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RELEASE:

4th June, 1964
7th June 1964
12 a.m.

LTI
TV ✓
AM ✓
AD ✓

SPOKESMAN

SPOKESMAN:
EXT: 81-384
PRESS AND
PUBLIC RELATIONS:
EXT: 81-468
INFORMATION BACKGROUND:
EXT: 81-390-588

INFORMATION BACKGROUND

8/64

COMPLETION OF 60,000th HOME CONSTRUCTED WITH ECSC FINANCIAL AID

80,000 homes financed - 60,000 completed
for workers in coal and steel

Since 1954, the High Authority has helped finance 80,000 new lodgings in the Community countries. If all these new homes were constructed in one single area they would be equivalent to a town of the size of Antwerp or Leicester.

To date, 60,000 homes have been completed and 20,000 are being constructed. The total cost of this construction programme has been estimated at 750 million dollars (268 million £): of this sum the ECSC will have supplied \$210 million (£75 million).

Under a new programme, launched in 1962, the High Authority is providing a further \$75 million (£27 million) for the construction of 25,000 homes. As a result, on 30th June 1965, some 100,000 lodgings will have been financed in the six member countries with Community aid.

First stages of the High Authority's action

When the High Authority began work in 1952, most of the coal and steel producing regions of the Community suffered from a serious housing shortage. This was explained by war damage, delays in reconstruction and lack of up-keep during the war years, relatively under-developed building methods, lack of long-term capital and high rates of interest.

In 1958 an enquiry carried out by the ECSC revealed that 45,000 workers in coal and steel were living with their families in prefabs, nissen huts and other forms of temporary housing. Another 40,000 families were housed in subnormal conditions - in furnished and unfurnished rooms, in small hotels, or in other people's households. The enquiry showed that 180,000 homes were needed in order to rehouse workers in adequate conditions. To this should be added the normal increase needed to house new workers attracted to the expanding industries of the ECSC.

Without waiting for the results of the above enquiry, the High Authority had already begun, in 1954, a first programme for improving housing conditions on the basis of article 55 of the Treaty. (technical and economic research). This first programme covered the construction of 1,000 homes, costing \$1,000,000 and a study of comparative building costs in the different Community countries in order to discover means of reducing these and of increasing the use of steel in the building industry.

For this first experimental programme, as for its later activity, the High Authority was supported throughout by the European Parliament. This adopted as its own the argument by which ECSC workers had a right to a satisfactory lodging at a reasonable distance from their work and which also pointed out that the building of new homes would make it easier to recruit skilled workers for the Community industries.

In 1954, the High Authority launched its first major housing construction programme. To finance this it loaned funds which it had itself borrowed on the capital markets of the Community. The large number of requests put forward for financial aid showed the value attached to the low interest capital which the ECSC was offering.

In March 1956, the High Authority started a second major programme when it was clear that capital on the national markets was likely to remain costly in 1956/1957. The High Authority thus adopted a new system and instead of borrowing on the capital markets of the Community, decided to finance the housing programme from the interest payments and other revenues which it received and for which the Treaty laid down no precise use. It was thus able to offer very low interest rates, in general 1%. When it was not able to find enough money from its own funds alone, it raised additional sums in the member countries. The low rates of interest provided by the High Authority were able to moderate the burden of interest charges on capital raised nationally thus putting the cost of building workers' homes down to a reasonable level.

The High Authority renewed its housing activities under

- a third major programme for 1959/1960,
- a fourth programme 1961/1962,
- a fifth major programme 1963/1965.

The policy behind the housing programme

The housing policy follows the terms of articles 2 and 3 of the ECSC Treaty, which give the improvement of the standard of living and of the living and working conditions of the labour force as well as the increase in the conditions promoting greater productivity as major objectives of the Coal and Steel Community. It also reflects one of the deepest aspirations of the workers and helps individual firms in their problems of recruiting, maintaining and training their workers.

Under its first programme the High Authority set out to accelerate the replacement of inadequate lodgings and to provide normal housing conditions for workers who were previously obliged to share with other families, who were separated from their family or lived far from their work. The needs of workers who had to change their employment as well as those of new iron and steel installations were also taken into account.

The two experimental programmes helped to increase national productivity in the construction industry; they encouraged better labour organisation and standardisation on prefabricated units.

As well as pointing out the quantitative problems, the 1958 enquiry showed that with technical progress, rising incomes and increased leisure time, quality also had to be improved. This applied not only to the home itself but also to the surroundings into which it had to fit. A Community policy for housing can no longer be content with ensuring that everybody is housed but must also be concerned to develop suitable conditions for people to live together in groups of houses and must tackle the problems of urban living.

In 1959, the High Authority therefore organised a competition opened to all architects of the Community. This was to encourage a series of studies on the best possible housing conditions for workers and on the creation of housing estates in industrial areas.

The competition produced many new methods of meeting family needs in housing construction and drew the attention of many architects to the special problems of community housing.

Financing the building programme

The High Authority's contribution to the cost of construction represents a complementary sum which never exceeds 50% of the total cost, but is usually between 25 and 30%. The remainder is provided by different sources, often the State or the local authority, according to the particular country in question.

Due to the low rate of interest on the High Authority loans, the rates and mortgages for the lodgings thus constructed are kept to a level within the reach of workers.

The High Authority's interventions are made within the framework of the legal provisions of each country which make it possible for the lodgings to benefit from the same advantages as those given by the State to housing in the corresponding categories (non-repayable loans, interest rate subsidies, etc.).

In deciding the amounts to contribute in each country and in each region the High Authority takes into account the number of coal and steel workers in each country and their housing needs and consults with regional committees which have been created in each industrial area of the Community. These committees are made up of representatives of the public authorities and of the employers' and workers' organisations. They help decide on the choice of building firm and exercise control to make sure that the homes financed with ECSC assistance are occupied

exclusively by workers in the coal and steel industries. The occupiers can be tenants or become owners.

So as to avoid any difficulties which might result from a link between the work contract and the tenancy, the coal and steel firms of the Community are prevented as far as possible from becoming themselves the direct owners of the homes built with ECSC financial aid.

Implementation of the High Authority programmes
for housing construction
Situation on 1st June 1964

<u>Number of homes financed</u>		<u>80,000</u>
cf which 1. in planning stage	7,000	
2. under construction	13,000	
3. completed	60,000	
 <u>Finance</u>		
1. High Authority funds of which		92 million dollars
60 from own resources and		
32 borrowed		
2. Complementary funds mobilised		
on the initiative of the		
High Authority		<u>118 million dollars</u>
	total:	210 million dollars

NB: Total cost of buildings constructed with the help of the High Authority
can be estimated at \$750 million (268 million £).

ECSC WORKERS' HOUSES CONSTRUCTION

