

THE
**HOUSING
PROBLEM**

HD7
D48

A STATEMENT OF THE
PRESENT POSITION

April, 1923.

PRICE ONE SHILLING.

Prepared by the Housing Sub-Committee
OF
THE CONSULTATIVE COMMITTEE OF WOMEN'S ORGANISATIONS,
5, York Buildings, Adelphi,
W.C.2.

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Prefatory Note.

AT a meeting in December, 1922, of the Consultative Committee of Women's Organisations, a co-ordinating body representing 63 different Societies, it was agreed that much ignorance prevailed on the many and complicated problems involved in the Housing question. It was therefore decided to prepare a Pamphlet showing how houses had been provided in the past, the difficulties of the present position, and the alternative methods of remedial action.

The Housing Sub-Committee appointed to draft the Pamphlet in consultation with experts, are aware that several points have not been touched upon at all, and that others have been dealt with too briefly; but it was not intended to draw up more than an outline, which might be of educative value in the present crisis, and might form the basis for discussion and further study by branches of women's organisations and other Societies.

The purpose of the Pamphlet is informative only, and the Sub-Committee do not hold themselves responsible for any suggestions made. Part I. contains a reasoned Statement of the present Housing Shortage, its causes and effects; and Part II. examines briefly and impartially the various Current Proposals for meeting the Shortage.

April, 1923.

NOTE.—This Pamphlet went to press before the Government Housing Bill was published.

**THE
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A STATEMENT of the PRESENT POSITION.

PART I.

STATEMENT OF THE PROBLEM.

(A)—Provision of Houses in the Past.

It has been thought by many people that the Housing problem did not exist before the war, others admitted that housing accommodation left room for improvement, but only a few realised that the needs of the population were by no means met, and that the standard was often very low. The following extracts from the Land Enquiry Committee of 1913 shed some light on the situation in that year:—

URBAN DISTRICTS.

“ We find that the majority of the urban population have to live in houses which are overcrowded to the acre, which are usually built in long, dull rows without sufficient open space, and which, in addition, are often defective in various ways; that a considerable proportion have still to live in houses which are so injurious to health as to be unfit for human habitation, and that one-tenth of the population have to live under conditions of gross overcrowding.

RURAL DISTRICTS.

“ Taking into account both the existing scarcity, and also the scarcity that would be created if the Housing Acts were properly enforced, as far as can be estimated, at least 120,000 new cottages are required for the present time in England and Wales.

“ This large demand for cottages is at present being met neither by private enterprise nor by Local Authorities.”

Houses have been provided under the various systems described below, and, while the growing tendency is to look to the State or Municipal Authorities for the supply of smaller houses, it is true to say that, in the past, the majority of houses were provided by other means. Even including the houses built under the National Housing Scheme of 1919, not more than 5 per cent. of the homes of the country have been built by public bodies.

1. Cast-off Houses of the Middle Classes.

The weekly wage-earner in many urban districts has, to a large extent, in the past, been housed in the house built for people better off than himself. In most English towns, especially in London, it is a commonplace that when a district ceases to be inhabited by the rich or moderately well-to-do, its homes are divided up among several working-class families. Houses divided in this way have generally not been adapted for the use of several families, and in consequence they constitute almost the worst possible living conditions. Attempts have been made to meet the evil by legislation insisting on the provision of water supply, etc., on each floor, but short of actual structural alteration, no remedy can be really effective.

It has to be borne in mind that these "made down" houses are not always very large (frequently from six to ten rooms), nor are they always very old, and they are often houses which were in the first case built for skilled artisans, and have now become multi-family houses for the casual and unskilled labourer. There are areas covered with five to six-roomed houses, which were built towards the end of last century, where there is now a high average number of families per house; and other areas of four-roomed houses where the deterioration of the district was recognised 20 or 30 years ago when kitcheners were put in upstairs, on the assumption that no cottage would be let as a whole to one family.

Where the house was originally of the better class, decay in the character of the district has not necessarily meant a loss either to the ground landlord or to the leaseholder. In many cases the rent exacted from the several families is more than the original rental of the house, and ground which was meant for gardens has been profitably let for industrial or commercial use. Some landlords have tried to control the impoverishment of a district by dividing the houses into flats, and, where this has been done to any extent, the change in the character of the tenants has not, generally speaking, resulted in the creation of really bad housing conditions. Attention may be drawn here to the provision in the Housing Act of 1919, which gave permission to over-ride clauses prohibiting the conversion of

houses into flats, where a change in the character of a district can be proved to the satisfaction of a county court.

2. Building by Private Enterprise.

The incentive to private building in the past has been very largely the profit to be derived from developing land on the outskirts of towns. The private builder has frequently been a man in a small way of business, who has often had to rely on the landowner for the provision of part of his capital, or he may have borrowed it from a banker; he was able to build economically because he employed a small staff and was himself constantly on the job. Houses, when built, have generally been sold to an investor, the builder taking the profit, and, with the proceeds of the sale and the backing of another land developer, he has erected other houses. The frequency of builders' bankruptcies has, however, reacted unfavourably both on the conditions of employment in the building trade, on the quality of the houses built, and on the builders' merchants.

An important element in the reduction of supply by the private builder has been the throwing open to the ordinary investor of investments other than building, and, in the United States, one method of meeting the housing shortage has been to urge insurance companies to invest in building. The private builder himself has always been willing to take the chances of a gamble, but everybody else involved—mortgagees, land developers, and investors—have desired security, and it is to the restoration of confidence among these accessories to private building that private enterprise must look, if it is again to take the greater share in the provision of houses.

3. Building by Building Societies.

The operations of building societies have been more extensive in the Midlands and the North than in London. It is reported that in Leeds there has been, of recent years, an increasing tendency for the professional and middle classes to avail themselves of facilities given both for saving and borrowing of securities on real estate. A building society cannot, of course, operate except where there is a considerable desire to own houses. Societies have been accustomed to lend up to 80 per cent. of the value of a house on valuation, and at the present time it is being asked on behalf of societies that the Government should guarantee the margin between the amount loaned and the cost of the house.

4. Building by Public Utility Societies.

Public Utility Societies were brought into operation by the Housing Act of 1909. Their essential feature is that they are societies which attract groups of people anxious to

build on something like a co-operative basis, or employers or others who desire to see houses provided for members of the working classes. They are registered under the Industrial and Provident Acts, 1893, and are prohibited from paying interest at a rate of more than 6 per cent. (before the war 5 per cent.). The 1909 Act assisted them by making it possible for them to borrow two-thirds of the approved value from the Public Works Loan Board. The 1919 Act extended this assistance by making the loan obtainable to three-quarters of the approved cost, and giving a subsidy towards the repayment of the loan and charges, 30 per cent. throughout the period of the loan, and an additional 20 per cent. up to the year 1927.

About 100 Public Utility Societies were formed before the war and built 8,000 houses; since the war another 80 societies have been formed and 4,400 more houses have been built. The rules of a Public Utility Society provide for a certain measure of collective control, and the psychological basis of the societies is such, that the estates are generally better laid out and better built than under the Local Authorities or the speculative builder. The portion of capital which has to be raised privately is derived partly from the tenants themselves, who, according to rule, must invest a certain minimum, and partly from private individuals and commercial or industrial undertakings.

In the view of some housing experts, it is a matter of regret that the Public Utility Society movement was not more developed in this country before building was rendered impossible by war and post-war conditions; and that organised bodies of workers, trade unions, friendly societies, temperance lodges, and co-operative societies had in so few instances formed themselves into societies for the provision of dwellings for themselves and their families.

Any further measures which the Government could take to stimulate the formation of societies of this kind is considered by many a sound method of giving State help, because, in these circumstances, the building of houses would require little supervision. In addition, the problem of management is solved, because the tenants themselves are responsible. The idea combines the advantages of private ownership with living in a house to which one is not tied. Owners who wish to move may do so and may withdraw their investment, the societies taking the responsibility of finding another occupant and investor.

5. Building by Housing Trusts.

Generally speaking, Housing Trusts in urban districts date from the wave of enthusiasm for improved housing conditions, which resulted in the Royal Commission of 1880. At that

time, largely under the influence of Miss Octavia Hill, the urgent thing was felt to be the housing of the working classes near their work. The municipalities were prepared, in order to meet their housing obligations, to sell land very cheaply to bodies which undertook the erection of working-class flats, and considerable evidence will be found, in the proceedings of the 1880 Commission, of feeling on the part of commercial bodies that semi-philanthropic bodies were in this respect unduly favoured by the municipalities.

The Peabody Trust was founded in 1862, and is believed to be the first body which set out to meet the need for working-class houses on a philanthropic basis. Other Trusts now working in London are the Lewis, the Guinness, and the Sutton Trust. The Peabody Trust, which may be taken as representative of all similar Trusts, had by the end of 1914 expended on land and buildings £1,859,796, and had built 25 blocks in various parts of London, as well as cottage schemes at Herne Hill and Tottenham. Before the war the Trust would not take as tenants in most of their blocks any man earning more than £2 per week, though there were cases where the income limit was £2 10s. Since the war the income limit has been doubled, and is now £4 and £5. The general financial aim is a net annual income of 3 per cent., which is not always realised.

The standard of houses provided by Trusts is usually quite good, but in many of the Peabody Blocks several flats share water tap, W.C., etc., and even the modern block at Westminster has not yet reached the point of providing a separate bath for each family, though in other respects their flats are now self-contained.

Besides these philanthropic Trusts, there exist companies such as the Artisan and General Labourers, or the Improved Industrial Dwellings Company.

6. Building by Building Guilds.

The comparatively recent Building Guild Movement seeks to improve conditions in the trade and to remove the existing friction between employers and operatives. The main features of the Movement are: the payment of a continuous wage during both unemployment and employment; the introduction of a measure of workers' control and management; the elimination of the middleman's profit by borrowing capital at a fixed rate of interest.

Two main difficulties which have mitigated against the success of building guilds are the lack of credit and capital and the opposition of the Trusts which control the supply of building materials. An attempt is being made to finance the production of building materials by the Guilds themselves, and it is expected that when they are firmly established more capital

will be available. There remains the problem of the internal organisation of Guilds, and the difficulty of combining discipline and efficiency with collective responsibility.

The latest development of the Guild principle is Guild Housing, Limited, which is the first of the new Guild contractors. Its Board of Directors is based upon the membership of Trade Unions and the Technical and Administrative Organisations of the Building Industry, and, includes, in addition, representatives of the organised consumer.

7. Municipal Housing.

The actual cause which led public authorities to take up house-building was the proved fact that there were families whose needs were not being met by private enterprise, nor by the cast-off houses of better-to-do people, nor by the provision of employers or charitable trusts.

Though Municipal Authorities have been largely concerned with slum replacement, in certain districts even before war, they built new houses to meet the increasing demand.

The advantage possessed by municipalities over private builders has been that they were able to obtain loans from the Government at a low rate of interest, and that they expected no profit. This enabled them to re-house people displaced by slum clearances in or near the site to be cleared, where the value of the land was such as to put ordinary economic building out of the question. Before the Housing Act of 1919, municipalities had to pay a fair market value for the land thus acquired; but the 1919 Act allowed them to acquire the land at its housing value. It is perhaps worth noting that the London County Council have endeavoured to mitigate the un-economic character of slum clearance building by catering deliberately for people able to pay a higher rent than those who were displaced, whereas Liverpool has succeeded in re-housing in the new buildings some 90 per cent. of the persons displaced. It is doubtful if the saving effected in this way in London has in any sense offset the harm done by dispersing former tenants, thus causing overcrowding in districts where it did not exist before.

250/2
2253
75
44
300

(B) Present Position of the Housing Problem.

Economic Aspect.

During the twelve years before the war the average number of houses of an annual rateable value of £20 or less built yearly to replace worn-out dwellings and house the increase in population was 76,000. ¹

In spite of the fact that nearly a million men lost their lives in the war, only about 25 per cent. of these deaths involved the break-up of a home, and the balance of population was somewhat restored by the suspension of emigration. It is, therefore, safe to say that the annual requirement during the four years of the war was the same as before, and that the accumulated shortage at the armistice amounted approximately to 300,000 houses. ²

Since the number of houses built during the four years following the armistice is not more than 250,000 (this includes houses built by Public Utility Societies, the private builder, etc.), neither has the shortage been diminished, nor has anything been done since that date to keep abreast of the annual requirements; hence, the shortage is now actually greater than at the armistice.

The situation is further complicated by the fact that marriages in 1919, 1920, and 1921 reached the phenomenal number of over a million, and it is the number of families, not the gross amount of population, which is the real factor in the housing problem.

There are eight million homes in this country, of which about seven million are of £20 or less in rateable value, and of these two millions are slum dwellings. It is therefore estimated that to make good the war shortage, to keep pace with normal requirements, and to re-house the slum dweller 200,000 new houses are needed per annum for the next 20 years.

The indictment of present housing accommodation is heard on all sides, and the demand for new houses grows more and more insistent, but it is only by reference to economic conditions that the acute shortage can be explained, or the many

¹ See Appendix I

² This figure refers to the number of houses which might have been built if there had been no war, while the familiar figure of 500,000 quoted by many writers on housing is based on a calculation of the number of houses required at the armistice to bring up the standard to what it ought to be in this country. Other authorities put the figures as high as one million. Calculations, however, inevitably vary according to the assumptions on which they are made.

obstacles to building be realised. The fundamental questions at the root of the housing problem are the relation of wages to rents, the supply of capital for building purposes, the organisation of building labour, and the control of materials. The salient feature of the present economic situation is the discrepancy between an economic rent and the paying capacity of the ordinary wage-earner.

COMPARATIVE COST OF BUILDING.

The three factors which contributed to the high cost of building immediately after the armistice were the lack of men, materials, and transport. Before the war a cottage could be built for £150 to £300, while in 1920 the price ranged from £500 to £1,150.

The loss on each house built under the Addison régime is estimated at 25s. a week, or £60 per annum. In justification of a policy which produced houses at such an enormous loss, it must be remembered that the cost of production after the war in all fields of activity was abnormal, and furthermore that the building power, absorbed by factory-owners in industrial repairs and reconstruction, greatly enhanced the cost of building generally.

Turning to the present, the cost of building cottages varies considerably in different parts of the country, and is higher in the North than it is in the Midlands and West.

A cottage with three bedrooms, bathroom, parlour, living-room, and scullery may now be built for £350 to £450. It is possible to cut these prices down by £50 if the sizes of rooms are reduced and other amenities sacrificed. To this must be added the cost of land, roads, and sewerage, etc., and from £50 to £100 is a fair average for these. The usual all-in cost is therefore about £400 to £500 for the parlour cottage; one without a parlour may be built for about £50 less. The fall in costs may be attributed generally to the universal decrease in the cost of living, and in particular to three main causes, namely, increased output in the building trade, the fall in the price of building materials, and the reduction of wages in the building trade. It is sometimes said that the high wages of building operatives are the main factor in keeping up the cost of building; but it may be pointed out, first, that though the building trade has been able to maintain a higher standard than some other industries, there has been a real drop in the standard rates of payment; and, secondly, that rates of pay ought to be higher in an occupation which is seasonal and precarious than in an industry where work is stable and more evenly spread. In any case, wages are only one item in the cost of

actual construction; they vary considerably, but they are usually estimated at approximately 45 per cent. of the total cost.

Two other factors which have helped in the past to keep up building costs are, first, the policy of restriction of output pursued by the building operatives; and, secondly, the uneconomic system whereby both contractors and architects are paid a percentage of the costs. Further, the fact that nearly 90 per cent. of the essentials in house construction are in the hands of combines means that prices in this country are kept up, and that attempts to buy more cheaply abroad are circumvented.

It has been suggested in some quarters that the Government Costing Department should appoint officials to investigate costing and fix prices. But it must be pointed out that though some kind of control may seem desirable, it is very difficult to apply, and that any interference with the natural interactions of supply and demand often has unforeseen and injurious effects. Control might result in no materials, instead of cheaper ones. The immediate effect of sudden building operations, carried out on a large scale, would be to send up the cost of houses, but if operations were undertaken gradually the capacity for output in the building trade should expand to meet the increased demand.

RENTS AND WAGES.

A comparison of pre-war and post-war rents and wages shows that the present deadlock in house-building is mainly due to the fact that a rent, which will bring in an adequate return to the builder for his outlay is beyond the income of that grade of workers, who most urgently require increased accommodation and for whom the new houses are intended¹

Predominant weekly rents, including rates, in London or 1912:—²

	Inner Zone.		Middle Zone.		Outer Zone.	
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
2 rooms ...	5 0	to 8 0	4 0	to 7 0	—	—
3 rooms ...	6 6	to 10 0	5 6	to 9 0	5 0	to 8 0
4 rooms ...	—	—	7 0	to 10 6	6 0	to 9 6
5 rooms ...	—	—	8 6	to 13 0	7 6	to 11 0
6 rooms ...	—	—	10 0	to 15 0	8 6	to 12 6

¹For comparative expenditure on Food, Rent, Clothing, etc., see Appendix II.

²Cost of Living Enquiry, 1912. Cd. 6955.

Average weekly rents, including rates, in England and Wales:—¹

	s.	d.
2 rooms, covering 16 towns	3	7
3 rooms, covering 38 towns	4	2
4 rooms, covering 67 towns	5	1
5 rooms, covering 69 towns	6	2
6 rooms, covering 29 towns	7	7
In Scotland:—		
2 rooms, covering 10 towns	4	0
3 rooms, covering 10 towns	5	8

Under the operation of the Rent Restriction Acts the average increase in the above inclusive rents from July, 1914, to February, 1923, has been about 50 per cent.

The new houses are let at uneconomic rents, which vary enormously; in the Midlands and North of England they range from 7s. 6d. to 8s. 6d., exclusive of rates, for non-parlour houses, and 9s. to 10s. 6d. for parlour houses; in London they are sometimes over £1, and in rural districts 4s. 6d. If erected by private enterprise, the rent is anything from 15s. to 25s., with the result that, usually, either the tenant is not of the labouring class at all, or the house is occupied by several families who share the burden of the abnormal rent. There are Selection Boards for the new L.C.C. houses, and if it is considered that the rent for one of these is too large in proportion to the income of the applicant, he is refused a house, even though he himself may be willing to pay the high rent. At the present moment, if £500 be taken as the all-in cost of a new cottage, it is estimated that the private builder will be bound to ask a rent of £1 per week plus rates. In view of the fact that only one million householders are at present paying more than 10s. a week rent, there seems little likelihood of many being able to afford the £1.

The following table of agricultural wages ² will indicate the curve of wages in general between the years 1914 and 1922, and it will be seen that in some districts the agricultural labourer was earning as much as 52s. 6d. a week in December, 1920, whereas to-day he may only be earning 25s. a week.³

¹ Cd. 6955.

² Labour Research Department.

³ For wages of miners, printing and railway workers, see Appendix III.

	Dec. 1914.	Dec. 1918.	Dec. 1920.	Nov. 1922.
	s. d.	s. d.	Peak rate. s. d.	Lowest rate. s. d.
Cheshire	18 0	36 0 ³ / ₄	52 6	32 0
Essex	14 8	33 0	46 6	6 ¹ / ₂ d. an hour
Leicester	17 2	31 0	46 0	28/0—31/6
Norfolk	14 0	30 0	46 0	25 0
Northumberland ...	21 0	36 0	50 6	32 0
Somerset	15 4	30 0	46 0	30 0
Suffolk	13 7	20 0	46 0	6d. an hour
Yorks	18 6	35 0	49 0	30 0
Glamorgan	20 2	35 6	50 0	33 0

It may be pointed out that the rise and fall of wages in most trades corresponds roughly to the cost of living,¹ and it is the fall in the latter which has reduced the wage rates in these trade. It is noticeable that the lowest wage-earners pay the highest proportion in rents (the average is between one-fifth and one-sixth of total income), and only an all-round increase in wages, unaccompanied by a rise in the cost of living, would enable workers to pay an economic rent. The conclusion is therefore reached that the gulf between their rent capacity and the charges to be met can only be bridged, either by a wholesale increase in wages, or by a subsidy from public monies.

THE BUILDING TRADE.²

It is sometimes asked why a marriage cannot be effected between unemployment and the housing shortage, which would result in homes for the homeless and work for the workless. On the face of things it seems incredible that the idle men should not be put on to work which so urgently needs doing, and that their unearned dole should not be converted into a well-earned wage, when such a plan would obviously constitute an immeasurable benefit to the whole community.

There are, of course, many causes at work which prevent this desirable arrangement being put into practice, and while it is undoubtedly true that the opposition of the building trade to dilution is an important factor, the main reason why the unemployed do not build houses is that they are totally untrained and unfit to do so. It may be argued that building involves much unskilled work which these men are perfectly capable of doing, but no advance will be made unless the number of skilled men, and in particular of "key men," is increased in the same proportion. With some justice it may be said that if this had been realised earlier, skilled masons, etc., would by this time have been trained. It cannot be denied that the

¹ For table illustrating the changes in value of £1 in food, see Appendix VI.

² For wage rates in Building Trade, see Appendix V.

building trade is mainly responsible for the shortage of skilled men, but it must be borne in mind that every group, whether trade or otherwise, has to fight for its own interests; furthermore, the unprecedented demand for houses is temporary, and, when in the course of time it diminishes, there will be a slump in building, resulting in unemployment, not only for the new operatives, but also for the original men in the building trade.

It is stated that the number of men in the building industry at the present time is only 60 per cent. of the number engaged in 1911, and in this connection the following table¹ may be of interest:—

	1910.	1914.
Number of masons engaged	73,012	34,381
Number of slaters engaged	9,796	4,154
Number of plasterers engaged	31,301	19,476
Number of bricklayers engaged ...	115,995	73,671

An even more serious side to the question is the fact that in the building trade itself there are at the present moment nearly 160,000 men idle. In some cases it is true that the incidence of unemployment is greater in one class of operatives than another (for instance, there may be numbers of bricklayers out of work in one district, while all masons are employed), so that if capital for building purposes were forthcoming, all these unemployed would not necessarily be absorbed. This does not, however, defeat the criticism that it is bad national economy to give in doles money, which might be profitably spent in the construction of houses. It was stated by the Minister of Labour, in January, 1923, that there were "152,188 unemployed operatives in the building trades, and that they received about £108,500 a week in unemployment benefit." "This sum would enable 271 houses to be built at £400 each; 271 houses a week is over 14,000 houses a year."²

With regard to wages and hours in the building trade, if the proposals recently balloted on by the operatives are enforced, the following figures represent the position of building craftsmen and building labourers in the highest paid centres:—

	Hourly rate proposed.	Per cent. increase on 1914.	Weekly rate proposed 44 hours.	Per cent. increase on 1914.
	s. d.		s. d.	
Craftsmen	1 6	80	66 0	61
Labourers	1 1½	107	49 6	86

The cost of living figure for February 1st, 1923, was 77 per cent. increase on 1914.

¹ Government paper, "Housing," Sept., 1920.

² Mr. Arthur Henderson, in "Daily News," 12/3/23.

It is clear from this that the employers' proposal would bring the hourly labour cost for craftsmen in close relation with the present cost of living, but the weekly rate for craftsmen, owing to reduced hours, would be well below the general price level.

2. Social Aspect of the Present Position.

It is agreed by all social reformers that better housing conditions lie at the root of progress, and that a large proportion of the money now spent on the social services has actually to be expended in repairing the mental, moral, physical, and industrial evils caused by bad housing.

PUBLIC HEALTH.

Tuberculosis is the cause of 9 per cent. of the deaths of the population. It is a long illness, and chiefly attacks people between the ages of 25 and 40, when they are most likely to have children depending upon them, so that the charge upon Poor Relief is considerable. Sunshine is the best disinfectant, and overcrowding of the population, with its inevitable lack of sunshine and fresh air, always results in a high incidence of tuberculosis. In Wigan, for instance, the Medical Officer of Health reports in 1922 that the incidence of tuberculosis was highest in the Ward where the population was densest, i.e., 5.4 occupants per house and 105 persons per acre. In Liverpool the re-housing of the original inhabitants of a slum area reduced the tuberculosis rate by half. The Registrar-General has estimated, after enquiry, that the total annual direct costs of this disease to the taxpayers of England and Wales is 14 millions. With good housing conditions this might be reduced by half.

Infant Mortality.—"The death-rate of infants is the most sensitive index we possess of physical welfare and the effect of sanitary government."¹ It has been found that infant mortality rates vary in direct proportion to insanitary conditions and overcrowding. For example, in Birmingham, of two districts containing about the same number of working people living, except for housing, in the same circumstances, where housing conditions were comparatively good, the infant death-rate in 1912-1916 was 89, while in the overcrowded area where houses were almost twice as close together, the death-rate was 171 for the same period.¹ In Welwyn Garden

¹ Cmd. 363

Handwritten notes on the left margin of page 20:
 16000
 1533
 102
 530
 6000
 102
 530
 +

City, of the 26 infants born since the first houses were occupied 2½ years ago, actually none have died, nor have any children under five years died in the same period.

General Death-Rate.—It has been pointed out by Dr. Russell, late Medical Officer of Health for Glasgow, that in the eight largest towns in Scotland the general death-rate varies in direct proportion to the number of one-roomed homes found in each¹. In Finsbury the death-rate in 1906 was 6.4 in homes of four or more rooms, while in one-roomed tenements it was 39.

Rickets.—It is a significant fact that the areas in which both rickets and tuberculosis are most prevalent correspond to the industrial and coal-mining districts, in which are found the highest wages and the greatest density of population. Where houses are so close together that people are living more than 100 to the acre, lack of open spaces and sunshine is inevitable. A previous history of rickets, however slight, is invariably associated with those who are numbered among the C.3 population, as has been proved by the examination of recruits; and the C.3 people are a heavy burden on the able-bodied members of the community.

New houses will not be a panacea for all ills, but, in terms of human happiness, the effect of decent housing conditions is incalculable; in terms of money it should be possible to arrive at the approximate amount which could be saved, though there will be grounds for objection to any estimate, whether large or small.²

The Convener of the Dundee Housing Committee has estimated that of about £62,000 spent annually in that town upon Public Health, at least £20,000, or nearly one-third, is spent in combating the evils resulting from bad housing conditions.³ The total expenditure on health in Great Britain in 1919-1920 was £62 millions, and Dr. Addison's estimate that £20 millions of this was spent in repairing the evils of deficient housing confirms the above.⁴ These two estimates do not take into account the expenditure on Education, Poor Relief, and Crime.

EDUCATION.

The Budget estimates for this year are £42 millions for England and Wales, and £6 millions for Scotland, exclusive of the large expenditure on the part of Local Authorities. One child in every six is said to be unable to gain the full benefit

¹ "Housing and Health," Vivian.

² For table showing cost of social services see Appendix VII.

³ "Glasgow Herald," 29/12/1922.

⁴ "Betrayal of the Slums," Addison.

from its lessons because of the state of its health, while one in ten is mentally backward for the same reason. In 1920-1921, of the 7 million children attending Elementary Schools in England and Wales, an average of 8 per cent. were always absent through illnesses; of 2,521,500 examined, 40 per cent. were suffering from physical and mental defects, and 35 per cent. of children under five years of age required medical treatment before they could benefit by attending school. In addition to this, a large proportion of the children have little chance of home study in their overcrowded dwellings, and many of them suffer from lack of sleep owing to noise and lights kept burning. Apart from health, the degrading conditions in the homes of some of the children have a marked effect on their powers of effort and concentration, and this reacts on the teaching staff by imposing an added strain on their patience and ability.

SOCIAL CONDUCT.

With regard to crime, intemperance,¹ and immorality, it is difficult to relate them directly to deficient housing accommodation, but it is clear that the lack of privacy inevitable in overcrowded houses must hinder moral development. Individual behaviour is not so noticeable in a crowd, hence the fear of public opinion is lessened and moral standards generally are weakened. A statement made by the Head Constable of Liverpool is worth quoting:—

"I have no hesitation in saying that the work carried out by the Housing Committee in the demolition of insanitary slum property, and the rehousing of the tenants in the present bright, attractive, and sanitary model dwellings, has had a most beneficial effect as regards the sobriety, good conduct and generally improved demeanour of the residents in the districts affected. . . ."²

Speaking of crime in particular, Alderman Harford of Liverpool, states:—

"From a police point of view the policy of rehousing the dispossessed in up-to-date sanitary houses has resulted in a striking improvement. . . . For instance, in one area the offences of persons residing in the neighbourhood which in 1894, prior to demolition, amounted to 202 per annum, fell in 1904, ten years after rebuilding, to 84, and in 1912, to 4."²

With regard to morale, man is a gregarious animal, but he is not gregarious all the time, and periods of solitude are necessary for his mental and spiritual restoration. Constant noise and interruption leads to an unreflective mental state, characterised by credulity, fickleness, and inability to reason and concentrate. Thus the mental effect of living in a crowd,

¹ For table showing amount per head spent on drink in comparison with staple articles of food, see Appendix VI.

² Memorandum on the Housing of the Dispossessed in Liverpool, by Alderman J. A. Harford, J.P., 1917.

as for instance in a tenement house, is to produce the mob mind, which is more often swayed by lower than by higher motives, a dangerous state of affairs for a democratic nation whose hope of progress lies in level-headedness.

HOUSING AND INDUSTRY.

It may be worth while noting, in connection with the cost to the community of bad housing, that there is a considerable annual loss to industry from deficient housing. Men living under unsatisfactory conditions do not get the rest they need, particularly if working on night shifts, and they often suffer from minor ailments, which mean a low state of vitality and hence less output. It is estimated that 14 million working weeks are lost annually through sickness.

It has also been pointed out that the housing shortage has hampered industrial enterprise, because the workers were unable to get accommodation near the factory. It was found by Lord D'Abernon and Dr. A. K. Chalmers, in 1918, when they made an enquiry into the causes of "broken time" in the shipbuilding yards, that the men who lived near the works were as a rule steady in their attendance, but those who came from a distance were irregular. As regards labour unrest, it was found that in each of the eight divisions which came under the survey, a shortage of houses was given as one of the causes¹

3. Legal Aspect: the Laws affecting Housing

For nearly a century Parliament has been passing Acts dealing with the housing question; the names of Shaftesbury, Torrens, Cross are associated with the earlier Acts. Recent legislation, however, is mainly contained in the following Acts: the Housing of the Working Classes Act, 1890; the Housing and Town Planning Act of 1909; the Housing, Town Planning, etc., Act of 1919; the Small Dwellings Acquisition Act, 1899; the Public Health Acts and the Rent Restriction Acts.

¹ Cd. 8663.

The 1890 Act was divided into three Sections:—

- (i.) Provision for preparing and carrying into effect of slum clearance on a large scale.
- (ii.) Provision for the closing of houses unfit for human habitation, and the treatment of others not absolutely condemned.
- (iii.) Provision for the building of new houses, including both cottages and tenements, to be let by Local Authorities.

The 1909 Act comprised many important amendments to the Act of 1890. It added to the duties of Local Authorities in regard to inspection, and gave them more drastic powers to close or improve houses. The Local Government Board was empowered, on complaint, to hold an enquiry and to call upon a Local Authority to prepare and carry into effect a housing scheme. The most important constructive feature of the Act related, however, to Town Planning, a subject which only partly comes within the scope of this Memorandum.

It may be of service to make clear that it is the considered opinion of many with great experience in Local Government, that the increased powers given to Local Authorities should have been accompanied by an endeavour to secure increased efficiency in administration. If more careful attention had been given to the question of administration, criticisms would have been fewer, and the relation between the Local Authority and owners of property improved.

Before 1919, then, the Public Authorities were mainly concerned with the demolition of old houses, or the alterations necessary to make them fit for habitation. They might buy houses and convert them into working-class dwellings themselves, or they might assist a private owner to reconstruct or enlarge the buildings by making a loan. The 1919 Act greatly increased and extended the former powers, and further, made it the duty of every Local Authority to prepare schemes for the construction of new houses to be erected directly by itself or in conjunction with a Public Utility Society or a private builder. The Local Authority was only required to pay such a sum as can be raised by a penny rate, the rest to be provided by Parliament. Apart from providing this important incentive to municipal building, the 1919 Act made a step forward with regard to Town Planning. The machinery, by which Town Planning Schemes are prepared and sanctioned, was simplified and unnecessary delay avoided.

It is impossible in a small pamphlet to explain in detail the powers of the housing authority under the various Acts, or to deal with the elaborate provisions: some reference to the

Small Dwellings Acquisition Act will be made in a later Section, and only the Rent Restriction Acts, which have lately assumed so much importance, will be considered at any length here.

RENT RESTRICTION ACTS.

The position of the Rent Restriction Acts in the present housing question is that of a component in a vicious circle. So long as rents are restricted and freedom of possession denied to the landlord, there is of necessity some reluctance to invest money in building houses. On the other hand, so long as the supply of houses fails to come up to the demand, there is bound to be pressure exerted by tenants to retain the protection which the Restriction Acts give them.

The Majority Report of the Departmental Committee on the Increase of Rent and Mortgage Interest (Restriction) Act, 1920, takes the view that the primary investor (i.e., the property owner) naturally dislikes the prospect of increasing interferences by the State in the relationship of landlord and tenant, and both he and the secondary investor, (i.e., the mortgagee) desire security which can be realised at short notice. Uncertainty, therefore, of the approaching end of rent restriction operates psychologically to reduce supply by the ordinary process.

The Minority Report, on the other hand, declares that the existence of the Rent Restriction Acts has not helped to prolong the shortage of accommodation, but it does not meet the arguments used by the Majority. The Majority also points out that there is still a gap between the commercial rent of a new house and the rent which may legally be charged for a house erected before April, 1918. The natural corollary to this is, of course, that removal of the Rent Restriction Acts would only enable the supply economically to meet the demand if the general level of rents were to be raised.

To form any sound opinion on the effect of the Acts and their removal, it is therefore essential to take account of the psychological as well as the economic factor.

If the Acts were withdrawn at once, there can be no doubt that a number of landlords would endeavour to improve the value of their property by letting the houses to better class tenants than those at present occupying them. Many families which have in the past lived in houses of six to ten rooms are, because of domestic and financial difficulties, now willing to live in five-roomed houses, and, as always happens in practice, the effects of the housing shortage would, without rent restriction, bear more hardly than ever on the poorest and roughest sections of the community. While the poorest

wage-earners are often paying a rent which is quite out of proportion to their income, numbers of the middle-class, in order to have more money to spend on other things, are occupying houses of low rentals which should be reserved for people of lesser incomes.

If the Acts are maintained, Private Enterprise can produce a supply equal to the demand, only if the cost of building falls to a figure which would bring the economic rent of new houses to the same level as the restricted rent of pre-war houses. There has been a good deal of misunderstanding of the actual effect of what are commonly called the Rent Restriction Acts, and the following extracts from the Final Report of the Departmental Committee which considered the effect of the Rent Restriction Acts is worth reproducing:—

“The Increase of Rent and Mortgage Interest (Restrictions) Act came into force on the 2nd July, 1920, and remains in force, in the case of England and Wales, until the 24th June, 1923, and in the case of Scotland until the 28th May, 1923. It repealed the previous Acts on the same subject. Its general effect is to fix a ‘standard rent’ for certain classes of houses, namely, those in which the pre-war rent or rateable value was not more than £105 in London, £90 in Scotland, and £78 elsewhere.” To this it may be added, for the sake of clearness, that the first Rent Restriction Act dealt with houses of which the standard rents were £35 in London, £30 in Scotland, and £26 elsewhere, and the second Act, houses of which the standard rent was £70 in London, £60 in Scotland, and £52 elsewhere. The standard rent means the rent at which the house was let on August 3rd, 1914, or in cases where it was not let at that date, the rent at which it was last let previous to that date, or where it was first let after August 3rd, 1914, the rent at which it was first let after that date. If the rent at any such date was less than the rateable value, the rateable value at that date is the standard rent.

In the course of the controversy which has taken place in the press since the question of rent decontrol was raised, many rash statements have been made as to the class of houses which are in fact affected by the proposed decontrol, and it may be worth while to take the highest class of controlled houses in London as an example. £105 standard rent covers houses which are at present let at a rent, exclusive of rates, of approximately £146, i.e., the standard rent plus the 40 per cent. increase permitted under the Act. It will be seen, therefore, that rent restriction has been extended to cover houses which are altogether beyond the reach of weekly wage earners, and that in so far as the Rent Restriction Acts discourage building, they discourage building of houses

for people who, according to pre-war standards, require houses of considerable size. The building which is now going on is providing a certain number of houses of the first and second grade so that, with certain precautions, a definite date for the decontrol of the first two grades might be announced, with some probability of encouraging builders to produce houses of the villa and more-than-villa type. In so far, however, as the most loudly expressed and most urgently needed demand is for houses of the third grade, and in so far as Local Authorities are to be encouraged to construct houses of this grade, there seems to be no possibility of decontrol of houses of this value for the present, that is, with any prospect of the decontrol becoming operative.

(c)—Special Problems.

Though the problem of housing must be dealt with as a whole, it may be useful to consider separately some of the special features of Slum Clearance, of Rural Housing, and of the London Problem.

1. Slum Clearance.

The problem of slums is not confined to London, by any means, but is found in all large towns, and notably in Glasgow: nor does it concern only the lowest grade of the population, as a large proportion of average wage-earners have now to live in slums. Though it has a special significance and peculiar difficulties, it cannot be separated from the main housing problem, of which it is a part, and no slum clearance should be undertaken until other accommodation has been found for the inhabitants. And here arises the chief difficulty, since, not only is it impossible to find other accommodation except by building new houses, but the inhabitants themselves refuse to be moved. It may be argued that the move is only temporary, and that the original inhabitants can return when new buildings have been constructed on the old sites, but, unless huge block dwellings are erected, the same number of people cannot be housed in the old congested area. Apart from the serious

objections to block dwellings, the people themselves dislike them, and the coster families of Whitechapel, for instance, who for generations have led their donkeys through the front door to the back garden, are at a loss to know what to do with them when they find themselves expected to live in a top flat.

To patch up the existing dilapidated houses would not be difficult, but is usually, quite unsatisfactory, as, without demolition and reconstruction, few would have sufficient air and space. To limit houses to 12 per acre means a population of 60 or 70 per acre, and even if new houses are to be built at the rate of 20 per acre—a course to which there is grave objection on social and hygienic grounds—each acre of land cannot provide for more than 200 persons. This limitation of population per acre has to be compared with the fact that there are districts in London and other great cities where the density of population reaches a figure of 1,500 per acre. Overcrowding of this nature can be dealt with only by tackling the causes of overcrowding, i.e., the concentration of industry in the centres of great towns, since people cannot be expected to move unless there are good economic and social reasons for their doing so. With the coming of motor transport and the improvement in means of communication, a tendency has been apparent in recent years for industry to move from the centre of towns to their outskirts. But it is possible, by the proper use of the Town Planning provisions of existing legislation, so to regulate this centrifugal tendency as to avoid the creation of new congested areas in the districts to which the factories are moving, and at the same time to encourage the decentralisation so as to reduce the pressure for accommodation in central areas. In many cases, moreover, great industrial and social advantages would accrue from a policy which aims at persuading industries, which contemplate moving to go right away from existing towns to satellite towns which can provide the maximum of industrial efficiency and social welfare. The Report of the Unhealthy Areas Committee states that, were all the districts in Greater London with a density of more than 200 persons per acre to be cleared, and houses built to accommodate 100 persons per 20 houses on each acre, approximately one million persons would have to move elsewhere.

Liverpool is able to disprove the contention that people, who have lived in insanitary houses and under conditions of overcrowding, will not respond to a higher standard of living encouraged by the new houses, but will speedily reduce their new homes to the disgraceful state of the old. The dispossessed tenants in Liverpool were re-housed on the same site in Corporation dwellings, and the result was moral and physical im-

provement and a general raising of the standard. In one district, where the same people were re-housed after clearance, both the general and tuberculosis death-rate were reduced by half, and the prosecutions for drunkenness and assault decreased. It is estimated that the reduction in the number of slum courts from 1,510 to 323 has saved the municipality £3,000 per annum in cleaning and sanitary administration alone.

As a rule, however, slum clearances do not succeed in re-housing the original population, which is dispersed during demolition, and the new dwellings are usually tenanted by a somewhat superior class. The main obstacle, therefore, to slum clearance on a large scale is seen to be the problem of shifting the population, in which are involved three other questions, namely, probable loss of employment for the dispossessed, increase in the already heavy passenger traffic, and, lastly, lack of other accommodation for the inhabitants of the slum area.

2. Rural Housing.

It may be said that the provision of houses in rural districts has been the most striking example in social history of the operation of chance. Generally speaking, it has not been possible to meet the need of the worst-paid sections of the workers by making use of cast-off houses, as has been done in urban districts. There are many villages where, until recently, no new cottages had been built for half-a-century or more. The houses which existed had been built when the cost of building was exceedingly low (in many cases not more than £60 or £80 per cottage), and, during the agricultural depression, neither could the farmers afford to build cottages for their workpeople, nor could labourers afford a rent which would recoup a speculative builder. To a large extent, in consequence, agricultural labourers have lived in houses tied to a particular farm and let at a nominal rent, or the rent has been treated as part of wages. Large landowners frequently, and small landowners sometimes, built cottages either out of philanthropy or in order to enhance the value of their estates. In any case, the rent actually paid had to conform to wages, usually between 12s. and £1, paid on the supposition that rents would be practically negligible.

In country districts near large centres of population the cottage shortage has been aggravated by the invasion of town

dwellers who wished either to live in the country or spend weekends there. The general standard of rural housing has, in consequence, been deplorably low, and the adoption under the 1919 Act of an urban standard of house for all sites, rural or urban, has been the beginning of a revolution, the consequences of which it is at present impossible to foresee.

In towns the needs of workers in many different industries have to be considered, but the countryman is dependent for his livelihood on one main industry, agriculture. As everyone knows, the present position of agriculture is most serious, and though wages have fallen in varying degrees, some as low as 25s. a week, the industry is unable to bear even the reduced rates. The result is that farmers are forced to dismiss more and more men, and unless the position is materially and promptly improved, the shortage of housing accommodation will soon right itself, as the agricultural worker will be driven into the towns.

The supply of older cottages at from 1s. 6d. to 4s. a week is very limited, and, as many of them are in a state of disrepair, there is a grave shortage of suitable accommodation. Any increase in the number of these low-rented cottages is problematical. Landowners and farmers, struggling under the burden of agricultural depression and heavy taxation, and hampered by uncertainties of the relations of landlord to tenant, are not in a position to build them; private building shows signs of revival in some districts, but not in the direction of this type of cottage, nor is there much to be hoped from Building Societies, unless substantially aided.

Various suggestions have been made for meeting the shortage of low-rent cottages in rural districts, the first and foremost being some form of financial assistance from the State. It is urged that private enterprise should be encouraged to build up to the needs of each parish by a system allowing private builders to have the same assistance as public bodies. It is pointed out that landowners, who have built have not benefited by their own cottages, as these are often occupied by men other than their own employees, and it is suggested that some compulsion might be exercised on defaulting employers of labour.

There appears to be considerable difficulty in administration of Health and Housing laws, which hampers both the execution of necessary sanitary improvements and the construction of new cottages. The suggestion is therefore put forward that the administration of these laws should be transferred to an authority having jurisdiction over a wider area, such as the County Councils.

One danger to be guarded against is that, in the face of the impossibility of paying anything approaching economic rents

on new houses without a substantial rise in agricultural wages, which seems highly improbable, the Local Authorities may be induced to relax their rules against taking lodgers, so that the evil of sub-division of houses may become common in rural districts. This opens up a big question, and, in this short Memorandum, it is only possible to point out that a lodger often enables a family to maintain a higher standard of living than would otherwise be possible, and that it is therefore unwise at the moment either to introduce new rules against lodgers, or to insist on too strict an interpretation of existing ones.

3. London.

107 7 1/2 Mil - 692 sq. miles

Besides all the difficulties with which every urban Housing Committee is faced, London has two additional ones which are peculiar to itself—the questions of depopulation and administration. Though these problems are accentuated in London, every large centre has them in a greater or less degree.

The population in Greater London as a whole was, in 1801, a little over 1,100,000, and to-day is 7,478,168. The rate of increase in the County of London has been consistently declining, while in the outer belt it has steadily increased. The significance of this is that the population tends to reside further and further from the centre, and that the area of the immense district called London has grown from the 117 square miles of the County to the 692 square miles of Greater London.

The congestion in London proper is so great that not another house can or ought to be built. The only ways to ease the shortage, therefore, are, either to demolish the existing small houses and build huge block dwellings capable of holding far more people, but usually condemned by housing reformers; or to construct houses in districts outside the Administrative County of London, as is being done by the L.C.C. at Becontree and Bellingham. The advantages of this latter plan are obvious, but they are somewhat counteracted by the wear and tear of travel. Not only does the exhaustion from journeying in a crowded carriage to and from business impose a severe strain on the inhabitants of the suburbs, but the ever-increasing volume of travellers is an aggravation of the already serious traffic problem. Though there is something to be said for the proposition of making central London exclusively commercial and industrial, yet the conveyance of the entire working population every morning from their suburban dormitories would involve the re-organisation of the means of transport.

In London (i.e., the Administrative County) the powers and duties in housing matters are divided between the London

County Council and the Metropolitan Borough Councils. If new houses are to be provided outside the Administrative County, the L.C.C. is the Local Authority charged with the duty, as, for instance, the development of the Becontree Estate. Each Metropolitan Borough is the Local Authority within its own boundaries, but with two important provisos: first, the L.C.C. may submit and carry out a scheme for the use of land in any Metropolitan Borough to meet the housing need of districts outside the Borough; and, secondly, the Ministry may order that any of the powers and duties of a Metropolitan Borough Council, in regard to the provision of houses, shall be transferred to the L.C.C. It will be seen at once that confusion and conflict are bound to arise from this unsatisfactory system of administration, and that, with different authorities impinging on each other, it is impossible to have a comprehensive scheme of Town Planning for the whole area. It would seem that a new system of Local Government in London is essential, and much consideration has already been given to the matter, but without complete upheaval, it is difficult to see how the vast conglomeration of houses and streets called London, with its innumerable authorities, could be governed on a satisfactory basis, so that each district would have local autonomy and yet all would combine for the good of the whole.

It is suggested that satellite towns would solve both of London's special problems. If the size of London itself were curtailed, and other industrial centres were established in the Home Counties, each with its share of business and residential accommodation, the traffic problem would disappear, since much of the traffic would be diverted from London and no worker would have to journey far; further, the piecemeal administration of to-day would be exchanged for one central authority to deal with matters of common interest to all, with properly organised local authorities empowered to administer for local needs.

The general lines of such reorganisation have lately been discussed by the Royal Commission of the Government of Greater London, but, quite apart from the political practicability of the suggestions actually considered, it has to be remembered that the Committee on Unhealthy Areas, the only body which has, since the war, definitely considered the problems created by the existence of slums, came to the conclusion that slum conditions could not be cured without dealing radically with the concentration of industry in the centre of existing towns and the consequent overcrowding; and that this could only be done by co-ordinating the needs of industry and of residence in satellite towns.

Summary of Part I.

In view of the foregoing information, it is possible to summarise the position as follows:—

- (1) The Housing shortage existed before the war.
- (2) It has been accentuated by economic and social forces consequent upon the war, and is now more serious than it has ever been before.
- (3) Deficient Housing inflicts unwarrantable injury upon the community and involves enormous waste of public monies.
- (4) Ignorance in regard to the future legal position of landlords and tenants has led to inevitable hardship and friction.
- (5) Uncertainty in regard to a future Housing policy has helped in a large measure to destroy the confidence of prospective builders.
- (6) The inability of the lowest wage earner to pay an economic rent has discouraged investment in house property and is largely responsible for the present deadlock.
- (7) The difficulty of labour and the cost and supply of materials in the building industry make it unlikely that a rapid increase or improvement in housing accommodation will follow immediately upon legislation.
- (8) Attention is drawn to the distinction between the middle-class house and the house for the small wage-earner. It may reasonably be hoped that the normal channels of supply and the efforts of the private builder will automatically meet the needs of the former. In the last few years much has been done to ease the shortage of this type of house. The real problem is therefore to provide houses for the weekly wage-earners.

PART II.

CURRENT PROPOSALS FOR MEETING THE HOUSING SHORTAGE.

Introduction.

In this Section of the Memorandum will be found the various current proposals for remedial action. The method adopted is that of placing on record the proposal itself and then giving an impartial criticism. The suggestions made are not an expression of opinion.

The task of grappling with the housing situation in this country is naturally of the most pressing interest to those concerned with its solution, but the very size and urgency of the problem tend to obscure the fact that ours is only part of a world-wide problem.¹ There is evidence of a crying need for houses, especially in large cities, not only in every country in Europe, but in all the British Dominions, in the U.S.A., and in Latin America. The same causes seem to have contributed to the shortage in other countries as in Great Britain, and perhaps the most widely prevailing is the tendency of populations everywhere to forsake country life and crowd into towns. Another cause is the raising of the standard of life due in part at least to the public health movement of the last 50 years. The necessity of some form of State help has been admitted in most countries, but the difficulty has always been to give the financial assistance in such a way as to stimulate local effort without checking initiative and without involving heavy expenses for administration and control.

Reference has been made in Part I. to the action of private enterprise in the past. Concerning its possibilities in the future, in order to avoid any confusion, it is advisable to make it clear that the words "private enterprise" are used to connote the activities under which all the capital employed for the purpose of buying land and building houses is provided from funds of a purely private character, and not by any form of State or municipal aids.

¹ For Notes on Housing problems in other countries see Appendix VIII.

It may be pointed out that, even before the war, when costs were comparatively low, unassisted private enterprise was unable to meet the need for housing and increasing population. It is true that there is now considerable activity among private builders throughout the country, but inquiries show that, almost without exception, this activity relates to the construction of bungalows and small villas for sale at prices varying from £600 to £800.

It should be borne in mind that the shortage of housing accommodation is not confined to the low wage-earners. There is urgent need for small villas for the occupation of middle-class families of slender means, but in this case the effective demand produces houses which sell at good prices. If, however, the activities of the private builder were not largely absorbed in this profitable field, there are substantial reasons why the speculative builder will continue to avoid the construction of cottages. The chief of these reasons is the difficulty, merging into impossibility, of securing the necessary capital for building and investment on pre-war lines. Another is the prevention of foreclosure and the fixing of rates of interest under the Rent Restriction Acts. In short, private capital cannot secure an adequate remuneration from cottage building.

Though many experts look forward to a time when housing will become a business proposition, none seem prepared to assert that private enterprise unassisted can meet the present abnormal need of small houses for low wage-earners. Even if capital were available, the analysis of rents and wages in Part I. has proved conclusively that the builder cannot expect an adequate return (about 10 per cent.) from rents. Whether in the future there will be an adjustment of wages to the cost of building is a matter of opinion.

In view of these facts, it would seem that some form of financial assistance from the State is essential at the present time. The suggested lines of State-aided action fall into the three following divisions:—

- A. Financial Aid to Private Enterprise.
- B. Financial Aid to Local Authorities.
- C. Financial Aid to Public Utility Societies and similar Organisations.

(A)—Financial Aid to Private Enterprise.

1. It is proposed that subsidies of a lump sum, varying from £75 to £150, should be given to all those who build houses of a certain type.

It is urged in favour of this proposal that under the stimulus of such grants, builders throughout the country will build freely a large number of houses which will be placed on the market for sale. In criticism of the proposal, it is pointed out that it is in effect a revival of the policy entered upon by the passing of the Act of 1919. Under this Act upwards of 40,000 houses have been built by private builders with the aid of the subsidy.

The experience of the administration of the Act has, it is understood, convinced the Government that it will not be wise to renew the provision. Examples are quoted of people claiming the subsidy for the erection of summer cottages and seaside bungalows. In other cases, people already well provided with housing accommodation took advantage of the grant. The most vital criticism, therefore, of the proposal is that only a small proportion of houses previously constructed under a scheme of this kind, are in fact tenanted by the small, weekly wage-earners for whom increased accommodation is so urgently needed.

2. It is proposed that the State should either lend money at specially low rates of interest to private persons wishing to build certain types of houses, or should guarantee loans to private persons from banking organisations or building societies at low rates of interest.

In support of this proposal, it is urged that if capital be lent by the State (or guaranteed by the State) and is made freely available at special rates of interest, the difficulty experienced by private enterprise in securing the necessary capital to build at this juncture will be overcome. But against this it is pointed out that it is not simply a proposal to lend money at current rates of interest; it means lending money at rates of interest which will involve an annual loss to be borne by the State. It should be understood that this is a form of subsidy.

With regard to the general question of borrowing money for building purposes, the various building societies throughout the country have at the present moment very large sums of money waiting for investment at rates of interest of from 5 per cent. upwards. There can be no doubt that many of the houses

now selling at prices from £800 upwards are financed by building society money. To the extent to which this is true, it would seem that there is no need for the State to give an additional incentive to this form of house supply by the lending of money at reduced rates of interest. These transactions will depend, in the future as in the past, on the capacity of the persons borrowing the money to keep up the annual payments of capital and interest.

But with regard to the proposal to lend, at less than the normal rate of interest, money provided by the State or guaranteed by the State, the Treasury appear to consider it open to serious objection, despite the fact that in France, Belgium, Italy and other countries this form of aiding in the erection of houses has been adopted as far as co-operative and semi-philanthropic action is concerned. The grounds for objection are, it is understood, the fact that the credit of the State would be so heavily involved, and such large sums would have to be raised in the open market by the Treasury, that the borrowing powers of the State for other purposes, and more especially in connection with the reduction of the floating debt, would be greatly hampered. This objection of the Treasury is said to apply, not only to the lending of money to private persons at low rates of interest, but also to lending money to local authorities at low rates of interest.

3. **It is proposed that State subsidies should be given and loans granted to enable private persons to build and, by the payment of a series of annual instalments, to become the occupying owners of houses built under the Small Dwellings Acquisition Act.**

As Local Authorities are, under the terms of this Act, the authorities for its administration, this proposal is dealt with in Section (B).

4. **It is proposed that new houses under a certain value built during a stated period should be exempted from municipal rates for say five to ten years.**

As this proposal would involve State assistance to make up the loss in municipal revenue, or a local subsidy from the rates to meet the same end, it is considered in Section (B).

(B)—Financial Aid to Local Authorities.

1. **It is proposed that the State should give to Local Authorities annual grants extending over a period of years for the purpose of meeting part of the annual loss to be incurred in building and letting houses at rents within the means of the average weekly wage-earners.**

In November last the general principle underlying the proposal was adopted by a conference, convened by the Lord Mayor of Manchester, and representing the City Councils of Liverpool, Glasgow, Leeds, Sheffield, Bristol, Salford and Manchester.

During the past five months negotiations have proceeded between the Ministry of Health on the one hand and this group of Local Authorities on the other, with added representatives of the Association of the Municipal Corporations. The result has been a public announcement to the effect that the Government have agreed to include, in the new Housing Bill, a provision that the State contribution towards the local loss on housing schemes shall be £6 per house per year for 20 years. It is understood that this subsidy was accepted on both sides as representing half the loss likely to be incurred throughout the various periods of the loans (i.e., 20 years for roads, 30 years for sewers, 60 years for building, the greatest item in cost, and 80 years for land) for building a non-parlour house and letting it at a rent of 7s. per week, plus rates. It is estimated that of the £6 to be granted for 20 years by the Government, at least £2 will need to be invested to meet half the loss incurred during the later period after the first 20 years has elapsed.

The one serious criticism of the proposal is that the Government would be better advised to adopt the Spartan method of sweeping away the Rent Restriction Act, and by allowing rents to rise, to bring into general operation the law of supply and demand. If this policy were adopted, it is urged that there would be a strong stimulus to building activity, which would, in due course, solve the housing problem. The recent expressions of public opinion on rent decontrol have been so emphatic that, quite apart from its merits or demerits, it is clearly impossible to regard it within the range of practical politics for the present. For this reason, it would be of little value to set forth the arguments for its adoption.

The fact that the Local Authorities of the country are inclined to accept it is a valuable proof of the advantages of the Government proposal. During the past three years Local

Authorities have gained much practical experience in the administration of their schemes. Although there has been strong criticism of the high cost of building under the 1919 Act, it is generally agreed that, in dealing with the difficult question of fixing rents, and with the choice of tenants, the Local Authorities have shown practical wisdom.

It is suggested that Local Authorities should not limit themselves to the action outlined above, but, in co-operation with the State, they should broaden their policy by making other provisions.

2. **It is proposed that Local Authorities should make grants over a series of years (supplemented by grants from the State) to Public Utility Societies and similar bodies organised for the definite purpose of public service.**

This proposal is referred to in Section (C). A general comment only is therefore made here, that there is wide approval amongst those familiar with the work of such societies of grants being given both by State and Local Authorities.

3. **It is proposed that annual grants should be made by Local Authorities (supplemented by grants from the State) to private persons, enabling them to purchase by means of annual payments houses to be built and occupied by them under the Small Dwellings Act, 1899.¹**

The Act already provides facilities for those wishing to become occupying owners of their houses, and it is thought that the proposed extension would make possible the actual construction of numbers of houses by those desirous of owning their own homes. There seems to be practically no opposition to this scheme, and it has received the approval of large numbers of Local Authorities.

Attention may be drawn to the following points in the scheme:—

(a) An annual subsidy should be given by the State to occupying owners purchasing houses under the Act. This State subsidy should be supplemented to an equal amount by the Local Authority. In both cases, the subsidy should take the form of annual grants paid by the State and the Local Authority respectively over a term of years.

(b) The subsidies described above should be given only in the cases of new houses actually built as a result of the operation of this Act.

(c) Advances in accordance with a scale to be determined should be made during the erection of the house.

(d) The limit of 85 per cent. of the market value of the house should be retained; but the Local Authority should be

¹For an Analysis of the Act see Appendix IX.

empowered to advance a sum in excess of the 85 per cent. of the market value.

(e) The security for this additional sum to be found in the grants pledged to be given by the State and the Local Authorities together.

(f) The Local Authority should take special care that the house and the estate on which it is built should conform fully to a good standard of design and town planning.

The special importance of these provisions lies in the use to which the subsidies are to be put. It has already been pointed out that the provision in the existing Act relative to market value renders it impossible for Local Authorities to lend more than, say, 60 per cent. of the actual price paid. To advance a sum greater than this might be to lend more than the house would be worth if it had to be sold. For this, if for no other reason, the present limit probably represents a sound first mortgage security.

The number of Councils making use of this Act has been small, though experience shows that it has been possible to administer the Act without loss. Housing reformers hold the view that no substantial results can be looked for from this Act until subsidies are given in aid of occupying owners taking advantage of the Act. The reasons for this conclusion are stated in the following terms:—

(a) The limit of the amount which may actually be lent to enable the purchaser of a house to acquire possession is not 85 per cent. of the cost of building, but 85 per cent. of the market value.

With a probable falling market, there is a natural tendency to value on a conservative basis.

(b) The annual amount payable by an occupying owner is clearly beyond the paying capacity of the average weekly wage-earner. Even if security of employment warranted purchase by the average working man, it would be difficult for him, either to raise the initial amount required, or to put aside a repair fund.

Though it seems clear that the Small Dwellings Acquisition Act cannot hope to mitigate the shortage of houses for the ordinary wage-earner, where unfortunately the need is greatest, amendments to the Act could make it a benefit to people with moderate incomes, who are not dependent on mobility for their employment.

(c)—Financial Aid to Public Utility Societies and similar Organisations

The particular constitution of Public Utility Societies has been dealt with in Part I.

Societies of this kind have an especial claim to financial assistance in as much as they can be formed by persons or bodies who have no purpose to serve, except the provision of satisfactory houses where they are needed. The interest payable on capital is limited, and any surplus of income goes to the maintenance and improvement of the property. No individual may hold more than £200 in the shares of the Society.

The Public Utility Society method is eminently one to be adopted by employers anxious for the good housing of their employees, by groups of persons who wish to use their savings in building houses for themselves, and by persons who are willing to loan money at a low rate of interest in order to secure good housing conditions in their villages, towns or districts.

It should be noted that the Governments of other countries in Europe have, since the war, relied chiefly on societies of this kind to improve the housing shortage, and have aided them substantially by loaning them money at a very low rate of interest.

In considering a policy of State aid to Public Utility Societies, two main difficulties have to be taken into account: first, the provision of capital; and, second, the removal of the discrepancy between the economic rent of the houses and the rent which the tenants can pay. As was indicated in Part I., the first difficulty was largely met by legislation, which empowered the Public Works Loan Board to lend at the current rate of interest 75 per cent. of the approved cost of the scheme.

The difficulty encountered in the inability of the tenants to pay an economic rent was met in the 1919 Housing Act by an annual subsidy of 30 per cent. of the annual loan charges, but, as this is no longer available, this question has again to be reconsidered.

Financial assistance to Public Utility Societies and other similar bodies might be given in any of the following ways:—

1. **The making of an annual grant by the Local Authorities out of monies provided by the State, which would enable Societies to meet the difference between the revenue derived from rents and their necessary outgoings.**

2. **The remission of rates on houses built by Public Utility Societies.**

3. **The purchasing and laying out of the land on which Public Utility Societies schemes are carried out, and the leasing of the land thus laid out to the Societies at the lowest possible ground rent.**

4. **The making of an annual grant direct by the State to Public Utility Societies on the same terms as any grant given to Local Authorities.**

5. **The reduction in the rate on interest charged on loans from the Government.**

In regard to these various proposals the same arguments for and against, which were given in connection with the proposals for financial aid to Local Authorities (Section B), are applicable in the case of Public Utility Societies and other similar bodies. It is, however, worth noting that the advantage of the third method, is that Local Authorities are often able to acquire land under the Acquisition Act at a lower figure than that which would be obtained from a private purchaser, and that they can often borrow money at a lower rate of interest than private bodies.

It is clearly essential that the rents paid by tenants of Public Utility Societies should not be greatly in excess of those paid by tenants of neighbouring municipal housing schemes, and to secure this, a sum equivalent to the housing subsidy given to municipalities should be given to these societies. Further, it is desirable that any facilities granted to Local Authorities in the form of State subsidy, or grants by Local Authorities from the rates, or of remission of rates payable by the occupier, should be extended to Public Utility Societies.

The criticism given under Section (B)1 of the proposal that the State should give direct grants to Local Authorities for a term of years, which is the main feature of the new Bill, can be applied equally in this Section, but it may be pointed out that there is an additional reason for extending the grant to Public Utility Societies, since the interest which its members have in their own share of the capital invested, guarantees the proper use of the subsidy.

APPENDIX I.

Increase in number of Dwellings of under £20 Annual value relative to increase in number of Marriages.¹

Year.	Number of Dwellings under £20 in annual value.	Increase in number of these houses p.a.	Number of Marriages.
1901	5,703,643	90,415	259,400
1902	5,791,987	88,344	265,750
1903	5,833,535	41,549	261,103
1904	5,934,741	101,205	257,856
1905	6,047,579	112,838	260,742
1906	6,128,050	80,471	270,038
1907	6,208,000	79,950	276,421
1908	6,281,260	73,260	264,940
1909	6,368,441	87,181	260,544
1910	6,379,092	10,651	267,721
1911	6,459,257	80,165	274,577
1912	6,505,507	46,250	283,195
1913	6,548,648	43,141	286,583
1914			294,401
1915			360,885
1916			279,846
1917	Return discontinued during the war and not yet resumed.		258,855
1918			287,163
1919			369,411
1920			379,982
1921			320,768

Year.	Empties.	Being Built.	Population Increase.	Inhabited houses increase.	Excess expansion of accommodation
1801	3.65				— .2
1811	2.84	.90	14.0	13.8	—1.9
1821	3.34	.92	18.1	16.2	3.0
1831	4.83	1.00	15.8	18.8	4.3
1841	5.88	.93	14.3	18.6	—1.1
1851	4.68	.81	12.7	11.6	2.1
1861	4.94	.73	11.9	14.0	.7
1871	6.14	.89	13.2	13.9	—1.0
1881	8.00	.96	14.4	13.4	1.1
1891	6.83	.70	11.7	12.8	2.7
1901	7.17*	.99	12.2	14.9	3.2
1911	5.72	.53	10.9	14.1	

*Figure inflated by inclusion of lock-up shops in 1901 Census.

¹Return of Commissioners for Inhabited House Duty.

APPENDIX II.

Comparative Expenditure on Food, Rent, Clothing, etc.¹

Food	...	60 per cent.	Fuel and Light	...	8 per cent.
Rent and Rates	...	16	Other Items	...	4
Clothing	...	12			

(Calculation based on Budget Enquiry of 1904.)

¹ Report on Wages, Prices and Profits prepared by Labour Research Department, January, 1922.

APPENDIX III.

Rate of Wages for Mining.¹

AREA.	Average Wage per Shift Worked (all Workers included).							
	June, 1914.		Nov., 1918.		Jan., 1921.*		Oct., 1922.	
	s.	d.	s.	d.	s.	d.	s.	d.
Scotland ...	6	8.88	13	2.17	20	10.10	9	2.32
Northumberland ...	6	2.17	12	3.95	20	3.60	8	8.47
Durham ...	6	2.55	11	8.25	20	1.10	8	10.89
S. Wales and Mon.	6	9.22	13	7.55	21	6.80	9	5.38
Eastern Division ...	6	7.75	12	4.04	20	3.90	9	9.85
Lancs. & N. Staffs.	6	0.33	11	1.83	18	11.90	8	5.11
N. Wales ...	5	10.04	11	0.82	18	10.88	8	0.93
Cumberland ...	6	2.24	12	11.84	20	6.50	9	7.16
Bristol ...	4	8.63	9	9.81	17	5.50	7	8.41
Forest of Dean ...	5	3.97	10	5.52	18	3.40	7	10.43
Somerset ...	4	9.43	10	7.00	18	5.00	7	0.54
Great Britain ...	6	5.64	13	2.17	20	3.90	9	3.00

* In January, 1921, an output bonus of 3/6 per shift was payable under terms of agreement with Government (28th Oct., 1920), rendering wages in this month highest in the history of the industry.

NOTE.—The October, 1922, figures exclude the amount of Subsistence Allowances payable in the areas of Scotland, Northumberland, Durham, South Wales, Lancashire and North Staffs., which, if added, would slightly increase the average figure shown for these areas, and for the country as a whole, by amounts ranging from ½d. to 2d. per shift.

Printing.

	Dec., 1914.	Dec., 1918.	Dec., 1920. Peak Rate.	Nov., 1922. Latest Rate.
Compositors:				
London ...	39/-	72/6	100/-	92/6
Grade I. Towns ...	38/-	70/-	97/-	81/6
„ VI. „	25/-	58/-	82/6	66/-
Lithographic Printers:				
London ...	40/-	—	100/-	92/6
Grade I. Towns ...	36/6	—	95/-	78/6
„ III. „	33/-	—	92/-	75/6

Railwaymen.

	Dec., 1914.	Dec., 1918.	Dec., 1920. Peak Rate.	Dec., 1922. Latest Rate
Goods Porters:				
London ...	20/- 24/-	53/- 57/-	72/6	51/6 49/-
Industrial Districts...	19/- 23/-	52/- 56/-	71/6	51/6 47/-
Rural Districts ...	15/- 21/-	48/- 54/-	66/-	51/- 47/-
Guards (all areas) ...	*25/- 35/-	58/- 68/-	72/- 82/6	52/- 65/-
Drivers ...	30/- 48/-	—	70/- 88/-	57/- 72/-

* According to years of Service

¹ Labour Research Department.

APPENDIX IV.

Variations in value of £1 in Food.¹

July, 1914 ... 20/-	Jan., 1917 ... 10/8	July, 1919 ... 9/6
Jan., 1915 ... 17/-	July, 1917 ... 9/9½	Jan., 1920 ... 8/5½
July, 1915 ... 15/-	Jan., 1918 ... 9/9	July, 1920 ... 7/9
Jan., 1916 ... 13/9½	July, 1918 ... 9/6	Jan., 1921 ... 7/2
July., 1916 ... 12/5	Jan., 1919 ... 8/8	June, 1921 ... 9/2

APPENDIX V.

Wage Rates in the Building Trade.²

Area.	Dec. 1914.	Dec. 1918.	Dec. 1920.* Peak Rate	Dec. 1922.* Latest Rate
London—Bricklayers ...	11½d. an hour.	1/5 + 12½%	2/4	1/8
Labourers ...	7½d. „	1/4½ + 12½%	2/1	1/3
Manchester (Grade D)				
Bricklayers ...	10½d. „	1/6	2/4	1/8
Labourers ...	6½d. „	1/2	2/1	1/3
Exeter—Bricklayers ...	8½d. „	1/-	2/-	1/4½
Labourers (Gr.C) ...	5½d. „	10d.	1/9	1/0½
Glasgow—Bricklayers ...	10½d. „	1/4½ + 12½%	2/4	1/8
Labourers ...	— „	1/0½ + 12½%	1/11½	—

*The shortening of the working week from 44½—53½ hours to 44 all round must be taken into consideration when comparing these rates with those for the previous years, as building operatives are paid on an hourly basis.

APPENDIX VI.

Comparative Expenditure per head in order of amount on the Purchase of Staple Articles of Food and Drink in 1919.³

Drink.	Beef and Mutton.	Bread and Flour.	Milk	Butter and Margarine.	Tea.
£8-8-0	£4-4-8	£3-11-8	£2-14-4	£1-17-0	19/7

¹ Report on Wages, Prices and Profits prepared by the Labour Research Department, January, 1922.

² Labour Research Department.

³ Extract from "Are Temperance Reformers Cranks?" by VISCOUNTESS ASTOR, M.P.

APPENDIX VII.

List of the Social Services, showing the Total Expenditure from all sources other than Loans in 1919-20 (latest figures available).

NOTE.—Unemployment Benefit, War Pensions and Housing not included.

Government Publication.	Social Service.	Amount Expended.	Totals.
	<i>I. Education :</i>	£	
P 189	a. England and Wales	58,459,232	
	b. Scotland	10,350,780	£68,810,012
	<i>II. Crime :</i>		
Cmd. 1713	a. Police and Police Stations, Eng. and Wales	17,363,359	
Cmd. 1713	b. Administration of Justice, Eng. and Wales	1,117,329	
P 189	c. Reformatory and Industrial Schools, Eng. and Wales	490,635	
P 189	d. Inebriates, " " " "	26,692	
P 245	e. Prisons, " " " "	1,075,500	
P 245	f. Criminal Lunatics, Eng. & Wales	83,500	
P 245	g. Law Charges and Courts, Scot.	96,500	
P 245	¹ h. Police (rates estimated) " "	1,450,000	
P 245	i. Prisons, Scotland	165,500	
P 189	j. Reformatory and Industrial Schools, Scotland	293,354	
P 189	k. Inebriates	1,475	£22,163,844
	<i>III. Health :</i>		
P 189	a. National Health Insurance, Eng. and Wales	23,420,000	
P 189	b. Nat. Health Insurance, Scotland	2,892,283	
P 189	c. Maternity and Infant Welfare, England and Wales	1,180,196	
P 189	d. Maternity and Inf. Welfare, Scot.	132,352	
Cmd. 1713	e. Sanatoria, etc., Tuberculosis, Eng. and Wales	2,100,712	
Cmd. 1713	f. Sanatoria, etc., Venereal, Eng. and Wales	299,953	
Cmd. 1713	g. Sanatoria, Various, Eng. & Wales	3,114,407	
Cmd. 1713	² h. Lunatics and Asylums	6,981,388	
P 189	i. Hospitals and Treatment of Disease, Scotland	654,375	
Cmd. 1713	³ j. Mental Deficiency, Eng. & Wales	292,740	
Cmd. 1713	k. Baths and Washhouses, etc., Eng. and Wales	1,508,652	
Cmd. 1713	l. Parks and Open Spaces, Eng. and Wales	2,530,181	
P 245	m. Scottish Board of Health, Scot.	693,000	
Cmd. 1713	n. Sewers and Sewage Disposal, Eng. and Wales	7,316,856	
Cmd. 1713	o. Disposal and Collection of Refuse, Eng. & Wales	6,499,455	
Cmd. 1713	p. Public Street Lighting, Eng. and Wales	2,396,348	£62,012,896
	<i>IV. Assistance :</i>		
Cmd. 1713	a. Poor Relief, Eng. and Wales ...	19,201,915	
P 189	b. " " Scotland	2,873,448	
P 189	c. Old Age Pensions, Eng. & Wales	13,696,260	
P 189	d. " " " Scotland	1,344,445	£37,616,068
	Grand Total	£190,602,820.	

¹ The rates have been estimated as equal in amount to the Exchequer Grant.

² In Scotland this is included under Poor Relief.

³ In Scotland this is included under Poor Relief.

APPENDIX VIII.

Housing Problems in other Countries.

In New Zealand an Act of 1906 enabled any person employed in manual or clerical work to receive an advance for the purpose of buying or building a dwelling, provided the applicant was not in receipt of more than a certain income and was not the owner of any land other than the plot on which he proposed to build. In addition, the Workers' Dwellings Act, 1905, enables the State to advance the cost of building on Crown or Settlement land and to lease or sell it to the occupant; the terms of repayment are easy. A later Housing Act (1919), which consolidated the earlier acts, made provision for the advancement of loans from State funds to local bodies and to Public Utility Societies, as well as employers, who wish to build dwelling-houses for their workers.

In Canada the Dominion Government set aside in 1919 a definite sum to be used in advancing loans to the Provincial Governments at a fixed rate of interest, repayment to be made in 20 years; while New South Wales has made provision for loans to be advanced for building to any person whose income is below a certain limit.

In Belgium a law passed in 1919 established a "National Society for the Provision of Cheap Dwellings," and placed at the disposal of the Society a certain sum of money to be drawn upon as required. The function of the National Society is to stimulate the formation of regional and local societies, which will undertake the building of wage-earners' houses. It is empowered to make loans to these local societies, and the provincial and communal authorities may also contribute capital.

In Holland, under the Housing Act of 1901, the State may either build itself or make loans to Local Authorities, Public Utility Societies, or other building associations. The money is advanced on mortgage, repayable in 50 years by annual instalments. Societies applying for loans must be authorised by the Government, the interest on their shares is limited to 4 per cent.; the capital and any profits are to be applied solely to the improvement of housing.

Germany was perhaps the first country to make State loans for housing purposes; these facilities were for a long time restricted to persons in the employ of the State. Continual pressure was put upon the Government to extend these facilities to the general public, and early in May, 1918, a much larger sum was voted by the Reichstag to be used for making loans to Public Utility Societies, the membership of which was no longer restricted. The plan of assisting Public Utility Societies by giving security for loans raised for housing purposes has been

tried both in Germany and France. The municipal authorities of the large towns in Germany were the first to adopt this plan, and, within recent years, the State Governments have followed their example. In Prussia, for example, a law was passed in 1918 by which the State undertook to become security for loans advanced to Public Utility Societies for the erection of small dwellings. In France Local Authorities are empowered to guarantee the interest and repayment of loans raised by Departmental Housing Boards for housing purposes. This country is also responsible for an interesting experiment in rent assessment to meet the difficulty which confronts the large family looking for a house. The method is to subtract a definite sum from the rent for each child.

APPENDIX IX.

Small Dwellings Acquisition Act, 1899.

Who are the Authorities for administering the Act? County Councils and County Borough Councils are the Local Authorities as a rule, but the Act can be adopted by the Council of any Borough, or Urban District, or Rural District, with a population of 10,000 and over, to the exclusion of any other authority. Councils whose districts contain less than 10,000 inhabitants may adopt the Act with the consent of the County Council, but not otherwise, unless so determined by the Local Government Board.

Advances can only be made—

- (a) To residents or intending residents of the houses to be bought.
- (b) To the extent of four-fifths of the market value, and not exceeding £300.
- (c) For houses of the value of £400 and under.
- (d) Where the value of the house is sufficient, the title clear, the sanitary condition good, and also the state of repair.
- (e) When the repayment of the advance has been duly secured by an instrument vesting the ownership in the Local Authority, subject to the right of redemption by the applicant.

The rate of interest is not to exceed one-half per cent. above the rate at which the Local Authority can borrow from the Public Works Loan Commissioners. (At present 5 per cent.) The repayments may be spread over a period not exceeding 30 years, and they may be paid either weekly or at any periods not exceeding six months.

Condition of Ownership.—Until the repayments have all been made the house is held under the following conditions:—

- (a) Punctual payment of interest and principal.
- (b) The owner must be resident in the house.
- (c) The house must be kept in good sanitary condition and repair, and satisfactorily insured.
- (d) The house must not be used for the sale of intoxicating drinks, or in such a manner as to be a nuisance to adjacent houses.
- (e) The Local Authority reserve a power of entry at all reasonable times to secure compliance with the foregoing conditions.

A register must be kept, giving full particulars and the houses in respect of which they are made

The owner may transfer his interest, subject to the foregoing conditions.

Full provision is made for taking possession of the house by the Local Authority, where the statutory conditions are not observed, and also for the sale of the house in certain emergencies.

The expenses of the Local Authority not reimbursed by the receipts under the Act must not in any one year exceed the proceeds of a penny rate.

Under Section 49 of the Housing, Town Planning, etc., Act, 1919, the following amendments to the Act of 1889 were made:—

- (a) The limit in the market value of the houses in respect of which advances may be made was increased from £400 to £800.
- (b) The limit of the amount which may be advanced was increased from four-fifths to 85 per cent.

Apart from the books and Government Publications mentioned in the footnotes, the following will be found useful for further information :

HOUSING.

- "THE HOME I WANT." By Capt. R. L. Reiss. Hodder & Stoughton. 1/6 post free.
- "NOTHING GAINED BY OVERCROWDING." By Raymond Unwin, F.R.I.B.A. Garden Cities Association. 6d., postage 2d.
- "THE HOUSING PROBLEM." By J. J. Clarke, M.A. Pitman. 21/-, postage 9d.
- "HOUSING AND THE PUBLIC HEALTH." By John Robertson, M.D. Cassells. 5/-, postage 9d.
- "LABOUR SAVING IN SMALL HOUSES." Garden Cities Association. 9d. postage 1½d.
- "THE HOUSING QUESTION." By A Former Housing Commissioner. George Allen & Unwin. 3/6, postage 4d.
- "THE BETRAYAL OF THE SLUMS." By the Rt. Hon. Christopher Addison. Herbert Jenkins, Ltd. 2/6, postage 4d.
- "GARDEN CITIES OF TO-MORROW" (3rd edition). By Ebenezer Howard. George Allen & Unwin. 3/6, postage 4d.
- "SPECULATIVE BUILDING AS AFFECTING THE HOUSING PROBLEM." By Walter Cook ("The Builder"). 2/6, postage 3d.
- "THE FUTURE OF LOCAL GOVERNMENT." By G. D. H. Cole. Cassells. 6/-.

RURAL HOUSING.

- "RURAL HOUSING." By Wm. G. Savage, B.Sc., D.P.H. 7/6, postage 9d.

TOWN PLANNING.

- "TOWN THEORY AND PRACTICE." By C. B. Purdom and Others. Benn Bros. 5/-, postage 4d.
- "PRACTICAL TOWN PLANNING." By J. S. Nettlefold. 2/-, postage 6d.

