



*HOLD  
THAT  
RENT  
CEILING*

*By  
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## ABOUT THE AUTHOR

Louise Mitchell, the author of this pamphlet, is a member of the Editorial Staff of the *Daily Worker* and has earned a wide reputation as a specialist in consumers' problems and housing. She is also a member of the New York County Committee of the Communist Party.

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# HOLD THAT RENT CEILING!

BY LOUISE MITCHELL

NEWS ITEM: Rents boosted 15 percent by the government. National rent bill increased \$225,000,000.

NEWS ITEM: Congress boosts rents another 15 percent. Rent ceilings on new buildings banned. Foresee end of all rent curbs.

NEWS ITEM: Congress kills all rent controls. See national rent bill soaring \$3,000,000,000. Wholesale evictions due.

These are the headlines you may be reading in your newspaper from now on unless the public does something about it—and quick.

Even as you read this pamphlet, your landlord may be signing a pay-up-or-else letter for a rent boost approximating the news items above.

Rent control, the last remaining federal wartime control instituted by the late President Roosevelt, is fighting for its life. Ranged against it are powerful enemies.

The National Association of Real Estate Boards and their state and city affiliates won't stop gunning until rent control is dead. Landlord groups are organizing furiously among property owners for the coming showdown.

The Republican-dominated 80th Congress is out to lift all curbs as quickly as possible. More and more hardships will be piled onto renters in the name of unregimented private enterprise.

The weak Democratic Administration with its policy of "relaxing controls" will go along with the Republicans unless the greatest pressure is exerted by the people.

By ending controls, landlords see a chance to make a killing in postwar profits, especially in view of the desparate housing shortage. They are crying "me too, me too" as they view their cronies, the money-grubbers of the National Association

of Manufacturers charge the public as much as they can get away with.

Consumers are resisting the high price of luxuries, and even necessities, but on the housing front where their bargaining power is weakest, landlords figure tenants can be brow-beaten and intimidated into paying more rent. The theme song of all landlords these days is "If you don't like it, get out." They know there is no place to go. There is no substitute for shelter. Ask the homeless veteran.

Rent ceilings were originally instituted because Roosevelt understood the nation's housing distress. He knew that one-third of a nation was ill-housed and that things would go from bad to rotten during the war years when all residential construction stopped. Roosevelt realized that because there was little or no building during the depression years the housing pinch would get tighter.

A look at production figures of housing units for the past 25 years shows why the nation today is up against a dead-end. Total production of housing units was:

1919	405,000
1920	247,000
1925	937,000
1930	330,000
1937	336,000
1941	715,000
1945	200,000

It's not hard to see that as far as housing is concerned the so-called natural laws of supply and demand do not apply at all. We have a situation of huge demand and little supply. If rent controls go and tenants vie for an apartment, it will go to the highest bidder. Under such circumstances, ruthless landlords will not be shy to ask the limit.

For the overwhelming majority of the American people higher rents will mean less milk, bread, meat, butter and vegetables on the table. It will mean more patches. Skyrocketing prices, the result of smashed price control, have already reduced the purchasing power of the dollar to less than 60 cents. Increased rents will cut the dollar's value even further. Living costs have not been matched by increased wages which even today lag at least 20 percent behind prices.

*Any change in rent ceilings will cripple the last defense against inflation.*

Landlords are clamoring for higher and higher and higher rent. They are demanding an immediate 15 percent boost, a request twice denied during the war. It may be granted partially or in full by Truman who has repeatedly buckled to Big Business.

GOP Senators Taft (Ohio), Wherry (Wisconsin) and Wolcott (Michigan) have made it clear they are not waiting for further handouts from Truman. High on the Congressional calendar will be bills to fatten the buzzards. These will soon be followed by bills demanding removal of all rent ceilings on old and new structures. Given 15 percent, the landlords won't stop until their greed is satisfied.

## **Landlords Stick Together**

Some landlords are not even waiting for the say-so of either the Administration or Congress. Emboldened by a GOP victory for which they plumped, they have already taken the situation into their own hands by keeping apartments padlocked until ceilings are completely lifted. Only the cruelest indifference to the people's needs could permit such heartlessness. There are still some four million homeless veterans.

In Oklahoma City, landlords have closed 300,000 units in a strike against OPA. The National Association of Apartment Owners urged a nationwide strike. Mrs. Frank Morris of Dallas, president of Landlords Inc., of Texas, set the line by saying, "We, landlords, have got to stick together."

And stick together they do through their powerful organizations and well-oiled lobbies in Washington, state capitals and local centers.

What is the economic situation of landlords, anyway? To hear them talk you would think they're on the rocks. Some people touched by the property owners' plight go so far as to say, "After all, everybody else made money during the war. But rentals were frozen. Maybe they deserve a boost."

As for everybody making money during the war, we won't bother with that in view of the Department of Commerce's statement that 30 percent of the families in the United States don't have a penny in the kitchen cookie jar. As for the land-

lords, are they entitled to their gimmie-gimmies? Let's see.

A recent OPA report showed that landlords of large houses in 1945 increased their net operating income 25 percent above 1939, while landlords of small houses (less than five units) increased their take by 43 percent. Net operating income is what is left the owner after expenses are paid.

The survey was based on rents in 26 large cities and disclosed that the landlords' "general business prosperity"\* was the result of an almost 100 percent occupancy combined with a drop in services and repairs. The nine percent vacancy loss of 1939 was virtually eliminated in 1945.

Nobody has to be told about the drop in services. During the war, landlords used the excuse of labor shortage when the hot water and steam were chilly, the stairs were unclean, the garbage not collected, the rooms unpainted, the plumbing on the blink and so on and so on.

Even after the war when the excuse about labor shortages no longer suffices, too many tenants find their apartments as cold as their landlords heart. By a curious twist, the tenants seem more interested in keeping the house in better condition than most owners.

The big noise made about increased costs of running a house, has also been shown to be so much wind. The OPA study noted that "While wage rates and prices increased considerably during the war, landlords' total expenditures were kept close to the 1939 amount." For large apartments, expenses rose five percent but for small ones expenses actually *dropped* seven percent. For both large and small dwellings,

\*A breakdown of OPA figures showed:  
(1939 equals 100)

1. APARTMENT HOUSES

	1939	1941	1943	1945
Rental Income .....	100	103.4	111.7	112.7
Total Expense .....	100	102.9	100.3	105.0
Net Operating Income .....	100	104.1	129.6	124.9
Occupancy .....	91.0	93.5	99.2	99.7
Vacancy Loss .....	9.0	6.5	0.8	0.3

2. SMALL STRUCTURES

Rental Income .....	100	108.0	112.5	113.0
Total Expense .....	100	99.2	92.4	92.8
Net Operating Income .....	100	121.4	143.0	143.5
Occupancy .....	91.4	95.9	99.2	99.5
Vacancy Loss .....	8.6	4.1	0.8	0.5

rental income rose nine percent, overcoming vacancy loss.

Full-occupancy has proved exceedingly profitable. In pre-war years it was the custom of the real estate trade to allow for a vacancy loss of from 15 to 20 percent in estimating a fair return on investment. No such loss occurs today and none is expected for years.

Owners of rental property were well taken care of during the war, the report showed, and should anyone think OPA might be partial, take a look at what the Department of Commerce says.

Latest figures from that department reveal landlords made a record haul in 1944 amounting to \$1,180,000,000 as compared with \$597,000,000 in 1940. Times were even better in 1945 and 1946, according to the experts.

A landlord's greatest expense is the cost of amortization, interest and taxes. Amortization is the repayment of the mortgage while the interest is payment for the loan. These rates remained the same during the war but as far as taxes are concerned, in some cities like New York, they actually dropped. Even though the cost of coal, maintenance and repairs has risen it still isn't as high as landlords make out. The cost of these items never exceeded, even when times were bad, more than a fifth of what the owners raked in by way of rents. With full-up occupancy, the proportion may be less today.

*Profits in 1946 and 1947 will be well over 1939 levels. So landlords lie when they cry "poverty."*

OPA has never been unkind to property owners despite what the newspapers say. To petition the agency for a rent boost a landlord doesn't have to be a "hardship" case. All he has to prove is not enough money in the bank. OPA granted almost a million individual rent increases since controls went into effect. In September, 1946, alone, it okayed 26,700 raises, almost twice the number for the previous month.

Tenants have already received a taste of what is in store for them should rent controls die. During the summer of 1946 OPA "holiday" rents were boosted in all parts of the country, not protected by state or local laws. Evictions were widespread.

Press roundups disclosed that during the period rents sky-

rocketed to 300 percent in parts of Michigan, Philadelphia, Cleveland, Miami, New Jersey and Delaware.

This experience is not without precedent. Some ragged fate stalks the American people after each war when it seems housing shortages are more acutely felt, and landlords' profit-mania most apparent. It was so after the Civil War and after World War I. No federal controls were in effect after the last war and when things got so bad because of the shortage, the labor movement rose up and forced some kind of state controls in New York. The controls left much to be desired as far as tenants' needs but they were won only through repeated demonstrations.

According to the Bureau of Labor Statistics, the 1925 rent level was 65 percent above the pre-war level with the greatest increase taking place between 1918 (Armistice) and 1921. You can imagine what would happen if rents settled down in several years to levels 65 percent above current rents. It would be murder.

### Headlines of Yesterday

Those were the days when tenant unity was the only protection for renters. The following headlines in the *New York Times* indicate what was going on:

Firemen will list all empty loft buildings in anticipation of wholesale evictions. (March 21, 1920.)

City Marshals are making a fortune in eviction cases. (August 17, 1920.)

Dr. Royal S. Copland charges landlords with threatening to evict tenants if they do not stop complaining to Health Department about insufficient heat. (March 26, 1920.)

Report of Mayor's Committee on Rent Profiteering says Negroes are being exploited in Harlem with exorbitant rents and unsanitary living conditions. (Sept. 26, 1920.)

Real Estate Board will send lobby to Albany to oppose city-built homes. (Sept. 4, 1920.)

Riot in Brooklyn when City Marshal tries to move 20 families in Bartlett St. (Oct. 1, 1920.)

Bronx Tenants go on strike and demand 7 percent reduction in rents. (December 3, 1920.)

Real Estate Board urges unrestricted rent on new homes. (August 23, 1920.)

The last item sounds like it might have appeared in this



morning's paper. Landlords and builders have refused to engage in widescale construction until rent controls are eliminated. Only commercial and luxury construction on which rent curbs are loosest and on which the profit is greatest, is now going on.

New home and apartment construction in the United States have always been geared to the group which can pay the most. Rents have been steadily rising over the years. Not so long ago \$10 a room per month was considered high. Then it became \$15, and then \$20 and so on. Builders now claim they can't build for less than \$35 a room. On Madison Avenue today construction is going on of luxury apartments where a room costs \$800 a year, and the whole six room apartment rents for \$400 a month.

Only after years of use and abuse of better buildings are the poor and low-income groups permitted to move into the rundown area.

That's why the realty interests raved against the Roosevelt low-rent projects which were based on the principle of new homes for low-income groups. This concept of residential construction violated everything near and dear to Big Business.

In his report to President Truman, Wilson Wyatt, former housing expeditor, who lost his job because the propertied groups aren't concerned with building veterans homes, warned that the housing emergency could not be ended by "business-as-usual."

However, this didn't bother Truman. Surely one of the most shameless things he has done to date is the dumping of the veterans housing program.

In effect he told the veterans, if you can't afford high class homes, go live in chicken coops, outhouses and coal bins. Leave it to the private enterprise boys, is the President's motto.

So great was the disgust of Norton E. Long, one of Wyatt's top aides, that he charged Truman's new program was a "non-veteran, non-housing program."

In his betrayal of veterans, Truman was aided by the top leaders of the American Legion who are calling for a 10 percent boost in rents and defeat of bills like the Wagner-Ellender-Taft measure for low and middle income home con-

struction. The property interest's point of view has been systematically fostered in the Legion whose leaders are tied to real estate groups. Legion kingmakers and past commanders own valuable property or represent those who do.

Surely these men are not speaking for the millions of veterans who in various surveys have indicated that close to half cannot pay more than \$30 monthly rents.

The nation needs from twelve to sixteen million homes within the next ten years for veterans as well as residents of slum and near-slum areas. But it is clear that precious little will be built now that the price and priority controls on building materials have been scrapped. Materials will go to big money boys.

### **"Buildings Up, Rents Down"**

Make no mistake. The fight against rent boosts is closely linked to the fight for more housing. They go hand in hand as long as there aren't enough houses and rental apartments to go around. Under such circumstances the landlords call the tune. It is significant that such shameless conditions exist in many capitalist countries. Bad housing is a product of capitalism. Communists everywhere lead the fight against this social evil. British Communists have raised the slogan, "Buildings Up, Rents Down."

Decent housing for all the people cannot be achieved so long as home building remains a private business for profit only. This problem cannot be fully and finally solved under capitalism; but federal, state and city government widescale building at fair rentals, with the aid of subsidies, can provide housing for millions.

It is possible, however, to win substantial victories on the housing front through the organization of labor, tenant, consumer, civic, fraternal, veteran and other groups.

Organizations on the side of the people opposing rent boosts are many, including labor, Negro, civic, fraternal, veteran, women's, consumers, and others. Millions of Americans, not hitherto involved in organized popular action, can get mad enough and do something when faced with the threat of higher rents and mass evictions. Just try going through your house with a petition to keep rents down and you'll see what a let-me-shake-your-hand reception you get.

What should tenants do to lick the plans of the get-richer-quick boys?

Millions of "grass roots" letters, telegrams, petitions and postcards should find their way to the President's desk. Such drives have already been undertaken by many groups. In New York City, for instance, the newly formed Emergency Committee on Rent and Housing has initiated a million signature petition campaign. This group has in it representatives of the Urban League, Methodist Federation of Social Services, Independent Citizens Committee of the Arts, Sciences and Professions, League of Women Shoppers, New York Consumer Council, National Citizens Political Action Committee, Greater New York CIO Council and American Veterans Committee.

Tenants are already making headway in block by block organization. Experience has shown that tenants will stick together when it comes to fighting for improved house conditions. An excellent example is provided by the Irish, Jewish and Negro tenants of 14 W. 107th St., Manhattan, who organized their house 100 percent and, by withholding rents, forced their landlord to come across. The tenants were also successful in beating three eviction cases in court.

Most tenants will respond to a house organization for improved living conditions. Once they get together to handle day to day grievances, the problems of increased rents and other political matters affecting tenants can be introduced and acted on.

Many community rallies have brought the housing and rent facts to the people but many more are needed. Leaflets, bulletins and neighborhood newspapers are good agitational devices.

The West Side (Manhattan) Mobilization for Rent Control has done a fine job along these lines. It distributed 50,000 leaflets, receiving much mention in the press and radio. The Mobilization includes dozens of veterans, Jewish, church, child care, parent, women's, consumers, non-partisan and political (including the Communist Party) organizations. It is probably one of the broadest community rent committees functioning anywhere. By no means is it performing miracles. What it has done can be done in every community.

Speaking at a recent meeting of the Communist Party's

National Committee, Eugene Dennis, its general secretary, declared, "The legislative fight for rent controls can succeed only if it is accompanied with mass organization of tens of thousands of tenants in the cities, on a neighborhood and block basis."

A hard-hitting tenant group is the United Harlem Tenants and Consumer Organization working throughout the Negro slum community where housing violations are rampant and rents have always been exorbitant. The Organization devotes much time to fighting for improved housing conditions.

## Trade Union Assistance

Trade unionists have much to offer tenant mobilizations. With their experience in mass activity and organization, they are in a position to assist community groups. On their own, they should press their city, state and national trade union officials, if they have not already acted, to urge elected representatives to fight against rent boosts.

Tenants everywhere should also pull every string to get national, state and city representatives on record.

Renters cannot afford the luxury of forgetting that small home owners also belong on their side. Reactionaries have always tried to pit the renter against the small home owner, trying to keep them on opposite sides of the economic fence. And too often the small home owner doesn't see his connection with tenants, especially if he rents one or two units. But the end of rent controls will hurt him too.

Since the depression some states have had laws controlling home amortization rates. Bank and loan companies are exceedingly irked by this state of affairs and have lobbied to increase the rates. In the New York State Legislature last year, bank spokesmen argued the emergency was over and that rates should be increased. Over the years the rate of amortization has been increased from one to two to three percent.

Maintenance of ceilings on amortization rates is part of the fight against inflation. Once rent controls are lifted, the basis for the continuation of the mortgage moratorium laws will be ended. The small home owner will then have to pay what the banks demand.

Moreover, uncontrolled rents and interest rates are factors that help accelerate the economic boom-and-bust cycles which often bring small property owners close to, if not to, the brink of bankruptcy.

In the rent control fight, tenants should make use of the rights that are legally theirs. These rights should be widely publicized by consumer and tenant groups. In New York a tenant may complain to the Health Department when water and radiators are not hot enough, and to the Department of Housing and Buildings on the breakdown of services. Of course, these agencies are not properly staffed and thousands of complaints may not receive proper or immediate attention. However, complaints will get faster action if they are taken up by tenants' organizations and committees.

Owners of rental property must be made to recognize that tenants have collective bargaining rights and that a house committee speaks for the entire group, just like a union committee speaks for the rank and file.

At present, New York is the only state with a rent control law. Effective protection against landlord greed would be 48 such laws in 48 states. But the New York law is far from being the perfect law Gov. Dewey wants Americans to think it is. It has many loopholes which tenants and other groups hope to plug during the 1947 session of the Legislature.

The law must be made foolproof against evictions. In its present form the section on evictions is vague. Tenants intend to ask for a moratorium on evictions. They will also demand that rents be frozen at the original federal "freeze" level. The present state law recognizes any increases okayed by the federal government. The law is also weak because it fails to cover new housing.

The enforcement section of the law is ineffective as it now stands, allowing only \$1,000,000. The federal government spends \$8,000,000 annually to enforce controls. Dewey hopes to get by at one-eighth the cost with the landlords thereby getting the greatest break.

In addition, the state law doesn't set up an administrative machinery as now exists under federal curbs. If a tenant has a complaint against his landlord he has to take him to court. At present, the tenant complains to the area rent office and

that office looks into the matter deciding whether it will take the landlord to court.

In the fight to keep rents controlled, New York tenants have a special job. Right in their own town, the so-called Metropolitan Fair Rent Committee has its headquarters. It is this committee which has spearheaded the drive to boost rents. The New York Consumer Committee has often picketed its offices at 12 East 41st St., but more work remains to be done to show up these big profit boys.

Realty groups in New York City are attacking the proposal to raise the real estate tax 20 points, even though the largest city in the country has the lowest real estate tax rate of any city with a population of a million and more.

A 20 point increase in the tax rate would boost the tax \$10 on a building assessed at \$5,000. On a \$200,000 building, the increased tax would amount to \$400.

However, a 15 percent rent increase on an apartment house assessed at \$200,000 with an annual rental income of from \$30,000 to \$35,000, would mean a \$4,500 to \$5,200 rent increase. This sum, say the landlords, is necessary to cover the \$400 additional tax.

Well anybody who can honestly add one and one will admit that this is a lot of bunk.

New York tenants also have to expose Gov. Dewey who, as head of the Republican Party, never came to the defense of price controls. The New York GOP delegation in Washington has consistently fought all controls. Republicans in Congress, the spokesmen for Wall Street, have openly or behind closed doors bitterly opposed bills like the Wagner-Ellender-Taft measure, and consistently resisted federal rent curbs.

The many tasks listed above are not easy ones and every step of the way will not be marked by success.

However, the organization of tenants has a double purpose. First, it fights to *prevent* rent increases. If they go through, then tenants have to conduct struggles by way of picket lines and rent strikes.

After the last war thousands of tenants withheld increases and were hauled into court by the landlords. Many times, because of desperate economic conditions, the courts ruled in the tenants' favor. The rent struggles and strikes of those days

struck fear in men whose hearts are in their pocketbooks. These men are just as sensitive today.

The *New York Times* of the 1920's is full of stories in which landlords cried "Bolsheviki" because tenants closed ranks. One landlord went so far as to seek an injunction because he thought a tenants' committee was a "House Soviet."

As early as 1920, soon after its inception, the Communist Party played an important part in the rent struggles. The city-wide strike on May 1, 1920, was ascribed to the Communists, and the *Times* on May 2 reported, "Communist and IWW literature was distributed among rent strikers in East New York, according to Charles Scully of the Bureau of Investigation of the Department of Justice."

Of course, all those involved in these showdowns were not Communists. But Communists are outstanding in leading the fight for the people. Their activity in behalf of the evicted during the depression years is well known. They have a rich experience in how to organize, unite and fight, and can be depended on to be in the toughest struggles.

With Roosevelt gone, both major parties have shown that their hearts belong to the Wall Street trusts. The people's needs are of no concern to them even though Truman may occasionally give lip-service to the New Deal ideals.

If the people want the peace and security promised them time and time again, they will have to develop their own party, led by labor. Unity of all sections of the population—the middle class, farmers and labor—is needed to fight back reaction's offensive. It is their only protection of America's living standards. Independent organization of the people can take place around such bread and butter issues as rent control.

The stakes in the economic battles are great. And they can be won through house, block, and community organizations. Among the many picket lines of the near future, there will be signs reading:

*"Continue rent controls for three more years without increases."*

*"No evictions in city or country."*

*"Build three million new Federal homes a year."*

*"No Jim Crow in housing."*

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