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"Modern Housing"

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MR. CHAIRMAN AND MEMBERS OF THE CANADIAN CLUB:—Housing on the south side of the border is rapidly becoming more than just a subject of conversation; it is becoming an economic and administrative reality. A few years ago, Housing was of interest only to a very small section of the population—social workers and church people interested in the welfare of the lower third. Today these groups, although still interested, are in the minority and in every large state you will find that groups of labour men, business men and prosperous citizens are taking over and doing things about Housing.

What are the arguments that have made Housing a matter of such wide public concern? First in time, but not in importance, is the humanitarian appeal. Everyone has known in general terms that physical and social ills are concentrated in the slums. But now we have learned in great detail just how serious the situation really is.

In Jacksonville we find, for instance, that 32% of all major crimes, and 42% of social crimes, are committed in a section comprising less than 1.8% of the city's area. In Cleveland and Philadelphia the rate of juvenile delinquency was found to be three times as high as in the rest of the city.

In respect to health the case is even stronger. In Detroit there were almost three times as many cases of pneumonia per hundred thousand of the population in one small slum area as there were in the state as a whole. In Cleveland 13% of the deaths from tuberculosis occurred in a slum area which covered only .73% of the city's area and

contained 2.4% of its population. The Basin district of Cincinnati, which contains only 27.8% of the population, and which covers 6% of the area, accounted for 64% of all major crime, 49% of the deaths from respiratory ailments, and 55% of all fire losses.

And these figures are almost identical in the smaller cities.

From situations of that sort, statistics and maps have been built up which give a clear picture of the situation in the country as a whole, and it has been found that the increase in slums and the increase in juvenile delinquency and disease rates have coincided almost exactly. That, of course, does not prove that housing conditions are solely responsible, but it does stand to reason that, where housing and the other conditions are so inevitably connected, it must be one of the main contributory causes.

Now, these conditions, as they refer to the situation in human terms, had long been known to progressive citizens. To get something started, however, the humanitarian argument had to be supplemented by an economic argument.

What is the economic argument? Disease and delinquency are economic losses—wastage of human resources. The blight of slum conditions is spreading through the cities. We have schools, businesses, churches, left more or less stranded, used only to a small portion of their capacity and at the same time we continue the duplication of these facilities in other areas. This is a wasteful and uneconomic form of growth; and if continued very long results in ruin for a great many investors. Considering this, we see that blight and slum conditions are not something that concerns only the social workers, but something that affects the investments and security of a large part of the community.

Not only is the blight spreading, but we are subsidizing it. We spend more on slums than we collect from them in taxes. The Cleveland Metropolitan Housing Authority compared the per capita costs of the various services in the slum areas and the rest of the city. These figures showed that the cost of police protection was \$11.50 in the slum area as compared with \$4.20 for the rest of the city, fire

protection \$18.27 against \$2.74, public health work \$2.02 against 60c, and tuberculosis care \$3.04 against \$1.17.

These are expensive districts not only to the people who live in them, but to the rest of us, and if we are going to subsidize some of our districts, why do we not do it in decent areas instead of rotten ones?

There is one further argument, the gravity of which is being realized more and more every day. Anyone who believes in democratic government must admit that democracy has no chance of working unless certain minimum standards are applied. Just as you cannot have a democratic country when a large section of the population is illiterate and existing without the sources of information on which the rest of the population depends, so you cannot have democratic government if a large section of the population is so ravaged by poverty and disease or is so poorly housed that its outlook on life can never hope to reach even a decent minimum.

These arguments are all sound, but they argue only that something should be done. They do not argue for any specific line of attack.

In the United States we have experimented and discussed various types of action. One school of thought says that the problem can be solved by merely building new houses for the people with middle and upper incomes. These people will move into the new houses and the people in the lower income brackets will move into the houses left vacant, and their houses in turn can be torn down.

If any form of housing programme has been given an opportunity to prove its value it is this one, and we know that, as a matter of fact, it has not eliminated the slums or cut down the growth of the blighted areas. That is an observable fact. Actually, while mortgage interest, amortization and taxation costs may go down somewhat, the cost of maintenance and upkeep probably rise, and the landlord is caught between the mill-stones of a declining gross income and a rising maintenance cost. He is compelled to put more families into the same space, and cut down on maintenance and repairs, and once these steps are taken it

is only a matter of time before a real slum develops. The handing down process does not work

By another school of thought, we can stimulate private enterprise in a semi-philanthropic project such as a Limited Dividend Corporation that would be satisfied with a small return over a period of years. That plan may work successfully on a small scale and within certain limits, but as a large scale solution it is out of the question. Even the small rents that are asked put Housing beyond the reach of the slum dwellers.

We are attempting a solution through the United States Housing Authority. This is an agency of the government in Washington that makes loans to local Housing Authorities, which are departments of local municipal corporations. These loans total 90% of the cost of the development and the balance of 10% has to be raised locally. They receive cash payments from the USHA and the local aid can be given either in the form of cash or reduced taxation on the property, the latter being the most common form of local aid.

Two hundred and twenty of these local authorities have been set up by state enabling act; 160 have earmarkings for funds from the USHA, and we have made loans to a total of \$650,000,000; 75 have entered into binding contracts for loans and subsidies; 15 of the projects are now actually in the construction stage, and contracts let.

There are two objections that have been raised to this type of enterprise. One is that public enterprise will discourage private building. If we can build for the low income groups only at the sacrifice of a larger amount of building for the upper income groups, the project will create more serious difficulties than it solves. But I do not think that is true.

Consider what has happened in England. Despite the difference in the mode of living in Great Britain and in the United States, the plans of both are based on the same system of economic units. In England and Wales, 790,000 of such units have been built by local authorities, and 422,000 by private enterprise. Public projects have not discouraged private enterprise. On the contrary, from 1919

to 1937 there was an increase of between six and seven hundred per cent. in building societies and mortgage firms.

The USHA is intended to take care only of families of the low-income group who cannot afford to pay enough to give the private investor even a reasonable return for his enterprise. Local authorities have to submit to Washington evidence that there is such a group in their community, and that the project is planned solely to meet that group's needs.

The other objection is the old one that families that live in slums would not appreciate the better housing provided. I have seen many people taken out of slums in England, and I have seen no coal in their bath tubs.

The general experience has been that 85% of families moved from slums to better houses respond immediately to the improved environment. Of the remainder, half show improvement in three or four years, and the remaining six or seven per cent. are incorrigible slum dwellers, although their children show the advantage of better conditions.

Better Housing is gaining ground, and not only is it helping the people who need it most, but it is providing a great deal of work in many trades that would be idle otherwise. We are providing an improved manner of life for a large section of the community. We are making mistakes, and no doubt Canada will make mistakes when it starts Housing. The two nations have many things in common. Both are nations of builders and pioneers and I believe that the future of democracy in both countries will depend on the provision we make for the upbringing of the next generation.