

# PATHFINDER

DIGEST OF WORLD AFFAIRS

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## HOUSING—

### American Goal: New Homes For Old



*A Sample of Housing, Before and After: The \$3,000,000 PWA Techwood Project Ended a Big Slum Area in Atlanta, Georgia*

**A PENTHOUSE** overlooks a slum. A road winding past a mansion leads to a hovel. Of such contrasts is the pattern of the American housing problem woven.

With contrastiness of that sort, the pattern can scarcely be better than a crazy quilt. And "crazy quilt" best describes the situation in the United States. Based on the question of sufficiently low cost alone, this country can be said to have no modern housing. There is perhaps one inexpensive dwelling for every 3,000 families which meets strictly up-to-date requirements for health and comfort—no more than 5,000 or 10,000 in the entire country.

In Europe there have been 6,000,000 modern housing units built since the World war. England, Germany and Holland, with a combined population equal to the United States, have 4,500,000 modern homes—about one to every seven families, as against America's one to every 3,000.

It is not that the United States has been behind in building. There was a 10-year period beginning in 1920 during which houses were erected with such rapidity that a joke of the period, with almost a trace of truth in it, told of a person staring at a skyscraper and muttering: "Why, that wasn't here yesterday."

**BURST BUBBLE:** But the joke turned grim. For the housing boom of

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the 20's was a careening, speculative affair which left in its wake a trail of tenements, clapboard bungalows, abortive construction units, vacant lots and evictions.

to provide the physical benefits of modern civilization but breed disease . . ."

Congress will shortly find itself being called upon to debate the Low-Rent Housing and Slum Clearance bill of Senator Wagner. It will also be called upon to extend Title I of the Federal Housing Act which provides for insured small loans for modernization.

To discuss a 10-year program for slum-clearance and rehousing of low income groups, the fourth National Public Housing Conference met last week in Washington. To drive home to the public the program's needs, Mrs. Roosevelt, Senator Wagner and Langdon Post, chairman of the New York Housing Authority, were slated as speakers. To insure a practical application of the lesson, invitations to attend were sent to Governors of 36 States.

The unpleasant facts on the American housing situation abound. Of the millions of homes (including private dwellings and apartment houses) in the United States, about half are rated below even average standards of comfort and health.

**THE PICTURE:** A statistical picture was drawn by the Department of Commerce in 1934 but, as with all such pictures, only part of the story is told and it is a dry-as-dust story replete with figures and percentages that obscure underlying squalor and human misery.

The Departmental survey of 64 typical American cities included a study of 1,500,000 buildings. Results showed one-sixth to one-fifth of the residences to be not only unfit for habitation but definite social handicaps. Some of the figures follow:

¶ 18.1 per cent needed major repairs or were not suitable for humans (everyone has seen these: for example, wooden huts hanging precariously over railroad tracks).

¶ 16.7 per cent were more than 40 years old (mouldy brownstone houses, all jammed against each other in murky sidestreets).

¶ 20.6 per cent rented for less than \$15 a month (the kind where families sit on cracked stoops and struggle for breath on summer nights).

¶ 16.8 per cent were overcrowded (children of both sexes huddled together in dank rooms without air or light).

¶ 8.1 per cent were without gas or electricity (where tired laborers fumble their way in smelly hallways).

¶ 5 per cent were without running water; 13.5 per cent had no private, indoor toilets (an insanitary privy in a garbage-strewn backyard).

The survey was comprehensive enough to indicate, if it had not already been known, that something was



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seriously amiss with America's vaunted highest standard of living in the world. Government attempts to correct conditions had been made many times but almost all had ended in failure until the past few years.

**FEDERAL AID:** Then, a few projects were started to ameliorate the situation, to help those who could not afford decent homes, or could not pay for modernization, or lived in constant fear of mortgage foreclosure. These undertakings were put forward and met with some measure of success.

Housing projects were carried out under the Public Works Administration and the Resettlement Administration. Today the PWA program, which started with the \$3,000,000 Techwood development in Atlanta, Ga., has 50 projects in 35 cities. The largest slum clearance low-rent housing project is underway in New York City—the \$12,634,000 unit in the Williamsburg section of Brooklyn—designed to provide 1,463 families with homes at a monthly cost of \$6.57 a room.

To aid in buying homes, the Federal Housing Administration was set up under the National Housing Act, approved June 27, 1934. The FHA was authorized to insure mortgages for the construction of new homes and the refinancing of homes already built. Authority was also given to guarantee short-term loans for home modernization.

The financing program was a long-term arrangement, with the borrower paying 20 per cent down and the remainder in installments of as low as \$20 or \$25 a month, including interest, taxes and insurance premium payments.

At present the FHA is sponsoring the building of more than 1,000 small demonstration houses in as many cities, with the cost to range from \$2,500 to \$3,500. It is the belief of the FHA that 71.2 per cent of American families have incomes permitting the purchase of homes costing less than \$5,000.

As an emergency agency to halt the flood of mortgage foreclosures the Home Owners' Loan Corporation was set up in 1933. Since that time the HOLC has loaned about \$3,000,000,000 to protect a million homes. Lending operations of this agency were ended June 12, 1936, and outstanding bonds must be redeemed by 1951.

To provide more direct aid in home financing, and because more than half of the 3,053 counties in the United States had no home-financing facilities, a Federal Home Loan Bank Board was created. Through this medium, control was wielded over loans of millions of dollars to spur additional construction.

**NEXT STEP:** These agencies struggled to help home-owners caught by the undertow of the depression. But the work was scattered and in some cases overlapping. Accordingly, the Wagner bill would provide a key to unravel the present complicated system and would seek to set up some co-ordinating agency.