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# Vienna under Socialist Rule

BY ROBERT DANNEBERG

President of the Vienna Diet

(Translated by H. J. STENNING)

*FORMERLY the centre of a large Empire, now the capital of a country torn and shattered by the war, Vienna has been rescued from the incompetence of Capitalist rule, and is now an ordered Socialist City. . . .*

*This publication tells about Socialism at work in Vienna. It is a great record of constructive Socialist work. It should be read by all the victims of Winston Churchill who think that Labour cannot govern.*

Introduction by HERBERT MORRISON, L.C.C.

Price : *SIXPENCE.*

PUBLISHED BY

The Labour Party, 33 Eccleston Square, London, S.W.1.



INTRODUCTION

# Vienna under Socialist Rule

22.11.107.615



## INTRODUCTION.

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**P**REOCCUPATION with Russian affairs has rather diverted the attention of British Socialists customarily interested in the development of Socialism abroad from the activities of the Labour and Socialist Parties in other countries.

It is almost an instinct of the British Labour Movement that if the capitalist Press concentrates its attacks upon some movement or some person, we react and develop a degree of sympathy with the attacked which we should not do in the normal course of observation.

The time has now come when we must study Socialist activities in all the various countries of the world and not concentrate our minds upon one country only.

The British capitalist Press, with its own standards of news value, "features" the dramatic and sensational, but it should not be assumed from this that the Socialist Parties in countries other than Russia are not actively engaged in the fight against capitalism. As a matter of fact, owing to circumstances which are understood in varying degrees, social and economic development in Russia during the last few years has been, may be temporarily, in a capitalist direction, whereas Socialism in British Local Government and, as this pamphlet reveals, in Vienna Local Government, has been making distinct movements forward in a Socialist direction.

The present pamphlet gives to British readers an opportunity to study the great and mighty work of the Social Democratic Party in the local government of Vienna. The Vienna Municipality conducts operations probably of a considerably greater magnitude than those of the Glasgow, Manchester and Birmingham Corporations, and has powers of local self-government far in excess of those enjoyed by the London County Council. It has also to be remembered that Vienna is a provincial government and that the City Council is also a Diet or provincial Parliament.

I am sure that British Socialists will read the following pages with pride and admiration, mixed with a considerable degree of envy. When one realises how fettered our responsible local governing authorities are by the fact that they can do nothing except those things that they are specifically empowered by statute to do, and when one reads of the enormous elasticity of the powers of

the Viennese municipality, one is filled with a yearning that here in Great Britain we may soon secure a similar degree of local self-determination, at any rate to the extent provided in the Labour Party's Local Authorities (Enabling) Bill.

British Local Government has great traditions. It is satisfactory to know that in certain respects it suffers far less from central government dictation and control than many of the Continental and American cities. Nevertheless, we are still tied down within the strict limits of statutory authority, and Parliamentary powers must be sought and vested interests must be fought when we want to secure even simple extensions of municipal activity.

The following pages reveal a remarkable elasticity of municipal powers. The power of the Vienna Municipality to determine its own budget in the sense that it can fix the nature of the local taxes which it imposes, would be an enormous advantage in this country, subject to proper safeguards for the general system of national taxation.

The "burden of the rates" is still the most effective cry of the reactionaries against the Labour Party in Local Government. It is a cry which is largely ignorant and is associated with the most wicked misrepresentation of Labour policy, but up to a point it is effective in many areas because of the rigid system of local rating under which we live. It is satisfactory to observe that Viennese Social Democracy has not only introduced better systems of local taxation, but has proved to our opponents that Socialism, far from being inconsistent with true economy, tends to secure the most economical ordering and the best possible use of our national and local resources.

Local services under the Socialists of Vienna are more efficiently administered than previously, and are imposing less burdens in taxation on the citizens. Rates as we understand them have been practically abolished.

Let it be remembered that the work of the Vienna Social Democratic Party has been done during a period of very great difficulty for the City. Up to the Revolution of 1918-19 and the Peace Treaties, Vienna was the capital city of the far flung territories of the Austro-Hungarian Empire. As a result of the Austrian Revolution, the monarchy was abolished and a republic established, and as a consequence of the Peace Treaties the Austro-Hungarian Empire was disintegrated and Vienna became the capital of the relatively insignificant territories of the new Austrian Republic. The full story of the revolution and these happenings is clearly related in Dr. Otto Bauer's "The Austrian Revolution."

Shrinkage of the national territory itself was bound to involve economic reactions in the capital city of the former empire; it is

well known that the economic fabric of the Austrian State smashed almost completely after the peace and that politically the republic went through great troubles as a result of Bolshevik and counter-revolutionary influences from neighbouring States.

The heroic struggles and the intellectual self-control of the Austrian proletariat during these times constitute one of the outstanding chapters in the story of the great struggles of the Socialist working class of the world.

It must not be thought, therefore, that the Viennese Municipality has had a relatively easy task—it has had an exceedingly difficult task; and the triumph of the Viennese Social Democracy is, therefore, all the more remarkable and creditable.

In presenting the present pamphlet to British readers Robert Danneberg, President of the Vienna Diet, as the author, and H. J. Stenning, as the translator, have rendered us a great service. Not only Labour people but many others actively interested in Local Government will read with profound interest about the great constructive doings of the Social Democratic Party in Vienna in connection with municipal organisation, health, housing and welfare services, and municipal enterprise.

This pamphlet tells a great story, of far-reaching permanent work, and I trust that it will receive the sympathetic and widespread attention of British readers.

HERBERT MORRISON.

THE COUNTY HALL,  
LONDON, S.E. 1.  
*9th July, 1925.*



# VIENNA UNDER SOCIALIST RULE.

BY ROBERT DANNEBERG  
*(President of the Vienna Diet).*

VIENNA is the only city with millions of inhabitants that is governed by a Socialist majority. After four and a half years of office, this majority, which was secured in the year of Revolution (1918-19), has been splendidly maintained, and even increased. Whereas after the overthrow of the old order, 100 of the 165 members of the Vienna Municipal Council were Socialists, the proportion is now 78 out of 120 members.

There is no city about which so many lies have been told as about Vienna. It has been denounced as a Bolshevist centre, as a city which is being ruined by its rulers. Nevertheless the truth has prevailed. To-day municipal representatives from all parts of the world are coming to the Vienna Town Hall, in order to learn something from the Socialist administration of the city. It is therefore a most useful task to give an account of the achievements of the Socialist Town Hall of Vienna.

## THE CONSTITUTION OF THE CITY OF VIENNA.

The Socialist Party was unable to prepare itself for the assumption of its formidable task. Although 42.85% of the votes cast in Vienna in 1911 for the parliamentary elections, under manhood suffrage, were Socialist, the Party only numbered eight representatives out of 165 in the Vienna Municipal Council, owing to the privileged franchise.

Such an uninfluential and hopeless minority could acquire no insight into the business, which was in reality conducted by a Burgomaster (the Mayor), invested with absolute powers. The 54,000 city employees and workers were engaged on the principle: "No Socialists need apply." Membership of a free (*i.e.*, Socialist) trade union was punished with dismissal. Consequently, after the Revolution the new Socialist administration had to deal either with conscious anti-Socialist employees or with slaves whose chains had just been broken. This, of course, considerably aggravated

the difficulties incidental to the assumption of government. Only a fundamental reorganisation of the municipal constitution could provide the administration with the scope which it needed, and make it the real master of the immense machine which it was called upon to operate.

### *The City Council.*

The new city constitution is based on the following principles. The city area is divided into districts or wards. The total number of the city councillors is divided among the districts according to the number of citizens. Proportional representation is observed. Each district elects a district council, at the same time as its city councillors. The City Council elects the Burgomaster and the Aldermen, who at present number 12 persons, none of whom must belong to the Council. In addition, the City Council sets up eight committees for the eight departments of administration. The principle of proportional representation is observed in all these elections.

The more important business is decided by the City Municipal Council, while minor questions are settled by the committees. All matters which come before the Municipal Council are first discussed by the competent committee and then by the Aldermen. Apart from their functions as a standing orders committee, the Aldermen have limited independent executive functions, as have also the committees, to which are referred everything which is not expressly described in the constitution as the business of the municipal officers, of the Aldermen, or of the Municipal Council. The duties of the local district councils, which elect the district or ward chairmen, are very slight. In the main, both they and the district chairmen have only to tender advice.

### *Administrative Departments.*

As already mentioned, the administration is divided into eight general departments, which are as follows:—

1. Staff matters and administrative organisation.
2. Finance.
3. Welfare institutions and public health.
4. Housing.
5. Works and Constructional Department.
6. Food and Stores Department.
7. General Purposes.
8. Municipal trading undertakings.

The duties of the departments may be inferred from their names. Department 7 looks after all matters that do not belong to the other departments. Education is not included in this list, as, according to Austrian legislation, educational administration is not the

immediate business of the Municipality. It devolves upon a city School Board, of which we shall hear more later.

### *Heads of Departments.*

An administrative Alderman stands at the head of each of the eight departments. He is elected by the Municipal Council for a period of five years, and may be recalled if the Council passes a resolution of no confidence in him. The Aldermen include representatives of the minority, but only members of the majority are designated for positions as administrative Aldermen. Thus City government proper is purely Socialist. It is conducted by the Burgomaster and the administrative Aldermen, who are elected officials. They carry on the municipal business and are also the conveners and *rapporteurs* of the committee of the Municipal Council attached to their department, like British chairmen of committees but with something nearer "ministerial" powers. In the case of Department 8, the administrative Alderman is also the chairman, as the managers of the municipal enterprises are the standing *rapporteurs*.

### *The Burgomaster.*

It is a kind of ministerial system with the Burgomaster as Premier, except that he occupies a double position. He is responsible to the Municipal Council (although in his capacity as a councillor he may be elected chairman of the Council), and he has the constitutional right in all urgent cases to settle himself business which appertains to the Council or to one of its subsidiary bodies. He is also entitled to veto resolutions of the Council or of other municipal bodies, although he very rarely makes use of this power. In the event of the Municipal Council insisting on its resolution, the Burgomaster's veto is no longer valid. He is supported by the Chief Municipal Officer, who is not elected, but is a permanent official of the Municipality. The latter is appointed by the Aldermen, on the nomination of the Burgomaster, and it is his duty to supervise the whole of the administrative activity in conjunction with the administrative Aldermen.

Under resolutions passed by the Municipal Council, particular branches of administration may be organised as commercial or public utility services. At the present time, the following services are in existence: Carriage Works, Canals, Water Supply, Baths, Cemeteries, Building Materials Works. These concerns are invested with a high degree of independence, which is still greater in the case of those enterprises which the Municipal Council recognises as business undertakings, such as Gas Works, &c. Their management is entirely separate from that of the Municipality.

### *Audit Office.*

Independent of the municipal authorities, there exists an Audit Office, which has to control all accountancy matters relating

to the administration and business enterprises of the Municipality. It must report directly to the Burgomaster and the Municipal Council.

The above account will make it clear that the Municipal administration enjoys a wide degree of independence. It appoints its organs of management freely and independently. In pre-war times, the elected burgomaster, who then also required the Imperial sanction, was at the same time the Lord Lieutenant, that is the chief of the lowest grade of State administration in the province of Vienna. The duties of this office are now carried out by the municipal authorities, but the administrative Aldermen have no powers in this sphere.

### *Vienna a Province.*

Since then, the federal constitution of the Republic has conferred on Vienna the status of a province. The City detached itself from the old province of Lower Austria, and became an independent constituent State of the Republic.

The Vienna Municipal Council is a Diet at the same time. The meetings of the Diet are held separately from those of the Municipal Council, although composed of the same members, under the chairmanship of its own president. The Burgomaster is also the provincial governor, that is, the chief of the provincial government, which is constituted by the Aldermen. The Municipality has taken over the duties of the former independent provincial administration, which chiefly related to welfare questions.

Vienna is thus a municipality, a political district, and a province at the same time. This is important because the Vienna Municipal Council as a Diet possesses the same rights as all the other Diets, above all the right to legislate, so far as this right is not reserved to the national Parliament. The Vienna taxes are also determined and imposed by the Municipal Council as a Diet. The State government exercises a limited veto, just as it does in the case of all the other provincial Diets.

The achievement of this comprehensive freedom and independence of Vienna is one of the greatest successes of Austrian Labour policy during the revolutionary years. It alone has made possible a Socialist municipal policy, and above all a new financial policy.

### FINANCIAL POLICY.

Before the war, Vienna, in common with all the great municipalities of Austria, derived its revenue mainly from a supplement to the State House Duty. This share of the House Duty amounted to one half of the revenue of Vienna. Taxes for the State, the province, and the municipality comprised 40 per cent. of all the rents

paid in pre-war times. In addition, food taxes upon meat, alcohol, &c., supplied the Municipality with one-tenth of its revenue.

The Municipality then derived a fifth part of its revenue from the profits on the municipal enterprises, the gas works, the electricity works, and the trams, as well as from the management of the water supply. By the side of this revenue, the supplement to other State taxes played but a slight part.

### *Socialist Achievement.*

The great achievement of the Socialist financial administration consists in the fact that it abolished this entire system. The old House Duty supplement, which dwindled to nothing in consequence of the currency depreciation, was eventually abolished, and the same thing happened to the food taxes. The municipal enterprises have been operated in such a way that, while they cover their working expenses and provide money for their own most urgent improvements at a time when loans have been out of the question, they do not bring any profits to the municipal coffers. With certain quite unimportant exceptions, the supplement to State taxes has been prohibited by State legislation.

### *New System of Taxation.*

Consequently, the Socialist municipality had to organise an entirely new system of taxation. This task was rendered all the more difficult as their predecessors, the Christian Social Party, had left an empty treasury which scarcely contained sufficient for current salaries. Expenditure had rapidly increased in consequence of the currency depreciation, while the revenue, on the basis of the old system, could not keep pace with it, and the previous rulers, for electoral reasons, would not impose increased taxation. Instead of this, they even proposed to convert the Gas Works into a joint stock company, and to hand over 40 per cent. of the shares to the banks.

The problem therefore consisted in replacing the old taxes by new taxes which would automatically increase in their yield with the progress of currency depreciation, without being an oppressive burden on the masses of the people, and which could be easily assessed and collected within short periods. For social reasons alone, every kind of luxury had to be taxed, as far as this was practicable, so that in a time of impoverishment for hundreds of thousands, the small number of the new rich who led a luxurious life should at least be compelled to pay a tribute to the community.

The following municipal taxes are at present in force in Vienna.

#### A. LUXURY TAXES.

1. *The Entertainment Tax.*—This is either fixed as a certain percentage of the admission fees, or compounded. Exempt from taxation are those institutions whose entire net proceeds are devoted

to a benevolent object of a general character, provided the sum yielded is double what the tax would amount to, and also performances given for school-children. Scientific and educational entertainments may from time to time be exempted. The amount of the tax fluctuates between 10 per cent. and 50 per cent., which is imposed for horse racing, boxing and wrestling matches. Operetta theatres pay 30 per cent., cinematograph theatres 40 per cent. During the summer the Aldermen may grant abatements. The rates of taxation are reckoned in hundreds, so that the real incidence amounts to between one-eleventh and one-third of the admission fee. For separate performances the tax may be compounded for a sum which might amount to 20 millions of kronen (£60) for an evening. Underpayments are punished by a fine amounting to fifteen times the sum withheld, and in the worse cases a maximum sentence of four weeks imprisonment. The 1925 yield from this tax is estimated at 120 milliards kronen (£360,000).

2. *Tax on Restaurant Meals and Drinks.*—This is imposed on the serving of prepared meals and drinks in profit-making establishments which are deemed to be luxury businesses by reason of the prices charged, the class of customers, the appointments, and the degree of comfort proffered. The existence of one of these qualities is sufficient to render the business liable. The municipal authorities decide as to the permanent or temporary liability of any establishment. Night restaurants, concert cafés, and establishments which serve food or drinks during a performance subject to the entertainment tax, are liable to pay this tax. The tax amounts to 15 per cent. of the bill. The 1925 yield of this tax is also estimated at 120 milliards kronen (£360,000).

3. *The Motor Car Tax.*—This is imposed on all vehicles that are garaged within the Vienna municipal area. The tax is calculated according to horse-power, and amounts to 1½ millions kronen (£4 10s.) annually for each horse-power in the case of private motor cars with internal combustion engines, but only to 18,000 kronen (1s.) in the case of commercial motors. A Ford car (16/22 h.p.) pays 16.5 millions kronen (£50), a Daimler (32 h.p.) 21 millions kronen (£63), a small Pearl car (3/10 h.p.) 4.5 millions kronen (£13 10s) annually. For electric cars the tax is fixed at 6 millions kronen (£18) for private cars and 240,000 kronen (15s.) for commercial cars, irrespective of the horse-power. A yearly tax of 720,000 kronen (£2 3s.) is payable for taxicabs plying for public hire and for charabancs. The tax is payable in quarterly instalments. Manufacturers, dealers, and repairing shops receive tax badges for driving and testing purposes, in return for the monthly payment of 500,000 kronen (£1 10s.). The 1925 yield from the Motor Car Tax is estimated at 47 milliards kronen (£141,000).

4. *The Servants Tax.*—All persons employing two or more servants for the performance of domestic duties are liable to pay

this tax. The first servant is therefore exempt from taxation, and liability commences with the second servant. In the case of female servants, an annual tax of 500,000 kronen (£1 10s.) must be paid for the second servant, and in the case of every additional servant, 2.5 millions kronen (£7 10s.) more must be paid. Thus for the third servant 3 millions of kronen (£9); for the fourth 5.5 millions kronen (£16 10s.); for four servants together 9 millions kronen (£27) have to be paid. For purposes of taxation, the male staff is counted last in the list, and is taxed twice as high. The Viennese most severely hit by this tax is the head of the house of Rothschild, who paid 5,019 millions kronen (£15,057) for the year 1924. At the end of 1924 7,778 households were liable to taxation. The law also applies to clubs which minister to the social needs of their members. The 1925 yield of the tax is estimated at 28 milliards kronen (£84,000).

5. *The Horse Tax.*—An annual tax of 2½ milliards kronen (£7 10s.) must be paid in respect of every horse that is used as a carriage or riding horse for private purposes. Horses employed in carriages plying for public hire are liable to an annual tax of 400,000 kronen (£1 4s.) and each license issued covers two horses. The 1925 yield of this tax is estimated at 570 millions kronen (£1,710).

6. *The Dog Tax.*—This is 100,000 kronen (6s.) annually for each dog. It is only designed to cover the cost of registration and a small contribution towards the cost of cleansing the streets. The attempt to graduate this tax in accordance with the breeds of dogs was abandoned after a year. The 1925 yield from this tax is estimated at 7 milliards kronen (£21,000).

A 12 per cent. tax on articles of luxury was abandoned when the State introduced the general turnover tax.

In addition to luxury taxes proper, other taxes must be mentioned, which, although not conceived as luxury taxes, are framed in such a way that they achieve the same objects as the luxury taxes, in addition to their proper purposes. This applies, by reason of their graduation, to the Hotel Tax and the Housing Tax.

## B. BUSINESS AND TRAFFIC TAXES.

1. *The Welfare Tax.*—This amounts at the present time to 4-1/16 per cent. (in the case of banks to 8½ per cent.) of the sums paid out for wages and salaries, and is imposed upon employers in respect of all their employees. The tax is payable every month. The tax is imposed whether the undertaking yields a profit or not. It may not be passed on to the employees. It is called the welfare tax because it was introduced at a period of great distress in order to maintain the welfare activity of the Municipality. The name also serves to distinguish the tax from the income tax imposed by the State. As wages rose with the currency depreciation, this

tax automatically yielded increasing amounts. It has therefore been the backbone of the municipal budget. It must be admitted that its incidence weighs differently upon the various branches of production, according to the amount of their wages bill. This tax has also been introduced in all the other provinces of the Republic, where its proceeds are divided between the province and the municipalities. Its 1925 yield is estimated at 600 milliards kronen (£1,800,000) for Vienna. In addition to the welfare tax there is a series of taxes which only apply to particular businesses. They are as follows :

2. *The Concession Tax.*—In Austria so-called concession businesses exist. These are such as require for their legal conduct a special licence from the authorities, in addition to the conditions that are generally in force. The granting of this licence depends upon the trustworthiness of the applicant and other circumstances. Printing-presses, book-shops, and inns are examples of concession businesses. The holders of such concessions have a certain privilege. The possibilities of competition are to some extent restricted in their trade. Now the Vienna Municipality imposes a special tax upon these concessions. The undertakings in question are divided into six classes, according to the amount of the commercial profits tax or corporation tax which they have to pay to the State. The tax varies between 25,000 kronen (1s. 6d.) and a million kronen (£3) annually. If a business liable to taxation is transferred to another proprietor, which usually involves a certain profit, a transfer duty has to be paid which amounts to four times the usual concession tax for which the business is liable. The 1925 yield of this tax is estimated at 1.5 milliards (£4,500).

3. *The Hotel Tax.*—This amounts to 30 per cent. It is assessed upon the receipts from the professional letting of rooms, less 5 per cent. For luxurious establishments and certain hotels an extra tax up to 30 per cent. may be imposed, so the tax may reach a maximum of 60 per cent. in all. In actual fact the extreme limit is 45 per cent. at the present time. During the summer months the tax is generally abated by one-fifth. As the tax is calculated in hundreds, the incidence is three-thirteenths to three-eighths of the basis of assessment. The 1925 yield of this tax, which continually encounters strong opposition, is estimated at 45 milliards (£135,000).

4. *The Posters Tax* is payable in respect of all public announcements, which the law defines as announcements in writing or by means of pictures affixed or exhibited in public streets and squares or in public places. This applies specially to illuminated signs. Public places also include the public means of transit. Only election placards, announcements of political meetings, name plates and other inscriptions on rolling stock pertaining to the conduct of a business are exempt from taxation. Announcements relating to

scientific or educational objects may be exempted from the tax. The tax usually amounts to 30 per cent. of the receipts. In the case of announcements which are made by means of luminous effects, painting, heavy type or in any other way by means of mechanical or chemical enlargement, 15 kronen monthly per square metre must be paid. The tax may be passed on. It must be settled monthly by the advertising agencies. Its yield for 1925 is estimated at 6 milliards (£18,000).

5. *The Advertisement Tax.*—This is levied upon paid insertions in newspapers or books, irrespective of whether they are published conspicuously as such or in the shape of articles. Only official announcements in official journals are exempt from taxation. The newspaper concerns and advertisement agencies are responsible for this tax, which may be transferred. The tax starts with 10 per cent. upon the first 200 millions (£600) of the monthly advertisements receipts of an agency, and proceeds to 15 per cent. upon the next 200 millions; to 20 per cent. upon the next 200 millions; 25 per cent. upon the next 200 millions; 30 per cent. upon the next 200 millions; and 35 per cent. upon all the monthly advertisement receipts exceeding the sum of one milliard (£3,000). Advertisements which contain only requests for positions or work are not included in the above calculation, a rate of only 5 per cent. applies to them. Commissions and rebates are to be taken into account when assessing the tax. When advertisement pages are sublet, the newspaper pays a tax upon the rent it receives, and the advertising agency pays a tax on its revenue, less the amount of rent. The tax is settled monthly. It is estimated to yield 25 milliards (£75,000) for 1925.

6. *Tax on Auctions.*—An auction is deemed to be every public sale which is publicly announced, or which follows upon an offer to several persons simultaneously present. Auctions of pledges by pawnbroking establishments for the satisfaction of their claims are excepted. The tax is generally 7 per cent. of the proceeds. The 1925 yield is estimated at 4.3 milliards kronen (£12,900).

7. *Registration and Inspection Taxes.*—The cost of the stamps varies between 1,000 kronen ( $\frac{3}{4}$ d.) and 100,000 (6s.). The yield from these stamp duties is estimated at 3.6 milliards kronen (£10,800) for the year 1925.

8. *Fire Brigade Contribution.*—Any person within the area of the Vienna Municipality who is assured against fire has to pay a contribution towards the cost of fire protection, which amount to one-third of his premium. For transport insurances, which also cover risk of fire, a tax is only payable if the period of storage amounts to more than two weeks and only in respect of the period of insurance over and above this time. The yield of the tax is estimated at 19 milliards (£57,000) for 1925. The net expenditure

of the Municipality for fire protection is estimated at 46.3 milliards kronen (£138,900) for 1925.

9. *Water-Power Tax.*—As already mentioned, the Municipality conducts its enterprises on the principle that, whilst they must pay their way, they should not yield any profits for the municipal treasury, as this would amount to an indirect tax upon the consumers of gas and electricity and the users of the trams. Only very moderate taxes are imposed upon the consumption of gas and electric current. These were introduced in the autumn of 1922, when, at the time the Austrian krone reached its lowest ebb, the great banks refused any further credits for the water-power undertakings which they were constructing in conjunction with the Municipality, in consequence of which the work would have had to be abandoned. The Municipality continued to finance it by these taxes. The tax amounts to  $1\frac{1}{2}$  per cent. of the charges for gas and 4 per cent. of the charges for electricity consumed. It is defined as a tax ear-marked for the organisation of the supply of water-power. Its duration is limited, and at present is estimated to last until 1932. The 1925 yield of this tax is estimated at 26 milliards kronen (£78,000).

### C. LAND AND HOUSE TAXES.

1. *The Land Tax.*—Until the end of 1922 this was a State tax, but it is now transferred to the provinces and the municipalities. It is imposed upon all vacant, *i.e.*, unoccupied, land. Houses and their appurtenances are therefore not affected. It is above all a tax upon agricultural property. The Municipality has not yet reformed this tax, which has remained essentially unaltered for decades, but is content to multiply the tax imposed by the State for 1922, with the result that the not inconsiderable agricultural land in Vienna is taxed more lightly than is the case in most of the other Austrian provinces. The land tax is fixed at 32 kronen per square metre upon land used for garden city and allotment purposes. The 1925 yield of this tax is estimated at 5.6 milliards kronen (£16,800).

The land value tax, imposed in the first years of the Socialist administration, is no longer in force. It was introduced in respect of all occupied and vacant land, and the basis of assessment was the common ground value, or the value which the land has for anybody in the event of a sale. The valuation period was three years. The tax amounted to 0.5 per cent., and could not be passed on. It was abolished because it proved incapable of development, owing to the decay in the value of land which resulted from the rent restrictions.

2. *The Increment Value Tax.*—This tax has attained great importance, apart from its financial and political significance. It is payable by the transferor in the case of a conveyance of land.

The State, the municipalities, and various institutions, are exempt. Conveyances between family members (on account of death) or from parents to children, or between married or betrothed couples are also exempt. The value increment is deemed to be the difference between what was originally paid for the land and what it is now sold for. In ascertaining the original value, the 1st January, 1903, is fixed as the limit. The tax amounts at present to 10 per cent. of the ascertained increment value if the previous and decisive conveyance took place before the 1st January, 1920. The duty is doubled if the decisive conveyance took place in the year 1920; trebled if in the year 1921; multiplied by four and half if in the year 1922, and multiplied by six, that is, increased to 60 per cent., if the date was after the 1st January, 1923. To a great extent the tax hits what are fictitious profits, as it places gold kronen on a level with paper kronen. Yet it is not unjust, as house owners have repaid their mortgages in gold kronen from the pre-war period in paper kronen, and have thus profited from the currency depreciation. To prevent fraud, the law reserves to the Municipality the right to take the place of the purchaser in the contract, if there are any grounds for suspecting that any information has been withheld. The 1925 yield of this tax is estimated at 60 milliards (£180,000).

3. *The Housing Tax.*—This tax is payable by everybody who inhabits rooms in any dwelling house within the municipal area. The house owners are obliged to collect the tax every month with the rents, for which they receive a commission amounting to 10 per cent. of the sum collected, reaching a monthly maximum of 200,000 kronen (12s.). The tax is based on the rent payable on the 1st August, 1914. In the case of premises which were built subsequently, the authorities determine the basis of assessment.

The tax is graduated, and the following scale has been in force for dwellings and business premises since the 1st November, 1924:—

For the first 600 kronen	the tax amounts to	300 fold
„ next 600	„ „	400 „
„ „ 600	„ „	500 „
„ „ 600	„ „	600 „
„ „ 600	„ „	700 „
„ „ 1000	„ „	1200 „
„ „ 1000	„ „	1500 „
„ „ 1000	„ „	1800 „

the pre-war rent (expressed in paper-kronen at the present rate of roughly 14,400 to 1 pre-war krone).

For premises of which the pre-war rent was more than 6,000 gold kronen (£250), that is for luxurious dwellings and great business premises, the tax is more stiffly graduated, but separate scales are in force for dwellings and business premises. In the case of dwellings it rises to 6,000 fold when the pre-war annual rent was more than 30,000 gold kronen. For business premises of which the annual pre-war rent was more than 6,000

gold kronen, a scale is in force which extends from 900 to 2,000 fold. The great business premises in Vienna are therefore taxed more lightly than dwellings with an equally high pre-war rent. A special lower scale, which varies between 300 and 2,000 fold is generally in force for the premises subject to the Hotel Tax.

The incidence of the Housing Tax will be best realised by taking a few typical cases.

Annual pre-war rent in gold kronen.	Type of House.	Annual amount of tax In paper kronen.	Percentage of pre-war rent.
360	Working-class dwelling ..	108,000 (6s. 8d.)	2.083
600	Lower middle-class dwelling	180,000 (11s.)	2.083
1,200	Middle-class dwelling ..	420,000 (£1.5)	2.43
1,800	Good middle-class dwelling, according to situation and size .. .. .	720,000 (£2.4)	2.7
2,400		1,080,000 (£3.5)	3.125
3,000		1,500,000 (£4.10)	3.47
5,000	Luxurious dwellings ..	4,200,000 (£12.12)	5.83
10,000		16,200,000 (£48.12)	11.25
50,000		227,700,000 (£683)	31.625
100,000		527,700,000 (£1,563)	36.64

The scale is therefore so devised that the taxation of small dwellings is insignificant, whilst the luxurious houses are taxed extraordinarily high. The special scale for workplaces shows essentially lighter taxation for large premises. The incidence is 7.29 per cent. for a pre-war rent of 10,000 kronen; 12.15 per cent. for 50,000 kronen, and 13.02 per cent. for 100,000 kronen. The total yield from this tax for 1925 is estimated at 326 milliards of kronen (£978,000). This is only one-sixth of the total proceeds of the Vienna rates for 1913. The tax is earmarked and may only be expended for housing purposes. Its proceeds are devoted to the redemption of the municipal housing loans, to the construction of dwelling houses, and the promotion of the garden suburb movement. The house tax is the only impost which burdens the Vienna dwellings and workplaces. There is no taxation of dwellings and business premises for *general* municipal purposes or for the State. A lodgings tax which used to be in force, together with other rent taxes, was abolished.

### *Enforcement of Fiscal Laws.*

The Vienna fiscal system has naturally enough aroused vigorous opposition among the possessing classes, which grows all the more clamorous in the degree that the Municipality organises its machinery to procure a rigid enforcement of the law. It is well known that the taxation *morale* has never been very great in Austria, and during the inflation period it sank to an extraordinarily low level. Consequently, the Municipality had to resort to drastic measures to enforce its laws. It did this by exercising the right to inspect books granted by most of the fiscal laws. All fiscal laws prescribe heavy penalties for their infraction, generally amounting to a

maximum of fifty times the amount of taxation in question and in some cases a period of imprisonment. The person who does not pay the whole of his taxes within five days of the specified period must pay a supplement of 25 per cent. of the arrears.

### *Main Sources of Revenue.*

According to the 1925 estimate, the municipal taxes yield a total of 1,444.57 milliards kronen (£4,333,720). The second largest item of revenue is the share which Vienna receives as province and municipality from the State taxes collected in Vienna. It is entitled to 80 per cent. of the stamp duties payable in case of conveyances of land ; 50 per cent. of the commercial profits tax, the corporation tax, and the income tax ; 40 per cent. of the turnover tax ; 80 per cent. of the sparkling wine tax ; 30 per cent. of the other alcohol taxes ; the supplements to the succession duty, and a fraction of the export tax, which the Austrian State levies on the export of wood. The total amount assigned by the State to Vienna is estimated for 1925 at 709.2 milliards kronen (£2,127,600). It is thus about one half of the proper municipal taxes. In addition, the Municipality receives a commission of 3 per cent. on the amount of taxes which it collects on behalf of the State. This allowance is estimated at 35.1 milliards (£105,300) for 1925.

The Municipality's third source of revenue, which, however, is of small importance, is formed by the municipal supplements to the State taxes. The 1925 estimate is 15.1 milliards (£45,300).

Up to recently the State contribution to the staff expenditure of the Municipality formed a considerable item. Sometimes it amounted to 70 per cent. of this expenditure. These contributions have been abolished since the 1st January, 1925.

### *A Financial Surplus.*

The municipal accounts have shown a surplus since the 1st July, 1921 ; thus, during the period of worst inflation, which lasted until October, 1922, it has been possible to wipe out the deficit, and the Municipality now has considerable cash resources. The interest which they yield is estimated at 90 milliards (£270,000) for 1925.\* Its command of ready money enables the Municipality to provide for its enormous needs in the cheapest and most economical way. As a large buyer, which can offer the most favourable conditions of payment, the Municipality is the most sought-after customer in the country.

The annual municipal taxation of 150.5 millions gold kronen (£6,250,000) represents a burden upon the population of Vienna which is more than 7 millions gold kronen (£290,000) less than in the year 1913. To which it must be added that the charges made

\*It must not be forgotten that the rate of interest in Austria, owing to the shortage of capital, is very high.

by the municipal enterprises (gas, electricity, trams, water) are much lower than before the war. Compared with pre-war prices, they represent a lighter burden on the population to the extent of 76 millions gold kronen (£3,200,000).

#### *Municipal Investments in Industry.*

The socialisation legislation passed in the Revolutionary years enabled the Municipality to take part in a number of great industrial undertakings. Clause 37 of the law which regulates jointly-controlled undertakings entitles the State or other public bodies to claim one-half of the capital of any companies which are founded or whose capital is increased, upon the most favourable conditions that are offered. The Vienna Municipality has repeatedly exercised its right to take shares on favourable terms when companies have increased their capital. Thus to-day it has an interest in 71 undertakings, most of which belong to the building and engineering industries. In some its holding is unimportant; in others it holds one-half or more of the shares. A number of undertakings have been wholly acquired, but they are still carried on as private enterprises.

#### *Municipal Directors.*

In consequence of its holding in various undertakings, the Municipality sends numerous officials to the directorates of companies. Strict measures are taken to prevent any irregularities from arising. Municipal delegates who do no more than attend meetings must pay to the municipal treasury whatever fees they may receive, and for these meetings they are entitled to no more than the usual attendance money for the ordinary meetings of the Municipal Council, amounting to the trifling sum of 15,000 kronen (11d.). They may, however, retain the remuneration received for performing actual duties in these undertakings, such as the functions of chairman. But the total amount receivable by any individual, even if he be active in several undertakings, may not exceed the salary of a member of Parliament. The Aldermen may make exceptions to this rule.

#### *Fees go to Municipal Treasury.*

To the Burgomaster and the administrative aldermen the rule is even more strictly applied: they are obliged to pay to the municipal treasury all the fees received from the undertakings to which they may be sent, whatever duties they may perform. If they are also members of Parliament, their salaries from that source are deducted from their municipal salaries, which is somewhat lower than that of a State minister, and amounts to 17 millions kronen (£51) per month.

In estimating the financial position of the Municipality, municipal debt must also be taken into account. At the present time this

is quite insignificant. So far as they were debts incurred in Austria, the pre-war debts have already been repaid, in consequence of the currency depreciation. The debts incurred since the beginning of the war are inconsiderable. They consist mainly of 186 milliard (£558,000) for housing loans and State loans to the amount of 152 milliard (£456,000) which originated in the period of inflation.

Serious expense is only incurred in paying the interest on that portion of pre-war debt which is foreign debt and which must be converted on the basis of various agreements. As the State is obliged to co-operate in this matter, the total debt service of the Municipality, taking into account the fact that the interest on housing loans is met from the proceeds of earmarked taxes, amounts to a net expenditure of 20.9 milliard (£62,700) for 1925.

The municipal budget for 1925 foreshadows a total expenditure of 4,281.3 milliard (£12,843,900) and a revenue of 3,287.8 milliard (£9,863,400). In addition to the taxes previously enumerated, the revenue includes contributions towards the costs of maintenance in institutions and receipts from the baths, &c. The deficit is therefore 993.5 milliard (£2,980,500). In this budget the municipal business undertakings only figure on the revenue side with the profits of the brewery and of the advertising agency, whilst the expenditure side includes a sum of 402.4 milliard (£1,207,200) for expenditure on technical improvements of a capital or semi-capital nature. In addition to these capital commitments for the business undertakings, the budget contains an item of 1,137.1 milliard (£3,411,300) for capital expenditure on improvements of all kinds. If we deduct these items, which in normal times would be met by loans, the budget shows a good surplus. The capital expenditure on behalf of the business undertakings will be covered by the balance of the cash resources and bank loans. This method enables the enormous capital expenditure which is envisaged to be met without having recourse to an ordinary loan.

### THE MUNICIPAL EMPLOYEES.

On the 1st December, 1924, the City of Vienna had 18,670 employees and 7,067 teachers in its service. There were also 8,564 pensioners. The employees and the workers of the municipal business concerns are not included in these figures, and their number is about as large.

To solve the problem of handling such a large number of variously organised employees a proper staff department was created. Immediately after its entry into office the Socialist administration passed a resolution that vacancies caused by death and retirement should not be filled.

In view of the great increase in work through the creation of a new fiscal system, the extension of welfare activity, the establishment of a housing department, and the raising of Vienna to the

status of a province, it did not appear that any grounds existed for a compulsory reduction of staff.

Such a reduction was indeed at one time resolved, but it did not prove necessary to carry it out, as a sufficient number of voluntary resignations served the same purpose. Since the 1st January, 1924, seven hours instead of six per day have been worked in the administrative service, while an eight-hour day is operative in the business concerns.

### *Joint Staff Committee.*

The administrative employees, who were formerly divided into manifold categories, are now organised in nine groups. The rights and duties of the employees were embodied in a General Service Regulation. This Regulation may not be modified except in agreement with the Staff Committee. The latter consists of delegates from the Municipal Council, selected on the basis of proportional representation, and representatives of the staff, and is so constituted that the municipal representatives only have a majority of one. This means that in the event of co-operation between the staff representatives and the representatives of the Opposition in the Council, the Majority representatives will remain in a minority. This is a self-imposed weakness of the administration, which is compelled always to apply the principle which it announced at the outset: not to dictate any line of conduct upon staff questions, but to settle everything by way of agreement with the appropriate organisations.

This democratisation of the conditions of service involved the granting to employees of complete freedom of combination.

### *Discipline.*

Section 71 of the Service Regulation declares that the infraction of this freedom by a senior officer or an employee is a service offence, and designates the employee's trade union as his legitimate representative. The municipal authority only conducts negotiations about staff affairs with the organisation that represents the majority of the employees concerned. The representatives of the majority organisations decide themselves whether a minority organisation should be admitted to the discussions.

In questions of discipline the co-operation of the employees is everywhere provided for. In the case of the employees of the municipal administration, it goes so far as to leave the decision in the hands of a committee composed of an equal number of representatives of the Municipality and of the employees. Above this committee there is a court of appeal which is constituted in the same manner. In the case of equal voting, no decision can be arrived at.

With a few modifications, the Service Regulation also applies to the employees of the municipal business undertakings. The teachers have their own service regulations. The former Christian-Social administration kept the teachers under tight control. Although the majority of the teachers even to-day are politically hostile to the Socialist administration, it was decided to grant them entirely modern conditions of service with a wide measure of freedom. The secret qualification was abolished. Every teacher may inspect his service qualification, and has a right of complaint. In questions of discipline, the teacher is judged by his peers. The teacher is liable to 30 hours' service weekly in the elementary schools, or 25 to 28 hours in secondary schools.

A special service regulation also exists for the tramwaymen. The composition of the disciplinary committee is equal for both sides, the chairman being appointed by the Burgomaster. As the chairman may not vote, and as an accused person is acquitted when voting is equal, the decision always rests with the staff representatives.

As regards the other municipal enterprises, service regulations have not yet been drawn up.

### *Wage Agreements.*

While the municipal employees proper, from the officers to the road sweepers, are governed by a service regulation, which prescribes a maximum of five years as the period of qualification for a permanent position, the working conditions of the employees in the business undertakings are governed by wage agreements, which are concluded with the appropriate trade unions. These agreements are based on the following principles laid down by the Municipal Council.

An agreement may only be made with a trade union which is designated by the majority of the employees in the enterprise concerned. The workers themselves decide whether the trade union of the minority should take part in the negotiations. Wages are regulated on the basis of the general agreements which exist at the time in the occupations concerned. Thus the metal workers' agreement applies to the employees in the City electricity works, the chemical workers' agreement applies to the Gas Works employees, and so on. The workers are divided into temporary, permanent, and definitive classes. Permanent workers are those engaged as such who have spent a year in the municipal service. After five years of continuous service, the permanent worker becomes a definitive worker, but the period of service before the worker's eighteenth year is not taken into consideration. Definitive workers may only be dismissed for an offence against discipline, or for an absence from work of longer than 72 hours without valid reasons, one of which is expressly declared to be a strike resolution of the appropriate

trade union. If a worker has been ill for more than a year he may be re-engaged, when his previous term of service would be taken into account.

A worker may only be dismissed on the closing down of a department if he has refused work of a suitable nature that is offered him elsewhere in the service of the Municipality, without a reduction of salary. A worker who refuses suitable employment, the nature of which is decided in agreement with the works council, loses his right to superannuation.

The municipal employees are paid according to their terms of service. To a certain extent automatic promotion has been introduced, but the higher rates of salary may only be obtained by specific appointment. The disadvantages of rigid automatic progression are avoided by granting promotions and higher rates of salary out of turn. The wage increases, which followed each other so swiftly in the period of inflation, have now reached a certain finality. The municipal employees of Vienna are paid higher wages than the employees of the State, or of the other provinces and towns of Austria. The wages of the employees in the municipal undertakings, which are governed by collective agreements, approximate to the wages paid in related branches of industry. In many cases, however, they are considerably higher, apart from the greater security of tenure that is enjoyed.

#### *Equal Pay for Similar Service.*

Men and women are equally remunerated so far as they perform the same services, as, for example, in the case of the teachers.

In the following table we compare the wages paid in various branches with the pre-war remuneration. The amounts are monthly salaries :—

				January, 1925.		
				1914	Paper	Percentage of
				Gold kronen.	kronen.	pre-war wages.
<b>HIGHER DIVISION OFFICIALS.</b>						
Commencing at..	..	..	100	2,235,000	155.2	
After 15 years ..	..	..	583	4,055,000	48.3	
Maximum ..	..	..	733	6,815,000	64.6	
<b>ELEMENTARY TEACHERS.</b>						
Commencing at..	..	..	100	1,955,000	135.8	
After 15 years ..	..	..	325	3,335,000	71.3	
Maximum ..	..	..	458	4,835,000	73.3	
<b>MESSENGERS.</b>						
Commencing at..	..	..	120	1,735,000	100.4	
After 15 years ..	..	..	167	2,235,000	92.9	
Maximum ..	..	..	233	3,335,000	99.4	
<b>ROAD SWEEPERS.</b>						
Commencing at..	..	..	86	1,535,000	123.9	
After 15 years ..	..	..	100	1,885,000	130.9	
Maximum ..	..	..	103	2,710,000	182.7	

Weekly wages according to employment :—

	1914. Gold kronen.	January, 1925.	
		Paper kronen.	Percentage of pre-war wages.
<b>SKILLED WORKERS IN ELECTRICITY WORKS.</b>			
Commencing at.. ..	18.5	541,400	203.2
After 15 years .. ..	24.9	560,600 to 707,500	156.3 to 197.3
Maximum .. ..	32.1	572,600 to 719,500	123.9 to 155.6
<b>SKILLED WORKERS IN GAS WORKS.</b>			
Starting at .. ..	22.2	561,600	175.7
After 15 years .. ..	30	580,800 to 720,000	134.4 to 166.7
Maximum .. ..	38.6	592,800 to 732,000	106.6 to 131.7
<b>SKILLED TRAMWAY WORKERS.</b>			
Commencing at.. ..	25.6	562,100 to 703,700	152.5 to 190.9
After 15 years .. ..	42.2	646,000 to 787,600	106.3 to 129.6
Maximum .. ..	48.2	683,500 to 825,100	98.5 to 118.9
<b>UNSKILLED WORKERS IN ELECTRICITY WORKS.</b>			
Commencing at.. ..	17.8	457,400	178.5
After 15 years .. ..	20.5	476,600 to 531,300	161.5 to 180
Maximum .. ..	23.5	488,600 to 543,300	144.4 to 160.5
<b>UNSKILLED WORKERS IN GAS WORKS.</b>			
Commencing at.. ..	18.9	468,000	172
After 15 years .. ..	23.5	487,200 to 559,200	144 to 158.3
Maximum .. ..	26.5	499,200 to 571,200	130.8 to 149.7
<b>UNSKILLED TRAMWAY WORKERS.</b>			
Commencing at.. ..	20.3	469,700 to 578,400	153.7 to 197.9
After 15 years .. ..	35.5	538,000 to 647,000	105.2 to 126.7
Maximum .. ..	41.3	568,400 to 678,100	95.6 to 114
<b>TRAMCAR CONDUCTORS.</b>			
Commencing at.. ..	23.7	526,900 to 539,100	154.4 to 158
After 15 years .. ..	34.92	605,000 to 617,200	120.3 to 122.7
Maximum .. ..	42.54	640,100 to 652,300	104.5 to 106.5

The wages in the lowest classes of all categories are above the pre-war level, as in the pre-war period the commencing wages were extraordinarily low, and the cost of living, measured in gold, has also risen above the pre-war level.

The following additional advantages are also assured.

All employees subject to the Service Regulation pay only half fares on the trams. Some employees are entitled to an allowance for uniform, which is equal to about 87,000 kronen (5s. 3d.) per month. All workers employed in the business undertakings are entitled to working clothes, and to one week's wages as a Christmas allowance. Their income tax is paid by the Municipality. The employees of the gas and electricity works are entitled to cheap

fuel, and the saving in this respect amounts to 17,000 to 20,000 kronen (1s. to 1s. 3d.) weekly. Tramway workers may ride on the trams free.

### *Pensions.*

Pensions provisions are most generous. Municipal officers are entitled to 90 per cent. of their permanent salaries, while officials employed in the business enterprises are entitled to about 72 per cent., as they receive higher salaries on account of working eight hours daily. Workers in the business undertakings are entitled on the average to 70 per cent. of their full wages. The term of service which entitles an employee to receive a pension varies between 30 and 35 years. Pension contributions are therefore fixed at 3.2, 3 and 2.8 per cent. Workers have also to work the same periods of service, which are determined by the danger and severity of the work. The pensions contribution here is 7 per cent. Half the full pension is paid after 10 years of service in the case of employees subject to the General Service Regulation. Half the full pension is paid to the widows of these employees, whatever their term of service. 40 per cent. of the full pension is paid to workers in the business undertakings after 10 years of service, while here the widows are entitled to half of the pension.

The following table gives some typical cases of monthly pensions :

#### HIGHER DIVISION OFFICIALS.

Minimum Pension	1663000 K.	Minimum Widow's Pension	1663000 K.
	(£5)		(£5)
Maximum	6134000 K.	Maximum	3067000 K.
	(£18 8s.)		(£9 4s.)

#### ELEMENTARY TEACHERS.

Minimum Pension	1332000 K.	Minimum	1332000 K.
	(£4)		(£4)
Maximum	4352000 K.	Maximum	2176000 K.
	(£13 1s.)		(£6 10s. 6d.)

#### MESSENGERS.

Minimum Pension	911000 K.	Minimum	911000 K.
	(£2 14s. 8d.)		(£2 14s. 8d.)
Maximum	3002000 K.	Maximum	1501000 K.
	(£9)		(£4 10s.)

#### ROAD SWEEPERS.

Minimum Pension	803000 K.	Minimum	803000 K.
	(£2 8s.)		(£2 8s.)

#### SKILLED WORKERS IN GAS WORKS, ELECTRICITY WORKS, AND TRAMWAYS.

Minimum Pension	880000 K.	Minimum Widow's Pension	730000 K.
	(£2 12s. 8d.)		(£2 3s. 8d.)
Maximum	2200000 K.	Maximum	1100000 K.
	(£6 12s.)		(£3 6s.)

All the 54,000 municipal employees are covered by a Sick Fund, to which the employees and the Municipality each pay 1.3 per

cent. of the standing wages. The Fund is administered by an equal number of representatives of both parties. Members have free choice of doctors, the right to dental treatment, and the use of convalescent homes, &c. The Municipality has assumed responsibility for any accidents that may befall its employees.

### *The Results : Winning Goodwill.*

This method of treating the staff, most of whom were at first hostile or indifferent towards the new administration, has earned the goodwill of the employees, and has rendered possible a series of reforms in the internal administrative service. Whole departments have been abolished, and others have been amalgamated. The whole system of accountancy has been reorganised from top to bottom, and double-entry bookkeeping has been introduced into a series of branches of administration. The staff has proved adequate to the heavy demands made upon it. It is noteworthy that—apart from an eight-day tramway strike—not a single dispute during the six years of Socialist administration has led to a stoppage of work worth mentioning.

The Vienna Police Force is not controlled by the Municipality, but is a State authority. Their rights are regulated and their salaries are paid by the State.

The entire expenditure of the Municipality, on salaries and wages (exclusive of the business undertakings) is estimated for 1925 at 978.8 milliards (£2,936,400) as regards the active employees, and 276.4 milliards (£829,200) for the pensioners. The entire expenditure on staff, which amounted to 26 per cent. of the budget in pre-war times, now comprises 30 per cent. of the total expenditure.

## SOCIAL WELFARE WORK.

When the Socialists took over the administration, they found in existence welfare institutions which before the war had proved to be inadequate and during the war had fallen into neglect. Moreover, the spirit in which this welfare work had been carried on was bad. It was the alms-giving spirit of the haughty rich.

The fearful misery of the post-war period made welfare work more urgently necessary than ever before. Mortality had increased by 60 per cent. in comparison with pre-war times, and child mortality by even 100 per cent. Only operations conducted on a large scale could be effectual. Even now the Municipality cannot perform in full measure all the duties that devolve on it, but it has recognised its obligations and strives to discharge them.

### *Juvenile Welfare Department.*

Welfare work begins with the unborn child. Every woman is entitled to apply at the Juvenile Welfare Department not later than

in the fourth month of pregnancy. At fifteen pre-natal clinics a blood test may be taken, in order to combat hereditary syphilis at the earliest possible moment. The women seeking advice are entitled to a small allowance during the first month after confinement. They are afforded legal advice, and given any other aid that the family circumstances may render necessary.

City health visitors are constantly present in all Vienna maternity homes, in order to give assistance to mothers and babies in need. This service covers a large number of cases, as two-fifths of all legitimate and one-half of all illegitimate children are born in maternity homes. The remaining births are also under observation. The registrars of births pass on all particulars of births notified to them to the Juvenile Welfare Department, which sends the visitor to the home. Thus, no child is born in Vienna without the Municipality offering its assistance. Needy mothers are given a supply of baby's clothes. In the ante-natal clinics the mothers receive instructions for the care of the children.

The Juvenile Welfare Department also supervises the welfare of all illegitimate children who are in legal custody. The number of these children is 13,000. The Department also attends to the collection of the allowances payable by the fathers, dealing with 3,700 cases at the end of 1924.

Foster children also come under the care of this Department, whose sanction must be obtained by anyone who desires to take charge of foster children under fourteen years of age. This provides an opportunity for the constant supervision of such children, and also of all illegitimate children who are looked after by their parents. In June, 1924, there were 9,813 of such children in private families and about 3,000 in private welfare institutions in Vienna.

Once a week at seven centres, an expert doctor and a special teacher advise parents or foster parents with regard to the bringing up of backward children. In 1924 there were 1,580 of such cases in nine months.

Six thousand infants are received at one time in the 57 kindergarten of the City. The admission fee amounts to 1,000 kronen ( $\frac{3}{4}$ d.) a week, and may be remitted. If desired, the children may have breakfast and dinner (600 calories) upon payment of 24,000 kronen or 1s. 6d. weekly. Necessitous children are exempt from payment.

Accompanied by a health visitor, the school doctor visits the City schools once a fortnight, and provides remedies for any troubles from which the children suffer.

As a result of all this activity, there were 34,000 permanent welfare cases at the end of September, 1924. Of these one-tenth were babies, a third children of tender years, more than half children

of school age, and the rest young persons. The supervision of these cases necessitated over 105,000 house visits and service journeys on the part of the health visitors in the first half of 1924.

The cause of child welfare is also served by the following institutions. Fifteen homes and crèches have been set up in school buildings, and this number is to be rapidly increased. Seventy dining halls for school-meals serve more than a tenth of all scholars. Fifty-two per cent. receive the midday meal without payment. During the summer holidays 1,000 scholars are sent to country homes and 500 to resting homes for periods of 35 days.

The Juvenile Welfare Department is also responsible for managing the Vienna Children Relief Work with which public and private welfare institutions are connected. This work is well supported by the Municipality, and in 1924 it enabled 27,000 children, a fifth of all the Vienna scholars, to have a summer holiday. The Juvenile Welfare Department also runs retreats on the confines of Vienna for 2,000 children; travellers' rests in Vienna and in the Alpine provinces, where a night's lodging may be had for a small payment; playing grounds (25) which are assigned to the schools for certain hours and are otherwise free to the public; skating places (10) and free baths for children (5).

The entire system is supplemented by municipal child welfare institutions. A central registration office classifies all children who need assistance. The infants are sent to a special home. The bigger children are sent to institutions where they stay until a home is found for them. For such children the Municipality pays a maintenance allowance which amounts to as much as 450,000 kronen (£1 7s.). At present the number of children concerned is 15,000. Sick children are placed in nursing homes, and there is a special hospital for children with venereal disease. Children who cannot be placed with foster parents are placed in the City orphanages. For utterly neglected and backward children there are two special institutions, in which the youngsters are educated according to the results of the latest researches. These institutions have their own schools, a number of workshops, and allotments. The pupils stay in the institutions until they are eighteen, when the authorities attend to their settlement in life. There is a school for domestic economy and a school for dress-making, and a Guest House for former city orphans during the time of their business education.

Members of the welfare staff undergo a period of two years' training and continuation courses are also held.

#### *Adult Welfare.*

The relief of the poor bears a special importance in Vienna because there is no insurance against old age and disablement in

Austria. The care of men disabled in the war is the business of the State. Unemployment insurance is likewise regulated by State law. The Municipality bears 4 per cent. of the cost, whereas 12 per cent. is provided by the State, and 84 per cent. by employers and workers. A much greater burden than this, however, is imposed upon the Municipality in consequence of the excessive unemployment of the present time.

Additional maintenance grants amounting to a maximum of 300,000 kronen (18s.) monthly are made in the case of 32,000 persons, besides which rent subsidies are granted, as well as assistance in kind.

Indoor relief embraces 11,000 persons accommodated in 12 homes. In this connection many reforms have been carried out. The privileges of a favoured class of so-called "citizens" was abolished. Mentally defective persons are separated from the healthy old people. Existence in the institutions is made much happier than it was formerly for the old people. A certain control is exercised over these institutions by welfare councils, and in the largest of all it has been possible to reduce the mortality to below the pre-war level. There are also shelters for homeless individuals or families, which give accommodation and meals for the performance of certain work.

Engaged in the welfare service are over 5,000 honorary guardians, each of which has charge of a section of its district.

## PUBLIC HEALTH.

In this sphere quite new institutions have been created which supplement the ordinary public health service. Mention has already been made of the medical inspection of school children. A special branch of this work is the dental treatment in the schools. The children are trained in the care of the teeth, and treatment is provided where necessary. There are five free baths for children, which were visited by 430,130 youngsters in the summer of 1924.

For combating venereal diseases, centres have been established which are accessible to persons without means, and which give advice and treatment.

A centre has also been established to deal with the drink evil, and many house visits are made, with a view to tendering useful advice. In addition, there is a municipal home for inebriates.

The fight against tuberculosis has been conducted with great efficiency, whereas no machinery of this kind existed in pre-war times. There are nine centres for dealing with this evil. In the year 1924 more than 20,000 examinations were made, and 5,000 patients were sent to institutions.

The Municipality has at present about 2,000 beds for tubercular persons, and has also secured some hundreds of beds in outside institutions. These include institutions for tubercular children, which are situated in the Alpine districts and on the shores of the Adriatic Sea.

There is an institution for dealing with cripples, with proper appliances and suitable workshops.

Special measures are taken to preserve the health of young persons and apprentices. In co-operation with the friendly societies, steps are taken to secure four weeks' annual holiday in the country for apprentices. This measure of protection also applies to children leaving school who need to recuperate before entering into industrial life.

In addition to the State institutions for the care of the sick, the Municipality has a model hospital with 1,000 beds, and is gradually taking over the Vienna children's hospitals which were formerly maintained by voluntary contributions. There is also a municipal maternity home, and two large institutions for mental and nervous diseases.

As the sisters of mercy in the municipal institutions are being gradually replaced by secular nurses, it has been decided to establish a nurses' training college, to provide a two-year course of instruction. Continuation courses of training have also been instituted for the municipal nursing and welfare staff.

Attached to the health service is a medical marriage advice bureau, in charge of a doctor, which is in great request.

Another bureau, which is very popular, gives advice as to the choice of a career.

A thorough reorganisation of the cemetery service has resulted in a considerable lowering of the burial fees.

The Municipality has also established a crematorium, in connection with which it had a severe conflict with the clerical State government, and the matter even went to the highest court of justice, but resulted in a virtual victory for cremation which had been forbidden in old Austria.

The total number of patients housed in municipal institutions on the 1st November, 1924, was 20,604. In addition, the Municipality gave assistance to 45,089 persons. The total expenditure for welfare work during 1925 is estimated at 437.9 milliards kronen (£1,313,700), which is about one-half more than in the pre-war period.

## EDUCATION.

As was to be expected, the Socialist majority paid special attention to education. The decrease in the number of scholars,

from 240,000 in the last pre-war year to 134,000 in the year 1924-1925, was not taken advantage of to dismiss teachers and effect economies. It presented a favourable opportunity for the carrying out of drastic educational reforms. In the last year before the war the average number of scholars in a class was 47; the number now is 29.

As Vienna is both a municipality and a province, it possesses wide powers in the sphere of elementary education. Consequently, the work of educational reform, which so far as the State was concerned remained in abeyance after the Social Democrats left the Government in 1920, could be continued in Vienna almost without hindrance. The chief innovation has consisted in the reform of the curriculum. The rigid time-table of former years has disappeared, and the chief object of education is now the bringing out of the child's individuality.

Practical instruction has taken the place of theoretical teaching. The children are taken for walks or short excursions, and all the things that they observe are made the subject of instruction. This amounts to a training in systematic observation and description. The scholars are encouraged to express themselves freely in drawing, modelling, and composition. Instruction is no longer divided into water-tight compartments, but forms a uniform whole during the first five years.

The curriculum prescribes the educational object for the first five years, but the method of attaining it is left to the teacher. The old reading books have been superseded by a new series of books of a good literary class, beginning with fairy tales and ending with classical and modern works. This is also the best means to combat trashy literature. The old registers have been abolished, and the new descriptive certificates furnish the best data for the vocational advice bureau. The scholar no longer leaves school with mere scraps of information, but with the capacity to acquire fresh knowledge and ability to grapple with life.

#### *Educational Reforms.*

The educational privileges of the possessing classes have been abolished. Formerly the secondary schools were generally inaccessible to the poorer classes. Vienna has now created as an experiment six combined schools, consisting of a four-years elementary and a four-years secondary school. Once this new type of school has been completely introduced, the lower grade of the secondary school will be compulsory and free. This offers the great advantage that decision about a future career, which has now to be taken very often in the scholar's tenth year, may be postponed until his fourteenth year.

One great evil of the old system was that 11 per cent. of the children had to repeat school-years. Much valuable time was

thereby lost. This evil has been obviated by placing slow children in special classes, having a lower number of scholars and being in charge of a particularly efficient teacher. Special schools exist for weak-minded children, and special care is also taken of children who are wholly or partially blind and deaf. Scholars who are approaching the end of their school-life receive a special course of finishing instruction.

Particularly gifted children may take advantage of special courses of training in such subjects as music, languages, practical chemistry and physics, &c.

#### *Co-operation of the Teachers.*

The reforms above outlined would have been impossible in the absence of the conditions requisite for putting them into practice. First of all the support of the teachers had to be won. The efforts to gain this support, by means of continuation courses of study circles, were crowned with success. Periodicals dealing with various aspects of education were published, and the first central educational library at public cost was established. The "pædagogium" of the City of Vienna, with 60 lecturers and 2,700 students, is the training centre for teachers. An institution of experimental psychology, to be devoted to the scientific investigation of child individuality, was also established. Expert literature is supplied by a central library to all who are interested, from kindergarten teachers to secondary school teachers. The library now comprises 50,000 works, and subscribes to 100 periodicals. It is now the best organised specialist library on the Continent so far as new publications in the sphere of education are concerned.

#### *Parents' Associations.*

Educational reform needs the co-operation of parents as much as that of teachers. The parents of children attending each school are organised in associations. These bodies take an active part in educational reform.

The school buildings which had fallen into a state of disrepair during the war were restored and brought up to date. Lighting arrangements were improved, and schools baths were installed. We have already shown how the municipal welfare work touches the schools. Dental treatment and medical inspection have been introduced. Health visitors attend the schools every fourteen days, and take measures in urgent cases. There are no longer any hungry school-children, and an ever growing proportion of scholars are assured of a country holiday. The Municipality grants free tickets for the trams on the occasion of short excursions.

#### *School Communities.*

In the last school year an important innovation was made in the secondary schools, consisting in the establishment of school com-

munities. The purpose of these organisations of scholars is to develop the communal sense and to stimulate the feeling of responsibility by means of self-government. Their activities cover many spheres, such as the care of school libraries, co-operation in maintaining order, the arrangements for school entertainments, &c.

The co-operation of the scholars in the settlement of questions of discipline is described as the essence of the school community. These communities are voluntary.

The entire educational system is managed by the City School Board, which is constituted by a Vienna provincial law. Both the majority and minority on the Town Council are represented. The teachers send delegates to this body, which also manages the State secondary schools and the Vienna continuation schools.

### *Continuous Education.*

Continuation schools play a large part in Vienna. Throughout Austria continuation schools are compulsory for apprentices. Day-time instruction has been introduced in Vienna, instead of evening-classes, and the school year generally amounts to 10 months. The purpose of the continuation school is to supplement the one-sided nature of apprenticeship. All the appropriate subjects are taught in a theoretical and practical manner. Every trade school has its own well-equipped workshop. Instruction is gratis, and most of the requisites are supplied free. It is proposed to publish 200 technical primers for trade schools. The health of the apprentices is supervised by the school doctors. Sports are organised, and two homes have been established for necessitous persons. For three years there have been school communities in the continuation schools, and they have given an excellent account of themselves. They have contributed to the improvement of attendance, of order and discipline in the schools, and have provided valuable stimulus.

From pre-war times a large central building for the purposes of a continuation school has been in existence ; it provides accommodation for 5,000 pupils. It is proposed to erect another large building for this purpose, and grants amounting to £150,000 have already been made for this object. In the watch-making trade the first training workshop has been established, where pupils receive complete (instead of supplementary) instruction so as to substitute apprenticeship in private trade, and endeavours are being made to establish similar workshops for other trades. It is hoped to make continuation schools compulsory also for juvenile unskilled workers. The whole organisation of continuation instruction is controlled in the first place by the Continuation School Board, consisting of representatives of the Municipality, of the employers, of the workers, of the School Board, and of the teachers. The Socialists have a majority on this body. The Municipality pays 45 per cent. of the

cost of continuation schools, and its contribution for 1925 is estimated at 22.5 milliards kronen (£67,500). The balance is met by the employers.

### *Cost of Education.*

The total expenditure of the Municipality upon education for 1925 is estimated at 584 milliards (£1,752,000). Deducting the cost of industrial continuation schools, this amounts to an annual expenditure on behalf of every scholar of 4.2 millions kronen (£12 12s.), nearly twice as much as in 1913. Experts from every part of the world come to Vienna to study its new educational institutions.

The Municipality makes small grants to enable necessitous pupils in the high schools and the secondary schools to study music and other arts.

Vienna possesses many excellent voluntary organisations for the promotion of popular education, and their activities are encouraged by grants of money. The Municipality also maintains a large popular library. It grants subsidies to provide cheap theatrical performances and concerts for the workers. The Municipality maintains several museums, which contain valuable treasures.

The Municipality also encourages art by affording opportunities for the exercise of artistic talent by architects, and in an ever increasing degree to sculptors and painters, in the course of its building activities. The City art prizes likewise exert a stimulating effect.

The Municipality encourages sports, not only by assigning City playing fields for this purpose, but also by grants of money to sports associations of all kinds.

## HOUSING.

In Austria the rent protection Acts are more severe than in any other State. Not only do they afford a wide measure of protection against notices to quit, but they prescribe a way of fixing rent which amounts to an expropriation of the house owner. He is put on the same footing as the owner of State bonds of the pre-war and war-time periods. For the gold value which his house possessed in pre-war times, he receives only five per cent. interest in paper kronen (1 gold crown equals 14,400 paper kronen). This is brought about by fixing the basic rent at one half of the pre-war rent, but payable in paper kronen. On the other hand, the pre-war mortgages have depreciated in value to the same extent. In addition to the basic rent, the tenant has to pay the costs of upkeep and of repairs, which is fixed at 1 per cent. of the pre-war rent in gold. It is therefore extremely low, but in urgent cases the house owner may apply to a rent court for any increase that may be required.

As a result of these circumstances, houses fall into a bad state of repair when the owners or tenants thereof manifest ill-will and thus prevent the enforcement of the law. Furthermore, private building has become wholly unremunerative, especially as the bank rate is abnormally high in addition.

It is true that newly-built houses are not subject to the rent restrictions. But as low rents are taken into consideration when fixing the wages or salary of an ordinary person, the latter would be quite unable to take a flat of which the rent was determined by the present cost of construction. For many workers the normal rent would amount to more than their incomes.

#### *A Housing Department.*

These conditions have imposed great obligations upon the Municipality, the fulfilment of which has been all the more difficult inasmuch as before the war no municipal housing provisions existed. In the Christian-Social Party era the interests of the landlords were dominant in the Municipal Council, and the landlords held nearly half the seats. The first step of the new Socialist administration was the creation of a Housing Department.

The requisition of existing house room could be enforced with success so long as Vienna itself controlled the situation. But since 1923 a State law has been operative which leaves the door wide open for evasions. It was calculated by the anti-Socialist majority in Parliament that if the Housing Department of the Municipality proved unable to satisfy the most urgent demands for houses, the growing house famine would lead to the abrogation of rent protection. In fact the number of requisitions of house room in Vienna fell from 9,692 in the year 1922 to 6,014 in the year 1923, and only reached 5,000 in 1924. Then the Municipality intervened. A housing tax, payable by all tenants, was proposed as a means of providing the capital for the building of houses by the Municipality. It was possible for the Municipality, which had already constructed 5,006 houses by the end of 1923, to announce a five-years' housing programme embracing the construction of 25,000 new dwellings, the rent for which would be fixed to correspond with the existing rent restriction conditions. The rent of new municipal houses amounts to about one-eighth of the pre-war rent in similar (although inferior) houses, and a twenty-fifth part of a normal rent calculated on the basis of existing building conditions, assuming the interest on borrowed capital to equal the present bank rate of 13 per cent., but without taking the value of the land into account. In addition to rent, businesses have to pay a contribution towards the costs of the housing programme, which amounts to 2.4 millions (£7 4s.) per square metre in the case of open shops, and one half of this rate for workshops and warehouses. It is payable in 40 instalments within ten years, and therefore represents only a very light burden.

## *Municipal Housing Programme.*

It would have been quite useless for the Municipality to grant subsidies to private building co-operative societies as there was absolutely no private money available for this purpose, and the Municipality would have had to provide for the entire costs. It preferred to build itself, and at the same time to show how to construct model small dwellings. This is all the more necessary in Vienna, which before the war was the paradise of land and housing speculators.

First of all land had to be acquired. On account of the hostility of the State government, the Municipality could not make use of the modest appropriate clauses contained in Austrian legislation. But another circumstance came to the rescue. The Rent Restriction Act and the increment value tax combined to render unremunerative the property which land speculators had acquired in pre-war times. The Municipality was thus able to acquire the most valuable building land in the City area at prices representing only a fraction of its pre-war value. 7,330,000 square metres became public property between the Revolution and the end of 1924.

The aim in view is to construct houses and flats which shall be healthy and convenient in every way. The huge blocks of flats already constructed are tastefully designed and form impressive objects for the sight-seer. They go far to raise the low level of Vienna housing conditions. Of every 1,000 flats built in Vienna before the war, 953 had no water supply and 921 no water closet on the premises, but both these conveniences exist in every building constructed by the Municipality. Previously only 62 out of 1,000 small flats had a parlour, but three quarters of the municipal flats of the same type have parlours.

For the present only small flats are being built. The largest comprise two large and one small rooms, parlour, kitchen and water closet. The usual type provided for in the 1925 programme are flats with an area of 35 square metres (bedroom, kitchen, parlour, and water closet), and 43 square metres (containing another bedroom). Flats of 20 square metres (bedroom, parlour, and water closet) are also being built. The height of the rooms is 2.8 metres (8½ feet). The large blocks of flats contain playing rooms, courtyards and gardens. A steam laundry with drying apparatus and electrically-driven mangles enables the washing of a family of four or five to be done within five hours.

The City Building Department has been assisted by some of the ablest architects in the country. The execution of the work has been entrusted to private builders, the Municipality providing all the building materials. The operations are continuously supervised by the Building Department.

The 1924 programme comprised 5,745 dwellings, and the 1925 programme comprises 10,000 dwellings. The large programme of 25,000 dwellings may therefore be completed within less than five years.

In January, 1925, there was a waiting list of 22,000 names. This list includes 2,800 applicants whose present dwellings are uninhabitable or injurious to health, 3,400 applicants who desire separate households, 3,800 who have received notice to quit, and 12,000 who are now overcrowded.

The hope is entertained that as the building programme continues, all those now on the waiting list and new-comers in urgent cases will shortly receive consideration, and the rest of the applicants will be able to obtain a dwelling within a reasonable time.

### *Municipal Housing Finance.*

If economic conditions improve, the building activities of the Municipality can be considerably extended. It appears reasonable to contemplate a systematic housing policy, accompanied by further extensions of the Rent Restriction Act over a long period to come. This, however, only applies to Vienna, as housing programmes are in their initial stages in other towns, owing to the lack of resources and the opposition of the Christian-Social provincial governments. Even if rent restriction cannot be maintained, the present housing policy will not be discredited. The Municipality will own valuable buildings, and as the landlord of ten thousand flats, it will be able to influence the housing market in a decisive fashion, which will prove of great importance for the future determination of rents and housing conditions. In any case the financial sacrifices of the Municipality will be justified. Up to the end of 1924 it had spent more than 800 milliards (£2,400,000) for building purposes, and it has provided for an expenditure of 911.2 milliards (£2,733,600) for the year 1925.

The Housing Department endeavours to provide additional capital in other ways. The Requisition Act enables superfluous house room to be claimed by the authorities. The Housing Department may waive its claim if an amount is paid for this house room which is sufficient to provide for an equal area of new dwelling space in the municipal buildings. This may be regarded as a luxury tax, and it yielded about 10 milliards (£30,000) in the year 1924.

The maintenance of rent protection requires the Municipality to keep an eye upon existing houses. It is the first court of appeal in all disputes (with the exception of notices to quit) arising out of the Rent Restriction Act. The arbitration offices of the municipal authorities in the 21 districts of Vienna are kept extremely busy.

The Municipality has arranged for five-year term loans, to be granted out of a fund at the rate of interest charged by the National

Bank, to enable small houses to be put into repair. 1,441 houses were repaired in the year 1924, with the assistance of such loans amounting to 59 milliards (£177,000). For the year 1925 a total of 100 milliards (£300,000) at 11 per cent. is available.

When house owners persist in refusing to repair their property, the authorities intervene. The Municipality attends itself to the most urgent work and covers its outlay by a mortgage.

New buildings are not subject to the Requisition Act, and are free of taxation for thirty years. New storeys may also be added to old buildings.

### *Garden Suburbs.*

To promote the housing of persons with modest means the Municipality grants loans to an association known as the "Gesiba," which builds garden suburbs. The "Gesiba" builds skeleton houses for persons who undertake to provide one-fourth of the building costs, and to repay the loan within 5 years at 5 per cent. interest. These skeleton houses contain a small number of rooms, but are so constructed that they can be expanded later on without any difficulty. The smallest type of house involves a total outlay of £180, so that anybody with a little capital can buy a house which may be enlarged in due course.

The Garden Suburb Movement receives special encouragement from the Municipality. It arose out of the interests in allotments created by the food shortage during the war. The Municipality gave great encouragement to allotments in the lean years which followed the war. Four and half millions of square metres of municipal land are to-day devoted to allotments. The rent charged is nominal. There are 32,000 allotment holders whose interests are looked after by a special department at the Town Hall.

The Garden Suburb Movement has attained even greater importance. A number of garden suburbs have sprung up, owing their chief support to the Municipality. 1,248 houses were ready by the 1st November, 1924, and 1,000 houses are now under construction.

The land built upon is mostly municipal land, which has a building lease until 1960. On the expiration of the lease the houses lapse to the Municipality, which, however, will grant certain compensation to the lessees. It is provided that 40 per cent. of the labour of construction must be furnished by the settler. The advance given by the Municipality is secured by an 8 per cent. mortgage on completion of the house. The situation and arrangement of the garden suburbs are settled by a special department of the Municipality. Only temperance restaurants are permitted within the garden suburb areas. The loans granted for garden suburbs amounted to £600,000 at the end of 1924.

## TECHNICAL AND ECONOMIC QUESTIONS.

The formidable tasks which confronted the Town Hall in the question of housing have in no way reacted to the detriment of other spheres. To keep constantly up to date with technical progress, the Municipality sends its engineers abroad. The technical problems requiring solution were all the greater because Vienna was in many respects a backward municipality before the war, while the subsequent period of neglect rendered great reforms necessary. The paving, cleaning, and lighting of the streets had to be reorganised. New and comparatively untried systems have been adopted, and advantage has been taken of American experience. The Municipality has installed seven sweeping machines, each of which sweeps 48 miles of streets daily, doing the work of 70 men. By tarring the streets, great headway has been made against the dust evil. One-sixth part of the street area has already been tarred. In the winter months a snow-melting machine is put into service. It is to be emphasised that all these technical innovations emanate, not from private enterprise, but from the City Works Department, and that the new machines are manufactured in the municipal workshops.

The old-fashioned removal of dust, which constituted one of Vienna's chief evils, is being abolished, and in the course of 1926 will be replaced by a more hygienic system.

### *Baths and Parks.*

On the health side, the extension of public baths is being proceeded with, and this is especially important for Vienna, owing to the absence of baths from most houses.

Swimming baths have also been extended in every way. A splendid building is at present under construction in a working-class district, which will be the largest public bath in Europe. Its total cost will be £300,000. Admission prices are extremely low and do not even cover running expenses. All over Vienna, open spaces have been renovated and extended. Old cemeteries have been transformed into gardens.

Special attention has been paid to the water supply. The 159 miles of conduits have not only been maintained, but radically extended and transformed, in order to meet the enormously increased consumption of water. Moreover, the ordinary water requirements, in contrast to pre-war practice, are now supplied gratis. As 60 pints are allowed free daily to every person, about two-thirds of Vienna houses have no water account to pay. Additional consumption is paid for at a very low rate, and the charges for industrial consumption are lower still.

The Fire Brigade and Stations have been thoroughly reorganised, and the latest inventions are made use of. It is indeed a model institution.

The victualling of Vienna has been improved through the reorganisation of the municipal markets. While the food supply is not a municipal service, the Municipality has large holdings in many undertakings which supply food and fuel to the City.

### *Building Materials.*

To cover its own requirements, the Municipality owns and manages a number of big concerns: granite works, paving-stone works, which supply the whole requirements of the Municipality; tile works, which supply one-tenth of the immense requirements of the Municipality; two lime works, which are able to supply far more than the municipal needs; large repair workshops, a steam laundry, &c. The Municipality also has large holdings in important works for the manufacture of building materials.

To assure the utmost economy, the supply and purchase of materials are centralised as far as possible. A central office supplied 76,576 waggon loads of building materials in 1924. A central buying office purchases materials for all municipal offices, institutions, schools, &c.

## THE MUNICIPALITY IN BUSINESS.

The recent evolution of the municipal enterprises forms a glorious page in the history of the Socialist administration. The fate of the three great monopolistic concerns, the gas works, electricity works, and street trams, may be regarded as decisive for the whole development of the City.

In pre-war times the Christian Social Party administration derived large profits from these enterprises, which, however, they exploited to the point of exhaustion during the war, without providing for replacements. In the initial stages of the currency depreciation, the majority then in power would not adapt the charges to the falling value of money, out of a desire to curry favour with the electors. From the outset, however, the Socialist administration insisted that, while the municipal business concerns need not yield any profits, they should pay their way and provide public lighting free of cost. This attitude was firmly maintained in the teeth of an opposition which did not shrink from the most miserable expedients. Thus the business undertakings were able to keep their heads above water even in the worst days, and were soon in a position to renew and extend their plant. Moreover, the charges are now lower than in pre-war times.

### *Tramways.*

The tramway department was able to repair and extend its depôts and to lengthen the track. The metropolitan railway, which the State had closed down at the end of the war, was handed

over to the Municipality. This railway has been electrified at a cost of £550,000. The uniform tram fare of 2,000 kronen (1½d.) is less than the fare for the shortest distance in the pre-war period. Children ride for 300 kronen.

### *Gas.*

The gas works have been transformed into a great chemical factory. Owing to the introduction of new methods, it sells coke of a superior quality, has its own benzol factory, and does a good export business. The receipts from the sale of gas comprise only about 60 per cent. of the total revenue. This enables a reduction to be effected in the price of gas. Although the works have to operate with foreign coal, the price of which is 62 per cent. higher than in pre-war time, the gas costs the consumer 22½ per cent. less than before the war. The number of gas consumers was 239,085 on the 30th June, 1919, but at the end of 1924 it had increased to 326,000.

### *Electricity.*

In connection with the electricity works we have also to record a remarkable development. It has not only been possible to keep the plant technically up to date, but it has also been rendered as far as possible independent of foreign coal. A native coal mine, which was formerly deemed of no importance, has been utilised to feed a big distant station, which supplies Vienna with all the electricity needed for industrial purposes. In addition, the Municipality embarked upon the construction of water-power works.

Instead of resorting to loans at a high rate of interest, it financed its operations out of the proceeds of the small water-power tax, which is levied on the consumers of gas and electricity, and which has enabled the work to proceed without interruption, although great technical difficulties had to be surmounted. The first water-power works was able to start operations at the end of 1924, and one of its first results was to enable the charge for electricity for industrial purposes in Vienna to be reduced by 12½ per cent. This abatement represents a saving to industry which is equal to three times the water-power tax. The management of the Vienna water-power works is linked up with that of the Upper Austrian power works, which commenced activities in the beginning of 1925 and supplies part of its current to Vienna. A third water works will be completed at the beginning of 1926. It is being built by the Municipality itself.

Of the 410 millions of kilowatts which the Electricity Works estimate will be the consumption for 1925, it will be possible to win 247 millions from its own coal mine and water works. This saves the annual import of 300,000 tons of coal, and keeps the price of the current (including the tax) at one-half of the pre-war level. Lighting

now costs 520 kronen (just over  $\frac{1}{4}$ d.) per hectowatt, and power current costs 245 kronen ( $\frac{1}{8}$ d.). The number of consumers has increased from 158,878 in 1918-1919 to 391,000 at the end of 1924. The Socialist administration has brought gas and electricity within reach of the mass of the people.

The lesser enterprises of the Municipality comprise a funeral furnishing business, an advertising agency, warehouses, and a large brewery, which is run at a profit.

### CONCLUSION.

We have now shown how the Socialist majority has applied a policy of systematic reform to all branches of administration. The Municipality, which as an administrative authority was often alien and hostile to the masses of the people, has developed under Socialist influence into the real community, which embraces everybody who dwells within its walls and follows the progress of the individual from the cradle to the grave, whenever it is necessary. Capitalism cannot be abolished from the Town Hall. Yet it is within the power of great cities to perform useful instalments of Socialist work in the midst of capitalist society. A Socialist majority in a municipality can show what creative force resides in Socialism. Its fruitful labours not only benefit the inhabitants of the city, but raise the prestige of Socialism elsewhere.

The tens of thousands of persons with no political opinions who live in a great city have inevitably been impressed by the earnest determination which the Socialists displayed in performing their task at a time when the decay of Vienna, its decline to an unimportant town, was prophesied.

The collapse of this administration was predicted with confidence by its opponents, who are now lamenting its great accession of strength. Without the efficient organisation of the Vienna Socialists, the capture of the majority in the Town Hall would have been impossible. On the other hand, the success of the administration has extraordinarily strengthened the Party, not only in Vienna but throughout the Republic. And what importance the strong position of Social Democracy in Austria has had for Socialism in Central Europe during the years of surging reaction is well known. Thus to-day the red Town Hall of Vienna towers as a fortress of the proletarian movement. The enemy has abandoned all hope of ever recapturing the citadel. May the example of Vienna spur to new activity all Labour movements that are discouraged by the progress of reaction.

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