

Tenancy vs. Ownership Rights. Housing Rent Control in Southeast and East-Central Europe, 1918 – 1928

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The article provides comparative perspectives on the development and dynamics of application of the housing rent control system in interwar Yugoslavia, Bulgaria, Czechoslovakia and Poland. Specifically, the paper is focused on institutional shortcomings and anomalies of the system which came as a result of its long-term application. The paper will shed light on development of conception of tenancy right as confronted with previous conception of property ownership.

Key words: Tenancy. Ownership Rights. Southeast Europe. East-Central Europe. 1918 – 1928.

This paper deals with a particular aspect of the huge structural economic and social changes caused by the first global war. Based on relevant primary and secondary sources, it focuses on the comparison of the specific social and legal implications of the state-interventionist practices in the housing sector in the countries considered as European economic periphery. The system was founded under the war circumstances when securing the welfare of conscripts' families against excessive demands of landlords became a priority of the belligerents' domestic policies. Gradually, these measures were evolving towards ever more elaborated protection of almost all tenant groups during and after the war. It is important to stress that such a large-scale state intervention in the domain of housing tenancy was introduced for the first time in modern history.

Interwar Yugoslavia, Bulgaria, Czechoslovakia and Poland have been chosen to represent respective Southeast- and East-Central European regions for some specific features of the housing policies conducted by their authorities. In the first place, these fragile states, accounting for lack of institutional capacities and weak governance, turned out to be the most interventionist and to carry out the most intensive schemes of state intervention in housing rental market in Europe (Russia excluded). In addition, these countries displayed a rather distinctive dynamics of implementation and abandonment of housing rent controls when compared with other European countries and regions.

In addition to the elaboration of the main features of the housing Rent Control System (RCS), this paper also deals with unwanted consequences of its long-term application in the four countries under review. It investigates effects and outcomes of the state involvement with housing tenancy by taking into account concrete evidence from the everyday practice of the implementation of housing legislation. The concentration is focused on obvious abuses, anomalies, and deficiencies in the system, which compromised its very foundations. Particularly, the paper will shed light on development of conception of tenancy right as confronted with previous sacrosanct concept of property ownership. The study will reconsider the general notion of a tenant-protection program being justified as a protection of those who were "economically weak" against exploitation of the "economically strong". It will provide facts and analyses on how the system evolved and how its most important features were altered by the daily routines of life.

The study is almost completely written on previously unexplored primary sources. Taking into account a somewhat disappointing experience with the findings of research in the national

archives, other primary sources proves to be of the greatest importance for the study. In the first instance, this applies to the periodicals issued by the landlords' and tenants' associations from the four countries, and the official state journals which published contemporary legal material. Where primary sources are concerned, it was only in the Czech national archive and Košice Municipal Archive where I found rich collections of relevant archival sources. No such materials were available in the national archives of the other three countries, regardless of systematic research and much time dedicated to the cause.

In more general terms, this paper deals with implications of a specific interplay between the state policies, economy, and society. One of its main objectives is to shed light on the specific nature of this interaction, approached from a comparative perspective, by examining conditions and interdependences within a broader European context. In short, the study analyses dynamics and outcomes of social, economic, and political changes that came as result of state intervention in the economy. To some extent, the comparative approach was made easier by the similarities in the four countries' policy patterns, which came as result of common war experiences and analogous traumatic conditions that these countries (i.e. their populations) went through. In the immediate post-war period, these states might have been quite different in terms of their institutional capacity, social or economic structure, ethnic diversity etc., yet they all went through similar phases of post-traumatic recovery and stabilization after the war. The extent national legislations and institutional frameworks of the four countries and those of other countries throughout Europe correspond to each other is astonishing. The state, society, and the economy interacted intensively in these processes, these "recasting" institutional basics of pre-war European patterns of organization. This paper will provide one particular insight into these dynamics within turbulent areas of Southeast and East-Central Europe.

Chronologically, the paper covers the first inter-war decade, including both the period with the fastest rate of change in post-war development in state intervention, namely the period from 1918 to 1923, and the time of relative stabilization that ended with the global upheaval caused by the Great Depression. In this way, the study follows new patterns in state policies in chaotic circumstances immediately after war, and the consolidation of a new economic regime in the second half of 1920s. With economic stabilization beginning in 1922 and 1923, there was no more need for such a large-scale state intervention in the relations between opposing parties within the economic system. However, some of the prominent institutional features of the policies of state intervention continued to function throughout the period under study. The study ends at 1928 due to the overwhelming impact of the Great Depression, which shook the very foundations of the world economy and everyday life the following year. This also refers to the basic features of the studied phenomena.

The research topics covered by the paper have been largely under-researched and neglected by the regional scholarship. The technicalities and development of state intervention in the economy in East-Central and Southeast Europe after First World War have only been analyzed in a broad and general way, and without a detailed examination of particular phenomena. In the great monographic syntheses of the economic history of the region, some of the features under study were only briefly mentioned as a component of the pan-European trend of post-war stabilization between 1918 and 1923.¹ Published analyses have not gone beyond

1 LAMPE, John R. – JACKSON, Marvin R. *Balkan Economic History, 1550 – 1950: From Imperial Borderlands to Developing Nations*. Bloomington: Indiana University Press, 1982, pp. 329-402. BEREND, Ivan T. – RANKI, Gyorgy. *Economic Development in East-Central Europe in the 19th and 20th centuries*. New York: Columbia University Press, 1974, pp. 171-201. TEICHOVA, Alice. *The Czechoslovak economy, 1918 – 1980*. London; New York: Routledge, 1988, 188 p.

the reconstruction of the general framework of the macro-economic measures, statistics, trends and tendencies. While Lampe and Jackson put emphasis on monetary policies and foreign trade performance, Berend and Ranki focused primarily on structural changes in agriculture and general economic performance. Teichova's great monographs cover mainly macro-monetary problems and the most general economic features. As important an issue as housing rent-control systems has never been the subject of a scholarly study in any of the four countries.

Rent Control System

Prior to 1914, under the conditions of 19th century capitalism, the European housing markets experienced only one short-term rent-increase moratorium that was introduced in war-torn Paris during the Franco-Prussian war of 1870 – 1871. Apart from this rather exceptional case, modern European societies before First World War had no notion of any sort of state control over housing tenancy and housing tenure.² Throughout the period, the amount of housing rent and other contractual terms of tenancy had been bargained and negotiated solely between the directly involved parties, namely landlords and tenants. For decades before 1914 the housing tenancy was the most prevalent form of securing a "roof over one's head" in European core economies; for a majority of labourers and employees the rent-cost represented a considerable portion of their expenses. Since the monetary circumstances in European countries were stable to a significant degree in decades preceding 1914, the percentage shares tended to become constant for certain regions or branches of production. According to the League of Nations' research, these totaled up to about 10 percent of income in Switzerland, 12 percent in France and Sweden, and 18 percent in Hungary and Poland.³ Relative stability of the overall system of European capitalism ensured a long-term reliability of these ratios up to the autumn 1914 when the very fundamentals of the system underwent serious setbacks.

An overall patriotic euphoria and increased social solidarity with soldiers' families' welfare on one hand and increased social tensions on the other led European governments to start intervening in housing tenancy relations during the war. Sooner or later, in all belligerent and many neutral countries, tenancy relations were placed under effective state control. In this way, for the first time in history, the rent control system was introduced into schemes of capitalism on a global level. Although only designed as a war-time provisory, these policies survived in western economies, and in many countries world-wide throughout the 20th century and in some countries they are still in force. In France and Germany, the rent-control system which was introduced during the First World War outlived both the war and the inter-war period, by being prolonged in 1939 when the new global warfare began. A similar development took place in Great Britain where the last remnants of the rent-control system were abolished by 1938 and then reintroduced with the beginning of the WWII. In all three countries, the system survived all up to the mid-1970s with exception of several German

TEICHOVA, Alice. East-central and South-east Europe 1919 – 39. In: *The Cambridge Economic History of Europe*, 1989, vol. VIII, pp. 887-983.

2 On the rent moratorium in Paris 1870 – 71 see: WILLIS, John W. Short History of Rent Control Laws. In: *Cornell Law Review*, 1950, vol. 36, no. 25, pp. 54-94. "Nineteenth century" in this particular context applies to the Hobsbawm's "long nineteenth century" referring to the period between the outbreak of the French Revolution 1789 and the beginning of the First World War in 1914.

3 WILLIS, John W. Short History..., pp. 54-94.

municipalities where it lasted until 1980s and as far as 1990s.⁴ In Sweden, the war-time emergency housing legislation was only abolished in 1975.⁵ In Canada the state controls imposed in 1941 were abolished by 1954 in all provinces except in Quebec and Newfoundland. However, in 1974 it was reestablished in British Columbia and in 1976 in all 10 Canadian provinces. Today it is still in force throughout the country.⁶ In liberal America some remnants of the rent control system is still present in the state and city of New York, almost seventy years after it was introduced during the WWII.⁷

From the moment it was introduced into modern societies, the rent control system has been criticized by the advocates of the free-market economy. Among other “crimes”, allegedly the state control has never fulfilled its social purpose of protecting the deprived against the rich; it persistently decreased value of housing property and therefore reduced its mortgage capacity; it reduced expected rates of labour mobility and hindered a proper maintenance of housing units, thus aggravating overall housing situation. Much of these criticisms are indeed well-grounded in practice and in the implementation of the system. On the other hand, in many countries the rent control system proved to be one of the factors which contributed to a sizeable shift in housing tenure patterns during the 20th century; namely, the transition from the practice of renting housing units (a dominant pattern prior to 1914) towards privately owned property facilitated through the state subsidized mortgage schemes. According to Shirley F. Harley, the persistence of the rent control system in Great Britain actually compelled rental units’ owners to sell these to the occupying tenants. This phenomenon, together with social housing schemes brought about a huge change in the percentage ratio between numbers of rental housing units and privately owned housing property. By the 1980s, in Great Britain and throughout Western Europe the ratio is quite in reverse to that existing before 1914.⁸ Apparently, state intervention in housing rental relations has a long history of development and influence worldwide.

In the domain of social studies and historiography, much has been written on the general issues of rent-control, especially for the developments in the period after the WWII. There are, however, less studies available for the inter-war period. Excepting one contemporary survey which was conducted and published by the International Labour Office of the League of Nations in 1924, there is no available systematic study or monograph dedicated to the issue

4 PAISH, Frank W. The Economics of Rent Restriction. In: BLOCK, Walter – OLSEN, Edgar O. (Eds.). *Rent control, myths & realities: International Evidence of the Effects of Rent Control in Six Countries*. Vancouver, B.C., Canada: Fraser Institute, 1981, pp. 151-154. HUBERT, Franz. Germany’s Housing Policy at the Crossroads. Discussion paper presented on the annual meeting of the American Real Estate and Urban Economics Association. [online]. Mystic/Connecticut, 1993 [cit. 01-13-2011]. Available at: <<http://www.anst.uu.se/p/jiche227/Interntional%20Housing%20Finance/German/German%27s%20Housing%20Policy%20at%20the%20Crossroads.pdf>>. HUTTMAN, Elizabeth D. Policy Approaches to Social Housing Problems in Northern and Western Europe. In: VLIET, Willem Van – HUTTMAN, Elizabeth D. – FAVA, Sylvia Fleis (Eds.). *Housing Needs and Policy Approaches: Trends in Thirteen Countries*. Durham: Duke University Press Books, 1985, 376 p. FÜHRER, Karl Christian. Managing Scarcity: The German Housing Shortage and the Controlled Economy 1914 – 1990. In: *German History*, 1995, vol. 13, no. 3, pp. 326-354.

5 RYDENFELT, Sven. The Rise, Fall, and Revival of Swedish Rent Control. In: BLOCK, Walter – OLSEN, Edgar O. (Eds.). *Rent control, myths & realities: International Evidence of the Effects of Rent Control in Six Countries*. Vancouver, B.C., Canada: Fraser Institute, 1981, pp. 201-202.

6 DENHEZ, Marc. *The Canadian Home: from Cave to Electronic Cocoon*. Toronto: Dundurn Press, 1994, p. 172.

7 BRENNER, Joel F. – FRANKLIN, Herbert M. *Rent Control in North America and Four European Countries*. Washington, D.C.: Council for International Urban Liaison, 1977, 78 p.

8 HARTLEY, Shirley Foster. Introduction. In: VLIET, Willem Van – HUTTMAN, Elizabeth D. – FAVA, Sylvia Fleis (Eds.). *Housing Needs and Policy Approaches: Trends in Thirteen Countries*. Durham: Duke University Press Books, 1985, p. 27.

of housing policy in inter-war Europe, and few are available at the nation-state level.⁹ One of the most thorough critical accounts on the implementation and economic effects of the rent-control during the 20th century is provided by the publication *Rent control, myths & realities*, co-edited by Walter Block and Edgar Olsen.¹⁰ The book which mainly covers the post WWII period in six countries consists of 15 contributions written by experts in the field, and such exceptional scholars as Milton Friedman and Friedrich Hayek. In the field of a cross-country comparison, studies of Susan Magri and Håkan Forsell provide significant contributions.¹¹ Here and there, some aspects of inter-war housing policy has been approached and studied as part of more general problems of First World War related social history, however data presented and analyses only refer to the European core economies. Within the borders of the national historiographies of the four countries under review the issue has been almost entirely neglected, regardless of its huge social and economic impact and its pan-European character during the war and throughout the 1920s. Let us see now how the system evolved during the WWI.

In many countries, an initial housing stipulation, in the form of postponement of payments and prolongation of lease-contracts, was carried out through wartime rent-moratorium provisions (RM). Issued by authorities almost immediately upon a countries' entry into the war, these regulations were designed as a temporary measure and applied solely to the families of military conscripts or in some cases to the populations in areas affected directly by the war. In Germany, the RM for conscripts' families was introduced by the order of 7 August 1914, which authorized regular courts to permit them to postpone payments.¹² In addition, from October 1914 on, the German authorities began providing financial assistance for this category of tenants. The system gained more ground and went above the basic moratorium scheme when the federal government authorized municipal authorities to create housing conciliation offices in December 1914.¹³ In Italy, the provisory moratorium regulations were enacted in 1916 shortly after the entry into the war. Apart from soldiers' families, the privileged category of tenants included also the inhabitants of war-zone districts in Northern Italy. The Italian moratorium set up the rent on the half of the pre-war amount.¹⁴ However, a French moratorium legislation of 14 August 1914 proved to be the most interventionist and one with the broadest category of persons entitled to protection. Apart from military conscripts and inhabitants of the 20 departments situated in the war-zone, the French moratorium also protected owners of small dwellings throughout the country. The scheme exempted from the payment of entire rents in situations when a person belonging to the three aforementioned categories submitted a declaration of his or her inability to pay the rent to the local authorities. Taking this into account it is not strange that a considerable part of French population did

9 *European Housing Problems since the War 1914 – 1923*. Geneva: League of Nations, 1924, 484 p. ENGLANDER, David. *Landlord and Tenant in Urban Britain: 1838 – 1918*. Oxford: Oxford University Press, 1938, 342 p. FELDMAN, Gerald D. *The Great Disorder: Politics, Economics and Society in the German Inflation, 1914 – 1924*. New York; Oxford: Oxford University Press, 1993, 1011 p. BLAU, Eve. *The architecture of Red Vienna, 1919 – 1934*. Cambridge Mass; London: MIT Press, 1999, 530 p.

10 BLOCK, Walter – OLSEN, Edgar O. (Eds.). *Rent control, myths & realities: International Evidence of the Effects of Rent Control in Six Countries*. Vancouver, B.C., Canada: Fraser Institute, 1981, 335 p.

11 MAGRI, Susanna. Housing. In: WINTER, Jay – ROBERT, Jean-Louis (Eds.). *Capital Cities at War: Paris, London, Berlin 1914 – 1919*. Cambridge: Cambridge University Press, 1997, pp. 374-418. FORSELL, Håkan. *Property, Tenancy and Urban Growth in Stockholm and Berlin, 1860 – 1920*. Aldershot: Ashgate Publishing Ltd., 2006, 394 p.

12 *European Housing Problems...*, p. 324.

13 MAGRI, S. *Housing...*, pp. 377-378.

14 *European Housing Problems...*, p. 17.

not pay any rent during the war.¹⁵ The Balkan countries, Serbia and Bulgaria as we will see in the next section were among first to announce rent moratorium at the outbreak of the war.

The introduction of the RM provisions set a huge legal precedent, but it still did not formally abolish basic principles of the pre-war "laissez-faire" regime in the domain of housing tenancy. After all, it was only designed as an extraordinary, temporary, measure limited to the certain categories of population. The tenants were still obliged to pay all their obligations after the war. In France, for instance, the memory of a relatively short-lasting experience with the rent moratorium during the Franco-Prussian war 1870 – 1871 was still vivid in the phraseology of politicians. After the warfare ended housing tenancy returned to the pre-war patterns. However, compared to its 19th century precedent, the 1914 moratorium was to last, and it proved to be a long-term phenomenon not only in France but also in a global perspective. Moreover, as the housing situation throughout Europe was becoming ever more serious during the war, moratorium schemes were joined with or replaced by a general rent-control system (RCS) in some countries, applied usually to all categories of population. If the moratorium policy is to be considered as a part of wartime provisory, the RCS appears as indication of a new stage of universal and unrestricted state interference in the domain of housing issues. While the moratorium was only anticipating the social tensions and public unrest at home, the RCS was directly responding to them.

A fully developed RCS emerged and also developed in almost all belligerent countries during or immediately after the war; newly created countries in post-war Europe adopted and continued to apply these policies during 1920s. In a completely developed form, it was introduced in Scandinavian and other neutral countries also during the war. At the beginning of the 1920s the RCS was the predominant model of housing policy in almost all European countries. Under the system, nearly all aspects of the previous contractual relation between the owner and tenant were prescribed and controlled by the state authorities. Almost no element of the "laissez-faire" regime remained in the domain of housing relations. A given amount of rent could not have been increased without consent of specially authorized state authorities. A proprietor's right to give a notice was considerably restricted. If a tenant paid the prescribed amount of money, usually there was no institutional way for a proprietor to cancel the lease. In addition, in almost all countries special tripartite arbitration committees were established with that aimed to help in negotiations, and to impose verdicts on conflicting parties. These committees consisted of an equal number of representatives of the proprietors' and tenants' organizations, and they were presided over by an official appointed by the state authorities. This institutional order gave the state a decisive role in settling disputes between opposing parties.

In most European states (western European and Scandinavian countries) the RCS proved to be successful in securing tenants' positions; it consequently also contributed to the consolidation of social conditions for the poor during the war scarcity. In turbulent areas of Central, Eastern, and East-Central and Southeastern Europe, however, it was to be accompanied by more radical state interference/intrusion into the realm of proprietors' ownership, and even into the privacy of their family life. This higher level of state intervention was exercised by the state's practice of requisitioning "superfluous" housing space. Namely, after the first regulations on tenants' protection had been issued, many proprietors lost interest in renting out their vacant or unutilized housing units. This was especially true as the rent income had been widely restricted under the regulations. In Central European countries, which were in turmoil verging on social revolution during the last two years of the war, state authorities did

15 *European Housing Problems...*, pp. 115-117. WILLIS, J. W. *Short History...*, p. 68.

not hesitate to interfere in this, the last resort of privacy in the lives of well-to-do citizens. The maximum amount of space was prescribed for the proprietors' family, and usually it was one room per adult person. The superfluous living space or premises could have been requisitioned and subsequently allotted to those who were in need. An executive decision was to be made by a state appointed local official. Under the settlement, the owner was entitled to a prescribed rent level corresponding to one regulated by the RCS; the amount was drastically brought down by inflation.

The requisitioning, widely applied in countries of Central Europe, implied only a restriction in property rights, and did not imply a loss of ownership. Confiscation, (i.e. nationalization) the most radical state intervention in the domain of housing policy, had been recorded in only two countries, namely: Hungary, during provisional Bolshevik government (March to August 1919), and Russia after the Bolsheviks came to power. In Bolshevik Russia, apart from land and buildings, even furniture was confiscated and became municipal property.

Based on the above detailed information on the development of the state intervention in housing market it is possible to construct a typology with six consecutive developmental stages or degrees (1 – 6) of the state involvement with housing tenancy and housing tenure:

1. "Laissez-faire" regime
2. Rent-moratorium
3. Rent-moratorium with elements of the rent-control system
4. Rent-control system
5. Legally sanctioned requisitioning
6. Confiscation, i.e. abolition of private property

The developmental typology and its application in a comparative perspective are demonstrated in Figures 1, 2 and 3. With certain limits it proves to be a useful tool for cross-country and cross-regional comparison of the legal development of the phenomenon.

Housing crisis and the policies of the four countries

The global upheaval of war, which profoundly affected even the neutral European countries, could not bypass territories and populations whose governments were directly engaged in warfare. Under the circumstances, it is not surprising that the populations of the four states, as subjects of either belligerent or occupied countries experienced much of the war-time state provisory measures in the housing market. Among their provinces, the territories of pre-war Serbia and post-war Poland suffered probably the highest level of material destruction during the war. There is no precise account for Serbia, but rough estimates indicate it suffered the largest material damage amongst the belligerent countries.¹⁶ This was particularly so in Belgrade, situated on border with Austria-Hungary; the city underwent the traumatic experience of almost continual bombardment between 1914 and 1915. On the other hand, Polish Partitions, being almost constantly a war theatre between 1914 and 1920, accounted for losses of more than 1.5 million houses, including 75 percent of farm buildings.¹⁷ Although, the majority of the territories of Bulgaria, Czechoslovakia and Austria-Hungarian provinces

16 KEYNES, John M. *Economic Consequences of the Peace*. Los Angeles: Indo European Publishing, 2010, p. 56. ALDCROFT, Derek H. *From Versailles to Wall Street, 1919 – 1929*. Berkeley, Los Angeles: University of California Press, 1977, pp. 18-23.

17 About 75 percent of farm buildings were destroyed in the territory of Poland during the war. ROSZKOWSKI, Wojciech. Poland's Economic Performance Between the Two World Wars. In: *East European Quarterly*, 1986, no. 20/3, p. 287.

of Yugoslavia were spared from the direct impact of fighting, their populations went through a harsh everyday reality of life within the embargoed economic area of Central Powers.¹⁸

In tune with the general European situation, housing crisis in the four countries was additionally aggravated by specific migration movements set in motion by the war. Although one might suppose that in this difficult time it was much easier for the population to survive in the countryside, a great influx of people into the cities was, in fact, recorded. There was a migration from Yugoslavia and Bulgaria to overcrowded urban areas, this in spite of the fact that there was no available employment. The statistical data for Belgrade are illustrative: they point to a rise in Belgrade's population of 24 percent from 1910 to 1921, whereas the total population of Serbia in its pre-war borders decreased by the same proportion during the same period.¹⁹ Statistical data on the major cities of the Kingdom SCS also evidence population increase between 1910 and the 1920s.²⁰ Bulgarian statistics for the same period (1910 – 1921) show an increase of not less than 50.4 percent in the population of the capital city of Sofia. The population of the second greatest town of Bulgaria, Thracian Plovdiv, was enlarged by 32.17 percent. These data become even more significant if compared with those of overall demographic changes in Bulgaria during the period. For example, the average annual increase of population in Bulgaria was no more than between 4 and 4.5 (per thousand) for the period 1910 – 1920.²¹

In the newly created countries of Poland and Czechoslovakia immense numbers of people arrived in the newly established capital cities due to the administrative needs for personnel. Altogether, not less than around 187,000 new inhabitants, or about 25 percent of its previous population, moved into Warsaw between 1918 and 1920.²² In Prague, an increase of population of some 60,000 or 9.73 percent was recorded between 1910 and 1921, while the data for the overall population of Bohemia (January 1911 – January 1921) show a decline of 0.16 percent and for the whole of Czechoslovakia increase by only 0.1 percent.²³ Moreover, the general housing situation was made even more difficult by huge increase in number of marriages in Bulgaria, Yugoslavia, and Czechoslovakia when compared to pre-war standards. The overall vital statistics for pre-1914 Russian Partition of Poland does not exist; however available Polish data for 1920s show an immense increase in the number of marriages in the years immediately after the war against the Bolshevik military of 1919 – 1920. Thus, if the reference index number is placed on 1925 (=100), corresponding values for 1921 and 1923 are 143 and 140 respectively.

People were living in the most incredible places: in 1923, i.e. four years after the end of the war, the Belgrade daily newspaper "Politika" reported on a family in Zagreb, who were accommodated by the authorities in an empty prison cell, where they were to stay

18 Slovakia was temporarily occupied by Bella Khun's Hungarian units in 1919. Eastern Bosnia and part of the *Srem* at that time in semi-autonomous Croatia-Slavonia were affected by war operations during successful Serbian counteroffensive 1914.

19 This number includes both demographic loses and victims of the war. ĐURIČIĆ, V. M. – TOŠIĆ, M. B. et al. *Naša narodna privreda i nacionalni dohodak*. Sarajevo: Državna štamparija, 1927, p. 30.

20 Zagreb, for instance had population of 79,000 inhabitants in 1910, and 108,000 in 1920.

21 *Statistički godišnik nabalgarskoto Carstvo 1913 – 1922*. Sofia: Džravnapečatnica, 1924, pp. 34-35.

22 STRZELECKI, Edward. *Ludność Warszawy 1918 – 1939*. In: DROZDOWSKI, Marian (Ed.). *Warszawa II Rzeczypospolitej 1918 – 1939, 1968*, Tom I, p. 31.

23 Data calculated from: BOHÁČ, Antonín. Population. In: GRUBER, Josef. (Ed.). *Czechoslovakia. A Survey of Economic and Social Conditions*. New York: The Macmillan Company, 1924, pp. 2-3. *Statistická příručka Republiky československé*. Prague: Státní úřad statistický, 1928, p. 292.

for a few days.²⁴ During the 1920s approximately 1,500 railway carriages throughout the Kingdom were used as "suitable" flats for Yugoslav railway workers.²⁵ In Belgrade there was a real small 'suburb on wheels'. About 400 men, women and children lived in this particular settlement without basic hygienic facilities, water supply or electricity. One newspaper reporter mentioned the unpleasant smell coming from pigs which the families kept under their improvised homes. These poor inhabitants complained about their "housing" conditions, saying that during summer it was unbearable to stay inside the red-hot metal structure of the carriages, whereas in winter the situation was even worse as they could not heat them there was no heating. Two children died of unhealthy wintertime conditions that year.²⁶

The same kind of "housing" solutions one finds also in Košice in Eastern Slovakia in December 1919. From the note sent by the direction of the local outpost of the Czechoslovak Railways to the Košice local authorities one finds out about "great numbers" of families who were placed to live in railway carriages. The directory demanded from local authorities to start with a large-scale requisitioning since they were expecting some 380 railway employees to arrive in Košice from Budapest and from other parts of newly created state in January 1919. It was stressed that these people were "Slovak" in ethnic terms, which was not an insignificant point in time of consolidation of the Czechoslovak nation-state. The directory also appealed on military authorities to provide some housing in their military barracks.²⁷

Former military barracks located in Peštianska trieda (today Južná trieda) Street in Barca suburb of Košice indeed served as an appropriate accommodation for all strata of population throughout 1920s. Rich archival collection provides evidence of people from middle and even upper middle class applying for available housing in the barracks. Unfortunately, almost all applicants were rejected due to lack of unoccupied housing units.²⁸

The introduction of the moratorium legislations was one of the first measures enacted by the Serbian²⁹ authorities at the outbreak of the war, and also by Bulgarians,³⁰ in anticipation of country's entry to war. More importantly, the Serbian enactment was among the first of such legislations to be recorded in the history of First World War. In both countries, the stipulations applied solely for individuals called to arms. Given a high percentage of both countries' military conscripts relative to their populations, the measure must have had a huge social impact. A Serbian moratorium was in force during the initial phase of war (the so-called Serbian campaign of 1914 – 1915) and effectively during the occupation period (1916 – 1918) up till the formation of the Yugoslav state. In most cases the protected portion of tenants did not pay any rent throughout the war and occupation. In Croatia-Slavonia, another important would-be Yugoslav province, the beginnings of the RCS were outlined by the order decreed by "Ban" (provincial chief of the executive) on 25 January 1916.³¹

24 Beda udovice i majke (The Misery of the Widow and Mother). In: *Politika*, 1923 (2 November).

25 Predgrađe na točkovima (The Suburb on the Wheels). In: *Politika*, 1923 (26 September).

26 Železnički vagoni (Railway Cars). In: *Privredni pregled*, 1925 (16 April).

27 The note was sent on 31 December 1919. Archív Mesta Košice (Archives of the city of Košice, hereinafter AMK), Collection of the Magistrát mesta Košice (hereinafter MMK), krabica (box, hereinafter b.) 2338, 13070 (1919).

28 AMK, MMK, b. 117, 20725 (1925), 22611 (1925), 13959 (1926), 15750 (1926), 32 (1927), 33 (1927), 41 (1927), 80 (1927), 849 (1927), 16617 (1927) 27949 (1927).

29 Zakon o obustavi izvršenja i obezbeđenja kao i toku rokova. (Act on Moratorium of the Payments and on Regulation of the Terms of the Contracts). In: *Srpske novine*, 1914 (31 July/12 August).

30 Zakon za moratorium. (Act on Moratorium). In: *Däržaven vestnik*, 1914 (28 July/9 August). A housing moratorium was foreseen by the changes, which were introduced in this law in October 1914, it applied to the families of military conscripts in cases of general mobilization. In: *Däržaven vestnik*, 1914 (24 October).

31 *European Housing Problems...*, p. 440.

Also a common occurrence in the war, the population of defeated Serbia experienced much military requisitioning, including that of housing facilities during the occupation 1916 – 1918. After the final breakthrough on the Macedonian front, the Serbian military authorities proceeded with these practices throughout Serbia and the newly acquired Yugoslav territories. Before long, the jurisdiction was also taken over by civil authorities. Thus, when the first Yugoslav rent control legislation was enacted in April 1919 it was almost immediately accompanied with a “temporary” decree regulating requisitioning of housing facilities, issued on 13 May 1919.³² Later on, the RCS and requisitioning were maintained by two orders of May 1920 and June 1921, and by subsequent legislations all up to November 1927 when it was finally abolished.³³ The legislation on the RCS in Yugoslavia expired in May 1930.

In Bulgaria, the initial moratorium legislation was introduced in October 1915 on the eve of country’s entry into the war and maintained until March 1916 when a sort of universal RCS was introduced by a government order.³⁴ The order extended moratorium provisions to all Bulgarian citizens: for those who were not in army, the moratorium covered half of their rent. Later on, a law passed on 10 April 1917 extended the RCS. Twice during the war, the housing legislation was modified in Bulgaria. However, it never went beyond the limits of the RCS. Requisitioning, as a way of dealing with housing problems did not occur before January 1920 when it was launched by the interventionist cabinet of Aleksandăr Stambolijski.³⁵ As a practice, requisitioning was almost exclusively co-related with this regime, and although it was not legally removed after the overthrow of Stambolijski, in June 1923, it was brought to an end in reality and on the ground. Moreover, by August 1926 Bulgaria terminated all the remaining elements of the RCS, thus being the only of the four countries under study to return completely to the “laissez-faire” regime in this domain.³⁶

32 Zakon o izmenama i dopunama u zakonu o moratorijumu iz 1914. godine. (Law on Changes and Additions to the Law on Moratorium of 1914). In: *Službene novine Kraljevine SHS*, 1919 (19 April). Privremena uredba o rekviziciji stanova. (Temporary Order on Requisition of Housing). In: *Službene novine Kraljevine SHS*, 1919 (24 May); 1920 (31 May); 1921 (23 June); 1922 (23 February).

33 Zakon o stanovima. In: *Službene novine Kraljevine SHS*, 1919 – 1923.

34 Article 5 of: Vremenna naredba (Temporary provision). In: *Džržen vestnik*, 1915 (26 September/9 October).

35 Zakon za naema na zdanja prez vreme na voinata (Law on Rents during the Wartime). In: *Džržen vestnik*, 1917 (12 April); Zakon za oblegčenie na žilištnata nužda (Law for Alleviation of Housing Problems). In: *Džržen vestnik*, 1920 (20 January); Zakon za oblegčenie na žilištnite nuždi (Law for Alleviation of Housing Crisis). In: *Džržen vestnik*, 1921 (16 May).

36 Zakon za likvidirane na otnošeniata meždu naemodatelite i naematelite, säzdadeni ot zakona za oblegčenie na žilištnite nuždi (Law on Liquidation of the Relations between Landlords and Tenants Created by the Law for Alleviation of Housing Crisis). In: *Džržen vestnik*, 1926 (3 May).

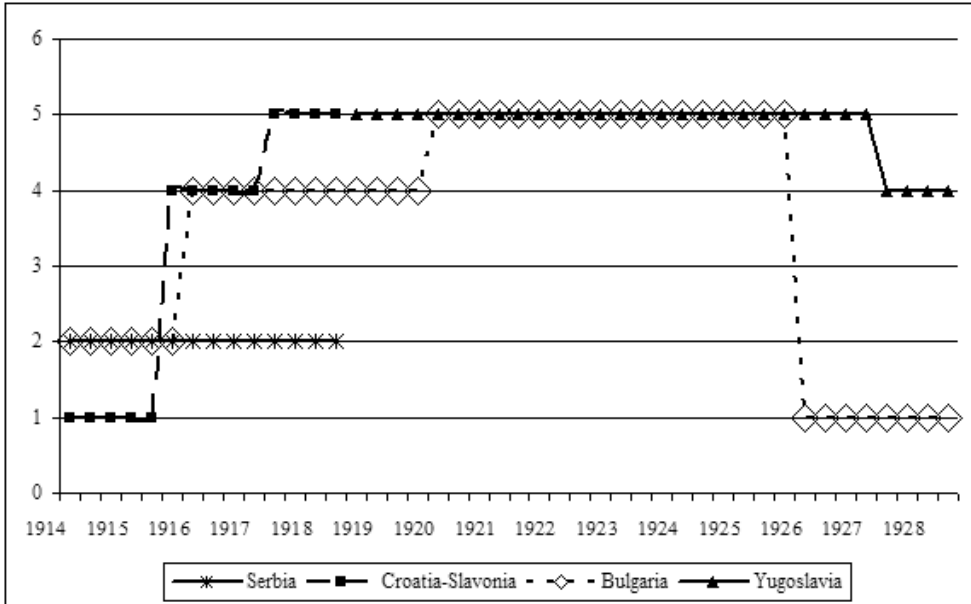


Figure 1: Developmental stages of state intervention in the housing market in Southeast Europe (1914 – 1928)

Key: Developmental stages – 1. Laissez-faire, 2. Moratorium provisions, 3. Moratorium provisions and rent-control system, 4. Universal rent-control system, 5. Requisitioning, and 6. Confiscation. Sources: *European Housing Problems* and corresponding national housing legislations.

Similarly to Yugoslavia, constituent Czechoslovakian provinces went through somewhat different histories of state intervention in housing market before unification. Slovakia as part of Hungarian crown lands experienced a slightly faster pace in the development of state interventionist practices than was the case with Austrian Bohemia. The RCS came to Slovakia several months before arriving in Bohemia (November 1916 and January 1917) while the requisitioning that was applied in Slovakia from November 1917 onward had not been introduced in Bohemia at all throughout the period of the Dual Monarchy. The requisitioning in the domain of housing was introduced for the entire territory of Czechoslovakia by the newly proclaimed republic in January 1919, and later was prolonged and changed in detail by the following regulations lasting till 30 June 1921, when these expired.³⁷ However, only a year later a kind of requisitioning was reintroduced by law of 11 July 1922.³⁸ It seems as if

37 Nařízení o zabírání bytů obcemi (Regulation on the Requisition of Apartments by Municipalities). In: *Sbírka zákonů a nařízení* 38/1919. The regulation was prolonged by the law of 30 October 1919. In: *Sbírka zákonů a nařízení* 592/1919. However, the requisitioning remained in force for other buildings (apart from those used as dwellings) according to the Law no. 332 of 1919, and was prolonged subsequently by laws no. 304 of 1921 and no. 87 of 1923 which remained in power by December 1924.

38 Zákon o mimořádných opatřeních bytové péče (The Law on Emergency Measures for Housing Crisis). In: *Sbírka zákonů a nařízení* 225/1922.

the straightforward naming of this legal practice was no longer comfortable for legislators. The 1922 legislation does not mention requisitioning, however, it states that "the district authorities may order the owner (...) to lease out unoccupied housing units for a specified period". Since the law threatened proprietors with serious punishments for violation of the prescriptions (20,000 Czechoslovakian koruna³⁹ or up to 6 months prison sentence or both punishments simultaneously) the legislation maintained requisition provisions all but in word. The law of 1922 was later on prolonged in 1923, 1924, 1926, 1927 and 1928 and it remained in practice throughout the period under study. Furthermore, all important features of the RCS remained in force during that period.⁴⁰

An inquiry into the beginnings of Polish housing policy is even more complicated than in cases of Czechoslovakia and Yugoslavia due to an extreme complexity of the war-related territorial issues, boundaries, and jurisdictions between different Partitions, occupied territories and the so-called Regency Kingdom, a puppet state created by Germany and Austria-Hungary in 1916 out of territories previously belonging to the Russian Partition. While the Austrian and German Partitions followed the housing policy patterns of Austria and Germany, the Regency Kingdom created its own legislation on housing matters. Through the legislation of July and September 1918 it created important institutional features of the RCS, which would serve as a basis for the housing policy of the future independent Poland.⁴¹ Actually, the later legislation introduced a somewhat elaborate system for the protection of tenants. Not only were they kept safe from evictions, but also their level of rent effectively came under the control of the state. A rental sum paid on the 30 June 1914 was taken as a reference point. Since the former The Russian partition was subsequently occupied by the Central Powers, and the pre-war sums (in rubles) were calculated at a ratio of: 100 rubles = 216 German marks = 250 Austrian crowns (pre-war exchange rate). In spite of the high rates of inflation of both Austrian and German banknotes, the basic 1914 rent was to be decreased in the towns of Warsaw, Łódź, Pabjanic and Zgierz. The reduction was set up to 20 percent for one- and two-room apartments and 10 percent for the three- and four-room apartments. In all other towns and settlements, however, the legislation prescribes an increase in the basic 1914 rate. The rate goes between 10 percent for one-room apartments up to 40 percent for four-room apartments. The prescription did not apply to two-, three- and four-room apartments occupied by only one person, or to the three- and four-room apartments occupied by only two persons.

In the days and months following the creation of the Second Republic, the Polish authorities broadened areas of the application of the RCS to those inherited from the Regency Kingdom. As one of the first measures following the proclamation of independent Polish state, on 19 December 1918, Józef Piłsudski issued a decree ordering 3 months suspension of eviction in

39 According to the official Czechoslovak statistics, the average prices in 1922 for 1 kg of wheat flower and potatoes were between 3,67 and 4,93, and 1,47 koruna respectively. In: *Statistická příručka Republiky československé*. Prague: *Státní úřad statistický*, 1925, p. 201.

40 *Nařízení o ochraně nájemců* (Order on Tenant Protection). In: *Sbírka zákonů a nařízení* 83/1918. The tenant protection was later prolonged by orders no. 671/1919, and no. 175/1920 and laws no. 275/1920, no. 488/1921, no. 130/1922, no. 85/1923, no. 85/1924, no. 48/1925.

41 *Ustawa o wstrzymaniu eksmisji lokatorów*. In: *Dziennik Praw Królestwa Polskiego*, 1918 (16 July), no. 8. The legislation was prolonged by: *Ustawa o przedłużeniu terminu wstrzymania eksmisji lokatorów*. In: *Dziennik Praw Królestwa Polskiego*, 1918 (9 August), no. 9. *Ustawa tymczasowa o ochronie lokatorów*. In: *Dziennik Praw Królestwa Polskiego*, 1918 (10 September), no. 10.

cases when the tenant lost his job for reasons that were out of his responsibility.⁴² In addition, a new decree "on protection of tenants and prevention against shortage of accommodation" was issued on January 1919.⁴³ From the very title one can see that the regulation had broader intentions than previous ones. It follows 1918 legislation in determining a prescribed decrease of the basic rental sum in towns such as Warsaw, Lodz, Pabjanic, and Zgierz. For other towns and settlements in the former Russian Partition, however, the rents could not be higher than the reference 1914 rental rate. In this respect, the corresponding rents should have been reduced.

A new law designed for the protection of tenants was issued on 28 June 1919.⁴⁴ The law reaffirms previous provisions maintaining the 1914 basic rent for one and two room apartments, while in the case of three-, four-, five- and six-room apartments the allowed increase went from 10 to 25 percent. This law for the first time entered the complex relationship between tenant and subtenant. According to its provisions, the basic sum of rent paid by a subtenant could not surpass the increase paid by the tenant. Rent increases for both tenants and subtenants were to follow legally allowed limits. The law prescribed eviction of a tenant who rented out the housing facilities (to a subtenant) for a higher rate compared to what he was to pay the landlord. One novelty of this law is the special treatment given to newly constructed houses that were exempted from the rent control schemes. However, even in this case the amount of rent was to be decided at Conciliation bureaus in such way as "to allow a moderate profit for the owners".

42 Dekret w przedmiocie przepisów tymczasowych o moratorium mieszkaniowym dla pozostających bez pracy (Decree on Issue of Temporary Regulations on Housing Moratorium for Persons who Lost their Jobs). In: *Dziennik Praw Państwa Polskiego*, 1918 (20 December), no. 20.

43 Dekret o ochronie lokatorów i zapobieganiu brakowi mieszkań (Decree on Tenant Protection and Prevention Against Shortage of Accommodation). In: *Dziennik Praw Państwa Polskiego*, 1919 (25 January), no. 8, Item 116.

44 Ustawa o ochronie lokatorów (Law on Tenant Protection). In: *Dziennik Praw Państwa Polskiego*, 1919 (1 July), no. 52, Item 335.

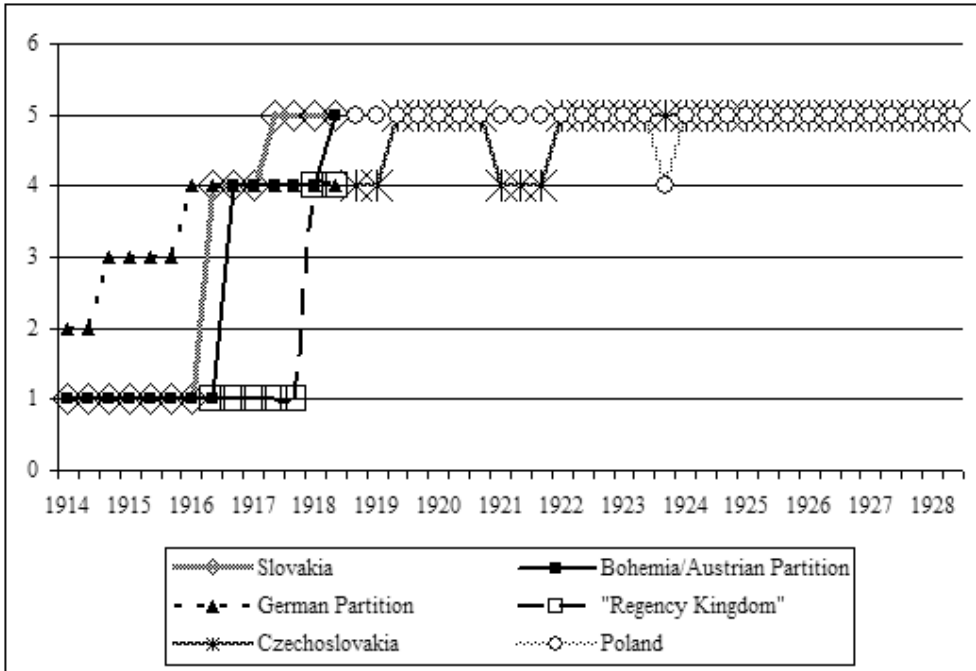


Figure 2: Developmental stages of state intervention in housing market in East-Central Europe (1914-1928)

Key: Developmental stages – 1. Laissez-faire, 2. Moratorium provisions, 3. Moratorium provisions and rent-control system, 4. Universal rent-control system, 5. Requisitioning, and 6. Confiscation. Sources: *European Housing Problems* and corresponding national housing legislations.

Since Poland was engaged in a war against Soviet Ukraine and Russia, the law established rent-moratorium for those who took part in the fighting. Members of the family of the White Guard servicemen and they themselves were not to pay any rent up to the 30th September that year. A three-month moratorium was also granted to the unemployed, which broadened immensely the social basis of people depending on the state's housing schemes. By the end of November 1919, the housing emergency legislation also included a wide range of requisitioning powers given to local authorities. The requisitioning was maintained in practice till the 25th November 1923, when the corresponding law expired.⁴⁵ It reappeared in housing

⁴⁵ Ustawa z dnia 27 listopada 1919 r. o obowiązku zarządów gmin miejskich dostarczania pomieszczeń (Law of 27 November 1919 on Obligation of Municipality Boards to Provide Housing Facilities). In: *Dziennik Ustaw Rzeczypospolitej Polskiej*, 1919 (11 December), no. 92, Item 498. Ustawa z dnia 4 kwietnia 1922 r. o obowiązku zarządów gmin miejskich dostarczania pomieszczeń (Law of 4 April 1922 on...). In: *Dziennik Ustaw*, 1922 (10 May), no. 33, Item 264. Ustawa z dnia 1 czerwca 1923 r. Przedłużająca moc obowiązującą ustawy z dnia 4 kwietnia 1922 r. o obowiązku zarządów gmin miejskich dostarczania pomieszczeń (Law of 1 June 1923 which prolongs the validity of the Law of 4 April 1922 on...). In: *Dziennik Ustaw*, 1923 (5 June), no. 59, Item 418.

legislation of May 1924, however, with considerable restrictions. According to the Article 29 of the law, government could make use of the housing units that had already been rented or requisitioned from private owners, "even without consent of the owner". The law authorized the government to allot these housing units to state officials and personnel.

The new law was enacted on January 1921.⁴⁶ In essence the law reiterated prescriptions of previous 1919 legislation. Where it concerns rents the law regulated the housing rental rates for previous Austrian and Russian territories. The basic rate was again one paid in June 1914, and calculated in marks. An exchange rate was established at 216 marks to 100 rubles and 100 crowns to 100 rubles. In the case of apartments with no more than 6 rooms the law allowed owners to raise the rent up to 100 percent of the basic 1914 rent. The law also prescribed that tenants were to take part in the maintenance of housing facilities (waterworks, lights, garbage...). The owners were obliged to place on the main door or gate a notice with detailed information of all expenses connected with the maintenance of the building and amount of income received by tenants. By the end of the period under review the basic stipulations of the RCS were redesigned once more in 1924 legislation, mainly in the domain of a legally permitted rent increase, which was design to go up progressively by 4 percent quarterly until January 1925 and by 6 percent quarterly afterwards.⁴⁷

Judging from the basic legal provisions of housing legislation in Yugoslavia, Poland, and Czechoslovakia, it seems as if their authorities followed the Central European polices and interventionist German, Austrian and Hungarian housing policy patterns. The pace of development of the state involvement was somewhat different from one country to another; however, by the end of 1919, in all territories, the RCS had been accompanied with excessive state prerogatives in the requisitioning of the housing facilities. According to the developmental typology elaborated above this was the highest level of state intervention in the housing market, of course only if the Bolshevik practices are to be excluded from the comparison. This, rather extreme degree of state intervention, was maintained by all three countries, even after it was abolished by the Austrian and German authorities. In Czechoslovakia and Poland, after unsuccessful attempts to bring it to end, and with certain modifications, it remained in force till the end of the period under review.

The Southeast European pattern of policy, on the other hand, provides us with some remarkable features, distinctive even in broader European comparisons. Bulgaria was the last of four countries to introduce requisitioning and the first to abolish it in summer 1926, when, in fact, all emergency measures in the domain of housing expired. Yugoslavia put an end to requisitioning in 1927 while the RCS was dismantled in 1930. In this way, by the beginning of 1930s, Balkan countries, Bulgaria and Yugoslavia, effectively returned to the pre-war laissez-faire standards which were accomplished at that time only by some Scandinavian countries. This is even more fascinating when compared with so-called core economies in France, Germany and Britain which kept RCS until the end of the inter-war period.

The rationale behind these polices is certainly not for a higher appreciation of the free trade and market liberty in the economic periphery, but the fact that it was much easier to deal with housing problems of an urban population in predominantly agrarian countries such as Yugoslavia and Bulgaria. If one excludes Bolshevik model of housing policies applied in the USSR and a small scale state intervention applied in Scandinavia, East-Central and

46 Ustawa o ochronie lokatorów (Law on Tenant Protection). In: *Dziennik Ustaw*, 1921 (12 January), no. 4, Item 19.

47 Ustawa z dnia 11 kwietnia 1924 roku o ochronie lokatorów (Law of 11 April 1924 on Tenant Protection). In: *Dziennik Ustaw*, 1924 (10 May), no. 39, Item 406.

Southeast European countries represent confronted patterns of the most liberal and the most interventionist housing policies in Europe in the period under review (see Figure 3).

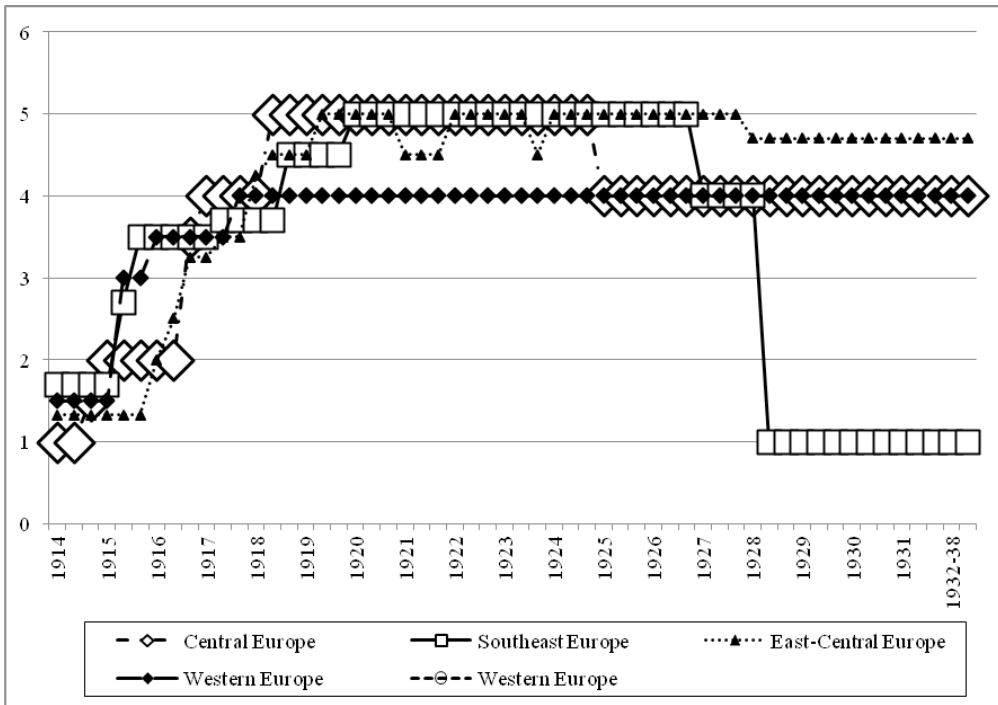


Figure 3: Developmental stages of state intervention in housing market in Central, East-Central-, Southeast- and Western Europe and Scandinavia (1914 – 1938)⁴⁸

Key: Developmental stages – 1. Laissez-faire, 2. Moratorium provisions, 3. Moratorium provisions and rent-control system, 4. Universal rent-control system, 5. Requisitioning, and 6. Confiscation. Sources: *European Housing Problems* and corresponding national housing legislations.

Trafficking in Housing Tenancy Rights

A widespread practice of subletting rooms and premises according market rules was probably one of the most obvious deviations from the spirit of the “tenant-protection” scheme in all four countries. While the tenancy relations were under the strict control of housing regulations, subtenancy was either left without any restriction, or these were violated in practice. Ludvik Fořt, a contemporary Czech expert on housing issues, wrote in “Domov” that

⁴⁸ Western European pattern is represented by average trends of France and UK, Central European by that of Austria and Germany, Scandinavian of Finland and Sweden. More on the typology of the developmental stages of state intervention in housing market see in: MILETIĆ, Aleksandar R. Normativno regulisanje stambenog zakupa u Evropi 1914 – 1938. In: *Tokovi istorije*, 2013, no. 3, pp. 109-141. MILETIĆ, Aleksandar R. Housing Disputes in East-Central and Southeast Europe 1918 – 1928. Comparative Perspectives on Yugoslavia, Bulgaria, Poland and Czechoslovakia. In: LYBERATOS, Andreas (Ed.). *Social Transformation and Mass Mobilization in the Balkan & Eastern Mediterranean Cities (1900 – 1923)*. Irakleion : Crete University Press, 2013, pp. 79-97.

there were cases when some of tenants received from their subtenants monthly more than they were paying to their landlords for three months or even for a whole year.⁴⁹ In Bulgarian sources, the amount of rent collected from a subtenant for one sublet room was usually two or three times, and sometimes up to four times, higher than what was supposed to be paid to the owner for the whole apartment.⁵⁰

According to the "Domoprtežatelj", one tenant protected by the housing law in a house in downtown Sofia (18, General Parensov Street) was receiving 700 leva monthly from subtenants in 1918, while he was to give to landlord no more than 180, the same amount that was established in 1914 when they concluded leasing contract.⁵¹ Allegedly, when a landlord Najden Cvetkov (street Maria Luiza 135) asked authorities to increase his rental charge, set at 70 leva, he was given permission to raise it by 5 leva, the equivalent to around 1.5 kg of potatoes. At the same time, his tenant was earning 140 leva from a subtenant, double than what he was paying the owner. From these examples it is apparent that the subtenancy functioned according to market rules while tenancy was regulated by state. Probably for this reason, one of the main requests asked by landlords' association's representative in the Sofia municipal commission established to deal with housing crisis was to prevent further misuses and excessive profits in domain of subletting housing units.⁵²

According to Belgrade journal "Dom", the practice of subletting housing units proved to be quite a lucrative business for "protected tenants". Landlords from Croatian port town Sušak reported in March 1924 that around 70 percent of all state restricted rentals in the town were sublet on the market conditions.⁵³ In Zagreb, a merchant Hahn was fined with 5,000 dinars and sentenced to 15 days in prison for subletting one room with an excessive profit. Allegedly, the rent he was receiving from the subtenant was 6 times higher than the total amount he paid to the owner (12,000 vs. 2,000 dinars).⁵⁴ In Belgrade a tenant was fined 4,000 dinars for tax evasion as he did not report the income of 1,500 dinars that he had received from a subtenant. At the same time he was to pay only 800 dinars to the owner.⁵⁵ In some cases, in order to increase profits tenants subletted housing units to a great number of people in the manner of today's youth hostels. For instance, Belgrade owners Kosta and Petar Ilić complained of their tenant who held no less than 8 – 10 subtenants in a small apartment consisting of only two housing units.⁵⁶

Amid acute housing crisis and high rates of unemployment in Poland, the practice of subletting housing units was sometimes an expected way of providing additional income for tenants, and accommodation for those in desperate need. However, since the housing legislation aimed to protect equally tenants and subtenants, a right to occupy, i.e. to sublet certain housing units became of paramount importance. Warsaw journal "Lokator" wrote on an actual "trade" based on this right in Warsaw in 1923. The tenants, subtenants and even sub-subtenants were advertising publically in newspapers that they were to renounce their

49 FOŘT, Ludvik. O ochraně podnájemníků (On the Subtenants' Protection). In: *Domov*, 1923 (17 March).

50 Žilištnijat vāpros (Housing Problem). In: *Domoprtežatelj*, 1919 (15 January), no. 5.

51 Pismo otgrada (A Letter from the Town). In: *Domoprtežatelj*, 1918 (28 December), no. 4.

52 Obštinskata komisija po kvartirnija vāpros (The Municipal Commission for the Housing Problem). In: *Domoprtežatelj*, 1918 (9 December), no. 2.

53 Društvo kučevlasnika na Sušaku (Landlords' Association in Sušak). In: *Dom*, 1924 (28 March), no. 12.

54 Gospodarstvena Zadruga u Zagrebu (Production Cooperation in Zagreb). In: *Dom*, 1924 (23 March), no. 11.

55 Jedno mišljenje (One Opinion). In: *Dom*, 1924 (16 November), no. 45.

56 Žalbe i protesti članova udruženja (Appeals and Protests from the Members of the Association). In: *Dom*, 1921 (15 February), no. 4.

dwelling rights in favor of other persons for certain amount of commission („odstępne“). Such ads that offered an informal waiving or transferal („odstąpienie“) of tenancy rights could be found in daily newspapers such as “Kurjer Warszawski”, but one journal became particularly dedicated to facilitate this trade. A Warsaw newspaper, “Biuletyn mieszkaniowy” founded in October 1923 played, according to “Lokator”, the role of chief intermediary for such arrangements in the capital city’s housing market. The commission charge required for the “handover” ranged from several hundred million to as much as 20 billion Polish markas for an apartment in downtown Warsaw.⁵⁷

In Košice, local and police authorities claimed that different schemes of handover compensation (“odstupné”) were demanded by tenants on regular basis throughout 1924. According to police authorities, these illegal extortions contributed to the fact that “not a single” state employee could provide himself with appropriate housing. For all these reasons, local authorities in Košice decided to set up extraordinary housing commission which was authorize to start requisitioning housing units in order to provide state employees with housing units.⁵⁸

In Yugoslavia one finds a similar practice in the form of a commission paid for such a transferal (“ustup”) of tenancy rights, which was formally carried out through the misuse of the procedure of subletting premises or housing units. Usually, the first step for an enterprising tenant was to find a prospective subtenant on the market who would pay him the required commission. After a fake lease-contract was concluded both the tenant and subtenant could reside in the accommodation equally protected by the law. After some time, or often immediately upon the subtenant entering the accommodation, the tenant would move out thus terminating the contract he had with the owner. One resentful Belgrade landlord described how this informal exchange of tenancy holders looked like: “The tenant hands the apartment over to whomever he wants for a good commission and this is called the transferal. (...) Unexpectedly, the landlord only spots two carriages in front of his house, one packed with belongings of the new tenant and another empty one which will move out the old tenant. This exchange of the apartment, that is the moving in of one tenant and the moving out of another, goes simultaneously and in a hurry, with a frantic rush and fearing that the landlord would notice their trick, which is, in fact, often carried out while the landlord is not at home.”⁵⁹

In the moment the exchange was done the subtenant would automatically acquire status and privileges of a legally protected tenant. In this way, the owner was left completely out of the deal; his or her property could have been advertised, bargained on, sold or resold without his or her consent or knowledge. According to Belgrade “Dom”, the most lucrative handovers of the tenancy rights were those of rented restaurant premises. In a memorandum submitted to the parliament by Yugoslav landlords’ association in 1924, the petitioners complained of the commission paid for the “handover” of Belgrade premises, which in some cases went as high as several hundred thousand dinars.⁶⁰ Allegedly, the “handover” of tenancy rights of the popular Belgrade downtown restaurants “Takovo” and “Šišškova Kafana” on Terazije Street involved half million and 100,000 dinars respectively.⁶¹ In Split, on one occasion, the

57 Plaga handle mieszkaniami (The Scourge of Trafficking in Flats). In: *Lokator*, 1923 (November), no. 10.

58 AMK, MMK, b. 156, 5114 (1924), 10017 (1924).

59 Na jagmu, - Ustup (A Scramble for the Tenancy Handover). In: *Dom*, 1924 (11 May), no. 18.

60 Predstavka Narodnoj Skupštini (Memorandum to the Parliament). In: *Dom*, 1924 (24 February), no. 7.

61 Zakon o stanovima (Housing Law). In: *Naš dom*, 1923 (19 August), no. 33.

handover of an ordinary housing unit required 12,000 dinars in 1924.⁶² In the same year in Belgrade the commission for handover of one apartment was no less than 68,000 dinars.⁶³ All this information comes from 1923 or 1924 when an average daily salary for a male labourer in Yugoslavia was no more than approximately 23 dinars!

Even more absurd was the fact that this peculiar trade sometimes included even the landlords themselves since many of them were desperately trying to regain any form of control over their property. Following the legal procedures intended for tenant-protection, in the majority of cases they could only return there as subtenants, with or without an informal "handover", but certainly with a costly arrangement agreed with the tenant. It is hard to believe, but Article 10 of the Yugoslav regulation on implementation of the housing law of 1923 foresaw the situation when a proprietor could act as a subtenant in his own property.⁶⁴ Landlords from Dubrovnik wrote reports for "Dom" on how it functioned in practice. In Dubrovnik suburb Lapad, one house was requisitioned by the authorities and allotted to a tenant who subsequently rented out two rooms of that house to the owner for market price of 250 dinars. The overall rent that this tenant paid to the owner/subtenant for the whole house was set up on 50 dinars. The owner of the famous Dubrovnik "Hotel Petka" was receiving only 200 dinars monthly for the rent of 45 rooms, premises, and restaurants requisitioned by the state. For only one of the premises in his own hotel he was to give no less than 1500 dinars monthly to the tenant.⁶⁵

Social justification of the protection schemes

As already mentioned, opponents of the tenant protection schemes had always questioned its social justification. Bulgarian "Domoprtežatel" pointed out the inconsistencies of the public phraseology concerning the protection of economically weak tenants. Many of misuses could have been avoided if only the legislators took into account all the possible relations between landlord and tenant. According to their respective social status, this relationship could appear in at least four different situations, namely:

- a. A poor owner and a wealthy tenant
- b. A poor owner and a poor tenant
- c. A wealthy owner and a wealthy tenant
- d. A wealthy owner and a poor tenant

According to the author, the problem with Bulgarian legislation was that it established a general rule based on the assumption that covers only one out of four possible relationships between the confronted parties.⁶⁶ This general assumption, supported by the leftist parties, found application in all four countries regardless of numerous instances where the situation was inverted as mentioned in the Bulgarian article. The landlord's family situation became particularly vulnerable when they were to move from one place to another, or when they returned home from war, emigration, administrative posting or a business trip. Often their homes were occupied by "protected tenants" while alternative accommodation was hard to

62 Vesti iz Splita (News from the Town of Split). In: *Dom*, 1924 (3 February), no. 4.

63 Kongres svojine – Svečana sednica (Congress of the Property Ownership – Festive Session). In: *Dom*, 1924 (27 April), no. 16.

64 Izmene i dopune pravilnika o izvršenju zakona o stanovima (Amendments to the Regulation on Execution of the Housing Law). In: *Službene novine KSHS*, 1923 (5 May).

65 Vesti iz Dubrovnika (News from the Town of Dubrovnik). In: *Dom*, 1924 (22 June), no. 24.

66 Kak triabvaše da se saždade noviat zakon za naemite (How the New Housing Law Was to be Created). In: *Domoprtežatel*, 1918 (26 December), no. 3.

find or below the level to which they were accustomed, and this was often degrading. In such instances, tenancy rights were placed above ownership.

From the correspondence between the Czechoslovakian President's Office, district authorities of Přerov, and the Ministry of Social Policy, we find the case of Josef Sládeček from Raclavice, a combatant in the famous Czechoslovakian legions in Russia. Due to tenant protection legislation, even after six years of war he could not return to his home. After an unsuccessful attempt to dislodge the tenant, Sládeček constructed a wooden hut (2x4x2.40 m) close to his own house where he found shelter. His wife and a newborn baby moved to her parents' house.⁶⁷ The case of Jan Sezenský, a butcher and salami producer originally from the municipality of Hořice, depicts the problems caused by state involvement with housing tenure. Prior to 1919 Sezenský established a prosperous delicatessen business in the Romanian town of Alexandria. In November 1919 he sent his wife to the newly created Czechoslovakian Republic in order to buy a house in the Hořice municipality for the family, which planned to settle there. The problems started when they actually moved to Czechoslovakia and only there found out that they could not enter the house due to the housing legislation that protected a tenant who occupied it. Temporary accommodation for Sezenský's family of five was provided in a small house that they shared with 12 members of the landlord's family. Under the circumstances, Sezenský could not proceed with his trade as he required more space and a house suitable to serve partly as a delicatessen. Since he had invested all of his savings in the house occupied by the tenant he wrote a request to the Ministry of Social Policy asking to be provided with welfare assistance in June 1920. His request was rejected by the ministry on the grounds that there was no reimbursement envisaged for that purpose.⁶⁸

A related problem was faced by the family of Vaclav Baumgartl, an emigrant who planned to return from America to a newly bought house in Nový Hradec Králové. Baumgartl was a barber and he wanted to open a barbershop in one of two rooms belonging to the house. The house was bought by his wife several months before he arrived to Czechoslovakia. However, in the meantime, local authorities requisitioned one room, thus preventing Baumgartl starting his business; now, after returning to Czechoslovakia he was unemployed, while his tenant had a regular job. In a resignation letter addressed to the Office of the President of the Republic, Baumgartl warned he would go back to America.⁶⁹ Jan Kotula, a railway employee from Český Těšín also could not return to his own home after being deported from Poland. His house, consisting of 4 rooms, was occupied by a tenant protected by the housing regulations. Local authorities provided Kotula and his family of four with one room in his own house, but without the right to use the kitchen. All of his furniture from the entire house was placed in that one room, in which only a narrow corridor was left unoccupied. Kotula's wife did not cook at all or sometimes tried to make food on an improvised spirit burner, while the tenant enjoyed full access to the kitchen facilities.⁷⁰ A comparable "kitchen problem" is found in case of Josef Zelený, a retired teacher from Moravian village Vsetín, close to the town of Zlín. Zelený

67 Národní archiv (hereinafter NA), fund (hereinafter f.) Ministerstvo Sociální Péče (Ministry of Social Policy, hereinafter MSP), (367), b. 534, case file: Josef Sládeček, Russian legionary from Raclavice, no. 10.845/1921. The documents within the file: Josef Sládeček to the Office of the President of the Republic (OPR) of 18 May 1921, passed on to the MSP on 3 June with a request for execution no. 8854/1921; The Districtal Authorities Přerov to the OPR of 8 June 1921.

68 NA, f. MSP – Department C, File Jan Sezenský from Hořice – A Request for Welfare Assistance, no. 5893/1920, (367), b. 534.

69 NA, f. MSP, File case of Vaclav Baumgartl from Nový Hradec Králové, no. 17397/1921. Material sent from the Office of the President of the Republic on 5 October 1921, (367), b. 534.

70 NA, f. MSP, The Secretary of the Association of the Employees of the Czechoslovak Railways to the Ministry of Social Policy of 16 September 1921, (367), b. 534.

was teaching in a nearby village of Leskovec and after retirement he planned to return to Vsetín, however, his home was occupied by a tenant. After an intervention, local authorities allotted him one room and a large corridor in the house, but without usage of kitchen. While the tenant had access to running water in the kitchen, Josef's wife was compelled to carry it from outside. The only available room, as in Kotula's case, packed with furniture.⁷¹

In Yugoslavia one finds analogous problems confronted by people coming from abroad or those who were to move from one place to another. The case of Ana Kopf from Croatian town of Osijek is indicative. Together with her late husband she was economizing and saving for 27 years in order to construct a house in Kokotova Street (nowadays Dubrovačka), which was finally completed in 1913. Ana's husband was employed in a match factory in Drava, whilst working as a guard they lived in an apartment provided by the factory. When her husband died she was to move out from that apartment with her widowed daughter and granddaughter. Then she tried to evict tenants from her own house where she wanted to settle, but they just laughed at her: "Old woman, it seems as if you've been sleeping for last few years." They were protected by the law, and her attempts to them on were useless. Eventually, she gave up and found a shelter in a pigsty just beside her house, supposedly occupied by "economically weaker" tenants. Ana's letter, written to the editors of the *Dom*, ends with political reasoning probably interpolated by a more experienced and educated member of the landlords' society:

„This is worse than if we were under communism. Under communism, the house would have been maintained in collective way. Today, only the landlord is to maintain and provide for the house while it is used communally. Under the circumstances, the landlords could only rejoice over the arrival of communism, for they would be, in fact, better off if it came to power.“⁷²

Landlords returning to war-torn Belgrade from forced emigration or military service were not exempted from the housing provisions. Therefore, a reunion of the family of Kosara Bogosavljević in Belgrade after the war became quite complicated due to state involvement with the tenancy. Kosara spent the war in Paris as a refugee from occupied Serbia while her husband was a soldier taking part in continuous campaigns in Serbian Army. During the war, their family house was rented to certain Mrs. Todorović who lived there together with her brother and mother. Subsequently, she sublet some housing units to three other persons. When Kosara and her husband returned to Belgrade they were compelled to rent, as subtenants, a room in their own apartment, without having access to the kitchen and toilet. Kosara was allegedly preparing food in their neighbors' apartment and she was compelled to pay for the washing of laundry.⁷³ Many Bulgarian soldiers were confronted with a situation analogous to the last one. A certain Mr Ivanov, after returning from the war, could not move into his own house that was inhabited by tenants. Eventually, his family of five improvised a dwelling in a cold, small room in the house attic.⁷⁴

Conclusion

This paper is designed as a contribution to studies of phenomena usually described as "recasting" of 19th century capitalism.⁷⁵ Namely, in broader social and economic terms,

71 NA, f. MSP, Political authorities in Morava to the MSP, no. 125.914/III, of 17 December 1921, Case Josef Zelený, a teacher from Vsetín, (367), b. 534.

72 G. Ministru socijalne politike (To the Minister of Social Policy). In: *Dom*, 1924 (23 November), no. 46.

73 Kućevlasnička pisma (Landlords' Letters]. In: *Dom*, 1924 (24 August), no. 33.

74 Pisma ot grada (Letters From the Town). In: *Domopriježatelj*, 1919 (15 April), no. 11.

75 I refer here to influential book: MAIER, Charles S. *Recasting Bourgeois Europe: Stabilization in France, Germany and Italy in the Decade after World War I*. Princeton: Princeton University Press, 1975, 680 p.

exciting dynamics was set in motion by state involvement with what was supposed to be market mechanisms of regulation. Since to a large extent there was no market any more, necessary adjustments were to be made by the state itself. In the housing sector, governments of belligerent countries were compelled to undertake desperate measures at expense of landlords' ownership rights. Given the wartime and immediate post-war circumstances, there was a huge necessity for and a great social benefit from housing measures from the point of view of the state. On the other hand, a prolonged period of their application caused some anomalies and deviations from the basic principles for the realization of which they were put in practice. As time went by, these deviations became ever more apparent in the everyday modus operandi of the housing authorities and in communication and relationships between landlords, tenants, and subtenants. This applies to developments in all four countries under review.

According to the developmental typology elaborated in this paper Southeast- and East-Central European regions accounted for the highest level of state intervention in the housing rental market. This meant that apart from a full-scale application of the RCS countries from these regions applied also requisitioning of the available housing units. Under the new circumstances imposed and controlled by state, the tenancy right became of paramount importance as a key commodity in the newly established housing black market. Within all the mentioned operations, the owner was left completely out of the business; his or her property could have been advertised, bargained on, sold or resold without his or her consent or even knowledge. Moreover, in some cases proprietors were entering into subtenancy agreements with their tenants, and were thus acting as subtenants on their own property. Such improper and degrading practices went hand in hand with rigorous taxation imposed on landlords.

The initial housing regulations "on tenant protection" were set in motion under the assumption that tenants were economically weaker – especially when most of men were conscripted or out of a job -and thus ought to be protected from landlords. However, after a long-term application of the policy, in many instances it became quite difficult to distinguish between "economically weak" and "economically strong" parties involved and to judge who really needed the protection of the state. Overall state intervention in the housing market and the creation of the RCS, however, was not capable of replacing the basic mechanisms of supply and demand in the housing market, which continued functioning within the framework of the illegal trafficking of housing tenancy rights. This paper suggests a serious concentration on restrictions in housing rentals in interwar period, since these prove to be among the most important global deviations away from the market economy system, and among the most severe violations of ownership of private property.⁷⁶

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⁷⁶ This article has been written within framework of the scholarly project "Tradition and Transformation – historical heritage and national identity in Serbia in 20th Century" (No. 47019), funded by the Ministry of education, science and technological development of Serbia. Apart from the Ministry, the research was also funded by Mediterranean program of the European University Institute in Florence, Imre Kertész Kolleg in Jena and International Visegrad Fund.

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