

HOUSING.

HOUSING BY THE UNITED STATES DEPARTMENT OF LABOR.¹

INTRODUCTION.

The housing problem was changed from a local to a national issue upon the outbreak of the war. Not until war forced us to see it did we realize that so undramatic a problem as housing had any connection with our efficiency in the winning of the war.

The war revealed the housing shortage not as a temporary thing, but apparently as something chronic. Of course we always had houses in which to live; it was merely a question of the adequacy of those houses in relation to our standards. Some people were living in quarters above their means perhaps, while others were without means to get the standard of houses which they desired, while a third group having the means were unable to get the desired accommodations. It is a peculiarity of housing that the supply is usually adequate or ahead of that required by a certain class of the population, namely, the higher income earning classes. On the other hand, the lower income earning classes usually find a very limited supply to meet even their modest demand.

In scarcely any active industrial community was the supply of houses for workingmen adequate to take care of normal business expansion, not to say the increased activity demanded by war-time production. Apparently neither individual nor corporate private initiative, urged by a desire for profit, had been adequate to supply all demands for industrial housing. Those in touch with the housing situation were aware of this shortage, even before the war. For several years—at least since 1913—the problem of industrial housing had taken on great significance in the United States. There had been considerable activity in the formation of housing companies, through philanthropic agencies and through the cooperation of employers and chambers of commerce. The State of Massachusetts had agitated housing reform for some time and in 1917 began in a small way the work of constructing and selling houses to workmen. In 1915 a bill was introduced in Congress urging the use of Government funds for the construction of houses for workingmen.

The war, then, broke in upon an industrial situation in which there existed a great shortage of housing accommodations. How the Department of Labor assisted in meeting the need is contained in the annual report of the United States Housing Corporation here summarized.¹

¹ Annual Report of the U. S. Housing Corporation, Dec. 2 1918.

THE UNITED STATES HOUSING CORPORATION.

The first official governmental body to take up the question for the Federal Government was the Council of National Defense and its Advisory Commission, composed of representatives of labor and industrial interests. This was in October, 1917. In February, 1918, a bill was introduced in Congress, with an appropriation of \$50,000,000, to meet housing for war needs of the War and Navy Departments. A bill had already been introduced authorizing the Emergency Fleet Corporation to construct houses for ship workers; and the Ordnance Department also was about to construct houses.

It was on the advice of the Council of National Defense that the housing work was delegated to the Department of Labor in so far as it affected workers in munition establishments and in the District of Columbia. Before the passage of the above act, Mr. Eidlitz, contractor and architect of New York, was appointed by the Secretary of Labor to direct the housing work. On May 16, 1918, a bill was passed authorizing the President to form a housing bureau. May 28 a bill was introduced making an appropriation of \$60,000,000, and on June 18 the President directed the Secretary of Labor to proceed with the housing work. On July 8 an additional appropriation of \$40,000,000 was made, to be expended under the Housing Act.

On July 9 the United States Housing Corporation was incorporated under the laws of the State of New York. It would have been possible for the Bureau of Industrial Transportation already established in the Department of Labor to execute the housing work as a bureau within the department, but if it had done so the properties it would have purchased and built up would have been in a peculiar way directly Government owned and not subject to local taxation laws. Primarily in order to avoid that, a corporation was created which had an equal standing with other corporations owning property in any particular locality. The ownership of the stock of this corporation is in the Secretary of Labor, who holds all the shares except two, one each being held by the president of the corporation and the treasurer.

On July 25, 1918, the first funds became available for the United States Housing Corporation, and on November 11, upon the signing of the armistice, a large share of the work of this corporation was halted and now it is to complete only those projects which were at that time in a fair way to completion. Thus its work has been confined to scarcely five months; it took six months of preliminary work to get its work under way.

METHODS AND POLICIES OF THE HOUSING CORPORATION.

The Housing Corporation sought to meet the housing situation before it by five methods:

(1) By making available housing facilities found by careful investigation to exist in or near the particular communities in question.

(2) By connecting, through improved transportation, places where labor was needed with places capable of housing it.

(3) By encouraging and aiding private capital to build.

(4) By aiding in the distribution of labor and the placing of war contracts in such a manner that housing congestion might be avoided or reduced.

(5) By construction and operation of houses, apartments, and dormitories.

While the last named was the principal purpose for the creation of the corporation, the corporation has not assumed to apply this method except as a last resort.

Preliminary to undertaking the housing work in any community agents of the corporation made a careful survey of the community in question and in no community was such investigation made until it had been certified to by the War or Navy Department that there was an urgent need for housing. The survey was thorough and included a report of the number, kind, and condition of local industries in the community; classes and earnings of employees; labor turnover; residence of the employees, whether near or at a distance from the place of work; rates and quality of transportation; sanitary conditions and state of public utilities generally; rents and land values; available building sites; extent of community activities; schools, recreation facilities, etc.; amount of building being done or projected by private interests, and the extent to which the community is able to supply funds for such an enterprise.

HOUSES REGISTRATION SERVICE.

The Homes Registration Service within the corporation was established in response to the first purpose of the corporation, to make available to the utmost such housing facilities as existed in any community. Largely through local cooperation and voluntary effort this Service has established in various communities local renting bureaus, made censuses of vacant houses and rooms, taken cognizance where possible of rent profiteering, and requisitioned unoccupied dwellings where necessary.

In dealing with rent profiteering a method has been devised, the essential element of which is publicity. As it started in New London, Conn., it has been termed the New London method. A committee of

three is appointed in a locality representing, respectively, the public, the employer, and the employee. Complaints are heard and if possible settlement secured. If settlement is not secured in any particular case all the facts are published in the local press the day following the hearings. Practically all cases which have arisen have been amicably settled without publication of the facts.

TRANSPORTATION FACILITIES.

Very frequently the corporation has been able to solve the housing questions in a particular locality by the provision of transportation. Local utility companies have been assisted financially. Such assistance has amounted to approximately \$7,000,000 in the way of loans or advances. The corporation has chartered a ferryboat system in one locality and put special trains in operation in another. It has provided reduced fares for workmen by paying the difference between the regular fare and the reduced fare fixed by the corporation.

Adding the loans and subsidies for the payment of reduced fares supplied by the corporation, it is estimated that the cost per workman per year for transportation has amounted to about \$35, an average of less than \$3 per month per workman. As against housing workmen at an average capital cost of \$550 per man in dormitories and between \$1,750 and \$2,250 in houses, it was an economy to the corporation to subsidize fares.

STIMULATION OF BUILDING BY PRIVATE CAPITAL.

In order to stimulate private capital to undertake housing, the corporation secured priorities for the delivery of the necessary material and informed the community that unless some disposition was made to cooperate with the corporation during the war emergency in the provision of houses, it might be expected that future war contracts would be placed elsewhere. The corporation has not adopted the policy of advancing money for the construction of houses either to private builders and building companies or to employers.

CONSTRUCTION OF HOUSES.

As stated, it was only as a final resort that the corporation proceeded to the acquisition of land and the construction of houses thereon. Before embarking upon such enterprise or "project," as it was termed, the corporation informed itself as to the industrial stability of the community and its probable continuance after the war—whether they were such as to justify an addition to its housing facilities.

The corporation has favored the construction of permanent communities and houses. Dormitories have been employed only where urgently needed, where speed was essential, and where the nature of the industry indicated impermanence.

The Housing Corporation has built up the largest house-building agency in the country at the present time, outside perhaps of a similar organization set up by the United States Shipping Board Emergency Fleet Corporation. Naturally, therefore, the work of the corporation is highly specialized. The real estate division tends to the valuation, acquisition, and purchase of land. This division, it may be noted, has bought land to the value of about \$5,000,000. The architectural, engineering, and town planning divisions of the corporation perform the functions implied in their respective titles. The legal division handles the drafting and submission of contracts. After that the construction division with its architects, engineers, and supervisory staff directs the construction of each particular project undertaken by the corporation.

When a housing enterprise or project is completed it is turned over to the operating division, which is called upon to organize the community, rent the houses, supervise community functions, public activities, and recreational facilities. Each community has as its directing head a town manager representing the corporation.

PROJECTS EXECUTED AND PLANNED.

At the time of the signing of the armistice the United States Housing Corporation had under consideration 94 housing enterprises or projects. Contracts had been let for 60 of them. Plans had been completed and ready for contracts in 25 cases. Plans were in preparation or had been ordered in the case of 7, while preliminary investigations had been completed but construction postponed in the case of 4. With the signing of the armistice, November 11, 54 projects were immediately abandoned and 15 were curtailed, while 25 were proceeded with as planned. It is quite likely that several more projects have been abandoned since that time.

Before the subcommittee of the Senate, investigating the operations of the Housing Corporation, the president of the corporation estimated that it would require \$45,000,000 to complete the 25 projects with which it was proceeding.

If the corporation completes the projects it now has under consideration housing will then have been provided for probably 25,000 workers.

MANAGEMENT AND OPERATION OF THE HOUSES.

The plans of the corporation for the management of the housing project have been drawn on a broad scale. Consideration has been given to all the aspects of community planning and operation, as it has been felt that the work of the corporation did not cease merely with the provision and erection of houses.

At the time of the making of this annual report, the affairs of the corporation were under investigation by the Senate. A Senate

resolution has been introduced to halt the work of construction on some war-workers' dormitories in Washington, D. C. Hearings have been asked before a committee of the House of Representatives. In the meantime, as stated, the corporation is finishing some 20 odd projects.

The report of the corporation to Congress concludes with the following observation:

It is to be hoped that the work performed by the United States Housing Corporation will not be lost when the war emergency is over, and that some means will be found to make use of the vast fund of experience and of material which that emergency has thus made available. Just how this is to be accomplished must, of course, be left to those powers in the Government which control such matters, but it might be well for our country to turn its eye to what our Allies are doing on the other side, and perhaps learn a lesson that may be of importance in promoting a contented citizenship in these United States.

AID BY CANADIAN GOVERNMENT FOR PROVINCIAL HOUSING SCHEMES.

Some of the Provinces of Canada have taken steps to remedy the conditions brought about by scarcity of houses owing to cessation of building operations during the war, and in order to encourage this movement and render financial assistance to such Provinces, the Canadian Government, on December 3, 1918, passed an order in council (P. C. 2997), the text of which, as given in *The Labor Gazette* (Ottawa) for December, 1918 (p. 1104), is as follows:

The committee of the Privy Council have had before them a report, dated December 2, 1918, from the Minister of Finance, submitting that at the conference recently held at Ottawa, between the premiers and other members of the Governments of the several Provinces and representatives of the Dominion Government, one of the important subjects of discussion was that of creating better housing conditions for the industrial population of our larger centers.

The minister observes that owing to the practical cessation of building operations during the war there is at present a great scarcity of housing accommodation in most of our cities, and this condition will become intensified with the return of our soldiers from overseas and their reestablishment with their families in civil life and occupation.

The minister states that at the conference it developed that some of the provincial Governments were considering the adoption of a policy of making loans to municipalities or otherwise, extending over a long period of years, and repayable upon the amortization plan, for the purpose of promoting the erection of dwelling houses of a modern character to relieve congestion of population in cities and towns in their respective Provinces, and the question was raised as to whether the Dominion Government would aid the several provincial Governments in carrying out such a policy by making loans to them to place them, to the extent that might be necessary, in funds for the purpose.

In view of the national importance of the matter, which touches vitally the health, morals, and general well-being of the entire community and its relation to the welfare of returned soldiers and their families, together with the fact that the carrying out of such a policy on a substantial scale by provincial Governments would afford considerable employment during the period of reconstruction and readjustment of industry following the war, the minister recommends as follows: