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MARIAN BOWLEY

Britain's Housing Shortage

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BRITAIN'S HOUSING SHORTAGE

By

M. BOWLEY



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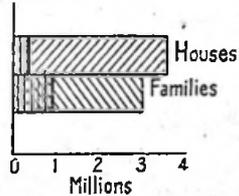
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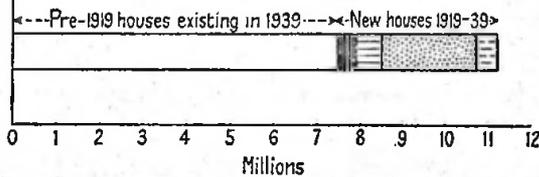
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INCREASES IN THE NUMBERS OF FAMILIES & HOUSES 1911-39



-  Increase in No. of Houses 1911-39
-  " " " Families
-  " " " Houses 1911-19
-  " " " Families

THE SUPPLY OF HOUSES IN 1939



-  Pre-1919 houses existing in 1939
-  " " " replaced 1919-39
-  Houses built 1919-39 needed to balance shortage of houses in 1919
-  " " " " " " " " increase in No. of families 1919-39
-  " " " " available in 1939 for replacement etc.

HOUSES AND FAMILIES IN ENGLAND AND WALES

Estimated from the Census of Population 1911, 1921, and 1931 and Ministry of Health statistics of houses built 1919-1939.

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Are there going to be enough houses to go round after the war? Are we going to replace, not only those houses which have been destroyed by air raids, but the countless thousands that are below modern standards of space and convenience? And, if so, what sort of new houses are going to be built? And how soon? These are the questions which we all want answered. The answers must, of course, be given by the Government, and several official reports which throw light on these matters have already appeared (see below). Here, in this Pamphlet, the nature and magnitude of the problems are set forth, so that the plain man may have some basis of factual information by which to test the official proposals as they are published. The present situation is compared with that at the end of the last war, and the success or failure of between-war policy is examined.

The proper solution of housing problems depends, of course, on the proper planning of towns, suburbs, and even villages, for families do not live in isolation but in communities. But the most elaborate town planning schemes will not, of themselves, build a single new house, and it is with the questions of building new houses—how many, for whom, at what price, through what organization, and how soon—that this Pamphlet is concerned.

Miss Bowley has been engaged for several years in the study of housing problems, and is the author of *Housing and the State, 1919-44* (Allen and Unwin, in the press).

BOOKS FOR FURTHER READING

The following Reports may be consulted:—

Report of the Royal Commission on the Distribution of the Industrial Population (Barlow Report), Jan. 1940. (Cmd. 6153.)

Report of the Committee on Land Utilisation in Rural Areas (Scott Report), August 1942. (Cmd. 6378.)

Report of the Expert Committee on Compensation and Betterment (Uthwatt Report), September 1942. (Cmd. 6386.)

Planning our New Homes. Report by the Scottish Housing Advisory Committee on the Design, Planning and Furnishing of New Houses, 1944.

Design of Dwellings. Report of the Design of Dwellings Subcommittee of the Central Housing Advisory Committee (Dudley Report), 1944.

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BRITAIN'S HOUSING SHORTAGE

Extent of the Post-War Shortage of Houses

For some years after the war of 1914-18 there were not nearly enough houses in Britain to go round. During that war the number of new houses built was too small to balance the increase in the number of families wanting houses, so that there was an accumulated shortage by the time it was over. In the first few years of peace the rate of building was too low to keep up with the continued increase in the number of families, so that no headway was made with overcoming the war shortage for some time. The explanation was simple. There had been a breakdown in the system of supply during the war of 1914-18 which it took a long time to repair. The building industry had been dislocated by the shortage of materials and the disappearance of the skilled men into the fighting services and the munitions factories. Still worse, apprentices had not been trained to take the places of the men who had been killed or disabled in the fighting, or of those who had, in the natural course of events, become too old for work or had died. Even after the Armistice increases in the skilled personnel were delayed for the first few years as agreement was not reached about plans to accelerate and extend training.

As everyone knows, the present war has led to a new shortage of houses. Building has not kept up with the increase in the number of families. This time, moreover,

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houses have been damaged or destroyed by air raids, so that the number of houses available to live in has actually decreased. As soon as the war is over new houses will be needed to make good the lack of building during the war, and to replace the houses damaged beyond repair or entirely destroyed; in addition the arrears of repairs to other damaged houses, as well as the arrears of ordinary repairs, will have to be made up before the effects of the war are overcome.

The damage and destruction due to enemy action is easy to exaggerate. The houses which have to be replaced are not evenly spread throughout the country; forty per cent of the houses which had had 'first-aid' repairs up to early in 1944, for instance, were in Greater London. In some small districts most of the houses have been damaged or destroyed, in others none at all, or one here and there, or a single street or crescent. Even in the most heavily bombed towns most of the houses are still standing; they may be battered and dishevelled, but they still exist. The blitz has not been on a scale which necessitates rebuilding Britain. It can be patched up without radical alterations. A street, or group of streets, and a few city centres will have to be rebuilt altogether, but the towns of Britain will only be rebuilt if a deliberate decision to have a 'brave new world' is made. This will not happen as an inevitable result of Hitler's bombs.

The official figures show that, up to early in 1944, only just over 150,000 houses had been demolished by air-raids out of the total of about 11,000,000 in England and Wales at the beginning of the war, that is less than $1\frac{1}{2}$ per cent.

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Demolition of houses during the war has actually been less than the demolition which it was hoped that local authorities would carry out under their slum clearance schemes between 1939 and 1944, if there had been no war. About one in five houses in Great Britain, or about 2,750,000, have received 'first-aid' repairs, and nearly half of these have had more extensive repairs done to them as well. It is of course probable that further repairs to many of these houses will be needed, or desirable.¹ Rebuilding Britain as a whole will not then be the immediate post-war necessity. The most urgent problem will be to make good the shortage of houses, so we will try to estimate the total numbers needed.

Obviously at least 150,000 will be needed to replace the houses which have been destroyed. To this we must add sufficient houses to balance the increase in the number of families during the war years and the first few years of peace. According to an expert estimate about 300,000 houses would have been needed to balance the increase in the number of families between 1939 and 1942 if there had been no war. After 1942 the number of families would have increased more slowly, and about 125,000 houses would have been needed in 1943 and 1944. This gives us a total of 425,000 for the whole period 1939 to 1944. As private building did not stop entirely in the first year of the war, and as local authorities have built a few houses during the war, part of the total additional need for houses will have already been satisfied. Allowing for this, we may put the

¹ These figures do not include the results of the flying-bomb attacks, which have greatly increased the seriousness of the repair problem in London and Southern England.

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net total of additional houses needed by 1944 at 275,000.¹ Adding to this the 150,000 required to replace those which have been destroyed, we get a total of new houses needed to offset the effect of the war, if the European war ends in 1944, of just under half a million. It must be remembered, however, that while these houses are being built, the number of families will go on increasing (though more slowly than in the past), and that additional houses will be needed by them. It is probably safe to say that the new houses needed on all these counts by 1950 will be more than three quarters of a million, but less than one million.²

Remedies for the Shortage

What is the prospect of these houses being built in time, as well as the accumulation of repairs being overtaken?

In the last six years before this war houses were being built at the rate of more than 300,000 a year, and for the six years 1933 to 1939 a total of 1,936,000 houses were built; in addition, of course, the normal amount of repair work was done.² If, therefore, as much building capacity could be devoted to house building and repairs in the six years after this war as before it, nearly twice as many houses could be built as are needed to wipe out the shortage. Even allowing for the arrears of repairs needed to make good the

¹ No allowance has been made for war casualties, on the one hand, or immigration on the other.

² These estimates refer only to England and Wales. The official estimates for Scotland have been published in the Report of the Scottish Housing Advisory Committee, *Planning our New Homes*, June 1944. They are based on more complete information than those made above for England and Wales.

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outstanding war damage and for the arrears of ordinary repairs postponed during the war, there would be a considerable surplus of houses in hand for general replacement purposes before 1950, if the war ends in 1944.

Unfortunately it is certain that the building industry will not immediately be able to operate on its pre-war scale, for this war has dislocated the industry in the same way as the last one. There will be a shortage of skilled men and a shortage of materials. The immediate post-war problems, therefore, are the temporary ones of finding some method of surmounting the shortage of ordinary building resources and using all resources to the best advantage.

The Cabinet has recently described (early in the summer of 1944) its plans for tackling the situation. The local authorities were instructed to make plans to start building 100,000 permanent houses in the first year of European peace and another 200,000 in the following year. These figures include 50,000 for Scotland, leaving 250,000 for England and Wales. These would be sufficient to offset about half of the shortage actually inherited from the war. No one in authority, however, has given a date for the completion of the houses, or guaranteed that there will be labour or materials available for private building while these local authority houses are being built.

The experience of the first few years after 1918 does not justify altogether optimistic views about the possible achievements of the authorities. That time, plans for 162,000 houses to be built by local authorities in England and Wales were approved in the interval of more than a year between the Armistice and March 1920, but only

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1,239 houses were completed. Even by March 1923, more than four years after the Armistice, only 154,000 houses had been finished. This time not only have we been assured by the Minister of Health that nearly all the land on which these houses are to be built has been acquired, but that labour will quickly be released to prepare the sites. It should be remembered, however, that even so there may not be enough building materials and labour to carry through the programme quickly, although the Government has promised that the supplies for 'houses for the people' will receive a high priority. Optimism should be tempered also by the recollection that even in the most favourable conditions of the years of peace, the local authorities in England and Wales never completed 250,000 houses in a period as short as three years. Evidently the success of the programme to relieve the shortage will depend a great deal on the efficiency of the local authorities and of the Ministry of Health and on the pressure of public opinion. The houses will not be built quickly merely because plans have been made.

The Government has other strings to its bow however. It proposes to adopt a number of temporary expedients to relieve the immediate shortage. Hostels built for factory workers will where possible be converted into family dwellings, other temporary houses may be made out of camps. Most important of all, however, is the proposal to build half a million temporary pre-fabricated, or factory-made, houses. A sample steel factory-made house was shown in London in June 1944, and the Minister of Works and Buildings has declared that, if sufficient steel is made

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available, they can be manufactured at a rate between a 100,000 and 130,000 a year from early in 1945 onwards. If this prophecy is fulfilled, about 400,000 would be available by the end of 1947 for Great Britain. But fulfilment depends upon adequate plans being made for obtaining the land on which to erect the houses, and for providing them with the essential services of drains, water, and roads, and calls even more obviously for administrative drive and efficiency by the local authorities than does the programme for permanent houses.

If all went well, however, with the schemes for both permanent and temporary houses, nearly 600,000 new houses would be available in England and Wales within the first three years of peace. This would be sufficient to relieve the shortage and to balance further increases in the numbers of families. Once this stage has been reached additional houses needed to balance further increases in the number of families, and permanent houses to replace gradually the temporary steel houses, should be a relatively simple matter. Three years of peace ought to provide sufficient breathing space for the building industry to get into working order again and for the production of building materials to expand, though the shortage of certain things, such as timber, may continue. The Government's training scheme to increase the number of skilled workers in the building industry should by the end of three years be yielding some results. There is another consideration which is perhaps not generally recognised in discussions of the post-war building problems. It will be quite unnecessary for the industry to re-expand to its pre-war size once the

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shortage is over, merely for the purpose of building sufficient houses to keep pace with the increase in the number of families. Pre-fabrication methods of building, of course, may in the meantime become more popular so that there will be a demand for permanent houses made partly in the factories as the temporary steel houses will be made ; such a development would lessen the pressure on the ordinary building industry.

Another important question that must be settled if any scheme is going to be a success is, how the tenants for the new houses are to be selected. The steel houses are, we know, intended for small families, especially for the newly married. It has been promised, also, that subsidies will be available. But the experience of housing policy before this war, described in the next sections, shows that a clear decision is essential as to whether tenants are to be selected mainly on the basis of capacity to pay rent or mainly on the basis of need for accommodation. Unless this is settled in advance, it is unlikely that the subsidies will be of the right size or that the housing schemes will work smoothly.

Housing Problems between the Wars

At the end of three years of peace, if all goes well, the general housing situation may be so much easier that private building as well as building by local authorities may be possible ; the former would no doubt supplement official efforts mainly by the provision of houses for owner-occupation. It may, in fact, be practicable, about 1948, to start on more ambitious building programmes. Such pro-

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grammes cannot be worked out, however, until it has been decided what new houses will be wanted in the long run. Everyone knows that during the twenty years between the wars, housing questions occupied a great deal of the attention of Parliament, the Ministry of Health, and the local authorities. This pre-occupation was not solely due to the shortage of houses caused by the war of 1914-18, there were other difficulties as well. It would be the height of foolishness to suppose that these have just disappeared during the present war. It will be useful to consider these old problems and the attempts made to deal with them.¹ We can then decide whether pre-war policy and programmes were successful and should be adopted again.

Building

Between 1919 and 1939 rather more than four million houses were built in England and Wales. This number just about equalled the total of all the houses in all the towns, villages, and hamlets in the counties of London, Middlesex, Essex, Warwick, Stafford, Lancaster, Durham and the West Riding of Yorkshire at the end of the last war! In the last three years of peace alone the number of houses built was greater than the number of houses in the county of London in 1931. By 1939 there was hardly a town without at least a frill of new houses,

¹ Scottish housing problems differed in some ways from those of England and Wales, and it has not been possible to include a description of them within the limits of this Pamphlet. It may generally be assumed that rather similar difficulties arose, but were even more serious.

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while some had acquired immense suburbs. People had wanted new houses during these years and they had wanted, especially, small cheap houses. Private builders had provided the majority, about two thirds of the total.

It is probable that by 1939 there were more houses than families in England and Wales. If the houses had been shared out evenly, each family in the country could have had a house to itself and a small fraction of another house. Of course houses were not shared out in this way. A good number were empty because they were unsuitable for ordinary use, others were temporarily empty between tenancies. The four million new houses had, however, been sufficient, at least in theory, to make good the shortage of houses existing at the end of the war of 1914-18, to keep pace with the increase in the number of families between 1919 and 1939 and to replace a certain number of old houses which were pulled down, or converted to other uses. A sixth of the new houses were needed for the first purpose and about half for the second. The balance was available to replace old houses.¹ This is shown in Diagram I (inside front cover).

The mere fact that there were probably enough houses to go round in 1939 did not mean that there were enough *new* houses. Apart from the relatively few old houses which had disappeared between 1919 and 1939, all the houses

¹ Some of these apparently surplus houses may have been used up by the separation of families which before the war of 1914-18 had been obliged, through lack of accommodation, to share houses. For instance, under the slum clearance campaign of the last five years before this war, two or more families living originally in a slum house would be rehoused in separate houses, one for each family.

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built before 1914 were still in existence and in use. Despite the four million new houses, two out of every three families were living in these pre-1914 houses. The great bulk of these had been built in the nineteenth century, that is to say, when fresh air and sunlight, gardens, bathrooms, and hot water were regarded as the prerogative of the relatively well-to-do families. Hence the endless mean shabby streets of cramped little houses in our industrial towns. These streets and houses are almost as inconvenient and unpleasant as they look. Of course some are better than others. There are the slightly bigger and better houses of the more prosperous artisans and clerks and shopkeepers. But they, too, are thoroughly inconvenient by modern standards. Even the big nineteenth-century houses are difficult and expensive to run since domestic servants ceased to be cheap, plentiful, and uncomplaining. Those big houses which have come down in the world are perhaps the worst of all. They have been converted, or partly converted, into unsatisfactory tenements, or, worse still, are used by several families without any attempt at conversion.

There is no getting away from the fact that the majority of people in England and Wales (and this is even more true in Scotland) are living in houses nearly as uncomfortable and out of date as the clothes and customs of their grandparents and great grandparents. There may have been enough houses in 1939 in terms of arithmetic, but there were certainly not enough modern houses. The horrible legacy of the nineteenth-century towns is still with us, and at present no decision has been taken to deal with it. Even the campaigns for abolishing slums and overcrowding in the

'thirties only touched the fringe of the problem, for they dealt only with the very worst housing conditions.

The Shortage of Houses to let, 1919-1939.

We have seen that by 1939 there were still only a limited number of new houses available. Which families succeeded in getting them? Obviously some had a much better chance than others. Anyone who could afford to buy a new house outright, or through a building society, could go to a builder and tell him to build a house, if he could not buy an existing one. Builders, being shrewd, built largely in anticipation of these demands, so that often new houses were ready and waiting to be sold to the first comer. On the other hand, anyone who could not afford to buy had to depend on someone else being willing to buy a new house and let it to him, a much more roundabout way. The majority of families were in this position. It has been estimated that rather more than one in three families were able to buy their own houses, somehow or other. The rest, that is nearly two out of every three families, were dependent on finding houses to let.

In these circumstances it might have been expected that most of the houses would have been built for letting, but instead, most of the houses were built for sale. More than half, nearly two thirds, of the new houses were built for and bought by owner-occupiers, generally through the building societies. By the time Hitler marched into Poland so many houses had been built for sale that there were enough new houses for the majority of families in the

country who could afford to buy, and the demand for new houses to buy had begun to slacken. The families who moved into these new houses were either new families, young people setting up house for the first time, or families who abandoned their old-fashioned rented houses in favour of the new. It was not only the newly-married couples who chose the new houses, the middle-aged and even the elderly joined in the great exodus to the heaven of modern suburbia.

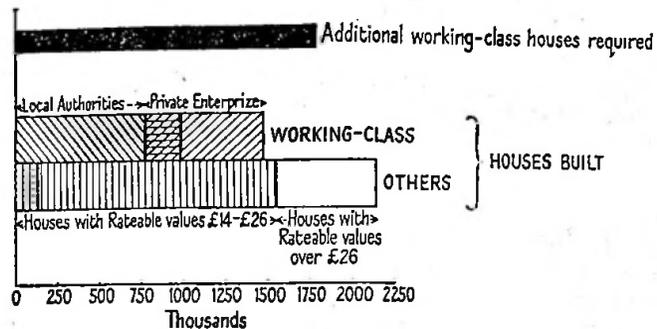
For all the other families in the country, the families who could not afford to buy, there were only enough new houses for one in every seven or eight. This group included the families of the ordinary unskilled and semi-skilled working men. Most of the new houses to let had been built by the local authorities, who had provided just over one million, including those used for rehousing families under slum clearance and de-crowding schemes. The number of houses built by private enterprise for letting was small, and of these only about a quarter were of the ordinary working-class size.

There is no question that the additional supply of new houses to let, especially small cheap houses, was inadequate. It was not even sufficient, as Diagram II (p.17) shows, to keep pace with the increase in numbers of working-class families between 1919 and 1939, much less to make good the shortage outstanding after the war of 1914-18 as well. If it had not been that so many families who could afford to buy houses decided to move into modern houses, leaving their old rented houses empty for other less fortunate families, the situation would have been much worse than it was. Owing to this more or less unexpected development

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it is perhaps possible to assert that in 1939 there were as many houses available for letting as families needing to rent houses. Such a statement is, by itself, misleading. It makes no allowance for houses necessarily vacant between tenancies, or for the need for a pool of empty houses from which prospective tenants could select those suited to their needs. Many of the old houses abandoned by families buying new ones were unsuited to the needs of the families trying to rent houses; some were too big, some too expensive, others in unsuitable districts. Houses, like clothes, must fit the people who want to use them. It is certain that if allowance is made for these considerations, there was a shortage of suitable houses to let in 1939, and in consequence many families living in old houses just above the slum level were unable to move into better ones. They were obliged to live in conditions of discomfort, inconvenience, and squalor such as to make the preservation of health and cleanliness difficult or impossible.

The housing problem, or rather problems, were thus not solved merely by the provision of sufficient new houses to make the number of houses about the same as the number of families. So simple a remedy could not be effective, for the number of new houses needed naturally depended on the state of the old houses already in existence as well as on the increase in the number of families. Moreover the provision of new houses, irrespective of the type of families needing them, could not solve all the problems, for the sizes of the families, the places where they have to work, and what they can afford to pay for their houses must be taken into account



- Additional working-class houses required 1919-39 (a)
- ▨ Working-class houses built 1919-39 by Local Authorities to let (b)
- ▧ " " " " " " " " " " Private Enterprise (c)
- ▩ " " " " " " " " " " " " to let (d)
- Other houses built (Private Enterprise) 1919-39 Rateable values £14-£26 (e)
- " " " " " " " " " " " " " " to let (d)
- " " " " " " " " " " " " " " over £26 (f)

WORKING-CLASS HOUSES AND NON-WORKING-CLASS HOUSES BUILT IN ENGLAND AND WALES 1919-1939

- (a) Estimated.
- (b) Excluding houses built for replacement of slums.
- (c) Houses with rateable values up to £13 (£20 in Metropolitan Police District); partially estimated owing to incompleteness of official figures.
- (d) Complete information only available after 1934 but it is known that few small houses were built for letting by private enterprise before 1934. The diagram shows only those known as built for letting.
- (e) Houses with rateable values in Metropolitan Police district £21-£35. See note (c) above.
- (f) Houses with rateable values in Metropolitan Police district over £36. See note (c) above.

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also. New houses must fit the families who need them, otherwise all sorts of troubles will develop.

Need for a Planned Rent Policy

The ill effects of the shortage of houses to let between 1919 and 1939 were not limited to the injury to the health, comfort, and convenience of large numbers of families. The shortage led indirectly to all sorts of difficulties and injustices over rents, for the rents of small houses were settled on no uniform principle, economic, social, or moral. The rents of the majority of working-class houses built before 1919 were still controlled at the outbreak of the present war by the Rent Restriction Acts, though some of them had been freed from control; the rents of the houses built after 1919 were not controlled, however, until the outbreak of the present war. Of these new houses, those in private ownership were usually let at the highest rents that could be obtained. The rents of those belonging to the local authorities were nominally settled according to broad principles laid down by the Housing Acts, but in practice the local authorities were free to interpret those principles much as they liked and therefore each decided its rent system on its own. Lower rents might be charged for some of a local authority's houses than for others either because they had cost less to build, or because they were given a larger share of the subsidies than the others. Alternatively the authority might charge the same rent for all houses of a particular type. There was in general a tendency to select tenants on the basis of their ability to pay. It was only in

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the case of the houses built under the slum clearance and de-crowding schemes that the opposite principle, that of selecting tenants according to their need for new houses and adjusting rents to their capacity to pay, was accepted at all generally.

The confused and haphazard rent system which grew up in this way between 1919 and 1939 would not, perhaps, have been a drawback if there had been more houses to let. If people had had plenty of opportunity of choosing which house at which particular rent they would live in, they would have been able to select those with rents they could afford. Alternatively, if the houses with controlled rents, or the bulk of the local authority houses, which were nearly all subsidised, had been reserved for the poorer families, the rent system, despite its apparent confusion, might have worked out reasonably. But both in theory and practice it worked, as it still does, just like a lucky dip. Different rents might be paid for old houses of the same type, size, and age in the same place, merely because some were controlled and some decontrolled, or, in the case of new houses, because some were owned by local authorities and some by private enterprise. There was no method of ensuring that the houses with the highest rents were occupied by the families which could afford to pay them most easily.¹

Effects of the Shortage on the Mobility of Labour

The inadequacy of arrangements for the provision of new houses to let influenced both the location of industry

¹ Sir William Beveridge's report on *Social Insurance and Allied Services*, Cmd. 6404, contains a great deal of information on this subject. See especially pp. 81 *et seq.*

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and the mobility of labour. It strengthened the attraction of the larger towns for new industries and factories, for if a firm built a factory in the open country, in a village, or even in a small town it would find the local supply of labour insufficient. It would be impossible to get additional labour from elsewhere unless there were suitable houses to let available for the new workers. It was improbable, in the circumstances of the pre-war years, that the new houses would be provided unless the firm had sufficient capital to pay for them itself. New factories, therefore, had to be built on the outskirts of the larger towns where there were already reserves of labour.

This was not the only disadvantage of the inadequacy of the system. The new industries were established mainly in the south of England and the Midlands. If the people in the depressed areas of the north of England, South Wales, and Scotland were to take advantage of the employment the new industries offered they would have had to move into these prosperous areas. The knowledge that the new factories had not been balanced by new houses to let inevitably discouraged them, for people who had been out of work a long time did not have reserves of money hidden away with which to buy new houses. The lack of new houses to let added to the difficulties of attempts to improve the mobility of labour and to help people to escape from the misery of permanent or semi-permanent unemployment.

It is practically certain that it had other ill effects for other people too. Among those families who solved their individual housing problems by buying new houses

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there were a considerable number who could ill afford to do so. Some families sank their extremely limited reserves of savings in new houses in order to have tolerable places in which to live. There were others who in desperation started to buy new houses without foreseeing the expenses of upkeep and repairs. There were probably still more who bought jerry-built houses because they knew nothing about the technical side of building and had no one to advise them; they found sooner or later that they had to spend large and unexpected sums on major repairs. Some families too have been unable to take advantage of opportunities of good jobs because they have been tied to the particular places where they were buying or had bought houses.

From whatever aspect the housing difficulties between 1919 and 1939 are considered the shortage of houses to let dominates the situation; in the last resort that means the inefficiency of the system for providing houses to let to ordinary working-class families. There is every reason to suppose that similar problems will dominate the housing situation after this war.

The Purpose of Housing Policy, 1919-1939

The housing difficulties described were the result of a combination of policy and chance. Immediately after the war of 1914-18 it had been decided that the Government must take responsibility for providing working-class houses to let. At that time there seemed no prospect of private enterprise doing so, and the shortage was acute. The local

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authorities were therefore made responsible for building sufficient houses to make good the gaps in the supply of small houses. Subsidies were provided by the Treasury and from the rates to counteract what was regarded as the abnormally high cost of building, and it was intended that the new houses should be let at rents as far as possible within the reach of ordinary working-class families. The new houses were to be on the whole larger than the old, to have bathrooms, and to be built so that there were not more than twelve houses to an acre; in general a new and much higher standard was to be achieved.

These arrangements did not work according to plan, despite so-called improvements in the subsidy scheme. The local authorities failed to build fast enough and the rents charged were too high for many working-class families when rates were included. Their houses were little more than a patch sufficient to make good part of the deficiency in the supply of houses. The local authorities claimed from time to time up to 1933 that the subsidies available were too small. The Government on the other hand argued, particularly between 1929 and 1933, that the local authorities had not worked out suitable systems of varying rents according to the ability of potential tenants to pay. By 1931 there was general dissatisfaction with the subsidy system and it seemed clear that it had failed to stimulate the provision of enough houses at suitable rents. The economy campaign provoked by the financial crisis of 1931 brought it to an end. It was decided that the policy of building an indefinite number of subsidised houses was both extravagant and unnecessary, particularly in view of

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the fall in the rate of interest. The housing subsidy for new working-class houses in general was repealed in 1933.

From 1933 to 1939 housing policy ran on quite different lines. The avowed purpose was to abolish slums and overcrowding. The gaps in the supply of houses were to be filled from the bottom instead of from the top. Subsidies for re-housing families living in slums were already available under the Greenwood Act of 1930. In 1933 a five-year programme was introduced for the abolition of the slums with the aid of this subsidy and in 1935 a special subsidy was provided to help to re-house overcrowded families. A five-year programme to abolish overcrowding was to be started in 1938-39. For the future the state, acting through the local authorities, made itself responsible for preventing people from living under the worst sort of housing conditions in 'houses unfit for human habitation' or seriously overcrowded. For this purpose subsidies would be available from the Treasury, but none for houses for the general needs of the community, except those for agricultural workers. The local authorities and private enterprise could build ordinary working-class houses to let without any subsidy, but the state as such abandoned practical responsibility.

Neither the local authorities nor private enterprise did in fact do this on a large scale. The local authorities were being advised to concentrate on slum clearance. Private enterprise was not attracted by the prospect of investing in this type of property, and concentrated on building houses for those who could afford to buy, or to pay high rents. The migration from older houses into new houses bought by their occupiers continued, and the number of

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additional new small houses built to let dwindled to an insignificant fraction of the total amount of new building. Slum clearance also turned out to be a disappointment to the general public. The fact that the Ministry of Health and the local authorities held quite different ideas from those of the general public on the definition of slums and overcrowding, became clear only by degrees. According to the official view, 'slums' meant houses which were 'unfit for human habitation', that is, obviously injurious to health. It did not include dreary, inconvenient houses in which the chances of really good health and a tolerably comfortable life were negligible. All the officially defined slums could be cleared away and nearly all the nineteenth century houses would remain. Under the slum-clearance programme, the towns were not to be rebuilt, as the optimists had at first hoped. Similarly, the official definition of overcrowding took no account of the popular belief that a family needed a house to itself, but was based almost entirely on the number of people per room in each house, irrespective of the number of separate families. The new policy was one of strictly limited state liability—the state was only responsible in practice for preventing the very worst housing conditions.

This policy meant the indefinite acceptance of a double standard of housing. On the one hand any new houses built had to conform to modern requirements as to the number of persons per room, equipment, bathrooms, and density per acre. These standards were far above those prevailing before 1914. When houses were built to replace the slums they conformed to these new standards. The continued existence of housing conditions only just above

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the official standards of overcrowding or 'unfitness for human habitation' was, however, to be tolerated. Most of the families living in small houses in England and Wales fall between the two standards, and these were ignored under the housing policy of the six years before the present war. If private enterprise or local authorities did not provide new houses for this enormous section of the population, who could not afford to buy houses, no provision at all would be made. This was the great gap in the system. The fact that the system was introduced immediately following a period in which there had been, though unintentionally, a serious failure to provide houses for just this group of families on a sufficient scale, explains the continued existence, of the shortage of ordinary working-class houses to let.

Officially, however, the new housing policy was regarded as a success. The original slum clearance programmes were almost completed by 1939. Just under 300,000 slum houses had been demolished and over a million individuals rehoused. The total number of new houses built each year had increased to over 300,000, and remained at this high level almost until the outbreak of war. After all it was true that four million houses had been built between 1919 and 1939. Overcrowding, too, had been reduced by more than a quarter, partly as a result of the re-housing of families from the slums, many of whom had been overcrowded, partly by the reservation of the larger local authority houses for the larger families. In the process, moreover, an important lesson had been learnt, namely that the local authorities had concentrated too exclusively on the provision of three-bedroom houses and that in consequence

many of their houses were overcrowded, while others were too large for the families living in them. If overcrowding was to be abolished, the sizes of new houses would have to be varied to match the variations in the sizes of families.

On the whole the official view of the success of housing policy after 1933 was accepted by the public. Inertia about housing questions was widespread, and there was a general lack of interest in the problems of the large-scale replacement of old houses and the maintenance of a constant stream of new houses to let. Also, there was little enthusiasm for the tasks of working out the problems of organization and finance involved in creating a more ambitious policy. The existence of vested interests in existing small houses helped, consciously and unconsciously, to preserve the inertia. An active policy of building more and more small houses to let would have been highly injurious to the owners of the existing small ones. Some would have had their houses cleared away; others would have been faced with having large numbers of unlettable houses on their hands and lower rents for those they could let, for the demand for old working-class houses would disappear as people moved into new houses. These troubles had already befallen the owners of the larger old-fashioned houses. It was too much to expect owners of working-class houses to welcome them in their turn, or not to try to convince other people that more small houses were unnecessary. There was also a fairly general conviction that, for some reason not properly understood, the local authorities were incapable of building houses on a large enough scale to do more than carry out the official slum-clearance programme. The public had a

sufficiently sensitive conscience about the worst slums to choose official plans for slum clearance rather than building for general purposes, if the choice had to be made.

Financial Aspects of Housing Policy

In addition to the lack of interest in housing questions, and the belief that it was probably impossible for more to be done, financial considerations helped to gain support for the 'limited liability' policy of the 'thirties. It was argued, during the great economy campaign of 1931 to 1933, that a subsidy for encouraging the general provision of working-class houses to let was more than the country could afford, and that in any case it was extravagant and unnecessary. Actually the annual burden of the housing subsidies was relatively very small; the Treasury contribution, of just over £13,000,000 a year in 1933, was equivalent to barely 6 per cent of the yield of income tax; to build another million houses at the same rate of subsidy as in 1933 would have added only another £6,000,000 a year. The annual burden on the rates was at that time still smaller, less than £4,000,000, and accounted for a mere 2 per cent of the total rate expenditure compared with about 27 per cent each for education and for public health services. Housing was the Cinderella of the social services. The reason for the importance attached to the cost of the housing subsidies was not the magnitude of that cost, so much as a widespread lack of appreciation of the reasons why working-class houses cost so much, or why subsidies were needed. The idea of the provision of houses as a

social service such as education, for example, had not really been accepted.

The effective cost of renting a house is made up of two separate kinds of payment: (1) payment for the use of the house, the net rent, and (2) payment of rates. These two, added together, make up what is called the gross rent. Rates are local taxes which have to be paid by anyone occupying a house, whether as tenant or owner. They are just as much taxes on the use of a house as the tobacco duty is a tax on the use or consumption of tobacco. The fact that they are levied, collected, and spent by local authorities instead of by the central Government does not alter this. They are used to pay for part of the expenses of local government and for part of the public services such as schools, clinics, and roads, provided by the local authorities.

These taxes on the use of houses are very substantial. They accounted on the average for about one third of the average gross rent of 10s. a week paid by urban working-class families, that is to say 3s. 4d. a week, or £8 10s. a year. On the other hand the general housing subsidy for houses built by local authorities between 1927 and 1934 was £10 a year. The comparison suggests that the subsidy was in part a roundabout way of giving certain groups of families rebates of rates. This in fact was true. It has just been explained that the effective cost of renting a house is made up of the net rent plus the rates. It is clear therefore that the difficulty of bringing good houses within the reach of ordinary working-class families was partly due to the cost of building and the rate of interest payable on the capital invested in the houses, recoverable as rent, and partly due

to the cost of local government and of the social services, paid for out of the rates. The size of the subsidy needed depended on both these items. This can be illustrated by the situation in 1933. It was possible at that time to build, outside the centres of the largest towns, large numbers of working-class houses which could be let at an average unsubsidised net rent of 8s. a week. A subsidy of £2 12s. a year would have reduced this to 7s. a week, a figure within the reach of the great majority of working-class families. But when these rents were increased by 3s. or 4s. by the imposition of rates, they were *not* within the reach of nearly so many families, and a further subsidy would have been needed to make them so.

It is not surprising that this technical difficulty connected with rates should not be generally understood. But it is surprising that so many people fail to see why the economic rents (without rates) of the new local authority houses should be above those of the small houses built before 1914 controlled by the Rent Restriction Acts. For the new houses built were of a much higher standard than the old. They were bigger and better equipped, and not more than 12 houses were built to the acre, and therefore they needed more materials, labour, and land. Higher standards in any field can only be obtained either by technical progress or by spending more. New methods of building were not introduced, and therefore the new houses were more expensive to build than the old. It is worth remembering in this connexion that house building was still in general an old-fashioned affair of handicrafts; the bricks were laid by hand, the plaster and paint put on by hand, and even a

great deal of the woodwork often prepared without machinery. In addition wages in the building industry, the prices of materials and the rate of interest were all much higher than before the war. It was mainly owing to the gradual fall in all these items that by 1933 it was possible to build houses to let at rents of 8s. and cover all costs without a subsidy. Even in 1933 these costs were higher than before the war of 1914-18, but were no longer seriously out of line with money incomes and prices.

The failure to understand the financial issues, combined with inertia and lack of interest, resulted in acceptance of a housing policy during the twenty years after the Armistice which was a policy of patching the supply of houses in the cheapest possible way. This policy was the responsibility of the successive Parliaments which passed the Housing Acts, or, in other words, of the ordinary men and women who elected the members of the House of Commons.

The Choice of a Long-term Housing Policy

After this war the policy of the last few pre-war years can be revived or a bolder one can be tried. An attempt can be made to bring the housing conditions of all families in the country up to modern standards, by replacing all the substandard houses which were ignored by the pre-war policy, and completing the abolition of overcrowding. Such a policy would naturally be combined with measures to maintain a supply of additional houses large enough to balance any increase in the number of families.

It is generally agreed that there are between three and four million working-class houses in England and Wales

which fall below modern standards, including those earmarked for demolition under slum clearance schemes. Replacement of these would mean building about four million new houses. This is about the same number of houses as were built between 1919 and 1939, but instead of being added to those already existing they would replace old houses pulled down gradually according to a definite plan. The amount of new building needed for replacement would not therefore be at all out of line with pre-war building efforts.

Nevertheless the adoption of a replacement policy would necessitate finding solutions for a number of difficult questions. Those connected with the acquisition of land and of the old houses for demolition have attracted a great deal of attention since the publication of the Uthwatt Report. There are other questions which the experience of pre-war years has shown to be of vital importance. For instance it must be decided in advance for whom the new houses would be intended: whether the occupiers would be selected on the basis of their need for accommodation, or of their capacity to pay for it, either by renting or by purchasing. Once this had been settled an appropriate rent and subsidy policy would have to be worked out. The cost of the subsidies would have to be estimated, and to get a clear financial picture the separate elements which made the subsidy necessary, *e.g.*, building costs, local rates, &c. would need to be distinguished. Questions of organization would also need attention. For instance, the question of whether it would be reasonable to expect local authorities to carry through the policy; what part would be played by

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private enterprise ; whether new organizations would be needed.

These are all difficult questions, and they by no means exhaust the list of those to be settled before a general replacement policy could be adopted. Before a decision on long-term policy is made, the possibility of finding solutions to the complex problems involved in a policy more ambitious than that of the pre-war period must be explored and discussed. Although concentration on the problems of the immediate post-war shortage is, of course, necessary and inevitable at present, serious discussion of the long-term issues is already overdue.

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