GOVERNMENT AID TO HOME OWNING
AND HOUSING OF WORKING PEOPLE
IN FOREIGN COUNTRIES

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GOVERNMENT AID TO HOME OWNING AND HOUSING OF WORKING PEOPLE IN FOREIGN COUNTRIES.

INTRODUCTION AND SUMMARY.

It is a common observation that a characteristic tendency of recent times, with the great development of industry, has been the concentration of the population into cities. With this growth has come the problem of the overcrowding of dwellings and insanitary conditions endangering the health of the entire community.

The attempt has been made by health regulations on the one hand and by building regulations on the other to correct insanitary conditions where they have existed and to prevent their development in new buildings and in new quarters.

But haphazard opening of new streets and building sites in rapidly growing areas and cheap, speculative building, liable to fall quickly into decay, have constantly led to the development of new slum areas and of houses unfit to be human dwellings and threatening the health of the community.

INADEQUACY OF PRIVATE INITIATIVE IN PROVIDING HOUSING.

In the larger cities the question of cheap and, at the same time, sanitary dwellings for workingmen of small earnings has in many cases become an acute one. The ordinary means of supply by the erection of houses by capitalists for investment have rarely proved adequate. So we find national, State, and local housing commissions, societies for the promotion of the erection of workmen's dwellings, and everywhere the conclusion that private initiative has proved
inadequate to deal with the problem and that systematic Government regulation, encouragement, and financial aid must be given. The fact that international housing congresses have been held in Europe since 1889 gives some indication of the public interest in the subject in European countries and of the activity of organized effort to deal with some of its problems. The following list of international congresses shows the countries in which they have been organized and held:

2. Antwerp, 1894.
6. Düsseldorf, 1902.
7. Liege, 1905.

METHODS OF GOVERNMENT AID IN EUROPE.

Most European countries have, as the result of investigation and study, enacted legislation providing for Government aid in one form or another for the better housing of the working people. The method of granting this Government aid differs greatly in detail in various countries, but the form in which the aid is given may be described as of three main classes.

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GOVERNMENT AID TO HOUSING—INTRODUCTION.

1. Building directly, for rental or sale.
   (a) For Government's own employees—
       National, as in Austria, Germany, Hungary, and Roumania.
       State or provincial, as in Germany, Switzerland, and Roumania.
       Municipal, as in Germany, Hungary, and Roumania.
   (b) For working people generally, as in France, Germany, Great Britain, Italy, Australia, and New Zealand.

2. Making loans of public funds (including also Government guaranty of loans) to—
   (a) Local authorities, as in Austria, Belgium, Denmark, Germany, Great Britain, Hungary, Luxemburg, Sweden, and Norway.
   (b) Noncommercial building associations, as in Austria, Belgium (by savings bank whose deposits are guaranteed), Denmark, France, Germany, Great Britain, Italy, Luxemburg, Netherlands, Sweden, and Norway.
   (c) Employers, as in Germany, Great Britain, and Luxemburg.
   (d) Individuals, as in Germany, Great Britain, Australia, New Zealand, and Norway.

3. Granting exemptions from or concessions in taxes or fees or granting some other form of subsidy to building associations or others, as in Austria, Belgium, France, Germany, Italy, Hungary, Roumania, Spain, Switzerland, Australia, and New Zealand.

   It should be noted that classed under the loans of public funds are the loans which have been made of the funds of the State accident and sickness insurance associations in Austria and of the funds of the invalidity and old-age insurance institutes in France and in Germany. These loans in Germany represent the most important financial aid to housing anywhere developed, having reached a total of over $118,000,000.

LOANS OF PUBLIC FUNDS TO PUBLIC-WELFARE BUILDING ASSOCIATIONS.

By these various methods European countries have expended millions of public funds to aid in the erection of low-cost and sanitary dwellings for wage earners. Most important among these methods of aid is that of loans to public-welfare building associations. These are associations in which the dividends which may be paid to the stockholders are limited usually to 4, or at most 5, per cent on the paid-up capital. In many cases it is also required that upon the dissolution of the association any surplus which may exist shall not be divided among the stockholders but must go to some specified public purpose.
In continental European countries, where building associations operating under the various housing laws have attained the greatest growth, as in Belgium, France, Germany, Italy, and Austria, their operations are hedged about by many regulations and restrictions whose principal objects are to safeguard the security of the capital and to see that all the dwellings erected with the funds advanced are of a kind designed to carry out the purposes of the law and that they are so managed that their benefits will be received by the class of persons intended to be served. Such regulations may require that the authority advancing money pass upon the by-laws of the association, examine at any time its financial operations and condition, pass upon the details of land purchase, plans and specifications of buildings to be erected, estimates of cost, sale price or rental, and income. Proper use and maintenance of rented buildings may be assured by the right to approve rentals, to inspect the buildings, and to enforce repairs. The funds are usually advanced to the building association which builds for sale or rental to its own members, or acts as an intermediary, loaning the money for the purpose of building or for purchase.

**SLUM CLEARANCES AND REHOUSING IN GREAT BRITAIN.**

Probably next in importance in the work in the interest of improved housing are the clearance schemes under the Housing of the Working Classes Act, 1890, and the Housing and Town Planning Act, 1909, which municipalities have been carrying on in Great Britain. In these schemes the municipal authorities have undertaken the purchase and clearance of insanitary slum areas in cities and the laying out of new streets and lots and the erection of sanitary dwellings to rehouse the tenants displaced by the improvements. London has been the leader in work of this character, the cost of its clearance schemes sanctioned by the Local Government Board from 1890 to 1913 amounting to over $5,000,000. Many other municipalities have also undertaken housing schemes of the same character, the total loans by the Public Works Loan Board approved for such purposes between 1890 and 1913 being $13,171,601.

**BENEFITS FROM SANITARY HOUSING.**

It is often claimed in general terms for these housing schemes that they improve sanitary conditions and thus benefit large areas and even the entire community. The best indication of such results in one direction is in the notable reduction in death rates in the areas covered under these clearance schemes when compared with the death rates in the same areas under their former insanitary conditions and with the same groups of tenants. Thus, in Liverpool, according to the report of the British Local Government Board,
in some of the slum areas which have been the subject of clearance schemes and where displaced tenants have been rehoused upon the same areas, a death rate ranging from 40 to 60 per 1,000 (with a death rate from phthisis of 4 per 1,000) has, by the improved sanitary conditions brought about, been reduced by more than one-half (the death rate from phthisis being correspondingly reduced).¹

In the face of such results as these—and similar results may be found in other cities—it is perhaps not to be wondered at that those who are active in promoting housing reform sometimes reply with some impatience when it is pointed out that the municipal schemes returning less than 3 per cent do not pay.

In the pages following are given for the countries most active in housing reform summaries showing the forms in which public aid has been given and the extent of the operations, so far as ascertainable. These summaries are followed by more detailed statements for each country, giving the particulars of legislation, methods of the administration of the laws, and extent and success of operations of various kinds where public aid in any form has been granted. The material upon which this report is based is found in various official and nonofficial reports to which reference is made in the proper places.²

**SUMMARY OF HOUSING WORK IN COUNTRIES WHERE GOVERNMENT AID HAS BEEN MOST IMPORTANT.**

**AUSTRIA.**

In Austria housing activity has manifested itself chiefly in three forms:

1. By the creation by law of a State housing fund in 1910, endowed by the State for the improvement of the housing conditions of persons of small means, with the purpose of making direct loans up to 20 per cent of its available funds to districts, communes, etc., and to public-welfare building associations for the erection of workmen's dwellings or of acting as guarantor for second mortgages up to 90 per cent of the value of the property;

2. By tax concessions or exemptions in favor of healthful or low-cost dwellings built by communes on public authorization, by workmen's cooperative societies for their members, by employers for their workmen, and by public-welfare building associations;

3. By the State and the municipalities also engaging in building houses for their own employees and making loans to public-welfare building associations. The special form of aid to housing is given in loans by the State insurance funds.


² Attention may be called here to the recent first annual report of the Massachusetts Homestead Commission (1914, Public Document No. 103), which covers in a more general manner the field of this report, and includes a survey of State aid to agricultural laborers and farmers in securing homesteads.
The amount of the Government endowment of the State housing fund as fixed by law is 25,000,000 crowns ($5,075,000), to be made available during the years 1911 to 1921, inclusive, in yearly amounts ranging from about $300,000 to $800,000. A public-welfare building association which serves as an intermediary in most of the housing loans as defined in the law is one which limits its dividend to 5 per cent of the paid-up shares, and in case of dissolution refunds to its members only the paid-up capital, devoting any remaining balance to public-welfare purposes. At the end of April, 1913, the direct loans of the State housing fund amounted to about $165,000. Up to the same date the fund had guaranteed loans and advances amounting to about $2,735,000.

At the end of 1912 there were 634 public-welfare building associations in the Empire, the associations having increased to this number from 336 in existence at the end of 1910. This rapid growth is due to the organization of the State insurance fund authorized by the law of 1910. An investigation made at the end of 1912 showed, for 405 associations reporting, capital invested in buildings and building lots amounting to $12,967,640.

For the work of the State as employer the Government first appropriated in 1907 4,000,000 crowns ($812,000). A further amount of 1,000,000 crowns ($203,000) was provided for a special fund for workmen in State salt mines. The State also provides service dwellings for some of its officials and employees in nearly all branches of administration. As an industrial employer it has done extensive housing work for the employees of State railroads, tobacco factories, and salt mines. At the end of 1912 the administration of State railroads had built houses at a cost of $5,022,423 and had in process of erection houses estimated to cost $1,048,292. These houses are for rental to employees of the State railroads, preference being given to members of building associations of such employees. Renters are prohibited from keeping lodgers or roomers. A large number of the municipalities in Austria have built dwellings especially for their own employees. A number of cities have also made loans for the erection of dwellings for the general working population. The cities most active in this work have been Vienna, Trieste, Olmütz in Moravia, Prague, Roveredo in Tyrol, and Villach in Carinthia.

The carriers of the State social insurance (the accident insurance institutes and sick funds) assist in housing work by the erection of dwellings and the issuing of loans to public-welfare building associations. The report for the year 1910 shows an investment in lands and buildings of $732,000. The net income on these properties ranged from 3.32 to 4.22 per cent, in most cases reaching 4 per cent. The amount of mortgage loans for workmen's dwellings was $216,914. All the loans have been made at 4 and 4 1/2 per cent.
GOVERNMENT AID TO HOUSING—INTRODUCTION

BELGIUM.

To Belgium belongs the credit of being one of the pioneers in the housing movement through State intervention. Its act of August 9, 1889, though not the first in order of date, originated some novel features and has served as a model for later laws, particularly the French and Italian legislation. There are three distinct parts to the law: (1) Creation of committees of patronage; (2) loaning of money by the General Savings Bank; (3) institution of life insurance in connection with the repayment of loans by individual borrowers. It also accords to associations of workmen who build or purchase low-cost dwellings, as well as to the committees of patronage, certain exemptions from stamp taxes, registration, transfer, and mortgage fees.

The duties of the committees of patronage, as set forth in the law, are: (1) To encourage the building and letting of workmen’s sanitary dwellings and their sale to workmen, either for cash or by annual payments; (2) to study the sanitary conditions of workmen’s dwellings and the hygiene of their location; (3) to encourage thrift and life insurance, and also to promote the formation of loan and mutual-benefit societies and pension funds.

The most important feature of the law is the authorization to the General Savings Bank, a semiofficial institution whose deposits the Government guarantees, to loan a part of its reserve at a reduced rate to encourage the proprietorship of homes among working people. The amount that the bank could so loan at a reduced rate was originally limited to 5 per cent of its total loans, but in 1901 this limit was raised to 7½ per cent.

Although the law did not contemplate that the General Savings Bank should make loans to Provinces, communes, or charitable and relief institutions, yet it authorized these to accept gifts and legacies for the construction of workmen’s dwellings. The privilege of raising loans for the purposes of the act was extended to Provinces and communes in 1891.

The loans from the savings bank are made only through an intermediary. Four different kinds of associations under the law are entitled to obtain these loans, namely, joint stock and cooperative loan companies and joint stock and cooperative building companies. The General Savings Bank, with the sanction of the minister of finance, determines the rate of interest on these loans. These associations in turn make loans to individual workers desirous of purchasing homes.

The rate of interest to borrowing companies, as fixed by the General Savings Bank, was, until 1899, 2½ per cent for the loan companies and 3 per cent for the building associations. In 1899 rates were generally raised to 3 per cent for loan companies and 3¼ per cent for building associations.
Repayment of advances is made according to separate agreement in each case. The term of repayment is 10, 15, 20, or 25 years as a rule.

The loan companies, in order to receive loans from the bank, were originally required to give assurance of their philanthropic purposes by limiting their dividends to 3 per cent. This limit was in 1908 raised to $3\frac{1}{2}$ per cent if one-half or over of their capital stock was paid in, and if all was paid in, the bank might increase it to 4 per cent. These provisions do not apply to building associations. The loan companies are subject to the inspection and approval of the local patronage committees.

There is no definite or fixed maximum or minimum established in the law as to the amount of loans the General Savings Bank may make to the borrowing companies. Two general factors determine the limits of loans: (1) The amount of subscribed capital not paid in, and (2) the value of the land and security offered. To the loan companies, if joint stock companies, advances may be made equal to one-half of the capital stock subscribed and not paid in, plus a sum equal to one-half of the value of the real estate owned, plus an amount equal to 60 per cent of the property held by the company on mortgage of borrowers who are not protected by life insurance, or 70 per cent of its value if borrowers' payments are protected by life insurance. The advances to building companies may be made only to an amount equal to 50 per cent of the value of the real estate belonging to the company.

Since the law of 1889 became effective, up to December 31, 1912, the General Savings Bank had advanced more than 103,000,000 francs ($19,879,000) to workmen's dwellings associations, permitting the building of about 57,500 houses. On December 31, 1912, the number of these associations having loan contracts with the General Savings Bank was 176. The total amount of operations by 175 of these associations from their formation to December 31, 1910, reached 138,000,000 francs ($26,634,000). On December 31, 1912, 167 stock companies (131 loan companies and 36 building associations), which do the bulk of the housing work, owed to the General Savings Bank about 39,134,000 francs ($17,203,000).

DENMARK.

In Denmark several laws have been enacted—the first in 1887 and the most recent in 1914—intended (1) to aid cities by loans in the clearance of congested areas and the erection of sanitary houses for the laboring population, and (2) to aid cities and building associations by loans in erecting individual laborers' dwellings. The four acts passed have provided for these purposes $1,742,000.

The most recent law requires the loans made to be secured by a first mortgage; and they may not exceed two-thirds of the value of the property as determined by the minister of finance after appraise-
ment. Loans must be paid off at the rate of 4 per cent per annum, of which 3 per cent is for interest and the remainder for reducing the principal of the loan. Building associations wishing to take advantage of the law must submit annual reports of their operations to the minister of finance.

Special facilities have existed since 1899 for the purchase of small holdings. For this purpose the State had advanced $9,013,912 up to March 31, 1914.

**FRANCE.**

French housing legislation is very similar in its provisions to the Belgian and Italian laws, in that it recognizes and promotes concurrently (1) private initiative by the organization of committees of patronage and by exemption from taxes and by authorizing institutions, charitable organizations, hospitals, and savings banks to place their funds in the building of low-cost dwellings; (2) communal initiative by enabling communes, when especially authorized, to build directly apartment houses for large families, and for this purpose to secure loans under the same conditions as associations; (3) the establishment of public bureaus of low-cost dwellings (communal, intercommunal, and departmental), consisting of public establishments having for their exclusive object the clearing of the land, the building and management of healthful dwellings, as well as the sanitation of dwellings already built, and the establishment of city or workmen's gardens. These bureaus are classed with building associations and may utilize resources derived from (1) donations by communes or Departments, gifts, and legacies; (2) loans made by the communes, by the Bank of Deposits, savings banks, etc. French legislation makes use of the principle of life insurance to guarantee the repayment of loans in a manner similar to that provided for by the Belgian law.

Probably the most important feature of the French law is the authorization of the Bank of Deposits (Caisse des dépôts et consignations), a Government institution, to make loans to building and loan associations, and of the National Old-Age Retirement Fund to make advances to the real estate loan companies, for the construction of low-cost workmen's dwellings. These dwellings may be constructed either for sale or for rent. Employers may construct them for their employees, but chiefly the work is carried on by building associations and real estate loan companies. These associations are divided into two classes, stock companies and cooperative societies. In stock companies the renters or purchasers are not necessarily shareholders, and in reality are never such. Companies are established by capitalists who desire to assist in a philanthropic and social undertaking and are satisfied with a moderate profit. Under the cooperative societies the stockholders are the actual owners of the dwellings constructed by this plan. Whatever the form of organization, how-
ever, the business of the society is threefold: (1) Construction of tenements for sale or rent, (2) construction of one-family houses for sale or rent, (3) making advances to individuals who wish to build their homes or purchase garden plots not over 2.47 acres in extent.

Those building and loan associations which desire to take advantage of the privileges of the law must comply with certain conditions: (1) Limit their dividends to 4 per cent, (2) submit their by-laws for the approval of the authorities, (3) make an annual report to the housing council, and (4) comply with certain rules in the event of winding up their affairs.

The privileges which building and loan associations complying with these requirements may have are as follows: (1) Tax exemptions of three kinds are granted: (a) Stamp and registration fees on their documents, shares, bonds, mortgages, etc.; (b) licenses and excise taxes on their interest from securities; (c) inheritance taxes, but only if they confine themselves to the construction and sale of low-cost dwellings and not for rental purposes. Certain financial advantages are also accorded, as follows: (1) Three sets of institutions are permitted to purchase their shares—charitable institutions, municipalities and Departments, and the savings banks. Charitable institutions may invest their funds only on authorization of the local prefect, and they may not own over two-thirds of the capital of any single institution, and their shares must all be paid in. They may not invest over two-fifths of their assets in these building associations. Municipalities and Departments are subject to the same restrictions as charitable institutions in regard to the amount of shares they may hold in any building association. Savings banks may devote, under various forms, one-half their own means to housing projects, under the restriction that the sum of these investments added to the cost price of their real estate holdings may not exceed 70 per cent of their own means (fortune personelle).

(2) Four classes of institutions are permitted to purchase the bonds of building and loan associations, namely, the three above mentioned and the Bank of Deposits, a Government institution. This latter may employ two-fifths of its reserves for this purpose.

(3) Ordinary loans may be made to the building and loan associations by charitable institutions, municipalities and Departments, and by general savings banks provided they secure a mortgage guaranty.

(4) Municipalities and Departments may transfer land or buildings to building and loan associations at a price not less than one-half their value.

Loans to individual borrowers are made at rates of 3½ and 4 per cent interest. The principle of gradual amortization of loans in periods of 10, 15, 20, or 25 years is adopted.

The effect of the French housing legislation is apparent from the fact that on March 1, 1914, there were in existence in France 410
building societies for low-cost dwellings, of which 258 were cooperative and 152 were joint stock companies. These societies enjoyed fiscal exemptions during the year to the amount of 903,360.68 francs ($174,348.61), and savings banks participated in housing work to the extent of 18,037,703 francs ($3,481,276.68). From the Bank of Deposits and the National Old-Age Retirement Fund advances have been granted to the amount of 37,589,600 francs ($7,254,792.80), in addition to sums received from the participation of charitable and poor-relief institutions.

The number of dwellings which had benefited by the tax exemptions in 1913 was 16,807 individual houses and 1,613 tenements having 11,848 apartments, or an average of 7.3 dwellings to each apartment.

These building and loan associations for low-cost dwellings and individual owners of houses derived very substantial aid from the tax exemptions which they received under the law. These exemptions, which in 1912 amounted to $174,349, are made up of the following items:

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<th>Description</th>
<th>Amount</th>
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<tr>
<td>Land tax</td>
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<tr>
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<td>Inheritance tax</td>
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<td>Licenses</td>
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<td>Stamp and registration dues</td>
<td>6,570</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>174,349</strong></td>
</tr>
</tbody>
</table>

GERMANY.

In Germany where Government aid for the betterment of housing of the working people has been given more largely probably than in any other country, four agencies have been employed, using various methods, the most important of which are the following:

1. The Empire:
   
   (a) Houses built directly for rental to lower-paid Government employees.
   
   (b) Housing fund established for making loans to building associations for workmen’s dwellings and for purchasing land to be leased on long-time grants for building.

2. Individual States:
   
   (a) Houses provided for lower-paid State officials and workmen.
   
   (b) Building loans and building premiums granted to State officials and workmen,
   
   (c) Houses built for rental to State officials and workmen through housing fund.
   
   (d) Loans for building associations and others through housing fund.
   
   (e) Exemptions from and concessions in taxes, fees, etc., on workmen’s dwellings.
3. Invalidity and old-age insurance funds:

(a) Loans to communes, unions of communes, savings banks, corporations, building associations, and employers, and in some cases to employees.

4. Municipalities:

(a) Houses provided to be rented to municipal workmen.

(b) Houses erected for rental to the general working classes and people of small means.

(c) Loans by cities to building associations for the erection of workmen's dwellings.

The housing work of the Empire for rental to its own employees has been quite extensive. In 1904 the amounts so invested were shown to be in excess of $8,000,000. More important, however, is the work of the housing fund established in 1901. Up to 1908 its loans to 84 enterprises amounted to nearly $6,000,000. These enterprises had expended on land and buildings $27,335,259, having erected 1,619 buildings with 7,856 apartments. In addition land purchases had been made at a cost of $1,302,870.

Of the individual German States which have engaged in the work of promotion of better housing, Prussia has been most active. Its housing fund, established in 1895, had in 1911 reached a total in excess of $34,000,000, its building operations and loans amounting to $33,655,637. Of this amount there had been expended for direct building for rental to State officials and workmen $17,269,562, in loans to building associations for building $15,367,907, and in other loans $1,018,168. In Prussia also building loans and building premiums granted to industrial employees are important. For mining employees, for example, loans amounting to $2,281,506, and building premiums of $1,451,053 were reported at the end of 1910. These were in connection with the provision of 8,353 houses with 17,799 apartments.

Most important of the funds for the promotion of better housing in Germany are the invalidity and old-age institutes. Between 1891 and 1913 loans from this source amounted to $114,867,744.

An official investigation of the activities of German municipalities made in 1909, covering cities with a population of 50,000 or more and a few others, showed that 42 cities had provided houses to be rented to municipal workmen, 15 cities had erected houses for rental to the general working classes and people of small means, and 33 cities had made loans to building associations for the erection of workmen's dwellings. Of the 15 cities which had erected houses for rental to the general working classes, 8 were in Prussia, 4 in Alsace-Lorraine, 2 in Baden, 1 in Saxony. In this form of housing 5 cities had been especially active, Freiburg, Mülhausen, Düsseldorf, Strasbourg, and Essen. Among those cities most active in making loans
to building associations were Berlin, Munich, Frankfort, Hamburg, Posen, and Stuttgart. These loans for the most part have been made at 3 and 3½ per cent interest, although 4 per cent has been charged in a considerable number of cases. The loan is often on a second mortgage. Periods for repayment are allowed, in some cases even up to 80 years. The building plans are usually subject to approval and the use of the dwellings by working people of small means is carefully safeguarded.

It will be seen that all of these agencies which have served as a source of funds in aid of housing have worked through building associations as the chief means for housing work. Between 1901 and 1911 the number of such associations in Germany rose from 466 to 1,167. In 1911 the 645 associations from which detailed reports were available showed 14,144 buildings, including apartment buildings and small houses, erected since their organization at a cost of $96,562,939. A large part of the funds of these associations have been derived from the loans made by the employer, the individual States, and the insurance institutes.

GREAT BRITAIN.

In Great Britain Government activities in the interest of improved housing are controlled by the housing and town planning act, 1909, the latest of a series of housing acts. In this act Government aid is provided for in three forms:

1. Large clearance schemes undertaken by local authorities in insanitary areas, with rehousing of the displaced tenants;
2. Treatment of small slum areas and insanitary houses by local authorities;
3. Providing new housing accommodation where needed, either directly by the local authorities or by associations, corporations, and private persons aided by loans of public funds from the Public Works Loan Board.

This aid, according to the language of the act, was "for the purpose of construction or improving or of facilitating or encouraging the construction or improvement of dwellings for the working classes."

As a means of giving this aid the law empowers the Public Works Loan Commissioners to lend money to be used for erecting working-class dwellings to public utility companies, private persons who either own land in fee simple or have a lease or other claim upon it of which 50 years are still to run, and to societies or other organizations formed for the purpose of constructing or improving dwellings for the working classes. Loans of this class may be secured by mortgages on land or dwellings or both; where no other security is given the loan may not exceed two-thirds of the value of the property mortgaged in the case of public utility companies and one-half in other cases. The period for repayment may extend to 80 years.
The slum clearance schemes in London under the various housing acts have been in several instances on a large scale, and the schemes undertaken between 1875 and 1913 cost over $13,000,000. The gross rentals from the dwellings of the London County Council in the year 1912–13 amounted to $1,073,057. The total cost of the clearance schemes in cities other than London is not known, but the official reports show that the amount of loans sanctioned on account of such work was in excess of $24,000,000.

The power which local authorities have to take action against small slums and insanitary houses has not been largely used and has not called for large expenditures. In London 16 schemes have been undertaken at a cost of $1,030,978 and in Manchester 3 at a cost of $169,885. A more important power, that of closing or requiring the demolition of unhealthful houses, if the owners could not or would not put them in proper condition, which was formerly difficult of application, has been strengthened by amendments in the act of 1909 and has been found of great usefulness.

In the way of financial aid to improve housing the General Government has made loans to both urban and rural local authorities, to philanthropic and semiphilanthropic organizations, to building associations, and to private individuals. These loans up to March 31, 1913, had amounted to $25,448,496, of which about one-half were to local authorities and slightly less to associations, corporations, and private persons. The loans in the last year were mostly at 3½ per cent, the remainder at 3⅞ per cent. Of the loans to local authorities all but about 4 per cent were to run 80 years, while the greater part of the loans to associations, etc., run from 20 to 30 years.

The total loans to organized private enterprises 1891 to 1913 were $7,076,530. Since the amendments in the law introduced by the act of 1909 the amounts loaned annually have greatly increased—from $327,477 in 1909 to $1,515,049 in 1913.

HUNGARY.

Housing legislation in Hungary is of very recent date. Several early attempts to promote public-welfare housing work by means of tax reductions for workmen’s dwellings were complete failures. The only law of practical effect was that of 1908. This law grants entire exemption from the building tax to all dwellings newly erected in the city of Budapest without regard to whether they are rented to workmen or other renters. The houses remain exempt from the tax as long as the income from rents does not exceed 4 per cent interest on the cost of the ground, 6 per cent interest on the cost of the building and the costs of maintenance and administration.

The city of Budapest which owns large areas of land suitable for building purposes availed itself of the benefits of this law and in order
to lessen the excessive scarcity of workmen's dwellings voted nearly $13,000,000 for the erection of such dwellings. Up to 1913 the city built dwellings containing a total of 4,816 apartments, housing 22,481 persons, of whom 81.5 per cent were workingmen and their families, electrical workers, etc.

The great scarcity of workmen's dwellings in the capital caused the enactment of the law of July 20, 1908, in which the ministry of finance was authorized to build workmen's dwellings at a maximum total cost of approximately $2,000,000. These dwellings were to be occupied primarily by workmen employed by the State and secondarily by those in private employment. The result of the law is the workmen's colony at Kispest, a garden city, in which up to 1913 dwellings have been built that house 3,535 families with 18,000 persons. The colony will ultimately house about 4,200 families.

Government aid for housing work was given not only to industrial workers but also to agricultural workers who needed aid in this respect still more than the former. Action was first taken in 1901 by the ministry of agriculture, which in the period 1901 to 1906 expended a total of about $365,000 appropriated by Parliament for State subsidies to workmen to aid them in acquiring their own homes. About 600 houses were erected annually with the aid of these subsidies. This slow progress was not satisfactory to the Government, and therefore caused the enactment of the law of 1907 (No. 46), which provided that a maximum annual amount of $60,000 should be made available for subsidies to be granted to communes to pay the interest and refund of loans contracted by municipalities, communes, and authorized corporations for the erection of dwellings for agricultural workmen. Each dwelling under the act must be for one family only. About 6,000 dwellings for agricultural workers in 23 districts and in over 200 communes have been erected with the aid of such Government subsidies.

ITALY.

In Italy the legislation is intended to encourage the building and acquisition of cheap dwellings for workmen by cooperative societies, charitable associations, and mutual aid associations. When their activities are not adequate the commune has authority to establish a municipal bureau of cheap dwellings. In the first place, a number of savings or loan associations may consent to loans to building associations at a rate not exceeding 4½ per cent, or may purchase obligations or bonds issued by these associations. In order to participate in these loans the associations must cause their by-laws to be registered with the minister of commerce, and must not permit the distribution of dividends in excess of 5 per cent on paid-up capital.

1 Savings funds, popular and cooperative loan banks, pawnbrokers, public charitable institutions, mutual aid societies, insurance and tontine companies, national savings funds for invalidity and old age, and real estate loan companies.
In addition, reductions in taxes (exemption from registration fees, taxes on income, stocks, bonds, and loans, real estate and insurance taxes) are granted to societies and employers who build dwellings for their employees, and corporations and charitable associations providing cheap dwellings. The communes may themselves construct workmen's dwellings, when private initiative is not adequate. But they must, first, submit to the referendum the question of administration of workmen's dwellings, and, second, rent these dwellings to persons whose yearly incomes do not exceed 1,500 lire ($289.50). Besides the direct management and private initiative the legislature permits the formation of self-governing workmen's dwellings organizations, empowered to receive from the communes which establish them the whole or a part of the capital appropriated for that purpose, and empowered also to issue directly bonds of 50 and 100 lire ($9.65 and $19.30).

On the 1st of January, 1911, there were 558 societies and establishments for the building of workmen's dwellings in operation, divided as follows: Cooperative associations, 475; mutual aid societies, 19; self-governing institutions, 33; welfare associations, 6; municipal offices, 25. On that date 237 communes in 55 Provinces operated cheap dwellings bureaus, of which 34 were in Milan, 17 in Florence, and 12 in Bologna.

Reports covering a little more than half of these organizations showed paid-up capital of nearly $5,500,000. At the same time they owned building sites valued at nearly $1,750,000, and completed buildings valued at more than $12,000,000. Furthermore, as measured by the loans contracted by them, they were involved for an additional sum of nearly $5,000,000. The loans made by these organizations are usually for a maximum period of 50 years, at rates varying from 3\(^{1/4}\) to 4\(^{1/2}\) per cent.

The total number of cheap dwellings for the people constructed subject to the legal exemption of taxes, etc., at the beginning of 1911, was 1,038. The Milan society had built, up to September 30, 1912, 52 apartment houses having 2,759 apartments, and 22 houses with 160 apartments.

The most recent data concerning the municipal management of people's dwellings show that in 18 communes where the building and management of such dwellings has been undertaken, an expenditure of $1,078,063 was involved. In addition, in 13 communes where the building and operation of people's dwellings is being carried on by a system of independent management, the investment for building was $1,006,148, almost the entire amount having been raised by loans from the institutions authorized under the housing laws.
GOVERNMENT AID TO HOUSING—INTRODUCTION.

NORWAY.

In Norway the law of June 9, 1903, in regard to loans on small property holdings of workmen and their dwellings established a loan bank with three branches under the guaranty of the State. The capital of the bank, constituted out of State funds, was authorized originally at 3,000,000 crowns ($804,000), and increased in 1912 to 10,000,000 crowns ($2,680,000). The bank is also authorized to raise funds by the issue of bonds guaranteed by the State in a sum not to exceed 60,000,000 crowns ($16,080,000).

The bank grants loans for two purposes: (1) For the purchase of small holdings; (2) for the building, completion, or purchase of laborers' dwellings. The first kind of loan for the purchase of small farms is made at 3½ per cent maximum interest and upon the guaranty of a commune, either to individuals without capital or to rural communes for the purchase of land for subdivision into allotments for laborers' dwellings. The second type of loan for the erection of laborers' dwellings is made at 4 per cent maximum interest and is in all cases on the security of communal taxes.

Both classes of loans are payable in equal half-yearly installments. For loans for the purchase of small holdings only interest payments need be made for the first 5 years, and the payment of principal may be extended over 42 years. In the case of loans for the erection of workmen's dwellings only interest is payable the first 2 years, and repayments of principal may be extended to 28 years.

Since its organization up to June 30, 1913, the bank has made 22,600 loans, of which 13,140 were for the purchase of land holdings and 9,460 for the building of homes. Somewhat over two-thirds of those who have borrowed to build homes own their garden plots. About one-third of the outstanding loans are for 1,000 crowns ($268) or less; only about one-seventh exceeded 2,000 crowns ($536). The outstanding loans on June 30, 1913, were approximately 32,000,000 crowns ($8,576,000).

SWEDEN.

In Sweden a royal decree of 1904 created a State fund to be available to lend to workingmen or others of small means for the purchase of small holdings and for the building and completion or purchase of laborers' dwellings. Loans are made through intermediary associations or employers. At present the maximum value of a house purchased may not exceed approximately $1,072, while that of a small holding and a house is not to exceed $1,876 or $2,144, according as it is improved property or not. A purchaser of a small holding must supply one-sixth of the purchase price, and of a house one-fourth. Interest is charged at 3.6 per cent.
The total amount set aside for the five years 1905 to 1909 was in round numbers $2,894,000, but proving inadequate it has gradually been raised to $2,010,000 a year. During the year 1911, 1,096 small-holding loans, and 447 low-cost dwelling loans were made.

Public lands are also set aside in Sweden, and buildings and homes for rental to those of small means are erected upon them. The State also provides homes for many of its own employees on its canals and railroads, the details of which do not lend themselves to a summary statement.

During the period 1871 to 1911 Stockholm advanced about $1,206,000, by the aid of which 761 houses were constructed, consisting of 1,728 apartments, each containing on the average one room and a kitchen. Other cities in Sweden are doing similar work.

Attractive garden cities have also been created, although only one, that of Solheim, has been really successful.

More recently (1907) Parliament prepared to aid companies desiring to buy up large private estates to sell to those of small means or to erect homes for them thereon. Loans are to be made by the companies up to 80 per cent of the value of the security. Only the small sum of approximately $540,000 has been voted for this purpose.

AUSTRALIA.

Although Australia is primarily an agricultural country, housing loans to workers from State funds direct to borrowers have been in force there since 1909. The legislation authorizing such loans is State and not Commonwealth legislation. Five of the six States of Australia have such laws. Queensland was the first State to inaugurate the system in 1909, to be followed by South Australia and Victoria in 1910, Western Australia in 1911, and New South Wales in 1912.

Besides making loans direct to individuals for the purchase of homes, Western Australia and New South Wales provide for the Government purchase of land or setting aside of Crown lands for leasing to workers of small means and will build upon such land either for purchase or rent.

The administration of the system is delegated to a special board usually within the treasury department. Funds are generally raised by the issue of bonds or by annual appropriation. In order to be entitled to a loan a prospective borrower must show that he is a wage-earner as determined by his income. Thus in Queensland the maximum earnings of a borrower are limited to about $973, in South Australia to $1,460, and in Western Australia to $1,947.

The maximum amount loaned to an individual varies from $1,460 in Queensland to $4,867 in Victoria. The rate of interest is 4, 5, or 6 per cent, but may be reduced ½ per cent if payments are prompt. The security is a first mortgage and the amount loaned is limited to
from two-thirds to four-fifths of the value of the security. The terms of loans range from 15 to 42 years with a privilege of anticipating repayments at any time. Loans are generally negotiated through the post office.

The total amounts of loans advanced under the above acts in each of the States indicated on the date specified stood as follows:

Queensland (June 30, 1913) .......................................................... $2,933,000
South Australia (June 30, 1912) .................................................. 1,238,000
Victoria (June 30, 1912) ............................................................. 3,262,000
Western Australia (January 31, 1912) ......................................... 620,000

In South Australia the amount above did not include about $476,000 which the State had invested in purchasing homes for rental, nor did it include $318,000 which had been borrowed in order to discharge other mortgages.

Thus far New South Wales has been engaged only in setting aside Crown lands and building houses thereon for rental to workmen. The first project of this kind developed, the Dacey suburb, is situated five miles from the center of the city of Sydney adjoining the suburb of Kensington. The area of the suburb consists of approximately 336 acres. On June 30, 1913, there had been completed 67 dwellings, all of which had been rented. Twenty-two additional dwellings were then in course of construction. The rents are reported from 15 to 20 per cent lower than those charged by private landlords for similar accommodations in the suburbs. A glance at the occupations of those renting these houses would indicate that the semi-skilled workmen are the ones who more commonly take advantage of securing these houses.

As to the number of houses which have been constructed under State loans in the other States of Australia the latest figures show that in Queensland it was 1,837 (June 30, 1913) and in South Australia 1,193 (June 30, 1913). In Victoria the State Savings Bank had actually in force 2,359 loans for the purchase of homes or small shops in connection therewith, as is provided by the law of that State.

NEW ZEALAND.

Under the State advance acts (1908–1913) there may be loaned for the purpose of purchasing or erecting a dwelling on a land allotment a sum not to exceed approximately $2,200, such loan not to be in excess of the value of the dwelling or house to be erected. The security required is a first mortgage. The interest on the loan is charged at a rate of 5 per cent and is reducible to 4½ per cent if payments are prompt. Repayments are made in equal annual installments or semiannually, as desired. It is to be noted that a deposit of only approximately $50 is required at the time of securing the loan, together with a small valuation fee of about $2. Any person
desiring an advance may make his application to the post office or to any representative of the valuation department. No professional assistance is required and no charge is made for preparing the application. The department has no agent authorized to act on its behalf in this respect. A worker to be entitled to a loan must prove himself to be engaged in manual or clerical work and in receipt of an income of not over $973 per annum.

The total advances to workers up to March 31, 1913, including moneys repaid and again advanced was approximately $11,000,000. During the year 1912–13 alone there was advanced $2,186,000, involving 1,321 loans.

The main purpose of the Workers' Dwellings Act, 1910, which supersedes an earlier act of 1905, is to set apart Crown lands or to acquire private lands and to erect dwellings for workers thereon. The purchase of a dwelling is effected by a deposit of about $50 and the payment of the balance is distributed over a period of 25½ years in equal annual installments. A "worker" under the act is defined as one whose earnings do not exceed about $850 per annum and who is landless.

On March 31, 1913, the number of houses erected under the act of 1905 was 126, while up to March 31, 1913, 138 dwellings had been erected for purchasers under the 1910 act. The report of the superintendent administering the act indicates that the larger proportion of the purchasers of homes under the act are ordinary laborers.

Arrangements have been made under the act with the Government life insurance department by which any purchaser of a worker's dwelling may insure his life for the amount that may be owing on his dwelling at the time of his death, if such should occur before all of his payments have been completed.

OTHER COUNTRIES.

A considerable number of other countries have been active in giving public aid for the betterment of housing conditions. In no case, however, is the work yet on a large scale nor are the details available for this report of such length as to make their summarization in this place necessary. The reader will find the significant details, as far as available in published form, given in the body of this report. The other countries covered are: Luxemburg, Netherlands, Roumania, Spain, Switzerland, Canada, Cuba, and Chile.
INTRODUCTION.

As late as 1894 Prof. von Philippovich in his work on housing conditions in Vienna had to make the statement that while in other countries an extensive movement for a reform of housing conditions had manifested itself, in Austria such a movement was hardly noticeable.

A few earlier attempts to deal with the housing problem were unsuccessful. The workmen's housing law of 1892 was a complete failure and was superseded by the law of 1902. The development of building associations was very slow, and the provision of dwellings by public-welfare organizations was, with the exception of dwellings erected by employers for their workmen, essentially limited to the model colony erected by the Emperor Francis Joseph I Jubilee Foundation and the workmen's dwellings of the accident insurance institutes.

Only since the foundation in 1907 of the Central Association for Housing Reform in Austria (Zentralstelle für Wohnungsreform in Oesterreich) and the creation in 1908 of a department for housing in the new Ministry of Public Works has the housing problem in Austria been handled in a systematic manner.

The reason for this may be found in the fact that the transition of Austria from an agricultural to an industrial State is taking place by slow steps and, as a consequence, Austria has not experienced such a rapid urbanization as other countries.

This does not mean, however, that housing conditions are more favorable in Austria than elsewhere. Complaints as to a scarcity of dwellings and as to housing misery have been heard for decades in Austria, and Austrian housing statistics show that these complaints are only too well founded; but the acknowledgment that objectionable housing conditions exist came very slowly.

1 There being no comprehensive official report on housing work in Austria in existence, the present article has been based chiefly on the following papers submitted to the International housing congress of 1910 in Vienna and of 1913 at The Hague by members of the congress from Austria: "Die Fortschritte des Wohnungswesens in Oesterreich wahrend der letzten fünf Jahre," by Dr. Emil von Fürth (Vienna); "Verbesserung und Beseitigung schlechter Wohnungen," by Dr. A. J. Fuchs (Vienna); "Die Wohnungsüberfüllung in Oesterreich und die Massnahmen zu ihrer Bekämpfung," by Dr. Ferdinand Illing; "Stadt- erweiterungsrecht," by Dr. Karl Brockhausen and Siegfried Sitte; and "Die Entwicklung des Wohnungswesens in Oesterreich wahrend der letzten Jahre," by Dr. Ewald Pribram and Dr. Karl Forechheimer. The first-named paper was submitted to the congress of 1910, the others to that of 1913.
A summary view of the housing conditions of the individual localities may best be obtained by considering the density of housing, i.e., by investigating how many occupants there are on an average in these localities to each apartment (Wohnung). A computation as to size and rent of apartments in localities with more than 10,000 inhabitants subject to the rent tax (Hauszinssteuer) has shown that a density of from 4 to 4.6 occupants per apartment is to be considered as typical. These figures become still less satisfactory the larger the percentage in a locality of one-room apartments and the more frequent the apartments without kitchen, i.e., actual one-room apartments. Of 92 localities included in the investigation, 33 had over 70 per cent of apartments without any kitchen, 21 from 60 to 70 per cent, 16 from 50 to 60 per cent, and 22, 50 per cent.

Especially unfavorable conditions prevail in the Province of Galicia, where the housing density in most of the cities is above the average. Dangerous overcrowding of apartments is, however, also to be found in many other localities outside of Galicia, above all in the city of Pola, Province of Istria. Here, one-room apartments form more than half of all the apartments, and each apartment is occupied by an average of 6.4 persons. The mining towns of Moravia (Karwin, Wittkowitz, and Mährisch-Ostrau), as well as the mountain towns of Bohemia (Pribram, Kladno, Dux, and Kuttenberg) show also an objectionable overcrowding of apartments. In those suburbs of Prague which are prevalingly inhabited by workmen (Nusle, Ziskow, and Wrschowitz) and in Königinhof on the Elbe four persons to an apartment are found in nearly one-half of all apartments consisting of a single room, which as a rule serves also as a kitchen. Housing conditions in many communes of Bohemia, as, for instance, Asch, Tabor, Nachod, Klattau, Kolin, Jungbunzlau, and Trautenau are not much better. The percentage of one-room apartments without any kitchen is in all of these localities relatively very large (40 to 50 per cent).

In the seven cities of the first class, i.e., cities with more than 100,000 inhabitants, building activity was in the last decade generally inadequate, failing to keep up with the increase in population. The natural consequence was a change for the worse in housing conditions.

The rapid growth of industrial towns, such as Aussig, Gablonz, Königliche, Weinberge, Sankt Pölten, Oderfurt, Nusle, and Wrschowitz caused a raising of rents in all these localities. During the last decade, higher rents were also the rule in cities like Reichenberg, Prague, Bielitz, Karolinenthal, Eger, Brünn, and Vienna, where the increase in population was by no means so rapid.

How serious the stagnation of the building activity was in Vienna during the last years (1905 to 1912) may be seen from the following table:

**BUILDING ACTIVITY IN VIENNA DURING THE YEARS 1905 TO 1912, INCLUSIVE.**

(Source: Mitteilungen der Zentralstelle für Wohnungsreform No. 24: "Die Bautätigkeit in Wien im Jahre 1911," by Ewald Pfibram.)

<table>
<thead>
<tr>
<th>Year</th>
<th>New buildings erected</th>
<th>Apartments in these buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905</td>
<td>600</td>
<td>13,052</td>
</tr>
<tr>
<td>1906</td>
<td>471</td>
<td>10,564</td>
</tr>
<tr>
<td>1907</td>
<td>475</td>
<td>9,642</td>
</tr>
<tr>
<td>1908</td>
<td>314</td>
<td>5,911</td>
</tr>
<tr>
<td>1909</td>
<td>290</td>
<td>5,411</td>
</tr>
<tr>
<td>1910</td>
<td>289</td>
<td>5,387</td>
</tr>
<tr>
<td>1911</td>
<td>431</td>
<td>8,211</td>
</tr>
<tr>
<td>1912</td>
<td>585</td>
<td>11,870</td>
</tr>
</tbody>
</table>

The above table shows that even in 1912 building activity in Vienna had not entirely recovered from its stagnation. Rents were, as a consequence, raised from 10 to 20 per cent. The percentage of vacant apartments dropped far below the normal 3 per cent. In 1908 it was only 1 per cent, but in October, 1911, it had according to official statistics sunk to 0.3 per cent. In the case of workmen's dwellings proper this ratio was still less favorable. In the following wards, which are chiefly populated by workmen, the number of vacant apartments was on October 31, 1911: In the X Ward 63 (0.18 per cent), in the XVI Ward 54 (0.12 per cent), and in the XVII Ward only 27 (0.10 per cent).

The rapid increase in rents has naturally caused a still more rapid advance of the price of land, which in certain parts of Vienna has now reached exorbitant figures. Hand in hand with this advance of land values went a general increase in the prices of building material, which during the last years was an attendant phenomenon of the general increase in the cost of living. In individual communes the increase in building costs during the last year is estimated at from 10 to 30 per cent.

In Reichenberg, a large industrial town of northern Bohemia, the rate of increase in population has in the last decade been lower than in the preceding one, as a large percentage of those employed in the city have moved to the suburbs. Housing conditions have nevertheless become worse during the last decade. Lodgers were kept in 13.2 per cent of all apartments, and 17.2 per cent of the population lived in apartments consisting of a single room. The number of one-room apartments was 2,170, or 23.9 per cent of all apartments. A great majority of these apartments must be considered as overcrowded, as they were occupied by more than 3 persons.
The results of the last census of December 31, 1910, showed that in Brün among a total of 27,491 apartments 920 were one-room, and 10,957 two-room apartments (kitchens not being counted as rooms). Of these 11,877 apartments, 2,638 must be considered as overcrowded, as 594 of the one-room apartments were occupied by more than 3 persons, and 2,044 of the two-room apartments by more than 6 persons. The report on the results of the census remarks also, that new dwellings with small apartments had not been built in a sufficient number and that consequently there was in Brün a great scarcity of small low-rent apartments.

Conditions in Linz, the capital of Upper Austria, are very similar. Only 465 new buildings were erected within the city limits during the period between 1900 and 1911, or about 39 buildings per year. According to the census, Linz had at the end of 1910 a population of 67,817 inhabitants living in 2,826 houses, with about 16,000 apartments. Over 50 per cent of these apartments consisted of only one room with or without kitchen. Only 278 of all apartments, or 1.7 per cent, were vacant at the end of 1911.

If the data given above show the housing conditions of Austria in a very unfavorable light, it must, on the other hand, be stated that at the present date the importance of the housing problem has been fully acknowledged and that Austria no longer faces this problem with apathy. The public bodies, the State and the communes, as well as the parties directly affected by the scarcity of dwellings are making a concerted attempt to cooperate in the improvement of housing conditions.

EXEMPTION FROM OR REDUCTION OF TAXES.

Up to very recent times all the encouragement given by the State to the movement for the erection of sanitary low-rent dwellings for working people consisted in the enactment of laws granting exemption from or reduction of taxes on dwellings erected for such a purpose.

The first of these laws, enacted February 2, 1892 (R. G. Bl. No. 37), granted exemption from taxes for a period of 24 years for all newly erected workmen's dwellings, so as to stimulate the erection of such dwellings by communes, public-welfare associations, workmen's building associations, and employers. In addition to restrictions relating to the owners of such dwellings, the law also contained a number of restrictions as to the persons to whom the dwellings were to be rented, and especially as to the maximum permissible rate of rent per square meter (10.8 square feet), which was set at such a low figure that it excluded an economic investment of capital in sanitary and substantially built workmen's dwellings. The law required, moreover, the issuing of a lease whereby in very numerous instances in which employers granted to their workmen the free use of dwellings,
or deducted a specified amount from the wages for rent, these dwellings were deprived of the exemption from taxes or the exemption applied merely to certain classes of taxes. As a consequence, the law was of small practical benefit, and during the 10 years it was in effect there are recorded only 360 instances of its application.

On July 8, 1902, this law was therefore replaced by a new one (R. G. Bl. No. 144) which is also based on an entire or partial exemption from taxes. This is, however, the only point of similarity between the old and the new law. The purpose of the law is to benefit the renter, not the landlord, and to encourage the renter to become ultimately the owner of the dwelling. To secure this purpose the law contains a large number of detailed provisions, of which only the most important are given below. The benefits of the law apply to all new dwellings erected for the purpose of furnishing workmen with sanitary, low-rent housing accommodations; the dwellings may be rented to the workmen, or the use may be given them free of charge, or for a charge not specified in the labor contract and deducted from their wages. The privileges of the law are also applicable to family houses (Familienwohnhäuser) erected by federated districts (Bezirksverbände), communes, welfare associations, foundations, cooperative societies, and trade-unions, and by employers for their own workmen, which are sold to workmen on the installment plan in such a manner that the entire sale price, or at least half of it, is to be paid in 15 annual payments without reference to whether the workman takes title immediately or subsequently.

Dwellings coming under this law are granted permanent exemption from State taxation in its various forms and from all fees and stamp taxes, provided that the Provinces in which they are located grant by law an analogous total exemption from provincial taxes and the communes at least a reduction of 50 per cent of communal taxes. Associations which in accordance with their constitutions occupy themselves with the erection and renting of workmen's dwellings are in addition granted the same privileges as to industrial taxation as cooperative societies. All the above-mentioned privileges are granted only to buildings erected within 20 years from the date of the promulgation of the law.

**CONDITIONS GOVERNING EXEMPTION.**

To realize the ruling purpose of the law it was necessary to limit the total rental of the favored buildings to a certain percentage of the capital invested; within the limit of this total the landlord may fix the rent of the separate apartments as he pleases. The law has the difficult task of trying to harmonize the requirements of hygiene and stability in construction with low rents, or, in other words, of making
the income from rent sufficiently high to attract capital waiting for investment, and at the same time of providing sanitary dwellings at a rent sufficiently low to correspond to the moderate income of workmen. The law, therefore, provides that the total income yielded from the rent of a building favored under the law shall not exceed a maximum rate of interest on the amount invested; this rate is to be fixed at specified time intervals by ministerial decree, and shall not be more than 0.2 to 0.5 per cent in excess of the usual local interest rate for mortgage loans.

The term “workman” in this law includes practically all persons gainfully employed whose yearly income in the meaning of the personal tax law of October 25, 1896, does not exceed the following amounts: (a) in the case of single persons, 1,200 crowns ($243.60); (b) in the case of families with from 2 to 4 members, 1,800 crowns ($365.40); and (c) in the case of families with 5 or more members, 2,400 crowns ($487.20). For the city of Vienna these maximum amounts are to be increased by one-fourth, and in other large cities with a population in excess of 50,000 inhabitants by one-eighth. Apprentices are to be considered as workmen without reference to their compensation. Temporary unemployment does not disqualify workmen in the meaning of the law. In case of permanent disability of the head of a household, as well as in the case of a change in the head of the household, or changes in the amount of his total income or in the number of the members of his family, the authorities may permit his continued occupancy of the dwelling. Employers as owners of dwellings favored under this law are not bound by the above-given maximum income of workmen, in so far as workmen in their own establishments are concerned.

The privileges of the law are not forfeited: (a) if a part, not to exceed one-fourth, of the habitable rooms of a house or of a group of workmen’s houses under the same administration is rented not to active workmen but to disabled workmen or other persons drawing a pension whose yearly income does not exceed the maximum amounts stipulated in this law; (b) if individual rooms are given over to common use as laundries, dining or reading rooms, libraries, etc.; (c) if individual dwellings or rooms are assigned to persons charged with the administration or supervision of the building; and (d) if individual parts of the building are rented to owners, lessees, or representatives for the exercise of trades which by the police authorities are deemed necessary for the supply of the renters with provisions. The law prohibits, however, selling distilled liquors at retail in such favored buildings.

Buildings entitled to the benefits of the law may be constructed either as family houses, homes for unmarried persons (Ledigenheime), or lodging houses.
Family houses may be constructed to house one or more families. As a rule they must not house more than six families, or, if higher than one story, must not have more than three stories above the ground floor and on each floor not more than four flats to a staircase. Family houses which are to be sold to the occupiers on the installment plan may not house more than two families. Workmen's dwellings situated in large cities and planned to house a large number of families must be equipped with a sufficient number of stairs, separate laundries, privies, cellars, attics, etc., so as to comply with the requirements of personal safety and hygiene and at the same time give the individual families sufficient privacy. The general rule is that in such dwellings there may not be more than four flats to each stairway and floor; this rule is sometimes modified, but under no conditions may there be more than six. Renters of flats in family houses are ordinarily prohibited from taking in roomers or lodgers. In large family houses, however, perfectly separated rooms may be rented to single persons. In family houses favored under this law and sold on the installment plan flats may be rented only to workers.

The privileges of this law are applicable only to family houses in which the floor space of the habitable rooms (living rooms, sleeping rooms, and kitchens) in case of one-room flats is not less than 16 square meters (172 square feet) and not more than 25 square meters (269 square feet), of two-room flats not less than 20 square meters (215 square feet) and not more than 35 square meters (377 square feet), and in the case of flats with 3 or more rooms not less than 30 square meters (323 square feet) and not more than 80 square meters (861 square feet), and which correspond to the regulations to be issued by ministerial decree.

Homes for unmarried persons are designed to house individuals of the same sex in separate rooms. If unattached persons of different sex are housed in the same building they must be in rooms which are perfectly separated. In such homes the rooms may be designed for from one to three persons, preferably one, but no room may be occupied by more than three. The floor space in such homes must be in rooms occupied by one person at least 8 square meters (86 square feet), in rooms for two persons at least 12 square meters (129 square feet), and in rooms for three persons at least 20 square meters (215 square feet), and the homes must in all requirements correspond to the regulations to be issued by ministerial decree.

Lodging houses (Schlaf- und Logierhäuser) designed for the lodging in common of unattached persons of the same sex may be favored under this law only if erected either by employers for their own workmen or by unions of districts, communes, public-welfare asso-
ciations, foundations, cooperative societies, trade-unions, institutions, and associations which, according to their constitutions, occupy themselves with the erection of workmen's homes and are subject to public supervision.

ADMINISTRATION DECREES OF JANUARY 7, 1903.

The law authorizes the ministers of the interior and finance, in conjunction with the ministers of commerce, railroads, and agriculture, to issue decrees regulating the construction, equipment, and administration of buildings favored under this law, as well as their provision with light, air, and water, and determining the principles to be observed to avoid overcrowding or the use of such buildings for purposes contrary to moral or hygienic considerations. Such a decree was issued under date of January 7, 1903 (R. G. Bl., No. 6).

STIPULATIONS IN CONTRACT OF SALE.

If buildings favored under this law are sold to workmen on the installment plan, their selling price may not exceed the original cost of the ground, construction, and equipment. The interest charged in computing the annual payments may not exceed that charged by savings banks and other standard credit institutions for mortgage loans, and the annual installments must be so determined that in each of them at least 1 per cent of the selling price is paid off. The owner must in such cases submit to the political authorities for their approval a draft of the contract of sale, which, in addition to the general legal requirements, must state: (a) The date on which the purchaser may take possession of the building; (b) whether transfer of title is to take place immediately or at a later date, which is to be stated precisely and which may not be later than three years after the conclusion of the contract; (c) whether in case of deferment of transfer of title there are any lease relations between seller and purchaser; (d) if transfer of title is deferred, that the purchaser has the right to forbid the sale or mortgaging of the building.

The seller may reserve the right, in case the purchaser is at least two quarters in arrears with the payment of installments or taxes or has failed to insure the building against fire, to foreclose on giving six months' notice if title has been transferred, or to rescind the contract on two weeks' notice if the transfer of title has not taken place. In those instances where the seller is entitled to foreclosure he may also reserve the right of repurchase. When the right to rescind is reserved, the contract must contain provisions safeguarding the claim of the purchaser to refund of payments made on the sale price or of other expenditures. Reservation of the right to rescind the contract, to foreclose, and to repurchase are in all other instances prohibited. The seller must reserve for himself for a period of 50 years the right of
refusal and in case of a judicial sale must be specially notified. The exercise of the right of refusal and repurchase must be based on the original sale price, and installments paid on the sale price must be returned to the purchaser. The contract must contain special provisions relating to the refund of expenditures made for improvements and to deductions for a possible diminution of the value of the building and must prescribe that in case the purchaser lets the building or individual apartments in it the rent may not exceed the amount stipulated by this law.

The owner of a building favored under this law must post in a conspicuous place at the entrance to the building a schedule of the rents of all flats in the building and a set of house rules. The house rules and the rent schedule must be approved by the local, political, and tax authorities; the rent schedule must include the renting value of those flats the use of which is granted to workmen free of charge or for a charge not specified in the labor contract and deducted from the wages. Notice to vacate in all instances in the case of family houses, including those furnished by employers to their workmen, must be given at least eight days in advance, and this provision is to be included in the house rules.

The granting of the privileges of this law for a building involves the dedication (Widmung) of the building for a period of 50 years to workmen's housing and welfare purposes and obligates the builder, as well as each later owner of the building, to its maintenance according to the requirements of this law and to the provisions issued in pursuance thereof. The dedication with annotation of its duration must be entered in the real estate register as a first lien of the State. If there are any mortgages which are superior as liens to this dedication, the granting of the privileges of this law is conditional on the waiving by the owners of these mortgages of the superiority of their claims.

The law provides penalties in case buildings devoted to workmen's housing purposes are used for other purposes or if higher rentals than those legally permissible are collected.

RESULTS OF TAX EXEMPTION AND REDUCTION.

Although the law of 1902 was generally considered practicable, it did not produce the results anticipated. Of a total of 1,266 applications for exemption from taxes received during the years 1902 to 1908, inclusive, only 498 were approved. The results were more satisfactory in 1909, when exemption from taxes was granted in 339 instances out of a total of 738 applications, and were still better in 1910, when 459 applications out of a total of 741 were approved. Of the applications approved in 1909 and 1910 there were, however, only 3 from building associations and 10 from communes, while all the rest were from employers for dwellings erected by them for the housing of their
employees. The law failed in its main purpose, that of inducing private capital to invest in workmen's dwellings. The restrictions as to the rents to be charged and renters to be benefited were too great to make such investment sufficiently remunerative for private capital. Especially the limitation of the benefits of the law to renters who are active workmen and have an income not exceeding a specified amount, which was set too low, excluded from the benefits of the law very large classes who, although not workmen in the meaning of this law, suffer in the same manner from the scarcity of available low-rent dwellings.

Nevertheless the importance of housing legislation in the form of tax exemptions or reductions should not be underestimated in the case of Austria. Attempts to promote building activity by means of tax exemptions are not a novelty in Austria. All new buildings and additions to buildings have for a long time enjoyed a so-called exemption from taxes for 12 years. This exemption is, however, merely an extensive reduction of taxes. The influence which these measures exercise upon building activity is easily understood if one considers how high the tax (Hauszinssteuer) which is levied on all apartments rented and in some localities on all dwellings, whether occupied by the owner himself or rented wholly or in part, is in Austria. In Vienna, for instance, together with the communal taxes it amounts to 41.20 crowns ($8.36) on each 100 crowns ($20.30) of rent; in most large communes the communal taxes are, however, higher than in Vienna, and the percentage of rent devoted to taxes is, therefore, correspondingly larger.

As it had again and again been pointed out how heavy a burden this high tax was on the rent, as well as how it tended to diminish the provision of dwellings, and as demands for its reduction in the interest of promotion of better housing conditions had repeatedly been made, the revision of the rent tax was for a long time an object of study by the Government and by housing reformers alike. The results of these studies and of a special investigation made in 1903 led to the following conclusions: (1) That the high rent tax does not manifest itself exclusively in an upward tendency of rent rates, but, in many instances, in the keeping of land prices at a low level, and (2) that a general reduction of the rent tax at the present time would not bring about lower rents, but rather produce an increase in the value of land and dwellings.

REFORMS SUGGESTED.

Nevertheless, in consideration of the general public demand, two bills brought in by the Government in 1908 and 1909, with the object of a reform of the taxes on improved real estate, provided for a reduction of the rent tax on dwellings, on the one hand, and for a
lessening of the number of years during which new buildings were to be exempt from taxes, on the other. Both bills failed of enactment by Parliament, partly for political reasons and partly because various provisions of the bills, especially concerning the taxation of dwellings in rural districts and of factory buildings, encountered strong opposition.

That part of the problem of taxation which concerns the housing policy of the Government was solved by the law of December 28, 1911, submitted to Parliament by the minister of finance. Inasmuch as a reduction of taxes applicable to existing dwellings would not benefit the renters, but merely the landlords, and since a greater building activity and consequently a greater supply of dwellings could be brought about by a reduction of taxes for newly erected buildings and additions to existing buildings which would induce investment of private capital in the erection of new dwellings, the law reduced the rent tax only for newly erected buildings. The law went still further in its plan of promoting housing reform by providing an even lower tariff for new dwellings containing exclusively small apartments. The committee on the high cost of living of the Lower House, in discussing the bill, added a third specially reduced tariff applicable to dwellings with exclusively small apartments which are erected by public-welfare building associations. The rates of taxation according to the above law are shown in the following table:

**RATES OF STATE TAXES LEVIED ON DWELLINGS IN VARIOUS LOCALITIES IN AUSTRIA IN ACCORDANCE WITH THE LAW OF DEC. 28, 1911.**


<table>
<thead>
<tr>
<th>Locality</th>
<th>Former rates of rent tax applicable to all dwellings existing at the coming in force of the law.</th>
<th>Rates applicable to newly erected dwellings in per cent of net rent.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General (tariff A).</td>
<td>Dwellings with exclusively small apartments (tariff B).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dwellings with exclusively small apartments erected by public-welfare building associations (tariff C).</td>
</tr>
<tr>
<td>Vienna and the provincial capitals</td>
<td>23%</td>
<td>19</td>
</tr>
<tr>
<td>All other localities with the exception of those in Tyrol and Vorarlberg</td>
<td>17%</td>
<td>15</td>
</tr>
<tr>
<td>Tyrol and Vorarlberg with the exception of Innsbruck</td>
<td>13%</td>
<td>12</td>
</tr>
</tbody>
</table>

The law of December 28, 1911, in addition to granting to public-welfare building associations a considerable reduction of the rent tax favored them also with respect to other taxes, as, for instance, the industrial tax and the transfer tax, the latter of which is very high in Austria. Building associations are especially benefited by this pro-
vision in the acquisition of land for building purposes. In the case of family houses sold by the associations to their members, this privilege is, however, partly offset by the fact that the transfer tax must be paid twice, first at the acquisition of the building land by the association and afterwards at the transfer of the house to the member of the association. Attempts to avoid this double taxation have so far been unsuccessful.

STATE HOUSING FUND.

The desire to promote the erection of dwellings with small apartments, and especially of those erected by public-welfare building associations, expressed in the above laws, dominates also all other Austrian housing legislation. We find the same principle ruling in the law providing for the creation of a State housing fund, established for the purpose of facilitating the financing of the public-welfare building activity.

The plan for the creation of a State housing fund originated in 1909 with the Central Association for Housing Reform (Zentralstelle für Wohnungsreform) in close connection with the proposed reform of the tax on buildings. The association proposed that part of the income of the State from the rent tax be used for the creation of a housing fund. In accordance with this suggestion, the Government in 1909 included in its bill relating to a reform of the tax on buildings a plan for a housing fund prepared in the department for housing in the ministry of public works.

The bill for a reform of the tax on buildings even at the present date has not been disposed of in its entirety. Meanwhile it became more and more difficult for persons of moderate means to secure suitable low-rent housing accommodations. Especially in large cities, above all in Vienna, the scarcity of dwellings became so acute that remedial legislative action became imperative. The plan for a housing fund was, therefore, made the subject of an independent motion in the parliamentary committee on the high cost of living by Representatives Gross and Reumann. From this motion originated the law of December 22, 1910 (R. G. Bl., No. 242), which created a fund for the betterment of housing conditions of persons of small means, and charged the ministries of public works and finance jointly with the administration of the fund, and with the working out and issuing of a set of by-laws for it. Such by-laws were issued by them under date of June 14, 1911 (R. G. Bl., No. 113).

Differences between the Government, on the one hand, and the committee on the high cost of living, on the other, as to the amount with which the fund should be endowed—the Government intended to endow the fund with 11,000,000 crowns ($2,233,000) and the parliamentar y committee asked for 60,000,000 crowns ($12,180,000)—
were finally compromised. According to the law, the fund is endowed by the State with 25,000,000 crowns ($5,075,000) to be made available during the years 1911 to 1921, inclusive, in the following manner:

- For the years 1911 and 1912: 1,500,000 crowns ($304,500)
- For the year 1913: 1,300,000 crowns ($263,900)
- For the year 1914: 1,500,000 crowns ($304,500)
- For the year 1915: 2,200,000 crowns ($446,600)
- For the years 1916 to 1918, inclusive, each year: 2,500,000 crowns ($507,500)
- For the years 1919 and 1920, each year: 3,500,000 crowns ($710,500)
- For the year 1921: 4,000,000 crowns ($812,000)

**CONDITIONS FOR GRANT OF LOANS.**

The object of the fund is to grant financial aid to incorporated administrative bodies (districts, communes, etc.) and to public-welfare building associations (gemeinnützige Bauvereine) for the erection of dwellings with small apartments (Kleinwohnungen) and the acquisition of sites for this purpose, the purchase of such dwellings, the purchase of dwellings which are to be remodeled or reconstructed as dwellings with small apartments, and finally for the redemption of mortgages other than of the first rank, which are a lien on such dwellings built by public-welfare building associations before the coming into force of this law. The law considers as public-welfare building associations those associations which, according to their by-laws, limit their dividends to 5 per cent of the paid-up shares, and in case of dissolution agree to refund to their members only the paid-in capital and to contribute any remaining balance to public-welfare purposes.

To administrative bodies and associations, which in accordance with their by-laws are authorized to receive savings deposits, the housing fund may extend financial aid only if their by-laws include among their activities the erection of family houses to be sold to the occupants, and if the acceptance of savings deposits is in the by-laws subject to the following conditions:

1. Savings deposits may be received only on current account without issuance of pass books, and must be restricted to those members who intend to purchase houses erected or acquired by the corporation or association.
2. Partial or entire withdrawal of savings deposits must be conditional on at least half a year's notice.
3. One-half of the savings deposits received must be invested in a manner permitting easy conversion of the investments into cash.
4. The rate of interest paid and the method of computing it must be determined with consideration of the rates and methods in use at local standard credit institutions; and
5. The total amount of the deposits of an individual member may not exceed the prospective purchase or cost price of one of the dwellings to be sold.

The fund is to grant financial aid in the first place by assuming guaranty for loans contracted by the above-named legal persons and for the interest on such loans (indirect financial aid), and secondly by direct loans (direct financial aid) to these legal persons.

The main purpose of the creation of the fund is to facilitate the obtaining of mortgage loans on dwellings with small apartments beyond the limit of 50 per cent of the appraised value which is required as security for the legal investment of trust funds. With this end in view, the law authorizes the fund either to make direct loans or to act as guarantor for second mortgages up to 90 per cent of the appraised value of the dwellings. The fund may also acquire the buildings on which loans have been made, or the mortgages which have been guaranteed by it, if this should be necessary to prevent financial losses to the fund.

According to its by-laws the fund is to be administered by two separate departments, a loan and a guaranty department. While direct loans may be granted only up to the amount of 20 per cent of the annual endowment of the fund, mortgages may be guaranteed to a much larger amount by the fund. This amount varies according to the cash available, but may not exceed 200,000,000 crowns ($40,600,000), up to which amount the State is liable in a subsidiary manner. Loans which the fund guarantees are declared proper legal investments for trust funds. New and ample sources of credit, such as deposits in courts, orphans' funds, reserve funds of insurance institutes, etc., in this manner become free for investment in workmen's dwellings.

As dwellings with small apartments within the meaning of the law are to be considered: (1) Family dwellings with apartments of a maximum habitable floor space (rooms and kitchens) of 80 square meters (861 square feet); (2) homes for single persons (Ledigenheime) with separated rooms for not more than 3 persons and a minimum air space of 12 cubic meters (424 cubic feet) for each person; and (3) lodging houses for the housing of unattached persons in common dormitories with 4 square meters (43 square feet) floor space to each person. If a house is also used for other purposes than the renting of small apartments within the meaning of this law, then the total floor space given over to small apartments must be at least two-thirds of the total habitable floor space of the house. Rooms occupied by small shops are, for this purpose, to be considered as small apartments.

The fund may finance only 90 per cent of the computable value of a building, and as computable value is to be considered: The value
of the ground required, the value of that part of the building which is
given over to small apartments, in case of agricultural dwellings, also
the value of the required outbuildings (stables and barns), and
finally the value of small shops located in the building.

In guaranteeing a mortgage loan the housing fund obligates itself
to the following payments:

1. If the chief debtor is in default with a contractual payment,
although he has been admonished by means of a notice issued by the
court or by registered letter, to payment of the amount in default,
together with interest from the date of its maturity;

2. If the mortgaged property is in the hands of a receiver and the
revenues from it are insufficient for the covering of the contractual
obligations, to payment of the amount in default together with
interest from the date of its maturity;

3. To payment of that part of the guaranteed mortgage loan,
together with interest, from the date of its maturity, which, after a
forced sale of the mortgaged property, in so far as the latter is not bid
in by the party who made the loan, is not covered by the highest bid.

The fund assumes guaranty for a loan only if the party making
the loan obligates himself to notify, within a proper time limit, the
ministry of public works of each delay of the debtor in the payment of
annuities, of each extension granted to the debtor for payment of an
annuity, as well as of an intended cession or conversion of the mort­
gage loan or part of it. The administration of the fund must also see
to it that all mortgage creditors who have prior liens obligate them­
selves to notify the administration within a suitable time limit of any
intended cession or conversion of their mortgage loans, or part of
them, and agree not to grant any new loan within the lien of these
mortgages, even if partial payment has been made, until these
mortgages are entirely canceled.

Applications for the granting of direct loans from the fund are to be
made to the ministry of public works. Applications for the assump­
tion of guaranty are to be submitted by the applicant for a loan
directly to the ministry of public works or to the lender. The latter
may either refuse the loan or submit the application to the ministry
with the request for its examination and for notification as to whether
the administration of the fund is willing to assume guaranty for the
loan and within what limits. Applications for both direct loans and
the assumption of guaranty are disposed of jointly by the minis­
tries of public works and finance. The applications must be accom­
panied by a number of documents and papers specified in the by­
laws of the housing fund which are necessary to facilitate the judg­
ing of the buildings to be constructed from technical, sanitary, and
moral standpoints and to make clear important points of a financial
nature.
Applicants must submit a statement of their financial condition which shall especially indicate the manner in which they intend to raise the means required for the proposed building operations in addition to the loan to be made or guaranteed by the housing fund. In applying either for a direct loan or for the guaranty of a loan by the fund the applicant must show: (1) That he has found a money lender corresponding to the requirements of the by-laws of the housing fund who has either loaned him or promised to loan him at least 50 per cent of the total value of the proposed building; and (2) that he has of his own means an amount equaling at least 10 per cent of the total cost of construction and of the building site. In the case of houses to be sold by the borrower to the occupants it is sufficient if the borrower shows that the prospective purchaser has paid him on account, without the right of recall, 10 per cent of the purchase price.

Before a loan on a building may be granted or guaranteed by the housing fund, the building must be appraised by a State board of valuation. In case of guaranty of a loan, the borrower may also have the building appraised by private technical experts, and should there be any difference between the official and private valuation, it is left to the free judgment of the administration of the housing fund which valuation is to be accepted as the basis for the proposed loan.

Loans made or guaranteed by the fund must usually be secured by mortgage, and as the borrower must provide at least one-half the necessary funds from some other source, the mortgage given to the housing fund will as a rule rank as a lien below the limit of security for the investment of trust funds which the civil code in article 230 fixes at 50 per cent of the value of the property. In case of loans made to or guaranteed for public institutions or autonomous corporations, the giving of a mortgage to the housing fund may be dispensed with.

In addition to obtaining a mortgage, the fund must also secure the loan by reserving the right of refusal which is to be entered in the land register. If the borrower erects or acquires houses for later transfer to private individuals and has reserved the right of refusal, the fund may make use of its right of refusal only if the borrower does not exercise this right. As other loans are paid off, the loan from the fund advances in rank until it falls within the limit of security for the investment of trust funds, i. e., is first lien upon half or less than half the value of the property upon which it is granted. The borrower must agree that as long as the loan granted or guaranteed by the fund has not been fully discharged he will not make any other contracts which might prevent it from gaining this favored position.

In the case of loans guaranteed by the fund, the determination of the rate of interest and refund and the manner in which these are
to be paid are left to special agreement with the lender. The rate of interest charged may, however, not be in excess of the current rate charged on mortgage loans by savings banks and other standard credit institutions of the Province or part of a Province in which the lender has his place of business.

The rate of interest for direct loans from the housing fund is computed, independently of the rates in the locality in which the property concerned is situated, according to the average usual rate of interest charged on mortgage loans by the most important savings banks and credit institutions of Austria. If, however, the rate of interest charged by the workmen’s accident insurance institute in the territory in which the house is situated is lower than that average, the rate of interest of the institute is to be applicable.

All loans made or guaranteed by the fund must be refunded in annual payments. In the case of direct loans from the fund the annual refund may not be less than one-half of 1 per cent.

Direct loans made by the fund may be terminated by either party on half a year’s notice. The administration of the fund, however, does not as a rule recall the loan so long as the debtor pays regularly the annuities agreed upon and complies with his other contractual obligations. The fund may recall the loan without previous notice in the following instances:

1. If the building or individual apartments are not maintained in proper condition and if the objectionable condition is not remedied within 3 months after notice has been given;
2. If, after previous admonition, the annuities to be paid by the debtor are not paid in full 3 months after due;
3. If distress has been levied against the mortgaged property or part of it by means of a receivership or forced sale;
4. If the value of the mortgaged property has so decreased that the amount owed on the property is no longer sufficiently secured;
5. If the debtor becomes bankrupt or defaults payments;
6. If the public-welfare character of the dwellings is, in the opinion of the administration of the fund, no longer maintained;
7. If the property on which a loan has been made by the fund has, without the approval of the minister of public works, been encumbered or been voluntarily sold, entirely or in part;
8. If, the property on which a loan has been made having been sold with the approval of the minister of public works, the purchaser does not comply with the obligations which he has assumed toward the original borrower;
9. If the loan is not used for the purpose for which it was granted;
10. If the borrower fails to insure against fire;
11. If in the case of financial aid to cooperative associations, societies, foundations, etc., these bodies do not comply with the
rules governing their supervision by the administration of the fund; and

12. If in the case of a loan on a house upon agricultural land, the land is cultivated, without urgent reason, by other persons than members of the borrower's family.

Contracts for loans which have been guaranteed by the fund must provide for termination of the loan by either the debtor or the lender, upon half a year's notice, unless the by-laws of the institution making the loan exclude any recall by the lender.

The lender must, moreover, obligate himself to make use of his contractual right of recall if requested to do so by the ministry of public works.

Whenever the housing fund makes either a direct loan or guarantees a loan, the borrower must obligate himself to the payment of a fine of 5 per cent of the unpaid balance of the loan in case of recall of the loan in the instances given above under Nos. 1, 6, 7, 9, 10, 11, and 12.

The rents of a house built with the aid of a direct loan by the housing fund or of a loan guaranteed by the fund must, as long as these loans are not refunded, be fixed at suitable amounts, which, although bringing a profit, must express the public-welfare character of the house. The rents to be charged must be approved by the ministry of public works and may not be changed without the latter's consent.

Not more than one apartment nor more than one shop, in such a house, may be rented to the same person.

Occupants of houses erected with the financial aid of the fund may not be given notice to leave as long as they comply with their contractual obligations or are not objectionable for other weighty reasons.

The ministry of public works is authorized to inspect periodically the process of construction and the completed houses. In the case of cooperative associations, societies, stock companies, foundations, etc., which have obtained financial aid from the fund, the ministry is, moreover, authorized to exercise a general supervision, and especially to subject to inspection the entire business management and accounting, to examine the books and correspondence, to be represented at the meetings of the officers or general meetings by a representative without right to vote, who, on his request, must be given a hearing, and to request the removal of objectionable conditions. The costs of this supervision are borne by the fund.

LOANS TO INDIVIDUALS.

If a borrower acquires or builds family houses and sells them to individuals, as opposed to corporations or other bodies, his contract of sale must bind the purchaser not to sell within a period of 10 years,
except for good cause. Such houses may not be sold unless the encumbrances upon them do not exceed 65 per cent of the total cost, and unless at least 40 per cent of the mortgage loans made or guaranteed by the fund has been paid off.

The borrower in making such a transfer must, in addition, observe the following provisions:

1. Not more than one house may be sold to any individual person or married couple.

2. The sale price must as a rule be based on the cost price, consisting of the purchase price of the ground, building costs, interest, costs of administration, and other actual costs.

3. In the contract of sale it is further to be agreed that—
   
   (a) No restaurant or saloon may be established, nor may the sale of distilled liquors be permitted in the house sold, without the approval of the ministry of public works; and

   (b) The borrower reserves the right of refusal or, still better, the right of repurchase for a period of at least 10 years, and this right is to be entered in the land register.

If the provisions of the law of July 8, 1902, as to exemption from taxes are applicable to such a house, the provisions given above under 3 (a) and (b) are to be replaced by the corresponding provisions of this law.

4. Sales to the highest bidder by means of voluntary auction may take place only for good cause and require the consent of the ministry of public works.

5. If a parcel of agricultural land belongs to the house, the contract of sale must stipulate that this land shall be cultivated, if possible, only by the head of the family occupying the house or by the members of his family.

6. The contract of sale must be submitted to the ministry of public works.

The expenditures of the ministries of public works and finance for the administration of the present law, especially the salaries of officials and employees occupied in this administration, are to be covered from the income of the fund.

**ADMINISTRATIVE FEATURES.**

The law authorizes also the creation of local housing committees (Wohnungsausschüsse), which shall be consulted as to applications for loans, and which shall also have the right to make proposals on their own initiative. These housing committees shall be composed by preference of representatives of communes, social insurance institutes, and social building associations.

A decree issued by the ministers of public works and finance in conjunction with the minister of the interior, under date of August 18,
1911 (R. G. Bl., No. 166), contains detailed provisions as to the formation of such committees and gives in an appendix a set of model by-laws for them.

SUCCESS OF STATE HOUSING FUND.

Housing committees have, in pursuance of the law, so far been formed in Aussig, Bielitz, Bregenz, Chrudim, Cracow, Freudenthal, Gablonz, Graslitz, Gratz, Jaworow, Kolomea, Leoben, Marburg, Teplitz, Warnsdorf, and Znaim, but their activity has been insignificant. A large sphere of activity is open for these housing committees, above all in cities of the first class, especially in Vienna, where a scarcity of dwellings has existed for years, but where a housing committee has not yet been formed.

The ruling idea in the creation of the housing fund was that this fund should extend only indirect financial aid to housing work through the guaranty of loans. The law, however, also provided for direct loans from the fund up to 20 per cent of its available means. The wisdom of this latter provision was shown during the year 1912, in which, on account of extraordinary financial stringency, loans could not be obtained even with the guaranty of the fund. The ministries of public works and finance, which administer the fund, had special occasion for granting direct loans in the case of cooperative building associations which had begun building operations but could not continue them on account of lack of funds. At the end of April, 1913, these direct loans had reached the amount of 812,111 crowns ($164,858.53). They were granted on second mortgage security in the form of advances which were to be refunded at the expiration of one year from the means obtained from a permanent mortgage loan granted by some other party. Up to the same date the fund had guaranteed loans in the amount of 7,832,686 crowns ($1,590,035.26) and advances in the amount of 5,643,588 crowns ($1,145,709.26), and has therefore altogether assumed guaranty for 13,476,574 crowns ($2,735,744.52). These loans correspond to a capital invested in the houses on which they were made of 21,613,993 crowns ($4,387,640.58), i.e., the direct loans to a capital of 2,030,278 crowns ($412,146.43) and the guaranties to a capital of 19,581,715 crowns ($3,975,088.15).

These results do not show so extensive a use of the fund as was anticipated, since the means available would have permitted guaranteeing loans to a far greater total. On the other hand, direct loans from the fund were larger than had originally been intended, and this in itself would lessen the demand for guaranties. The principal reasons, however, for the relatively small use of the guaranty privilege appear to have been the severe financial stringency

1 According to original report.
of the period and the fact that many cooperative building associations which will probably ask aid from the fund later on were either in process of formation or were reorganizing in accordance with the new legal proceedings, and hence were not in a position to undertake building operations. Nevertheless it is felt that the law has had good results.

In summing up our opinion of the new law, its importance can not be rated sufficiently high. It has found a suitable middle course for the union of these two great forces which dominate modern social reform: Private initiative and State aid. Although the guaranty of loans by the fund is also available for autonomous corporations, it is designed to aid in the first place cooperative building associations (i.e., associations of those persons who themselves suffer from the scarcity of dwellings and by means of cooperation and common efforts intend to provide for themselves cheap and sanitary dwellings). In Austria such associations were until now left entirely to their own resources. The lack of experience and business training of their managers had in many instances led to very unfavorable results, which should not be charged to the system of cooperation as such. From now on, however, the State, as surety for the second mortgages, is in a great measure materially interested in the fate of these building associations and must, therefore, care for their prosperous development by supervising their business management, their building activity and administration of the houses erected, and by preventing them from engaging in risky enterprises.¹

HEREDITARY RIGHT OF CONSTRUCTION (Baurecht).

All measures taken by the State discussed so far have as a common object the public promotion of housing work. The legislature justly believed that these measures would increase the supply of dwellings and at the same time have a good effect upon their quality. Housing legislation, however, did not stop at these measures, and that the State has looked for still other ways to promote the public-welfare housing activity is a sign that the housing propaganda has gained a strong foothold in Austria. Of experiments made in this connection the most important is the effort to adapt the hereditary right of construction (Erbbaurecht) to Austrian conditions. The hereditary right of construction was introduced into Austrian jurisprudence by the law of April 26, 1912 (R. G. BL, No. 86). The initiative for the enactment of this law came from the Austrian central association for housing reform (Zentralstelle für Wohnungsreform in Oesterreich) which addressed a petition to Parliament requesting that the Erbbaurecht be considered in the proposed adaptation of the civil code to present-day conditions. A chapter devoted to the Erbbaurecht was in pursuance of this petition

¹ Dr. Pflbaum in Mitteilungen der Zentralstelle für Wohnungsreform, No. 17.
included in the draft of the amendment of the civil code. This chapter, although based on the German Erbbaurecht, was given the title "Baurecht," which is taken from the Swiss civil code. The proposed extensive amendment of the Austrian civil code is still in process of discussion and may not be enacted for some time. Dr. Franz Klein, formerly minister of justice, made a motion in the House of Lords to make the Baurecht the subject of a special law. This motion was carried and the above-mentioned law was speedily enacted.

In this connection it should be noted that the German hereditary right of construction, more or less indigenous in origin, was not created for the direct purpose of serving social ends, particularly housing work, but was, as it were, "discovered" in the civil code, while in Austria the Baurecht was deliberately adopted to meet social ends.

The law uses the term "Baurecht" with the same meaning the German law gives to "Erbbaurecht," defining it as follows: A parcel of ground may be encumbered with the real, transferable, and hereditary right to construct buildings above or below its surface, which right is the Baurecht.

The right to build may not be restricted to a part of a building, especially to a story; it may include not only all the ground required for the building proper, but also other parcels the use of which is of advantage to the building.

The exceptional position of the Baurecht as compared with the general civil code is accentuated in the following important deviation from the principle of equality before the law. While the German law gives to every owner of a piece of ground the right to encumber it with an Erbbaurecht, the Austrian law restricts the persons authorized to grant a Baurecht, so as to prevent land speculators from using this new legal institution for their own ends. Anybody may acquire a Baurecht in Austria, but only the State, Provinces, districts, communes, or public funds may grant a Baurecht. The legislature expects of them that in granting a Baurecht they will be guided by social and economic reasons, keeping the rate of the ground rent sufficiently low so that the purpose of the Baurecht may be attained. In addition, churches, ecclesiastic corporations, institutions, and communities, as well as public-welfare institutions and associations may grant a Baurecht, provided that in the opinion of the political provincial authorities the granting of it is in the interest of the public.

The duration of a grant of the hereditary right of construction has been limited to a minimum of 30 and a maximum of 80 years. The maximum has been set in order to prevent the development of the Baurecht into a new form of divided ownership. The minimum duration, on the other hand, was fixed at 30 years because a Baurecht,
subject to recall without a legal minimum duration would not furnish a suitable basis for a refunding plan and for real estate credit. Of still greater importance is the undisturbed maintenance of the Baurecht relations during the period for which the Baurecht is contractually granted. Two principles of equal weight are here in conflict. On the one hand, the grantee of the Baurecht ought to be able, during the contractual period, to count with full security upon the use of the dwelling he has erected, so that he may be spared the nomadic life of the average small renter and be able to give his growing children a home conducive to their physical and moral development. On the other hand, it does not seem desirable that the legal position of the grantee should be entirely unassailable. The equalization of these two conflicting principles is in the German Erbbaurecht left entirely to contractual agreement. The Austrian law does not do away with the freedom of contract but restricts it. It provides, in the first place, that the Baurecht may not be restricted by conditions of annulment, and then makes an exception permitting the contracting parties to agree to an annulment of the Baurecht on account of delay in the payment of rent, provided that such payment is in arrears for at least two consecutive years.

A Baurecht is established by entering the lease of the ground in the land register as a first lien on the parcel of land. The person entitled to build has the rights of owner to the building and the rights of lessee to the piece of ground. A Baurecht may be granted either with or without compensation. If the compensation, however, consists of payments to be made at regular periods (ground rent), the amount of these payments and the dates on which they become due must be determined independently of uncertain future events, for the stability of the ground rent as well as the fixed duration of the Baurecht are fundamental conditions for the computation of the value of its usufruct and credit value. It would not, therefore, be permissible to bring the ground rent into any relation with the bank rate of interest and its fluctuations.

The Baurecht, although a servitude on the parcel of ground, is by the law given the character of realty and the building acquired or purchased on the basis of the Baurecht that of an appendage of the latter. Credit institutes, which in accordance with their by-laws may make loans only on realty, may, therefore, also make loans on a Baurecht and its appendage. In order to promote the erection of workmen's dwellings with the aid of the Baurecht the law declares further that a mortgage on a Baurecht shall be considered as a legal investment for trust funds provided that the amount of the mortgage loan does not exceed one-half of the value of the Baurecht, and provided also that it has been contractually agreed that the loan shall be entirely refunded by means of annual payments at the latest
five years before the termination of the Baurecht. To make mortgage loans on Baurechte still more safe, the law provides that if, before the end of the period for which it has been granted, a Baurecht is canceled without the consent of mortgage creditors, this action shall not become effective until all mortgages and other liens on the Baurecht have also been canceled.

On the expiration of the Baurecht the building erected on the leased ground becomes the property of the owner of the ground. Mortgages and privileged liens (taxes, etc.) with which the Baurecht is still encumbered at the time of its expiration then become liens on the ground. The grantee of the Baurecht is, on its expiration, in the absence of any other agreement, entitled to a compensation of one-fourth of the value of the buildings in existence on the leased ground. By means of this last provision the law puts a premium on solid construction and proper maintenance of the buildings erected on the Baurecht. If, on the expiration of the Baurecht, the grantee is by law or according to contractual agreement entitled to a compensation for the buildings erected on it this compensation becomes subject to the mortgage and other realty liens with which the Baurecht is still encumbered.

The law provides finally for the procedure at the granting of a Baurecht and its entry in the land register, and regulates the fees for it. Public-welfare building associations, privileged by the law of December 22, 1910, with respect to transfer taxes, are granted the same privileges for the acquisition or transfer of a Baurecht.

**PRACTICAL USE OF THE BAURECHT.**

The law has left the solution of many questions, especially the method of valuation of the Baurecht for credit purposes, to practical operation. This, combined with serious financial stringency, may be the reason why building projects based on the Baurecht were not carried out during the first year after the enactment of the law.

The project most ripe for realization is the plan of the policemen's pension institute to erect in Vienna on land owned by the State a colony of houses (16 houses with 350 apartments) for policemen. In Vienna the city council recently declared its willingness to grant Baurechte on communal lands and a number of public-welfare building associations have filed applications for such grants, which in all probability will soon be favorably acted upon. The city of Graz has resolved to grant a Baurecht to a large building association for the erection of a colony of houses, and a number of other cities, as, for instance, Aussig, Brüx, Klagenfurt, and Salzburg, have in pursuance of a resolution of the second Austrian housing conference declared themselves willing to establish Baurechte.
BUILDING LAWS.

The enactment of building laws in Austria is reserved to the diets of the individual Provinces. At the present date there are in existence 37 building laws, 21 of which were enacted for large cities, and 16—so-called provincial building laws (Landesbauordnungen)—for the rest of the country. Most of them date from the middle of the nineteenth century and do not represent modern ideas as to the housing of the working people. The building laws at present in force in Austria did not originally, as a rule, regulate the density of building. Later amendments of these laws have given them an influence upon the density of building in so far as specified parts of cities were reserved for buildings conforming to certain specifications; zones with graduated building regulations were established, and exceptional facilities for the erection of new buildings were granted for individual districts.

All building laws show, however, the same defect, i. e., notwithstanding their amendment they have given little or no consideration to the character of the different localities; and their special regulations have all been framed principally for large tenements. The amendment of a large number (12) of these laws is now under discussion, and to promote a speedy reform of existing building laws the ministry of public works has lately invited representatives of the individual diets to a general conference.

EXPROPRIATION LAWS.

The Austrian civil code contains in article 365 the following general provision as to expropriation: "If the public good requires it a member of the State must cede the complete ownership of an object, subject to suitable indemnification." The constitution, however, which was promulgated later than the civil code, declares in article 5: "The right of property is inviolable. Expropriation against the will of the owner may take place only in such cases and in such a form as are determined by law."

The prevailing opinion is that this provision of the civil code is not to be considered as an expropriation law, and that expropriation is permissible only if based on a special law. Such special laws have been enacted in a number of instances where the expropriation of privately owned land was necessary for the construction of railroads, streets, waterways, etc. The administrative authorities, to be sure, have often issued orders of expropriation based merely on the above-quoted article 365 of the civil code and were repeatedly sustained therein by the highest administrative court (Verwaltungsgerichtshof). This was, however, always done in instances in which a clearly defined public interest and a specified piece of land were in question.
Article 365 of the civil code would not be applicable to expropriation of a house for sanitary reasons.

The Austrian building laws provide in a few special instances that expropriation shall be permissible for sanitary reasons, as in the case of the opening of new streets or the widening of existing streets. Most of the building ordinances merely obligate owners of unimproved real estate to cede to the city for proper compensation in case of a change in the building line that portion of their property which is to form a part of the street area, but in some cases this obligation is extended also to owners of buildings if the opening of new or the widening of existing streets is found urgently necessary in the interest of traffic, safety from fire, or in the public interest. Such provisions are contained in the building laws of Galicia and of Bukowina and in the building ordinances of the cities of Pola, Klagenfurt, and Lai­bach. The building ordinance of Trieste is the only one providing in a general way that the commune may take measures for expropriation if such action is required in the interest of the public.

EXPROPRIATION OF INSANITARY AREAS.

Except in Trieste the removal of an insanitary building may be effected by expropriation only if the building line of the street in which the building is located is to be changed; the right of expropriation is in all ordinances explicitly restricted to the land needed for the street area, and is therefore not applicable to large areas. An example of the expropriation of a large area (Zonenenteignung) is to be found only in Prague, where the buildings of an entire ward, the Josefstadt, and several smaller districts were by means of a special law expropriated for purposes of sanitation.

The law was enacted with the intention of covering the costs of the project by means of the prospective increase of land values. To make the rebuilding of the insanitary dwellings compulsory, the law granted to the commune the right of expropriation, and it is for this reason that this project of sanitation deserves more detailed mention.

The area included in the project consisted of two separate districts. The first one included an entire ward, the Josefstadt, and adjoining parts of another ward, the Altstadt, together covering an area of 365,476 square meters (90.3 acres). The second consisted of a part of the Neustadt, with an area of 14,672 square meters (3.6 acres). The latter district, on account of its relatively small area, will not be considered here.

The chief reason for this project was the improvement of sanitary conditions. The morbidity from contagious diseases during the period 1883–1889 was 35.31 per cent in the Josefstadt as compared with 28.7 per cent for the entire city of Prague, and the mortality percentage was 40.02 for the former against 28.7 for the latter. The
causes of these high rates were chiefly the low land on which the Josefstadt was built—it was inundated nearly every year—the great density of buildings, and the gross overpopulation. The two last-named conditions were connected with the fact that up to 1848 the Josefstadt formed the ghetto of Prague, and its area was insufficient for the large Jewish population.

During the period 1880-1890, in which a progressive improvement was taking place in all other wards of Prague, housing conditions in the Josefstadt grew still worse. Success of the absolutely necessary sanitation of the district could be expected within reasonable time only if the undertaking was effected uniformly and with special aid. Such aid was furnished by the legislature, which exempted rebuilt houses from all taxes and fees for a period of 20 years, and conferred upon the commune the right of expropriation. The law of February 11, 1893, the operation of which was later extended by the law of April 17, 1903, and finally by the law of March 24, 1913, gave to the commune of Prague the right to expropriate real estate situated in the area designated for sanitation the owners of which, within a period of two years after previous notice in due form of law, had not taken advantage of the exempting provision of the law. As a matter of fact, only a few owners of real estate rebuilt their houses.

The law also authorized the commune to transfer the carrying out of the project of sanitation to private contractors, to whom was granted the same right of expropriation as to the commune itself. Originally the commune intended to make use of this privilege, but on account of a lack of acceptable bids it had to do the work itself. The commune did not intend, however, to build on its own account. Its activity was restricted to the acquisition of the condemned real estate, demolition of the old structures, and sale of the newly acquired building lots after the sanitation of the land had been effected. The right of expropriation proved to be indispensable for this activity, for although use of it had to be made in only 25 per cent of all acquisitions of condemned real estate, its mere existence made possible the acquisition of condemned property by voluntary sale and prevented exorbitant claims, which otherwise would have certainly been made and would have endangered or even made impossible the entire work of sanitation. The law provided explicitly that in determining compensation the increase in the value of the ground through the proposed work of sanitation and through 20 years' exemption from taxes should not be considered. In making this restriction the legislators intended to aid in the realization of the purpose that the increase in the value of the land should benefit the party who had actually made the improvements.

The following data will show the extent and importance of this work of sanitation. Before the beginning of the work the area given
over to streets was 23.59 per cent of the entire area included in the project and for the Josefstadt the ratio was only 17.02 per cent. After completion of the sanitation the area of the streets will form 40.71 per cent of the total area. After deduction of the area required for streets and for a few historical objects which are to be preserved, there is now available for building purposes an area of 257,000 square meters (63.5 acres). Up to 1910 there had been erected 154 new buildings occupying an area of 79,630 square meters (19.7 acres) and housing 8,066 persons. The comparatively slow progress of the rebuilding has its cause in the fact that the beginning of this work fell in a period of very slow building activity, the after effect of a preceding building boom.

The difference in the nature of the dwellings before and after the sanitation work is shown by the following data:

**NATURE OF DWELLINGS BEFORE AND AFTER THE SANITATION WORK IN PRAGUE.**

<table>
<thead>
<tr>
<th>Before the beginning of the sanitation work</th>
<th>In the new buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average height of buildings: 3.9 stories</td>
<td>4.8 stories</td>
</tr>
<tr>
<td>Average area of building lots: 253 sq. meters</td>
<td>382 sq. meters.</td>
</tr>
<tr>
<td>Number of apartments per home: 8.3</td>
<td>11.1</td>
</tr>
<tr>
<td>Number of heatable rooms per apartment: 2.15</td>
<td>3.45.</td>
</tr>
<tr>
<td>Number of occupants per apartment: 5.7</td>
<td>4.7.</td>
</tr>
<tr>
<td>Number of occupants per 100 square meters (1,076 square feet) of area occupied by a building: 18.66</td>
<td>10.13.</td>
</tr>
</tbody>
</table>

In the Josefstadt in the years 1893, 1903, and 1908 the amount of rent paid and the average rent per occupant was as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount of all rents</th>
<th>Population</th>
<th>Average rent per occupant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1893</td>
<td>$123,345.64</td>
<td>11,816</td>
<td>$10.44</td>
</tr>
<tr>
<td>1903</td>
<td>102,083.89</td>
<td>8,215</td>
<td>12.50</td>
</tr>
<tr>
<td>1908</td>
<td>135,164.30</td>
<td>4,379</td>
<td>30.57</td>
</tr>
</tbody>
</table>

These data illustrate plainly the change which has taken place. An insanitary, densely built, and overpopulated proletarian district has been transformed into a sparsely built business and residence district. The individual classes of apartments are represented in the new buildings in the following ratio:

- Apartments consisting of—
  - 1 room and accessories: 23.1 per cent.
  - 2 rooms and accessories: 24.7 per cent.
  - 3 rooms and accessories: 31.4 per cent.
  - Larger apartments: 20.8 per cent.

But even the smallest of these apartments are not within the reach of people of small means, for apartments of only 1 room, kitchen, and accessories rent, according to location and height of the house,
at 600 to 900 crowns ($121.80 to $182.70) and those with two rooms and accessories at 900 to 1,200 crowns ($182.70 to $243.60). These apartments are to-day occupied by an entirely different class of the population. For the housing of the displaced occupants the commune had made no provision at all, and there was no necessity for such action, for in the first part of the nineties, in anticipation of the project, an extraordinary building activity, or rather an overproduction had developed in the suburbs of Prague, so that the population displaced through the sanitation of the Josefstadt easily found housing accommodations in the newly erected family and apartment houses of the suburbs. To these suburbs, which are at a considerable distance from their former quarters, these people of small means would never have moved voluntarily, because their housing habits made it more desirable for them to live in the center of the city and in the vicinity of their working places. The laws which made the sanitation work possible are, therefore, indirectly responsible for the removal of these classes of the population from their former highly insanitary dwellings to dwellings corresponding to modern requirements. The distance of the suburbs from the center of the city was after all not such a great inconvenience for them, for the development and modernization of the traction system of Prague were coincident with the sanitation work and the central part of the city could be reached from the suburbs in a relatively short time. The removal of these people was, moreover, inevitable, because the improved area is surrounded by high-grade, expensive buildings, and because the city was forced to sell the building lots at as high a price as possible in order to reduce the deficit of 1,000,000 crowns ($203,000) due to the sanitation work.

UNEARNED INCREMENT TAX (Wertzuwachssteuer).

The fourth convention of communal officials of German-Austrian cities (Deutschoesterreichischer Städtetag) had as early as 1905 advocated the introduction of a tax on the unearned increment. The same subject came up for discussion in 1908 at the sixth convention of communal officials of Austrian cities (Oesterreichischer Städtetag), which framed a bill authorizing the communes to levy a tax on the unearned increment. The introduction of such a tax was also repeatedly proposed in the city council of Vienna.

These proposals have only lately come near to realization. On the occasion of discussions as to the rehabilitation of the finances of the individual Provinces the Austrian Government showed its willingness to permit incorporated public bodies to levy a tax on the unearned increment as a new source of revenue. The Government submitted to the various provincial diets two model bills, one of which provided for the obligatory introduction by all communes of an unearned
increment tax as a provincial and communal tax, and the other for its optional introduction as a communal tax. Both bills provide for progressive taxation of the unearned increment at the time of transfer and are essentially based on the principles of the German imperial law regulating the levy of such a tax. A noteworthy provision of the second bill is that it obligates the communes to use only part of the revenue of the tax for their current expenditures, while the balance of the revenue is to be assigned to a reserve fund which shall be used for investments in land designated for communal housing work or erection of schools, or for the refund of communal debts.

The diets of Carinthia, Carniola, Trieste, and Tyrol have lately enacted laws similar in their contents to the first-named model bill introducing an unearned increment tax in rural and urban communes.

**CREATION OF A BUREAU ON HOUSING.**

A new Government department, the ministry of public works, was created in Austria in pursuance of the law of June 27, 1908. In determining the sphere of activity of the new ministry, special consideration was for the first time given to housing work and a special bureau on housing was established. The regulations for the activity of the ministry of public works, published on July 6, 1908, provide for the bureau on housing the following duties: Preparation of legislation and administrative decrees on housing matters, and cooperation in tax legislation relating to them; organization of housing work, and promotion of sources of credit for it.

**HOUSING WORK OF THE STATE AS AN EMPLOYER.**

The housing work of the State as an employer takes a twofold form. The State either loans money to building associations, the membership of which consists entirely or to a large extent of employees of the State, or it builds houses for them on its own account.

**1. LOANS TO BUILDING ASSOCIATIONS.**

The first form of this activity of the State was made possible through the law of December 28, 1907 (R. G. Bl., No. 285), which authorized the Government to create a fund endowed with 4,000,000 crowns ($812,000) for the promotion of housing work for employees of the State. The law provided a further amount of 1,000,000 crowns ($203,000) for the endowment of a similar fund for workmen in the State salt mines. Cooperation in the organization of the housing fund for State officials which bears the name "Emperor Francis Joseph I Government Jubilee Fund 1908," was one of the first tasks for the newly created ministry of public works and its bureau on housing matters.
CONDITIONS GOVERNING LOANS.

According to the regulations approved September 28, 1908, this fund may grant building loans to cooperative associations which, in accordance with their by-laws, make it their object to rent to their members cheap and sanitary housing accommodations, limit their dividends to members to 4 per cent, and do not accept savings deposits. Associations composed exclusively of active State officials and other employees in the Government civil service who have not the character of officials are to be given the preference in making such loans. However, the regulations permit loans to associations which are only partly composed of State officials and employees, provided that a part of the apartments, proportionate to the amount of the loan, is reserved to State officials and employees. Building loans are, as a rule, to be granted only for localities in which suitable sanitary dwellings are either not available or are available only at exorbitant prices.

Loans are made only on mortgage security, but not as a first lien, for a prerequisite for a loan from the fund is that loans up to 50 per cent of the value of the property (i.e., up to legal security for trust funds) must be procured from private credit sources. A house on which the fund grants a building loan may not be encumbered for more than 90 per cent of its estimated value, inclusive of the ground, and before such a loan is granted it must be shown that the association has sufficient means of its own to cover the required balance of 10 per cent. Loans made by the fund bear interest at the rate of 3 per cent and must be refunded with one-half of 1 per cent per year. In exceptional cases the fund may also advance the amount of the first mortgage, provided security is furnished for its refund after completion of the building.

Loans from the fund may not be recalled so long as the association complies with its contractual obligations. The rents of houses on which the fund has made loans must be set at suitable figures and may not be raised without the consent of the ministry of public works. Renters may not be given notice to vacate so long as they comply with their obligations.

The regulations for the administration of the fund do not for the present provide for any loans on one-family houses built by associations with the ultimate object of their becoming the property of members.

In the interest of practical promotion of the creation of Government employees' building associations the ministry of public works has framed model by-laws both for associations composed exclusively of persons in the Government civil service and for mixed associations, and has worked out special forms for loan contracts to be concluded with the fund. In consideration of the importance of orderly account-
ing to the development of cooperative associations the ministry has also published a book of instructions for the bookkeeping of public-welfare building and housing associations which contains an easily understood description of the method of bookkeeping, a collection of forms of the books to be used, and the most important provisions of laws regulating taxes and fees. In addition the ministry established an extensive information service which has led to the creation of numerous building associations of Government civil-service employees within a relatively short period. In this connection it is an interesting fact that of the new associations formed those composed exclusively of Government employees are in the minority. The extraordinary activity and energy of the newly formed associations made it possible for the ministry of public works to grant up to date a considerable number of building loans from the fund, and associations in nearly all Provinces of the Empire are now among its beneficiaries. Of special importance is the decision of the competent authorities that houses built for the exclusive use of low-salaried civil-service employees (Diener) who have not the character of officials shall enjoy the benefits of the law of July 8, 1902, as to exemption from taxes. More detailed data as to the activity of building associations of Government civil-service employees is given in the section of this article which relates to building associations.

2. STATE-BUILT HOUSES FOR GOVERNMENT EMPLOYEES.

The State has for a long period provided service dwellings for some of its officials and employees in nearly all branches of the administration. A recent investigation of the Austrian bureau of labor statistics relating to public housing work has, however, left such service dwellings out of consideration, and therefore recent statistical data in this respect can not be given in the present work.

In addition the State has done extensive housing work as an industrial employer. Especially active in this respect were the administrations of the State railroads, tobacco factories, and salt mines (the tobacco and salt industries are in Austria monopolies of the State).

The administration of the State railroads uses for this work chiefly the means of the provident funds in existence for the personnel of the railroads, i.e., of the sick fund and old-age and invalidity fund. The directorates of these funds build dwellings largely, and either administer them themselves or rent them to a building association with the provision that the association shall become the owner of the dwelling as soon as it has refunded the capital invested in the dwelling by the fund. Finally the directorates of these provident funds also make building loans to building associations, and since the creation of the State housing fund such loans have been made frequently.

Although the administration of the State railroads adheres to the general principle that the capital invested in housing work should
bring a return of 4 per cent, it nevertheless sees to it that in dwellings erected on its own account, as well as in dwellings on which it has made loans, the rents charged are somewhat lower than the usual local rents. The Government bears the costs of administration of houses owned by the funds. The type of the houses built is governed by the costs of the ground and building costs. Wherever possible the administration builds one and two family houses. In the case of larger houses the administration makes it a rule that there shall not be more than four apartments to one floor. The buildings erected comply with all sanitary requirements, and provision is generally made for gardens and playgrounds for the children. Reading rooms, baths, kindergartens, etc., are also provided. The renting of houses to building associations is as a rule effected on a 50 years' lease. In addition to 4 per cent annual interest the associations must pay a corresponding refunding annuity, and become, after complete refund of the invested capital, the owners of the rented houses.

Houses erected by the administration of State railroads or built with financial aid from it may be rented only to employees of the State railroads and primarily to members of building associations of such employees. Renters are prohibited from keeping lodgers or roomers. Loans are granted up to 50 per cent of the value of ground and buildings, at 4 per cent interest and 1 per cent annual refund.

Up to the end of the year 1912 the administration of State railroads had built 466 houses with 4,373 apartments at a cost of 24,741,000 crowns ($5,022,423) and 53 houses with 648 apartments at an estimated cost of 5,164,000 crowns ($1,048,292) were in process of construction.

The administration of the salt mines limits its housing work to the erection on its own account of houses for its officials, overseers, and workmen, which are rented to them at a merely nominal rental. Originally the administration adopted the type of the eight-family house. Smaller houses were built later on, and in 1909 the first one-family houses were ready for occupancy. At the salt mines dormitories in which the workmen find free sleeping accommodations are maintained.

Up to the end of the year 1908 the administration of the salt mines had erected 89 houses with 133 apartments for officials, 57 houses with 192 apartments for overseers, and 57 houses with 315 apartments for workmen. Free service dwellings were furnished to 53 officials, 177 overseers, and 37 workmen.

In Eselbach, near Aussee, the administration has lately begun the erection of buildings for a workmen's colony, the "Kaiser Franz Joseph I. Jubiläums Arbeiterkolonie," which is to consist of a large number of one and two family houses, part of which are already completed. Another workmen's colony, consisting of 15 four-family
and 7 two-family houses, is in process of construction at Wieliczka, and one of 5 four-family houses in Bochnia.

The central administration of the tobacco monopoly made in 1895, 1896, and in 1900 investigations into the housing conditions of the workmen in its tobacco factories. The results of these investigations showed highly unfavorable conditions and induced the administration to begin the erection of workmen's houses for married workmen and of homes for single workers. Up to 1900 the administration had built in Hainburg, Joachimsthal, and Winniki six houses with 88 apartments and one dormitory for single female workers. Since then the housing work of the administration has come to a stop, only one new apartment house for workmen having been added to those built up to the year 1900.

HOUSING WORK OF CARRIERS OF STATE SOCIAL INSURANCE.

While the German workmen's insurance law has made it possible for the carriers of the old-age and invalidity insurance, the State insurance institutes, to become the chief credit source for housing work, Austrian social insurance legislation has so restricted the investment of the funds of insurance carriers that the latter have no importance at all as a credit source for building loans in so far as housing work is concerned. The provisions of the joint decree of the ministers of the interior, justice, finance, and commerce of March 5, 1896, regulating the investment of the funds of private insurance institutes, are also applicable to the carriers of the State social insurance (i.e., the accident insurance institutes and sick funds), and these provisions prescribe that mortgage loans may be made only up to 50 per cent of the value of the realty in question, which is equivalent to the security required for the investment of trust funds. The law of December 16, 1906, relating to the old-age and invalidity insurance of private salaried employees (Privatangestellte), has also adhered to this principle. Although this law authorizes the minister of the interior to permit in individual instances investments of funds of the pension institute in a manner at variance with the provisions of the decree of March 5, 1896, this authorization is not very far-reaching, as the law further stipulates that such other investments must represent security equal to the investments specifically permitted by the decree. In consequence the workmen's accident insurance institutes, which alone of all insurance institutes existing in Austria have shown active interest in the housing problem, were much restricted in their desire to aid in housing work. The granting of loans on first mortgages is as a rule of not much assistance to building associations, they being easily able to secure such loans from private sources. In order therefore to improve the housing conditions of their insured members, the accident insurance institutes
decided in a number of instances to build on their own account. The accident insurance institute of Trieste was the first to build. It built eight workmen's dwellings in 1896, and the institutes of Gratz, Vienna, and Salzburg soon followed its example.

The report on the financial administration and the results of accident statistics of the workmen's accident insurance institutes for the year 1910, published by the ministry of the interior, shows the investments of these institutes, in workmen's dwellings, which are given in the following tables:


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vienna</td>
<td>Vienna</td>
<td>$156,696.64</td>
<td>$135,442.40</td>
<td>$11,234.96</td>
<td>$5,043.30</td>
<td>$6,194.67</td>
<td>4.01</td>
</tr>
<tr>
<td>Salzburg</td>
<td>Keimlünchen</td>
<td>23,142.00</td>
<td>15,428.00</td>
<td>617.12</td>
<td>617.12</td>
<td>669.09</td>
<td>4.00</td>
</tr>
<tr>
<td>Do</td>
<td>Hatlein</td>
<td>24,035.20</td>
<td>15,727.30</td>
<td>699.09</td>
<td>699.09</td>
<td>699.09</td>
<td>4.00</td>
</tr>
<tr>
<td>Do</td>
<td>Lehen</td>
<td>64,967.37</td>
<td>63,290.16</td>
<td>2,430.79</td>
<td>2,430.79</td>
<td>2,531.61</td>
<td>4.00</td>
</tr>
<tr>
<td>Graz</td>
<td>Egenberg</td>
<td>45,478.38</td>
<td>43,166.97</td>
<td>2,932.75</td>
<td>2,932.75</td>
<td>3,160.27</td>
<td>3.50</td>
</tr>
<tr>
<td>Do</td>
<td>Leoben</td>
<td>225,100.00</td>
<td>188,105.31</td>
<td>7,093.47</td>
<td>7,093.47</td>
<td>4,160.72</td>
<td>3.00</td>
</tr>
<tr>
<td>Do</td>
<td>Klagenfurt</td>
<td>101,430.23</td>
<td>100,780.95</td>
<td>1,520.81</td>
<td>1,520.81</td>
<td>3,344.94</td>
<td>3.22</td>
</tr>
<tr>
<td>Trieste</td>
<td>Trieste</td>
<td>180,800.03</td>
<td>167,746.75</td>
<td>6,705.28</td>
<td>6,705.28</td>
<td>7,165.00</td>
<td>4.22</td>
</tr>
</tbody>
</table>

Although the income from workmen's dwellings owned by the accident insurance institutes is on the whole satisfactory, as the net income from all of them, with the exception of those owned by the institute of Gratz, amounts to 4 per cent or more of the invested capital, the institutes are disinclined to continue to build on their own account and prefer to promote the public-welfare building activity by means of mortgage loans. The following table shows the mortgage loans made by the institutes up to the end of the year 1910:

[MORTGAGE LOANS BY AUSTRIAN ACCIDENT INSURANCE INSTITUTES ON WORKMEN'S DWELLINGS UP TO THE END OF THE YEAR 1910.


<table>
<thead>
<tr>
<th>Name of territorial institute.</th>
<th>Location of reality on which loan was made.</th>
<th>Estimated value of reality.</th>
<th>Liens preceding the mortgage loan of the institute.</th>
<th>Amount of mortgage loan.</th>
<th>Rate of interest in per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vienna</td>
<td>Vienna</td>
<td>$107,590.00</td>
<td>$16,704.12</td>
<td>$62,325.41</td>
<td>4.25</td>
</tr>
<tr>
<td>Do</td>
<td>Stadlau</td>
<td>111,650.00</td>
<td>26,906.69</td>
<td>46,950.97</td>
<td>4.25</td>
</tr>
<tr>
<td>Do</td>
<td>Wiener-Neustadt</td>
<td>111,650.00</td>
<td>54,441.63</td>
<td>54,441.63</td>
<td>4.25</td>
</tr>
<tr>
<td>Prague</td>
<td>Pardubitz</td>
<td>14,210.00</td>
<td>7,105.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Brünh</td>
<td>Mährisch-Schönberg</td>
<td>4,318.47</td>
<td>1,461.60</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Do</td>
<td>Bedzin</td>
<td>12,027.43</td>
<td>3,491.60</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Do</td>
<td>Hussowitz</td>
<td>14,707.82</td>
<td>6,130.60</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Do</td>
<td>Juliengrafen</td>
<td>4,839.76</td>
<td>2,161.02</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Do</td>
<td>Neulinken</td>
<td>4,233.97</td>
<td>1,798.49</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Lemberg</td>
<td>Cracow</td>
<td>37,301.25</td>
<td>6,747.55</td>
<td>4.00</td>
<td>4.00</td>
</tr>
</tbody>
</table>
As this table shows, the accident insurance institutes made only a very limited number of loans on workmen's dwellings, even when they could make them on legal security for the investment of trust funds—i. e., when the loans did not exceed 50 per cent of the value of the dwellings. Yet the interest on the loans made was never less than 4 per cent, while the institute of Vienna obtained 4½ per cent.

PROPOSED EXTENSION OF HOUSING WORK BY SOCIAL INSURANCE INSTITUTES.

As has already been said, such loans are of little assistance to building associations, for under ordinary circumstances they can secure first-mortgage loans from private credit institutes. What the building associations need is easily obtainable, low-rate loans on second-mortgage security. A Government bill providing for an entire reform of the social insurance system of Austria and for the creation of an old-age and invalidity insurance, which has been under discussion for several years by a specially appointed parliamentary committee, removes a large part of the restrictions on investments of social insurance funds. This bill, although providing that such funds shall as a rule be invested according to the regulations set down in the previously-mentioned ministerial decree of March 5, 1896, authorizes the minister of the interior to permit 25 per cent of the assets of the accident and old-age and invalidity insurance institutes to be invested in the erection of sanatoriums and convalescent homes and the erection of workmen's dwellings, or for similar public-welfare purposes, in a manner at variance with the rules laid down in the ministerial decree. The parliamentary committee on social insurance goes even further, and proposes to increase this percentage to 30 per cent.

This bill, if enacted, not only would make the funds of the accident insurance institutes available for investment in workmen's dwellings, but also would permit the use of the much larger reserve funds which would accumulate in the invalidity insurance institutes. With a liberal policy of the directorates of these institutes and with proper support of this policy by the minister of the interior, public housing work should have ample funds at its disposal at a low rate of interest.

But even at the present date the creation of the State housing fund has opened vast opportunities for the accident insurance institutes to promote housing work, for the law creating this fund provides explicitly that mortgage loans on workmen's dwellings up to 90 per cent of their value shall, if guaranteed by the fund, be considered as legal investments for trust funds, and therefore enables the accident insurance institutes to make such loans on second mortgages without violating the provisions of the ministerial decree of March 5, 1896. As the law creating the housing fund was enacted on December 22, 1910, and as the last financial statement issued by the accident in-
surance institutes covers only the year 1910, it can not yet be judged how far they have made use of the guaranty of the housing fund in the granting of mortgage loans on workmen's dwellings.

MUNICIPAL HOUSING WORK.

Following the example of the State, the municipalities of Austria have lately begun to take a greater interest in the housing problem. A number of municipal administrations acknowledged above all the usefulness and necessity of a systematic increase by the municipalities of their holdings of land. The city of Vienna, for instance, acquired during the years 1908 to 1912 building sites of a total value of 14,490,000 crowns ($2,941,470), the city of Linz purchased in 1911 and 1912, 166 joch (236 acres) of a total value of 1,000,000 crowns ($203,000), and the city of Aussig has successively acquired building sites of a total area of over 300 joch (427 acres), an area sufficient to enable it to influence the price of land. Olmütz and Znaim, two municipalities of Moravia, have lately also purchased a considerable number of building sites.

The further activity of the municipalities in housing work consists partly in direct construction of dwellings and partly in promotion of public-welfare housing work. In order to obtain a survey of the activity of the communes in housing work the central organization for housing work sent schedules to all municipalities with a population of over 10,000 inhabitants, with the exception of the Czech municipalities; these schedules were answered by 96 out of a total of 114 municipalities.

This investigation showed that a number of municipal administrations have built dwellings, especially for their own employees. The city of Vienna erected up to 1913 for employees and workmen of the municipal traction system and gas works 5 large apartment houses with 609 apartments, and in addition put at their disposition 251 apartments in station buildings and purchased houses. Early in 1913 there were completed 9 additional houses with 1,334 apartments, so that to-day the city of Vienna is the owner of 2,194 apartments occupied by employees of its establishments. The cost of the 1,585 apartments erected for the employees of the municipal traction system was in round numbers 8,218,000 crowns ($1,668,254).

Dwellings for their employees were further erected by the following municipalities:

In Bohemia—Chrudim, 26 houses with 58 apartments; Kosir, 12 houses with 23 apartments.

In Moravia—Brünn, 3 houses with 45 apartments, cost 218,000 crowns ($44,254); Mährisch-Ostrau, 8 houses with 111 apartments, cost 522,000 crowns ($105,966).
In Silesia—Troppau, 5 houses with 52 apartments, cost 209,500 crowns ($42,528.50).

In Lower Austria—Sankt Pölten, 3 houses with 39 apartments, cost 250,000 crowns ($50,750).

In Tyrol—Innsbruck, 3 houses with 37 apartments.

In Galicia—Cracow, 2 houses with 24 apartments, cost 135,000 crowns ($27,405).

The municipality of Aussig, in Bohemia, has housed some of its employees in purchased houses.

The more far-reaching task of municipal administrations to provide low-cost housing accommodations for persons of small means, where private building activity is insufficient, has up to date been accomplished in a relatively small measure. Most active in this respect was the city of Trieste, which by a resolution of its city council of July 17, 1902, created an institution for the erection of sanitary and cheap dwellings for people of small means (Instituto comunale per abitazioni minime), which is autonomous in its activity and subject to the supervision of the municipality alone. The initial capital of this institute consisted of an endowment of 400,000 crowns ($81,200) from the city of Trieste and one of 150,000 crowns ($30,450) from the municipal savings bank. As both the municipality and the municipal savings bank had assured the institute of further contributions, it was provided in the by-laws of the institute that one-half of the members of its executive board must be nominated by the city council from among the aldermen, so that the use of the municipal means for the benefit of the poorer classes of the city’s population might be safeguarded. Up to the end of the year 1912 this institute had erected 38 houses with 653 apartments, at a cost of 2,707,000 crowns ($549,521). Thirteen houses with 233 apartments were in process of construction, and plans for the erection of an additional 10 houses with 180 apartments were under consideration.

The fact that in the summer of 1911 a considerable number of families living in Vienna, although able to pay rent, could not find housing accommodations, for the reason that they had numerous small children, and the apprehension that this forced homelessness would increase during the subsequent winter induced the city of Vienna to take speedy remedial action. On the initiative of the central organization for housing reform it decided in October, 1911, to create a special public-welfare association for the erection of emergency dwellings (Notstandswohnungen). This was formed by the cooperation of the city of Vienna, the central organization for housing reform, and a stock company for the erection of small apartments formed by the General Austrian Mortgage Credit Bank (k. k. priv. allgemeinen öster. Bodencreditanstalt). The city of Vienna contributed 200,000 crowns ($40,600) and the above-mentioned stock com-
pany 400,000 crowns ($81,200) to the capital of this association for the erection of emergency dwellings, and in addition the city of Vienna granted the free use for 16 years of the building grounds required for these dwellings. Up to the end of 1911 there had been erected on these grounds 255 apartments, consisting of one room and kitchen, at a cost of 574,960 crowns ($116,716.88), or 2,272.56 crowns ($461.33) per apartment. The families housed in these apartments consisted of 1,585 persons, among whom 906, or 59 per cent, were children under 14 years of age. On an average there were, therefore, 6 persons, and among these 3.5 children to an apartment. Only 63.3 per cent of these families had previously lived in a home of their own (i.e., in an apartment rented by them), the other 36.7 per cent having been housed in homes for the homeless, as roomers, or in basements. By occupation 76.6 per cent of the renters were workmen, 18.3 per cent were porters in business houses and employees of transportation establishments, 3.4 per cent were in business for themselves, and the remainder were officials. Notwithstanding the extensive material aid by the city of Vienna, the rents had to be fixed at 26 crowns ($5.28) per month on account of the short-term amortization of the invested capital. This amount seems, however, suitable, if it is considered that 8.5 per cent of the renters had a weekly income of only 20 crowns ($4.06), while in the case of 55.9 per cent the weekly income was between 20 and 30 crowns ($4.06 and $6.09), of 28.1 per cent between 30 and 40 crowns ($6.09 and $8.12), and of 7.5 per cent over 40 crowns ($8.12).

This action of the city of Vienna was in the same year supplemented through the independent activity of the central organization for housing reform, to which a number of private philanthropists had made donations amounting to 176,000 crowns ($35,728) for the purpose of providing housing accommodations for the homeless. With this amount the central organization converted a communal building, formerly used as a hospital, into a home for the homeless, which could accommodate daily 10 families and 320 single persons, and in addition it erected in the tenth ward of the city, at a cost of 84,000 crowns ($17,052), 32 emergency apartments for homeless families. These apartments consist of one room and kitchen and are rented for 20 crowns ($4.06) a month.

According to a resolution adopted by the first Austrian housing conference (Nov. 25 and 26, 1911) the erection of emergency dwellings and the adaptation of communal and private buildings as such can not, however, be considered as rational methods of housing work, and all these measures are justified only because under the existing circumstances it was absolutely necessary that a number of dwellings be immediately put at the disposition of the poorest classes of the population.
In addition to Vienna the following municipalities have erected dwellings for the working classes of their population:

**NUMBER AND COST OF DWELLINGS ERECTED FOR THE WORKING CLASSES BY SPECIFIED MUNICIPALITIES IN AUSTRIA.**

<table>
<thead>
<tr>
<th>Province</th>
<th>Municipality</th>
<th>Number of—</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Houses</td>
<td>Apartments</td>
</tr>
<tr>
<td>Bohemia</td>
<td>Prague</td>
<td>3</td>
<td>Not given</td>
</tr>
<tr>
<td>Moravia</td>
<td>Olmititz</td>
<td>18</td>
<td>77</td>
</tr>
<tr>
<td>Lower Austria</td>
<td>Wiener-Neustadt</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Do</td>
<td>Krems</td>
<td>2</td>
<td>45</td>
</tr>
<tr>
<td>Upper Austria</td>
<td>Linz</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Do</td>
<td>Salzburg</td>
<td>3</td>
<td>Not given</td>
</tr>
<tr>
<td>Salzburg</td>
<td>Klagenfurt</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>Styria</td>
<td>Graz</td>
<td>6</td>
<td>60</td>
</tr>
<tr>
<td>Carinthia</td>
<td>Villach</td>
<td>8</td>
<td>76</td>
</tr>
<tr>
<td>Do</td>
<td>Bozen</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Tyrol</td>
<td>Meran</td>
<td>5</td>
<td>142</td>
</tr>
<tr>
<td>Do</td>
<td>Roveredo</td>
<td>114</td>
<td>Not given</td>
</tr>
</tbody>
</table>

1 One-family houses.

Of the above houses those in Wiener-Neustadt and Dornbirn were erected with the aid of the State housing fund.

In so far as the investigation conducted by the central organization for housing reform makes it possible to determine, Austrian municipalities had built altogether, either for their own workmen or for the general working classes, 183 houses with about 4,000 apartments, at a cost of 17,043,000 crowns ($3,459,729).

The investigation of the central organization for housing reform has further shown that a considerable number of municipalities of Austria have indirectly promoted the public-welfare building activity. Thirty-two municipalities either sold building sites at reduced prices or donated them to public-welfare building associations; 30 gave special privileges as to payment of communal taxes and fees; 16 remitted certain building restrictions; while 23 communes helped forward the creation of public-welfare building associations by purchasing shares in them, the amount thus invested running up as high as $40,600. Nine cities guaranteed second-mortgage loans on workmen’s dwellings and 5 made direct loans to public-welfare building enterprises. The city of Cracow furnished a building site valued at 600,000 crowns ($121,800), the municipality of Wiener-Neustadt created a municipal housing fund in 1911, and a similar fund is to be created in the near future by the municipality of Baden.

**PUBLIC-WELFARE BUILDING ENTERPRISES.**

**COOPERATIVE BUILDING ASSOCIATIONS.**

The creation of the State housing fund, which provided an easily available and cheap source of credit for public-welfare building associations, opened to these corporations a wide field for practical activity.
The utility of the fund depended as a matter of fact on their energy and initiative. Up to a few years ago only persons of a progressive and enterprising spirit dared, in a few isolated instances, to undertake the foundation of such associations, the success of which was from the beginning very problematical, but this state of affairs underwent a radical change with the creation of the State housing fund. As recently as in 1897 there existed in Austria only 30 cooperative building associations and 11 other public-welfare building enterprises (societies, stock companies, foundations, etc.). Four years later, in 1901, the number of cooperative building associations had increased to 55, while the number of other public-welfare building enterprises remained unchanged. Under the influence of the "Emperor Francis Joseph I Government Jubilee Fund 1908," created in 1907, the number of cooperative building associations had at the end of 1909 reached 230. The number of building enterprises on the noncooperative plan had increased by only 17 during the same period. This is proof that in Austria the idea of cooperative organization had already found a fertile soil in the sphere of housing work, but the creation in 1910 of the State housing fund caused a still more rapid development of such building associations. Under the favorable prospects opened by this fund, the total number of public-welfare building enterprises increased from 336 at the end of 1910 to 634 at the end of 1912, or nearly double the number. The following table shows the development in Austria of public-welfare building enterprises:

**INCREASE IN PUBLIC-WELFARE BUILDING ENTERPRISES DURING 1897 TO 1912.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cooperative building associations with limited liability</th>
<th>Associations with limited liability</th>
<th>Stock companies</th>
<th>Foundations</th>
<th>Societies and other associations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1897</td>
<td>30</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>1901</td>
<td>35</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>1908</td>
<td>179</td>
<td>4</td>
<td>5</td>
<td>13</td>
<td>199</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>230</td>
<td>6</td>
<td>5</td>
<td>16</td>
<td>258</td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>305</td>
<td>7</td>
<td>5</td>
<td>17</td>
<td>336</td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>382</td>
<td>8</td>
<td>6</td>
<td>17</td>
<td>414</td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>601</td>
<td>8</td>
<td>6</td>
<td>18</td>
<td>634</td>
<td></td>
</tr>
</tbody>
</table>

From this it appears that of the 634 public-welfare building enterprises existing in Austria at the end of the year 1912, 601, or 95 per cent, had selected the cooperative form, and only 33, or an insignificantly small fraction, some other legal form of organization. The particular advantage of this form is that it permits people with very moderate means, as, for instance, workmen, to participate in providing the dwellings they themselves desire. The face value of the
shares is generally very low, usually 100 to 300 crowns ($20.30 to $60.90), and shares may also be acquired on the installment plan. On account of increasing the liability of a shareholder up to a certain number of times the amount of his paid-up share, usually twice, this form of organization has a sounder credit basis than other forms. Finally, its democratic form of administration puts in the hands of its members who are versed in business matters the management of the association’s affairs, and these, as a rule, give their services gratuitously or for a merely nominal remuneration.

To facilitate the creation of such cooperative building associations and to provide uniform rules for their operation, the ministry of public works has published a set of model by-laws which are to-day in use by nearly all associations existing in Austria, principally for the reason that the granting of financial aid by the State housing fund is made dependent on the adoption of the provisions contained in these model by-laws.

Legal forms other than the cooperative association with limited liability are chosen only where housing work of a more charitable character is in question—i.e., where the parties for whom the houses are designed do not participate in providing the capital, as, for instance, where employers erect dwellings for their workmen, or private philanthropists for the poorest classes of the population.

**COOPERATIVE BUILDING ASSOCIATIONS OF GOVERNMENT EMPLOYEES.**

The Austrian cooperative building associations are not real estate mortgage banks, but like those of Germany are actual building associations which build on their own account. The classes of the population by which such associations are founded are the officials (Beamte) and the middle and the working classes. Among the cooperative building associations those founded by employees and workmen of the Government civil service and of the State railroads were the first ones to develop an extensive activity. Building associations of Government officials exist in numerous localities of the State, and wherever such associations exist they have been active with good success. The greatest aid to their success has been the “Emperor Francis Joseph I Government Jubilee Fund 1908,” mentioned on a preceding page. There were, however, various other circumstances which influenced the prosperity of these associations: The permanent employment of their members, the possibility of filling the managing offices with persons versed in business matters, and, as a rule, also learned in law, and last but not least the fact that in some localities these officials were already members of economic associations, from which it was relatively easy to form a building association. The Vienna public-welfare building association was in this manner formed from among members of the central federation of societies of Austrian Government officials. This association has already
built 6 apartment houses and 2 family houses, having together 140 apartments, and costing 1,669,000 crowns ($338,807). Among other building associations of Government civil-service employees should be mentioned those in Klagenfurt—8 houses with 69 apartments for a total cost of 756,000 crowns ($153,468)—in Linz-Urfahr (4 houses with 58 apartments), and in Trieste (3 houses with 42 apartments).

The conditions for the development of building associations of employees of the State railroads were also generally favorable. The rapid development of these associations is, in the first place, due to the fact that the administration of the State railroads granted them building loans at a very low rate of interest from the State railroads' old-age and invalidity funds. Additional effective aid is given to the associations by the administration of the State railroads by means of subsidies, reductions of freight charges on building materials, and in individual instances by permitting the payment of shares subscribed by members of the associations, as well as of rents due, to be effected by deduction from the wages and salaries of these members.

In contrast to the building associations of officials in the Government civil service, which as a rule build only apartment houses, the building associations of the employees and workmen of the State railroads build by preference one-family houses to be sold on the installment plan to the occupants (Eigenhäuser). The reason for this is that railroad employees, especially conductors, brakemen, engineers, firemen, and others employed in the train service, whose duties require continuous traveling and constant alertness and are generally very fatiguing and straining on the nervous system, feel a greater need for complete rest and quiet and therefore isolation when off duty than employees in the Government civil service. The erection of colonies of one-family houses for railroad employees is, moreover, facilitated by the fact that such houses may be built at any favorable point on the line of the road outside of the city in which the employee has to report for work, for the administration grants free transportation between their places of residence and their working place, not only to the employees, but frequently also to members of their families for the purpose of purchasing foodstuffs, and to their children for trips to and from school.

The following few examples will give some idea as to the results of the activity of building associations of employees of the State railroads: The largest of these associations is the association of railroad employees for the erection of houses for one or more families in Vienna (Ein- und-Mehr-familienhäuserbaugenossenschaft für Eisenbahner in Wien). Its activity extends over the entire State and during its short existence of three years it has built 177 one-family houses and 40 houses for 2 or more families with 260 apartments, at an expenditure of 2,898,000 crowns ($588,294). Hardly less was the activity of the building and
housing association of the employees of the Austrian State railroads in Vienna, which has built 14 houses with 240 apartments, and of the welfare building and housing association of employees of the State railroads in Knittelfeld, which erected 56 houses with 198 apartments. In Bohemia the association “Stavební družstvo zřízené drah v zemích Koruny České” in Prague has expended in round figures 1,500,000 crowns ($304,500) for the erection of houses for railroad employees, and the association “Stavební v bytové družstvo Lesotín” in Prerau has built 58 one-family houses for such employees.

**COOPERATIVE BUILDING ASSOCIATIONS OF PRIVATE SALARIED EMPLOYEES.**

Private salaried employees (*Privatangestellte*) have rarely combined to organize building associations. The annual report of the General Pension Institute for Private Salaried Employees for the year 1911 ascribes this to the fact that the private salaried employee lives in a constant fear because of the impermanence of his position, which he may lose on relatively short notice either on account of sickness, hard times, dissolution or bankruptcy of the firm he works for, and for many other reasons. This fear of losing his position makes it seem undesirable for a private salaried employee with his generally very small means to bind himself to one locality. Besides very frequently the number of salaried employees in a locality is too small to organize a building association with a prospect of successful activity.

**COOPERATIVE BUILDING ASSOCIATIONS OF WORKMEN AND OTHERS.**

The fact that the members of an individual occupational group frequently do not feel themselves strong enough to support a cooperative building association has led to the creation of so-called mixed associations, the membership of which includes all occupational groups, private salaried employees, teachers, small merchants, workmen, etc. Mixed building associations, as well as workmen's building associations proper, encounter great difficulties in raising the necessary capital stock. While mixed associations are as a rule able to raise sufficient means of their own, it is very hard for members of workmen's building associations to pay up the subscribed shares even if they are permitted to pay for them in installments. The members of these associations have, therefore, little prospect of soon securing apartments erected by the association. Leaders of organized labor have been fully aware of this fact and have, therefore, from the beginning declined to advocate the foundation of such workmen's building associations. A way out of this hopeless situation was possible only where other parties, as for instance employers, put considerable means at the disposition of the workmen, or where organized labor, as the administrator of social-welfare institutions, was itself in a position to dispose of large funds which could be used for welfare housing work. The Federation of the District Sick Funds of Vienna and Lower
Austria, which includes 59 sick funds, has in this manner endowed the public-welfare building association founded by it with 1,000,000 crowns ($203,000), and proposed to erect 4,000 houses in 1912, 1913, and 1914 with this capital and with the aid of the State housing fund. Up to 1913 this association built two groups of houses with 378 apartments, at a cost of 1,562,000 crowns ($317,086).

All other Austrian workmen's building associations proper—i. e., associations composed exclusively of workmen—have only very limited means and the results achieved by them up to date are, therefore, very modest. To quote only a few examples, the Workmen's Public-Welfare Building and Housing Association of Iglau has erected one apartment house, 8 one-family and 19 two-family houses; a like association of Troppau, 8 one-family and 16 two-family houses; and the Workmen's Building Association "Sicheres Heim" of Znaim, 32 one-family, 2 two-family, and 3 apartment houses. The cooperative association "Družstvo pro stavbu laciných a zdrábych obydli" of Brinn has built 105 one-family houses for workmen.

As good examples of mixed cooperative building associations may be mentioned the following with the number of houses each has built: The association "Ostmark" of Vienna, 65 one and two family houses at a cost of 2,000,000 crowns ($406,000); the association "Heimat" of Vienna, 24 houses sold to members, and 1 apartment house; the Public-Welfare Building and Housing Association of Teplice-Schönau, 1 one-family house, 7 two-family houses, and 4 apartment houses, at a cost of 500,000 crowns ($101,500); the Public-Welfare Building and Housing Association for Styria of Graz, 12 apartment houses for workmen, costing 1,300,000 crowns ($263,900); the association "Družstvo pro stavbu urednických domu" of Prague, a colony of houses with 48 apartments, for 795,000 crowns ($161,385); the association "Stavební družstvo delnických a rodinných domů pro Plzeň a akoli" of Plzeň, 60 houses costing 650,000 crowns ($131,950), and the "Towarzystwo urzędników budowy tanich domorodnych" of Cracow, 9 one-family, 40 two-family, and 6 three-family houses for 1,850,000 crowns ($375,550).

NONCOOPERATIVE PUBLIC-WELFARE BUILDING ENTERPRISES (FOUNDATIONS, STOCK COMPANIES, SOCIETIES, ETC.).

The noncooperative building enterprises organized as foundations, stock companies, societies, etc., are likewise to be considered as carrying on practical housing reform. The activity of these enterprises is chiefly shown in the erection of apartment houses, as most of them endeavor to provide housing accommodations for the poorest classes of the population.

On the occasion of the jubilee of the 60 years' reign of the Emperor of Austria, the Bohemian Savings Bank of Prague in 1908 created
a fund endowed with 1,200,000 crowns ($243,600) for the erection of workmen's dwellings, and intrusted to the people's housing societies (Volkswohnungsvereine) in Prague, Komotau, and Aussig, which were specially founded for this purpose, the task of the erection of such dwellings. Only the last-named two societies have actually built houses—i.e., that of Aussig 10 houses with 141 apartments, and that of Komotau 19 one-family and 7 apartment houses.

The people's housing society created by the savings bank of Laibach built 10 houses with 81 apartments.

EMPEROR FRANCIS JOSEPH I JUBILEE FOUNDATION.

As regards Vienna, there should be mentioned in the first place the Emperor Francis Joseph I Jubilee Foundation for the erection of popular dwellings and welfare institutions (Kaiser Franz Joseph I. Jubiläums stiftung für Volkswohnungen und Wohlfahrtsinrichtungen) which was founded as early as 1896 on the occasion of the impending jubilee celebrating the fiftieth year of the Emperor's reign. The foundation was at its creation endowed by the Vienna Town Extension Fund, which is administered by the ministry of the interior, with 500,000 crowns ($101,500); by the First Austrian Savings Bank with 500,000 crowns ($101,500); by the Lower Austrian Chamber of Commerce and Industry with 40,000 crowns ($8,120), and by the Lower Austrian Industrial Association with 20,000 crowns ($4,060). The Vienna Town Extension Fund further obliged itself to donate annually to the foundation three-fourths of the income from a specified large tract of land belonging to it. This annual donation, which in 1911 amounted to 22,500 crowns ($4,567.50), increases materially the resources of the foundation. Through donations from philanthropists the means of the foundation had in 1911 reached the amount of 2,739,637 crowns ($556,146). During its 17 years' existence the foundation erected in the sixteenth ward of Vienna a group of 32 apartment houses containing 482 apartments, and 2 homes for single men and women, the first having 44 and the second 25 rooms, and in the seventeenth and twentieth wards 2 model lodging houses constructed after the English Rowton system, with 1,450 sleeping compartments. The annual financial report of the foundation for the year 1911 showed that it owned at the end of that year dwellings of a total value of 4,205,226.50 crowns ($853,661), unimproved building sites of a value of 213,443.86 crowns ($43,329), and furniture and equipment of the dwellings erected of a value of 219,205.98 crowns ($44,499).

In 1911 the group of apartment houses, inclusive of the home for single men (the home for single women had been rented to the Austrian Association for the Protection of Mothers), housed, according to the above-mentioned report, 1,752 persons, of whom 636 were
children under 14 years of age. The monthly rents charged for the
383 apartments available in the colony were as follows:

Twenty-four apartments with one room equipped with a cook-
stove, 14 crowns ($2.84) and up.

Forty-six apartments with one small room and kitchen, 14.50
crowns ($2.94) and up.

Two hundred and fifty-one apartments with one large room and
kitchen, 19 crowns ($3.86) and up.

Forty-four apartments with one large and one small room and
kitchen, 29 crowns ($5.89) and up: and

Eighteen apartments with 2 rooms and kitchen, 34.50 crowns ($7)
and up.

The foundation includes in the rents a proportional charge for the
use of the welfare accommodations connected with the colony, for
janitor service, etc. This system has worked very well in practice,
for the renter pays only one fixed charge for rent and other privileges
and the foundation is saved complicated computations and numerous
collections.

The group in the sixteenth ward consists of two blocks of houses
separated by a private street. Each house has four stories, basement,
and attic, and faces in the rear on a large garden located in the center
of the block in which is also a playground for the children. The
houses have stone stairways and not more than four apartments to
a floor, so that the maximum number of apartments to one house is
never more than 16. In the houses first built the legal minimum
floor space of 20 square meters (215.3 square feet) for rooms without
kitchen, 16 square meters (172.2 square feet) for rooms with kitchen,
and 8 to 9 square meters (86.1 to 96.9 square feet) for kitchens and
small rooms was exceeded only if this was necessary for architectural
reasons. In the houses last built the kitchens have a floor space of
9 to 12 square meters (96.9 to 129.2 square feet), and the rooms of
20 to 25 square meters (215.3 to 269.1 square feet), and in order to
comply with the demand apartments consisting of only 1 room
and kitchen were prevailingly constructed. The height of the rooms
was generally 3 meters (9.8 feet). To each apartment belongs a
toilet room with sanitary water-closet and flushing device. Running
water is installed in the hall of each floor.

To prevent overcrowding the foundation strictly prohibits the
keeping of roomers or lodgers (Bettgeher) in family houses, and by
the erection of homes for single male and female workers has pro-
vided housing accommodations in the colony also for unattached
persons.

The colony houses the following welfare institutions: Laundries,
a bathing establishment with departments for men, women, and chil-
dren, a dispensary, a popular library, a lecture room, a nursery,
cooking and sewing schools, and a gymnasium. Also, there are vegetable gardens. The use of all these conveniences, except the vegetable gardens, is free to the families, and for the use of the latter the annual rental per garden plot of 25 square meters (269.1 square feet) is only 6 crowns ($1.22).

Notwithstanding all these advantages the rents charged for these apartments are, as a rule, 8 to 10 per cent cheaper than the rents of apartments in the neighborhood of the colony, which explains the fact that the net income from the houses of this colony is only 3.55 per cent of the capital invested.

The rents in the home for single men, which is also located in the colony, include likewise the free use of all the welfare institutions of the colony, as well as the cleaning of the rooms. The rooms in this home are furnished and rent for 3.50 crowns (71 cents) per week if they contain only one bed and 5.50 crowns ($1.12) if they have two beds.

The following list, which shows the varied occupations of the renters of the apartments in the colony, should be of interest:

OCCUPATIONS OF TENANTS OF THE BREITENSEE COLONY OF WORKMEN'S DWELLINGS ERECTED BY THE EMPEROR FRANCIS JOSEPH I JUBILEE FOUNDATION FOR THE ERECTION OF WORKMEN'S DWELLINGS AND WELFARE INSTITUTIONS IN 1911.

(Source: Sechzehnter Jahresbericht der Kaiser Franz Joseph I. Jubiläums-Stiftung für Volkswohnumgen und Wohlfahrtsrichtungen über das Jahr 1911.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Painters, journeymen</td>
<td>2</td>
<td>Trunk makers, journeymen</td>
<td>2</td>
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<tr>
<td>Bakers, journeymen</td>
<td>5</td>
<td>Unskilled male workers (gas, railroad, etc.)</td>
<td>22</td>
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<tr>
<td>Office clerks (in private and Government employment)</td>
<td>25</td>
<td>Hatters, journeymen</td>
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<tr>
<td>Sculptors, journeymen</td>
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<tr>
<td>Bronze workers, journeymen</td>
<td>6</td>
<td>Comb makers, journeymen</td>
<td>2</td>
</tr>
<tr>
<td>Bookbinders, journeymen</td>
<td>4</td>
<td>Copyists</td>
<td>3</td>
</tr>
<tr>
<td>Printers, journeymen</td>
<td>6</td>
<td>Cashiers</td>
<td>5</td>
</tr>
<tr>
<td>Bookkeepers</td>
<td>3</td>
<td>Waiters</td>
<td>1</td>
</tr>
<tr>
<td>Publisher’s clerk</td>
<td>1</td>
<td>Piano maker, journeyman</td>
<td>1</td>
</tr>
<tr>
<td>Messengers and porters</td>
<td>30</td>
<td>Piano tuner</td>
<td>1</td>
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<tr>
<td>Turners, journeymen</td>
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<td>Cook</td>
<td>1</td>
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<tr>
<td>Turners of iron, journeymen</td>
<td>4</td>
<td>Store clerks</td>
<td>3</td>
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<tr>
<td>Tutor</td>
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<td>Office clerk, female</td>
<td>1</td>
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<tr>
<td>Butchers and sausage makers, journeymen</td>
<td>22</td>
<td>Proof readers</td>
<td>2</td>
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<tr>
<td>Barber, journeymen</td>
<td>3</td>
<td>Nurses, male and female</td>
<td>4</td>
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<tr>
<td>Grocer</td>
<td>1</td>
<td>Art embroiderer</td>
<td>1</td>
</tr>
<tr>
<td>Lady companion</td>
<td>1</td>
<td>Drivers</td>
<td>4</td>
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<tr>
<td>Gardener, journeymen</td>
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<td>Laqueurs, journeymen</td>
<td>2</td>
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<td>Glassworkers, journeymen</td>
<td>3</td>
<td>Leather workers, journeymen</td>
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<tr>
<td>Engravers, journeymen</td>
<td>8</td>
<td>Warehouse workers</td>
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<td>Braziers, journeymen</td>
<td>5</td>
<td>Machinists and metal workers, journeymen</td>
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<tr>
<td>Potters, journeymen</td>
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<td>Brick masons</td>
<td>6</td>
</tr>
<tr>
<td>Commercial clerks</td>
<td>8</td>
<td>Milk dealer</td>
<td>1</td>
</tr>
<tr>
<td>Domestic servants</td>
<td>3</td>
<td>Musician</td>
<td>1</td>
</tr>
<tr>
<td>Superintendent of buildings</td>
<td>1</td>
<td>Optician, journeyman</td>
<td>1</td>
</tr>
<tr>
<td>Unskilled female Workers</td>
<td>10</td>
<td>Pensioners, male and female</td>
<td>29</td>
</tr>
<tr>
<td>Passementerie workers, journeymen</td>
<td>16</td>
<td>Photostaters, journeymen</td>
<td>3</td>
</tr>
<tr>
<td>Editors</td>
<td>2</td>
<td>Upholsterers, journeymen</td>
<td>2</td>
</tr>
<tr>
<td>Saddlers, journeymen</td>
<td>2</td>
<td>Stage hand</td>
<td>1</td>
</tr>
<tr>
<td>Tailors, journeymen</td>
<td>2</td>
<td>Johners, journeymen</td>
<td>17</td>
</tr>
<tr>
<td>Type founders and setters, journeymen</td>
<td>17</td>
<td>Cigar and tobacco dealer (female)</td>
<td>1</td>
</tr>
<tr>
<td>Shoemakers, journeymen</td>
<td>21</td>
<td>Watchmaker, journeyman</td>
<td>1</td>
</tr>
<tr>
<td>Silk finishers, journeymen</td>
<td>2</td>
<td>Gilder, journeyman</td>
<td>1</td>
</tr>
<tr>
<td>Policemen</td>
<td>5</td>
<td>Painters, journeymen</td>
<td>3</td>
</tr>
<tr>
<td>Lithographer, journeymen</td>
<td>1</td>
<td>Currier, journeyman</td>
<td>1</td>
</tr>
<tr>
<td>Stonecutter, journeyman</td>
<td>1</td>
<td>Chasers, journeymen</td>
<td>2</td>
</tr>
<tr>
<td>Street-car employees</td>
<td>11</td>
<td>Confectioners, journeymen</td>
<td>2</td>
</tr>
</tbody>
</table>
The foundation appoints for each house of this group a superintendent selected from among the tenants of the house, who, in consideration of a reduction of his rent, assumes the general supervision of the house, the opening and closing of the house door (at 6 a.m. and 10 p.m.), the airing of the halls and stairways, the giving of information, and the registration of the tenants with the police authorities. For the cleaning work proper and the maintenance of the garden the foundation employs salaried janitors. The superintendents of the individual houses and the janitors are all subject to the orders of the administrator of the colony, who has his office in one of the houses. He is charged with the supervision of the entire colony, the renting of the individual apartments, and the collection of the rents. Apartments are leased only by the month, the rent being payable semi-monthly. Renters may leave or be ordered to leave on two weeks’ notice.

On renting an apartment the tenant is handed a card, giving a description of the apartment, an inventory, the highest permissible number of occupants, and the amount for which the apartment is being rented. Other columns provide for personal particulars as to the tenant and the members of his household (name, age, occupation, etc.), the date on which the apartment was rented, its condition at the time the tenant moves in and leaves, and the time limit and the reason for giving notice. Copies of this card are kept on file by the administrator of the colony and by the secretary general of the foundation. With this card the renter receives also a copy of the house rules. Special rules for the use of the various welfare institutions in the colony are posted in the entrance hall of each house.

The administration of the colony insists on strict observation of the house rules and prompt payment of rents, but otherwise exercises no paternalism over the tenants. Regular inspections of the houses, at which a representative of the secretary general of the foundation is present, make it possible for the foundation to ascertain the condition in which the apartments are kept by the tenants and give the tenants an opportunity to bring special wishes, suggestions for improvements, and complaints to the knowledge of the secretary general of the foundation.

The foundation does not permit tenants of its apartment houses to keep lodgers (Bettgeher)—i.e., persons who rent merely a bed—in this manner taking the first step in combating this system of keeping lodgers, which is one of the worst evils in the housing system of large cities in Austria. At the same time it recognizes the necessity of finding means to provide housing accommodations for unattached persons of the poorest classes of the population. In attacking this problem the foundation came soon to the conclusion that to combat effectively this custom of keeping lodgers by poor families it would
be necessary not only to replace the sleeping accommodations now used for lodgers by essentially better accommodations, but also to furnish them at a rental not higher than the prevailing charges. In 1904 the rent paid in Vienna by lodgers ranged, according to the accommodations, from 2 to 3 crowns (41 and 61 cents) per week, and was, therefore, on an average 2.50 crowns (51 cents). This corresponded to the principle that a wageworker should not spend more than 15 per cent of his income for rent, for according to official statistics the average weekly wages in Vienna of unskilled workmen were 16.80 crowns ($3.41) and those of skilled workmen 21 crowns ($4.26). These two classes form the chief element among lodgers, and a weekly rent of 2.50 crowns (51 cents) corresponds to their economic conditions. It was, therefore, a question of providing sleeping accommodations which could be rented for this price to unattached workmen and so equipped that they not only offer comfortable housing, but also meet far-reaching moral and hygienic requirements.

Hygienic lodging houses on a large scale will, however, be erected by private enterprise only if it is reasonably certain that the capital invested in such houses will yield a sufficient income. To make this possible the law of July 8, 1902, which has been discussed at length on a previous page, grants to such lodging houses 24 years' exemption from imperial, provincial, and communal taxes, and determines also the maximum permissible income from such lodging house, which for Lower Austria, of which Vienna is the capital, was fixed at 4\% per cent.

The Emperor Francis Joseph I Jubilee Foundation hastened to make use of the privileges of this law, and on September 15, 1904, began the building of a large model lodging house, which on October 15, 1905, was opened for the use of workmen. This lodging house is located in the Brigittenau, the twentieth ward of Vienna, a growing district with numerous industrial establishments. It is in the immediate neighborhood of two large railroad terminal stations, and within a few minutes' walk from four traction lines. Lodgers wishing to walk may reach the central part of the city in 35 minutes.

The building occupies an area of 2,476 square meters (26,651.6 square feet), of which only 1,325.5 square meters (14,267.7 square feet) are covered by buildings proper, while the rest of the area is given over to a courtyard laid out as a garden. The building has five stories and a basement, and through effective grouping of its wings it was made possible for all rooms to have a direct supply of air and light. The plans for the building were based on the system of the Rowton houses in London, the sleeping compartments being located in the upper stories only, while all rooms designed for use

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1 Mitteilungen des Ministeriums des Innern, No. 14, 1901.
by the lodgers during daytime or for administration purposes are
located on the main floor and in the basement.

On the main floor are the administration offices, a large dining
room with seating capacity for 284 persons, in which nourishing meals
are served at very moderate prices, a kitchen for lodgers wishing to
prepare their own meals, two large reading rooms, one for smokers
and the other for nonsmokers, a room with lockers for the clothing
of the lodgers and an adjoining room where they may change their
clothing during daytime, a free dispensary, a sick room with four
beds, and a toilet room.

In the basement are located the bathing establishment with 18
cement bowls for foot baths, 13 hot and 3 cold showers, 7 compart­
ments with bathtubs and a wardrobe for the bathers; a barber shop,
shoemaker's shop, and tailor shop, storerooms, the engine and boiler
room, a disinfection room, and a room where lodgers may clean their
shoes and clothing.

The second, third, fourth, and fifth floors, in which the sleeping com­
partments are located, are similar in all respects. Each floor is 3
meters (9.8 feet) high, and consists of two sections, each of which is
reached by means of a separate stairway. Each section consists, in
addition to 4 toilet rooms, a tool room, and a service room, of 3 large
halls, in which are the sleeping compartments for the lodgers. Each
lodger has a floor space of 4 square meters (43.1 square feet) and an
air space of 12 cubic meters (423.8 cubic feet).

The sleeping compartments have doors opening inward and are
arranged on both sides of a corridor. The walls separating the indi­
vidual compartments are constructed of reinforced concrete and are
only 2 meters (6.6 feet) high, so as to permit free circulation of the
air. The furniture of each compartment consists of an iron bed with
springs, mattress protector, 3-piece mattress, hair pillow, 2 bed sheets,
and a double wool blanket, a linoleum bed mat, a stool, a clothes
hanger, and a chamber. The 8 wash rooms, which in contrast to the
Rowton houses are located on the separate floors, are each equipped
with 18 washbowls with direct supply of running water and direct
drain, stands for glasses, soap, and brushes, looking glasses, and a
corresponding number of roller towels. The sleeping compartments
may be used by the lodgers only between 8 p. m. and 9 a. m.

On each floor are 136 sleeping compartments available for lodgers,
making a total of 544 in the building. The sleeping compartments
being distributed in 24 separate halls, it is possible to take individual
halls out of operation, and to classify lodgers when assigning rooms.
The entire house is electrically lighted and is heated by steam.

The costs of construction, ground, and equipment of this model
lodging house were 660,000 crowns ($133,980).
The charge for the use of sleeping apartments is 2.8 crowns (57 cents) per week, 1 crown (20 cents) for two consecutive nights, and 0.6 crown (12 cents) for one night. The clerk in charge receives money and valuables for safekeeping, free of charge. A charge of 5 heller (1 cent) per night, and 10 heller (2 cents) for longer periods is made for the storage of baggage. Lockers are rented to lodgers at a charge of 10 to 20 heller (2 to 4 cents), according to the size of the locker. The charge for a shower bath is 10 heller (2 cents) and for a tub bath 30 heller (6 cents), inclusive of towels.

This lodging house became so popular among the working classes that during the year 1909 on an average 97.71 per cent of the sleeping compartments were occupied. On many nights all beds were taken by 7 p. m. and numerous applicants for sleeping accommodations had to be turned away.

The success achieved with this first model lodging house induced the board of directors of the foundation, on the occasion of the jubilee celebrating 60 years’ reign of the Emperor, to erect in Hernals, another industrial district of Vienna, a second and much larger lodging house. This new lodging house, the largest of its kind on the Continent, was built according to the same principles as the first one, and cost 1,385,000 crowns ($281,155), but in addition to 813 sleeping compartments equipped like those in the lodging house first built, the administration arranged 77 better furnished special compartments which were rented at 4.20 crowns (85 cents) per week, at 1.40 crowns (28 cents) for two consecutive nights, and at 80 heller (16 cents) for a single night. These special compartments are larger than the ordinary compartments, and, in addition to being better furnished, are each of them equipped with a porcelain washbowl with running water. They are intended to accommodate workmen who either desire better accommodations or who work nights and have to sleep in the daytime, during which the ordinary compartments are closed to lodgers. Both of these lodging houses are open only to male workers over 14 years of age whose annual income does not exceed 1,500 crowns ($304.50).

In 1911 the lodging house in Hernals housed 6,555 lodgers and the one in the Brigittenau 4,282 lodgers. Three-fourths of these lodgers rented sleeping compartments by the week. The average time during which lodgers stayed at these lodging houses was 47.88 and 46.49 days, respectively. Of the entire number of sleeping accommodations available, on an average 96.6 per cent in Hernals and 99.72 per cent in the Brigittenau were rented. The net income from these two houses was 4.60 and 3.96 per cent, respectively.
Below are given a few interesting statistics as to the age, conjugal condition, occupation, and annual income of the patrons of these lodging houses:

**AGE, CONJUGAL STATE, OCCUPATION, AND ANNUAL INCOME OF LODGERS OF THE TWO LODGING HOUSES OPERATED BY THE EMPEROR FRANCIS JOSEPH I JUBILEE FOUNDATION FOR POPULAR DWELLINGS AND WELFARE INSTITUTIONS DURING 1911.**

(Source: Sechzehnter Jahresbericht der Kaiser Franz Joseph I. Jubiläums-Stiftung für Volkswohnungen und Wohlfahrtseinrichtungen über das Jahr 1911.)

<table>
<thead>
<tr>
<th>Age</th>
<th>Number</th>
<th>Per cent.</th>
<th>Number</th>
<th>Per cent.</th>
<th>Brigitteau.</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 to 20 years</td>
<td>496</td>
<td>11.58</td>
<td>1,52</td>
<td>17.57</td>
<td>2,469</td>
</tr>
<tr>
<td>21 to 35 years</td>
<td>2,469</td>
<td>57.66</td>
<td>5,886</td>
<td>54.71</td>
<td>2,469</td>
</tr>
<tr>
<td>36 to 50 years</td>
<td>1,465</td>
<td>24.22</td>
<td>1,190</td>
<td>16.15</td>
<td>1,657</td>
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<tr>
<td>Over 50 years</td>
<td>283</td>
<td>6.54</td>
<td>87</td>
<td>0.57</td>
<td>260</td>
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<table>
<thead>
<tr>
<th>Conjugal state</th>
<th>Number</th>
<th>Per cent.</th>
<th>Number</th>
<th>Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>5,185</td>
<td>70.07</td>
<td>3,611</td>
<td>84.53</td>
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<tr>
<td>Married</td>
<td>537</td>
<td>14.29</td>
<td>449</td>
<td>10.14</td>
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<tr>
<td>Widowed</td>
<td>283</td>
<td>4.90</td>
<td>135</td>
<td>3.18</td>
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<tr>
<td>Divorced or separated</td>
<td>153</td>
<td>2.33</td>
<td>78</td>
<td>1.82</td>
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</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
<th>Per cent.</th>
<th>Number</th>
<th>Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial workmen (journeymen)</td>
<td>3,055</td>
<td>46.61</td>
<td>2,020</td>
<td>47.17</td>
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<tr>
<td>Industrial workmen (unskilled)</td>
<td>1,769</td>
<td>28.85</td>
<td>1,149</td>
<td>26.83</td>
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<tr>
<td>Store clerks</td>
<td>654</td>
<td>9.98</td>
<td>459</td>
<td>10.72</td>
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<tr>
<td>Drivers</td>
<td>169</td>
<td>2.88</td>
<td>194</td>
<td>4.53</td>
</tr>
<tr>
<td>Waiters</td>
<td>173</td>
<td>2.64</td>
<td>106</td>
<td>2.48</td>
</tr>
<tr>
<td>Messengers and porters</td>
<td>159</td>
<td>2.43</td>
<td>104</td>
<td>2.43</td>
</tr>
<tr>
<td>Copyists</td>
<td>141</td>
<td>2.20</td>
<td>50</td>
<td>1.18</td>
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<tr>
<td>Pensioners</td>
<td>70</td>
<td>1.07</td>
<td>32</td>
<td>0.75</td>
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<tr>
<td>Employees of transportation lines</td>
<td>66</td>
<td>1.00</td>
<td>29</td>
<td>0.67</td>
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<tr>
<td>Apprentices</td>
<td>10</td>
<td>0.16</td>
<td>20</td>
<td>0.47</td>
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<tr>
<td>Agricultural workers, gardeners, and others</td>
<td>279</td>
<td>4.26</td>
<td>119</td>
<td>2.78</td>
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</table>

<table>
<thead>
<tr>
<th>Annual income</th>
<th>Number</th>
<th>Per cent.</th>
<th>Number</th>
<th>Per cent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1,000 crowns ($200)</td>
<td>3,422</td>
<td>52.20</td>
<td>962</td>
<td>22.47</td>
</tr>
<tr>
<td>Up to 1,200 crowns ($241.60)</td>
<td>2,470</td>
<td>37.68</td>
<td>1,737</td>
<td>40.57</td>
</tr>
<tr>
<td>Up to 1,500 crowns ($301.50)</td>
<td>665</td>
<td>10.11</td>
<td>1,583</td>
<td>36.97</td>
</tr>
</tbody>
</table>

The foundation has prepared plans for the erection in the tenth ward of Vienna of a group of houses with about 100 family apartments, and of a third lodging house with about 1,300 sleeping compartments, construction of which was to begin in the fall of 1913.

**OTHER PUBLIC-WELFARE BUILDING ASSOCIATIONS.**

In addition to this foundation there are in Vienna two other public-welfare building associations which have developed a very meritorious activity. These are the First Public-Welfare Building Association for the erection of dwellings with small apartments (Erste Gemeinnützige Baugesellschaft für Kleinwohnungen) and the Public-Welfare Stock Co. for the erection of dwellings with small apartments (Gemeinnützige aktiengesellschaft für Kleinwohnungsbau). The former has built two groups of houses with 353 apartments, at a cost of 1,577,000 crowns ($320,131), and the latter 4 apartment houses with 77 apartments, at a cost of 620,000 crowns ($125,860).
Both of these associations have as their object the remedying of the scarcity of small apartments for the working classes in Vienna.

Unfortunately, in order to make the buildings self-sustaining, it was necessary to place the rents at a figure which only the better-paid workmen can afford. In the buildings put up by the second of the associations named above, rents ranged from 468 crowns ($95) a year for the cheapest apartments, consisting of one room, a kitchen, and a hall, up to 630 crowns ($127.89) for the more desirable of the two-room apartments. It is generally considered that for this class of workmen not more than one-fifth of the entire income should be spent for rent. On this basis these improved apartments would be available only for workers whose yearly earnings were not less than 2,340 to 3,150 crowns ($475 to $639.45). Such earnings, while not unknown in Vienna, are rare. "Workmen who on an average earn 7½ crowns ($1.52) a day are very rare in Vienna." Such wages as approximate $2 a day "are reached only by the aristocrats among the workmen." "Considering their advantages, the apartments are not too high priced, but the average wages of workmen are too low to permit them to purchase these advantages."1

Of other public-welfare building associations governed by principles similar to those discussed above should be mentioned the following: The First Public-Welfare Building Association for Workmen's Dwellings (Erste gemeinnützige Baugesellschaft für Arbeiterhäuser) in Wiener-Neustadt (17 houses with 158 apartments); the Public-Welfare Corporation for the erection of workmen's dwellings and dwellings with small apartments (Gemeinnützige Baugesellschaft für Arbeiter und Kleinwohnungen) in Brünn (6 houses with 108 apartments); the Association for the Erection of Workmen's Dwellings (Gesellschaft für den Bau von Arbeiterwohnungen) in Prague (70 houses with 423 apartments); and the Building Association for the Erection of Popular Dwellings (Societa Triestina Construttrice di Edifici Popolari) in Trieste (4 apartment houses, 24 two-family and 131 one-family houses, with a total of 314 apartments).

The Austrian public-welfare building associations differ widely as to whether they should devote themselves to building tenements or one-family houses to be owned by the occupant. The importance of the one-family house is admitted, the only doubt being whether it is economically defensible. Housing and economic experts have advised against the erection of such houses for ownership by people of small means, except where the cost of ground and of building is so small that the amount the purchaser must pay for interest and principal need not be higher than the usual local rent for an apartment of like size. Further, the purchaser should have a reasonable certainty of

1 Arbeiter Zeitung, Vienna, November 15, 1913.
a permanent income, and be able to make from his own means a first payment of at least 15 per cent of the cost of the house.

The administration of the State does not seem to view with great favor the erection by building associations of one-family houses to be sold to the occupant. It has absolutely prohibited the Emperor Francis Joseph I Government Jubilee Fund from making loans on such houses, and loans by the State housing fund on such houses have been conditioned on compliance with a number of stringent provisions. The danger of speculative exploitation of such financial aid played a great part in the enactment of these restrictive regulations.

In addition to family and apartment houses the Austrian public-welfare building associations have in recent years also built homes for single persons (Ledigenheime). Such homes were built in two forms, first, actual homes for single persons, as they are built in Germany, in which furnished rooms are rented, and, secondly, sanitary lodging houses, after the pattern of the English Rowton houses, which are intended only for temporary housing of the poorest classes of the population. Primitive lodging houses were also built in several localities by employers, especially by mining companies and iron and steel works.

STATISTICS OF PUBLIC-WELFARE BUILDING ENTERPRISES.

The latest published official statistics as to public-welfare building enterprises in Austria are based on the investigation of April 17, 1909, and, therefore, do not show the effect on the development of public housing work of the law of December 22, 1910, which created the State housing fund. The only statistics of recent date available are the results of a private investigation undertaken in 1913 jointly by the central organization for housing reform (Zentralstelle für Wohnungsreform) in Vienna, the Bohemian Provincial Association for Housing Reform (Cesky zemsky spolek pro reformu bytovou) in Prague, and the Moravian Provincial Association for Housing Reform (Zemsky svaz pro reformu bytovou) in Brünn. These results were presented to the Tenth International Housing Congress by Dr. Ewald Pribram and are reproduced here.

These three associations sent out 634 schedules, of which 405, or 64 per cent, were returned filled in. That such a large number of building associations did not make any returns may be explained partly by the fact that 120 of them were organized in 1912 and had no positive activity to show, and partly by lack of time or educational training of the directors of such organizations. In the following tables, of which the first shows the general activity of Austrian building associations, were included only the 405 reporting associations.
GENERAL STATISTICS OF COOPERATIVE AND OTHER PUBLIC-WELFARE BUILDING ASSOCIATIONS IN AUSTRIA AT THE END OF THE YEAR 1912.


<table>
<thead>
<tr>
<th>Associations</th>
<th>Total amount of paid-up shares or of capital</th>
<th>Capital invested in buildings and building lots</th>
<th>Number with one apartment</th>
<th>Number with two apartments</th>
<th>Number with three apartments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative building associations</td>
<td>$1,294,183</td>
<td>$10,394,006</td>
<td>928</td>
<td>294</td>
<td>12</td>
<td>303</td>
</tr>
<tr>
<td>Other building associations</td>
<td>1,489,289</td>
<td>2,573,634</td>
<td>263</td>
<td>32</td>
<td>1</td>
<td>197</td>
</tr>
<tr>
<td>Total</td>
<td>2,783,463</td>
<td>12,967,640</td>
<td>1,191</td>
<td>326</td>
<td>47</td>
<td>500</td>
</tr>
</tbody>
</table>

Number of apartments in these houses consisting of—

Cooperative building associations...
- One room, without kitchen: 150
- One room, with kitchen: 1,458
- Two rooms and kitchen: 1,141
- Three or more rooms and kitchen: 928
- Unknown number of rooms and kitchen: 2,958
- Total: 6,653
- Number of rooms: 1

Other building associations...
- One room, without kitchen: 138
- One room, with kitchen: 1,861
- Two rooms and kitchen: 483
- Three or more rooms and kitchen: 193
- Unknown number of rooms and kitchen: 84
- Total: 2,707
- Number of rooms: 4

Total...
- One room, without kitchen: 308
- One room, with kitchen: 3,259
- Two rooms and kitchen: 1,610
- Three or more rooms and kitchen: 1,121
- Unknown number of rooms and kitchen: 3,672
- Total: 9,370
- Number of rooms: 5

1 In this number are included 1,392 houses, for which the number of apartments could not be determined; however, 1,351 of them are beyond doubt houses with not more than 3 apartments.

The above table shows that the 405 public-welfare building enterprises included in the investigation erected 3,456 family and apartment houses, with 9,370 apartments, and 5 homes for single persons, with 1,594 bedrooms, at a total cost of $12,967,640. As nearly all these dwellings were erected during the last 10 years, and the majority of them even during the last five years, and as the total increase in dwellings during the last decade was 294,485 for all Austria, 1.2 per cent of the new dwellings were erected by public-welfare building associations.

The progress of public-welfare activity may be best judged by comparing the above data with those of an investigation as to public-welfare housing work undertaken in 1909 by the statistical central commission. According to this investigation, in April, 1909, 579 houses, with 2,795 apartments, had been erected by self-help organizations. At the end of 1912 the number of houses erected by...
In the two tables following is shown separately the activity of cooperative and noncooperative building associations by Provinces:

**OPERATIONS OF AUSTRIAN COOPERATIVE BUILDING ASSOCIATIONS TO THE END OF THE YEAR 1912.**


<table>
<thead>
<tr>
<th>Province</th>
<th>Number of associations</th>
<th>Number of associations composed of—</th>
<th>Total membership</th>
<th>Total amount of paid-up shares</th>
<th>Capital invested in buildings and building lots</th>
<th>Family and apartment houses erected or in process of construction with—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number reporting</td>
<td>Officials</td>
<td>Mixed membership</td>
<td></td>
<td></td>
<td>One apartment Two apartments Three apartments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Austria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vienna only</td>
<td>54</td>
<td>29</td>
<td>7</td>
<td>4</td>
<td>18</td>
<td>9,120</td>
</tr>
<tr>
<td>Outside of Vienna</td>
<td>27</td>
<td>12</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>1,018</td>
</tr>
<tr>
<td>Upper Austria</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>506</td>
</tr>
<tr>
<td>Salzburg</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>527,806</td>
</tr>
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<td>Styria</td>
<td>14</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>73,141</td>
</tr>
<tr>
<td>Carinthia</td>
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<td>3</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>19,204</td>
</tr>
<tr>
<td>Carniolia</td>
<td>9</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4,109</td>
</tr>
<tr>
<td>Tyrol</td>
<td>13</td>
<td>8</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>29,273</td>
</tr>
<tr>
<td>Vorarlberg</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>25</td>
</tr>
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<td>Coastaland</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>426</td>
</tr>
<tr>
<td>Danmark</td>
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<td></td>
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</tr>
<tr>
<td>German associations</td>
<td>52</td>
<td>54</td>
<td>4</td>
<td>16</td>
<td>34</td>
<td>3,159</td>
</tr>
<tr>
<td>Czech associations</td>
<td>188</td>
<td>174</td>
<td>16</td>
<td>22</td>
<td>136</td>
<td>322,516</td>
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<td>Moravia</td>
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</tr>
<tr>
<td>German associations</td>
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<td>3</td>
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<td>2,132</td>
</tr>
<tr>
<td>Czech associations</td>
<td>67</td>
<td>42</td>
<td>3</td>
<td>32</td>
<td>7</td>
<td>2,100</td>
</tr>
<tr>
<td>Silesia</td>
<td>29</td>
<td>15</td>
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<td>6</td>
<td>1,190</td>
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<td>7</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>937</td>
</tr>
<tr>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>95</td>
</tr>
<tr>
<td>Total</td>
<td>601</td>
<td>384</td>
<td>51</td>
<td>89</td>
<td>244</td>
<td>36,514</td>
</tr>
</tbody>
</table>

* Included in this amount is the paid-up capital of two associations the activity of which extends over all Austria; the dwellings erected by them are shown in this table in the individual Provinces in which they are located.
Family and apartment houses erected or in process of construction with—

<table>
<thead>
<tr>
<th>Province</th>
<th>Number of apartments unknown but not more than three</th>
<th>Number of apartments unknown</th>
<th>Total</th>
<th>Number of rooms and no kitchen</th>
<th>Number of rooms and kitchen</th>
<th>Total</th>
<th>Number of bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Austria</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Vienna only</td>
<td>39</td>
<td>250</td>
<td>2</td>
<td>248</td>
<td>194</td>
<td>284</td>
<td>251</td>
</tr>
<tr>
<td>Outside of Vienna</td>
<td>10</td>
<td>111</td>
<td>3</td>
<td>104</td>
<td>94</td>
<td>104</td>
<td>3</td>
</tr>
<tr>
<td>Upper Austria</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salzburg</td>
<td>8</td>
<td>8</td>
<td>3</td>
<td>15</td>
<td>12</td>
<td>22</td>
<td>16</td>
</tr>
<tr>
<td>Styria</td>
<td>5</td>
<td>64</td>
<td>151</td>
<td>27</td>
<td>121</td>
<td>179</td>
<td>31</td>
</tr>
<tr>
<td>Carinthia</td>
<td>9</td>
<td>32</td>
<td>36</td>
<td>21</td>
<td>21</td>
<td>70</td>
<td>133</td>
</tr>
<tr>
<td>Carniola</td>
<td>2</td>
<td>28</td>
<td>18</td>
<td>9</td>
<td>9</td>
<td>29</td>
<td>57</td>
</tr>
<tr>
<td>Tyrol</td>
<td>18</td>
<td>26</td>
<td>18</td>
<td>9</td>
<td>9</td>
<td>29</td>
<td>57</td>
</tr>
<tr>
<td>Vorarlberg</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coastland</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>33</td>
<td>24</td>
<td>21</td>
<td>111</td>
</tr>
<tr>
<td>Dalmatia</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bohemia</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>German associations</td>
<td>33</td>
<td>132</td>
<td>41</td>
<td>297</td>
<td>137</td>
<td>109</td>
<td>49</td>
</tr>
<tr>
<td>Czech associations</td>
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<td>1,378</td>
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<td></td>
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</tr>
<tr>
<td>Moravia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>German associations</td>
<td>24</td>
<td>120</td>
<td>12</td>
<td>121</td>
<td>65</td>
<td>81</td>
<td>217</td>
</tr>
<tr>
<td>Czech associations</td>
<td>24</td>
<td>120</td>
<td>12</td>
<td>121</td>
<td>65</td>
<td>81</td>
<td>217</td>
</tr>
<tr>
<td>Silesia</td>
<td>22</td>
<td>520</td>
<td>23</td>
<td>488</td>
<td>197</td>
<td>27</td>
<td>644</td>
</tr>
<tr>
<td>Galicia</td>
<td>1</td>
<td>61</td>
<td>10</td>
<td>51</td>
<td>32</td>
<td>56</td>
<td>121</td>
</tr>
<tr>
<td>Bukowina</td>
<td></td>
<td>41</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,351</td>
<td>303</td>
<td>41</td>
<td>(2,963)</td>
<td>150</td>
<td>1,141</td>
<td>926</td>
</tr>
</tbody>
</table>

1 Including 378 with not more than 2 rooms and kitchen.
2 Including 188 with not more than 2 rooms and kitchen.
3 Estimated.
4 In this number are included 1,392 houses for which the number of apartments could not be determined; 1,351 of them are, however, houses with not more than 3 apartments.
5 Including 576 with not more than 2 rooms and kitchen.
GOVERNMENT AID TO HOUSING—AUSTRIA.

OPERATIONS OF AUSTRIAN NONCOOPERATIVE BUILDING ASSOCIATIONS OF A PUBLIC-WELFARE CHARACTER TO THE END OF THE YEAR 1912.


### Number of associations organized as—

<table>
<thead>
<tr>
<th>Province</th>
<th>Stock companies</th>
<th>Stock or foundation capital</th>
<th>Capital invested in buildings and building lots.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of asso-</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ciations report-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>paid-in capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>in buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and building</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>lots.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Austria: Vienna</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>only: Outside of Vienna</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upper Austria: Salzburg</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Styria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carinthia</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carniola</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tyrol</td>
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<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vorarlberg</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coastal land: Dalmatia</td>
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</tr>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bohemia: German associations:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Czech associations:</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Moravia: German associa-</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>tions: Silesia:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Galicia</td>
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</tr>
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<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bukowina</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>18</td>
<td>33</td>
</tr>
</tbody>
</table>

### Number of apartments in these houses consisting of—

<table>
<thead>
<tr>
<th>Province</th>
<th>Number with one apartment</th>
<th>Number with two apartments</th>
<th>Number with three apartments</th>
<th>Number with more than three apartments</th>
<th>One room and no kitchen</th>
<th>One room and kitchen</th>
<th>Two rooms and kitchen</th>
<th>Three or more rooms and kitchen</th>
<th>Unknown number of rooms and kitchen</th>
<th>Total number of apartments</th>
<th>Number of bedrooms.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Austria: Vienna</td>
<td>50</td>
<td>50</td>
<td>33</td>
<td>908</td>
<td>173</td>
<td>34</td>
<td>1,208</td>
<td>1</td>
<td>1,519</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>only: Outside of Vienna</td>
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<td></td>
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Federal Reserve Bank of St. Louis
The table giving the operations of cooperative building associations shows that the 384 building associations reporting had a total membership of 36,514, or an average membership of 95 per association. This relatively high average is to be ascribed to the fact that individual associations, as, for instance, the building association of railroad employees in Vienna, had a membership far in excess of 1,000. The majority of the associations had not more than 50 to 70 members.

According to the occupation of their members, 89 associations were entirely composed of workmen, 51 of public officials, and the members of the remaining 244 had various occupations. The total amount of paid-up shares in the 384 reporting associations was 6,227,500 crowns ($1,264,182), or about 170.6 crowns ($34.63) per member. As a matter of fact the members have contributed considerably higher amounts, for in the case of one-family houses purchased by them they have to make a first payment of at least 10 to 15 per cent of the cost of these houses, but such payments are, of course, not included in the shares of the members. The capital invested by the reporting associations in buildings and building lots was 51,202,000 crowns ($10,394,006). The total number of houses erected by the associations was 2,964, of which 928 were one-family, 294 two-family, 46 three-family, and 303 large apartment houses, and 1 was a home for single persons. In the case of 1,324 houses erected by Czech building associations, it could be ascertained only that they were small houses with not more than three apartments, and for 68 other houses the number of apartments could not be obtained, but 27 of them did not have more than three. An overwhelming majority of the associations, therefore, build principally small houses, i.e., one or two family houses, and this tendency is especially marked in individual Provinces.

In the case of associations in Bohemia and Bukowina the number of apartments in the houses erected could only be estimated; in all other instances the reports gave detailed information. The total number of apartments was for all Austria 6,663. As regards the size of the apartments the table shows that those consisting of one room and kitchen were most frequent. A gratifying fact is the small number of apartments without kitchen erected by cooperative building associations. The table shows only 150 of these highly undesirable apartments.

Considering the progress of housing work by Provinces, the tables show that, leaving Vienna out of consideration, building associations have developed most rapidly in Bohemia and Moravia. In Bohemia the Czech associations make a better showing than the German, but the difference is very little greater than may be explained by the predominance of the Czech population. The Germans, who in 1900
constituted 35 per cent of the total population, furnish 31.3 per cent of the total building associations in the Province. The cooperative form of association is overwhelmingly favored by both races, 94.3 per cent of the German and 98.4 per cent of the Czech associations being of this kind. The German societies are considerably more inclined than the Czech to put up large houses; 50 per cent of the German, but only 3.7 per cent of the Czech buildings are for more than three families. This may be due to the fact that the Czech population lives mostly in rural districts, while the Germans congregate in the cities. The building associations of Bohemia have put up nearly one-half of all the houses erected in Austria by public-welfare building enterprises.

In Moravia, although the Czech associations are far the more numerous, yet relatively the Germans are in the lead, since although they constitute but 27.9 per cent of the population they conduct 33.7 per cent of the building associations. The cooperative form of association is less general among the Germans here than in Bohemia, only 83.3 per cent of their societies being cooperative. On the other hand, all of the Czech associations are of this form. The small house is in even greater favor here than in Bohemia, 79.2 per cent of the buildings erected by the German associations and 98.3 per cent of those erected by the Czech associations being designed for from one to three families.

Lower Austria, including Vienna, has, next to Bohemia and Moravia, the largest number of dwellings built by public-welfare building associations. In Vienna alone 29 cooperative associations have built 250 houses with 1,165 apartments and a home for single persons with 75 bedrooms at a total cost of 9,465,000 crowns ($1,921,395). The building operations in Vienna of noncooperative associations were also extensive, these associations having built 50 houses with 1,208 apartments and 4 lodging houses with 1,519 sleeping compartments at a total cost of 7,116,000 crowns ($1,444,548). Of the 2,373 apartments erected in Vienna by associations of both classes combined, only 35 had no kitchen, 1,216 consisted of 1 room and kitchen, 457 of 2 rooms and kitchen, and only 285 of 3 or more rooms. The size of 380 apartments could not be definitely ascertained. The above data show that the houses erected by cooperative associations contained an average of 4.7 apartments each, and the houses built by noncooperative associations an average of 24 apartments each. In Lower Austria, exclusive of Vienna, the results were less satisfactory. Reports were received from only 12 cooperative associations here, which had erected only 111 houses with 273 apartments. Most of these houses (76) were one-family houses.

The situation in the remaining Provinces requires little comment. Public-welfare building associations have as yet accomplished rela-
tively little, and what they have done has been mainly in the cities in the country in these Provinces, where housing conditions are often more deplorable than in the city, the cooperative building movement has not so far gained any foothold.

The statistics above given show that the beginnings of public-welfare housing work in Austria are quite promising, and if the positive results have fallen somewhat short of the general expectations the cause for this was not the feebleness of the housing movement, but the great difficulties which each individual building association encountered in obtaining low-rate loans. There is in Austria even at the present date a lack of ample sources of credit which would furnish the required mortgage loans to public-welfare building associations.

**NEED FOR ADDITIONAL BUILDING CAPITAL.**

In obtaining low-rate loans the public-welfare building activity depended principally upon the insurance institutes of the social insurance system, the territorial accident insurance institutes, the general pension institute for salaried employees, and the trade accident insurance institute of railroad employees, the small means of which could not satisfy all the requests for loans made by building associations. Other good sources of credit are very scarce and generally of a local character. A number of communal savings banks in Bohemia, Moravia, and Silesia have granted low-rate building loans, or, in individual instances, made small donations to welfare building enterprises, as was done by the savings banks of Prague and Laibach. As a whole, however, the savings banks stand aloof from housing work. This is especially true of those savings banks the administration of which is in the hands of landlords. Next to the savings banks as credit sources are the provincial mortgage banks (*Landeshypothekenanstalten*). These, however, are forbidden by their by-laws to make second-mortgage loans guaranteed by the State housing fund. The provincial mortgage banks of Prague and Brünn have already resolved to change their by-laws in this respect, but such a change needs the approval of the respective diets, and the diets of Bohemia and Moravia, in which the German and Czech representatives have for years been in a deadlock, are unable to give their approval, as they are never able to form a quorum.

If, therefore, the number of financial institutes granting mortgage loans was from the beginning very limited, and the raising of large loans encountered considerable difficulties at the time of the creation of the State housing fund, this situation became still worse after the fall of 1912, when the uncertain political situation consequent upon the Balkan war caused an entirely unexpected financial stringency.
and the general condition of the money market made the raising of low-rate mortgage loans absolutely impossible. Since then mortgage banks could hardly be considered at all as credit sources for building purposes, for as a consequence of the low quotation of mortgage bonds on the stock exchange and the lack of public demand for these securities these banks charged such a high rate of interest on mortgage loans that public-welfare building enterprises could no longer afford to borrow from them. Private insurance institutes, which under ordinary conditions had invested large amounts in mortgage bonds, were forced to bring these bonds into circulation, so as to be able to make building loans, and the market, which was hardly able to absorb new mortgage bonds, was forced to place large amounts of old bonds which were turned back into it. Neither could the savings banks comply in the same manner as before with the task of furnishing funds to the building market, for their deposits decreased more and more, and, in addition, the Government required them to invest a relatively large part of their assets in Government bonds. In this manner it came about that at the beginning of the year 1913 the public-welfare building activity was solely dependent on the social insurance institutes and on a small number of savings banks which had a large amount of quick assets. In the spring of 1913 the building operations of cooperative building associations came to an absolute standstill and in several instances the State housing fund was forced to make direct loans, because individual credit institutes did not keep their promises to public-welfare building associations.

Prospects of obtaining foreign capital, which were at one time good, were not realized on account of the troubled political situation, for in consideration of the latter foreign capitalists demanded a high interest with the added conditions that a refund within 10 years would not be permitted and that large funds must be placed within a short period. In view of this situation, there was nothing left for the housing movement but to wait for better times, and public-welfare building associations found it advisable not to begin building operations unless they had binding promises of mortgage loans at a reasonable rate of interest.
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BELGIUM.

INTRODUCTION.

In the movement for housing through State intervention Belgium has been one of the pioneers. The act of August 9, 1889, has proved to be a very important and influential piece of legislation, having been followed in the French housing act of 1894, and some of its principles, for example, the insurance feature, having found their way into German legislation. The royal commission on labor of 1886 had disclosed in its investigations and report certain facts requiring remedial legislation, and the interest and attention subsequently given to the housing question, which culminated in the act of 1889, resulted from the efforts of the commission.

In its report of 1886 the commission stated (vol. 3, p. 80) that previous to that time efforts had been made to better housing conditions of the working man, but that such efforts were confined to building associations in the large cities, and to some work which was done by the semipublic charitable societies. Certain laws of national scope had, however, encouraged the early movement. Thus the act of August 12, 1862, stipulated that the registration fees and the mortgage transfer duties on the acts, documents of sale, etc., of cheap dwellings societies might be paid off in 10 annual installments instead of at the time of the transaction.

The act of June 20, 1867, extended the privilege of limited liability to these societies and exempted the rents of the houses constructed by them from the provincial and communal income taxes and from the stamp dues, while the act of March 28, 1821, had already withdrawn for a limited time (8 years) certain land taxes on the property of these building associations. The act of 1871 reducing the time of exemption from the land tax for certain structures excepted from the reduction those houses put up for the working classes. On the strength of this experience the commission made its final recommendations which were embodied in the act of 1889. It suggested particularly further exemptions from taxes, and pointed out that in Liege a house worth 4,428 francs ($854.60) paid taxes of various kinds (5 in all) to an amount of 47.22 francs ($9.11).

Though the act as passed August 9, 1889, was amended in certain features in 1892, 1893, and 1897 and supplemented by a separate act in 1900, it still stands substantially as then passed. There are three distinct parts to the law: (1) Creation of committees of patronage; (2) loaning of money by the General Savings Bank and
Pension Fund (caisse générale d'épargne et de retraite); (3) institution of life insurance in connection with the repayment of loans by individual borrowers.

One of the recommendations of the commission of 1886 called for legislation to modify the code in the matter of inheritance of property so as to assure to the widow of the purchaser of a house its continued ownership. It is to be recalled that the civil code as adopted in Latin countries provides for the division of the property among the heirs pro rata, and it was to prevent such an occurrence and to offer a solution of the question like that of our homestead laws that this recommendation was made. It was not, however, until 1900 that the proposal was carried out. At that date there was introduced into the Belgian housing legislation a fourth feature, which provided that property on the death of the purchaser or owner should be kept intact for the widow or minor children.

**LEGISLATION IN FORCE.**

**ADMINISTRATION OF THE LAW.**

The first part of the law of 1889 establishes in each local administrative district (arrondissement) a body which, for lack of a better descriptive phrase, may, perhaps, be called a semiofficial committee on good works. It is composed of not less than 5 nor more than 18 members, appointed for a term of 3 years. From 3 to 10 of the members are named by the standing committee of the provincial council and from 2 to 8 of them by royal decree. The duties of these committees of patronage (comités de patronage) as set forth in the original law and further detailed by the administrative decree of July 7, 1891, are as follows: (1) To encourage the building and letting of sanitary workmen’s dwellings, and their sale to working people either for cash or by annual payments; (2) to study the sanitary conditions of workmen’s dwellings and the hygiene of their location; (3) to encourage thrift and life insurance, and also to promote the formation of loan and mutual benefit societies and pension funds.

In brief, therefore, these are committees of propaganda under Government regulation. Subsidies may be granted to them by public bodies to cover their working expenses. They report annually to the minister of the interior, and a copy of their report is transmitted to the superior council of hygiene (conseil supérieur d’hygiène). Each commune is also entitled to receive official communication of the particular part of the report which concerns it.

**FUNDS FOR BUILDING LOANS.**

The second distinct feature of the law is the authorization to the General Savings Bank, a semiofficial institution whose deposits the Government guarantees, to loan a part of its reserve at a reduced
rate to encourage the proprietorship of homes among working people. The total amount that the bank could so loan at a reduced rate was limited to 5 per cent of its total loans, but by the decree of July 25, 1901, this limit was raised to 7½ per cent. This change was made because the loaning limit was reached April 30, 1901, at 35,635,436.84 francs ($6,877,639.31), and in order to prevent embarrassment to numerous loan companies.

Although the law did not contemplate that the General Savings Bank should make loans to Provinces, communes, or charitable and relief institutions, yet the law authorized them to accept gifts and legacies for the construction of workmen’s dwellings. The privilege of raising loans for purposes of the act was extended to Provinces and communes by a decree of March 25, 1891.

The loans from the General Savings Bank are made only through an intermediary; four different kinds of associations are contemplated by the law as entitled to obtain these loans, namely, joint stock and cooperative loan companies and joint stock and cooperative building associations. The General Savings Bank, with the sanction of the minister of finance, determines the rate of interest on such loans. These associations, in turn, make loans to individual workmen desiring to purchase their homes.

**LIMITATION ON AMOUNTS ADVANCED.**

There is no definite or fixed maximum or minimum set as to the amount of loans the General Savings Bank may make to the borrowing companies. Two general factors determine the limits—(1) the amount of subscribed capital not paid in and (2) the value of the land security offered. The total loans of the bank at the reduced rates allowed, however, may not exceed 7½ per cent of its total loans, as already explained. To a loan company, if a joint stock company, advances may be made in the first instance equal to one-half of the capital stock subscribed and not paid in, and, in addition, a sum equal to one-half of the value of the real estate owned by the company, plus a further amount equal either to six-tenths of the value of the property held by the company on mortgages of borrowers who are not protected by life insurance, or to seven-tenths of its value if the borrowers' payments are protected by insurance (decree June 21, 1906). Advances to a building company can be made only to an amount equal to one-half the value of the real estate belonging to the company.

**TAX EXEMPTIONS AND REDUCTIONS.**

In addition to the advantages in securing funds, societies whose sole object is to purchase, sell, or let dwellings for the working classes, in compliance with the conditions of this act, are entitled to exemp-
tion from certain stamp duties, registration fees, and mortgage transfer fees; and the registration duty upon sales and awards to these societies, or to public bodies, of real estate intended for purposes of the act is reduced.

CONDITIONS OF LOANS TO BUILDING ASSOCIATIONS AND LOAN COMPANIES.

The rate of interest to borrowing companies is fixed by the General Savings Bank with the concurrence of the minister of finance. It differs for the two groups of companies, loan companies and building associations. To the former the rate was fixed at 2½ per cent and to the latter at 3 per cent until 1899, when the rates generally were raised to 3 per cent to loan companies and 3¼ per cent to building associations, but until 1920 building associations may borrow at 2½ per cent on complying with certain conditions.

Repayments of advances are made according to a separate agreement in each case with the association negotiating the advance. The term of repayment is, as a rule, 10, 15, 20, or 25 years.

The loan companies, in order to receive loans from the bank, were required to give assurance of their philanthropic purposes by limiting their dividends to 3 per cent per annum. This was, by decree of June 4, 1908, raised to 3¼ per cent if one-half or more of their capital stock was paid in: and if all was paid in, the bank might permit them to increase the rate to 4 per cent. The above provisions do not apply to building associations. The character of all companies must be inspected and attested by the local patronage committees. Their by-laws must contain certain provisions, as follows: (1) An agreement to accept the surveillance of the General Savings Bank; (2) to submit to the bank directors for ratification all transfers of shares not fully paid up (the reason for this requirement is that the bank's advances are determined by the amount of shares subscribed but not paid up, and it relies to a certain extent for its security upon the individual owners of shares); (3) to give to the bank directors immediate notice of every sum called in; (4) to transmit to the bank every year a certified statement of their affairs; (5) to bond all their employees who handle money. To be entitled to the rate of 2½ per cent, these companies must show that loans made without insurance on the lives of the borrowers do not exceed 50 per cent of all loans; and it has now become customary for the bank to insist that the by-laws of an association contain a stipulation to the effect that any loan to a member may be foreclosed if the security becomes in any way directly or indirectly impaired by reason of said member contracting a drinking debt.

The General Savings Bank allows interest on the deposits of the building associations at a rate equal to what it charges upon its ad-
vances to the latter, as long as these deposits are equal to or less than the amount of its advances to the associations (decree July 4, 1907); on deposits beyond the amount of its advances the bank pays the current rate of 3 per cent.

**LOANS TO INDIVIDUALS.**

As stated in the law, advances are made by the loan companies and the building associations to workmen, as defined and certified to by the patronage committee of their district. The certificate which the workman obtains is attached to his deed of sale or to the mortgage passed between him and the company. It is this certificate which entitles him to the benefit of a reduction in charges of certain registration fees, etc., mentioned in the law. Furthermore, any workmen or retired workers who are not owners of real estate other than that which they occupy or cultivate as owners or renters are exempt from the personal tax on the assessable rental value of their property, from the door and window tax, and from the income tax, provided their assessments do not exceed a certain amount in proportion to the number of inhabitants of the locality of their residence, as follows:

Seventy-two francs [$13.90] in municipalities of less than 3,000 inhabitants.

Ninety-six francs [$18.53] in municipalities of 3,000, but less than 20,000 inhabitants.

One hundred and twenty francs [$23.16] in municipalities of 20,000, but less than 40,000 inhabitants.

One hundred and forty-four francs [$27.79] in municipalities of 40,000, but less than 100,000 inhabitants.

One hundred and seventy-one francs [$33] in municipalities of 100,000 inhabitants and over.

It is not necessary that the builder or purchaser occupy the house himself. Only a workingman, as defined, however, can benefit by the tax exemptions noted above. In certain localities—agricultural districts, for example, and other places where no intermediary companies exist—a workingman, through a solvent neighbor who will go security for him, may get a loan from the savings bank direct at 3 per cent. The guarantor acts as the intermediary and collects the installments, draws the mortgage, etc., in the manner of the regular companies, and deals with the savings bank directly. Loans of this character have been discontinued and are being gradually paid off.

The amount that can be loaned by the companies to any individual workingman is fixed by the General Savings Bank at 5,000 francs ($965). The value of the dwelling may not exceed 5,500 francs ($1,061.50), including the ground, the value of which, in turn, may not exceed 1,500 francs ($289.50).
The loaning companies are allowed to charge 4 per cent interest on their loans and to take a first mortgage on the property up to nine-tenths of its value. Some companies loan at a rate as low as 3½ per cent. The borrower may complete the payments on his loan in 10, 15, 20, or 25 years, as he chooses, and may either pay an installment every month or make 24 or 52 payments annually. A most important consequence of these loans is that a borrower generally takes out an endowment life insurance policy to guarantee the payment of his loan.

LIFE INSURANCE AS GUARANTY OF LOANS.

This feature of the Belgian law is so important that article 8 of the act of 1889 is quoted in full:

**Article 8.** The General Savings Bank (Caisse générale d'épargne et de retraite) is authorized to write endowment life insurance for the purpose of guaranteeing the reimbursement at the end of a fixed period, or upon the death of the insured if occurring before that time, of loans made for the construction or purchase of a dwelling.

The general conditions as well as the premium rates of this insurance shall be submitted for royal sanction.

The royal decree shall indicate the table of mortality, rate of interest, and the deduction for administrative expenses which serve as a basis for the fixing of premium rates.

To Belgium belongs the honor of having first tried this provision in legislation of this kind. Perhaps, therefore, a somewhat fuller discussion of this feature of the Belgian housing act may be justified.

The scheme is very largely the invention of M. Léon Mahillon, a former managing director of the General Savings Bank. On account of the hostility shown by the intermediary companies, the insurance was not rendered obligatory, but in order to force them to undertake insurance the board of directors of the General Savings Bank, on November 10, 1892, issued a decree stipulating that after January 1, 1893, advances at 2½ per cent would be made only to those companies whose reports showed that at least one-half their loans were made to persons taking out life insurance to cover their payments. The new regulation has had such a marked effect that about 85 per cent of all loans are now made with the life-insurance feature.

As the bank is authorized to write this insurance, an insurance bureau having distinct accounts is annexed to the General Savings Bank, and its annual financial statements are published. Up to 1904 Farr's life tables were the accepted basis of calculation, but since that date the results of Belgian experience have been used, the premium rates being fixed at 3 per cent with 3 per cent added for expenses. Two-thirds of the sum set aside for expenses is turned over to the General Savings Bank at the end of each year, and with this the latter undertakes to bear the whole expense of the business. The

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1 Since 1899 all loans have been made at 3 or 3½ per cent.
remaining one-third is put aside as a reserve fund for the insurance bureau. Should this reserve become exhausted, the General Savings Bank must make up the deficiency by advancing sums to be repaid ultimately from the insurance department. Money is advanced for the construction or purchase of a house, and a policy of insurance on the life of the debtor is taken out by the creditor. Appropriate declarations set forth, among other things, the habits of the person to be insured and the actual state of his health, and these declarations furnish the basis upon which the insurance department of the General Savings Bank determines whether or not to accept the applicant. Refusal to insure may be made without filing reasons. The premium is indivisible and must be paid in advance for each insurance year at the local agency of the General Savings Bank where the contract is executed.

The premiums as established in 1893 were somewhat reduced in 1904 when a new system was put into effect, and again in 1907 (decreed July 29, 1907). The single premium plan was continued. To facilitate the payment of this heavy single premium its amount is added to the principal debt and paid by the building society but is to be liquidated by the borrower. The monthly installments of the borrower under this plan, called "Tariff VII," cover the interest on the loan and the annual premium on the policy. The borrower's account with the building company is closed on the termination of the policy or by death before its termination. The borrower pays equal annual installments, and if he dies before the expiration of the policy the insurance covers the balance due.

The following table shows the face value of an insurance policy which, in case of death, will guarantee the payment of a 4 per cent loan of $1,000, repayable in annual installments.

AMOUNT OF INSURANCE NECESSARY TO GUARANTEE IN THE EVENT OF DEATH THE REPAYMENT OF THE BALANCE DUE IN ANY YEAR OF A LOAN OF $1,000 REPAYABLE BY EQUAL ANNUAL INSTALLMENTS.

[To determine the premium 3 per cent is added for interest and 3 per cent for cost of administration. The capital insured is payable immediately on death; it is increased by an interest payment of 4 per cent annually. Source: Caisse generale d'épargne et de retraite. Compte rendu, 1907; Brussels, 1908, p. 86.]

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<td>$1,000.00</td>
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<tr>
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<td>559.50</td>
<td>588.75</td>
</tr>
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<td>447.53</td>
<td>468.74</td>
<td>499.35</td>
</tr>
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<tr>
<td>12th</td>
<td>425.48</td>
<td>457.10</td>
<td>476.75</td>
</tr>
</tbody>
</table>
COST OF INSURANCE PAYABLE IN A SINGLE PREMIUM ON A LOAN REPAYABLE IN 10, 15, 20, AND 25 YEARS, ACCORDING TO AGE OF BORROWER.

[Source: Recueil des lois, arrêtés et instructions concernant les habitations ouvrieres, annoté par O. Velghe. Brussels, 1911, p. 104.]

To give a concrete illustration of how the above tables are used, let it be supposed that a borrower 30 years old desires a loan of $3,000, repayable in 15 years with the added security of the insurance feature. Referring to the table immediately above, it is seen that at age 30 the single premium on a policy for a term of 15 years to insure the payment of a loan of $1,000 is $58.89. Therefore, to insure the payment of a loan of $3,000 there is necessary a single premium equal to three times $58.89, or $176.67. This added to the amount of the loan gives $3,176.67, the face value of the debt which the borrower is required to pay to the association from which he takes his loan.

Suppose, now, that the above loan was contracted June 15, 1905, and that the borrower subsequently dies December 31, 1909. Referring to the first table presented immediately above (p. 101) it is seen that the face value of a policy in its fifth year, as in the case here cited, to insure the payment of a loan of $1,000 running for 15 years is $787.93. Therefore, for a loan of $3,176.67 running for 15 years it is: 

$$787.93 \times 3,176.67 = \$2,502.99.$$ 

To this amount is to be added interest at 4 per cent from May 1, 1909, the anniversary from which the insurance runs, as determined by a royal decree (December 4, 1899, art. 7). The interest, then, from June 1 to December 31, 1909, or 7 months, amounts to $58.40, making a total of $2,561.39 which the insurance bureau of the General Savings Bank is obligated to pay in complete settlement of the borrower’s loan with the building or loan association with which he dealt.
To show how the system of gradual amortization in the payment of loans bears upon a borrower the following tables are presented, as given in a handbook prepared by the General Savings Bank for those interested in its housing operations. The first table immediately following shows the amount of the annual and monthly payments required to pay off a loan with the insurance guaranty attached of $1,000 at 4 per cent interest per annum according to the age of the borrower concerned as shown in the first column. The second and third tables, respectively, show what is required to pay off such loans at $\frac{3}{4}$ and $3\frac{1}{2}$ per cent interest per annum.

**Equal Annual and Monthly Payments, Including Insurance Premium, Required to Repay a Loan of $1,000 at 4 per Cent Interest Per Annum in 10, 15, 20, and 25 Years by a Borrower of Specified Years of Age.**

<table>
<thead>
<tr>
<th>Age at nearest birthday</th>
<th>Annual and monthly repayments on a loan of $1,000 at 4 per cent interest per annum payable in equal installments in—</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10 years</td>
<td>15 years</td>
<td>20 years</td>
<td>25 years</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>$127.73</td>
<td>$10.65</td>
<td>$94.67</td>
<td>$7.80</td>
<td>$78.72</td>
</tr>
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<td>7.90</td>
<td>78.81</td>
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<td>78.91</td>
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<td>94.89</td>
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<td>25</td>
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<td>10.67</td>
<td>94.98</td>
<td>7.92</td>
<td>79.12</td>
</tr>
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<td>128.03</td>
<td>10.67</td>
<td>95.08</td>
<td>7.93</td>
<td>79.24</td>
</tr>
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<td>79.53</td>
</tr>
<tr>
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<td>128.31</td>
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<td>79.69</td>
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<td>95.72</td>
<td>8.01</td>
<td>80.07</td>
</tr>
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<td>10.73</td>
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<td>10.74</td>
<td>96.08</td>
<td>8.06</td>
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<td>8.09</td>
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<td>96.51</td>
<td>8.11</td>
<td>81.10</td>
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<td>10.79</td>
<td>96.76</td>
<td>8.15</td>
<td>81.49</td>
</tr>
<tr>
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<td>129.67</td>
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<td>97.76</td>
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<td>8.42</td>
<td>84.97</td>
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<td>99.98</td>
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</table>

### Annual and Monthly Payments on a Loan of $1,000 at 3% per Cent Interest per Annum

#### Equal Annual and Monthly Payments, Including Insurance Premium, Required to Repay a Loan of $1,000 at 3% per Cent Interest per Annum in 10, 15, 20, and 25 Years by a Borrower of Specified Years of Age.

<table>
<thead>
<tr>
<th>Age at nearest birthday</th>
<th>10 years</th>
<th>15 years</th>
<th>20 years</th>
<th>25 years</th>
</tr>
</thead>
<tbody>
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<td>$125.13</td>
<td>$108.50</td>
<td>$96.02</td>
<td>$7.76</td>
</tr>
<tr>
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<td>35</td>
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<td>126.26</td>
<td>109.35</td>
<td>97.31</td>
<td>8.20</td>
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</table>

### Equal Annual and Monthly Payments, Including Insurance Premium, Required to Repay a Loan of $1,000 at 3% per Cent Interest per Annum in 10, 15, 20, and 25 Years by a Borrower of Specified Years of Age.

<table>
<thead>
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<th>Age at nearest birthday</th>
<th>10 years</th>
<th>15 years</th>
<th>20 years</th>
<th>25 years</th>
</tr>
</thead>
<tbody>
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<td>21</td>
<td>$126.13</td>
<td>$109.50</td>
<td>$98.02</td>
<td>$7.80</td>
</tr>
<tr>
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<td>109.55</td>
<td>98.09</td>
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<td>98.16</td>
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<td>98.24</td>
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<td>25</td>
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<td>7.96</td>
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<td>98.62</td>
<td>8.01</td>
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<td>110.35</td>
<td>99.30</td>
<td>8.23</td>
</tr>
</tbody>
</table>

**Note:**
- The table shows the annual and monthly repayments required to repay a loan of $1,000 at 3% per cent interest per annum payable in equal installments.
- The repayments include both principal and interest, with the interest portion increasing over time.
- The table covers repayment periods of 10, 15, 20, and 25 years.

**Sources:**

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Digitalized for FRASER
http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis
To show the annual and monthly repayments on a loan of $1,000 at rates of 4, 3\(\frac{3}{4}\), and 3\(\frac{1}{2}\) per cent per annum, respectively, but without the additional payments necessary to carry the insurance guaranty, the table which follows is presented:

<table>
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<tr>
<th>Age at nearest birthday</th>
<th>Annual and monthly repayments on a loan of $1,000 at 3(\frac{1}{2}) per cent interest per annum payable in equal installments in—</th>
</tr>
</thead>
<tbody>
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<td>128.80</td>
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<tr>
<td>42</td>
<td>128.17</td>
</tr>
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<td>134.17</td>
</tr>
<tr>
<td>55</td>
<td>134.72</td>
</tr>
</tbody>
</table>

A hasty survey of these tables shows that the taking out of insurance to guarantee the payment of loans made adds very little to the burden upon the borrower. Thus, the maximum that any borrower pays annually on a $1,000 loan for 10 years at 4 per cent is $140.45 (see table, p. 103), while the flat rate without insurance is $123.29, or a difference of $17.16. This is the maximum possible difference that can arise, as is shown by a glance at the maximum possible annual payments with the insurance guaranty and the amount of the payments at a flat rate without the insurance guaranty.
From the time the law of 1889 came into effect up to December 31, 1912, the General Savings Bank had advanced for the construction or purchase of workmen's dwellings 103,267,317 francs ($19,930,592.18), which amount had made possible the construction of about 57,500 houses. On the same date there were loans outstanding to an amount of 92,291,958.96 francs ($17,812,348.08). This amount consisted principally of loans to building associations as indicated in the table which follows. This table, covering the years 1895 to 1912, gives a concise statement of the loaning operations of the bank, showing the amounts outstanding at different rates of interest.

Since 1899 there have been no loans placed at 2½ per cent interest. Likewise, loans are no longer made on the mere security of a third person individually, and such loans of that kind as are still outstanding are being gradually paid off by the borrowers. Only an insignificant sum of $75,55 is at present outstanding.

The largest proportion of the loans outstanding has been placed at 3 per cent interest. Thus, in 1912, out of a total of $17,812,348.08 outstanding, $11,698,155.68, or 65.7 per cent, were placed at that rate.

From 1891, when the authorization was made, up to 1904, inclusive, no advantage was taken by the municipalities of the privilege of securing loans from the General Savings Bank for housing purposes. From 1905 to 1912, however, there has been a steady increase in the amount advanced to municipalities.

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**AMOUNT OF CLASSIFIED LOANS OUTSTANDING MADE FOR HOUSING PURPOSES UNDER THE ACT OF 1889 BY THE GENERAL SAVINGS BANK OF BELGIUM, 1895 TO 1912.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Advances to building and loan associations at—</th>
<th>Loans on security of third person at 3 per cent.</th>
<th>Advances to municipalities.</th>
<th>Other mortgage loans.</th>
<th>Total outstanding.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1895</td>
<td>$1,907,474.20</td>
<td>$233,745.30</td>
<td>$25,219.64</td>
<td>$25,787.20</td>
<td>$2,275,243.40</td>
</tr>
<tr>
<td>1896</td>
<td>2,683,962.10</td>
<td>263,847.01</td>
<td>24,473.79</td>
<td>26,655.95</td>
<td>2,987,149.82</td>
</tr>
<tr>
<td>1897</td>
<td>3,461,182.95</td>
<td>318,295.31</td>
<td>23,622.82</td>
<td>25,148.57</td>
<td>3,505,313.85</td>
</tr>
<tr>
<td>1898</td>
<td>4,538,402.72</td>
<td>310,802.80</td>
<td>21,455.13</td>
<td>24,403.55</td>
<td>4,560,923.66</td>
</tr>
<tr>
<td>1899</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1900</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1901</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1902</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1903</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1904</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1905</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1906</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1907</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1908</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1909</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1910</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1911</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
<tr>
<td>1912</td>
<td>5,426,276.92</td>
<td>535,853.40</td>
<td>19,064.26</td>
<td>23,388.30</td>
<td>5,955,355.90</td>
</tr>
</tbody>
</table>

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1 Caisse générale d'épargne et de retraite. Compte rendu, 1895–1912.
The brief table which follows shows the amounts actually loaned and outstanding, together with repayments thereon, of the housing loans made by the bank as of the years for which such information is available, 1906 to 1912:

**SUMMARY OF AMOUNTS LOANED FROM 1906, UP TO THE CLOSE OF EACH SPECIFIED YEAR, TOGETHER WITH AMOUNTS OUTSTANDING AND REPAYMENTS ON LOANS MADE FOR HOUSING PURPOSES BY THE GENERAL SAVINGS BANK UNDER THE ACT OF 1889.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount loaned</th>
<th>Amount outstanding</th>
<th>Repayments</th>
<th>% of amount loaned repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906</td>
<td>$13,997,397</td>
<td>$12,848,341</td>
<td>$1,179,156</td>
<td>8.4</td>
</tr>
<tr>
<td>1907</td>
<td>$11,873,768</td>
<td>$13,594,732</td>
<td>$1,269,040</td>
<td>8.5</td>
</tr>
<tr>
<td>1908</td>
<td>$15,501,589</td>
<td>$13,886,036</td>
<td>$1,672,813</td>
<td>10.2</td>
</tr>
<tr>
<td>1909</td>
<td>$16,720,749</td>
<td>$14,964,997</td>
<td>$1,765,248</td>
<td>10.5</td>
</tr>
<tr>
<td>1910</td>
<td>$18,115,794</td>
<td>$16,096,733</td>
<td>$2,091,061</td>
<td>11.1</td>
</tr>
<tr>
<td>1911</td>
<td>$19,173,029</td>
<td>$17,718,427</td>
<td>$2,033,022</td>
<td>10.7</td>
</tr>
<tr>
<td>1912</td>
<td>$19,920,562</td>
<td>$17,812,348</td>
<td>$2,118,244</td>
<td>10.9</td>
</tr>
</tbody>
</table>

**OPERATIONS OF BUILDING AND LOAN ASSOCIATIONS.**

On January 1, 1912, the total number of societies in Belgium engaged in the construction of low-cost dwellings for workmen, or in furthering such work, was 213, of which 205 had been organized under the act of 1889, while 8 were in existence prior to that act. Grouped according to their purposes, 150 were loan companies exclusively and 63 were building associations. With reference to the form of their organization, 195 were joint stock companies and 18 cooperative societies.

On January 1, 1913, the total number of companies having loan contracts with the General Savings Bank was 176, of which 167 were joint stock companies and 9 cooperative societies. Considering the 167 joint stock companies alone, there were outstanding loans to an amount of $16,438,797.10 to 131 loan companies of that type, while on the same date loans to an amount of $763,984.94 had been made to 36 joint stock building associations.

As the bulk of the loans made by the bank is made to these building associations and the loan companies, the table which follows is presented to show the course of the business done, the amount of the loans outstanding to each of the two groups of companies at the close of certain years, together with a statement of the net value of the assets and their ratio to the loans:

---

STATEMENT OF LOANS OUTSTANDING AT END OF EACH SPECIFIED YEAR, NET VALUE OF ASSETS TO COVER THESE ADVANCES, AND PER CENT LOANS FORM OF ASSETS, OF LOAN COMPANIES AND BUILDING ASSOCIATIONS OPERATING UNDER THE BELGIAN HOUSING ACT OF 1889.

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan companies.</th>
<th>Building associations.</th>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loans outstanding from General Savings Bank.</td>
<td>Net value of assets to cover loans to nearest $1.</td>
<td>Per cent loans form of assets.</td>
</tr>
<tr>
<td>1895</td>
<td>$1,988,333.05</td>
<td>82,024,458</td>
<td>67.90</td>
</tr>
<tr>
<td>1896</td>
<td>6,936,082.27</td>
<td>10,360,644</td>
<td>90.00</td>
</tr>
<tr>
<td>1897</td>
<td>16,443,797.10</td>
<td>18,970,311</td>
<td>61.00</td>
</tr>
<tr>
<td>1898</td>
<td>14,792,706.48</td>
<td>36,070,144</td>
<td>67.90</td>
</tr>
<tr>
<td>1899</td>
<td>15,797,348.70</td>
<td>16,438,797.10</td>
<td>61.40</td>
</tr>
<tr>
<td>1900</td>
<td>15,110,304.32</td>
<td>16,300,000</td>
<td>66.26</td>
</tr>
<tr>
<td>1901</td>
<td>16,300,000</td>
<td>16,300,000</td>
<td>66.26</td>
</tr>
<tr>
<td>1902</td>
<td>16,300,000</td>
<td>16,300,000</td>
<td>66.26</td>
</tr>
<tr>
<td>1903</td>
<td>16,300,000</td>
<td>16,300,000</td>
<td>66.26</td>
</tr>
<tr>
<td>1904</td>
<td>16,300,000</td>
<td>16,300,000</td>
<td>66.26</td>
</tr>
<tr>
<td>1905</td>
<td>16,300,000</td>
<td>16,300,000</td>
<td>66.26</td>
</tr>
</tbody>
</table>

A glance at the ratio of the loans of the loan companies to the assets securing these loans seems to show a tendency toward greater conservatism on the part of these associations in placing their loans inasmuch as the per cent the loans form of the security has decreased from about 68 per cent to 56 per cent.

The General Savings Bank compiles from reports of the various companies interesting information on the subject of the total number of operations conducted by them since their foundation, the number of foreclosures, and the number of borrowers in arrears on their monthly payments. This information is summarized in the two tables which follow:

TOTAL NUMBER OF HOUSES CONSTRUCTED OR ACQUIRED, AND NUMBER AND PER CENT OF FORECLOSURES AT CLOSE OF EACH SPECIFIED YEAR FROM THE TIME THE LAW WENT INTO FORCE, 1889.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of houses constructed or acquired since 1889.</th>
<th>Number of foreclosures since 1889.</th>
<th>Per cent of foreclosures since 1889.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1895</td>
<td>4,430</td>
<td>11</td>
<td>0.25</td>
</tr>
<tr>
<td>1896</td>
<td>16,982</td>
<td>64</td>
<td>.37</td>
</tr>
<tr>
<td>1897</td>
<td>33,046</td>
<td>191</td>
<td>.58</td>
</tr>
</tbody>
</table>

This apparently shows the results of very conservative management on the part of the bank. In no case does the proportion of foreclosures to properties on which mortgages are held equal or exceed 1 per cent of the number of such properties. Figures elsewhere presented for Norway show foreclosures as equal to about 1 per cent of the number of properties mortgaged by the State Laborers' Land and Building Loan Bank of that country.
The report of the General Savings Bank for the year 1912 (page 33) states that inspectors are agreed that the rules of the bank as laid down for its dealings with the housing companies are being observed. Furthermore, visits to the houses constructed by virtue of its loans show that as a rule the houses are in good condition, have been well constructed and conveniently arranged, and that sanitary rules are observed; the value of these houses usually appears greater than is required in the grant of the loan.

The report states, however, that the companies have been a trifle remiss in reporting all transfers of shares and in keeping careful record of any changes in the holders of these shares. As already explained, it is important that the General Savings Bank be informed of any changes in holders of shares not entirely paid up, because the value of such shares is one of the elements which determine the amount to be loaned by the bank to any company.

Highly desirable as it might be to secure information as to the occupations of the purchasers of houses, and to disclose also the relative number of purchasers and of renters of houses constructed under the law, it has not been possible to do so. It is generally reported, however, that the better class of workingmen are those who most largely take advantage of the opportunities offered by the law.

LIFE INSURANCE AS A GUARANTY OF REPAYMENT OF LOANS.

It will be recalled that the act of 1889 encouraged the borrowing companies to have their borrowers take out endowment insurance policies to assure the payment of their loans in the event of their death before the expiration of the period of repayment. Insurance under the act is not compulsory, but the regulations of the General Savings Banks have tended to encourage it by making it a sine qua non for the obtaining of advances at the reduced rates that the advances so obtained shall be loaned out again only to borrowers taking out an
endowment policy with the insurance department of the bank or
with some private company.

The following table shows the number and proportion of borrowers of housing funds holding life insurance policies in the years indicated:

**NUMBER AND PER CENT OF BORROWERS UNDER THE BELGIAN HOUSING ACT OF 1889 HAVING ENDOWMENT INSURANCE POLICIES, 1891 TO 1912.**


<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of borrowers</th>
<th>Borrowers who are insured.</th>
<th>Year</th>
<th>Total number of borrowers</th>
<th>Borrowers who are insured.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td>Per cent of total borrowers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1891</td>
<td></td>
<td>32</td>
<td>21.2</td>
<td>1895</td>
<td></td>
</tr>
<tr>
<td>1895</td>
<td></td>
<td>4,309</td>
<td>3,443</td>
<td>1900</td>
<td></td>
</tr>
<tr>
<td>1900</td>
<td></td>
<td>16,294</td>
<td>12,955</td>
<td>1910</td>
<td></td>
</tr>
<tr>
<td>1905</td>
<td></td>
<td>21,894</td>
<td>21,894</td>
<td>1912</td>
<td></td>
</tr>
</tbody>
</table>

The marked increase in the number of insured borrowers is very noteworthy and attests the efficacy of the encouragement of the General Savings Bank in maintaining the system.

**STATE AID THROUGH TAX EXEMPTION.**

The act of 1889, and the amending acts of 1892 and 1893, granted certain exemptions from taxes on workmen's dwellings. Thus (1) registration fees on sales of land for workmen's dwellings were reduced from 5.50 per cent to 2.70 per cent on condition that the ground site does not exceed 25 ares (0.618 acre); (2) the mortgage transfer fees were reduced from 1.25 per cent to 0.65 per cent; (3) registration of loans was taxed at a rate of 0.65 per cent in place of 1.40 per cent (to be reduced to 0.30 per cent if the contract is made for a year or more); (4) receipts for refunding payments were to be taxed 0.30 per cent instead of 0.65 per cent; and (5) exemptions from land, window, and door taxes were allowed on property of renters.

It may also be remarked that notary fees were reduced by one-half on transactions under the housing act, and the documents of the loaning and construction companies were exempted from certain taxes.

Up to 1908 the total exemption from registration and transfer fees amounted to 6,253,657.95 francs ($1,206,955.98), the latest figures available.

The table which follows shows for specified years the number of houses of workmen and the amount of personal taxes from which the owners thereof were exempted under the amending act of July 18, 1893. Exemption is based on the rental value of the property concerned, provided that the total tax assessment of any property does not exceed a certain amount in proportion to the number of inhabitants of the locality. (See p. 99.)
GOVERNMENT AID TO HOUSING—BELGIUM.

NUMBER OF WORKMEN'S HOUSES AND THE AMOUNT OF TAX EXEMPTION ON THESE GRANTED BY THE STATE, 1895 TO 1912.


<table>
<thead>
<tr>
<th>Year</th>
<th>Number of houses</th>
<th>Amount of tax exemption</th>
<th>Average exemption per house</th>
</tr>
</thead>
<tbody>
<tr>
<td>1895</td>
<td>93,410</td>
<td>818,130.61</td>
<td>$2.02</td>
</tr>
<tr>
<td>1896</td>
<td>106,371</td>
<td>198,372.60</td>
<td>1.98</td>
</tr>
<tr>
<td>1897</td>
<td>106,174</td>
<td>217,042.81</td>
<td>2.01</td>
</tr>
<tr>
<td>1898</td>
<td>116,456</td>
<td>232,967.13</td>
<td>2.09</td>
</tr>
<tr>
<td>1899</td>
<td>125,254</td>
<td>232,164.36</td>
<td>2.01</td>
</tr>
<tr>
<td>1900</td>
<td>134,923</td>
<td>272,501.29</td>
<td>2.02</td>
</tr>
<tr>
<td>1901</td>
<td>143,149</td>
<td>269,878.15</td>
<td>2.01</td>
</tr>
<tr>
<td>1902</td>
<td>146,416</td>
<td>297,308.50</td>
<td>2.01</td>
</tr>
<tr>
<td>1903</td>
<td>157,431</td>
<td>321,351.39</td>
<td>2.04</td>
</tr>
<tr>
<td>1904</td>
<td>164,397</td>
<td>335,328.46</td>
<td>2.04</td>
</tr>
<tr>
<td>1905</td>
<td>174,599</td>
<td>357,695.00</td>
<td>2.05</td>
</tr>
<tr>
<td>1906</td>
<td>183,391</td>
<td>379,545.91</td>
<td>2.06</td>
</tr>
<tr>
<td>1907</td>
<td>191,176</td>
<td>412,775.24</td>
<td>2.08</td>
</tr>
<tr>
<td>1908</td>
<td>206,659</td>
<td>427,277.80</td>
<td>2.07</td>
</tr>
<tr>
<td>1909</td>
<td>216,108</td>
<td>449,172.82</td>
<td>2.07</td>
</tr>
<tr>
<td>1910</td>
<td>227,273</td>
<td>471,946.22</td>
<td>2.07</td>
</tr>
<tr>
<td>1911</td>
<td>278,213</td>
<td>495,405.72</td>
<td>2.06</td>
</tr>
<tr>
<td>1912</td>
<td>245,228</td>
<td>506,397.07</td>
<td>2.07</td>
</tr>
<tr>
<td>Total</td>
<td>2,978,198</td>
<td>6,095,820.01</td>
<td></td>
</tr>
</tbody>
</table>

Average per year for 18-year period .............................................. 165,455.4 338,656.67 2.047

1 Figures for 1910, 1911, and 1912 have been supplied in a letter to this bureau by M. Deroover, a former director of the General Savings Bank.

The total benefits that have accrued to workmen by reason of the above exemption from 1895 to 1912 amounted to $6,095,820.01, which is an average of $338,656.67 per year for the 18-year period. The total average number of houses per year which have benefited by these exemptions is 165,455.4, making an average exemption of $2,047 for each house per year for the 18-year period 1895-1912.

HOUSING ACTIVITIES OF PROVINCES.

The act of 1893, supplementing the law of 1889, required the Provinces and municipalities to exempt workmen's dwellings from the provincial and communal share of the land, the window, and the door taxes. It is not possible to obtain statistics to show the amount of this exemption, but it has been estimated at about two and one-half million francs ($482,500). ¹

The aid of the Provinces is accorded also through subsidies to the local patronage committees and some Provinces extend facilities for securing insurance at specially low premiums to encourage the insurance feature of the law in connection with making loans. Thus, in 1910 the budget of the Province of Antwerp showed an appropriation for housing purposes of 4,500 francs ($868.50) for the year, that of Liege an appropriation of 20,000 francs ($3,860), and seven other Provinces appropriated more or less for the same purpose.

HOUSING ACTIVITIES OF MUNICIPALITIES AND CHARITABLE INSTITUTIONS.

The act of 1889 permitted municipalities and charitable institutions to receive gifts and legacies for the promotion of work for the good housing of workmen. Furthermore, the regulations of the General Savings Bank, March 25, 1891, and a circular of the minister of the interior prescribed the formalities to be complied with in securing advances for this purpose from the General Savings Bank. Advantage, however, was not taken of this sanction until 1905, when the first loans were requested. Up to December 31, 1912, there was outstanding with municipalities and charitable institutions a sum of $356,729.97, or 2 per cent of a total of $17,812,348.08 outstanding for all housing purposes from the General Savings Bank.

AMOUNT OF CAPITAL SUBSCRIBED AND AMOUNT ACTUALLY INVESTED IN HOUSING COMPANIES BY PUBLIC BODIES (MUNICIPALITIES AND CHARITABLE INSTITUTIONS) ON JANUARY 1, 1910.


<table>
<thead>
<tr>
<th>Public bodies</th>
<th>Capital subscribed</th>
<th>Capital invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipalities</td>
<td>$566,455.00</td>
<td>$445,254.09</td>
</tr>
<tr>
<td>Associated charities</td>
<td>218,099.65</td>
<td>188,040.87</td>
</tr>
<tr>
<td>Asylums</td>
<td>655,514.85</td>
<td>630,214.48</td>
</tr>
</tbody>
</table>

Up to December 31, 1911, the city of Liege, of about 168,000 population, had placed 122 loans, amounting to 774,160 francs ($149,412.88), intended for the construction or purchase of cheap dwellings for laborers.

PROPOSED REFORMS.

BILL OF JANUARY 30, 1901.

Notwithstanding the general satisfaction with the act of 1889, changes have been suggested from time to time to improve the possible effectiveness of the law. January 30, 1901, a member of the lower house of the legislative body introduced a bill creating a national workmen's housing association under State guaranty, in order to coordinate and centralize the local efforts of the patronage committees. The bill provided for the creation of municipal and intermunicipal companies of public welfare whose purpose was to be the construction, management, and sale of low-priced dwellings. The public bodies participating in this organization were to be the municipalities, charitable institutions, the existing local patronage committees on housing for workmen, friendly societies, and workmen's insurance societies. These committees were to be invested
with the legal powers of stock companies and cooperative societies under the act of May 12, 1873, and were to be compelled to subscribe to the capital of the national association; and in addition to the funds so subscribed the national association was empowered to issue its own obligations, guaranteed to holders by the State. This national or central credit bank was to supply the necessary funds for the local associations.

In the chamber the "reporter" for the bill suggested that the national association created should be merely a federation of the existing housing associations.

This proposed reform was again revived in 1905 before the National Housing Conference at Liege.

The purpose of the proposed reform is obvious, namely, to draw to one center the available funds instead of leaving them with local associations, as under the present act in force.

BILL OF NOVEMBER 12, 1912.

This bill was introduced by the Government minister of finance after an investigation by a commission appointed July 6, 1912, upon whose report the bill is based.

Although it incorporates some of the features of the bill of 1901, yet it retains the essential features of the law of 1889; the General Savings Bank still remains the center of the system; local and regional patronage committees are continued; and the intermediary companies are to continue to reloan the funds of the General Savings Bank. To increase the available funds, however, the State treasury may make direct advances to the General Savings Bank. And the State and the Provinces, further, may subscribe to a part of the capital of the national housing association, which will also make loans to local and regional housing associations. In addition, federations of various noncommercial housing, building, and loan associations may be formed and the State and Provinces may then subscribe to the capital of these federations. The State may also subscribe to the shares of the local and regional societies, and, in certain instances, may supply actual subsidies. In all, the State puts at the disposition of the national housing association 100,000,000 francs ($19,300,000) to be used in advances to the federated societies. The interest on these proposed advances is to be fixed annually in the budget.

The new national housing association is to be constituted as a joint stock company with limited liability, though retaining its peculiar civil capacity under Belgian law. Its capital is not fixed. In its organization the State, the Provinces, the municipalities, and the associated credit societies participate, while charitable institutions take part only in the formation of the local and regional societies.
These latter differ in form from the national association in that they may organize as stock companies or as cooperative societies. From all this it appears that there is created a loaning organization parallel in scope and purpose to the General Savings Bank in its relation to the housing question.

The scope of the law of 1889 is enlarged as to the classes of persons to whom loans may be made. Loans are to be made to workers in general or to all persons whose annual earnings do not exceed a maximum as fixed by decree. The application of the law is extended so as to permit the purchase of a larger plot of ground in connection with the purchase of a house; also garden plots, and collective or tenement dwelling properties may be purchased through loans. New provisions are intended to favor large families. The bill makes obligatory more stringent sanitary requirements and closer inspection than under the existing law, and makes possible the expropriation of insanitary areas on the request and initiative of the national housing association, whereas the former acts of 1858 and 1867 left it to the power of the municipalities exclusively.

Other privileges extended by this bill consist in the continuation of the reduction in the various stamp dues, land taxes, mortgage fees, and the like, favoring low-cost dwellings as under the act of 1889.

**REFORMS PROPOSED BY LOCAL PATRONAGE COMMITTEES.**

Some of the more important reforms proposed by these committees are that building associations be exempted from all or a part of municipal improvement taxes, paving, sewers, and the like; that ground lots be supplied to workmen at a reduced price, and that there be created in each locality an architect's office in order to further standardize the construction of workmen's houses, and to give advice as to plans and methods of building. These local committees also would have the Government grant a subsidy to assist in the formation of a national housing conference. They further insist that the public health regulations be more stringently enforced, and, particularly, that measures be taken to combat alcoholism.

While they recognize the work that has already been done to eliminate insanitary areas in the cities, they nevertheless favor a wider extension of the powers of expropriation of such insanitory areas so as to permit their being built up by modern houses.

The three most important reforms that the committees advocate, perhaps, are that the law of 1889 be so amended as to maintain more certainly the indivisibility of the estate for the surviving spouse, and that the law be extended so as to permit commercial employees earning less than 2,000 francs ($386) per year to secure housing loans. As at present drawn the law permits only workers engaged strictly
in industry to take advantage of the loaning privileges for buying their own homes. And, finally, it is desired that the law be so changed as to make it possible for the poorer among the laboring people to secure loans for the purchase of their own homes. For it seems to be the prevailing opinion of those who have observed the operation of the law that the better class of workmen are the ones who take advantage of it, while the lower-paid workmen, whom it is most desired to reach, take but little advantage of it.

CONCLUSION.

The Superior Council of Hygiene in its report for 1911, which collects and summarizes the reports of the local supervising committees on housing, is of the opinion that great progress has been made in Belgium within the last 25 years in providing low-cost dwellings for workmen. This has been a steady and continuous progress. The propaganda work of the local committees has had an educative influence in furthering the movement. Particularly is this true as regards the sanitary work that these committees have been engaged in. Their housing investigations show that the old insanitary houses are fast disappearing. Structural improvements are taking place in the houses that are now being built. There is a tendency to standardize the house. It now usually contains a separate kitchen, a basement, and a bath, in addition to the usual living rooms. The upper story is being made a useful part of the house, sufficiently high to be satisfactory both as to lighting and ventilation.

LIST OF REFERENCES CONSULTED.

Belgium. Conseil supérieur d'hygiène publique. Rapport * * * sur les travaux des comités de patronage des habitations ouvrières. 1907–1911. Brussels, 1908–12.
Recueil des lois, arrêtés et instructions concernant les habitations ouvrières, annoté par O. Velghé. Brussels, 1911.
DENMARK.

INTRODUCTION.

The problem of housing for the laboring man in the city in Denmark is confined mainly to Copenhagen. The first effort of the central Government, therefore, consisted in making available for borrowing funds to aid in the demolition of congested areas and the erection of sanitary houses for the crowded laboring population. The primary aim of Danish legislation in this matter was not directed toward encouraging home ownership, a purpose which has been foremost in its legislation in behalf of agricultural workers.

The first law dealing with the problem was the act of March 29, 1887. This act set aside from the State treasury 3,000,000 crowns ($804,000) as available to lend to the city of Copenhagen and other cities for the rebuilding of congested and insanitary areas and for the construction of workmen's dwellings. It was made a condition precedent for a loan that the money be used for the construction of houses for laborers and that the plans of the undertaking be approved from a sanitary point of view. The finance minister was authorized to obtain proper security for the loan. The repayment of the loan was to be made at 4 per cent annually by a system of amortization, 3 per cent being for interest on each outstanding balance. All requests for loans had to be made before 1889.

In addition to the above loan the minister of finance was permitted to make loans up to 1,000,000 crowns ($268,000) until 1897 to Copenhagen and other cities upon their own guaranty for the construction of good and sanitary workmen’s dwellings. Loans were to be made to the municipality or to noncommercial associations on the condition that the latter limit their dividends to 4 per cent a year. The terms of the loan were otherwise the same as above for loans for rebuilding city areas.

This law had scarcely any practical results. No loans for rebuilding city areas were ever made, and only 367,000 crowns ($98,356) were loaned to four building associations in the 10-year period of the operation of the law.

The law came up for revision in 1897, and was passed on February 26, 1898. The first type of loan, that to municipalities for the demolition and reconstruction of areas, was decreased to 2,000,000 crowns ($536,000) and a like amount was to be loaned to the building associations or municipalities for erecting laborers' individual
dwellings. No limit was placed upon the maximum dividends to be paid by the building associations receiving loans of this second type, but it was made a requirement that all houses built by associations receiving loans from the State were to be sold only to individuals intending to occupy them as their own homes. Purchasers were not required to be exclusively manual laborers, as under the act of 1887, but might be any persons of small means. The provision of the act of 1887 requiring the guaranty of the municipality for loans to building associations was stricken out in this act of 1898.

This law at once appeared to be of practical value, for so numerous were the requests for loans that the year following its passage the finance minister asked that the whole sum appropriated for the whole period, or 2,000,000 crowns ($536,000), be made available at once. The law was to continue in force till March 31, 1904. And at the end of this latter period it was practically reenacted to continue in force for a 5-year period, until March 31, 1909.

**LEGISLATION IN FORCE.**

The last law passed, March 5, 1909, is applicable until the close of March 31, 1914, and may be summarized as follows:

Loans may be made to communes, or to building associations meeting certain requirements, for the purpose of constructing good and low-cost dwellings for the use of workmen or persons of like means in the neighborhood of commercial towns, including Copenhagen, or large villages.

Loans must be paid off at the rate of 4 per cent per annum, of which 3 per cent goes to interest on the principal, and the remainder toward paying off the principal of the loan. The loan must be secured by a first mortgage on the property in question, and not exceed two-thirds of the valuation of the property mortgaged, as determined by the minister of finance after appraisement.

The total amount of such loans must not exceed 400,000 crowns ($107,200) per annum, but any surplus of a previous year may be added to the sum available for the succeeding year.

The building associations which desire to share the advantages of the law must submit an annual report of their operations to the local authorities who must in turn report it to the minister of finance. The minister of finance may issue further regulations governing such loans and may also order their withdrawal on six months' notice if he deems the conditions are not being complied with.

**APPLICATION OF THE LAWS.**

Under the act of March 29, 1887, there was set aside for loans to municipalities and building associations 1,000,000 crowns ($268,000). Building loans amounted to 417,000 crowns ($111,756), consisting of
four loans, three of which were of 33,000 crowns ($8,844) each, and one of 100,000 crowns ($26,800), made to societies in Copenhagen, and also of seven loans outside of Copenhagen, which varied from 10,000 to 50,000 crowns ($2,680 to $13,400).

Under the act of February 26, 1898, there were available until 1904 2,000,000 crowns ($536,000). From this amount 12 building loans were placed, amounting to 1,981,000 crowns ($530,908), divided as follows: Eight loans amounting to 1,863,000 crowns ($499,284) for construction of houses in Copenhagen; three loans of 93,000 crowns ($24,924) in other districts; and one loan of 25,000 crowns ($6,700) to a municipality.

Under the act of April 22, 1904, to continue in force until March 31, 1909, there were made available 300,000 crowns ($80,400) annually. Advances were made under this act to an amount of 1,483,000 crowns ($397,444) in 22 loans, 2 to building associations in Copenhagen amounting to 460,000 crowns ($123,280), and 20 to associations outside of Copenhagen amounting to 1,023,000 crowns ($274,164).

In all cases at the close of each period there were under consideration other loans, which had been requested, the fund available not being sufficient to meet the demands.

Under the act of March 5, 1909, there was made available 2,000,000 crowns ($536,000). Loans were made to the amount of the total available, some of which, however, had not been actually paid out up to 1914. The sums disbursed were divided among 35 loans, of which one of 9,500 crowns ($2,546) was placed in Copenhagen and the balance of 1,990,500 crowns ($533,454) was placed in the other districts.

The table which follows gives in summary form the amounts appropriated and the amounts actually loaned to building associations under the various housing acts in Denmark.

### AMOUNTS APPROPRIATED AND LOANED UNDER DANISH HOUSING ACTS, 1887 TO 1914.

**Source:** Forslag til Lov om Laan til Byggeforeninger. Bemærkninger til Lovforslaget. Copenhagen, 1914.

<table>
<thead>
<tr>
<th>Date of law</th>
<th>Amount appropriated</th>
<th>Amount loaned in—</th>
<th>Total loaned</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Copenhagen</td>
<td>Other districts</td>
</tr>
<tr>
<td>Mar. 29, 1887</td>
<td>$268,000</td>
<td>$53,332</td>
<td>$55,421</td>
</tr>
<tr>
<td>Feb. 25, 1898</td>
<td>$536,000</td>
<td>491,488</td>
<td>31,624</td>
</tr>
<tr>
<td>Apr. 22, 1904</td>
<td>$492,000</td>
<td>96,380</td>
<td>599,684</td>
</tr>
<tr>
<td>Mar. 5, 1909</td>
<td>$536,000</td>
<td>2,446</td>
<td>538,454</td>
</tr>
<tr>
<td>Total</td>
<td>1,742,000</td>
<td>631,876</td>
<td>923,466</td>
</tr>
</tbody>
</table>

Under the act of 1904 only $348,158.80 out of the $397,444 originally loaned was actually paid out inasmuch as it was found necessary to reduce some of the loans on account of insufficient security.
Likewise, under the act of 1909, only $393,951.06 had been paid out as late as the early months of 1914, while it appeared that a loan of about $123,280 might be withdrawn in the course of the financial year.

SUCCESS OF THE HOUSING ACTS.

From a letter received recently from the American legation at Copenhagen it is stated that the State funds loaned through the building associations have benefited the class of people intended to be reached. The persons living in these houses have usually been workingmen of small means, truck gardeners, handicraftsmen, civil-service employees, and others of moderate means.

The single and two-family houses have been the commonest types of houses built, with each dwelling composed of from two to three rooms, together with a kitchen, an attic, a cellar, and a garden plot.

REPORT OF THE VALBY WORKINGMEN'S BUILDING ASSOCIATION, JANUARY 1 TO JUNE 30, 1913.

Each building association which borrows State funds is required to report its operations to the minister of finance. Such a semiannual report of a typical association for the fiscal period January 1 to June 30, 1913, is here presented. This is the twenty-eighth semiannual report of this association.

Income account of the Valby Workingmen's Building Association, Jan. 1 to June 30, 1913.

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand Jan. 1, 1913</td>
<td>$1,829.48</td>
</tr>
<tr>
<td>Income from properties and repayments on loans</td>
<td>8,528.30</td>
</tr>
<tr>
<td>Interest:</td>
<td></td>
</tr>
<tr>
<td>From association members</td>
<td>$68.12</td>
</tr>
<tr>
<td>On deposits in bank</td>
<td>57.73</td>
</tr>
<tr>
<td>Fees collected</td>
<td>.70</td>
</tr>
<tr>
<td>Water rents</td>
<td>4.34</td>
</tr>
<tr>
<td>Total</td>
<td>10,488.67</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on:</td>
<td></td>
</tr>
<tr>
<td>State treasury loans</td>
<td>999.86</td>
</tr>
<tr>
<td>Loans from credit associations</td>
<td>1,517.20</td>
</tr>
<tr>
<td>Bonds outstanding</td>
<td>1,350.28</td>
</tr>
<tr>
<td>Total</td>
<td>3,867.43</td>
</tr>
</tbody>
</table>

| Repayments on:                 |       |
| State treasury loans           | 608.14 |
| Credit association loans       | 178.45 |
| Bonds                          | 1,741.13 |
| Total                          | 2,527.72 |
GOVERNMENT AID TO HOUSING—DENMARK.

Expenses:

Contribution to reserve and administrative expenses of East Parish Credit Association ........................................ $50.27
Taxes................................................................................................ 1,008.33
Other............................................................................................... 255.23
Fire insurance premium................................................................. 47.53
Insurance account........................................................................... 57.89
Maintenance and repair account................................................... 100.80

Miscellaneous expenses:

Properties....................................................................................... 40.50
Roads and sites............................................................................ 87.93
Goose Brook Drain account (third payment and interest at 4 per cent on balance)..................................................... 347.04

Administrative expenses:

Salary of president and treasurer................. $72.36
Office rent............................................................. 25.73
Office expenses................................................... 6.41

Miscellaneous expenses:

Tithes..................................................................... 8.63
Yalby:

Vacation home.................................................... 5.36
Other....................................................................... 6.70

Refund of payment made by shareholder No. 6........................ 54.94
Cash on hand June 30, 1913 ............................................................. 1,857.87

Total............................................................................................. 10,488.67

This income account scarcely calls for any comment. In the course of the half year which the report covers there was charged to the maintenance and repair account 600 crowns ($160.80), while, as shown in a separate statement on the state of the account, there was expended from it for actual repair on the properties of the company 1,371 crowns ($367.43), leaving a favorable cash balance of 3,643.11 crowns ($976.35).

The cash balance of the income account on January 1, 1913, was 6,826.43 crowns ($1,829.38), while on June 30, 1913, it was 6,932.35 crowns ($1,857.87), an increase of 105.92 crowns ($28.39). These are indeed small sums, but they are in proper proportion to the amounts as a whole dealt with in the report of this unpretentious cooperative association of workingmen of moderate means who have set out to solve the problem of securing their own homes by the aid of the State.

The statement which follows is the balance sheet of this same building association of workingmen. Attention is called to the fact that the houses owned by it are listed among its assets at their actual value, and, for borrowing purposes, are appraised by the minister of finance as provided in the act of 1909. In a column at the right of the statement of its liabilities are shown the original face
values of the several loans made by the association. This statement makes it possible to judge whether or not the loans are being properly liquidated.

**BALANCE SHEET OF THE VALBY WORKMEN'S BUILDING ASSOCIATION, JUNE 30, 1913.**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
<th>Amount of original loan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings, mortgage valuation...</td>
<td>State treasury loan...</td>
<td>$96,049.27</td>
</tr>
<tr>
<td>Rents outstanding...</td>
<td>Credit Association loan...</td>
<td>68,101.94</td>
</tr>
<tr>
<td>Cash...</td>
<td>Credit Association loan...</td>
<td>7,584.49</td>
</tr>
<tr>
<td>Deposit with elec-tric-light company...</td>
<td>bonds...</td>
<td>38,824.00</td>
</tr>
<tr>
<td>Insurance account...</td>
<td>bonds...</td>
<td>16,368.49</td>
</tr>
<tr>
<td>Maintenance account...</td>
<td>32,581.57</td>
<td></td>
</tr>
<tr>
<td>Other...</td>
<td>6,137.20</td>
<td></td>
</tr>
<tr>
<td><strong>Total first mortgages</strong>...</td>
<td><strong>Due to members, repayments on mortgage debts.</strong>...</td>
<td>$245,407.60</td>
</tr>
<tr>
<td><strong>$287,729.67</strong>...</td>
<td><strong>Due on Goose Brook Drain...</strong></td>
<td>194,273.20</td>
</tr>
<tr>
<td><strong>$287,729.67</strong>...</td>
<td><strong>Balance, assets over liabilities...</strong></td>
<td>151,146.07</td>
</tr>
</tbody>
</table>

1 Repayments on first mortgages are 116.44 crowns ($31.21) semiannually for each member of the association.

As far as it is possible under any circumstances to determine the stability of a company by the mere showing of its balance sheet, it would appear in this instance that there is a safe margin of assets over liabilities—i.e., 151,007.63 crowns (§40,470.04). This is 14.4 per cent of the actual mortgage valuation of the properties of the company. Taking only the mortgaged properties into consideration it is seen that these have a value of $281,400, while the loans outstanding on them amount to $194,273.20, which is 69 per cent of the value of these same properties. Thus it appears that the general average of all loans is a trifle over two-thirds of the value of the properties offered as security. The State requires that a loan made with its funds shall not exceed two-thirds of the value of the property offered as security. Apparently this particular building association has accepted this ratio in conducting its business as a whole.

**GOVERNMENT PROPOSAL FOR REVISION OF LAW.**

Inasmuch as the act of 1909 made the amount appropriated available only until March 31, 1914, a bill for a new appropriation for housing purposes has been submitted by the minister of finance. This bill, if passed, will make available 400,000 crowns ($107,200) annually from April 1, 1914, until March 31, 1919—that is, for a period of five years.

The bill also proposes some changes in the act of 1909. It explicitly includes among workmen or those of small means, small cultivators of the soil, small tradesmen, low-paid commercial employees, and others. Furthermore, the provision for making loans to munici
cipalities is eliminated because it has proved to be without practical results. The rate of interest and repayment on loans is increased from 4 to 5 per cent, of which 4 per cent is interest on the principal. The amount of loan applicable to any piece of property is raised from two-thirds to four-fifths of its assessed value, so as to encourage the taking up of existing mortgage obligations.

**HOUSING STATE EMPLOYEES AND IMMIGRANT LABOR.**

A small amount of work has been done by the central Government in housing its own employees on the State railroads, the telegraph service, etc. There is also a law (Apr. 1, 1912) which requires that employers of immigrant seasonal labor shall provide adequate housing accommodation for these employees.

**SMALL HOLDINGS.**

The special advantages which have existed in Denmark for the small peasant proprietors since 1899 are of great interest and importance in the agricultural development of Denmark. A series of laws beginning with that of March 24, 1899, furnished to rural and urban laborers of small means State funds with which to purchase small holdings. Each law was passed for a term of only five years, but so beneficial were the results that no law failed of reenactment. The most recent law now in force is that of June, 1914, which is to continue in force for three years.

According to this law workmen and other persons of small means between 25 and 50 years of age who are citizens of Denmark may secure a State loan to aid in the purchase of a small holding (2.7 to 10.9 acres) not to exceed 5,000 crowns ($1,340) in value; the total amount loanable, however, is only nine-tenths of above, the borrower being compelled to supply one-tenth of the purchase price. The borrower pays interest at 3 per cent plus a payment on the principal to make a total payment of 4 per cent a year of the total sum loaned.

The amounts appropriated under each act in each of the five-year periods to which the act applied are as follows: Act of 1899, $3,685,000; act of 1904, $4,020,000; act of 1909, $5,360,000; act of 1914 (3 years), $4,020,000.

These laws have had very beneficial results. The total number of peasant proprietors who, by the assistance of the State fund, became owners of their properties from 1900 to March 31, 1914, was 7,117. The State has loaned in all approximately 33,634,000 crowns ($9,013,912).¹ That the State has been successful in encouraging the younger farmers to establish themselves as owners is shown by the fact that 3,895 (71.6 per cent) of the 5,441 borrowers concerning whom information is available, up to 1911, were between the ages of 25 and 40, and 1,274 (23.4 per cent) were from 40 to 50 years of age.

¹ Statistisk aarbog, 1914, p. 39.
Over four-fifths (82.2 per cent) of the purchasers of properties were married. Day laborers made up 72.7 per cent, agricultural laborers and domestic servants 9.7 per cent, and other occupations not specified 17.6 per cent.

The average size of holding purchased was 3.16 hectares (7.81 acres) under the law of 1899, but since 1904 there has been a gradual increase in the size of the farm purchased. Thus under the act of 1909 the average size was 4.22 hectares (10.42 acres).

The total losses have amounted to only 10,000 crowns ($2,680).

LIST OF REFERENCES CONSULTED.


Forslag til Lov om Laan til Byggeforeninger. (Bill to make State loans to building associations.) [Copenhagen, 1914.]

Regnskab for Valby Arbeideres Byggeforening fra 1. Januar til 30. Juni 1913. (Financial report of the Valby Workingmen’s Building Association for the period, Jan. 1 to June 30, 1913.) [Copenhagen, 1913.]

Lov om opprettelse af husmandsbrug og m. fl. [Copenhagen, 1914.] (Law on the creation of laborers’ holdings.)


Statistisk aarbog. 19de aargang 1914. Copenhagen, 1914.
The general aim of French housing legislation has been to encourage individuals and societies to construct houses for workingmen by granting them loans from certain Government banks and public institutions and by allowing certain tax exemptions on homes so constructed.

The attention of the public authorities was first directed to the subject of construction of houses for those of small means in 1852, when the Government appropriated 10,000,000 francs ($1,930,000), 2,000,000 francs ($386,000) to be employed in the construction of 17 five-story tenements divided into apartments of two and three rooms and kitchen, while another 2,000,000 francs ($386,000) was granted as a subsidy to builders of workingmen's houses. Some of this last amount was to be distributed throughout the Departments to building associations and garden city societies, notably that at Mulhausen. This act on the part of the Government resulted in much discussion of the housing problem and brought forth many suggestions. Among these suggestions were those for workingmen's cities made up of houses costing 2,000 ($386) to 4,000 ($772) francs. Plans were offered for the construction of portable houses (des maisons demontables en bois) on the part of the State upon unoccupied areas.

The practical results were not considerable. The tenements built by the State were not rented by the families of laborers, but by those of the middle class. These tenements were later disposed of, and one was turned into a bachelor apartment. In making subvention to building associations the restrictions imposed by the State architect were not encouraging, one requirement, for instance, being that the price of the ground area be limited to from 7.5 to 8 francs ($1.45 to $1.54) per square meter (10.8 square feet) of floor area. This and other conditions limited the profits of builders to about 5 per cent or less on their investments.

The Emperor Napoleon III himself constructed 41 houses in Paris, which he offered to the workingmen's society on condition that its members subscribe 100 francs ($19.30) each. This was done, and the
houses, which had cost 500,000 francs ($96,500) were transferred to the society. The cooperative society showed poor management, and a number of shareholders tried to wreck the scheme, but a majority of the shareholders blocked this plan, took hold of the management successfully, and elected an administrative board.

The Messrs. Péreire, who received part of the 2,000,000 francs ($386,000) subsidy, constructed a vast building in the Rue Boursault, containing 204 dwellings, but this enterprise failed because of the severity of the rules and regulations governing tenants.

Besides these activities, the French Government, in its capacity of employer, has been interested in building houses for lodging its employees in the forestry service, customs service, and upon the State railroads.

In 1866 the Workmen's Dwellings Association of Amiens (Société des maisons ouvrières d'Amiens) was founded, but it was not until 1889, the year of the industrial exhibition in Paris, that efforts took on a larger scope. In that year was founded the French Association for Cheap Dwellings (Société française des habitations à bon marché). This society has for its general object the encouragement of the construction of sanitary and inexpensive houses for workmen by publishing literature on the subject, presenting plans, distributing information, and the like. In 1894 it was instrumental in having the law of that year (Nov. 30, 1894) passed which encouraged home owning by creating certain local supervisory committees to encourage private initiative and to hold meetings; by offering certain privileges to building associations in the way of exemption from stamp taxes and registration fees; by permitting building and loan associations to borrow certain public funds; by providing for a system of life insurance in connection with repayment of loans by installments; and, finally, by liberalizing the laws for these associations, for the transfer of homes by succession to the widow or children.

The act remained substantially unchanged until 1906. In this year another act was passed, which added no new feature to the previous law, but extended its operation by allowing loans of a larger amount on larger ground areas in connection with the houses purchased. It likewise included a provision allowing loans to municipalities for building public baths and laying out garden cities. It was amended extensively, however, on February 26, 1912, and was incidentally modified by the law of December 23, 1912.

These two laws, then—namely, those of April 12, 1906, and December 23, 1912—together with the law on small holdings and low-cost dwellings of April 10, 1908, constitute the main body of French legislation relative to loans for home building for those of small means.
This French housing legislation contains the same three features which are found in Belgian legislation: (1) Creation of certain local patronage committees for the purpose of propaganda in encouraging home owning, supervising sanitary conditions, and giving encouragement to the formation of mutual benefit societies among working-men; (2) authorization of the Bank of Deposits (Caisse des dépôts et consignations), a Government institution, and of the National Old-Age Retirement Fund to make loans to building and loan associations for the construction of low-priced workmen’s dwellings; and (3) the principle of life insurance on the part of the borrowers in connection with the taking out of loans.

LEGISLATION IN FORCE IN AID OF WORKMEN’S DWELLINGS.

CONDITIONS APPLYING TO CHEAP DWELLINGS.

The term cheap dwelling (habitation à bon marché) may be defined as meaning a dwelling constructed in conformity with all the requirements of durability and healthfulness specified in the act of 1906. Such dwellings may be rented or sold. They may be detached, individual houses or tenement structures (maisons collectives). A dwelling house, to come within the terms of the act, must (1) be intended for the occupancy of persons of small means; (2) not exceed a certain maximum rental value fixed by the law; and (3) be of sanitary construction. By persons of small means are meant, generally, ordinary laborers living principally on a daily wage, a vague term left to be defined in practice by administrative officers and courts.

The maximum rental value of the dwelling is fixed according to its size and the population of the municipality of its location. It is also stipulated that the actual rental value may not fall below this fixed maximum by more than one-fourth, a provision which has been inserted, undoubtedly, in order that loans may not become unprofitable by reason of their insignificance in amount. The maximum rental values shown in the table which follows were fixed by the amending act of February 26, 1912, and are considerably increased over those in the act of 1906. This increase was necessary, it is reliably stated, on account of the increased cost of labor and building material in recent years.

<table>
<thead>
<tr>
<th>Apartments</th>
<th>France</th>
<th>France</th>
<th>France</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>with 3 rooms or more, of 9 square meters (96.87 square feet) floor space or less and kitchen and toilets.</td>
<td>220 ($42.46)</td>
<td>180 ($34.74)</td>
<td>120 ($23.16)</td>
<td>70 ($13.51)</td>
</tr>
<tr>
<td>with 2 rooms having 9 square meters (96.87 square feet) floor space or less and kitchen and toilets.</td>
<td>250 ($48.25)</td>
<td>205 ($39.57)</td>
<td>125 ($24.13)</td>
<td>80 ($15.44)</td>
</tr>
<tr>
<td>with 1 room 9 square meters (96.87 square feet) floor space and kitchen.</td>
<td>275 ($53.08)</td>
<td>225 ($43.43)</td>
<td>150 ($28.95)</td>
<td>90 ($17.37)</td>
</tr>
<tr>
<td>of a single room 9 square meters (96.87 square feet) floor space.</td>
<td>325 ($62.73)</td>
<td>250 ($48.25)</td>
<td>175 ($33.78)</td>
<td>100 ($19.30)</td>
</tr>
</tbody>
</table>

1. Municipalities of 2,000 inhabitants or less
2. Municipalities of 2,001 to 5,000 inhabitants
3. Municipalities of 5,001 to 15,000 inhabitants
4. Municipalities of 15,001 to 30,000 inhabitants and suburbs of municipalities of 30,000 to 100,000 inhabitants within 10 kilometers (6.2 miles)
5. Municipalities of 30,001 to 200,000 inhabitants and suburbs of those of 200,001 inhabitants and over, within 15 kilometers (9.3 miles), and Greater Paris, i.e., municipalities whose distance from fortifications is over 20 kilometers (12.4 miles), but not over 40 kilometers (24.9 miles)
6. Municipalities of 200,001 inhabitants and over and the inner suburbs of Paris within 20 kilometers (12.4 miles)
7. City of Paris

It is not necessary that all the apartments composing the tenement should fulfill these conditions. It is only required that the greater part of the premises come within the conditions. Nor does the tenement lose its character of a cheap dwelling if the ground floor is turned into shops nor if the apartments on a single floor exceed the maximum rental value fixed by law. Such shops and apartments do not benefit by the tax exemption.

As regards one-family houses, socially more desirable, but the cost price of which is higher than an apartment in a tenement, the maximum rent is fixed by law at an increase of one-fifth over the latter. This maximum rental value is determined in all cases at 4.75 per cent of the net cost, and thus it is easy to determine beforehand the maximum net cost which a house may not exceed in any given community. As the maximum rent is fixed by law for the different classes of apartments according to the population of the different cities, and as the rent of one-family dwellings must not exceed one and one-fifth that of the same class of apartments, it is easy to compute the maximum net cost of one-family dwellings. When computed, this net cost determines the amount of a borrower’s loan. Furthermore, a ground site not in excess of 10 ares (10,764
square feet) in connection with a detached house may be purchased with the same loan; this would be equivalent to a lot 100 by 107.64 feet.

The following table shows the maximum annual rent of one-family dwellings, based on the cost of construction and the population of the locality in which built:

**MAXIMUM RENTAL VALUE AND MAXIMUM COST OF SINGLE-FAMILY HOUSES CONSTRUCTED AS "CHEAP DWELLINGS" UNDER THE ACTS OF APR. 12, 1900, AND DEC. 23, 1912.**

<table>
<thead>
<tr>
<th>Houses with 3 rooms or more of 9 square meters (96.87 sq. ft.) floor space or less and kitchen and toilets.</th>
<th>Houses with 2 rooms having 9 square meters (96.87 sq. ft.) floor space or less and kitchen and toilets.</th>
<th>Houses of 1 room of 9 square meters (96.87 sq. ft.) floor space and kitchen.</th>
<th>Houses of single room of 9 square meters (96.87 sq. ft.) floor space.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Municipalities of 2,000 inhabitants or less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>264 ($50.95)</td>
<td>216 ($41.69)</td>
<td>144 ($27.70)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>5,557 ($1,072.50)</td>
<td>4,647 ($877.57)</td>
<td>3,601 ($684.96)</td>
</tr>
<tr>
<td>2. Municipalities of 2,001 to 5,000 inhabitants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>230 ($45.90)</td>
<td>216 ($41.69)</td>
<td>150 ($29.25)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>6,315 ($1,218.80)</td>
<td>5,178 ($999.35)</td>
<td>3,157 ($609.30)</td>
</tr>
<tr>
<td>3. Municipalities of 5,001 to 10,000 inhabitants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>270 ($52.11)</td>
<td>264 ($41.69)</td>
<td>180 ($34.74)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>6,947 ($1,360.77)</td>
<td>5,684 ($1,097.01)</td>
<td>3,789 ($721.26)</td>
</tr>
<tr>
<td>4. Municipalities of 15,001 to 30,000 inhabitants and suburbs of municipalities of 30,001 to 200,000 inhabitants within 10 kilometers (6.2 miles):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>260 ($52.75)</td>
<td>300 ($57.90)</td>
<td>210 ($40.53)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>8,219 ($1,584.53)</td>
<td>6,315 ($1,218.80)</td>
<td>4,241 ($853.25)</td>
</tr>
<tr>
<td>5. Municipalities of 30,001 to 200,000 inhabitants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>360 ($68.90)</td>
<td>300 ($57.90)</td>
<td>210 ($40.53)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>10,105 ($1,950.27)</td>
<td>8,219 ($1,584.53)</td>
<td>6,315 ($1,218.80)</td>
</tr>
<tr>
<td>6. Municipalities of 200,001 inhabitants and over and the inner suburbs of Paris within 10 kilometers (6.2 miles):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>480 ($92.64)</td>
<td>360 ($68.90)</td>
<td>300 ($57.90)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>12,631 ($2,437.78)</td>
<td>10,105 ($1,950.27)</td>
<td>7,578 ($1,462.55)</td>
</tr>
<tr>
<td>7. City of Paris:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rental value...</td>
<td>720 ($135.96)</td>
<td>600 ($115.80)</td>
<td>420 ($81.06)</td>
</tr>
<tr>
<td>Maximum net cost............</td>
<td>15,157 ($2,925.30)</td>
<td>12,631 ($2,437.78)</td>
<td>8,842 ($1,706.51)</td>
</tr>
</tbody>
</table>

As to the nature of this net cost of construction it may be said that there is included therein only so much ground space as is covered by the dwelling. The cost of the extra ground mentioned above must be made an additional part of the loan. Cost of water and sewer mains is not included, but cost of fire insurance is in the case of a house purchased. These restrictions have been the subject of CG171—Bull. 158—15—9
criticism as discouraging a purchaser from securing as much ground area for his house as proper sanitary considerations would require. It is claimed that they would lead to congestion in building and to poor water and sewerage equipment. As a basis for determining the net cost by the authorities, the interested party must produce all the plans, specifications, and contracts of the builder.

In addition to the two requirements that the house shall be for those of small means and be of a certain rental value or net cost, the third requirement is that as regards healthfulness it shall be constructed in conformity with the sanitary inspection law of February 15, 1902; and the local patronage committees must be satisfied that this provision has been observed. A certificate from the committee to this effect is a condition precedent to the obtaining of a loan for construction. Furthermore, the committee is required to cause inspection of the houses to be made as long as they benefit by the tax exemptions, explained in the following paragraphs, and may require a loan to be canceled if the sanitary conditions are not complied with.

**TAX EXEMPTIONS FOR CHEAP DWELLINGS.**

For a period of 12 years (5 years by the act of 1906, increased to 12 by act of 1912) after its construction a “cheap dwelling” is exempt from the land tax and the door and the window tax. The exemption from the land tax applies only to so much of the ground plot as is occupied by the house, and not to yards or garden in connection therewith. To secure the exemption the owner or purchaser must register his claim and show that the house complies with the conditions of the law.

**BUILDING AND LOAN ASSOCIATIONS.**

“Low-cost dwellings” may be constructed by private individuals either for sale or for rent. Employers may construct them for their employees. The action of these parties is apt to be very limited, so the legislature had recourse to special institutions. Among these are building associations which are divided into two classes, ordinary noncooperative stock companies and cooperative societies. In noncooperative stock companies the renters or purchasers are not necessarily shareholders, and in reality are never such. The companies are established by capitalists who desire to assist in a philanthropic and social undertaking and are satisfied with a moderate profit. In the cooperative societies the stockholders are the actual purchasers or renters of the dwellings constructed by the society. Whatever the form of organization, however, the business of the society is threefold: (1) Construction of tenements for sale or rent, (2) construction of single-family houses for sale or rent, and (3) making of advances to individuals who wish to build their own houses.
Those building and loan associations which desire to take advantage of the privileges of the law must comply with certain conditions:
(1) Limit their dividends to 4 per cent; (2) submit their by-laws to the approval of the authorities; (3) make an annual report to the housing council elsewhere described (see p. 136); and (4) comply with certain rules in the event of winding up their affairs. In return for these requirements they have certain privileges, as follows:

I. Tax exemptions of three kinds are granted: (a) Stamp and registration fees on their documents, shares, bonds, mortgages, etc.; (b) licenses and excise taxes on interest from their securities; (c) inheritance taxes, but only if they confine themselves to the construction and sale of low-cost dwellings and do not build for rental purposes.

II. Financial advantages of importance are accorded to building and loan associations as follows:

First. Three sets of institutions are permitted to purchase their shares, namely: (1) Charitable institutions, (2) municipalities and Departments, and (3) the general savings banks. Charitable institutions may invest their funds only on the authorization of the local prefect, they may not own over two-thirds of the capital of any single association, and their shares must all be paid in. They may not invest in these building associations over one-fifth of their assets, according to the law of April 12, 1906; two-fifths by the act of December 23, 1912. Municipalities and Departments, after permission from the minister of labor to buy building association shares, are subject to the same restrictions as charitable institutions in regard to the amount of shares they may hold of any building association. They may exchange expropriated land for shares on equal terms. Savings banks may devote under various forms one-half their capital and surplus to housing projects under the restriction that the sum of these investments added to the cost price of their real estate holdings does not exceed 70 per cent of their capital and surplus, but they may not hold over two-thirds of the shares of any building association.

Second. Four sets of institutions are permitted to purchase the bonds of building and loan associations, namely, the three institutions named above, and in addition the Bank of Deposits (Caisse des dépôts et consignations), a Government institution. This latter may employ two-fifths of its reserve and the guaranty deposits of the savings banks for this purpose.

Third. Ordinary current loans may also be made to the building and loan associations by charitable institutions, municipalities, and Departments, and by the general savings banks provided they secure a mortgage guarantee.

Fourth. Municipalities and Departments may transfer lands or buildings to building and loan associations at a price not less than one-half the value thereof.
Municipalities and Departments may guarantee up to 3 per cent, without limitation as to time, the interest on the bonds of these associations, and they may guarantee their dividends for a period not exceeding 20 years.

**INSTITUTIONS AUTHORIZED TO CONSTRUCT LOW-COST DWELLINGS.**

Some of the institutions mentioned above may participate more directly in the construction of cheap dwellings: (1) Charitable institutions, hospitals, and asylums, which may construct dwellings, either tenement or detached, upon the authorization of the prefect; (2) savings banks; (3) municipalities. The latter are mainly engaged in constructing tenements for workmen with large families.

Authorization is given to these institutions by decree of the State council after public inquiry and upon advice of the board of health of the Department and of the local housing or patronage committee.

The actual construction of these houses need not be undertaken by the municipalities, but is directly intrusted either to the public office for cheap dwellings in the locality or to the building association. For this purpose the municipality may contract loans from the Bank of Deposits, savings banks, charitable institutions, and asylums which are specially authorized to make loans to the municipality, in the same way as to building and loan associations.

**INSTITUTIONS AUTHORIZED TO MAKE LOANS TO INDIVIDUALS.**

Savings banks are authorized to make mortgage loans to individuals payable by a system of amortization; that is, by gradual liquidation of the principal and interest in equal annual installments.

**PUBLIC OFFICES FOR CHEAP DWELLINGS.**

Under the law of December 23, 1912, public institutions known as public offices for cheap dwellings (offices publics d'habitations à bon marché) may be established in a municipality. These are permanent bodies through which the municipalities conduct their operations. To these offices is intrusted the administration of the sanitary laws governing dwellings as well as laws concerned with the construction and management of garden cities (cités-jardins), public baths, public laundries, playgrounds, and day nurseries.

These offices are located in a municipality at the request of the municipal council or on the request of the general council of the Department. They are supported by means of subsidies from the municipalities and the Departments. The offices are administered by a board of directors of 18 members, one-third appointed by the prefect, and one-third by the municipal council or by the administrative

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1 Cités-jardins are defined as a collection of dwellings, especially of laborers or farmers, so arranged that only one-fifth of the land is available for buildings, the balance remaining open spaces.
council of the Department concerned, the remaining one-third being chosen by the different mutual aid and welfare institutions situated in the locality and interested in the housing work carried on under these laws.

Large powers are granted to these offices for cheap dwellings. They may receive, in addition to the sums appropriated by Departments and municipalities, private donations and legacies designed to increase their capital. If these resources are insufficient for their purposes they are authorized to borrow. Departments and municipalities may make loans to them and may guarantee the interest and the payment of loans contracted by them. Finally, the different bureaus or public institutions which are permitted to make loans or advances to cheap dwellings associations are authorized to lend to the public offices for cheap dwellings on the same terms that they do to the associations.

**SPECIAL PROVISIONS FOR AID IN HOUSING OF LARGE FAMILIES.**

The several housing acts and other special acts, particularly those of July 13, 1912, and July 14, 1913,1 contain provisions favoring the building of homes for large families—i.e., those having more than three children under 16 years of age. Thus, for instance, the building societies benefit in that respect by securing lower tax rates on such houses; municipalities are permitted to construct homes especially for such families. Also, municipalities may make subsidies to public housing offices and building associations to erect properties for that type of family. Such subsidies, however, may not exceed annually 1 per cent of the net cost of the house, and must be used by the societies profiting thereby exclusively in the reduction of rent of apartments occupied by large families. These subsidies may continue for eighteen years from the time of the completion of the house, and may be renewed at a reduced rate thereafter every five years if desired.

If a family is both large and needy, the State contributes one-half as much as the subsidy allowed to housing offices, municipalities, and building societies. In certain instances the subsidy may be increased to 2 per cent of the net cost of the house and may run for 30 years. This is the case if at least one-half the rent of a property is to come from apartments rented to families which are both large and in needy circumstances. Any decisions of the municipal councils, however, in this matter must receive the sanction of the ministers of the interior, labor, and finance.

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1 Loi du 13 juillet 1912 autorisant la ville de Paris à emprunter une somme de 200 millions en vue de construire des habitations à bon marché; loi du 14 juillet 1913 sur l’assistance aux familles nombreuses, arts. 2, 13.
FACILITIES FOR TRANSFER OF PROPERTY.

The law aims to modify the laws of transfer and inheritance of property in favor of small owners so as to assist in maintaining the property undivided for the use of the wife and children in case of the death of the head of the family owning property under the law.

A peculiar system of transfer takes place, called "attribution," whereby the heirs and the surviving spouse may take over the property undivided at a fair value determined in court as against other claimants under existing property laws. If the heirs cannot agree thereon, resort is had to a system of lots. The main object attained by this system is a saving of many of the ordinary expenses connected with the hereditary transfer of property.

CONDITIONS GOVERNING LOANS TO INDIVIDUALS.

In addition to the requirements of the law as to the employment of the prospective individual borrower as a daily wage earner, the value of his proposed house and the character of its construction, certain other conditions are imposed on him in order to entitle him to a loan. The law has fixed the maximum rate of his interest payment at 4 per cent; one-tenth of the purchase price of the property must be paid at the time of the sale. Repayment of the loan is to be made in equal annual installments, including interest and principal, distributed over varying periods of 10, 15, 20, and 25 years, with the right of anticipating payments at any time.

As to the method of acquisition of the property, the use of a mortgage, as might be expected, is not resorted to, but a peculiar system is employed whereby resort is had to a lease for a term of years containing a provision for a future sale. By this method the holder of the lease is not burdened directly with the payment of taxes, etc., which is attended to by the building and loan association with which he deals. The system differs from a mortgage system mainly in the fact that the leaseholder does not come into ownership at once, but must wait until the end of his term, whereas, by the use of a mortgage, ownership and possession are contemporaneous. The practical gain to the borrower lies in the fact that he is required to pay only one-tenth of the purchase price at the time of the transaction, while under a mortgage he is required to pay one-fifth.

LIFE INSURANCE TO GUARANTEE REPAYMENT OF LOANS.

The special rules regarding the maintenance of the property undivided and securing facility of transfer applies to property which is already paid for and in the possession of the decedent. If, however, death occurs before the payments are all made the property would, in all probability, be lost to the heirs for lack of means to continue the payments. To provide against such a contingency France
followed the example of the Belgian housing act of 1889 and instituted a system of insurance whereby every purchaser of a piece of property or a house may take out a term insurance policy for an amount equal to the sum to be paid on the house and for a period equal to that for which the loan runs. The premium varies with the insurer's age and the period of the loan. The State insurance institute created by the act of 1868 undertakes to pay the balance due on any property purchased if the insured dies before completing his payments while carrying insurance. Insurance may, however, be taken out with the private companies, but these have shown little disposition to engage in this business.

Unlike the system in Belgium, the State insurance institute in France concerns itself only with insuring the individual purchaser, while in Belgium the insurance company performs the dual function of insurer and lender. The operations of the system in France are carried on through the building societies, which in turn deal with the individual borrower. The building society prepares all necessary documents and saves the purchaser of insurance considerable expense and trouble, while on the other hand the State insurance institute is saved the trouble of dealing with hundreds of individual applicants in the collection of premiums. Through the building associations the State insurance institute can get its premiums paid annually in a lump sum and leaves it to the building association to deal with the individual insurers, who can pay their premiums in equal quarterly installments to the society. The premiums may be paid in any one of three of the methods known in ordinary life insurance: (1) Single-premium payment in advance; (2) step-rate premium in proportion to the decreasing risk, this growing less each year; and (3) level premium, a sum distributed equally over the whole term of the insurance.

As to the conditions on which the policy is issued it is provided (decree of Jan. 10, 1907) that the maximum value of the policy may not exceed the net cost fixed by the law for cheap dwellings, and that the payment of premium must be terminated before the age of 65. Also, every insurant is required to pass a medical examination.

The following illustration as to how the costs of the insurance bear upon the policy holder may serve to render the situation clearer.¹

If an individual 35 years of age desires to buy a house for $1,000 and to make his payment cover a period of 20 years at 4 per cent, he takes out an insurance policy to insure his family's becoming

owners if he dies before completing his 20 payments. The following are some of the choices he has as to premium payments:

Single premium, lump sum, payable on signing contract............. $115.70
Annual premium, payable in 11 annual installments................. 12.80
Annual decreasing premium to be paid in 20 installments:
First year................................................................................................. 12.40
Fifth year................................................................................................. 9.75
Tenth year............................................................................................... 7.70
Fifteenth year....................................................................................... 6.70
Twentieth year...................................................................................... 1.70

And if the premium were distributed over 20 years the level premium would only be $10 a year.

WORKMEN'S GARDENS, PUBLIC BATHS, AND LODGING HOUSES.

The act of 1906 extends its privileges to public housing offices, building societies, and public bath associations, which include as one of their purposes the sale or construction of public baths for workmen and other persons contemplated by the law. The law permits savings banks to make loans for this purpose and also for purchasing workmen's gardens, not exceeding 10 ares (¼ acre) in extent, on the same conditions as for houses. Also, there are included as a part of the dwelling entitled to privileges under the act gardens having an extent of not more than 5 ares (¼ acre) adjoining the buildings, or gardens of not over 10 ares (¼ acre) not adjoining buildings. These garden areas, however, are not exempt from the land tax.

Lodging houses conducted by cheap dwellings building associations may benefit by the tax exemptions and credit facilities extended by the act of 1906 to cheap dwellings. The rental of a room in such a house may not exceed that fixed by law for a single room and kitchen in an apartment coming under the act. All prices must be posted conspicuously.

ADMINISTRATION OF THE LAW.

The execution of the law is a part of the functions of the office of insurance and social welfare (direction de l'assurance et de la prévoyance sociale) within the ministry of labor and social betterment (ministère du travail et de la prévoyance sociale). For its direct administration there is created alongside of the above-named office a superior housing council (conseil supérieur des habitations à bon marché) of 50 members having general oversight of all housing questions. The council meets annually. For interim business there is appointed from among its members by the minister a permanent committee of 12 members. The housing council collates and prepares the reports of the local patronage committees and presents an annual summary thereof to the ministry.
The local administration of the law in the various Departments is looked after by the patronage committees, the creation of which is compulsory for each Department. These committees are virtually propaganda committees, investigating, encouraging, and spreading information on the housing question, thrift and saving, cooperation, and even old-age insurance.

**LEGISLATION IN FORCE IN AID OF OWNERSHIP OF SMALL HOLDINGS.**

**FACILITIES GRANTED TO PURCHASERS.**

It will be recalled that under the act of 1906 the largest ground area that could be purchased by the indirect aid of State funds in connection with a detached house was fixed at 10 ares (10,764 square feet). It was largely to make possible the purchase of a more extensive ground area, and thereby to encourage the worker of small means to settle in the suburban districts, that the act of April 10, 1908, was passed, known as the Ribot law on small holdings (*petite propriété*). It has since been twice amended very extensively—February 26, 1912, and February 11, 1914. This act makes possible the purchase of as large an area as 1 hectare (2.47 acres) in connection with a single detached house. Furthermore, for the purposes of the act, and to serve as the intermediaries between the borrower and the State, real estate loan companies (*sociétés de crédit immobilier*) may be organized. They play the same part under this act as do the building and loan associations under the act of 1906. The State makes its loans to the real estate loan companies at 2 per cent interest as compared with 3 per cent to the building and loan associations under the act of 1906. The reason for this lower rate to real estate loan companies is explained by the fact that they are compelled to lend at lower rates to the borrower than are the building and loan companies; and the State has further protected itself by requiring the individual borrower of the funds of the real estate loan companies to take out term life insurance to guarantee the payment of his debt, whereas this is optional with the company or the borrower who deals with the building and loan association operating under the act of 1906.

Inasmuch as the provisions of the act of 1908 are very similar to those of the act of 1906, the summary which follows will be made very brief.

**INDIVIDUALS ENTITLED TO LOANS.**

These are, in general, the same as under the act of 1906, namely, wage earners, farmers on a small scale (owners or tenants), artisans or shop owners, and those who either work with members of their own family or employ not more than one additional employee.
The maximum size of a field or garden plot, as already stated, which may be purchased in addition to a single detached house may not exceed 1 hectare (2.47 acres). The actual rental value of the house, in such a case, must not exceed the maximum fixed for low-priced dwellings in that locality; the cost of the additional field or garden plot may not exceed 1,200 francs ($231.60), including the expenses connected with the loan, such as life insurance and the drawing of the contract; and, lastly, the purchaser must agree that he himself or the members of his family will continue to cultivate the plot as long as it remains in his possession. Fields and garden plots purchased with loans extended under this act are granted all the tax exemptions allowed under the law of 1906 except the 12-year exemption from the land tax.

By the amending act of February 11, 1914, a borrower may secure a loan for the construction of outbuildings on his property to the extent of four-fifths of their contemplated value or cost of construction. This loan, however, is limited to a maximum of 2,000 francs ($386). On the same conditions an owner of a detached house may secure a loan for the purpose of erecting a shop on his premises.

REAL ESTATE LOAN COMPANIES.

The real estate loan companies, together with certain public and semipublic bodies, form the link between the State and the individual borrower, and only through them does the borrower get the use of the State funds. These companies are constituted as joint stock companies or corporations with limited liability. Their capital, originally fixed at a minimum of 200,000 francs ($38,600), was changed in 1912 to 100,000 francs ($19,300). To be entitled to receive State funds from the National Old-Age Retirement Fund the companies must conform to all conditions required of the building and loan associations under the act of 1906. (See p. 131.) Thus, they must limit their dividends to 4 per cent on their actual investment. In return for these limitations they are granted the usual tax exemptions (see p. 131) and are privileged to have certain public bodies subscribe to their share capital: (1) The general savings banks, (2) charitable institutions, and (3) Departments and municipalities.

CONDITIONS GOVERNING LOANS TO INDIVIDUALS.

Each prospective borrower desiring a loan from the real estate loan company must (1) be able to furnish at least one-fifth of the purchase price of his holding; (2) he must deposit with the State insurance institute a single premium on a term policy running for the period of his mortgage as a guaranty of the payment of the mortgage in case of death before completing payments thereon.

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1 See table, p. 129.
And, then, as a final guaranty of his fitness to receive a loan from the company (3) the borrower must produce a certificate from the local patronage committee of his district that he fulfills all the conditions requisite for a loan. Furthermore, (4) all his plans and specifications must be approved by the local health authorities in order to attest the fact that his house will be sanitary and healthful.

Loans to borrowers under this act must not bear interest in excess of 3.5 per cent. This, it will be noticed, is lower than is the case for loans under the act of 1906, in which the rate was fixed at 4 per cent. This discrimination is probably meant to favor the small cultivator and truck gardener and thus induce migration into the country from the city.

Although it is nowhere stated in the law, but has been left to practice, loans to individuals run for varying terms of 10, 15, 20, and 25 years, and are payable in equal annual installments with the privilege of anticipating payments at any time.

CONDITIONS GOVERNING LOANS TO BUILDING ASSOCIATIONS.

The legal character of these associations, whether joint stock companies or cooperative associations, determines the conditions and rates of interest at which they may borrow from the real estate loan companies. The joint stock or noncooperative limited liability companies must pay interest on their loans not in excess of 3 per cent, while the cooperative associations are required to pay not in excess of 2.5 per cent. These advances from the real estate companies may be loaned only to individuals who come within the classes specified by this act (1908) and that of 1906. An additional favor is granted the cooperative associations in that they are permitted to loan these funds, without complying with the other conditions governing advances to them, to those of their members who have four or more children under 16 years of age, and to those who contemplate the construction of a tenement to be rented principally to members of the association.

TOTAL AMOUNT STATE MAY ADVANCE TO REAL ESTATE LOAN COMPANIES.

The total amount made available from State funds for loans to these companies is 100,000,000 francs ($19,300,000). The total amount that any particular real estate loan company may secure in advances from the State is not limited to a fixed maximum, but is conditioned on certain financial facts connected with the companies. Any real estate loan company duly approved and incorporated by the State is entitled to secure an advance from the State to an amount equal to (1) one-half the amount of the capital subscribed, but not paid up, plus (2) an amount equal to the guaranty which each company is required to deposit to the credit of the State in the Bank.
Deposits for the proper conduct of its business, usually the amount of paid-up stock, plus (3) an amount equal to six-tenths of the value of the property offered as security for its loans; to all of which is added (4) an amount equal to the mathematical reserve of the insurance policies taken out on the lives of those shareholders of the company for whom the company has paid the premiums. This last condition apparently excludes from the calculation the reserve on those policies the holders of which have paid their own premiums in advance at the time they made their loan. The amount that would be so excluded is probably very insignificant and would count for little in determining the maximum borrowing capacity of the company, because, in practice, very few individual borrowers from the companies actually pay their single premium in advance, the general practice being to add the amount of it to the face of the loan and then to liquidate it gradually in the equal annual repayments on loans.

The above factors, which go to determine the maximum advance that the State makes to any real estate loan company, are, perhaps, a trifle involved, and are, therefore, illustrated by a hypothetical case. Let it be assumed that a real estate loan company incorporates with a capital of $100,000, of which one-fourth, or $25,000, is paid up, leaving $75,000 not paid up. Let it be further supposed that one-fifth of the value of the property on which the borrowers make their loans is $60,000. (Prospective borrowers under the law are required to put up this proportion of the value of the property which they contemplate buying.) On the basis of these suppositions the real estate loan company may secure from the State in advances an amount equal to the following:

- One-half capital not paid up .................................................. $37,500
- Amount guaranteed by the State (capital paid up) .................. 25,000
- Six-tenths of value of property on which loans are made .......................... $180,000
- Insurance reserve ................................................................... 36,000

Total .............................................................................................. $278,500

For the purposes of this case the insurance reserve has been calculated as 15 per cent of the mortgage security which the policies are supposed to cover. This mortgage security, as required by the law, is six-tenths of the value of the property which is being purchased plus the two-tenths which the borrower is required to pay down at the time of purchase, or a total of eight-tenths of the value of the property, amounting in this illustration, therefore, to $240,000, 15 per cent of which is $36,000.

It is further provided by the law that, if municipalities and Departments are willing to guarantee the payment of the annual installments on the loans of these real estate companies to the extent of
one-tenth of the State advance, then, in calculating the total borrow­
ing power of the company, the mortgage credits owned by it may be
included to the extent of seven-tenths of their value instead of six­
tenths. Those companies which can secure this guaranty from a
municipality or Department are then privileged, if they so desire, to
have the amount of their advances doubled.

In negotiating their loans, the companies apply themselves directly
to the Bank of Deposits, which bank is charged with making the
loans, after having the authorization of the supervising commission
created by the act for that purpose and acting under the minister of
labor.

STATE LOANS TO OTHER THAN REAL ESTATE LOAN COMPANIES.

Three other types of associations, in addition to the real estate
loan companies, may receive loans from the State for the purposes
of this act at the customary reduced rate of 2 per cent. These are:
(1) Cooperative building associations; (2) recognized associations of
public welfare; (3) friendly societies and federations of these.

Cooperative building associations, in order to profit by this privi­
lege to the same extent as real estate loan companies, must (1) show
an investment of 25,000 francs ($4,825) in the particular work con­
templated by the law and (2) must guarantee their repayments
either by the deposit of a bond, making themselves and their mem­
bers jointly and severally liable, or by securing municipal or Depart­
mental guaranty for the payment of these loans. In any case
(3) consent to the receipt of such advances must be had of the
minister of labor, and proof shown that the funds so advanced are
used for the express purposes of the law.

Recognized associations of public welfare (associations reconnus
d'utilité publique) to obtain advances must likewise show (1)
authorization by the minister of labor for the receipt of such funds,
(2) must deposit with the Bank of Deposits a bond of 100,000 francs
($19,300) in State securities or those guaranteed by the State, and
(3) agree to use the money so advanced for the express purposes of
the law. It is further provided (4) that their loans to third parties
may not draw interest in excess of 2.25 per cent.

Friendly societies and federations of these, in order to benefit by
these State advances, must comply with the conditions imposed
on associations of public welfare except in so far as the burden of a
special guarantee bond on their part is somewhat lessened by allowing
them to count as such special bond to the extent of 100,000 francs
($19,300) the liquid funds that they may have deposited on current
account in the Bank of Deposits, provided they continue to yield
4.5 per cent interest. In other words these associations are permitted
to use liquid funds on deposit as the equivalent of real estate security
for covering their loans.
ADMINISTRATIVE BODIES.

For the purposes of the act there is created within the ministry of labor and social welfare a special loan commission charged with the oversight of the loaning of the State funds to the various organizations entitled to receive them. The actual business of loaning the funds is charged to the National Old-Age Retirement Fund, from the funds of which the loans are drawn and charged against the State treasury. Administrative expenses are also charged to the State budget by the retirement institute. The members of the loan commission are appointed by the President upon the nomination of the minister of labor and social welfare; their term of office is five years. The commission is composed of 16 members, including the minister of labor who acts as chairman. Its members are two senators, two deputies, a member of the council of State, a member of the court of exchequer, two officials of the ministry of finance, the director-general of the Bank of Deposits, the director of the bureau of insurance and social welfare in the department of labor and social welfare, the director of irrigation and agricultural improvement work, two representatives of the real estate loan companies, and two members of the superior housing council.

PRACTICAL EFFECT OF LEGISLATION.

Three classes of privately organized societies intermediary between the borrower and the State exist under the legislation above summarized, namely:

1. Real estate loan associations (sociétés de crédit immobilier).
2. Cheap dwellings joint stock companies (sociétés anonymes d'habitations à bon marché); and
3. Cooperative cheap dwellings societies (sociétés cooperatives d'habitations à bon marché).

The real estate loan companies, which are always stock companies, as a rule, confine their loans to other associations which build houses for purchasers. The shareholders in the cooperative societies are purchasers of houses. In the cooperative societies the annual payments made by the purchasers vary with the interest on the shares, while in the first two classes of companies the purchasers of houses or garden plots pay in fixed installments of equal amount.

BUILDING ASSOCIATIONS.

The effect of the legislation described shows itself in the increasing number of cheap dwellings associations in France, in their improved financial position, in the growing amount of tax exemptions, and in the activity of the institutions authorized to aid cheap dwellings associations or to erect low-cost dwellings themselves.
As mentioned before, cheap dwellings associations which wish to share in the special privileges granted by legislation must submit their by-laws to the minister of labor for sanction. If he, in consultation with the superior housing council, approves them, the society may claim the privileges. By April 1, 1913, the number of societies which had received the required approval was 374. During the next year 45 new associations were approved, but since some of the old associations had dissolved and some of the new ones had not been able to complete their organization within the stipulated time, the number qualified on March 1, 1914, to claim the benefits granted by law was 410. They were located in 236 places, 85 of them being in Paris and 20 others in 17 different places within the Department of the Seine.

There is an increasing tendency for these associations to adopt the type of by-laws recommended by the minister of labor. Of the 410 approved associations, 256, or 62 per cent, adopted the exact type of by-laws recommended, while 89, or 22 per cent, had by-laws differing but slightly from this form. Thus 345, or more than four-fifths of the approved associations, are governed by rules very nearly uniform.

The following table shows the growth of cheap dwellings associations since 1894:

<table>
<thead>
<tr>
<th>Legal form of association</th>
<th>Number of associations</th>
<th>Per cent of total associations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1894-1899 1900-1906 1906-1914 Total</td>
<td>1894-1899 1900-1906 1906-1914 Total</td>
</tr>
<tr>
<td>Cooperative..............</td>
<td>18 107 133 258</td>
<td>36 67 58 63</td>
</tr>
<tr>
<td>Stock....................</td>
<td>52 31 60 143</td>
<td>64 33 42 37</td>
</tr>
<tr>
<td>Total....................</td>
<td>70 138 293 410</td>
<td>100 100 100 100</td>
</tr>
</tbody>
</table>

It will be noticed that the cooperative societies have increased more rapidly than the noncooperative companies, so that, although in the first period they formed only a little over one-third of the total number of associations, in the last period they formed over three-fifths.

**REAL ESTATE LOAN COMPANIES.**

The real estate loan associations were authorized by the law of 1908. By March, 1913, 72 had been formed. These are stock companies which receive from the State, at the rate of 2 per cent interest, capital which they must employ in making individual mortgage loans to acquirers of houses, fields, or gardens at an interest rate not exceeding 3.5 per cent, and in making advances to cheap dwellings associa-
tions at an interest rate not exceeding 3 per cent. The details concerning a typical society of this kind, the Real Estate Loan Co. of Havre, are given in a report of the American consul at Havre, dated April 11, 1913.

REAL ESTATE LOAN CO. OF HAVRE.

The company was organized and approved by the minister of labor in 1909. It has a capital of 260,000 francs ($50,180) in shares of 100 francs ($19.30) each, of which one-fourth is paid in. Up to April, 1913, it had made 86 loans for building operations to a total amount of $62,359.

The conditions of admission to the benefits offered by the company are as follows: (1) The applicant must be of age and sufficiently healthy to be insured in the National Life Insurance Fund (Caisse nationale d'assurance en cas de décès); (2) he must furnish references from his employer; (3) as required by the law, he must possess one-fifth of the sum necessary for the purchase of the ground or construction of the house desired (if the loan is desired only for the construction of the house the value of the ground already acquired is applicable toward the one-fifth required by the law); (4) if it is a question of purchasing a garden plot only, the applicant must be able to cultivate it himself or have it done by his family; (5) if the house purchased is located in Havre, the applicant must show that the annual rental value is less than 325 francs ($62.73) (this is shown by producing the last three rent receipts); (6) in the case of a house to be built, the applicant must produce all necessary documents, such as plans and specifications, in order to determine the net cost of the house.

The Havre company makes advances for the purchase of a piece of ground to an amount of four-fifths of a maximum expenditure of 1,200 francs ($231.60) and likewise toward the construction of a dwelling to a maximum expenditure, including value of the ground occupied, of 7,000 francs ($1,351) for Havre and 5,400 francs ($1,042.20) for the suburbs of Havre. As regards the acquirement of a piece of ground, the borrower must prove that the rent during the year preceding the application was not over 325 francs ($62.73) for Havre and 250 francs ($48.25) for its suburbs. These advances are made at the rate of 2.75 per cent interest for a period which may run at the option of the borrower for 10, 15, 20, or 25 years, with the privilege of anticipating payments in whole or in part at any time.

The mortgage loans are made by means of contracts drawn up before the notary of the company. Certain fees are also charged in connection with the loan, as, for instance, architect fees, 60 francs ($11.58), mortgage expenses and stamp duties calculated at about 3½ per cent of the total advance made.

In connection with all loans is to be found the peculiar insurance feature whereby, if a borrower dies at any time during the period he is making payments, the home goes by attribution (the French term)
to his descendant with a clear title of ownership instead of being divided among his heirs as under the code.

Of the 86 loans made by the company from 1909 to April, 1913, 4 were to railway employees, 7 to carpenters, 16 to metal workers, and 19 to day laborers.¹

REPORTS OF THE SUPERIOR HOUSING COUNCIL.

Annual reports on the operations of the French housing acts are made by the superior housing council (conseil supérieur des habitations à bon marché) to the President of the Republic. These annual reports are based on the reports made by the local patronage committees regarding the operations of the building and loan associations in their district.

Since the coming into force of the act of 1894 up to March 1, 1914, there were approved by the minister of labor 410 associations as entitled to make loans under the act.

STATISTICS OF THE BUILDING ASSOCIATIONS.

The last official analysis of the financial status of building associations operating under the French housing acts covers their operations for the year 1912. The analysis includes a survey of the operations of 296 building associations, 106 being stock companies and 190 cooperative, and of 13 real estate loan companies (act of Apr. 10, 1908), making in all a total of 309 companies; besides these there were three private foundations engaged in housing work.

The table which follows shows a comparative combined balance sheet of a certain number of building and loan associations at the beginning of each of the years 1911, 1912, and 1913.


<table>
<thead>
<tr>
<th>Items</th>
<th>Jan. 1, 1911 (241 companies)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stock companies (87)</td>
</tr>
<tr>
<td>Share capital</td>
<td>$3,986,193.47</td>
</tr>
<tr>
<td>Balance of loans from public funds</td>
<td>1,906,133.16</td>
</tr>
<tr>
<td>Value of real estate</td>
<td>4,800,497.66</td>
</tr>
<tr>
<td>Balance of advances outstand-</td>
<td>422,986.60</td>
</tr>
<tr>
<td>ing</td>
<td>33,059.61</td>
</tr>
<tr>
<td>Legal reserves</td>
<td>207,245.03</td>
</tr>
<tr>
<td>Other reserves</td>
<td>12,234.88</td>
</tr>
<tr>
<td>Debts—Expenses unpaid</td>
<td></td>
</tr>
</tbody>
</table>

¹ The 1913 report of the superior housing council shows that the Central Real Estate Loan Co. made in that year 201 loans, of which 52 were to mechanics and firemen, 53 to commercial employees, 11 to printers, etc., 16 to carpenters, masons, and gardeners, 8 to tailors, 10 to railroad and transport employees, 7 to furniture workers, and 21 to Government employees.

² This total is not the correct sum of the items, but is the equivalent of the total shown in the original report.

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<table>
<thead>
<tr>
<th>Items</th>
<th>Jan. 1, 1912</th>
<th>Jan. 1, 1913</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stock companies (95)</td>
<td>Cooperative societies (129)</td>
</tr>
<tr>
<td>Share capital</td>
<td>$3,888,312.14</td>
<td>$3,848,666.79</td>
</tr>
<tr>
<td>Balance of loans from public funds</td>
<td>2,041,718.82</td>
<td>2,881,323.44</td>
</tr>
<tr>
<td>Value of real estate</td>
<td>5,185,398.94</td>
<td>5,283,176.60</td>
</tr>
<tr>
<td>Balance of advances outstanding</td>
<td>561,752.50</td>
<td>180,516.95</td>
</tr>
<tr>
<td>Legal reserves</td>
<td>19,361.68</td>
<td>24,757.61</td>
</tr>
<tr>
<td>Other reserves</td>
<td>264,955.26</td>
<td>178,687.73</td>
</tr>
<tr>
<td>Debts—Expenses unpaid</td>
<td>17,771.63</td>
<td>18,343.69</td>
</tr>
<tr>
<td></td>
<td>$5,848,666.79</td>
<td>$6,360,231.04</td>
</tr>
<tr>
<td>Stock capital</td>
<td>$4,569,210.34</td>
<td>$7,321,836.37</td>
</tr>
<tr>
<td>Balance of loans from public funds</td>
<td>2,213,327.81</td>
<td>3,645,317.99</td>
</tr>
<tr>
<td>Value of real estate</td>
<td>5,387,659.41</td>
<td>6,300,231.04</td>
</tr>
<tr>
<td>Balance of advances outstanding</td>
<td>388,864.11</td>
<td>220,422.23</td>
</tr>
<tr>
<td>Legal reserves</td>
<td>52,385.34</td>
<td>39,439.00</td>
</tr>
<tr>
<td>Other reserves</td>
<td>375,307.67</td>
<td>144,770.67</td>
</tr>
<tr>
<td>Debts—Expenses unpaid</td>
<td>21,723.89</td>
<td>22,312.51</td>
</tr>
</tbody>
</table>

During the year 1912 the capital stock of the different kinds of associations was increased as follows:

- Stock associations: $680,898.21
- Cooperative associations: 1,473,169.58
- Real estate loan associations: 317,871.00

Total: 2,471,938.79

This increase in the capital of the cheap dwellings associations is due more to the increased capitalization of some of the older societies than to the amount added by the formation of new societies. In 1911 two of the noncooperative societies in Paris increased their capital by 600,000 francs ($115,800) and 400,000 francs ($77,200), respectively, and two cooperative societies located in Nancy and Angers increased their capital by 600,000 francs ($115,800) and 235,000 francs ($45,355).

It is evident from these tables that the cooperative societies lead in the housing work. Both their capital and their borrowings from public funds exceed those of either of the other classes of associations. Their capital at the beginning of 1913 formed very nearly three-fifths (58.3 per cent) of the total capital of all three classes of associations,
and they held 56.3 per cent of the balance of the amount borrowed from public funds. As between the cooperative and noncooperative companies, the former are plainly more popular among investors. The real estate loan companies have grown very rapidly. From January 1, 1912, to January 1, 1913, their capital increased over sevenfold. As the law authorizing them was passed in 1908, and the table deals only with results up to the beginning of 1913, these societies had had but little more than four years in which to establish themselves.

Of 276 cheap dwellings associations included up to 1912, 31 had no reserve fund at all and 40 had nothing beyond the legal reserve. The noncooperative societies made a better showing in this respect than the cooperative, 37 having reserve funds in excess of 10,000 francs ($1,930), while 4 had reserves in excess of 100,000 francs ($19,300).

DIVIDENDS DECLARED.

The financial success of the joint stock or limited liability companies is to be judged partly by their ability to pay dividends. It is true, however, that they aim to be partly noncommercial or philanthropic associations as indicated by the fact that they are willing to limit their dividends to 4 per cent, as required by the law, in order that they may receive State advances at reduced rates. The table which follows shows that dividends have not been uniformly forthcoming and that the companies have apparently observed their character of being at least semiphilanthropic. The returns on their capital have been anything but excessive; in fact, the largest proportion have paid no dividends.

STATEMENT OF DIVIDENDS PAID BY THE JOINT STOCK BUILDING AND LOAN ASSOCIATIONS OPERATING UNDER THE ACT OF 1906, FOR THE YEARS 1908 TO 1911.

<table>
<thead>
<tr>
<th>Year</th>
<th>4 per cent but not less than 3.5.</th>
<th>3.5 per cent but not less than 3.</th>
<th>3 per cent but not less than 2.5.</th>
<th>2.5 per cent but not less than 2.</th>
<th>2 per cent and less.</th>
<th>Not paying any dividends.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1908</td>
<td>No. 6</td>
<td>Per cent 8.8</td>
<td>No. 4</td>
<td>Per cent 5.9</td>
<td>No. 27</td>
<td>Per cent 28.7</td>
<td>No. 12</td>
</tr>
<tr>
<td>1909</td>
<td>No. 8</td>
<td>Per cent 10.1</td>
<td>No. 6</td>
<td>Per cent 7.6</td>
<td>No. 24</td>
<td>Per cent 30.4</td>
<td>No. 9</td>
</tr>
<tr>
<td>1910</td>
<td>No. 10</td>
<td>Per cent 11.5</td>
<td>No. 8</td>
<td>Per cent 9.3</td>
<td>No. 25</td>
<td>Per cent 28.7</td>
<td>No. 14</td>
</tr>
<tr>
<td>1911</td>
<td>No. 14</td>
<td>Per cent 14.7</td>
<td>No. 8</td>
<td>Per cent 8.4</td>
<td>No. 29</td>
<td>Per cent 30.5</td>
<td>No. 11</td>
</tr>
</tbody>
</table>

TAX EXEMPTIONS.

The variation in the amount of the fiscal exemptions granted each year gives some indication of the progress of the movement for providing low-cost houses. The table following shows the amount so exempted for 1900 and for each year from 1905 to 1913, inclusive, as calculated by the minister of finance.
NATURE AND AMOUNT OF TAX EXEMPTIONS BY WHICH BUILDING AND LOAN ASSOCIATIONS FOR CHEAP DWELLINGS PROFITED IN FRANCE IN EACH OF THE YEARS INDICATED.


<table>
<thead>
<tr>
<th>Year</th>
<th>Door and window tax.</th>
<th>Land tax.</th>
<th>Inheritance tax.</th>
<th>Licenses.</th>
<th>Stamp and registration dues.</th>
<th>Tax on income of negotiable paper, etc.</th>
<th>Total</th>
<th>Per cent of increase over preceding year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>$2,677.36</td>
<td>$2,070.55</td>
<td>$198.79</td>
<td>$339.40</td>
<td>$38.12</td>
<td>$199.69</td>
<td></td>
<td>80,508.50</td>
</tr>
<tr>
<td>1905</td>
<td>$2,070.55</td>
<td>$2,677.36</td>
<td>$198.79</td>
<td>$339.40</td>
<td>$38.12</td>
<td>$199.69</td>
<td></td>
<td>80,508.50</td>
</tr>
<tr>
<td>1906</td>
<td>$2,677.36</td>
<td>$2,070.55</td>
<td>$198.79</td>
<td>$339.40</td>
<td>$38.12</td>
<td>$199.69</td>
<td></td>
<td>80,508.50</td>
</tr>
<tr>
<td>1907</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1908</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>$18,285.53</td>
<td>$18,285.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Increase for 3 years.
2 Does not include exemptions granted under the act of 1894 but disallowed under the act of 1906.
3 The act of 1906 (sec. 11) abolished this tax entirely in the case of these cheap dwellings societies. No calculations are available to show the amount of it, but estimates for 1907-1910 place it at 150,000 francs ($25,090), or an average of 32,500 francs ($8,272.50) per year.

The variation of the total is perhaps shown more plainly by the following summary:

PER CENT BY WHICH TAX EXEMPTIONS OF SPECIFIED YEAR EXCEEDED THOSE OF PRECEDING YEAR.

<table>
<thead>
<tr>
<th>Year</th>
<th>Per cent increase.</th>
<th>Year</th>
<th>Per cent increase.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>23.3</td>
<td>1908</td>
<td>80,508.50</td>
</tr>
<tr>
<td>1902</td>
<td>1905</td>
<td>4,036.65</td>
<td></td>
</tr>
<tr>
<td>1903</td>
<td>1906</td>
<td>3,907.70</td>
<td></td>
</tr>
<tr>
<td>1904</td>
<td>1907</td>
<td>7,216.24</td>
<td></td>
</tr>
<tr>
<td>1905</td>
<td>1908</td>
<td>3,692.15</td>
<td></td>
</tr>
<tr>
<td>1906</td>
<td>1909</td>
<td>2,413.59</td>
<td></td>
</tr>
<tr>
<td>1907</td>
<td>1910</td>
<td>2,508.69</td>
<td></td>
</tr>
<tr>
<td>1908</td>
<td>1911</td>
<td>2,771.03</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>1912</td>
<td>4,083.47</td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>1913</td>
<td>6,579.14</td>
<td></td>
</tr>
</tbody>
</table>

The remission of the land tax and of the door and window tax is granted to the owner of a cheap dwelling conforming to certain specifications, so the increased amount of these two exemptions is directly related to the increase in the number of such houses. The remission of stamp and registration fees is granted to cheap dwellings associations. The increase in this item, therefore, indicates the growing number of such organizations.

The number of individual houses for which exemptions were granted in 1911 was 8,695; in 1912 the number increased to 11,845 and in 1913 to 16,807.¹ In 1911 among the houses exempted were 892 tenement houses, containing 5,657 apartments, or an average of 6.3 apartments per house. The following year there were 1,297 tenement houses, containing 9,453 separate dwellings, or an average of 7.3 per house, and in 1913 there were 1,613 with 11,848 apartments or 7.3 per house. In 1910 the average number of apartments in each tene-

ment was 7.8 as compared with 10.3 and 11 in 1909 and 1908, respectively. Thus, so far as may be judged by the progress of six years, there is a tendency away from the large tenement and the consequent massing of families together. Nor can it be said that there is any excessive crowding where 11 is the maximum number of dwellings in a single tenement.

Though comparable figures are not available, it is fairly safe to say that individual detached houses are increasing in number in France relatively more rapidly than are tenements due to the favorable influence of the housing legislation discussed in these pages.

LOANS AND OTHER HOUSING ACTIVITIES OF PUBLIC BODIES.

Under the French housing acts four groups of institutions are allowed to lend their funds to cheap dwellings associations or to erect workingmen's dwellings themselves: (1) The savings banks, which are semipublic institutions; (2) the Bank of Deposits, which is under State management and guarantee and receives deposits of Government money; (3) charitable institutions, almshouses, and hospitals; and (4) municipalities and Departments. This authorization was given as early as 1894, but for a long time it was little used. The passage of the law of 1906 gave an impetus to the whole housing movement, which is reflected in the activities of these bodies. In the following pages a summary is given of the work of each group of institutions. Desirable as it may seem to be able to segregate State funds from private funds involved in the operations of these bodies, it is impracticable to do so. All the funds, however, of the charitable bodies, the municipalities, and the Departments contributed for housing purposes are public money.

SAVINGS BANKS.

These institutions are authorized to buy or build workingmen's houses and manage them themselves, to make loans to cheap dwellings associations and to invest in the stock and bonds of such associations. It should be said here, however, that only an insignificant amount of public funds enter into these investments of the savings banks, consisting mainly of municipal subsidies for paying the expenses of these institutions. Their so-called individual assets (fortune personelle), consisting of their capital and surplus as well as gifts and legacies contributed by philanthropists, may be partly invested in various forms of housing work. In 1913 there were 171 banks making housing loans as compared with 146 in 1912.

The table which follows shows the total amount these banks invested in housing work in 1900, and from 1905 to 1913, inclusive, as well as the rate of increase over the period indicated.

---


<table>
<thead>
<tr>
<th>Year</th>
<th>Outstanding loans and investments</th>
<th>Per cent of increase over preceding year</th>
<th>Year</th>
<th>Outstanding loans and investments</th>
<th>Per cent of increase over preceding year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>$438,728.57</td>
<td></td>
<td>1909</td>
<td>$1,772,725.05</td>
<td>20.2</td>
</tr>
<tr>
<td>1905</td>
<td>809,001.39</td>
<td>84.4</td>
<td>1910</td>
<td>2,099,730.06</td>
<td>23.0</td>
</tr>
<tr>
<td>1906</td>
<td>970,568.26</td>
<td>20.0</td>
<td>1911</td>
<td>2,422,699.30</td>
<td>15.4</td>
</tr>
<tr>
<td>1907</td>
<td>1,170,568.07</td>
<td>21.5</td>
<td>1912</td>
<td>2,377,924.11</td>
<td>19.2</td>
</tr>
<tr>
<td>1908</td>
<td>1,474,332.32</td>
<td>25.0</td>
<td>1913</td>
<td>2,835,715.08</td>
<td></td>
</tr>
</tbody>
</table>

1 Increase for 5 years. 2 Decrease.

This shows a very great increase in the amount devoted to housing interests, yet it is declared that the savings banks have by no means accomplished what might have been expected from them under the law. They may legally invest in such interests their income and one-fifth of their capital. No recent figures are at hand, but at the end of December, 1910, the capital of the savings banks in France amounted to 101,145,295.52 francs, while according to the table just given their housing investments during the year reached the sum of 10,879,430.34 francs ($2,099,730), or only a little over one-tenth of what they might have invested from their capital alone. The attitude of the banks toward these investments differs widely. In 1910 over one-fourth of the banks to which these facts relate (32 out of 121) did no housing work at all, while others exhausted the amount they were permitted by law to use in this way.

Some of these savings banks had a varied field of activity. The savings bank of Lyon, for instance, helped to form one of the very early cheap dwellings associations by subscribing in 1886 for stock to the value of 50,000 francs ($9,650). Later it increased this subscription to 1,000,000 francs ($193,000). By 1912 it had loaned 140,000 francs ($27,020) to one cheap dwellings association, 190,000 francs ($36,670) to another, and helped to form a real estate loan company by subscribing 100,000 francs ($19,300), which was half the necessary capital. It had also built 24 workingmen's houses, containing 56 tenements, at a cost of 461,465 francs ($89,063), and had made mortgage loans amounting to 190,600 francs ($36,786) to individual workers who had secured their land and wished to put up houses. In 1910 the capital of this bank was 4,965,807.82 francs ($958,401). The total amount it had put into housing work by April, 1912, was 2,082,065 francs ($401,839).
The savings bank of the arrondissement of Compiègne, on the other hand, refuses to make loans and devotes itself to building. Up to 1912 it had put up houses as follows:1

1901, 29 dwellings, which cost............................... $35,094
1904, 32 dwellings, which cost............................... 44,432
1905-1910, 39 dwellings, which cost.......................... 57,093

Total, 100 dwellings, which cost............................... 136,619

It is the intention of the bank that those who rent these houses shall become their owners. The monthly payments amount annually to 5.7 per cent of the principal, 3 per cent going to pay off the principal, and 2.7 per cent going to the bank as rent. The dwellings are in great demand.

The banks in general seem much more disposed to build themselves or to lend to prospective builders than to put their money into the stocks or bonds of cheap dwellings companies. The following table shows how their housing investments for 1913 were divided:

**Loans Made by Savings Banks for Cheap Dwellings, etc.**

<table>
<thead>
<tr>
<th>Items</th>
<th>Dwellings</th>
<th>Public baths</th>
<th>Workingmen’s gardens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase or construction</td>
<td>21,461,378</td>
<td>585,733</td>
<td>$52,949</td>
</tr>
<tr>
<td>Mortgage loans to companies</td>
<td>424,062</td>
<td></td>
<td>4,216</td>
</tr>
<tr>
<td>Loans to companies</td>
<td>210,842</td>
<td>4,632</td>
<td></td>
</tr>
<tr>
<td>Stock purchased</td>
<td>474,332</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual mortgage loans</td>
<td>257,101</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,833,715</td>
<td>500,367</td>
<td>57,195</td>
</tr>
</tbody>
</table>

It appears that of the total investment of $3,481,277 only 32 per cent was invested in or through cheap dwellings associations, something over 7 per cent was in loans to individuals, while 60 per cent was invested directly by the banks themselves in dwellings, public baths, and gardens.

**Bank of Deposits.**

This bank, which is under State management and guaranty and receives deposits of the national insurance institutions and various other bodies of a public or semipublic character, began making loans to building associations engaged in the construction of cheap dwellings for workmen in 1896. In 1899 it granted loans for that purpose to an amount of 490,000 francs ($94,570), while in the following year it granted only 53,000 francs ($10,229).

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The amount of the operations carried out in 1913 was 3,592,000 francs ($993,256), which amount brought the total loans granted by the bank from the time it began operating under the housing acts to 28,511,100 francs ($5,502,642.30). Of the total for 1912, 4,999,900 francs ($964,980.70), or 20.1 per cent, had been advanced to the loan companies, and the balance, 19,919,200 francs ($3,844,405.60), or 79.9 per cent, was divided among 381 loans made directly to the building and loan associations. The cooperative associations are apparently the most active in the housing work, for of 381 loans in 1912 they held 320 having a face value of 14,423,900 francs ($2,783,812.70). It should be noted that the face value of the loans granted does not necessarily show the actual amount loaned by the bank, because some advances applied for may not be fully taken advantage of by the borrower. Thus, on December 31, 1911, the latest date for which the figures are available, there was shown as actually loaned 18,701,200 francs ($3,609,331.60) out of a total granted in loans of 22,139,000 francs ($4,272,827). Of the former sum there remained to be repaid 16,143,550 francs ($3,115,705.15); that is, 2,557,650 francs ($493,626.45), or 13.7 per cent, had been repaid.

The table which follows is presented to show the amount of the loans granted by the bank in the years indicated and the rate of increase over each preceding period.

AMOUNT OF LOANS ALLOWED EACH SPECIFIED YEAR FOR CHEAP DWELLINGS BY THE BANK OF DEPOSITS UNDER THE HOUSING ACTS OF 1891 AND 1906.


<table>
<thead>
<tr>
<th>Year</th>
<th>Amount granted in loans.</th>
<th>Per cent of increase over preceding year.</th>
<th>Year</th>
<th>Amount granted in loans.</th>
<th>Per cent of increase over preceding year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1901</td>
<td>$109,045.00</td>
<td></td>
<td>1909</td>
<td>1,097,602.00</td>
<td>20.4</td>
</tr>
<tr>
<td>1905</td>
<td>105,175.00</td>
<td>2.4</td>
<td>1910</td>
<td>647,157.10</td>
<td>8.1</td>
</tr>
<tr>
<td>1906</td>
<td>395,457.00</td>
<td>138.0</td>
<td>1911</td>
<td>758,930.50</td>
<td>15.4</td>
</tr>
<tr>
<td>1907</td>
<td>496,859.20</td>
<td>25.6</td>
<td>1912</td>
<td>596,599.30</td>
<td>23.3</td>
</tr>
<tr>
<td>1908</td>
<td>504,822.70</td>
<td>1.8</td>
<td>1913</td>
<td>693,256.00</td>
<td>29.2</td>
</tr>
</tbody>
</table>

1 Four-year period.
2 Decrease.

According to the report of the superior housing council for 1913 there were 59 loans granted in 1913, divided as to rate of interest as follows:

Loans to noncooperative companies—

1 loan, at 3 per cent........................................ $5,790.00
3 loans, at 3½ per cent...................................... 166,269.50

Total......................................................... 172,059.50

Loans to cooperative associations—
34 loans, at 3 per cent ........................................ $321,152.00
19 loans, at 3½ per cent ........................................ 151,794.50
1 loan, at 3½ per cent ......................................... 48,250.00

Total ........................................................................ 521,196.50

Aggregate loans .................................................. 693,256.00

NATIONAL OLD-AGE RETIREMENT FUND.

In addition to the loans here shown, cheap dwellings associations have been aided by another State institution, the National Old-Age Retirement Fund. By the act of April 10, 1908, this fund was authorized to make loans to real estate loan companies,¹ which in turn should loan the money thus received to individuals desiring to purchase or to build on small land holdings or garden plots. The total amount thus loaned from this fund since the law became effective was 9,078,500 francs ($1,752,151), distributed over the period 1909 to 1913 as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of loans</th>
<th>Amounts advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1909</td>
<td>2</td>
<td>$19,300</td>
</tr>
<tr>
<td>1910</td>
<td>4</td>
<td>116,283</td>
</tr>
<tr>
<td>1911</td>
<td>9</td>
<td>389,281</td>
</tr>
<tr>
<td>1912</td>
<td>10</td>
<td>810,600</td>
</tr>
<tr>
<td>1913¹</td>
<td></td>
<td>416,687</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>1,752,151</td>
</tr>
</tbody>
</table>


All these loans were made at 2 per cent interest. The marked increase in the amount loaned during the last three years suggests the growing desire of a type of workmen to purchase acre plots in connection with detached houses, which it is the real purpose of the act of 1908 to encourage.

CHARITABLE INSTITUTIONS.

The law of 1894 authorized public charitable institutions, societies, hospitals, and asylums to construct dwellings themselves or to make loans for housing purposes up to one-fifth of their funds. In 1906 the authorization was extended to institutions granting free medical aid. Up to 1902 practically no charitable bodies acted under this part of the law of 1894. From 1902 to 1905, inclusive, three operations were reported, amounting to only 300,000 francs ($57,900), this being the total amount loaned by charitable institutions under the earlier acts.

¹ In 1913 there were 72 such companies and from 1908 to Dec. 31, 1913, they had borrowed through the authorized State commission (p. 142) 22,132,000 francs ($4,329,370).
The increased interest in housing which led to the passage of the act of 1906 and which in turn was augmented by the operations of this act affected the charitable institutions also, and from 1906 to 1910, inclusive, they spent, either in the construction of workingmen's dwellings or in loans to building associations or in subscriptions to their stock, 4,711,746 francs ($909,367). In itself this is not a large sum, but since it is nearly 16 times as great as the whole amount previously spent in this way by charitable institutions, it is regarded as a strong indication of awakened interest.

The administrations of the public charities of several cities themselves have undertaken to build houses for workers. Paris is doing most in this direction. A report accompanying the budget for 1912, presented in the legislative committees' report (p. 59) cited on page 150, showed the following sums invested to date and desired for future projects for increasing the supply of cheap houses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans made to societies</td>
<td>$432,513</td>
</tr>
<tr>
<td>Houses already built</td>
<td>399,703</td>
</tr>
<tr>
<td>Houses in course of construction</td>
<td>1,086,011</td>
</tr>
<tr>
<td>Houses projected</td>
<td>1,079,449</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,997,676</strong></td>
</tr>
</tbody>
</table>

The houses given above as already finished contain 150 apartments falling within the legal definition of cheap dwellings. About one-third of the apartments have three rooms, the remainder two. The yearly rental ranges from $62.73 to $86.85 for the two-room dwellings, and from $82.03 to $106.15 for the three-room dwellings. The net return on the investment, making no deduction for a sinking fund, is 4.73 per cent. The houses in course of construction contain 517 dwellings and are expected to bring in a yearly profit of from 3 to 4 per cent, after amortization payments have been deducted.

Although the charitable institutions of Paris have done more along this line than those of any other city, yet during 1912 a number of institutions elsewhere were engaged in similar activities. The charitable board of Roche-Derrien in Côtes-du-Nord completed the construction of six workingmen's houses at a total cost of 17,699 francs ($3,416).

The administrative committee of the Besançon almshouse subscribed to 67 shares of 500 francs ($96.50) each of the local real estate loan company organized to encourage the ownership of small properties. The charitable board of the same city has also subscribed to 61 shares of the same institution.

The almshouse of Nancy aided the establishment of the real estate loan company of the Department of Meurthe-et-Moselle by subscribing to 60 shares.

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The charitable board of Comines was authorized by prefectural decree, dated November 19, 1912, to advertise for bids for the construction of 47 workingmen's houses, by contract, at an estimated cost of 151,000 francs ($29,143).

The charitable board of Saint-Omer created a fund of 40,990 francs ($7,911) for the building of cheap dwellings.

Lastly, the almshouse at Lyon subscribed to 100 shares of 100 francs ($19.30) each of a cheap dwellings society of Lyon.

DEPARTMENTS AND MUNICIPALITIES.

According to the reports of the superior housing council the Departments and municipalities have done very little toward forwarding the work of improved housing. The act of 1894 permitted them only to make subsidies to the local patronage committees. The act of 1906 increased their powers, permitting them to make loans to private societies, to subscribe for their stocks or bonds, to transfer to them land at one-half its value, and to guarantee for a fixed period a certain rate of interest on their stocks and bonds. Even under this law but little has been done. The following gives a résumé of the work of the municipalities and Departments:

In the Alpes-Maritimes the city of Grasse grants an annual subsidy of 500 francs ($96.50) to the cheap dwellings association of that city. The municipal council of Nice granted a subsidy of 5,000 francs ($965).

In Calvados the general council has subscribed to 1,000 shares of 100 francs ($19.30) each, issued by the real estate loan company, and has guaranteed to the State the payment of the annual installments to the extent of one-tenth of subsequent advances which may be made by the State to the company.

The city of La Rochelle in Charente-Inférieure has subscribed to 33 shares of 100 francs ($19.30) each of the Rochelle cheap dwellings association (le Foyer Rochelais).

The municipality of Rive de Gier in Loire has resolved to cede to the cheap dwellings association of that city a tract of communal land of 4,700 square meters (50,591 square feet, or 1.16 acres) under the provisions of article 6 of the law of 1906.

The city of Orleans in Loiret has guaranteed to a local stock company engaged in erecting apartments for large families a dividend on a capital not exceeding 70,000 francs ($13,510), equal to 3 per cent for a period of 10 years.

The city of Arras in Pas-de-Calais has ceded to a cheap dwellings stock company a parcel of land containing 4,819 square meters (51,872 square feet, or 1.19 acres), at a price of 25 francs ($4.83) per are (0.025 acre).

The city of Lyon in Rhone has sold to a local stock company a tract of communal land containing 3,352 square meters (36,081 square feet, or 0.83 acre), appraised at 50 francs ($9.65) per square meter, at one-half its real value, thus making a sacrifice of 83,800 francs ($16,173). Besides, the city has accepted and put in good

1 Bulletin du Ministère du travail et de la prêvoyance sociale, August, 1913, pp. 775, 780.
condition for travel a street connecting the land with that of the society of workingmen's small dwellings of Lyon (Maisonnette ouvrière lyonnaise). This work represents a cost to the city of 4,500 francs ($869).

The city of Paris has sold to a cheap apartment association a tract of land situated at Ramey and Flocon Streets, valued at 101,212 francs ($19,534), for a sum of 73,130 francs ($14,114), thus making a reduction of 28,082 francs ($5,420), or 27.75 per cent.

The city of Bone in Algeria has subscribed to the stock of the cooperative association of Bone to the extent of 10,000 francs ($1,930) and granted a subsidy of 5,000 francs ($965) payable in five annual installments.

The general council of the Department of Constantine has decided to subscribe to stock of the association "Patrimoine constantinois" to an extent of 20,000 francs ($3,860), while Perregaux, in the Province of Oran, proposes the cession of land to a cheap dwellings association.

If the recent law of July 13, 1912, meets the expectations of its sponsors the housing work of the city of Paris will not unlikely take on a new and enlarged scope. By this act it is proposed by the city to raise a loan, through the issue of bonds, to the amount of 200,000,000 francs ($38,600,000) to bear interest at the rate of 3.8 per cent and repayable in 75 years beginning with 1915, and the money so obtained is to be used for the construction, acquisition, or the rendering sanitary of low-cost dwellings for workmen. Of the total sum, 50,000,000 francs ($9,650,000) are required to be advanced to approved building and loan associations. The balance will be used by the city in the erection of tenements, two-thirds of the capital value of which must be invested in apartments intended for the use of so-called large families (4 or more children under 16 years of age). Thus far no information has come to hand to indicate what has been the result of this legislation or what actual work has been done.

**LIST OF REFERENCES CONSULTED.**


GERMANY.

INTRODUCTION.

In Germany as a consequence of its relatively tardy urban industrial development the modern housing problem arose later than in other countries. In Berlin in the third decade of the last century there was already a scarcity of dwellings, and the first public-welfare building association was founded as early as 1841. At first, however, only a very limited circle showed any interest in this problem. The best proof that at that period the housing question did not exist as a general problem is to be found in the fact that in 1848 the Frankfort Parliament discussed all other economic questions but entirely ignored the housing problem.

The industrial development which set in after 1848 brought the problem to the fore in Germany. Victor Aimé Huber specially recognized its importance and occupied himself with its solution. Around the end of the fifties and at the beginning of the sixties the housing problem made itself felt in a larger sphere; in Frankfort on the Main, for instance, a scarcity of dwellings was caused by the demolition of old houses which had furnished low-rent dwellings to a great number of families. A petition addressed in 1859 to the Senate of that city requested the construction of a large number of low-rent dwellings to be built even by the city itself, if that were necessary, and as a result, a public-welfare building association was founded in Frankfort on the Main. The existing economic societies next took hold of the problem, treating it from the viewpoint of the then prevailing Manchester doctrine. The National Economic Congress (Volkswirtschaftlicher Kongress) discussed the housing problem at its meeting in Nuremberg in 1865 and in Hamburg in 1867, and issued a treatise on the subject edited with the cooperation of the Central Association for the Welfare of the Working Classes (Zentralverein für das Wohl der arbeitenden Klassen). The final result of these discussions was merely the conclusion that the housing problem deals with an entirely natural process—the result of supply and demand which always tend to equalize each other: “If the supply of dwellings is insufficient, more of them are built; if, on the other hand, the supply is too large, then there occurs a crisis which removes unsound conditions; if dwellings in the cities are too expensive, the people stay away from the cities, and otherwise the problem is merely a technical question. The chief requirements are, therefore, that all restrictive building regulations should be removed.
and that State and commune should abstain from disturbing interference." Even then only individuals (especially Faucher) were heard pointing out that unsound building speculation which leads to the crowding of people into tenements of many floors is not a natural cause.¹

The erroneousness of these Manchester views was clearly demonstrated when in Berlin after the war of 1870–71 a great scarcity of dwellings arose as a consequence of the economic improvement caused by the promotion of numerous new industrial enterprises. Two great meetings in Berlin viewed the housing problem from entirely different standpoints. The first of these, a meeting of the German trade-unions on September 26, 1871, made the following demands on the employers: Introduction of shorter hours of labor and longer rest periods to facilitate living farther from the working place, subvention to building associations through granting loans and furnishing cheap building lots, or possibly erection of workmen's dwellings by the employers themselves. Of the workmen was demanded: Appreciation of a healthy, decent home as one of their most precious possessions, and creation of building associations for the purpose of acquiring homes of their own. Of the State and communes was demanded: Abrogation of those building regulations which render difficult and more expensive the construction of small houses, and subvention to building associations and other associations for the erection of medium-sized and small dwellings through leasing public lands and granting credit on mortgage security— all demands practically identical with those made at the present date.

The social democracy assumed an entirely different attitude toward this problem in a public meeting held in Berlin on June 28, 1872. The meeting adopted a resolution declaring:

All proposals before the meeting for the ostensible remedying of the scarcity of dwellings are reactionary, as these proposals not only aim to induce the people of Berlin to petition the Reichstag, although the latter's reactionary composition is sufficiently well known, but also to request alms from the present State and from communal authorities chosen according to the system of three estates. Therefore, the meeting repudiates all these reactionary proposals which would merely lead to the opening of new poor men's hovels (Ochsenkopflokale) for the workmen. The meeting, on the other hand, invites all workmen of Berlin to join the general German association of workmen so that the labor question and with it, of course, also the housing problem may be solved by the association by the way of liberty.

In the same year the housing problem was discussed at a meeting of the so-called "closet" socialists in Eisenach, at which the Association for Social Politics (Verein für Sozialpolitik) was formed. Here the subject was presented in a report by Engel, and, above all, in a

speech by Adolph Wagner. The views predominating at this meeting
differed radically from those at the National Economic Congress.
The meeting was fully convinced that legal regulation of property was
absolutely indispensable and Adolph Wagner laid special stress upon
measures to be adopted in the policy of taxation. All these meetings
and discussions still failed to create a general interest in the housing
problem, and with the advent of the great financial panic (Krach) in
1873 the scarcity of dwellings disappeared together with the economic
prosperity, and the housing problem as an economic question receded
more and more into the background.

At about this time the problem began to be discussed from two other
points of view, the technical and hygiene. Architects and engineers
took the lead in this, the immediate occasion being an extension of the
fortifications of the city of Mainz. There arose the question “If a
new town district is opened up, how shall it be built on suitably?”
In 1874, for the first time, the society of architects and engineers dis­
cussed in a coherent manner all questions relating to the enlargement
of cities. A similar discussion took place later on in the Society for
Public Hygiene (Verein für öffentliche Gesundheitspflege), which included
among its members physicians, technical experts, and lawyers.

Within the next decade or so, however, a period of industrial
prosperity commenced, and the economic side of the housing problem
came once more to the foreground. The Association for Social
Politics, under the leadership of Miquel, considered the problem again,
and in 1886 discussed it thoroughly in voluminous publications as well
as at its general meetings. Simultaneously the Society for Public
Hygiene took up the question of sanitary inspection of dwellings.
The questions of building regulation by the authorities, construction
of larger rooms, and compulsory accumulation of real estate by
municipalities became later on subjects of discussion and even of
practical experiments, and the first sporadic attempts at housing
legislation were made in individual Federal States of the Empire.
Finally there arose also the question of financial and legislative aid to
enterprises for the erection of low-rent sanitary dwellings, especially to
cooperative building associations. The Association for Social Politics
made in 1901 a comprehensive investigation of all that had been done
in the last 15 years of the nineteenth century in regard to the housing
problem in Germany as well as in other countries, and published the
results in a work of four volumes. At the general meeting of the
society in Munich in the fall of 1901 the housing problem was again
one of the chief topics discussed. With the exception of several new
building regulations enacted by some of the Federal States, there has
been since then very little of importance done in Germany with respect
to the housing problem. The long-expected housing law planned for
Prussia has not yet been enacted and much less the imperial housing
law (Reichswohnungsgesetz) which for years has been advocated by the society Reichswohnungsgesetz, now called the German Society for Housing Reform (Deutscher Verein für Wohnungsreform). It was under the auspices of this society that the German housing congresses in Frankfort on the Main in 1904 and in Leipzig in 1911 took place. The "housing reform on a large scale" which Miquel demanded as early as 1886 has not up to date been realized.

SUMMARY OF EFFORTS TO IMPROVE HOUSING.

WORK OF IMPERIAL AND STATE GOVERNMENTS.

In Germany the Empire, the Federal States, and the communes give public aid for the improvement of housing conditions of the working classes. Direct aid, in so far as given by the Empire and by nearly all the Federal States, is granted by them only in their capacity as employers—i. e., only to low-salaried officials and workmen in Government employment—for the Government of the Empire as well as a vast majority of the governments of the Federal States takes the attitude that the improvement of the housing conditions of the general working population is a matter for the care of employers, public-welfare associations, and communes, especially of the latter.

The Empire and all the Federal States have for years, whenever the interests of the service demanded it, built houses or rented them and assigned apartments in these houses to their employees and workmen either as free service dwellings, or in place of housing money, or on payment of rent. The beneficiaries of this form of Government aid have been especially the employees of the administrations of railroads, posts and telegraphs, and mines.

The increasing scarcity in Germany of low-rent housing accommodations at the end of the last and the beginning of the present century made it imperative for the Imperial and State Governments to give their housing work a broader scope; i. e., not to confine it entirely to instances where the interests of the service required the provision of housing accommodations for Government employees, but to provide low-rent sanitary dwellings for all low-salaried employees of the Government in localities where a scarcity of suitable dwellings prevailed or where such dwellings could be rented only at prices out of proportion to the salaries of these employees.

The former policy of the governments of building houses themselves was not deemed the most expedient for this enlarged scope of public housing work, and it was decided that the most economical and efficient method to benefit the largest possible number of employees would be the granting of building loans from public funds to building associations composed exclusively of officials and workmen in the Government service or in which such employees
were in the majority. Prussia, in 1895, was the first State to create a housing fund by legislation; the Empire and several Federal States followed its example. The means of all these public housing funds are in the first place used for the granting of building loans to building associations. Next in importance is the use of these funds to purchase land for the use of the Government and to grant long-time leases on this land to building associations or individual employees. These leases carry with them the disposable and hereditary right to erect and maintain structures on the land, the so-called Erbbaurecht.

These are the most important activities of the Government in connection with the housing problem, but it carries on several others specially designed to help low-salaried Government officials and workmen. Among these are the erection of buildings by the Government itself in localities where no building associations exist or where private building activity is not sufficient to alleviate the scarcity of suitable low-rent dwellings; the granting of small building loans to individual Government employees, and loans on small holdings held practically in fee, but subject to a low rental (Zwergrentengüter). The latter is a new scheme for colonizing Government employees on rural lands.

In the Grand Duchy of Hesse the State credit bank, a department of the ministry of finance, has, in addition to other functions, that of making building loans on dwellings for people of small means. This aid to housing work given by the Grand Duchy of Hesse is not, like that of the housing funds of the Empire, Prussia, Bavaria, Wurttemberg, and Saxony, exclusively for the benefit of Government employees but for the benefit of all people of small means without distinction as to their employment. This is also the case with respect to the loans granted by the workmen's State housing fund and the State Credit Bank of the Principality of Schwarzburg-Sondershausen.

The Empire in an indirect manner has given aid to housing work in the interest of the general working classes through its workmen's insurance law, which permits the State insurance institutes, the carriers of the invalidity and old-age insurance, to invest a large part of their funds in mortgage loans on dwellings designed for the use of persons subject to social insurance. These funds of the State insurance institutes are, as a matter of fact, at the present time the chief source of credit for public-welfare building associations.

Several of the Federal States have by legislative acts created semi-official credit institutes which are authorized to make building loans on workmen's dwellings at a low rate of interest and on favorable refunding conditions. Such institutes are the State Agricultural Mortgage Bank of Bavaria, the Hessian State Mortgage Bank, the State...
Credit Bank in Coburg, and the State Mortgage Credit Bank of Schwarzburg-Sondershausen.

The Empire and a number of Federal States have enacted tax laws to render land speculation more difficult, building laws, communal-tax laws, stamp-tax laws, laws for the forced consolidation of parcels of property, etc., all of which contain provisions which directly or indirectly benefit public housing work.

WORK OF CITIES.

The communes of Germany in the last two decades have entered upon a very vigorous housing policy and have been encouraged in their work by the State governments.

The methods by which the individual cities have tried to improve the housing conditions of the working classes and to alleviate the prevailing great scarcity of low-rent sanitary dwellings vary greatly. Some cities limit their housing work to the provision of suitable dwellings for the workmen in their own employment, while others build houses for the general working population. A large number of cities grant mortgage loans from communal funds for the erection of workmen's dwellings, or guarantee such loans when granted by third parties. The sale of communal lands at reduced prices for building purposes, and grants of exemption or respite from payment or reduction of street construction costs or of ground and house taxes are other forms of communal aid to housing work. In addition to the methods enumerated, in recent years two other forms of communal aid have been adopted, that of granting hereditary rights of construction (Erbbaurechte) on communal lands, and the erection of workmen's dwellings on communal lands and sale of these dwellings to workmen with reservation by the city of the right of repurchase.

The Rhenish cities have developed the greatest activity in housing work. They have built workmen's dwellings themselves and in addition have promoted the erection of such dwellings through loans, guaranty for loans, reduction of street construction costs, etc. Next should be mentioned the cities of southern Germany. Berlin and the cities of northern and eastern Germany have done considerably less in the sphere of public aid to housing work than the cities in the other parts of the Empire.

WORK OF PUBLIC-WELFARE BUILDING ASSOCIATIONS.

Leaving the building activity of the Empire, States, and communes out of consideration, the public-welfare building associations (gemeinnützige Baugenossenschaften) are the chief agencies for housing work. The rapid development of the building associations falls in the period after 1890. A large number of building associations created
at the beginning of the seventies did not survive the serious economic crisis in the middle of that decade. The number of existing building associations decreased from 51 in 1875 to 38 in 1890. In the nineties, however, building associations sprang up in numerous localities, so that their number rose in 1895 to 124 and in 1900 to 322, and on January 1, 1911, there existed in Germany 1,167 building associations. The essential cause of this rapid expansion is to be found in the opening of abundant credit to building associations under very favorable conditions by the Empire, States, and State insurance institutes. The following table illustrates the development of the German building associations in the 11 years, 1901 to 1911, inclusive:

**DEVELOPMENT OF THE GERMAN BUILDING ASSOCIATIONS, 1901 TO 1912.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of associations existing</th>
<th>Number of associations reporting</th>
<th>Houses reported each year as erected since the existence of the associations</th>
<th>Members' shares</th>
<th>Reserve</th>
<th>Borrowed money</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Cost</td>
<td>Assets</td>
<td>Number</td>
<td>Cost</td>
<td>Members' shares</td>
</tr>
<tr>
<td>1901</td>
<td>496</td>
<td>46,978</td>
<td>3,449</td>
<td>16,460,729</td>
<td>2,407,956</td>
<td>3,889,114</td>
</tr>
<tr>
<td>1902</td>
<td>498</td>
<td>46,966</td>
<td>2,977</td>
<td>17,386,047</td>
<td>2,166,146</td>
<td>2,042,789</td>
</tr>
<tr>
<td>1903</td>
<td>550</td>
<td>50,429</td>
<td>3,954</td>
<td>19,137,153</td>
<td>2,170,759</td>
<td>2,502,386</td>
</tr>
<tr>
<td>1904</td>
<td>617</td>
<td>91,887</td>
<td>5,262</td>
<td>19,042,959</td>
<td>1,657,560</td>
<td>1,423,610</td>
</tr>
<tr>
<td>1905</td>
<td>641</td>
<td>115,801</td>
<td>8,709</td>
<td>29,260,209</td>
<td>2,977,150</td>
<td>1,615,100</td>
</tr>
<tr>
<td>1906</td>
<td>681</td>
<td>132,681</td>
<td>10,495</td>
<td>25,437,877</td>
<td>3,954,750</td>
<td>2,257,437</td>
</tr>
<tr>
<td>1907</td>
<td>747</td>
<td>138,093</td>
<td>12,714</td>
<td>31,519,630</td>
<td>4,710,105</td>
<td>3,204,795</td>
</tr>
<tr>
<td>1908</td>
<td>818</td>
<td>148,114</td>
<td>11,263</td>
<td>43,197,192</td>
<td>6,473,098</td>
<td>3,770,183</td>
</tr>
<tr>
<td>1909</td>
<td>963</td>
<td>160,941</td>
<td>12,026</td>
<td>53,119,630</td>
<td>6,390,738</td>
<td>4,128,913</td>
</tr>
<tr>
<td>1910</td>
<td>1,056</td>
<td>190,911</td>
<td>12,952</td>
<td>57,197,056</td>
<td>6,890,735</td>
<td>3,712,913</td>
</tr>
<tr>
<td>1911</td>
<td>1,067</td>
<td>195,001</td>
<td>13,314</td>
<td>66,396,017</td>
<td>8,014,219</td>
<td>4,178,913</td>
</tr>
<tr>
<td>1912</td>
<td>1,271</td>
<td>199,226</td>
<td>11,263</td>
<td>74,640,122</td>
<td>7,809,109</td>
<td>4,132,392</td>
</tr>
</tbody>
</table>

At international housing congresses, economic and housing experts have recently repeatedly expressed the opinion that the above-described rapid development of German building associations will soon come to a halt, because the sources of cheap credit opened to them by the Empire, States, and State insurance institutes, can not be expected to be so abundant in the future as in the last two decades. The Empire and the States have already adopted a rule to make building loans from their housing funds on second mortgages only, so that the building associations must look to other credit sources for first-mortgage loans. The State insurance institutes in 1910 raised the rate of interest on mortgage loans to 3\(\frac{1}{2}\) per cent, and in a few years the condition of their assets will require a general
limitation of their activity as credit institutes. As soon, therefore, as these special credit sources of building associations become more or less exhausted, the development of the associations will come to a standstill, for the difficulty of raising the necessary capital is the chief obstacle to the formation of building associations. Private capital is not so easily available for building associations, and above all is not available under such favorable conditions, as the capital obtained heretofore from the Empire, the Federal States, and the insurance institutes.

On account of the marked difference between the American and English building associations on the one hand and German building associations on the other hand, it seems necessary to give here the chief characteristics of the latter. The American and English building associations, originally savings societies, loan to their members the means for the erection of a dwelling and are therefore essentially mortgage or real estate credit banks. The German building associations, on the other hand, are actual building associations for they, themselves, build and either sell or rent the erected dwellings to their members. They are preferable to foundations, public-welfare societies, etc., in that they have not like these more or less the character of charitable institutions. The German building associations are administered by the workmen themselves, who see to it that the dwellings erected correspond to their needs and wishes. They are assisted, of course, to a considerable extent, in the administration by persons of the well-to-do and educated classes, and this cooperation is of the greatest importance.

As beneficial as the activity of German building associations is, its direct benefits are limited to its members who are workmen earning good wages and officials—i.e., persons who have steady employment and therefore are able to make regular payments. Building associations are, therefore, especially adapted for employees of the State transportation institutes. In order that they may pay a sufficient dividend to those of their members to whom housing accommodations are not assigned, they can not provide dwellings much cheaper than those erected by private building activity, but they furnish better dwellings. As a rule, however, they oblige themselves not to increase the rents paid by their members as long as the latter comply with their contractual obligations. They also rent dwellings to members with numerous children who otherwise would have great difficulty in securing housing accommodations in privately owned houses. For the great masses of the socially and economically less favorably situated working population, and above all for the unskilled workers, with respect to whom the housing problem is most pressing, building associations are not adapted. They benefit these
classes only in so far as they act as price regulators, which they often do even before they begin building operations, through the mere possibility of competition for the private building activity.

The entire results of the public-welfare building activity in general and of the building associations individually are very insignificant in comparison to the existing great scarcity of sanitary low-rent dwellings. These modest quantitative results are, however, accompanied, especially in the case of cooperative building associations, by great qualitative and ideal results. To quote from Rudolf Albrecht: "In addition to their social, ethical, and economic importance, the building associations have also created a new technical, economic, and artistic standard for the entire private building industry of Germany and in this manner contributed to the improvement of housing conditions. The public-welfare and cooperative building associations are pioneers which now collect the experiences on the basis of which a housing reform on a larger scale may later on be built up. They stimulate building activity through their example and make the masses of the working population, who, during their long housing misery have lost all standard of a sanitary cozy home, again conscious of their needs."

CAUSES OF PRESENT HOUSING CONDITIONS.

Originally the German building associations built mainly family houses for sale to their members, but in recent years this form of their activity has been more and more supplemented by the erection of large tenements, the apartments of which are rented to members. There are three reasons why German building associations find it more expedient to build tenements than family houses, differing therein from English and American associations: (1) Different methods in the building up of cities; (2) different housing customs; and (3) different building regulations.1

England and America have a decentralized system of city development; Germany, a centralized system. The English or American workman goes out into the open country and builds his home there; others follow him, and in this way spring up small groups of unpretentious but neat looking homes of a semirural character. The German, on the other hand, in his home colonization always builds in an already existing settlement, as is shown by the fact that the suburbs of nearly all large German cities were formerly villages, which in time lost their rural character and became suburbs and as such were frequently incorporated into the cities. A decentralized system of city development is, moreover, conditioned on a highly developed traction system and low fares. Without it suburbs at a great distance from the center of the city, as they exist in England

and America, would be an impossibility. Of the electric-car lines in the United States, it has been rightly said that they are the chief factor in the rapid enlargement of the cities, just as the railroads were in the opening of the continent. In Germany, however, street-car lines to a suburb are built only after the suburb has been sufficiently settled to insure a paying traffic.

The greater decentralization of the English and American urban population and the greater number of building sites among which they may choose are responsible for the predominance of the family house in England and America. As a consequence of this decentralization, there is always an abundant offer of building lands, and the prices prevailing for such lands are much lower than in countries with a centralized building system. Low-priced building lands encourage, moreover, the erection of one or two storied houses on large lots. In Germany, where the development of most cities consists in new rings of houses being added year after year to the circumference of the city in the same manner as a tree forms annual rings, building lands are offered for sale only in the immediate outskirts of the city. These lands are very high-priced and consequently invite intensive exploitation of the ground—i.e., the erection of tall houses on relatively small building sites.

The second reason for the predominance in Germany of the tenement over the family house is to be found in the German housing customs. English and American workmen do not object to living outside of the city in which they are employed. On the contrary, living in the open country and in small settlements has a great charm for them, as they are naturally inclined to outdoor life. The average German, on the other hand, loves above all, as many observers have established, to be among people; he is actually afraid of solitude and feels happy only when he is in a crowd. The gregarious propensities of man are much more strongly developed in the German than in the Englishman and American. Every German real estate dealer can tell how hard it is to rent apartments in isolated buildings.

The housing system of German cities would undergo a radical change if the Germans in large numbers could make up their minds to live farther away from the central part of the city. The German city dweller then, of course, would have to be willing to travel a longer distance to and from work than he does at present. A street-car ride of half an hour from his home to his working place is now considered by him a great inconvenience, and only in rare instances may he be induced to exceed this limit. The average Englishman or American, on the other hand, does not consider it any hardship at all to ride on trolley lines or suburban trains an hour or even longer on his way to and from work. The different arrangement of the hours of labor and different times for meals make it, of course, easier for them than
for the German to live at a greater distance from their working place, as they make the journey home only once a day, while the German who takes his principal meal at noon makes it, as a rule, twice a day.

In addition to the difference in the system of city development and in the national housing customs which play such an important part in the predominance of family houses in England and America and of tenements in Germany, there is also a difference in building regulations which explains to a large extent this predominance. In Germany the State and the communes think it right, in the interest of the health of the urban population as well as in the interest of an orderly and well-regulated aspect of the cities, to make very strict regulations when new houses are built as to material, thickness of walls, height of rooms, street construction, etc., which must be strictly observed, and deviations from which are not permitted even to facilitate the erection of workmen's dwellings. These uniform building regulations, the observance of which is strictly enforced by the building inspectors, naturally favor the erection of large tenements and make difficult, if not impossible, that of small one-family houses. The more city real estate has increased in value the more apparent it has become that if the building regulations are to be observed only tenements of at least four to six stories can be built with profit and that it does not pay to put up one and two family houses for the needs of people of small means. The small-family dwellings which are encountered in such large numbers in England and America, especially as workmen's dwellings, in many instances would not pass inspection in Germany, or building permits could not be obtained for their erection.

Of these building regulations there is above all to be mentioned the Prussian law of July 2, 1875, according to which the communes are authorized to prohibit the erection of dwellings on streets which have not been entirely completed, i.e., paved, sewers installed, etc. Similar provisions are in force in other German States, as, for instance, in Saxony. They form one of the greatest obstacles in the way of an extensive construction of small one-family houses after the Anglo-American pattern.

The tendency toward uniformity, and the severity of the German building authorities, although preventing a more extensive erection of the small-family house, have in other respects exerted a highly beneficial influence, for the fact that "slums," as they exist in all other metropolitan cities of Europe and America, are nowhere to be found in large German cities, not even in Berlin, is entirely due to the greater paternalism of the German authorities.

To sum up: That home which would be within the means of the German workman and low-salaried employee—i.e., a small frame cottage—he may not build within the limits of large cities, as the regu-
lations do not permit it. To build such a house he would have to go outside the city limits, and this is not often done, on account of the disinclination of the German to live very far from his working place. On the other hand, a family house within the city limits which corresponds to the building regulations is far beyond his means, because the value of the land and the costs of construction are too high.

These explanatory remarks will contribute to a better understanding of the following detailed account of the aid given to housing work by the Empire, the Federal States, and the communes.

**ACTIVITIES OF THE IMPERIAL GOVERNMENT.**

The German Empire as an employer has for a number of years endeavored to contribute to the improvement of the housing conditions of its workmen and low-salaried officials. These efforts take a twofold form: On the one hand, the different administrative departments of the Empire build houses on their own account or rent them and give the apartments in these houses over to the use of their employees either as free service dwellings or on payment of rent; on the other hand, the erection of suitable small dwellings for workmen and low-salaried officials is promoted by the granting of loans by the Empire to public-welfare building associations. Up to 1901 the activity of the Government was limited to the first-named form, but the latter method of improving the housing conditions has since come to the fore. The departments now build or rent only when such action is required by the conditions of a given service or when an existing scarcity of dwellings can not be properly removed by subvention of building associations. The funds necessary for this activity are appropriated by the Reichstag in the annual general budget, a separate provision being made for each of the Government departments engaged in such activity. In addition, the Reichstag appropriates each year in the budget a specified sum which is put at the disposition of the imperial department of the interior (Reichsamt des Innern), under the name Wohnungsfürsorgefonds, to be expended for the general betterment of housing conditions of imperial employees and workmen without consideration of service interests.

On request of the Reichstag the imperial department of the interior prepared a memorandum (Deckschrift) as to the activity of the Empire and the Federal States with respect to the betterment of housing conditions, and submitted it on June 10, 1904, to the Reichstag. A statement of the disposition made of the housing fund was submitted by the imperial chancellor to the Reichstag on February 3, 1909. The data given in the following pages are based on this memorandum and statement and on special reports for the separate administrations.
HOUSING WORK OF IMPERIAL ADMINISTRATIVE AUTHORITIES FOR THEIR EMPLOYEES.

IMPERIAL POST OFFICE AND TELEGRAPH DEPARTMENT.

Means to provide dwellings for low-salaried officials in localities in which a considerable scarcity of dwellings exists, especially in rural localities and at lonely railroad stations, have been annually appropriated in the budget of the post office and telegraph department since the fiscal year 1897–98.\(^1\) Of the means appropriated in this manner the department has up to the end of the year 1911 expended 9,197,100 marks (\$2,188,909.80) to improve the housing conditions of its employees. Of this amount there were used 8,083,000 marks (\$1,923,754) for the purchase, and 1,114,000 marks (\$265,132) for the renting, of dwellings. The department has purchased 653 houses with 1,781 apartments for families and 179 rooms for single persons, and rented 245 houses with 638 apartments for families and 79 rooms for single persons. This work has been carried on in more than 800 localities. The houses are mostly situated in the eastern provinces, and correspond in size and equipment to the requirements generally made of sanitary dwellings for low-salaried officials. In all rural districts a piece of arable land belongs to each house. In the case of statutory officials who are married, apartments are as a rule assigned to them free of charge as service dwellings. In all other instances the department charges its employees the usual local rents.

In fixing the rentals which officials have to pay for apartments in houses owned by the Imperial Government or rented by it, the rents which officials of equal rank pay for their apartments to private parties in the same locality are generally taken as a basis. If the local rents are unusually high, then the Government makes an appropriate reduction in the rents charged by it. In fixing rents the Government does not attach special importance to the question of whether its own costs are covered by the rents or not.

IMPERIAL NAVY DEPARTMENT.

The memorandum of 1904 of the department of the interior states that the navy department has up to that year provided apartments for low-salaried employees and workmen in the following manner:

| NUMBER AND VALUE OF APARTMENTS PROVIDED FOR EMPLOYEES AND WORKMEN BY IMPERIAL NAVY DEPARTMENT. |
|---|---|---|
| For low-salaried officials— | Number of apartments | Value or cost of apartments |
| In service dwellings | 58 | \$91,713.30 |
| In specially erected buildings | 153 | \$268,822.88 |
| For workmen, in specially erected buildings | 908 | \$69,657.32 |
| Total | 1,179 | \$1,340,594.50 |

\(^1\) Jahrbuch der Wohnungsreform 1912, Vol. 7, p. 28, Göttingen, 1913.
\(^2\) This total is not the correct sum of the items. The figures are given as shown in the original report.
The rentals are fixed in such a manner as to bring a moderate return of interest on the capital invested in the dwellings.

**ADMINISTRATION OF IMPERIAL RAILROADS.**

The following extract from the memorandum of 1904 shows the number of existing apartments for low-salaried officials and workmen provided by the above administration in service dwellings, in specially erected dwellings, and in rented buildings:

**NUMBER AND COST OF APARTMENTS AVAILABLE AS SERVICE DWELLINGS OR FOR RENTAL TO OFFICIALS AND WORKMEN OF THE ADMINISTRATION OF IMPERIAL RAILWAYS AT THE END OF THE FISCAL YEAR 1902.**

(Source: Die Wohnungsfürsorge im Reiche und in den Bundesstaaten. Denkschrift bearbeitet im Reichsamte des Innern. Berlin, 1904, p. 7.)

<table>
<thead>
<tr>
<th>Apartments within German territory —</th>
<th>Apartments outside of German territory (in Switzerland and Luxemburg) —</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assigned to officials as service dwellings.</strong></td>
<td><strong>Assigned to officials as service dwellings.</strong></td>
</tr>
<tr>
<td><strong>Rented to officials.</strong></td>
<td><strong>Rented to officials.</strong></td>
</tr>
<tr>
<td><strong>Rented to workmen.</strong></td>
<td><strong>Rented to workmen.</strong></td>
</tr>
<tr>
<td><strong>Number.</strong></td>
<td><strong>Number.</strong></td>
</tr>
<tr>
<td><strong>Cost of construction.</strong></td>
<td><strong>Cost of construction.</strong></td>
</tr>
<tr>
<td><strong>Number.</strong></td>
<td><strong>Number.</strong></td>
</tr>
<tr>
<td><strong>Cost of construction.</strong></td>
<td><strong>Cost of construction.</strong></td>
</tr>
<tr>
<td><strong>Number.</strong></td>
<td><strong>Number.</strong></td>
</tr>
<tr>
<td><strong>Cost of construction.</strong></td>
<td><strong>Cost of construction.</strong></td>
</tr>
<tr>
<td>Assignments located in service buildings.</td>
<td>511 8900,116</td>
</tr>
<tr>
<td>Apartments in dwellings specially erected.</td>
<td>1,130 2,153,674 45 830,198 78 80,682 13 251,804 8 14,042</td>
</tr>
<tr>
<td>Rented apartments</td>
<td>117 3,023,790 220 380,388 78 80,682 107 327,984 8 14,042</td>
</tr>
<tr>
<td>Total</td>
<td>1,647</td>
</tr>
</tbody>
</table>

1 The annual rent paid by the administration for the 14 apartments rented by it amounted to 5,650 marks ($1,344.70).

According to the above table, at the end of the fiscal year 1902 the administration of the imperial railroads had 2,190 apartments available for officials and workmen. For the construction of 2,176 of these apartments it had expended 16,107,000 marks ($3,833,466) and for the remaining 14 it paid an annual rent of 5,650 marks ($1,344.70). The great majority of the apartments were in German territory, but 215 were in Switzerland and Luxemburg. Appropriations made for the housing work of the administration of railroads for the years 1901, 1902, and 1903, amounting to 998,500 marks ($237,643), provided in addition for 25 apartments to be assigned to officials as service dwellings and for 76 apartments, partly in process of construction, to be rented to them. Data as to the housing activity of the administration of imperial railroads in more recent years are not available. The rents charged by the administration in Government-owned buildings are as a rule computed so as to bring an interest of 3 per cent on the value of the ground and of 4 per cent on the value of the building (inclusive of...
1 per cent for maintenance and refund). The rents must, however, always correspond to the incomes of the employees and workmen to whom the apartments are let and not be higher than the usual local rentals. In all other buildings the administration charges the usual local rents.

**ADMINISTRATION OF THE EMPEROR WILLIAM CANAL.**

The memorandum of 1904 of the imperial chancellor shows that the administration of the Emperor William Canal had available for assignment to officials of the intermediate and lowest salary grades 4 apartments in service dwellings specially erected for housing purposes by the administration and for workmen 52 apartments in specially erected dwellings. Altogether the administration had available 163 apartments, of which 105 were assigned to employees as free service dwellings and 58 were rented to them. The total cost of these apartments was 1,769,900 marks ($421,236.20).

The rent charged for apartments along the canal, which were mostly rented to workmen, varied from 60 to 72 marks ($14.28 to $17.14) per year. The apartments located in the former barracks, which were erected in Holtenau while the canal was in process of construction, are rented to officials of the lowest salary grades and to workmen at a rental varying between 84 and 108 marks ($19.99 and $25.70). Rents are fixed according to the size of the apartment and with due consideration of the income of the renter and the usual local rents.

In addition to these 163 apartments the administration has also constructed 15 service dwellings for custom officials on duty at the canal, for which the administration of customs pays to the administration of the Emperor William Canal the housing money to which the custom officials are entitled. In 1904 the administration had 12 more apartments in process of construction, which were to be assigned to pilots.

**HOUSING WORK OF IMPERIAL HOUSING FUND.**

According to the statement submitted by the imperial chancellor to the Reichstag on February 3, 1909, the latter had appropriated the following amounts for the housing fund:

- For the fiscal year 1901 ................................................................. $476,000
- For each of the fiscal years 1902 and 1903 ................................. 952,000
- For each of the fiscal years 1904, 1905, and 1906 ...................... 1,190,000
- For each of the fiscal years 1907 and 1908 ............................... 952,000
- Total for fiscal years 1901 to 1908, inclusive .......................... 7,854,000

**LOANS TO BUILDING ASSOCIATIONS.**

Of this amount 24,620,750 marks ($5,850,738.50) were loaned out on mortgage security to public-welfare building enterprises. The Empire granted such loans to 84 enterprises, of which 78 were
cooperative building associations with limited liability, 2 were registered societies, 1 a stock company, and 1 a foundation. Among the 78 cooperative building associations there were 36 building associations composed of officials (Beamten-Baugenossenschaften), 3 of which were founded before 1900, 3 cooperative building societies composed principally of employees of the administration of the Emperor William Canal, and 3 cooperative societies composed principally of employees of the imperial navy yards. Of the above building enterprises 2 were founded before 1890, 5 between 1890 and 1894, 14 between 1895 and 1899, 47 between 1900 and 1904, and 13 between 1905 and 1908.

The membership in the 78 building associations was:

- In 13 associations below 100 members,
- In 51 associations 100 to 500 members,
- In 9 associations 501 to 1,000 members,
- In 4 associations 1,001 to 5,000 members,
- In 1 association over 5,000 members.

Of the associations founded since 1900 eight had more than 500 members.

Of the capital subscribed by those building associations in receipt of loans from the housing fund, which were founded since January 1, 1900, 24 associations had paid in less than 50 per cent, 22 from 50 to 75 per cent, and 12 over 75 per cent.

The public activity of the associations was generally limited to the erection of large tenements. Family houses for one or two families were built by only 7 associations.

Houses designed to be bought by the members on the installment plan were built by only 5 associations.

The enterprises aided by the Government expended altogether 114,854,030 marks ($27,335,259.14) for ground and building costs as follows:

- 51 borrowers expended less than 1,000,000 marks ($238,000) each.
- 11 borrowers expended from 1,000,000 to 2,000,000 marks ($238,000 to $476,000) each.
- 7 borrowers expended from 2,000,000 to 3,000,000 marks ($476,000 to $714,000) each.
- 2 borrowers expended from 3,000,000 to 4,000,000 marks ($714,000 to $952,000) each.
- 1 borrower expended from 4,000,000 to 5,000,000 marks ($952,000 to $1,190,000).
- 5 borrowers expended over 5,000,000 marks ($1,190,000) each.

The Officials' Building Association of Berlin (Beamten-Wohnungs-Verein zu Berlin) alone expended 25,400,000 marks ($6,045,200).
RESULTS OF LOANS TO BUILDING ASSOCIATIONS.

The enterprises aided by Government loans had erected 1,619 buildings with 7,856 apartments, and 164 buildings with 917 apartments were in process of construction.

Altogether 4,401 apartments had been rented to low-salaried employees, artisans, and laborers in the service of imperial departments, although according to the loan contracts only 3,545 apartments were to be reserved for rental to Government employees and workmen.

In August, 1904, the imperial statistical office, in compliance with a request of the Reichstag, undertook an investigation with a view to making a comparison of the rents and housing conditions of imperial employees in dwellings erected by public-welfare building associations with the aid of imperial funds, and those rented by such employees in the open market. On January 18, 1906, the results of this investigation were presented to the Reichstag in a memorandum of the imperial chancellor and are here briefly summarized.

The tabulated results of the investigation include 1,995 apartments in dwellings erected by building associations with the aid of imperial funds and 1,705 apartments rented in the open market by employees of the intermediate and lowest salary grades and by workmen of the post office department. The information was obtained by sending schedules to the building associations aided by the Empire and to the post and telegraph offices in the localities in which those associations had their seat.

The first comparison between apartments rented from building associations and those rented in the open market relates to the number of rooms in each apartment.

Three-room apartments form a larger proportion than any other size of those rented from building associations, while among those rented in the open market the four-room apartment takes the lead. The percentage of apartments with a larger or smaller number of rooms is nearly the same for both categories, and only as regards apartments with 6 or more rooms is the percentage larger for apartments rented in the open market.

The memorandum also presents tables to show that apartments rented in the open market do not offer as many conveniences in the way of attics, cellars, baths, private water-closets, stables, garden plots, etc., as do those rented from building associations.

The memorandum then proceeds to give tables which show the annual rents paid for apartments rented from building associations and for those rented in the open market. In one table are given the rents paid for the entire apartment and in another the rents paid per square meter of habitable floor space. The first table shows that
the rent paid for the majority of the apartments rented from building associations varied from 151 to 350 marks ($35.94 to $83.30) per year, while that paid for the largest number of apartments rented in the open market varied from 351 to 550 marks ($83.54 to $130.90). The second table shows that in 60.2 per cent of the apartments rented from building associations in buildings fronting on the street the annual rent per square meter (10.8 sq. ft.) was 5.49 marks ($1.31), or less, while only 23.9 per cent of those rented in the open market came within the same price limit. As regards apartments rented in back-lot houses, the percentages were 56.1 and 22.9, respectively. The two tables show conclusively, therefore, that cheaper floor space is to be obtained in apartments rented from building associations than in those rented in the open market.

The schedules sent to the various building associations and post offices contained the following question: "In case rents in the open market have gone down, indicate whether this is due to the activity of building associations or to some other cause." Nearly all the answers obtained to this inquiry are to the effect that rents in the open market have either been reduced as a consequence of the activity of newly created building associations or that the former tendency toward an increase has received a check and that rents are remaining stationary, a condition by which the employees of the Government and the general public are alike benefited.

CONDITIONS FOR THE GRANTING OF BUILDING LOANS.

Building loans are granted only to public-welfare enterprises and to them only if there is considerable need in their respective localities for improvement of the housing conditions of low-salaried officials and workmen of the Empire. The question whether such a need exists is decided jointly by the imperial department of the interior and the imperial central and local authorities interested, and unless there is an actual scarcity of dwellings or housing conditions are otherwise highly unsatisfactory, loans are as a rule not granted.

Associations applying to the Empire for loans must show that the maintenance of their purpose as public-welfare societies is permanently assured. The by-laws of such an association must state that its exclusive object is to provide suitable apartments at moderate rentals for families of slender means, and that these are to be provided in houses specially built or purchased by the association for this purpose. The dividends to be apportioned upon the shares of members must be limited to 4 per cent of their paid-up subscription, and the by-laws must contain the provision that in case of dissolution of the association the members shall not receive more than the face value of their shares and that the rest of the capital of the association shall be used for public-welfare purposes.
Applications for loans must be accompanied by—
1. The by-laws of the association.
2. An attest from the court of the proper registration of the association, giving the name of each of its directors, together with his occupation and the office he holds in the association.
3. A list showing the name, occupation, and office (whether president, etc.) of the members of the supervisory board, together with information as to the membership of the association by occupations, and especially as to the number of members who are low-salaried officials or workmen in the employment of the Empire. Other points on which information is required are the number of shares paid up in full, the amounts paid in upon the rest of the shares, how many members, in the case of associations with limited liability, own additional shares with the number of these shares, and the total amount of liability of all members. Sometimes a complete list of the members, giving name and occupation, is demanded.
4. A statement of the financial condition of the association and of how the means required for the building operation in addition to the loan from the imperial housing fund are to be raised, whether the society has sufficient means of its own for this purpose or if it has the assurance of such means at reasonable conditions and for a long term from other parties. In case there are any first mortgages or other long-term loans, the interest, refunding conditions, etc., are to be indicated; if the association has been in existence for some time, the last annual balance sheet, a business report, other papers giving information as to the financial condition of the association, and the last report of the legal auditors are also to be submitted. Former negotiations as to loans from the Empire or a State must be mentioned.

If after examination of this material the absolute or temporary rejection of the application does not seem imperative, there must be submitted further:
5. A certified abstract of the land office describing the property in question, together with a plot showing the location of all the property owned by the association; the contract of sale for the property on which the loan is to be made, or if the same is to be concluded only after a preliminary granting of the loan, credible proof that the property is to be sold to the association, at what price and on what conditions, and from what means the purchase price is to be paid. After the conclusion of the contract and before the definite decision as to the granting of the loan, the contract itself must be submitted.
6. The building plan, which must show all buildings and apartments and all appointments for the latter.
7. An estimate of the building costs and of the costs of road building, paving, drainage, installation of water service, fencing, plant-
ing of trees, etc., these estimates to be attested by a superior technical official of the Empire or a State as to their suitability and sufficiency.

8. A computation as to the prospective yield of the property on which a loan is to be made, which must especially show the rents to be charged, or, in case of associations which erect houses to be sold to their members, the sale prices of the houses, the conditions of payment, and the profit resulting from the sale. The rentals may not be computed higher than is necessary to obtain the usual local interest on the capital invested in property and building, together with the amount required for refunding the capital, and for costs of administration and maintenance.

In the case of associations which erect houses for the purpose of selling them to their members, the sale price shall as a rule be based on the total cost, composed of the price of the ground, building costs, interest, and cost of administration up to the date on which the purchaser moves into the building. The sale contract must contain provisions which assure the permanent maintenance of the house as a dwelling for people of small means.

9. Sample forms of the leases and contracts of sale to be concluded, as well as of the regulations to be issued for the use of the dwellings and apartments.

As to the security for the loan, the following conditions are to be observed:

1. The loan may not exceed 85 or at the most 90 per cent of the value of the house inclusive of the value of the ground or the full building value of the house without the value of the ground. The amount is at first fixed provisionally by the imperial department of the interior. The value of the building is provisionally computed on the basis of the estimated cost of the building. When the building is completed its value is definitely fixed on the basis of a valuation by a court, by a superior technical official of the Empire or a State, or by a public fire insurance company with which the building is insured. The value of the ground may not be computed higher than at cost. The department of the interior reserves the right of revaluation.

2. It is not necessary that the loan be secured by a first lien. The policy of the imperial department of the interior is to facilitate as much as possible the financing of public-welfare building operations and to aid with its available means as large a number of associations as possible. Therefore under special circumstances it is satisfied with a second or third lien as long as the loan remains within the above designated limits and the security seems sufficient.

3. The loan is to bear interest at the rate of 3 per cent. One per cent is to be annually refunded, this refund to be increased by the
amount by which the original interest annually decreases, so that the
total annuity to be paid each year for interest and refund amounts to
at least 4 per cent of the loan.

The amounts for interest and refund become due on the first day
of each calendar quarter and are to be paid at the latest within two
weeks after this date, at the treasury of the imperial department of
the interior in Berlin. The unrefunded part of the imperial loan is
to be considered as a prior lien to the refunded part of it and also to
the refunded part of any other mortgage preceding it in rank.

4. The association is obligated to construct the buildings with good
materials and in a solid manner, according to the plans and estimate
of costs submitted, and possibly changed on request of the depart­
ment of the interior, within the time limit agreed upon. In case
changes should become necessary it must first obtain the approval of
the department of the interior. In case of reconstruction of a build­
ing after a fire, the association must conclude a new agreement with
the department of the interior as to the building plan, estimate of
costs, and time limit for reconstruction.

The association is obligated to maintain the building and its
appointments in good condition. On request of the department of
the interior it must make necessary repairs and alterations required
for hygienic or moral reasons within the stipulated time limit.

Essential changes in the building or complete or partial demol­i­
dition of it may be undertaken only if approved by the department of
the interior.

The department of the interior is at all times authorized to have
the properties of the association inspected by its representatives,
even those properties which are not a lien for the loan made from the
imperial housing fund.

The association is obligated to submit to the department of the
interior without request its business reports and other publications,
as well as the minutes of its general meeting and the reports of the
legal auditors. It must also furnish to the department all informa­
tion the latter considers necessary for judging the financial condition
of the association.

The association is further obligated to maintain a clear and correct
system of bookkeeping, cash accounts, and administration. It must
permit the representatives of the department to examine into the
administration, and to participate in the meetings of the supervi­
sory board and in the general meetings.

5. The buildings are to be insured against fire for their full value with
a public fire insurance institution. So far as possible they are to be
insured even during their construction, and the insurance is to be
kept up continuously. Proof of the regular payment of the premiums
must be submitted to the department of the interior within two weeks after these premiums have become due.

6. The manner in which low-salaried officials and workmen employed in the establishments and administrative departments of the Empire shall be considered in the distribution of the houses and apartments is in each instance to be determined in a special agreement between the imperial department of the interior and the association with special reference to existing conditions.

7. The imperial exchequer must be granted the right of refusal on the properties or buildings on which loans are to be granted. If an association which constructs houses to be sold to its members has in its by-laws reserved for itself the right of refusal or of resale, the imperial exchequer shall claim its right of refusal only in case the association itself does not wish to exercise it.

8. The loan may be called or repaid entirely or in part at the option of the respective parties on three months' notice. However, as long as the debtor complies with the obligations given above under Nos. 3 to 7 the creditor may make use of this right only after 10 years have elapsed since the last part payment. Each contravention of these obligations authorizes the creditor to recall the loan without further admonition, provided that he gives notice within six months after the establishment of such a contravention. The imperial department of the interior may likewise recall the loan on three months' notice if, in its opinion, the character of the building enterprise as a public-welfare enterprise is no longer maintained, especially if essential changes have been made in the form of the leases and contracts of sale or in the regulations to be issued for the use of the houses and apartments. Unless the department of the interior explicitly grants its continuance the loan becomes immediately due without any notice, whenever the property or building is sold (with the exception of instances in which the association sells property to its members in accordance with its by-laws) or the association is dissolved.

9. The preceding and other possible conditions and obligations, especially the agreement mentioned under No. 6, are to be acknowledged by the debtor in a contract in which he also obligates himself to effect at his own cost the registration in the land register of the loan and of the conditions and obligations given under Nos. 3 to 7.

10. When this last condition has been complied with, the department pays over the loan in installments to be specially agreed upon in each instance.

If it is shown after completion of the building that the registered loan exceeds the limit prescribed on the building in question, a receipt is issued for that amount of the loan which is in excess of the limit.
and therefore has not been paid out, so that this amount may be canceled in the land register.

11. Requests for the payment of installments of the loan must be made by the association in due time before the date of payment agreed upon. These part payments bear interest from the date on which they are made. The above requests must always be accompanied by the attest of a superior technical official as to the progress of the building according to the submitted plans, and must show the value of the building on the date of the request.

Grant of Hereditary Right of Construction on Government-Owned Land.

In the preceding pages devoted to the description of the conditions for the granting of building loans from the housing fund to associations which build on their own ground, it has been shown that the most far-reaching guaranties are demanded that the buildings constructed with the aid of means from the housing fund may not later on be used for other than the original public-welfare purposes. This object is accomplished in a much more perfect manner if the Empire is the owner of the ground and the associations are given only the right of use (Erbbaurecht). In many instances the imperial exchequer uses the housing fund to secure the land on which an association desires to build, and then grants the association the hereditary right of construction. Such a procedure absolutely precludes all land speculation and, moreover, guarantees that the imperial exchequer, and therefore the general public, shall reap the benefit of any possible increase in the value of the land. The advantage to the building associations is, that at the beginning of their activity they do not have to raise the funds for the acquisition of the land, but merely have to pay, as long as the right of construction endures, a moderate rent, which is considerably less than the costs they would otherwise incur for interest and refund of the purchase price of the land.

The memorandum (Denkschrift) of the imperial department of the interior of June 10, 1904, says that the objections frequently raised against the hereditary right of construction are not well founded as against the method in which the Empire uses it in the solution of the housing problem. These objections are generally of two kinds. On the one hand it is feared that abuses might result from the economic advantage which, at the time of its expiration, the hereditary right of construction gives to the owner of the land. On the other hand, it has been pointed out that especially in the last years of the hereditary right of construction the interest of the party exercising it may begin to slacken, and that he may neglect the buildings. The first objection is well founded only where the land is owned by a private person or by a corporation organized for profit. In such a
case, of course, it may happen that if the parties exercising the right of construction wish to renew the contract after its expiration, they may find themselves in the power of the owner of the land. This objection, however, is not pertinent in the present case, since the imperial exchequer remains the owner of the land, and especially since the hereditary right of construction is granted in the discharge of a social economic duty, not as a matter of profit on either side. The second objection, which is chiefly based on the experience of other countries which permit a free traffic among private parties in this form of ground lease, can easily be met by suitable provisions in the contract of lease. It must, moreover, not be left out of consideration that the public-welfare enterprises in whose favor such ground leases are made would in every respect act against their own interest if they should purposely neglect the buildings erected by them.

The civil code defines the hereditary right of construction in articles 1012 to 1017 as follows:

A piece of land may be so charged that the one in whose favor the charge is made has the disposable and hereditary right to maintain a structure upon or beneath the surface of the land.

The hereditary right of construction can be extended to the use of a part of the piece of land not needed for the structure, if its use is advantageous to the use of the structure.

The restriction of the hereditary right of construction to a part of a building, in particular a story, is not permissible.

The conveyance by agreement required by article 873 between the owner and purchaser, for the creation of the hereditary right of construction, must be declared at the office of land registry in the presence of both parties.

The hereditary building right is not extinguished by the destruction of the structure.

The provisions relating to land are applicable also to the hereditary right of construction. The provisions in force as to the acquisition of ownership and the claims arising from ownership apply equally to the hereditary right of construction.

According to the provisions of the civil code quoted above it is not permissible in a contract granting the hereditary right of construction to prohibit the party to whom this right is granted from disposing of it. Provision must, therefore, be made in some other manner to obtain a guaranty that the land and the buildings to be erected on it shall not during the term of the hereditary right of construction be withdrawn from their original purpose and be used for purposes of speculation. To this end the following provisions were included in all contracts of the Empire granting the hereditary right of construction:

The utilization of the hereditary right of construction is restricted to the erection of dwellings with small apartments for the use of
workmen and low-salaried officials of the Empire and of persons of like social rank, of dwellings containing welfare institutions for these renters, and of accessory buildings (stables, laundries, etc.) belonging to these dwellings. The plans of these buildings must be approved by the secretary of the interior. A like approval is required for all additions to and changes in the buildings, as well as for the installation of restaurants and saloons. The rents may not, according to the resolution adopted by the Reichstag at the time the appropriation was made for the housing fund, be higher than is required to obtain the funds necessary for the payment of interest, for the refund of the capital invested in the construction of the buildings, and for the costs of administration and maintenance, inclusive of a reserve fund for emergencies. Sample forms of the leases and regulations for the renters are to be submitted for approval to the secretary of the interior, so that he may enforce the above provisions. Finally, there must be reserved to the imperial exchequer the right of refusal in all cases of disposal of the hereditary right of construction or of buildings and appointments erected under it.

Those associations which are not exclusively composed of employees of the Empire are bound by the contracts to reserve apartments for workmen and low-salaried officials employed in the establishments and administrative departments of the Empire, the number to be so reserved corresponding to the aid given the associations by the Empire.

The contracts also contain provisions obligating the associations to observe the building specifications and the time limit agreed upon for completing the building, to keep the buildings insured against fire, and to reconstruct them after a fire.

In case of contraventions of these provisions the imperial exchequer has the option either of enforcing them by means of execution or a sheriff's sale, or of annulling the grant of the hereditary right of construction.

In most of the instances in which the imperial exchequer grants to an association the hereditary right of construction it also loans to it, wholly or in part, the money required for the construction of the buildings. In such instances the above provisions are essentially supplemented by the provisions of the loan contract, since the latter generally contains the condition that if the provisions of the contract relating to the hereditary right of construction are violated the building loan may be recalled. This threat is an effective means to force the grantee of the hereditary right of construction to observe the conditions of the grant. The right of disposal of the hereditary right of construction may not be restricted either in the grant itself or in the loan contract, because the civil code, in article 1136, provides that an agreement by which the owner binds himself to a creditor not to sell land or burden it any further is void. There is, however, no legal
provision against insertion in the loan contract of a provision that
the mortgage becomes due in case of disposal or further encumbrance
of the right of construction, and such a provision has been inserted
in all of the loan contracts concluded by the Empire.

The compensation (Erbbauzins) which the grantee of the hereditary
right of construction has to pay to the imperial exchequer for the
use of the land may not be computed so high that it represents a full
capitalization of the value of the land, because the imperial exchequer
does not dispose of it permanently, but after the expiration of the
contract again obtains ownership of the land and, in addition, of the
buildings erected on it. In consideration of this circumstance, in all
contracts concluded up to date, the ground rent was fixed at 2 per
cent of the value of the land. The ground rent is to be entered in
the land register as a charge on the piece of ground.

If the grantee of the hereditary right of construction falls into
arrears with the payment of the ground rent, the loan contract pro­
vides as a rule that the building loan becomes immediately due; in
case of arrears for a period in excess of one year the imperial ex­
chequer is authorized to annul the grant of the hereditary right of
construction.

The hereditary right of construction terminates, unless contra­
ventions by the grantee of his obligations cause an earlier termina­
tion, with the expiration of the period for which it was granted. In
determining this period it is to be considered that the grantee must
be put in a position to mortgage the property. The term fixed must,
therefore, be long enough so that the building loans assumed by the
grantee may be entirely refunded and that there may be in addition
a few years during which the buildings are free from encumbrance.

The duration of the hereditary right of construction can not in
all instances be fixed uniformly. Where, at a considerable outlay of
capital, large and substantial buildings are to be constructed on the
leased land, it is only fair to grant a longer term than in instances in
which small houses of less massive though solid construction are to
be erected. In the contracts granting the hereditary right of con­
struction concluded by the imperial exchequer up to date, the term
of the grant has varied between 65 and 80 years.

On the expiration of the hereditary right of construction, all
buildings erected on the land become the property of the imperial
exchequer. However, in order that the grantee may not during the
period preceding the expiration of this right lose all interest in the
maintenance of the buildings, he is to be paid by the imperial ex­
chequer one-fourth of the estimated value of the buildings at the
time of the expiration of the hereditary right of construction. This
measure should do justice to practical requirements as well as to
equity. The grantee will always keep in mind that the better the
condition of the buildings on the expiration of the hereditary right of construction, the larger will be the compensation which he can claim from the imperial exchequer. Neither does the imperial exchequer suffer any disadvantage through this arrangement, because even if it should be found that the building is in such bad condition that it has to be demolished, the grantee of the hereditary right of construction would receive only one-fourth of the price paid by the wrecking enterprise, and the imperial exchequer three-fourths.

Careful provision is made that if the terms of the contract are violated and the hereditary right of construction is thereby forfeited, the grantee shall be suitably compensated for any buildings he has put up on the land. This is done that there may be no trouble in obtaining loans secured by the buildings. The usual arrangement is that during the first 40 to 50 years, according to the duration of the grant, the buildings shall be considered to have depreciated by at least one-fourth of their original value, but that the grantee shall receive their full assessed value up to the three-fourths of their cost price. After this period the compensation is to be reduced 3 per cent for each year elapsed. Unless some such plan of gradually reducing the compensation were adopted it would manifestly be to the advantage of the grantee to force the annulment of the contract in its later years, as he would then receive the full value of the buildings, whereas at the expiration of the grant he would receive only one-fourth.

The contracts provide further that the hereditary right of construction shall expire without compensation if the grantee does not erect the proposed buildings within two years after having been given possession of the land, or does not within three years completely restore buildings which were damaged by fire. The mortgage creditors are in the latter case secured by the insurance awards.

The statement submitted to the Reichstag on February 3, 1909, by the department of the interior shows that up to the end of the year 1908, 5,474,245 marks ($1,302,870.31) of the appropriation for the imperial housing fund were expended for the purchase and drainage in 12 localities of 210.6245 hectares (520.45 acres) of land and for street building on the same. Hereditary right of construction was granted to building associations on 55.6408 hectares (137.49 acres) of this land. The average purchase price of the land was 1.93 marks (45.9 cents) per square meter (10.8 square feet).

BUILDING LOANS BY THE STATE INSURANCE INSTITUTES.

More important than the direct aid granted by the Empire to public-welfare building associations is the indirect aid given to them by the imperial invalidity insurance law in permitting State insurance institutes to use their funds for such aid.
When the invalidity and old-age insurance law of June 22, 1889, came into force on January 1, 1891, it was expected that during the first decades of its operation the invalidity and old-age institutes would accumulate large funds. Experience justified this expectation, for with the exception of a few insurance institutes in territories where the population was largely rural and the risks were especially unfavorable the directors of the institutes, after the first years of operation, had to look around for investments for considerable funds.

According to article 164 of the invalidity insurance law of 1889 the funds of the State insurance institutes are to be invested in the manner prescribed by the civil code in article 1807 and 1808, i. e., in the same manner as trust funds (mündelsicher). The State laws determine in so far as mortgages are concerned the limits within which trust funds may be invested in them: in the case of rural property, trust funds may be loaned on a first mortgage up to two-thirds of the value, and in case of urban property up to one-half of the value. The same article of the invalidity insurance law permits insurance institutes to invest, with the approval of the imperial insurance office, their funds up to one-fourth in a manner other than the one prescribed for trust funds. In case of approval of the communal union or of the highest administrative State authority they may even invest one-half of their funds in a manner different from that prescribed for trust funds. Such investment is, however, only permissible in securities and in other ways only for purposes of administration, to avoid the loss of assets, or for undertakings which exclusively or principally accrue to the welfare of those subject to the insurance. The real object of this last provision was to enable the insurance institutes so to invest their funds as to give financial aid to welfare associations erecting suitable workmen's homes.

The rapid growth of the cities is the actual cause for the existing scarcity of dwellings suitable for workmen. As a rule, in a rapidly growing industrial town private enterprise unaided can not or does not provide a sufficient number of workmen's dwellings. Private capital is held back by the fear that the local increase of industrial prosperity is only temporary, and by the fact that the low profits which are likely to be realized on an investment in workmen's dwellings do not offer any strong incentive to such an enterprise. It is a fact of frequent occurrence that a workingman's dwelling, on account of the high cost of keeping it in repair, its great deterioration, and the frequent loss of rents, is a much less profitable investment than an apartment house for the well-to-do classes. The housing problem becomes, therefore, mainly a question of the income to be expected from workmen's dwellings. This income could, however, be considerably increased by cheaper mortgage credit, and the
whole housing problem is, therefore, ultimately a question of cheap credit.

The State insurance institutes, more than any other financial institutions, are in a position to furnish cheap capital for the erection of workmen's dwellings, because it is to their personal advantage to improve the housing conditions of their members. Just as the causal connection of climate and sickness, of nutrition and sickness, and of occupation and sickness can easily be proved, so also the causal connection of housing conditions and sickness becomes a matter of course which hardly needs proof. From the standpoint of preventive treatment the improvement of the housing conditions of workmen means, therefore, an improvement of the health of the people, and for the State insurance institutes it means a saving in the payment of invalidity pensions.

The directorates of the insurance institutes were well aware of this fact, and there arose merely the question: In what manner may the funds accumulated in the insurance institutes be best employed for the improvement of workmen's housing conditions?

Soon after the invalidity insurance institutes had begun their activity in this kind of welfare work it was recognized that direct loans upon small dwellings of the insured persons were not practicable on a large scale and that therefore an intermediary would have to be found between the parties in need of credit and the insurance institutes. In this respect it was soon recognized that the building associations, especially in the legal form of registered associations with limited liability, are most properly suited to act as loan agents.

The formation of building associations had meanwhile received great encouragement by the enactment in 1886 of the law relating to cooperative societies, which broke the rigid principle of solidarity of all members and permitted the creation of cooperative societies with limited liability, and by the liberal manner in which funds were put at their disposal by the State insurance institutes.

As has been mentioned above, the invalidity and old-age insurance law of 1889 contained a provision permitting the State insurance institutes to invest under certain conditions one-fourth of their assets in real estate without regard to the limitations otherwise prescribed as to security for such investments. When the invalidity and old-age insurance law was revised in 1899 the powers granted by this provision, in view of the success which the insurance institutes had made with their financial aid of building associations, were greatly enlarged. The conditions for the employment of the first fourth of the assets were made less strict, and under specified conditions it was also permitted to use another fourth of the assets in the same manner. The insurance institutes have made generous use of these facilities.
and have made loans to building associations not merely at a very low rate of interest but under such favorable refunding conditions that the financial difficulties of the building associations have disappeared.

Some of the State insurance institutes have set up standard conditions for the granting of loans for building purposes, which not only safeguard the security of the capital invested but also attempt a systematic regulation of the building activity in the interest of public welfare. For instance, detailed conditions have been made by the insurance institutes of Schleswig-Holstein, Hanover, Westphalia, Hesse-Nassau, and the Rhine Province. Other institutes, however, as for instance, those of Mecklenburg, Upper Bavaria, Lower Bavaria, and Brandenburg have not established any fixed rules but make their conditions according to the merits of the case in question. As a rule, the loan conditions have, however, with the exception of small variations, a certain uniform character. Certain typical principles are to be found in all of them, and essential deviations from these are very rare. For the purpose of this work, therefore, we here limit ourselves to an enumeration of the governing principles and typical conditions.

**CONDITIONS UNDER WHICH LOANS ARE GRANTED.**

**THE BORROWERS.**

Most of the insurance institutes grant loans to communes, unions of communes, savings banks, legally recognized foundations, corporations, and building associations. The institute of Schleswig-Holstein considers also individual members of cooperative credit societies if the latter belong to the federation of agricultural cooperative societies of Schleswig-Holstein.

The insurance institutes of West Prussia, Silesia, Hanover, Brunswick, and Middle Franconia make loans also to employers, and that of Hesse-Nassau to agricultural employers.

Employees may obtain loans from the institutes of –
  Silesia and Posen, only through a commune;
  Hanover, only insured persons, for houses with not more than two-family apartments;
  Westphalia, for houses with not more than three apartments and not more than three rooms per apartment;
  Oldenburg, in case there is no building association in the locality;
  Hesse-Nassau and Rhine Province, if a cooperative society, a commune, a union of communes, or a savings bank is jointly liable for the loan;
  Baden, for houses with not more than three apartments;
  Wurttemberg, Middle Franconia, Swabia, if a borrower of the other admitted classes is jointly liable for the loan;
  The Palatinate.

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GRANT OF LOANS THROUGH THE INSTRUMENTALITY OF OTHER PARTIES.

The insurance institutes of Hanover and Westphalia have issued special regulations for the granting of loans through the agency or guaranty of communes or savings banks. The institute of Thuringia makes loans also through State credit institutes or public savings banks, and that of the Rhine Province designates such intervention as preferable.

SECURITY ON WHICH LOANS ARE MADE.

Such security consists of:

(a) Houses to be sold on installments or to be rented. Nearly all institutes make loans on both kinds. In the case of loans on houses which are to be sold on installments the building association remains, as a rule, jointly obligated with the buyer, and in Schleswig-Holstein it must also collect the interest and refunding payments and transmit them to the institute. The institute of Upper Franconia requires in its contracts that renters must be given an opportunity to purchase the dwellings rented by them, while that of the Upper Palatinate makes such a stipulation only in case of loans to employers.

(b) One and two family houses. Loans are made on such houses exclusively by the insurance institute of Thuringia, and preferably by the institutes of East Prussia, the Rhine Province, Upper Franconia, and Swabia and Neuburg. The institute of Middle Franconia gives the preference to loans on two and four family houses.

(c) Hereditary right of construction. Loans on this right are explicitly declared permissible by the insurance institute of the Kingdom of Saxony. The other institutes do not even mention such loans.

REQUIREMENTS AS TO PUBLIC-WELFARE CHARACTER OF BUILDINGS.

These requirements are specified in the contracts in various ways as for instance:

(a) The rents must be suitable—i.e., not higher than is required to provide for a proper interest on the invested capital, the refund of the loan, costs of maintenance, administration, taxes, and other encumbrances. Experts must be consulted as to the proper amount of rent to be charged. According to the provisions of the insurance institutes of the Hanse Towns the total amount of rents of a building may not exceed 6$\frac{1}{2}$ per cent of the invested capital.

(b) The dividends are in many instances limited to 4 per cent. In addition it is frequently provided that the associations must incorporate in their by-laws the provision that in case of dissolution of the association the members shall be entitled only to the face value of their shares, while the surplus shall be used for public-welfare purposes.

(c) Often a stipulation is made that each apartment must contain a certain number of rooms, the number varying considerably in
different places. The requirements in some of the States are as follows:

West Prussia: One large room (Stube), one small room (Kammer), and kitchen.

Posen: Two living rooms, one of which may be used as kitchen, with a total air space of at least 90 cubic meters (3,178 cubic feet).

Schleswig-Holstein: Two rooms sufficiently large to make possible a separation of the sexes in case of grown children, and a small room with one window.

Kingdom of Saxony: At least two rooms which can be heated, inclusive of kitchen and a sufficiently large bedroom.

Rhine Province: At least three rooms.

Swabia and Neuburg: Three main rooms, exclusive of accessories.

(d) The subletting of rooms is permitted only in a very restricted manner; in Hesse-Nassau, for instance, only to blood relations, parents-in-law, and wards. In case of houses to be sold on install­
ments the number of apartments that may be rented is generally limited to one or two.

(e) The safeguarding of the maintenance of the public-welfare character is effected by providing short-term notices for the recall of the loan in case of noncompliance by the borrower with his obliga­tions, by registration of the right of refusal, by thorough supervision, by stipulating that the associations must obtain the approval of the insurance institute for certain transactions, and by other similar safeguards.

SUPERVISION.

To facilitate efficient supervision in the interest of the security of the loans and of the public-welfare character of the building activity of the associations provision is made:

(a) That the insurance institute may become a member of the building association, as is required in Hanover, Schleswig-Holstein, and the Hanse Towns.

(b) That the insurance institute shall be represented in the supervisory board, as required in East Prussia.

(c) That inspection of the buildings is to be permitted.

(d) That the institute may inspect all reports, minutes of meetings, books and documents, balance sheets, building and remodeling plans.

(e) That the institute may request any information required by it, and that such a request must be complied with.

APPROVAL BY THE INSURANCE INSTITUTE.

Such approval is required—

(a) For disposal of the buildings;

(b) For changes in construction;

(c) For changes in the use of the buildings;
GOVERNMENT AID TO HOUSING—GERMANY.

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(d) For the acquisition of building sites (in Hanover);
(e) For the beginning of building operations (in Hanover);
(f) For changes in the by-laws;
(g) For the raising of rents (in Saxony).

FIRE INSURANCE.

Fire insurance is required as a matter of course. Some insurance institutes, as for instance those of Schleswig-Holstein, Hanover, Brunswick, and Hesse-Nassau, prescribe insurance in specified public fire insurance institutes. Other institutes, as, for instance, that of the Palatinate, require also that the chattels of the renters be insured.

AUDITING.

Associations to which loans are to be granted must in Schleswig-Holstein, Westphalia, and the Rhine Province be members of specified auditing unions (Revisionsverbände) of building associations.

TERRITORIAL RESTRICTION FOR LOANS.

All insurance institutes with the exception of that of Berlin make loans only within their own territory.

PERSONS TO WHOM THE DWELLINGS MUST BE RENTED.

Loans are granted only to those building associations which, according to the conditions of the insurance institute in question, rent or sell dwellings either chiefly or exclusively to insured persons or persons subject to insurance or simply to workmen. Most of the institutes consider only insured persons.

LIMIT OF AMOUNT OF LOANS.

The limit of the amount of loans, as determined by the individual insurance institutes, varies greatly.

(a) Loans within the limit prescribed for trust funds by the various State laws are made by the institutes of Posen, Berlin, Upper Franconia, Swabia and Neuburg, and of the Grand Duchy of Hesse, the latter also lending beyond this limit in case of guaranty of the loan by the commune.

(b) Loans up to 60 per cent of the estimated value of the security are made by the institutes of Thuringia, Middle Franconia, Lower Franconia, the Upper Palatinate, Lower Bavaria, and the Palatinate.

(c) Loans up to 75 per cent of the estimated value of the security are made by the institutes of East Prussia, West Prussia, Pomerania, Oldenburg, Westphalia, Brunswick, the Kingdom of Saxony, the Rhine Province (these institutes lend up to 85 per cent of the actual costs), and Baden.

(d) Loans up to two-fifths of the estimated value are made by the institutes of Silesia, the Hanse Towns, Schleswig-Holstein (in case
of guaranty by the commune, up to 90 per cent. Saxo-Anhalt, Alsace-Lorraine, and Wurttemberg. (c) The insurance institute of Hanover makes loans up to 100 per cent of the net building costs.

**RANK OF THE MORTGAGE.**

Wherever any provision is made in this respect it is always required that the mortgage must be a first lien.

**RATE OF INTEREST.**

The rate of interest charged is usually 3 or 3\(\frac{1}{2}\) per cent. Loans are, however, also made at rates varying from 2 to 4\(\frac{1}{2}\) per cent.

**REFUND OF LOANS.**

(a) In per cent. The rate of refund stipulated is usually 1 per cent. The rates are:
- Kingdom of Saxony, one-half of 1 per cent; Grand Duchy of Hesse, \(\frac{1}{2}\) to 1 per cent; Lower Franconia (only until the security is that required for trust funds), \(\frac{1}{2}\) to 2 per cent; Schleswig-Holstein, 1 to 1\(\frac{1}{2}\) per cent; Upper Palatinate and Ratibson (until the security is that required for trust funds), 1 to 2 per cent; Westphalia (only 1 per cent after the security is that for trust funds), and the Rhine Province (in addition, as a contribution to the reserve fund, one-half of 1 per cent of the amount in excess of the security required for trust funds), 1\(\frac{1}{2}\) per cent.

(b) Computed by years, refund is required in:
- Twelve years, up to one-half of the value, in Oldenburg; thirty years in Silesia; forty years in Middle Franconia; forty-two years in Pomerania; forty-six years in Wurttemberg; fifty years in Baden (in 15 years for the amount in excess of the security for trust funds).

(c) Refund by means of life insurance. This is a new refunding method adopted by the insurance institute of the Rhine Province after the example of the General Savings Bank of Belgium. It is effected by having the workman, who either directly or through a building association has purchased a house, take out insurance from the institute, usually for the amount of the loan made by the institute. As a rule the insurance must be on the endowment plan. At the death of the insured person, his heirs become the owners of the building free of encumbrance, or, if the policy matures during his lifetime, the insured himself becomes the owner. This plan is especially devised for the possibility that the borrower—generally the breadwinner of the family—may die prematurely. In such a case his heirs may get into financial difficulties, not be able to pay the interest and refund, and frequently the communes or building associations, jointly liable with the borrower, must assume the burden of their liability.
BUILDING LOANS.

Such loans are granted by the following institutes: East Prussia, West Prussia, Hanse Towns, Schleswig-Holstein, Westphalia, Hesse-Nassau, the Rhine Province, Alsace-Lorraine, Grand Duchy of Hesse, Upper Palatinate and Ratisbon, Swabia and Neuburg, and the Palatinate.

Building loans are granted exceptionally by the institute of Silesia. The institute of Hanover pays two-thirds of the building loan to be granted after the building, exclusive of the inside work, is completed.

RECALL OF THE LOAN.

In about half of the States the institutes may recall their loans without giving any special reason for so doing; usually a notice, varying from 3 to 12 months, must be given before this can be done. In the remaining States the institutes have the right to recall their loans under certain conditions.

The conditions generally stipulated as reasons for the recall of loans are: Impairment of the security of the loan, breach of contract, danger of change in the application of the loan, and noncompliance with the conditions made by the institute.

Of the so-called “admitted” institutes (Zugelassene Kasseneinrichtungen), the pension fund of the Prussian-Hessian railroads is the only one which has furthered the public-welfare building activity to any great extent. The conditions made by these “admitted” institutes for the granting of loans are very similar to those stipulated by the State insurance institutes.

STATISTICS OF STATE INSURANCE LOANS.

The imperial insurance office has published extensive statistics as to the public-welfare activity of the State insurance institutes and other similar bodies in its official bulletin of March 15, 1914.

1 The “admitted” institutes are those special institutes in which the benefits are of at least equal value with the legal benefits of the insurance institutes.
The following table shows the large increase since 1900 in loans made on workmen's dwellings:

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans on less security than required for trust funds (aussenhalb Mundschenkheit).</th>
<th>Amount of total loans.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>$18,594,750</td>
<td>$3,053,374 10.4%</td>
</tr>
<tr>
<td>1901</td>
<td>$20,832,037</td>
<td>$3,509,774 16.8%</td>
</tr>
<tr>
<td>1902</td>
<td>$24,020,078</td>
<td>$1,357,441 17.7%</td>
</tr>
<tr>
<td>1903</td>
<td>$28,177,027</td>
<td>$4,875,727 17.3%</td>
</tr>
<tr>
<td>1904</td>
<td>$31,099,579</td>
<td>$5,112,267 16.1%</td>
</tr>
<tr>
<td>1905</td>
<td>$35,934,941</td>
<td>$5,865,180 16.3%</td>
</tr>
<tr>
<td>1906</td>
<td>$41,085,381</td>
<td>$0,512,794 15.9%</td>
</tr>
<tr>
<td>1907</td>
<td>$46,389,210</td>
<td>$7,716,574 16.6%</td>
</tr>
<tr>
<td>1908</td>
<td>$50,589,291</td>
<td>$8,809,579 15.6%</td>
</tr>
<tr>
<td>1909</td>
<td>$56,733,280</td>
<td>$9,869,073 15.0%</td>
</tr>
<tr>
<td>1910</td>
<td>$60,175,958</td>
<td>$11,031,215 14.5%</td>
</tr>
<tr>
<td>1911</td>
<td>$66,765,531</td>
<td>$12,385,966 11.4%</td>
</tr>
<tr>
<td>1912</td>
<td>$70,205,585</td>
<td>$13,934,380 14.4%</td>
</tr>
</tbody>
</table>

The total assets of the carriers of the invalidity and old-age insurance were, at the end of the year 1912, 1,929,100,000 marks ($459,125,800). Of this amount 365,600,000 marks ($87,012,800), or 19 per cent of the total assets, were outstanding in loans on workmen’s dwellings, and 52,700,000 marks ($12,542,600) had been repaid. The percentage which outstanding loans on workmen’s dwellings formed of the total assets at the end of the year 1913 can not be given here, as the amount of total assets for that year has not yet been given out by the imperial insurance office.

The above table shows that the insurance carriers in their loans on workmen’s dwellings make use to a considerable extent of the right to loan out one-fourth of their assets on security inferior to that required for trust funds. They use this right much less in their other investments for welfare purposes, for the statistics of the imperial insurance office show that the amount loaned up to the end of the year 1913 for welfare purposes other than workmen’s dwellings was 561,900,000 marks ($133,732,200), of which only 13,700,000 marks ($3,260,600), or not more than 2.4 per cent, were invested on security inferior to that required for trust funds. The table, on the other hand, shows that even in loans on workmen’s...
dwellings there has recently been a tendency to reduce the percentage of such investments on inferior security. A detailed statement of the manner in which the individual carriers of the invalidity and old-age insurance have loaned out their funds on workmen's dwellings is presented in the following table.

66171°—Bull. 158—15——13
### Loans on workmen's family dwellings to

<table>
<thead>
<tr>
<th>Name of insurance carrier</th>
<th>Public-welfare building associations</th>
<th>Unions of communities (Provinces, districts), communes, savings banks, and other legal public institutions</th>
<th>Employees (insured persons)</th>
<th>Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Rate of interest</td>
<td>Amount</td>
<td>Rate of interest</td>
</tr>
<tr>
<td>East Prussia................</td>
<td>2,698,487</td>
<td>3 -3½</td>
<td>1,272,967</td>
<td>3 -3½</td>
</tr>
<tr>
<td>West Prussia................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Berlin.......................</td>
<td>2,339,367</td>
<td>3 -3½</td>
<td>1,026,007</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Brandenburg..................</td>
<td>2,071,321</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Pomerania...................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Schleswig-Holstein...........</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Hesse-Nassau................</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Middle Franconia............</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Upper Franconia.............</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Lower Bavaria...............</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Rhine Province..............</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Hessen........................</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Upper Palatinate and Ratisbon...</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Lower Franconia and Aschaffenburg..</td>
<td>1,367,067</td>
<td>3 -3½</td>
<td>1,092,435</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Swabia and Neuburg..........</td>
<td>2,698,487</td>
<td>3 -3½</td>
<td>1,272,967</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Kingdom of Saxony............</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Wurttemberg..................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Baden........................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
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<tr>
<td>Grand Duchy of Hesse........</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Mecklenburg..................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
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<tr>
<td>Thuringia....................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Oldenburg....................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Brunswick....................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Hanse Towns..................</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
<tr>
<td>Alsace-Lorraine...............</td>
<td>2,124,918</td>
<td>3 -3½</td>
<td>1,121,623</td>
<td>3 -3½</td>
</tr>
</tbody>
</table>

**Total** | 55,481,019 | 3 -3½ | 21,122,967 | 3 -3½ | 3,853,539 | 3 -3½ |
### GOVERNMENT AID TO HOUSING—GERMANY.

#### JAL CARRIERS OF THE GERMAN INVALIDITY AND OLD-AGE INSURANCE FROM WITH THE RATE OF INTEREST ON SUCH LOANS.

(sicherungsamt, vol. 30, No. 3, Mar. 15, 1914.)

<table>
<thead>
<tr>
<th>Loans on homes for single persons (lodging houses, etc.) to—</th>
<th>Unions of communities (Provinces, districts), communities, savings banks, and other legal public institutions.</th>
<th>Total loans on homes for single persons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount.</td>
<td>Rate of interest.</td>
<td>Amount.</td>
</tr>
<tr>
<td>$5,077,768</td>
<td>3-4</td>
<td>$23,100</td>
</tr>
<tr>
<td>623,932</td>
<td>3-4</td>
<td>32,130</td>
</tr>
<tr>
<td>1,947,107</td>
<td>3-4</td>
<td>192,066</td>
</tr>
<tr>
<td>1,276,187</td>
<td>3-4</td>
<td>157,295</td>
</tr>
<tr>
<td>1,251,839</td>
<td>3-4</td>
<td>75,864</td>
</tr>
<tr>
<td>454,368</td>
<td>3-3</td>
<td>109,910</td>
</tr>
<tr>
<td>2,679,089</td>
<td>3-4</td>
<td>188,972</td>
</tr>
<tr>
<td>2,680,308</td>
<td>3-3</td>
<td>84,689</td>
</tr>
<tr>
<td>2,299,192</td>
<td>3-3</td>
<td>116,618</td>
</tr>
<tr>
<td>10,483,441</td>
<td>3-4</td>
<td>279,459</td>
</tr>
<tr>
<td>12,535,390</td>
<td>3-4</td>
<td>442,085</td>
</tr>
<tr>
<td>4,377,041</td>
<td>3-4</td>
<td>30,500</td>
</tr>
<tr>
<td>10,315,963</td>
<td>3-3</td>
<td>1,808,181</td>
</tr>
<tr>
<td>1,482,216</td>
<td>3-4</td>
<td>94,440</td>
</tr>
<tr>
<td>1,228,108</td>
<td>3-4</td>
<td>6,426</td>
</tr>
<tr>
<td>341,125</td>
<td>3-3</td>
<td>6,426</td>
</tr>
<tr>
<td>417,253</td>
<td>3-4</td>
<td>6,426</td>
</tr>
<tr>
<td>1,801,702</td>
<td>3-3</td>
<td>101,304</td>
</tr>
<tr>
<td>199,901</td>
<td>2-1</td>
<td>161,364</td>
</tr>
<tr>
<td>841,395</td>
<td>3-1</td>
<td>8,925</td>
</tr>
<tr>
<td>11,323,323</td>
<td>3-4</td>
<td>311,423</td>
</tr>
<tr>
<td>9,425,495</td>
<td>3-4</td>
<td>520,863</td>
</tr>
<tr>
<td>7,515,090</td>
<td>3-4</td>
<td>287,628</td>
</tr>
<tr>
<td>1,400,087</td>
<td>3-4</td>
<td>19,040</td>
</tr>
<tr>
<td>1,787,569</td>
<td>3-4</td>
<td>6,902</td>
</tr>
<tr>
<td>2,106,534</td>
<td>3-4</td>
<td>25,060</td>
</tr>
<tr>
<td>877,561</td>
<td>3-4</td>
<td>8,925</td>
</tr>
<tr>
<td>1,077,250</td>
<td>3-4</td>
<td>10,774</td>
</tr>
<tr>
<td>2,265,843</td>
<td>3-4</td>
<td>200,634</td>
</tr>
<tr>
<td>1,534,315</td>
<td>3-4</td>
<td>167,076</td>
</tr>
<tr>
<td>98,088,958</td>
<td>2-1</td>
<td>1,029,720</td>
</tr>
<tr>
<td>4,444,132</td>
<td>3-3</td>
<td>6,426</td>
</tr>
<tr>
<td>95,033</td>
<td>3-4</td>
<td>6,426</td>
</tr>
<tr>
<td>518,285</td>
<td>3</td>
<td>6,426</td>
</tr>
<tr>
<td>584,718</td>
<td>3</td>
<td>6,426</td>
</tr>
<tr>
<td>32,472</td>
<td>3-4</td>
<td>6,426</td>
</tr>
<tr>
<td>301,323</td>
<td>3-4</td>
<td>6,426</td>
</tr>
</tbody>
</table>
TOTAL AMOUNT OF LOANS MADE ON WORKMEN'S DWELLINGS BY THE INDIVIDUALS UP TO THE END OF THE YEAR 1913, TOGETHER WITH THE AMOUNT OF LOANS BY MARGINAL NUMBER.

<table>
<thead>
<tr>
<th>Name of insurance carrier</th>
<th>Loans on workmen's family dwellings to—</th>
<th>Amount</th>
<th>Rate of interest</th>
<th>Amount</th>
<th>Rate of interest</th>
<th>Amount</th>
<th>Rate of interest</th>
<th>Amount</th>
<th>Rate of interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public-welfare building associations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unions of companies (Provinces, districts), communes, savings banks and other legal public institutions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employees (insured persons).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admitted institutes—concluded...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Pension Fund of the Imperial Railroads.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>General Miners' Society of Bochum.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Invalidity, Widow and Orphan Insurance Fund of the Navigation Accident Association.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$5,705,304</td>
<td>3%</td>
<td>$4,776,086</td>
<td>4%</td>
<td>$3,430</td>
<td>3%</td>
<td>$83,430</td>
<td>3%</td>
</tr>
<tr>
<td>Grand total</td>
<td></td>
<td>64,277,383</td>
<td>2%</td>
<td>$14,225,670</td>
<td>2%</td>
<td>21,412,115</td>
<td>2%</td>
<td>$8,690,315</td>
<td>3%</td>
</tr>
</tbody>
</table>
UAL CARRIERS OF THE GERMAN INVALIDITY AND OLD-AGE INSURANCE FROM THE RATE OF INTEREST ON SUCH LOANS—Concluded.

<table>
<thead>
<tr>
<th>Loans on homes for single persons (lodging houses, etc.) to—</th>
<th>Total loans on workmen’s family dwellings</th>
<th>Public-welfare building associations.</th>
<th>Unions of communes (Provinces, districts), communes, savings banks, and other legal public institutions.</th>
<th>Employers.</th>
<th>Total loans on homes for single persons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Rate of interest.</td>
<td>Amount</td>
<td>Rate of interest.</td>
<td>Amount</td>
<td>Rate of interest.</td>
</tr>
<tr>
<td>-------</td>
<td>------------------</td>
<td>-------</td>
<td>------------------</td>
<td>--------</td>
<td>------------------</td>
</tr>
<tr>
<td>$4,776,056</td>
<td>4</td>
<td>3,436</td>
<td>3</td>
<td>10,815,486</td>
<td>3-4</td>
</tr>
<tr>
<td>108,002,484</td>
<td>2-4</td>
<td>$5,025,720</td>
<td>3-4</td>
<td>$792,040</td>
<td>3-4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grant total.</th>
<th>Marginal number.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,776,056</td>
<td>40</td>
</tr>
<tr>
<td>3,436</td>
<td>41</td>
</tr>
<tr>
<td>10,815,486</td>
<td>3-4</td>
</tr>
<tr>
<td>$5,025,720</td>
<td>3-4</td>
</tr>
<tr>
<td>$792,040</td>
<td>3-4</td>
</tr>
<tr>
<td>$147,501</td>
<td>3-4</td>
</tr>
<tr>
<td>$114,907,744</td>
<td>3-4</td>
</tr>
</tbody>
</table>
The above table shows that the loans had been made almost exclusively on family dwellings, the loans on homes for single persons amounting to only 5.2 per cent of the whole amount. Of the four groups of borrowers receiving loans on family dwellings, the public-welfare building associations received by far the largest amount—270,073,038 marks ($64,277,383), or 56 per cent of the total loaned on both classes of homes; the employees came next, loans having been made them to the amount of 89,966,871 marks ($21,412,115), 18.6 per cent of the total loaned; then came the various legal public institutions with loans amounting to 61,019,623 marks ($14,522,670), or 12.6 per cent; while employers stood lowest on the list, having received only 36,513,929 marks ($8,690,315), 7.6 per cent of the total. At the end of the year 1913 loans on workingmen’s dwellings were still outstanding to the amount of 423,907,746 marks ($100,890,044). The amounts outstanding at each specified rate of interest were as follows:  

<table>
<thead>
<tr>
<th>Rate of interest</th>
<th>Amounts loaned</th>
<th>Per cent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 3 per cent</td>
<td>$89,572</td>
<td>0.09</td>
</tr>
<tr>
<td>3 per cent</td>
<td>38,908,620</td>
<td>38.56</td>
</tr>
<tr>
<td>Over 3 but below 3½ per cent</td>
<td>5,210,783</td>
<td>5.17</td>
</tr>
<tr>
<td>3½ per cent</td>
<td>43,387,202</td>
<td>43.00</td>
</tr>
<tr>
<td>Over 3½ but below 4 per cent</td>
<td>4,129,305</td>
<td>4.39</td>
</tr>
<tr>
<td>4 per cent</td>
<td>3,548,597</td>
<td>3.52</td>
</tr>
<tr>
<td>Over 4 per cent</td>
<td>5,315,954</td>
<td>5.27</td>
</tr>
<tr>
<td>Total</td>
<td>100,890,044</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Loans at rates below 3½ per cent are steadily decreasing. At the end of the year 1912 the amount of loans made at such rates still formed 49.15 per cent of the total amount of loans, while at the end of 1913 it was only 43.82 per cent. This decrease, which is noticeable since 1911, is to be ascribed to the effect of the decree of the imperial insurance office of May 11, 1910, in which the directorates of the insurance institutes were requested not to make any more new loans below the rate of 3½ per cent and to call in old loans made at a lower rate whenever such action was practicable. This request was due to the condition of the assets of the invalidity insurance institutes and to the general increase in interest rates.

The insurance institutes of East Prussia, West Prussia, Berlin, Brandenburg, Pomerania, Posen, Silésia, Saxe-Anhalt, Schleswig-Holstein, Hanover, Westphalia, Baden, the Grand Duchy of Hesse, Brunswick, Hanse Towns, Alsace-Lorraine, the pension funds for workmen of the Prussian-Hessian railroads and the royal Bavarian transportation institutes had up to the end of the year 1913 loaned 13,300,000 marks ($3,165,400) at rates of from 3½ to 4½ per cent, to building societies of officials and other public-welfare building

associations for the erection of dwellings for insured persons. This amount is not included in the above table.

In this connection should also be mentioned the endeavors of the managers of the pension funds for workmen of the royal State railroads of Saxony and of the imperial railroads to better the housing conditions of their members. The former have erected 5 houses with 128 apartments at a cost of 686,784 marks ($163,455), and the latter 10 houses with 120 apartments at a cost of 586,619 marks ($139,615).

UNEARNED INCREMENT TAX IN AID OF HOUSING.

To render land speculation more difficult and to discourage its practice as much as possible, and led by the principle that the community as a whole is entitled to a part of the increased value of land created by its labor, the German Parliament enacted on February 14, 1911, a law laying a tax on the so-called unearned increment (Zuwachssteuergesetz). This law provides for a progressive tax on all real estate transfers upon the unearned profits of the owner of the property. Exempt from the tax is improved real estate not worth more than 20,000 marks ($4,760), and unimproved real estate not worth more than 5,000 marks ($1,190), provided neither the seller nor his wife has an annual income in excess of 2,000 marks ($476) and is not in the real estate business. All public-welfare building associations are also exempt. The revenue from this tax is divided as follows: Fifty per cent goes to the Empire, 10 per cent to the Federal States for administration and collection, and 40 per cent to the communes. The Empire's share of this tax for the first 11 months of the fiscal year 1912 was 18,310,394 marks ($4,357,873.77). Article 58 of the law authorizes the communes to levy an additional unearned increment tax, and a number of them are availing themselves of this authorization.

A large number of the communes use the revenue derived from the unearned increment tax to acquire land and afterwards build workmen's homes on it, or grant to public-welfare associations the hereditary right of construction on the land.

HOUSING ACTIVITIES OF PRUSSIA.

The Kingdom of Prussia even earlier than the Empire made efforts to improve the housing conditions of its workmen and low-salaried officials. As early as the reign of Frederick II the administration of the State mines was actively caring for the housing and settlement of its workmen. At that period building grounds were given to the mine workers free. Since 1842, however, in the mine district of Saarbrücken, the practice has been introduced of giving building premiums of from 900 marks ($214.20) upward, according to the
size of the building lot, or of making building loans up to 1,500 marks ($357). No interest is charged on these, and they are repayable in annual installments. Since 1855 this practice has been in force in Upper Silesia also.

The present activity of the Prussian Government as an employer in improving the housing conditions of its workmen and officials is nearly on the same plan as that of the Imperial Government. Its activity is carried on from annual appropriations made by the diet for the various administrative departments in the budget or from a special State housing fund for which a legislative appropriation was first made in 1895, followed by other appropriations in subsequent years.

STATE HOUSING FUND.

The Prussian State housing fund was created by the law of August 13, 1895, in which the diet put at the disposition of the Government 5,000,000 marks ($1,190,000), to improve the housing conditions of workmen employed in State establishments and of low-salaried State officials. The law provided that for this purpose the Government should either erect dwellings or make building loans, and that the rents charged should be so determined that in addition to covering the costs of administration and maintenance, they should also bring in a suitable rate of interest on the invested capital and a refund of the building costs. The housing fund was to be raised by issuing bonds. Similar laws were passed in subsequent years, and inclusive of the appropriation of May 6, 1911, the total appropriations for the housing fund amounted to 144,000,000 marks ($34,272,000). The laws uniformly required that a report should be made to the diet as to the disposition of the fund. Such a report was formerly made annually, but is now required only at intervals of three years. The classes to be benefited by the fund were increased in 1902 so as to include not only workmen and low-salaried officials, but also officials of intermediate salary grades (Mittlere Beamte).

The fund is employed for the following purposes:

1. The erection of dwellings owned by the State.
2. Building loans to building associations for the erection of tenements.
3. Small loans to employees of the mining, railroad, and construction departments of the State on dwellings owned by them.
4. Loans on hereditary rights of construction (Erbbaurechte).
5. Loans on dwellings to individuals with reservation of the right of refusal to prevent speculation in case of sale of the dwellings.
6. Loans on small holdings held practically in fee, but subject to a fixed rental (Zwergrentengüter).
ERECTIO\ of dwellings by the state for its employees.

State-owned dwellings are erected only in localities in which either private building activity is not sufficient to satisfy the demand for small apartments, or rents are disproportionately high, or sanitary apartments at moderate rents are not available, and in which the erection of such dwellings promises a moderate return on the investment. These dwellings are rented to Government employees of the lowest and intermediate salary grades. The employees, however, are not obliged to rent these dwellings, that matter being left entirely to their free will. As the rents of the dwellings must bring in a sufficient interest on the costs of the buildings, it was originally assumed that they must be fixed so as to bring in 1 per cent for costs of administration and maintenance, one-half of 1 per cent for refund, and about 3 per cent as interest on the total investment. This requirement was reduced in 1898 with the consent of the diet, by determining that 1 per cent for costs of administration and maintenance and for refund, and an average interest of 3 per cent on the total investment form a sufficient basis for operation. Whenever an annual return of 4 per cent upon the capitalization is not to be expected, the means of the housing fund may not be used for the erection of such dwellings. If in such circumstances the interests of the service require an improvement of housing conditions, the administrations affected must include in their estimates for the budget the amounts necessary for the erection of State-owned dwellings for employees.

As to the kind of dwellings erected by the various administrations, the memorandum presented to the diet in 1912 furnished the following information:

The administration of the railroads built, in the main, houses with 3 stories and 6 apartments. Since the housing fund has been available for dwellings for employees of the intermediate salary grades, the higher returns received from such buildings have rendered it possible to erect in a larger measure 1 and 2 story detached and semi-detached dwellings for employees of the lowest salary grades.

The construction of 4-story dwellings has been limited to a few large cities (Berlin, Frankfort on the Main, and Stettin). The apartments for employees of the lowest salary grades and workmen consist of 2 or 4 rooms, inclusive of kitchen. The floor space of the smallest apartments is 28.5 square meters (306.8 square feet), and that of the largest 45 square meters (484.4 square feet). The 4 and 5 room apartments for employees of the intermediate salary grades have as a rule a floor space of 68 square meters (732 square feet).

Among the dwellings constructed by the administration of public construction (Bauverwaltung), those of one or two stories are most numerous, as they correspond best to the needs of the workmen and
low-salaried employees of this branch of administration. Houses with 3 stories were built in only a few cities. What has been said as to the number of rooms and floor space per apartment in dwellings constructed by the administration of railroads applies also in a general way to those built by the administration of public construction.

Two-family houses are the rule among the workmen's dwellings erected by the administration of mines, especially in the large mining district of Saarbrücken. A number of 4-family houses have been built at the Westphalian anthracite mines near Gladbeck and Stassfurt. In Upper Silesia, where the 2 and 4 family houses erected did not bring in the returns required for a proper capitalization of the investment, there have lately been constructed 8 and 12 family houses. Most of the apartments for workmen in the Saar mines consist of 3 rooms, inclusive of kitchen. Their floor space is on an average 47 square meters (505.9 square feet) on the ground floor and 32 1/4 square meters (349.8 square feet) on the upper floor. A special outbuilding contains as a rule a water-closet and a small barn. The 12-family houses in Upper Silesia have a cellar, three stories, and an attic. The floor space of the apartments varies between 37 and 49 square meters (398.3 and 430.6 square feet). Houses designated for the use of the officials contain, generally, 4 apartments, with 4 or 5 rooms, inclusive of kitchen, and an average floor space of 98 square meters (1,054.9 square feet). A parcel of garden land or arable soil varying in size goes, as a rule, with every apartment rented by the administration of mines.

BUILDING LOANS, ETC.

The principal conditions for the granting of such loans as determined in 1895 and amended later in 1902 by joint decree of the ministers concerned are as follows:

The need of financial aid to a building association for the purpose of remedying an existing scarcity of low-rent workmen's dwellings must be established by special investigation in the case of each application for a building loan. This principle is to be strictly adhered to and applications which do not seem justified by existing local conditions are to be rejected.

Applications for loans are to be considered only from those building associations whose membership is largely made up of workmen employed in Prussian Government establishments or of Prussian Government employees (Beamte) of the lowest and intermediate salary grades. The association must as a rule have at least 100 members with shares of a total value of not less than 30,000 marks ($7,140). The by-laws of the association must state as the exclusive object of the association the provision of suitable low-rent apartments for families of small means either by construction or by purchase of sanitary dwellings. Dividends to members must be limited to 4
per cent of their shares, and the by-laws must provide that, in case of
dissolution of the association, members shall receive only the face
value of their shares, and that any remaining balance of assets shall
be used for public-welfare purposes.

Loans are granted within a limit of from 50 to 90 per cent of the
net costs of ground and buildings as determined by an estimate of a
superior technical official, or within a limit of from 50 to 100 per cent
of the building costs only, determined in a like manner. In this con­
nection it should be remarked that lately as a rule loans have been
made to building associations only on second mortgage. The asso­
ciations are supposed to be able to raise without difficulty and at a
low rate of interest funds up to the limit of security required for
trust funds from private credit sources, and loans from the State
housing fund are granted on second mortgage for the balance of the
amount required. In this manner it is made possible to aid building
associations to a much greater extent than by loaning them the full
amount required for their operations.

The associations must pay 4 per cent annually of the full amount
of the original loan (3 per cent interest and 1 per cent refund), at
which rate the loans are entirely refunded in 47 years. Loans may
be made only on dwellings containing small apartments, i.e., having
not more than 4 rooms kitchen and accessories, two small rooms
(Kammern) to be counted, as one room. If, however, a building
association, to satisfy demands of its membership or for other rea­
sons, erects dwellings with apartments larger than specified above,
the administrations either refuse to grant a loan or limit it to an
amount corresponding to the building cost of that part of the dwell­
ings which is given over to small apartments.

The building association is obligated to reserve to employees of the
State such a number of apartments as corresponds to the proportion
which the State loan forms of the capital invested in small apartments.
The rest of the apartments may be rented according to the free will
of the association. If an association during a long period does not
comply with the above obligation, the loan may either be called in
or the rate of interest may be increased 1 per cent.

Applications for loans are to be directed to the provincial author­
ity in the district in which the association has its seat.

The provisions as to the documents and papers which must accom­
pany the application, the procedure in making loans, the registra­
tion of the loan, control of the Government, the giving of notice for
recall of the loan, etc., are nearly identical with those applying to
loans to building associations from the imperial housing fund which
have already been given in the sections relating to that fund.

Small loans have been made, with good results, on homes owned by
ordinary laborers of the mining, railroad, and construction depart­
ments. The maximum amount loaned on such security must not exceed three-fourths of the building costs or 6,000 marks ($1,428) in case of a two-family house. Annual payments must be made amounting to 6 per cent of the total loan. Of these payments an amount equal to 3½ per cent of the outstanding loan is regarded as interest, while the remainder is applied to reducing the indebtedness. Loans of this kind may be made only on first mortgage.

The administration of finances has granted to the housing association (Wohnungsverein) of officials in Berlin the hereditary right of construction on several parcels of ground of the Crown lands in Dahlen, Berlin, and Duisburg. The association has erected dwellings on these building sites and has requested loans from the Government on the hereditary right of construction. Such loans have been granted on the usual conditions made by the Government for real estate loans. Loans on hereditary rights of construction (Erbbaurechte) are made up to the full value of the buildings erected. In loan contracts of this kind made up to date the conditions for the refunding of the loan have been so arranged that the entire loan is refunded long before the hereditary right of construction becomes extinct. The usual condition that the building loan must have precedence, as a lien, of the ground rent has been omitted in the contracts, as the State exchequer is not only granting the building loan but also owns the ground.

Until lately the department of the interior has as a rule made loans only on dwellings which remain the property of building associations and are rented to workmen and employees of the State. Applications for loans from building associations which sell the dwellings erected by them to the occupier, or from individual Government employees, were generally rejected. This action was due to the fear that the owners of such dwellings might exploit them by speculative sale or by letting them at higher rentals, thus defeating the purpose for which the Government credit was granted.

Special local circumstances may, however, make it seem desirable to deviate from this rule in individual instances, especially those in which individual State employees are to be provided with suitable houses. In making such loans the department of the interior requests in the first place that a public corporation or some other solvent association guarantee the amount loaned as well as interest and refunding payment; secondly, there must be granted to the guarantor the right of refusal, and the guarantor on the other hand must obligate himself in case of an intended sale of the dwelling either to make use of his right of refusal or to cede this right on request to the State. Reasons for the exercise of the right of refusal are: (a) If the owner of the dwelling is more than 4 weeks in arrears with any of the agreed payments without having been granted a stay by
the creditors; \((b)\) if at any time within 100 years from the date of sale of the dwelling the owner wishes to dispose of it; \((c)\) if the owner, notwithstanding a written warning, does not himself occupy the dwelling or is using it entirely or partly for industrial purposes, or permits third parties such use, or rents rooms in the dwelling; \((d)\) if he encumbers the property with a further mortgage without the consent of the owners of the first mortgage; \((e)\) if he purposely or by gross negligence injures the dwelling or lessens its value; \((f)\) if he fails to provide proper and sufficient insurance against fire; \((g)\) in case of a forced sale of the property, or bankruptcy of the owner; and \((h)\) if the owner makes additions to or alterations of the building without obtaining the approval of the guarantor of the loan.

It was thought that the creation of small holdings held practically in fee by agricultural laborers, but subject to fixed rentals, as approved by joint decree of the ministers of finance and agriculture of January 8, 1907, might also be adapted to settling individual State employees on rural lands. This would not only make the employees independent as far as the housing problem is concerned, but would also promote colonization in the eastern Provinces, which is one of the chief social problems confronting the Prussian Government.

An experiment in this respect has been planned in the following manner: State employees who wish to acquire such holdings (Rentengütter) of a minimum size of 12.50 ares (0.3 acre) shall apply for them in the manner prescribed in the above-mentioned decree. Loans are, as a rule, granted on such holdings by rent banks up to 75 per cent of the value and a further loan is then granted from the means of the State housing fund. The employee has, in such a case, only to raise that portion of the amount required which is not covered by mortgage loans.

Up to October 1, 1911, loans of this kind were made as an experiment on 29 holdings acquired by railroad employees in Jarotschin and 1 holding in Schwersenz belonging to an employee of the custom administration.

STATISTICS OF HOUSING WORK OF PRUSSIA.

The means appropriated by the diet for the housing fund were apportioned to the administrations of railroads, mining construction, and of the interior and expended by them in the following manner:

The administration of railroads had up to October 1, 1911, received 88,173,846 marks ($20,985,375.35) from the housing fund. Of this sum 49,382,038 marks ($11,752,925.04) were expended for dwellings owned by the State, 37,179,793 marks ($8,848,790.73)

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1 With the approval of the provincial authorities, this condition may be waived.
were loaned to building associations, and 1,612,015 marks ($383,659.57) were used for small loans.

Altogether there were completed or in process of construction 1,432 State-owned houses with 10,750 apartments. Of these houses 141 with 637 apartments were to be rented to officials of the intermediate salary grades, and 1,291 houses with 10,113 apartments were for officials of the lowest salary grades, auxiliary officials, and workmen. Building loans amounting to 37,179,793 marks ($8,848,790.73) were made to 117 building associations. The associations aided by the State had up to October 1, 1911, completed 13,851 apartments and had in process of construction 1,037 apartments. Of the completed apartments, 11,192 were rented to officials and workmen of the State as follows: 2,126 to officials of the intermediate salary grades, 3,551 to officials of the lowest salary grades, auxiliary officials, and workmen.

For small loans to individual workmen and low-salaried officials of the State railroads for the construction of houses owned by them (one and two family houses) 1,612,015 marks ($383,659.57) had been apportioned. With the aid of this amount 105 one-family houses and 211 two-family houses had been completed, while 5 one-family and 4 two-family houses were in process of construction.

For the administration of public construction 1,486,657 marks ($353,824.37) had been appropriated from the housing fund. With the exception of 2,000 marks ($476) used to make a small building loan to an individual employee, all the above amount was expended for the construction of State-owned dwellings. There had been completed in 25 localities 54 dwellings with 188 apartments, of which 3 were rented to officials of the intermediate salary grades and 185 to officials of the lowest salary grades and workmen.

The apportionments made from the housing fund for the administration of mining amounted to 24,278,493 marks ($5,778,281.33). By far the largest part of this amount—i.e., 21,694,493 marks ($5,163,289.33)—was expended for the construction of State-owned dwellings, 1,394 houses with 4,835 apartments having been either completed or being in process of construction. Most of the apartments (4,518) were designed for workmen, only 317 being intended for officials. The rents received from the houses which are completed and the costs of which have been definitely learned show an average return of 4.22 per cent on the invested capital.

In the mining district of Saarbrücken there is a continued demand for building loans from the housing fund by individual employees, and 2,584,000 marks ($614,992) have been used in making such loans. Employees aided in this manner had, up to October 1, 1911, constructed 987 dwellings.
Of the 27,471,246 marks ($6,538,156.55) appropriated from the housing fund for the administration of the interior, the entire amount, with the exception of 80,000 marks ($19,040), was expended in building loans to 86 building associations. These associations erected with the aid of the housing fund 9,621 apartments up to October 1, 1911, and had on that date 648 apartments in process of construction. On October 1, 1911, there were housed in these dwellings 3,004 State employees of whom 1,810 were officials of the intermediate salary grades, 963 officials of the lowest salary grades, and 231 auxiliary officials and workmen.

A loan of 80,000 marks ($19,040) was made to an individual Government employee on a group of houses erected by him in Waldbröl to be rented as workmen's dwellings. The loan was guaranteed by the district.

The amounts apportioned up to October 1, 1911, from the housing fund to the individual administrations and the manner in which the money was used are summarized in the following table:

**Summary of amounts apportioned up to October 1, 1911, from the Prussian State housing fund to the individual administrations and manner in which the money was disbursed.**

<table>
<thead>
<tr>
<th>Name of administration</th>
<th>Expenditures for erection of State-owned houses.</th>
<th>Loans to building associations.</th>
<th>Other loans.</th>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railroads</td>
<td>$11,732,925</td>
<td>$8,848,790</td>
<td>$833,660</td>
<td>$20,985,375</td>
</tr>
<tr>
<td>Public construction</td>
<td>333,348</td>
<td></td>
<td>476</td>
<td>338,824</td>
</tr>
<tr>
<td>Mining</td>
<td>5,164,289</td>
<td>614,902</td>
<td>5,778,291</td>
<td>12,555,482</td>
</tr>
<tr>
<td>Interior</td>
<td>6,519,117</td>
<td>19,040</td>
<td></td>
<td>6,538,157</td>
</tr>
<tr>
<td>Total</td>
<td>$17,269,562</td>
<td>13,367,907</td>
<td>1,018,168</td>
<td>33,655,637</td>
</tr>
</tbody>
</table>

Up to May 6, 1911, the Prussian Diet had appropriated by means of 13 special laws the sum of 144,000,000 marks ($34,272,000) for the State housing fund. The preceding table shows that of this amount 141,410,242 marks ($33,655,637.60) had been invested by October 1, 1911, as follows: The sum of 72,561,188 marks ($17,269,562.74), or 51.3 per cent, had been spent in putting up houses owned by the State; 64,571,039 marks ($15,367,907.28), or 45.7 per cent, had been loaned to building associations, and 4,278,015 marks ($1,018,167.57), or 3 per cent, had been put into loans of the other kinds described.

As a result of these investments, by October 1, 1911, the State had 2,880 dwellings, containing 15,773 apartments, either finished or in process of construction; the building associations had 25,157 apartments, of which 14,196 were rented to State officials or workmen, while individual employees of the State had built or were building houses containing 1,527 apartments. In other words, the State housing fund had been used to provide a total of 42,457 apartments.
The individual Government administrations of Prussia as already mentioned had endeavored long before the creation of the State housing fund to improve the housing conditions of their workmen and employees. This they did by use of the funds appropriated by the diet in the annual budget for their current expenditures. These funds are still used for this purpose in all instances in which returns of at least 4 per cent per annum on the capital invested in the purchase or construction of buildings or in building loans, as required for all investments of means from the housing fund, are not to be expected.

Most noteworthy in this respect is the activity of the administration of mines, which by the granting of building loans and building premiums tries to induce the workmen themselves to build houses. This policy of colonization of the State mines reaches back to the beginning of the last century and has been continued with special success in the mining district of Saarbrücken. The construction of houses from Government funds for the purpose of renting them to workmen had before the creation of the housing fund been practiced only in a very limited manner. To be sure, private houses that were damaged by mining operations frequently had to be acquired by the administration, and were afterwards rented to miners, but this was done more to obtain some returns from these Government-owned houses than from a desire to benefit the workmen.

The plan adopted by the administration of mines consists in granting a loan, generally of 1,500 marks ($357), and a premium of from 750 to 900 marks ($178.50 to $214.20), according to the size of the building lot, to workmen who already own a building site. The loan does not bear interest and must be repaid within 10 years after the completion of the building in monthly installments, which during each year must amount to 10 per cent of the total loan. These monthly installments are deducted each month by the administration from the wages until the loan is repaid in full. The premium is not to be repaid. Loan and premium are, as a rule, granted together, and only in rare instances are premiums granted alone. The building costs of a house are sometimes lower than the total amount of loan and premium, so that savings are made in the amounts designated for premiums. The amounts saved in this manner are used to grant premiums without loans to workmen who wish to build with means of their own. The workmen to whom loans and premiums are to be granted are determined by lot among the applicants, who as a rule are very numerous.

Applicants must comply with the following conditions: They must have a well-regulated household, be of good conduct, have wife and children, have complied with their military obligations, be of an age not below 25 and not over 40 years, and be of good health. Applicants may not already possess a house, nor have received previously
a building loan, and must be in possession of a building site within a
district determined by the mine authorities inside the limits of which
the construction of workmen's dwellings may be promoted by the
granting of building loans and premiums.

The house to be erected must contain a floor space of at least 40
square meters (430.6 square feet) and must have in addition to a
kitchen at least 3 living rooms. Kitchen and living rooms must have
a minimum floor space of 32 square meters (344.4 square feet). With
the exception of the above conditions, the workman is given a free
hand as to the building plans. The building work itself, however, is
generally placed under the supervision and direction of a State
architect.

The loan is paid in installments after the beginning of building
operations, the amount of the installments depending on the progress
of the building work. As a rule, these amounts are not paid direct
to the person to whom the loan is granted, but in his presence and
upon his receipt to those parties to whom he owes money for work
performed on the building or for materials furnished for it. The
premium is as a rule paid after the completion of the building, but
advances may also be granted on premiums.

The owner of the dwelling must during the first 10 years after its
completion conform to certain conditions. He must occupy the
house himself. Rooms not used by him he may rent only to work­
men employed in the State mines. A saloon, restaurant, or store
may not be conducted in the dwelling. The dwelling may be
sold only to a workman employed in the State mines, and the mine
management must give its consent to such a sale.

In case of contravention of the above provisions, or in case the
purpose of the loan and premium that the dwelling be used for at
least 10 years as a miner's home is no longer fulfilled, owing to the
resignation or permanent dismissal of the recipient of loan and
premium, the premium must be immediately refunded by the recip­
ient or by his legal heirs. An exception in such an instance takes place
only in case of death of the recipient of the premium or of his invol­
untary invalidity. But even in the two cases last mentioned the
dwelling may be sold or rented only to a miner of the royal mines.

According to a report 1 made by the minister of commerce and
industry to the diet under date of December 23, 1911, up to the
end of 1910 aid of this kind had been given to the extent of 7,775,735
marks ($1,850,624.93) in noninterest-bearing loans and 5,660,365
marks ($1,347,166.87) in premiums. As a result, 7,366 houses with

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1 Sammlung der Drucksachen des Preussischen Hauses der Abgeordneten. 21. Legislaturperiode, V.
60714— Bull. 158—15—14
14,732 apartments had been built and were then owned by miners employed in the royal mines of the district.

The colonization of miners in the mining district of Upper Silesia has in a like manner been aided by the granting of noninterest-bearing building loans and building premiums. The conditions to be complied with by applicants are the same as those given above, except that the period during which the owner of the dwellings must conform to certain conditions is 15 years for the district of Upper Silesia, while it is only 10 years for that of Saarbrücken.

Such loans and premiums have lately been granted in Upper Silesia to a very limited extent only, because the price of land and the building costs are so high that the loan and premium are relatively too small, and the miners have moreover not sufficient capital to maintain themselves in the possession of the houses.

In all the Prussian mining districts together there had been erected, up to the end of 1910, 8,353 houses with 17,799 apartments owned by miners employed in the royal mines. The administration of the mines had aided therein by granting 9,586,160 marks ($2,281,506.08) in noninterest-bearing loans and 6,096,860 marks ($1,451,052.68) in building premiums.

The administration of mines purchases also, with funds from its annual appropriation for current expenditures, houses of private parties which have been injured by mining operations. These houses are then re-rented to mine workers at a very low rent. Data as to the number of such houses purchased and the amount expended for them are not available, as in the reports of the minister of commerce and industry to the diet all State-owned houses are enumerated in one statement regardless of whether they were purchased with means from current departmental appropriations or with means from the State housing fund.

In 1905, the latest year for which figures are available, it appears that of the entire force of miners employed in the royal mines, 22.5 per cent were provided with housing accommodations partly in houses constructed by the miners themselves with the aid of noninterest-bearing State loans and premiums and partly in State-owned dwellings rented to them.

In addition to aiding and promoting the building of houses by the miners themselves and to purchasing family houses and renting them to miners, the administration of mines has in a number of mine districts built large lodging houses (Schlafhäuser). Up to April 1, 1905, 32 of these lodging houses had been erected at an expense of 2,818,542 marks ($670,813). Of the 32 lodging houses, 27 with 4,869 beds are in Saarbrücken.

1 Sammlung der Drucksachen des Preussischen Hauses der Abgeordneten. 20. Legislaturperiode, II. Session 1905-6. Drucksachen No. 86, p. 1550.
The origin of these lodging houses in Saarbrücken dates back to the middle of the last century. The supply of labor from the localities surrounding the mines became at that time insufficient as a consequence of the increased development of the mines, and workmen had to be obtained from more distant localities. These workmen are during week days quartered in lodging houses built by the administration, and over Sunday they go home to their families. The administration of railroads works hand in hand with the administration of mines for this purpose by running special workmen's trains at very low rates.

The usual charge to workmen for the use of lodging houses is 2 marks (47.6 cents) per month, inclusive of bed linen, towels, light, and heat. In some of the lodging houses the workmen may obtain food and drinks at moderate prices, while in others, especially in Saarbrücken, they are given the use of kitchens so that they may cook their own meals.

In 1905 altogether 5.7 per cent of the workmen employed in the royal mines made use of such lodging houses. The State's annual average cost of maintenance of the lodging houses after deducting the receipts for rent was 94,156 marks ($22,409.13).

For years the administration of railroads has used funds from the appropriations made in its annual budgets to erect dwellings for officials and workmen who must live near their work, and who either can not find suitable dwellings there or can obtain them only on very unfavorable terms. At the end of 1910 employees of the State railroads occupied 53,832 apartments provided by means of the State exchequer. Included therein are 8,984 apartments erected by means of the State housing fund. Of the total number of 53,832 apartments 31,709 were assigned to employees as free service dwellings and 22,123 were rented to them.

The report from which the above data are taken does not give the expenditures of the administration for the dwellings erected for its employees.

The administrations of river and harbor works and of the army have also in many instances erected dwellings for the use of their officials and workmen. The administration of the army has done this on a larger scale than the others to provide suitable housing for the workmen employed in its technical establishments (arsenals, gun and ammunition factories, etc.). Recent statistics as to this activity are not available.

TAX EXEMPTIONS AND CONCESSIONS.

LEGISLATIVE MEASURES.

The efforts of the Prussian State to improve the housing conditions of people of moderate means have not been limited to officials and workmen in Government employment. A number of laws have been enacted to benefit the general public in this respect. Of such legal measures the following are especially worthy of mention:

1. The law of May 21, 1861, relates to the introduction of a general house tax. According to this law, in rural communities in which the tax is not assessed on the basis of actual rents, a reduction is to be granted on dwellings of artisans, factory workers, etc.

2. The income tax law of June 24, 1891, according to which those registered cooperative societies, including building associations, whose business activity is limited to their membership, are exempt from the income tax.

3. The occupation tax law (Gewerbesteuergesetz) of June 24, 1891, according to which building associations, the object of which as stated in their by-laws is the provision of sanitary low-rent dwellings for their members, are exempt from such a tax, provided their business activity does not include commercial transactions, such as dealing in real estate, use of the associations' available funds for banking operations, etc.

4. The stamp tax law of July 31, 1895, which exempts from the payment of stamp taxes those stock companies, cooperative societies, and associations with limited liability, the exclusive object of which, as stated in their by-laws, is to provide sanitary and suitably equipped dwellings for families of small means in especially erected or purchased houses. Their by-laws must also limit the dividends to 4 per cent of the stockholders' or members' shares and provide that in case of a dissolution of the company or association the stockholders or members shall receive only the face value of their shares and that the rest of the assets shall be used for public-welfare purposes.

5. The law of September 20, 1899, containing administrative provisions in pursuance of the civil code provisions in art. 86, par. 1, No. VI, by which the public-welfare building associations mentioned above under No. 4 are exempt from court fees.

6. The law of July 28, 1902, providing for the forced consolidation (Umlegung) for building purposes of parcels of property in the city of Frankfort on the Main, and two identical laws passed in 1911 for the cities of Cologne and Posen.

7. The communal tax law (Kommunalabgaben gesetz) of July 14, 1893, which in article 10 amends article 15 of the law of July 2, 1875, relating to the laying out and alteration of streets and squares in cities and rural localities in so far as the costs of construction and
maintenance may be computed on other bases than the length of the parcels fronting on the street, especially on the basis of the area which can be used for building purposes. Article 27 of this law permits the levying of a special tax on building lots. The difficulties connected with this manner of taxation have, however, been so great that this legal provision has had very little practical application.

**ADMINISTRATIVE MEASURES.**

The administrative authorities of Prussia have for years given special attention to regulating the housing conditions of people of slender means. Their activity in this direction is largely centered in efforts to improve the housing conditions through sanitary and building regulations. Such activity does not, however, come within the scope of the present work. As far as administrative measures relating directly to the erection of dwellings for people of slender means and exemption from taxation or reduction of taxes for such dwellings are concerned, the following should be mentioned:

1. A joint decree of the ministers of the interior and finance of October 2, 1899, recommended to all communes the introduction of special real estate tax regulations based on taxation of the estimated value of the property in place of taxation of the annual income from it, and with special privileges for public-welfare building associations and house owners of limited means. Such a form of taxation has since been adopted by a very large number of communes. In addition to preventing injurious land speculation, in a large number of cities and rural communities with suburban character it has resulted in exempting dwellings with small apartments from excessive taxation.

2. A large number of communes have introduced a transfer tax (Umsatzsteuer) on real estate transfers, which has proved an effective means of checking unsound land speculation.

3. Numerous cities have issued building regulations that limit the height of buildings for the central, intermediate and outlying city districts, starting with a certain height for the central districts and gradually lowering this limit in such a manner that in the outlying districts dwellings may not have more than two stories. Such measures prevent the high prices of land prevailing in the central districts from extending to the intermediate and outlying districts, and at the same time by tending to spread building operations over a large area, facilitate the erection of sanitary small dwellings for people of small means. Building regulations of this kind grant as a rule far-reaching privileges for those constructing small apartment buildings and family houses.
4. Regulations relating to the housing of workmen employed in brickyards, stone quarries, pits, and other seasonable industries, and of migratory workers in agricultural establishments have been issued by the police authorities in numerous districts, and have effected essential improvements in the housing conditions of such workmen.

5. The communal savings banks have given considerable aid to the movement for the improvement of the housing conditions of people of small means by giving preference to applications for mortgage loans on dwellings with small apartments. In the Provinces of Hanover, Westphalia, and in the Rhine Province, the communal savings banks have to a large extent acted as agents in procuring such mortgage loans from the State insurance institutes.

6. A further effort to promote the erection of dwellings with sanitary and low-priced small apartments has been made in a joint decree issued March 19, 1901, by the ministers of commerce and industry, public instruction, the interior, and agriculture. This decree directs the supervisory authorities to use their influence and, if necessary, to exercise pressure upon the communes to induce them, wherever the housing conditions are unsatisfactory, to provide, following the example set by the State, sanitary low-priced dwellings for their low-salaried officials and their workmen or to give financial aid to public-welfare building associations and to promote public-welfare building activities by such means as remission and postponement of payment of costs of street and sewer construction, remission of building department fees, gratuitous assistance and advice by employees of the building department, subscription of shares and procuring of low-rate mortgage loans, especially by use of surplus funds of the communal savings banks, and by sale, at a low price, of ground owned by the communes and postponement of payment of the sale price. The attention of the authorities was further directed to a suitable transportation and land policy of the communes in the interest of improvement of the housing conditions and to efficient organization of the building activity of private individuals and building associations. A decree of the minister of public works of April 27, 1913, directed the officials of the State building service to aid all public-welfare enterprises engaged in improving the housing conditions.

The housing conditions of people of small means were, in pursuance of the ministerial decree of 1901, thoroughly investigated in a number of medium-sized and small cities, and in those localities in which unsatisfactory conditions were found to exist to a considerable extent the supervisory authorities exercised their influence upon the communal authorities to remedy these conditions. In a number of
instances the activity of the supervisory authorities in this direction has been successful.

What has been accomplished by the communes in the way of building dwellings for people of small means and in aiding public-welfare building associations is discussed in this work in a special section.

HOUSING ACTIVITIES OF BAVARIA.

STATE PROVISION FOR HOUSING GOVERNMENT EMPLOYEES.

The Bavarian Government has in all instances where the interest of the service required it provided service dwellings for its officials and workmen. According to a memorandum submitted to the Bavarian Diet in 1902 by the minister of finances, there were at that time among the employees of the civil administration 2,416 statutory officials (25.1 per cent) and 9,113 nonstatutory officials and workmen (20.3 per cent) housed in State-owned service dwellings. Of the employees of the military administration 1,584 married noncommissioned officers and subordinate military officials out of a total number of 1,833, and 284 subordinate officials out of a total number of 317, occupied service dwellings. In addition to these dwellings built mainly in the interest of the service, the State has erected a considerable number of dwellings for its employees and workmen in the service of the military administration, the administrations of mines, State studs, and State roads, and for the corps of gendarmes. These dwellings were all erected with means from the annual appropriations made in the budget for current expenditures of the various Government departments.

Special legislation was enacted to improve the housing conditions of employees and workmen in the service of the administrations of State railroads and mines and of the post office department. The housing conditions of the numerous employees and workmen of the State railroads were especially in need of improvement and were repeatedly brought to the attention of the Bavarian Diet. It finally on May 31, 1900, enacted a law putting at the disposition of the Government the amount of 6,000,000 marks ($1,428,000), of which 2,000,000 marks ($476,000) were to be expended for the erection of State-owned dwellings and 4,000,000 marks ($952,000) to be loaned to building associations, the membership of which must be composed exclusively of employees or workmen of the State railroads and of the post office and telegraph department. A further appropriation was made by the law of December 21, 1901, which granted 4,500,000 marks ($1,071,000) for the above purposes. A law enacted on August 10, 1904, appropriated 828,000 marks ($197,064) for the erection of State-owned dwellings, 72,000 marks ($17,136) for loans to building associations and 400,000 marks ($95,200) for the erection
of dwellings for employees of the post office and telegraph department. The extraordinary budget for the years 1908 and 1909 provided 1,854,600 marks ($441,394.80) for the erection of State-owned dwellings for railroad employees, 1,457,300 marks ($346,837.40) for loans to building associations, and 485,100 marks ($115,453.80) for the erection of dwellings for employees of the post office and telegraph department. Up to the year 1909 the Bavarian Diet made altogether special appropriations to the amount of 15,597,000 marks ($3,712,086) to improve the housing conditions of the employees of the administration of State transportation institutes, and 7,529,300 marks ($1,791,973.40) of this amount were used for loans to building associations. A further appropriation of 10,000,000 marks ($2,380,000) was made in the budget for the years 1910 and 1911 to provide dwellings for railroad employees and part of this amount was to be used in making loans to building associations.

**LOANS TO BUILDING ASSOCIATIONS.**

Conditions for the granting of loans to building associations are that the permanent object of the association must be the erection of low-rent apartment dwellings for its members, and that its membership must be composed of active employees of the State railroads. The by-laws of the association may, however, also admit to membership employees of the post office and telegraph department, widows of members and retired employees. Two-thirds of the apartments erected must, however, be reserved for active employees. The shares must have a minimum value of 100 marks ($23.80) and be correspondingly higher if the association erects dwellings with better apartments than are required to meet the average needs of workmen or low-salaried employees. The membership must, as a rule, be at least 100. The association must show by an estimate that its enterprises will bring returns of at least 5 per cent on the capital invested, and that it either has funds of its own sufficient for the payment of the building costs or has made long-term loans from third parties for this purpose.

State loans may not exceed 80 per cent of the estimated value of ground and buildings, and in no case 80 per cent of the actual cost of these. Loans must be secured by a first mortgage and bear interest at 3 per cent per annum. The loans are to be refunded by annual payments of 4 per cent (3 per cent interest and 1 per cent refund).

The loan may be terminated by either party upon three months' notice, the Government, however, agreeing not to make use of this right of recall as long as the association complies with its contractual obligations. The loan becomes immediately due in case of transfer of the building, and in such a case the association is obligated, in consideration of the low interest charged on the loan, to refund to the State an
amount representing interest at the rate of 1\% per cent, beginning from the date of the receipt of the loan. This last provision aims to maintain the dwellings for the original purpose for which they were erected.

In the previously mentioned memorandum of the imperial department of the interior of 1904 the Bavarian Government describes its experiences with respect to loans to building associations of State railroad employees as follows:

1. The average building costs per apartment were lower for dwellings erected by building associations than for those erected by the administration of railroads.

2. The interest due on loans was always paid regularly by the associations.

3. An exact determination of the local rents is especially important, particularly in times of economic depression during which rents are apt to be forced down. Experience has shown that apartments erected by building associations are in good demand only when offered at rates lower than the usual local rents.

4. The associations have, as a rule, conducted their affairs independently, although it was necessary that the administration of railroads, in consideration of its financial interest, and also to guard the interests of the service, should assure itself a certain control over the conduct of business. Minute supervision was required only in the working out of the building plans, the conclusion of building contracts, during the period of construction, and for the financing of the executed enterprise. The supervision could be considerably limited after the financing of the enterprise was completed and the contractual conditions relating to it were regulated. In this connection it should be remarked that the employees and workmen of the State railroads have on numerous occasions shown remarkable aptitude in the management of the affairs of the associations.

In the same memorandum the Bavarian Government makes also the statement that, at the end of the year 1902, of 51,113 persons employed by the State railroads 8,728 occupied apartments owned by the State and 1,150 were housed in association dwellings, so that altogether about 19 per cent of the personnel of the State railroads were housed in State-owned or association dwellings.

A law enacted August 10, 1904, provides for the granting of building premiums and building loans to individual workmen in the State mines who intend to build homes on ground owned by them. Building lots are sold to them for this purpose by the State at a very low price. The premiums vary in amount between 600 and 750 marks ($142.80 and $178.50), according to the floor space of the dwelling, and are paid when the construction work, which must be executed in accordance with plans approved by the administration of mines, is
finished. The amount of the premium must be secured by a non-interest-bearing mortgage which is canceled after 30 years, if during this period the owner of the dwelling has complied with certain contractual obligations restricting his right of renting or disposing of the dwelling. Building loans must also be secured by mortgage and are, as a rule, granted only if the applicant can show that in addition to a loan from an insurance institute and the building premium he has funds of his own equal at least to the amount of the building premium. Such loans may not be recalled and do not bear interest for 10 years, 3 per cent interest being charged after the expiration of that period. The loans must be refunded by an annual payment of at least 5 per cent of their original amount. Up to 1909 60,000 marks ($14,280) had been appropriated for the special fund created to grant these building premiums and loans.

In 1900 the diet authorized the State insurance department to use 470,000 marks ($111,860) of the reserve funds of the State fire insurance institute to provide low-rent apartments for officials and employees of the department, and this action was shortly after followed by a further authorization for the use of 210,000 marks ($49,980) for the same purpose. Suitable ground was purchased for this purpose in Munich and four dwellings, each with eight apartments, were erected on it.

A special appropriation of 300,000 marks ($71,400) was made in the budget for the fiscal year 1902–3 to give financial aid to communes, societies, associations, etc., in their efforts to improve housing conditions. The amount appropriated was to be expended for the promotion of an efficient housing inspection and for aiding public-welfare building enterprises by granting subsidies to help defray the costs of organizing such enterprises.

**FINANCIAL AID THROUGH THE STATE AGRICULTURAL MORTGAGE BANK.**

A new method to provide financial aid for the improvement of housing conditions was adopted by Bavaria when the diet on March 24, 1908, amended the law relating to the State agricultural mortgage bank (Landeskultur-Rentenanstalt). This bank occupies a special position among German land mortgage associations as being (1) the only mortgage credit association constituted under the imperial cooperative societies act, (2) the only cooperative society registered under that act which is empowered to issue mortgage bonds, (3) practically founded and capitalized by the State, and (4) the only registered cooperative society whose business is supervised by a royal commissioner.

The bank was founded in 1896 with the special object of procuring mortgage credit for small Bavarian landowners. The above-men-
tioned amendment authorizes the bank to grant loans also for the erection and sanitary improvement of dwellings with small apartments for people of small means and for the colonization of agricultural workers. This legislative measure is characterized by the absence of any limitation of its benefits to Government employees. The new law provides that small apartments are to be defined as those which comprise not more than 3 rooms and kitchen, and that loans may be made only to communes. Communes to which loans are granted may either acquire land on their own account and erect or improve dwellings, or they may use the funds obtained from the agricultural mortgage bank for loans to legal public-welfare associations for the above-mentioned building, or for colonization purposes. Loans may be made by the bank for this purpose up to 90 per cent of the value of ground and dwellings. Several large loans have been made by the bank up to date to the communes of Munich, Bamberg, and Lechhausen. The conditions were 3\(\frac{1}{2}\) per cent interest and \(\frac{3}{4}\) to 1 per cent annual refund.

**HOUSING WORK OF SAXONY.**

The State of Saxony has been active only as an employer in improving the housing conditions of people of small means.

The administration of the State railroads has for years given special care to the housing conditions of its employees. Dwellings for employees were originally erected only if the interest of the service required that the employees should live in the neighborhood of the stations or of their working places. When, however, with the rapid increase of population and traffic, the rents of dwellings in the neighborhood of large railroad stations increased steadily in the last decades, and railroad employees were more and more forced to rent dwellings at a considerable distance from the stations, the administration could no longer restrict its activity in the matter of housing to urgent service interests, but decided to offer to a larger number of its employees the advantages of sanitary low-rent housing accommodations situated conveniently to the stations. For this purpose since 1892 the diet has appropriated a total amount of 5,000,000 marks ($1,190,000), with which, up to the end of 1909, the administration had erected 63 dwellings with 837 apartments, chiefly in the large cities of Dresden, Leipzig and Chemnitz, in the vicinity of the newly built switch yards and shops. In addition, since 1892 the administration has erected or purchased 36 houses with 151 apartments at a total expenditure of 960,000 marks ($228,480) from appropriations made in the ordinary budget for costs of additions and renovations.

In the royal decree No. 28 of April 4, 1910, it is stated that the administration of the State railroads will continue to erect dwellings
for its low-salaried employees and workmen in all localities where dwellings in the vicinity of the working places are not available in a sufficient number or where the rents charged are not proportionate to the income of the personnel, provided that the building costs do not exceed 100,000 marks ($23,800) in each instance.

Guided by the example of the Empire, Prussia, Bavaria, and Wurttemberg, the Diet of Saxony finally decided in 1910 to make an appropriation of 1,000,000 marks ($238,000) for the budget period of 1910 and 1911 for loans by the administration of railroads to building associations composed in the main of railroad employees. This was followed by another appropriation of 1,000,000 marks ($238,000) for the budget period of 1912 and 1913. The conditions for granting of loans are identical with those for loans from the Prussian housing fund. (See p. 202.)

State funds are otherwise not used to improve the housing conditions of people of small means, the Government believing that the communes should, next to the employers and public-welfare societies, be active in giving aid for the improvement of housing conditions.

This attitude of the Government has been expressed in a decree of the ministry of the interior of March 31, 1903, addressed to the district authorities, in which the latter are directed to promote the activity of the communes in the following directions:

(a) Erection of sanitary and suitable dwellings by the communes themselves for their low-salaried employees and permanently employed workmen.

(b) Promotion of all efforts of public-welfare building associations and similar enterprises directed toward providing sanitary small apartments at a moderate rent. As means of such promotion are to be considered: pertinent and expert advice, and if necessary even more far-reaching gratuitous cooperation by communal officials; a reduction of assessments for improvements and of fees to the building department; credit aid through grant of loans at a low rate of interest; subscription of shares or assumption of guaranty by the commune. Surplus funds of communal savings banks are designated as especially adapted for such uses.

(c) Provision of cheap building plots. For this purpose the communes should pursue such a policy in regard to land as would enable them to counteract any unsound and oppressive land and building speculation. By increasing their own land holdings at every opportunity, and by retaining the land already owned simply for commercial reasons, they should be able to use a moderating influence upon the real estate market. Communal land should be sold only under special guaranty that it is to be permanently removed from speculative dealings. Also, the grant of the hereditary right of
construction to foundations and public-welfare associations is recommended.

\[(d)\] Provision of the best possible transportation facilities to the outlying wards of large communes.

To keep informed on all progress in the activity of the communes in this direction and on such bad conditions as still exist, the ministry of the interior has ordered all the local State authorities as well as the communal councils to submit regular reports every three years, beginning with October 1, 1904.

In a lately issued decree the ministry of the interior expresses its opposition to the practice of communes renting dwellings below cost. The decree states that the erection of dwellings with small apartments by communes, which in itself is very desirable, should take place only on a basis of reasonable profit, as otherwise it would be impossible for private building enterprises to compete with them, and the communes alone would have the task of providing low-rent housing for people of small means.

**HOUSING WORK OF WURTTEMBERG.**

The State of Wurttemberg had up to the year 1909 been active only as an employer in improving the housing conditions of people of small means. Service dwellings and dwellings to be rented have been erected with State funds for Government officials, especially for the numerous employees of the transportation service. On March 31, 1908, the administration of railroads owned 2,238 dwellings, with 3,156 service and 1,456 rented apartments, and the post office department owned 134 dwellings, with 90 service and 137 rented apartments. The total building cost of these dwellings amounted to 32,400,000 marks ($7,711,200).

The diet enacted on August 8, 1909, a law authorizing the ministry of finances to make building loans up to a total amount of 350,000 marks ($83,300) to building associations in which officials of the intermediate and lowest salary grades and workmen in the employment of the State form a majority of the membership. The associations must have at least 100 members and a minimum share capital of 30,000 marks ($7,140). Dividends to members must be limited to 4 per cent and the purpose of the association must be the erection of low-rent dwellings for people of small means, these dwellings to remain permanently in the possession of the association, or later on to become the property of individual members of it. Loans are made up to 80 per cent of the cost of ground and building and up to 100 per cent of the building cost only. The rate of interest is 3½ per cent, and the loan is to be refunded by annual payments of 1 per cent of its original amount. The loans may be terminated entirely or partially by either party after three months' notice. The State may, however,
make use of this right only after 10 years, provided the debtor com­
plies with his contractual obligations. The number of apartments
held at the disposition of Government employees must correspond to
the proportion which the State loan forms of the total investment in
the dwelling. Loans must be secured by a mortgage. It is, however,
not required that the security be a first mortgage; on the contrary,
the State prefers to make loans on second or third mortgages, so that
the funds appropriated for this purpose may be of benefit to a large
number of building associations.

The above law, in addition to providing for the granting of loans,
also authorizes the ministry of finances to guarantee, to a total
amount of 350,000 marks ($83,300), loans made by third parties to
building associations under the same conditions as those required
for State loans.

**HOUSING WORK OF GRAND DUCHY OF HESSE.**

Like other German State Governments, the Hessian Government
in its annual budget makes provision for the erection of State-owned
dwellings for the use of its low-salaried officials, for workmen in the
railroad service, and for agricultural workers employed on the Crown
lands.

In its direct financial aid for the improvement of housing condi­
tions of people of small means, the Hessian State occupies, however,
an exceptional position among the other States of Germany. Since
1902 its efforts to aid in the erection of dwellings with low-rent
apartments have not been confined to dwellings for Government em­
ployees, but have been planned to benefit all people of small means.
The carrier of this financial aid is the State credit bank (*Landes­
kredikasse*), a State institution forming a department in the minis­
try of finance.

The law of August 6, 1902, relating to the State credit bank au­
thorizes this institution to make building loans on dwellings erected
for the housing of people of small means in accordance with the pro­
visions of the housing law (*Wohnungsfürsorgegesetz*) of August 7,
1902. This law contains in its first part the conditions under which
such loans may be granted by the State credit bank. Dwellings for
people of small means are defined by the law as dwellings with apart­
ments consisting of not more than 3 rooms and kitchen. The law
provides that loans may not be made directly to building associa­
tions but only to communes or unions of communes, and no mort­
gage security is required from them. The granting of a loan must
be approved by the district authorities, the State housing inspector,
and the ministries of the interior and of finance. The communes may
after obtaining a loan either build on their own account or transfer
the loan to a public-welfare building association. If the creation of
a building association is not possible in a locality, the commune may with the approval of the minister of the interior transfer loans obtained from the State credit bank to private individuals of small means. Loans made by communes to building associations must be limited to 90 per cent of the ground and building costs. The interest charge is based on the actual yield of the 3 1/2 per cent Hessian Government bonds according to current stock exchange quotations at the time when the loan is made. To the rate of interest computed in this manner is added one-tenth of 1 per cent. The rate of interest is therefore not fixed, but varies according to the fluctuations of the money market, whereby the State avoids making loans at a rate below the actual cost of the money raised through the sale of bonds. The regular rate of interest may during the first 10 years after the coming in force of the housing law be reduced one-half of 1 per cent in the case of especially needy communes. The annual refund is fixed at a minimum of three-fourths of 1 per cent of the original amount of the loan. Interest is to be computed each year on the original amount of the loan, and the amount in excess of the interest required on the actual balance of the loan is to be applied as refund. Exemption from the payment of refund may be granted for every fifth year, provided that the borrower obligates himself to use the amount saved in this manner for present or future repairs.

The granting of loans to building associations through the agency of the communes involved too protracted proceedings and formalities. The housing law was, therefore, after a campaign of agitation on the part of the building associations, on July 1, 1908, amended so as to permit direct loans from the State credit bank to building associations up to 66 2/3 per cent of the costs of buildings and ground.

The State credit bank had up to the end of the fiscal year 1907 granted loans to the amount of 255,100 marks ($60,713.80) for the erection of low-rent dwellings.

Loans have been granted by the State credit bank only to communes which were in actual need of financial aid. Communes in good financial circumstances making application for building loans from the State credit bank are as a rule directed by the district authorities to the Hessian State mortgage bank, which makes such loans under conditions similar to those of the State credit bank but at a higher rate of interest.

The Hessian State mortgage bank (Hessische Landeshypothekenbank) established by virtue of a special act of July 12, 1902, occupies a unique position among the State mortgage banks. It is a mortgage bank company subject to the imperial mortgage bank act of July 13, 1899, but all its shares are held by the State, the communes, and public savings banks, and the State guarantees its bonds. Like other banks established under the act of 1899, it is under State
supervision, but it differs from them in that its business is not conducted with the view of obtaining the highest possible profit, dividends to shareholders being limited to 4 per cent. The bank, although not a State institution proper, like the State credit bank, has been granted exemption from all State and communal taxes and its officials have the rights and duties of statutory Government officials.

The object of the bank according to article 2 of its company agreement is: (a) The promotion of both rural and urban mortgage credit and the disburdening of rural and urban estates within the Grand Duchy of Hesse by the grant of amortization loans, not subject to recall, at a moderate rate of interest, especially to small farmers and tradespeople; and (b) the promotion of communal credit in the Grand Duchy of Hesse by the granting of loans to communes and unions of communes.

In 1911 the capital stock of the bank was 9,000,000 marks ($2,142,000), of which 8,300,000 marks ($1,975,400) or 92 per cent were paid in by the State and the balance by communes and public savings banks. Participation of private capital is excluded. The rate of interest charged on loans is 4½ per cent. Loans are to be refunded with annual payments of one-half of 1 per cent of their original amount. The rate of interest may not be raised during the entire duration of the loan, nor may the loan be recalled except in special instances provided in the loan agreement. The debtor, however, has the right to refund at any time the entire loan or parts of it.

Loans may not exceed one-half of the value of the property mortgaged except with the unanimous consent of the loan commission of the bank. In such a case loans may be made on urban property up to 60 per cent and on agricultural property up to 66½ per cent of its value. Loans on building plots and such newly erected buildings as are not completed and capable of making a return are not permissible.

The business report of the bank for the year 1912 shows that after deducting all sinking fund payments, it had outstanding amortization loans to a total amount of 157,519,633 marks ($37,489,672.65). The total number of loans was 12,075, of which 11,357 were mortgage loans and 718 were loans to communes.

During the year 1912 1,255 new loans were made. Nearly three-fifths (708) of the number were for amounts of 5,000 marks ($1,190) or less, nearly four-fifths (954) for amounts of 10,000 marks ($2,380) or less, and about nine-tenths (1,066) for amounts of 15,000 marks ($3,570) or less. More than one-half of the loans (639) were made to small business men, artisans engaged in trade on their own account, and workmen (the latter were granted 205 loans), and over one-fifth to farmers. Of the mortgage loans granted during 1912 809,319 marks ($192,617.92) were used for the erection of dwellings with
small apartments consisting of not more than three rooms and kitchen, and 38,411 marks ($9,141.82) for repairs of such dwellings.

Relatively few loans were made to communes and building associations, which is to be accounted for by the fact that these may obtain loans at a lower rate of interest from the State credit bank and the State insurance institute.

The Grand Duchy of Hesse was the first Federal State of Germany to introduce an unearned increment tax. A law of December 14, 1907, authorized communes with more than 3,000 inhabitants to introduce such a tax by local statute with approval of the ministries of the interior and finance. This approval may also be given to communes with less than 3,000 inhabitants, provided special conditions show the need of such a tax. The tax may be levied in all cases of property transfer other than by inheritance. The tax may not exceed a rate of 20 per cent of the increase in value where this increase is less than 60 per cent, and 30 per cent of the increase is fixed as a maximum rate. The rate of taxation is to be reduced to two-thirds if from 10 to 15 years have expired since the transfer of the property, and to one-half in case of possession during more than 15 years. An increase in value of less than 10 per cent is exempt from the tax; the tax is, however, computed from the entire increase whenever the same amounts to 10 per cent of the value or more.

The housing law of Hesse mentioned on a preceding page not only provides financial aid for the improvement of housing conditions, but has also centralized the housing inspection of the State by creating in the ministry of the interior a bureau of housing inspection with a State housing inspector at its head. The latter's duties in addition to the supervision of the housing inspection proper include also: The advising and assisting of public-welfare building associations in all their efforts directed toward the improvement of housing conditions for people of small means; arousing the interest of communes, employers and workmen in the erection of sanitary low-priced dwellings; and the approval of applications for building loans from the State credit bank as well as seeing that such loans are used in accordance with the provisions of the housing law.

Another noteworthy provision of the housing law is that of article 9 which provides that in case a majority of the rooms in a dwelling have been condemned by the housing inspectors and the tenants have been turned out, the communes shall have a right to expropriate the building for the purpose of erecting in its place a sanitary low-rent dwelling for people of small means, provided that its owner does not comply with a request to remodel or demolish the dwelling.
The ministry of the interior has in a considerable number of cases approved the creation of special communal funds for the acquisition of ground to be used for the erection of sanitary low-rent dwellings.

**HOUSING WORK OF GRAND DUCHY OF BADEN.**

The Government takes the attitude that the erection of new dwellings for people of small means should be left to speculative private building enterprises and employers, as well as to the public-welfare activities of communes and associations for mutual aid. The direct activity of the State has therefore been entirely restricted to providing suitable housing for its employees and workmen; in this respect, however, its activity has been very extensive.

To provide suitable housing for its officials, especially for those of the lowest salary classes, the Government either erected new dwellings or rented them from communes, corporations, or private parties, and assigned them to its employees either as service dwellings or more often as a charge against the housing money (Wohnungsgeld) due them according to their salary grade. Housing for employees has been provided in this manner not only where the interest of the service required it, but also in localities where apartments suitable for employees are either not to be found at all, or only at a rental which is out of proportion to their housing money.

During the years 1894 to 1903, inclusive, the diet appropriated altogether 1,648,820 marks ($392,419.16) to be expended for the above purpose by the administrations of justice, of the interior, and of finances. Of the classes of low-salaried officials of the above administrations benefited by these appropriations, there are to be specially mentioned: Prison guards, policemen, gendarmes, the personnel of hospitals and asylums, and of the workhouse and reformatories, supervisors of public roads, bridge tenders, customhouse inspectors, and forest rangers. During the same period there had been appropriated for the administration of State railroads 3,447,300 marks ($820,457.40) for dwellings for employees of the intermediate and lowest salary classes and 588,400 marks ($140,039.20) for dwellings for workmen. The first-named amount does not include funds appropriated for dwellings constructed in connection with the building of new lines and large stations. At the present date service dwellings are provided for all station agents, shop superintendents, road masters, freight handlers, telegraphers, station masters, car inspectors, gatemen, and storekeepers, in whose cases it is more or less in the interest of the service that they should live in the station buildings or near them. Of 1,666 track guards and switch tenders there were only 150 for whom free service dwellings were not provided. Other employees of the above-named classes were provided with quarters by the State only where privately owned apartments
were either not to be had at all or only at a rental out of proportion to the housing money of the employees.

Since the coming in force of the new law regulating the housing money there is less need of State aid for the housing of officials.

The erection of dwellings for workmen has been limited to the four stations of Mannheim, Rheinau, Neckargemünd, and Kehl Hafen.

An indirect form of State aid is found in the law of May 6, 1899, relating to the tax on real estate transfers, which, in article 33, No. 6, exempts all public-welfare building associations from the payment of such a tax. The income-tax law of September 20, 1900, exempts in a similar manner building associations registered as cooperative societies with limited or unlimited liability.

**HOUSING WORK OF GRAND DUCHY OF MECKLENBURG-SCHWERIN.**

Since the State, in the years 1890 to 1894, took over the private railroads, the grand-ducal administration of railroads has steadily promoted the policy of assigning service dwellings to officials of the intermediate and lowest salary classes, especially to track guards. Up to the end of 1903 there had been expended for the erection of new and improvement of old service dwellings a total amount of 764,000 marks ($181,832). In that year 132 service dwellings were available for officials of the station service and 663 for track guards, switch tenders, etc. A garden and a plot of arable land are allotted with every service dwelling, station officials being allowed 1,100 square meters (11,840 square feet) of land, while track guards and switch tenders are allowed from 1,600 to 2,200 square meters (17,222 to 23,681 square feet).

The Government developed also a noteworthy activity in providing more sanitary and roomy dwellings for handworkers and day laborers. It colonized them as cottagers (Häusler) in rural districts by selling them Crown lands. Each cottager is sold 5 ares (⅔ acre) for his house and courtyard, and in addition he is granted a hereditary lease (Erbpacht) for 15 ares (¾ acre) of arable land. Up to 1906, 11,274 cottagers were colonized in this manner. In a circular letter of February 16, 1907, the grand-ducal ministry of finance ordered all Crown-land agents (Domanialämter) to promote to still greater extent this colonization of cottagers, a grand-ducal decree of February 17, 1907, having granted very favorable conditions for mortgage loans on such cottages from funds of the administration of Crown lands. Such loans may be granted up to three-fourths of the value of the property as estimated by the fire insurance institutes at a rate of interest of 3½ to 4 per cent.
HOUSING WORK OF GRAND DUCHY OF OLDENBURG.

The State Agricultural Improvement Fund has been authorized by the diet to guarantee the loans which the State insurance institute of Oldenburg grants for the erection of dwellings for agricultural laborers up to the full insurance value of the buildings.

The grand-ducal ministry of the interior has lately issued the following announcement:

The ministry has funds at its disposal for the promotion of the erection of urban and rural one-family dwellings. Such dwellings must be occupied by the owner himself and have connected with them an area of garden or arable land corresponding to local conditions. The State Credit Institute of Oldenburg is authorized to make loans on such property up to three-fourths of its total value and the State exchequer assumes part of the interest of these loans.

The law of January 11, 1897, relating to public-welfare building associations, grants exemption from all court fees and stamp taxes to such associations.

HOUSING WORK OF DUCHY OF BRUNSWICK.

The diet in 1892 appropriated 780,000 marks ($185,640) for the erection of family houses for agricultural workmen employed on Crown lands. A further amount of 51,000 marks ($12,138) was appropriated for the same purpose in 1902. The lessees of Crown lands on which such dwellings have been erected with State funds must annually pay 3 per cent interest on the building costs.

An amount of 8,800 marks ($2,094.40) is annually appropriated from State funds for the purpose of granting building premiums. Premiums of 300, 200, and 100 marks ($71.40, $47.60, and $23.80) are granted for dwellings which are erected in rural communes by persons of the working classes for their own use or for rental to working people. Such grants are conditioned on the neediness of the person erecting the dwelling and on compliance with certain building specifications.

A Government subsidy of 1,000 marks ($238) has been granted to the Brunswick building association.

HOUSING WORK OF DUCHY OF SAXE-MEININGEN.

The Government was given in 1901 the disposition of a fund of 350,000 marks ($83,300) created from State and Crown land revenues, for the purpose of making building loans on sanitary low-rent dwellings for people of small means at a rate of interest lower than the current rate. Loans from this fund have repeatedly been made to communes which reloan them to people of small means and to building associations. The rate of interest fixed for such loans was 2 to
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2 3\(^{1/2}\) per cent and the refund 1\(^{1/2}\) to 2 per cent. Communes which granted loans were obligated by the Government not to make any conditions in reloaning the money more burdensome than those of the original grant.

HOUSING WORK OF DUCHY OF SAXE-COBURG AND GOTHA.

The Building Association for Workmen's Dwellings in the city of Gotha has been granted building loans by the Government from State funds to the amount of 200,000 marks ($47,600). Part of these loans were made without any interest and part at a very moderate rate of interest. The ducal State mortgage credit bank in Coburg has made loans of an equal amount on workmen's dwellings at a rate of interest of 3\(^{1/2}\) per cent, with an annual refund of from 1 to 1\(^{1/2}\) per cent.

HOUSING WORK OF SCHWARZBURG-SONDERSHAUSEN.

The administration of the princely Crown lands has for years been erecting dwellings for its workmen. The lessees of the Crown lands must pay 2\(^{1/2}\) to 3 per cent interest on the capital invested in workmen’s dwellings erected by the administration on such lands.

The Prince of Schwarzburg-Sondershausen gave on April 23, 1902, from his privy purse 50,000 marks ($11,900) for the creation of a workmen's housing fund. This fund is to be used to provide low-rent dwellings for people of small means living in the principality; workmen permanently employed in the princely forests or in the State or domanial establishments are to be given the preference when these buildings are rented. The fund may be employed for this purpose in the following three ways:

1. Small dwellings may be erected by the fund and given over to proper applicants at first on a rental basis. After the occupier has, however, paid in rent one-half of the value of the dwelling, it becomes his property if he either pays the balance of the value in cash or gives a mortgage for it. Small dwellings are defined as one or two family houses which do not cost more than 4,000 marks ($952) inclusive of the value of the ground. The annual rent is to be 4 per cent of the sale price agreed upon.

2. Hereditary rights of construction may be granted against payment of an annuity on ground already improved by dwellings, or on unimproved ground conditioned on the immediate erection of dwellings. Such grants are to be made for 70 years against annual payments of an acknowledgment fee of 3 marks (71.4 cents) for the use of the ground and 3\(^{1/2}\) per cent interest on the building loan granted or on the value of already standing buildings. Building loans may be made up to 95 per cent of the building costs.
3. The administration of the housing fund may grant loans for purchase of building lots and erection of dwellings up to 90 per cent of their value. It may also procure such loans for third parties from the State Insurance Institute, Thuringia, or the State mortgage credit bank, and guarantee them or supplement them from the housing fund up to 90 per cent of the value of ground and dwellings. On such loans the administration demands 3 per cent interest, with 1 per cent annual refund, and reserves the right of refusal for 15 years. The loan may after 10 years be terminated by either party on three months’ notice. The administration, however, may recall it at any time in case of gross neglect of the property.

The law of March 19, 1904, enlarged the former agricultural mortgage bank into a State mortgage credit bank, authorizing it to make loans to communes against issue of debentures and to make mortgage loans on real estate to private parties. Real estate mortgage loans may be made by the bank up to 50 per cent of the officially estimated value of a property. Such loans bear interest at the rate of $4.50 per cent and are to be refunded by payments of 1 per cent per annum. The bank also procures mortgage loans from the State Insurance Institute Thuringia, and in that case charges interest at the current rate fixed by the institute, plus one-fourth of 1 per cent for costs of administration.

HOUSING WORK OF SCHWARZBURG-RUDOLSTADT.

The State mortgage credit bank grants building loans to persons of small means who are insured against invalidity in a similar manner to the bank of Schwarzburg-Sondershausen by procuring the means from the State Insurance Institute Thuringia.

HOUSING WORK OF MUNICIPALITIES.

The imperial statistical office conducted in 1909 an exhaustive investigation of the activity of German cities in improving housing conditions and published the result in 1910. The investigation embraced 106 cities; included in these were all cities which according to the census of 1905 had a population in excess of 50,000 inhabitants, and in addition a number of smaller cities which had taken especially noteworthy measures to solve the housing problem. The above publication has been extensively used in compiling the following data:

FOR THEIR OWN EMPLOYEES.

Of the cities included in the investigation 42 answered in the affirmative the question whether they provided housing for workmen.

in their employment. Most active in this regard were the cities of Frankfort on the Main, Essen, Cologne, Kiel, Düsseldorf, Munich, and Stuttgart.

Frankfort on the Main has provided 21 service dwellings for workmen in the employment of the city. These service dwellings are rented to them at the very low rent of 66 to 100 marks ($15.71 to $23.80) for 2-room apartments, and of 120 to 140 marks ($28.56 to $33.32) for 3-room apartments.

Also, the city owns 62 dwellings with 241 two-room, 51 three-room and 2 four-room apartments, which are rented to city employees and workmen. The average rent for the two-room apartments is 276 marks ($65.69), for three-room apartments 432 marks ($102.82), and for four-room apartments 450 marks ($107.10).

Essen has 136 apartments of 2, 3, and 4 rooms at its disposal, which it rents at a very low rental to workmen employed in the communal gas and water works, stables, and abattoir.

Cologne owns 28 houses, with 130 apartments, costing 533,327 marks ($126,931.83), the majority of which are rented to workmen employed by the city.

In Kiel the city owns 13 dwellings, with 124 apartments, costing 492,475 marks ($117,209.05), which are by preference rented to workmen employed in the gas, water, and street-cleaning departments.

The city of Düsseldorf owns 20 houses, with 141 apartments, costing 1,066,000 marks ($253,708). Part of these apartments are rented to workmen in the employment of the city.

The city council of Munich in October, 1909, appropriated 934,000 marks ($222,292) for the erection of 15 houses, with 175 apartments, to be rented to city employees and workmen.

In Stuttgart the city owns 13 houses, with 104 apartments (12 one-room, 81 two-room, and 11 three-room apartments), which are rented to city employees and workmen at rents varying from 150 to 384 marks ($35.70 to $91.39).

The complete data of the 42 cities as compiled by the imperial statistical office show that most of the apartments provided by cities for their own workmen were two-room apartments. The rent charged is in nearly every instance lower than the prevailing local rents for apartments of corresponding size. The conditions of the leases do not as a rule differ from those in ordinary private leases. Rents are generally to be paid monthly in advance. In most leases it is stipulated that either party may end the tenancy at one month’s notice. Most of the leases prohibit the subletting of rooms.
Of the cities included in the investigation of the imperial statistical office, 15 have erected dwellings which are rented to the general working classes and people of small means, instead of only to workmen in the communal employment. Of these cities, 8 are in Prussia, 4 in Alsace-Lorraine, 2 in Baden, and 1 in Saxony.

The following table shows the number and cost of houses erected and the number of apartments they contain:

**NUMBER AND COST OF DWELLINGS ERECTED BY GERMAN CITIES FOR THE USE OF THEIR GENERAL WORKING POPULATION, AND NUMBER OF APARTMENTS CONTAINED IN THEM.**


<table>
<thead>
<tr>
<th>City</th>
<th>Number of dwellings erected</th>
<th>Number of apartments contained in them</th>
<th>Total cost</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gleiwitz</td>
<td>17</td>
<td>100</td>
<td>$10,458</td>
<td>Old houses purchased and rebuilt.</td>
</tr>
<tr>
<td>Flensburg</td>
<td>4</td>
<td>21</td>
<td>14,703</td>
<td>Houses newly erected.</td>
</tr>
<tr>
<td>Cassel</td>
<td>3</td>
<td>20</td>
<td>15,134</td>
<td>Rented exclusively to workmen and low-salaried officials.</td>
</tr>
<tr>
<td>Barmen</td>
<td>2</td>
<td>16</td>
<td>17,946</td>
<td>Rented in part also to communal workmen.</td>
</tr>
<tr>
<td>Düsseldorf</td>
<td>20</td>
<td>144</td>
<td>233,708</td>
<td>Administered by the city's welfare office.</td>
</tr>
<tr>
<td>Essen</td>
<td></td>
<td>114</td>
<td></td>
<td>Rented by the Krupp Foundation, which is administered by the city, to workmen and low-salaried officials.</td>
</tr>
<tr>
<td>Barmen</td>
<td></td>
<td>7</td>
<td>25,399</td>
<td>Erected by the poor-law board.</td>
</tr>
<tr>
<td>Remscheid</td>
<td>10</td>
<td>4</td>
<td>47,600</td>
<td>The city has in addition taken over from a dissolved building association 29 houses, with 63 apartments, at a cost of $46,172, inclusive of repairs.</td>
</tr>
<tr>
<td>Chemnitz</td>
<td>4</td>
<td>29</td>
<td>32,445</td>
<td>Erected by the city.</td>
</tr>
<tr>
<td>Mannheim</td>
<td>4</td>
<td>24</td>
<td>42,339</td>
<td>Erected by the poor-law board.</td>
</tr>
<tr>
<td>Freiburg</td>
<td>66</td>
<td>222</td>
<td>234,192</td>
<td>Part of the apartments are rented to communal workmen.</td>
</tr>
<tr>
<td>Strassburg</td>
<td>13</td>
<td>124</td>
<td>125,144</td>
<td></td>
</tr>
<tr>
<td>Mühlhausen</td>
<td>23</td>
<td>166</td>
<td>173,740</td>
<td></td>
</tr>
<tr>
<td>Metz</td>
<td>5</td>
<td>27</td>
<td>26,180</td>
<td></td>
</tr>
<tr>
<td>Colmar</td>
<td>2</td>
<td>8</td>
<td>9,520</td>
<td>Erected by the city.</td>
</tr>
</tbody>
</table>

Of the cities mentioned in the preceding table there are five, namely, Freiburg, Mühlhausen, Düsseldorf, Strassburg, and Essen, which have been especially active in erecting workmen's dwellings.

The activity of Freiburg is especially noteworthy, both because it has done more than any other German city and because it began the erection of workmen's dwellings at a very early period. As early as 1862 and 1863 the city erected from its improvement fund a number of small one-family dwellings to be sold on installments at cost to low-salaried officials, artisans, workmen, widows, etc., in order to provide these classes of the population with cheap homes. This enterprise, however, did not meet with success, as these dwellings are no longer the property of that part of the population for which they
were intended. After having given financial aid in the seventies to a building association, the city turned again in 1886 to the erection of workmen's dwellings for its own account and on its own grounds. The city council appropriated on March 11 and May 13, 1886, the amount of 201,000 marks ($47,838) for the erection of 16 three-story dwellings and for the necessary street and sewer construction. A further appropriation of 183,000 marks ($43,554) was made on March 1, 1889, for the construction of another row of 16 dwellings, situated opposite to those built from the first appropriation. These latter dwellings were architecturally superior to those first built. The further erection of 16 dwellings in another street was made possible by another appropriation on July 25, 1895, of 245,000 marks ($58,310). These showed further architectural improvements, more of the dwellings being detached and their exterior and interior fittings being of a better quality. After having expended in this manner 629,000 marks ($149,702) on these three groups of houses and having erected 168 sanitary and suitable apartments, the city council approved in 1898 the erection of 33 more dwellings, at a total cost of 610,000 marks ($145,180). For various reasons, up to the middle of the year 1909 only 344,000 marks ($81,872) had been expended from the last appropriation and 18 dwellings with 54 apartments had been erected. The city of Freiburg had, therefore, up to the middle of the year 1909 altogether built 66 houses, with 222 small apartments. Most of the houses have three stories and are provided with an attic, but a few are four stories high. The apartments are all separated and consist of from one to three rooms, kitchen, toilet, and pantry, with cellars and garden space. For every 12 apartments there is a laundry provided with running water and with a separated bathroom. Each kitchen has running water. The toilet rooms are furnished with water-closets with flush and are connected with the city sewers. The rents for these apartments vary according to their size from 10 to 33 marks ($2.38 to $7.85) per month. Leases may be canceled at one month's notice. The renters are workmen, artisans, low-salaried officials, and widows. The apartments are in special demand by families with numerous children. A statement of the income from these communal workmen's dwellings issued for the year 1908 shows that the gross income from rents was 57,477.50 marks ($13,679.65). From this amount must be deducted 36,900 marks ($8,782.20) for 3 1/2 per cent interest on the building costs, 557.81 marks ($132.76) for taxes, and 12,799 marks ($3,046.16) for maintenance, water tax, janitor service, etc. The net profit for the year 1908 was, therefore, 7,220.69 marks ($1,718.53),
or 0.73 per cent on the capital of 984,000 marks ($234,192) invested in the dwellings.

The city magistracy (Stadtrat) on May 16, 1909, submitted to the city council an extensive memorandum recommending to the city the erection of more workmen's dwellings and at the same time defending the city's policy in this respect against unjustified criticism.

**MUNICIPAL LOANS FOR THE ERECTION OF WORKMEN'S DWELLINGS.**

The investigation of the imperial statistical office shows that 26 cities, with a population in excess of 50,000, and 7 smaller cities have promoted the erection of workmen's dwellings through the granting of communal loans for this purpose. Of the 26 large cities, there are 14 in Prussia, 3 in Bavaria, 1 in Saxony, 2 in Wurttemberg, 2 in Baden, 1 in Brunswick, and 1 in Alsace-Lorraine; included with them are also the sovereign cities of Lübeck and Hamburg. Of the 7 smaller cities there are 3 in Prussia, 1 in Bavaria, 1 in Wurttemberg, 1 in Baden, and 1 in the Grand Duchy of Saxe-Weimar.

The following table shows the amount of the individual loans, the name of the borrower, the rate of interest charged, and the principal conditions for the granting of the loan:

**LOANS GRANTED BY GERMAN CITIES FOR THE ERECTION OF WORKMEN'S DWELLINGS.**


<table>
<thead>
<tr>
<th>City</th>
<th>Amount of loans</th>
<th>Borrower</th>
<th>Rate of interest in per cent</th>
<th>Other conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>$238,000</td>
<td>Lent in equal shares to two public-welfare building associations.</td>
<td>3</td>
<td>Second mortgage.</td>
</tr>
<tr>
<td></td>
<td>119,000</td>
<td>Building association.</td>
<td></td>
<td>Mortgage security.</td>
</tr>
<tr>
<td>Posen</td>
<td>100,500</td>
<td>Workmen's building association.</td>
<td></td>
<td>Mortgage security; three-fourths of 1 per cent refund. Restrictions as to area to be occupied by buildings. Dwellings may not be higher than 4 stories. Two-thirds of the area of each floor with the exception of the ground floor must be given over to small apartments. Recall of loan excluded during first 5 years. Building operations to begin 6 months after loan has been approved.</td>
</tr>
<tr>
<td>Magdeburg</td>
<td>108,705</td>
<td></td>
<td></td>
<td>Mortgage security (loan of the communal savings bank).</td>
</tr>
<tr>
<td></td>
<td>40,896</td>
<td></td>
<td></td>
<td>Mortgage security (loan of the city), one-half of 1 per cent refund. Loan granted for the erection of workmen's dwellings exclusively. Approval of building plans. Limitation of rents. Permanent control by the city of the maintenance of buildings. Recall of loan in case of noncompliance with obligations. Second mortgage.</td>
</tr>
<tr>
<td>Erfurt</td>
<td>23,705</td>
<td>Building and savings society.</td>
<td></td>
<td>Do.</td>
</tr>
<tr>
<td></td>
<td>5,593</td>
<td>Building Association Schmidt-Schmidt.</td>
<td></td>
<td>Mortgage security. Obligation to rent one-third of the apartments to communal workmen.</td>
</tr>
<tr>
<td>Flensburg</td>
<td>7,140</td>
<td>Workmen's building association.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Loans Granted by German Cities for the Erection of Workmen's Dwellings—Continued.

<table>
<thead>
<tr>
<th>City</th>
<th>Amount of Loans</th>
<th>Borrower</th>
<th>Rate of Interest in per cent</th>
<th>Other Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kiel</td>
<td>$16,660</td>
<td>Building and savings society</td>
<td>3½</td>
<td>One half of 1 per cent annual refund.</td>
</tr>
<tr>
<td>Lüneburg</td>
<td>47,600</td>
<td>Public-welfare building association and private parties</td>
<td>3½</td>
<td>1 per cent refund. First mortgage. Buildings must, in the first place, serve as workmen's dwellings. Recall of loan by city permissible only after 10 years and on 6 months' notice if borrower complies with his obligations.</td>
</tr>
<tr>
<td>Dortmund</td>
<td>71,210</td>
<td>Public-welfare building association</td>
<td></td>
<td>First mortgage.</td>
</tr>
<tr>
<td>Frankfort on the Main</td>
<td>150,440</td>
<td>People's building and saving society</td>
<td>4</td>
<td>Mortgage security. Four loans repayable after 63, 61, 61, and 53 years.</td>
</tr>
<tr>
<td></td>
<td>71,238</td>
<td>Stock company for the erection of small apartments</td>
<td>3½</td>
<td>Mortgage security. Repayable after 71 years.</td>
</tr>
<tr>
<td>Mülheim on the Ruhr</td>
<td>118,286</td>
<td>Frankfort Housing Association</td>
<td>4</td>
<td>Mortgage security. Repayable after 61 years.</td>
</tr>
<tr>
<td>Crefeld</td>
<td>225,244</td>
<td>Citizens of Crefeld</td>
<td>3</td>
<td>1 per cent refund.</td>
</tr>
<tr>
<td>München-Gladbach</td>
<td>60,136</td>
<td>Citizens of München-Gladbach</td>
<td></td>
<td>Loans made on first mortgage security in a maximum amount of three-fourths of the value of ground and dwellings. Control of execution of Buildings through the city building department. Mortgage security. Additional loans made up to 75 per cent of their value on houses on which the savings bank has made loans up to 50 per cent of their value.</td>
</tr>
<tr>
<td>Düsseldorf</td>
<td>31,428</td>
<td>Gladbach Building Stock Co.</td>
<td>3½</td>
<td>1 per cent refund. 17 apartments must be reserved to traction employees.</td>
</tr>
<tr>
<td></td>
<td>22,231</td>
<td>Düsseldorf Savings and Building Society</td>
<td>3</td>
<td>Three-fourths of 1 per cent refund.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Official's building association Düsseldorf-Ruhrort</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evangelic Savings and Building Society in Laar</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Catholic Savings and Building Society in Laar</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>119,159</td>
<td>Protestant Savings and Building Society in Düsseldorf-Bückel</td>
<td>3½</td>
<td></td>
</tr>
<tr>
<td>Bonn</td>
<td>9,541</td>
<td>Housing association</td>
<td></td>
<td>Repayable whenever the dwellings are no longer used for the present scope. Long-term loans.</td>
</tr>
<tr>
<td>Rheydt</td>
<td>18,088</td>
<td></td>
<td>3 and 4</td>
<td>Loans are made to persons subject to invalidity insurance at the rate of 3 per cent interest and 2 per cent refund, and to small business people, artisans, etc., at the rate of 4 per cent interest and 1 per cent refund on houses worth up to 18,000 marks ($4,284). Recall is permissible in case of un punctual payments, bankruptcy, change in the use of the dwellings, devaluation, transfer, and insufficient fire insurance.</td>
</tr>
<tr>
<td>Neuss</td>
<td>66,569</td>
<td>Citizens of Neuss</td>
<td>4½</td>
<td>2 to 10 per cent refund. Mortgage security. Second mortgage loans are made on property of a maximum value of 60,000 marks ($11,900) up to 75 per cent of the value, 1 per cent refund. Loans may not exceed 80 per cent of the building costs, inclusive of the value of the ground. (For particulars see text.)</td>
</tr>
<tr>
<td>München</td>
<td>374,088</td>
<td></td>
<td>4</td>
<td>Second mortgage. Refund in 40½ years. Further mortgaging of property not permissible. In case of sale the city reserves to itself the right of refusal.</td>
</tr>
<tr>
<td>Augsburg</td>
<td>21,420</td>
<td>Cooperative building association, with 1½ limited liability</td>
<td>3½</td>
<td></td>
</tr>
</tbody>
</table>

1 Total amount of loans granted to the four associations. Amount granted to each association is not reported.
<table>
<thead>
<tr>
<th>City</th>
<th>Amount of loans</th>
<th>Borrower</th>
<th>Rate of interest in per cent</th>
<th>Other conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fürth</td>
<td>$70,730</td>
<td>Public-welfare building association</td>
<td>3</td>
<td>First mortgage security.</td>
</tr>
<tr>
<td>Ratisbon</td>
<td></td>
<td></td>
<td>3</td>
<td>The city has a communal loan fund for the improvement of housing conditions. Loans with very favorable refunding conditions.</td>
</tr>
<tr>
<td>Plauen</td>
<td>19,040</td>
<td>Building and savings society of the federation of low-salaried officials of the railroads and steamboat companies of Württemberg.</td>
<td>4</td>
<td>1 per cent refund. Mortgage security. (See text.)</td>
</tr>
<tr>
<td>Stuttgart</td>
<td>23,800</td>
<td>Building and savings society of the federation of low-salaried officials of the railroads and steamboat companies of Württemberg.</td>
<td>4</td>
<td>1 per cent refund. Mortgage security.</td>
</tr>
<tr>
<td>Fiirth</td>
<td>142,800</td>
<td>do</td>
<td>4</td>
<td>To be taken over after 3 years by the Insurance Institute Württemberg as a 3 per cent loan and to be refunded in 52 equal semiannual installments.</td>
</tr>
<tr>
<td>Ludwigsburg</td>
<td>111,800</td>
<td>Building and savings society.</td>
<td>4</td>
<td>The building plans are subject to communal approval.</td>
</tr>
<tr>
<td>Mannheim</td>
<td>5,870</td>
<td>Building and savings society (registered cooperative society with limited liability).</td>
<td>4</td>
<td>Second mortgage.</td>
</tr>
<tr>
<td>Mannheim</td>
<td>11,091</td>
<td>do</td>
<td>4</td>
<td>Third mortgage on a grant of hereditary construction and the building erected in pursuance of this grant. Refund in 80 years.</td>
</tr>
<tr>
<td>Mannheim</td>
<td>8,092</td>
<td>do</td>
<td>4</td>
<td>Do.</td>
</tr>
<tr>
<td>Mannheim</td>
<td>46,648</td>
<td>do</td>
<td>4</td>
<td>Do.</td>
</tr>
<tr>
<td>Constance</td>
<td>39,848</td>
<td>Private parties, men in the building trades, and societies.</td>
<td>Reduced rate.</td>
<td>Loans made on mortgage security up to 70 per cent of the estimated value.</td>
</tr>
<tr>
<td>Jena</td>
<td>1,075</td>
<td>Building Association of Jena.</td>
<td>2</td>
<td>Mortgage security.</td>
</tr>
<tr>
<td>Brunswick</td>
<td>3,570</td>
<td>do</td>
<td>3</td>
<td>Do.</td>
</tr>
<tr>
<td>Strassburg</td>
<td>12,424</td>
<td>Brunswick Building Association.</td>
<td>4</td>
<td>Do.</td>
</tr>
<tr>
<td>Lübeck</td>
<td>11,900</td>
<td>Public-welfare building association.</td>
<td>3</td>
<td>Mortgage security. Loan may not be recalled during first 10 years.</td>
</tr>
<tr>
<td>Hamburg</td>
<td>285,600</td>
<td>Public-welfare building society.</td>
<td>3</td>
<td>1 per cent refund. Mortgage security. Conditioned on erection of 100 apartments within 2 to 3 years. State control as to the use of building loan, as to building plan, determination of rents, and conditions of sale.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>do</td>
<td>1,000 marks ($238) annual refund. Mortgage security conditioned on erection of 50 apartments within 5 years. Other conditions same as above.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>do</td>
<td>4</td>
<td>Loans may not be recalled during first 10 years, and must, after the expiration of 10 years, be refunded in annual installments of 10 per cent. The apartments to be built must correspond to specified requirements. (See text.)</td>
</tr>
</tbody>
</table>
More detailed facts with respect to some cities which were especially active in granting loans for the erection of workmen's dwellings are given below to supplement the data contained in the above table.

In 1901, in commemoration of the day on which the Prussian Kingdom was established, Berlin created a foundation endowed with 1,000,000 marks ($238,000) from communal funds. According to the resolution of the city council of June 19, 1902, the object of this foundation is to aid people of small means residing in Berlin in obtaining low-rent sanitary apartments. The funds of the foundation are to be used especially in granting financial aid to public-welfare building enterprises which promote the erection of dwellings containing such apartments. Ready funds of the foundation may also be used to protect from homelessness people of small means living in Berlin. Dwellings erected with the aid of the foundation are to be rented to the people of small means who have resided in Berlin for at least five years. Families with numerous children are to be given preference. Rents are to be fixed in such a manner as to bring in the usual interest on the ground and building costs, and to cover the cost of maintenance and administration. The funds of the foundation were loaned in equal shares to two building associations at 3 per cent interest. In addition to this, the treasury of the city obtained a loan of 500,000 marks ($119,000) from the communal savings bank and reloaned it on mortgage security to a building association at 3 1/2 per cent interest.

The city of Posen has made mortgage loans to the local workmen's building association in amounts aggregating 250,000 marks ($59,500) at 3 1/4 per cent interest and an annual refund of three-fourths of 1 per cent. The communal committee on matters relating to the communal savings bank determined on February 7, 1903, upon the following conditions for the granting of mortgage loans by the communal savings bank for the erection of workmen's dwellings: Loans are to be granted only if the ground in question is not excessively exploited for the erection of buildings, and if the location and interior equipment of the dwellings fulfill all technical and sanitary requirements. Dwellings on which loans are to be granted may not be higher than four stories. At least two-thirds of the floor space of all floors with the exception of the main floor must be given over to small apartments consisting of not more than two rooms and accessories. These small apartments must not be located exclusively in wings or facing into courtyards. Each apartment must have a direct exit to the stairs. Each apartment consisting of more than one room must be provided with running water, a sink, and drainage pipe. Running water and a sink must be provided on the common landing for every four 1-room apartments. Loans may be terminated by either party after six months' notice. Recall of a loan
is, however, excluded during the first five years. The borrower is obligated to begin building within six months after his application for a loan has been approved, and the dwellings must as a rule be finished within two years. In case of noncompliance with these conditions the borrower forfeits his claim to a loan. Dwellings and apartments must always be kept in good repair. The communal committee on matters relating to the savings bank is authorized to make an inspection at any time to ascertain if the above conditions are complied with.

Magdeburg has made very extensive loans. Loans must be secured by mortgage and are granted partly by the communal savings bank. Up to May, 1909, the loans made by the city totaled 171,830 marks ($40,895.54). Those made by the savings bank bear interest at the rate of 3½ per cent. The loans granted by the city are made with funds obtained from the State Insurance Institute Saxe-Anhalt. The city figures as debtor of the insurance institute and reloans the money on mortgage under the following conditions:

1. The borrower shall pay each year an amount equal to 3½ per cent of the original loan. From this amount 3½ per cent on the outstanding loan shall be deducted for interest and the remainder shall be devoted to paying off the capital. These payments must be made quarterly.

2. The loan may be used only for the erection of workmen's dwellings—i.e., dwellings with apartments of not more than three or four rooms, inclusive of kitchen. Not more than one-sixth of all apartments may have four rooms. The dwellings must also contain apartments of less than three rooms in a number to be prescribed by the city. The establishment in the dwellings of stores, workshops, and other industrial rooms is as a rule prohibited and may only be permitted by special approval of the city.

3. The building plans are to be submitted to the city before the beginning of building operations and to be transmitted by the latter to the State Insurance Institute Saxe-Anhalt, to which is reserved their final approval.

4. Apartments may be rented only to persons insured in the State Insurance Institute Saxe-Anhalt. The special approval of the institute is required for exceptions to this rule. The borrower must each year in January submit to the city a list of all tenants, made out on a special form prescribed by the insurance institute.

5. Rents for apartments of three rooms (inclusive of kitchen and small rooms which can not be heated) may not exceed 225 marks ($53.55) per year, and for those with four rooms (inclusive of kitchen, etc.), 300 marks ($71.40).
6. The entire property, especially the buildings, must be kept in good serviceable condition and the city alone shall be competent to decide whether this condition is observed.

7. If the borrower does not completely and in due time comply with the above conditions, the city shall be authorized to recall the loan after three months' notice.

8. The city reserves in a general way the right to recall the loan on the first day of any quarter by giving six months' notice. This right of recall is merely to insure the accomplishment of the purpose for which the money was loaned. The city will never use it as long as the borrower complies with his contractual obligations.

9. The borrower must pay all costs of the loan. Loans are made up to 70 per cent of the total value of the property.

The city of Lüneburg has borrowed from the State Insurance Institute Hanover 200,000 marks ($47,600), at 3½ per cent interest, and reloaned them for the erection of workmen's dwellings to a public-welfare building association and to private parties, stipulating that 3½ per cent interest and 1 per cent refund is to be paid on these loans. Loans may be terminated by either party on six months' notice. The city, however, may not during the first 10 years of the loan make use of this right of recall, if the borrower complies with his contractual obligations. The rents from dwellings on which a loan is made may not exceed 6 per cent of the invested capital. The borrower in renting apartments is obligated to consider in the first place persons insured in the State Insurance Institute Hanover. If the owner of a dwelling on which the city has made a loan rents an apartment to a person in his employment, he is prohibited from inserting in the lease a clause providing that the tenant must vacate the apartment immediately without the usual notice whenever he leaves his employer's service.

The city of Neuss contracted a loan of 500,000 marks ($119,000), and formed with it a communal administrative fund for making mortgage loans on small dwellings up to 75 per cent of their value. Such loans were originally made only on dwellings owned by residents of Neuss of a value not exceeding 25,000 marks ($5,950), but this limit was later on raised to 50,000 marks ($11,900). Up to April 1, 1909, loans amounting to 279,709.63 marks ($66,570.89) were made on 94 dwellings. The contractual annual refund varies between 2 and 10 per cent; the rate of interest charged is 4½ per cent.

Munich takes first place among the Bavarian cities in granting loans for the erection of workmen's dwellings. The city council issued, in July, 1909, a set of fundamental regulations for the loaning out of communal funds to promote the erection of dwellings with small and medium sized apartments. According to these regulations the city, in addition to making independent provision for the hous-
ing of its own employees and workmen, will also promote in a general way the erection of dwellings with small apartments—(a) by procuring for this purpose loans from the State agricultural mortgage bank, and (b) by making mortgage loans with communal funds. Loans are not to be made on individual houses but on large groups of dwellings. The majority of the apartments must consist of not more than two rooms and kitchen and accessories. Loans from communal funds may not exceed the amount of 80 per cent of the cost of buildings and grounds. The conditions are: 4 per cent interest and 1 per cent refund. Building operations must begin at the latest two months after final approval of an application for a loan, and their uninterrupted progress must be assured. On motion of its committee on housing the city council appropriated 2,000,000 marks ($476,000) for the above purpose. On July 15, 1909, loans were approved to the amount of 716,800 marks ($170,598.40) for the erection of 11 houses with 120 apartments. Previous to this date the city had made loans from communal funds amounting to 555,000 marks ($203,490) on 12 houses with 125 apartments.

The granting of loans from the State agricultural mortgage bank and the city's guaranty of them is discussed in the next section.

In Plauen in Saxony the city council on May 22, 1902, resolved that the communal savings bank might, with ministerial approval, grant loans to private parties or to associations for erecting dwellings with small apartments, beyond the limits determined in its by-laws and up to the full amount of fire insurance carried. These loans must be secured by mortgage. The borrower must pay 5 per cent annually for interest and refund, and any portion of this amount exceeding the current rate of interest charged by the savings bank for mortgage loans is to be credited to refund. For the protection of the depositors and other creditors of the bank the amount of 200,000 marks ($47,600) is to be taken from its reserve fund and to be separately administered for the purpose of covering such losses as may arise through granting loans beyond the security stipulated in the bank's by-laws. The total amount of such loans may never exceed the guaranty fund. Loans of this kind may not be granted during times in which a scarcity of small apartments does not exist, nor is expected to exist in the near future.

In 1907 the city of Stuttgart in Wurttemberg granted a 4 per cent mortgage loan of 600,000 marks ($142,800) to a building and savings society of low-salaried railroad and steamship officials of Wurttemberg, which had already built a large group of dwellings, but had got into serious financial difficulties. Later on it made the same society another loan of 100,000 marks ($23,800) at the same rate of interest. The first loan was made on condition that the State Insurance Institute Wurttemberg, should take it up after three years and commute
it into a 3 per cent loan to be refunded in 92 equal semiannual install­ments. The second loan of 100,000 marks ($23,800) which as a lien ranked after that of 600,000 marks ($142,800) was to be refunded to the city in annual payments of 5 per cent inclusive of interest.

The city of Mannheim in Baden has made several loans to the building and savings society of Mannheim, a registered cooperative society with limited liability. It first loaned 24,700 marks ($5,878.60) at 4 per cent interest on a second mortgage on houses of the society of an estimated value of 167,000 marks ($39,746). Next the communal savings bank granted to the society at the end of the year 1907 a loan of 196,000 marks ($46,648). The society gave as security a first mortgage on the buildings it had erected on a specified hereditary right of construction granted to it by the city. This loan bears interest at the rate of 3½ per cent and is to be refunded in 50 years by means of annual payments. In 1908 the city granted to the same society two loans of 46,000 marks ($10,948) and 34,000 marks ($8,092). The society gave in both instances a third mortgage on a hereditary right of construction and on the buildings erected on the grant. The interest on both loans is 4 per cent and by means of annual payments they must be refunded at the latest by 1958.

The treasury department of the Hanse town Lübeck in 1899 granted to the Lübeck Public-Welfare Building Society a loan of 100,000 marks ($23,800). The society had to assume an obligation to construct within two or three years dwellings with about 100 apartments. The loan was made on second mortgage security at a rate of 3½ per cent interest and 1 per cent annual refund. The city reserved the right to control the use of the building loans, the formation of the building plans, the determination of the rents, the conditions of transfer and the general activity of the society. The loan may at any time be recalled after six months’ notice if the society does not comply with its contractual obligations. A second loan, amounting to 50,000 marks ($11,900), was granted to the society by the city in 1902. Like the first loan it bears interest at the rate of 3½ per cent and is to be refunded by annual payments of 1,000 marks ($238). As security for this loan the society gave a mortgage on specified property and obligated itself to erect within five years on its property in a specified street dwellings with at least 40 apartments. The city reserved again the right of control specified above.

The senate of the city of Hamburg passed on May 21, 1902, a law relating to the promotion of housing work. According to article 1 of this law, the committee on finance is authorized to sell at public auction specified parcels of the city’s real estate to parties agreeing to erect buildings on them in accordance with the conditions given below. On request of the purchaser the committee on finance may
in place of cash payment accept a first mortgage bearing interest at the rate of 4 per cent.

According to article 2 the buildings to be erected may in the stories above the first floor contain only apartments of the following description:

(a) Apartments of at least 30 square meters (323 square feet) and not more than 35 square meters (377 square feet) floor space, consisting of one room, kitchen, toilet, and pantry;

(b) Apartments of at least 35 square meters (377 square feet) and not more than 48 square meters (517 square feet) floor space, consisting of two rooms, kitchen, toilet, and pantry;

(c) Apartments of at least 48 square meters (517 square feet) and not more than 60 square meters (646 square feet) floor space, consisting of three rooms, kitchen, toilet, and pantry.

All apartments must have attic and cellar space. At least one-twentieth of the apartments in each building must be of the kind described under (a) and not more than one-sixth of them may be of the kind described under (c).

At auction sales held in accordance with the provisions of article 1, it must be made a condition of the sale that no saloon shall be maintained in the buildings to be erected.

According to article 3 of the law, the committee on finance is authorized to raise, by means of a public loan, the amount of 1,200,000 marks ($285,600) and to reloan this amount to parties who have purchased land from the city at the auction sales provided for in article 1, or to other parties who erect dwellings with small apartments. The rate of interest on such loans is to be 4 per cent. Loans of this kind may not exceed 25 per cent of the insured value of the property, and must be secured by a mortgage, the amount of which, together with other mortgages preceding it in rank, may not exceed the price of the ground and 75 per cent of the insured value of the building. The loan contract must provide that the buildings to be erected shall correspond to the specifications given in article 2 of the law; if they do not the loan may be recalled at any time without notice. If the borrower wishes it, the contract must contain the stipulation that, provided the above conditions are observed, the loan may not be recalled for 10 years, and that at the expiration of that time it shall be refunded in annual payments of 10 per cent. This loan may, however, be recalled at any time without previous notice if the apartments contained in the building do not correspond to the specifications of article 2 of the law.

Article 4 of the law grants 10 years' exemption from payment of the land tax to all dwellings corresponding to the provisions of article 2, erected and in use within three years after the passage of the law, provided that the annual rent per square meter (10.8 square feet),
inclusive of the charges for the use of water and illumination of the stairs, does not exceed 6 marks ($1.43).

Articles 5 and 6 of the law grant to dwellings with small apartments exemption from specified provisions of the building regulations.

According to a report of the senate commission of June 15, 1909, the amount of 1,200,000 marks ($285,600) provided for in the law had been at that time exhausted through the granting of various loans.

Further appropriations of city funds for the improvement of housing conditions were lately under consideration by the Senate and burgesses of Hamburg.

Since the publication of the report of the imperial statistical office on housing work of German cities, the city of Dresden has appropriated 500,000 marks ($119,000) for the purpose of granting loans on second mortgage security on houses with small apartments erected after January 1, 1911.

### MUNICIPAL GUARANTY OF BUILDING LOANS MADE BY THIRD PARTIES.

In 1909, according to the report of the imperial statistical office, 19 German cities, with a population of over 50,000, had guaranteed loans made to building associations by third parties. These cities are enumerated in the following table, with the total amounts of the loans which they had guaranteed:

<table>
<thead>
<tr>
<th>City.</th>
<th>Amount of loans guaranteed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Posen</td>
<td>$59,500.00</td>
</tr>
<tr>
<td>Hagen</td>
<td>$23,908.00</td>
</tr>
<tr>
<td>Mülheim on the Ruhr.</td>
<td>$27,370.00</td>
</tr>
<tr>
<td>Barmen</td>
<td>$71,400.00</td>
</tr>
<tr>
<td>Cologne</td>
<td>$66,328.00</td>
</tr>
<tr>
<td>Cologne</td>
<td>$175,953.00</td>
</tr>
<tr>
<td>Bonn</td>
<td>$82,990.60</td>
</tr>
<tr>
<td>Koblenz</td>
<td>$238,000.00</td>
</tr>
<tr>
<td>Neuss</td>
<td>$277,746.00</td>
</tr>
<tr>
<td>Münchberg</td>
<td>$476,000.00</td>
</tr>
<tr>
<td>Münchberg</td>
<td>$8,568.00</td>
</tr>
<tr>
<td>Duisburg</td>
<td>$28,000.00</td>
</tr>
<tr>
<td>Elberfeld</td>
<td>$15,470.00</td>
</tr>
<tr>
<td>Essen</td>
<td>$292,776.00</td>
</tr>
</tbody>
</table>

Of the cities enumerated in the above table 14 are in Prussia, 2 in Bavaria, and 1 each in Saxony, Baden, and Alsace-Lorraine. It is noteworthy that of the 14 Prussian cities, 12 are in the Rhine Province. There are only two cities with a population of less than

1 The yearbook for housing reform (Jahrbuch der Wohnungsreform) for 1911 reports that Neuss has up to February, 1912, assumed guaranty for loans made to 3 local building associations in the amount of 2,539,000 marks ($692,140). In the houses erected by these 3 associations live at present 3,684 persons, or nearly 10 per cent of the population of the city.
50,000 inhabitants among those enumerated, Rheydt and Neuss, which are also in the Rhine Province.

The loans guaranteed were in nearly all instances obtained from State insurance institutes, but those guaranteed by the city of Munich were made by the State agricultural mortgage bank.

**SALE OF BUILDING GROUNDS AT REDUCED PRICES.**

The report of the imperial statistical office shows that 23 cities sold communal lands at reduced prices to promote the erection of workmen's dwellings. These cities are Spandau, Erfurt, Kiel, Hanover, Lüneburg, Cologne, München-Gladbach, Düsseldorf, Duisburg, Bonn, Augsburg, Fürth, Dresden, Plauen, Ulm, Heilbronn, Ludwigshurg, Freiburg, Constance, Giessen, Jena, Strassburg, and Colmar. Of these cities, 16 have a population of over 50,000 inhabitants; 9 of these are in Prussia (5 in the Rhine Province), 2 each in Bavaria and Saxony, and 1 each in Wurttemberg, Baden, and Alsace-Lorraine; the other cities (Lüneburg, Heilbronn, Ludwigshurg, Constance, Giessen, Jena, and Colmar) had less than 50,000 inhabitants.

Erfurt reports that 5 building lots aggregating 2,507 square meters (26,985.3 square feet) were sold at 10 marks ($2.38) per square meter as building grounds for dwellings with small apartments with the provision that the city was to bear the costs of street building and maintenance. In 1899 the city sold 5 building lots at prices from 3 to 4.10 marks (71.4 to 97.6 cents) per square meter (10.8 square feet) on condition that dwellings with apartments consisting of one large room, one or two small rooms and kitchen should be erected on them, that building operations should be started within one year from the date of sale and that the brickwork should be finished within two years from that date. The transfer costs and the costs of street building were to be borne by the city. In the same year the city sold a plot of ground of 17,912 square meters (192,804.8 square feet) at the price of 6 marks ($1.43) per square meter (10.8 square feet), free of street building costs on condition that dwellings should be erected only on that part of the ground which fronts on the street and that these dwellings should be mainly workmen's dwellings. In 1900 the city sold two plots of land of 2,770 and 10,300 square meters (29,816.3 and 110,869.2 square feet) at 12 marks ($2.86) per square meter (10.8 square feet), free of street building costs on condition that one of the plots, except for its corner lots, should be used only for houses containing on the second, third, and fourth floors two apartments each consisting of one large room, one or two small rooms, and kitchen. Finally in 1902 the city sold four plots at the price of 7 marks ($1.67) per square meter (10.8 square feet), free of
street building costs on the same conditions as made for the sale effected in 1899.

The city of Kiel has sold to the local workmen's building and savings society two plots of 3,836 and 1,872 square meters (41,290.7 and 20,150.2 square feet) at 5 marks ($1.19) per square meter (10.8 square feet); the actual value of the land was, according to the report of the city, 12 marks ($2.86) per square meter.

In 1903 the city of Hanover sold to the Continental Caoutchouc and Gutta-percha Co. for the erection of workmen's dwellings a tract of 708 Hanoverian quadrat ruten (12,011 square yards for 550 marks ($130.90) per quadrat rute (16.965 square yards) free of street building costs.

The city of Lüneburg has opened communal lands for building purposes and sells lots on which workmen's dwellings are to be erected for 4 and 6 marks (95.2 cents and $1.43) per square meter inclusive of costs for the building of streets. From 1901 to May, 1909, there had been erected 140 houses on lands sold at 4 marks (95.2 cents) per square meter.

Duisburg has sold to the local building and savings society 30 ares, 8 square meters (32,378 square feet) at a moderate price.

München-Gladbach transferred to the Gladbach Building Stock Co. 47.45 ares (1.17 acres) for a consideration of 16,757.23 marks ($3,988.22) or 3.53 marks (84 cents) per square meter.

The poor administration of the city of Bonn sold to the Workmen's Housing Association in the years 1898 to 1909 altogether 9,479 square meters (102,032 square feet) of building lots as follows: 4,240 square meters (45,639 square feet) at 5 marks ($1.19) per square meter; 1,780 square meters (19,160 square feet) at 7.50 marks ($1.79); 2,514 square meters (27,061 square feet) at 10 marks ($2.38); and 945 square meters (10,172 square feet) at 13.75 marks ($3.27); the difference in price is due to the more or less favorable location of the plots with respect to the central part of the city.

The city of Fürth sold to the public-welfare building association, founded in 1908 for the erection of workmen's dwellings, a tract of land of 30,400 square feet for the low consideration of 35,000 marks ($8,330).

Dresden made a gift of building lots for 18 houses to the Johann-Meyer-Foundation which is administered by the commune and has as its purpose the erection of dwellings for workmen of small means.

Ulm has sold building lots at reduced prices to the Housing Society of Ulm, the local building and savings society, and to the building and savings society of the railway employees of Württemberg (branch Ulm).

Heilbronn transferred to the Workmen's Housing Association of Heilbronn for the erection of workmen's dwellings a tract of 2,957
square meters (31,829 square feet) for a consideration of 5 marks ($1.19) per square meter; the actual value of the land was 10 marks ($2.38) per square meter.

Ludwigsburg sold to the local building and savings society 1,166 square meters (12,551 square feet) for 2.83 marks (67 cents) per square meter.

As early as in the seventies Freiburg aided the local public-welfare building association through sale at reduced prices or gift of communal lands. The city has also aided the Freiburg Building Society which in the years 1903 to 1908 erected 24 houses with 173 small apartments. In addition to granting to this society many privileges, the city sold it a tract of land at such a low price that it virtually represented a gift to the society of 58,000 marks ($13,804).

Constance sold at reduced prices building lots for 12 dwellings.

The city of Jena sold in 1899 and 1907 building lots at reduced prices. The price charged in 1899 was 1.50 marks (35.7 cents) and in 1907, 5 marks ($1.19) per square meter.

Colmar made the local building society a gift of a building lot of 82 square meters ($82.6 square feet).

EXEMPTION, RESPITE FROM PAYMENT, OR REDUCTION OF STREET-CONSTRUCTION COSTS OR OF GROUND OR HOUSE TAXES.

Of cities with a population over 50,000, 24 have granted exemption or respite from payment or reduction of street construction costs of ground or house taxes. These cities are: Posen, Breslau, Erfurt, Kiel, Flensburg, Hanover, Frankfort on the Main, Aix la Chapelle, Barmen, Mülheim on the Ruhr, Mülheim on the Rhine, Cologne, München-Gladbach, Düsseldorf, Duisburg, Bonn, Nuremberg, Fürth, Würzburg, Stuttgart, Ulm, Mannheim, Freiburg, and Strassburg. Of these cities there are 16 in Prussia (9 in Rhine Province), 3 in Bavaria, 2 each in Wurttemberg and Baden, and 1 in Alsace-Lorraine. Of smaller cities there are to be mentioned: Lüneburg, Rheydt, Ratisbon, Heilbronn, Heidelberg, Constance, and Jena.

It would go beyond the scope of the present work to describe the measures taken by each of the cities enumerated above, but a few especially noteworthy methods of extending aid of this kind to building associations may be mentioned here.

The city of Erfurt in 1898 granted exemption from street construction costs to the Erfurt Building and Savings Society for all houses which should be erected within 10 years as dwellings for workmen and other people of small means. The society was also granted exemption from the transfer tax, and fees for building permits amounting to about 2,000 marks ($476) were remitted to it. In 1902 the society had already erected 15 houses, with 107 apartments. In 1903 the society built 7 houses more, with 54 apartments and a kin-
the city remitted to it again street-construction costs to the amount of 2,900 marks ($690.20), and fees for building permits, amounting to 1,010 marks ($240.38). When the same society in 1908 started the construction of 13 houses, with 100 apartments, the city remitted one-half the cost of street construction, or about 6,000 marks ($1,428), on condition that the 13 houses should be completed within 3 years. The city has also aided the Building Association Schmidtwäldt by laying, at a cost of 8,000 marks ($1,904), sewer and water pipes to the building lots of the association which were situated beyond the built-up area of the city. The city has further remitted to the association costs of street construction, or granted a respite for their payment.

The city of Kiel has in a number of instances permitted the street-construction costs for workmen’s dwellings to be refunded to it in 20 annual installments in place of the usual 10 annual installments.

The ground-tax ordinance of December 24, 1900, of the city of Flensburg provides that in the case of dwellings erected or purchased by public-welfare building associations and dwellings owned and occupied by workmen or other persons of a similar economic condition, only half the value of the property in question shall be taken as a basis for the computation of the ground tax.

The city of Hanover has in several instances remitted part of the street-construction costs to a total amount of about 15,000 marks ($3,570). It has also, as mentioned previously, sold a tract of land to the Continental Caoutchouc and Gutta-percha Co. free of street-construction costs.

In Mülheim on the Rhine the city aided the building and savings society by assuming the necessary street-construction costs, with the provision that the association should repay this amount gradually, without interest. The city accepted as security 25 shares of the association of a face value of 200 marks ($47.60). Later on, after the association had refunded the street-construction costs, these shares were purchased by the city.

The city of Cologne has remitted street-construction costs to the total amount of 175,993 marks ($41,886.33).

In München-Gladbach the local building association has been granted a reduction of one-half of the street-construction costs and of the ground and house taxes.

The city of Duisburg passed on April 18, 1898, an ordinance according to which in the case of workmen’s dwellings only one-half of the street and sewer construction costs shall be charged to the owner and the entire costs of sidewalk construction shall be borne by the city. The amounts remitted in this manner are, however, to be refunded to the city if the buildings are used for other purposes than the housing of workmen. This obligation of an eventual refund is registered as a
lien on the property. The building department decides in each instance whether a dwelling has the character of a workmen’s dwelling in the meaning of the ordinance, and is guided in its decision by the following norms: The height of these dwellings shall not exceed 10 meters (32.8 feet); no dwelling shall contain more than 3 or 4 apartments consisting, as a rule, of not more than 2 or 3 rooms of a maximum airspace of 50 cubic meters (1,765.7 cubic feet). The ordinance is not retroactive and does not apply to workmen’s dwellings erected by industrial establishments for their own workmen.

The city of Aix-la-Chapelle has remitted street-construction costs to the amount of 5,043.34 marks ($1,200), and, according to its ground-tax ordinance, workmen’s dwellings are taxed on only one-half of their value. The ground taxes remitted in this manner amounted for the fiscal year 1908 to 1,078.50 marks ($256.68).

In Rheydt public-welfare building associations are, according to an amendment of a local ordinance of July 17, 1894, permitted to erect workmen’s dwellings on streets which have not yet been opened to public traffic without making a deposit of the prospective street-construction costs; they may also be permitted, subject to revocation, to use part of the street grounds for small gardens in front of the houses. These gardens must, however, be separated from the street by a fence. The city ordinance of July 24, 1900, regulating the ground and house tax, provides that all dwellings erected for the use of workmen or small business men after the coming in force of the ordinance shall during the first three years after their erection pay only one-tenth of the regular ground and house taxes.

Of Bavarian cities, Nuremberg should be mentioned, where the city council on July 23, 1907, and on July 10 and 28, 1908, passed ordinances remitting one-half the costs of sewer and street construction to all building enterprises beginning before August 1, 1909, and completing within one year the erection of workmen's dwellings with small apartments of one or two large rooms, one small room and kitchen, provided the dwellings in question are maintained for their original purpose for at least 10 years. Building enterprises and owners of building lots made use of this inducement in 11 instances in which 6,410.50 marks ($1,525.70) were remitted for costs of street construction and 1,519.21 marks ($361.57) for costs of sewer construction. An application of the railway employees’ building association (Nürnberg-Rangierbahnhof), for remission of one-half the street and sewer construction costs for 22 houses has been granted and will involve an amount of about 30,000 marks ($7,140).

If workmen’s dwellings are erected on a street which is not yet built up, the city of Fürth does not charge street-construction costs for the entire length of the street from one crossing to the next one, as is otherwise usual, but only for the actual length of the street.
occupied by the buildings to be erected and for half the width of the street. This remission can be granted only because the city does its own street-construction work.

The city of Ulm, Wurttemberg, has remitted the local surtax to the real estate tax entirely, and one-half of the State transfer tax for all workmen’s dwellings built and sold by the city. One-half of the local surtax and of the State transfer tax was remitted to the local building and savings society.

In accordance with contractual agreement the city of Heilbronn has remitted to the local housing society altogether 37,500 marks ($8,925). This amount is composed of the costs of purchase of the street area and of the costs of sewer construction and maintenance, which according to the local building ordinance should have been refunded by the society. In addition, the city was under no obligation to bear the costs of street construction for the dwellings erected by the society which are situated at a great distance from the built-up part of the city.

Of the cities of Baden, Mannheim has remitted the costs of street construction or granted a respite for their payment for 5 houses erected by the local building and savings society. The amount involved was 10,098.87 marks ($2,403.53). Heidelberg in 1890 remitted 3,100 marks ($737.80) of street-construction costs for workmen’s dwellings erected by a private party. Constance has in several instances not charged the costs of purchase of the street area; the amount involved was about 18,000 marks ($4,284).

Strassburg has remitted to the local public-welfare building association about 20,000 marks ($4,760) of taxes and street-construction costs.

GRANTS OF HEREDITARY RIGHTS OF CONSTRUCTION (ERBBAURECHT) ON MUNICIPAL LANDS.

The success of the movement of the land reformers (Bodenreformer) is manifested by the large number of grants by German cities of hereditary rights of construction. Cities which have granted such rights (Erbbaurechte) on communal lands are: Charlottenburg, Rixdorf, Posen, Breslau, Halle, Dortmund, Frankfort on the Main, Aix-la-Chapelle, Düsseldorf, Duisburg, Elberfeld, Essen, Würzburg, Leipzig, Zittau, Ulm, Karlsruhe, Mannheim, Giessen, and Strassburg.

Grants of rights of hereditary construction which were to a large extent for the benefit of the working people were, however, made by the following cities only: Frankfort on the Main, Aix-la-Chapelle, Essen, Leipzig, Ulm, and Mannheim.

Below are data as to the number of grants of Erbbaurechte, the area of the land involved by these grants, the parties concerned, and the number of houses and apartments erected, for those cities only
which granted Erbbaurechte benefiting directly or indirectly the working classes.

Frankfort on the Main had up to the end of March, 1909, granted 134 Erbbaurechte, 10 to building associations, 99 to officials and teachers, and 25 to private parties. The land involved in these grants had an area of 71,720.4 square meters (17.7 acres). Up to that date there had been erected on the land 62 one-family, 46 two-family, and 16 three-family houses, and 72 association houses with 911 apartments.

Duisburg has granted hereditary rights of construction on 3 tracts of a total area of 2,157 square meters (0.533 acres) to the officials' housing association.

Elberfeld has granted an Erbbaurecht on a lot of 215 square meters (2,314 square feet) to a married couple.

Essen has granted an Erbbaurecht on a tract of land to the United Savings and Building Association.

Halle has granted an Erbbaurecht on two tracts amounting to 398 square meters (0.1 acre) to the society "Volkswohl."

Leipzig granted an Erbbaurecht on a tract of 82,344.8 square meters (20.3 acres) to the local public-welfare building association.

Ulm has granted Erbbaurechte to the Ulm Building Association on a tract of 9,449 square meters (2.3 acres) and to the Sharpshooters' Guild on a tract of 1,543 square meters (0.4 acre).

Mannheim granted in 1907 an Erbbaurecht for 2 tracts of 2,283 and 1,772 square meters (0.6 and 0.4 acre) to the savings and building association. In 1908 the city concluded a contract with the grand-ducal administration of railroads in which the administration was granted an Erbbaurecht on a tract of 998 square meters (0.2 acre).

The period for which the above-mentioned hereditary rights of construction were granted varies greatly in the individual contracts. The shortest period is 60 and the longest 100 years.

The annual ground rent charged for the grant of the hereditary right of construction is in Frankfort on the Main 2½ per cent and in Aix-la-Chapelle and Ruhrtort 3 per cent of the value of the ground. In Elberfeld the ground rent has in consideration of the very favorable location of the plot in question been fixed at 6,000 marks ($1,428) per year. Essen charges an annual ground rent of 534.38 marks ($127.18), payable semiannually in advance and representing 2½ per cent of the cost of the ground. In Halle the annual ground rent is 400 marks ($95.20). In Leipzig the public-welfare building association pays to the city an annual ground rent of 12 pfennigs (2.9 cents) per square meter of the tract on which an Erbbaurecht has been granted, exclusive of the land used for streets or squares. The contract concluded with the association, however, authorizes the city council to raise the ground rent 25 years after the beginning of the grant to 14 pfennigs...
(3.3 cents) per square meter, after 50 years to 16 pfennigs (3.8 cents), and after 75 years to 18 pfennigs (4.3 cents). The city of Ulm charges for those parts of the ground which front on the street an annual ground rent of 40 and 60 pfennigs (9.5 and 14.3 cents) up to a depth of 20 meters (65.6 feet); for the balance of the ground the rent is one-half of the above rates. In Mannheim the annual rent paid by the savings and building society amounts to $1 per cent interest on three-fifths of the value of the ground and 4 per cent interest on the costs of street construction. The grand-ducal administration of railroads pays to the city of Mannheim an annual ground rent of 239.52 marks ($57.01) payable semiannually.

The obligation to pay ground rent is in Frankfort on the Main, Aix-la-Chapelle, Ruhrort-Duisburg, Elberfeld, Essen, Halle, and Ulm, considered as a servitude on the hereditary right of construction and is entered as such in the land register. In Leipzig it is stipulated in the Erbbaurecht contract that the city shall be authorized to recall the grant without previous notice, if the building association after a written demand for payment repeated three times at intervals of one month is still in arrears with the payment of the ground rent. Nearly all contracts contain provisions as to the transfer of the grant of the Erbbaurecht. In Frankfort on the Main the grantee binds himself not to transfer the grant within the first 15 years of its duration, except by legacy, without the consent of the city. A general right of refusal is reserved to the city in any case of transfer of the grant, and this right is to be entered in the land register as a permanent servitude upon the Erbbaurecht. Similar provisions are inserted in the contracts made by the city of Aix-la-Chapelle. In the case of Ruhrort-Duisburg and Elberfeld the contracts provide that the city shall have the right of refusal in any case of a transfer of the grant.

In the contract made by the city of Leipzig with the public-welfare building association the latter obligates itself not to transfer the Erbbaurecht granted to it without previous approval of the city. In case of breach of this obligation, the city is authorized to annul the grant immediately. The contract of the city of Ulm with the local building association provides merely that the association shall not be restricted in its right to sell the Erbbaurecht and the building erected on it. According to the contract concluded by the city of Mannheim with the local savings and building society, the latter obligates itself not to transfer the Erbbaurecht without previous approval by the city. In case of a transfer the party to whom the transfer is made must assume all the obligations of the original grantee of the Erbbaurecht. A general right of refusal is reserved to the city in each case of transfer. The right becomes extinguished if the city does not, within two months after having been informed by the grantee of the Erbbaurecht of the conclusion of a transfer of the grant, notify the
grantee in writing of its intention to exercise its right of refusal. The right of refusal is to be entered in the land register as a permanent servitude of the Erbbaurecht.

As regards the obligations of the parties to the Erbbaurecht contracts enumerated above, the obligations assumed by the cities which concluded such contracts are as follows: The city of Frankfort on the Main obligates itself that the land involved in the Erbbaurecht contracts shall be free of any lien of third parties and guarantees to the grantee exemption from street, sidewalk, and sewer assessments. The obligations assumed by the city of Aix-la-Chapelle are very similar and differ from those of Frankfort on the Main only in that the grantee is subject to assessments for sidewalk and sewer construction and maintenance. In Ruhrort-Duisburg the city obligated itself to construct before October 1, 1908, specified streets on and near the land in question. The grantee must, however, bear the cost of construction and maintenance of the sidewalks in front of the buildings to be constructed. The cities of Essen and Mannheim guarantee that the land in question is free from all liens of third parties. Halle in its contract with the society "Volkswohl" assumes the costs of street construction. The city of Leipzig in its contract with the public-welfare building association assumes the construction of all streets and squares, inclusive of sidewalks and sewers, for the costs of which the association has to pay annual interest at the rate of 4 per cent. The city of Ulm assumes all the costs of construction as well as of maintenance of streets, sewers, and gas conduits.

As to the obligations of the grantees of hereditary rights of construction, in addition to the obligation of the grantee to pay interest for the use of the land, all contracts contain the clause that he must pay all taxes and assessments on the land in question.

Of fundamental importance are the provisions regularly inserted in all the contracts as to construction and maintenance of dwellings erected by the grantee.

In Frankfort on the Main the grantee is obligated—(1) to build on the land in question only in accordance with the submitted and approved plans and to use the building exclusively for housing purposes; (2) to maintain all structures above and below ground in a good condition; in case of dissolution of the contract, however, allowance is made for the wear caused by ordinary use; (3) to insure the buildings to their full value against fire, and in case of fire to use the insurance recovered exclusively for the reconstruction of the buildings, and to begin and complete such reconstruction work without delay. The communal building department is authorized to supervise the construction and maintenance of the buildings and the grantee must comply with all orders of the department. In case of noncompliance the building department is authorized to have the necessary work
performed at the expense of the grantee and to stop further payments by the city of installments of the building loan granted to the grantee of the Erbbaurecht.

Other buildings than those provided for in the building plans may not be constructed on the grant without approval of the city. The grantee is also bound to see that the apartments are not used in a manner objectionable from a sanitary or moral point of view. Rents charged by the grantee may not exceed the limit to be agreed upon with the city.

The contract of the city of Aix-la-Chapelle contains essentially the same provisions. The only variation worth mentioning is that construction work must be started within one year after the conclusion of the contract and the building must be completed without delay. None of the buildings erected by the grantee may house more than two families.

The contract of Ruhrort-Duisburg with the officials' housing society, after providing for submission of the building plans for approval to the building department and to the city council, stipulates that the buildings must be kept in good condition during the period covered by the contract and must be insured for their full value with a legally licensed fire insurance company of Prussia. The city may at any time while the contract is in force have the buildings inspected as to their condition. The buildings erected on the grant must contain only small apartments designed for rental to low-salaried officials or persons of similar social and economic standing. Rental of these apartments to other classes of the population is permissible only by special approval of the city, to be obtained separately in each instance. In the dwellings erected on one of the three tracts involved in the grant, not more than one-fourth of the apartments may contain more than four rooms exclusive of kitchen and accessories. In renting apartments, individual groups of officials, such as officials of the Empire or State, may not be given preference without explicit approval by the city. In obtaining loans from the Empire or State the society is, however, at liberty to insert on request of the Empire or State a clause in the loan contract, in which it obligates itself to reserve apartments to officials and employees of the Empire or State in a number corresponding to the ratio the membership of such officials and employees forms of the total membership of the society. Rentals for the apartments erected on the grant may not be higher than required to cover the expenditures for interest and refund of the loans raised for the erection of the buildings, the costs of maintenance and administration, and for the creation of a suitable reserve fund for possible losses of rent. Essential changes in the buildings, such as additions or reconstructions, are permissible only with the approval of the city. Another noteworthy provision of the contract prohibits
the renting of premises for restaurants and saloons, or for industrial establishments without previous approval of the city. The contract finally provides that in any case of contravention of its provisions the ground rent for that one of the three tracts of land involved in the grant on which the contravention took place shall be increased to double the stipulated amount without prejudice to other rights reserved to the city.

The contract of the city of Essen with the United Building and Savings Association authorizes the latter to erect on the tract involved in the contract 32 one-family and 15 two-family houses in accordance with the building plans approved by the city. The city is authorized to supervise the construction of the buildings and their maintenance in good condition. The contract provides that during the period covered by it the city shall be represented on the supervisory board of the association.

The contract of June 12, 1901, of the city of Leipzig with the public-welfare building association contains the provision that the association shall erect only dwellings containing small apartments. These apartments must in the main consist of only three rooms, and must never have more than four rooms inclusive of kitchen. The association obligates itself to a proper maintenance of the dwellings to be erected and of the courtyards and gardens belonging to them. In case of destruction of the buildings by fire or other untoward events, the association is obligated to reconstruct them within two years at its own expense. The city council is authorized to supervise the maintenance of the buildings during the last 50 years of the period covered by the Erbbaurecht.

In the contract of the city of Ulm with the Ulm Building Association the latter obligates itself to comply with the orders of the city poor board as to solidity of construction, architectural outside finish, and sanitary, safe, and convenient equipment of the interior of the buildings. In case of noncompliance with this obligation the association must pay to the city treasury for each month's delay a fine of 250 marks ($59.50).

The contract of the city of Mannheim with the savings and building society imposes the following obligations on the society:

1. To submit in due time to the city council the building plans for approval and to comply with all orders of the city council relating to these plans.

2. To erect within five years after the conclusion of the contract the building specified in the building plans submitted to the city council and to use this building exclusively for housing purposes with the exception of four apartments on the main floor which may be used as a bakery, a butcher shop, a grocery, and some other store.
3. Not to make any changes in the building or in the arrangement of the apartments without previous approval by the city; the erection of other structures not provided for in the building plans is to be considered as such a change.

4. To maintain all structures and equipment above and below ground in good condition.

5. To prohibit to tenants the subletting of rooms or keeping of lodgers, and to see that the apartments are not used in any insanitary manner or for immoral purposes.

6. To obtain the approval of the city for the determination of the rents to be charged and for any later increase of the same, and not to collect any higher rents than those approved.

The city is authorized to see that the above provisions are complied with, and the grantee of the Erbbaurecht must comply with all orders issued by the city in this connection. In case of non-compliance the city is authorized to take the necessary measures at the expense of the grantee.

In each of the contracts discussed here there are detailed provisions as to the pecuniary settlement at the expiration of the Erbbaurecht between the owner of the ground and the grantee of the Erbbaurecht, especially as to whether the buildings erected on the leased ground are to become the property of the city with or without compensation to the grantee.

According to the contract made by the city of Frankfort-on-the-Main all buildings and installations erected on the leased ground become on the expiration of the Erbbaurecht the property of the city without any compensation to the grantee.

The rules published by the city of Aix-la-Chapelle for the granting of hereditary rights of construction on communal land provide that the land together with all buildings erected on it shall on the expiration of the grant become the property of the city. To what extent the grantee is to be compensated depends on the agreement made as to building loans. In case of payment of a compensation, the following rules are to be observed: The grantee is to be compensated for the value of the buildings erected in a ratio corresponding to the amount of personal resources invested in the buildings by him or his successor to the grant. In case the city and the grantee can not agree as to the value of the buildings, their value shall be determined by a board of arbitration composed of two members, one named by the city and the other one by the grantee. If these two arbitrators can not come to an understanding, they shall select a third member, who shall act as chairman of the board, and in case they should not be able to agree on his selection, he shall be named by the president of the appellate court (Landgericht). The compensation determined upon in this manner is to be paid to the grantee in cash. The city
reserves, however, the right to deduct any part not yet refunded of the building loan granted or other claims.

In Ruhrort-Duisburg the buildings erected on the grant become on expiration of the Erbbaurecht the property of the city. The city, however, pays to the grantee a compensation of 25 per cent of the value of the buildings at the time of the expiration of the grant. The determination of this value is effected in the same manner as in Aix-la-Chapelle. Payment of the compensation takes place only after the grantee has brought proof that there are no liens on the buildings. If it can not be proved that the buildings are unencumbered, the city deposits the compensation in favor of the registered liens.

The contract concluded by the city of Elberfeld provides that after 60 years the buildings erected on the leased ground, with all accessories and installations, become the property of the city. The grantee receives a compensation of one-half the value of the buildings. The determination of the value is effected in the same manner as described in the case of Aix-la-Chapelle.

The contract concluded by the city of Halle expires after 70 years, at which time all buildings erected on the leased ground become the property of the city. The city pays to the grantee a compensation of one-fourth of the value of the buildings at the time of the expiration of the contract.

In the case of Essen all buildings and installations erected on the leased ground revert, together with the ground, to the city when the contract has expired. The city pays to the grantee as compensation the full value of the buildings, as determined at the time of the expiration of the contract.

In the contract of the city of Leipzig with the public-welfare building association it is stipulated that on the expiration or dissolution of the contract all buildings erected on the leased ground shall become the property of the city without any compensation to the association.

Very detailed provisions are contained in the contract of the city of Ulm with the local building association. In accordance with these provisions, on the expiration of the contract the city is authorized and obliged to take over all buildings erected on the grant and to pay to the association a compensation determined as follows:

1. The cost of erecting each building is to be taken as its original value. As soon as a building is completed, the association must submit to the city a full statement of its cost, accompanied by all bills.

2. To the cost of construction must be added the amount by which the building has increased in value through improvements, in so far as this excess value is still in existence at the time of the transfer of the buildings to the city. Deteriorations of the buildings through use are, on the other hand, to be deducted from the cost of construction.
3. The compensation to be paid for each individual building, no matter what enlargements and improvements it has experienced in the course of time, may not be higher than the original costs of construction, which are to be considered as the maximum amount of compensation, without prejudice to further deductions as provided under No. 4.

4. During the last 20 years of the period covered by the contract the amount determined as compensation is reduced each year by 1 per cent for deterioration of the buildings. If, in accordance with the provisions of the contract, the grant is annulled because the grantee has encumbered the buildings with mortgages in excess of 75 per cent of their costs of construction, no deduction is made for deterioration of the buildings if the grant has been in effect for less than 20 years. A deduction of 1 per cent for each year after the twentieth is made if the contract was in force from 20 to 40 years. The city will, however, make no use of its right to make a deduction for deterioration if the buildings are transferred to it in good condition.

5. The amount of compensation is paid to the mortgage creditors in so far as this is required to refund the mortgages and interest on them with which the grant is encumbered. Any remaining balance is paid to the grantee, as soon as the hereditary right of construction has been canceled in the land register.

6. The determination of the expenditures of the grantee for improvements, as well as of the extent to which the structures have deteriorated, is to be made by a commission consisting of a communal official nominated by the city council, a technical expert nominated by the grantee, and the chairman of the board of appraisers of valuation for fire insurance purposes as chairman of the commission. The determination made by this commission is binding on the city as well as on the grantee.

The contract of the city of Mannheim with the building and savings society provides that after expiration of the period covered by the contract, unless a new agreement has been made by the parties before the expiration of this period, all structures erected on the leased ground shall according to free choice of the city be either removed within 6 months at the expense of the grantee, or be transferred to the city free of any liens of third parties. In the latter case, the city shall pay to the grantee a compensation consisting of one-fifth of the value of the structures. This value is to be computed by adding one-half of the value of the buildings to one-half of the capitalized value of usufruct. The determination of the amount of the compensation is to be made by a board of arbitration composed like that of Aix-la-Chapelle.
Two contracts, those of Frankfort on the Main and Aix-la-Chapelle, authorize the city to cancel the Erbbaurecht after the expiration of a specified period and this right of cancellation is in no way conditioned on a breach of contract by the grantee. In Frankfort on the Main, the city is authorized to cancel the Erbbaurecht after expiration of the first 15 years and the leased ground reverts to the city together with the buildings erected on it. This right of cancellation may, however, be exercised by the city only after the expiration of the first 15 years, and after this period only at the expiration of every 5 subsequent years, and is always conditioned on previous notice of at least 6 months. Whenever the city makes use of this right of cancellation, it must assume all the mortgages with which the buildings are encumbered which were agreed upon in the contract and must refund to the grantee that part of the building costs which he has contributed from his own resources and which has not yet been amortized on the basis of an annual payment of 0.51 per cent. If the cancellation of the grant takes place within the first 30 years of its duration, the city must pay to the grantee an additional compensation, consisting of the amount of one year's ground rent and one year's interest on the mortgage with which the Erbbaurecht is encumbered. The provisions in the contract of the city of Aix-la-Chapelle are essentially the same as those given here for Frankfort on the Main.

The contracts of the cities of Elberfeld, Halle, and Ulm provide for cancellation of the Erbbaurecht on the entire tract of land involved in the grant or on part of it if such a cancellation is required by reasons of public interest.

In nearly all the contracts of cities granting hereditary rights of construction there are provisions giving to the city the right to annul the contract if the grantee fails to comply with his contractual obligations.

The provisions of this kind in the contract concluded by the city of Frankfort on the Main are as follows: If the grantee does not comply with his contractual obligations, especially if he transfers the Erbbaurecht without the city's approval, or does not punctually pay the ground rent, or does not comply with his obligations as to the erection and maintenance of buildings on the grant, or raises the rents of the dwellings without the approval of the city, the city shall be authorized to annul the contract, and the ground as well as the buildings and other structures and installations erected on it shall become the absolute property of the city. The latter must, however, assume all mortgages, and must pay to the grantee in full that part of the building costs contributed by him out of his own resources which has been refunded, and must also pay him one-half of the refunded part of these costs.
The conditions under which the city of Aix-la-Chapelle can annul contracts granting the hereditary right of construction are in all essential points identical with those given for Frankfort on the Main.

Ruhrort-Duisburg is in the following instances authorized to cancel on 8 months' notice the grant of the hereditary right of construction before its expiration:

1. If the officials' housing society uses the leased ground for other purposes than those stipulated in the contract.

2. If the society is for more than three months in arrears with the payment of the ground rent or for more than 6 months with other payments for which the commune is liable in a subsidiary manner.

3. If the society within two years after the conclusion of the contract has not erected buildings on the grant in the manner contractually agreed upon.

4. If the society neglects the maintenance of the buildings in such a manner that the intervention of the competent authority becomes necessary, and the objectionable condition of the buildings is not remedied within the time limit set by that authority, or if the condition of the buildings creates a public nuisance.

5. If all the buildings are not insured to their full value with a fire insurance company licensed in Prussia, or if after destruction of large parts of buildings or entire buildings through fire or other causes the society fails to remedy the damage or to reconstruct the destroyed buildings within 2 years.

6. If the public-welfare character of the enterprise ceases to exist, especially if the rents charged become too high.

If the city annuls the contract for one of the above-given reasons it must compensate the grantee for the value of the buildings in the following manner: The full value of the buildings at the time of the annulment of the contract is to be paid if this annulment takes place within the first 30 years of the period covered by the contract. In case of annulment of the contract after the first 30 years of its duration, the estimated value of the buildings is to be reduced for the next 15 years by 1 per cent for each year and during each of the following 30 years by 2 per cent. Periods of less than six months are not to be considered in this computation and periods of over six months are to be considered a full year.

The city of Elberfeld is authorized to repurchase the Erbbaurecht whenever the grantee is more than six months in arrears with the payment of the ground rent, or if after admonition he does not comply with his contractual obligations within a proper time limit. If such repurchase takes place within the first 35 years of the period covered by the contract the city must compensate the grantee for the full value of the buildings; after the thirty-sixth year the compensation is annually reduced by 2 per cent.
The contract of the city of Leipzig with the public-welfare building association gives the city the right to annul the contract without previous notice: (1) If the association is entirely or partly in arrears with the payment of interest on street-construction costs or of ground rent after the city has, at intervals of one month, three times requested payment. (2) If the association transfers the Erbbaurecht to a third party without previous approval of the city. (3) If the association encumbers the grant with mortgages or otherwise without the approval of the city. (4) If the city on the basis of a later agreement should assume the liabilities of the association to the State Insurance Institute of the Kingdom of Saxony.

In the contracts of the city of Ulm it is provided that the city may immediately annul the grant if the grantee does not within three years rebuild any building which has been destroyed by fire, or if he encumbers the grant with mortgages in excess of 75 per cent of the initial building costs.

In its contract with the building and savings society, the city of Mannheim has reserved the right to demand that the Erbbaurecht and all buildings erected in pursuance of the same shall be transferred to it without compensation and free of any liens of third parties or of the grants, if the grantee does not comply with his contractual obligations as to the submitting of the building plans to the city and the encumbrance of the Erbbaurecht with mortgages, or as to unauthorized transfer, or if he is more than one year in arrears with the payment of ground rent, interest on mortgages, or the refunding annuities agreed upon in the contract.

The possibility of obtaining loans for the erection of buildings on the grant is of vast importance to the grantee of the hereditary right of construction after the conclusion of the contract. Such loans are usually made only against a mortgage on the Erbbaurecht. Mortgages upon hereditary rights of construction are, however, according to a decision of the imperial insurance office not to be considered as safe investments for trust funds, a decision which prevents the State insurance institutes, which are the chief lenders of money for building operations, from making building loans on hereditary rights of construction under the usual conditions.

The contracts reproduced in the report of the imperial statistical office on housing work show that the cities of Frankfort on the Main and Aix-la-Chapelle themselves make building loans to grantees of hereditary rights of construction.

The city of Frankfort on the Main as a rule makes building loans to grantees of rights of hereditary construction up to 75 per cent, and in the case of buildings erected by communal officials and teachers or one-family houses erected by State officials, up to 90 per cent of the
building costs. The rate of interest is 4 per cent, and for communal officials and teachers 3½ per cent. The loans are to be refunded by means of annuities of 0.42 and 0.5 per cent, respectively. The grantee must, therefore, contribute 10 to 25 per cent of the building costs from his own resources. What portion of this sum is refunded to him on the expiration of the contract depends on the individual agreement. In case of a transfer of the hereditary right of construction without the approval of the city—except by inheritance—the city is authorized to raise the rate of interest for the building loan up to 5 per cent or to recall the loan on 4 weeks' notice. The city has the right of immediate execution whenever the debtor is in arrears with payments on the loan; this right is also applicable to any successor of the original debtor. If the debtor is more than one month in arrears with the payment of a refunding annuity or if he transfers the Erbbaurecht and the city is not willing that the new purchaser of the grant should assume also the building loan made by the city, it may without previous notice demand immediate payment of the unpaid part of the loan. Refunding annuities due always precede in rank that amount of the loan which has been refunded.

The city of Aix-la-Chapelle makes building loans to grantees of the hereditary right of construction up to 90 per cent of the building costs. The rate of interest charged is 3½ to 4 per cent. Such loans are to be refunded within the period covered by the grant by means of annual payments of at least 0.42 per cent. All other conditions are essentially the same as in the case of Frankfort on the Main.

The contract between the city of Essen and the United Building and Savings Society shows that the State Insurance Institute of the Rhine Province has made a building loan of 212,000 marks ($50,456) to the society on mortgage security. The society has also mortgaged to the insurance institute its claim to compensation for the value of the buildings on the expiration of the period covered by the grant. In the contract of the city of Leipzig granting to the public-welfare building association the hereditary right of construction on specified communal lands there is in article 2 the following provision: "The association shall, in so far as its capital stock and its other resources are not sufficient, raise the capital necessary for building purposes by means of mortgage loans. Such mortgage loans must be subject to regular refund which must be completed within the period covered by the grant. The grant may not be encumbered with mortgages, nor may the association's own liens upon the building be transferred without the approval of the city in every instance. A like approval is required for any other encumbrance of the grant. In case of contravention of this provision by the association the city may annul the grant without previous notice. This right must be entered in the land register."
The manner in which the Mannheim building and saving society has obtained building loans on the Erbbaurechte granted to it by the city of Mannheim from the city itself as well as from the communal savings bank has already been described on page 241. Of fundamental importance, however, is the loan contract which the society concluded with the State Insurance Institute of Baden. The society applied in 1907 to the insurance institute for a building loan on an Erbbaurecht grant. As the insurance institute may loan its funds only on buildings which are to be used as dwellings for workmen subject to invalidity insurance, and as a large part of the buildings to be erected by the society on the grant were to be given over to the use of officials and employees of the Empire, State, and commune and of merchants, and to small tradespeople, teachers, etc., not all of whom belong to the classes subject to insurance, the society made application for a building loan only on that part of the buildings which was to be used for persons subject to insurance. It accordingly offered as security a mortgage on the Erbbaurecht and on the buildings erected on the larger part of the northern half of the grant of an estimated value of 346,000 marks ($82,348). The insurance institute was willing to make the loan. But loans secured by a mortgage on hereditary rights of construction are not always considered safe investments for trust funds, and the imperial insurance office has in several instances recommended insurance institutes to demand additional security on such loans. Therefore, in this case the insurance institute made the loan conditional on its guaranty by the city of Mannheim. The city assumed this guaranty with the approval of the State, provided that the insurance institute would within two weeks notify it in writing of any increase of the rate of interest as a consequence of nonpayment of interest due (art. 2, par. 2 of the loan contract), and within 4 weeks if the society should be one year in arrears with the payment of interest or of a refunding annuity. This preliminary condition having been complied with, the State Insurance Institute of Baden granted in October, 1907, to the building and savings society a loan of 300,000 marks ($71,400) for the erection of workmen's dwellings in the city of Mannheim under the following conditions:

(a) The loan must be secured by a first mortgage on the hereditary right of construction and on the buildings to be erected on the grant before the amount of the loan or any part of it is paid to the borrower.

(b) The loan is to be paid over to the borrower in installments, according to the progress of the buildings, after submission of an officially attested statement of the expenditures made. These installments may not, however, exceed 80 per cent of the provisionally computed total amount of the loan. After the completion of the buildings the borrower must have their value officially estimated and must submit this estimate to the insurance institute.

(c) The loan must be used for the erection of workmen's dwellings in the district of Mannheim. The conditions under which the dwellings
are rented must harmonize with the purpose for which they were erected. The insurance institute shall be authorized to make changes in these conditions. Under all circumstances these rules must be observed: (1) Dwellings in a number corresponding to the ratio which the amount of the building loan granted by the insurance institute bears to the total building costs shall be reserved exclusively for rental to persons insured with the insurance institute who do not own a home and who intend to occupy the rented apartments themselves. (2) Rentals for apartments may not be raised and the apartments rented to the highest bidder; and (3) rents in so far as they are to be paid by employers, shall be apportioned into as many parts as the renter receives wage payments, and be paid or collected on pay days.

(d) The State insurance institute shall have the right to inspect at any time the buildings mortgaged to it. The borrower shall be obligated to make all necessary installations or changes requested by the insurance institute for sanitary or moral reasons.

(e) The State insurance institute shall be granted the right of refusal on everything mortgaged to it.

The rate of interest charged is 3½ per cent and the loan must be refunded within 50 years by means of semiannual payments of 6,375 marks ($1,517.25).

SALE OF DWELLINGS BY MUNICIPALITIES WITH RESERVATION OF THE RIGHT OF REPURCHASE.

Very similar to the hereditary right of construction (Erbbaurecht) is the procedure of the right of repurchase (Wiederkaufsrecht) adopted by the city of Ulm. In this procedure the city transfers the land together with the building erected on it to the purchaser as his property, reserving, however, by entry in the land register, the right to repurchase land and building within 100 years at the original price whenever there is a change of ownership or if the owner does not comply with the obligations assumed by him at the time of the purchase. The party acquiring the land and building is, in the contract reserving the right of repurchase, in contrast to the contract granting the right of hereditary construction, called the "owner" (Eigentümer). Beyond his title he has very few advantages over a grantee of the hereditary right of construction, because if the right of repurchase becomes active, as, for instance, in the case of death and distribution of inheritance, the city may terminate his ownership and invalidate any mortgages he may have given on the property.

The city of Ulm began the erection of workmen's dwellings on its own account on February 8, 1894, when it started to build 16 double houses. During the succeeding years this first group of houses was followed by others and at the beginning of 1910 the city had erected 175 workmen's dwellings. Among the purchasers of the dwellings were 55 persons in the mail and railway service, 88 mechanics and
factory workers, 9 day laborers, 8 persons exercising an industry independently, 7 workmen employed in the military commissary department and in the arsenal, 1 State employee, and 7 employees of the communal building department.

A publication of Mayor Wagner of Ulm describes the architecture and inner construction of the houses erected by the city, as well as their cost to the purchaser. A description of two representative types follows:

(a) Dwelling, of 2 stories and attic, containing 2 apartments, each of which consists of 2 rooms, kitchen, toilet, hall, cellar, woodshed, laundry, and carries with it a share in a common garden. The floor space of the two rooms is together 34 square meters (366 square feet), of the kitchen 9 square meters (96.9 square feet) and of the garden for 2 apartments 162 square meters (1,743.8 square feet). The total cost of the building lot inclusive of garden and of the dwelling erected on it is 6,000 marks ($1,428). The purchaser must annually pay 330 marks ($78.54) or 5½ per cent of the entire cost, of which 3 per cent is for interest and 2½ per cent for refund. Cost of maintenance, real estate taxes, and water tax amount annually to 60 marks ($14.28). The purchaser of the dwelling on the other hand receives annually 140 marks ($33.32) rent for the second apartment, so that his net annual outlay is only 250 marks ($59.50).

(b) Dwelling, of 2 stories and attic, containing 2 apartments, each of which consists of 3 rooms, kitchen, toilet, hall, cellar, woodshed, laundry, and carries with it a share in the common garden. The floor space of the three rooms is together 42 square meters (452.1 square feet), of the kitchen 7 square meters (75.3 square feet) and of the garden for both apartments 180 square meters (1,937.5 square feet). The total cost is 8,200 marks ($1,951.60). The purchaser pays annually interest and refund to the amount of 451 marks ($107.34). The costs of maintenance, real estate taxes, and water tax amount to 79 marks ($18.80) per year. His receipts are 220 marks ($52.36) per year for rent of the second apartment, and his net annual outlay for the dwelling therefore is only 310 marks ($73.78).

The conditions under which the houses were sold by the city were subject to change during the period covered by the right of repurchase. The contracts of sale for the first two groups of houses erected provide only for a right of repurchase during the first 15 years after the sale. The conditions for the sale of houses subsequently erected were entirely revised in 1902 and are more stringent than the original conditions. A large number of owners of the first two groups of houses sold accepted them.

In its present form the contract of sale grants the city the right of repurchase for a period of 100 years. The city may exercise this right in the following instances:

(a) If the debtor or his heirs are more than 6 months in arrears with a payment contractually agreed upon and no respite has been granted to them by the city.

(b) If and as often as the owner of the property and his assigns, especially his heirs, within 100 years after the date of the sale wish to transfer the property. This is also applicable if joint heirs who have inherited the property transfer it to one or several of the heirs.

(c) If the owner of the dwelling after admonition in writing continues to rent apartments in his dwelling at a rental higher than the maximum rental determined by the city council.

(d) If the owner, without the approval of the city council, encumbers the property with a further mortgage.

(e) If the owner does not live in the dwelling himself although repeatedly requested to do so.

(f) If he refuses to refund to the city the actual building costs as accounted for by the communal building department.

(g) If he willfully or by gross negligence injures the property and lessens its value.

(h) If the property is attached or the owner becomes bankrupt; and

(i) If the owner without the approval of the city takes in lodgers or a larger number of them than is permitted, or places them in rooms not designated as living rooms, or if without approval of the city he uses the ground or dwelling for industrial purposes.

The purchaser must, at the time of the sale, make a first payment of 10 per cent of the costs of ground and building; on the balance he is to pay 3 per cent interest and 1½ per cent annual refund. The payment of refund and interest is to be made quarterly. If the purchaser is in arrears for the past quarter the rate of interest is increased to 4 per cent; this, however, is not charged for the first month during which the payment was overdue. Payments in excess of the amounts agreed upon for the purpose of faster refund of the total debt are permissible. In cases of sickness or in other extraordinary circumstances the city may grant the debtor a temporary respite for payment due. The city reserves the right to increase the rate of interest if it should have to pay a higher interest than 3 per cent on the loans made to it, for the erection of workmen’s dwellings, by the communal savings bank of Ulm and the Insurance Institute of Wurttemberg.

When one-half of the purchase price has been refunded, the city may demand that the balance be paid on six months’ notice. If the owner, in order to obtain the money required for this payment, must give a new mortgage on his property, the city shall permit the cancellation of its own mortgage and the registration of the new mortgage in its place.
The owner may, after one-half of the purchase price has been paid by him, discontinue further refund. The city council is, however, in such a case authorized to increase the rate of interest to the current rate.

Of great importance is the determination of the sum to be paid in case of repurchase. According to the provisions of the contract of sale, this sum is determined by a board of valuation. The price paid for ground and building at the time of its erection is taken as a basis; to this amount is added the amount by which the value of the building has been increased through improvements, so far as this excess value is in existence at the time of repurchase, and any decrease in value caused by deterioration of the building is deducted. The board of valuation is to be composed of a communal official nominated by the city council, a technical expert nominated by the owner of the property, and the chairman of the board of appraisers of valuation for fire insurance purposes, as chairman of the board.

The city reserves a special right of repurchase for a period of 200 years on all gardens in front of the buildings sold, in case it should have to repurchase the area occupied by them for the purpose of widening the street. The price for this repurchase is stipulated in advance in the contract of sale, and the owner has no claim for compensation for improvements made in the garden area; he is, however, authorized to remove these improvements.

The contract of sale further obligates the purchaser to keep the building in a good condition, to make all repairs required in due time, and to obey all orders of the city relating to the maintenance of the building. No essential alterations may be made on the building without the approval of the city council, which has at all times the right to inspect it.

PROPOSED HOUSING REFORMS.

It is manifest that housing conditions in Germany are in great need of reform, and it is generally admitted that legislation could do much to improve them. "In no sphere," said Miquel, the former Prussian minister of finance, "is there greater danger of legislatures failing to recognize the auspicious moment for the enactment of laws than in the sphere of the housing problem; nowhere, moreover, is it more difficult to overcome inveterate bad habits, nowhere more expensive to remove existing nuisances than in building matters and in the use of dwellings."

Social economists and housing reformers believe that this auspicious moment has come, and that legislation should early, and without delay, do whatever it can to improve housing conditions. The steady development during the last two decades of the organized movement of housing reform, and the natural reaction of the popu-
lation against the serious menace of the concentration of the masses in large cities and tenements are additional arguments in favor of legislative action. There is a growing feeling that in view of what has already been accomplished in the fields of social insurance and protective labor legislation it is time for Germany to transfer its legislative activity to the sphere of housing reform. As a consequence there is a pressing demand for housing legislation on a large scale.

The housing problem has on many occasions been discussed in the Reichstag. Motions and resolutions as to enactment of an imperial housing law were made and adopted by the Center, the National Liberals, the Social Democrats, and the Reform Party (Wirtschaftliche Vereinigung). The imperial secretary of the interior, on February 29, 1912, declared that the Empire could proceed in this respect only if the individual States declined to take any action. And on March 6, 1912, he held out the prospect to the budget committee of the Reichstag that before the beginning of the fall session of the Reichstag the Federal Government would decide on its attitude as to the question of an imperial housing law. The Reichstag, thereupon, on the motion of the Center and National Liberals, resolved to create a special committee of 21 members for the discussion of all motions of the various parties as to housing reform legislation.

This committee held its first meeting April 17, 1912. Its chairman stated that the Empire is obligated and authorized to enact housing legislation because the health and defensive strength of the German nation are concerned; that on the basis of article 4 of the constitution, dealing with the public health, the Empire is also competent to enact such legislation. The Empire should enact a basic law with minimum regulations and authorize the Federal States to determine the details and go beyond the minimum requirements. He laid special stress upon the importance of cheap credit sources for the public-welfare building activity and expressed the hope that it might be possible to authorize the State insurance institutes to issue real estate mortgage bonds. He also advocated an amendment of the law relating to the hereditary right of construction (Erbbaurecht). Several members of the committee demanded the creation of an imperial housing office (Reichwohnungsamt). A subcommittee of six members was finally charged with the further preparatory work.

The result of the activity of the housing commission of the Reichstag was a resolution which, on May 22, 1912, was unanimously adopted by the Reichstag. This resolution requested the Government to introduce at the next session of the Reichstag bills for the regulation of the housing problem, and proposed that the following basic principles be observed in the drafting of these bills:

1. Minimum regulations as to the nature and use of dwellings (location, air space, ventilation, and light in the living, sleeping, and work-
rooms, number and equipment of toilet rooms, keeping of lodgers, etc.), with consideration of the special conditions in urban and rural communities.

2. Regulations as to an official housing inspection through local, district, and State housing officers, with an imperial housing office as central bureau for all housing matters.

3. Creation of real estate mortgage institutes in connection with the State insurance institutes for the purpose of granting, according to fixed regulations, the highest possible mortgage loans on dwellings with small apartments, to building associations and private individuals.

4. Regulation of the renting system through renting bureaus.

5. Development of the hereditary right of construction (Erbbaurrecht) so that it may be used more extensively in providing dwellings with small apartments.

The housing commission determined also to request the Federal Governments to publish annually the results of the housing inspection, as well as statistics of the real estate market, of rents, and of the building activity.

Finally, the housing commission resolved to request that the imperial chancellor should, in proper form, direct his efforts to the promotion of the erection of workmen's dwellings by way of State legislation. The following measures were suggested:

(1) Determination, with due consideration of urban and rural conditions, of standard rules for the division of land; town planning and building regulations for the purpose of lessening the cost and facilitating the erection of workmen's dwellings; and regulations for promoting a more detached building system and a decentralized form of settlement.

(2) Grants by the State and commune of reduction of or exemption from taxes and other dues to owners of workmen's dwellings;

(3) Grant of the right of expropriation to communes for the removal of serious nuisances in the building and housing system, which are a hindrance to the building activity, and of old buildings unfit for housing purposes.

Manifold reforms have been proposed in connection with the organized movement of housing reform. None of these proposals claims to be a cure-all, for the needs and conditions in the various localities, especially in the large cities, medium sized cities, and rural communities, are very diversified, and measures of varying nature, private efforts, and compulsory regulation by the public authorities must supplement one another. Only two of these many proposals need be mentioned here, the request to the Reichstag for an imperial housing law by the Association for Social Reform, and the resolutions passed by the Federation of German Land Reformers (Bund der deutschen Bodenreformer).

In January, 1913, the directorate of the Association for Social Reform submitted to the Federal Council (Bundesrath) and to the
Reichstag, an urgent request "that the preliminary work of housing legislation be so hastened as to make possible the passage of an imperial housing law during the present session of the Reichstag."

The text of this request was as follows:

A thorough improvement of the housing conditions of people of small means is one of the most important and urgent tasks of social reform. Nearly all other endeavors for the elevation of the working classes, for combating national diseases, alcoholism and immorality, for strengthening family life, and for the extension of education can be really successful only if the serious nuisances of our housing conditions are removed. In support of this argument need only be mentioned the frequent deplorable experience that the permanence of the cure in no way corresponds to the great expenditures made by the State insurance institutes for homes for convalescents and sanatoriums, because the patients must return to overcrowded rooms lacking air and light, in which their health is again menaced.

The Association for Social Reform, together with all parties interested in the public weal, was, therefore, highly gratified that, on May 22, 1912, the Reichstag unanimously expressed its sense of the necessity of housing reform. The association emphatically condemns as groundless all objections lately raised against an imperial regulation. The Empire must be the chief promoter of housing reform. It must determine its basic principles. A division of the reform work would cause its entire failure.

The association agrees in this respect entirely with the demands of the Second German Housing Conference held at Frankfort on the Main on November 9, 1912. The Empire should especially create a system of housing inspection, determining what kind of dwellings are to be subject to inspection and regulating in a uniform manner the organization of the inspection service. The housing inspection service should be combined with information bureaus keeping lists of vacant houses and apartments, and both these institutions should be under the supervision of housing offices (Wohnungsämter) to be newly created in all large communities.

The Association for Social Reform further requests all legislative bodies of the Empire to take measures for the promotion of the erection of workmen's dwellings and for the reduction of rents. It is urgently necessary that the obtaining of building mortgage loans be facilitated, for the present lack of proper credit sources is a great obstacle to the erection of workmen's dwellings. The association recommends, also, that the hereditary right of construction (Erbbaurecht) be further developed so as to counteract as much as possible the influence of the price of land upon the rents.

With respect to further reductions of the cost of housing, the Association for Social Reform agrees entirely with the demands voiced in the resolution of the Reichstag submitted to the individual State diets as to exemptions from and reduction of taxes and other dues, as to the grant of the right of expropriation in order to facilitate the erection of workmen's dwellings, and as to amendment of the building regulations.

Only if the above-named measures are carried on simultaneously under the leadership of the Empire, may that gradual rehabilitation of our housing conditions be achieved, which the majority of the
German population, indeed the entire nation, needs for the conservation of its defensive strength and economic efficiency, and its moral and physical health.

The land reformers (Bodenreformer) who to-day in their Federation of German Land Reformers (Bund der deutschen Bodenreformer) are one of the strongest organizations in the movement for housing reform, stood originally for the principle of strict separation of the ownership of the land from that of the buildings erected on it, and wanted the communes to own all the land, which should never be transferred by them but merely leased to builders. Persons of small means would then be safe in the possession of the dwellings erected by them on the leased communal land, as any possibility of raising mortgage loans on those dwellings or of encumbrance in case of division of an inheritance would be excluded.

Some of the adherents and members of the federation maintain even to-day this point of view. Heinrich Freese, the former president of the federation and now its honorary member, says, for instance:1

The only solution is the communalization of urban land. If this is withdrawn from speculation, land usury and scarcity of dwellings will cease without further action.

Von Mangoldt, secretary general of the German Society for Housing Reform, has similar views. He considers the growth of cities as a process which must be withdrawn from private and transferred to public enterprise.2

The majority, however, of the members of the Federation of German Land Reformers and especially their president, Damaschke, stand, since the reorganization of the federation in 1898, for a less radical program.

The program formulated in that year says:

The federation advocates that the land, this necessity of all national existence, be subject to a law which promotes its use as a dwelling and working place and excludes any improper use of it, and that the increase in its value caused without labor of the individual shall as far as possible accrue to the entire nation.

Damaschke makes, like Henry George, a fundamental distinction between land and capital. Capital, he says, is a good acquired by labor, while land is a natural good not acquired by labor; the income from capital, the interest, is therefore justified, but the income from land, the ground rent, is not justified. The ground rent should become social property, while the earnings of capital and labor, on the other hand, should be looked upon as the returns of free individual activity. The modern land reform movement, in

1 Freese, Heinrich: Bodenreform. Gotha, 1907, p. 16.
contrast to Henry George, does not, however, intend to confiscate the entire ground rent; it does not advocate State ownership of all land or any other thoroughgoing economic revolution; it wants to attain its goal through gradual organic evolution. It, therefore, makes a distinction between the "ground rent of yesterday" and the "ground rent of to-morrow." It accepts the "ground rent of yesterday," which has been created in the past, as a given fact; the ground rent, however, which is going to be created in the future, and which without any labor of the owner of the ground increases through the evolution of society, the so-called "unearned increment," should be gained for the entire community.

In his work "Tasks of the Communal Policy" (Aufgaben der Gemeindepolitik) Damaschke explicitly declares himself opposed to communalization of the urban real estate:

It is manifest that the unearned increment can be best and most surely gained for the community if all land is owned by the commune itself. Such a transfer, however, of the entire urban real estate in the immediate future into direct ownership of the commune is beyond the scope of a practical social policy. Nay, it is even doubtful, whether such a goal, especially in a form which would include communal administration of the entire land, can be considered immediately desirable. As things are, the power of communal bureaucracy would be considerably strengthened, and the actual or fancied dependence of large numbers upon the party in power in the city hall would increase, manifestations which certainly would raise many objections.

The activity of the modern land reformers is to-day concentrated in a vigorous agitation for the adoption of a ground tax according to the actual value of the ground, and of an unearned increment tax. The ground tax according to the actual value of the ground would remove the disadvantage connected with the existing ground tax system, that very valuable unimproved building lots pay hardly any tax at all, and the unearned increment tax would obtain for the people as a whole the unearned increment or the largest possible part of it.

The Federation of Land Reformers advocates, moreover, positive measures for the improvement of housing conditions. Its legislative program makes the following demands:

(a) Of the individual States: Extension of the expropriation laws in such a manner that communes and building associations whose permanent public-welfare character is assured, shall be authorized to expropriate the land needed by them for building purposes;

(b) Of the communes:
1. The greatest possible use of the right of expropriation to be granted to them according to (a);
2. Assistance to public-welfare building associations through the granting of building loans; and
3. Through conservation of the land owned by communes, and, as much as possible, new acquisition of land by them.

4. Transfer of land to private parties only in such a form as shall retain to the whole community the ownership of the land, and together with it, the increase in its value to be expected in the future. As best means for this purpose is recommended the hereditary right of construction (Erbbaurecht) in the meaning of articles 1012 to 1017 of the civil code.

5. A graduated ground and house tax according to the actual value in place of the value of usufruct;

6. Introduction of a special building lot tax (Bauplatzsteuer) on unimproved land which is not used for cultivation (agriculture, horticulture, etc.); and

7. Introduction of a transfer or unearned increment tax (Umsatz oder Zuwachssteuer) graduated according to the amount obtained by the seller above his purchase price inclusive of the cost of new installations, additions, and alterations.

The majority of the demands in the legislative program of the land reformers are acceptable to those who otherwise do not agree with their fundamental theories, and recent developments—the introduction in all cities with more than 50,000 inhabitants, with the exception of Halle, of a ground tax according to the actual value of the ground, and in hundreds of communes of an unearned increment tax, as well as extensive experiments made with the hereditary right of construction and right of repurchase—have brought a number of them nearer to realization.

All of the various housing reform movements recommend also an amendment of the communal election laws. Under the present system of communal elections the city councils are composed mainly of landlords, who, as a matter of course, are opposed to any thoroughgoing housing reforms.

The hopes of the housing reformers for the early enactment of an imperial housing law experienced a serious setback when, on January 21, 1913, Secretary of the Interior Dr. Delbrück made before the budget committee of the Reichstag the declaration that he still maintained that housing legislation should be left to the individual Federal States, and that an overwhelming majority of the latter had declared themselves opposed to any imperial legislation in this sphere. He further stated that he had considered whether the Empire could not at least frame some general basic regulations as to housing inspection, and leave other parts of housing legislation to regulation by the Federal Council, but this plan proved unsatisfactory as, under such a division, the imperial law could do little but enjoin or admonish. He could, therefore, see no hope for imperial legislation on housing matters; but this, however, did not mean that the Empire could do nothing at all in the matter of housing reform. The Empire could, for instance, to a considerable extent, guarantee building loans for
the erection of dwellings for people of small means. Up to date
detailed plans for such action had not been formulated, but he hoped
to be able to submit basic principles for it in the near future.

A member of the budget committee thereupon remarked that this
declaration meant a dark outlook for imperial housing reforms; in
view of this attempt to throw the responsibility of housing legislation
upon the Federal States, it should be considered whether pressure
could not be brought upon them by trying to enact a basic law during
the present session of the Reichstag, even though the hope of passing
such a law might be very small. The secretary of the interior
thereupon declared that it was far from his wish to throw the respon­sibility for housing legislation upon Prussia or any other Federal
State. With respect to Prussia, he declared and promised that if
the Prussian Government did not before the fall of 1913 submit a
draft of a housing law, he would use his influence to induce the
Imperial Government to prepare a housing bill.

The answer of the Prussian Government to the discussions of the
budget committee and to the declaration of Secretary of the Interior
Dr. Delbrück came very soon. The draft of a housing law for
Prussia was published January 25, 1913. The diet being, however,
near the end of its term, the draft was not discussed by it. It is
expected that its discussion will be taken up by the succeeding diet.1

The introduction giving the general motives of the bill acknowl­edges unreservedly the existence of a scarcity of dwellings and the
necessity for reform. It says:

Even if essential progress has been made in the sphere of housing
matters as a consequence of the increased attention given to them
by the communes and by reason of extensive development of the
activity of public-welfare and cooperative building associations, there
are still very objectionable conditions of a more than transitory
nature not merely in the large cities, but in all those communes which
show a rapid increase in population, and practically in all those parts
of the country in which industry is especially well developed.

In these localities many people live in rooms so small and so lack­ing in privacy that neither the requirements of hygiene nor of family
life can be met. Dwellings for people of limited means are often so
unsatisfactory and insanitary as to be entirely unfit for permanent
occupation. The supply of small apartments is insufficient and rents
are frequently out of all proportion to the incomes of the wage
earners. As a result, overcrowding is common, and so is the practice
of taking lodgers. The risks of thus introducing strangers into a
crowded family life are well known.

These conditions are due to the fact that the erection of dwellings
with small sanitary apartments has not kept pace with the increase
of population, while at the same time old houses in which families of
small means could find fairly good housing accommodations have

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been demolished. In addition, as a result of unsound land and building speculation, rents have been raised unduly. Consequently, people of small means must either satisfy themselves with apartments wholly inadequate to their needs, or, if they can not find these and must take larger ones, they are obliged to make up the rent by keeping boarders or lodgers.

Another adverse factor which has made itself felt not only in large cities and their suburbs, but even to some extent in industrial villages, is the tendency to put up dwellings of four stories or even higher. This tendency is increasing to an extent not justified by the present cost of building land; it results both in increasing land values and in forcing the poor into apartments which are undesirable on account of their being located too high up. The State government has already tried to remedy these objectionable conditions by means of extensive administrative measures.

The measures for remedying these unsatisfactory housing conditions are in the first place directed to promoting the erection of dwellings with small apartments unobjectionable in sanitary and moral respects, to removing all obstacles in the way of this object, and to keeping rents within proper limits. The draft of the housing law expresses this purpose in the introductory section, as follows:

In the first place measures for combating unsound land speculation are to be considered. High speculative prices of land prevent the erection of dwellings with small apartments and raise the rents beyond the means of the poorer classes of the population. To prevent unsound land speculation the communes should adopt a systematic land policy with suitable measures for assessing the value of real estate, and should adjust their tax measures to this end. Above all, this purpose should be kept in view in planning town extensions, in determining street lines, and in formulating building regulations.

Article 1 of the draft dealing with building lands provides, therefore:

The local police authorities may demand the determination of street lines whenever the public interests to be safeguarded by the police or housing needs require such a determination; in the latter instance, however, it requires the approval of the communal supervisory authorities.

For special reasons the building regulations may permit the erection of buildings back of the street lines.

Care shall further be taken in the interests of housing needs that public squares, as well as gardens, and play and recreation grounds, are provided, and that building blocks of suitable depth and streets of greater or smaller width corresponding to the varied housing needs, be created and that building lands be by decree opened for building purposes in a measure corresponding to the housing needs.

These provisions are intended to supplement the building regulations hitherto in force in such a manner as to provide a safe legal basis for the enactment of graduated building regulations. The statement of the motives for the law continues thus: "In the case
of a number of communes the division of the land among many owners constitutes a condition which demands remedy. This condition impedes building activity, tends to raise the price of land, and makes it possible for individual owners to keep tracts of land needed for building purposes permanently out of the market. In addition it frequently leads to the erection by private owners of unsuitable and unhygienic buildings.” To remedy this evil the following measures as to expropriation and consolidation of holdings are proposed:

Whenever a street or parts of a street have been made ready for public traffic and for building purposes, the commune shall be authorized to expropriate, with compensation to the owner, any parcel of ground adjoining the line of the street, or of a part of the street which, according to the local building regulations, is not suited for building purposes.

If parcels expropriated in this manner are neither together nor in connection with other parcels owned by the commune suited for building purposes, the commune shall be obligated to transfer these expropriated parcels of ground to the owners of adjoining ground, if the latter request it, upon refund of the costs of the ground and interest. If the expropriated land adjoins several pieces of property and the owners of the latter can not agree upon a division of the expropriated land, the commune must devise a plan for the suitable assignment of the expropriated land and for a division of its costs.

The law as to the expropriation of parcels of ground in Frankfort on the Main (lex Adickes) is herewith extended to the entire State, in so far as this has not already been done by special laws.

Article 2 of the draft deals with building regulations. Building ordinances may especially regulate:

1. The extent to which exploitation of the grounds by buildings is permissible.

2. The designation of special localities in which it shall not be permissible to put up establishments which in operation are apt to produce malodorous vapors, heavy smoke, or unusual noise, or to cause dangers, annoyances, or disadvantages to the neighborhood or the general public.

3. The plastering and painting or the pointing of buildings used chiefly for housing purposes and buildings fronting streets and squares.

In so far as the development in building matters requires it, the building ordinances shall contain provisions as to the construction of the dwellings, especially as to solidity and fireproofing, which shall be modified according to whether they apply to large or small dwellings.

If building ordinances for large districts contain provisions which apply alike to large and small communes, they shall make varied provision as to the height of the buildings and as to the permissible number of stories, with due consideration to special conditions in the communes of the district.
In so far as conditions require it, provision shall be made by means of police ordinances for the construction and maintenance of local streets graduated according to the character of these streets as traffic or residence streets.

Of great importance, provided that they are applied energetically and intelligently, are the provisions contained in article 3 relating to the use of dwellings for living and sleeping purposes. The provisions relating to the issuance of housing regulations do not set up specified minimum requirements as to floor and air space, but they allow the authorities great latitude in regulating these matters.

General regulations as to the use of buildings for living and sleeping purposes (housing regulations) may be issued by means of police ordinances for communes and domanial districts (Gutsbezirke). The issuing of such regulations is obligatory in the case of communes and domanial districts with more than 10,000 inhabitants.

The housing regulations may provide that only those rooms shall be used as living and sleeping rooms and kitchens which have been approved by the building authorities as fit for permanent housing purposes.

The housing regulations may further contain special regulations as to:

1. Construction and maintenance of living and sleeping rooms and kitchens in a hygienic manner.
2. Separation of the living and sleeping rooms and kitchens used by different households.
3. The number and nature of the required cooking places, toilets, water taps, and sinks.
4. The number of persons who, in the interests of hygiene and morals, may be permitted to occupy the individual living and sleeping rooms and kitchens.
5. The equipment, furniture, and maintenance of sleeping rooms assigned by masters or employers to servants or journeymen, helpers, and apprentices.
6. The conditions under which persons not belonging to the family may be taken as boarders, roomers, or lodgers.

Article 3 contains, also, special provisions as to the housing of workmen by employers. Housing regulations of the above kind may also be issued at once.

The Government sees, also, "an especially effective means to induce increased erection of workmen's dwellings by private building activity" in a systematic procedure against insanitary and overcrowded dwellings. The statement of motives for the bill says in this respect:

Not only is such a procedure urgently required by social, hygienic, and moral interests, but it is necessary in order to restrain unfair private competition. Unscrupulous owners overcrowd their dwellings beyond all reason, being aided in this by the desire of great
masses of the population to economize above all else in rent. Owners who will not permit overcrowding and who in consequence must charge higher rents to their fewer tenants are at a disadvantage, and private building activity is discouraged. Measures of the character of those given above also prevent a further unsound increase in rents and consequently in land values.

If housing regulations are issued, housing inspection becomes a necessity. Article 4 of the bill regulates housing inspection, as follows:

The supervision of housing matters shall, without prejudice to the general legal power of the police authorities, be within the competence of the communal magistracy. The latter shall keep itself posted on current housing conditions, prevent and remove objectionable conditions, promote the improvement of housing conditions especially of people of small means, and supervise the enforcement of the housing regulations.

In communes with more than 100,000 inhabitants there shall be established a housing office (Wohnungsamt) charged with the supervision of housing matters. It shall be provided with the required properly trained personnel, especially with a sufficient number of housing inspectors with the character of officials. Persons acting in an honorary capacity may also be members of the housing office. The supervisory authorities may for smaller communes order that either a housing office corresponding to the above provisions be established, or that special properly trained housing inspectors with the character of officials be employed.

The activity of the housing office shall, upon order of the president of a Government district, also include the keeping of a current list of vacant small apartments for rent. By means of a police ordinance it may be made obligatory for owners of such apartments to notify the housing office when apartments become vacant.

The persons charged with the housing inspection are, in the exercise of said inspection, authorized to enter all rooms permanently used for housing purposes as well as their accessories, passages, and toilet rooms. At the beginning of the inspection they must notify the owner of the dwelling or his representative of the purpose of their visit and, without request, prove their authorization by showing their official identification papers. The inspection must be made in such a manner that the parties affected are not unnecessarily disturbed. It may take place only between 9 a.m. and 6 p.m., and in the case of apartments in which lodgers are kept, only between 5 a.m. and 10 p.m. The owner of the dwelling or his representative must give truthful information as to the mode of use of the rooms.

In so far as inspection makes it evident that an apartment does not come up to the requirements to be made as to its nature and use, an attempt shall first be made to obtain remedial action by means of advice, instruction, or admonition. If this method fails, measures shall be taken for the procedure of the police authorities.

Whenever necessary, special housing inspection officials shall be assigned to the Government district presidents and in the case of Berlin, to the superior president of the State police in order to supervise the activity of the communal and local police authorities. These
Officials shall in the exercise of their duties have the same authority as the persons charged with the local housing inspection.

By these measures the Government hopes to promote the erection and maintenance of low, flat buildings such as are far more common in other countries than in Germany. It thus states the motives prompting the bill:

The measures outlined above are specially designed to check land speculation, because the high prices of land resulting from speculation hinder the erection of sanitary and roomy dwellings, and cause the concentration of the population in overcrowded tenements. The erection of low, roomy dwellings has in addition been hindered by building regulations issued many years ago and still in force. These regulations were intended particularly for large tenements and their requirements as to solidity and fireproof quality are unduly onerous for smaller dwellings. Moreover, many of these regulations were issued for large districts and applied equally to buildings in large and in small communes. They permit putting up dwellings of a height and covering the area of the building lot to an extent wholly unjustified by the conditions existing in small communes. At the same time, the fact that this is permitted in small communes, even though the permission may never be used, increases the difficulty of forbidding it in large and crowded communes.

Hand in hand with the promotion of a sound building system goes provision for a sufficient number of public squares and the creation of special residence sections. The draft says in this respect:

Hereafter when changes of this sort are to be made, all communes should be treated alike, regardless of whether they are large cities or communes situated in industrial districts or not. This should be done both because it is impossible to give a practicable legal definition of what constitutes an industrial district, and because experience has shown that objectionable housing conditions are not restricted to highly developed industrial regions and large cities, but exist also in medium-sized and small communes.

These are the essential provisions of the Prussian housing bill and the most important points of the statement of the general motives underlying it and of the special motives for the individual provisions. The "Soziale Praxis," after approving the general principles of the bill, says:

Whether the Government is in all measures of this bill proposing the proper ways and means for a housing reform, requires thorough examination, especially as to whether the provisions of the bill should not have been given a more compulsory form by putting a "shall" in place of the "may" used in so many instances. * * * * The fact that the realization of the intention of the Government will meet strong opposition from powerful interests should not be concealed and nobody knows so far what stand the Prussian Diet will
take with respect to the bill. But even if the Government bill should become a law, everything will depend on its administration, which will be entirely in the hands of administrative officials, police authorities, and communal corporations. May one put implicit confidence in them that they will always and everywhere make use of these new weapons in the fight against housing misery? Sad experiences in this respect leave room for doubt and concern. Be that as it may, the public demands for a thorough reform must now assert themselves with increased energy, and must point out that in addition to the action of the Prussian Government there is also necessary action on the part of the Empire to supplement the omissions of the Prussian bill as well as of measures of other Federal States taken up to date.

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1 The Prussian housing bill came up on January 17, 1913, in the lower branch of the Prussian Diet for a first reading, after the present work had been finished. The discussion was very short as each party delegated only one of its members to represent it in the debate, and the bill was finally turned over to a special committee of 21 members for further consideration. Nearly all parties declared themselves in accord with the fundamental principles of the law. Opposition came only from the representatives of the conservative party, who expressed the wish that the provisions of the bill should not be applicable to the open country, and that even in the cities too harsh measures should be avoided so that the middle classes and landlords may not suffer heavy losses.
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GREAT BRITAIN AND IRELAND.

INTRODUCTION.

The existence in Great Britain of a housing problem, at once serious and of long standing, is too well known to need discussion. Abundant details of the almost incredible degree which overcrowding and insanitary conditions reached during the last century may be found in the Report of the Royal Commission on the Housing of the Working Classes, issued in 1885. No equally comprehensive statement of present conditions is to be had, but there is no lack of evidence to show that the housing problem has not yet been solved.

The census returns of 1901 show 2,667,506 persons, or 8.2 per cent of the population, living in 392,414 overcrowded dwellings, and of these 245,586 were in one-room dwellings.¹ * * * In Glasgow, out of 163,258 dwellings there were 42,623 of only one room, 71,207 of two rooms, and 9,971 of three rooms. * * * The overcrowded persons in 1901 numbered in Birmingham 53,936, Leeds 43,239, Liverpool 54,390, Manchester 34,147, and Sheffield 36,159, while the percentage of persons overcrowded in Northumberland was 31.51 and in Durham 29.56.²

In 1903 the housing reformers declared there was an actual house famine of varying but undoubted intensity all over the country, affecting all grades of workers.

Putting the case in its simplest form, we find in the first place that if every room, good and bad, occupied or unoccupied, in all the workmen's dwellings in the country, be reckoned as existing accommodation, there are not enough of any sort to house the working population without unhealthy overcrowding; and if only healthy rooms are reckoned, the position is infinitely worse. In the second place, we find that so far from new rooms being built in sufficient quantities to make up the deficiency, there is a distinct lessening of the rate of increase, and (so far as healthy dwellings are concerned) no prospect of relieving the intensity of the "famine" to any appreciable extent.³

In 1913 the Local Government Board, discussing the working of a system of inspection recently established, declared that it has had good results "not only in the improvement of existing houses, but

¹ For census purposes a dwelling is considered overcrowded if it houses more than 2 adults per room, 2 children under 12 being considered equivalent to 1 adult. A one-room dwelling, therefore, is not classed as overcrowded unless it is occupied by the equivalent of at least 3 adults.
² Housing Up to Date, W. Thompson, p. 2. London, 1907.
also in bringing to light a necessity—hitherto largely unrecognized—for the provision of additional accommodation." ¹

The housing problem is not confined to the cities, but is found in an exaggerated form in many of the rural districts. Here, as in the cities, in many cases the supply of houses is not proportioned to the population, many are in bad condition, and overcrowding is frequent. In 1897 the Land Law Reform Association made an inquiry into the condition of the cottages in nearly 400 villages, chosen from all parts of the country. In half the villages the general condition of the cottages was found to be "unsatisfactory" or "very bad"; and in over a quarter there were not enough houses for the people.² In the midst of the abundant air and space of the country the effect upon health of overcrowding is not apt to be so bad as in the cities, but the moral effects of crowding men, women, and children into cottages so small that the ordinary decencies of life become impossible are serious enough.

In Great Britain it has long been recognized that in the public interest the housing problem must be dealt with in a systematic way, and for more than half a century three separate agencies—the general Government, municipal or other local authorities, and organized private enterprise—have tried, with varying degrees of earnestness and of intermittency, to improve housing conditions. Of these three, private effort was first in the field, the Metropolitan Association for Improving the Dwellings of the Industrial Classes having been incorporated in 1845. The work of private associations, however, depends largely upon conditions imposed or privileges granted by both the general Government and the local authorities, and its scope is necessarily smaller than that of the other two agencies. The governmental activities will, therefore, be considered first. The activities of the general Government have been of three kinds, legislative, supervisory, and financial, the legislative coming earliest.

**LEGISLATION IN AID OF HOUSING.**

The first legislative action against the evils of the housing situation was taken in 1851, when Lord Shaftesbury introduced a bill known as the Laboring Classes' Lodging Houses Act, which was passed in the same year. This act provided that local authorities might use for housing purposes any land they already possessed, or might buy or rent other land for that purpose. On such land they might "erect any buildings suitable for lodging houses³ for the laboring classes, and convert any buildings into lodging houses for the laboring classes, and may from time to time alter, enlarge, repair, and improve the

³ The term "lodging houses" in this act was used in the sense of dwellings, rather than of what are usually known in this country as lodging houses. In the act of 1885 it was specifically stated that the term included separate cottages, as well as buildings occupied by several families.
same respectively, and fit up, furnish, and supply the same, respectively, with all requisite furniture, fittings, and conveniences.” Money needed for these purposes might be borrowed either from the Public Works Loan Fund or elsewhere, and if after seven years’ trial the experiment was found too costly, the property might be sold.

This act, which permitted a really constructive line of action, was so far in advance of public sentiment that it remained practically a dead letter. During the next 35 years two series of acts were passed dealing with the housing situation along two main lines. The first series, known as the Torrens Acts, gave local authorities power to proceed against separate buildings which were overcrowded, insanitary, or obstructive, while the second series, the Cross Acts, conferred powers for dealing with large insanitary areas or slums. Both those series of acts tended toward a destructive policy, the abolition of bad conditions, but were lacking on the constructive side. Under the Torrens Acts no provision was made for replacing houses which were closed or demolished, or for accommodating those who might be forced out of an overcrowded house, while under the Cross Acts the authorities were at most obliged to provide for rehousing the number of people dispossessed, and under some circumstances need provide only for a much smaller number.

In 1884 a royal commission was appointed to inquire into the housing situation. As a result of its report and recommendations issued in 1885 the Housing of the Working Classes’ Act of 1885 was passed, which was mainly a bringing together and harmonizing of the powers conferred upon local authorities. Five years later the Housing of the Working Classes’ Act of 1890 was passed, which brought together with the necessary amendments, additions, and eliminations, the whole mass of housing legislation. Some amendments and additions have been made to this, and in 1909 another act was passed, the Housing and Town Planning Act, which is still the latest of the housing acts. In 1911 and 1912 private bills dealing with the housing situation were introduced, but failed of passage.1

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1 On Aug. 10, 1914, two housing bills were passed. The first related solely to providing housing accommodation for persons employed by the Government on Government works in places where such accommodation is insufficient or wholly lacking. Under such circumstances, the Local Government Board may, with the approval of the treasury, arrange with any authorized housing society to supply the deficiency, and to that end may assist the society by purchasing its shares, loaning it money, or otherwise aiding it. As an alternative, the commissioners of works may themselves buy, build, or do whatever else appears to them necessary to meet the situation. In this case they must have the consent of the treasury, which may be given only after consultation with the Local Government Board. Two million pounds was appropriated for the purposes of this act.

The second, known as the Housing (No. 2) Act, 1914, is an emergency measure limited to one year’s duration. During that time the board of agriculture and fisheries in agricultural districts, and elsewhere the Local Government Board, are empowered to acquire land and building for housing purposes and to make any arrangements which seem to them necessary or desirable in connection with such acquisitions. It is expressly provided, however, that they may not themselves undertake building operations unless a public local inquiry has shown that a lack of suitable housing accommodation exists in that particular place and that there is no other means of supplying the need. Except in such a situation they must work, as far as building is concerned, through local authorities or recognized societies. A sum of £4,000,000 ($19,466,000) was appropriated for the purposes of this act.
The act of 1909 consists of four parts. Part I is the Housing of the Working Classes' Act of 1890 transferred bodily, but somewhat amended. Part II relates to town planning and confers large powers upon local authorities in planning for the development of new areas. Part III deals with the appointment of county medical officers and of county public health and housing committees and with the formation and extension of building societies. Part IV contains supplemental provisions with regard to commons and open spaces, land in the neighborhood of royal palaces or parks, repeal of previous enactments, etc. Part I is the important section of the act so far as concerns the direct attack upon the evils of the present housing situation, while Part II is intended to prevent the future development of similar evils in rapidly growing districts.

Any attack upon the ills of an undesirable housing situation involves the abolition of bad conditions and the substitution of good. Since a housing problem usually involves overcrowded and insanitary areas as well as overcrowded and insanitary houses, an attack upon it requires the power to clear off slum areas and to alter or demolish existing houses, as well as to put up new and healthful houses in properly laid out areas. The housing acts sanction all three lines of activity, but the powers needed for the first two are confined solely to the public authorities, while public authorities, companies, associations, and private individuals are alike encouraged to carry on the third. The provisions of the housing acts, therefore, naturally fall into two distinct groups, the first dealing with powers and privileges bestowed upon the local authorities and the second relating to inducements offered organized or unorganized private enterprise to undertake the provision of suitable dwellings for the laboring classes.

The act of 1890\(^1\) consists of seven parts, of which the first three are the really operative parts. Part I confers on local authorities the power to deal with large unhealthy areas or slums, which can be made the subject of an improvement scheme; that is, the whole area may be bought up, the existing buildings razed, the land laid out afresh, and either built over or kept for open spaces.

Part II empowers local authorities to deal with small insanitary areas which do not require such sweeping measures, with houses unfit for human habitation, which may be closed until made fit or, if necessary, may be demolished, and with obstructive buildings—i.e., buildings causing other houses to be unhealthful, which may be demolished.

Part III deals with the provision of dwelling houses and lodging houses for the working classes in districts where they may be re-

\(^1\)Although this was made part of the Housing and Town Planning Act of 1909 it is so generally referred to in English discussions of the housing situation as the act of 1890 that it seems necessary to speak of it by that name only.
required. This part contains provisions intended to encourage associations, corporations, and private persons, as well as local authorities, to undertake such action.

Part I naturally applies only to cities and towns. The authorities empowered to take action under it are the London County Council and all urban district councils or town councils. Action should be initiated by the local medical officer of health, but if he should fail to take cognizance of an unhealthy area, any two justices of the peace or any 12 or more rate payers of the district may call upon him to inspect the area and make an official report on it in writing. If he fails to inspect, or if he reports that the area is healthy, an appeal may be made to the Local Government Board, who will appoint a legally qualified medical practitioner to inspect the area; his report is final. An area may be declared unhealthy if it contains houses, courts, or alleys unfit for human habitation, or if the narrowness, closeness, and bad arrangement, or the bad condition of the streets and houses, or groups of houses, or the want of air, light, ventilation, or any other sanitary defects are dangerous or injurious to the health of the inhabitants of the buildings in such area or of the neighboring buildings.

When an area has been officially pronounced unhealthy the local authorities may make a scheme for its improvement, if in their opinion this is the most satisfactory method of dealing with the evils existing in the area. Whatever the scheme it must provide for the demolition of the old houses and the erection of new dwellings of suitable accommodations for the persons displaced.\(^1\) It need not be confined to the exact limits of the unhealthy area, but may include lands which the local authority considers necessary to the efficiency of the scheme. If the local authority fails to make a scheme, the Local Government Board may make and enforce one. When made, a scheme must be advertised, public hearings are held, and a full opportunity allowed for those opposed to present their arguments. If no sufficient reason against it is presented, the Local Government Board makes an order authorizing the scheme, and the local authority is then to carry it out.

After the scheme has been approved the local authorities may pull down the existing buildings, clear out the area, widen existing streets or make new ones, and provide for rebuilding all of the area, or such part as they consider necessary.

Careful provision is made as to the compensation due owners of land thus taken. The most important points are:

\(^1\) In London accommodation must be provided for all or for not less than half of the persons displaced, according to the decision of the home secretary, unless it can be shown that the required accommodations already exist within the immediate vicinity or are to be provided otherwise. Outside of London, such accommodation must be provided as the Local Government Board considers necessary.
1. That compensation shall be based upon the fair market value, without any additional allowance on account of compulsory purchase.

2. In estimating this value due regard must be given to the nature and condition of the property and the probable duration of the buildings in their existing state.

3. Deductions are to be made from any enhanced value due to overcrowding or to the use of the property for illegal purposes. Deductions are also to be made for the bad state of repair in which the premises are found, and in case the property is not capable of being made fit for habitation at any reasonable cost.

Money may be raised for these purposes by ordinary loans or may be borrowed from the Public Works Loan Fund.

Part II of the act deals in the main with the treatment of single insanitary buildings and applies to both urban and rural districts. As amended by the act of 1909, this part provides for the regular inspection of every sanitary district in order to discover if there are any houses unfit for habitation, for the closing by the local authorities of any such houses, and for their demolition if within three months after the issuance of a closing order they have not been put into satisfactory condition. The local authorities are also empowered to see that all buildings which are let for less than a certain specified rental are kept in all respects reasonably fit for habitation, to remove obstructive buildings—i.e., buildings which by their situation or manner of construction render other buildings unhealthful, and to reconstruct small unhealthy areas.

Special regulations concerning cellar dwellings are made in this act. A cellar room used habitually as a sleeping place is regarded as a dwelling house unfit for human habitation if—

1. The surface of the floor is more than 3 feet below the surface of the part of the street adjoining or nearest to the room.

2. If the room is either not on an average at least 7 feet in height from floor to ceiling or does not comply with regulations prescribed by the Local Government Board designed to secure proper ventilation, light, etc.

The reconstruction of small, unhealthy areas involves two classes of schemes. The first case is where an order for the demolition of a building or buildings has been made and the local authorities desire to acquire the area either to make a highway or open space, to devote it to the erection of workmen's dwellings, or to exchange it for land more suitable for such dwellings. The second case is where an area is too small to be dealt with under Part I, but nevertheless on account of a bad arrangement of streets and houses needs reconstruction. In both cases the authorities are given the right, under proper safeguards, of acquiring the property either by voluntary agreement or
by compulsory purchase, as may be necessary. Money may be raised for any of these purposes as under Part I.

Parts I and II permit the local authorities to take action when existing dwellings are insanitary or dangerous—i.e., to substitute healthful for unhealthful housing accommodations. Part III permits them to take constructive, not merely palliative or reparative action.

This is the most important part of the act, because it enables local authorities to carry out a scheme to build houses for the working classes. There is no provision limiting the power of the local authority; no certificate or other formal proof of deficient house accommodation is requisite; no insanitary property need be closed or demolished. The local authority can decide to build at any time and for any reason which may seem good to it, provided, as in all other municipal work, that the Local Government Board will sanction any necessary loans.¹

Under this part of the act the local authorities are authorized—

1. To acquire land either inside or outside of their district, by voluntary agreement of the owner, or by compulsory purchase if that is necessary. It is especially provided that no lease, settlement, entail, or other private arrangement, can debar local authorities from acquiring land they wish for these purposes. They must pay for it the fair market value with an allowance (usually 10 per cent) for compulsory purchase.

2. To erect and maintain on lands thus acquired dwelling houses, cottages (with which, if they choose, they may furnish gardens not exceeding an acre in extent), and lodging houses. With the consent of the Local Government Board they may either alone, or jointly with any other person, provide and maintain buildings for shops, recreation grounds, and other lands or buildings which will serve a beneficial purpose in connection with the dwellings. They may also lay out and construct streets and roads on the land they have acquired, or contribute to such action by other persons.

3. To fit up, furnish, and let the houses they put up. If they do not wish to undertake these responsibilities they are empowered under certain restrictions to lease the land they have acquired to companies or builders or individuals for the erection thereon of workmen's dwellings.

4. To purchase or lease houses for the working classes already erected or about to be erected. Trustees of lodging houses built by private subscription may sell or lease them to the local authorities or may simply transfer their management to the latter, while still retaining their title.

5. To borrow money under conditions varying according to the authority concerned, to meet the expenses incurred under Part III.

The London County Council may, with the assent of the treasury, create consolidated stock and provide for repayment within 80 years. The London borough council may, if the county council approves, borrow from the county council or from the Public Works Loan Commissioners.

Urban district councils and town councils may either borrow from the Public Works Loan Commissioners, or issue stock, or borrow on the security of the rates, subject to these conditions:

1. The consent of the Local Government Board must first be obtained.
2. The period of the repayment of the loan must not exceed 80 years.

In addition to thus authorizing direct action by the local authorities, the act empowers the Public Works Loan Commissioners to lend money to be used for erecting working-class dwellings to public utility companies, private persons who either own land in fee simple or have a lease or other claim upon it of which 50 years are still to run, and to societies or other organizations formed for the purpose of constructing or improving dwellings for the working classes. Loans of this class may be secured by mortgages on land or dwellings or both; where no other security is given the loan may not exceed two-thirds of the value of the property mortgaged in the case of public utility companies and one-half in other cases. The period for repayment may not exceed 40 years.

It will be noticed that Part I of this act is merely an amplification of the powers given under the Cross Acts, and Part II of those conferred by the Torrens Acts, while Part III goes back to the principles of 1851. The legislative activity of the General Government may be summed up by saying that the local authorities have been empowered to clear off insanitary areas and buildings, to rebuild where necessary, or to use the cleared space for other purposes, and to undertake the duties of builder and landlord whenever they consider that circumstances render this desirable.

A number of minor acts have been passed bearing more or less directly upon the housing situation. Only one of these need be mentioned here—the Small Dwellings Acquisition Act of 1899. By the terms of this act the local authorities are empowered to advance money to a resident of any house, the market value of which does not exceed £400 ($1,946.60), in order to enable him to acquire the ownership of the same. The amount of the advance must not exceed either four-fifths of the market value or £240 ($1,167.96)—in case of a fee simple or of a leasehold of not less than 99 years, £300 ($1,459.95).

1 The act specifically mentions railway companies and dock and harbor companies, but also includes any other company established "for trading or manufacturing purposes in the course of whose business, or in the discharge of whose duties, persons of the working classes are employed." Act of 1909, sec. 67.
Such loans must be repaid within 30 years. Careful provision is made not only for securing payment of interest and repayment of loan, but also for making sure that the house is used as a dwelling, is kept in good sanitary condition and good repair, and is not used in any such manner as to be a nuisance to adjacent houses.

**SUPERVISORY POWERS OF LOCAL GOVERNMENT BOARD.**

The supervisory activities of the General Government for the betterment of housing conditions were very materially increased by the act of 1909, which gave the Local Government Board the right to enforce regular inspections and reports upon housing conditions. The particular section giving this power was contained in an amendment of the procedure for closing orders:

17. (1) It shall be the duty of every local authority within the meaning of Part II of the principal act to cause to be made from time to time inspection of their district, with a view to ascertain whether any dwelling house therein is in a state so dangerous or injurious to health as to be unfit for human habitation, and for that purpose it shall be the duty of the local authority and of every officer of the local authority to comply with such regulations and to keep such records as may be prescribed by the board.

Up to 1909, although many of the more progressive local authorities had instituted systems of inspection and had tried to acquire full knowledge of conditions within their districts, there had been no means of stimulating the less progressive to similar action, and no central bureau where the information thus acquired could be systematized and made the basis of any comprehensive plan of action. In 1910 the Local Government Board issued a series of regulations for such inspections, calling attention to the fact that they were not optional, prescribing various items which must be included in the reports and requiring copies of all reports to be sent to the board. Every medical officer of health was required to include in his annual report information and particulars in tabular form in regard to:

- The number of dwelling houses inspected under and for the purposes of section 17 of the act of 1909.
- The number of dwelling houses which on inspection were considered to be in a state so dangerous or injurious to health as to be unfit for human habitation.
- The number of representations made to the local authority with a view to the making of closing orders.
- The number of closing orders made;
- The number of dwelling houses the defects in which were remedied without the making of closing orders;
- The number of dwelling houses which, after the making of closing orders, were put into a fit state for human habitation; and
- The general character of the defects found to exist.¹

The first yearly reports under this system were received for 1911, and, though much valuable information was secured, the board found it necessary to call for a number of supplementary reports, as some of those received were perfunctory and superficial. In 1912 their memorandum of instructions for the preparation of such reports called for a wider scope in the work:

The report as to housing should comprise information as to the character and sufficiency, or otherwise of houses for the working classes in the district, and the condition and fitness for habitation of such houses, together with particulars as to any cases of overcrowding which have come under notice during the year, and the action taken in such cases.

Particulars should be added as to the number of new houses erected or in course of erection; growth of working-class dwellings in relation to the growth of the population of the district; supervision over the construction of new houses in relation to by-laws.

The board attach much importance to exact detail under this heading, and in the absence of sufficient information a supplementary report is often required.1

This system has been in force too short a time to show what its full effect will be,2 but the Local Government Board claims that it has already shown the existence of an amount of overcrowding and insanitary conditions hitherto unsuspected; that local authorities have been materially helped by the comprehensive information thus for the first time rendered available; and that in the occasional instances where the local authorities are deliberately careless or negligent, the board promptly becomes cognizant of the situation and is able to bring pressure to bear upon them.

FINANCIAL AID TO HOUSING BY THE GENERAL GOVERNMENT.

In the way of financial aid to the housing movement the General Government has made loans to both urban and rural local authorities, to philanthropic and semiphilanthropic organizations, to building associations of every sort, and to private persons. Under the first of the Cross Acts in 1875 the Public Works Loan Commissioners were authorized to make loans to local authorities for the purposes of the act. The rate of interest must not be less than 3½ per cent and the maximum period of repayment was 50 years. Four years later a treasury minute fixed the following rates of interest for such loans: 3½ per cent when the period of repayment did not exceed 20 years, 3⅔ per cent when the period did not exceed 30 years, 4 per cent if it did not exceed 40 years, and 4½ per cent if it did not exceed 50 years. Not more than £100,000 ($486,650) might be loaned for any one project.

2 For details as to the increased amount of action taken against insanitary dwellings since this system was established, see pp. 300 to 303.
Relatively little use was made of this privilege. The interest was high, and local authorities in all the larger cities could obtain equally good or better terms elsewhere. In the 15 years from 1876 to 1890, inclusive, loans to the amount of £2,347,353 (\$11,423,393) were sanctioned by the Local Government Board, but data are not available to show what portion of this sum was obtained from the Public Works Loan Fund.

The act of 1890 made public loans available for a much wider range of housing activities than the earlier act, specifically offering them to associations, corporations, and private persons, as well as to local authorities, but the terms were still considered unduly onerous. Even when obtained from other than public sources, housing loans must be repaid within 50 years, and it was claimed that in order to meet the interest and provide for repayment within this period rents must be charged out of proportion to the earnings of the workers. In 1903, in response to such complaints, the period of repayment for loans obtained elsewhere than from the Public Works Loan Fund was extended to 80 years, and in 1909 this latter class of loans was also included in this provision. At present it is quite common for such loans to be for 60 years when made on buildings and for 80 years on land, with 3\% per cent as the minimum rate of interest.

The total amount of the loans made by the Public Works Loan Board under these various acts was as follows:¹

<table>
<thead>
<tr>
<th>Loans for housing purposes in England and Wales from Public Works Loan Fund up to Mar. 31, 1913.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To local authorities.................................................. $12,368,219.48</td>
</tr>
<tr>
<td>To societies, corporations, and private persons.................. 12,072,302.22</td>
</tr>
<tr>
<td>Under small dwellings acquisition act................................ 1,007,973.81</td>
</tr>
<tr>
<td>Total...................................................................................... 25,448,495.51</td>
</tr>
</tbody>
</table>

Although such loans were open to local authorities earlier than to associations and private persons, the amount loaned to the latter is very little less than that loaned to the former. This seems largely due to the fact that the authorities, borrowing on the security of the rates, can easily get money elsewhere, often on better terms than the Government offers, while the associations and private persons who must borrow on the property itself, have considerable difficulty in getting the money they need. Even when both parties borrow from the Government, this disparity in their position persists to some extent, and the local authorities are apt to get better terms. Thus the amount loaned under the housing acts in the year ending March 31, 1913, were for the following periods and at the following rates of interest.

LOANS UNDER THE HOUSING ACTS TO LOCAL AUTHORITIES AND TO ASSOCIATIONS, ETC., DURING YEAR ENDING MAR. 31, 1913.

[Source: Thirty-eighth Annual Report of the Public Works Loan Board, 1912-13, pp. 9 and 10.]

<table>
<thead>
<tr>
<th>Rate of interest (per cent.)</th>
<th>Loans to local authorities</th>
<th>Loans to associations, etc.,</th>
<th>Loans under small dwellings acquisition act.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2f</td>
<td>$38,917.83</td>
<td>149,982.61</td>
<td>$1,557.28</td>
</tr>
<tr>
<td>3</td>
<td>$81,594.08</td>
<td>149,982.61</td>
<td>$58,812.33</td>
</tr>
<tr>
<td>3½</td>
<td>81,594.08</td>
<td>540,629.89</td>
<td></td>
</tr>
<tr>
<td>3¾</td>
<td>81,594.08</td>
<td>540,629.89</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3,312,997.01</td>
<td>149,982.61</td>
<td>10,424.81</td>
</tr>
<tr>
<td>4½</td>
<td>3,312,997.01</td>
<td>149,982.61</td>
<td>10,424.81</td>
</tr>
<tr>
<td>5</td>
<td>3,812,997.01</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>5½</td>
<td>3,812,997.01</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>277,335.53</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>6½</td>
<td>277,335.53</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>21,056.57</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>7½</td>
<td>21,056.57</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>1,664.34</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>8½</td>
<td>1,664.34</td>
<td>149,982.61</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,792,085.48</td>
<td>4,908,850.58</td>
<td>581,136.42</td>
</tr>
</tbody>
</table>

To summarize: The Government has aided in securing housing for the working classes by a series of enactments making it continuously more possible for local authorities to act effectively and offering inducements for nonofficial agencies to enter the field more numerously; by establishing a centralized system of supervision, inspection, and information, through which it is able to stimulate materially the action of the local authorities where such stimulus is needed; and by advancing money in the way of loans for housing purposes to the amount of over $25,000,000.

HOUSING WORK OF LOCAL AUTHORITIES.

The housing work done by local authorities has proceeded along three lines: (1) The abolition of large slum districts, which involves clearing off the structures upon an area, laying out the space properly and rebuilding it with working-class dwellings, keeping such parts of it as may be desirable for open spaces, playgrounds, and the like.
(2) The treatment of small slum areas, which may involve clearing off a small space much in the manner large areas are dealt with, but far more commonly means proceeding against single houses, seeing that they are in sanitary condition, closing them if they are not, and demolishing them if the owner fails to put them into good condition.

(3) Providing new housing accommodations where needed. This differs from the housing work done in connection with clearing slum areas in that the houses built are in addition to existing accommodation, not merely substitutes for dwellings that have been torn down.

CLEARANCE SCHEMES FOR LARGE SLUM AREAS.

Up to the passing of the act of 1890, the first line of action was the one mainly followed, and more such work was done in London than anywhere else. Twenty-two schemes, as they were called, were undertaken by the Metropolitan Board of Works; 16 of these were carried to completion by the board, while the remaining 6 were handed over unfinished to the London County Council, which in 1889 took the place of the Metropolitan Board. There was a marked difference in the policy of these two bodies. The board sold the areas, after clearing, to organizations or individuals who would put up workingmen's dwellings, while the county council retained the sites and put up the dwellings themselves. The following table gives the leading data concerning these two groups of schemes:

**PARTICULARS OF SCHEMES UNDERTAKEN AND COMPLETED BY THE METROPOLITAN BOARD OF WORKS UNDER THE ARTISANS DWELLINGS ACTS, 1875 TO 1882.**


<table>
<thead>
<tr>
<th>Name and date of scheme</th>
<th>Number of persons of working classes displaced.</th>
<th>Number of persons required to be housed.</th>
<th>Number of persons provided for.</th>
<th>Size of area in acres.</th>
<th>Net cost of scheme.</th>
<th>Remarks.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Whitechapel and Limehouse, 1876.</td>
<td>3,609</td>
<td>3,609</td>
<td>3,606</td>
<td>5.14</td>
<td>$735,554.64</td>
<td>Dwelling sites sold to Peabody trustees and Mesrs. Rothschild and others.</td>
</tr>
<tr>
<td>2. Goulston Street and Flower-and-Dean Street, Whitechapel, 1877.</td>
<td>4,004</td>
<td>3,293</td>
<td>3,972</td>
<td>7.21</td>
<td>1,360,142.95</td>
<td>Dwelling sites sold to East End Dwellings Co. and Mesrs. Rothschild and others.</td>
</tr>
<tr>
<td>3. St. George-the-Martyr, Southwark, 1877.</td>
<td>1,266</td>
<td>926</td>
<td>2,002</td>
<td>2.09</td>
<td>255,213.86</td>
<td>Dwelling sites sold to Improved Industrial Dwellings Co. and others.</td>
</tr>
<tr>
<td>4. Bedfordbury, St. Martin-in-the-Fields and Strand, 1877.</td>
<td>867</td>
<td>817</td>
<td>724</td>
<td>1.02</td>
<td>367,474.28</td>
<td>Dwelling sites sold to Peabody trustees.</td>
</tr>
<tr>
<td>5. Great Wild Street, St. Giles-in-the-Fields, 1877.</td>
<td>1,913</td>
<td>1,939</td>
<td>1,616</td>
<td>1.05</td>
<td>514,145.73</td>
<td>Do.</td>
</tr>
<tr>
<td>6. Pear Tree Court, Clerkenwell, 1877.</td>
<td>410</td>
<td>410</td>
<td>596</td>
<td>.52</td>
<td>101,563.86</td>
<td>Do.</td>
</tr>
<tr>
<td>7. Whitcross Street, St. Luke, 1877.</td>
<td>3,687</td>
<td>3,631</td>
<td>3,900</td>
<td>7.11</td>
<td>1,532,670.11</td>
<td>Dwelling sites sold to Peabody trustees and Costermongers' Committee. The ground sold to the latter was afterwards repurchased.</td>
</tr>
</tbody>
</table>

1 Much work has always been done in the way of keeping individual buildings up to the standard, but to a very large extent this work was hampered in the past by the actual lack of housing accommodations. The sanitary authorities would hesitate about closing a dwelling, however unhealthful, if there was no other place open to the tenants.
### PARTICULARS OF SCHEMES UNDERTAKEN AND COMPLETED BY THE METROPOLITAN BOARD OF WORKS UNDER THE ARTISANS DWELLINGS ACTS, 1875 TO 1882—Con.

<table>
<thead>
<tr>
<th>Name and date of scheme</th>
<th>Number of persons displaced</th>
<th>Number of persons required to be rehoused</th>
<th>Number of persons provided for</th>
<th>Size of area in acres</th>
<th>Net cost of scheme</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. High Street, Islington, 1877.</td>
<td>547</td>
<td>515</td>
<td>798</td>
<td>1.02</td>
<td>$185,837.04</td>
<td>Dwellings sites sold to Improved Industrial Dwellings Co.</td>
</tr>
<tr>
<td>9. Old Pye Street, Westminster, 1877.</td>
<td>1,375</td>
<td>1,356</td>
<td>1,722</td>
<td>2.46</td>
<td>242,818.88</td>
<td></td>
</tr>
<tr>
<td>10. Bowman's Buildings, Marylebone, 1878.</td>
<td>806</td>
<td>750</td>
<td>1,596</td>
<td>1.79</td>
<td>177,189.27</td>
<td>Dwellings sites sold to Improved Industrial Dwellings Co. and others.</td>
</tr>
<tr>
<td>11. Essex Road, Islington, 1878.</td>
<td>1,706</td>
<td>3,135</td>
<td>3,422</td>
<td>5.03</td>
<td>476,425.48</td>
<td>Dwellings sites sold to Peabody trustees and others.</td>
</tr>
<tr>
<td>12. Little Coram Street, St. Giles, and St. Pancras, 1879.</td>
<td>645</td>
<td>808</td>
<td>900</td>
<td>1.44</td>
<td>65,634.49</td>
<td>Carried out by Peabody trustees, except as to street improvements.</td>
</tr>
<tr>
<td>13. Wells Street, Poplar, 1879.</td>
<td>1,029</td>
<td>1,036</td>
<td>2,304</td>
<td>3.48</td>
<td>312,035.11</td>
<td>Dwellings sites sold to Mr. Hartnoll.</td>
</tr>
<tr>
<td>14. Great Peter Street, Westminster, 1879.</td>
<td>179</td>
<td>180</td>
<td>416</td>
<td>.34</td>
<td>1,036.56</td>
<td>Carried out by Peabody trustees, except as to street improvements.</td>
</tr>
<tr>
<td>15. Windmill Row, New Cut, Lambeth, 1883.</td>
<td>659</td>
<td>459</td>
<td>400</td>
<td>.54</td>
<td>47,589.50</td>
<td>Dwellings sites sold to Mr. Hartnoll.</td>
</tr>
<tr>
<td>16. Tabard Street, Newington, 1884.</td>
<td>220</td>
<td>220</td>
<td>288</td>
<td>.59</td>
<td>40,046.43</td>
<td>Dwellings sites sold to Mr. Goodwin.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,872</strong></td>
<td><strong>23,188</strong></td>
<td><strong>28,352</strong></td>
<td><strong>41.73</strong></td>
<td><strong>6,418,378.19</strong></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

### PARTICULARS OF SCHEMES UNDERTAKEN BY THE METROPOLITAN BOARD OF WORKS AND COMPLETED BY THE COUNCIL UNDER THE ARTISANS DWELLINGS AND THE HOUSING OF THE WORKING CLASSES ACTS, 1875 TO 1890.


<table>
<thead>
<tr>
<th>Name and date of scheme</th>
<th>Number of persons displaced</th>
<th>Number of persons required to be rehoused</th>
<th>Number of persons provided for</th>
<th>Size of area in acres</th>
<th>Net cost of scheme</th>
<th>Housing value of sites retained for rehousing.</th>
<th>Cost of buildings, including incidentals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tench Street, St. George-in-the-East, 1883...</td>
<td>1,284</td>
<td>562</td>
<td>2184</td>
<td>(?</td>
<td>2.79</td>
<td>$232,014</td>
<td>$74,520</td>
</tr>
<tr>
<td>Brook Street, Limehouse, 1883...</td>
<td>378</td>
<td>190</td>
<td>306</td>
<td>306</td>
<td>.91</td>
<td>58,020</td>
<td>4,867</td>
</tr>
<tr>
<td>Trafalgar Road, Greenwich, 1883...</td>
<td>1,786</td>
<td>859</td>
<td>793</td>
<td>240</td>
<td>4.66</td>
<td>379,125</td>
<td>18,103</td>
</tr>
<tr>
<td>Hughes Fields, Deptford, 1884...</td>
<td>970</td>
<td>485</td>
<td>798</td>
<td>798</td>
<td>1.98</td>
<td>200,670</td>
<td>17,811</td>
</tr>
<tr>
<td>Cable Street, Shadwell, 1886...</td>
<td>1,208</td>
<td>608</td>
<td>629</td>
<td>629</td>
<td>1.94</td>
<td>331,939</td>
<td>43,069</td>
</tr>
<tr>
<td>Shelton Street, St. Giles, 1886...</td>
<td>220</td>
<td>220</td>
<td>288</td>
<td>288</td>
<td>.59</td>
<td>40,046.43</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,188</strong></td>
<td><strong>3,741</strong></td>
<td><strong>2,947</strong></td>
<td><strong>15.51</strong></td>
<td><strong>1,347,159</strong></td>
<td><strong>92,610</strong></td>
<td><strong>697,920</strong></td>
</tr>
</tbody>
</table>

1. The interest and sinking-fund charges on these amounts are met out of the rents.
2. The Metropolitan Improvements Act, 1889, remitted the rehousing obligation and allowed the land to be used as an open space. The number is, therefore, not included in the total.
4. These figures relate only to the dwellings erected by the council.
5. Including Parker Street lodging house.

The net cost of the 16 schemes was approximately £57 ($277.39) for every person displaced. A considerable part of this cost was due to the provision that the cleared space must be used for housing purposes only. The difference between the price which land in the heart of London would bring if sold for business purposes and what it would bring as a site for working class dwellings constituted a heavy loss. Moreover, some portions of the areas cleared were so unsuitable for housing purposes that they could not be sold at any
price, even to the philanthropic societies, who put up dwellings at low rents on the other areas they obtained from the board.

The council, by building on the cleared spaces, saved some part of the loss incurred by the board, but the necessity of "writing down" the value of the areas cleared still made the schemes unduly costly. It will be noticed that the six schemes begun by the board and completed by the council involved a cost of a little under £45 ($218.99) for each person displaced.

Under the act of 1890 the council undertook 10 important clearance schemes. The following table gives the important data concerning these:

### PARTICULARS OF SCHEMES UNDERTAKEN OR BEING UNDERTAKEN BY THE COUNCIL UNDER PART I OF THE HOUSING OF THE WORKING CLASSES ACT, 1890.


<table>
<thead>
<tr>
<th>Name and date of scheme</th>
<th>Number of persons displaced or to be displaced</th>
<th>Number of persons required to be rehoused</th>
<th>Number of persons provided or proposed to be provided for</th>
<th>Size of area in acres</th>
<th>Actual or estimated net cost of scheme, after deducting proceeds of sales, value of surplus land, and housing value of sites</th>
<th>Housing value of sites for rehousing.</th>
<th>Actual or estimated cost of buildings, including incidentals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boundary Street, Bethnal Green, 1890</td>
<td>5,719</td>
<td>4,700</td>
<td>5,524</td>
<td>14.55</td>
<td>£1,304,168</td>
<td>£306,638</td>
<td>£1,375,541</td>
</tr>
<tr>
<td>Churchway, St. Pancras, 1895</td>
<td>1,095</td>
<td>580</td>
<td>832</td>
<td>1.58</td>
<td>156,030</td>
<td>41,609</td>
<td>190,412</td>
</tr>
<tr>
<td>Clare Market, Strand, 1895</td>
<td>3,172</td>
<td>2,200</td>
<td>2,200</td>
<td>5.23</td>
<td>292,000</td>
<td>92,000</td>
<td>498,000</td>
</tr>
<tr>
<td>Garden Row, Roby Street, Holborn, 1899</td>
<td>1,183</td>
<td>1,183</td>
<td>1,216</td>
<td>2.62</td>
<td>441,050</td>
<td>63,265</td>
<td>270,519</td>
</tr>
<tr>
<td>Webber Row and Wellington Place, and King's Bench Walk, Southwark, 1899</td>
<td>997</td>
<td>903</td>
<td>1,143</td>
<td>5.16</td>
<td>324,789</td>
<td>47,449</td>
<td>203,366</td>
</tr>
<tr>
<td>Aylesbury Place, Clerkenwell, and Union Buildings, Holborn, 1899</td>
<td>1,402</td>
<td>1,414</td>
<td>1,424</td>
<td>2.76</td>
<td>755,154</td>
<td>78,601</td>
<td>403,735</td>
</tr>
<tr>
<td>Burford's Court, Bucker's Court, and Favonia Street, Poplar, 1899</td>
<td>209</td>
<td>209</td>
<td>209</td>
<td>.89</td>
<td>46,511</td>
<td>.6 (7)</td>
<td>55,541</td>
</tr>
<tr>
<td>Nightingale Street, St. Marylebone, 1899</td>
<td>576</td>
<td>576</td>
<td>630</td>
<td>.88</td>
<td>54,052</td>
<td>.7 (7)</td>
<td>54,052</td>
</tr>
<tr>
<td>Providence Place, Poplar, 1901</td>
<td>301</td>
<td>400</td>
<td>None</td>
<td>.87</td>
<td>56,000</td>
<td>.1 (7)</td>
<td>56,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>19,336</strong></td>
<td><strong>14,865</strong></td>
<td><strong>15,904</strong></td>
<td><strong>52.24</strong></td>
<td><strong>5,272,176</strong></td>
<td><strong>637,914</strong></td>
<td><strong>3,631,821</strong></td>
</tr>
</tbody>
</table>

1 To September 30, 1912.
2 The interest and sinking-fund charges on these amounts are met out of the rents.
3 Including Goldsmith's Row site dealt with in connection with Boundary Street scheme.
4 Including £3,706 ($18,464) for Goldsmith's Row.
5 Including £1,000 ($4,867) for Goldsmith's Row.
6 Land for rehousing purposes was transferred from Blackwall Tunnel at a price of £5,450 ($26,322) and charged to the dwellings account at the same value. Only part of the dwellings erected were required for the scheme, and the charge for site to the dwellings account in respect of the scheme was only £1,434 ($6,979). Account, however, has had to be taken of the figure of £5,450 ($26,322) in arriving at the net cost (£9,613 ($46,811) set out in previous column.
7 Cost of scheme borne, and new buildings erected by Lord Portman.
8 Obligation to rehouse remitted by Local Government Board.
9 Excluding the cost (estimated at £4,500 ($23,359) of laying out the open space.
10 Not yet fixed.
The most important of the completed schemes shown here is the Boundary Street, Bethnal Green, scheme. The net cost of this was a trifle under £47 ($228.73) for each person displaced. This was not as much as the average cost of the schemes carried through by the Metropolitan Board, but this was the first important scheme undertaken under the act of 1890 and it was vigorously attacked by all who disapproved of the act, as well as by those who objected to the general principle of governmental activity of this kind. The criticisms directed against it were so numerous and severe that 20 years elapsed before, in 1910, the council again attempted a scheme of anything like the same magnitude.

There are two points especially worth noticing in connection with the clearance work done by the county council since 1890. The number of persons per acre on the condemned areas averaged 370.1 as against 507.9 per acre on the areas condemned before 1890. It seems probable that the earlier work had cleared away the worst of the slums, and that the falling off in the amount of such work done during the last 24 years may be partly due to a decreased need for such activity.

Also an attempt was made at cooperation between public authorities and private owners. Slum areas have not infrequently acquired their undesirable character while leased. The real owners may be very desirous of righting the objectionable features, but they can not recall the leases and regain control. Under such circumstances it is entirely possible for the authorities to go through the usual condemnation proceedings, acquire a valid title to the land, and then turn it back to the original owner for clearance and reconstruction. In such a case the owner bears all the expenses of the scheme, but the local authorities make it possible for him to act. This plan has been worked out successfully in only one instance as yet, involving what is known as the Nightingale Street, St. Marylebone, area. This comprised less than an acre, but housed 576 people. As part of the scheme the owner provided healthful dwellings which would accommodate 630 people.

London has naturally been the chief field for activities of this kind, but the other large cities of England have done much also. During the period 1876–1890, inclusive, the Local Government Board sanctioned schemes adopted by various cities other than London involving loans to the amount of £2,347,353 ($11,423,393). Birmingham undertook one of the most ambitious of these schemes, of which details are given in the account of its housing activities, pages 318 to 321.

1 The sanction of the Local Government Board is required for housing schemes outside of London.
Very few cities attempted large schemes, but a number carried through smaller plans. Under the earlier acts, however, such work was unnecessarily difficult and expensive. Under the act of 1890 the procedure of condemning and acquiring an insanitary area was somewhat simplified, and the arrangements for compensation were made somewhat more favorable for the authorities acquiring it. From the passage of this act up to 1913, inclusive, the Local Government Board sanctioned loans for clearance schemes outside of London amounting to over $13,000,000. The amounts sanctioned for each year were as follows:

<table>
<thead>
<tr>
<th>Year ending Mar. 31—</th>
<th>Amount sanctioned.</th>
<th>Year ending Mar. 31—</th>
<th>Amount sanctioned.</th>
<th>Year ending Mar. 31—</th>
<th>Amount sanctioned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>$571,265</td>
<td>1900</td>
<td>$539,228</td>
<td>1909</td>
<td>$601,903</td>
</tr>
<tr>
<td>1892</td>
<td>$1,068,886</td>
<td>1901</td>
<td>$1,031,260</td>
<td>1910</td>
<td>$127,721</td>
</tr>
<tr>
<td>1893</td>
<td>150,802</td>
<td>1902</td>
<td>48,723</td>
<td>1911</td>
<td>1,004,103</td>
</tr>
<tr>
<td>1894</td>
<td>121,312</td>
<td>1903</td>
<td>298,365</td>
<td>1912</td>
<td></td>
</tr>
<tr>
<td>1895</td>
<td>512,014</td>
<td>1904</td>
<td>4,108,737</td>
<td>1913</td>
<td>223,153</td>
</tr>
<tr>
<td>1896</td>
<td>286,973</td>
<td>1905</td>
<td></td>
<td>Total</td>
<td>13,171,600</td>
</tr>
<tr>
<td>1897</td>
<td>335,282</td>
<td>1906</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1898</td>
<td>230,614</td>
<td>1907</td>
<td>225,331</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1899</td>
<td></td>
<td>1908</td>
<td>207,249</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 A report received since this study was made shows that during the year ended March 31, 1914, loans amounting to $490,704 were sanctioned.

Some of the schemes for which these loans were sanctioned were large and costly. Thus, Manchester raised £285,005 ($1,386,977) for clearing and rebuilding slum areas, while Leeds borrowed £923,318 ($4,493,327). The work done was of the same character as that accomplished under the earlier acts.

ACTION AGAINST SMALL SLUMS AND INSANITARY HOUSES.

Under Part II of the act of 1890 local authorities may proceed against small unhealthy areas, compulsorily acquiring whatever property is necessary to put them into good condition. In London 16 such schemes have been undertaken, 4 by the county council and the remainder by other local authorities. The following data show the extent of the work undertaken.2

1 Housing Up to Date, W. Thompson, pp. 19 and 20. London, 1907.
Extent of housing work of local authorities in London against small unhealthy areas.

Number of persons displaced..................................................... 5,633
Number of persons for whom housing has been or will be provided.................................................. 6,066
Size of areas in acres............................................................... 13.44
Actual or estimated net cost of schemes.......................................................... $1,030,978

Outside of London little of this kind has been attempted. Manchester carried out three schemes, involving 3½ acres, displacing 917 persons, and costing £34,909 ($169,885). Elsewhere very little has been done.

This part of the act also provided for the closing of unhealthful houses and their demolition, if the owners could not or would not put them into proper condition. The method provided for doing this, however, was so troublesome that for years little was accomplished under it. A report on the subject issued in 1911 declares:

A number of local authorities have tried to close or demolish unhealthy dwellings under sections 32 and 38 of the act of 1890. Unfortunately the cumbrous and ineffective procedure has crippled much of their work, and it has been practically impossible to get unhealthy menes compulsorily demolished. It is to be hoped the act of 1909 will make for improvement.1

It very promptly became evident that this hope was to be fulfilled. The amendments in the act of 1909 not only made the procedure of closing and demolition much easier,2 but, as already mentioned, gave the Local Government Board power to require of the local authorities throughout England systematic inspection and reports upon the sanitary condition of dwellings within their respective spheres of authority. The immediate result of these changes was to increase enormously the number of houses proceeded against as being so dangerous or injurious to health as to be unfit for human habitation. The changes in the act have worked in two ways—the local authorities can act more easily and promptly; and the fact that they can do so leads owners in increasing numbers to repair their houses upon notification without waiting for a closing order. The following table shows the increase in this kind of work since the passage of the act of 1909.

---

2 Under the act of 1890 closing orders could be made only by a court of summary jurisdiction on the application of a local authority. The act of 1909 altered the procedure and empowered a local authority to make such an order. If a house is rendered fit for habitation after a closing order has been made concerning it, the local authority must determine the order; if it is not, after the expiration of a prescribed period and after giving a hearing to the owners, the local authorities may order the demolition of the house.
ACTION TAKEN BY LOCAL AUTHORITIES IN REGARD TO THE CLOSING AND DEMOLITION OF HOUSES UNDER THE HOUSING ACTS.

[Source: Memorandum No. 3 of the Local Government Board Relative to the Operation of the Housing, Town Planning, etc., Act, London, 1913, p. 4]

<table>
<thead>
<tr>
<th>Year ending March 31—</th>
<th>Metropolitan borough councils</th>
<th>Town councils of county boroughs</th>
<th>Town councils of other boroughs</th>
<th>Other urban district councils</th>
<th>Rural district councils</th>
<th>Total, England and Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Houses in respect of which representations were made to local authorities.</td>
<td>Houses made fit for human habitation by owners without issue of a closing order.</td>
<td>Houses closed or demolished voluntarily.</td>
<td>Houses in respect of which closing orders were made.</td>
<td>Houses (in respect of which closing orders had been made) demolished by owners without orders for demolition.</td>
<td>Houses in respect of which orders for demolition were made.</td>
</tr>
<tr>
<td>1909</td>
<td>21</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>82</td>
<td>7</td>
<td>12</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>1,365</td>
<td>52</td>
<td>31</td>
<td>243</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>1912</td>
<td>566</td>
<td>39</td>
<td>54</td>
<td>280</td>
<td>102</td>
<td>64</td>
</tr>
<tr>
<td>1913</td>
<td>298</td>
<td>30</td>
<td>42</td>
<td>200</td>
<td>75</td>
<td>57</td>
</tr>
<tr>
<td>1909</td>
<td>2,062</td>
<td>1,130</td>
<td>480</td>
<td>301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>1,918</td>
<td>684</td>
<td>444</td>
<td>685</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>3,181</td>
<td>637</td>
<td>422</td>
<td>1,657</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>5,136</td>
<td>1,257</td>
<td>244</td>
<td>2,629</td>
<td>408</td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>6,033</td>
<td>1,225</td>
<td>302</td>
<td>5,561</td>
<td>765</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>367</td>
<td>258</td>
<td>118</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>658</td>
<td>254</td>
<td>129</td>
<td>233</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>2,277</td>
<td>893</td>
<td>111</td>
<td>696</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>5,792</td>
<td>1,127</td>
<td>167</td>
<td>1,422</td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>5,760</td>
<td>1,846</td>
<td>213</td>
<td>1,623</td>
<td>446</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>1,383</td>
<td>821</td>
<td>392</td>
<td>66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>1,703</td>
<td>636</td>
<td>373</td>
<td>327</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>8,218</td>
<td>2,621</td>
<td>325</td>
<td>1,301</td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>15,754</td>
<td>4,325</td>
<td>715</td>
<td>3,280</td>
<td>780</td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>19,304</td>
<td>6,556</td>
<td>837</td>
<td>5,017</td>
<td>998</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>2,279</td>
<td>1,517</td>
<td>517</td>
<td>119</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>2,271</td>
<td>1,468</td>
<td>425</td>
<td>258</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>9,108</td>
<td>2,829</td>
<td>463</td>
<td>973</td>
<td>248</td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>20,191</td>
<td>6,369</td>
<td>755</td>
<td>1,650</td>
<td>413</td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>24,692</td>
<td>8,650</td>
<td>973</td>
<td>2,594</td>
<td>586</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>0,312</td>
<td>3,731</td>
<td>1,610</td>
<td>587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>6,429</td>
<td>3,056</td>
<td>1,389</td>
<td>1,511</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>9,248</td>
<td>3,642</td>
<td>1,459</td>
<td>4,870</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>24,438</td>
<td>12,417</td>
<td>1,935</td>
<td>9,761</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>55,767</td>
<td>18,167</td>
<td>2,167</td>
<td>10,695</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 This information is not available.
2 In a very large number of these cases (viz., over 12,000 in 1912-13, over 12,500 in 1911-12, and over 5,200 in 1910-11) the local authorities decided to proceed by way of notices under section 15 of the act instead of making closing orders.

This table is especially noticeable for the large increase shown in the number of houses voluntarily closed, demolished, or put into repair by the owners after the act of 1909 became effective. But the greatest increase of all is shown in the number of houses against which closing orders were issued, more than 18 times as many of these orders having been issued in the year ending March 31, 1913, as in the first year considered. This almost casts into the shade the increase in the number of houses condemned—nearly nine times as many in the last year as in the first—and in the number of houses demolished, which was a trifle over 11 times as great in 1912-13 as in 1908-9.

These figures relate to action taken when a house is in a condition so dangerous or injurious to health as to be unfit for human habitation. But the act of 1909 (sections 15 and 17) gave the authorities...
power under certain circumstances to act before conditions became so bad. Houses of which the annual rental falls below a specified sum—in London, £40 ($194.66), in provincial boroughs or urban districts with a population of 50,000, £26 ($126.53), and elsewhere £16 ($77.86)—must be kept by the landlord while occupied "in all respects fit for human habitation." The local authorities are empowered to see that this is done, and for this purpose have rights of entry and inspection. If the landlords on being notified of unsatisfactory conditions fail or refuse to set them right, the local authorities may do what is necessary and recover costs from the landlords. The following table shows the number of houses dealt with under this part of the act.

**IMPROVEMENT OF HOUSING CONDITIONS THROUGH ACTION OF LOCAL AUTHORITIES.**

[Source: Memorandum No. 3 of the Local Government Board Relative to the Operation of the Housing, Town Planning, etc., Act, London, 1913, p. 5.]

<table>
<thead>
<tr>
<th>Number of houses in respect of which—</th>
<th>Year ending Mar. 31, 1911.</th>
<th>Year ending Mar. 31, 1912.</th>
<th>Year ending Mar. 31, 1913.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices under section 15 were satisfactorily complied with by the landlords</td>
<td>11,649</td>
<td>31,289</td>
<td>42,083</td>
</tr>
<tr>
<td>Local authorities executed works under section 15 where landlords failed to comply with notices</td>
<td>140</td>
<td>176</td>
<td>107</td>
</tr>
<tr>
<td>Action was taken under section 17 and the houses were made fit by the owners without closing orders being issued</td>
<td>7,042</td>
<td>13,417</td>
<td>18,107</td>
</tr>
<tr>
<td>Closing orders were determined on the houses being made fit by the owners</td>
<td>7</td>
<td>732</td>
<td>2,105</td>
</tr>
<tr>
<td>Total</td>
<td>19,403</td>
<td>46,990</td>
<td>63,167</td>
</tr>
</tbody>
</table>

1 These figures relate to period from Dec. 3, 1909, to Mar. 31, 1911.

It will be noticed that the greatest rates of increase are shown in the number of houses repaired by the landlords upon notice being given, and the number put into good condition after closing orders had been issued. The number of cases in which the local authorities made repairs is noticeably small; evidently the fact that such a power exists is a stimulus to the landlords to do their own repairing. The most striking feature of the table is the amount of achievement it shows. In a little over three years 129,620 houses were made fit for habitation at the cost of the owners or landlords.

This activity does not seem to have been confined to any one part of the country. The following list shows the classes of local authorities and the number in each class who took action under this part of the act of 1909:

- Metropolitan borough councils ........................................ 29
- Town councils of county boroughs .................................... 75
- Town councils of other boroughs ...................................... 249
- Other urban district councils ......................................... 809
- Rural district councils .................................................. 652

Total (England and Wales) .............................................. 1,814
The provisions in regard to procedure against insanitary houses confer large powers upon the local authorities, but these seem to be used with great discretion. Any landlord or owner who feels himself aggrieved has the right of appeal to the Local Government Board against the judgment of the local authorities. The table given on page 301 shows that from the passing of the act of 1909 to March 31, 1913, representations had been made against 140,306 houses. During this period only 321 appeals in respect to 1,769 houses were received by the Local Government Board. These were dealt with as follows:

<table>
<thead>
<tr>
<th>Appeals abandoned or not entertained</th>
<th>211</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appeals decided:</td>
<td></td>
</tr>
<tr>
<td>1. Appeals upheld—</td>
<td></td>
</tr>
<tr>
<td>(a) on technical grounds</td>
<td>12</td>
</tr>
<tr>
<td>(b) after inquiry</td>
<td>15</td>
</tr>
<tr>
<td>2. Appeals dismissed after inquiry</td>
<td>56</td>
</tr>
<tr>
<td>Appeals still under consideration</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>321</td>
</tr>
</tbody>
</table>

The appeals brought affected less than 1.3 per cent of the houses against which representations had been made, and of the 204 appeals settled not quite one-tenth (9.2 per cent) were upheld.

PROVISION FOR NEW HOUSING BY LOCAL AUTHORITIES.

The earliest of the housing acts empowered local authorities to erect, own, and operate lodging houses for the working classes, and the Cross Acts expressly laid upon them the obligation of seeing that housing accommodation was provided for a specified part of those whose dwellings were destroyed in any clearance scheme. For a long while, however, there was a prevailing sentiment that the work of the authorities should be limited to acquiring and clearing off land, leaving the erection and management of new houses to private effort. Relatively little was done, therefore, by local authorities in the way of housing until the passage of the act of 1890, which not only encouraged them to rebuild the areas which they cleared, but permitted and encouraged them to acquire land and put up houses for the working classes whenever they felt there was need of such action. The act of 1909 increased the powers of local authorities in this direction, facilitated the procedure for acquiring land compulsorily when this was necessary, and improved the terms on which loans might be obtained. Under these circumstances the work of providing housing accommodation by local authorities received a great impetus. This has been especially noticeable in rural districts, although it has been marked everywhere.

1 In the 20 years following the housing act of 1890 loans sanctioned to rural authorities amounted to less than £50,000 ($243,325). The total for the last two years is more than five times that amount, or £235,597 ($1,242,890), while the total for 1913 alone considerably exceeds the whole amount sanctioned in previous years since 1890.

Memorandum No. 3 of the Local Government Board Relative to the Operation of the Housing, Town Planning, etc., Act of 1909, p. 7.
The work of the urban and rural authorities will be considered separately, London, Liverpool, Birmingham and Manchester being taken as illustrative of the work done in cities, and the action of urban authorities elsewhere being merely summarized.

**HOUSING WORK OF LONDON COUNTY COUNCIL.**

The London County Council and, to a much smaller extent, other local authorities of London have built for the sake of rehousing and of housing. The rehousing was done mainly in connection with slum-clearance schemes, though a portion of it consisted in providing accommodations for persons dispossessed when clearances were made for bridges, tunnels, street widenings, and the like. The housing was undertaken mainly because of an actual insufficiency of accommodations, and was entered upon with considerable hesitation.

At first the council, as a rule, took action under Part III of the act of 1890, only when such a course was necessary or useful for the discharge of its rehousing obligations. Before many years had passed it was evident that, owing chiefly to two causes, the supply in London of dwellings for the working classes was falling behind the demand. These causes were the rise in the value of land and the rise in the cost of labor and materials for building. It was becoming unprofitable for builders to erect working-class property and, further, the rise in the value of land often made it financially advantageous to demolish such property and to use the sites for factories, warehouses, or other large commercial buildings, or for highly rented mansions and flats. The council was much impressed with the need of remedying this state of affairs, and in order to do this it decided in November, 1898, * * * quite apart from any obligations which it was under to erect dwellings, to take action under Part III of the act of 1890, provided that no charge was thereby placed on the county rate. Succeeding years witnessed the inception of schemes for developing large estates by the erection of cottages at Tooting, Norbury, Totten- ham, and Hammersmith.¹

The amount of work undertaken for each of these purposes is indicated by the following figures:

**HOUSING ACCOMMODATIONS PROVIDED BY THE LONDON COUNTY COUNCIL.**

(Source: Housing of the Working Classes in London, 1855-1912, London, 1913, pp. 147-152.)

<table>
<thead>
<tr>
<th>Rehousing:</th>
<th>Number of persons provided for.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under early acts</td>
<td>2,947</td>
</tr>
<tr>
<td>Under Part I, act of 1890</td>
<td>15,554</td>
</tr>
<tr>
<td>Under Part II, act of 1890</td>
<td>2,216</td>
</tr>
<tr>
<td>For persons dispossessed by clearances in connection with bridges, tunnels, etc.</td>
<td>12,504</td>
</tr>
<tr>
<td><strong>Total rehousing</strong></td>
<td><strong>33,571</strong></td>
</tr>
<tr>
<td>Housing schemes under Part III, act of 1890</td>
<td><strong>46,573</strong></td>
</tr>
</tbody>
</table>

The buildings put up for housing purposes, it will be noticed, accommodate a considerably larger number than all those put up for rehousing purposes since the council first undertook such work.

In addition to the buildings given in the above table, other local authorities of London, under the stimulus of the new possibilities, acquired or erected up to December 31, 1911, working-class tenements containing 8,321 rooms, and therefore capable, according to the usual method of calculation, of accommodating something over 16,000 persons. The county council, however, is the chief municipal housing agent in London.

The property owned and administered by the council is of three kinds:

1. Block dwellings, comprising 6,428 tenements;
2. Cottage estates, comprising 2,844 cottages;
3. Lodging houses, comprising 1,856 cubicles.

The block dwellings originated in the earlier days of municipal housing. As long as the provision obtained that rehousing must be provided on the same site from which clearance schemes had displaced people, the cost of building in such places and the necessity for housing a large number on a limited space (part of the original area having been taken for new streets, open spaces, and the like) made it almost inevitable that block buildings should be put up. There is a strong and growing objection among housing reformers to this type of dwelling, on the ground of its unhomeliness, its lack of privacy, its bad record in the matter of health, and finally its cost. The tendency now in building is toward tenement houses, which, as the term is defined in England, accommodate usually three or four families and never more than six, and to cottages or cottage flats housing at most two families. The lodging houses are for men only. The common charge is sixpence (12 cents) per night for a bed in a separate cubicle, though a few bedrooms at 1s. (24 cents) are provided.

The dwellings are managed by a housing department with a housing manager in charge. "All estates are directly administered from the central office through the medium of resident superintendents at the large estates and lodging houses, and of resident caretakers at the small estates." Applications for rooms must be referred to the central office, and no tenant is accepted until his references have been looked up. Overcrowding is not permitted, but the standard of permissible crowding is liberal—"the standard of two persons to a room must not be exceeded by more than one child under 3 years of age." Tenants on the block estates are not allowed to take lodgers, but on the cottage estates permission to do this is given by the council under certain conditions. Regulations are kept down to the lowest possible number.

1 Of these 2,089 rooms represented rehousing and 6,332 housing schemes.
No restrictions beyond those in the interest of the tenants themselves are imposed in the conditions of tenancy. Tenants are required in turn to clean the staircases and landings of the blocks in which they reside. At the cottage estates it is a condition of tenancy that the front gardens, with the exception of the hedges, which are maintained by the council, shall be kept in a cultivated condition. The cleaning of the common yards and the lighting of staircases is carried out by porters employed on the larger estates and by the caretakers at the smaller estates.¹

The rents vary from one place to another, but are fixed in accordance with two principles. They must not exceed the rates prevailing in the neighborhood, and they must be sufficient to insure that after providing for all expenditures for maintenance and capital charges the dwellings shall be self-supporting. Rents for one-room dwellings range from 2s. 3d. (55 cents) to 5s. 6d. ($1.34), for two-room dwellings from 3s. 6d. (85 cents) to 9s. ($2.19), and for three rooms from 4s. 9d. ($1.16) to 11s. 6d. ($2.80) weekly. Details as to accommodations, rents, etc., are shown in the following table:

ACCOMMODATIONS PROVIDED IN THE LONDON COUNTY COUNCIL’S DWELLINGS AND THE GROSS ANNUAL RENT ON MAR. 31, 1892, AND EACH SUBSEQUENT YEAR.


<table>
<thead>
<tr>
<th>Year</th>
<th>Tenements</th>
<th>Rooms</th>
<th>Cubicles</th>
<th>Persons provided for</th>
<th>Gross annual rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1892</td>
<td>56</td>
<td>87</td>
<td></td>
<td>174</td>
<td>£8,052</td>
</tr>
<tr>
<td>1893</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>498</td>
<td>11,140</td>
</tr>
<tr>
<td>1894</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>29,211</td>
</tr>
<tr>
<td>1895</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>39,314</td>
</tr>
<tr>
<td>1896</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>48,417</td>
</tr>
<tr>
<td>1897</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>57,521</td>
</tr>
<tr>
<td>1898</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>66,625</td>
</tr>
<tr>
<td>1899</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>75,729</td>
</tr>
<tr>
<td>1900</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>84,833</td>
</tr>
<tr>
<td>1901</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>93,937</td>
</tr>
<tr>
<td>1902</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,021,041</td>
</tr>
<tr>
<td>1903</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,102,145</td>
</tr>
<tr>
<td>1904</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,183,249</td>
</tr>
<tr>
<td>1905</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,264,353</td>
</tr>
<tr>
<td>1906</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,345,457</td>
</tr>
<tr>
<td>1907</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,426,561</td>
</tr>
<tr>
<td>1908</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,507,665</td>
</tr>
<tr>
<td>1909</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,588,769</td>
</tr>
<tr>
<td>1910</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,669,873</td>
</tr>
<tr>
<td>1911</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,750,977</td>
</tr>
<tr>
<td>1912</td>
<td>56</td>
<td>87</td>
<td>324</td>
<td>2,060</td>
<td>1,832,081</td>
</tr>
</tbody>
</table>


² The following extract from a memorandum by the housing manager gives the data for the latest year available:

The new buildings completed and opened between Apr. 1, 1912, and Mar. 31, 1913, comprise 230 cottages, providing accommodation for 1,930 persons. Five sheds were also provided and 1 tenement was converted into a private dwelling. The total cost of the new buildings completed and opened by the council was £230,588 15s. 2d. [£1,165,783], being an increase of £1,081 17s. 10d. [£5,041] over the provision made in the budget. The financial result of the year's working of all dwellings in occupation, after providing for interest and sinking-fund charges on the capital expended, is a surplus of £9,937 4s. 4d. [£48,359], which, after adding interest on cash balances (£719 10s. 7d. [£3,502]), gives a total net surplus of £10,656 14s. 11d. [£51,861], or 4.83 per cent of £220,498 15s. 2d. [£1,073,057], the gross rent receivable for the year. The interest and sinking-fund charges amount to 51.26 per cent of the gross rental. The gross rent receivable for the year, including repairs, rates, and taxes, water, lighting, etc., amounts to 28.18 per cent of the gross rental. — London County Council Annual Report, 1912, Vol. III, p. 255.
The charge is sometimes made that the council's dwellings are made use of by a class above those for whom they were intended. The council takes a yearly census of its tenants, including their occupations among the points covered. The latest census of which the results are available was taken in March 1912. The complete list of occupations found is too long for quotation, but those in which more than a hundred tenants were engaged were as follows:

**Principal occupations of tenants of dwellings of London County Council, March, 1912.**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent and commercial traveler</td>
<td>202</td>
</tr>
<tr>
<td>Attendant</td>
<td>116</td>
</tr>
<tr>
<td>Bootmaker</td>
<td>101</td>
</tr>
<tr>
<td>Cabinetmaker</td>
<td>298</td>
</tr>
<tr>
<td>Carman, carrier, and coachman</td>
<td>235</td>
</tr>
<tr>
<td>Carpenter and joiner</td>
<td>134</td>
</tr>
<tr>
<td>Charwoman and cleaner</td>
<td>272</td>
</tr>
<tr>
<td>Cigar and cigarette maker</td>
<td>121</td>
</tr>
<tr>
<td>Clerk</td>
<td>115</td>
</tr>
<tr>
<td>Compositor</td>
<td>101</td>
</tr>
<tr>
<td>Engineer</td>
<td>131</td>
</tr>
<tr>
<td>Fitter and plumber</td>
<td>131</td>
</tr>
<tr>
<td>Laborer</td>
<td>549</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>511</td>
</tr>
<tr>
<td>Omnibus and motor driver</td>
<td>291</td>
</tr>
<tr>
<td>Omnibus and motor conductor</td>
<td>111</td>
</tr>
<tr>
<td>Packer</td>
<td>115</td>
</tr>
<tr>
<td>Painter and decorator</td>
<td>159</td>
</tr>
<tr>
<td>Police constable, sergeant, and detective</td>
<td>349</td>
</tr>
<tr>
<td>Porter</td>
<td>359</td>
</tr>
<tr>
<td>Postman</td>
<td>351</td>
</tr>
<tr>
<td>Packman</td>
<td>286</td>
</tr>
<tr>
<td>Salesman</td>
<td>286</td>
</tr>
<tr>
<td>Seaman and coast guard</td>
<td>145</td>
</tr>
<tr>
<td>Tailor and tailoress</td>
<td>205</td>
</tr>
<tr>
<td>Waiter and valet</td>
<td>125</td>
</tr>
<tr>
<td>Warehouseman</td>
<td>194</td>
</tr>
</tbody>
</table>

On the whole the table seems to show that the charge referred to is unfounded. The large groups given above would nearly all be included in any definition of the working classes and the smaller groups are for the most part of the same character.

The birth and death rates among the occupants of the council's dwellings compare favorably with those prevailing throughout the city generally. For the year ending March, 1912, the birth rate in these buildings was 27.5 and the death rate 8.5 per 1,000, while for the whole of London in 1911 these rates were respectively 24.7 and 15 per 1,000.

The council has under way at present a plan for aiding the small tenant to become a householder. The act of 1899 enabled local authorities to make loans to workingmen to enable them to purchase the houses in which they live, but such loans were limited to four-fifths of the market value of the houses in question. Property is so high in London that the amount thus left for the workingman to raise by his own efforts was beyond his ability.

The council felt that any plan which was to appeal successfully to those classes should provide for the advance of practically the whole of the purchase money. It accordingly formulated a scheme for granting leases for 99 years of single cottages erected on estates developed under Part III of the act of 1890. * * * Leases should be granted to occupiers on payment of a deposit of £5 [$24.33], the lessee being required (1) to pay throughout the term of the lease the equivalent of a ground rent; and (2) to make equal payments.
for the first 15, 20, or 25 years, sufficient to repay the amount spent on the land and buildings (less the deposit and the capitalized value of the ground rent), interest, legal, etc., costs and establishment charges, etc.1

The lessee is expected to live in the house, but under certain circumstances the council will permit him to let the house or transfer the lease. Arrangements are made for the council to retake the property should the lessee fail to live up to the terms of the contract, and for the surrender of the lease by agreement, in which case the lessee is to receive suitable compensation. If the lessee wishes to pay for the building in 15 years, the extra weekly cost on a four-room cottage rented at 10s. 6d. ($2.55) a week will be from 3s. 3d. to 4s. (79 cents to 97 cents); if he chooses the 20-year period the increased weekly cost will be from 1s. 9d. to 2s. 4d. (43 cents to 57 cents), while if the 25-year period is chosen, the tenant will secure the cottage for a charge approximately equal to the ordinary rent.

HOUSING WORK OF LOCAL AUTHORITIES OUTSIDE OF LONDON.

Outside of London much work has been done by local authorities in the way of providing dwellings under Part III of the act of 1890. The following table gives some details both as to the amount of such work done and its development since the act was passed.

---

### Details of Loans Sanctioned by Local Government Board to Local Authorities Under Part III of Act of 1890


<table>
<thead>
<tr>
<th>Year ending Mar. 31</th>
<th>Urban authorities</th>
<th>Rural authorities</th>
<th>Total urban and rural authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number to which loans were sanctioned in the year</td>
<td>Number to which loans were sanctioned for the first time in the year</td>
<td>Amount sanctioned</td>
</tr>
<tr>
<td>1892</td>
<td>1</td>
<td>1</td>
<td>$56,208</td>
</tr>
<tr>
<td>1893</td>
<td>1</td>
<td>1</td>
<td>9,733</td>
</tr>
<tr>
<td>1894</td>
<td>1</td>
<td>1</td>
<td>84,434</td>
</tr>
<tr>
<td>1895</td>
<td>2</td>
<td>3</td>
<td>39,905</td>
</tr>
<tr>
<td>1896</td>
<td>2</td>
<td>3</td>
<td>167,811</td>
</tr>
<tr>
<td>1897</td>
<td>4</td>
<td>3</td>
<td>179,087</td>
</tr>
<tr>
<td>1898</td>
<td>4</td>
<td>3</td>
<td>461,946</td>
</tr>
<tr>
<td>1899</td>
<td>13</td>
<td>1</td>
<td>1,302,459</td>
</tr>
<tr>
<td>1900</td>
<td>17</td>
<td>10</td>
<td>1,949,530</td>
</tr>
<tr>
<td>1901</td>
<td>24</td>
<td>12</td>
<td>1,099,581</td>
</tr>
<tr>
<td>1902</td>
<td>14</td>
<td>6</td>
<td>645,626</td>
</tr>
<tr>
<td>1903</td>
<td>18</td>
<td>6</td>
<td>913,296</td>
</tr>
<tr>
<td>1904</td>
<td>17</td>
<td>5</td>
<td>978,512</td>
</tr>
<tr>
<td>1905</td>
<td>23</td>
<td>6</td>
<td>422,888</td>
</tr>
<tr>
<td>1906</td>
<td>10</td>
<td>2</td>
<td>346,078</td>
</tr>
<tr>
<td>1907</td>
<td>12</td>
<td>2</td>
<td>285,755</td>
</tr>
<tr>
<td>1908</td>
<td>11</td>
<td>1</td>
<td>421,949</td>
</tr>
<tr>
<td>1909</td>
<td>11</td>
<td>1</td>
<td>599,538</td>
</tr>
<tr>
<td>1910</td>
<td>12</td>
<td>2</td>
<td>1,217</td>
</tr>
<tr>
<td>1911</td>
<td>12</td>
<td>7</td>
<td>500,558</td>
</tr>
<tr>
<td>1912</td>
<td>29</td>
<td>17</td>
<td>898,621</td>
</tr>
<tr>
<td>1913</td>
<td>47</td>
<td>27</td>
<td>1,072,141</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>131</td>
<td>12,790,333</td>
</tr>
</tbody>
</table>

1 The Forty-third Annual Report of the Local Government Board, received while this Bulletin was going through the press, gives the following data for the year ending March 31, 1914:

- Urban authorities:
  - Number to which loans were sanctioned: 79
  - Number to which loans were sanctioned for the first time: 49
  - Amount sanctioned: $2,758,768

- Rural authorities:
  - Number to which loans were sanctioned: 49
  - Number to which loans were sanctioned for the first time: 33
  - Amount sanctioned: $3,992,217

- Total, urban and rural authorities:
  - Number to which loans were sanctioned: 128
  - Number to which loans were sanctioned for the first time: 82
  - Amount sanctioned: $6,750,985

2 Including £11,960 ($58,280), sanctioned to county council on default of rural district council.

In considering the fluctuations in the amounts shown for each year it must be remembered that the total amount of a loan granted to carry out a scheme must be sanctioned before the scheme can be undertaken. The sums sanctioned in 1901, for instance, might be for schemes which would take years to work out, and the money might be secured as it was needed during the process. The period of small loans, 1906-1910, therefore need not denote any diminution of interest in housing affairs, but may show simply that local energies were absorbed in working out the plans sanctioned in earlier years. Never-
theless the sudden and very marked increase in the loans sanctioned beginning with the first year in which the act of 1909 became really effective seems to show a decided increase of activity, an increase which becomes more apparent with each successive year.

Most of the work done by the urban authorities to whom these loans were sanctioned resembled that done in London. A few cities erected model lodging houses, but this form of activity is looked upon with considerable doubt, as a lodging house is apt to require a large initial outlay and frequently must be run at a loss. In 1907 seven English cities besides London—Croydon, Darwen, Huddersfield, Lancaster, Manchester, Salford, and Southampton—had built and were conducting municipal lodging houses. Of these Huddersfield was the only one in which the lodging house showed a profit, Croydon and Southampton not being reported on.¹

The block dwelling is not frequent among municipal buildings outside of London, and is plainly losing whatever favor it once possessed. In 1903 the number of such dwellings put up and owned by local authorities was reported, as follows:² Liverpool, 501; Manchester, 420; Nottingham, 82.

Four years later a review of the situation showed that no more block dwellings had been erected by these cities,³ but that in the interval Liverpool had put up dwellings containing 1,234 tenements and Manchester dwellings containing 64 tenements. The total number of tenement dwellings erected by municipal authorities increased during this period from 852 to 2,507. The increase in the number of larger tenements is shown in the following table:

<table>
<thead>
<tr>
<th>Period</th>
<th>One room</th>
<th>Two rooms</th>
<th>Three rooms</th>
<th>Four rooms</th>
<th>Five rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1902</td>
<td>56</td>
<td>514</td>
<td>206</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>1902 to 1907</td>
<td>141</td>
<td>595</td>
<td>725</td>
<td>150</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>199</td>
<td>1,109</td>
<td>931</td>
<td>162</td>
<td>42</td>
</tr>
</tbody>
</table>

Of these dwellings erected up to 1902 by far the larger portion (72.3 per cent) had under 3 rooms, while of those erected between 1902 and 1907 only 44.6 per cent had fewer than 3 rooms.

The greatest increase during this period appeared in the number of cottage flats put up by urban authorities. The following table shows the increase in the flats of different sizes.

¹ Housing Up to Date, W. Thompson, p. 39. London, 1907.
³ Housing Up to Date, W. Thompson, pp. 49-60. London, 1907.
COTTAGE FLATS ERECTED BY URBAN AUTHORITIES.

[Source: Housing Up to Date, W. Thompson, p. 40. London, 1907.]

<table>
<thead>
<tr>
<th>Period</th>
<th>Dwellings</th>
<th>Total rooms</th>
<th>One room</th>
<th>Two rooms</th>
<th>Three rooms</th>
<th>Four rooms and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1902</td>
<td>1,423</td>
<td>5,681</td>
<td></td>
<td>141</td>
<td>262</td>
<td>178</td>
</tr>
<tr>
<td>1902 to 1907</td>
<td>2,004</td>
<td>5,747</td>
<td>79</td>
<td>487</td>
<td>509</td>
<td>534</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,004</td>
<td>5,747</td>
<td>79</td>
<td>628</td>
<td>771</td>
</tr>
</tbody>
</table>

Unfortunately, similar data for the period from 1890 to the present are not obtainable.

It is difficult to make any general statement as to the profit or loss involved in municipal housing. The table on page 309 shows loans sanctioned to 131 different urban authorities. With these loans the authorities either have provided or expect to provide 2,981 houses. According to the estimates presented, the 1,432 for which loans were sanctioned prior to March 31, 1912, would be maintained at an annual loss of £107 ($521), while the 1,549 for which loans were sanctioned in the following year would involve an annual loss of £270 ($1,314). Of course after the loans had been repaid the houses would presumably become profitable investments.

HOUSING WORK OF LIVERPOOL.

The figures in the tables on pages 299, 309, and 310 do not show the full amount of work done, as not infrequently cities have worked under local acts, in which cases the Local Government Board has no data concerning their activities. Up to 1907, for instance, the loans sanctioned to Liverpool by the Local Government Board amounted to only £178,981 ($871,011), but by that time Liverpool had spent in housing schemes approximately £920,000 ($4,477,180). Other cities show almost as great differences between the amounts really spent and the loans sanctioned by the Local Government Board, while in the case of London none of its expenditures for housing appear in the board's data.

The work done in Liverpool is of special interest from its extent, the early date at which it began, the continuous adherence to a well-defined plan for ridding the city of insanitary courts and houses, and since 1896 the definite effort to rehouse the identical people who are dispossessed by clearances, instead of merely providing for an equal number.

Liverpool began its housing work early, prompted thereto by the very insanitary and overcrowded character of the courts which abounded in the old city.

There still exist certain portions of the city in which you will find houses so crowded together that 12 of them (six on each side of a central yard 15 feet wide) would go into a space of 360 square yards.
* * * These 12 houses afford accommodation to from 70 to 80 people and they are supplied with one standpipe for water common to all, and two dry closets at one end of the courtyard, also common to all, and otherwise they are without conveniences, water supply, wash boilers, baths, yards, and so forth. In 1864 we had in Liverpool 22,000 of such insanitary houses consisting of the vilest slums imaginable. They contained a population of over 100,000 people.1

As early as 1842 Liverpool had passed building regulations designed to prevent the increase of such conditions, and in 1864 the sanitary amendment act was passed to permit the abolition of existing evils. Under its terms action might be taken as follows:

1. The medical officer of health may report to the city council that certain houses are unfit for human habitation.

2. The council after approving the report must send it to the clerk of the peace, and notice must be given to the owners of the properties involved.

3. The report is then brought before the grand jury at quarter sessions, who after hearing evidence and viewing the properties decide whether or not the houses are to be destroyed. If they decide, as they almost invariably do, that the houses are to be destroyed, the decision is called a presentment.

The owners have a right of appeal to quarter sessions against a decision of the grand jury, but this right does not seem to be extensively exercised.

After the presentment has been made the city has a right to take the properties at a price fixed either by agreement with the owner or by arbitration. The owner may retain the site if he chooses, but must sell the house.

There are two marked advantages about procedure under this act: The simplicity, dispatch, and cheapness of obtaining a presentment by the grand jury and the fact that the corporation has the conduct of the whole of the proceedings without the necessity of having to apply to the Local Government Board for a provisional order. But there are also two disadvantages: The fact that the owner may retain the site if he chooses, and the fact that no properties other than those used for habitations can be acquired and of those only such as are in themselves insanitary.2

Under this act during the years 1865 to 1904 the medical officer of health made some 18 presentments in respect to houses not fit for human habitation, and in pursuance of these presentments approximately 6,300 houses were demolished. In 1901 the act of 1890 was first utilized and under its provisions 18 representations have been

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2 Condensed from City of Liverpool Handbook compiled for the Congress of the Royal Institute of Public Health, 1903, pp. 164, 165.
made concerning areas with a population of 9,748. The act of 1890 is free from the two drawbacks connected with the local act, since by its terms owners may be compelled to sell sites as well as houses, and land not occupied by insanitary buildings but needed for the harmonious development of a scheme may be acquired. Since 1901 both acts have been used freely, one or the other being chosen according to its special advantages for dealing with a given case. The number of houses dealt with from 1906 to 1912, inclusive, and the action taken in regard to them are shown in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Demolished</th>
<th>Rendered sanitary</th>
<th>Closed</th>
<th>Condemned but still occupied</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>831</td>
<td>161</td>
<td>147</td>
<td></td>
<td>1,159</td>
</tr>
<tr>
<td>1907</td>
<td>238</td>
<td>132</td>
<td>10</td>
<td></td>
<td>400</td>
</tr>
<tr>
<td>1908</td>
<td>83</td>
<td>159</td>
<td>8</td>
<td></td>
<td>230</td>
</tr>
<tr>
<td>1909</td>
<td>265</td>
<td>78</td>
<td>7</td>
<td></td>
<td>380</td>
</tr>
<tr>
<td>1910</td>
<td>221</td>
<td>69</td>
<td>45</td>
<td>1</td>
<td>336</td>
</tr>
<tr>
<td>1911</td>
<td>135</td>
<td>47</td>
<td>11</td>
<td></td>
<td>199</td>
</tr>
<tr>
<td>1912</td>
<td>79</td>
<td>1</td>
<td>228</td>
<td>58</td>
<td>1,682</td>
</tr>
<tr>
<td>Total</td>
<td>1,902</td>
<td>637</td>
<td>456</td>
<td>59</td>
<td>3,370</td>
</tr>
</tbody>
</table>

Compiled from Report on the health of the City of Liverpool during 1912 by the medical officer of health, p. 261.

It appears that the proportion of these houses demolished (56.44 per cent) is considerably larger than is the case in England as a whole. This may be due partly to the exceedingly crowded and insanitary character of many of the houses against which action is taken, and in part to the extensive housing work undertaken by the city. This, by furnishing tenements into which the dispossessed may move, makes it possible for the authorities to act more freely against unhealthful buildings than they can when the unhoused have nowhere to go except into other insanitary dwellings, which their coming will render as overcrowded as were the ones from which they are driven.

The housing policy of Liverpool has undergone several alterations. In 1869 the city put up a large building providing accommodation for over 600 people, but that was soon occupied by the better-paid workingmen, and those unhoused by the operations of the city council were not rehoused. In 1885 and in 1891 the city put up other buildings, which at the usual allowance of two persons to a room would provide for some 1,500 persons, but these like the earlier building were soon filled by the better-paid workers. In an effort to provide for the poorer classes up to 1896 the city sold the land it cleared to builders on condition that they put up houses for the

1 Compiled from Report on the health of the City of Liverpool during 1912 by the medical officer of health, p. 261.

2 Including 316 in schemes but still occupied.

1 See p. 301.
working classes. The land was sold at much less than it cost the city, but the houses were still filled with the relatively better-off working classes.

By 1896 the corporation had had the experience of making clearances without building, of itself building, of parting with land for others to build upon it, of patching up property and neighborhoods, with the result that for 32 years the persons affected were not rehoused.

At last serious protests were made. Between 1864 and 1896 40,000 people had been uprooted. They were driven into underground cellars, insanitary houses, sublet houses, the death rate remained tremendously high, being in some places 60 per thousand, in some 50 per thousand, and in most insanitary neighborhoods 40 per thousand * * * and while other slums were being created, certain neighborhoods were being destroyed.¹

Beginning with 1896 the city resolved to build its own tenements and to let them only to those dispossessed by its housing operations, or, if there should be more room than these needed, to persons living in insanitary and overcrowded dwellings similar to those destroyed. The earlier buildings had been huge blocks; those built under the later plan were very largely three-family tenements, though cottage flats have also found favor. In 1913 the city possessed 2,731 dwellings containing 6,833 rooms, and let at a gross annual rent of £27,397 ($133,328). The dwellings were divided as to number of rooms as follows:

| Containing 1 room | 193 |
| Containing 2 rooms | 1,257 |
| Containing 3 rooms | 998 |
| Containing 4 rooms | 283 |
| **Total** | **2,731** |

The one-room dwellings are not only few, but are relatively fewer in the new than in the early buildings. There are none in the buildings put up since 1895.

The weekly rents vary somewhat according to the type and location of the building. The following table shows the variations and the number of dwellings of each size available:

<table>
<thead>
<tr>
<th>Number</th>
<th>Rent per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-room dwellings</td>
<td>66</td>
</tr>
<tr>
<td>Two-room dwellings</td>
<td>301</td>
</tr>
<tr>
<td>Three-room dwellings</td>
<td>146</td>
</tr>
<tr>
<td>Four-room dwellings</td>
<td>15</td>
</tr>
</tbody>
</table>

These rents, it will be noticed, are much smaller than those charged by the London County Council for their dwellings. They are about what the rehoused tenants were paying for their former insanitary rooms. Liverpool definitely gave up all idea of an economic rent, believing that the workers for whom these dwellings are planned are unable to pay rents that will give a fair return on the capital invested.

It is difficult to obtain data showing the exact status financially of Liverpool's housing enterprises.

The following table, published in 1907, gives the capital outlay, rents, etc., for the buildings then existing, averaged in each case for the number of years the building had been operated.

**FINANCIAL DATA CONCERNING LIVERPOOL'S DWELLINGS ON SLUM SITES.**

[Source: Housing Up to Date, W. Thompson, p. 61. London, 1907. In most cases land is charged to capital outlay only at housing valuation.]

<table>
<thead>
<tr>
<th>Council and period of accounts averaged</th>
<th>Capital outlay</th>
<th>Rents received</th>
<th>Working expenses</th>
<th>Net return per cent on outlay 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Martin's cottages, 36 years........</td>
<td>887,249.61</td>
<td>55,474.81</td>
<td>51,012.23</td>
<td>257.12</td>
</tr>
<tr>
<td>Victoria Square, 19 years..............</td>
<td>321,026.72</td>
<td>15,570.50</td>
<td>2,091.17</td>
<td>1,318.82</td>
</tr>
<tr>
<td>Juvenile Street, 15 years..............</td>
<td>78,671.84</td>
<td>4,986.19</td>
<td>680.18</td>
<td>1,318.82</td>
</tr>
<tr>
<td>Atchley Street, 8 years................</td>
<td>96,907.06</td>
<td>2,199.06</td>
<td>599.12</td>
<td>301.72</td>
</tr>
<tr>
<td>Gildart's Gardens, 8 years............</td>
<td>132,772.01</td>
<td>5,836.79</td>
<td>1,700.28</td>
<td>421.52</td>
</tr>
<tr>
<td>Dryden Street, 4 years................</td>
<td>146,945.83</td>
<td>6,574.64</td>
<td>1,343.96</td>
<td>748.92</td>
</tr>
<tr>
<td>Kempston Street, 3 years..............</td>
<td>138,836.32</td>
<td>3,685.28</td>
<td>785.17</td>
<td>81.35</td>
</tr>
<tr>
<td>Kew Street, 3 years...................</td>
<td>108,831.35</td>
<td>2,845.83</td>
<td>935.81</td>
<td>204.44</td>
</tr>
<tr>
<td>Addison Street, 2 years...............</td>
<td>294,709.53</td>
<td>12,336.84</td>
<td>2,480.78</td>
<td>938.04</td>
</tr>
<tr>
<td>Stanhope Cottages, 1 year.............</td>
<td>55,817.03</td>
<td>2,292.12</td>
<td>501.23</td>
<td>439.13</td>
</tr>
<tr>
<td>Mill Street, 1 year...................</td>
<td>57,921.88</td>
<td>1,522.41</td>
<td>481.78</td>
<td>423.39</td>
</tr>
<tr>
<td>Hornby Street, 1 year..................</td>
<td>145,727.34</td>
<td>8,769.43</td>
<td>1,211.70</td>
<td>686.18</td>
</tr>
</tbody>
</table>

1 The percentages and detailed figures refer to different periods.

Apart from the low rents which must be charged in order to meet the needs of the class for whom these houses are designed, there are two factors which increase the difficulty of making a good financial showing for the enterprises. The land situated in the crowded portions of the city must be bought at figures far in excess of what it is worth as a site for workmen's dwellings, and it has usually been necessary to borrow the money required at rather a high rate of interest. Consequently the net return on outlay would have to be considerably larger than shown above to make the venture a success if regarded solely from the economic point of view. Nevertheless, the returns are better than they seem at first glance. The working expenses include careful repairs, the buildings being kept up so well that deterioration as a factor in the problem is almost negligible; and the net returns, while not large in themselves, might not improperly be regarded as investments rather than as returns upon investments. For the buildings are decidedly more than self-supporting, so far
as current expenses go, and are bringing in something toward the sinking fund by which eventually their whole cost will be paid off.

Apart from the direct returns in the way of rents, the building schemes save the city a considerable amount every year. Most of the insanitary areas bought up and rebuilt consisted of the insanitary courts already described.

By the removal of these insanitary courts the cost of cleaning, washing, and scavenging them has been obviated and from a very careful calculation it is estimated that at the present time there is a saving of £2,200 [§10,706.30] per annum in respect to cleansing and £9,000 [§43,798.50] per annum for the sanitary administration.3

The success of Liverpool's policy of reserving its buildings for the use of the dispossessed has been marked. Liverpool is almost the only English city which rehouses the poorest and least desirable class of tenants to be found within its limits. The class provided for are mostly un-skilled and frequently casual laborers.

In 1907 a census of the occupations of 1,661 persons in the dwellings showed the following principal classes of workers:3

<table>
<thead>
<tr>
<th>Laborers</th>
<th></th>
<th>Porters</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>328</td>
<td>Hawkers</td>
<td>64</td>
</tr>
<tr>
<td>Dock</td>
<td>251</td>
<td>Sailors</td>
<td>45</td>
</tr>
<tr>
<td>Mill</td>
<td>63</td>
<td>Scavengers</td>
<td>40</td>
</tr>
<tr>
<td>Builders</td>
<td>15</td>
<td>Cotton pickers</td>
<td>17</td>
</tr>
<tr>
<td>Foundry</td>
<td>14</td>
<td>Painters</td>
<td>15</td>
</tr>
<tr>
<td>Ship</td>
<td>4</td>
<td>Bag repairers</td>
<td>15</td>
</tr>
<tr>
<td>Carters</td>
<td>120</td>
<td>Warehouse women</td>
<td>11</td>
</tr>
<tr>
<td>Charwomen</td>
<td>103</td>
<td>Coal heavers</td>
<td>11</td>
</tr>
<tr>
<td>Firemen</td>
<td></td>
<td>Coopers</td>
<td>11</td>
</tr>
<tr>
<td>Marine</td>
<td>73</td>
<td>Cigar makers</td>
<td>11</td>
</tr>
<tr>
<td>Factory</td>
<td>20</td>
<td>Widows etc.</td>
<td>50</td>
</tr>
</tbody>
</table>

In 1905 the deputy surveyor of the city of Liverpool published a statement that the average earnings of the tenants did not exceed 15s. (§3.65) a week. Naturally with such earnings and in such houses as were formerly open to them they became, if they were not to begin with, slum dwellers in the most objectionable sense of the term. In the new buildings, under the supervision exercised by the corporation, their characters seem to be changing to fit their environment.

The improving conditions in health and social circumstances of the persons rehoused becomes increasingly apparent year by year. It would, of course, be idle to expect that the occupants of insanitary

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1 In 1908, the latest year for which such data are available, the total receipts from the city's dwellings were in round numbers, £18,975 (§92,342); total expenditures in connection with them, £9,174 (§44,645). (City of Liverpool, England, Accounts of the Treasurer, 1908, pp. 90-103.)
2 Health Department, Report on the Health of the City of Liverpool during the year 1912 by the medical officer of health, p. 270.
3 Housing Up to Date, W. Thompson, p. 117. London, 1907.
areas who are transferred to a sanitary area should immediately for­
sake all the old habits which a lifetime of insanitation had engendered.
As a matter of fact, many of them still need and still look to the
advice and friendly guidance of the sanitary staff.¹

The following quotation from the report of the Local Government
Board for 1912 gives some data showing the improvement which has
taken place in the areas made sanitary.²

The first two unhealthy areas to be dealt with by Liverpool under
the housing of the working classes act, 1890, were scheduled in 1902,
this being the first scheme in the city under that act. When these
areas were condemned the death rate within them ranged from 40 to
60 per thousand and the incidence of phthisis resulted in an annual
death rate of (approximately) 4 per thousand.

The number of dwellings provided by the corporation to the end
of 1912 was 2,727 with a population of 10,099, and of these dwellings
2,171 are reserved for persons who have been dispossessed in con­
nection with the removal of insanitary property or the abatement of
overcrowding. Before any of these latter dwellings are let, the
housing committee is satisfied that the applicant formerly resided in
an insanitary house or cellar, or was dispossessed from an overcrowded
sublet house.

The medical officer of health reports that there has been a marked
improvement in the habits and cleanliness of the people who formerly
inhabited these dwellings, as indicated by the external and internal
appearance of the houses. The improvement is particularly notice­
able amongst the children, and at night the districts are quiet and
orderly.

The following figures show the number of persons arrested who
gave addresses in areas where the corporation houses have now been
erected:

<table>
<thead>
<tr>
<th>Area</th>
<th>Year</th>
<th>Persons arrested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adlington Street</td>
<td>1904</td>
<td>262</td>
</tr>
<tr>
<td>Do.</td>
<td>1912</td>
<td>4</td>
</tr>
<tr>
<td>Burlington Street</td>
<td>1905</td>
<td>14</td>
</tr>
<tr>
<td>Do.</td>
<td>1912</td>
<td>46</td>
</tr>
<tr>
<td>Hornby Street</td>
<td>1901</td>
<td>170</td>
</tr>
<tr>
<td>Do.</td>
<td>1912</td>
<td>52</td>
</tr>
</tbody>
</table>

The head constable points out that the comparative figures of of­
fenses committed by persons living in the areas are of real value
because the housing department takes pains to secure as tenants
those who have been dispossessed through its operations. It appears
that 79 per cent and 94 per cent respectively of the persons who resided
in the insanitary property in the Northumberland Street and Beving­
ton Street areas before clearance by the corporation have been
rehoused in corporation dwellings.

¹ Health Department, Report on the Health of the City of Liverpool during 1912, by the medical officer
of health, p. xvi.
Planning, pp. xxii, xxiii.
The medical officer of health points out that under the new conditions the general death rate has fallen by more than one-half, and the average annual death rate from phthisis in the corporation tenements during the four years 1909 to 1912 fell to 1.9 per thousand. During the year 1911, out of 2,601 cases of phthisis in the city which have been under observation at their own homes only 33 were found to reside in dwellings erected by the housing committee.

In connection with the suggestion which has sometimes been made that the removal of slum areas results in an increase of subletting and overcrowding elsewhere, the following figures as to sublet houses, furnished by the medical officer of health, are important: In 1904 there were 22,488 such houses in the city, and in 1912 there were only 16,475.

Housing Work of Birmingham.

Birmingham is another city in which the loans sanctioned by the Local Government Board fail to give an adequate idea of the work done under the various housing acts. In this city the provision of houses has been a far less important feature than the reconstruction of slum areas. Up to 1875 the central portion of Birmingham was overcrowded, unplanned, and insanitary.

Some street improvements in the heart of the town had been effected from year to year, and the ingress of railroads, particularly, had broken through the huddled masses of old houses crowded together in narrow streets, lanes, and courts. But nothing radical had been accomplished, and the great town of Birmingham, having by that time nearly 400,000 people, had grown up around a nucleus surviving from old village days, unwholesome, mean, and altogether disgraceful.

This nucleus was in 1875 made the subject of an improvement or clearance scheme under the artisans' and laborers' dwellings act of that year. The scheme dealt with an area of 93 acres on which from 15,000 to 20,000 people were living. The houses were old and dilapidated and the death rate of the district was very high, in some streets being several times as great as in the more favored parts of the city. The area was laid out with new streets and open spaces. The worst dwellings were taken down and the remainder put into sanitary condition. The greater portion of the land acquired was let out on building leases for 75 years, the buildings being largely shops.

The gross outlay amounted \* \* \* to about $8,000,000. It was not expected that after creating new streets and rearranging the district, the city could wholly recoup itself by sales or leases of building sites. \* \* \* As revenue accounts now stand, the improvement scheme costs annually for interest, sinking fund, and various charges about $400,000 and receives in rentals about $300,000.

The sinking fund is expected to pay off the whole amount borrowed for this scheme within 50 years from the date of the loan. For 25
years thereafter the corporation will receive the rents from the leased land, and at the end of that time, when the leases expire, all the improvements will become the property of the city without compensation of any kind to the retiring tenants. As one of the finest and most important business streets in the city is embraced in this area, the return to the city on its investment will eventually be enormous.

Some 653 workmen's houses had been demolished in this scheme. In 1884 a committee of inquiry was appointed to see whether this had led to any scarcity of housing accommodation in the city. They brought in a report stating that there was no scarcity of working-class houses, that the existing houses were, generally speaking, in a fairly sanitary condition, and that there was no great amount of overcrowding.¹

The corporation did not seem to be wholly satisfied by the findings of this committee, for they at once proceeded to build two blocks of cottage flats, containing 103 dwellings. A few years later an insanitary area of 4,030 yards, with 65 dwelling houses and a few workshops, was condemned, bought up by the corporation, and the buildings demolished under Part I of the act of 1890. On this area 61 cottages were erected.

No attempt was made to rehouse the dispossessed tenants, and indeed the rents charged in all the Birmingham cottages made it practically certain that they would be used by a better-paid class of workmen than those who had been unhoused. The following table gives some data of interest concerning the municipal cottages and cottage flats:

<table>
<thead>
<tr>
<th>MUNICIPAL DWELLINGS IN BIRMINGHAM.</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Source: Housing Up to Date, W. Thompson, pp. 50 and 51. London, 1907.]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of dwellings.</th>
<th>Rooms in each.</th>
<th>Weekly rent.</th>
<th>Cost of building.</th>
<th>Area of site (square yards).</th>
<th>Cost of site, roads, etc.</th>
<th>Cost per room.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk Street cottage flats...</td>
<td>24</td>
<td>2</td>
<td>73 cents..........</td>
<td>2 $49,132</td>
<td>4,000</td>
<td>$4,901</td>
</tr>
<tr>
<td>26</td>
<td>3</td>
<td>$1.10,</td>
<td>3</td>
<td>$1.34,</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>$1.34 to $1.68,</td>
<td>5</td>
<td>$1.22 to $1.68,</td>
<td>2 $886</td>
<td>2,100</td>
</tr>
<tr>
<td>Lawrence Street cottages...</td>
<td>81</td>
<td>5</td>
<td>$1.34 to $1.68,</td>
<td>2 $886</td>
<td>2,100</td>
<td>3 $1.34 to $1.68,</td>
</tr>
<tr>
<td>Ryther Street cottages...</td>
<td>22</td>
<td>5</td>
<td>$1.34 to $1.68,</td>
<td>2 $886</td>
<td>2,100</td>
<td>3 $1.34 to $1.68,</td>
</tr>
</tbody>
</table>

¹ Including roads. ² Cost of building each cottage. ³ Building, $ for site.

The Milk Street buildings, which were the last to be put up, cost considerably more than the earlier buildings per room, but are better built, and each dwelling has its own separate conveniences of every kind.

They are of red brick with slate roofs and are arranged in four terraces, consisting of 24 containing living rooms 13 by 14 feet, and

bedrooms 12½ by 9 feet; 28 containing living rooms 13 feet 4 inches by 14 feet, bedrooms 14 by 8½ feet and bedrooms 9 by 9 feet. The 4 and 5 room cottages are in separate groups.

The outlay, running expenses, and returns from the Birmingham houses averaged for a period of three years were as follows:

**FINANCIAL DATA CONCERNING BIRMINGHAM'S DWELLINGS ON SLUM SITES.**

[Source: Housing Up to Date, W. Thompson, p. 63, London, 1907.]

<table>
<thead>
<tr>
<th></th>
<th>Capital outlay</th>
<th>Rents received</th>
<th>Total working expenses</th>
<th>Net return per cent on outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryder Street</td>
<td>$24,333</td>
<td>$1,663.74</td>
<td>$293.71</td>
<td>4.35</td>
</tr>
<tr>
<td>Lawrence Street</td>
<td>85,164</td>
<td>5,937.13</td>
<td>3,474.68</td>
<td>4.60</td>
</tr>
<tr>
<td>Milk Street</td>
<td>78,351</td>
<td>8,041.56</td>
<td>1,109.26</td>
<td>2.40</td>
</tr>
</tbody>
</table>

In calculating these returns the land was written down to its housing value, which was much below the price paid for it.

The policy of municipal housing has never been very popular in Birmingham, a strong party contending that the provision of houses should be left to private enterprise and that the city can best serve all classes by using its undoubted powers to compel private owners to make and keep their houses sanitary. About 1901 this party gained the upper hand in the city council, a housing committee was appointed to take charge of all matters pertaining to housing, and since then the city's definite policy has been not to buy up and clear off slum areas, but to proceed against such areas house by house, under Part II of the act of 1890. The following table shows the number of houses dealt with under this policy since 1902:

**ACTION TAKEN BY HOUSING COMMITTEE OF BIRMINGHAM IN IMPROVING SLUM AREAS, 1903 TO 1912.**

[Source: City of Birmingham. Report of the medical officer of health for the year 1912, p. 74.]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1903</td>
<td>304</td>
<td>155</td>
<td>34</td>
<td>65</td>
<td>51</td>
</tr>
<tr>
<td>1904</td>
<td>1,119</td>
<td>320</td>
<td>227</td>
<td>236</td>
<td>36</td>
</tr>
<tr>
<td>1905</td>
<td>750</td>
<td>320</td>
<td>227</td>
<td>236</td>
<td>36</td>
</tr>
<tr>
<td>1906</td>
<td>596</td>
<td>370</td>
<td>117</td>
<td>199</td>
<td>143</td>
</tr>
<tr>
<td>1907</td>
<td>806</td>
<td>282</td>
<td>222</td>
<td>679</td>
<td>195</td>
</tr>
<tr>
<td>1908</td>
<td>650</td>
<td>320</td>
<td>227</td>
<td>184</td>
<td>164</td>
</tr>
<tr>
<td>1909</td>
<td>521</td>
<td>351</td>
<td>216</td>
<td>291</td>
<td>54</td>
</tr>
<tr>
<td>1910</td>
<td>609</td>
<td>277</td>
<td>291</td>
<td>173</td>
<td>41</td>
</tr>
<tr>
<td>1911</td>
<td>278</td>
<td>202</td>
<td>163</td>
<td>260</td>
<td>51</td>
</tr>
<tr>
<td>1912</td>
<td>526</td>
<td>301</td>
<td>249</td>
<td>227</td>
<td>209</td>
</tr>
<tr>
<td></td>
<td>6,602</td>
<td>3,613</td>
<td>2,206</td>
<td>3,167</td>
<td>957</td>
</tr>
</tbody>
</table>

This table represents only action taken against houses so insanitary that they may be considered unfit for habitation. In addition a great deal has been done under local health acts in the way of com-
polling repairs before a house has reached such an extreme stage of unhealthfulness. Thus in 1911 notices were served on the owners of 2,252 houses in which sanitary defects were found, requiring them to repair these. Also, in connection with the houses against which representations are made, the council frequently undertakes work which does not appear in the above table.

Thirty-three courts have been opened to their respective streets by the removal of 60 houses, at a cost to the corporation of £1,400 ($6,813), and at a cost to the owners, including repairs done to houses in the courts, of £15,260 ($74,263), showing an expenditure by the owners of over £10 ($49) for every £1 ($4.87) spent by the corporation. These figures apply exclusively to courts that have been opened out by the removal of obstructive buildings.¹

Along with this activity there has been a steady effort to secure the erection of a large number of cheap houses in the outskirts so as to draw the population outward and prevent the increase of rents with its accompaniment of overcrowding in the center of the city. In 1900 the council bought 17 acres of land at Bordsley Green, 3 miles from the heart of the city, with the intention of building 500 cottages for working people on it. Before this scheme could be carried out, the opposition to municipal building became effective in the council, and for a number of years the land lay idle. Finally, in 1907, it was leased to the Ideal Benefit Society to be used for the erection of houses, which must be "separate, self-contained lodging houses, not being flats or other dwelling houses adapted for occupation by more than one family within the meaning of the housing of the working classes act, and suitable for habitation by persons of the working or artisan class." The council reserves to itself large powers of supervision, and makes careful provision that the houses shall be sanitary, well kept, and not too expensive, and that the area shall not be overbuilt.² As yet data concerning the working out of this scheme are not available.

The town planning act of 1909 gave cities greatly increased powers in the way of controlling the building up of new suburbs. Birmingham has already undertaken large and expensive schemes of this kind, and it seems probable that henceforth the city will put much more energy into the prevention of future slums than into the abolition of those developed in the past.

HOUSING WORK OF MANCHESTER.

Before the passing of the act of 1890 Manchester dealt with objectionable housing conditions only under a local act which permitted the city to close houses unfit for habitation but not to replace them.

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¹ A Housing Policy, J. S. Nettlefold, p. 45. Birmingham, 1905.
² Practical Housing, J. S. Nettlefold, Appendix F. Letchworth, 1908.
When this act was first applied it was an easy matter for tenants thus dispossessed to find accommodation elsewhere, but in time the closing of so many houses, combined with the natural increase of the city, brought about serious overcrowding. The city authorities, therefore, promptly availed themselves of the powers given under the act of 1890, and from that time have carried on their work under the local or the general act or under both together as has seemed most effective. Before 1890, under the local act, 6,890 houses had been closed. Since that date work of this kind has been done as follows:

### NUMBER OF HOUSES CERTIFIED TO AND DEALT WITH BY THE HOUSING, ETC., SUBCOMMITTEE IN EACH YEAR, 1890 TO 1911.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number certified and ordered to be closed</th>
<th>Number of houses added together or to other houses</th>
<th>Number demolished</th>
<th>Number repaired and re-opened</th>
<th>Number closed</th>
<th>Number not closed</th>
<th>Number which stand adjourned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1890</td>
<td>202</td>
<td>79</td>
<td>82</td>
<td>37</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1891</td>
<td>358</td>
<td>189</td>
<td>157</td>
<td>72</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1892</td>
<td>250</td>
<td>198</td>
<td>352</td>
<td>153</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1893</td>
<td>675</td>
<td>206</td>
<td>218</td>
<td>186</td>
<td>38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1894</td>
<td>904</td>
<td>208</td>
<td>546</td>
<td>122</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1895</td>
<td>959</td>
<td>227</td>
<td>454</td>
<td>223</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1896</td>
<td>782</td>
<td>182</td>
<td>319</td>
<td>274</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1897</td>
<td>441</td>
<td>68</td>
<td>198</td>
<td>157</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1898</td>
<td>506</td>
<td>99</td>
<td>385</td>
<td>269</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1899</td>
<td>859</td>
<td>159</td>
<td>364</td>
<td>219</td>
<td>87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1900</td>
<td>399</td>
<td>80</td>
<td>149</td>
<td>133</td>
<td>37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1901</td>
<td>132</td>
<td>10</td>
<td>44</td>
<td>74</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1902</td>
<td>515</td>
<td>132</td>
<td>126</td>
<td>199</td>
<td>63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1903</td>
<td>515</td>
<td>112</td>
<td>165</td>
<td>240</td>
<td>28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1904</td>
<td>717</td>
<td>137</td>
<td>204</td>
<td>399</td>
<td>47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1905</td>
<td>596</td>
<td>80</td>
<td>176</td>
<td>299</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1906</td>
<td>538</td>
<td>98</td>
<td>162</td>
<td>347</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1907</td>
<td>2,716</td>
<td>217</td>
<td>512</td>
<td>1,408</td>
<td>473</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1908</td>
<td>2,259</td>
<td>167</td>
<td>306</td>
<td>1,364</td>
<td>224</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>2,138</td>
<td>91</td>
<td>134</td>
<td>1,834</td>
<td>98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910</td>
<td>1,833</td>
<td>95</td>
<td>87</td>
<td>1,983</td>
<td>311</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1911</td>
<td>2,335</td>
<td>14</td>
<td>26</td>
<td>365</td>
<td>92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21,151</td>
<td>2,818</td>
<td>4,966</td>
<td>9,436</td>
<td>1,687</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* In 1,471 of these the owners arranged to carry out alterations to meet the requirements of the committee.

The great advantage of this act was that the cost of abolishing evil conditions fell mainly upon the owner of the property. Repairs and alterations were made entirely at his expense. "But in some cases it was necessary before a group of houses could be made fit for habitation to demolish one in three, the site being left as an open space, or utilized as a private yard for the adjoining houses. Where this occurred the corporation made a grant of £15 ($73) in respect to each house demolished." In 1902 it was calculated that the amount thus spent by the corporation up to date did not exceed in round numbers £25,000 ($121,663).

In order to meet the need for more houses and to do away with a large slum area, Manchester undertook in 1891 a large clearance...

---

1 Report on the Health of the City of Manchester, 1911, by the medical officer of health, p. 85.
scheme under Part I of the act of 1890, the area involved being about 5 acres on Oldham Road and Pollard Street. Large blocks, containing 372 dwellings, were erected on part of this area and cottages on another part, the rest being left as an open space. The total cost of the scheme was £285,000 ($1,386,953). Within a very few years a striking reduction of the mortality rate was observed in the cleared area, and a smaller reduction in the rates of the two adjoining districts. The following figures show the extent of the reduction:

**Reduction of Death Rates Resulting from Improvement of Slum Areas in Manchester.**


<table>
<thead>
<tr>
<th></th>
<th>Oldham Road area</th>
<th>Pollard Street area</th>
<th>Adjoining district 6</th>
<th>Adjoining district 7</th>
<th>Whole of Ancoats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death rate, 1887-8-9</td>
<td>49.2</td>
<td>51.4</td>
<td>40.8</td>
<td>49.2</td>
<td>33.4</td>
</tr>
<tr>
<td>Death rate, 1896-7-8</td>
<td>29.7</td>
<td>32.7</td>
<td>38.6</td>
<td>39.0</td>
<td>28.6</td>
</tr>
<tr>
<td>Reduction per cent</td>
<td>39.0</td>
<td>36.0</td>
<td>5.0</td>
<td>21.0</td>
<td>14.0</td>
</tr>
</tbody>
</table>

The high death rates prevailing in these areas before the clearance are as striking as the reduction which followed it.

Almost simultaneously with this large scheme, the city proceeded against several smaller areas under Part II of the act of 1890. A total area of about 3½ acres was acquired. Part of the land was cleared but some of the dwellings were left standing and put into good repair either by their owners or the city. Tenements containing 150 dwellings were put up. Nine hundred and seventeen persons were dispossessed and housing was provided for 1,123.

After this for some years Manchester undertook no housing work except the procedure against insanitary houses under the local health act. But in 1901 the council purchased 238 acres on the city boundary, known as the Blackley estate, at a cost of £35,643 ($173,457). On this it was planned to erect 203 cottages, 150 of which would be required to rehouse the tenants of houses which were to be torn down in the course of making a new street and widening two old ones. Up to 1907 only these required dwellings had been erected.

Manchester has built successively blocks, tenements, and cottages. The following table gives some comparative data as to the number, relative cost, and rents of the buildings of each kind.
<table>
<thead>
<tr>
<th>Location and date of erection</th>
<th>Number</th>
<th>Rooms in each</th>
<th>Rent per week</th>
<th>Cost of building.</th>
<th>Area of site (square yards)</th>
<th>Cost of site.</th>
<th>Cost per room.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BLOCK DWELLINGS.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1894) Oldham Road (No. 2 Block)</td>
<td>48</td>
<td>1</td>
<td>61 to 73 cents..</td>
<td>229,738</td>
<td>7,779</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>237</td>
<td>2</td>
<td>85 cents to $1.22</td>
<td></td>
<td>122,179</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>44</td>
<td>3</td>
<td>$1.23 to $1.50..</td>
<td>87,310</td>
<td>3,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>4</td>
<td>$1.46 to $1.52..</td>
<td>120,029</td>
<td>4,554</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TENEMENT DWELLINGS.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1899) Pott Street (three story)</td>
<td>36</td>
<td>2</td>
<td>$1.03 to $1.10..</td>
<td>85,000</td>
<td>3,274</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>3</td>
<td>$1.22 to $1.34..</td>
<td>131,584</td>
<td>5,684</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>4</td>
<td>$1.46 to $1.52..</td>
<td>110,952</td>
<td>4,896</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sanitary Street.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>1</td>
<td>73 cents........</td>
<td>4,024</td>
<td>143,761</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>2</td>
<td>$1.10...........</td>
<td>4,980</td>
<td>181,684</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>3</td>
<td>$1.49...........</td>
<td>4,212</td>
<td>158,671</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>2</td>
<td>84 cents........</td>
<td>6,000</td>
<td>2,244</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROCHDALE ROAD.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>3</td>
<td>$1.39...........</td>
<td>5,901</td>
<td>112,884</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MILES PLATTING.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>4½</td>
<td>$1.34...........</td>
<td>1,071</td>
<td>13,193</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Oldham Road, area No. 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>George Leigh Cottages.</td>
<td>18</td>
<td>5</td>
<td>$1.89...........</td>
<td>1,501</td>
<td>7,081</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>6</td>
<td>$1.89...........</td>
<td>1,163</td>
<td>5,762</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>4</td>
<td>$1.54 to $1.70..</td>
<td>1,976</td>
<td>281,096</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>5</td>
<td>$1.54 to $1.70..</td>
<td>1,976</td>
<td>281,096</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 B, building; S, site.  
2 Nominal housing valuation.  
3 Actual cost of land.  
4 Cost of each.  
5 Cost of roads.  

It will be noticed that the block buildings, which were put up at the very beginning of Manchester's house-building work, cost distinctly more per room than either tenements or cottages, and that this extra cost was wholly a matter of building, for in several cases the cost per room of sites was greater for tenements and cottages than for blocks. Nevertheless, the block dwellings are less attractive than those in the smaller buildings, have less privacy, rent at a lower figure, and naturally bring in smaller returns. This last fact appears very clearly in the following table, averaged through a period of years.
GOVERNMENT AID TO HOUSING—GREAT BRITAIN.

FINANCIAL DATA CONCERNING MANCHESTER’S DWELLINGS ON SLUM SITES.
[Source: Housing Up to Date, W. Thompson, p. 63. London, 1907.]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BLOCK DWELLINGS.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oldham Road (2), 10 years...</td>
<td>$321,977.37</td>
<td>$15,632.62</td>
<td>$3,499.04</td>
<td>$4,647.51</td>
<td>$919.77</td>
<td>$9,566.29</td>
<td>1.85</td>
</tr>
<tr>
<td>Pollard Street, 10 years...</td>
<td>138,828.88</td>
<td>4,868.11</td>
<td>1,357.75</td>
<td>2,219.12</td>
<td>806.50</td>
<td>4,433.57</td>
<td>1.2</td>
</tr>
<tr>
<td>TENEMENT DWELLINGS.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chester Street, 6 years...</td>
<td>82,122.19</td>
<td>4,413.92</td>
<td>1,163.09</td>
<td>988.43</td>
<td>107.06</td>
<td>2,298.58</td>
<td>2.64</td>
</tr>
<tr>
<td>Pott Street, 6 years...</td>
<td>96,838.48</td>
<td>4,399.32</td>
<td>1,148.49</td>
<td>929.50</td>
<td>97.33</td>
<td>2,175.32</td>
<td>2.29</td>
</tr>
<tr>
<td>COTTAGES.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oldham Road (1), 6 years...</td>
<td>156,574.77</td>
<td>8,725.63</td>
<td>1,537.28</td>
<td>1,289.62</td>
<td>126.53</td>
<td>2,973.43</td>
<td>3.67</td>
</tr>
</tbody>
</table>

This table, unfortunately, shows the data for only one of the groups of cottages—Oldham Road (1)—as the others had not been occupied long enough when this table was compiled to show average results. The difference between the tenements and the block buildings is striking and shows one of the reasons why the block building is falling into disfavor among municipal builders.

These three cities are fairly typical of the different developments of the housing movement in England. Liverpool, concluding that there is a class of workers for whom private enterprise can not be expected to provide suitable dwellings and keep them in proper repair, has definitely undertaken to help in this direction. It will make its buildings self-supporting and even profitable, if possible, but its primary aim is to provide healthful and decent dwellings for the poorest class of dispossessed slum dwellers and to try to bring the occupants up to the standard of the houses. Birmingham has as definitely decided that within its limits, at least, private enterprise can be encouraged to provide whatever housing is needed. The city, therefore, has done very little in the way of building working-class dwellings, but has put its greatest effort into forcing private owners to put the slum houses into good condition. Manchester has occupied a middle ground, providing houses but not so extensively as Liverpool, and proceeding against the insanitary houses of private owners, but not limiting its work as closely to this as Birmingham, after the "Birmingham policy" was once adopted, has done. In all three cities, town planning work is receiving much attention, and while the effort to improve or abolish existing slums is not slackening, it seems probable that in the future the main emphasis will be placed on preventive work.
HOUSING WORK OF RURAL AUTHORITIES.

The procedure imposed by the act of 1890 upon rural authorities who wished to provide housing was so difficult and complicated that at first little was done. The table on page 309 shows that up to 1900 only two loans had been sanctioned to rural authorities for this purpose. The first of these loans was sanctioned, after two years' effort on the part of the Laborers' Association of Ixworth, for the purpose of building eight cottages. The cost of building was £1,700 ($8,273), which was borrowed for 30 years at 3½ per cent.

The loan charges amounted to about £10 10s. [$51.10] a year for each cottage. The cottages are let for £5 5s. [$25.55] a year, so that there is an annual deficit on loan charges of at least £5 5s. [$25.55] per cottage per annum. If the money had been lent by the Public Works Loan Commissioners at the market rate of interest (say 2½ per cent) for 75 years and the rents fixed at 2s. 6d. [61 cents] per week the enterprise would have been a financial success.¹

The borrowers to whom the second loan was sanctioned experienced to the full the difficulties imposed by the act as it then stood. They realized that the agricultural laborers could not pay more than 2s. 6d. (61 cents) or at most 3s. (73 cents) a week for rent, and that they could not put up cottages and let them at that rate with any hope of making the enterprise self-sustaining. They, therefore, decided to build for better-paid workmen, planning for a rent of 5s. ($1.22) a week, in the hope that workmen who could afford this would move in from poorer cottages and leave the latter to the agricultural laborers. The effort to provide such cottages began in 1895, but the necessary loan (£1,800 [$8,760]) was not sanctioned until 1899. The loan was secured from the Public Works Loan Commissioners for 40 years at 3½ per cent. Only six cottages were built, but these were let at once at rates that provided for payment of interest and repayment of principal, with a margin of £3 10s. 6d. ($17.15) for repairs. In 1903 the local authorities put up eight more cottages, borrowing £1,850 ($9,003) from the Public Works Loan Fund. These are let at from 4s. to 4s. 9d. (97 cents to $1.16) per week. The total loan of £3,650 ($17,763) had in 1913 been reduced by about one-fourth.

In 1900 the act of 1890 was amended, making the procedure much simpler for rural authorities who wished to take action under Part III. Notwithstanding this, up to March 31, 1907, only six rural authorities had obtained sanctions for loans for the first time in the year, and the total amount sanctioned was only £11,800 ($57,425). For four years more very little was done; but in 1912 and 1913 there was marked activity along these lines. The loans sanctioned in the year ending March 31, 1913, were more than twice as large as those of any preceding year, and the loans sanctioned during the two years

1911–1913 formed over three-fifths (64.7 per cent) of the whole amount sanctioned from 1891 to 1913, inclusive. Moreover, of 37 different rural authorities to whom loans have been sanctioned, 29 obtained the sanction for the first time in the two-year period ending March 31, 1913.

The loans sanctioned to the rural authorities in England and Wales were to provide a total of 470 houses or cottages. Of these, 231 would, according to the best estimates which could be made of expenditures and returns, have to be carried on at a loss, 133 would show a gain, while 106 would show neither loss nor gain.1 The annual loss on the 139 of these houses for which loans were sanctioned up to March 31, 1912, was estimated at £25 ($122), and on the 331 for which the loans were sanctioned during the next year at £175 ($852). It must be remembered, however, that the word "loss" here is of questionable propriety, since the community as a whole is acquiring property which might reasonably be regarded as more than balancing these annual deficits. A private person buying a house and renting it out for something less than the sum he annually pays toward its purchase does not enter the difference between his net rents and his annual payments as a loss, and it is not quite apparent why the community should do so.

In spite of the increased activity shown by the rural authorities during the years 1911 to 1913 the reports of the medical officers of health still show that in many districts the provision of houses is insufficient or is not proceeding at a sufficiently rapid rate. The Local Government Board is endeavoring to meet this situation by the system of inspections and reports already referred to and by the exercise of its power to order the local authorities to take action when complaint is made against them and the board finds upon investigation that the complaint is justified.

GOVERNMENT AID TO HOUSING WORK OF SOCIETIES, PRIVATE PERSONS, ETC.

The act of 1890 specifically empowered the Public Works Loan Board to advance on loan to certain companies, public utility societies, or private persons "such money as may be required for the purpose of constructing or improving or of facilitating or encouraging the construction or improvement of dwellings for the working classes."2 The reports of the Public Works Loan Board show that since 1890 they have advanced, under the provisions referred to in England and Wales, the following sums.

---


2 The earlier acts had authorized such loans under rather severe conditions. Previous to 1890, £416,500 ($2,026,897) had been advanced under these acts to such associations as the Peabody Trust, Hayle's Charity Estate Trustees, etc. See the Housing Problem in England, by E. R. Dewsnup, p. 198. Manchester, 1907.
AMOUNT ADVANCED AS LOANS BY THE PUBLIC WORKS LOAN BOARD TO IMPROVE AND CONSTRUCT DWELLINGS OF WORKING CLASSES, 1891 TO 1913.


<table>
<thead>
<tr>
<th>Year ending Mar. 31—</th>
<th>Amount advanced.</th>
<th>Year ending Mar. 31—</th>
<th>Amount advanced.</th>
<th>Year ending Mar. 31—</th>
<th>Amount advanced.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>$214,223</td>
<td>1900</td>
<td>$109,496</td>
<td>1900</td>
<td>$327,477</td>
</tr>
<tr>
<td>1892</td>
<td>33,799</td>
<td>1901</td>
<td>113,243</td>
<td>1910</td>
<td>404,318</td>
</tr>
<tr>
<td>1893</td>
<td>86,024</td>
<td>1902</td>
<td>277,877</td>
<td>1911</td>
<td>1,381,935</td>
</tr>
<tr>
<td>1894</td>
<td>217,533</td>
<td>1903</td>
<td>53,422</td>
<td>1912</td>
<td>965,202</td>
</tr>
<tr>
<td>1895</td>
<td>112,489</td>
<td>1904</td>
<td>78,764</td>
<td>1913</td>
<td>1,515,049</td>
</tr>
<tr>
<td>1896</td>
<td>112,903</td>
<td>1905</td>
<td>177,570</td>
<td>Total</td>
<td>7,076,530</td>
</tr>
<tr>
<td>1897</td>
<td>112,903</td>
<td>1906</td>
<td>131,639</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1898</td>
<td>105,403</td>
<td>1907</td>
<td>90,205</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1899</td>
<td>36,499</td>
<td>1908</td>
<td>248,240</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Figures for 1913 from Thirty-eighth Annual Report of the Public Works Loan Board, p. 2.

During the 20 years from 1891 to 1910, inclusive, the amount advanced was $3,214,344, while during the next three years it was $3,862,186; that is, considerably over half of the total amount loaned was advanced within the three years after the act of 1909 had gone into effect.

The reports on the loans made show a marked change in the character of the organizations or associations applying for them. Under the earlier acts the loans were largely to associations for providing workingmen's dwellings either at no profit or at a lower profit than would usually be expected from a business investment. In other words, the idea of doing something for the workingmen was prominent. The later loans are largely to building clubs, cooperative housing societies, and other groups striving to improve their housing conditions by their own associated efforts. The work of the early societies naturally centered in large cities, especially in London; the work of the later building clubs and cooperative societies is very apt to be in small cities or suburbs. The early societies were in some cases liberally endowed, and their effectiveness seems to have depended to a considerable extent on the lack of public interest in the provision of good housing, so that as public activity in this direction has increased the work of these bodies appears to have decreased, both absolutely and relatively.

In fact, the older established bodies seem to have made no forward movement for a number of years. * * * Such organizations as the Peabody Trust had their period of greatest activity when they were able to secure from the old Metropolitan Board of Works sites at but a fraction of their commercial value, but the London County Council has followed a different policy and has been actively engaged in house building on its own account, thereby apparently reducing the older housing organizations to a state of passiveness.¹

By contrast, the housing activity of the local authorities seems to rouse the later organizations to increased efforts. The following

The table shows the number of loans made by the Public Works Loan Board since 1903, the name of the borrower, details of loan and number of houses which the loan is to help provide, when the latter item could be definitely stated:

**LOANS FROM PUBLIC WORKS LOAN BOARD TO PRIVATE PERSONS, SOCIETIES, ETC., IN ENGLAND, WALES, AND SCOTLAND, 1904 TO 1913.**

[Compiled from annual reports of the Public Works Loan Board, 1904-1913.]

<table>
<thead>
<tr>
<th>Year ending Mar. 31—</th>
<th>Amount advanced.</th>
<th>Total amount of loan</th>
<th>Rate of interest (per cent.)</th>
<th>Period of repayment (years)</th>
<th>Number of dwellings to be built.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdare Bargoed Building Club</td>
<td>1908 $18,929</td>
<td>$18,929</td>
<td>3½</td>
<td>10</td>
<td>35</td>
</tr>
<tr>
<td>Ainsworth &amp; Sons (Ltd.)</td>
<td>1910 $9,153</td>
<td>$20,357</td>
<td>3½</td>
<td>30</td>
<td>48</td>
</tr>
<tr>
<td>Anchor tenants (Ltd.)</td>
<td>1911 64,129</td>
<td>62,910</td>
<td>3½</td>
<td>30</td>
<td>64</td>
</tr>
<tr>
<td>Bedling Building Club</td>
<td>1912 4,339</td>
<td>4,585</td>
<td>3½</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Bedling Hall Workmen’s Building Club</td>
<td>1913 10,845</td>
<td>22,364</td>
<td>3½</td>
<td>30</td>
<td>50</td>
</tr>
<tr>
<td>Bedling Workmen’s Building Club</td>
<td>1914 6,733</td>
<td>9,733</td>
<td>3½</td>
<td>10</td>
<td>28</td>
</tr>
<tr>
<td>Blair Building Club</td>
<td>1915 8,181</td>
<td>8,181</td>
<td>3½</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Bridge Street Building Club (Blackwood)</td>
<td>1916 10,439</td>
<td>10,439</td>
<td>3½</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Brynglas Building Club</td>
<td>1917 11,047</td>
<td>11,047</td>
<td>3½</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Church Street Building Club</td>
<td>1918 11,680</td>
<td>11,680</td>
<td>3½</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Caeacca Building Club</td>
<td>1919 6,429</td>
<td>6,429</td>
<td>3½</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Cardiff and County Conservative Workingmen’s Superannuation and Benefit Society</td>
<td>1920 3,163</td>
<td>3,163</td>
<td>3½</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Cymelin Building Club</td>
<td>1921 4,235</td>
<td>4,235</td>
<td>3½</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Cwrt Coch Building Club</td>
<td>1922 6,541</td>
<td>6,541</td>
<td>3½</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Dagenham Building Club</td>
<td>1923 6,497</td>
<td>6,497</td>
<td>3½</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Datchet Coalground Housing and Allotment Society (Ltd.)</td>
<td>1924 3,163</td>
<td>3,163</td>
<td>3½</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Dungeness Agricultural Co. (Ltd.)</td>
<td>1925 4,623</td>
<td>4,623</td>
<td>3½</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Dunkerken Collieries (Ltd.)</td>
<td>1926 6,541</td>
<td>6,541</td>
<td>3½</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>Ealing Tenants (Ltd.)</td>
<td>1927 8,181</td>
<td>8,181</td>
<td>3½</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>East End Dwellings Co. (Ltd.)</td>
<td>1928 11,680</td>
<td>11,680</td>
<td>3½</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Fairfield Building Club</td>
<td>1929 11,680</td>
<td>11,680</td>
<td>3½</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>Fallsing Park Garden Suburb Tenants (Ltd.)</td>
<td>1930 216,496</td>
<td>216,496</td>
<td>3½</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Garden City Tenants (Ltd.)</td>
<td>1931 122,496</td>
<td>122,496</td>
<td>3½</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>Garden Village (Hull) (Ltd.)</td>
<td>1932 6,497</td>
<td>6,497</td>
<td>3½</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td>Garfield Building Club</td>
<td>1933 4,321</td>
<td>4,321</td>
<td>3½</td>
<td>10</td>
<td>28</td>
</tr>
<tr>
<td>Gelahfesos Cottage Club</td>
<td>1934 9,333</td>
<td>9,333</td>
<td>3½</td>
<td>10</td>
<td>29</td>
</tr>
<tr>
<td>Griffin (Blaina) Building Club</td>
<td>1935 5,333</td>
<td>5,333</td>
<td>3½</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Griffin (Wales) Building Club</td>
<td>1936 5,333</td>
<td>5,333</td>
<td>3½</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>Griffin (Blaina) Building Club</td>
<td>1937 7,957</td>
<td>7,957</td>
<td>3½</td>
<td>10</td>
<td>32</td>
</tr>
<tr>
<td>Griffin (Glyndwr) Building Club</td>
<td>1938 54,159</td>
<td>54,159</td>
<td>3½</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Griffin (Wales) Building Club</td>
<td>1939 5,333</td>
<td>5,333</td>
<td>3½</td>
<td>10</td>
<td>34</td>
</tr>
</tbody>
</table>

1 Amount of earlier loans increased by this sum.
2 Reduced in following year to £3,963 ($17,826).
3 Original loan increased by this amount.
<table>
<thead>
<tr>
<th>Loans from Public Works Loan Board to Private Persons, Societies, etc., in England, Wales, and Scotland, 1904 to 1913—Continued.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ending Mar. 31—</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Hampstead Garden Suburb Trust (Ltd.)</td>
</tr>
<tr>
<td>Hampstead Tenants (Ltd.)</td>
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<tr>
<td>Harborne Tenants (Ltd.)</td>
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<tr>
<td>Letchworth Cottages &amp; Buildings (Ltd.)</td>
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<td></td>
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<tr>
<td>Letchworth Housing Society (Ltd.)</td>
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<td></td>
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<tr>
<td>Liverpool Garden Suburb Tenants (Ltd.)</td>
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<td></td>
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<tr>
<td>Long Sutton &amp; District Copartnership Housing Society (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Manchester Tenants (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>McAlpine, Robert &amp; Sons, Messrs.</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td>Mynydd Mawr Building Association</td>
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<td></td>
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<tr>
<td>Nantiddau Building Co. (Ltd.)</td>
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<td></td>
</tr>
<tr>
<td>Newbiggin Colliery Co. (Ltd.)</td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Newton Grange &amp; Easthouses Building Co. (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Oldham Garden Suburb Tenants (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Oxford Small Holders (Ltd.)</td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>Penguen Building Co. (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Rusthall Manor Cottage Society (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Scottish Garden Suburb Co. (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Sealand Tenants (Ltd.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Second Hampstead Tenants (Ltd.)</td>
</tr>
</tbody>
</table>

1. Earlier loans increased by this amount.
2. Original loan increased by this amount.
3. Subsequently increased to £1,133 (§5,514).
4. Subsequently increased to £3,173 (§14,477).
5. Scotch loans.
6. Increased in following year by £2,920 (§14,210).
7. Houses, 18; flats, 76.
It is noticeable that very few private persons have applied for these loans, only five in the course of the 10 years covered. Building clubs and societies are especially numerous in Wales, while in England such cooperative societies as the Ealing Tenants, Garden City Tenants, Hampstead Tenants, and the like have borrowed most numerously and extensively. The garden city idea seems to be well in the lead among the plans favored by private investors and cooperators, and many of the tenants associations contained in the above list are working on garden city lines.

It is impossible to say how much housing work is represented by the loans given in this table. Specific mention is made of 4,471 dwellings or houses toward the construction of which the loans were to be applied, but in the case of some of the largest loans no statement is made as to how many buildings were contemplated. Thus the East End Dwellings Co. borrowed £48,475 ($235,904), the Garden Village (Hull) £77,000 ($374,721), and the London Housing Society £81,842 ($398,284), but no statement is made of the number of dwellings which these sums were to help build. It is noteworthy that the amount loaned by the Public Works Loan Board to associations, private persons, etc., was in the year ending March 31, 1911, considerably over twice the total amount of loans sanctioned to urban and rural authorities combined, in 1912 was 86.6 per cent of the corresponding amount for that year, and in 1913 was 43.4 per cent. Since the amounts borrowed by the societies and clubs represent only a portion of their work, it is evident that relatively, as well as absolutely, they are playing an important part in meeting the needs of the housing situation.

<table>
<thead>
<tr>
<th>Name of Association</th>
<th>Year ending Mar. 31—</th>
<th>Amount advanced</th>
<th>Total amount of loan</th>
<th>Rate of interest (per cent)</th>
<th>Period of repayment (years)</th>
<th>Number of dwellings to be built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Hamstead Tenants (Ltd.)</td>
<td>1913</td>
<td>$16,712</td>
<td>$4,429</td>
<td>3</td>
<td>30</td>
<td>16,712</td>
</tr>
<tr>
<td></td>
<td>1911</td>
<td>4,429</td>
<td>9,464</td>
<td>3</td>
<td>30</td>
<td>4,429</td>
</tr>
<tr>
<td></td>
<td>1912</td>
<td>1,908</td>
<td>3,106</td>
<td>3</td>
<td>30</td>
<td>1,908</td>
</tr>
<tr>
<td>Sevenoaks Tenants (Ltd.)</td>
<td>1911</td>
<td>53,084</td>
<td>53,084</td>
<td>3</td>
<td>30</td>
<td>53,084</td>
</tr>
<tr>
<td></td>
<td>1912</td>
<td>35,078</td>
<td>35,078</td>
<td>3</td>
<td>30</td>
<td>35,078</td>
</tr>
<tr>
<td></td>
<td>1913</td>
<td>1,436</td>
<td>1,436</td>
<td>3</td>
<td>30</td>
<td>1,436</td>
</tr>
<tr>
<td>Stoke-on-Trent Tenants (Ltd.)</td>
<td>1910</td>
<td>9,733</td>
<td>9,733</td>
<td>3</td>
<td>10</td>
<td>9,733</td>
</tr>
<tr>
<td>Tabor, Mr. R. W</td>
<td>1912</td>
<td>10,950</td>
<td>20,683</td>
<td>3</td>
<td>30</td>
<td>10,950</td>
</tr>
<tr>
<td>Taff Building Club (No. 2)</td>
<td>1906</td>
<td>20,683</td>
<td>21,899</td>
<td>3</td>
<td>16</td>
<td>20,683</td>
</tr>
<tr>
<td>Tonypandy Building Club</td>
<td>1907</td>
<td>1,217</td>
<td>1,217</td>
<td>3</td>
<td>16</td>
<td>1,217</td>
</tr>
<tr>
<td>Tower Housing Society (Ltd.)</td>
<td>1913</td>
<td>14,600</td>
<td>14,600</td>
<td>3</td>
<td>30</td>
<td>14,600</td>
</tr>
<tr>
<td>Tweenyson Building Club</td>
<td>1911</td>
<td>9,733</td>
<td>9,733</td>
<td>3</td>
<td>10</td>
<td>9,733</td>
</tr>
<tr>
<td>Ty Fry Building Club</td>
<td>1908</td>
<td>8,760</td>
<td>8,760</td>
<td>3</td>
<td>18</td>
<td>8,760</td>
</tr>
<tr>
<td>Victoria Building Club</td>
<td>1909</td>
<td>5,840</td>
<td>5,840</td>
<td>3</td>
<td>13</td>
<td>5,840</td>
</tr>
<tr>
<td>Wall, Mr. Thomas</td>
<td>1906</td>
<td>14,000</td>
<td>14,000</td>
<td>3</td>
<td>16</td>
<td>14,000</td>
</tr>
<tr>
<td>Watson, Mr. J. S. C</td>
<td>1912</td>
<td>3,650</td>
<td>3,650</td>
<td>3</td>
<td>20</td>
<td>3,650</td>
</tr>
<tr>
<td>Winchester Workingmen's Housing Society (Ltd.)</td>
<td>1913</td>
<td>34,125</td>
<td>34,125</td>
<td>3</td>
<td>40</td>
<td>34,125</td>
</tr>
<tr>
<td>Windsor Building Club, 1911</td>
<td>1911</td>
<td>20,829</td>
<td>20,829</td>
<td>3</td>
<td>12</td>
<td>20,829</td>
</tr>
</tbody>
</table>
HOUSING LEGISLATION IN SCOTLAND.

The earlier housing legislation of Scotland was in the form of special acts embodying the same principles as the English legislation, but applicable only to Scotland. The act of 1890, slightly modified, was made applicable to it, as was the act of 1909. Practically the same situation exists there as in England. The Government has legislated in behalf of housing reform, may exercise a supervisory power over the building activities of local authorities, and stands ready to lend money on the same terms and under the same restrictions as in England; the local authorities have the same powers of condemning and clearing off slum areas, of improving areas which can be treated without a complete clearance, and of providing houses apart from clearance schemes when they consider such action necessary; and State aid to private builders is given in the same way.

ACTION OF MUNICIPAL AUTHORITIES OF SCOTLAND (SLUM CLEARANCES, HOUSING, AND LOANS).

Glasgow appears to have taken the lead in slum clearances. In 1866 the Glasgow improvements act created an improvement trust, which has been administered by the city council. Under this act 88 acres in the center of the city were acquired. The houses were old, dilapidated, and insanitary, and the wynds and closes were narrow and irregular. The population of the area was about 51,000, densely crowded, and living under unhealthful conditions. Radical treatment was adopted. Thirty new streets were formed and 26 existing streets widened, thus converting into open space about 23 acres formerly covered with houses. Two filthy streams which ran through the district were covered in and Alexandra Park was acquired and laid out. Like the London authorities, the trust at first disposed of the sites cleared, but since 1889 have retained and built upon them, holding and managing the property themselves. In 1897 further improvements were authorized, including the purchase of 25 acres as sites for workingmen's dwellings. The work done has been expensive.

The purchase and improvement of lands and buildings have involved the expenditure of £2,000,000 [§9,733,000], and new buildings have cost over £400,000 [§1,946,600]. Property has been sold and feu duties created to the value of £1,000,000 [§4,866,500] and the municipality holds property valued at £880,000 [§4,282,520]. The amount drawn from the rates in 30 years is about £600,000 [§2,919,900]. The total revenue for the year ended May 31, 1906, was £105,462 13s. 2d. [§513,234] and the expenditure £103,445 13s. 8d. [§503,418], showing a net surplus of £2,016 19s. 6d. [§9,516]. The rate has never exceeded three-fourth pence [1½ cents] in the pound sterling.¹

¹ Housing Up to Date, W. Thompson, p. 19. London, 1907.
The effect upon health of such clearances was shown very strikingly in one of the crowded areas cleared in these improvements, a space of 4½ acres. The old buildings were swept away, new streets and spaces were opened up, and new dwellings built, only 1½ acres being covered. "The death rate was 43.68 per 1,000 before the clearance, but fell to 26 per 1,000 eleven years afterwards and is still decreasing." 1

Other cities, notably Edinburgh, have undertaken clearances, but the work has usually proved expensive, partly because the sites cleared are worth much less for building than for business purposes.

The provision of houses by municipal authorities is common in Scotland. In 1906 Aberdeen had built and was managing houses containing 128 tenements, Edinburgh 647, Glasgow 2,300, and Perth 112. 2 Glasgow, in addition to having the largest number of dwellings, has made perhaps the greatest effort to meet the needs of the poorest classes.

Special efforts were made to secure that the poorest classes should occupy the dwellings, preference being given for one-roomed dwellings to those whose wages were under 22s. ($5.35), and for two-roomed dwellings to those who earned less than 26s. ($6.33) per week. The corporation in this manner have housed in the blocks:

Forty-nine tenants with wages under 24s. ($5.84) per week, average.
One hundred and five tenants with wages under 21s. 6d. ($5.23) per week, average.
Twenty-seven women with wages under 10s. 3d. ($2.49) per week, average.

The tenants of other dwellings include skilled laborers in the big works and factories and unskilled laborers engaged in public works in the vicinity. 3

The municipal lodging house is rather a common form of activity in Scotland. Aberdeen, Leith, Greenock, Paisley, and Peterhead each have one, while Glasgow, which was first in the field, has seven, and accommodates women as well as men. These seven have shown a profit on the investment for a number of years.

ACTION OF LOCAL AUTHORITIES OF SCOTLAND AGAINST INSANITARY HOUSES.

The Scotch local authorities have never availed themselves of the privilege of borrowing from the Public Works Loan Fund as freely as the English authorities have done. Up to March 31, 1913, the total amount so advanced was £236,810 ($1,152,436), of which at that date all but £5,839 6s. 11d. ($28,417) had been repaid. 4 From other sources, however, under the terms of the act of 1890, they borrowed as follows.

---

1 Housing Up to Date, W. Thompson, p. 101. London, 1907.
2 Idem, pp. 43, 46, 97, 98.
1903 .......................................................................................................... $22,143 $257,029
1904 .................................................................................................................................................. 30,975 283,284
1905 .................................................................................................................................................. 24,455 395,366
1906 .................................................................................................................................................. 10,176 393,232
1907 .................................................................................................................................................. 54,758 355,306
1908 .................................................................................................................................................. 9,670 334,136
1909 .................................................................................................................................................. 642 348,276
1910 .................................................................................................................................................. 642 339,755
1911 .................................................................................................................................................. 6,801 357,098

The work done by local authorities in closing or demolishing houses unfit for habitation or forcing their owners to put them into good repair is much less extensive than that done by the English authorities, but follows the same lines. The table following shows the action taken by local authorities under section 15 of the act of 1909, which provides that houses rented below a certain sum must be kept by the landlord "in all respects reasonably fit for occupation," and under sections 17 and 18, which authorize proceedings against houses "in a state so dangerous or injurious to health as to be unfit for human habitation."

**ACTION TAKEN BY SCOTTISH LOCAL AUTHORITIES.**

**Under sections 17 and 18, act of 1909.**

[Memorandum of the Local Government Board for Scotland, 1913 [Cd. 6676], pp. 4 and 5.]

<table>
<thead>
<tr>
<th>Year ending May 15, 1912.</th>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of local authorities taking action</td>
<td>57 113 170</td>
</tr>
<tr>
<td>Number of houses in respect of which representations were made to local authorities</td>
<td>296 1,905 2,091</td>
</tr>
<tr>
<td>Number of houses put in good repair by owners without the issue of a closing order</td>
<td>207 346 553</td>
</tr>
<tr>
<td>Number of houses closed or demolished voluntarily</td>
<td>100 234 342</td>
</tr>
<tr>
<td>Number of houses in respect of which closing orders were made</td>
<td>414 930 1,353</td>
</tr>
<tr>
<td>Number of houses in respect of which closing orders were determined</td>
<td>40 37 77</td>
</tr>
<tr>
<td>Number of houses demolished by owners after closing orders were issued</td>
<td>49 63 114</td>
</tr>
<tr>
<td>Number of houses in respect of which orders for demolition were made</td>
<td>58 20 84</td>
</tr>
</tbody>
</table>

**Under section 15, act of 1909.**

<table>
<thead>
<tr>
<th>Total.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of local authorities taking action</td>
</tr>
<tr>
<td>Number of houses in respect of which notices were given</td>
</tr>
<tr>
<td>Number of houses which landlords closed instead of complying with notices</td>
</tr>
<tr>
<td>Number of houses in respect of which notices were satisfactorily complied with</td>
</tr>
<tr>
<td>Number of houses in respect of which local authority executed the works in default of landlord</td>
</tr>
<tr>
<td>Number of houses in respect of which the notices remained undisposed of at end of period</td>
</tr>
</tbody>
</table>

1 In 28 cases notices were either withdrawn or not proceeded with for various reasons.
This table shows a total of 1,193 houses put into good condition without any cost to the public. These figures, however, do not tell anything like the whole story, as the authorities of three large cities preferred to proceed under local acts. For Edinburgh, Dundee, and Aberdeen during the same periods the figures were as follows:

**ACTION TAKEN BY LOCAL AUTHORITIES OF EDINBURGH, DUNDEE, AND ABERDEEN IN IMPROVING HOUSING CONDITIONS.**

[Memorandum of the Local Government Board for Scotland, 1913 [Cd. 6670], p. 13.]

<table>
<thead>
<tr>
<th>Dec. 3, 1909, to May 15, 1911</th>
<th>Year ending May 15, 1912</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of houses in respect of which notices were given</td>
<td>3,039</td>
</tr>
<tr>
<td>Number of houses in respect of which such notices were satisfactorily complied with</td>
<td>2,536</td>
</tr>
<tr>
<td>Number of houses closed by owners or authorities</td>
<td>325</td>
</tr>
<tr>
<td>Number of cases in which action is pending or which have been otherwise disposed of</td>
<td>148</td>
</tr>
</tbody>
</table>

This shows 4,424 houses repaired by their owners at the behest of the local authorities, making in connection with those repaired under the terms of the act of 1909 a total of 5,617. In addition, a large number of houses were dealt with under public health acts.

The two sets of figures show a marked dissimilarity, the work done under the act of 1909 having increased materially in the year ending May 15, 1912, while that done under the local acts fell off during that year.

**GOVERNMENT AID TO SOCIETIES, PRIVATE PERSONS, ETC., IN SCOTLAND.**

Public loans to societies, associations, and private persons for building purposes have not been made so extensively in Scotland as in England. Up to March 31, 1913, the total amount advanced by the Public Works Loan Board to such agencies in Scotland was £64,218 ($312,517). The different agencies to which such loans have been made since 1903 are shown in the table given on page 329. It will be noticed that the building clubs and societies, which are so numerous in Wales, scarcely appear among the Scotch borrowers, and that the garden city, garden village, and garden suburb companies, which seem at present to be almost the favorite form of associated activity among English borrowers, have only one representative among the Scotch. The number of Scotch borrowers, however, is too small for these facts to be particularly significant.

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SPECIAL HOUSING NEEDS OF IRELAND.

In Ireland the need of providing cottages for agricultural laborers came to the front earlier than the question of providing housing for town dwellers. In response to this need a series of acts, known as the Laborers’ Cottages and Laborers (Ireland) Acts have been passed, the first of which was enacted in 1881. These deal only with rural housing. The act of 1890, which was applicable to the whole United Kingdom, made provision for the housing activities of town and urban district authorities. Amendments to the act of 1890 were passed separately for Ireland, so that an entirely distinct body of housing legislation grew up there. As far as urban housing legislation is concerned, this situation was altered by the passage of the act of 1909, which like that of 1890 was made applicable to the whole Kingdom. For its rural housing, though, Ireland still has a series of enactments peculiar to itself.

ACTION OF MUNICIPAL AUTHORITIES IN IRELAND (SLUM CLEARANCES, HOUSING, AND LOANS).

As compared with England, there has been little municipal activity in Ireland under the act of 1890. Dublin carried out two slum clearance schemes at a cost of £50,000 ($243,325). The land was cleared and let to the Artisans Dwellings Company at a rent of £340 ($1,655) a year.1 Belfast spent £33,700 ($164,001) on clearance schemes,2 and in 1911–12 the Irish Local Government Board sanctioned a loan of £9,650 ($46,962) to Dublin authorities for a further scheme of this kind.3

House building under Part III of the act of 1890 has been more extensively practiced. By 1907 Dublin had provided 460 block dwellings, Rathmines had 349 dwellings, and Drogheda had just put up new municipal houses costing £5,000 ($24,333). No data are at hand showing the extent to which municipal housing is now provided, but it seems probable that there has been a marked increase in this form of activity since 1907. In the year ending March 31, 1913, the Irish Local Government Board sanctioned loans for this purpose as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arklow</td>
<td>$9,733</td>
</tr>
<tr>
<td>Ballinasloe</td>
<td>$19,791</td>
</tr>
<tr>
<td>Ballymoney</td>
<td>$2,433</td>
</tr>
<tr>
<td>Bandon Town commissioners</td>
<td>$21,023</td>
</tr>
<tr>
<td>Birr</td>
<td>$29,199</td>
</tr>
<tr>
<td>Carlow</td>
<td>$19,466</td>
</tr>
<tr>
<td>Clonakilty</td>
<td>$8,760</td>
</tr>
<tr>
<td>Coleraine</td>
<td>$8,516</td>
</tr>
</tbody>
</table>

2 Housing Up to Date, W. Thompson, p. 92. London, 1907.
3 Annual Report of the Local Government Board for Ireland, 1912 [Cd. 6332], p. xlii.
Enniscorthy............................................................................................................................. $17,033
Fermoy..................................................................................................................................... 40,879
Fethard Town commissioners............................................................................................ 5,012
Galway....................................................................................................................................... 31,730
Killiney and Ballybrack.................................................................................................... 19,953
Kingstown................................................................................................................................ 34,187
Letterkenny............................................................................................................................. 28,226
Longford................................................................................................................................. 29,199
Maryborough Town commissioners.................................................................................. 26,766
Naas............................................................................................................................................ 15,573
New Ross.............................................................................................................................. 14,600
Tipperary................................................................................................................................ 24,333

Total.............................................................................................................................. 423,412

The amount of these loans, added to £1,004,893 [$4,890,312] mentioned in our last report, makes a total of £1,091,898 [$5,313,722] sanctioned for the purposes of the act. Of this total, £317,686 [$1,546,019] has been sanctioned since the passing of the act of 1908.¹

In addition to their work under the act of 1890, Irish authorities have made loans to would-be householders under the terms of the Small Dwellings Acquisition Act. Loans amounting to £20,368 ($99,121) were sanctioned for this purpose during the year ending March 31, 1912.¹

RURAL HOUSING IN IRELAND.

In the work in Ireland the main emphasis has always been placed upon the provision of rural cottages, and the acts passed to promote this purpose have been singularly effective. Under the earlier acts the procedure was unnecessarily slow and expensive, but successive amendments have greatly improved matters in this respect. At present the most important features of the law concerning the provision of cheap cottages are the ease with which the machinery may be set in motion, the simplicity of the procedure required, the provision for loans at moderate rates, and the subsidies given by the General Government.

The first step toward securing new cottages, the representation, as it is called, is much simpler than the corresponding process in England. When the existing house accommodation for agricultural laborers and their families is deficient, having regard to the ordinary requirements of the district, or is so insanitary as to be unsuitable for habitation, a representation may be made to the sanitary authority who shall proceed to make an improvement scheme. Originally this representation had to be signed by at least 12 persons rated for the

¹ Annual Report of the Local Government Board for Ireland, 1912 [Cd. 6339], p. xli.
relief of the poor within the sanitary district, but by 1906 this had been modified so that any three persons were sufficient, whether rated or not, provided in the latter case that they were agricultural laborers working in the district. Should the inhabitants of the district fail to make a representation, the council may make a scheme on its own initiative, or, if it fails to do so or makes inadequate plans for relieving the situation, the Local Government Board may step in and carry out a scheme themselves.

The procedure after the representation has been made is simplified as much as is consistent with the rights of all concerned. If the owners of the land needed are willing to sell, that point is dropped from official consideration, and the hearings, notices, and arguments confined to the two points of whether the necessary loan shall be sanctioned and whether the proposed scheme is a satisfactory one. The Local Government Board is the final authority, and on its confirmation of the scheme the local authorities are free to apply for their loan and begin operations.

In order to meet approval the scheme must provide that all cottages to be built under it shall contain at least a kitchen and two bedrooms; every habitable room must be at least 8 feet high, except attics, in which half the area of the room must be 7 feet in height; each habitable room must have window area amounting to not less than one-twelfth of the floor space; all bedroom floors must be boarded or tiled, the ground floor must be 9 inches above the external ground, and sanitary accommodations must be provided conforming to certain specified conditions.

The average cost of such cottages, including half an acre of ground, was in 1906 about £150 ($730), but at that date the cost had been rising for some time and is probably higher now.1

Loans may be raised by the local authorities on the security of the rates. In 1906 Parliament provided a fund of £4,250,000 ($20,682,625), increased in 1911 by £1,000,000 ($4,866,500), to be loaned for housing purposes. Loans from this fund were to be repaid by annuities of 3.25 per cent for 68 1/4 years, an arrangement which saves the rate-payers £1 12s. 2d. ($7.83) on each £100 ($486.65) borrowed.

The repayment of the loan is made easier by two subsidies from the imperial exchequer. From a fund known as the Laborers' Cottage Fund £22,000 ($107,063) is taken annually to pay 16 per cent of the annuities on laborers' cottages, and a further sum of £28,000 ($136,262) a year from the Ireland Development Grant is applied to paying another 20 per cent of the annuities. Thus the communities borrowing

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1 During the discussions in Parliament when the act of 1911 was passed it was agreed that the cost of a cottage with a plot of ground attached would be on the average £170 ($827). See Municipal Year Book of the United Kingdom, 1914, p. 306.
the money have to meet only 64 per cent of the annual charges on the loan.

In addition to this, local authorities are empowered to levy a special tax for the purpose of meeting the payments on the loan.

An interesting point in this connection is the effect of these subsidies on wages. Theoretically a subsidy in aid of rents should depress wages to a corresponding degree, but during the six years 1901–1907, during which such subsidies were being made freely, wages rose.

The average rate of wages has gone up during the last six years by 8½ per cent, or 9d. [18 cents] per week, from 10s. 2d. to 10s. 11d. [$2.47 to $2.66], but this is attributed to the laborer being more independent through not living in a "tied cottage." 1

The way in which the subsidies and the loans at easy rates make it possible to substitute good houses for bad without impossible burdens upon the rate payers is shown by the experience of the town of Roscrea. It is too small a town to come under the provisions for municipal housing, so that a rural district council was the body to take action and the regulations for providing laborers' cottages applied. The council began action rather cautiously in November, 1908, by condemning 36 cottages which were so dilapidated, so overcrowded, and so insanitary that the health authorities were more than ready to pronounce them unfit for human habitation. Their sites were acquired by voluntary purchase, and within a year 36 new cottages were put up. The costs per cottage were as follows:

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of site</td>
<td>$107</td>
</tr>
<tr>
<td>Building of cottage</td>
<td>$623</td>
</tr>
<tr>
<td>All other expenses</td>
<td>$49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$779</strong></td>
</tr>
</tbody>
</table>

These cottages were let at 1s. 7d. (39 cents) per week, at which figure they were easily kept filled with desirable tenants, arrearages of rent being practically unknown. At this rent they were no charge whatever upon the local rates.

Here is how it works out: The money was borrowed from the land commission on the terms specified in the act of 1906, at 3½ per cent for 68½ years. Only 64 per cent of this sum is charged to the district council, so the expenses of each cottage are as follows:

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Per annum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installment on loan (£160 [$779]) to land commision, at 3½ per cent</td>
<td>£5 4s. [$25.31]</td>
</tr>
<tr>
<td>Less 36 per cent grant from Government</td>
<td>£1 17s. 5d. [$9.10]</td>
</tr>
<tr>
<td><strong>Net payment to land commission</strong></td>
<td>£3 6s. 7d. [$16.29]</td>
</tr>
<tr>
<td>Cost of collecting rent</td>
<td>4s. 1d. [$0.99]</td>
</tr>
<tr>
<td>Insurance on cottage</td>
<td>2s. 4d. [$0.57]</td>
</tr>
<tr>
<td><strong>Total expenses per cottage</strong></td>
<td>£3 13s. [$17.76]</td>
</tr>
</tbody>
</table>

1 Housing Up to Date, W. Thompson, p. 140. London, 1907.
The rent of the cottage at 1s. 7d. [39 cents] per week amounts to £4 2s. 4d [$20.03] per year, which is 9s. 4d. [$2.27] more than expenses. This is to be applied toward repairs, but none will be needed for many years.¹

Encouraged by the success of this venture, Roscrea at once undertook a scheme for 39 cottages, and followed this up by another scheme for 24 cottages.

The cottages do not always come even as near as this to being self-supporting, and the special rate for meeting their cost is frequently resorted to. The need for them, however, is so great that the advisability of such subsidies seems to be accepted as a matter of course. Of 213 rural districts to which, up to March 31, 1913, loans for housing purposes had been sanctioned, there were only 14 in which no rates were imposed to meet part of the expense.² Ordinary, the rate was light; in only 20 cases did it pass 6d. (12 cents) in the pound (the maximum rate allowed is 1s. (24 cents) in the pound), while in 76 cases it was under 2d. (4 cents).

The number of cottages built and the number under way, the amount of the total loans sanctioned, the amount of the loans already paid over, and the rent received during the past year were, on March 31, 1913, as follows:

<table>
<thead>
<tr>
<th>Number of labourers' cottages built.</th>
<th>Number in course of construction.</th>
<th>Total loans sanctioned.</th>
<th>Amount paid over.</th>
<th>Rent received.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ulster..................................</td>
<td>7,192</td>
<td>280</td>
<td>$7,723,588</td>
<td>$6,832,760</td>
</tr>
<tr>
<td>Munster................................</td>
<td>17,250</td>
<td>1,310</td>
<td>15,400,428</td>
<td>14,389,642</td>
</tr>
<tr>
<td>Leinster................................</td>
<td>15,348</td>
<td>789</td>
<td>14,389,642</td>
<td>13,256,265</td>
</tr>
<tr>
<td>Connaught................................</td>
<td>2,062</td>
<td>159</td>
<td>2,189,189</td>
<td>1,938,655</td>
</tr>
<tr>
<td>All Ireland...........................</td>
<td>41,852</td>
<td>2,538</td>
<td>39,772,847</td>
<td>36,100,063</td>
</tr>
</tbody>
</table>

The cottages, all of which have a piece of land attached, cost approximately £170 ($827), of which £130 ($633) was for the building alone.³ This leaves £40 ($195) for all other expenses, or an average of £5 ($39) per cottage more than was found necessary for the Roscrea cottages just described. It is quite possible that this high average is due to the excessive cost of engineering work and legal fees before the act of 1906 placed a check upon these.

A return issued in April, 1904, showed that the incidental expenses of carrying out schemes for 4,092 cottages had been: Law costs, £34,534 [§167,125], or £8 [§39] per cottage; engineering expenses (exclusive

¹ Pamphlet issued by Housing and Town Planning Association of Ireland, pp. 46-48.
² See Laborers' Cottages, Ireland; Return to an Order of the House of Commons dated 14th February, 1913.
of fixed salaries) £15,221 ($74,073), or £3 15s. ($18.25) per cottage; and miscellaneous expenses, such as advertising and the preparation of provisional orders £24,123 ($117,395), or £6 ($29) per cottage, thus making a total of £73,686 ($358,593), or £18 8s. ($90) per cottage, as against £19 12s. ($95) per cottage for the land.1

The average weekly rental of these cottages is about 1s. 1d. (26 cents), at which figure they brought in during 1912-13 approximately 40 per cent of the total amount which must be raised yearly to pay off the loans.

In the report of the Irish Local Government Board for the year ending March 31, 1912, it is stated that at that time schemes had been authorized which would bring the total number of cottages provided up to 48,775, and that other schemes were under consideration, providing for 10,648 additional cottages with garden allotments.3

Under the act of 1890 public loans to companies, associations, and private persons are as available in Ireland as in England, but apparently no application has been made for them. The need for laborers' cottages seems to have absorbed attention to the exclusion of most other forms of housing activity. Since the passage of the act of 1909, however, a housing and town planning association has been formed in Ireland, exhibitions have been held, Kilkenny Garden Village and the Knockagh Residential Estate have been brought into being, and the indications are that private enterprise will be far more active along the lines of improved housing than it has been in the past.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS OF THE BRITISH LAND INQUIRY COMMITTEE IN REGARD TO URBAN HOUSING.5

In conclusion it may be proper to reproduce here the summary of conclusions and recommendations of the British Land Inquiry Committee in regard to urban housing. This committee was appointed in 1912 by the chancellor of the exchequer with the object of obtaining "an accurate and impartial account of the nature and working of the existing systems of ownership, tenancy, and taxation and rating of land and buildings in urban districts and the surrounding neighborhoods and their effect on industry and conditions of life." The urban inquiry covered 101 towns:

1. Much work has been done under the housing acts, more especially since the passing of the Housing and Town Planning, etc., Act, 1909, to improve the housing conditions of the working classes in boroughs and urban districts. But in spite of this their housing is still most unsatisfactory.

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1 Housing Up to Date, W. Thompson, p. 138. London, 1907.
2. The majority of urban workmen have to live in houses which are overcrowded to the acre, built in long, uninteresting rows, without sufficient space around them, and frequently without the free access of light and pure air.

3. Probably between 5 and 10 per cent of urban workmen live in slums—i.e., dwellings, which in their present state are unfit for habitation, and which should either be demolished or subjected to drastic and thorough repair and alteration. No less than one-tenth of the whole population were living under overcrowded conditions at the date of the last census.

4. The effects of this insanitation and overcrowding upon the physical, mental, and moral well-being of the community are serious and far-reaching.

5. It is probable that, on the average, between one-sixth and one-fifth of the total income of working-class families is spent on rent and rates; the proportion varies inversely with the amount of income. In the case of very poor families the proportion is sometimes more than one-third.

6. There is a shortage of dwellings in probably half the towns of England and Wales, and the towns in which it exists are of all sizes and types.

7. For various reasons this shortage is especially acute at present; but there is always a tendency for the supply of workmen's dwellings to lag somewhat behind the demand.

8. Although comparatively well-to-do workingmen live in houses which are satisfactory according to the standard hitherto adopted, there is a growing desire among them for dwellings on better planned areas, with gardens. If left to the uncontrolled play of economic forces, housing enterprise in the future will not meet this desire, but will proceed on the old lines.

9. Private enterprise in the past has provided about 99 per cent of working-class dwellings, most of them being built a few at a time, by speculative builders, either for occupation by the purchasers or for investors of moderate means. It has been materially assisted by the great development of the building society movement, and to a much smaller extent by advances made by cooperative industrial societies to their members.

10. Public utility housing societies, which have developed rapidly of late years, combine several principles which make for the improvement of the type of house provided. They are, however, handicapped by the large proportion of their capital (one-third) which has to be raised by private subscription.

11. Local authorities have provided about one-quarter per cent of the existing working-class dwellings.

12. The high cost of land, while rarely a direct cause of the inadequate supply of dwellings, has, in many towns, been largely responsible for their close crowding upon the ground. While in some towns, especially small ones and the suburbs of large ones, land is available at prices which would allow of a much more open development of estates than is customary, it is in many others only available at prices which would render it difficult to effect a substantial reduction in the number of houses built to the acre; and in some instances its cost is so high that the construction of cottages of an adequate size to let at
rents which working-class families can afford to pay is well-nigh impossible.

13. The price of land is largely determined by the relation of the available supply to the effective demand. While cases where owners refuse to sell it on any terms for the erection of working-class dwellings are rare in towns, the price could, undoubtedly, be materially reduced in a great number of cases if, by some means, a larger area were made available for building.

14. Where transit facilities on an adequate scale and at times and fares suitable for workpeople have been provided, they have resulted in a marked decentralization of the population.

15. The provision of a plot of land with a house is not only desirable as securing more air space, but the produce grown upon it may be of considerable financial benefit to the occupier and provide a valuable reserve of food, mitigating the hardship of periods of unemployment.

16. Existing local by-laws have, for the most part, been drawn up with the expectation that houses would be built 30 or 40 to the acre. In many towns their requirements are unnecessarily stringent where a more open development is contemplated, and the cost which they involve impedes such development.

17. Some reduction in the cost of housing could be effected by building on a larger scale—i.e., a greater number of houses at one time and place. Economies could also be effected by the use of new methods of construction, at present prohibited in many towns under the local by-laws.

18. The present system of rating improvements falls with especial severity on working-class dwellings.

19. The improvement of unsatisfactory housing conditions is retarded in varying degrees in most towns and urban districts by—

(a) Inadequate knowledge of the housing conditions on the part of the local authorities, and consequently of the central authority.

(b) Financial considerations.

(c) The lack of a sufficiently high standard.

(d) Hardships which the proper enforcement of the law would cause to individual owners.

(e) The adoption of inadequate methods in the past which hinder present reforms.

(f) The leasehold system.

(g) Insecurity of tenure of medical officers of health and sanitary inspectors.

(h) The shortage of alternative accommodation.

20. Generally speaking, the housing conditions in mining villages are decidedly worse than in other industrial areas.

21. In some towns serious evils result from houses which were constructed for occupation by one family being let off in tenements without the necessary structural alterations having been made.

We therefore recommend:

1. That it shall be a statutory duty resting upon all local authorities to see that adequate and sanitary housing accommodation is available for the working-class population employed, or reasonably likely to be permanently resident within their area.

Provided that where, in the case of any urban or rural district, the supply of an adequate number of dwellings would involve undue risk, owing to the speculative nature of some industrial undertaking
which requires new dwellings to house its workers, the central authority shall have power to transfer the obligation above stated to the county council in whose area the respective district is situated.

2. That in order to secure adequate control over all future housing developments, every local authority shall be obliged, within a stipulated period, to prepare a preliminary planning scheme for its entire area. This scheme would only include the broader principles of development, leaving details to be filled in later if and when a complete town-planning scheme were adopted. Among other items, the two following should form an essential part of every preliminary scheme:

(a) A restriction upon the number of houses which may be built per acre;

(b) A series of regulations governing the construction of roads and of buildings, so framed as to encourage in every way possible an open development of building estates.

3. That in cases where there is a shortage of working-class dwellings, and sites suitable for their erection are not available at reasonable prices, local authorities shall be obliged to promote transit schemes to render accessible a sufficient area of suitable building land.

4. That an official inquiry shall be undertaken to ascertain how such transit facilities can best be provided and financed, especially how the increment in land values due to new transit schemes can be secured by the authority providing these.

5. That local authorities, when developing land acquired for housing purposes, shall be empowered to lease such land for the erection of any kind of building.

6. That since the present unsatisfactory housing conditions are largely due to the presence, in nearly every town and urban district, of a considerable proportion of persons unable to pay an economic rent for a sanitary dwelling, the Government shall—

(a) Take means to secure that within a short and defined period a minimum wage shall be fixed for all low-paid wage earners; and that the minimum wage fixed under such statute shall, in the case of men of normal ability, not be less than the sum required to keep a family of normal size in a state of physical efficiency, and to enable them to pay an economic or commercial rent for a sanitary dwelling; and

(b) Take steps to regulate the labor market with a view to decreasing the amount of casual employment.

7. That every local authority shall be required, within a stipulated period, to make to the satisfaction of the central authority a complete survey of housing conditions within its area; and that, in addition to particulars of the houses themselves, such survey shall include an investigation into the composition of the population living under overcrowded conditions or occupying defective dwellings; the results of the survey to be published.

8. That on the basis of this survey every local authority shall prepare within a stipulated period, and to the satisfaction of the central authority, a complete scheme of proposed action under the housing acts, with a view to raising the standard of housing in its area to a minimum of adequacy and sanitation, to be defined by the central authority.
9. That the contribution which the Government proposes to make in aid of local rates shall take the form of annual block grants, conditional upon the performance by the local authorities of all duties imposed upon them by the law, including the new statutory obligations in regard to housing here proposed.

10. That with a view to stimulating local action under the housing acts, the central authority shall appoint officers to reside in different parts of the country, sufficient in number and so distributed as to be able effectively to stimulate the work of the local authorities, and that the reports of these officers be taken into consideration by the central authority in recommending the payment, or the withholding of the annual grant in aid of rates or part of it as proposed under 9.

11. That except in the case of gross misconduct, local authorities be required to obtain the sanction of the central authority before dismissing any officers appointed under the public health acts, and that the payment of adequate salaries to those officers, in accordance with a schedule to be provided by the central authority, be made a statutory obligation upon local authorities.

12. That public utility societies shall be enabled to borrow from the State a larger proportion than now of the capital required for building working-class dwellings, on payment of a somewhat higher rate of interest; the difference between the normal and the proposed rate of interest to constitute a national reserve fund, as a security against loss. In addition to this, the Public Works Loan Commissioners to be guaranteed against loss by the State.

13. That local authorities shall be enabled to mitigate the hardships of the present closing order procedure upon owners of dwelling houses which, according to modern standards, are unfit for human habitation by reason of original and incurable structural defects or bad planning, and not of neglect of repairs or sanitary requirements, by being empowered to issue in such cases closing orders taking effect at the end of a period to be fixed in each case (within statutory limits). The making of such an order shall not, however, prejudice the right and duty of the authority to make an immediate closing order in the event of repairs or sanitary requirements being neglected during the time limit.

14. That local authorities shall be empowered to prepare and enforce replanning schemes for areas which, owing to the congestion of existing buildings or to the unsatisfactory arrangement of streets, would not otherwise permit rebuilding with due regard to modern standards as to air space, access of light, and size of dwellings; and that, in connection with such schemes, they shall make a charge for improvement or pay compensation, according to whether the value of the sites of individual owners has been appreciated or depreciated.

15. That no dwelling house constructed for occupation by one family shall be let out in tenements without the express permission of the local sanitary authority, and after such alterations have been carried out as they may require; and that the authority shall have power to enforce similar provisions with regard to existing tenement houses.
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HUNGARY.

INTRODUCTION.

Government housing work in Hungary is of recent development, relatively little having been done before 1909. It has been taken up by the State, by municipalities, and by the communes. Hungary being predominantly an agricultural country, a large share of the governmental activity has been directed toward improving housing conditions among the agricultural laborers, where the conditions were particularly bad.

Governmental activity has taken shape in: (1) Tax exemptions and reductions on houses built for laborers and others; (2) State subsidy to municipalities and communes engaged in housing work; (3) erection by the State of low-cost dwellings for rent in the cities; (4) erection by municipalities and communes of low-rent houses for persons of limited means; (5) subsidies and exemptions from taxes to employers who erect suitable and healthful houses for their employees; (6) loans to building associations which agree to construct low-rent or low-cost houses for workmen; and (7) grants of public land by both State and municipalities.

TAX EXEMPTIONS AND REDUCTIONS.

Tax exemptions are reported to have been of considerable benefit in promoting housing work, but it is claimed that legislation on the subject has been rather incidental and lacks uniformity. In 1870 a law was passed, some sections of which allowed permanent exemption from taxes to dwellings allotted without charge to industrial and agricultural laborers by their employers. In 1907 the law was extended to grant permanent exemption from State taxes on all company houses complying with the sanitary laws and built to be rented or sold on easy installments to workmen. Also a provisional exemption for 20 years from State, municipal, and certain communal taxes was granted to new houses to be sold or rented to workmen either by employers or others engaged in housing work. Furthermore, by a law passed in 1909 the exemption from State taxes was extended to houses built by municipal authorities as long as they continue municipal property, the exemption ceasing when the workman has paid the last installment of the purchase price.

Under this last law three cities have taken advantage of the privilege accorded, besides asking for additional State subsidies.
Prior to the law of 1909, however, insignificant results seem to have been obtained, particularly as far as the building associations were concerned. This lack of any real results from the early State tax exemption laws may, however, be explained by the fact that nearly all the larger cities granted tax exemptions on newly erected buildings for 15 or even 18 years.

Tax-exemption legislation has been rather more productive of results in Budapest than elsewhere. The law relating to the development of the capital (No. 48 of 1908) granted permanent exemption from payment of the building tax on all dwellings erected by the municipality on its own account, without distinction as to whether these dwellings are erected for rental to employees of the city, to other workmen, or to persons who do not belong to the working class. The dwellings remain exempt from taxation only as long as the income from their rents does not exceed their actual maintenance costs, such costs, in the meaning of the law, including interest on the value of the ground, interest and refund on the cost of the building, and ordinary maintenance and administration. In this connection, interest on the value of the ground may not exceed 4 per cent, while the other costs may not exceed 17.6 per cent of the cost of the building.

The new building tax law also reduced the rate of the rent tax for Budapest from 17.6 per cent to 16 per cent. For those communes with less than 15,000 and more than 1,000 inhabitants, the rate of the rent tax was reduced to 11 per cent, and for those with less than 1,000 inhabitants to 9 per cent.

BUILDING OPERATIONS OF THE STATE.

WORKMEN'S COLONY IN KISPEST.

The excessive scarcity of low-rent dwellings in the capital of Budapest and the social discontent created by it not only caused extensive building operations by the municipality on its own account but also induced the minister of finance to introduce a bill in Parliament which provided for the erection of workmen’s dwellings by the State. Parliament recognized the need for such action and in 1908 enacted a law (No. 29) which authorized the expenditure of 12,000,000 crowns ($2,436,000) by the ministry of finance for the erection of dwellings for employees of the State, and, as far as possible, also for workmen in private employment. The ministry purchased about 472,000 square klafters (419.5 acres) of land in the suburb of Kispest, at a cost of $1,485 per acre and 213,000 square klafters (189.3 acres) in the tenth ward of Budapest, at a cost of $1,827 per acre. Building operations were first started in Kispest, and in the short period, 1908-1913, a garden city housing 3,535 families, or about 18,000
persons, was built up. The colony will ultimately house about 4,200 families. The houses which contain from 2 to 12 family dwellings are set well apart. A garden plot of 50 to 60 square klafters (0.4 to 0.5 acre) goes with each two or three room apartment. The rents, which were fixed so as to return an income of only 4 per cent on the capital invested, range from 220 to 260 crowns ($44.66 to $52.78) per year for a two-room apartment up to 330 crowns ($66.99) for a three-room apartment.

The dwellings were rented exclusively to factory workers, including those employed in State establishments, who were given preference, as directed by the law.

The complete program of the housing work for the city contemplates the erection of 8,000 to 10,000 apartments, which it is calculated will increase housing accommodations 5 or 6 per cent.

**HOUSING WORK IN BUDAPEST.**

Budapest, frequently termed "the Chicago of Europe," because of its large grain and live-stock trade, is a rapidly growing city, where, as a consequence, considerable crowding has taken place among the population. The tenement seems to have been the prevailing type of house. Rents were excessively high until the city started building houses on its own account. Figures prepared by the director of the city statistical office in 1906 showed that rents in Budapest were higher than in any large German city. Furthermore, they showed that 52.8 per cent of all available apartments on May 1, 1906, consisted of only one room, and that 64.95 per cent of the population of the city was housed in one and two room apartments. In the suburbs where the workmen are largely housed, 70 per cent of the apartments were one-room affairs. Only 39 per cent of these one-room apartments were occupied by 3 persons or less, while 61 per cent were occupied by more than 3 persons.

Housing conditions during the period 1906 to 1910 were even worse, so much so as to lead to turbulent public meetings and strikes on the part of tenants and boycotts of landlords. This led to a unique method of making leases, by a system of collective bargaining, whereby the tenants of large apartments sought collectively to make the terms of their leases.

In March, 1909, a special meeting of the city council considered a plan, proposed by its mayor, of investing 95,000,000 crowns ($19,285,000) in municipal housing and building for a period of five years. On the basis of this proposal, the city council voted the following credits: 2,300,000 crowns ($466,000) for the erection of emergency dwellings, large dormitories, lodging houses, and homes for single persons;

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10,000,000 crowns ($203,000) for the erection of dwellings with small apartments, to be rented at cost; 10,000,000 crowns ($203,000) for the erection of apartment buildings for the middle classes, the renting of which should bring in a suitable interest on the capital invested; and, finally, 10,000,000 crowns ($203,000) for the erection of schools and kindergartens. The minister of the interior approved this building program of the city, except that part of it which provided for the erection of apartment buildings for the middle classes, because, in his opinion, the erection of such houses with funds of the city went beyond the proper limits of public-welfare housing work by the communes, and because such building operations, he thought, would be unwise competition with private building.

The city built only on its own unimproved land, lying within the city limits. In 1912 these holdings amounted to 15,500,000 square klafters (13,776 acres), which were scattered in all parts of the city, thus being especially well-adapted to the work of housing.

The building program finally adopted by the city involved an expenditure of 63,000,000 crowns ($12,789,000). Three groups of structures included in this plan were erected in the period 1909 to 1913. The number of houses constructed and the character of the accommodations provided is shown in the following table:

<table>
<thead>
<tr>
<th>Number of apartments with—</th>
<th>1 room</th>
<th>2 rooms</th>
<th>3 rooms</th>
<th>4 rooms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twenty apartment buildings</td>
<td>935</td>
<td>532</td>
<td>168</td>
<td>1</td>
<td>1,636</td>
</tr>
<tr>
<td>Four apartment buildings for communal officials</td>
<td>7</td>
<td>153</td>
<td>117</td>
<td>36</td>
<td>313</td>
</tr>
<tr>
<td>One tenement, containing shops with connecting living apartments</td>
<td>45</td>
<td>15</td>
<td>1</td>
<td></td>
<td>61</td>
</tr>
<tr>
<td>One studio colony</td>
<td>9</td>
<td>9</td>
<td></td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Sixteen workmen's colonies</td>
<td>2,678</td>
<td>101</td>
<td></td>
<td></td>
<td>2,779</td>
</tr>
<tr>
<td>Total</td>
<td>3,674</td>
<td>810</td>
<td>297</td>
<td>45</td>
<td>4,816</td>
</tr>
</tbody>
</table>

The first two groups of apartments are four and five story structures. The group of four built for communal employees were equipped with somewhat better interiors than the others. In spite of the tax exemptions and the economies made possible by the large scale of the building operations, these two groups of apartments cost so much that rents had to be fixed at figures which put them beyond the reach of the mass of wage earners. Consequently, few of the apartments are occupied by working people.

In order to provide cheap housing accommodations, therefore, for working people with limited earnings, the city built in different parts of the city 16 groups of workmen's dwellings, the majority of which had only one story. These houses were of very light barrack-
like construction, the total cost being 9,030,000 crowns ($1,833,090). In computing the rents the city placed a low valuation on the ground, some of which was so far from the center of the city that it was of no use, except for agricultural purposes, until these houses were placed on it. In other cases where the land was near the center, portable houses were used, which could, if desired, be taken down and erected elsewhere. The erection of such houses constituted only a temporary use of the land which could be terminated at any time; therefore, it was considered fair not to reckon the land at its full selling value.

As an experiment the city built a large modern tenement containing 61 workshops with connecting living apartments, and a studio colony with 27 studios and apartments for poor artists.

The 4,816 apartments, provided as above, housed some 22,481 persons, of whom 81.5 per cent were workingmen, clerical employees, and municipal clerks of the lower grades.

Municipal lodging houses also were built by the city between the years 1909 and 1913.

From a sanitary point of view, it is generally conceded that the city-built apartments are superior to those privately built, while their rents are considerably lower. Thus, for instance, every apartment in the houses built by the city has a private toilet room, while only 14 per cent of privately owned one-room apartments are provided with such a convenience.

The one-room apartments in the workmen's colonies rent for 180 to 250 crowns ($36.54 to $50.75) and two-room apartments for 400 to 500 crowns ($81.20 to $101.50) per year, which is from 38 to 46 per cent less than the rents charged in the neighborhood for privately owned apartments with a like number of rooms. This difference in price is less marked in the case of apartments in the large flat buildings erected by the city, but even here, the difference is still 17 to 26 per cent in the case of one and two room apartments, and 5 to 9 per cent in the case of apartments with three or four rooms.

In renting city apartments, preference is given to large families.

It is reported that the tenants of city-built apartments are well satisfied with their accommodations, judging by the fact that they seem to move less frequently than those in privately owned apartments. Rents seem to be paid fairly promptly. The city seems to have reduced successfully the scarcity of housing accommodations.

**HOUSING WORK IN CITIES OTHER THAN BUDAPEST.**

Tax reductions and subsidies by the State induced a number of provincial cities to follow the example set by the capital and to build workmen's dwellings on their own account. According to Dr. Emerich Ferenczi's report to the Ninth International Housing Congress in Vienna, 1910, the city of Pozsony, as early as 1902, built 90
one-room and 30 two-room apartments for workmen. The yearly rents of these apartments ranged between 207 and 290 crowns ($42.02 and $58.87). The city council has lately voted 750,000 crowns ($152,250) for the erection of five apartment buildings. This city also proposes to build 300 family houses, which are to be sold to workmen on the installment plan.

The city of Temesvar voted, in 1910, the amount of 210,000 crowns ($42,630) for the erection of 3 small one-story houses with 4 two-room apartments and of 3 larger two-story houses with 14 one-room apartments. The State granted a subsidy to the amount of one-third of the costs of construction.

The city of Nagyvarad built, in the same year, 52 one-room and 72 two-room apartments, to be rented for 140 crowns ($28.42) and 180 to 220 crowns ($36.54 to $44.66), respectively.

PUBLIC-WELFARE BUILDING ASSOCIATIONS.

The work of these associations in Hungary is very unimportant. This is probably due partly to a lack of public-spirited interest among the well to do, partly to a lack of credit facilities, and partly to the fact that as yet the public authorities have done nothing to aid these associations in obtaining land for building purposes.

One association of Government officials established in 1880 was early forced into bankruptcy, in spite of having been aided by public land grants from the city of Budapest. Another association, known as the Workmen's Home (Arbeiterheim), founded in 1897, showed promise of success, having been aided by second-mortgage loans from both private capitalists and the State. It was a cooperative association which aimed to aid its members in becoming owners of their homes. Membership was conditioned on buying a share at 160 crowns ($32.48); by an annual payment of 320 crowns ($64.96) for 26 years, a member could become owner of a house consisting of two rooms, kitchen, and certain accessories (closets, cellar, attic, toilet, etc.), together with a garden plot under certain restrictions. The annual installment included insurance on the life of the member for the 26-year term, thereby guaranteeing the payment of the debt in the event of the death of the purchaser.

A portion of the building funds of the association was raised by a second mortgage of 900,000 crowns ($182,700), part of which was subscribed by the State and loaned without interest. Nevertheless, the association became financially embarrassed and the ministry of finance again came to its aid with a grant of a noninterest-bearing loan of 400,000 crowns ($81,200).

The experiences of this association are of value in showing what can not be done in Hungary. A large number of the workmen who bought homes built by the association could not meet promptly the
annual payment of 320 crowns ($64.96) plus 30 crowns ($6.09) for
taxes. The result was that this group of houses intended for work­
men came to be occupied by shopkeepers and municipal and Govern­
ment clerks.

Not being able to obtain any more noninterest-bearing loans, the
association built only 300 houses of the 1,000 originally planned.
The houses that have been sold have become an object of specula­tion
for their owners, and the remaining unimproved land has been sold
by the association at a considerable profit.

State aid has also been given to a stock company for the erection
of workmen’s dwellings in Győr. The stock of this company was
subscribed by local financial institutions and manufacturers, the city
supplying 25,000 crowns ($5,075). The capital stock of the com­
pany was 200,000 crowns ($40,600), and its dividends were limited
to 5 per cent. To insure the payment of this dividend, the ministry
of commerce granted to the company an annual subsidy of 10,000
crowns ($2,030) payable for a period of five years. The company is
under State supervision and is required to rent its houses, which are
one-family dwellings, to workmen, or to sell them on the install­
ment plan. The proceeds of such sales are to be used for the erection
of additional dwellings. At the end of each fiscal year, after having set
aside a suitable amount for a reserve fund, and after having paid a
dividend not exceeding 5 per cent, the company may distribute 10
per cent of the profits among its directors, while any remaining part
of the profits must be credited to the workmen who are paying for
houses on the installment plan.

Up to 1909 the company built about 100 houses with one or two
rooms, including attic, cellar, toilet, closets, etc., and a share in a
garden. The houses cost from 3,900 to 5,000 crowns ($791.70 to
$1,015), and one-third have been sold at these prices. Purchasers
of houses must pay from 10 to 20 per cent of their value in cash as
a first payment, while the remainder of the purchase price is entered
in the land register as a first mortgage. Thereafter the purchaser
must pay quarterly 1 per cent of the purchase price and 5 per cent
interest on the balance of his debt. In order to use the purchase
price immediately for the construction of other houses, the company,
as a rule, sells the mortgage to a bank and assumes liability to the
latter for one-half of the purchase price.

No information is at hand as to the financial success of this asso­
ciation, nor as to what class of wage earners is taking advantage
of the privileges accorded.

HOUSING OF AGRICULTURAL LABORERS.

In order to check emigration and to promote settlement of the
country districts by those of limited means who lived in crowded
and straitened circumstances in the cities, as well as to prevent the
agricultural laborers from leaving the country districts because of poor living and housing conditions, the State in 1894 became interested in promoting a system of home colonization and of encouraging communes and municipalities in the agricultural districts to provide adequate housing accommodations for farm laborers.

The housing of agricultural laborers in Hungary is, in a way, a problem of city housing, because the farm laborer in Hungary does not live in the country, as is customary in the United States, but in a commune or municipality, from which he goes out to his work in the country. The problem of housing him, therefore, is very similar to that of housing the factory or city workmen in the crowded quarters of a large city. As a matter of fact there are "rural villages" in Hungary having a population of 50,000 inhabitants and more.

The housing conditions in these "rural villages" had admittedly become deplorable; rents were high and credit for the purchase of a desired home was not available. To meet these conditions and to improve the lot of the agricultural laborer the minister of agriculture inserted an item in the budget for 1901 calling for the expenditure of 290,000 crowns ($58,870) to be used in supplying credit to communes and recognized public-welfare bodies for the erection of cottages for agricultural workers. A similar appropriation for each of the years 1902 to 1905, inclusive, was also obtained from Parliament.

Although the ministry of agriculture obtained an appropriation of 300,000 crowns ($60,900) in 1906 for the above purpose, the form in which aid was granted, namely, by means of lump-sum subsidies, permitted the erection of only 600 houses.

In order to promote rural housing work on a much larger scale the ministry submitted to Parliament a bill asking for an annual appropriation of 300,000 crowns ($60,900) to be employed in the payment of interest and refund on loans contracted by municipalities, communes, and authorized corporations for the erection of dwellings for farm laborers. In this manner the ministry expected to promote the erection of 15,000 houses each year. The provisions of the above bill favor especially the erection of houses to be sold to the occupier, because this is considered the best means to stop the continuous emigration of farm laborers, said to be the greatest social evil confronting Hungary.

This bill, which became a law in 1907 (No. 46), among other things specifically limits the loans to the intermediary associations or communes which agree to erect cottages for rent or purchase by strictly agricultural laborers of Hungarian citizenship. Cottages must be erected in groups of at least 10, each cottage, moreover, to be a single-family dwelling. Those communes which stand ready to cede
land for building purposes are preferred in the distribution of the Government funds. The materials purchased for any group of cottages will be transported free of charge upon all State and Government subsidized railroads.

The houses are generally built on lots of 250 to 300 square klafters (9,678 to 11,614 square feet). They consist of a room, kitchen, and pantry, and are as a rule built of a kind of crude, sun-dried clay (pisé)\(^1\) resting on a layer of brick. Their cost, inclusive of ground, is between 1,200 and 2,500 crowns ($243.60 to $507.50). The building lots are generally furnished by the communes at 1 to 1.50 crowns ($0.203 to $0.305) per square klafter (38.71 square feet), which represents about 25 per cent of their actual value.

The dwellings are sold to the workmen on the basis of a contract of sale or of a lease providing for semiannual payments during a period of 20 to 50 years. The workmen may, however, at their option purchase the houses outright or anticipate payments of the installments at any time, in which case they are of course credited with the saving in interest.

The municipalities and communes raise the means for their housing work by issuing bonds, the annuities on which amount as a rule to 5\(\frac{1}{2}\) per cent. As the State pays 2 per cent of this annuity, the annuity to be paid by the workman amounts to only 3\(\frac{1}{2}\) per cent. By means of annual payments of 50 to 125 crowns ($10.15 to $25.38) the workman can in 20 to 25 years easily pay for a home costing 1,200 to 2,500 crowns ($243.60 to $507.50). These annual payments amount as a rule to less than the rent he would have to pay for a 1-room apartment.

The demand for these low-priced homes is much greater than the supply. In several localities applications for them were decided according to the size of the family of the applicant, and in other localities the successful applicants were selected by lot.

It should be mentioned, perhaps, that the financial support which the State is giving to the work of supplying housing accommodations to agricultural laborers in the rural villages is supplemented by a rigorous health ordinance which puts upon the communes the obligation of seeing that sanitary houses are erected and maintained for this class of workmen.

The success of the system may be judged by the fact that between the years 1907 and 1913 about 6,000 cottages have been erected in 23 districts and 200 communes with the aid of State subsidies.

\(^1\) Construction of clayey earth pressed into place. Such material is entirely suitable for buildings of light construction in districts in which stone is not available. The earth after having been screened and slightly moistened is subjected to long trituration, and then passed into a mold with removable facings. These facings are called "banchees" and the "pisé" contained in these forms a "banchee."

There is in use another form of "pisé" called "torchis" or "bauge." This "pisé" contains a certain quantity of chopped hay or straw mixed with the earth or clay.—(Le Larousse pour tous; nouveau dictionnaire encyclopédique. Paris. [1906-1907])
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ITALY.\(^1\)

INTRODUCTION.

The construction and promotion of cheap dwellings (case popolari—people’s dwellings, workmen’s dwellings) are encouraged by special laws in Italy. The first of these, May 31, 1903, was followed by the laws of July 17, 1907, and January 2, 1908. The three are consolidated in a single law which was approved by royal decree February 27, 1908.

These laws aim to encourage the construction of inexpensive dwellings by cooperative societies, private organizations, charitable associations, and communes, by granting exemption from taxes, and other privileges. Aside from this there are also other laws that in various ways encourage the construction of low-cost dwellings, especially in the capital of the kingdom.

HOUSING LEGISLATION IN REGARD TO ROME.

The law of July 8, 1904, embodying regulations for the city of Rome, makes provision for the use of such parts of the possessions of the State as lie within the territory of the commune of Rome and have not been set aside for the use of departments of the Government. For a period of 10 years, beginning with the date of the publication of this law, the Government is authorized to sell this land at its discretion to cooperative societies for low-cost dwellings for use as building sites, even in derogation of certain special laws as regards the total maximum price, estimated prices, the number of installments to be paid, and also the rate of interest on deferred payments. The same law grants exemption from both the fixed taxes and the surtaxes for 10 years upon new constructions erected for the purpose of being rented out as dwellings in the commune of Rome, provided that the rent for none of the apartments exceeds 1,200 lire ($231.60) per year. Furthermore, communes that may find it necessary to encourage the construction of dwellings, are empowered to impose a tax of 1 per cent on the value of unused building sites. Later another law raised this tax to 3 per cent of the value. Half of this tax is turned over to the Association for Low-Cost Dwellings in Rome.

The law of July 11, 1907, gives the commune of Rome the right to allot to this association 3,000,000 lire ($579,000), payable in 11 an-

\(^1\) Translated with slight changes and omissions from an article entitled “The results of the movement for the promotion of cheap dwellings in Italy,” by Dr. Vincenzo Magaldi, director general of the ministry of agriculture, industry and commerce. Vice President of the National Insurance Institution. (In International Housing Congress, 10th, The Hague, 1913. Rapports. Rotterdam [1913]. Part 3, pp. 141-168.)
annual payments, out of the loan of 25,000,000 lire ($4,825,000), granted by the State Bank of Deposits for carrying out a plan for the city. The same law also authorizes this bank to loan a sum up to a total of 10,000,000 lire ($1,930,000) to an association for the housing of Government employees in Rome. And the law of July 15, 1911, further authorizes this bank to loan another 10,000,000 lire ($1,930,000) to this same association.

The law of April 6, 1908, authorizes the State Bank of Deposits to grant the commune of Rome a loan of 10,000,000 lire ($1,930,000) to be utilized for the benefit of the Association for Low-Cost Dwellings.

The law of July 14, 1907, authorizes the welfare institutions of the administration of the railroads, to use part of their funds, to the extent of 30,000,000 lire ($5,790,000), for a loan to the administration of the railroads, to be used for buying and constructing inexpensive dwellings for the use of railroad officers and agents holding positions at a salary not in excess of 3,600 lire ($694.80) per year.

Lastly, to counteract as far as possible as regards cheap dwellings, the great destruction caused by the earthquake of December 28, 1908, especially at Messina and Reggio di Calabria, the law of July 18, 1911, places the sum of 6,000,000 lire ($1,158,000) at the disposal of the communes of Messina, Reggio di Calabria, and Palmi for the construction of dwellings for Government employees and grants an additional 2,000,000 lire ($386,000) to the commune of Messina for the construction of inexpensive dwellings.

It should be added that the provisions of the laws of July 11, 1907, and July 15, 1911, which authorize the State Bank of Deposits to grant the sum of 20,000,000 lire ($3,860,000) as loans to an association for the housing of Government employees in Rome, have made possible the formation of a cooperative association legally recognized by royal decree July 5, 1908. This association, whose activities are restricted to supplying dwellings for rent only, numbers a membership of about 2,000. It purchased an extensive tract of land for 1,000,000 lire ($193,000) and is at present engaged in erecting upon it three large buildings which together will cost more than 10,000,000 lire ($1,930,000). One of these has already been completed and contains 300 small apartments.

If one takes into consideration that by the law of July 14, 1907, the administration of the State railroads will be able to expend 5,000,000 lire ($965,000) for the construction of dwellings for railroad employees in the city of Rome alone, then the various laws which we have just cited will aggregate a grant of 38,000,000 lire ($7,334,000) to the associations operating in Rome, and that, too, independently of other resources which some of the associations in question have procured from other sources and outside of the work accomplished by the cooperative societies, as will be seen further on.
MOVEMENT FOR DWELLINGS FOR WORKING PEOPLE IN ITALY.

Complete statistics of the movement for inexpensive dwellings in Italy do not go any further than 1910.

At the end of that year there were 475 cooperative societies for the construction of inexpensive or people's dwellings, 19 societies for mutual aid and construction, 33 independent private organizations, 6 philanthropic building societies, and 25 municipal enterprises.

It is not at all necessary to enlarge upon the legal nature of the cooperative societies and the aim they have in view. They operate very similarly in all countries. They build houses for ownership by their members upon a plan of repayment by installments or with the guaranty of an insurance policy, or for rental to their members or outsiders. The cooperative societies secure the funds necessary for the erection of these houses through the credit granted them, upon most favorable terms, by savings banks, people's banks and banks in general, by the Government pawnbroking establishments, by public charitable associations, by legally recognized mutual aid societies, by insurance companies, by the National Institution for Insurance of Workmen Against Invalidity and Old Age, and by organizations for mortgage loans.

The independent private organizations are incorporated companies and their formation is usually encouraged by the communal administrations by furnishing them with building sites and even with financial means. Further on we shall have occasion to note that several communes have especially distinguished themselves in the matter of encouraging the construction of people's dwellings.

In connection with municipal enterprises must be mentioned the law of February 27, 1908, concerning inexpensive or people's dwellings. This law grants communes the power to construct people's dwellings exclusively for renting purposes, people's lodging houses, and free public dormitories whenever a commune considers it necessary to supply dwellings for the poorer classes of the population and there are neither cooperative societies nor private organizations undertaking these constructions or when these societies exist but do not meet the commune's needs. To facilitate these constructions the law favors communes by special provisions in regard to them. Communes can secure the necessary funds through loans from the State Bank of Deposits. The State also lends its cooperation by giving them the equivalent of one-sixth of the interest they have to pay on these loans. Furthermore, they are exempted from the taxes on the buildings for a period of 10 years in the case of people's dwellings and for a period of 20 years in the case of people's lodging houses. They must conform to the law of March 29, 1903, concerning the direct operation of public utilities by the communes. In accordance with
that law, if the dwellings for working people are of small importance as compared with the general business of the commune, the latter must construct and manage them directly. If the opposite is true the construction and management must be placed in the hands of a special subdivision of the municipal service, which can be created only after the consent of the Government and that of the administrative electors has been obtained by means of a referendum.

The most recent data concerning the municipal management of people's dwellings show that in 18 communes the construction and management of the dwellings is being undertaken by means of the above-mentioned special subdivision. According to estimated figures, the construction of people's dwellings in these 18 communes will involve an expenditure of 5,585,820 lire ($1,078,063), a sum raised almost entirely by loans, particularly from the State Bank of Deposits. In fact, this bank will have furnished 3,738,280 lire ($721,488) out of a total of 5,551,420 lire ($1,071,424).

Then there are besides 13 communes in which the construction and management of people's dwellings is being accomplished by a system of direct communal management. The approximate expenses for the constructions made in this manner are 5,213,200 lire ($1,006,148) and almost the whole amount, namely 5,189,443 lire ($1,001,562) will have been raised by loans from various institutions. The State Bank of Deposits will have supplied 782,743 lire ($151,069), while the National Invalidity Insurance Institute will have supplied 2,700,000 lire ($521,100).

Housing Work of Cooperative Societies, Etc.

The 533 cooperative societies and other organizations which are engaged in building people's dwellings, and were in operation at the end of 1910, are distributed among 237 communes and 55 Provinces. Since there are 69 Provinces in Italy, there are therefore 14 which have no organizations of this kind at the present time. The greatest number of communes having organizations for people's dwellings are found in the Province of Milan, which Province has 34. Then follow the Provinces of Florence with 17 communes, Bologna with 12, Genoa with 11, and Reggio nell'Emilia with 10. Since the societies and organizations for the construction of people's dwellings confine their activities to the territory of the commune in which they are resident, the number of these organizations existing in each commune is significant. At the head of the list are found Florence with 69 societies, Bologna with 59, Rome with 55, Genoa with 24, and Milan with 23.

Statistics which show the value of the property and the work accomplished by the various organizations for people's dwellings have been gathered for only 281. This number is made up of 254
cooperative societies, 6 mutual aid societies, and 21 private and philanthropic organizations and is only a little more than half of the total.

The paid-up capital of these 281 organizations amounted to 28,297,437 lire ($5,461,405), December 31, 1910. Private organizations held 20,688,696 lire ($3,992,918), the greater part of this amount. The reserve was 690,526 lire ($133,272).

These societies and organizations numbered 31,695 members at that date. They possessed building sites valued at 8,650,508 lire ($1,669,548) and completed buildings valued at 62,924,013 lire ($12,144,335). On the other hand, at the end of the year 1910, as measured by the loans contracted by them, the liabilities amounted to 25,198,449 lire ($4,863,301).

Considering the fact that these data cover but a little more than half of the organizations conducting operations of this kind, and furthermore, that important societies are omitted as among those that have not sent any data, it may safely be assumed that it would be necessary at least to double the figures indicated above to get a complete survey. This assumption is corroborated by the data gathered from the credit institutions—namely the various loan societies, the National Invalidity Insurance Institute, the insurance companies, the savings banks, and the mortgage loan societies and organizations. These data are incomplete but show that during the year 1910 these organizations made loans, for the construction of people's dwellings, amounting to 23,489,900 lire ($4,533,551). They do not, of course, include the loans made to the communes by the State Bank of Deposits which were indicated above.

The loans are usually made upon the system of annual payments for a maximum period of 50 years at the rate of 3.25 per cent to 4.50 per cent.

The data recorded by the direct tax offices also indicate the spread of people's dwellings in Italy. As was said, dwellings conforming to the conditions required by law for being classed as people's dwellings are exempt from taxes on the buildings for a period of 10 years. The direct tax offices report that up to December 31, 1910, there were 1,038 people's dwellings in the whole Kingdom exempt from taxation for a period of 10 years. Besides that, more than 39 dwellings in the commune of Rome were listed as exempt for the same period in compliance with the law of July 8, 1904, embodying provisions for the city of Rome, of which mention was made at the beginning of this article.

The law of February 27, 1908, concerning inexpensive or people's dwellings requires that in every commune in which people's dwellings are being built a committee of seven members shall be formed. The mayor is charged with the duty of naming this com-
mittee and its duties are to encourage the formation of societies for the construction of people's dwellings and the construction of sanitary and cheap dwellings both by individuals and by societies; to promote the sanitation of dwellings; and particularly to determine whether the inexpensive or people's dwellings comply with the conditions imposed by law except as regards the rental paid for said dwellings. A special certificate can then be issued which must be presented to the bureau of direct taxes, to secure exemption from the tax on real estate for the period of 10 years. Up to December 31, 1910, there were 103 communes throughout the Kingdom with such committees. Out of this number 43 had no building societies, so that at that date there were 60 communes having both their committee and building societies. From which it follows that out of 237 communes having building societies already in operation 177 were still without any local committee.

**HOUSING WORK OF PRIVATE ORGANIZATIONS UNDER THE LAW.**

These data of the work carried on by private organizations authorized by the law to construct inexpensive or people's dwellings are but summary and incomplete. It may be well to add some relatively recent facts upon the development of this popular movement in some of the more important cities of Italy in which the need of providing cheap sanitary dwellings for the poorer classes has been most strongly felt.

In Rome the following organizations are in active operation: The Association for People's Dwellings, formed upon the initiative of the commune, with an initial endowment and with funds furnished by the Government through the State Bank of Deposits; the Cooperative Association for Dwellings for Government Employees, which also receives Government funds, as was said above; and many cooperative societies for the construction of people's dwellings. The private association and the cooperative association construct buildings for rent only; the former for the poorer classes of the population, the latter for Government employees. The cooperative societies construct buildings for eventual ownership by their members upon the plan of payments of monthly, semiannual, or annual installments, either by amortization or with guaranty by insurance policies.

The private association has secured loans aggregating 18,230,973 lire ($3,518,578); the cooperative association for 20,000,000 lire ($3,860,000); and the combined cooperative societies for 15,946,500 lire ($3,077,675). Thus credit has been furnished to various societies for the sum of 54,177,473 lire ($10,456,252) for the construction of people's dwellings in Rome. This entire sum has already been applied upon constructions which are either completed or in process of construction.
Still it must be noted that these figures do not represent the whole movement for the construction of people's dwellings as evidenced in the capital of the Kingdom. The data of several cooperative associations are not included nor the exact amount of the total capital furnished by the purchase of shares or by contributions for buying ground or for building expenses by the members of numerous similar cooperative building societies. Data gathered from official investigations show that the paid-up capital of several cooperative associations in operation on December 31, 1910, was 265,316 lire ($51,206). But this is below the actual figure because it includes the paid-up capital of only a part of the cooperative societies and does not include any contributions from members for buying ground or for building expenses.

We are permitted to give some information concerning the operations of the independent private association for people's dwellings in the Testaccio quarter, one of the most popular in Rome. In this quarter the association in question bought quite an extensive tract of land, about 40,445 square meters (10 acres), for 10.80 lire ($2.08) per square meter (10.76 sq. ft.), upon which it has built a group of 32 buildings for 6,821,200 lire ($1,316,492). These buildings are arranged in 11 lots or blocks, of various form and dimensions and separated by streets of 14 or 20 meters (46 or 66 feet) wide. Fifty-four per cent of the total area is occupied by buildings. Each lot or block contains one or more buildings sufficiently detached from each other to permit free ventilation. The courts are paved with compressed cement blocks and permit the passage of vehicles. All have their flower beds and running water for washing, and for watering the flower beds. These buildings are of five stories except two that have a part in six stories.

The height of the stories varies from 3.3 meters (10.8 feet) to 3.4 meters (11.2 feet). Including the kitchens there are 3,280 rooms forming 987 apartments. Usually an apartment contains a hall into which open all the rooms (one, two, three, or four), a kitchen and a toilet. Each apartment has an average of 300 liters (79.3 gallons) of water for its consumption. There are 24 apartments of five rooms, 332 of four, 499 of three, and 58 of two rooms.

The cost of the buildings of Testaccio, if the completed work on two lots is taken as a basis, amounts to 20.09 lire ($3.88) per cubic meter (35.314 cubic feet), 313.50 lire ($60.51) per square meter of floor space (10.734 square feet), and 1,836.56 lire ($354.46) per room.

The combined apartments of this new quarter can accommodate a population of more than 6,000 people and some of the apartments are already occupied. The average rental was determined by taking into account all the expenses the association in question had to meet,
from the bank charges on the loans contracted to the expense of administration and maintenance. Taxes on the real estate are not included for the period of exemption granted by the law.

At present the average rental has been estimated at about 9.50 lire ($1.83) per month per room. But this must be increased or diminished a little according to the condition in which the rooms of the apartment are found, whether they are better or worse than the room taken as standard—namely, a room of a given area and upon the second floor with a single window on the street.

This association is now making an attempt to furnish occupants with special facilities, electric light and gas for cooking. Furthermore, when the quarter is entirely completed welfare institutions will be formed for the tenants, as for instance kindergartens, free dispensaries, industrial schools, libraries, etc.

In this connection must be mentioned an association which is not like the cooperative society, neither does it resemble the private associations created by the law concerning people's dwellings. This is the Real Estate Association of Rome (Istituto Romano dei beni stabili), founded by a joint stock company limited, with a large capital. Its special purpose was to acquire the ownership of and the right to operate buildings which on account of the building crisis in Rome had fallen into the hands of various loan companies that had unwisely encouraged speculation in building by large advances. The Real Estate Association of Rome became alive to the problem of people's dwellings in Rome, studied it, and succeeded in finding a solution.

The Real Estate Association of Rome, which in but a few years distinguished itself so greatly in adding welfare institutions to people's dwellings, has set itself the task of developing this type of modern people's dwellings still further in the future and will thus gradually transform all the people's dwellings in its possession.

HOUSING WORK IN MILAN.

In Milan the Private Association for People's Dwellings was founded in 1908 upon the initiative of the commune. It commands a capital of 13,623,000 lire ($2,629,239), of which 11,200,000 lire ($2,161,600) are contributions from various organizations, 123,000 lire ($23,739) subscribed shares, and 2,300,000 lire ($443,900), a free gift from the Savings Bank of Milan.1

September 30, 1912, the buildings in the possession of the Association of Milan, either completed or in course of construction, were

1 The Savings Bank of Milan, which is the greatest welfare institution in Europe, established a fund for people's dwellings which has reached 6,000,000 lire ($1,153,800). This is to be used (1) in aiding cooperative societies for people's dwellings in paying off loans, and (2) in free gifts to private associations and communes. Out of this fund the Savings Bank of Milan has given 2,500,000 lire ($443,900) to the Association of Milan.
valued at 14,801,013 lire ($2,856,596) and its building sites at 220,279 lire ($42,514), making a total valuation of real estate of 15,021,292 lire ($2,899,109). The difference between the available capital and the value of the real estate has been covered by loans from the mortgage loan department of the Savings Bank of Milan and from the welfare funds of street-railway employees.

The association owns 52 buildings of five stories each in eight quarters of the city, containing 2,759 apartments, of which the greater part, 85.1 per cent, are composed of one or two rooms besides the kitchen. Besides these, it has 61 buildings in process of construction in two other quarters, likewise of five stories and comprising 314 apartments. In four quarters of the city it has also constructed 22 small cottages comprising 160 apartments. The one or two room apartments are the most numerous, and form 82.7 per cent of the whole.

The Association of Milan did not construct all the buildings at present in its possession. Formerly the commune built some, especially those for workmen, and later turned them over to the association. The expense of erecting the buildings relinquished by the commune in several quarters was an average of 2,177 to 2,379 lire ($420.16 to $459.15) per apartment, while for those constructed by the association the average ranges from 2,260 to 2,611 lire ($436.18 to $503.92), according to the quarter. If the expense is compared with the occupied area, the buildings erected by the commune range from an average of 104.50 lire ($20.17) to 120 lire ($23.16) per square meter (10.764 square feet), and the buildings erected by the association range from an average of 118.40 lire ($22.85) to 121.80 lire ($23.51). To understand the reason for the diversity in these amounts, it is not sufficient to consider the periods during which the buildings were constructed, namely, the former from 1905 to 1910 and the latter not until 1910 to 1912, a time when the price of building materials and workmen's wages were higher. But the fact must also be taken into account that in the more recently constructed buildings the proportion of one or two room apartments is much higher than in the buildings erected by the commune, in which three-room apartments were most numerous.

All quarters where buildings are erected by the Association of Milan are well supplied with stores conducted in most cases by cooperative associations. There are also merchants doing an independent business. A recent investigation brought out the fact that on an average the prices of food in these quarters are below the normal prices asked in the market of Milan.

Each group of six buildings has 40 baths, 90 shower baths in separate rooms, and 17 showers in a common inclosure. Each building
has free laundries where tenants may secure hot water at the slight expense of 5 centimes (1 cent) for 10 liters (2.64 gallons) of water. The shower baths, cold or warm, are free of charge, and a cold or hot bath costs only 20 centimes (4 cents).

All the buildings contain appliances for heating water for baths, showers, and laundries, and for warming bathrooms. In some groups of buildings hot-water heat has been installed and the tenant pays 40 lire ($7.72) per year extra for heat, irrespective of the number of rooms in his apartment.

In some buildings also nurseries have been supplied for infants, both those still at the breast and those weaned, besides others for somewhat older children; inexpensive supply kitchens, industrial schools, instructive lectures, and popular libraries. Esthetics and decoration have likewise been fostered. Trees have been planted and competitions have been held for window flower decoration and small garden cultivation.

The average rent of the buildings of the Association of Milan October 1, 1912, was 158 lire ($30.49) per room per year in one-room apartments; 134 lire ($25.86) for those of two rooms; 118 lire ($22.77) for those of three rooms; and 110 lire ($21.23) for those of four rooms; from which figures are derived, respectively, 13.17 lire, 11.17 lire, 9.83 lire and 9.17 lire ($2.54, $2.16, $1.90, and $1.77) per month.

Since many of the apartments in the buildings belonging to the Association of Milan have not been rented, the management reduced the rent according to the locality from 2 to 7 per cent in order to attract tenants. It has also put into practice a principle already recognized in France, namely, to reduce the rent for workmen’s families with a large number of children under working age. The object of this reduction is to put sanitary and commodious lodgings more easily within their reach. The same management has also decided to rent the three-room apartments in two of their groups of buildings to families having more than three children under 15 years of age at progressive reductions of the actual rent, namely, a 10 per cent reduction for families with four children under 15, 15 per cent for families with five, 20 per cent for those with six, 25 per cent for those with seven, and 30 per cent for those with eight or more than eight.

These reductions were put into practice on December 29, 1912. Not only do the new tenants derive these benefits when they come to the apartments of these two groups of dwellings; families which are already tenants of the institution and pay their rent regularly can also enjoy these benefits if they are already in three-room apartments or if they wish to change from two-room apartments to three-room apartments in these two groups of houses or if they wish to move into them from any of the other groups where they are already living.
The population occupying the buildings of the Association of Milan numbers 8,225 people, 4,234 male and 3,991 female. There are 2,239 heads of households, of whom 115 are women. These heads of households are mostly salaried workers, namely, 64.02 per cent. Next in order of numbers, but in a much smaller percentage, namely, 19.69 per cent, rank salaried public employees and employees of public utilities companies. Those following the liberal professions or who are employed by private concerns number 7.25 per cent. Those retired from service and drawing pension, those of independent means, and housekeepers number 6.29 per cent; handicraftsmen, tradesmen, and agents, 2.05 per cent.

The birth rate among the occupants of the buildings of the association in 1912, 25.69 per thousand, was higher than the general birth rate for Milan, 22.67 per thousand. The mortality there was also lower than that of the whole population, 9.03 per thousand as compared with 15.97 per thousand. Tuberculosis is represented by only five cases in these buildings, a boy of 15 months, two men of 22 years, and two women of 40 and 47 years of age, which makes an average of 7.05 per 10,000 occupants and 7.81 per 100 deaths from all diseases, proportions which for the whole population of Milan are 27.37 and 13.48, respectively.

In a few of its buildings the Association of Milan has instituted a visiting medical service that makes regular rounds of visits to children, well or ill, and to adults. The results obtained demonstrate the great usefulness of these visiting consultations.

Besides the Association of Milan there exists a great social organization, La Società Umanitaria, which owes its origin to the Loria Foundation; it has an initial endowment of more than 10,000,000 lire ($1,930,000), and concerns itself largely with providing people's dwellings.

Besides a group of people's dwellings constructed even before the formation of the private association, L'Umanitaria had had constructed a new quarter in 1909, comprising 12 buildings, of which 8 are four-storied and the rest five-storied, not counting an entresol. The buildings are joined by connecting corridors and promenades across the first two floors. All of the apartments, even those which have only a single room, are supplied with English toilet rooms, gas for lighting and cooking, pipes for ventilating the rooms, and a large tube for taking away waste.

L'Umanitaria has begun to solve the problem of heating. It has installed hot-water heating plants in two of its buildings. If the experiment succeeds it will put in the same system everywhere. Thanks to an agreement with the two electric companies—that of
the commune and the Edison Society—L’Umanitaria has secured the free installation of a lighting system in its people’s dwellings by paying fixed dues at the rate of 80 centesimi (15.4 cents) per month per 10-candlepower lamp up to 1.70 lire (32.8 cents) for a 30-candlepower lamp.

Since L’Umanitaria is not a society for speculation, it is satisfied to make an interest of 3.50 per cent on its capital employed in the construction of the people’s dwellings. Calculating upon this return and adding the expense of about 1,000,000 lire ($193,000) which it incurred in building, the society has been able to place its rent at quite a low figure, 120 lire ($23.16) per year per room of about 22 square meters (236.8 square feet), 60 lire ($11.58) for half a room, 40 to 45 lire ($7.72 to $8.69) for a small kitchen. So there are apartments of 120 lire ($23.16), of 165, 240, 300, 350, and up to 435 lire ($31.85 $46.32, $57.90, $67.55, and up to $83.96). The last-named price is the rent of an apartment of three entire rooms, a separate kitchen, and a large promenade.

The tenants of the buildings of L’Umanitaria are almost all workmen. About 12 out of the 204 heads of households are school-teachers and subordinate employees.

The society has provided the quarters of its people’s dwellings with means of recreation—grounds for gymnastics, an inclosed gymnasium, a meeting hall, and a theater. It has set up a cooperative restaurant which is conducted by a cooperative consumers’ league. Next to the restaurant is a library and a popular university. There is also a maternity building, as well as laundries, bathrooms, and shower baths.

It should be mentioned that several other cooperative societies have also given notable impetus to the construction of people’s dwellings in Milan. But we have no data regarding them.

THE GARDEN CITY OF MILANINO.

Neither must the initial steps of the work be overlooked, steps which to-day we can say have succeeded. This work was done by the Cooperative Union and particularly by Commander Luigi Buffoli, its president, in constructing a garden city 6 kilometers (3.73 miles) from Milan, named Milanino. This city was modeled on the English garden city of the type characteristic of Letchworth.

The ground upon which Milanino was constructed was bought by the Cooperative Union of Milan, the strongest cooperative association in Italy. This ground covers an area of 1,300,000 square meters (321.2 acres). The price per square meter (10.764 square feet) was 0.70 lire (13.5 cents). The strip at present developed

\[1\] A rate of $546 per acre.
according to the original plan contains 220,000 square meters (54.4 acres), of which about 85,000 (21 acres) are utilized for streets and community gardens.

According to the rules of construction the buildings must not have more than two stories above the ground floor. They must have a garden that occupies at least three-fourths of the lot bought. The buildings must be comfortable and sanitary from every point of view and must comply with the plan approved by the Cooperative Union. According to the original plan, 350,000 square meters (86.5 acres) will be taken up by streets and squares, 40,000 square meters (9.9 acres) by community gardens, while the gardens belonging to each house will altogether take up much more than 550,000 square meters (135.9 acres). So the portion of the surface covered by buildings will not, at the outside, reach 28 per cent of the total area. It is thought that Milanino will be able to accommodate 12,000 people.

This garden city is already supplied with drinking water, gas, and electric light. In the center of the city the union has constructed a palace of beautiful architecture. On its ground floor it houses a café with a wine shop and selling the excise articles, salt and tobacco; a large restaurant with all accessory furnishings, open every day; a provision store; a notion store, and a milk shop. Above the ground floor are found a banquet hall, a large billiard room with two tables, and a series of rooms where at present is lodged the association "Pro Milanino," composed of the inhabitants of Milanino and their friends; and two schoolrooms for children of the tenants. This great building has a garden of 4,000 square meters (43,056 square feet) planted in trees, which can be used for games and sports.

Upon the initiative of the Cooperative Union which built this garden city, a cooperative society of the tenants of Milanino has been formed. This society numbers 1,513 active members owning 4,759 shares, representing a capital of 475,900 lire ($91,849). This society constructs only small houses with gardens for renting to its members.

The Society for People's Lodging Houses, which also grew out of the Cooperative Union, has erected a boarding house which enables anyone without a family to establish himself at Milanino. Such persons can thus enjoy the advantage of a quiet life in surroundings sanitary in every way, and that at a very low price. The building is not far from the palace of the Cooperative Union and also has a large garden. It contains about 40 rooms, so arranged as to make it possible to throw several together into small apartments. The building also serves as a hotel, and always keeps a certain number of rooms reserved for anyone who may wish to remain there even a single night.

Up to the present about 80 small individual houses of 6 to 10 rooms each, not counting servants' quarters, have been built on the grounds
already allotted. The little cottages of the cooperative association of the tenants of Milanino number 34 and each contains 5 or 6 living rooms.

The cost of construction ranges from 2,000 to 2,500 lire ($386 to $483) per dwelling. To this sum must be added the cost of the grounds, fencing, gate, and putting in the garden.

Milanino is connected with Milan by two railroads, and the journey is made in 35 minutes.

There are about 100 families established at Milanino. Almost all of them came from Milan, where they lived previously. They include business men, persons in the liberal professions, and workmen.

**HOUSING WORK IN BOLOGNA.**

In the first rank of the cities of Italy in which the communal administrations have furnished effective means for the construction of people's dwellings must be counted Bologna, where truly ingenious means have been employed to give impetus to private initiative.

Long ago the commune of Bologna made praiseworthy efforts to encourage the construction of cheap dwellings for the poorer people in that city which to-day has a population of 172,628 inhabitants. In 1862 the municipal council granted a building site free of charge to a society for the construction and sanitary remodeling of buildings for the use of the poor and the working classes. This society put buildings altogether insanitary into good sanitary condition, and it also constructed new buildings with the help of the Savings Bank of Bologna; but it did not succeed, and disappeared in 1877. Out of what remained of this society arose a new society in 1884 under the name of the Cooperative Society (Ltd.), for the Construction and Sanitary Remodeling of Workmen's Dwellings. The commune generously aided this society also. It granted ground free of charge. The savings bank bought the shares of the society, lent it money on notes, and granted it mortgage loans. Thus from 1884 to 1888 this society was put in a position to erect several buildings containing a total of 176 apartments.

The efforts of the commune on behalf of the society grew. The free grants of land were continued, and the society was reimbursed for the total surtax on its real estate in favor of the people's dwellings which arose within the territory covered by the plan for the sanitary remodeling of the city. There were four organizations to which land was granted in this territory: The Charitable Asylum for Children; the Mutual Aid Society of Trades Workmen; the Cooperative Society of the Building Arts; and the Society for the Construction and Sanitary Remodeling of Workmen's Dwellings in Bologna. The land granted to these four societies covered 11,150 square meters (2.8 acres). This liberality of the commune led to the construction of
people's dwellings containing 724 apartments. But even that did not satisfy the need for sanitary and cheap dwellings. In 1897, upon the motion of Commander Zucchini, a director of the savings bank, the municipal council decided to give as a bonus a contribution equal to 10 years of the municipal surtaxes upon taxable incomes in order to promote the construction of buildings for the use of workmen's families in such manner and localities as indicated by the municipal assembly (Junta communale). A law was passed which included rules for granting the bonus in question, and the sanitary and other conditions with which the houses that were to be built had to comply.

But few building societies availed themselves of this assistance. Then in 1905 the commune felt compelled to become a still more active factor in building, possibly also because the first law had been but lately decreed (1903) concerning people's dwellings, a law that granted financial and other advantages to encourage the building of cheap dwellings. The commune confirmed the earlier measures for granting land free of charge and for reimbursing the surtaxes, and, furthermore, it directed that an annual contribution of 1.50 per cent of the capital employed in such constructions should be granted to societies for the construction of people's dwellings for a period of 15 years. To be entitled to this contribution the essential conditions to be complied with were the following: The recipient of the ground and of the bonus must bind himself to maintain the annual rate of rent below 50 to 60 lire ($9.65 to $11.58) per room for a period of at least 20 years from the time that the buildings were entirely occupied; he must also devote that part of the ground granted and not used for building purposes to putting in a garden, a kitchen garden, or a place to dry linen, these to be located within the grounds and on the side not visible from the street; he must see that the families to whom the buildings are rented fall within the group designated by law as people's dwellings; the contracting party must give the usual mortgage to the commune for a sum equivalent to five years of bonus and of surtaxes, so as to guarantee the payment of a sum equal to this as a fine in the event the obligations assumed are not fulfilled.

This increased liberality of the commune of Bologna had such results that 3,636 living rooms were constructed from 1906 to 1911 at a cost of 4,329,850 lire ($835,661). This was done by the private association mentioned above, by the special division of the People's Bank of Bologna and by 28 cooperative societies. To several of these societies combined the commune granted land worth 186,720 lire ($36,037). The sum total of the municipal surtaxes remitted for 10 years was 209,996 lire ($40,529) and that of the 1.50 per cent
bonus for 15 years was 974,216 lire ($188,024); that is to say, up
to the end of 1911 the commune of Bologna granted 1,370,932 lire
($264,590) to encourage the construction of people's dwellings.
From 1911 to the present (September, 1913) the commune granted
the bonus of 1.50 per cent to 67 other cooperative building societies.
These are constructing buildings that contain a total of 1,644 rooms
at an expense of about 2,250,000 lire ($434,250). Since in the same
period of time the private association and the Cooperative Society
(Ltd.) for the Construction and Sanitary Remodeling of Workmen's
Dwellings have constructed buildings valued at about 1,050,000 lire
($202,650), it may be concluded that during the period from 1906
up to the present the poorer classes of the population of the city of
Bologna have been able to find comfortable housing upon favorable
terms in 5,280 living rooms whose construction cost 7,629,850 lire
($1,472,561), and that due principally to the commune and the
savings bank.

The cost of construction per living room at present is about 1,300
lire ($250.90) on an average. This is lower than that already quoted
for Rome and for Milan. The annual rent ranges from a minimum
of 65 lire ($12.55) to a maximum of 75 lire ($14.48) per living room;
or from 5.42 to 6.25 lire ($1.05 to $1.21) per month, figures which
are likewise lower than those found in Rome and Milan for people's
dwellings.

The families admitted to the people's dwellings in Bologna must
have a net annual income of less than 1,800 lire ($347.40). This limit
may be raised to 2,000 lire ($386) should the number of available
apartments become greater than the number of families seeking
them—a case that has not yet arisen.

In conclusion must be added a statement of the things the private
association has been able to do in providing people's dwellings in
direct consequence of the advances made by the commune of
Bologna.

In the formation of the association an agreement was drawn up
between the commune and the savings bank. The former bound it-
self to grant the association enough land to build people's dwellings
aggregating a cost of 1,000,000 lire ($193,000), to remit the surtaxes
on real estate for 10 years and to give a bonus of 1.50 per cent (on
the capital invested) for 15 years. On its part the savings bank
bound itself to grant loans to a sum total of 1,000,000 lire ($193,000)
at 3 per cent, payable in 25 years, allowing interest and capital to
accumulate the first two years of the duration of each loan; to lend
a further sum of 35,000 lire ($6,755) upon the same conditions of in-
terest and payment for the drawing of plans and for the expenses of
management and technical supervision during the construction of the
buildings.
The association on its part bound itself not to exceed a construction expense of 650 lire ($125.45) per living room, excluding cellars; to put up only types of buildings approved by the building inspector's office and accepted by the local committee and by the assessor in compliance with the law on people's dwellings; and to furnish, as guaranty for the loans contracted, a mortgage upon the land and buildings constructed.

The municipal council of Bologna approved the by-laws of the new society and it was legally recognized by royal decree July 8, 1906. Thereupon the commune gave the association 16,150 square meters (4 acres) of ground, valued at 51,650 lire ($9,968). Later it granted still other lands until the grand total reached an area of 24,000 square meters (5.9 acres) with a value of 131,000 lire ($25,283). If to this sum is added the value of the other grants mentioned above, the commune of Bologna has expended or put at the disposal of the private association a sum of 660,000 lire ($127,380) in round numbers.

The savings bank did not confine its advances to those pledged in the beginning. During the first three years it gave 1,500,000 lire ($289,500) to the association on mortgage loans. It has continued to grant loans at the rate of 3.50 per cent, payable in 30 years, even relinquishing entirely the claims for commission and exempting the association from the payment of the charges for drawing up the contracts.

The buildings constructed by the association up to the end of 1911 had cost about 1,900,000 lire ($366,700) and are 73 in number. They contain 653 apartments, comprising 1,722 living rooms. They are supplied with gas and water, with faucets in every kitchen, electric light in the courts and on the stairs, all at the expense of the association. There are also large receptacles for waste and convenient washing places in the courts.

Even though so comfortably constructed the buildings erected by the association are unpretentious in type. Building expenses have risen from year to year. They advanced to 950 lire ($183.35) per living room in 1907-8; to 1,050 lire ($202.65) in 1908-9; to 1,130 lire ($218.09) in 1909-10; and to 1,170 lire ($225.81) in 1910-11.

The annual rent per living room has varied from 58.05 lire ($11.20) to 62.95 lire ($12.15). If to this is added the additional rent charged for the use of cellars and the dues for drinking water, which is furnished at the rate of 150 liters (39.6 gallons) per day per family, the rent is raised from 68.67 lire ($13.25) to 73.58 lire ($14.20).

Up to the end of 1911 there were 632 families, numbering 2,442 persons, living in 1,758 living rooms. These 2,442 tenants are composed of 1,208 males and 1,234 females. Grouping the heads of households as to their occupation, there are 550 laborers, 17 clerks, and 35 pensioners, hotel or restaurant servants, and housekeepers.
In 1908 the association began an active campaign against alcoholism among its tenants. By all sorts of means it spread a practical education and one well adapted to prevent tuberculosis and other diseases. The mortality among the inhabitants of these buildings has been as follows: In 1908–9, 10.44 per thousand; in 1909–10, 10.33; in 1910–11, 7.25; while for the whole population of Bologna it was 17.29, 17.99, and 16.72 per thousand for the same years, respectively.

During these three periods tuberculosis caused but two deaths among the occupants of the buildings of the association, one person of 16 and the other of 47 years of age.

The association has been attempting to establish kitchen gardens or workmen’s gardens near some of the groups of its buildings. Each garden contains about 230 square meters (2,476 square feet) of ground surrounded by a wire fence. The preparation of these gardens cost from 130 to 230 lire each ($25.09 to $44.39), according to the cultivation and character of crop. The association obtains chemical fertilizers free of charge from the Agricultural Association and from the Agricultural Union of Romagna, and in turn furnishes these fertilizers free of charge to its tenants. Each tenant who holds a kitchen garden has its use and possession in compliance with the special rules governing the cultivation of the ground and pays a rent of 1 lira (19.3 cents) per month.

The association has never sustained any loss through unoccupied apartments or through unpaid rents. The tenants have proved increasingly faithful in meeting their obligations and are becoming more and more attached to their dwellings.

Since 1911 the association has constructed 94 new buildings with 271 living rooms, at a total expense of 348,000 lire ($67,164). And since there is still something left to be done to meet the apparently continued demand for sanitary and cheap dwellings, the association proposes to carry out a program for a number of buildings in 1913 and 1914 upon which it will spend 630,000 lire ($121,590). This amount it will borrow from the savings bank through the mortgage and loan section. It will then be able to supply another 170 apartments containing 500 living rooms.

HOUSING WORK IN VENICE.

In Venice the problem of people’s dwellings was urgent, but its solution seemed very difficult. That city has some very densely populated quarters in which the small number of wide streets makes sufficient circulation of air and admission of light impossible. On account of the prevailing humidity the ground floors are a constant menace to the health of those who are obliged to live on them. Furthermore, the population of Venice is increasing rapidly, although
relatively less than that of other cities. The increase in the population and the need of better living conditions that was felt more strongly each day by the people were the factors that brought out clearly the necessity of relieving the situation. Epidemics had broken out, and investigations made at their close revealed most unhappy conditions. This probably led to the resolution taken by the representatives of the city and to the first measures taken, as early as 1886. That year a total of 40 projects to demolish insanitary buildings and to erect new ones in their place was approved. Thereupon followed other projects for the construction of sanitary and inexpensive dwellings and a complete plan for a sanitary remodeling of the city, but this did not lead to the desired results.

New forces and still more energy were needed. The municipal administration of Venice was aware of its duty. By a decision of June 7, 1893, it established an administrative commission in charge of funds for the construction of sanitary, inexpensive or people's dwellings, with special power to buy land and to erect and remodel buildings. For this purpose the municipal assembly (Junte municipale) was authorized to contract a loan of 500,000 lire ($96,500). The Savings Bank of Venice, for its part, pledged 80 per cent of its annual profits to the community for the construction of people's dwellings. The first loan of 500,000 lire ($96,500) ordered by the municipal council was raised in two loans of 250,000 lire ($48,250) each.

Thus, even before the law of 1903 on people's dwellings existed, Venice already had its private institution, the Commission for Sanitary and Inexpensive Buildings, which was very much like that which the law provided.

The commune desired further to stimulate the construction of people's dwellings by additional provisions. It turned its attention to private capitalists and in 1891 established an annual bonus for a period of 10 years of 0.20 lira (3.9 cents) for each cubic meter (35.314 cubic feet) of building erected on ground not yet built upon, and of 0.15 lira (2.9 cents) if the building was erected on ground already occupied by buildings. This bonus was granted on the following conditions: The buildings must be completed and ready for occupancy before December 31, 1894; the cubic contents of the building must not exceed a fixed figure; the types of buildings must be approved by the municipal authorities; and these types must not be modified during the whole period for which the bonus is granted. After successive deliberations the bonus of 0.20 lira (3.9 cents) was raised to 0.25 lira (4.8 cents), another bonus was established of 0.15 lira (2.9 cents) for each cubic meter (35.314 cubic feet) of building rendered habitable or sanitary, and the time for complying with the conditions was extended.
This measure produced good results, as was shown by the fact that from 1893 to 1909 the commune of Venice voted a sum of 245,940.27 lire ($47,466) in bonuses.

The agreement made between the commune of Venice and the savings bank had still more astonishing results owing to the wise management of the private commission. The efforts of the commune steadily grew. From 1899 to 1910 the commune decided to borrow or to vote in its budget a sum of 7,733,621 lire ($1,492,589) for the construction of sanitary and inexpensive buildings or of buildings rented out at small cost to persons living in condemned insanitary buildings, for putting in sewers, for paving, and for lighting new streets. But out of a new sum of 3,000,000 lire ($579,000) voted in 1910 only 450,000 lire ($86,850) have been entered on the budget. In all, the effective sum voted by the commune, including the advances made by the savings bank from its funds set aside for philanthropic purposes, amounts to 4,787,755 lire ($924,037). If to this is added 30,085 lire ($5,806) from individual donations, the total sum becomes 4,817,840 lire ($929,843), which is partly expended and partly available for the projects in process of construction.

Up to the present 60 buildings have been constructed in 12 quarters of the city. They contain 686 apartments, 2,481 rooms, and 4,045 inhabitants. The expense of construction has been 3,339,211 lire ($644,468). If to this is added the value of the ground, 454,568 lire ($87,732), the total amounts to the sum of 3,793,779 lire ($732,200). The average cost, including the cost of the land and the expense of demolishing buildings, ranges from a minimum of 15.84 lire ($3.06) to a maximum of 24.49 lire ($4.73) per cubic meter (35.314 cubic feet) of building space, which gives a minimum of 897.59 lire ($173.23) and a maximum of 1,909.63 lire ($368.56) per room.

In some of these buildings there are laundries and in others also a room with shower baths. Furthermore, there are storage establishments, provision stores, and free libraries.

The rent is about 8 lire ($1.54) per room per month, making 96 lire ($18.53) per year. The rent is above or below this sum according to the character of the building, whether it is of the average type or of the type intended for the poorest classes, because the institution can make up its deficit in the returns from its buildings out of the funds it receives free of charge from the savings bank.

The 679 heads of households that live in the 679 apartments of these people's dwellings are divided as follows according to their occupation: Fifty-eight are Government clerks; 170 are Government workmen; 205 are employees and clerks of the commune or of private employers; 36 are pensioners; 210 are laborers in various industries, tradesmen, sailors, gondoliers, and gardeners.
The meritorious efforts of the Venetian commission do not cease there, neither for that matter do those of the two institutions which furnish it with the necessary funds, namely the commune and the savings bank. A first installment of 660,000 lire ($127,380) has already been granted on a project for the construction of buildings on the model of those of the garden cities at Lido in the neighborhood called the Four Fountains. This will include a little more than half of the entire project, which will comprise 208 apartments and 688 rooms for a thousand people. Another project is ready for the construction of buildings of low rent on the ground of the "ex Campo di Marte de la Giudecca." These buildings will furnish 110 apartments with 378 rooms for 610 people.

To combat alcoholism the Commission for Sanitary, Inexpensive or People's Dwellings has undertaken to open an antialcoholic buffet (débit) in one of the quarters of its people's dwellings. It has also opened a popular library, which loans books to the poor families. In the Giudecca quarter it has organized classes and recreational work during the out-of-school hours for children who would otherwise be left to pass the time in the streets.

**LUXEMBURG.**

The law of Luxemburg, May 29, 1906, authorizes the savings bank to loan a portion of its disposable funds—(1) to approved building societies and associations for the purpose of purchasing dwellings and selling them on credit to persons living exclusively by their labor or earnings (laborers, mechanics, clerks, owners of small rural properties); (2) to communes which build or purchase dwellings reserved for these persons; (3) to private persons (employers) for the purpose of building dwellings or the payment of mortgages.
NETHERLANDS.

INTRODUCTION.

The State authorities of the Netherlands showed an intermittent interest in the housing question during the last century, but took no really effective steps to remedy conditions until 1901. In 1851 an act was passed allowing communes to expropriate land for housing purposes, but this unsupported by other legislation proved of little value. In 1875 a State commission was appointed to study housing conditions. Its report showed a situation calling for immediate remedy, but no active effort was made toward improvement until 1901, when the housing law at present in force was passed. The salient feature of this law is that it empowers the municipality, and the State acting through a municipality, to place funds at the disposition of private building associations. One curious provision is that the rent charged for dwellings constructed under this law must not be lower than the prevailing rates in a neighborhood for similar accommodation. Apparently the purpose was not to lower rents, but to improve conditions.

A considerable amount of work for improved housing has been done in the various cities, Amsterdam and Rotterdam naturally taking the lead. As early as 1873 Amsterdam provided sites and furnished funds to an association formed to construct sanitary dwellings for workingmen. Such work was much stimulated by the law of 1901, under the terms of which up to the beginning of 1913, Amsterdam had given formal sanction to 17 societies, while several others which did not apply for municipal loans and therefore did not need such sanction were very actively at work. No attempt has been made by any of these societies to provide a system whereby a tenant may become owner of his abode, it being claimed that real estate prices in Amsterdam render such a result difficult.

Rotterdam faces an exceedingly serious housing problem owing to the rapid growth which in a period of 30 years almost tripled its population. A number of housing associations have been formed and the city has shown some activity in demolishing insanitary areas.

LEGISLATION IN FORCE.

Any inaction prior to 1902 in providing housing accommodations for wage earners and others of small means in the Netherlands is generally ascribed not to indifference on the part of municipalities
but to a genuine lack of funds. It was to meet this lack of means that the housing act (Woningwet) of June 22, 1901, was passed to come into force August 1, 1902. This law marked a new step in Dutch housing legislation.\(^1\) It is a comprehensive act which deals with the housing problem from practically all points of view, treating of confiscation of insanitary areas, demolition of the buildings thereon, municipal housing, overpopulation, sanitary arrangements of houses, inspection, and public loans for building for those of small means. This last subject is contained in sections 7 and 8 of the act and forms only a minor feature of the law.

The law of 1901 is highly centralized in its administration, the central Government and the provincial administrations each forming a link in the administration with coercive power to compel the municipal administering boards to carry out the law in detail should they become lax in their duties. Certain standards as to the number of occupants, space per occupant, ventilation, lighting, sanitary conveniences, and the general construction of the homes are definitely fixed in the law. Cities of 10,000 and more inhabitants are compelled to expropriate areas classed as insanitary and unfit for habitation, if called upon to do so by the central Government. In other words, the Government has large powers for the elimination of slums and the supervision and control of tenement houses where crowding is always imminent.

**ADMINISTRATION.**

The machinery for the enforcement of the credit features of the act is very simple. For the examination of all applications for loans and for supervision as to their proper use there is created as a part of the State Government a special housing board (Rikswooningcollege), consisting of three members and a salaried secretary, all of whom are appointed by the Crown.

**FUNDS FOR HOUSING LOANS.**

Two kinds of public funds, State and municipal, are made available in the Netherlands for aid in the erection of low-cost dwellings for workmen. Both the General Government and municipal councils are authorized to put their funds at the disposal of building associations, philanthropic foundations, or individuals engaged in public housing.

**FINANCIAL AID BY THE STATE.**

The Government as a rule raises its funds by the issue of bonds. State funds may be loaned only to communes for those purposes for which the communal council is itself permitted to make loans. In

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other words, the State does not directly put its funds into housing work, but puts them merely at the disposition of other public bodies and private noncommercial building associations through which these funds ultimately find their way to the individual borrower. Various royal ministerial decrees prescribe the conditions governing the terms on which such loans may be granted.

COMMUNAL FINANCIAL AID FOR HOUSING.

As far as their resources have permitted, communes in the Netherlands have been active in furthering housing work. There has, as a rule, been no attempt at municipal housing, the communes having studiously avoided assuming the relationship of landlord to tenant, with its doubtful consequences. They have, however, guaranteed loans to building associations; sold them ground at reduced rates, or even donated building sites; they have put their officials at the service of building and loan associations; they have refrained from imposing onerous conditions on the transfer of land for street purposes, and they have guaranteed interest payment, on loans, by individuals to building associations engaged in welfare housing work. But these efforts proved limited and feeble until State financial aid was extended to the communes by the act of 1901.

Any municipal council may loan an individual a sufficient sum to build, enlarge, or repair a house for himself, if he has been notified by the local health authorities that his present house is to be condemned as unsanitary. This is a unique provision, as practically all the laws on the subject in other countries take the economic status of the applicant as the basis of right to a loan. This provision, as convincingly as any other, shows the main purpose of the Dutch housing law, which is to improve the sanitary conditions of the laborers' homes, not necessarily to make the laborer of small means a home owner.

By a resolution of the communal council, grounds and buildings which are the property of the commune may be transferred to associations, stock companies, or foundations for the purpose of erection or reconstruction of dwellings in the interest of public housing work. Unimproved real estate and buildings may be purchased by the commune for the same purpose.

Such loans as the commune advances must be secured by a first mortgage and are repayable within 20 years in equal annual installments, including principal and interest.

Loans for a term of 50 years are made to stock companies, foundations, and other bodies engaged in housing work and sanctioned by the National Government. In return for the privilege of long-term,
low-interest-bearing loans these companies and associations must submit to a close inspection of their operations by the Government.

Attention should be called to the fact that that part of the Dutch law relating to the granting of public credit to building associations places no restriction on the amount of such credit, and as high as 100 per cent of the value of a piece of property may be advanced on it. The rate of interest varies according to the fluctuations of the rate on the public debt. Interest and installments make the annual payment range from about 4 to nearly 5½ per cent.

**EXPROPRIATION AND LONG-TERM LEASE.**

By resolution of the city council an amount may be set aside (1) for expropriating land for housing; (2) for paying housing expenses, inclusive of the costs of moving occupants of dwellings declared uninhabitable and expropriated in pursuance of the law; and (3) for the purchase of unimproved real estate and for the purchase, erection, or reconstruction at the expense of the Government of dwellings in the interest of public housing work, provided this should become necessary for carrying out this law. Cities of 10,000 inhabitants and over are compelled to expropriate land for housing purposes if so ordered by the central Government.

Furthermore, communes may alienate their land for housing work by means of a long-term lease, the usual term of which is 75 years. Under this system of land tenure the buildings erected on the land leased by the State revert to the State at the expiration of a specified period.

**EXTENT OF STATE FINANCIAL AID.**

The law was evidently not clearly understood nor its significance appreciated at first, inasmuch as it was not until July 20, 1904, two years after its coming into force, that the first building association formed to operate under its provisions was sanctioned by the Government, while the first loan in accordance with its provisions was made March 2, 1905.1

Since that time, however, there has been a progressive increase in the number of building and housing associations licensed by the State.

On April 1, 1910, the latest date for which figures are available, the State had approved 109 associations entitled to receive State advances for housing purposes;2 only 108 were actively at work, one having been dissolved. Of these 108, 25 were in the Province of North Holland; 7 were located in Amsterdam, and 4 in Rotterdam. In 1913, Amsterdam had 17 such associations.

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2 Verzameling van gegevens betreffende arbeiderswoningen, overeenkomstig de Woningwet met Rijkssteun gebouwd, Bijeengebracht door het Rijkswoningcollege. The Hague [1910], p. 4.
The total amount advanced by the State up to April 1, 1910, was 4,607,350.69 florins ($1,852,155) divided between 83 loans.¹

What use the communes and municipalities have made of these loans, as well as what funds they have provided from their own resources, is shown in the pages which follow.

HOUSING WORK IN AMSTERDAM.²

As early as 1873 Amsterdam made a serious effort to meet its housing difficulties. In that year a housing committee appointed by the city reported that not fewer than 20,644 persons were housed in 4,985 cellar dwellings, of which only 1,334 were fit for habitation. To meet this situation it was proposed that the city should build workingmen's houses at low rents, and as these became available should expropriate and close the insanitary cellar dwellings.

There was some hesitation about the method of procedure, but it was finally decided that the city should cooperate with a group of philanthropists who organized the Amsterdam Housing Association to provide workingmen's dwellings in a new quarter of Amsterdam. It was assumed that such houses would yield a sufficient revenue to cover expenses of management, give a fair interest on capital invested, and gradually pay off the cost of the enterprise. It was therefore agreed that the city should furnish the land and advance a large part of the money needed, in return for which the ownership of the buildings should finally revert to it. For its part the association should deposit a guaranty fund to protect the city against possible loss, should construct and manage the buildings, and from the rents after meeting current expenses and taking a fair profit upon such capital as it might have invested, should gradually pay off the cost of the enterprise. When this should be accomplished the title of the property should pass to the city.

Under this agreement the city provided building sites worth over 250,000 florins ($100,500) and advanced a sum of about 1,800,000 florins ($723,600) at 4¼ per cent interest. By 1882 the association had constructed 774 dwellings or apartments (not separate houses) at a cost of 1,241,338.24 florins ($499,018). The rent of these dwellings ranges from about 1.30 florins (52 cents) to 3.10 florins ($1.25) per week. In the opinion of some, this is so high that the poorer classes can not rent these dwellings.

The advance made by the city is being gradually paid off, 545,000 florins ($219,090) having been paid by 1913. Current expenses, as shown for the five-year period 1901–1905, amounted to 31 per cent

¹ Verzameling van gegevens betreffende arbeiderswoningen, p. 8.
² L'amélioration du logement à Amsterdam. Conseil des habitations à Amsterdam [1913].

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of the revenues, leaving 69 per cent for interest, repayment of loan, etc.\(^1\)

No houses were built by the association from 1882 to 1913, but in the latter year 240 were put up with the remainder of the city's advance—558,661.76 florins ($224,582).

It has never been definitely ascertained whether the work of this society resulted in inducing any of those living in cellar dwellings to abandon their quarters. The city has made no expropriation of areas containing cellar homes since 1881. Nevertheless, there has been a marked reduction in the number of such homes since the society began its work, but whether or to what extent this reduction may have been due to the society's provision of new homes is not known.

At the close of the year 1912 there were in Amsterdam 17 building associations approved under the housing act of 1901 and entitled to receive advances from the municipality and the State. On that date there was outstanding in loans to 8 of the 17 associations 3,521,000 florins ($1,415,442). With the aid of these advances 345 houses had been constructed, 1,129 more were in process of construction, and plans were contemplated for providing 2,134 additional apartments.\(^2\)

In addition to the above 8 associations, 3 others are doing notable work in Amsterdam toward supplying workmen's dwellings. One association organized for those who wish to buy their own homes has arranged to secure advances from the State postal savings banks under the guaranty of the local municipality. By that means it raised 1,500,000 florins ($603,000), with which, up to December 31, 1912, it had erected 580 dwellings, while a very recent advance of 360,000 florins ($144,720) will permit the erection of 172 more. The completion of these plans will place the association among the most effective ones in the housing work of Amsterdam.

A cooperative association of municipal and State employees has collected sufficient capital to construct 33 dwellings for its members, while 17 additional houses were reported at the close of 1912 as in course of construction.

The building associations in Amsterdam are of various types. Some are cooperative, while others are composed of the employees of a particular establishment or of communicants of the same church; some have for purpose the construction of popular-priced hotels, and others contemplate dwellings to be let to those who have large families, in which case a subsidy is usually obtained from the municipality.

\(^1\) L'amélioration du logement à Amsterdam. Conseil des habitations à Amsterdam [1913], pp. 31, 35.

\(^2\) Idem, p. 86.
The city has expended 8,341,000 florins ($3,353,082) for the acquisition of expropriated areas which it has leased to the building associations.

The table which follows shows certain phases of the operations of nine of the building associations which have been approved by the municipality.

### NUMBER AND COST OF CONSTRUCTION OF HOUSES BUILT BY NINE STATE-APPROVED BUILDING ASSOCIATIONS OPERATING IN AMSTERDAM, JANUARY 1, 1913.

[Source: Conseil des habitations à Amsterdam. L'amélioration du logement à Amsterdam (1913), facing p. 122.]

<table>
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<tr>
<th>Name of building association</th>
<th>Date of construction</th>
<th>Number of dwellings or apartments</th>
<th>Cost of construction</th>
<th>Total</th>
<th>Per dwelling or apartment</th>
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<td>28</td>
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</tr>
<tr>
<td></td>
<td>(a)</td>
<td>158</td>
<td>$176,580.00</td>
<td>940.87</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b)</td>
<td>734</td>
<td>$201,300.00</td>
<td>900.35</td>
<td></td>
</tr>
<tr>
<td>Teachers' Cooperative Building Society of Amsterdam</td>
<td>1910</td>
<td>48</td>
<td>70,753.43</td>
<td>1,599.03</td>
<td></td>
</tr>
<tr>
<td>Dr. Schepman Association (Inc.)</td>
<td>1912</td>
<td>12</td>
<td>$19,236.00</td>
<td>1,608.00</td>
<td></td>
</tr>
<tr>
<td>Amsterdam Building Fund</td>
<td>1913</td>
<td>45</td>
<td>$48,240.00</td>
<td>1,072.00</td>
<td></td>
</tr>
<tr>
<td>&quot;Eigen Haard&quot;</td>
<td>1912</td>
<td>84</td>
<td>$99,050.36</td>
<td>1,184.17</td>
<td></td>
</tr>
<tr>
<td>General Building Association</td>
<td>1913</td>
<td>160</td>
<td>$160,700.00</td>
<td>976.38</td>
<td></td>
</tr>
<tr>
<td>&quot;Patrimonium&quot; Fund</td>
<td>1913</td>
<td>48</td>
<td>$42,210.00</td>
<td>879.38</td>
<td></td>
</tr>
<tr>
<td>General Building Association</td>
<td>(a)</td>
<td>178</td>
<td>$174,570.00</td>
<td>962.42</td>
<td></td>
</tr>
<tr>
<td>General Building Association</td>
<td>(b)</td>
<td>219</td>
<td>$209,040.00</td>
<td>954.52</td>
<td></td>
</tr>
<tr>
<td>General Building Association</td>
<td>1913</td>
<td>339</td>
<td>$275,560.00</td>
<td>828.37</td>
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<tr>
<td>General Building Association</td>
<td>(a)</td>
<td>84</td>
<td>$82,008.00</td>
<td>982.29</td>
<td></td>
</tr>
</tbody>
</table>

1 Including $18,401.60 paid for land.
2 Preliminary figures, subject to slight correction.
3 Nearly completed.
4 In course of construction.
5 Including $17,484.59 paid for land.

### HOUSING WORK IN ROTTERDAM.

In Rotterdam the first building association to profit by the advantages offered by the housing act of 1901 was the People's Building Association, which incorporated February 5, 1909, with a capital of 100,000 florins ($40,200), of which, by January 1, 1913, 21,000 florins ($8,442) were paid up. The main object of its organization, according to its own by-laws, was to provide housing for the poorer classes who were dispossessed when houses were declared unfit for habitation by the city authorities. After several negotiations with the municipal administration the association secured an advance of about 415,000 florins ($166,830) and with the aid of this and its own funds it constructed 150 dwellings between 1909 and 1913. The rent charged for the apartments ranges from 1.80 to 2.60 florins (72 cents to $1.05) per week.

It is reported that thus far the work has been a financial success and a reserve of 3,600 florins ($1,447) has been accumulated, while in 1911 and 1912 a dividend of 4 per cent was paid each year.

The municipal employees of Rotterdam organized a cooperative building association (Coöp. Woningvereeniging voor Gemeenteper-
in August, 1909, and secured governmental sanction in December of the same year under the act of 1901. It is organized with the very small capital of 1,700 florins ($683.40), no very large capital outlay being really necessary. It secured from the municipality an advance of 325,000 florins ($130,650) and from other sources a loan of 17,500 florins ($7,035), thus making available for its work a total fund of 344,200 florins ($138,368.40). With this it has constructed a block of 22 houses, each composed of two flats, a ground floor and a second-story flat, each house costing 2,454.56 florins ($986.73).

The rents charged range from 2.80 florins ($1.13) to 2.90 florins ($1.17) per week. Tentatively 108 additional dwellings have been planned, each consisting of three apartments of similar arrangement to those already constructed, although a trifle larger and of better construction, so as to command a higher rental, the ground-floor rental to be 3.25 florins ($1.31), the second-story, 3.20 florins ($1.29); and the third-story, 3.15 florins ($1.27) per week.

The houses are said to be plainly constructed, containing no recesses or fixed beds. Each dwelling has a veranda or a balcony.

Two or three other building associations have received recognition and sanction under the housing act, but, so far as information is available, these have not taken advantage of the loaning privileges accorded by the law.

On the other hand, the city of Rotterdam has shown considerable activity in the abolition of unsanitary areas, for up to January 1, 1913, there have been demolished 309 structures containing for the most part dwellings of one or two rooms each. The ground with buildings expropriated in this process of demolition amounted to 1.68 hectares (4.15 acres), appraised at 2,118,659 florins ($851,701).

LIST OF REFERENCES CONSULTED.

Sur l'habitation à Rotterdam (Composé pour le Xème Congrès international de l'habitation, à La Haye en 1913, offert par le Comité de reception à Rotterdam. Rotterdam, 1913).


Uitgaven van het Centraal bureau voor sociale adviezen, IX. Handleiding voor woningbouw-verenigingen. Zwolle, 1911.

Verzameling van gegevens betreffende arbeiderswoningen, overeenkomstig de Woning-wet met Rijksteun gebouwd. Bijeengebracht door het Rijkswoningcollege, The Hague, [1910?].
Norway.

Introduction.

The legislation of Norway on the subject of Government aid to housing combines in one law the matter of making loans to both urban and rural proprietors of small means. The main purpose of the Norwegian system, as shown by the report\(^1\) of the commission leading up to the establishment of it, was to act as a deterrent to the continued movement of the Norwegian farmer into the city. Further, the importance of farming was such in Norway that two-thirds of the cultivated farms were of a size to require the employment of paid laborers, and therefore any means for keeping in the country all the available labor supply was of some moment. The means adopted was to make the agricultural laborers owners, if possible, of their own homesteads.

The earliest efforts in Norway toward the encouragement of those without capital to become owners of small land holdings or of their own homes were made in 1894. In that year a member of Parliament made a proposal that the State create two special funds—a land-purchase fund (jordinkjøbsfond) and a housing loan fund (huslaanefond)—for the purpose of making loans to those without means for the purchase of small landholdings and homes.

In the matter of the land-purchase fund Parliament granted a subsidy of 200,000 crowns ($53,600) to be placed at the disposal of the communes for the purchase of ground to be sold in lots not exceeding 500 ares (12.4 acres) to those of small means. To this loan were attached the conditions following, namely: (1) That no single commune receive over 25,000 crowns ($6,700), (2) that it pay interest of 3\(\frac{1}{2}\) per cent annually, (3) that the maximum loan upon any parcel of land be limited to 1,500 crowns ($402) to a single individual at a rate of 4 per cent and repayable within 25 years.

In the matter of the housing loan fund, Parliament granted the communes a maximum loan of 800,000 crowns ($214,400), providing (1) that no single commune receive over 50,000 crowns ($13,400), (2) that it pay interest of 3\(\frac{1}{2}\) per cent annually, (3) that no loan be made by any commune on any property (house and lot) valued at over 3,000 crowns ($804), and (4) that no such loan to an individual exceed 1,500 crowns ($402), repayable in 25 years at 4 per cent interest. The advances were made to the communes as needed.

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\(^1\) Indstilling fra den til Revision af Jordinkjøbsfondets og Huslaanefondets Regler. Christiania, 1900.
The amounts appropriated as above at once proved too small. Both funds were increased in 1895, again in 1896, in 1900, and in 1902. Other changes were made in the conditions for a loan. Thus the maximum loan to an individual was limited to 1,000 crowns ($268), and the term of repayment increased beyond 25 years in special instances. The maximum advance to any community is now 500,000 crowns ($134,000) annually, to be divided, in the discretion of the department of the interior, between the two kinds of loans as needed. The annual appropriation for the loans funds is now 4,000,000 crowns ($1,072,000).

The act of June 19, 1882, made provisions for reducing the size of the estates of State officials, particularly those of the clergy, and for selling the parts so cut off to individual agricultural laborers. The size of the part so sold to any individual was limited to a minimum area of land that would support at least 3 horses and 10 head of large live stock, and a maximum area that would support 5 horses and 20 head of other live stock, to be determined by a special commission and sold at a minimum price. The terms of sale required that one-tenth of the price be paid in advance and the balance in 20 years, no interest being charged, apparently. Up to the year 1900 about 500 holdings had been thus disposed of, ranging in price from 50 to 1,000 crowns ($13.40 to $268), and 380 thereover and up to 2,000 crowns ($536). This, however, is not a statement of the entire number of small holdings disposed of to those of small means, for numerous special royal decrees have set aside other Crown properties for subdivision and sale.

LEGISLATION IN FORCE.

The legislation at present in force is the result of a bill drawn by a special commission to investigate the whole subject in 1899, and consists of the act of June 9, 1903, which came into force October 1 of the same year. Later amendments have changed it only slightly (Feb. 13, 1905; May 24, 1907; Aug. 8, 1908; Aug. 20, 1909). The fundamental idea of the act of 1903 was the foundation of a State credit system to grant loans for home colonization or homestead ownership.

ADMINISTRATION.

With this end in view there was created the Norwegian Land and Building Loan Bank for Laborers, managed by the directors of the Norwegian Mortgage Bank at Christiania under the supervision of the minister of finance, to whom annual reports, accounts, etc., must be submitted. The bank has branches at Bergen, Trondheim, and

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1 A full translation of the act may be found in the joint report of the American and United States commissions of 1913 on agricultural cooperation and rural credit in Europe. Washington, 1913, pp. 593-598. (U. S. Senate Doc. No. 214, 63d Congress, 1st session.)
Tromsö. Loans being made to communes upon the guaranty of their taxes, there is appointed in each locality a supervising committee of three to seven members, one of whom is the president of the commune, the others being local citizens. This committee, known as the labor committee (arbeidskomite), must represent both laborers and landholders. At least one of the members must be experienced in building construction. Their term of office is three years.

**FUNDS AVAILABLE.**

The capital of the bank is constituted out of State funds, as determined by Parliament, and amounts at present (1912) to 10,000,000 crowns ($2,680,000). The bank directors, with approval of the minister of finance, determine how the available funds are to be invested and upon what security. The interest on the capital each year is paid into the public treasury, after deducting the operating expenses of the bank, and a sum equal to the difference between the interest paid by the bank and that received by it on its loans. The State also guarantees the loans contracted by the bank and any losses it may suffer through borrowers.

The bank obtains the funds it needs by issue of bonds guaranteed by the State. The rate of interest is determined by the bank directors. The total amount borrowed may not exceed six times the amount of its capital; that is, at present (1912) 60,000,000 crowns ($16,080,000). The bonds run for a period of not less than 30 nor over 80 years. They are withdrawn gradually by a system of lot, the bank having a right to repay in advance if its contract so specifies. Repayments are made by a system of equal, half-yearly installments. These bonds find a ready sale in the security markets of Europe.

**PURPOSE OF LOANS.**

The bank grants loans for two purposes: First, those called brukslaan, for the purchase of small agricultural plots or holdings, and, second, those called boliglaan, for the building, completion, or purchase of laborers’ dwellings.

The first kind of loan for the purchasing of small farms is made at 3½ per cent maximum interest and with the guaranty of the commune of residence of the borrower, either to individuals without capital or to rural communes for the purchase of land for subdivision into allotments for laborers’ dwellings.

The second type of loan, that for laborers’ dwellings (boliglaan) is made at 4 per cent maximum interest, is also granted to persons of small means, or to building societies and urban and rural communes for the erection of laborers’ dwellings, in all cases on the security of the communal taxes. However, persons without capital in a township (Bykommune) may secure such loans without communal security.
LOANS TO INDIVIDUAL BORROWERS.

AMOUNTS ADVANCED.

In the case of loans to individuals for the purchase of small holdings, the maximum value of the property to be purchased may not exceed 3,000 crowns ($804), of which not over 2,000 crowns ($536) may be ground value.

The maximum value of the laborers' dwellings upon which loans may be made may not exceed 5,000 crowns ($1,340) to any one individual whose property is located in urban communes and 3,000 crowns ($804) in rural communes. Loans are made up to nine-tenths of the values above named. In the case of loans for building of laborers' dwellings, the maximum is 2,500 crowns ($670) in towns and groups of houses, and 2,000 crowns ($536) elsewhere. The maximum that any commune may guarantee is 150,000 crowns ($40,200) if a rural district and 100,000 crowns ($26,800) if urban, though in the more important urban centers the Crown may by decree increase this sum. This provision shows the intent of the law to give greater preference to rural communities. The small farmer is the object of the law's greatest beneficence.

CONDITIONS FOR OBTAINING LOANS.

In general it is a condition of both classes of loans that they are to be paid in equal, half-yearly installments. For loans for the acquisition of small rural holdings, however, only interest payments but no payments on principal need to be made for the first five years and payments of installments are to be completed in 42 years. In the case of loans for the erection of laborers' dwelling houses only interest is paid the first two years and the repayments of principal are to be completed in 28 years. The debtor always has the right to pay all of his loan in advance at any time.

If payments of installments are not made on the dates fixed, not exceeding 5 per cent interest is charged on the installment and the balance of the loan may be demanded. In connection therewith the bank is given summary powers to proceed in case of default of payment on six weeks' notice. It has the same right in case of misuse of its loans.

A further condition common to all loans is that the bank shall be given a first mortgage on the property purchased to an amount of nine-tenths of its appraised loan value, with improvements, or nine-tenths of the value of the property to be purchased. Insurance is also required to be placed upon the property as a further guaranty.

Brukslaan, or loans to rural laborers for purchase of homesteads, are subject to certain special conditions, as follows: The applicant must
be (a) a Norwegian citizen, whether man or woman; (b) a person of
moderate means, not previously in possession of rural real estate; and
(c) capable of cultivating and maintaining his holding as a farm.
Whether an applicant fulfills these conditions is a matter for the
determination of the local supervising committee already mentioned.
A person of moderate means is declared to be one who shows need
of acquiring a laborer's holding (Arbeiderbruk) and who does not
possess property valued at more than 1,500 crowns ($402).

Laborers' holdings or lots are defined to be areas of not less than
50 ares (1.24 acres) nor more than 200 ares (4.94 acres) of cultivated
land. Their values, fixed by appraisal of the local committee above,
must not exceed 3,000 crowns ($804), or for the land alone 2,000
crowns ($536). In the same commune loans on reclaimed land—
i. e., land capable of cultivation—will be made in preference to those
on cultivated land.

The buildings planned must not be intended for more than one
family.

Conditions for a house-purchase loan are in general the same as in
the case of a borrower for the purchase of a land holding, except that
the maximum amount of property ownable by a person of moderate
means is 2,000 crowns ($536) in towns or groups of houses, the latter
as defined by the bank management. It is also a condition that the
house be not intended for more than two families; that the land in
connection with the house shall not exceed 50 ares (1.24 acres), and
that both together do not exceed a valuation of 5,000 crowns ($1,340)
in towns or groups of houses, nor 3,000 crowns ($804) in the country;
that the loan shall not exceed 2,500 crowns ($670) in towns or groups
of houses and 2,000 crowns ($536) elsewhere, and that the land to be
built on shall not exceed a value of 1,500 crowns ($402) in towns and
groups of houses and 1,000 crowns ($268) elsewhere.

Borrowing on rented land may be allowed, provided the contract of
lease can not be terminated without the consent of the bank or the
guaranteeing municipality before the expiration of the term fixed for
payment; and in addition to the guaranty of the commune a mort­
gage is given to the bank on the holding including buildings.

Until a loan is entirely repaid the borrower is required to keep the
houses in repair, to insure them for their full value in an approved
company, and to cultivate the farm in a proper manner.

Loans may be made by the bank without a municipal guaranty,
but, then, not in excess of five-tenths of the loan value or actual pur­
chase price including buildings which may be erected.

Any one desiring a loan must make application to the president of
the local committee, giving an accurate description of the holding,
buildings, and the price and conditions of purchase he desires and the
plan of any proposed buildings. If the committee acts favorably on the application it must visit the property and a committee of three gives its estimate of the value of the property. The committee may also give its opinion as to the kind of farming for which the holding is adapted. The opinions of this committee are forwarded to the municipal council, which decides whether or not it will guarantee the loan. The papers are then forwarded to the bank, which makes final determination. A reduced loan may be made and accepted if deemed best. The loan is then made to the borrower, usually through the communal treasurer, and his mortgage taken. Loans on buildings to be erected are paid out as the work progresses. Until the loan is repaid the holder is bound to cultivate the plot suitably, to keep the buildings in repair, and to insure them for their full value with a company approved by the bank. The borrower is forbidden to let any building or erect one for that purpose. The holder of a loan may transfer his holding to one who fulfills the conditions of the act, according to the opinion of the local committee of supervision, or he may transfer it to his children or descendants. If alienated in any other manner the bank may recall the loan.

**LOANS TO BUILDING ASSOCIATIONS.**

Loans to building societies under municipal guaranty are made on the condition precedent that these societies be recognized by the Crown, that they submit their by-laws for royal approval, and that they erect houses for sale or rent to persons coming within the law as entitled to loans thereunder. With regard to the size of the houses, their estimated value, and the area of the land site the provisions are the same as above. The communal council is required to report annually to the bank regarding the use of the funds and the disposal of houses thus erected.

**LOANS TO COMMUNES FOR PURCHASE OF SMALL HOLDINGS.**

Loans to local authorities for the creation of small holdings are subject to certain special conditions: (a) There is a maximum limit of 100,000 crowns ($26,800) to an urban commune and 200,000 crowns ($53,600) to rural communes; (b) any advances not used in two years are returnable to the bank. These maximum amounts do not include any loans made from the land-purchase fund or the house-loan fund (Huskländefondet). Any individual desiring to borrow from a commune any sum to purchase a holding on any estate divided by the commune is subject to the same conditions as to his loan as in borrowing for other holdings. The communal administration may, however, require that the half-yearly installments be paid three months in advance. Loans made by communes for purposes of erecting or purchasing houses for workmen are subject to the same conditions as other housing loans.
MISCELLANEOUS PROVISIONS.

If an owner of an allotment dies before completing his payments on its purchase price, the surviving spouse to whom it descends may obtain a new loan on it, running from date, in order to complete payments on it.

Certain exemptions or reductions in the various fees and taxes are allowed. Thus the fee for valuation of a property may not exceed 9 crowns ($2.41). No registration fees are to be charged on mortgages drawn on workmen’s houses and land holdings, and the deeds of transfer are free of stamp duty. The borrower of a loan under the act is also exempt from paying any costs incurred in negotiating or settling loans.

OPERATIONS UNDER THE LAW.1

SUMMARY.

As first established the bank began operations with a capital of 3,000,000 crowns ($804,000). It was found necessary to increase this at various times. The latest increase in its capital took place by a decree of Parliament in 1912, when its capital was increased to 10,000,000 crowns ($2,680,000), thus making its loaning capacity $16,080,000 (six times the capital) under the law.

Since its organization the bank has placed 22,600 loans, of which 13,140 were for the purchase of land holdings and 9,460 for the erection of dwellings. On June 30, 1913, there were 12,827 holdings and 8,959 dwellings with State mortgages on them. About one-third of the outstanding loans were for 1,000 crowns ($268) or less, a trifle over one-half ranging from this sum to 2,000 crowns ($536), and about one-seventh in excess of 2,000 crowns ($536). The largest dispersion of loans classified by amounts of 200 crowns ($53.60) is found in the groups ranging from 801 to 1,000 crowns ($214.67 to $268) and 1,401 to 1,600 crowns ($375.47 to $428.80).

The total outstanding loans on June 30, 1913, were approximately 32,000,000 crowns ($8,576,000). In addition to the first-mortgage guaranty which the bank holds for securing all these loans the several municipalities were also guarantors of this amount up to a little over 29,000,000 crowns ($7,772,000). There is, therefore, a double guaranty on almost all the loans made by the bank.

Somewhat over two-thirds of the borrowers who have erected dwellings own their own ground plot. As to occupation the greatest proportion are common laborers and handworkers.

1 This summary includes the fiscal year 1912-13. It is taken from the Journal (Sociale Meddelelser) of the social and industrial department of the Government. The report of the bank for the year 1912-13 is not yet available in this country.
Since the organization of the bank 174 foreclosure sales have occurred. The security has been ample in most cases. Full reports are not given, so that losses can not be ascertained.

**STATISTICS OF OPERATIONS.**

It is impossible to obtain statistics as to the amount of loans made to each of the three separate classes of borrowers under the act—viz, individual laborers, building societies, and communes. It is only possible to ascertain the amounts of loans made, classified according to the purpose of the loans, namely, for laborers’ dwellings or for agricultural holdings. The number and amount of these for each of the years during which the bank has been in operation down to June 30, 1912, have been compiled from the annual reports of the bank.

**SUMMARY OF ADVANCES AND REPAYMENTS OF LOANS MADE BY THE NORWEGIAN LAND AND BUILDING LOAN BANK FOR LABORERS, 1903-5 TO 1911-12.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Amount</th>
<th>Number</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1903-1905 (1½ years)</td>
<td>1,074</td>
<td>$383,709</td>
<td>1,038</td>
<td>$357,472</td>
<td>2,112</td>
</tr>
<tr>
<td>1905-6</td>
<td>1,526</td>
<td>509,267</td>
<td>953</td>
<td>357,195</td>
<td>2,479</td>
</tr>
<tr>
<td>1906-7</td>
<td>1,419</td>
<td>491,900</td>
<td>786</td>
<td>267,094</td>
<td>2,205</td>
</tr>
<tr>
<td>1907-8</td>
<td>1,353</td>
<td>495,666</td>
<td>856</td>
<td>223,678</td>
<td>2,215</td>
</tr>
<tr>
<td>1908-9 (1½ years)</td>
<td>1,460</td>
<td>557,199</td>
<td>985</td>
<td>366,820</td>
<td>2,444</td>
</tr>
<tr>
<td>1909-10</td>
<td>1,345</td>
<td>518,821</td>
<td>961</td>
<td>365,445</td>
<td>2,306</td>
</tr>
<tr>
<td>1910-11</td>
<td>1,791</td>
<td>665,323</td>
<td>1,266</td>
<td>569,146</td>
<td>2,037</td>
</tr>
<tr>
<td>1911-12</td>
<td>1,686</td>
<td>706,485</td>
<td>1,367</td>
<td>545,313</td>
<td>3,053</td>
</tr>
<tr>
<td>Total</td>
<td>11,579</td>
<td>4,314,379</td>
<td>8,142</td>
<td>2,901,163</td>
<td>19,721</td>
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</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>On principal</th>
<th>On interest</th>
<th>Total repayments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1903-1905 (1½ years)</td>
<td>$289</td>
<td>$315</td>
<td>$8,150</td>
</tr>
<tr>
<td>1905-6</td>
<td>865</td>
<td>6,072</td>
<td>20,468</td>
</tr>
<tr>
<td>1906-7</td>
<td>5,010</td>
<td>3,976</td>
<td>34,500</td>
</tr>
<tr>
<td>1907-8</td>
<td>7,322</td>
<td>20,555</td>
<td>41,305</td>
</tr>
<tr>
<td>1908-9 (1½ years)</td>
<td>14,979</td>
<td>34,555</td>
<td>65,905</td>
</tr>
<tr>
<td>1909-10</td>
<td>14,368</td>
<td>39,403</td>
<td>66,806</td>
</tr>
<tr>
<td>1910-11</td>
<td>38,399</td>
<td>57,753</td>
<td>96,152</td>
</tr>
<tr>
<td>1911-12</td>
<td>45,717</td>
<td>81,704</td>
<td>137,421</td>
</tr>
<tr>
<td>Total</td>
<td>119,749</td>
<td>253,403</td>
<td>373,152</td>
</tr>
</tbody>
</table>

To partially test the conservatism of the bank in making loans, a statement of the number of applications for loans and the number actually made has been prepared from the annual reports of the bank’s operations, and is shown in the table following:
The bank was apparently very conservative at the beginning of its organization, granting only a trifle over one-third of the loans requested. The small number of loans granted at the start of operations may have been due to the fact that those seeking loans were not familiar with the requirements of the law and made requests for loans without having the necessary foundation for a claim to such. In each year's budget of the Government there is appropriated a certain amount to defray the administrative expenses of the bank. Thus the first year's organization expenses appropriated amounted to 16,589.39 crowns ($4,445.96), or 0.55 per cent of the capital stock of the bank. The following table is thought to state accurately the total administrative expenses of the bank for the fiscal years 1904-5 to 1911-12, and also shows the ratio of these expenses to the capital stock.

RELATION OF CAPITAL INVESTED AND ADMINISTRATIVE EXPENSES OF THE NORWEGIAN LAND AND BUILDING LOAN BANK FOR LABORERS, 1904-5 TO 1911-12.

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital invested</th>
<th>Administrative expenses</th>
<th>Per cent administrative expenses bear to capital invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1904-5 (1½ years)</td>
<td>$804,000</td>
<td>$2,585.13</td>
<td>0.32</td>
</tr>
<tr>
<td>1905-6</td>
<td>804,000</td>
<td>9,232.03</td>
<td>1.15</td>
</tr>
<tr>
<td>1906-7</td>
<td>804,000</td>
<td>5,675.29</td>
<td>0.71</td>
</tr>
<tr>
<td>1907-8</td>
<td>804,000</td>
<td>5,889.46</td>
<td>0.73</td>
</tr>
<tr>
<td>1908-9 (1½ years)</td>
<td>804,000</td>
<td>8,935.02</td>
<td>1.11</td>
</tr>
<tr>
<td>1909-10</td>
<td>1,340,000</td>
<td>7,453.25</td>
<td>0.55</td>
</tr>
<tr>
<td>1910-11</td>
<td>1,340,000</td>
<td>8,421.26</td>
<td>0.63</td>
</tr>
<tr>
<td>1911-12</td>
<td>2,680,000</td>
<td>9,914.47</td>
<td>0.37</td>
</tr>
</tbody>
</table>

1 Includes heavy expenses of organizing branches at Bergen, Trondhjem, and Tromsø. Of this the State advanced only 13,450 crowns ($3,604.60).
2 This is 344.28 crowns ($92.27) in excess of their appropriation.
In reading this table it should be noted that the bank pays as a rule a fixed rate of 3.75 per cent on the State funds held as the capital of the bank. The interest thus credited to the State has in all cases covered the administrative expenses appropriated by the treasury, but the result has been, however, that the State has really been forced to accept a rate of return on its invested capital less than the stipulated amount of 3.75 per cent. Owing to a lack of first-hand knowledge as to how the reports of the bank are prepared, examination of them has left a little uncertainty as to the net results of the operations of the bank relative to their profitableness to the State. A change took place in its accounting requirements in 1907 which has rendered comparison of its profits from year to year somewhat uncertain.

The amount of the loan negotiated by any borrower is a partial index of his means and earning capacity. Inasmuch as it is the intent of the law to make certain State funds available for the borrower of small means, the question very naturally arises as to whether the law fulfills that intent in practice, and does really reach the borrower of small means. Thus, if the minimum and maximum extremes of the amounts loanable under the law are taken by the borrower of small means, the question very naturally arises as to whether the law intended to be benefited by such legislation. To apply this test to the present law, the table which follows shows the dispersion of borrowers by classified amounts of their loans. This table has been carefully compiled from the annual reports of the bank and the percentages calculated at the same time to show the relative dispersion.

**NUMBER AND PER CENT OF CLASSIFIED AMOUNTS OF LOANS OF EACH TYPE MADE BY THE NORWEGIAN LAND AND BUILDING LOAN BANK FOR LABORERS SINCE ITS ORGANIZATION, OCT. 1, 1903, TO JUNE 30, 1912.**

<table>
<thead>
<tr>
<th>Amount of loan</th>
<th>Land-purchase loans</th>
<th>House-purchase loans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 crowns ($33.60) and under</td>
<td>65</td>
<td>0.56</td>
<td>76</td>
</tr>
<tr>
<td>201 crowns ($33.57) to 300 crowns ($90.20)</td>
<td>533</td>
<td>2.88</td>
<td>393</td>
</tr>
<tr>
<td>301 crowns ($107.47) to 600 crowns ($190.50)</td>
<td>789</td>
<td>6.81</td>
<td>702</td>
</tr>
<tr>
<td>601 crowns ($194.07) to 500 crowns ($21.10)</td>
<td>1,141</td>
<td>9.65</td>
<td>1,087</td>
</tr>
<tr>
<td>501 crowns ($214.67) to 1,000 crowns ($268.40)</td>
<td>1,506</td>
<td>13.44</td>
<td>1,007</td>
</tr>
<tr>
<td>1,001 crowns ($282.27) to 1,200 crowns ($321.90)</td>
<td>1,322</td>
<td>11.42</td>
<td>713</td>
</tr>
<tr>
<td>1,201 crowns ($321.87) to 1,400 crowns ($375.20)</td>
<td>1,108</td>
<td>9.57</td>
<td>557</td>
</tr>
<tr>
<td>1,401 crowns ($373.47) to 1,600 crowns ($428.80)</td>
<td>1,140</td>
<td>12.51</td>
<td>1,019</td>
</tr>
<tr>
<td>1,601 crowns ($429.07) to 1,800 crowns ($484.20)</td>
<td>941</td>
<td>8.13</td>
<td>712</td>
</tr>
<tr>
<td>1,801 crowns ($482.67) to 2,000 crowns ($538.00)</td>
<td>1,124</td>
<td>9.71</td>
<td>1,022</td>
</tr>
<tr>
<td>2,001 crowns ($536.27) to 2,200 crowns ($589.60)</td>
<td>577</td>
<td>3.35</td>
<td>1,089</td>
</tr>
<tr>
<td>2,201 crowns ($589.87) to 2,500 crowns ($643.30)</td>
<td>402</td>
<td>4.56</td>
<td>1,030</td>
</tr>
<tr>
<td>2,501 crowns ($636.47) to 2,700 crowns ($687.60)</td>
<td>909</td>
<td>8.37</td>
<td>910</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,579</strong></td>
<td><strong>100.00</strong></td>
<td><strong>8,120</strong></td>
</tr>
</tbody>
</table>

1 Includes house-purchase loans ranging from 2,201 crowns ($538.87) to 2,500 crowns ($670).
2 Includes only land-purchase loans.
Since the organization of the bank and up to June 30, 1913, there have been 174 foreclosure sales or not quite 1 per cent of the total number of properties upon which loans have been made. It is to be regretted that the annual reports of the bank are not clear as to what has been the loss in certain cases where the security has not been sufficient to cover risks of the bank and the commune. However, in a majority of the cases the security has amply covered the communal guaranty and that of the bank.

**OCCUPATION OF PURCHASERS OF ALLOTMENTS UNDER THE ACT OF 1903.**

Reports on this subject are available only from the main bank and from two of the three branch banks—viz, Bergen and Trondhjem. The information is shown in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Laborers (casual, agricultural factory)</th>
<th>Public servants</th>
<th>Hand workers</th>
<th>Base tenants (household)</th>
<th>Widows, women servants, seamstresses</th>
<th>Fishermen and sailors</th>
<th>School teachers (male and female)</th>
<th>Commercial employees, agents, etc.</th>
<th>Teamsters, hackmen, etc.</th>
<th>Farmers</th>
<th>Mechanics, electricians, firemen</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905-6</td>
<td>130</td>
<td>26</td>
<td>42</td>
<td>13</td>
<td></td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>219</td>
</tr>
<tr>
<td>1906-7</td>
<td>529</td>
<td>30</td>
<td>198</td>
<td>25</td>
<td></td>
<td>25</td>
<td>6</td>
<td>10</td>
<td>9</td>
<td>15</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>1907-8</td>
<td>553</td>
<td>38</td>
<td>256</td>
<td>21</td>
<td></td>
<td>60</td>
<td>2</td>
<td>10</td>
<td>3</td>
<td>25</td>
<td>829</td>
<td></td>
</tr>
<tr>
<td>1908-9</td>
<td>1,111</td>
<td>47</td>
<td>417</td>
<td>25</td>
<td></td>
<td>85</td>
<td>9</td>
<td>13</td>
<td>11</td>
<td>29</td>
<td>1,314</td>
<td></td>
</tr>
<tr>
<td>1909-10</td>
<td>1,224</td>
<td>61</td>
<td>419</td>
<td>38</td>
<td></td>
<td>95</td>
<td>6</td>
<td>17</td>
<td>4</td>
<td>52</td>
<td>1,746</td>
<td></td>
</tr>
<tr>
<td>1910-11</td>
<td>1,333</td>
<td>73</td>
<td>473</td>
<td>37</td>
<td></td>
<td>29</td>
<td>101</td>
<td>12</td>
<td>5</td>
<td>36</td>
<td>2,202</td>
<td></td>
</tr>
<tr>
<td>1911-12</td>
<td>1,553</td>
<td>89</td>
<td>555</td>
<td>55</td>
<td></td>
<td>30</td>
<td>106</td>
<td>23</td>
<td>4</td>
<td>40</td>
<td>2,782</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6,850</td>
<td>364</td>
<td>2,400</td>
<td>212</td>
<td>83</td>
<td>444</td>
<td>40</td>
<td>80</td>
<td>39</td>
<td>150</td>
<td>2,290</td>
<td></td>
</tr>
<tr>
<td>Per cent</td>
<td>61.8</td>
<td>3.3</td>
<td>21.7</td>
<td>1.9</td>
<td>0.8</td>
<td>4.0</td>
<td>0.4</td>
<td>0.7</td>
<td>0.3</td>
<td>1.3</td>
<td>1.7</td>
<td></td>
</tr>
</tbody>
</table>

1 Reported only from Christiania and Bergen. 2 Includes only firemen.

This table seems to show that the bank has fulfilled its purpose of facilitating home ownership on the part of the less fortunate laborers for by far the greatest number of borrowers are ordinary laborers. Thus, for the fiscal years 1911-12, 1,613 borrowers, out of a total of 2,782, or 58 per cent, were laborers. And since the bank has been in operation a period of eight and three-fourths years, 6,850, or 61.8 per cent, out of a total of 11,084 borrowers concerning whom reports are available have been ordinary laborers.

**PROPOSED REFORMS.**

On February 27, 1914, there was introduced in the Council of State a Government bill creating a new banking system for making loans to prospective owners of small holdings and homes to replace
the above system under the act of 1903. The bill is the result of agitation begun in 1907 following the creation of the land commission of that year. The bill was drafted by the social and industrial department of the Government organized July 1, 1913.

The bill as proposed extends the scope of the act of 1903 and proposes that State loans shall be made upon all classes of small holdings (smaabruk), for the repair and erection of buildings thereon, instead of merely upon laborers' holdings (arbeiderbruk).

The changes which the bill proposes in the amount of the loan which may be obtained, as well as certain other increases, are shown in the tabular statement following:


<table>
<thead>
<tr>
<th>Item</th>
<th>Act of June 9, 1903</th>
<th>Bill of Feb. 27, 1914</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans on agricultural laborer's holdings.</td>
<td>$402.00</td>
<td>$804.00</td>
</tr>
<tr>
<td>House-purchase loans.</td>
<td>$402.00</td>
<td>$804.00</td>
</tr>
<tr>
<td>Loans on agricultural laborer's holdings.</td>
<td>$536.00</td>
<td>$1,340.00</td>
</tr>
<tr>
<td>Towns and groups of houses.</td>
<td>$536.00</td>
<td>$1,340.00</td>
</tr>
<tr>
<td>Other communities.</td>
<td>$268.00</td>
<td>$536.00</td>
</tr>
<tr>
<td>Loans on agricultural laborer's holdings.</td>
<td>$536.00</td>
<td>$1,340.00</td>
</tr>
<tr>
<td>Towns and groups of houses.</td>
<td>$536.00</td>
<td>$1,340.00</td>
</tr>
<tr>
<td>Other communities.</td>
<td>$536.00</td>
<td>$1,340.00</td>
</tr>
</tbody>
</table>

1 These amounts may be further increased by a ruling from the Crown if two-family brick houses are to be erected by means of a loan.

Two facts should be noted—namely, the large increase in absolute amounts that may be loaned and the increase in property which a borrower may be in possession of and still take advantage of these State loans. The net result of the proposed changes, it appears, is to make it possible for a better-to-do class of people to obtain loans from the State for the construction of more valuable homes and the purchase of larger agricultural plots than is possible under the act of 1903.

The ratio of the amount of the loan to the value of the property remains the same—i.e., nine-tenths for land-mortgage loans and five-tenths for building-mortgage loans. The bill accepts the provisions of the existing law as to interest rates and the period of amortization of the loan. Provisions as to municipal guaranty of loans are continued, and a maximum liability of 200,000 crowns ($53,600) is granted to each commune in addition to that already allowed under existing law. Special considerations may permit an increase to 500,000 crowns ($134,000).
To prevent the use of the loan for purposes of speculation in land a provision is inserted in the bill requiring the borrower to show that the proposed purchase price is commensurate with the real value of the property as proved by its present earning power.

This bill also marks a further advance by allowing the plans of houses proposed to be built by means of these State loans to be passed upon by the local board of health. The details of this matter are to be committed to the control of administrative regulations from the Crown.

**LIST OF REFERENCES CONSULTED.**


Beretning om den Norske Arbeiderbruk og Boligbanks Virksomhet, 1903-4-1911-12. Christiania, 1904-1913. (These annual reports of the bank are published only in the parliamentary proceedings (Stortings Forhandlinger), and may be located by consulting the index for each year.)

Statistik Aarbok for Kongeriket Norge. (Statistical Yearbook for Norway.) Christiania.

Lov om Arbeiderbrug-og Boliglaan af 9 Juni 1903; med Lovforandringer af 13 Februar 1905, 24 Mai 1907, 8 August 1908, og 20 August 1909. (Act relating to loans on agricultural plots for workmen and for workmen's dwellings, June 9, 1903; with amendments of Feb. 13, 1905, May 24, 1907, Aug. 8, 1908.) Christiania, 1903.


**ROUMANIA.**

In Roumania the law of February 13, 1910, provides for entire or temporary exemption from taxes for societies or individuals (particularly employers) interested in housing work, and in addition the State, district, communes, and charitable bureaus are authorized to construct or to acquire dwellings, or to assist in the formation of societies by subscribing to their shares.
SPANISH LEGISLATION ON THE SUBJECT OF HOUSING (LAW OF JUNE 10, 1911) HAS SOME OF THE FEATURES OF THE ENGLISH, BELGIAN, FRENCH, AND ITALIAN SYSTEMS: (1) IT AUTHORIZES THE ORGANIZATION OF COMMITTEES FOR THE PROMOTION OF BUILDING AND THE IMPROVEMENT OF WORKMEN’S DWELLINGS, MEDIANS OF PROPAGANDA, AND INVESTIGATIONS; (2) IT ENCOURAGES PRIVATE INITIATIVE BY THE GRATUITOUS CESSATION OF LANDS, EXEMPTIONS FROM TAXES, FINANCIAL SUBSIDIES (PAYMENT OF INTEREST ON LANDS MADE TO COOPERATIVE SOCIETIES, SUBSIDIES TO PRIVATE ENTERPRISES OR TO BUILDING ASSOCIATIONS); (3) IT GRANTS MUNICIPALITIES THE RIGHT TO APPROPRIATE FUNDS FOR SANITARY BETTERMENT AND FOR THE PURPOSE OF DIRECT CONSTRUCTION.

The committees of patronage formed under the sanction of the Government are under control of the Spanish labor department, and vested with authority to give advice and to encourage the erection of cheap and sanitary dwellings for sale or letting to persons with small incomes. The committee may promote the formation of credit societies, facilitate the granting of loans, and even make advances for building purposes, investigate the sanitary condition of cheap dwellings, and generally supervise building operations, condemning buildings deemed dangerous to public health, or demanding improvements. Each local committee consists of nine members appointed for four years; three of these members are nominated by the governor of the Province on the advice of the local council, one of these being connected with the building trades, one a member of the local council, and the third a doctor. Of the remaining six members, two are elected by a part of the taxpayers, two by workmen’s associations, and two are appointed by the governor.

Provincial and municipal authorities may provide housing sites out of lands in the environs of towns or accessible to railways, but land likely to increase in value within 10 years to such an extent as to eliminate the land and buildings from the category of cheap dwellings is withheld from free use.

The annual grant for the encouragement of this housing system is 500,000 pesetas ($96,500), of which one-half is to be devoted to guaranteeing interest at a maximum rate of 5 per cent on advances to cooperative societies, the remaining half being used in subvention to the maximum of one-quarter of the annual outlay by individuals or societies constructing cheap dwellings, or in guaranteeing interest (maximum 5 per cent) on loans raised by the cooperative societies for that purpose.
SWEDEN.

INTRODUCTION.

Although more of an industrial country, perhaps, than Norway and Denmark, Sweden is still primarily an agricultural country. The character of its housing legislation evidences the agricultural interest of the nation. The first attempts to meet city congestion took the form of proposals to provide homesteads in the country districts for persons of small means. The system is entirely a State-aided one and aims, among other things, to check both migration to the cities and emigration from the Kingdom.

The movement began as early as 1874 when it was proposed before Parliament to divide the Crown lands into small estates. In 1891, again a committee was appointed to investigate and report further on the subject still in abeyance. This committee in 1892 recommended the passage of a law to alienate certain Government lands and sell them to prospective buyers of small means as homesteads. This the Parliament of 1894 authorized, but it was not until 1896 that the royal order was issued making this effective. It is suggested that the housing investigation in Stockholm in that year may have been instrumental in supplying the impetus to the movement.

The Parliament of 1899 considered no less than five motions for providing homesteads by the aid of State funds. To clear up the situation, it appointed a homestead committee to examine and make suggestions for amending the scheme inaugurated in 1896. It was finally agreed that the aid of the State should consist of long-term loans at a low rate of interest and repayable in equal annual installments. The administration in power appointed a committee of investigation which reported in 1901.

LEGISLATION IN FORCE.

Upon the recommendation of this committee the Government prepared a bill proposing to set aside for five years a fund of 20,000,000 crowns ($5,360,000) to be loaned to prospective homestead buyers.1 Every Swedish citizen 25 to 50 years of age and earning his living by manual labor could borrow from this fund for building a modest house for himself or for purchasing a ground plot. This sum was reduced to 10,000,000 crowns ($2,680,000) by Parliament, which also provided that loans should be made not directly to the borrower but through

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intermediary associations, recognized and controlled by State examiners. The intermediaries so recognized have usually been agricultural associations and cooperative societies. Employers are also permitted to act as intermediary borrowers for their employees. A usual condition for recognition by the State has been that the borrowing associations shall limit their interest to a fixed rate and shall submit their by-laws to State approval.

Since 1905 several amendments have been passed fixing the value of property (including land, houses, and farm buildings) for the purchase of which loans may be used at a higher figure than was at first decided upon. The latest amendment (October 17, 1913) fixes the following limits: An unimproved holding not to exceed 8,000 crowns ($2,144); an improved holding 7,000 crowns ($1,876); a house 4,000 crowns ($1,072). The fact that the loan value of unimproved holdings is made higher than that of improved holdings evidences the intention of the Government to encourage pioneering by the peasant proprietor.

The loans must not exceed five-sixths and three-fourths, respectively, of the value of the two classes of property offered in security; that is to say, the purchaser of a farm plot must supply one-sixth of his purchase price, while the borrower who wishes to buy a house must supply one-fourth its purchase price. The minimum loan in either case is one-half the value of the property to be purchased. The interest rate is established at 3.6 per cent, to which must be added the amortization charge; the latter is so fixed as to make the annual payment on a dwelling-house loan 7 per cent, and on a ground-plot loan 6 per cent of the total amount borrowed. For the first three years interest only is paid, but with the fourth year the borrower begins to pay on the principal in addition to his interest. The borrower is required to give a first-mortgage security for his loan.

The area of land that may be purchased with State advances ranges from 5 to 20 acres. This is considered not large enough and an agitation has been undertaken to permit of the purchase of larger holdings.\footnote{Departmental committee on the equipment of small holdings. Report. Reprinted from Parliamentary paper (Cd. 6708) of session of 1912-13. London, 1913, p. 44.}

**SUCCESS OF THE SWEDISH HOMESTEAD SYSTEM.**

The original sum of 10,000,000 crowns ($2,680,000) proved insufficient to meet the demands of borrowers during the five years for which it was provided (1905-1909), necessitating an additional appropriation of 800,000 crowns ($214,400) in 1908. Beginning with 1909 the annual amount made available for the purposes of the act was increased to 5,000,000 crowns ($1,340,000) or 25,000,000 crowns ($6,700,000) for the ensuing 5-year period, more than doubling the amount ($2,894,400) made available during the previous 5-year period. Again this amount was found inadequate and an appropria-
tion in 1913 of 2,500,000 crowns ($670,000) was found advisable. For the year 1914, 7,500,000 crowns ($2,010,000) were set aside.

**Loans Granted for Each of the Years Indicated from the Swedish Homestead or Small Holdings Fund to the Agricultural Societies.**

[Source: Kungl. Lantbruksstyrelsens berättelser. 1904-1912.]

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount appropriated for purchase of—</th>
<th>Total appropriated.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small holdings.</td>
<td>Houses.</td>
</tr>
<tr>
<td>1905</td>
<td>$873,680</td>
<td>$315,500</td>
</tr>
<tr>
<td>1906</td>
<td>693,542</td>
<td>275,450</td>
</tr>
<tr>
<td>1907</td>
<td>619,075</td>
<td>254,286</td>
</tr>
<tr>
<td>1908</td>
<td>672,476</td>
<td>246,955</td>
</tr>
<tr>
<td>1909</td>
<td>839,109</td>
<td>161,792</td>
</tr>
<tr>
<td>1910</td>
<td>912,999</td>
<td>217,781</td>
</tr>
<tr>
<td>1911</td>
<td>1,016,631</td>
<td>208,075</td>
</tr>
<tr>
<td>1912</td>
<td>1,002,332</td>
<td></td>
</tr>
</tbody>
</table>

1 Including an unexpended balance (1910) of 53,600 crowns ($14,365).
2 Including an unexpended balance (1909) of 112,500 crowns ($29,015).
3 Including an unexpended balance (1910) of 35,000 crowns ($9,380).
4 Including an unexpended balance (1911) of 84,000 crowns ($22,512).

This shows quite clearly that the largest proportion of the sums advanced at the request of the agricultural societies goes toward the purchase of small holdings.

In order to indicate more completely the operations of the law, by showing the sums actually loaned, both by the agricultural societies and also by the stock companies and cooperative associations, the following table is introduced:

**Loans Made for Purchase of Small Holdings and for Housing Work, 1905 to 1911.**


**Agricultural Societies.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans for purchase of—</th>
<th>Total loans.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905</td>
<td>664</td>
<td>$381,064</td>
</tr>
<tr>
<td>1906</td>
<td>441</td>
<td>276,841</td>
</tr>
<tr>
<td>1907</td>
<td>645</td>
<td>448,491</td>
</tr>
<tr>
<td>1908</td>
<td>900</td>
<td>622,927</td>
</tr>
<tr>
<td>1909</td>
<td>987</td>
<td>732,159</td>
</tr>
<tr>
<td>1910</td>
<td>1,236</td>
<td>951,952</td>
</tr>
<tr>
<td>1911</td>
<td>1,036</td>
<td>809,135</td>
</tr>
</tbody>
</table>

**Stock Companies and Other Associations.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans for purchase of—</th>
<th>Total loans.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905</td>
<td>48</td>
<td>$34,438</td>
</tr>
<tr>
<td>1906</td>
<td>13</td>
<td>6,780</td>
</tr>
<tr>
<td>1907</td>
<td>52</td>
<td>41,004</td>
</tr>
<tr>
<td>1908</td>
<td>56</td>
<td>$63,899</td>
</tr>
<tr>
<td>1909</td>
<td>130</td>
<td>145,144</td>
</tr>
<tr>
<td>1910</td>
<td>78</td>
<td>147,792</td>
</tr>
<tr>
<td>1911</td>
<td>60</td>
<td>70,350</td>
</tr>
</tbody>
</table>
The agricultural societies have made, therefore, 5,909 loans during the years 1905 to 1911, amounting to 15,871,154 crowns ($4,253,469) to aid in the purchase of small holdings and 2,271 loans involving 4,287,407 crowns ($1,149,025) to aid in the purchase of low-cost dwellings.

The total number of loans negotiated by the other intermediary companies is 328 and 1,012 for small holdings and houses, respectively, involving for the first type of loans 1,359,779 crowns ($364,421) and for the second 2,767,800 crowns ($741,770). Relatively speaking, therefore, the joint stock companies and similar associations are more active in the making of loans for house construction and purchase than for small holdings.

**OCCUPATIONS OF PURCHASERS.**

An analysis of the reports of the agricultural bureau on the administration of the State loaning fund makes available interesting information as to the occupation of purchasers under the law and shows thereby the effectiveness of the system in reaching the class of persons intended to be benefited by the law. This information is shown in the table which follows.

<table>
<thead>
<tr>
<th>OCCUPATION OF PURCHASERS OF SMALL HOLDINGS AND DWELLING HOUSES UNDER STATE LOAN SYSTEM IN SWEDEN, 1905 TO 1912.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Handworkers</th>
<th>Factory employees</th>
<th>Farmers</th>
<th>Agricultural laborers</th>
<th>Casual laborers</th>
<th>Soldiers</th>
<th>Not specified</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasers of small holdings</td>
<td>921</td>
<td>1,512</td>
<td>1,147</td>
<td>1,885</td>
<td>82</td>
<td>471</td>
<td>408</td>
<td>6,426</td>
</tr>
<tr>
<td>Purchasers of dwelling houses</td>
<td>939</td>
<td>1,055</td>
<td>1,156</td>
<td>2,014</td>
<td>19</td>
<td>44</td>
<td>542</td>
<td>2,737</td>
</tr>
<tr>
<td>Total</td>
<td>1,860</td>
<td>2,567</td>
<td>2,303</td>
<td>3,900</td>
<td>101</td>
<td>515</td>
<td>950</td>
<td>9,163</td>
</tr>
<tr>
<td>Per cent</td>
<td>20.3</td>
<td>28.0</td>
<td>12.6</td>
<td>22.0</td>
<td>1.1</td>
<td>5.6</td>
<td>10.4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table shows that those already interested in agriculture form the largest group of those benefiting under the law; farmers and agricultural laborers together form over one-third of the total. But factory workers form well over one-fourth and handworkers constitute one-fifth, so that these classes, also, are well represented; therefore it may be assumed that the law is reaching the classes for whom it was intended.

**PROPOSED REFORMS.**

The various attempts to make the work of the homestead fund more effective found expression in 1914, in the report of a commission which had been appointed in 1911 by the chief of the agricultural department and which consisted of five housing experts. The report comprises a history of the small holdings movement and a statistical
review of financial results, together with similar information for other countries.

As the report of this committee has not been received in this country at this date (December, 1914) this summary of its contents and recommendations has been taken from the official labor journal of Sweden.

The first suggestion of the experts was for the separation of the work into two distinct branches, the first branch to handle only loans for the purchase of small holdings, and a second division to handle loans for strictly housing purposes. This report deals only with the purchase of small holdings.

It is proposed not to restrict loans to those persons whose only source of income will be from the small holding, but to extend it to others who may have outside work from which to draw earnings; preference in loans is to be given to those who propose to establish a new holding over those who ask loans for improvements. The proposed reforms make no changes as to amounts loanable nor as to the rate of interest. It is, however, proposed to postpone the period of repayments on the principal loan for the first two years only instead of three as under the previous law. For improving wild land an additional subsidy, limited in amount, is to be given.

The system of making loans through intermediary companies is maintained, but a more rigorous method of control is proposed which is to be attained by having a Government representative on the board of directors of any company or association desiring to be recognized for the purposes of the law, and also by having a Government auditor revise all accounts of such company or association. The security for an advance to an intermediary association must consist of a mortgage with an equity of 20 per cent.

Following the example first set by Belgium and followed by such countries as France, Germany, and, recently, by New Zealand, the Swedish experts proposed a system of life insurance for the borrower in order to guarantee the repayment of his loan. A system of term life insurance is to be administered by the State Insurance Institute (Riksförsäkringsanstalten). Such rates are proposed that a person 25 years of age and over can by an annual payment of $5 secure the repayment of a loan of $1,000. The insurance premium is to be paid at the same time that the installments on the loan are paid.

Among other new provisions in the law, the committee proposed a leasing system coupled with the right of future purchase by a prospective home owner. The intermediary company is to be permitted to buy property with funds advanced by the State and to lease it to any applicant who is not in a position to pay a sufficient sum down.

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for the purchase of a desired property. The lessee having such a lease coupled with the right of future purchase is required to pay a rental of 3.6 per cent of the purchase price of his property plus 1.4 per cent thereof as payment on his property. He thus pays in all 5 per cent or one-twentieth of the purchase price of the property, and when these payments amount to one-sixth of the cost of the property, he is entitled to have the property deeded to him and to receive a loan of State funds to pay the remaining five-sixths on the same terms as any other applicant for a loan. This reform meets the long-standing objection to the existing system, namely, that to require a home purchaser to pay one-sixth of the required price in a single payment is too great a burden for the average person of small means.

DIVISION OF LARGE ESTATES.

To aid in securing small holdings for workpeople of limited means the Government has seen fit to vote a State fund to be used in the division of large landed estates. The measure of greatest importance in that respect passed Parliament June 28, 1907. (Administrative decree prepared Nov. 29, 1907.) From this fund (Jordformedlingsfond) may be advanced capital for stock companies and associations which propose to create small farms and construct low-cost dwellings without any intention of taking profit. The advance so sanctioned may be as high as 80 per cent of the value of the mortgage security, bearing interest at 4 per cent and repayable in five years. The sum voted for the fund was 2,000,000 crowns ($536,000) for the years 1908 and 1909. The use of this fund depends entirely upon private initiative, and up to the present (1913) negotiations have taken place only through the mediation of owned-homes (egnahems) stock societies established in several provinces by the National Association for Preventing Emigration, and some other stock societies and associations, among which the Association of Malmöhus and Kristianstad have achieved the greatest degree of success. The societies as a whole are reported as doing very practical work. The plans for dividing these lands into small agricultural colonies have been prepared by experts. In many colonies important measures have been taken, depending on the capital at their disposal, such as the construction of roads and drainage systems.

HOUSING OF STATE EMPLOYEES.

Considerable activity has been shown by the Government in providing homes for its own employees, particularly those on the Trollhätta Canal, on the State railroads, and in the telegraph service.

When in 1905 the Trollhätta Canal came under State ownership and control, the Crown directed the administrative board to take measures for promoting home ownership among the canal employees.
The board proposed a plan for selling Crown lands for building purposes on easy terms, and for creating with the proceeds of these sales a fund from which loans should be made to purchasers who might need such aid in putting up their homes.

This plan was accepted and approved by the Crown September 21, 1906, and the sale of land was at once begun. The fund when created was administered by the canal management. In 1908 it was increased by a special appropriation from the State of 400,000 crowns ($107,200). Since 1909 loans from this fund have been made at 4½ per cent interest.

The work of development was begun in September, 1907, upon some 100 properties, varying in area from 480 to 960 square meters (1.19 to 2.37 acres). Until 1908 these properties were sold outright to intending home builders, but since that date a long-term leasing system has been adopted. All buildings constructed upon these lands are strictly regulated as to size, ventilation, sanitary conveniences, etc., and the land is mortgaged to secure the observance of all restrictions imposed.

In 1910 a group of 122 homes was constructed upon the Sylte Crown estate, consisting of 122 lots, while a group of 118 homes is in progress of construction upon a Crown estate at Vårvik. From 1907 to 1910, inclusive, the sum of 356,300 crowns ($95,488) was advanced to 104 home builders from the special fund.

The Crown estate at Mörby was leased to an association of State employees in 1911 in order that it might erect homes for its members, open up streets, and in general construct and improve a garden city. For improvement purposes Parliament voted a fund of 330,000 crowns ($88,440) and also set aside 600,000 crowns ($160,800) for the year 1912 for building loan purposes. The whole allotment consists of 33.88 hectares (83.72 acres), having an available building area of 24.83 hectares (61.35 acres), which has been divided into 179 lots. A complete city plan was adopted in 1912.

Employees of the State railroads, which constitute about one-third of the railroad mileage of the country, are housed at State expense very largely in houses provided by the administrative board of the railroads or by the old-age retirement fund of the railroad system. In 1910, of employees of the higher grade, administrative clerks, etc., 38.1 per cent lived in such rented houses, while 45.2 per cent of the ordinary labor force was similarly housed. At the beginning of 1912 the value of the houses belonging to the State railroads amounted to 21,915,500 crowns ($5,873,354) and of those belonging to the old-age retirement fund the value was 5,940,500 crowns ($1,592,054). Other State employees similarly housed at State expense are those in the State telegraph service, customs service, pilot board, and the forestry service.
HOUSING WORK IN STOCKHOLM.

The housing work carried on by the city of Stockholm for workmen and others of small means is typical of that done by all Swedish municipalities. The work takes on two general forms, direct and indirect.¹ The former consists of (1) the erection and renting by the city of houses for workmen in general, including particularly municipal employees; (2) providing lodging for the homeless. Among the houses which the city has rented are those left standing in the older quarter which was demolished to make room for modern street improvements.

The indirect aid of the city consists of (1) the purchase of Crown lands in the vicinity of the city to be used for small allotments and homes; (2) leasing ground at a low rate to semipublic associations interested in housing work; (3) extending loans to these same associations; or (4) guaranteeing such loans when made by other parties; (5) providing cheap suburban transportation; (6) making housing investigations. Recently, following the example of many German cities, a municipal renting bureau or exchange has been proposed. Thus far the measure has not gone through Parliament (October, 1914).²

DIRECT MUNICIPAL AID FOR HOUSING.

The prevailing type of house in Stockholm is the tenement. The increase in tenement houses has been accompanied by the usual phenomena of land speculation and high values.³ In spite of these two factors, however, there has been considerable building activity to meet the needs of the increasing population, the city having at present about 344,000 inhabitants. Active work by the city began in 1890, although sporadic efforts to provide houses for the poorer classes had been made since 1874.

During the period 1874 to 1911 the city advanced for the construction of houses for its own workmen about 4,500,000 crowns ($1,208,000). By the aid of this fund 761 dwelling apartments were provided, containing 1,728 living rooms and kitchens. The greater number of these apartments consist of one room and a kitchen. The average rent per apartment is 153 crowns ($41) a year.

Another direct measure taken by the city is fixing a moderate rent for apartments in buildings in the old quarter acquired by the city for purposes of street planning. In 1909 the city owned 392 hectares (968.6 acres) of such lands, the purchase price of which amounted to

² Sociala meddelanden utgivna av K. Socialstyrelsen. Stockholm. 1914, Nr. 10 (October).
³ Billiga bostäder i Stockholm, p. vii.
53,000,000 crowns ($14,204,000), or $14,674 per acre, on which rents amounting to 1,790,000 crowns ($479,720) were collected, this being a rate of 3.4 per cent on the cost price. An investigation made in 1903 regarding conditions in these dwellings showed that there were 4,038 tenements, containing 10,136 apartments, occupied by 20,953 persons. Rents were lower than in tenements owned by individuals, but the density of population was greater. This may be explained in part by the fact that preference was given to large families.

INDIRECT MUNICIPAL AID FOR HOUSING.

Another branch of the activities of the city consists of the purchase and development of suburban property. At the close of 1910 its holdings of this kind amounted to 8,343 hectares (20,615.6 acres), an area twice as large as the present extent of the city. The sum paid for this property amounts to about 10,890,000 crowns ($2,981,520). It is intended to include 2,949 hectares (7,287 acres) of these holdings within the city limits and to construct dwellings upon it. Already 607 hectares (1,500 acres) have been developed. The method of development generally adopted is to cede the land for a term varying from 50 to 75 years under certain restrictions, the profits accruing to the exploiter while the title remains vested in the city. (Law on building right (tomträtt), 1907.) This method is meant to prevent land speculation.

Less directly the city has endeavored to better housing conditions by granting loans, by the sale of lands, and by guaranteeing advantageous conditions to societies, associations, or individuals who oblige themselves to build dwellings of good quality for rent at a moderate price. At the beginning of 1911 the city had loaned as high as 2,245,000 crowns ($601,660)1. At the close of 1910 these associations had completed 1,676 houses containing 3,261 apartments occupied by 6,421 persons. The rent was considered sufficiently low, averaging 141 crowns ($37.79) a year, but the population was 2.07 persons per room.

In the matter of guaranteeing loans of private housing associations special mention must be accorded the Stock Society of Land Funds of Stockholm, organized by communal initiative in 1908. Its purpose is to render effective assistance to the homesteading movement, especially relative to the city’s property, which is generally sold under a restricted title. The city guarantees the bonds of the fund to the extent of 5,000,000 crowns ($1,340,000). Loans are granted by the society under very advantageous terms, letters of credit or notes being granted up to 70 per cent of the value of the real estate, and

loans on mortgage made at 5 per cent interest to 70 or 80 per cent of the estimated recoverable value.

The buildings within the city limits are usually four stories in height, exclusive of the ground floor, basement, and attic. Building regulations relative to the character of the building are very strict. The cost is high, being for houses constructed by the city 3,700 crowns ($992) for each apartment, exclusive of land value. Outside of the city the regulations are less strict, and the cost is somewhat reduced.

The returns on capital invested in tenements in the city for workmen are estimated by the municipal real estate bureau to be 5.3 per cent gross, leaving out of the calculation the cost of maintenance and taxes. If these items, estimated at 1.6 per cent, are considered, the net revenue would be 3.7 per cent. In this calculation the present market value of the ground is considered. If, however, the original cost of the land be taken as a base, the per cent of return would be largely increased. There can be no doubt whatever that enterprises subsidized by the city return a dividend of at least 5 per cent on the investment.

Some statistical details relative to low-cost dwellings in Stockholm are summarized in the table which follows:

LOW-COST HOUSES IN STOCKHOLM AT THE BEGINNING OF THE YEAR 1911.

[Source: Billiga bostader i Stockholm. * * * Stockholm, 1912 (Stockholm stads statistisk. X Specialundersökningar). Nr. 7, pp. 24, 25.]

<table>
<thead>
<tr>
<th>Purpose or manner of construction</th>
<th>Number of buildings</th>
<th>Area of land occupied (Acres)</th>
<th>Valuation (nearest $1,000)</th>
<th>Number of apartments</th>
</tr>
</thead>
<tbody>
<tr>
<td>For municipal employees</td>
<td>27</td>
<td>39.0</td>
<td>$1,335,000</td>
<td>778</td>
</tr>
<tr>
<td>In older city quarter</td>
<td>722</td>
<td>416.2</td>
<td>8,911,000</td>
<td>4,877</td>
</tr>
<tr>
<td>By aid of municipal subsidy</td>
<td>29</td>
<td>19.9</td>
<td>1,785,000</td>
<td>1,706</td>
</tr>
<tr>
<td>For State employees</td>
<td>13</td>
<td>15.3</td>
<td>1,219,000</td>
<td>450</td>
</tr>
<tr>
<td>For private employees</td>
<td>46</td>
<td>70.2</td>
<td>4,414,000</td>
<td>1,455</td>
</tr>
<tr>
<td>By cooperative associations</td>
<td>77</td>
<td>14.6</td>
<td>4,347,000</td>
<td>2,184</td>
</tr>
<tr>
<td>Total low-cost houses</td>
<td>914</td>
<td>575.2</td>
<td>22,611,000</td>
<td>11,449</td>
</tr>
<tr>
<td>Total for city (all houses)</td>
<td>5,702</td>
<td>2,493.0</td>
<td>387,549,000</td>
<td>93,732</td>
</tr>
</tbody>
</table>

1 Assessed valuation.
2 Closely approximated.

HOUSING WORK IN CITIES OTHER THAN STOCKHOLM.

Many communes besides Stockholm have within the past few years acquired considerable land for the purpose, more or less definite, of erecting thereon low-cost dwellings. Among these the city of Eskilstuna purchased in 1903 and 1904 approximately 1,067 hectares (2,636.6 acres); Helsingborg, 275 hectares (679.5 acres); Vanersborg purchased 100 hectares (247.1 acres), and Malmö, Karlskrona, and others, as well as some villages and small communities, invested in like purchases.

In nearly every case the laws and regulations under which these purchases have been made have been enacted during the last 10 years. One interesting exception in this regard is the city of Gothenburg, which for many years has granted lands for the erection of dwellings (formerly the most general tenure was fee simple, but this is now being superseded by a long-term leasing system). As early as between the years 1847 and 1850 the city erected 12 houses, containing 87 apartments in which 249 persons were living in 1890. In 1878, the property was taken over by the Dickson fund. This fund amounted to 330,000 crowns ($88,440). At the close of 1890 the fund had completed 44 houses containing 339 apartments, occupied by over 1,500 persons. The average rent paid was as follows: For 2 rooms and a kitchen, 180 to 240 crowns ($48.24 to $64.32); 1 room and a kitchen, 120 to 168 crowns ($32.10 to $45.02); and for a single room with cooking conveniences, 54 to 102 crowns ($14.47 to $27.34). Every building has special washing and baking rooms, is supplied with water, and has roomy yards planted with trees.

LIST OF REFERENCES CONSULTED.

Billiga bostäder i Stockholm; historisk-statistisk redogörelse, af J. Guinchard. Stockholm, 1912 (Stockholms stads statistisk, X. Specialundersökningar, Nr. 7.)
International Housing Congress. 10th, The Hague, 1913. Rapports. Rotterdam. 3 v.
Report of the departmental committee appointed by the president of the board of agriculture and fisheries to inquire and report as to buildings for small holdings in England and Wales. * * * Reprinted from Parliamentary paper (Cd. 6708) of session of 1912–13. London, 1913.
SWITZERLAND.

In Switzerland there is no Federal legislation relative to workmen's dwellings. Certain Cantons, as Geneva, have (1) encouraged the construction of workmen's dwellings by granting exemptions from public taxes (law Feb. 6, 1897), or assured the guaranty of interest to certain organizations (savings funds are especially authorized to build workmen's dwellings) (law of Dec. 5, 1896); (2) undertaken directly the construction of such dwellings through a foundation analogous to the Italian system (law of May 30, 1903, permitting State assistance by means of foundations for healthful, low-cost dwellings in Chambesy).

The municipal housing enterprises of Geneva include the following:

1. About 150 apartments of two to four rooms each, built 20 years ago. Rents are low, and the apartments are constantly occupied.

2. Five houses containing 12 suites of three and four rooms each at Vernier Chevres, 3½ miles from the city, built in 1901 to accommodate the workmen on the waterworks.

3. Three houses containing 43 apartments of one to four rooms each, built in 1908 on the Rue Louis Fabre. The yearly rents vary from $19.30 to $23.16 per room.

There are also private companies and societies erecting houses for workmen at moderately low but profitable rents.

Two private associations have erected flats in Lausanne, renting at $34.74 to $96.50 annually. A real estate cooperative association, combining private and municipal enterprises, began operations in 1905.
AUSTRALIA.

STATE LOANS FOR WORKERS’ DWELLINGS.

The States of the Commonwealth of Australia have gradually built up a system of legislation whereby the worker in the cities and the farmer are enabled to borrow Government funds for the purpose of buying a house and lot in the city or suburbs or a homestead in the country. All of the six States of the Commonwealth lend money to farmers; five also lend their funds to workers in general for the purchase of homes. The method of lending is unique in that advances are made directly by a Government administrative board or bank to the individual borrower, while in practically all other countries where the Government has ventured to lend its money for similar purposes, loans have been made through intermediary companies supervised by the States, or through local Government bodies which are required to become guarantors for the repayment of the advances made.

Two of the Australian States (New South Wales and Western Australia) also use Crown land or buy private land to be used for erecting dwellings either for sale or rent to workingmen of limited means. In such cases, the land is not, as a rule, sold, but a long-term lease is given.

LEGISLATION IN FORCE.

The legislative enactments which permit the use of Government funds in the purchase of homes for workers in the five Australian States having such legislation are as follows:

New South Wales:
   Savings Bank Amendment Act, 1913.
   Workers’ Dwellings Act, 1912.

Queensland: Advances for Homes Act, 1909; amended 1911, 1912.

South Australia: Advances for Homes Act, 1910; amended 1911, 1912.

Victoria: Savings Bank Act, 1890; amended 1896, 1900, 1901, 1903, 1910, 1912.

Western Australia: Workers’ Homes Act, 1911; amended 1912.

The similarity of these enactments is such that a combined summary under certain well-defined topics has seemed feasible.
ADMINISTRATION.

For purposes of administration, there is created in Queensland and Western Australia a board or commission of three members, appointed by the governor from among certain public service officials, while in New South Wales, South Australia and Victoria, a department of the State savings banks administered by a board of commissioners or trustees is designated to conduct the negotiations with the individual borrowers. The general supervision lies with the treasury department of each State. A corps of appraisers and examiners is attached to each board or department. The administrative board is usually paid by a system of fees dependent upon the amount of business done, although the maximum payable in any one year is, as a rule, determined. Broad powers are generally given to the governor to make supplementary regulations for the administration of the fund. Borrowers, as a rule, may negotiate their loans through the local post office or branch savings bank, as the case may be.

FUNDS.

A special fund is created from which loans are to be made. Money may be raised either by the issue of bonds and debentures, negotiable and guaranteed by the State, by annual appropriation of Parliament, or by a combination of these two ways. In Victoria it is specified that the debentures be in denominations of £25 ($121.66) and bear interest at 3½ per cent. In Queensland the rate is 4 per cent. South Australia and Western Australia raise their funds by means of an annual parliamentary appropriation. It is also generally provided that the repayments made by the borrowers on their loans may go toward augmenting the fund and be subject to reloan.

The State bonds are naturally exempt from stamp taxes and registration dues. They appear to find sale in the European bond markets.

The total amount of the funds annually available at present is limited as follows:

- Queensland: £250,000 ($1,216,625)
- South Australia: 300,000 ($1,459,950)
- Western Australia: 250,000 ($1,216,625)

These amounts do not include repayments on loans by borrowers, which, as stated, are reloanable. In Victoria a total of £6,000,000 ($29,199,000) is set aside, which, however, includes the sums loanable to farmers on mortgage security as well as the sums loanable to workers for acquiring a home or shop premises.

PURPOSES FOR WHICH ADVANCES MAY BE MADE.

As already stated, it is the purpose of all these laws to aid the workingman or other persons of limited means to acquire a home by supplying him credit on favorable terms. As a rule, a certain max-
imum of annual earnings is made the criterion of a wage earner under the law. Thus, the prospective borrower of State funds in the three States indicated must prove that his annual earnings do not exceed the amounts following:

- Queensland................................. £200 ($973.30)
- South Australia.............................. 300 ($1,459.95)
- Western Australia............................ 400 ($1,946.60)

In Victoria no specification or limitation of this kind is found; information as to New South Wales is not available. In most instances it is provided that the prospective borrower must not already be the owner of a dwelling in the State.

It is provided in the laws of New South Wales, South Australia, Victoria, and Western Australia that advances may be made to individuals on proper security, as indicated below, for the purpose of building, completing, or purchasing a home for themselves and their families. South Australia, Queensland, and Western Australia include in the dwelling-house property purchasable by a loan the house and additions, necessary outbuildings, fences, permanent provision for lighting, water supply, drainage, and sewerage, but do not include the land, which is subject to separate negotiation. Queensland permits the use of its funds only to erect, complete, or enlarge a dwelling house, while Victoria and Western Australia also include within the scope of their work the making of loans for the purchase of a shop or business premises in connection with the dwelling-house property.

A loan may always be obtained to discharge an existing obligation on property on which a loan of State funds would otherwise be legally permissible.

**AMOUNTS AND CONDITIONS OF LOANS.**

The maximum amount which any individual borrower may obtain is limited in the legislation of all the States, both as to its absolute amount and as to its relation to the value of the security offered.

The loans granted may be paid out in installments, or otherwise, as desired; if the money loaned is to be used in erecting or enlarging a house, it is usually paid out as the work progresses. All properties are carefully appraised and inspected by Government agents and close supervision is given to them while the work of construction is in progress. In every case, a first-mortgage security is required, although in special instances, as provided in South Australia and Western Australia, for example, a second mortgage may be offered as a collateral security for any further loan. The installments of repayments include both interest and principal. In three of the five States the term of a loan varies according to the kind of house on which it is made.
All these conditions vary a trifle as between the different States, as brought out in the tabular statement following:

CONDITIONS AS TO LOANS TO WORKINGMEN DESIRING TO ACQUIRE HOMES BY THE AID OF THE STATE IN FIVE AUSTRALIAN STATES.

<table>
<thead>
<tr>
<th>State</th>
<th>Maximum loan to individual borrower.</th>
<th>Proportion loan forms of value of security.</th>
<th>Rate of interest.</th>
<th>Maximum period for repayment of a loan on—</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales.</td>
<td>$3,619.87</td>
<td>Three-fourths</td>
<td>5</td>
<td>30 (1) 30 (1) 20 (1)</td>
</tr>
<tr>
<td>Queensland.</td>
<td>1,429.95</td>
<td>Two-thirds</td>
<td>(2)</td>
<td>42 (1) 30 (1) 20 (1)</td>
</tr>
<tr>
<td>South Australia.</td>
<td>2,483.25</td>
<td>Four-fifths</td>
<td>(3)</td>
<td>30 (1) 20 (1) 15 (1)</td>
</tr>
<tr>
<td>Victoria.</td>
<td>4,806.30</td>
<td>Two-thirds</td>
<td>6</td>
<td>30 (1) 20 (1) 15 (1)</td>
</tr>
<tr>
<td>Western Australia.</td>
<td>2,676.28</td>
<td>Four-fifths</td>
<td>6</td>
<td>30 (1) 20 (1) 15 (1)</td>
</tr>
</tbody>
</table>

1 Maximum term for all classes of loans is 20 years.
2 Fixed by State treasurer from time to time; at present 5 per cent.
3 Maximum rate, which may be reduced in the discretion of the savings bank commissioners.
4 Maximum term for all classes of loans is 20% years.

INTEREST RATES.

The interest rates are generally fixed by law, although recent amendments in some instances show a tendency to leave their determination to administrative control, in order to secure flexibility and a proper response to changing conditions of the money market. It is worth notice that the actual rate which the borrower pays is generally reduced one-half per cent from the established rate if repayments are prompt and no arrears are allowed to accumulate.

REPAYMENTS.

Repayments may be made monthly, quarterly, semiannually, or annually, as desired. Installments may be anticipated at any time by the borrower.

The following table prepared from two schedules appended to the South Australian act, which may well be taken as typical, shows the varying periods for which the loans run under that act and the amount of the monthly and quarterly repayments on a loan of $1,000 at 5 per cent per annum.

QUARTERLY AND MONTHLY REPAYMENTS, INCLUDING INTEREST AND PRINCIPAL, ON EVERY $1,000 AT 5 PER CENT INTEREST, FOR INDICATED PERIOD OF LOAN AS PROVIDED IN SOUTH AUSTRALIA.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7 years.</td>
<td>$42.54</td>
<td>$14.16</td>
</tr>
<tr>
<td>10 years.</td>
<td>31.91</td>
<td>10.62</td>
</tr>
<tr>
<td>12 years.</td>
<td>27.54</td>
<td>9.25</td>
</tr>
<tr>
<td>15 years.</td>
<td>23.80</td>
<td>7.91</td>
</tr>
<tr>
<td>20 years.</td>
<td>19.57</td>
<td>6.62</td>
</tr>
<tr>
<td>25 years.</td>
<td>15.99</td>
<td>5.38</td>
</tr>
<tr>
<td>30 years.</td>
<td>13.17</td>
<td>4.38</td>
</tr>
<tr>
<td>35 years.</td>
<td>15.16</td>
<td>5.03</td>
</tr>
<tr>
<td>40 years.</td>
<td>14.30</td>
<td>4.75</td>
</tr>
</tbody>
</table>
An exception to the above method of repayment may be noted for Queensland, where it is provided that, after the first six months of the loan, during which time only interest is paid, repayments are to be made monthly at such a uniform rate as to be equivalent to $1.92 a month on a $1,000 loan.

It is noticeable in all the schedules of repayments that the quarterly payments amount to a trifle more than three times the monthly payments. The effect of the schedules would seem to be to encourage the borrower to pay monthly rather than quarterly. This may be done designedly in order to compel him to be regular in his saving, by keeping constantly before him the pressure of his obligations. In fact the design of these schedules, if it is such, carries out very completely the object of the amortization system (payment by equal installments of both interest and principal), the object of which is to utilize the results of constant saving under pressure.

**STAMP-TAX EXEMPTION.**

In the legislation of all the States it is provided that all receipts of installments on advances are exempt from stamp taxes, and, generally speaking, appraisers’ fees are either reduced or not charged at all.

**FORECLOSURE PROCEEDINGS.**

Foreclosure proceedings, in the event of default in payments by the borrowers or for other causes, are much shorter than the ordinary processes of the courts. The sale of the property may be either by auction or by private sale.

**PRACTICAL EFFECTS OF LEGISLATION.**

In so far as mere figures can indicate them the practical results of this body of housing legislation in those States of Australia for which information is available may be summarized in a brief table. What has been done in each of the States separately is disclosed in the pages which follow.

**TRANSACTIONS UNDER THE LAWS OF QUEENSLAND, SOUTH AUSTRALIA, VICTORIA, AND WESTERN AUSTRALIA RELATIVE TO STATE LOANS FOR HOUSING UP TO THE CLOSE OF THE YEAR INDICATED.**

<table>
<thead>
<tr>
<th>State</th>
<th>Date of report</th>
<th>Number of loans granted</th>
<th>Amount of loans made</th>
<th>Repayments</th>
<th>Balance outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland</td>
<td>June 30, 1913</td>
<td>2,362</td>
<td>$2,933,273</td>
<td>$709,927</td>
<td>$2,163,346</td>
</tr>
<tr>
<td>South Australia</td>
<td>June 30, 1912</td>
<td>1,422</td>
<td>$2,032,002</td>
<td>$88,976</td>
<td>$1,943,026</td>
</tr>
<tr>
<td>Victoria</td>
<td>June 30, 1909</td>
<td>2,559</td>
<td>$3,261,286</td>
<td>$85,324</td>
<td>$3,176,962</td>
</tr>
<tr>
<td>Western Australia</td>
<td>June 30, 1912</td>
<td>355</td>
<td>$619,968</td>
<td>$13,407</td>
<td>$616,561</td>
</tr>
</tbody>
</table>

1 Approximate.
NEW SOUTH WALES.

The housing act of New South Wales, which provided for the use of State funds to lend to workingmen who desired to acquire a home of their own, is of such recent origin (having been passed in 1913) that no information is at hand as to operations under it.

QUEENSLAND.

During 1909 [Dec. 22] a Workers' Dwellings Act was passed in Queensland, and from the inception of operations [Jan. 1, 1910] up to June 30, 1913, 2,593 standing applications were received for advances amounting in the aggregate to £671,916 ($3,269,879.21). Of these applications 2,362 had been granted for amounts aggregating £602,748 ($2,933,273.14), and averaging £255 ($1,240.96) per application granted; 183 applications were under consideration for £49,481 ($240,799.29). Dwellings completed and occupied numbered 1,837. Generally applicants preferred dwellings built to suit their own requirements rather than stock designs, and the average cost was between £200 ($973.30) and £300 ($1,459.95). The following statement shows the contract prices of dwellings erected or in course of erection June 30, 1913:

<table>
<thead>
<tr>
<th>Cost</th>
<th>Number of buildings</th>
<th>Cost</th>
<th>Number of buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under £100 ($486.65)</td>
<td>2</td>
<td>£400 to £500 ($1,946.60 to $2,433.25)</td>
<td>60</td>
</tr>
<tr>
<td>£100 to £200 ($486.65 to $973.30)</td>
<td>220</td>
<td>£500 to £700 ($1,946.60 to $3,406.55)</td>
<td>10</td>
</tr>
<tr>
<td>£200 to £300 ($973.30 to $1,459.95)</td>
<td>1,104</td>
<td>Total</td>
<td>2,145</td>
</tr>
<tr>
<td>£300 to £400 ($1,459.95 to $1,946.60)</td>
<td>743</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ARREARS OF PAYMENTS.

For the fiscal years 1910–11 (18 months), 1911–12, and 1912–13 the arrears on payments of the borrowers under the act were 19s. 3d. ($4.70), £3 3s. 3d. ($15.39), and £22 18s. 8d. ($111.61), respectively. Considering the fact that on June 30, 1913, the outstanding loans amounted to £444,606 2s. 1d. ($2,163,675.61) involving 2,362 borrowers, the amount of arrears for that year is very insignificant, being, as a matter of fact, only 47.25 cents per borrower.

ECONOMIC STATUS OF BORROWERS.

Only one report has been made by the Workers' Dwellings Board which enables one to judge of the type of workman who generally takes advantage of the privileges accorded under the act. In response to an inquiry from Parliament the State treasurer reported as

1 The Official Yearbook of New South Wales, 1913–14, pp. 606, 607.
to the income of 484 borrowers on August 15, 1911, about a year and a half after the act came into force, that 36 had incomes not exceeding £100 ($486.65), that 188 had incomes in excess of this but not more than £150 ($729.98), while 260 had incomes ranging from this last-named sum up to not exceeding £200 ($973.30). Expressed proportionately, the relative number of borrowers in each of these income groups was 7.4, 38.9, and 53.7 per cent, respectively. This shows quite conclusively that the wage earners in the highest income groups, ranging from over £150 ($729.98) up to not exceeding £200 ($973.30), are the ones securing the greatest benefits of the law. This might logically have been expected, inasmuch as the law permits the loaning of State funds only up to two-thirds of the value of the security, requiring the workman to supply one-third of the purchase price of a desired property or to be already in possession of property to that amount. Only workmen of the better-paid class are likely to be so situated.

SOUTH AUSTRALIA.

AMOUNTS LOANED.

The housing act of South Australia, which was passed December 7, 1910, has been in force since January 1, 1911. During the first six months of its operation, to June 30, 1912, there was advanced £95,453 ($463,901.38). Of this sum there had been repaid £1,140 ($5,547.81), leaving outstanding current loans of £94,403 ($459,412.19). Thus the sum actually loaned in the first six months of the operation of the act almost reached the total of £100,000 ($486,650) or the maximum which could be loaned in a year under the act as then worded. This result led to the amendment of November 2, 1911, increasing the maximum loanable in any one year to £300,000 ($1,459,950).

A comparative summary for six months in 1911 and for the fiscal year 1912 shows the following results of operations under the act:

<table>
<thead>
<tr>
<th></th>
<th>1911 (6 months)</th>
<th>1912</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts advanced up to June 30</td>
<td>$464,960.00</td>
<td>$2,032,002.21</td>
</tr>
<tr>
<td>Amount of repayments</td>
<td>$5,547.81</td>
<td>$88,906.09</td>
</tr>
<tr>
<td>Amount outstanding</td>
<td>$459,412.19</td>
<td>$1,943,096.12</td>
</tr>
</tbody>
</table>

As can be calculated from the above table the net amount loaned in the fiscal year 1912 was $1,567,042.21. The excess of $107,092.21 over the limit of $300,000 ($1,459,950) that may be loaned in any one year had to be made up, therefore, of the amount collected on loans made in 1911, or $5,547.81, plus the balance not loaned but appropriated by Parliament in the same year, or $21,689.99, plus also a part of the repayments on loans in the course of the year 1912 as fast as available. This latter sum necessary to make up the total of $107,092.20 amounted to $74,987.90, or only $3,918.19 less than
the total repayments of that same year. All of which shows, therefore, that there is a heavy demand for loans, attesting the popularity of the system, inasmuch as the maximum amount appropriated by Parliament annually is more than absorbed in the course of each year's operation.

**DISTRIBUTION OF LOANS.**

In the course of the year and a half of its operation for which data are available the act has aided in the construction or purchase of 1,193 homes, and has made possible the lifting of 229 mortgages, the distribution being as follows:

**DISTRIBUTION OF LOANS AS TO PURPOSE FOR WHICH MADE, AMOUNT USED FOR EACH SPECIFIED PURPOSE, AND AVERAGE AMOUNT OF EACH LOAN, JAN. 1, 1911, TO JUNE 30, 1912.**

<table>
<thead>
<tr>
<th>Purpose of loan</th>
<th>Number</th>
<th>Per cent.</th>
<th>Amount</th>
<th>Average per house</th>
</tr>
</thead>
<tbody>
<tr>
<td>To assist in erecting new houses</td>
<td>848</td>
<td>59.6</td>
<td>$1,237,862.41</td>
<td>$1,459.74</td>
</tr>
<tr>
<td>To assist in purchasing dwellings</td>
<td>345</td>
<td>24.3</td>
<td>$376,383.33</td>
<td>$1,086.83</td>
</tr>
<tr>
<td>To discharge existing mortgages</td>
<td>229</td>
<td>16.1</td>
<td>$317,753.25</td>
<td>$1,387.96</td>
</tr>
<tr>
<td>Total</td>
<td>1,422</td>
<td>100.0</td>
<td>$2,032,002.21</td>
<td>$1,428.97</td>
</tr>
</tbody>
</table>

The largest proportion of loans have been made for the purpose of building or buying new homes. What particular types of wage earners have been most active in securing their own homes is not stated. Such information would be very valuable inasmuch as the limit of annual earnings is placed adequately high ($1,459.95), and there is a question as to what extent those in the lower wage groups take advantage of this legislation which is aimed to benefit them.

**ARREARS OF PAYMENTS.**

The report shows that some of the borrowers are in arrears on their installments, although only to a very slight extent—$70.58 on the above 1,422 loans. This is only about 50 cents (49.63) to each borrower.

The amounts in arrears were divided, as between principal and interest, as follows:

**AMOUNT OF ARREARS ON LOANS MADE, JAN. 1, 1911, TO JUNE 30, 1912 (1\(\frac{1}{2}\) YEARS).**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount accrued</td>
<td>$21,478.96</td>
<td>$18,963.32</td>
<td>$70,382.28</td>
</tr>
<tr>
<td>Amount paid</td>
<td>21,442.06</td>
<td>48,869.64</td>
<td>70,311.74</td>
</tr>
<tr>
<td>Amount in arrears</td>
<td>36.90</td>
<td>33.68</td>
<td>70.58</td>
</tr>
</tbody>
</table>

**LOSSES.**

The original act was so worded that the borrower could by promptness in payment secure a rate of 4\(\frac{1}{2}\) per cent on his loan. This rate was apparently too low to meet expenses of management, inasmuch
as the statement of the loan fund on June 30, 1912, showed a loss of £1,061 2s. 4d. ($5,163.91). This led to an increase in the rate of interest to 5 per cent, the law having been so amended that the State treasurer was permitted to fix the rate, in order, in all probability, to meet just such a situation as this.

VICTORIA.

In Victoria the Savings Bank Act of December 17, 1910, directed the use of the funds of that bank, a State institution, for the purpose of making mortgage loans to those persons who should desire to purchase a home for themselves or to erect a shop in connection with their house. No restriction was made as to the occupational status of the prospective borrower, but anyone having the requisite security was to be entitled to a loan.

Although this department of the savings bank has been in operation a trifle over three years and a half, reports as to what has been accomplished by it are not available in this country later than to the end of June 30, 1912.

These operations of the bank may be summarized as follows:

TRANSACTIONS OF THE ADVANCES DEPARTMENT OF THE STATE SAVINGS BANK OF VICTORIA RELATIVE TO HOUSE AND SHOP PROPERTY LOANS, DECEMBER 17, 1910, TO JUNE 30, 1912.


<table>
<thead>
<tr>
<th>Year</th>
<th>Applications granted</th>
<th>Loans made and accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1910-11</td>
<td>630</td>
<td>£910,425</td>
</tr>
<tr>
<td></td>
<td>2,216</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,846</td>
<td>4,104,722</td>
</tr>
</tbody>
</table>

1 Including $76,161 offered but not accepted.
2 Including $882,726 offered but not accepted.
3 From report of American consul at Melbourne, filed in Department of State, February, 1913.

The rapid increase in the amounts loaned is to be remarked, rising from £124,290 ($604,857) for the first six and one-half months of operation up to £545,985 ($2,657,036) during the fiscal year 1911-12, which is an increase of 339.3 per cent.

The average amount of each loan during the whole 18 months of operations for which reports are available was £296 13s. 6d. ($1,443.78), which is a sum sufficiently high to suggest that the workmen taking advantage of the accorded privileges are probably those receiving fairly good wages rather than the poorly paid class.

1 Reported by the American consul in a communication to the State Department in February, 1913.
WESTERN AUSTRALIA.

This Bureau has not been able to obtain any report of the Western Australian Workers' Homes Board created under the Workers' Homes Act, 1911. (Signed by the governor Jan. 9, 1912; amended Dec. 30, 1912.) Information, however, received by the State Department, February, 1913, in response to the circular instruction of November 11, 1912, shows that up to June 30, 1912, there had been approved advances to the amount of £127,395 ($619,968) of which approximately £700 ($3,407) had been repaid. The administration expenses up to that date totaled £1,125 ($5,475) or 0.88 per cent on the amount advanced. There is no fixed amount or capital to which these administration expenses may be compared, as the amount available in any year for advances under the act is determined by parliamentary appropriation according to the amending act of 1912. The original act made the annual amount available £350,000 ($1,703,275) which was apparently far in excess of the necessary requirements.

The amount of £127,395 ($619,968) actually advanced under the act made possible the following operations:

DISTRIBUTION OF LOANS AS TO PURPOSE FOR WHICH MADE, AMOUNT ADVANCED FOR EACH SPECIFIED PURPOSE, AND AVERAGE THEREOF.

<table>
<thead>
<tr>
<th>Purpose of Loan</th>
<th>Number</th>
<th>Per cent</th>
<th>Amount</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>To assist in erecting new house</td>
<td>169</td>
<td>53.24</td>
<td>£352,627</td>
<td>$1,866</td>
</tr>
<tr>
<td>To assist in purchasing a house</td>
<td>107</td>
<td>30.14</td>
<td>£138,295</td>
<td>$1,807</td>
</tr>
<tr>
<td>To discharge existing mortgage</td>
<td>23</td>
<td>6.48</td>
<td>£30,306</td>
<td>$1,346</td>
</tr>
<tr>
<td>To make improvements</td>
<td>36</td>
<td>10.14</td>
<td>£42,995</td>
<td>$1,194</td>
</tr>
<tr>
<td>Total</td>
<td>355</td>
<td>100.00</td>
<td>£619,968</td>
<td>$1,746</td>
</tr>
</tbody>
</table>

GOVERNMENT LAND PURCHASE AND BUILDING.

Beginning in 1912 two of the Australian States, New South Wales and Western Australia, have supplemented their system of State financial aid to prospective home buyers by a scheme of land purchase and the building of houses on areas purchased or set aside from public lands, renting or selling the houses to workmen and others of limited means. In this respect these two States are following the example of New Zealand, which had already adopted such a system in 1910.

WESTERN AUSTRALIA.

The Workers' Homes Board of Western Australia is authorized to set aside, from time to time, certain specified Crown lands upon which to erect houses for workingmen who make application; the board may also buy other land and build on it. The board is, however, restricted as to the amount which it may expend on any one property,
namely, £550 ($2,676.58). There is also a provision which gives the board power to survey and lay out parks.

The houses thus constructed by this board are rented or sold to workmen, while the land upon which they stand can only be held by a perpetual lease. The rate paid on lands so leased is 3 per cent of its valuation, reappraisal taking place every 20 years. A lessee who elects to buy his house pays 5 per cent of the capital cost thereof for a period of 30 years, or for a less time at a higher rate, as may be agreed upon; he may pay up entirely any balance due at any time, or make advance payments in multiples of £10 ($48.67). All that is required of the purchaser is that he make a deposit of £5 ($24.33) and pay a purchase fee of 5s. ($1.22).

The purchaser is exempt from all land and income taxes, nor is his property subject at any time to levy or attachment.

No particulars as to the operation of this law in Western Australia are available for this study.

NEW SOUTH WALES.

The following account of the New South Wales scheme of Government purchase of land and construction of workingmen's dwellings thereon for sale or rental is given in the words of the Official Yearbook of that State:

With the object of relieving the urgent demands for small dwellings the housing act was passed in 1912, authorizing the construction of dwellings by the Government. The administration of the act is intrusted to a housing board, which will control the Government housing areas. The board may erect buildings for residential and other purposes on land acquired by the Government, and may dispose of such land and buildings by lease or by sale.

The term of a lease may not exceed seven years, and the rental must be sufficient to cover interest at 4 per cent on capital value, cost of insurance, rates, repairs, and maintenance, a proportionate part of management expenses, and a sinking fund in respect of the capital outlay. As regards disposal by sale, the selling price will be based on valuation by the Government Savings Bank Commissioners; no person may purchase more than one house and one-quarter acre of land, and the buyer must satisfy the board that he is purchasing the land for a home for himself or a member of his family.

The first scheme placed under the board's control was the Dacey Garden Suburb, situated in the municipalities of Botany and Mascot, where the erection of a number of cottages was commenced in April, 1912. The site adjoins the suburb of Kensington, and is about 5 miles from the center of the city of Sydney.

The area, covering 336½ acres, was composed principally of Crown lands, with soil of a light sandy nature, and almost free from rock and clay. The main roadway is 100 feet wide, with secondary roads 66 feet wide. Reservations have been made for parks, gardens, and

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1 The Official Yearbook of New South Wales, 1913. Published by authority of the Government of New South Wales, 1914, pp. 605, 606.
other open public places, also for public buildings, schools, and for religious purposes, the proportion of area allotted for various purposes being as follows:

Roads, 76 acres; park lands, 31\(\frac{3}{4}\) acres; public schools and technical college, 7\(\frac{1}{4}\) acres; churches, 5\(\frac{1}{4}\) acres; police station, administrative buildings, etc., 5 acres; leaving 211 acres on which to erect cottages and shops. Calculated at seven cottages to the acre this would provide approximately 1,437 cottages and 40 shops for the whole estate.

The unimproved value of the land was fixed at £65 [$316.32] per acre, and the estimate of leveling, road-making, and drainage was £105,000 [$510,098] or £312 [$1,518.34] per acre, a total of £377 [$1,834.67] per acre. This rendered the price about 30s. [$7.30] per foot, which has been adopted by the board as the price of the land in connection with the dwellings erected.

To 30th June, 1913, 67 cottages had been finished and let by ballot. The rentals ranged from 14s. 6d. [$3.53] to 21s. [$5.11], the total expenditure on the cottages varying from £500 [$2,433.25] to £640 [$3,114.56]. The rentals are, on the whole, 15 to 20 per cent cheaper than similarly situated private-owned cottages.

In the smallest type there are approximately 700 superficial feet of floor space; back yard space, 1,750 superficial feet; and side and front garden, 1,580 feet. In the largest type, these figures increase to 910, 2,750, and 1,670, respectively. All cottages have rooms 10 feet high, electric lighting, gas-cooking, laundry, bathroom, pantry, fuel shed, sewerage, etc. Cottages are brick built, on stone or rubble foundations, imported tile and slate roof, imported pine and local hardwood.

On 30th June, 1913, there were, in the cottages representatives from the professional, domestic, commercial, transport and communication, and industrial occupations.

The buildings were carried out by day labor, and the material was supplied by the public works department.

For the financial year 1912-13, £63,700 [$309,996] was expended on the scheme, £41,331 [$201,138] being for the erection of cottages.

The management of the Observatory Hill Resumed Area was transferred to the housing board in May, 1912. This area is situated on the harbor foreshores adjoining the wharves, and was previously controlled by the Sydney Harbor Trust. It contains a number of business premises and residences, including dwellings erected on the flat system for waterside workers. An act was passed in 1912 to enable the municipal council of the city of Sydney to erect and let dwelling houses, and for that purpose to acquire land.

Land was acquired in Chippendale, and a block of flats erected, covering a ground space of 279 feet by 78 feet. The buildings are three stories high, and each end of the block presents four shops to business thoroughfares. The remainder of the ground surface, and the first and second floors, are divided up into 71 suites of flats of from two to six rooms, all self-contained, with bathroom, scullery, gas stove, and electric light. Laundries are arranged on the roof flat and the building is in seven blocks, with separate fireproof staircase to each. The building cost £35,000 [$170,328], and was carried out under the direction of the city architect, assisted by the chief draftsman.
NEW ZEALAND.

INTRODUCTION.

New Zealand has a twofold system of granting financial aid to workers of small means: (1) Construction of houses with State funds in cities or suburbs for rental or purchase; (2) advance of State funds for the purchase or lease of allotments on Crown lands and for the erection of buildings on freehold land. These two systems are embodied in two acts: The Workers’ Dwellings Act, 1910; the State Advances Act, 1913.

This last-named act is a consolidation of numerous previous enactments, the first of which was passed in 1894. The early act, which came into force in 1895, involved the lending of Government funds only to farmers in order to promote land settlements and not until October 29, 1906, was there passed a law authorizing the use of State funds to lend to workers for the purchase or construction of homes for themselves and their families. The laws have been consolidated and amendments have been made from time to time, the two most recent ones in 1908 and 1913. The following accounts of these housing schemes are given for the most part in the words of the Official Year Book of New Zealand for the year 1913.

ADVANCES TO WORKERS.

The superintendent of the State-guaranteed advances office is authorized to lend money, for the purpose of purchasing or erecting a dwelling, to any person employed in manual or clerical work who is not in receipt of an income of more than £200 [$973.30] per annum, and is not the owner of any land other than the allotment on which it is proposed to build. The sum advanced shall not exceed £450 [$2,189.93], nor may any advance be granted exceeding the value of the dwelling house to be erected. The advance is secured by a mortgage over the whole property.

The interest is payable half-yearly, together with an installment of the principal, which by this means is fully repaid in 36½ years, when the mortgage is released. Valuation fees and the cost of preparing and registering the necessary deeds are fixed by regulation on an exceedingly low scale, and are payable by the borrower.

A worker is defined as a person of either sex engaged (whether as an employee or on his or her own account) in manual or clerical work, who is not in receipt of an income of more than £200 [$973.30] per annum, and is not the owner of any land other than that offered as security.

A valuation fee of 7s. 6d. [$1.83] must accompany each application, and no loan can be granted to any person who does not take up permanent residence on the security.
The amount of the loan granted by the board may either be paid over in one sum, or, when the dwelling is to be erected, may be advanced in progress payments as the erection of the building proceeds. An inspection and report must be made by an officer of the valuation department prior to any progress payment being made on account of the loan, and for each such inspection a fee of 7s. 6d. [$1.83] shall be paid by the applicant. Every applicant after lodging an application for a loan should await the decision of the board before proceeding with the erection of the building.

On securities classified by the board as first class, loans shall be granted for a term of 36½ years; on securities classified by the board as second class, loans shall be granted for a term of 30 years; on securities classified by the board as third class, loans shall be granted for a term of 20 years. A security for a loan to a worker may be considered first class when the value of the land or the applicant’s interest therein, apart from improvements, equals or exceeds the amount of the loan, and the property is deemed by the board otherwise satisfactory; second class when the value of the land or the applicant’s interest therein, apart from improvements, exceeds one-half but does not equal the amount of the loan, and the property is deemed by the board otherwise satisfactory; and third class when the value of the land or the applicant’s interest therein, apart from improvements, does not exceed one-half of the amount of the loan, and the property is deemed by the board otherwise satisfactory.

Loans are granted only on the installment system, and may be repaid or readjusted as in the case of a loan from the advances to settlers branch. Interest is charged at the rate of 5 per cent, reducible to 4½ per cent provided payment is made not later than 14 days after due date, and no arrears or other payment under the mortgage remain outstanding.

No procuration fee, commission, or charge for obtaining a loan should be paid to any person.

Any person desiring an advance should make a written application on the form provided for the purpose, a copy of which can be obtained from any postmaster in the Dominion. The postmaster will also supply an envelope in which the application may be forwarded, and will give the applicant any explanation which may be required respecting the filling-in of the form. Application for a loan may also be made to representatives of the valuation department, who, together with postmasters, only, act as agents for the office throughout the Dominion. No professional assistance is necessary, and no charge is authorized for the filling-in of the application form. The department has no agents authorized to act on its behalf in this respect.

The total of the advances to workers up to March 31, 1913 (including moneys repaid and again advanced) was £2,270,865 [$11,051,165]. The department supplies applicants with plans and specifications free of charge. Eighteen different types of homes, containing from two to eight rooms, are covered by the plans. They are drawn with a view to getting the maximum of room and convenience for a reasonable price. The cost of the buildings varies according to the size from £120 to £640 [$584 to $3,115]. The plans may be inspected at the chief post offices in the Dominion, and at the valuation offices at Invercargill, Dunedin, Christchurch, and Auckland.
The reason for including a type of buildings to cost £200 [$973.30] above the maximum authorized to be lent to workers is that an applicant may have some money saved and would wish to expend the amount on a better building than could be erected for the sum borrowed.

TRANSACTIONS DURING 1912-13.

The applications received for loans during the year ended March 31, 1913, numbered 1,805, the aggregate amount required being £574,493 [$2,795,770]. The advances actually granted during the year numbered 1,321 for an aggregate of £449,260 [$2,186,324]. The tenures upon which these loans were made were:

NUMBER AND AMOUNT OF LOANS TO WORKERS DURING YEAR ENDING MARCH 31, 1913.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Number of loans</th>
<th>Aggregate amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold</td>
<td>1,269</td>
<td>$2,130,724</td>
</tr>
<tr>
<td>Leasehold</td>
<td>52</td>
<td>55,600</td>
</tr>
<tr>
<td>Total</td>
<td>1,321</td>
<td>2,186,324</td>
</tr>
</tbody>
</table>

The total number of loans and the aggregate amount authorized in each provincial district from the inception of the system to March 31, 1913, are as follows:

LOANS TO WORKERS AUTHORIZED UP TO MARCH 31, 1913, BY DISTRICTS.

<table>
<thead>
<tr>
<th>Provincial district</th>
<th>Number of applications</th>
<th>Amount of advances authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auckland</td>
<td>2,357</td>
<td>$3,179,041</td>
</tr>
<tr>
<td>Taranaki</td>
<td>272</td>
<td>268,733</td>
</tr>
<tr>
<td>Hawke's Bay</td>
<td>592</td>
<td>721,029</td>
</tr>
<tr>
<td>Wellington</td>
<td>2,138</td>
<td>3,133,305</td>
</tr>
<tr>
<td>Marlborough</td>
<td>279</td>
<td>296,100</td>
</tr>
<tr>
<td>Nelson</td>
<td>175</td>
<td>238,855</td>
</tr>
<tr>
<td>Westland</td>
<td>183</td>
<td>192,275</td>
</tr>
<tr>
<td>Canterbury</td>
<td>2,018</td>
<td>2,088,688</td>
</tr>
<tr>
<td>Otago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otago portion</td>
<td>632</td>
<td>864,923</td>
</tr>
<tr>
<td>Southland portion</td>
<td>322</td>
<td>405,080</td>
</tr>
<tr>
<td>Total</td>
<td>8,928</td>
<td>12,447,729</td>
</tr>
</tbody>
</table>

The total amount advanced to the end of the financial year was £2,270,865 [$11,051,165], and the net amount outstanding at the same date was £2,007,917 [$9,771,528], secured upon the following tenures:

NUMBER AND AMOUNT OF LOANS TO WORKERS OUTSTANDING MARCH 31, 1913.

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Number of loans outstanding</th>
<th>Aggregate amount outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold</td>
<td>6,415</td>
<td>$9,407,640</td>
</tr>
<tr>
<td>Leasehold</td>
<td>428</td>
<td>563,888</td>
</tr>
<tr>
<td>Total</td>
<td>6,843</td>
<td>9,971,528</td>
</tr>
</tbody>
</table>
The following table gives particulars of the transactions for each of the past five [seven] years and the total transactions since the passing of the act on October 29, 1906:

**ADVANCES TO WORKERS—TRANSACTIONS DURING EACH FINANCIAL YEAR, 1906-7 TO 1912-13.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans raised, 1</th>
<th>Applications received</th>
<th>Applications granted</th>
<th>Amount advanced</th>
<th>Amount repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Amount</td>
<td>Number</td>
<td>Amount</td>
<td>Number</td>
</tr>
<tr>
<td>1906-7</td>
<td>897,330</td>
<td>130</td>
<td>$298,870</td>
<td>107</td>
<td>$135,654</td>
</tr>
<tr>
<td>1907-8</td>
<td>900,303</td>
<td>1,150</td>
<td>1,302,240</td>
<td>1,072</td>
<td>1,305,314</td>
</tr>
<tr>
<td>1908-9</td>
<td>1,306,635</td>
<td>1,784</td>
<td>2,304,301</td>
<td>1,229</td>
<td>1,490,424</td>
</tr>
<tr>
<td>1909-10</td>
<td>1,703,275</td>
<td>2,026</td>
<td>2,678,743</td>
<td>1,854</td>
<td>2,289,323</td>
</tr>
<tr>
<td>1910-11</td>
<td>1,655,000</td>
<td>2123</td>
<td>3,216,231</td>
<td>1,521</td>
<td>2,704,434</td>
</tr>
<tr>
<td>1911-12</td>
<td>711,351</td>
<td>2,223</td>
<td>3,655,522</td>
<td>1,909</td>
<td>2,983,727</td>
</tr>
<tr>
<td>1912-13</td>
<td>3,809,775</td>
<td>1,805</td>
<td>7,755,770</td>
<td>1,254</td>
<td>6,922,852</td>
</tr>
<tr>
<td>Total 2.</td>
<td>10,204,708</td>
<td>11,275</td>
<td>10,388,287</td>
<td>8,928</td>
<td>12,417,728</td>
</tr>
</tbody>
</table>

3. The items add to $1,279,665, but are reproduced as in the original.

The financial position of the advances to workers branch of the State-guaranteed advances office as on March 31, 1913, is shown in the following table:

**ADVANCES TO WORKERS BRANCH: LIABILITIES AND ASSETS, MAR. 31, 1913.**

<table>
<thead>
<tr>
<th>LIABILITIES.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry loans</td>
<td>$10,204,766.44</td>
</tr>
<tr>
<td>Interest payable on loans, accrued but not due</td>
<td>107,949.45</td>
</tr>
<tr>
<td>Advances suspense account</td>
<td>79,270.18</td>
</tr>
<tr>
<td>Fire loss suspense account</td>
<td>3,163.23</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>61,036.92</td>
</tr>
<tr>
<td></td>
<td>10,456,186.22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ASSETS.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment account—</td>
<td></td>
</tr>
<tr>
<td>Less total repayments of principal</td>
<td>9,760,686.76</td>
</tr>
<tr>
<td>Plus mortgage installments overdue—principal</td>
<td>10,842.60</td>
</tr>
<tr>
<td>Total principal owing by mortgagors Mar. 31, 1913</td>
<td>9,771,529.36</td>
</tr>
<tr>
<td>Mortgage installments overdue—interest</td>
<td>27,026.53</td>
</tr>
<tr>
<td>Interest on mortgages, accrued but not due</td>
<td>92,329.61</td>
</tr>
<tr>
<td>Interest on temporary advances, accrued but not due</td>
<td>1,973.93</td>
</tr>
<tr>
<td>Loan flotation charges</td>
<td>125,652.61</td>
</tr>
<tr>
<td>Insurance premiums account</td>
<td>425.54</td>
</tr>
<tr>
<td>Temporary advance to Native Land Settlement Branch.</td>
<td>114,362.75</td>
</tr>
<tr>
<td>Sinking fund account</td>
<td>256,541.87</td>
</tr>
<tr>
<td>Suspense account</td>
<td>69.00</td>
</tr>
<tr>
<td>Cash in hand and in bank Mar. 31, 1913</td>
<td>66,275.02</td>
</tr>
<tr>
<td></td>
<td>10,456,186.22</td>
</tr>
</tbody>
</table>

1. Data for the years 1906-7 and 1907-8 have been inserted from the Official Yearbook, 1910, p. 567.
The Workers' Dwellings Act, 1910, which supersedes an act of similar title passed in 1905 and consolidated in 1908, makes provision for setting apart Crown land, or acquiring private land, and for the erection of dwellings for workers thereon. The purchase of a dwelling is effected by a deposit of £10 [$48.67], and the payment of the balance in installments ranging over twenty-five years and a half. Under this system workers are enabled to secure their own homes by the payment of what amounts to ordinary rent, there being a considerable saving of expense in interest, in the cost of land, in the erection of the dwellings in convenient groups, in a minimum of legal charges, etc., and while the dwellings are erected to suit the requirements of the workers concerned, they are thoroughly up to date in design, and at the same time they show no indication of a "brand."

A "worker" under the act is one whose earnings do not exceed £175 [$852] per annum, and who is landless.

On March 31, 1913, the number of houses erected (under the original act of 1905) was 126. Of this number, 37 were disposed of during the preceding year under the purchase system prescribed by the 1910 act. As regards the remaining 89 (which are all let on lease or tenancy), the following table shows the average cost of the land and of the dwellings, including fencing, drainage, and water supply, charge for administration and contingencies; also the average gross weekly rental, including insurance and local rates. The number of rooms excludes scullery, washhouse, and bathroom.

**Workers' Dwellings Built Under 1905 Act (Let on Lease or Tenancy), Mar. 31, 1913.**

<table>
<thead>
<tr>
<th>Locality</th>
<th>Number of—</th>
<th>Average Cost of—</th>
<th>Average Gross Weekly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellerslie and Otaiahu, Auckland</td>
<td>4</td>
<td>4</td>
<td>$467.18</td>
</tr>
<tr>
<td>Petone, Wellington</td>
<td>18</td>
<td>5</td>
<td>496.38</td>
</tr>
<tr>
<td>Wellington</td>
<td>1</td>
<td>4</td>
<td>486.65</td>
</tr>
<tr>
<td>Wellington</td>
<td>23</td>
<td>5</td>
<td>486.65</td>
</tr>
<tr>
<td>Wellington</td>
<td>1</td>
<td>4</td>
<td>1,231.22</td>
</tr>
<tr>
<td>Wellington</td>
<td>3</td>
<td>5</td>
<td>758.17</td>
</tr>
<tr>
<td>Wellington</td>
<td>2</td>
<td>6</td>
<td>1,246.32</td>
</tr>
<tr>
<td>Sydenham and Addington, Christchurch</td>
<td>4</td>
<td>4</td>
<td>365.12</td>
</tr>
<tr>
<td>Windle, Dunedin</td>
<td>15</td>
<td>5</td>
<td>304.19</td>
</tr>
<tr>
<td>Windle, Dunedin</td>
<td>16</td>
<td>5</td>
<td>413.65</td>
</tr>
</tbody>
</table>

Up to March 31, 1913, 138 dwellings had been erected for purchasers under the 1910 act (particulars of which are contained in the following table), and arrangements were in hand for the erection of 76 more dwellings. Land was available for the purposes of the act in the following cities and towns: Auckland, Te Puke, Huntly, Frankton, Nagarauwahia, Napier, Waitara, Rangataua, Wanganui, Palmerston North, Levin, Wellington, Blenheim, Nelson, Westport, Greymouth, Christchurch, Temuka, Timaru, Dunedin, and Invercargill.
WORKERS’ DWELLINGS ERECTED UNDER 1910 ACT, MARCH 31, 1913.

### Locality

<table>
<thead>
<tr>
<th>Locality</th>
<th>Number of—</th>
<th>Average cost of—</th>
<th>Average annual installments, (including fire insurance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellerslie and Otahuhu, Auckland</td>
<td>3</td>
<td>$520.72</td>
<td>$1,279.89</td>
</tr>
<tr>
<td>Wanganui</td>
<td>3</td>
<td>642.38</td>
<td>1,879.60</td>
</tr>
<tr>
<td>Palmerston North</td>
<td>4</td>
<td>613.18</td>
<td>2,073.13</td>
</tr>
<tr>
<td>Island Bay, Wellington</td>
<td>5</td>
<td>554.78</td>
<td>1,956.33</td>
</tr>
<tr>
<td>Sydenham and Addington, Christchurch</td>
<td>4</td>
<td>355.25</td>
<td>1,905.53</td>
</tr>
<tr>
<td>Temuka</td>
<td>5</td>
<td>394.99</td>
<td>2,160.54</td>
</tr>
<tr>
<td>Timaru</td>
<td>6</td>
<td>394.99</td>
<td>2,160.54</td>
</tr>
</tbody>
</table>

### EXPENSES OF ADMINISTRATION.

[Source: Workers' Dwellings (Report on) by the Hon. Minister of Labor (1911-12—1912-13).]

<table>
<thead>
<tr>
<th>Year</th>
<th>Total expenses</th>
<th>Administrative expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount.</td>
<td>Per cent of total.</td>
</tr>
<tr>
<td>1911-12</td>
<td>$111,701.60</td>
<td>$1,226.19</td>
</tr>
<tr>
<td>1912-13</td>
<td>225,256.45</td>
<td>1,247.47</td>
</tr>
</tbody>
</table>

### OCCUPATIONS OF PURCHASERS.

An examination of the latest available report under the act shows that out of 43 purchasers of homes for whom reports are shown 12 were ordinary laborers. The other occupations represented were plasterer, tailor, plumbers (4), printers (2), bricklayer, street-car motorman, railway employees (3), gardeners (2), carpenter, joiner, Carter, wagon maker, printer’s assistant, presser, clerk, baker, driver, optician, shoemaker, housewife, jeweler, flax dresser, and butcher.

### LIFE INSURANCE GUARANTY.

The department of labor under whose administration the act lies has made arrangements with the Government life insurance department by which any purchaser of a worker’s dwelling may insure his life for the amount that may be owing on his dwelling at the time of his death if such should occur before completing payments. Under the special rates given, at 30 years of age for example, a purchaser of a dwelling costing, for instance, $2,725, would insure the payment of any balance due on his loan in the event of his death by a premium payment of about 65 cents a week or $34.80 a year.
BENEFITS OF SYSTEM.

Some benefits from the act pointed out by the superintendent of workers' dwellings in his report to the minister of labor are thus summed up: "Except for the deposit of £10 ($48.67) no capital is required; the land is cheap, the Government being able to secure convenient blocks at a lower price than is ordinarily paid for single sections; the cost of erection is reduced to a minimum; there are practically no legal charges, and every facility will be given to purchasers to pay any extra sums off the principal owing whenever they may be able to do so." (1911 Report, p. 2.)
An important act was passed [May 6, 1913] to encourage housing accommodation in cities and towns. This law enables city or town councils to guarantee the bonds of an incorporated company with a share capital, whose main purposes are the acquisition of lands in or near a city or town in Ontario, and the building thereon of moderate sized dwellings to be rented at moderate rents, if the council is satisfied that additional housing accommodation is urgently needed, and provided that the main purpose of the company is to help in supplying need and not to make profits. The by-law guaranteeing the bonds must be approved either by the ratepayers or by the provincial board of health. Before the guaranty is given the location of the lands selected and the general plans for the houses shall be approved by the council, or a committee thereof. The total amount of the securities to be guaranteed shall not in the first instance exceed 85 per cent of the value of the lands and improvements. A council which guarantees the bonds of such a company may be represented on the board of directors by one member of the board. The company may not declare a dividend exceeding 6 per cent per annum, but if the dividends in any year do not amount to 6 per cent, the deficiency with interest may be made up in any subsequent year or years. Any profits remaining after paying a 6 per cent dividend, making up any deficiencies, and providing a reasonable contingent fund, shall be expended in acquiring more lands, improving the housing accommodation, or redeeming the capital stock. The shares so redeemed shall not become extinct, but shall be held by a board of trustees.

Under this act and very shortly after its passage, the city council of Toronto voted to guarantee bonds to the amount of $850,000 in favor of the Toronto Housing Co. This company had been very active in pushing the above legislation.

CUBA.

The law of July 8, 1910, authorized an appropriation of $1,300,000 for constructing 2,000 houses for workmen, to cost $650 each, to be sold to laborers of good character, who could become the owners by paying a small monthly rent. Since this law was promulgated about 1,000 houses have been built in the Provinces of Habana, Pinar del Rio, and Santa Clara. Up to this time no houses have been constructed in Camaguey Province.

The provincial council of Oriente Province, in conformity with this law, decreed on January 14, 1914, that 250 such homes should be immediately constructed in Santiago and other towns, as follows: Santiago de Cuba, 120; Holguín, 18; Manzanillo, 18; Guantánamo, 16; Baracoa, 6; Bayamo, 6; Victoria de las Tunas, 6; Puerto Padre, 6; Jiguani, 6; Palma Soriano, 6; San Luis, 6; Caney, 6; Alto Songo, 6; Mayarí, 6; Sagua de Tánamo, 6; Banes, 6; Gibara, 6.
CHILE.¹

The Chilean law of February 20, 1906, which was framed after investigation of such measures as have been demonstrated in the experience of other countries to be efficacious and practical, establishes departmental councils of dwellings for laborers, whose powers and duties are:

(a) To promote the construction of sanitary houses at a moderate cost and to encourage the formation of associations for such purpose.

(b) To inspect the sanitary conditions of dwellings and to order the repair or demolition of such as have been declared unhealthful or uninhabitable.

(c) To construct sanitary dwellings with such funds as have been or may be granted by the State, or donated or bequeathed for this purpose.

The most important of their functions is the power to declare dwellings for rent to be uninhabitable or insanitary, and to issue a peremptory order for their demolition or repair within a specified time. The proper authorities may, after the expiration of the time specified by the notice, proceed to close or demolish such building at the expense of the owner. However, an appeal from such order may be carried to the probate or civil courts.

The owners of all buildings constructed in conformity with the law and declared by proper authority to be sanitary are allowed the following privileges and exemptions for a period of 25 years:

(a) Exemption from fiscal and municipal taxes.

(b) The right to use drinking water supplied by the Government or municipality, not in excess of 100 litros (26.42 gallons) per day per family at a cost equal to 10 per cent of the ordinary price.

(c) The municipality will at its own expense lay the pavement on the street with stone or asphalt and install and maintain a street lamp for every 50 metros (164.04 feet).

(d) If connection is to be made with a sewer system the municipality will bear the expense of such connection.

(e) If the buildings occupy 20 or more city blocks the municipality will install a sewer in the street and extend the service of drinking water, provide for public gardens, and for at least one free public school, and in streets 20 or more metros wide (65.61 feet) will set aside a strip 4 metros (13.12 feet) on each side as parking.

¹ Las Habitaciones Obreras en Chile i en el Estranjero.—Published by the Oficina del Trabajo, Santiago de Chile, 1911. 148 pp. and 2 folders.
The loan fund (Caja de crédito hipotecario) will grant loans not in excess of 75 per cent of the value of the building and land, provided insurance against fire is maintained in responsible companies.

Special privileges are allowed societies or companies which build moderate priced sanitary houses. Public authorities are authorized to sell public lands within city limits in lots not exceeding 1 hectare (2.47 acres) in area on condition that within one year houses shall be erected thereon for laborers. One-third of the purchase price is payable at the time of sale, and the balance in 20 annual payments, with interest at 3 per cent per annum. The greatest benefit accorded certain of these societies is that which authorizes the President of the Republic to insure under Government guaranty for a term of 20 years an income of 6 per cent per annum on the capital invested, provided such investment is not less than 500,000 pesos ($182,500).

Municipal authorities may build within the limits of their respective municipalities sanitary, moderate-priced houses for rent to the laboring classes, with or without promise of sale.

The law protects the home of the workingman from alienation during the minority of his heirs.

The President of the Republic is authorized to invest not to exceed 600,000 pesos ($219,000) in the construction of sanitary houses for laborers and the lower-paid employees of the State industrial establishments. This authorization was principally for the benefit of State railroad employees.

A later law (July 16, 1907) provides for a loan of 6,000,000 pesos ($2,190,000) to be used in the construction of sanitary houses for laborers in cities having a population in excess of 8,000. The superior council of dwellings has already begun the construction of 100 such model houses in the city of Santiago. The price of these houses will be about 5,000 pesos ($1,825) each and they will be sold by the Santiago Savings Bank on an easy-payment plan ranging from 40 to 50 pesos ($14.60 to $18.25) per month, including interest and an amount to be credited to purchase price, which amount varies according to the terms stipulated in the contract.

Notwithstanding the various and generous provisions of the law, very little has been done. In only two or three large centers of population have the departmental councils been organized, and in only one has any effort been made worthy of mention. Neither have the municipalities undertaken any operations under the provisions of the law nor has private capital been interested in the project.

It has been calculated that the interest resulting from an investment in such building operations would yield from 12 to 15 per cent to the investor, and that in no case would it be below 10 per cent.
consideration of the liberal provisions of the law, explanations are sought for this lack of interest. A certain lack of initiative among the Chileans, to which must be added the scarcity of capital, and the difficulty in accumulating a sufficiently large amount; and, with foreign investors, lack of knowledge of the law, are offered as reasons for the inactivity shown. There has been no effort made to advise foreign banking institutions or loan associations of the provisions of the law.

The most difficult question for solution at present is in reference to the betterment of dwellings already constructed. The bureau of labor has recently completed an investigation in the principal cities of the Republic relative to the renting of laborers' dwellings, and the density of population in the tenement districts. It was found that in such sections an average of three persons lived in a single room, while in some sections the average approximated four persons. According to the annual statistical abstract (Anuario Estadístico) of 1909 there were 72,076 persons in 1,251 tenements in Santiago, having 17,314 rooms, or an average in excess of four persons per room. In many instances a laborer's family consisting of five, six, or even more persons was compelled to occupy one room.

To these conditions alone is ascribed the excessive death rate of the country. The birth rate is greatly higher than that of Europe and America, and yet the population remains practically stationary. It is argued that this condition is due to the insanitary conditions existing, producing a death rate of 32.2 per 1,000, of which deaths 38.2 per cent are of children under 1 year of age.
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