This action by Mr. Dubinsky and his union is in our book unionism at its best. Incidentally the project will make a real contribution toward the city's ever-pressing housing problem.

—Editorial, *New York World-Telegram and Sun*, Nov. 20, 1953



Part of the throng that attended ceremonies listens to dedication speech by Pres. Dubinsky.

Private Builders Reap Gain From Federal Aid

By

LOUIS H. PINK

President, United Housing Foundation



The Congress of the United States felt strongly that there was hope for middle-income people in cooperative housing. In the past, the housing cooperative amounted to little in this country, although

it has been an important factor in many European countries. Section 213 of the National Housing Act was passed in 1950 after an on-the-spot study of European cooperatives by members of the Senate Banking and Currency Subcommit-

tee. It was the thought of Congress that in the United States, as in Europe, many groups of veterans and cooperators would want to build their own projects and also that there might be producer cooperatives which would become experienced in planning and building.

Unfortunately, this objective has not materialized as yet and practically all of the 50-odd projects in the vicinity of New York City, built under Section 213 of the National Housing Act, have been sponsored by commercial builders and their associates. While advertisements for these cooperatives read in large letters "non-profit," they are, in fact, often built only for the return the promoters can get. Many builders turn over the projects to the tenant owners as soon as possible, and having no further interest or responsibility go on to promote another project. This is an unwholesome situation which may retard the growth of cooperative housing, and, incidentally, kill the golden goose for the commercial builder in this field.

While we do not disparage in any sense the commercial builder, who has every right to operate under

this law and can be helpful in providing much-needed middle-income housing, we do believe that it is difficult to provide the type of housing which was intended by Congress unless it is done on a really non-profit basis, sponsored either by a civic group not interested in profit or by the cooperators themselves.

Section 213 projects are supervised by the Federal Housing Administration which exercises control of the financing, planning, and construction, but too little is done in the way of educating the public on how this statute can be used to develop true cooperatives which will comply with the spirit and purpose of the law. There is no effective program of education under FHA as was intended by the Act.

The law is on the books and can be utilized to great public advantage all over the country and particularly in the large cities. Some amendment of the law or regulations is necessary to provide for a sound educational program and to enlarge the scope of FHA supervision. These changes are necessary to provide a real partnership between builder and cooperator and should prevent a situation, such as

often exists today, where the tenant owners are compelled to take over their apartments without sufficient prior knowledge of any of the details of construction and financing. Because of this lack of partnership, cooperators in Section 213 developments may be faced with large increases in monthly charges which have been underestimated in order to help the sales program.

City officials and the real estate interests should look with favor upon cooperative groups and offer them every possible encouragement. The cooperative movement, which has been so successful abroad and has contributed so much to better living conditions there, is based upon the fact that the projects are not only owned and managed by the cooperators but are also sponsored by cooperators and cooperative societies without a profit motive. In no country has cooperative housing achieved a monopoly or become a menace to the private builder. Rather, it is just one of the methods for achieving more and better housing. It has provided through the people themselves a sound approach toward the solution of their own housing problem.