



CO-OP

Contact

UNITED HOUSING FOUNDATION • COMMUNITY SERVICES INC.

EDITORIAL

The Effort Should Be Made

October was another big month for housing wordwise. Day after day, the newspapers carried the reports that one candidate deplored the shortage of housing. Another deplored the slums and called for more public and middle income housing. Each promised, if elected that more and better housing would be the first order of business. It sounded good — it always does.

In St. Louis, the officials of the National Association of Housing and Redevelopment Conference had their annual get together. A thousand one hundred delegates passed resolutions calling for greater Federal participation in slum clearance. They called for a department in the government which would deal with housing matters.

Someone made a speech in which he pointed out that last year, less money had been spent on slum clearance and urban renewal than was spent on wildlife and fish conservation. The fish and fowl program received \$17,408,821, the slum clearance program, \$13,581,395. It was also pointed out that a total of \$1,350,000,000 has been authorized for slum clearance, but this is about one-thirtieth of the \$33,000,000,000 which is authorized for the Federal highway program. This was the subject of the article, "A Necessity" by Harold Ostroff in last month's CONTACT.

Campaign speeches, resolutions, newspaper and magazine articles do not produce housing. Neither does the usual run-of-the-mill conference or meeting. However, a conference with a specific purpose — which, if successful, would result in the building of 20,000 units of moderate-priced housing a year for a number of years, has been proposed. It has been suggested by Abraham E. Kazan, executive vice-president of the United Housing Foundation. If as a result of the conference, which has been proposed, twenty thousand new units were constructed, it would be a major accomplishment and would be an excellent beginning in finding

the solution to the moderate-priced housing shortage. The possibilities of success would seem to us, to make the effort mandatory.

Mr. Kazan outlined his suggestion in a letter to the New York Times which was printed on October 4, 1957. Part of the letter said:

"Plans must be developed which would supply 20,000 or more dwellings each year for the next five to ten years.

"This can be accomplished if a high level conference could be arranged by the Mayor and Governor with the participation of all the savings banks and insurance companies of the city, labor unions with large retirement funds, and foundations that have large investments. These organizations would set up a fund to supply mortgage loans of two hundred million dollars a year at 3½% for housing that would rent for between \$20 and \$25 a room. We are sure that the prospective tenant-applicants would supply the equity money needed. This would guarantee full occupancy and success of the project.

"At the proposed conference, a schedule should be set up of the amounts to which each organization would subscribe. The sacrifice that these participating institutions would make by way of the low interest rate on the amount they subscribe would be little compared to the value the entire city would derive. We must have in mind that for every 1% of additional interest, an increased monthly rental of \$2.25 per room must be added.

"I consider it the duty of the savings banks and the insurance companies operating within our city to consider the housing needs of that middle-income group which makes up so large a part of their depositors and policyholders.

"The conference I am suggesting, if successful, would also eliminate the need for additional bond money to be voted on by the citizens."

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COOPERATION IN ACTION

Thirtieth Anniversary of Amalgamated Housing Corporation

November 1957, marks the Thirtieth Anniversary of the Amalgamated Housing Cooperative in the Bronx. The rapid growth and development of cooperative housing, in recent years, can, in a large measure, be attributed to the success and stability of this first consumer-sponsored housing enterprise, for had it failed, it is unlikely that cooperative housing today would be acclaimed as the best method of providing middle-income families with moderate-priced housing.

From a modest beginning of 303 units, the Amalgamated has grown to 1435 families. The Mutual Housing Association and the Park Reservoir Cooperatives, in the immediate vicinity, added another 397 families to this cooperative community. The Amalgamated's growth has demonstrated how people have the ability to work together for their mutual benefit.

This self-help enterprise has also illustrated how an enlightened labor union can use its good officers to promote housing which not only benefits its own members, but the general public as well. The Amalgamated Clothing Workers of America pioneered in the sponsorship of this cooperative enterprise. Their continued interest and support has been one of the major factors in its success.

Thirty years ago, this cooperative was the first housing development to be completed under the limited-dividend companies' law. The effectiveness of private enterprise working with governmental agencies of the state and the city to provide moderate-priced housing has been illustrated.

Indicative of the stability and strength of the organization, is the fact that seventy percent of the original cooperators are still living in the community. It is further evidenced by the fact that its original manager is still with the organization. His assistant, Michael Shallin, retires next month after 29 years of faithful service to the cooperative.

The Amalgamated Housing Cooperative has blazed its own trail. The idea of hundreds of families pooling their savings to build their own homes — and to manage them on a non-profit basis, was considered revolutionary thirty years ago. There were many who scoffed and said it could not be done, but the passage of time and the growth and practicality of the cooperative idea, has proved them to be wrong. The major share of the credit for the success of the Amalgamated belongs to its members. They have illustrated that the democratic process can work effectively in consumer-owned enterprises. In addition to cooperative housing, they have devel-

oped other cooperative enterprises to meet their needs. They have built a community which has many varied social and cultural programs. The neighborliness of the Amalgamated community is unique in a city the size of New York. The membership has proved that people can effectively live and work together to benefit themselves and society.

On the occasion of its Thirtieth Anniversary, the United Housing Foundation is proud to salute its "senior" member and to extend its best wishes for its future.

Cooperation Appreciated

Recent weeks have seen several heart-warming examples of cooperation in action.

A representative of ELECTCHESTER (the 2200-unit cop in Queens) wrote to United Housing Foundation in September, offering to provide volunteers to help in any way they could. The offer was put into action promptly, when four volunteers came in the evening and shouldered a large share of the packing in connection with the impending moving of UHF's offices. Another group came in the evening of the move, and helped to unpack, hang pictures, shift furniture, arrange books, etc.

On October 19, other Electchester volunteers helped out as guides and ticket takers at the Conference on Community Living and Cooperative Housing, sponsored by United Housing Foundation, Play Schools Association and The Department of Health.

They have not stopped there. Over the weekend of October 26, several Electchester cooperators worked at the Foundation's office, changing UHF literature and stationery to reflect the new address, thus saving time and expense for the organization.

Their offer is a continuing one, and they are "on call" as needed.

Another volunteer, a member of the Building Trades, has spent three Saturdays at the office, repairing and replacing sections of the flooring.

All of these volunteer efforts are gratefully acknowledged by United Housing Foundation.

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The reaction to this proposal by some bankers and labor leaders has been gratifying. Now that the elections are over, it is up to the Governor and the Mayor to call the conference. It would be a big step in the right direction.

If you agree, we suggest you write to Governor Averell Harriman, The Executive Chamber, Albany 1, New York, requesting him to call such a housing conference.



CONFERENCE ON COOPERATIVE LIVING AND COOPERATIVE HOUSING

The problems of community facilities and activities among the 28,000 families living in cooperative housing developments in New York City were discussed by more than one hundred interested persons at an all day conference held Saturday, October 19, at the West Side YMCA. The meeting was sponsored by the United Housing Foundation, Play Schools Association, and the New York City Department of Health.

The opening session was greeted by Roger Schafer, Secretary of the United Housing Foundation, who introduced J. Clarence Davies, President of the Bronx Real Estate Board. Mr. Davies emphasized that whether under private or cooperative sponsorship, large scale housing must provide adequate community facilities if it is to protect itself against obsolescence.

Three panel sessions dealing with the basic problems of community living in cooperatives followed:

The first panel was chaired by G. Harmon Gurney, Chief Architect of the New York Life Insurance Company and member of the Board of Community Services, Inc., and dealt with financing and planning community facilities in new cooperatives not yet built. Herman Jessor, architect of the ILGWU Cooperative Village and Seward Park as well as Warbasse Homes, participated in the panel discussion. City, State and Federal agencies were represented on the panel, and in each case it was made clear that the agencies involved

would allow for community facilities in the capital budget of the cooperative.

Panel 2 discussed financing community activities for grown-ups and children. Cooperators from Queensview, ILGWU Cooperative Village, Amalgamated Housing, Fillmore Gardens, and Dorie Miller Apartments, participated. Among the conclusions reached was that a pre-occupancy educational program should be organized for each cooperative, which would stress the need for and purpose of community activities. Cooperators then would be prepared to shoulder the burden of financing these activities. Also, funds should be provided for a part-time or full-time director of community activities to coordinate and stimulate the work of volunteer groups.

Panel 3 focused on the existing resources for community activities in cooperatives. The chairman was Clara Fox, Consultant, Play Schools Association, and among the participants was Cornelia Goldsmith, Chief, Division of Day Care, New York City Department of Health. Those present recognized the fact that most cooperatives in the New York City area have suffered from a lack of initial planning for community facilities. Ways in which cooperators have remodeled their buildings and made use of existing public facilities were outlined.

After the luncheon session, colored slides depicting children's activities in summer day camps were shown.

A complete report of the conference may be obtained by writing the United Housing Foundation.

Slum



Some sociologists tell us that public apathy is one of the contributing causes of slum conditions. This may be true, but how this apathy can exist after the countless books and articles which have been written on the subject, is difficult to understand. Since the middle of the nineteenth century, reformers and civic groups of every description, have been holding meetings and conferences urging that action be taken to rid the cities of their blighted areas.

In spite of all of this, in New York City today, approximately 12% of the dwelling units are classified as substandard. Too often we think of slums in terms of percentages of buildings, square blocks, acres, and so forth. Perhaps there would be less apathy about the conditions which exist if we thought more about the problem in terms of people, for it is well to remember that when we speak statistically of buildings, blocks, etc., we are referring to the homes in which men, women, and children are living. A million people cannot be overlooked or ignored, and in New York City that many people are living in blighted areas. These million people represent one person in five, or 20% of the city's population. Unfortunately, the problem of slums is not exclusively in New York. Conditions as bad and even worse exist in some of our other major metropolitan areas.

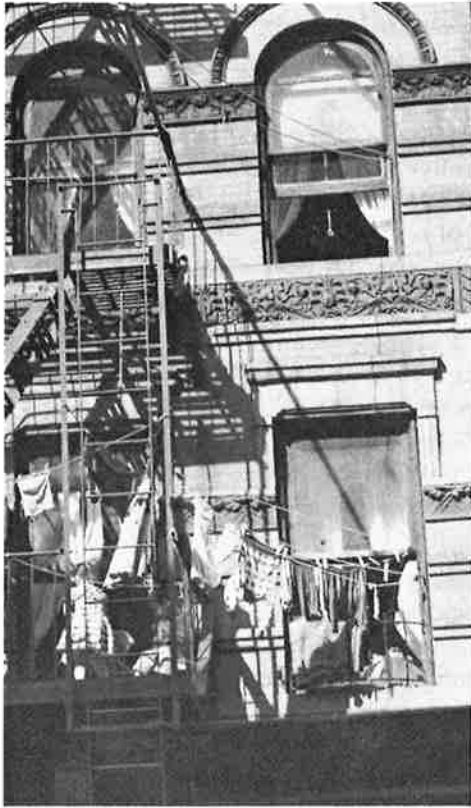
In addition to public apathy, the experts also list the following causes as contributing to slums: low wages, business and commerce moving into residential areas, neglect and abandonment of buildings, uncontrolled growth of cities, and lack of enforcement of building regulations regarding sanitation and safety.

Words on paper, even when they are by a Steinbeck, cannot adequately describe the conditions which exist in a tenement slum. Multiple adjectives cannot convey to the reader the odor of a tenement. These things must be experienced.

Accompanying this article are some photographs which were recently taken in a slum area of New York City. Perhaps they will convey partially the deplorable conditions which exist. Note the children playing on the fire escape. Look at the new cars in the street. The affect of the slums on people is the important aspect of the problem.

Sidney and Beatrice Webb wrote in 1911 that slums are "morale malaria". It is an apt description. Man has learned to control and cure malaria, but he has not conquered the conditions which cause "morale malaria". Conversely, the shortage of housing has increased the value of slum-area properties. In the slums we find apartments and rooms unfit for human

Clearance



habitation for which poor families are paying relatively high rents. Many unscrupulous landlords are circumventing the law by overcharging poor people for accommodations which should have been demolished many years ago. Many of these families are forced to pay their rent by the week and if figured on a monthly basis, the same would enable them to live in much better conditions.

Of the one million people living in slums today, it is estimated that 40% of them are families which have incomes in the middle-income bracket. These are the people who are most acutely caught in the shortage of middle-income housing. They could afford better housing if such housing was available. These are the thousands of people who put their names on the list of the relatively few reasonably-priced housing projects which will be built in the future. These are the people who leave the city with the hope of finding better housing elsewhere. These are the same people who have the money to help themselves by joining with others to start cooperatives.

It is, of course, recognized that slum clearance cannot or should not be done by one group. Integrated, well-planned, balanced, communities must transform the blighted areas which now exist. In attempting to solve one problem, we should not be creating social and economic ghettos which will be the slums of tomorrow. A co-ordinated program of balanced neighborhoods including public housing, private housing, and cooperative housing should be initiated.

Such a co-ordinated program should have the support and financial backing of both private and public groups. It must include public housing for the many low-income families who cannot afford either cooperative or public housing; it must include cooperative housing for the large group of people whose incomes range between \$4500 and \$8000, including many with higher and lower incomes; and it should include housing which private industry would develop.

A program producing a total of 50,000 units a year including 20,000 public units and an equal number of cooperative units, and 10,000 reasonably-priced private units over a five-year period could eliminate most of the slums in New York City. The United Housing Foundation stands ready to assist all groups who are interested in undertaking the cooperative part of this program. It welcomes the opportunity to participate, without profit, to make New York a decent place in which people may live. We urge private capital and public agencies to participate to work together to eliminate the scourge of the slums.

Report On The NAHRO ANNUAL CONFERENCE

The National Association of Housing and Redevelopment Officials (NAHRO), held their twenty-fourth Annual Conference in St. Louis on October 20-23. Representing every state and territory in the union, these eleven hundred officials are very much concerned with the problems of slum clearance and urban development.

The major address of the Conference was made by Governor George M. Leader of Pennsylvania. Discussing the growth and changes of population in the United States, he said in part:

"We must work to solve our problems as a Nation. Certainly, not the least of these are the problems of housing, slum clearance, and urban renewal.

"We have not been spending too much, in money and effort, in this vital work. We have been spending pitifully little. I would hope that inside the Administration, if we may, or outside it if we must, a whole series of new objectives can be set, measured, and attained.

"America is rich enough and resourceful enough to tear down every slum house in this Nation. We are rich enough and resourceful enough to guide our suburban communities to sound and enduring growth. We are rich enough and resourceful enough to rebuild our core cities, making each of them a fitting regional capital for the metropolitan district which it serves.

"We should quit playing cat-and-mouse with urban renewal, keeping authorizations at such starvation levels that each session of Congress must act to insure a continuing program.

"We should lift the curse from public housing, and find the methods and the program which will integrate it into the normal patterns of American urban life.

"Each state in the union should help its cities match the Federal grants.

"We should learn the size of our task — which is now unknown — and build a program equal to the task, both in dollars and in time.

"These are not impossible goals. They are understood by practical men, business men, civic leaders, in a hundred cities of America. It is a sad thing that they are not comprehended by some few cloistered men, who are so preoccupied with dollars that they cannot remember that money is only good for what it buys.

"What better buy could you make against the future than the cities of America?"

Affirming its adherence to the National Housing Policy in the preamble to the Housing Act of 1949, the Association

called upon the Federal government, "From the President and the Congress to the farthest outposts of its administrative agencies, to rededicate itself to the responsibilities of the national role in achieving the objectives" of that policy.

In a resolution, the Association cited, "Great pressures — demanding a high rate of housing production and a forthright, realistic approach to urban rebuilding": natural population increase, mobility of families and migration to urban centers, and the necessity for replacement of obsolescence and decay. "These are matters of national concern, inexorably involving national economy, and the very fiber of national well-being."

The Association called for, "A more realistic balance — between the respective capacities of the Federal government and local governments to finance urban renewal undertakings. This means a reduction in the city's share of net project cost. The urban renewal program is no less important than the highway program for which the Federal government bears 90% of the cost.

"In addition, the urban renewal process must be made sufficiently flexible to permit cities to deal with commercial and industrial blight and to effectuate broad plans for rebuilding their cores. The essential step in providing a framework within which this objective can be achieved is the elimination of the residentially related requirement of Title I of the Housing Act of 1949, as amended."

The resolution also called for the development of methods for reducing the time between the initiation of urban renewal projects and their completion and for liberalization of the concept of non-cash, local grants-in-aid to permit credit for public improvements and community facilities constructed in anticipation of an urban renewal project.

Part of the Association's policy resolution said, "The most serious gap in fulfilling the housing market today in most areas of the country is middle-income housing. This cannot be defined in a per income or cost formula applicable to all regions of the country. It can best be identified as the economic sector of our population just above income limits for public housing and up to the income level for which a volume supply of private housing is being produced." To reach the middle-income market, the Association called for, among other things:

Recognition by the Federal Housing Administration that "its primary concern and justification for existence is to the consumer, a preponderance of whom are in the middle-income range." This involves a balanced program between FHA urban and suburban activities.

Aid to cooperative housing and development of a program of direct loans to non-profit or limited profit corporations.

Organizing The Consumers' Dollars

The purpose of advertising is to persuade the consumer to spend his money. All forms of advertising are used to sell everything from pins and paper clips, to automobiles and apartments. A considerable amount of advertising is being used by banks, insurance companies, and other financial institutions to persuade consumers to save some of their money. The appeal, of course, is security. The attraction is high interest rates.

Saving part of one's income has always been considered a great American virtue. Twenty million people in the United States have \$28 billion deposited in savings banks. Many more people have their savings in life insurance companies. Six and a half million people have invested in stocks and bonds. Recently, Fortune Magazine listed seventy-six individuals who have personal fortunes of between \$75 million and \$1 billion each. Together, these fortunes are worth, give or take a billion dollars or so, about \$12 billion.

In addition to the savings in life insurance companies and savings banks, a great many people are now accumulating savings in the form of pension and retirement funds. These funds amount to approximately \$25 billion at the present time and are growing at the rate of \$2½ billion a year. With the exception perhaps of savings which consumers have in credit unions, which amount to approximately \$2 billion, they have no control over how their savings are used.

A union member may be glad that his retirement funds are invested in cooperative housing — but he has little to say if his funds are invested for other purposes. The depositors in a mutual-savings bank cannot tell the directors how to invest their money. The same is true of policyholders in insurance companies. The savings of consumers represent tremendous financial power. The people have given control of this power to others.

Certain labor unions, particularly local #3 of the International Brotherhood of Electrical Workers, and consumers cooperatives have been trying to teach consumers for a long time the value of organizing and controlling their money. It is recognized, however, that it takes a considerable amount of time and a long educational process to teach consumers how to invest their funds in enterprises which benefit them directly.

The Electrical Workers Union has made studies which show that over a period of time almost every worker pays thousands of dollars, not for goods or services, but for credit and installment charges. It is estimated that the average worker pays between six and ten thousand dollars over his life time for credit.

Many consumers pay high rents year after year rather than making an investment in a cooperative housing development where the rents would be approximately one-third less than in private developments.

Mr. A, for example, has \$3,000 in a savings bank. Currently, this money is earning 3¼% interest. If he leaves it in the bank for five years, it will earn \$520.25 worth of interest. Let us assume, however, that he takes his \$3,000 and invests it in a five-room cooperative apartment for which he will pay \$17 a room or \$85 a month for rent. Over a five-year period, he will pay \$5,100 in carrying charges.

If Mr. A did not invest his \$3,000 in a cooperative, he might, if he was extremely fortunate, find an apartment where the rent for his five rooms would average \$25 a room or \$125 a month. His rent bill over a five-year period at this rate would be \$8,000. Deducting the \$520.25 which he loses on his \$3,000 investment, he would have saved \$2,379.75 over a five-year period by living in the cooperative. It also should be remembered that when he wishes to leave the cooperative, his \$3,000 investment is returned to him, without interest!

Two years ago, 1672 families moved into the ILGWU Cooperative Village. These families invested a total of \$4,500,000 in this cooperative. Their average rentals are \$17 a room. Compared with rentals of \$25 a room apartment, in two years these consumers have saved themselves a total of \$1,401,744. On the same basis, over a ten-year period they would save themselves over \$7 million, nearly twice their total investment. This is a dramatic illustration of what people can do when they pool their savings and use them to benefit themselves.

It is important for consumers to learn how to wisely use their money. Prudent investments in nonprofit enterprises which they, as consumer-owners, control is one of the methods of obtaining the most for their money. By joining existing cooperatives or by starting new ones, this first step can be accomplished relatively easily.

The task of establishing a galaxy of consumer-controlled cooperatives, would be greatly facilitated if consumers control their own savings. In Great Britain and in other countries, consumers have established their own banks, insurance companies, and savings and loan associations. By saving together, they build together. If we are to make substantial progress in developing consumer-controlled, non-profit enterprises, we must learn to join together with and pool our accumulated savings in an institution which will use them in enterprises which will directly benefit consumers.

WARBASSE MEMORIAL LIBRARY FOUNDED

The Memorial Library Association in honor of James Peter Warbasse was recently organized. In 1916, Dr. Warbasse founded the Cooperative League of the U.S.A. and served as its president from that date until 1941. He was president emeritus of the League from 1942 until 1957.

The library is presently located in the board room of the ILGWU Cooperative Village in Manhattan. It is contemplated that when Seward Park Housing Cooperative is completed, the library may be moved to that location.

As soon as this specialized library has been cataloged, it will be available to students and scholars interested in studying various aspects of the cooperative movement and related social and economic problems. Universities, colleges, and other schools and institutions will be invited to use its facilities. It will also be available to interested cooperators.

The Warbasse family has donated the extensive per-

sonal library of the Doctor to help launch this new educational institution. Through the efforts of the Cooperative League, cooperative organizations throughout the world are being asked to contribute books to the library. The library will welcome contributions from any cooperators. If you have any suitable books dealing with economics, sociology, political science, etc., the library will gratefully receive them. Each contributor's name will be inscribed in the books he donates. Books may be mailed to James Peter Warbasse Memorial Library Association, 570 Grand Street, New York 2, New York.

Cooperators who would prefer to make cash contributions to the library, may send their checks to the same address to the attention of Mr. Ralph Lippman, Treasurer. Such gifts will be used to purchase reference books.

It is hoped that this library will become one of the best sources of information in the country on cooperation and cooperatives of all kinds.

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