

*WE BREAK GROUND AGAIN—
TWENTY FIVE YEARS LATER*

(October, 1953)

A little over a quarter of a century ago at about this time of the year, I stood among a small group of dreamers, of pioneers, and took part in another celebration. The occasion was the ground-breaking ceremonies for a cooperative building. There was no band then, no radio broadcast. But to the group involved, this was a most unusual and most important event. They were coming to grips with one of the most difficult economic problems that confronted them. They were venturing to build a house for their own use. This was a risky undertak-

ing. With no standing in the community it would have been quite impossible for them to proceed if not for the sponsorship of the Amalgamated Clothing Workers of America.

Today we are again celebrating a similar event. We are breaking ground for another cooperative development. This time with the experience gained we are venturing on an enterprise that will house 1,688 families. The assistance and sponsorship comes again from a labor union, the I.L.G.W.U.

I want to express at this time to the prospective cooperators in the new development my apology and disappointment at the delay in getting started with construction.

The larger the undertaking, generally, the longer is the delay in getting started. Added to that is the fact that there are several agencies involved. Agencies are operated by people, some of whom are very helpful and cooperative; others under the guise of protecting the public interest are not so cooperative. We are mindful of the responsibilities of public officials. However, I would venture to say that it is indifference or lack of sympathy with the undertaking, rather than the protection of the public good, that is responsible for the long delay.

I would like at this point to express my appreciation to Commissioner Moses and his assistants and to those public officials in all agencies who have tried to expedite the handling of our project.

The need for decent housing for the man of moderate means is as great today as it was years ago. Thousands of people are willing and ready to invest their life savings in order to provide their families with decent housing at a cost within their means. What has been lacking is an organization that would coordinate all the agencies that are interested in this particular field. With that in mind, the United Housing Foundation was recently organized, and we hope that it will serve this vital purpose.

It is quite clear to me that if we are to solve the difficult housing problem in our city without passing it on entirely to the government—state, city or federal—all organizations, all labor unions, churches and other non-profit organizations, should join hands, not only to assist those who already have the desire to help themselves but also

to develop that idea in the minds of those who need better housing and do not know how to help themselves.

Our mortgagees must also learn to treat the applications that they receive for mortgage loans with greater understanding and consideration where the aim is for a group to help itself, even to the extent of a slight sacrifice on the mortgagee's part by way of interest rates. After all, the elimination of slums and their replacement with good housing would be a community problem. Unless our banks and insurance companies assist our cooperative approach, there will be more and more of a demand for subsidized housing from even the middle-income group.

In the past most of the lending institutions looked with disfavor on the organizations that were not set up for profit. There are, of course, exceptions and I want to express my appreciation to the Bowery Savings Bank for its willingness to help us with this particular project, as well as in the past.

When I speak about the existing housing problem, I do not want to minimize the work of the city, State or Federal government in the field of slum clearance and of subsidized housing for those who cannot pay a fair rental. I would also like to acknowledge the assistance given our existing projects in the form of partial real estate tax exemption. It is urgent, however, that housing authorities should study the cooperative method which adds no burden to the city, even in cases where partial relief from taxes is granted.

Let me illustrate my point by the Amalgamated project in this immediate vicinity. In 1939 when we built Amalgamated Dwellings on Grand Street there were those who criticized the city and state authorities for granting partial exemption to such projects on the ground that the loss of revenue would hurt the city. Twenty years passed. During this period Amalgamated Dwellings paid taxes based on the land only. Then the exemption expired, and the cooperative now is paying full taxes.

But what was going on in the immediate neighborhood during this period? Did private construction follow our example, did they build new communities and bring new taxes to the city? No—the

neighborhood deteriorated continually, so that the city was collecting less and less in taxes from the properties surrounding our development. There was no new building until under the sponsorship of the Amalgamated Union the Hillman Housing project was built. Through this cooperative development 807 families found good homes at an average rental of \$15.00 per room. The City granted the new project partial tax exemption for twenty five years. While the City of New York will not get any additional income from the improvements during this period, it has, however, the assurance that it will receive no less than the prevailing taxes at the time of the erection of the project. Had we not demolished the slum tenements and built this project, I am quite positive that the city would have received less and less in taxes as the neighborhood deteriorated.

I am proud of our cooperative achievement started twenty-five years ago. I am happy to see the International Ladies' Garment Workers' Union take the sponsorship of this project, and I hope that before very long this example will result not only in supplying homes for 1,700 families, but also in inducing other organizations to follow suit and help produce many more decent homes.