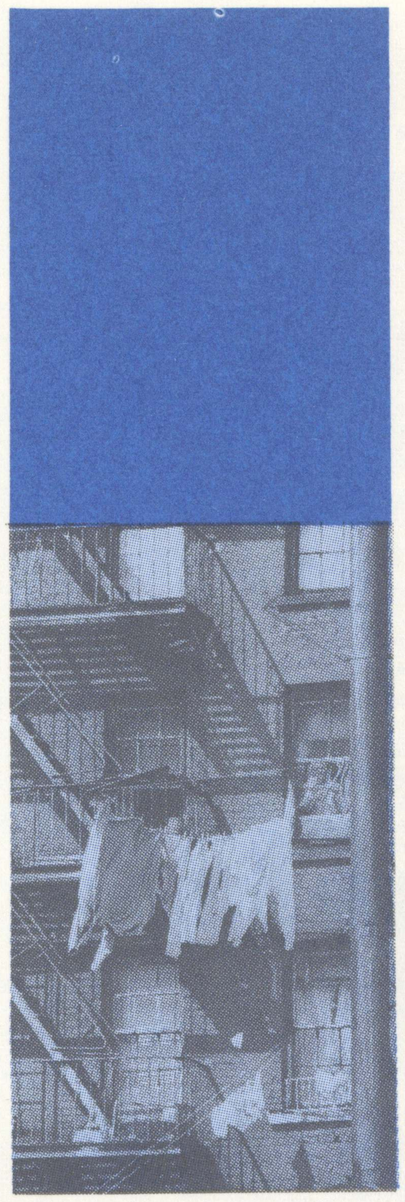
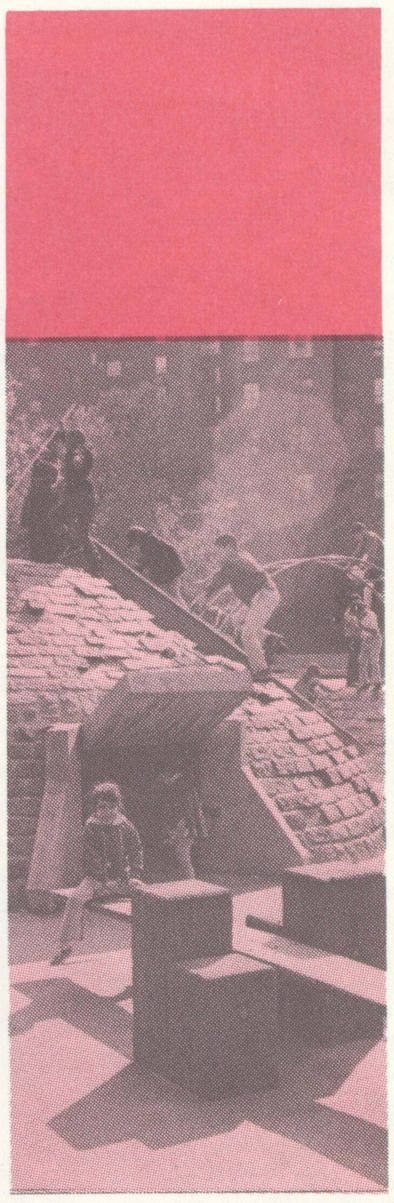
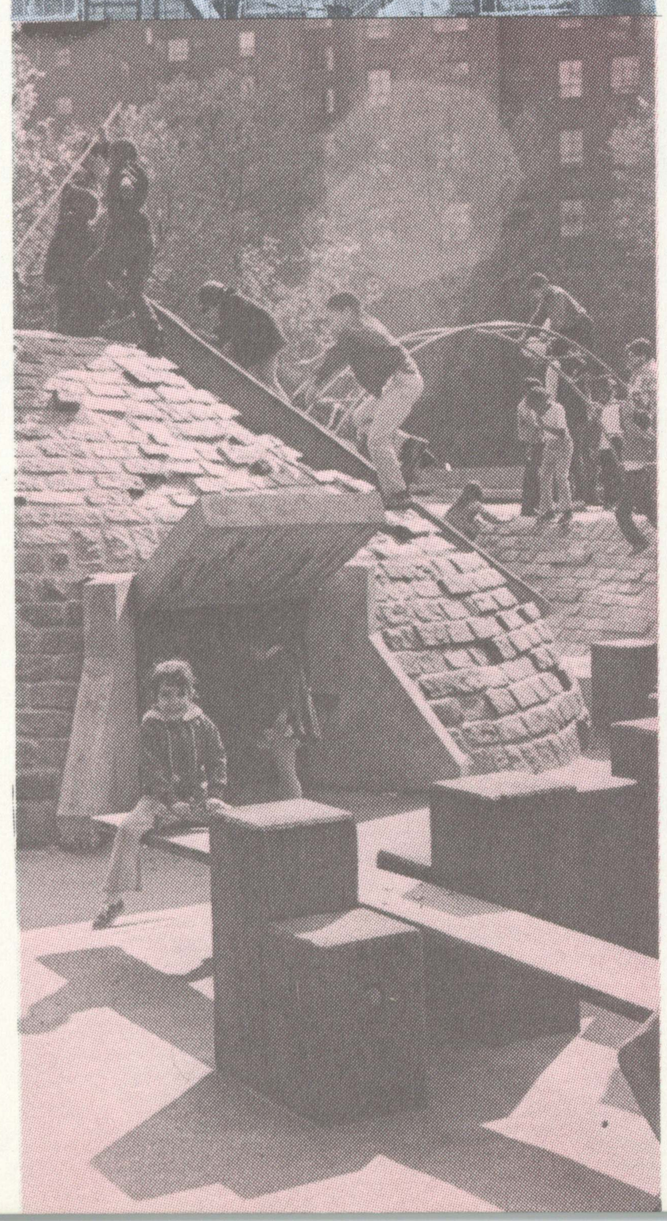
THE CRISIS OF OUR CITIES

WALTER P. REUTHER





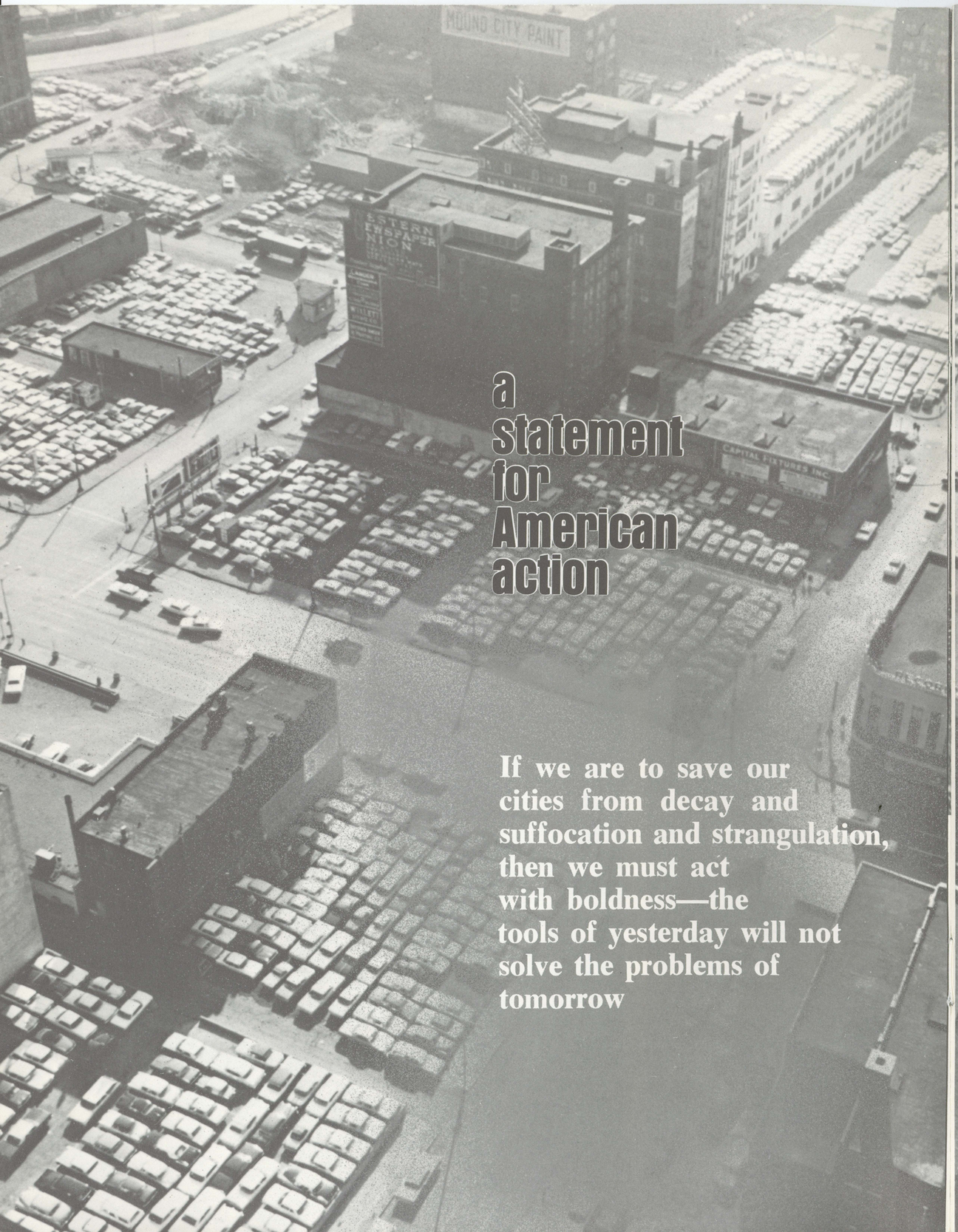






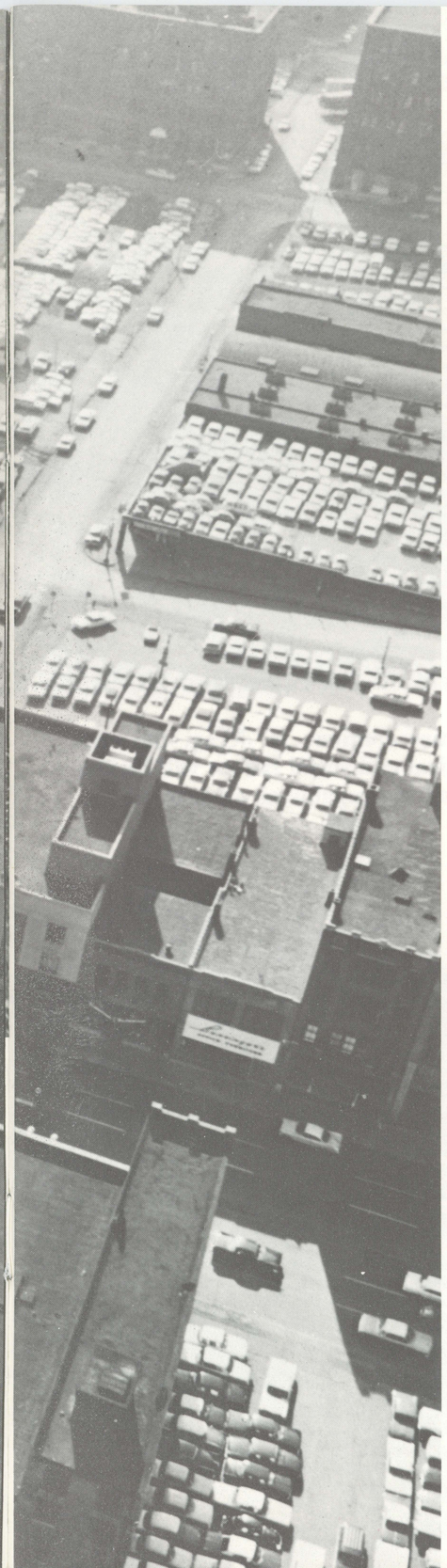
A presentation to Senate Subcommittee hearing in Washington, D.C. by UAW President Reuther, offering new approaches to old problems.

—December 5, 1966



a statement for American action

If we are to save our cities from decay and suffocation and strangulation, then we must act with boldness—the tools of yesterday will not solve the problems of tomorrow



ORAL TESTIMONY OF
WALTER P. REUTHER
PRESIDENT, INDUSTRIAL UNION DEPARTMENT, AFL-CIO
and
PRESIDENT, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AFL-CIO
and
CHAIRMAN, CITIZENS' CRUSADE AGAINST POVERTY

MR. REUTHER: Thank you, Senator Ribicoff, and members of the committee.

Both the UAW and the Industrial Union Department have, for a long time, provided maximum support to an effective urban affairs program, because we share with the President, as I believe most Americans do, the dream of building the Great Society, a society more concerned with the quality of its goals than the quantity of its goods.

I believe there is general agreement that American cities are in deep crisis. Without great cities, modern civilization is not possible. Western civilization grew out of the great cities of the past, Athens, Rome and others, the centers of culture and commerce and learning.

The real challenge is how to rebuild and rehabilitate our urban centers so that they can continue to play their vital role in our developing culture, in a period of a revolutionary technology which, while compounding our difficulties, is at the same time multiplying our opportunities.

The fundamental question is: How does a free people harness the rising star of science and technology so that we can relate the abundance of automation to the task of meeting the basic needs of the total community?

One of our basic problems is that our social system is out of focus. We over-feed some of the private sectors of the economy while we starve the broad areas of social need.

If we were to bring our value system into proper focus, and place first things first, then we could develop a list of national priorities and allocate our resources to meet those priorities.

We have to work together as a community to find answers to the problems of our great urban centers.

If we are to save our cities from decay and suffocation and strangulation, then we must act with boldness, with new imagination and new creative social invention, because the tools of yesterday will not solve the problems of tomorrow.

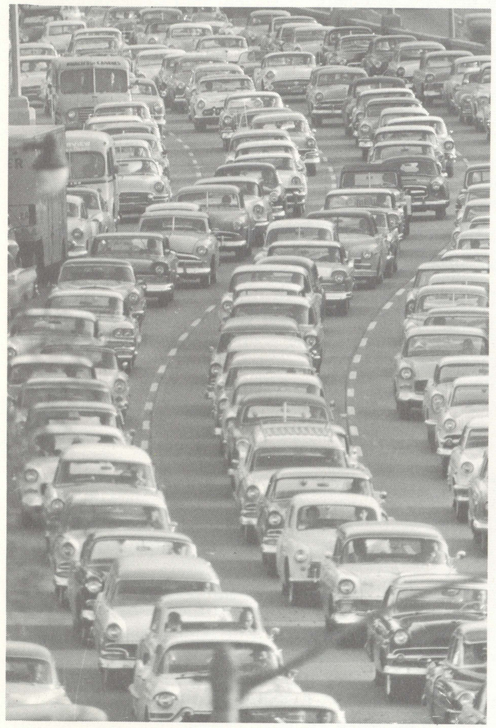
Unless we are as daring and creative in rebuilding and rehabilitating our cities as we are in developing our outer space programs, we shall fail, because the problems of our urban cities will not be solved by halfway and halfhearted measures, by policies and programs of too little and too late.

The task that faces us is nothing short of the total rebuilding and the total rehabilitation of our great urban centers, so that man can reassert his sovereignty over his total living environment.

The enormity of the problem of rebuilding our cities stems largely from what I call America's fifth basic freedom: the freedom of maximum mobility, the freedom to escape the problems of the urban centers by running away from them (and millions of Americans have already taken advantage of that freedom). America's industries, too, are running away, to get access to larger land areas, where they can build single story modern plants rather than the old multiple story plants and where they can get adequate parking facilities. Unless we solve the basic blight in the core of our cities, this exodus will continue.

More and more we will abandon to the core of the cities the economically disadvantaged. Consequently, at the very time when the problems the cities must deal with are multiplying and becoming more complex and the cost of curing them is being greater, the economic capability of the cities to solve their problems will be diminishing.

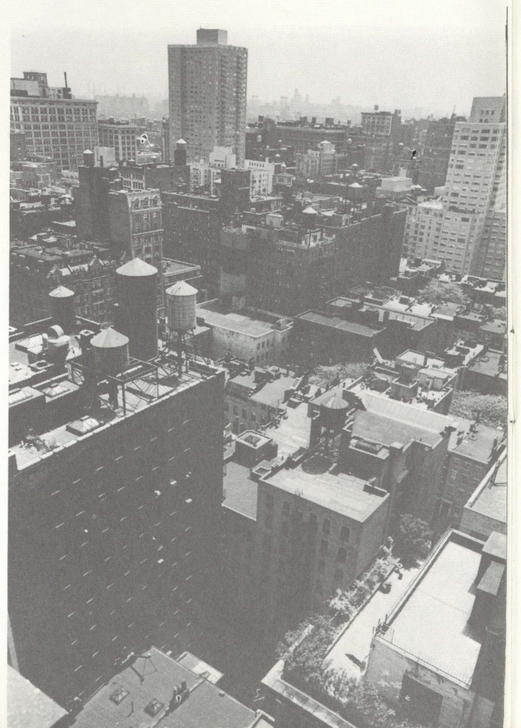
No one can for long escape by running to the suburbs.

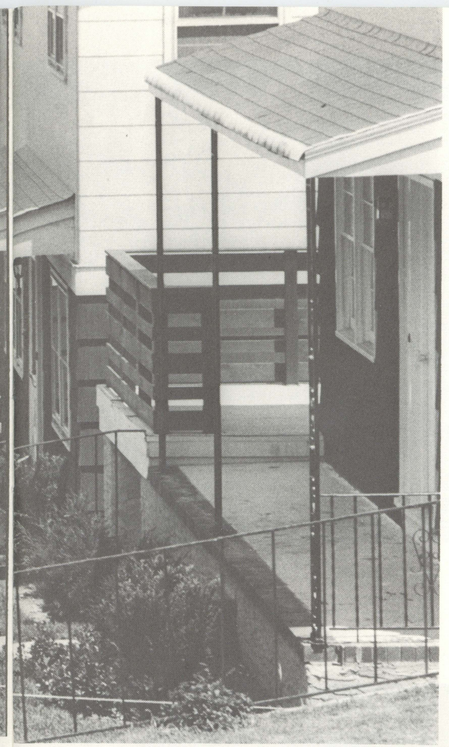


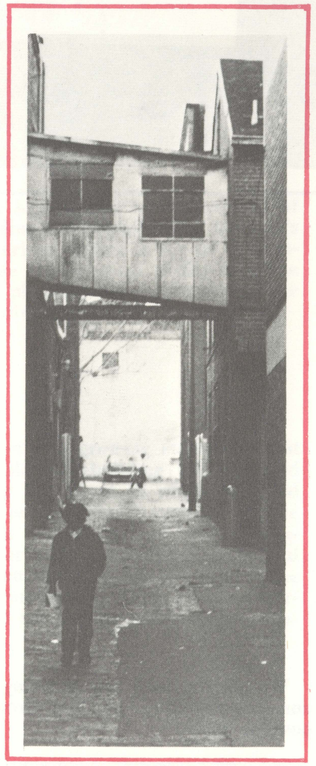
We build an automobile that gives us the capacity to go 80 miles an hour. We build a highway to carry a vehicle at that speed, and then we put so many cars on the highway that they are bumper-to-bumper and we crawl along at 10 miles an hour.



If our cities continue to decay, the economic, political and social fallout will be just as deadly and inescapable as nuclear fallout.







We must point out to those who have already run away from the cities and those who contemplate running away that they cannot escape the problems of the American cities. If our cities continue to decay, the economic, political and social fallout will be just as deadly and inescapable as nuclear fallout. No one can for long escape it by running to the suburbs.

There are no simple, easy solutions to this problem. I would like to discuss some of the areas which I think deserve special attention, and to offer a number of suggestions which I think deserve consideration.

First, we must act with the knowledge that we can't really solve the problems of the city in terms of its physical rebuilding and rehabilitation unless the programs are oriented in terms of solving the problems of the people.

We have to make people the priority and central value in planning the rebuilding of our cities.

Secondly, there are no piecemeal solutions. We need the broadest kind of coordination that will involve in both program and policy every level of government, plus the active participation of private forces at each level of the operation.

I believe also that we need to have our planning and our programming on the broadest possible scale, in both its geographical aspects and its time element.

You heard this morning from that very brilliant man, Mr. Doxiadis, who is working with us in Detroit. He is giving us the long view, which we need because we are dealing with a revolutionary technology that will change the complexion of the world in which we live, and at an accelerating speed.

Unless we look far into the future and do our basic planning within the framework of that broader view, we will be seeking short range solutions at a great price in terms of the long view.

One of the things we need to do is find a way to weave together into a total concept all elements—housing, transportation, industrial development, employment, education, medical facilities, social facilities, cultural, recreation, the special problems of our older citizens, the whole problem of air and water pollution—all of these elements have to be woven together into the fabric of the whole, because none can be solved in isolation.

We need to achieve maximum coordination in our central planning and direction. There have to be people and agencies who can pull and weave together the loose threads.

This, however, must be done in a framework that will enable us to achieve maximum participation with the maximum contribution of local private groups.

These two objectives may seem to be incompatible, but I do not believe they are. I believe we can achieve the efficiencies and the coordination of overall central planning, and make that compatible with the broadest participation at the local level, in terms both of public and private effort.

The genius of a free society is its ability to create the special instruments and the special unique relationships that enable us to achieve unity in diversity by harmonizing differences in working out this kind of practical problem.

The problems of our cities are beyond the economic capability of the local tax structure. Therefore, the Federal Government, of necessity, must play an increasingly important role. But it must play that role in relationship with local governmental units and local groups so that while it provides maximum economic support and technical assistance, it encourages and strengthens the fullest and broadest participation of local groups. It is at the local level where the real drive and thrust must come, in order successfully to mobilize the resources and fulfill the kind of commitment communities must make, if we are to get on with this task.

I should like to suggest that we give serious consideration to creating a national non-profit housing and development authority or corporation, which would draw into its active participation the best minds from the business community, the academic community, from labor and from other civic groups.

This non-profit housing corporation could accept grants from the Federal Government and from private foundations; it could draw upon the financial resources of labor and industry.

I prefer this type of non-governmental private development authority or corporation to the concept which has been suggested of a sort of housing COMSAT.

I prefer it primarily because I believe that what we need in the field of urban affairs is the maximum kind of administrative and operational flexibility. I believe that whenever the government is an equal partner, we tend to become the prisoner of entrenched bureaucratic practices. I don't think that a housing organization that needs to move forward boldly and needs to initiate new social invention should have the heavy burden of constantly being engaged in infighting to try to change the patterns of people who, over the years, have become somewhat entrenched in their attitudes.

I think a private non-profit corporation approach provides maximum flexibility in both programming and operation, and, therefore, could take new bold initiatives with a minimum of difficulty.

In the City of Detroit—and I cite this because it has given me a great deal of encouragement—there is a growing realization that the task of rebuilding the city and making it a place in which the total living environment is worthy of free men, is not the task of local government or state government or Federal Government alone, but the task of the total community, using all the leverages the private sector of the economy can bring to bear to supplement efforts by our respective governmental agencies. In this spirit, we have established in Detroit, and we are now doing the preparatory work to get into motion, the Detroit Metropolitan City Development authority, which covers a six-county area, with Detroit as its hub.

I am privileged to serve as the Chairman of this Committee, Mr. Chairman, and I am happy to report that we are building into the structure of this committee the active participation of industry, including the Big Three of the automobile industry, the public utilities, the large retail stores and commercial establishments, church and civic and civil rights groups, "grass roots" community organizations and labor, because we are determined to mobilize the total community to deal with the total problems of rebuilding and rehabilitating our total community.

We are trying to create a creative community partnership, in which every segment of the community is afforded the opportunity of meaningful participation in the planning, in the programming, and in the effective implementation of the programs.

The city of Detroit is applying to qualify as one of the demonstration cities, under the new Federal program. We are confident we will come up with the kind of exciting, broad programs for the rebuilding and the rehabilitation of Detroit, that qualifies it to be one of the cities chosen to participate in that exciting new Federal project.

One of the basic problems, when private groups get involved in housing and urban redevelopment, is how to get sufficient seed money to get programs off the planning tables into the practical field of implementation. The non-profit Development Authority will raise seed money. We will also raise development money. And then we can persuade the people who have access to the mortgage money to give us mortgage money.

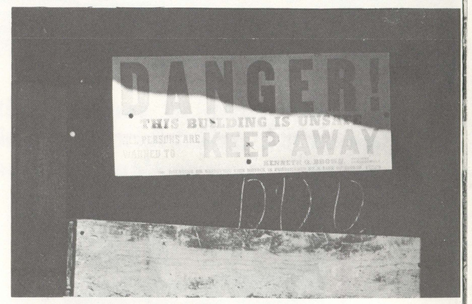
We have had some preliminary discussions about making some of the very substantial resources available in the UAW pension funds.

The UAW does not participate in the investment of these pension funds. We had a difficult enough task at the bargaining table to get the corporations to agree to pensions and we didn't want to complicate our problem by thrusting into it a new ideological controversy.

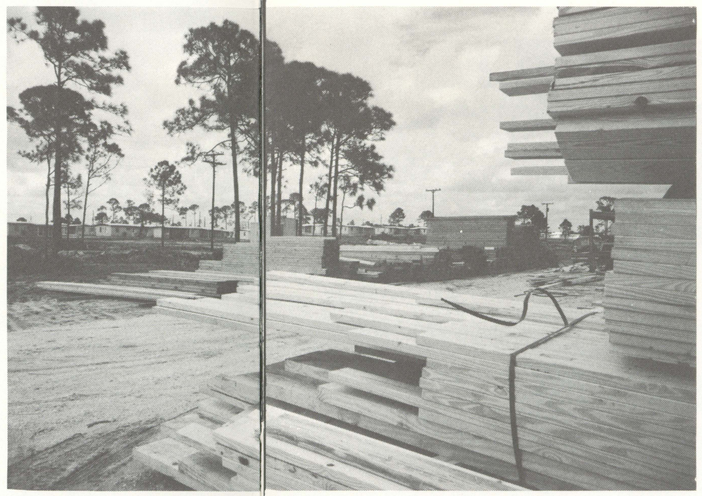
They picked the banks or the companies that administer the funds, but we have made it very clear that these resources are the resources of the workers. They are held in trust, and they now approximate somewhere between two and three billions of dollars.

We want a percentage of those funds to be used to help rebuild and rehabilitate the cities in which the workers and their families live, to whom these resources belong.

We believe that the UAW pension funds can be a source of real practical support, but we draw a sharp line of demarcation between mortgage money and development money and seed money.



We need to have our planning and our programming on the broadest possible scale.



The key to this whole problem of rebuilding and rehabilitating America's great urban centers is for us to demonstrate the practical ability to make public planning for people compatible with private planning for profit.

There is a growing realization that the task of rebuilding the city and making it a place in which the total living environment is worthy of free men, is not the task of local government or state government or federal government alone, but the task of the total community, using all the leverages of the private sector of the economy.

The Development Authority will take upon itself the responsibility of raising the seed money. Seed money is money you don't get back. Its only return is a social value through improving the community.

Development money, we hope, would be made available at a very small interest rate, over a long enough period of time, so that it can bridge the gap between what is done with the seed money and what is done with the mortgage money.

A national non-profit development corporation or authority would work in a broader area. It would for example, take upon itself the responsibility of doing something about catching up with the technological revolution that is having a massive impact on every basic industry and every segment of American life except the housing industry.

I will say more about that later.

It would also help local groups which can be encouraged to organize their resources, but lack technical assistance. It is tragic that there are so few competent technical people in this field—that everybody who starts an ambitious program has to first try to steal the personnel from somebody else engaged in a comparable program.

This national non-profit development corporation could work at the task, with the universities and other people in the field, of developing a greater number of competent technical people to help do these jobs.

Of course everybody doesn't have to have a full complement of experts so long as there are experts available when they need them. This corporation could have a staff on call to help local groups when they need expert assistance.

The national group could also be very helpful in showing local groups how to get access to adequate seed money and adequate development money, and then help them meet the requirements of mortgage money.

The key to this whole problem of rebuilding and rehabilitating America's great urban centers is for us to demonstrate the practical ability to make public planning for people compatible with private planning for profit.

These two things are not incompatible. Why can't the drive and the individual incentives of the market place be related to a sense of broad social responsibility in the task of rebuilding our great cities?

I think we can, and I think the private non-profit corporation is a practical democratic tool in the effort to achieve that purpose.

The demonstration cities program the President has recommended is a new and very significant step forward.

The old programs were wholly inadequate. They were borne out of the great depression in the early days of the New Deal. Essentially they only nibbled at the outer edges of the basic problem.

The demonstration cities or the model city program attempts for the first time to deal with both the scope of the problem and the realities of the problem. It offers a great opportunity. The very fact that several hundred communities have already indicated that they are going to compete for the opportunity of being one of the cities indicates the broad support it has at the local level.

But the key, Mr. Chairman, I believe is not in the broad concept, but in its practical implementation. By and large that key resides in the hands of Congress.

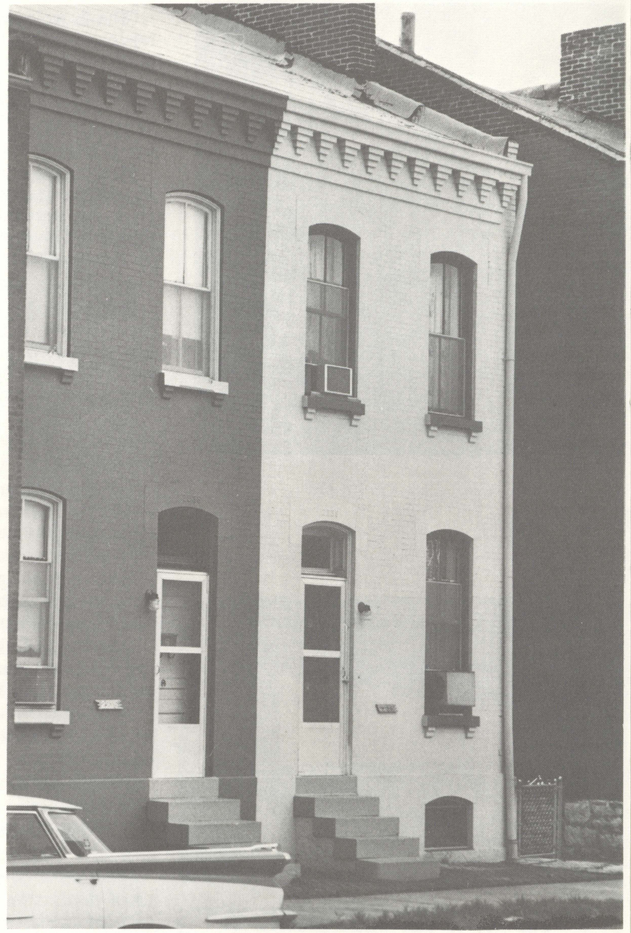
Are we going to give the people who are responding now to this new challenge at the local level, who are organizing non-profit corporations, who are creating citizens groups to work with the local government agencies and through them with the Federal Government agencies, the kind of economic resources that they need? And under the kind of circumstances, with long range commitments, without which they cannot possibly plan the implementation of this broad demonstration city concept?

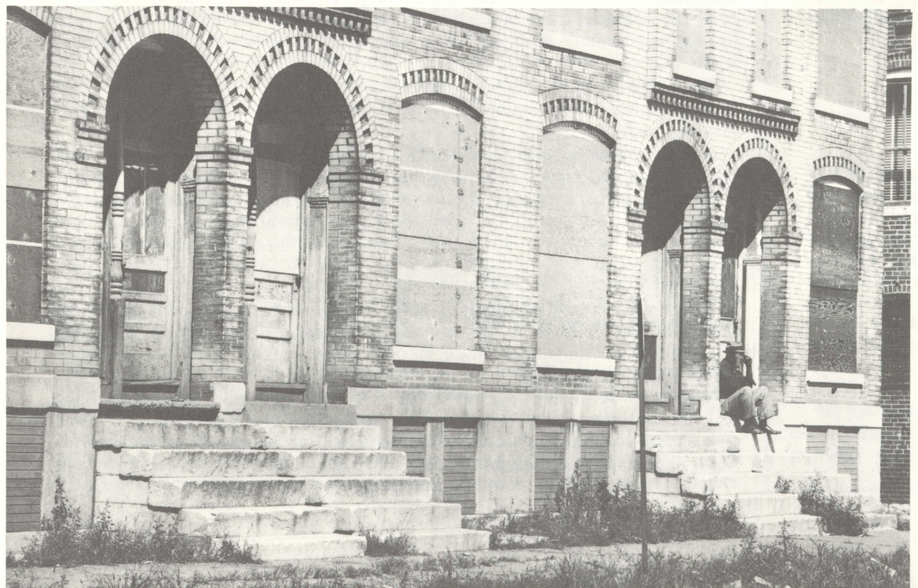
There are enough problems to solve in our cities and enough responsibility for our failures to go around. Congress cannot escape accepting responsibility for a major share of our failure to deal with the problems of the American cities.

Why is it, we need to ask ourselves, when the Defense Department plans its long range programs, whether for development of a new system or some new defense weapon, Congress is always willing to give them appropriations over a long enough period, and with adequate resources, so that they can do the long range planning and programming essential to do the job?

The increase in the value of land is a social investment the community makes, and yet a handful of speculators are able to exploit it.

If the federal government can put billions of dollars into creating stockpiles of copper or some other critical metal, then why can't the federal government help the local communities create land banks, so that land will more and more be in the hands of the community, to be used to meet the basic needs of the total community?







When people who need low and middle income housing have to compete for money in a tight market with giant corporations and people who can afford luxury housing, it is quite obvious they will come out on the short end.

We do the same thing for the space program. But, unfortunately, when we get into the area of housing and urban affairs, Congress to date has been unwilling to provide the long range financial commitments which are so essential.

We could not have gotten the Manhattan Project off the ground, let alone split the atom, on a time schedule that made it meaningful in terms of the last great war without long-range financial commitments.

When Congress was asked to make available the resources, they didn't ask the Government agencies to spell out all the details and dot all the i's and cross all the t's.

As a matter of fact, only a few people in Congress even knew what the Manhattan Project was all about. Yet Congress, driven by the negative fears and hatreds of war, made available the adequate long-range financial commitments necessary to do that job. We now have to ask ourselves whether we as a free society, because we are motivated by common hopes and aspirations and a common faith, can make a comparable effort in terms of long-range adequate financial commitments to provide the people charged with the responsibility of rebuilding our great urban centers with tools adequate to do the job?

Congress didn't put the highway program on an annual basis. Congress established a $12 billion trust fund over a 10 year period, and then expanded that, so that we could plan ahead.

If we can't build highways without a long range commitment, it is obvious that we cannot deal with the much more complex problems of rebuilding America without comparable long range financial commitments.

It seems to me that Congress has no moral right to deny to the people in Detroit or the people in any other big urban center, who are willingly and enthusiastically prepared to take on the task of rebuilding the city, the same financial long range considerations that it gives the people who deal with the space program, the defense program or the highway program. In the absence of that kind of commitment, we cannot achieve the level of performance which is essential, and no city, no business, no organization can go ahead, unless it knows that when tomorrow comes the resources to translate its program into practical reality will be available.

My second point is that the problem of the use of land is a very critical aspect of this total problem. Unless we get better social and community control of the land, so that we can work out its utilization on the basis of the need of the community, we are in deep trouble.

It is shameful and shocking that a free society, which has such challenging and urgent problems in its great urban centers, has permitted selfish land speculators to manipulate the land market without making any contribution to the land.

The increase in the value of land is a social investment the community makes, and yet a handful of speculators are able to exploit it.

I believe that they have unduly and negatively influenced the character of our communities, the kind of housing we have, the kind of community facilities we have, the number of parks we have, the number of recreational centers, the population density, the location of our industries.

We suggest strongly that the Federal Government assist cities and local governmental units in creating and operating a publicly owned land bank. If the Federal Government can put billions of dollars into creating stockpiles of copper or some other critical metal, then why can't the Federal Government help the local communities create land banks, so that land will more and more be in the hands of the community, to be used to meet the basic needs of the total community?

I should like to recommend, also, Mr. Chairman, that your subcommittee give consideration to inviting the land commissioner in Great Britain and also the housing commissioner in Sweden to testify during these hearings. I think we have much to learn from experiences in both these countries about how a free society can use its land resources.

I also think that the Federal Government has to do something much more dramatic, much more adequate and much more realistic about loosening up the money market as it relates to housing needs.

In 1966 housing starts are less than 50 percent of what they ought to be. I personally think they are about a third of what they ought to be. We should be building roughly 3 million units a year. We will build a little more than one million units this year.

When people who need low and middle income housing have to compete for money in a tight market with giant corporations and people who can afford luxury housing, it is quite obvious they will come out on the short end. Something must be done about this, if we are going to move forward on the housing front.

Then, as I mentioned earlier, I believe that we have to find a way to drastically reduce the cost of building housing in America, and I believe the only realistic way we can do that is by applying the most advanced technology to this essential area of human needs.

We shall never rebuild or re-house America by using a technology that predates the Model T.

Why is it that we apply the most advanced technology to our space program, our most advanced technology to most every other aspect of our national life, but in an area as basic as how a family can have access to decent low cost housing, we are way back somewhere between the 18th and 19th century, technologically speaking?

All of the improvements in housing technology have been microscopic, when measured against the general march of technological advance.

If we manufactured automobiles with the tools and technology of a comparable vintage, there would be a very small number of American workers employed in the automobile industry, because the market would be very limited. Only a few thousand millionaires could afford to buy a car.

Henry Ford, Sr., understood that the whole secret of a mass market for the automobile industry is to put the product into the market at a price that millions of people can afford.

Millions of people need new housing, better housing, and we have to make housing available.

If we apply the most modern tools of technology and the most modern concepts of mass production and utilize fully the new materials that science and technology have given us, we can reduce the cost of housing by better than 50 percent. For $8,000 we can give the American people a better house than they can buy now for $16,000. Until we begin to deal with this problem in terms of the realities of the 20th century technological revolution, we are only playing on its outer fringes. We are not solving it.

Now, I am aware that people will say "How do workers get job security if you apply mass production technology to the housing field?"

Well, I believe we can say to the people in the industries related to the production of housing: "The task of rebuilding America is so tremendous that if we do the job right, instead of limiting employment, instead of creating unemployment, we will create hundreds and hundreds of thousands of new jobs, and everybody can be assured of full employment in the foreseeable future."

There is another area in which we need to apply the new technology of the 20th century. That is in the broad area of mass transportation.

We are way behind the parade in developing mass transportation, primarily because millions and millions of Americans rely almost solely upon their individual transportation. As a result, we have neglected creating a common system of transportation to meet the needs of all the people.

I think it is absolutely ridiculous for 100,000 Americans living in the same urban center, all trying to go to the same place for the same purpose at the same time, and all driving a ton and a half of metal. I just think that is utterly unsound from an economic point of view and from a human point of view.

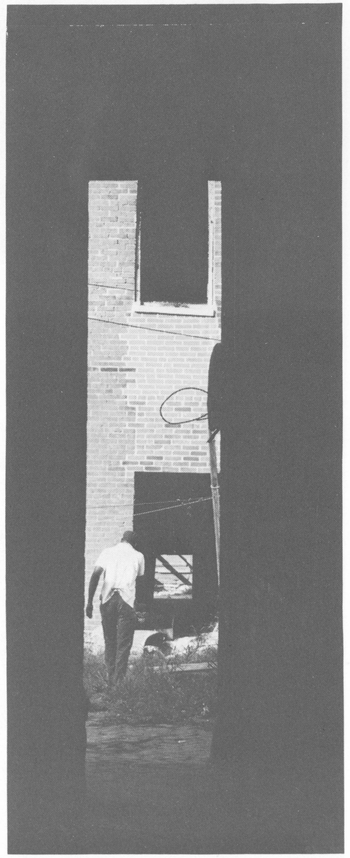
We build an automobile that gives us the capacity to go 80 miles an hour. We build a highway to carry a vehicle at that speed, and then we put so many cars on the highway to carry a vehicle at that speed, and then we put so many cars on the highway that they are bumper-to-bumper and we crawl along at 10 miles per hour.

Now, this doesn't represent a very rational approach to the problem of how to move people in a modern society.

We need to recognize that there are two essential elements of our transportation system in America. One is the private vehicle, which gives a person maximum individual mobility to go where he wants to go. But unless we develop parallel to that the second element, a modern mass transportation system that can take some of the load off our highways, then the automobile industry will strangle in the congestion of its own traffic, and people's mobility will be paralyzed.







What we must do is adapt modern technology to the development of a modern mass transportation system, to supplement our private transportation or vice-versa.

It is not important where we put the emphasis. The two parts are essential ingredients to an overall transportation system in our kind of free, highly technological society.

While I talk about all these problems I want to make it abundantly clear that I am optimistic about the future. I think we can rebuild the American city. I think we can create a total living environment worthy of free men. I believe we can construct housing so that every family can have a decent, wholesome living unit in the kind of community in which every American would like to raise his children.

We need an education system to make it possible for every child to grow to his maximum capability. We have to deal with the problem of community facilities, and we have to have the courage to take the price tag off of them.

I think there is a lot of unimaginative thinking being expressed in America about the problem of older people. Some say let's build communities for older people. We need communities of that character, but I think most older people don't want to be segregated from the rest of society, even though the facilities may be quite attractive. We in the UAW have 200,000 retired members now. Our experience provides that the average retired couple wants to live in a community where they still have a sense of belonging. They want children in the neighborhood, so they can watch them play. They make the best babysitters. They want to feel that they are still an integral part of community life, because that gives them a sense of belonging and a sense of worth.

We are a nation that says we believe in the worth and dignity of each individual, and yet we have institutionalized our services to older people more than any other democratic country in the world.

What we need to do is to fit the institutional services to the needs of the people, rather than fit the people into the structure of the institutions.

In Sweden an older couple can live in a garden city with young people next door, and if the wife in the family isn't able to prepare the meals, they don't put them in an institution. They have the institution prepare the meal and bring it to them and they eat it in their own little kitchen.

In other words, the whole idea is to personalize the institutional services, rather than depersonalize the individual by putting them in institutions.

We have a tremendous job of improving the ability of the average American to have access to the kind of modern medicine which our medical profession is now capable of providing.

Some of the figures the UN World Health Organization has published are shocking: They show that America ranks 11th in infant mortality. Sweden is first. Last year, if we had had the same low rate of infant mortality the Swedish people have, 45,000 babies born into the richest nation in the world would not have died in the first year of their lives.

When we talk about rebuilding our cities, we are talking about housing, education, facilities for older people, medical facilities, recreational facilities, cultural facilities. All of these have to be harmonized into the building of the city that will really reflect the free human spirit.

People will say these are great and bold dreams, but how do we pay for them? There are no economic Santa Clauses. When we reach the age of five, we ought to quit believing that there are. The only way we can have better housing and better medical care and better education and all the other things that make up the good life and the good society is by the application of human labor to the tools of production as both are supplied by the economic resources we have access to. Therefore, the only way that we can create the wealth to make possible these things is for America to achieve the full utilization of its economic potential.

We have never done this except in time of war. When we are driven by fears and hatred, when we are in pursuit of the negative ends of war, we always get full employment, but we have never achieved full employment in terms of our common aspirations in peacetime.

In 1946 the Congress took a very important step when it enacted the Employment Act of 1946. That Act commits our nation to the pursuit of policies essential to the achievement of maximum employment, maximum production and maximum purchasing power, but we have never achieved those ends. We have had an average of five percent unemployment through-

out the 20 years since the Employment Act of 1946 was enacted. The most precious resource we have is an hour of human labor. In those 20 years we have wasted 50 million man-years of potential economic production.

We threw them away irretrievably, for an hour of human labor is the most perishable economic value in the world.

We can produce a ton of steel and put it in storage and use it tomorrow. We can raise a bushel of corn and put it in storage and consume it next year. But we cannot put an hour of human labor in storage. If we don't use it when it is available, it is a total, irretrievable economic loss. We have thrown away 50 million man-years since we signed the Employment Act of 1946.

I believe that represents the economic margin we need. The translation of that economic potential into the practical creation of economic wealth will give us the resources to rebuild America's cities, to provide housing and education and health services and social services and all the other things we need. It is all there to be had. All we need to do is demonstrate the will and the sense of national purpose to use it. I believe that a free society is equal to that challenge.

People will work together and march together when they believe in the same things, when they aspire to the same goals. We must join together in building the Great Society, and in this effort I believe that the broad problem of rebuilding and rehabilitating our great urban centers is an area of great challenge and great urgency. I am very privileged, Mr. Chairman, to be able to be with you. Thank you.

SENATOR RIBICOFF: Thank you very much for a most interesting discussion. There are a few questions I would like to ask you, Mr. Reuther. Your statement that you could reduce by modern techniques the cost of the average unit from $16,000 to $8,000 has been repeated time and time again by many people who have studied the problems of the cost of housing.

It has been said time and time again as you have said again that the most outmoded method of production in our society is the building. How should society go about it, government, industry, finance and labor, to get the most modern tools and techniques, and the most modern materials? How does society, which is apparently helpless now, go about producing an $8,000 unit instead of a $16,000 unit?

MR. REUTHER: To begin with, I suggest we create a mechanism that can tackle the total problem. This is what I would hope a national nonprofit housing and development authority or corporation would take upon itself. It would get people to work on research and development in the housing field on the question of design.

SENATOR RIBICOFF: Do you conceive of this corporation as being completely free of Government?

MR. REUTHER: That is correct. I think that this corporation, if it were supported by Government but free and independent of Government, would have maximum latitude.

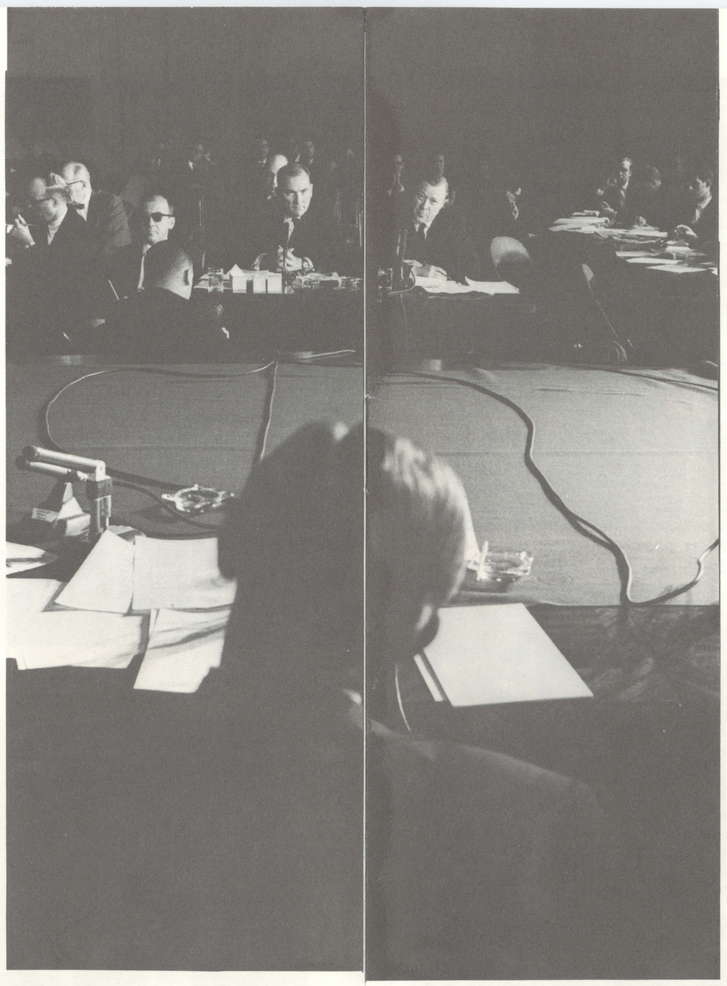
SENATOR RIBICOFF: How would it be supported by Government and still be free of Government?

MR. REUTHER: Suppose the corporation said "one of the first things we want to do is to take upon ourselves the responsibility of finding a way to design and engineer a $16,000 dwelling for $8,000."

I think that is the kind of a thing that the Government can give a grant to. The Government does this in private industry all the time. Do you think the North American Aviation Company would spend their money to make the new rocket engine they are making? No, the Government gives them a grant. I propose that the Government give this non-profit corporation a grant for the purpose of study and research to develop an $8,000 house which will have the value of a $16,000 house.

SENATOR RIBICOFF: Who takes the initiative to organize the corporation?

MR. REUTHER: People like myself who share this same view, and I think there are such people. In Detroit we called a meeting and had around 300 community leaders there. That is where we gave birth to the Detroit Metropolitan Citizens Development Authority, and we are going to raise the money.







Now I believe there are such people in industry, in labor, in the academic community, in other groups, who would respond to an effort to get a nonprofit national private corporation into being.

SENATOR RIBICOFF: You are skeptical, I gather about the COMSAT approach.

MR. REUTHER: I am not skeptical about it. I just do not think it is the most useful tool. I have never been a Government bureaucrat, but I have had a great deal to do with them over the last 30 years. I have great respect for them. There are many dedicated, competent people among them who, if they made a comparable contribution in the private business world, would perhaps get salaries five and six times as large as they get. I say this in no way to degrade or to deprecate their contribution. You know there is a lot of bureaucracy in the American labor movement. This is not something that is just characteristic of Government. I do believe, however, that if we are going to move with boldness, with new social and creative invention, then a non-governmental instrument would give us the maximum latitude and the maximum freedom from the built-in long-range restrictive procedural problems that Government, I think, somehow has gotten involved in.

SENATOR RIBICOFF: Why are you afraid of this corporation making a profit?

MR. REUTHER: Well, I think it can do its work without a profit. However, suppose this nonprofit corporation did the necessary research and development and designing and got all set to put this $8,000 house into production. Then I would let private industry take over the task of building the house, and they would make a profit—a handsome profit.

The General Motors Corporation makes three million Chevrolets a year, and I would be the last person to suggest that they do not make a very substantial profit. There is profit in this business too.

SENATOR RIBICOFF: You would rather see this corporation than the COMSAT approach. You think it is more practical than the COMSAT approach?

MR. REUTHER: I think it has more operational flexibility.

SENATOR RIBICOFF: David Rockefeller of the Chase-Manhattan Bank was here as the opening witness last week, and there was some hesitance on his part about a COMSAT approach. He did not reject it.

MR. REUTHER: I do not reject it. I just think this is the better way to do it.

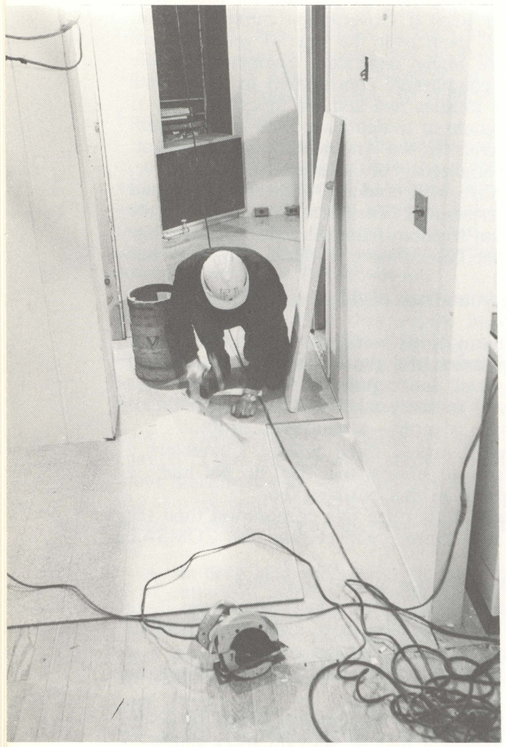
SENATOR RIBICOFF: None of us know. We are just trying to determine where we stand. Now, he indicated that he thought there ought to be more private investment in the rebuilding of the city, and he put a figure of $1 Government to $5 private. Does that figure sound like a pretty good balance to you?

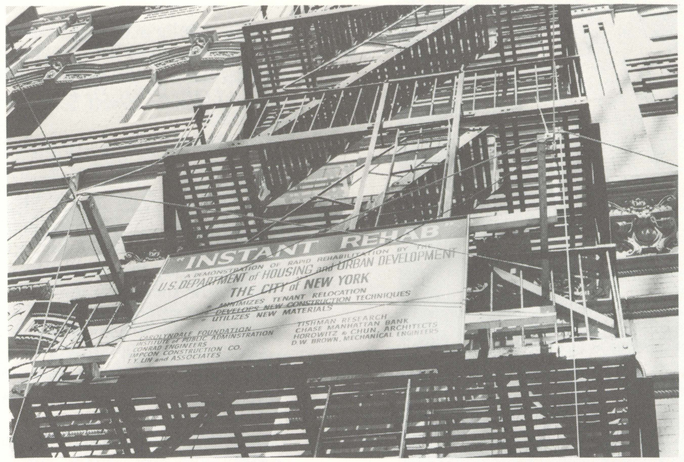
MR. REUTHER: Yes, I would agree with Mr. Rockefeller on that. That is the approach I favor. I would hope that Mr. David Rockefeller would be one of the allies in the implementation of this concept. I have talked to him about this problem. I believe that if we structured this kind of a private instrument properly we could draw into the total effort very substantial private investments. I think a five to one ratio would be a minimum. We might even go beyond the five to one ratio in terms of the private contribution. But private investment is not going to go into troubled and unchartered waters, unless it knows where it's coming out on the other end. We have no right to take other people's money and speculate with it. But in the task of totally rebuilding our cities, we know the market for decent housing is there. It is not like building something nobody is going to buy. And if we plan it so that it is within the reach of millions of people who need low-cost housing, it is a guaranteed market. That kind of market will attract private funds, because the private funds will be secure.

SENATOR RIBICOFF: Do you look at this corporation as a brick and mortar operation? What is this corporation sociologically and psychologically? For example, you have someone moving off the farm. He never lived in a big city. Who teaches him how to live in a city?

MR. REUTHER: Not the corporation.

SENATOR RIBICOFF: But this becomes a basic problem, a basic problem that we all have to understand. We would not be honest with ourselves if we were not frank with one another. Or you have the inhabitants of the slums of all the big cities, who turn public housing into a slum soon

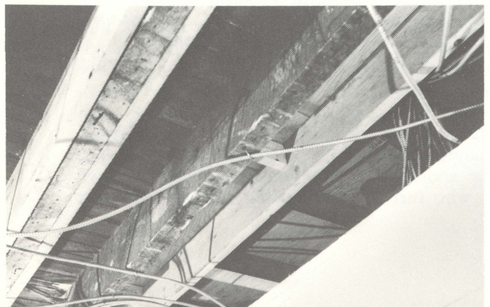




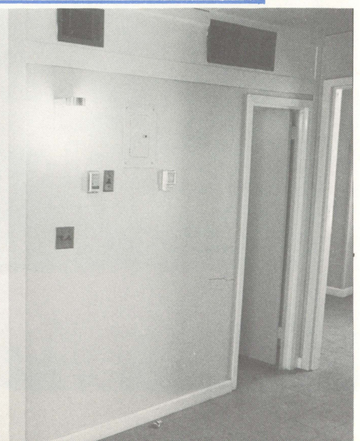


We shall never rebuild or rehouse America by using a technology that predates the Model T.

An example of "instant rehabilitation" of slum dwellings in New York City showed that modern technology can be utilized to make dingy homes more pleasant places to live. This is but a sample of the vast changes needed in housing technology.







If we apply the most modern tools of technology and the most modern concepts of mass production, and utilize fully the new materials that science and technology have given us, we can reduce the cost of housing better than 50 percent. For $8,000 we can give the American people a better house than they can buy now for $16,000.



after they move into it. This is something that gripes all America, when they see public housing become a slum area. Later on in these hearings we will have an exposition, an explanation of what happens to public housing in becoming a slum.

Basically, the private investor is not going to build a group of new homes, if within one year after they are built, they are destroyed and become a slum. Now, who manages the housing that is being built? I am trying to figure the role in facing up to realities.

MR. REUTHER: This is an area in which a great deal of very careful work must be done. To begin with, I think we have to accept the fact that a slum is not just a bad house. It is a part of the total living environment which has destroyed the will that is essential for a group of people to maintain a decent neighborhood. We have to regenerate that in people. We have to start at the community level by creating groups, by organizing people, by developing leadership. This is one of the things that the Citizens Crusade against Poverty is working at—to develop leadership from the slums who will go back into the slum areas. We have to organize neighborhood groups. We have to give people pride.

We also, I believe, have to try to make a large proportion of these new housing units we build privately owned, so that these people will have a direct economic incentive to maintain their house individually in good repair, in a total neighborhood that is attractive. It seems to me that we can create this.

This is like the old problem of the chicken and the egg. Philosophically we can speculate endlessly as to which came first. The practical facts are that unless we start with the proposition that we can elevate the attitude of people who live in the slums, that we can stimulate a sense of motivation relating to building and creating and maintaining a decent neighborhood—unless we assume that, the problem is hopeless.

I have had the privilege, and I consider it a great opportunity, of dealing with people for 30-some years—and I have dealt with all kinds of human beings. What has sustained my faith, through some very difficult years, even when I was shot at and beaten up and kicked around and abused, was the fact that ordinary people will respond to challenges and opportunities in an exciting way. I think people in the slums if given that kind of opportunity will respond in that way. Now it cannot be done by remote control. We have to get in to their neighborhoods and work with them right there. We have to find the leadership in their own ranks. There is abundant leadership potential there. We have to stimulate the development of that leadership so that there is a process of self-organization, self-help, self-discipline. All of these ingredients have to be a part of the total effort, but I think it can be done.

Why do we have God awful slums and Sweden doesn't have any slums? I am not prepared to say that Sweden is raising a superior human being. Our people are just as good as they are, but they have worked at the problem and we have not.

SENATOR RIBICOFF: Now, you would recommend, I assume, that everyone who occupies a unit should be an owner, whether he owns a single house, whether it is a condominium, whether it is a co-op. You would prefer to see owner occupancy?

MR. REUTHER: I would put as much emphasis upon that as possible, while recognizing that in the transition period we will not be able to move people from the lowest economic level into that status, but I would hope that in the long range planning we do, we would be moving toward the time when the number of nonownership units would be relatively small, in terms of the total.

SENATOR RIBICOFF: Now, this corporation that you are talking about, you say you have talked to David Rockefeller. Did he evince an interest?
MR. REUTHER: Well, I do not want to violate a confidence with him, but I feel reasonably hopeful about things.

SENATOR RIBICOFF: Now, McGeorge Bundy will be here next week, the head of the Ford Foundation, and I will have a little conversation with him about this. Now, maybe these areas can bring such a nonprofit corporation about. We have got big labor, big finance and big foundations, and you are going to have to involve all three.

MR. REUTHER: I quite agree.

SENATOR RIBICOFF: Big money, big industry, big foundations.

MR. REUTHER: Big problems.

SENATOR RIBICOFF: Big problems, the problems are big. So you have got this corporation going. The techniques are here. Are the techniques known for better building on a mass basis?

MR. REUTHER: There is no question about it. The technology, the know how, is no problem. It is the problem of the will. Are we prepared to use it?

SENATOR RIBICOFF: How do you get the will of labor? There has been much criticism concerning the building trades, the unwillingness of the building trades to assume using modern techniques. Now, how do we involve the building trades to go along with this concept?

MR. REUTHER: I think some of the attitudes of the building trades is a negative defense mechanism. People try to protect themselves against insecurity. The building trades in the past have had a great deal of insecurity, and it is a perfectly natural kind of human response for people to try to defend themselves against insecurity.

I think we have to say to these people: First, no group in society can stop the forward march of technology; and second, they ought to enlist in the effort to modernize the industry, because they have a great deal more to gain out of its being modernized, so that we can have access to the economics of abundance, than they can possibly get out of the economics of scarcity. Every building trade union will be a bigger union in terms of membership, and their membership will have fuller and more secure employment. They have everything to gain. It is just as though the automobile industry were limping along as a very small industry and we were standing in the way of technological progress and then Henry Ford convinced us that if we had a mass production industry we would have more jobs, more members, better income. The same thing applies equally to the building trades.

We not only need housing. When we create a new community, we have all the community service buildings, all the commercial buildings, all the other facilities. It is a tremendous opportunity.

If I were the head of a building trades union, I would be beating this drum from the top of the highest building in Washington.

SENATOR RIBICOFF: That is correct.

MR. REUTHER: I am not the head of a building trades union.

SENATOR RIBICOFF: You have involved here a concept and a sweep that probably encompasses three decades, if you are really to do the job.

MR. REUTHER: That is right.

SENATOR RIBICOFF: To rebuild America, the size, the amount, the number of units, our great population growth, the continued shift into the urban areas with some 55 more million people coming into the cities in the next decade. By the year 2000, 95 percent of the American population living in the urban areas, and then, there is the question of replacement when it deteriorates and gets outmoded. So, basically the type of replacement we are talking about is no longer a seasonal trade or a seasonal business.

MR. REUTHER: That is right.

SENATOR RIBICOFF: But it could be planned at any time in any section of the country to be 12 months a year, 52 weeks a year, is that not correct?

MR. REUTHER: That is correct. At the point we made up our minds as a Nation to do this job of rebuilding our cities and creating the kind of total living environment we should have, the dimensions of that task are such that every person engaged in the construction of housing and building can look forward into an indefinite future with continuous work and opportunities. Industry can realize the benefit of larger volume, the workers can get steadier employment, more employment. There is a tremendous opportunity. The seasonal aspects of the construction industry already, except in a few isolated situations, are almost negligible. If we employ modern technology they can still be minimized further.

SENATOR RIBICOFF: Mr. Reuther, in a recent speech you said as follows: "The American labor movement has been failing to fulfiill its broad social responsibility to the community."

What role do you envision for the American labor movement in the regeneration of the cities of America?

We can produce a ton of steel and put it in storage and use it tomorrow. We can raise a bushel of corn and put it in storage and consume it next year. But we cannot put an hour of human labor in storage. If we don't use it when it is available, it is a total, irretrievable economic loss. We have thrown away 50 million man years since we signed the Employment Act of 1946.

I think it is absolutely ridiculous for 100,000 Americans living in the same urban center, all trying to go to the same place for the same purpose at the same time, and all driving a ton and a half of metal.

In Sweden an older couple can live in a garden city with young people next door, and if the wife in the family isn't able to prepare the meals, they don't put them in an institution. They have the institution prepare the meal and bring it to them and they eat it in their own little kitchen.

MR. REUTHER: As one labor leader, I believe that if the American labor movement operates exclusively in the narrow circle of collective bargaining and is interested exclusively in just getting a few more nickels for its members, it will fail in its historic responsibility, because American labor cannot find answers to its problems in a vacuum. Automobile workers' children go to unsatisfactory schools. They buck the traffic. Their children are breathing polluted air. Therefore, if we are going to solve the problems of UAW members, I have to work with the other people in the community to find answers to the problems of the whole community. It is my considered judgment that the American labor movement is not making the kind of contribution in this broad area that is essential.

SENATOR RIBICOFF: You talked about some of the union pension funds being used for seed money in the Detroit project. One of the largest sources of capital today are in union pension funds. Would you advocate the use of union pension funds in either a corporation that had many interests, or union pension funds in different methods and different approaches in rebuilding the cities?

MR. REUTHER: I make a very sharp disctinction between seed money, development money and mortgage money. Pension funds are in the field of mortgage money. First of all, the law would not permit it to be used as seed money or development money. I would think it would be very unwise if the law did permit it. We are talking about pension funds as it relates to mortgage money, which is secured and would meet the legal requirements. Any pension funds so invested would be secure as far as the pension trust funds were concerned.

SENATOR RIBICOFF: In any of the pension fund mortgage investments, do you make it a practice or have you in the past, not just your union but generally, to have participating interests with insurance companies, banks and other investors, or do you go into a project all by yourself, if you take a mortgage?

MR. REUTHER: This varies. There are a number of unions which have pension agreements which provide a joint board of administration over the investment of the funds, and the union, since it is perhaps in a better position to do it, is actually the administrator. They buy mortgages and they invest the pension funds. While it is under the general supervision of a joint board of administration, in which the employer has equal representation, and they also have an impartial chairman, the union is the actual administrative arm of the board.

In those situations, union buy mortgages and they may go into projects jointly with some private industry, but I think in most cases they buy mortgages directly.

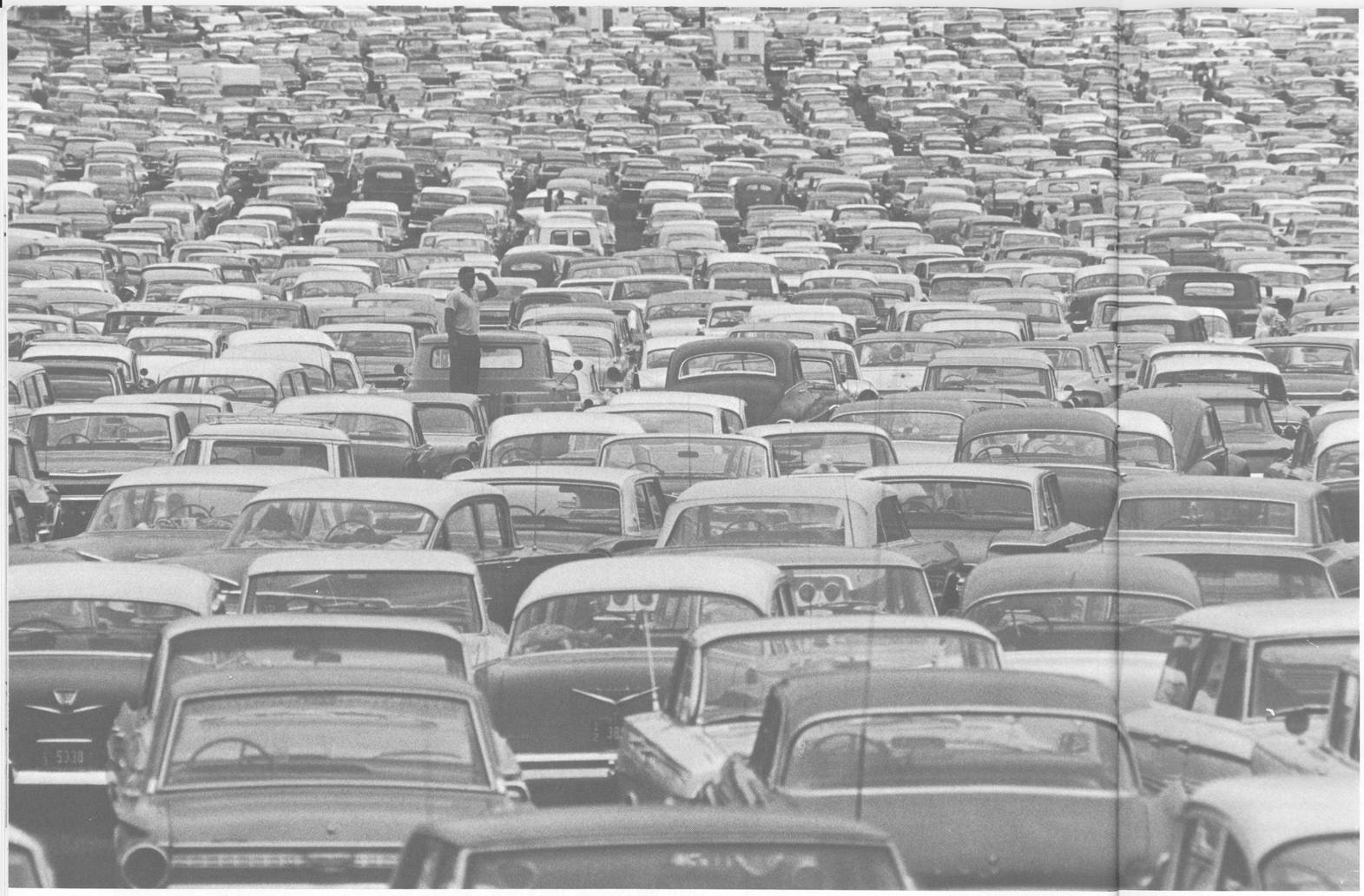
In the case of the UAW, we are in no way involved in the investment of our pension funds. But we have insisted that high social priority projects such as housing and community facilities, should be appropriate enterprises in which to invest pension funds. There is general agreement on that. This is why I think we will be able to get access to UAW pension funds for the Detroit project.

SENATOR RIBICOFF: Senator Kennedy asked me to relate to you how sorry he is that he could not be here this afternoon. He was very anxious to ask a few questions, but he had another engagement that he had to keep. He has left me a series of questions and I will ask three questions of you on behalf of Senator Kennedy:

"As you probably know, I have advocated the formation of community development corporations at the local level, using the leadership of labor and the people in the neighborhoods together with private enterprise capital and Federal funds to undertake an interrelated attack on the problems of the ghetto. What is your reaction to a proposal of that kind."

MR. REUTHER: As I said earlier, I very much favor that approach. We would pull together the broad resources of the community on a private nonprofit basis and create an instrument so that we can work together, and this is precisely what we are going to do in Detroit. I hope what we are doing in Detroit can be multiplied in many other communities throughout the country.

SENATOR RIBICOFF: But I assumed that what you are talking about was a national corporation.







MR. REUTHER: Both. In Detroit we are doing this at a local level. It is a six-county area. I am in favor of having a national nonprofit corporation to deal with the total, the overall.

SENATOR RIBICOFF: The total, the big research and development.

MR. REUTHER: And have them back up, support and work with, provide technical assistance, et cetera, to the local nonprofit groups.

SENATOR RIBICOFF: And the local nonprofit groups would then be composed of either community leaders, funds, private industry, labor, finance and interested citizens also nonprofit, but somewhere along the line you are going to have the great motivation and the great drive of the private enterprise system working for a profit. Now, not everybody is going to work in every community on a nonprofit basis; are they?

MR. REUTHER: The nonprofit authority is the instrument that gets the thing moving. Suppose we are planning a thousand units over here. Well, some private developer will get access to that land. He will submit plans which have to be in harmony with the total plan. He gets the opportunity then to acquire that land and to build those thousand units. There is the profit motive. The free enterprise system motive takes over in the building of those houses.

In another situation we may want to build a community facility. Well, that will be up for bids. Some private contractor is going to build that. The profit motive is going to drive him, but the overall thing is the total community effort, and the reward there is not the profit motive. The reward there is to build together a good community, and that is sufficient in Detroit to get us working together.

We have the Big Three of the auto industry. We have Detroit Edison, Michigan Consolidated Gas, the banks, the J. L. Hudson Company department store, the UAW. We are working together. I think it is good for the souls of people to be a part of a nonprofit corporation.

SENATOR RIBICOFF: It is even more practical and pragmatic than being good for the soul. Is it not absolutely essential for the survival of the industry and business and labor itself in a community? A deteriorating community means a deterioration of the entire substance of the community, business, corporations, industry, labor itself. So, therefore, it is not just out of the charity and the goodness of their hearts. These community corporations seek to keep the community going with seed money and planning operations. Basically they relate to the self-interest of the companies themselves.

MR. REUTHER: That is right. I think they are primarily motivated by enlightened self-interest in this situation.

SENATOR RIBICOFF: Which is one of the best motivations.

MR. REUTHER: I think that is one of the very fine motivations in our kind of society.

SENATOR RIBICOFF: In other words, one of the problems you would have, of course, would be the problem of eminent domain. You would not give eminent domain to a profit making corporation, but you may be willing to give the right of eminent domain to a nonprofit corporation which is seeking to rebuild a community.

MR. REUTHER: That is correct. Take Detroit as an example. The best management group in Detroit, if they were offered $100 million, could not assemble the people that we have assembled. Nobody else could do that. You could only bring that kind of group together around the common denominator of building a better community. Therefore, as a practical matter, if you wanted this to be a profit making corporation, it could not get access to the people that this nonprofit group has access to.

First of all, General Motors, Ford and Chrysler would not cooperate in that kind of a setup. Their relationship in the profit end is rather competitive. In this area they are going to be working together.

SENATOR RIBICOFF: You know, your suggestion has got a lot of values, and I think it is a very important one. There is only one man in my opinion on a national basis who could assemble such a group and have the confidence of all the American people, and that is the President of the United States, and I would respectfully suggest that this is something to be considered as a very practical matter by the President of the United States, because it is very difficult for me to see any one individual in this country being a sufficient self-starter, and being able to get the confidence of all the people of the country, to get the level of representation you would need.

The COMSAT approach, of course, would have to have the participation of the President to get it started as it has, but I would say what you are talking about to get this started, if we are going to involve private enterprise and the community in getting it going, and every representation of private finance, of labor, of industry, the universities and the foundations, the one man that could do this really would be the President of the United States, and this is most intriguing. I would respectfully hope that the President may give it consideration, because this is something that the President, I believe, could put together at very little cost. I know the President has many budget problems, and putting this together would not cost any money.

MR. REUTHER: I think you are right. If the President did extend an invitation to a representative group of people to jointly launch and create such a corporation, I believe he would find that their response would be overwhelmingly favorable. When the demonstration city project legislation was over on the Hill, when support was needed, there was a very impressive group of industry people who joined in urging its passage. Our experience in Detroit is a reflection of the growing realization on the part of all people in the community that there are things we have to do together and that this is one of those things. I think if the President extended an invitation, he would get good results.

SENATOR RIBICOFF: The next question from Senator Kennedy: "Is it really feasible to expect that labor of the ghetto can be used in ghetto rebuilding projects? Can we impart the needed skills?"

MR. REUTHER: Yes. I believe we can if we work at it, in terms of training. If we have both the patience and the will, we can do some very exciting things along the lines of involving people in the ghetto in the task of helping to rebuild a better neighborhood for themselves. This is an area in which we have to start out believing it can be done, and then work to find the practical techniques and tools to make it possible.

SENATOR RIBICOFF: "What is organized labor doing in the ghetto now?"

MR. REUTHER: Too little. The American labor movement has to get closer to the problems of the people in the ghettos. While no one has a prescription that gives us all the answers, and nobody has any magic, the truth is that we learn to deal with these problems by having direct contact with them.

In the Watts area, we had no particular motivation other than that Watts had become a kind of symbol of the ugly consequences of discrimination and all the other things that make up a ghetto. But a number of people in our union and some other unions took the initiative in Watts and created what is called the Watts Labor Community Action Committee. The UAW, the IUD, Industrial Union Department and 11 national unions are participating. We combed through our membership rolls and got together the leadership from these 11 unions who live in the Watts neighborhood and who are part of that neighborhood and brought them together and created with them this Council. It is their Council. We only give them technical assistance, some financial support and a great deal of encouragement. Under the directorship of Ted Watkins, UAW staff member on leave, they are doing some exciting things in Watts. I visited there a few months back. They have built playgrounds in empty lots. They have classes and bring in kids. They have young Negro boys and girls who go to school in the regular public school, and after school hours come into temporary classrooms to supplement their education.

They are doing other things, hoping to create a kind of community self-discipline, so that the tragedy that happened there once before will not be repeated. We would say that this experience, while we have not found all the answers to all the problems, indicates that we can pull together the people in the ghetto communities and with the proper encouragement and the proper assistance—technical assistance and financial assistance—they will begin to assume the responsibilities of community leadership and they will provide leadership for projects within their own community. This, I think, is very important.

SENATOR RIBICOFF: One final question from me. Assuming that we have a limited amount of funds, that we cannot do everything that we would like to do, what would you consider to be the leverage points at which we could get the most out of the money we spend that we can get the most out of government money that we spend, on all the problems of the city?

If you were to set a set of priorities, where would you use, on the basis of priority, the limited amount of money that you got?

MR. REUTHER: Yes, well those things are always difficult and it would probably vary by community, depending upon the condition.

If in one community the housing was not quite as bad as another, we might tend to ease upon the thrust behind housing and put more on education, or more on some other essential social service. This is a very difficult question because a society like ours is dealing with the results of years of neglect. After all, these problems were not made overnight. They are the end product of years of social neglect and social indifference in a society in which the market place did not find answers to these problems. It is very difficult to be asked if you had x numbers of dollars, and x was obviously not adequate to deal with the total needs, which needs would you neglect, and which would you give priority to.

I think employment, education and housing are the three most important.

MR. SCHEUER: On the question of your nonprofit housing corporation, would you envisage that some kind of subsidized mortgage funds would be available in order to achieve the low monthly rents and carrying charges that you would want to achieve to hit the low income people?

MR. REUTHER: Yes, I think that would be necessary in the transition period. But as we move forward, as we deal with the broad problems of unemployment and raising the economic level of people who are disadvantaged, we bring down the cost of housing by application of modern technology and the use of modern methods, ultimately the gap gets narrowed and the amount of the subsidy is minimal. Therefore, I would use it essentially as only a transitional instrument and not as a permanent part of the structure.

MR. SCHEUER: In this transition period, would these funds, these subsidized mortgage funds, come from government, similar to the current 221-D3 programs.

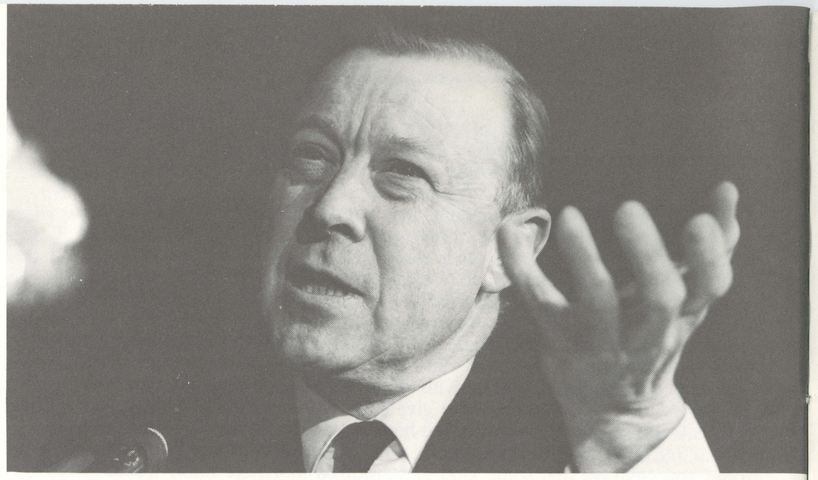
MR. REUTHER: That is right. It seems to me that when we are in effect subsidizing a social deficit, the government has to pick it up. We have no right to ask a private group to do that.

MR. SCHEUER: Or the unions, the trust funds, I take it.

MR. REUTHER: That is right.



To rebuild America, the size, the amount, the number of units, our great population growth, the continued shift into the urban areas with some 55 million more people coming into the cities in the next decade. By the year 2000, 95 percent of the American population living in the urban areas, and then, there is the question of replacement when it deteriorates and gets outmoded. So, basically, the type of replacement we are talking about is no longer a seasonal trade or a seasonal business.



Excerpts from UAW President Reuther's prepared statement to Ribicoff subcommittee hearings on crisis of our cities.

Land Use Planning

Cities have two basic resources—people and land. Everything else is built by them—on, over, or under it. It is outrageous and maddening, then, that land use decisions which affect the lives of millions—and determine the destiny of the city, itself—are usually made either by a handful of speculators or by local zoning boards whose thinking so often bears little relationship to the total, long-range, human and physical needs of the community.

Real estate speculation artificially inflates land values to a point where it becomes impossible to construct reasonably-priced housing. Huge profits for a few become the yardstick they use to dole out to us our allotments of parks, playgrounds, greenbelts and open spaces.

Almost every day one of our thousands of local zoning boards makes a decision about population density, industrial activity, or transportation facilities which conflicts with or paralyzes the plans of a neighboring community. And all too frequently we read about spot zoning which can change the face of a community almost overnight.

Before we can begin to plan and build the urban areas of the future, our cities must obtain firm control of that most precious substance—the land under and around them.

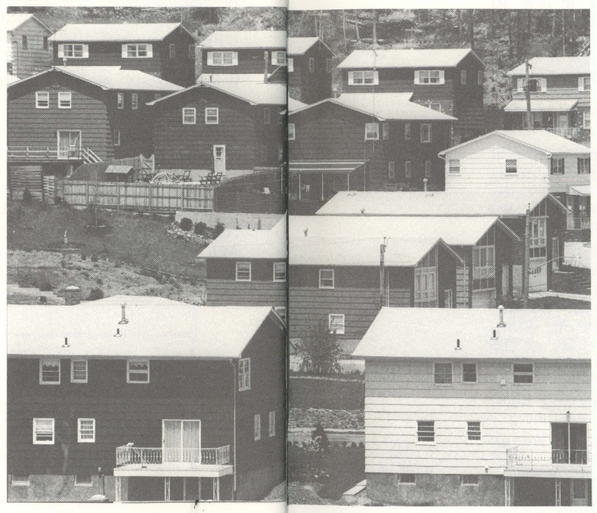
A significant effort has been made in this area by the creation of publicly-owned, urban land banks. Extensively used abroad, these banks acquire and hold a large percentage of the land both within and outside the city. Just as our federal government stockpiles surpluses to regulate prices, our cities must be in a position both to decide how their land can best be used to meet the needs of their residents and to keep a reasonable lid on its cost.

Federal departments involved in urban planning, development, and renewal should encourage the standardization of local zoning regulations. Future federal grants might be made contingent on local adherence to model regulations, drawn by a special task force, which establish minimum standards for open space, greenbelts, recreation acreage, industrial activity, transportation facilities, and population density. And an adequate review procedure should be established to ensure that initial expression of willingness to comply with such standards is matched by performance.

I strongly urge this Subcommittee to investigate these and other possible alternatives. It would be highly desirable for this Subcommittee to invite Britain's Land Commissioner and Sweden's Housing Commissioner to share with us their experiences with land use planning and the operation of urban land banks.

Housing

Almost as important to the city's future as resident-oriented land usage is the formation of a sane national housing program which coincides with the human needs of local communities. Almost everyone these days agrees that we should adopt this course, but what do we find when we look at the housing picture?





We find that virtually all available construction money and manpower is invested in luxury apartments and new office buildings, leaving almost no resources to build middle and low cost units. But we go right on clearing away our fast-dwindling supply of low-cost housing, as though we were determined to prove we can tear it down as fast as it decays.

We find that our current construction rate makes only the smallest dent in the staggering backlog of housing needs and that it does not begin to meet the vast market experts project for the near future.

Public housing as we have known it is probably obsolete. New ways, therefore, must be found to provide adequate, healthful housing for the nation.

It has been suggested that one such new approach be a national non-profit corporation that could amass the needed billions of development dollars from private institutions as well as government. Under such a corporation, significant new starts could be made in rehabilitation of existing housing as well as construction of new housing.

Whatever agency or agencies are finally designed to meet the national housing need must emphasize a logical system or rotation—rotation in the use of land and in the housing of people—so that housing is ready for people when the people must move from dilapidated dwellings. New York Mayor Lindsay's recent survey of vacant land in his city revealed an astonishing number of empty parcels, many already city-owned. Planned, full use of this space—which, if it exists in New York City, exist in most other cities—will mean we need never again have to tear down before we build.

We must utilize vacant land for new construction, and we must rehabilitate existing structures for the poor in a systematic way before we move them from slum housing. Only in this way can their housing needs be met and the process of physical decay in our cities halted.

The few spot-rehabilitation allowances granted to core city residents to improve their deteriorating homes, inside and out, have amply demonstrated that minor federal investments can change, for the better, both the personality and the economic base of a whole neighborhood.

I also think it will be a national disgrace if we discontinue, or refuse to increase substantially, our national rent subsidy program. Not only has its trial run proved it to be an effective means of stepping up the pace of residential integration, it has shown that the program can serve as partial, but efficient, stopgap solution to our severe shortage of low-cost housing.

And what has been a major cause of this shortage? At a time when we should be building two to three times more units than we are, we are committed to a policy of controlling the national economy by manipulating interest rates. If we are going to pursue this method, and apparently we are, we must begin now to use it selectively, to protect vital national interests. It is sheer folly for the federal government to follow a course of action which destroys the only housing many Americans can afford and, at one and the same time, encourages the construction of units which practically no can can afford.

I believe also that the federal government must invest heavily in experiments to bring the new technology to the building industry. The Woods Hole, Massachusetts sessions on housing technology estimated that costs could be cut in half through the development of new more efficient building practices. While initially, the cost of rehabilitation and new construction would average $16,000 per unit, that figure, through the application of modern technology, could be brought down to $8,000 per unit. It must subsidize research to develop mass production techniques for home and apartment units.

And it must encourage modernization of local building codes. Out-dated construction requirements and costly, unnecessary building techniques must be discarded in the face of our national housing crisis.

Employment

Mention of the new technology is almost always the cue these days for a discussion of manpower surpluses and shortages. It goes without saying that we have not, even in this incredibly wealthy decade, achieved full employment. Rather than complacently or, perhaps I should say, proudly congratulating ourselves for having whittled unemployment down a few notches, we should be launching massive programs to wipe out the awful unemployment among our low and semi-skilled workers.

Because our cities cannot be good places to live—and meet their burgeoning responsibilities—without full employment, the UAW and the IUD advocate immediate adoption, as a national goal, of the following four point program:

First, we must guarantee, as a human right, a job for everyone who wants to work.

Second, we must assure every worker an income sufficient to meet his and his family's basic needs.

Third, our senior citizens must receive an income which permits them to live in decency, without financial worry.

And fourth,, those who cannot work, or are more needed at home, must have an income which enables them to live in privacy and security.

To achieve these goals across the country, we must make maximum use of all existing skills. This can be accomplished by federalizing our state-operated employment security services. We need a computerized, nation-wide system to match job applicants with job vacancies and a relocation allowance program to encourage workers to move to places where their skills are needed.

We need a massive training-retraining program geared both to immediate and future manpower needs, and to both local and national requirements. This program must clear away, once and for all, the valid resistance many Americans have to change by preparing them for new jobs before their present skills become obsolete.

Education

As a start, we must take the price tag off education by guaranteeing every American at least sixteen years of publicly supported education. This will mean that we must develop, at both the local and national levels, more equitable and productive revenue sources, to guarantee local school systems incomes ade-

quate for their obligations. Our schools and universities must no longer be forced to go door-to-door, hat-in-hand, to beg for pittances.

It will require us to adopt national teacher-qualification standards and take steps to increase their salaries substantially. It will also require large-scale training and retraining programs to equip present and future teachers with the skills and knowledge they will need to meet the needs of all our students.

Equalization of education opportunity will mean standardization of school districting methods and national adoption of manageable teacher-student ratios.

The federal government must immediately sponsor a stepped-up research program to develop and adapt programmed teaching methods to special education situations, including poor children and children from minority families, the chronically unemployed, low-skilled workers, the physically disabled, and the mentally handicapped.

I can see no more effective, short-range solution to our present teacher shortage than a broad expansion of the Teacher Corps. To me, the insignificant level at which this well managed, hard-working program was recently refunded is nothing short of preposterous.

Health

As a nation we are fast approaching the day when we will recognize and accept sound mental and physical health as prerequisites to a healthy society. The school-community agent program has shown us how, in a very short time, attitudes and behavior can change when man's fears and alienations are dealt with on a face-to-face basis.

Dr. Frank Reisman's work in community mental health techniques has been impressive. It has paved the way for federal support of serious experiments designed to adapt these techniques to middle income neighborhoods, and to office or plant work situations.

Just as we must press hard to extend free medical and surgical coverage for the aged to all Americans, so also must we work to guarantee to all workers and their families complete treatment for mental handicaps.

Long ago we validated the worker's right to compensation for injuries caused by his job. Is it so great a step forward to admit that the grinding pressures generated by his job can cause graver, more lasting, and more crippling injuries?

I think not. But I also think that unless the federal government starts getting serious about dealing with mental health problems that affect the lives of one out of every ten Americans, we're not going to make much of a dent in it.

We need sizeable federal investments to construct outpatient treatment centers, hospitals, and to carry on medical and psychiatric research. We need new incentives to attract professional, technical, and non-professional personnel. We need to create thousands of sub-professional jobs—both to provide employment for the unemployed and to relieve professionals of their crushing load of non-technical duties.

Transportation

We invest hundreds of millions in expressways which are often obsolete before their first overpass is built. The city of Toronto built one of the most efficient mass transit systems in the world for less than most major cities will spend on expressways in the next decade alone; it should be an example for us.

Urban America needs mass transportation now. Urban America needs computer-directed traffic control now. Urban America needs fumeless, compact vehicles now.

And urban America isn't going to have these necessities without strong federal support. We need, and we always will need, a sophisticated, well-maintained network of intercity highways. And our spending for intracity streets can't decrease appreciably until we wipe out the needs our past neglect has created.

But we need more. We need massive federal support to construct, and if necessary, subsidize the operation of public transportation systems in urban and suburban areas capable of meeting both present and future needs.

Outside Detroit is a section of expressway, built with a generous helping of federal funds. It ends abruptly at the corporate limits of a nearby suburb. Whether it will ever get where it was planned to go depends on whether we continue to permit the wishes of a few to override the pressing needs of many. We need federal assistance to form intercity, intercounty and interstate transportation compacts to make possible orderly and efficient movement between them.

Paying for Our Cities

I think it is high time we began to look at the other side of this huge coin—at the dollars and cents cost to America of not acting now, in a concerted and committed manner, to attack each of the problems I've mentioned.

Some people have taken to calling this approach "negative accounting," but I prefer the phrase "social accounting." It works like this: we add up the cost of all our welfare programs, the value of the services our economy loses through the non-productivity of the unemployed, the cost of loss of taxes from operating below full employment levels, and the hours we waste trying to get to and from work.

To these figures we add the loss of productivity caused by preventable physical or mental illness, the loss of wealth caused by crime and the outpouring of social aggressions, the cost of penning up our deviants, and the irreplaceable losses caused by air and water pollution.

It's something that's never been done—but it can and should be. The total, I think, would convince us that it will cost no more to do something about our problems than it does to let them continue to pile up.

Which brings us to another truth we're apparently unwilling to face: it costs money to find ways to do things we've never done before. Cape Kennedy failures cost more each year than we spend to end poverty.

We have got to realize—and accept—the need for experimentation and possible costly failures, as a real and necessary part of the cost of social development, just as we do in our programs for exploring space.

Where will the money come from? We can expect a large portion of the necessary funds to come from the natural growth of our economy. Each year, even with our current federal tax structure, under condition of full employment productivity increases federal revenues by another $8 billion. This means, compared to present levels, $8 billion more next year, $16 billion more in 1968, an extra $24 billion in 1969, and so on. Over the next ten years our economic growth alone will produce close to $400 billion in additional taxes. An ample portion of these funds can be earmarked for saving our urban areas from decay and eventual destruction.

New Governmental Techniques

I have been favorably impressed with recent changes in federal administration, and the work of the new federalists. The days seem to be behind us when federal officials painted a sign on their doors, and then waited patiently for local officials to search them out for help.

The Office of Economic Opportunity, the Labor Department, and the Department of Health, Education and Welfare now seek out our national trouble spots, and many of their technicians are equipped to do something about them.

The President's Committee on Manpower, for instance, an inter-agency team made up of a representative from OEO, HEW and Labor, seeks to focus all their departments' available resources on local manpower problems and I think their early successes warrant a stepped-up use of this team approach.

We need to extend this approach to cover the whole range of urban problems, however. Each urban area should have its own federal expediter—as contemplated in the original Demonstration Cities proposal—right there on the local scene. He should be capable of helping to coordinate all of the federal government's resources in a planned program to meet local needs. Perhaps even more important, he should be able to get the government to move quickly, to cut through bureaucratic bottlenecks.

But we also need expediters in Washington. Some technique must be developed whereby interagency committees are created responsible for the efficient application of federal aid to each individual city, so that local officials in a given city, as well as the federal expediter in that city, can maintain a constant liaison with responsible officials in Washington of sufficient rank to assure adequate federal responses.

This cooperation, instead of competition, at the federal level must also find its parallel at the local level. New and needed programs will be frustrated unless urban areas reduce to an efficient number the maze of interfering governmental jurisdictions which today paralyze city planners.

Another vital ingredient of the new federalism will be the establishment of Congressional committees on urban areas. We have accepted the need for a cabinet-level department to deal with urban troubles. Congress itself should establish standing committees on urban affairs in both Houses. It will be important, too, for the new Committees to follow the precedent established by the House Agriculture Committee and others, of controlling both front door and back door federal spending for urban areas.

Community Participation in Decision Making

We can deal successfully with national and regional problems only through national and regional mechanisms. This means that more and more decisions which affect individuals will be made above and beyond our traditional jurisdictional boundaries.

For a long time to come, then, two forces will oppose one another. On the one hand, we must ceaselessly strive to cut unnecessary waste and duplication to a minimum. This will require making many of our decisions and doing much of our technical planning and work through centralized agencies.

On the other hand, we must seek to preserve, or perhaps I should say increase, individual control over society's workings. Retention of individuality will require us to devise countervailing decision-making processes and check points at the local level.

Lessons learned from citizen participation in the war on poverty should serve as a basis for intensive federally financed studies aimed at defining what technical decisions can most efficiently be made through centralization and what social decisions must be retained or created to protect local initiative and personal freedom.

But this participation must stop with the individual. The many private institutions in each community—churches, labor unions, businesses, banks and credit unions, service organizations, welfare agencies, etc.—these too must be brought into the processes of planning, decision-making and action. In sum, the total community must be enrolled in the effect to solve the community's problems.

National goals must, in the future, be set by the people of the nation. And the means by which we plan to achieve them must spring from a peoples' mandate. This is the only alternative to superbly organized chaos.

The New World of Urban Areas

The last decade has been the scene of an amazing transformation in Americans' living habits. Where once we flocked to the city, we now flee in droves from it. The vague notion which has prompted this mass exodus seems to be that we can somehow cut our losses in the city by hiding in a suburb. This is as ridiculous as thinking we can escape nuclear annihilation by building bigger and better bomb shelters.

Everyone whose job is city-based, or whose market is, whose fresh or not-so-fresh air and water comes from a city, who enjoys professional sports, or museums or concerts, or the theater is part of his core city, regardless of what return address is printed on his personal stationery. Its problems are his—and his problems become its problems.

When the core city produces crime, unemployables, and contaminating poisons, it produces problems which affect not just it, but its surrounding network of suburbs, and the entire country.

Just as none of us is immune to small pox unless we invest in certain safeguards, none of us is immune to the sickness of our cities.

The problems of our cities are already the problems of all America. They must be treated as such. The urban areas of the future will sprawl, hopefully in an increasingly orderly fashion, around a small number of centers. Those centers can make life good and full—or they can make it impossible and barren.

We have the opportunity and the capacity to make it good and full. We must grasp that opportunity and exercise that capacity.



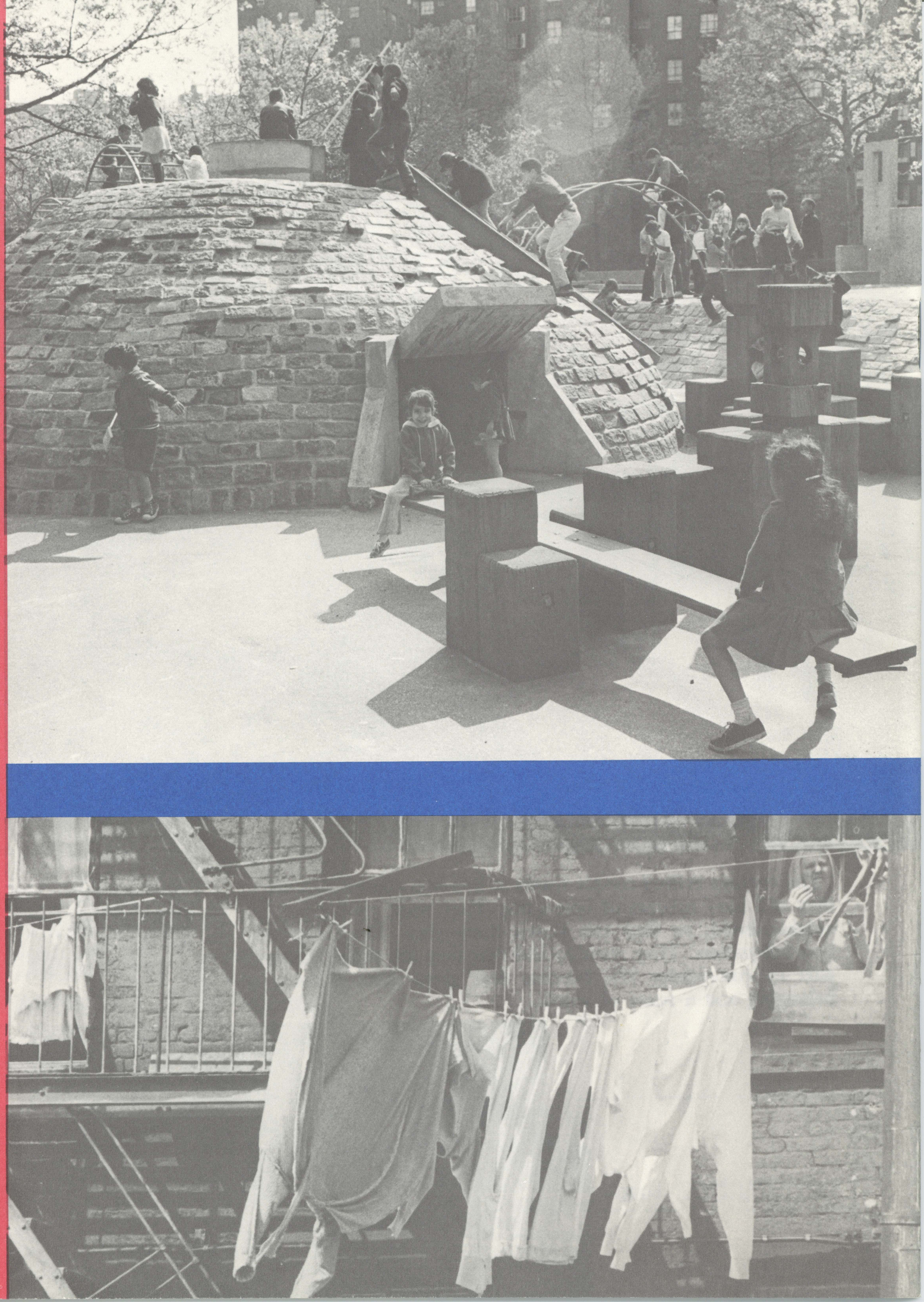
All photos by Black Star

Produced by UAW Citizenship
Legislative Department, 1967



The average retired couple wants to live in a community where they still have a sense of belonging. They want children in the neighborhood, so they can watch them play. They make the best babysitters. They want to feel that they are still an integral part of community life, because that gives them a sense of belonging and a sense of worth.





From FRANK WALLICK
Washington Legislative
Representative



UAW Washington Office
1126 16th St. N.W.
Washington, D.C. 20036
296-7484

Dear Irv:

F

JUL 25 1967

Attached is dummy of Reuther book on cities.

I am substituting attached picture for page 3. Attached picture is a copy, have good glossy here.

Still looking for picture showing gloom and despair but want you to see what I have so far.

Will also have introduction to prepared text.

Carl Frank

1-color

THE CRISIS OF OUR CITIES

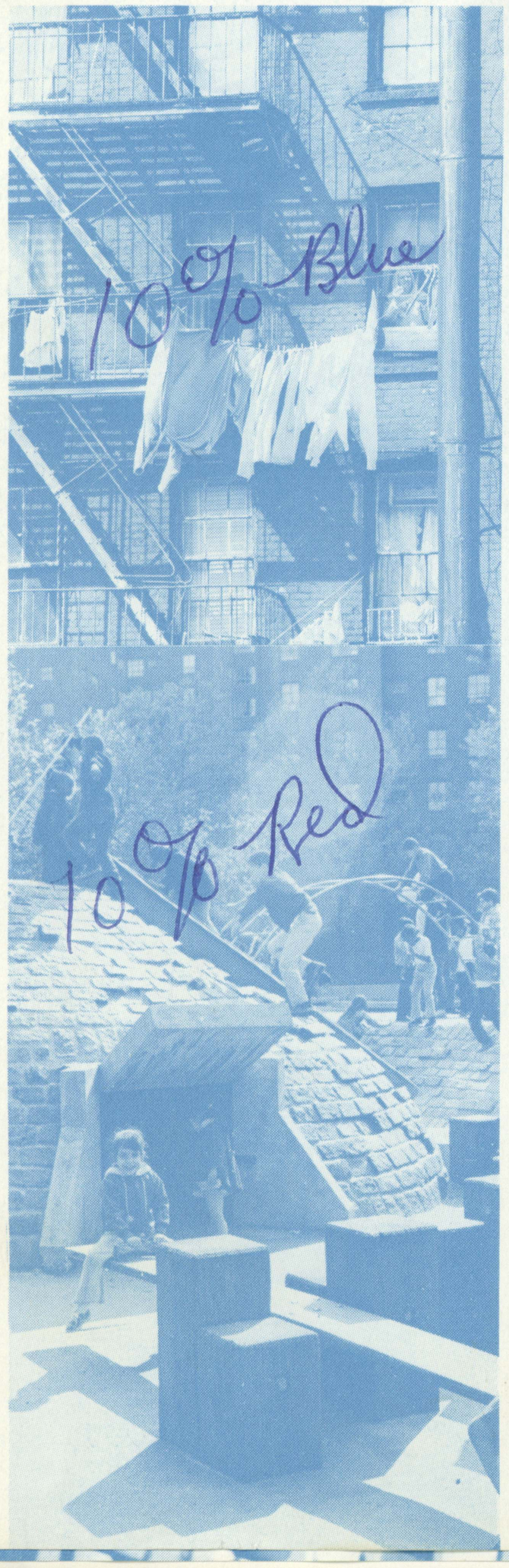
WALTER P. REUTHER

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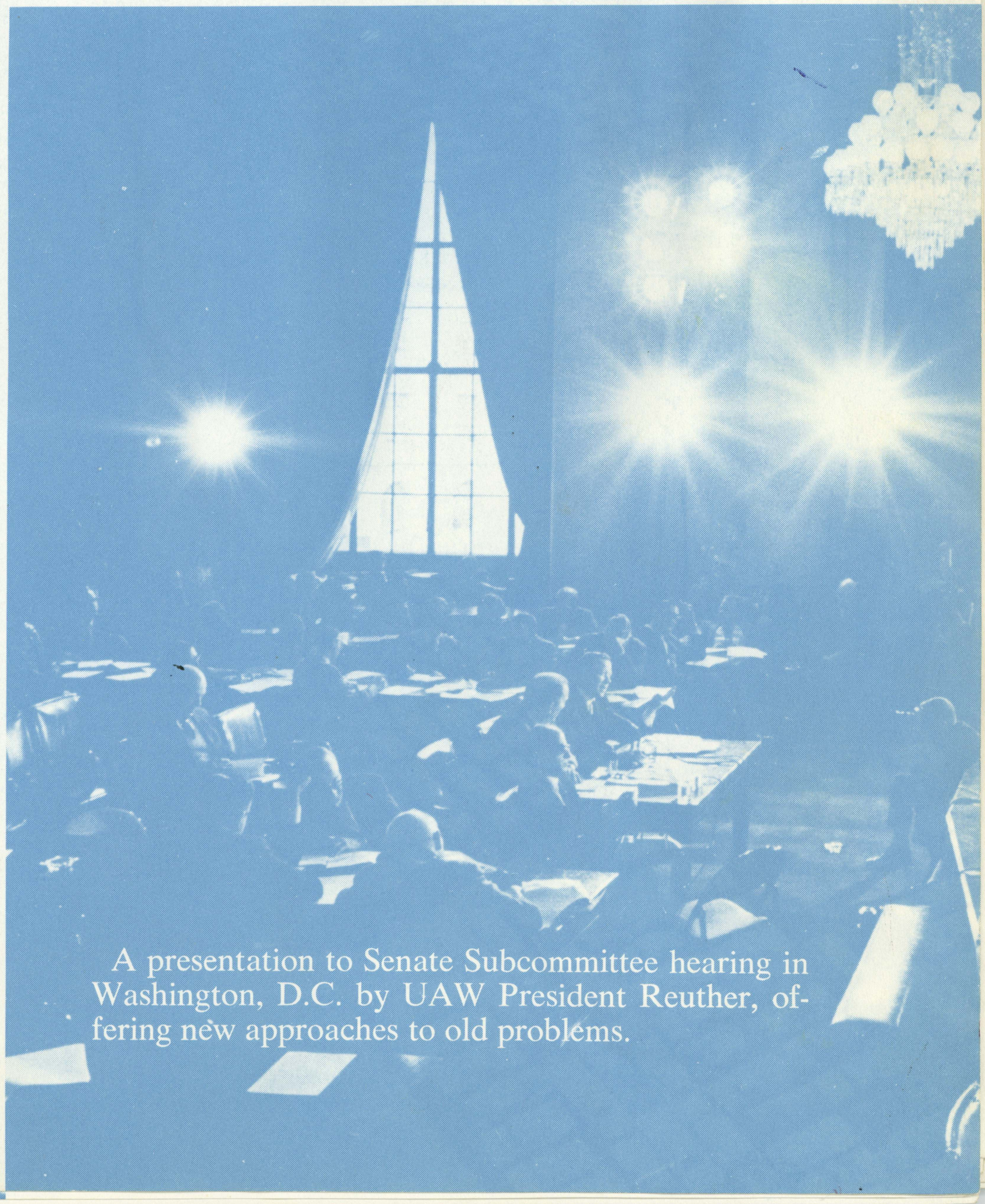
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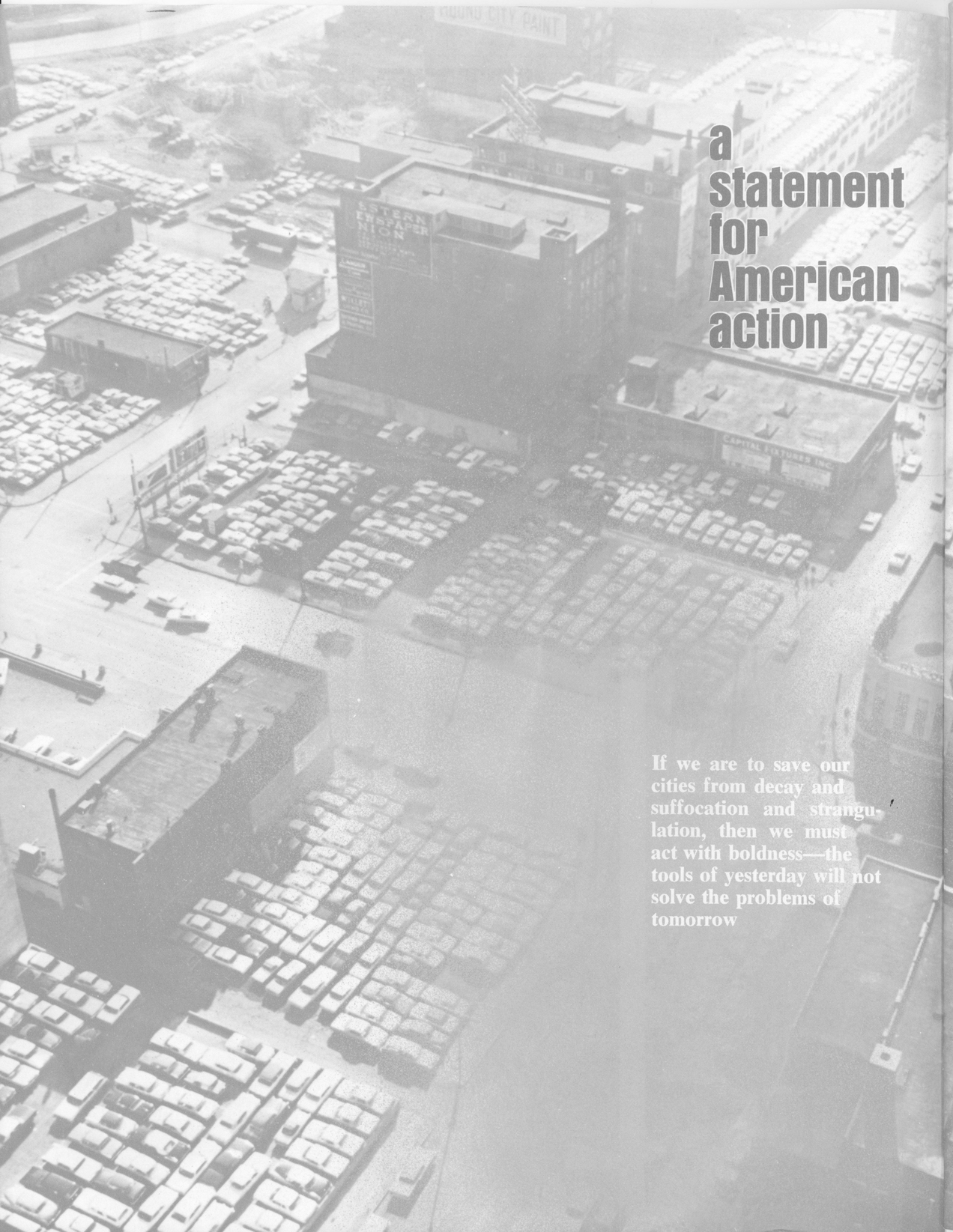


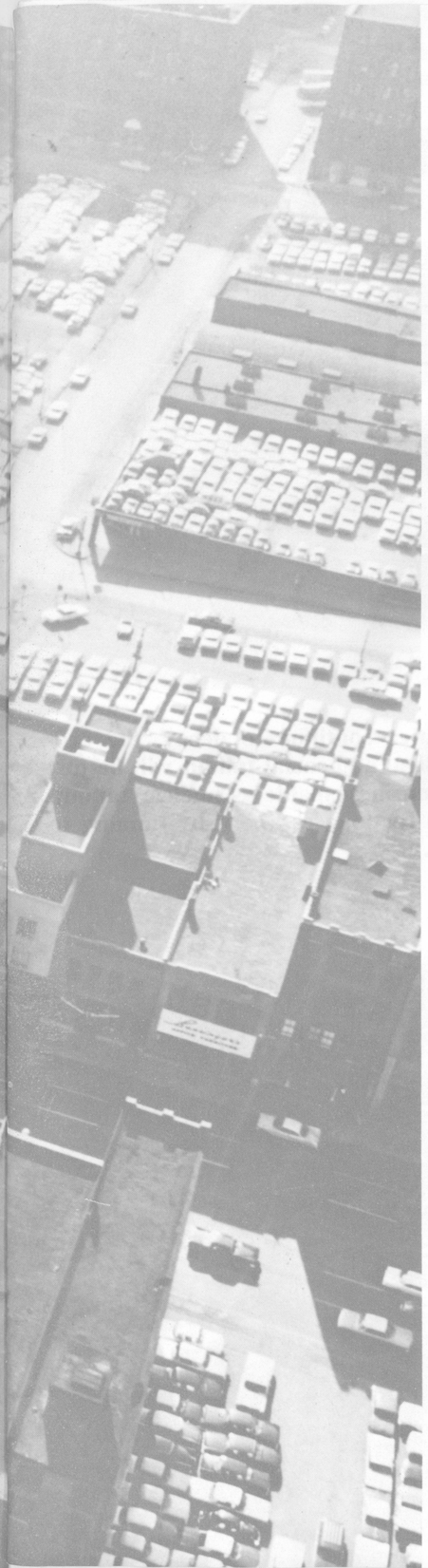
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A presentation to Senate Subcommittee hearing in Washington, D.C. by UAW President Reuther, offering new approaches to old problems.





2 color

ORAL TESTIMONY OF
WALTER P. REUTHER
PRESIDENT, INDUSTRIAL UNION DEPARTMENT, AFL-CIO
and
PRESIDENT, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, AFL-CIO
and
CHAIRMAN, CITIZENS' CRUSADE AGAINST POVERTY

MR. REUTHER: Thank you, Senator Ribicoff, and members of the committee.

Both the UAW and the Industrial Union Department have, for a long time, provided maximum support to an effective urban affairs program, because we share with the President, as I believe most Americans do, the dream of building the Great Society, a society more concerned with the quality of its goals than the quantity of its goods.

I believe there is general agreement that American cities are in deep crisis. Without great cities, modern civilization is not possible. Western civilization grew out of the great cities of the past, Athens, Rome and others, the centers of culture and commerce and learning.

The real challenge is how to rebuild and rehabilitate our urban centers so that they can continue to play their vital role in our developing culture, in a period of a revolutionary technology which, while compounding our difficulties, is at the same time multiplying our opportunities.

The fundamental question is: How does a free people harness the rising star of science and technology so that we can relate the abundance of automation to the task of meeting the basic needs of the total community?

One of our basic problems is that our social system is out of focus. We over-feed some of the private sectors of the economy while we starve the broad areas of social need.

If we were to bring our value system into proper focus, and place first things first, then we could develop a list of national priorities and allocate our resources to meet those priorities.

We have to work together as a community to find answers to the problems of our great urban centers.

If we are to save our cities from decay and suffocation and strangulation, then we must act with boldness, with new imagination and new creative social invention, because the tools of yesterday will not solve the problems of tomorrow.

Unless we are as daring and creative in rebuilding and rehabilitating our cities as we are in developing our outer space programs, we shall fail, because the problems of our urban cities will not be solved by halfway and halfhearted measures, by policies and programs of too little and too late.

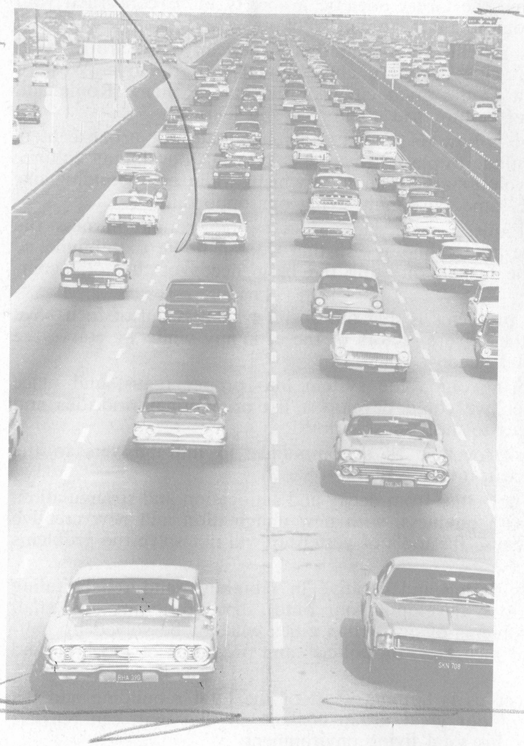
The task that faces us is nothing short of the total rebuilding and the total rehabilitation of our great urban centers, so that man can reassert his sovereignty over his total living environment.

The enormity of the problem of rebuilding our cities stems largely from what I call America's fifth basic freedom: the freedom of maximum mobility, the freedom to escape the problems of the urban centers by running away from them (and millions of Americans have already taken advantage of that freedom). America's industries, too, are running away, to get access to larger land areas, where they can build single story modern plants rather than the old multiple story plants and where they can get adequate parking facilities. Unless we solve the basic blight in the core of our cities, this exodus will continue.

More and more we will abandon to the core of the cities the economically disadvantaged. Consequently, at the very time when the problems the cities must deal with are multiplying and becoming more complex and the cost of curing them is being greater, the economic capability of the cities to solve their problems will be diminishing.

page 3

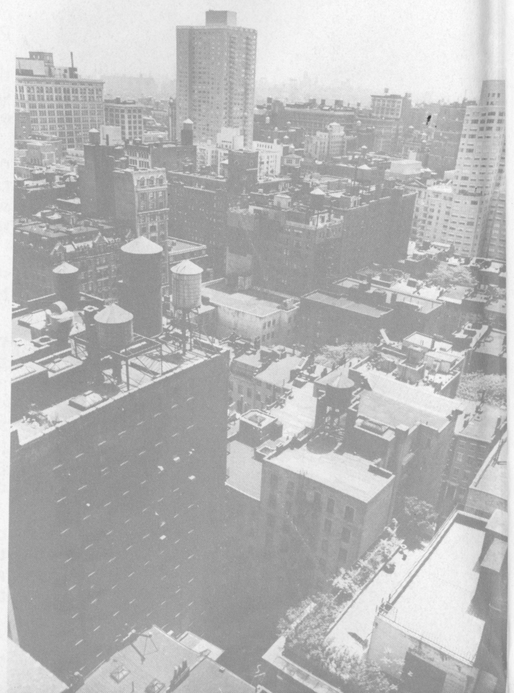
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We build an automobile that gives us the capacity to go 80 miles an hour. We build a highway to carry a vehicle at that speed, and then we put so many cars on the highway that they are bumper-to-bumper and we crawl along at 10 miles an hour.



If our cities continue to decay, the economic, political and social fallout will be just as deadly and inescapable as nuclear fallout. No one can for long escape it by running to the suburbs.





color

We must point out to those who have already run away from the cities and those who contemplate running away that they cannot escape the problems of the American cities. If our cities continue to decay, the economic, political and social fallout will be just as deadly and inescapable as nuclear fallout. No one can for long escape it by running to the suburbs.

There are no simple, easy solutions to this problem. I would like to discuss some of the areas which I think deserve special attention, and to offer a number of suggestions which I think deserve consideration.

First, we must act with the knowledge that we can't really solve the problems of the city in terms of its physical rebuilding and rehabilitation unless the programs are oriented in terms of solving the problems of the people.

We have to make people the priority and central value in planning the rebuilding of our cities.

Secondly, there are no piecemeal solutions. We need the broadest kind of coordination that will involve in both program and policy every level of government, plus the active participation of private forces at each level of the operation.

I believe also that we need to have our planning and our programming on the broadest possible scale, in both its geographical aspects and its time element.

You heard this morning from that very brilliant man, Mr. Doxiadis, who is working with us in Detroit. He is giving us the long view, which we need because we are dealing with a revolutionary technology that will change the complexion of the world in which we live, and at an accelerating speed.

Unless we look far into the future and do our basic planning within the framework of that broader view, we will be seeking short range solutions at a great price in terms of the long view.

One of the things we need to do is find a way to weave together into a total concept all elements—housing, transportation, industrial development, employment, education, medical facilities, social facilities, cultural, recreation, the special problems of our older citizens, the whole problem of air and water pollution—all of these elements have to be woven together into the fabric of the whole, because none can be solved in isolation.

We need to achieve maximum coordination in our central planning and direction. There have to be people and agencies who can pull and weave together the loose threads.

This, however, must be done in a framework that will enable us to achieve maximum participation with the maximum contribution of local private groups.

These two objectives may seem to be incompatible, but I do not believe they are. I believe we can achieve the efficiencies and the coordination of overall central planning, and make that compatible with the broadest participation at the local level, in terms both of public and private effort.

The genius of a free society is its ability to create the special instruments and the special unique relationships that enable us to achieve unity in diversity by harmonizing differences in working out this kind of practical problem.

The problems of our cities are beyond the economic capability of the local tax structure. Therefore, the Federal Government, of necessity, must play an increasingly important role. But it must play that role in relationship with local governmental units and local groups so that while it provides maximum economic support and technical assistance, it encourages and strengthens the fullest and broadest participation of local groups. It is at the local level where the real drive and thrust must come, in order successfully to mobilize the resources and fulfill the kind of commitment communities must make, if we are to get on with this task.

I should like to suggest that we give serious consideration to creating a national non-profit housing and development authority or corporation, which would draw into its active participation the best minds from the business community, the academic community, from labor and from other civic groups.

This non-profit housing corporation could accept grants from the Federal Government and from private foundations; it could draw upon the financial resources of labor and industry.

I prefer this type of non-governmental private development authority or corporation to the concept which has been suggested of a sort of housing COMSAT.

I prefer it primarily because I believe that what we need in the field of urban affairs is the maximum kind of administrative and operational flexibility. I believe that whenever the government is an equal partner, we tend to become the prisoner of entrenched bureaucratic practices. I don't think that a housing organization that needs to move forward boldly and needs to initiate new social invention should have the heavy burden of constantly being engaged in infighting to try to change the patterns of people who, over the years, have become somewhat entrenched in their attitudes.

I think a private non-profit corporation approach provides maximum flexibility in both programming and operation, and, therefore, could take new bold initiatives with a minimum of difficulty.

In the City of Detroit—and I cite this because it has given me a great deal of encouragement—there is a growing realization that the task of rebuilding the city and making it a place in which the total living environment is worthy of free men, is not the task of local government or state government or Federal Government alone, but the task of the total community, using all the leverages the private sector of the economy can bring to bear to supplement efforts by our respective governmental agencies. In this spirit, we have established in Detroit, and we are now doing the preparatory work to get into motion, the Detroit Metropolitan City Development authority, which covers a six-county area, with Detroit as its hub.

I am privileged to serve as the Chairman of this Committee, Mr. Chairman, and I am happy to report that we are building into the structure of this committee the active participation of industry, including the Big Three of the automobile industry, the public utilities, the large retail stores and commercial establishments, church and civic and civil rights groups, "grass roots" community organizations and labor, because we are determined to mobilize the total community to deal with the total problems of rebuilding and rehabilitating our total community.

We are trying to create a creative community partnership, in which every segment of the community is afforded the opportunity of meaningful participation in the planning, in the programming, and in the effective implementation of the programs.

The city of Detroit is applying to qualify as one of the demonstration cities, under the new Federal program. We are confident we will come up with the kind of exciting, broad programs for the rebuilding and the rehabilitation of Detroit, that qualifies it to be one of the cities chosen to participate in that exciting new Federal project.

One of the basic problems, when private groups get involved in housing and urban redevelopment, is how to get sufficient seed money to get programs off the planning tables into the practical field of implementation. The non-profit Development Authority will raise seed money. We will also raise development money. And then we can persuade the people who have access to the mortgage money to give us mortgage money.

We have had some preliminary discussions about making some of the very substantial resources available in the UAW pension funds.

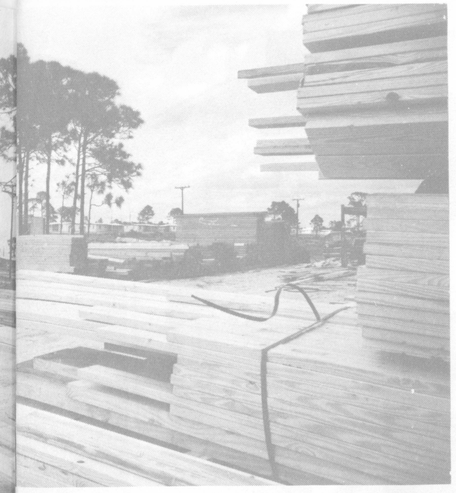
The UAW does not participate in the investment of these pension funds. We had a difficult enough task at the bargaining table to get the corporations to agree to pensions and we didn't want to complicate our problem by thrusting into it a new ideological controversy.

They picked the banks or the companies that administer the funds, but we have made it very clear that these resources are the resources of the workers. They are held in trust, and they now approximate somewhere between two and three billions of dollars.

We want a percentage of those funds to be used to help rebuild and rehabilitate the cities in which the workers and their families live, to whom these resources belong.

We believe that the UAW pension funds can be a source of real practical support, but we draw a sharp line of demarcation between mortgage money and development money and seed money.







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We need to have our planning and our programming on the broadest possible scale.

The key to this whole problem of rebuilding and rehabilitating America's great urban centers is for us to demonstrate the practical ability to make public planning for people compatible with private planning for profit.

There is a growing realization that the task of rebuilding the city and making it a place in which the total living environment is worthy of free men, is not the task of local government or state government or federal government alone, but the task of the total community, using all the leverages the private sector of the economy.

The Development Authority will take upon itself the responsibility of raising the seed money. Seed money is money you don't get back. Its only return is a social value through improving the community.

Development money, we hope, would be made available at a very small interest rate, over a long enough period of time, so that it can bridge the gap between what is done with the seed money and what is done with the mortgage money.

A national non-profit development corporation or authority would work in a broader area. It would for example, take upon itself the responsibility of doing something about catching up with the technological revolution that is having a massive impact on every basic industry and every segment of American life except the housing industry.

I will say more about that later.

It would also help local groups which can be encouraged to organize their resources, but lack technical assistance. It is tragic that there are so few competent technical people in this field—that everybody who starts an ambitious program has to first try to steal the personnel from somebody else engaged in a comparable program.

This national non-profit development corporation could work at the task, with the universities and other people in the field, of developing a greater number of competent technical people to help do these jobs.

Of course everybody doesn't have to have a full complement of experts so long as there are experts available when they need them. This corporation could have a staff on call to help local groups when they need expert assistance.

The national group could also be very helpful in showing local groups how to get access to adequate seed money and adequate development money, and then help them meet the requirements of mortgage money.

The key to this whole problem of rebuilding and rehabilitating America's great urban centers is for us to demonstrate the practical ability to make public planning for people compatible with private planning for profit.

These two things are not incompatible. Why can't the drive and the individual incentives of the market place be related to a sense of broad social responsibility in the task of rebuilding our great cities?

I think we can, and I think the private non-profit corporation is a practical democratic tool in the effort to achieve that purpose.

The demonstration cities program the President has recommended is a new and very significant step forward.

The old programs were wholly inadequate. They were borne out of the great depression in the early days of the New Deal. Essentially they only nibbled at the outer edges of the basic problem.

The demonstration cities or the model city program attempts for the first time to deal with both the scope of the problem and the realities of the problem. It offers a great opportunity. The very fact that several hundred communities have already indicated that they are going to compete for the opportunity of being one of the cities indicates the broad support it has at the local level.

But the key, Mr. Chairman, I believe is not in the broad concept, but in its practical implementation. By and large that key resides in the hands of Congress.

Are we going to give the people who are responding now to this new challenge at the local level, who are organizing non-profit corporations, who are creating citizens groups to work with the local government agencies and through them with the Federal Government agencies, the kind of economic resources that they need? And under the kind of circumstances, with long range commitments, without which they cannot possibly plan the implementation of this broad demonstration city concept?

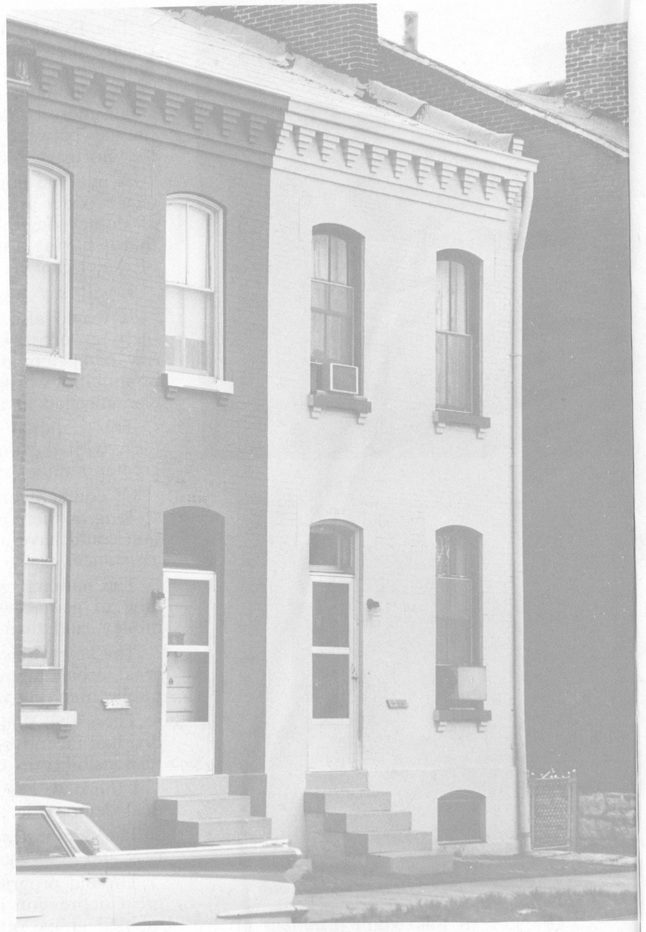
There are enough problems to solve in our cities and enough responsibility for our failures to go around. Congress cannot escape accepting responsibility for a major share of our failure to deal with the problems of the American cities.

Why is it, we need to ask ourselves, when the Defense Department plans its long range programs, whether for development of a new system or some new defense weapon, Congress is always willing to give them appropriations over a long enough period, and with adequate resources, so that they can do the long range planning and programming essential to do the job?

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The increase in the value of land is a social investment the community makes, and yet a handful of speculators are able to exploit it.

If the federal government can put billions of dollars into creating stockpiles of copper or some other critical metal, then why can't the federal government help the local communities create land banks, so that land will more and more be in the hands of the community, to be used to meet the basic needs of the total community?





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When people who need low and middle income housing have to compete for money in a tight market with giant corporations and people who can afford luxury housing, it is quite obvious they will come out on the short end.

We do the same thing for the space program. But, unfortunately, when we get into the area of housing and urban affairs, Congress to date has been unwilling to provide the long range financial commitments which are so essential.

We could not have gotten the Manhattan Project off the ground, let alone split the atom, on a time schedule that made it meaningful in terms of the last great war without long-range financial commitments.

When Congress was asked to make available the resources, they didn't ask the Government agencies to spell out all the details and dot all the i's and cross all the t's.

As a matter of fact, only a few people in Congress even knew what the Manhattan Project was all about. Yet Congress, driven by the negative fears and hatreds of war, made available the adequate long-range financial commitments necessary to do that job. We now have to ask ourselves whether we as a free society, because we are motivated by common hopes and aspirations and a common faith, can make a comparable effort in terms of long-range adequate financial commitments to provide the people charged with the responsibility of rebuilding our great urban centers with tools adequate to do the job?

Congress didn't put the highway program on an annual basis. Congress established a $12 billion trust fund over a 10 year period, and then expanded that, so that we could plan ahead.

If we can't build highways without a long range commitment, it is obvious that we cannot deal with the much more complex problems of rebuilding America without comparable long range financial commitments.

It seems to me that Congress has no moral right to deny to the people in Detroit or the people in any other big urban center, who are willingly and enthusiastically prepared to take on the task of rebuilding the city, the same financial long range considerations that it gives the people who deal with the space program, the defense program or the highway program. In the absence of that kind of commitment, we cannot achieve the level of performance which is essential, and no city, no business, no organization can go ahead, unless it knows that when tomorrow comes the resources to translate its program into practical reality will be available.

My second point is that the problem of the use of land is a very critical aspect of this total problem. Unless we get better social and community control of the land, so that we can work out its utilization on the basis of the need of the community, we are in deep trouble.

It is shameful and shocking that a free society, which has such challenging and urgent problems in its great urban centers, has permitted selfish land speculators to manipulate the land market without making any contribution to the land.

The increase in the value of land is a social investment the community makes, and yet a handful of speculators are able to exploit it.

I believe that they have unduly and negatively influenced the character of our communities, the kind of housing we have, the kind of community facilities we have, the number of parks we have, the number of recreational centers, the population density, the location of our industries.

We suggest strongly that the Federal Government assist cities and local governmental units in creating and operating a publicly owned land bank. If the Federal Government can put billions of dollars into creating stockpiles of copper or some other critical metal, then why can't the Federal Government help the local communities create land banks, so that land will more and more be in the hands of the community, to be used to meet the basic needs of the total community?

I should like to recommend, also, Mr. Chairman, that your subcommittee give consideration to inviting the land commissioner in Great Britain and also the housing commissioner in Sweden to testify during these hearings. I think we have much to learn from experiences in both these countries about how a free society can use its land resources.

I also think that the Federal Government has to do something much more dramatic, much more adequate and much more realistic about loosening up the money market as it relates to housing needs.

In 1966 housing starts are less than 50 percent of what they ought to be. I personally think they are about a third of what they ought to be. We should be building roughly 3 million units a year. We will build a little more than one million units this year.

When people who need low and middle income housing have to compete for money in a tight market with giant corporations and people who can afford luxury housing, it is quite obvious they will come out on the short end. Something must be done about this, if we are going to move forward on the housing front.

Then, as I mentioned earlier, I believe that we have to find a way to drastically reduce the cost of building housing in America, and I believe the only realistic way we can do that is by applying the most advanced technology to this essential area of human needs.

We shall never rebuild or re-house America by using a technology that predates the Model T.

Why is it that we apply the most advanced technology to our space program, our most advanced technology to most every other aspect of our national life, but in an area as basic as how a family can have access to decent low cost housing, we are way back somewhere between the 18th and 19th century, technologically speaking?

All of the improvements in housing technology have been microscopic, when measured against the general march of technological advance.

If we manufactured automobiles with the tools and technology of a comparable vintage, there would be a very small number of American workers employed in the automobile industry, because the market would be very limited. Only a few thousand millionaires could afford to buy a car.

Henry Ford, Sr., understood that the whole secret of a mass market for the automobile industry is to put the product into the market at a price that millions of people can afford.

Millions of people need new housing, better housing, and we have to make housing available.

If we apply the most modern tools of technology and the most modern concepts of mass production and utilize fully the new materials that science and technology have given us, we can reduce the cost of housing by better than 50 percent. For $8,000 we can give the American people a better house than they can buy now for $16,000. Until we begin to deal with this problem in terms of the realities of the 20th century technological revolution, we are only playing on its outer fringes. We are not solving it.

Now, I am aware that people will say "How do workers get job security if you apply mass production technology to the housing field?"

Well, I believe we can say to the people in the industries related to the production of housing: "The task of rebuilding America is so tremendous that if we do the job right, instead of limiting employment, instead of creating unemployment, we will create hundreds and hundreds of thousands of new jobs, and everybody can be assured of full employment in the foreseeable future."

There is another area in which we need to apply the new technology of the 20th century. That is in the broad area of mass transportation.

We are way behind the parade in developing mass transportation, primarily because millions and millions of Americans rely almost solely upon their individual transportation. As a result, we have neglected creating a common system of transportation to meet the needs of all the people.

I think it is absolutely ridiculous for 100,000 Americans living in the same urban center, all trying to go to the same place for the same purpose at the same time, and all driving a ton and a half of metal. I just think that is utterly unsound from an economic point of view and from a human point of view.

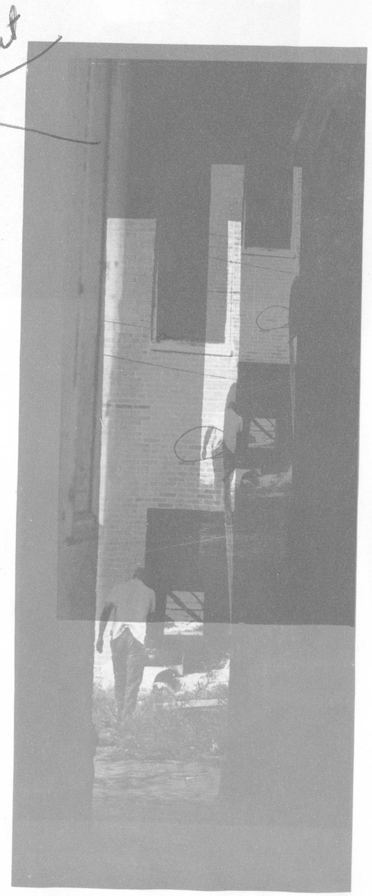
We build an automobile that gives us the capacity to go 80 miles an hour. We build a highway to carry a vehicle at that speed, and then we put so many cars on the highway to carry a vehicle at that speed, and then we put so many cars on the highway that they are bumper-to-bumper and we crawl along at 10 miles per hour.

Now, this doesn't represent a very rational approach to the problem of how to move people in a modern society.

We need to recognize that there are two essential elements of our transportation system in America. One is the private vehicle, which gives a person maximum individual mobility to go where he wants to go. But unless we develop parallel to that the second element, a modern mass transportation system that can take some of the load off our highways, then the automobile industry will strangle in the congestion of its own traffic, and people's mobility will be paralyzed.







What we must do is adapt modern technology to the development of a modern mass transportation system, to supplement our private transportation or vice-versa.

It is not important where we put the emphasis. The two parts are essential ingredients to an overall transportation system in our kind of free, highly technological society.

While I talk about all these problems I want to make it abundantly clear that I am optimistic about the future. I think we can rebuild the American city. I think we can create a total living environment worthy of free men. I believe we can construct housing so that every family can have a decent, wholesome living unit in the kind of community in which every American would like to raise his children.

We need an education system to make it possible for every child to grow to his maximum capability. We have to deal with the problem of community facilities, and we have to have the courage to take the price tag off of them.

I think there is a lot of unimaginative thinking being expressed in America about the problem of older people. Some say let's build communities for older people. We need communities of that character, but I think most older people don't want to be segregated from the rest of society, even though the facilities may be quite attractive. We in the UAW have 200,000 retired members now. Our experience provides that the average retired couple wants to live in a community where they still have a sense of belonging. They want children in the neighborhood, so they can watch them play. They make the best babysitters. They want to feel that they are still an integral part of community life, because that gives them a sense of belonging and a sense of worth.

We are a nation that says we believe in the worth and dignity of each individual, and yet we have institutionalized our services to older people more than any other democratic country in the world.

What we need to do is to fit the institutional services to the needs of the people, rather than fit the people into the structure of the institutions.

In Sweden an older couple can live in a garden city with young people next door, and if the wife in the family isn't able to prepare the meals, they don't put them in an institution. They have the institution prepare the meal and bring it to them and they eat it in their own little kitchen.

In other words, the whole idea is to personalize the institutional services, rather than depersonalize the individual by putting them in institutions.

We have a tremendous job of improving the ability of the average American to have access to the kind of modern medicine which our medical profession is now capable of providing.

Some of the figures the UN World Health Organization has published are shocking: They show that America ranks 11th in infant mortality. Sweden is first. Last year, if we had had the same low rate of infant mortality the Swedish people have, 45,000 babies born into the richest nation in the world would not have died in the first year of their lives.

When we talk about rebuilding our cities, we are talking about housing, education, facilities for older people, medical facilities, recreational facilities, cultural facilities. All of these have to be harmonized into the building of the city that will really reflect the free human spirit.

People will say these are great and bold dreams, but how do we pay for them? There are no economic Santa Clauses. When we reach the age of five, we ought to quit believing that there are. The only way we can have better housing and better medical care and better education and all the other things that make up the good life and the good society is by the application of human labor to the tools of production as both are supplied by the economic resources we have access to. Therefore, the only way that we can create the wealth to make possible these things is for America to achieve the full utilization of its economic potential.

We have never done this except in time of war. When we are driven by fears and hatred, when we are in pursuit of the negative ends of war, we always get full employment, but we have never achieved full employment in terms of our common aspirations in peacetime.

In 1946 the Congress took a very important step when it enacted the Employment Act of 1946. That Act commits our nation to the pursuit of policies essential to the achievement of maximum employment, maximum production and maximum purchasing power, but we have never achieved those ends. We have had an average of five percent unemployment through-

out the 20 years since the Employment Act of 1946 was enacted. The most precious resource we have is an hour of human labor. In those 20 years we have wasted 50 million man-years of potential economic production.

We threw them away irretrievably, for an hour of human labor is the most perishable economic value in the world.

We can produce a ton of steel and put it in storage and use it tomorrow. We can raise a bushel of corn and put it in storage and consume it next year. But we cannot put an hour of human labor in storage. If we don't use it when it is available, it is a total, irretrievable economic loss. We have thrown away 50 million man-years since we signed the Employment Act of 1946.

I believe that represents the economic margin we need. The translation of that economic potential into the practical creation of economic wealth will give us the resources to rebuild America's cities, to provide housing and education and health services and social services and all the other things we need. It is all there to be had. All we need to do is demonstrate the will and the sense of national purpose to use it. I believe that a free society is equal to that challenge.

People will work together and march together when they believe in the same things, when they aspire to the same goals. We must join together in building the Great Society, and in this effort I believe that the broad problem of rebuilding and rehabilitating our great urban centers is an area of great challenge and great urgency. I am very privileged, Mr. Chairman, to be able to be with you. Thank you.

SENATOR RIBICOFF: Thank you very much for a most interesting discussion. There are a few questions I would like to ask you, Mr. Reuther. Your statement that you could reduce by modern techniques the cost of the average unit from $16,000 to $8,000 has been repeated time and time again by many people who have studied the problems of the cost of housing.

It has been said time and time again as you have said again that the most outmoded method of production in our society is the building. How should society go about it, government, industry, finance and labor, to get the most modern tools and techniques, and the most modern materials? How does society, which is apparently helpless now, go about producing an $8,000 unit instead of a $16,000 unit?

MR. REUTHER: To begin with, I suggest we create a mechanism that can tackle the total problem. This is what I would hope a national nonprofit housing and development authority or corporation would take upon itself. It would get people to work on research and development in the housing field on the question of design.

SENATOR RIBICOFF: Do you conceive of this corporation as being completely free of Government?

MR. REUTHER: That is correct. I think that this corporation, if it were supported by Government but free and independent of Government, would have maximum latitude.

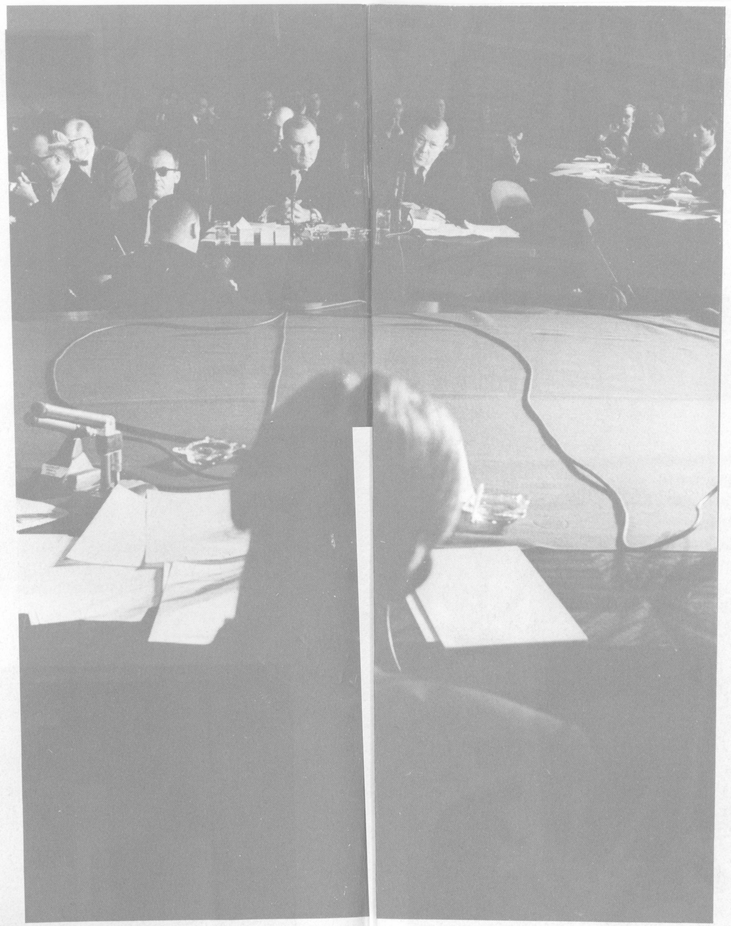
SENATOR RIBICOFF: How would it be supported by Government and still be free of Government?

MR. REUTHER: Suppose the corporation said "one of the first things we want to do is to take upon ourselves the responsibility of finding a way to design and engineer a $16,000 dwelling for $8,000."

I think that is the kind of a thing that the Government can give a grant to. The Government does this in private industry all the time. Do you think the North American Aviation Company would spend their money to make the new rocket engine they are making? No, the Government gives them a grant. I propose that the Government give this non-profit corporation a grant for the purpose of study and research to develop an $8,000 house which will have the value of a $16,000 house.

SENATOR RIBICOFF: Who takes the initiative to organize the corporation?

MR. REUTHER: People like myself who share this same view, and I think there are such people. In Detroit we called a meeting and had around 300 community leaders there. That is where we gave birth to the Detroit Metropolitan Citizens Development Authority, and we are going to raise the money.







Now I believe there are such people in industry, in labor, in the academic community, in other groups, who would respond to an effort to get a nonprofit national private corporation into being.

SENATOR RIBICOFF: You are skeptical, I gather about the COMSAT approach.

MR. REUTHER: I am not skeptical about it. I just do not think it is the most useful tool. I have never been a Government bureaucrat, but I have had a great deal to do with them over the last 30 years. I have great respect for them. There are many dedicated, competent people among them who, if they made a comparable contribution in the private business world, would perhaps get salaries five and six times as large as they get. I say this in no way to degrade or to deprecate their contribution. You know there is a lot of bureaucracy in the American labor movement. This is not something that is just characteristic of Government. I do believe, however, that if we are going to move with boldness, with new social and creative invention, then a non-governmental instrument would give us the maximum latitude and the maximum freedom from the built-in long-range restrictive procedural problems that Government, I think, somehow has gotten involved in.

SENATOR RIBICOFF: Why are you afraid of this corporation making a profit?

MR. REUTHER: Well, I think it can do its work without a profit. However, suppose this nonprofit corporation did the necessary research and development and designing and got all set to put this $8,000 house into production. Then I would let private industry take over the task of building the house, and they would make a profit—a handsome profit.

The General Motors Corporation makes three million Chevrolets a year, and I would be the last person to suggest that they do not make a very substantial profit. There is profit in this business too.

SENATOR RIBICOFF: You would rather see this corporation than the COMSAT approach. You think it is more practical than the COMSAT approach?

MR. REUTHER: I think it has more operational flexibility.

SENATOR RIBICOFF: David Rockefeller of the Chase-Manhattan Bank was here as the opening witness last week, and there was some hesitance on his part about a COMSAT approach. He did not reject it.

MR. REUTHER: I do not reject it. I just think this is the better way to do it.

SENATOR RIBICOFF: None of us know. We are just trying to determine where we stand. Now, he indicated that he thought there ought to be more private investment in the rebuilding of the city, and he put a figure of $1 Government to $5 private. Does that figure sound like a pretty good balance to you?

MR. REUTHER: Yes, I would agree with Mr. Rockefeller on that. That is the approach I favor. I would hope that Mr. David Rockefeller would be one of the allies in the implementation of this concept. I have talked to him about this problem. I believe that if we structured this kind of a private instrument properly we could draw into the total effort very substantial private investments. I think a five to one ratio would be a minimum. We might even go beyond the five to one ratio in terms of the private contribution. But private investment is not going to go into troubled and unchartered waters, unless it knows where it's coming out on the other end. We have no right to take other people's money and speculate with it. But in the task of totally rebuilding our cities, we know the market for decent housing is there. It is not like building something nobody is going to buy. And if we plan it so that it is within the reach of millions of people who need low-cost housing, it is a guaranteed market. That kind of market will attract private funds, because the private funds will be secure.

SENATOR RIBICOFF: Do you look at this corporation as a brick and mortar operation? What is this corporation sociologically and psychologically? For example, you have someone moving off the farm. He never lived in a big city. Who teaches him how to live in a city?

MR. REUTHER: Not the corporation.

SENATOR RIBICOFF: But this becomes a basic problem, a basic problem that we all have to understand. We would not be honest with ourselves if we were not frank with one another. Or you have the inhabitants of the slums of all the big cities, who turn public housing into a slum soon



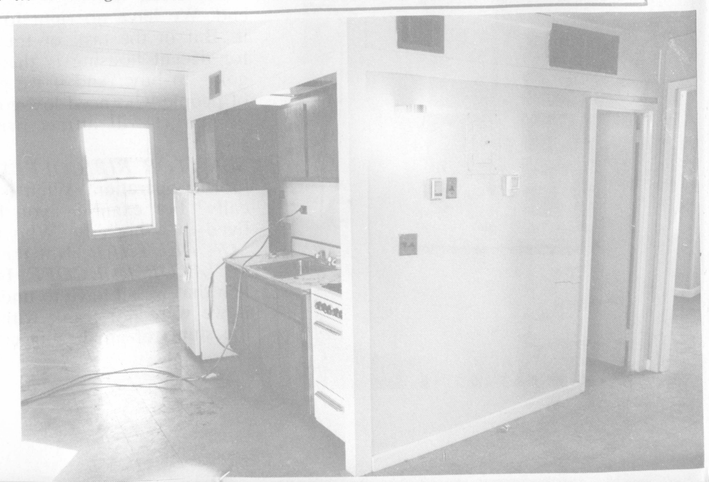




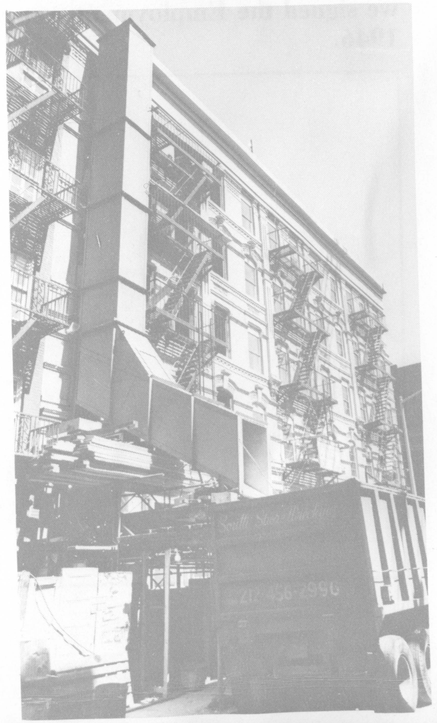
We shall never rebuild or rehouse America by using a technology that predates the Model T.

An example of "instant rehabilitation" of slum dwellings in New York City showed that modern technology can be utilized to make dingy homes more pleasant places to live. This is but a sample of the vast changes needed in housing technology.





If we apply the most modern tools of technology and the most modern concepts of mass production, and utilize fully the new materials that science and technology have given us, we can reduce the cost of housing better than 50 percent. For $8,000 we can give the American people a better house than they can buy now for $16,000.



after they move into it. This is something that gripes all America, when they see public housing become a slum area. Later on in these hearings we will have an exposition, an explanation of what happens to public housing in becoming a slum.

Basically, the private investor is not going to build a group of new homes, if within one year after they are built, they are destroyed and become a slum. Now, who manages the housing that is being built? I am trying to figure the role in facing up to realities.

MR. REUTHER: This is an area in which a great deal of very careful work must be done. To begin with, I think we have to accept the fact that a slum is not just a bad house. It is a part of the total living environment which has destroyed the will that is essential for a group of people to maintain a decent neighborhood. We have to regenerate that in people. We have to start at the community level by creating groups, by organizing people, by developing leadership. This is one of the things that the Citizens Crusade against Poverty is working at—to develop leadership from the slums who will go back into the slum areas. We have to organize neighborhood groups. We have to give people pride.

We also, I believe, have to try to make a large proportion of these new housing units we build privately owned, so that these people will have a direct economic incentive to maintain their house individually in good repair, in a total neighborhood that is attractive. It seems to me that we can create this.

This is like the old problem of the chicken and the egg. Philosophically we can speculate endlessly as to which came first. The practical facts are that unless we start with the proposition that we can elevate the attitude of people who live in the slums, that we can stimulate a sense of motivation relating to building and creating and maintaining a decent neighborhood—unless we assume that, the problem is hopeless.

I have had the privilege, and I consider it a great opportunity, of dealing with people for 30-some years—and I have dealt with all kinds of human beings. What has sustained my faith, through some very difficult years, even when I was shot at and beaten up and kicked around and abused, was the fact that ordinary people will respond to challenges and opportunities in an exciting way. I think people in the slums if given that kind of opportunity will respond in that way. Now it cannot be done by remote control. We have to get in to their neighborhoods and work with them right there. We have to find the leadership in their own ranks. There is abundant leadership potential there. We have to stimulate the development of that leadership so that there is a process of self-organization, self-help, self-discipline. All of these ingredients have to be a part of the total effort, but I think it can be done.

Why do we have God awful slums and Sweden doesn't have any slums? I am not prepared to say that Sweden is raising a superior human being. Our people are just as good as they are, but they have worked at the problem and we have not.

SENATOR RIBICOFF: Now, you would recommend, I assume, that everyone who occupies a unit should be an owner, whether he owns a single house, whether it is a condominium, whether it is a co-op. You would prefer to see owner occupancy?

MR. REUTHER: I would put as much emphasis upon that as possible, while recognizing that in the transition period we will not be able to move people from the lowest economic level into that status, but I would hope that in the long range planning we do, we would be moving toward the time when the number of nonownership units would be relatively small, in terms of the total.

SENATOR RIBICOFF: Now, this corporation that you are talking about, you say you have talked to David Rockefeller. Did he evince an interest?
MR. REUTHER: Well, I do not want to violate a confidence with him, but I feel reasonably hopeful about things.

SENATOR RIBICOFF: Now, McGeorge Bundy will be here next week, the head of the Ford Foundation, and I will have a little conversation with him about this. Now, maybe these areas can bring such a nonprofit corporation about. We have got big labor, big finance and big foundations, and you are going to have to involve all three.

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MR. REUTHER: I quite agree.

SENATOR RIBICOFF: Big money, big industry, big foundations.

MR. REUTHER: Big problems.

SENATOR RIBICOFF: Big problems, the problems are big. So you have got this corporation going. The techniques are here. Are the techniques known for better building on a mass basis?

MR. REUTHER: There is no question about it. The technology, the know how, is no problem. It is the problem of the will. Are we prepared to use it?

SENATOR RIBICOFF: How do you get the will of labor? There has been much criticism concerning the building trades, the unwillingness of the building trades to assume using modern techniques. Now, how do we involve the building trades to go along with this concept?

MR. REUTHER: I think some of the attitudes of the building trades is a negative defense mechanism. People try to protect themselves against insecurity. The building trades in the past have had a great deal of insecurity, and it is a perfectly natural kind of human response for people to try to defend themselves against insecurity.

I think we have to say to these people: First, no group in society can stop the forward march of technology; and second, they ought to enlist in the effort to modernize the industry, because they have a great deal more to gain out of its being modernized, so that we can have access to the economics of abundance, than they can possibly get out of the economics of scarcity. Every building trade union will be a bigger union in terms of membership, and their membership will have fuller and more secure employment. They have everything to gain. It is just as though the automobile industry were limping along as a very small industry and we were standing in the way of technological progress and then Henry Ford convinced us that if we had a mass production industry we would have more jobs, more members, better income. The same thing applies equally to the building trades.

We not only need housing. When we create a new community, we have all the community service buildings, all the commercial buildings, all the other facilities. It is a tremendous opportunity.

If I were the head of a building trades union, I would be beating this drum from the top of the highest building in Washington.

SENATOR RIBICOFF: That is correct.

MR. REUTHER: I am not the head of a building trades union.

SENATOR RIBICOFF: You have involved here a concept and a sweep that probably encompasses three decades, if you are really to do the job.

MR. REUTHER: That is right.

SENATOR RIBICOFF: To rebuild America, the size, the amount, the number of units, our great population growth, the continued shift into the urban areas with some 55 more million people coming into the cities in the next decade. By the year 2000, 95 percent of the American population living in the urban areas, and then, there is the question of replacement when it deteriorates and gets outmoded. So, basically the type of replacement we are talking about is no longer a seasonal trade or a seasonal business.

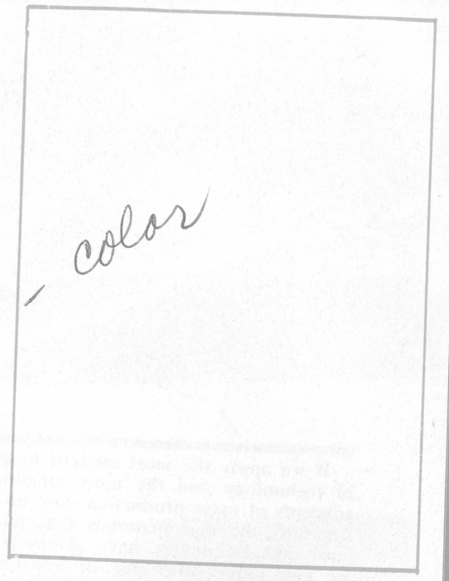
MR. REUTHER: That is right.

SENATOR RIBICOFF: But it could be planned at any time in any section of the country to be 12 months a year, 52 weeks a year, is that not correct?

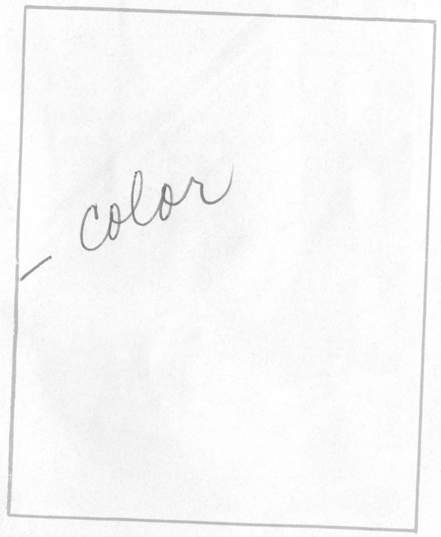
MR. REUTHER: That is correct. At the point we made up our minds as a Nation to do this job of rebuilding our cities and creating the kind of total living environment we should have, the dimensions of that task are such that every person engaged in the construction of housing and building can look forward into an indefinite future with continuous work and opportunities. Industry can realize the benefit of larger volume, the workers can get steadier employment, more employment. There is a tremendous opportunity. The seasonal aspects of the construction industry already, except in a few isolated situations, are almost negligible. If we employ modern technology they can still be minimized further.

SENATOR RIBICOFF: Mr. Reuther, in a recent speech you said as follows: "The American labor movement has been failing to fulfiill its broad social responsibility to the community."

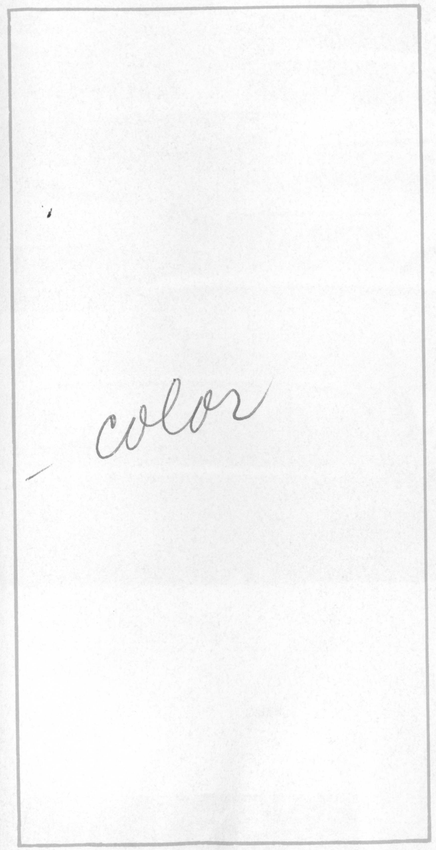
What role do you envision for the American labor movement in the regeneration of the cities of America?



We can produce a ton of steel and put it in storage and use it tomorrow. We can raise a bushel of corn and put it in storage and consume it next year. But we cannot put an hour of human labor in storage. If we don't use it when it is available, it is a total, irretrievable economic loss. We have thrown away 50 million man years since we signed the Employment Act of 1946.



I think it is absolutely ridiculous for 100,000 Americans living in the same urban center, all trying to go to the same place for the same purpose at the same time, and all driving a ton and a half of metal.



In Sweden an older couple can live in a garden city with young people next door, and if the wife in the family isn't able to prepare the meals, they don't put them in an institution. They have the institution prepare the meal and bring it to them and they eat it in their own little kitchen.

MR. REUTHER: As one labor leader, I believe that if the American labor movement operates exclusively in the narrow circle of collective bargaining and is interested exclusively in just getting a few more nickels for its members, it will fail in its historic responsibility, because American labor cannot find answers to its problems in a vacuum. Automobile workers' children go to unsatisfactory schools. They buck the traffic. Their children are breathing polluted air. Therefore, if we are going to solve the problems of UAW members, I have to work with the other people in the community to find answers to the problems of the whole community. It is my considered judgment that the American labor movement is not making the kind of contribution in this broad area that is essential.

SENATOR RIBICOFF: You talked about some of the union pension funds being used for seed money in the Detroit project. One of the largest sources of capital today are in union pension funds. Would you advocate the use of union pension funds in either a corporation that had many interests, or union pension funds in different methods and different approaches in rebuilding the cities?

MR. REUTHER: I make a very sharp disctinction between seed money, development money and mortgage money. Pension funds are in the field of mortgage money. First of all, the law would not permit it to be used as seed money or development money. I would think it would be very unwise if the law did permit it. We are talking about pension funds as it relates to mortgage money, which is secured and would meet the legal requirements. Any pension funds so invested would be secure as far as the pension trust funds were concerned.

SENATOR RIBICOFF: In any of the pension fund mortgage investments, do you make it a practice or have you in the past, not just your union but generally, to have participating interests with insurance companies, banks and other investors, or do you go into a project all by yourself, if you take a mortgage?

MR. REUTHER: This varies. There are a number of unions which have pension agreements which provide a joint board of administration over the investment of the funds, and the union, since it is perhaps in a better position to do it, is actually the administrator. They buy mortgages and they invest the pension funds. While it is under the general supervision of a joint board of administration, in which the employer has equal representation, and they also have an impartial chairman, the union is the actual administrative arm of the board.

In those situations, union buy mortgages and they may go into projects jointly with some private industry, but I think in most cases they buy mortgages directly.

In the case of the UAW, we are in no way involved in the investment of our pension funds. But we have insisted that high social priority projects such as housing and community facilities, should be appropriate enterprises in which to invest pension funds. There is general agreement on that. This is why I think we will be able to get access to UAW pension funds for the Detroit project.

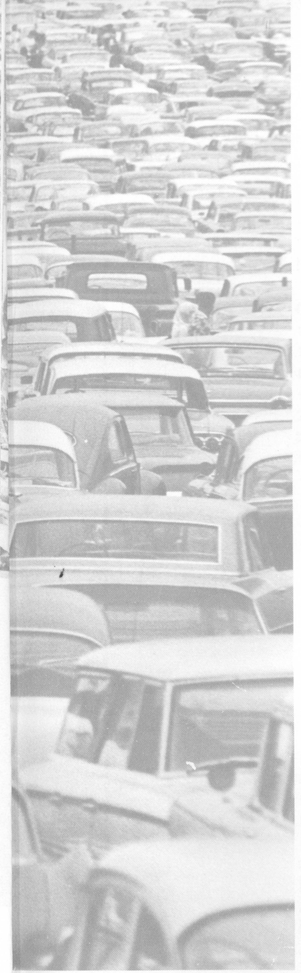
SENATOR RIBICOFF: Senator Kennedy asked me to relate to you how sorry he is that he could not be here this afternoon. He was very anxious to ask a few questions, but he had another engagement that he had to keep. He has left me a series of questions and I will ask three questions of you on behalf of Senator Kennedy:

"As you probably know, I have advocated the formation of community development corporations at the local level, using the leadership of labor and the people in the neighborhoods together with private enterprise capital and Federal funds to undertake an interrelated attack on the problems of the ghetto. What is your reaction to a proposal of that kind."

MR. REUTHER: As I said earlier, I very much favor that approach. We would pull together the broad resources of the community on a private nonprofit basis and create an instrument so that we can work together, and this is precisely what we are going to do in Detroit. I hope what we are doing in Detroit can be multiplied in many other communities throughout the country.

SENATOR RIBICOFF: But I assumed that what you are talking about was a national corporation.











MR. REUTHER: Both. In Detroit we are doing this at a local level. It is a six-county area. I am in favor of having a national nonprofit corporation to deal with the total, the overall.

SENATOR RIBICOFF: The total, the big research and development.

MR. REUTHER: And have them back up, support and work with, provide technical assistance, et cetera, to the local nonprofit groups.

SENATOR RIBICOFF: And the local nonprofit groups would then be composed of either community leaders, funds, private industry, labor, finance and interested citizens also nonprofit, but somewhere along the line you are going to have the great motivation and the great drive of the private enterprise system working for a profit. Now, not everybody is going to work in every community on a nonprofit basis; are they?

MR. REUTHER: The nonprofit authority is the instrument that gets the thing moving. Suppose we are planning a thousand units over here. Well, some private developer will get access to that land. He will submit plans which have to be in harmony with the total plan. He gets the opportunity then to acquire that land and to build those thousand units. There is the profit motive. The free enterprise system motive takes over in the building of those houses.

In another situation we may want to build a community facility. Well, that will be up for bids. Some private contractor is going to build that. The profit motive is going to drive him, but the overall thing is the total community effort, and the reward there is not the profit motive. The reward there is to build together a good community, and that is sufficient in Detroit to get us working together.

We have the Big Three of the auto industry. We have Detroit Edison, Michigan Consolidated Gas, the banks, the J. L. Hudson Company department store, the UAW. We are working together. I think it is good for the souls of people to be a part of a nonprofit corporation.

SENATOR RIBICOFF: It is even more practical and pragmatic than being good for the soul. Is it not absolutely essential for the survival of the industry and business and labor itself in a community? A deteriorating community means a deterioration of the entire substance of the community, business, corporations, industry, labor itself. So, therefore, it is not just out of the charity and the goodness of their hearts. These community corporations seek to keep the community going with seed money and planning operations. Basically they relate to the self-interest of the companies themselves.

MR. REUTHER: That is right. I think they are primarily motivated by enlightened self-interest in this situation.

SENATOR RIBICOFF: Which is one of the best motivations.

MR. REUTHER: I think that is one of the very fine motivations in our kind of society.

SENATOR RIBICOFF: In other words, one of the problems you would have, of course, would be the problem of eminent domain. You would not give eminent domain to a profit making corporation, but you may be willing to give the right of eminent domain to a nonprofit corporation which is seeking to rebuild a community.

MR. REUTHER: That is correct. Take Detroit as an example. The best management group in Detroit, if they were offered $100 million, could not assemble the people that we have assembled. Nobody else could do that. You could only bring that kind of group together around the common denominator of building a better community. Therefore, as a practical matter, if you wanted this to be a profit making corporation, it could not get access to the people that this nonprofit group has access to.

First of all, General Motors, Ford and Chrysler would not cooperate in that kind of a setup. Their relationship in the profit end is rather competitive. In this area they are going to be working together.

SENATOR RIBICOFF: You know, your suggestion has got a lot of values, and I think it is a very important one. There is only one man in my opinion on a national basis who could assemble such a group and have the confidence of all the American people, and that is the President of the United States, and I would respectfully suggest that this is something to be considered as a very practical matter by the President of the United States, because it is very difficult for me to see any one individual in this country being a sufficient self-starter, and being able to get the confidence of all the people of the country, to get the level of representation you would need.

The COMSAT approach, of course, would have to have the participation of the President to get it started as it has, but I would say what you are talking about to get this started, if we are going to involve private enterprise and the community in getting it going, and every representation of private finance, of labor, of industry, the universities and the foundations, the one man that could do this really would be the President of the United States, and this is most intriguing. I would respectfully hope that the President may give it consideration, because this is something that the President, I believe, could put together at very little cost. I know the President has many budget problems, and putting this together would not cost any money.

MR. REUTHER: I think you are right. If the President did extend an invitation to a representative group of people to jointly launch and create such a corporation, I believe he would find that their response would be overwhelmingly favorable. When the demonstration city project legislation was over on the Hill, when support was needed, there was a very impressive group of industry people who joined in urging its passage. Our experience in Detroit is a reflection of the growing realization on the part of all people in the community that there are things we have to do together and that this is one of those things. I think if the President extended an invitation, he would get good results.

SENATOR RIBICOFF: The next question from Senator Kennedy: "Is it really feasible to expect that labor of the ghetto can be used in ghetto rebuilding projects? Can we impart the needed skills?"

MR. REUTHER: Yes. I believe we can if we work at it, in terms of training. If we have both the patience and the will, we can do some very exciting things along the lines of involving people in the ghetto in the task of helping to rebuild a better neighborhood for themselves. This is an area in which we have to start out believing it can be done, and then work to find the practical techniques and tools to make it possible.

SENATOR RIBICOFF: "What is organized labor doing in the ghetto now?"

MR. REUTHER: Too little. The American labor movement has to get closer to the problems of the people in the ghettos. While no one has a prescription that gives us all the answers, and nobody has any magic, the truth is that we learn to deal with these problems by having direct contact with them.

In the Watts area, we had no particular motivation other than that Watts had become a kind of symbol of the ugly consequences of discrimination and all the other things that make up a ghetto. But a number of people in our union and some other unions took the initiative in Watts and created what is called the Watts Labor Community Action Committee. The UAW, the IUD, Industrial Union Department and 11 national unions are participating. We combed through our membership rolls and got together the leadership from these 11 unions who live in the Watts neighborhood and who are part of that neighborhood and brought them together and created with them this Council. It is their Council. We only give them technical assistance, some financial support and a great deal of encouragement. Under the directorship of Ted Watkins, UAW staff member on leave, they are doing some exciting things in Watts. I visited there a few months back. They have built playgrounds in empty lots. They have classes and bring in kids. They have young Negro boys and girls who go to school in the regular public school, and after school hours come into temporary classrooms to supplement their education.

They are doing other things, hoping to create a kind of community self-discipline, so that the tragedy that happened there once before will not be repeated. We would say that this experience, while we have not found all the answers to all the problems, indicates that we can pull together the people in the ghetto communities and with the proper encouragement and the proper assistance—technical assistance and financial assistance—they will begin to assume the responsibilities of community leadership and they will provide leadership for projects within their own community. This, I think, is very important.

SENATOR RIBICOFF: One final question from me. Assuming that we have a limited amount of funds, that we cannot do everything that we would like to do, what would you consider to be the leverage points at which we could get the most out of the money we spend that we can get the most out of government money that we spend, on all the problems of the city?

If you were to set a set of priorities, where would you use, on the basis of priority, the limited amount of money that you got?

MR. REUTHER: Yes, well those things are always difficult and it would probably vary by community, depending upon the condition.

If in one community the housing was not quite as bad as another, we might tend to ease upon the thrust behind housing and put more on education, or more on some other essential social service. This is a very difficult question because a society like ours is dealing with the results of years of neglect. After all, these problems were not made overnight. They are the end product of years of social neglect and social indifference in a society in which the market place did not find answers to these problems. It is very difficult to be asked if you had x numbers of dollars, and x was obviously not adequate to deal with the total needs, which needs would you neglect, and which would you give priority to.

I think employment, education and housing are the three most important.

MR. SCHEUER: On the question of your nonprofit housing corporation, would you envisage that some kind of subsidized mortgage funds would be available in order to achieve the low monthly rents and carrying charges that you would want to achieve to hit the low income people?

MR. REUTHER: Yes, I think that would be necessary in the transition period. But as we move forward, as we deal with the broad problems of unemployment and raising the economic level of people who are disadvantaged, we bring down the cost of housing by application of modern technology and the use of modern methods, ultimately the gap gets narrowed and the amount of the subsidy is minimal. Therefore, I would use it essentially as only a transitional instrument and not as a permanent part of the structure.

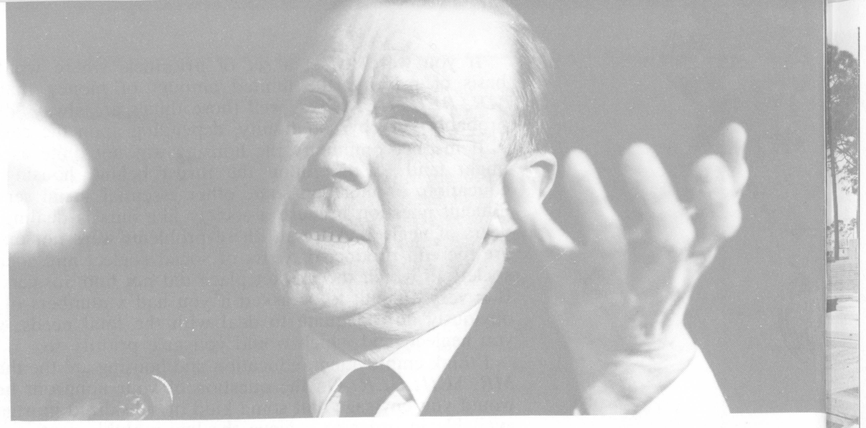
MR. SCHEUER: In this transition period, would these funds, these subsidized mortgage funds, come from government, similar to the current 221-D3 programs.

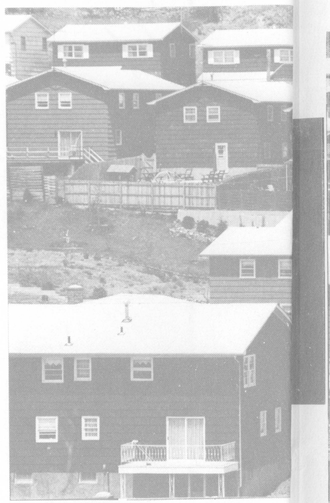
MR. REUTHER: That is right. It seems to me that when we are in effect subsidizing a social deficit, the government has to pick it up. We have no right to ask a private group to do that.

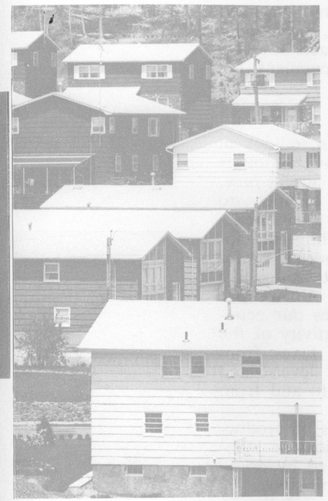
MR. SCHEUER: Or the unions, the trust funds, I take it.

MR. REUTHER: That is right.

To rebuild America, the size, the amount, the number of units, our great population growth, the continued shift into the urban areas with some 55 million more people coming into the cities in the next decade. By the year 2000, 95 percent of the American population living in the urban areas, and then, there is the question of replacement when it deteriorates and gets outmoded. So, basically, the type of replacement we are talking about is no longer a seasonal trade or a seasonal business.











Land Use Planning

Cities have two basic resources—people and land. Everything else is built by them—on, over, or under it. It is outrageous and maddening, then, that land use decisions which affect the lives of millions—and determine the destiny of the city, itself—are usually made either by a handful of speculators or by local zoning boards whose thinking so often bears little relationship to the total, long-range, human and physical needs of the community.

Real estate speculation artificially inflates land values to a point where it becomes impossible to construct reasonably-priced housing. Huge profits for a few become the yardstick they use to dole out to us our allotments of parks, playgrounds, greenbelts and open spaces.

Almost every day one of our thousands of local zoning boards makes a decision about population density, industrial activity, or transportation facilities which conflicts with or paralyzes the plans of a neighboring community. And all too frequently we read about spot zoning which can change the face of a community almost overnight.

Before we can begin to plan and build the urban areas of the future, our cities must obtain firm control of that most precious substance—the land under and around them.

A significant effort has been made in this area by the creation of publicly-owned, urban land banks. Extensively used abroad, these banks acquire and hold a large percentage of the land both within and outside the city. Just as our federal government stockpiles surpluses to regulate prices, our cities must be in a position both to decide how their land can best be used to meet the needs of their residents and to keep a reasonable lid on its cost.

Federal departments involved in urban planning, development, and renewal should encourage the standardization of local zoning regulations. Future federal grants might be made contingent on local adherence to model regulations, drawn by a special task force, which establish minimum standards for open space, greenbelts, recreation acreage, industrial activity, transportation facilities, and population density. And an adequate review procedure should be established to ensure that initial expression of willingness to comply with such standards is matched by performance.

I strongly urge this Subcommittee to investigate these and other possible alternatives. It would be highly desirable for this Subcommittee to invite Britain's Land Commissioner and Sweden's Housing Commissioner to share with us their experiences with land use planning and the operation of urban land banks.

Housing

Almost as important to the city's future as resident-oriented land usage is the formation of a sane national housing program which coincides with the human needs of local communities. Almost everyone these days agrees that we should adopt this course, but what do we find when we look at the housing picture?

We find that virtually all available construction money and manpower is invested in luxury apartments and new office buildings, leaving almost no resources to build middle and low cost units. But we go right on clearing away our fast-dwindling supply of low-cost housing, as though we were determined to prove we can tear it down as fast as it decays.

We find that our current construction rate makes only the smallest dent in the staggering backlog of housing needs and that it does not begin to meet the vast market experts project for the near future.

Public housing as we have known it is probably obsolete. New ways, therefore, must be found to provide adequate, healthful housing for the nation.

It has been suggested that one such new approach be a national non-profit corporation that could amass the needed billions of development dollars from private institutions as well as government. Under such a corporation, significant new starts could be made in rehabilitation of existing housing as well as construction of new housing.

Whatever agency or agencies are finally designed to meet the national housing need must emphasize a logical system or rotation—rotation in the use of land and in the housing of people—so that housing is ready for people when the people must move from dilapidated dwellings. New York Mayor Lindsay's recent survey of vacant land in his city revealed an astonishing number of empty parcels, many already city-owned. Planned, full use of this space—which, if it exists in New York City, exist in most other cities—will mean we need never again have to tear down before we build.

We must utilize vacant land for new construction, and we must rehabilitate existing structures for the poor in a systematic way before we move them from slum housing. Only in this way can their housing needs be met and the process of physical decay in our cities halted.

The few spot-rehabilitation allowances granted to core city residents to improve their deteriorating homes, inside and out, have amply demonstrated that minor federal investments can change, for the better, both the personality and the economic base of a whole neighborhood.

I also think it will be a national disgrace if we discontinue, or refuse to increase substantially, our national rent subsidy program. Not only has its trial run proved it to be an effective means of stepping up the pace of residential integration, it has shown that the program can serve as partial, but efficient, stopgap solution to our severe shortage of low-cost housing.

And what has been a major cause of this shortage? At a time when we should be building two to three times more units than we are, we are committed to a policy of controlling the national economy by manipulating interest rates. If we are going to pursue this method, and apparently we are, we must begin now to use it selectively, to protect vital national interests. It is sheer folly for the federal government to follow a course of action which destroys the only housing many Americans can afford and, at one and the same time, encourages the construction of units which practically no can can afford.

I believe also that the federal government must invest heavily in experiments to bring the new technology to the building industry. The Woods Hole, Massachusetts sessions on housing technology estimated that costs could be cut in half through the development of new more efficient building practices. While initially, the cost of rehabilitation and new construction would average $16,000 per unit, that figure, through the application of modern technology, could be brought down to $8,000 per unit. It must subsidize research to develop mass production techniques for home and apartment units.

And it must encourage modernization of local building codes. Out-dated construction requirements and costly, unnecessary building techniques must be discarded in the face of our national housing crisis.

Employment

Mention of the new technology is almost always the cue these days for a discussion of manpower surpluses and shortages. It goes without saying that we have not, even in this incredibly wealthy decade, achieved full employment. Rather than complacently or, perhaps I should say, proudly congratulating ourselves for having whittled unemployment down a few notches, we should be launching massive programs to wipe out the awful unemployment among our low and semi-skilled workers.

Because our cities cannot be good places to live—and meet their burgeoning responsibilities—without full employment, the UAW and the IUD advocate immediate adoption, as a national goal, of the following four point program:

First, we must guarantee, as a human right, a job for everyone who wants to work.

Second, we must assure every worker an income sufficient to meet his and his family's basic needs.

Third, our senior citizens must receive an income which permits them to live in decency, without financial worry.

And fourth,, those who cannot work, or are more needed at home, must have an income which enables them to live in privacy and security.

To achieve these goals across the country, we must make maximum use of all existing skills. This can be accomplished by federalizing our state-operated employment security services. We need a computerized, nation-wide system to match job applicants with job vacancies and a relocation allowance program to encourage workers to move to places where their skills are needed.

We need a massive training-retraining program geared both to immediate and future manpower needs, and to both local and national requirements. This program must clear away, once and for all, the valid resistance many Americans have to change by preparing them for new jobs before their present skills become obsolete.

Education

As a start, we must take the price tag off education by guaranteeing every American at least sixteen years of publicly supported education. This will mean that we must develop, at both the local and national levels, more equitable and productive revenue sources, to guarantee local school systems incomes ade-

quate for their obligations. Our schools and universities must no longer be forced to go door-to-door, hat-in-hand, to beg for pittances.

It will require us to adopt national teacher-qualification standards and take steps to increase their salaries substantially. It will also require large-scale training and retraining programs to equip present and future teachers with the skills and knowledge they will need to meet the needs of all our students.

Equalization of education opportunity will mean standardization of school districting methods and national adoption of manageable teacher-student ratios.

The federal government must immediately sponsor a stepped-up research program to develop and adapt programmed teaching methods to special education situations, including poor children and children from minority families, the chronically unemployed, low-skilled workers, the physically disabled, and the mentally handicapped.

I can see no more effective, short-range solution to our present teacher shortage than a broad expansion of the Teacher Corps. To me, the insignificant level at which this well managed, hard-working program was recently refunded is nothing short of preposterous.

Health

As a nation we are fast approaching the day when we will recognize and accept sound mental and physical health as prerequisites to a healthy society. The school-community agent program has shown us how, in a very short time, attitudes and behavior can change when man's fears and alienations are dealt with on a face-to-face basis.

Dr. Frank Reisman's work in community mental health techniques has been impressive. It has paved the way for federal support of serious experiments designed to adapt these techniques to middle income neighborhoods, and to office or plant work situations.

Just as we must press hard to extend free medical and surgical coverage for the aged to all Americans, so also must we work to guarantee to all workers and their families complete treatment for mental handicaps.

Long ago we validated the worker's right to compensation for injuries caused by his job. Is it so great a step forward to admit that the grinding pressures generated by his job can cause graver, more lasting, and more crippling injuries?

I think not. But I also think that unless the federal government starts getting serious about dealing with mental health problems that affect the lives of one out of every ten Americans, we're not going to make much of a dent in it.

We need sizeable federal investments to construct outpatient treatment centers, hospitals, and to carry on medical and psychiatric research. We need new incentives to attract professional, technical, and non-professional personnel. We need to create thousands of sub-professional jobs—both to provide employment for the unemployed and to relieve professionals of their crushing load of non-technical duties.

Transportation

We invest hundreds of millions in expressways which are often obsolete before their first overpass is built. The city of Toronto built one of the most efficient mass transit systems in the world for less than most major cities will spend on expressways in the next decade alone; it should be an example for us.

Urban America needs mass transportation now. Urban America needs computer-directed traffic control now. Urban America needs fumeless, compact vehicles now.

And urban America isn't going to have these necessities without strong federal support. We need, and we always will need, a sophisticated, well-maintained network of intercity highways. And our spending for intracity streets can't decrease appreciably until we wipe out the needs our past neglect has created.

But we need more. We need massive federal support to construct, and if necessary, subsidize the operation of public transportation systems in urban and suburban areas capable of meeting both present and future needs.

Outside Detroit is a section of expressway, built with a generous helping of federal funds. It ends abruptly at the corporate limits of a nearby suburb. Whether it will ever get where it was planned to go depends on whether we continue to permit the wishes of a few to override the pressing needs of many. We need federal assistance to form intercity, intercounty and interstate transportation compacts to make possible orderly and efficient movement between them.

Paying for Our Cities

I think it is high time we began to look at the other side of this huge coin—at the dollars and cents cost to America of not acting now, in a concerted and committed manner, to attack each of the problems I've mentioned.

Some people have taken to calling this approach "negative accounting," but I prefer the phrase "social accounting." It works like this: we add up the cost of all our welfare programs, the value of the services our economy loses through the non-productivity of the unemployed, the cost of loss of taxes from operating below full employment levels, and the hours we waste trying to get to and from work.

To these figures we add the loss of productivity caused by preventable physical or mental illness, the loss of wealth caused by crime and the outpouring of social aggressions, the cost of penning up our deviants, and the irreplaceable losses caused by air and water pollution.

It's something that's never been done—but it can and should be. The total, I think, would convince us that it will cost no more to do something about our problems than it does to let them continue to pile up.

Which brings us to another truth we're apparently unwilling to face: it costs money to find ways to do things we've never done before. Cape Kennedy failures cost more each year than we spend to end poverty.

We have got to realize—and accept—the need for experimentation and possible costly failures, as a real and necessary part of the cost of social development, just as we do in our programs for exploring space.

Where will the money come from? We can expect a large portion of the necessary funds to come from the natural growth of our economy. Each year, even with our current federal tax structure, under condition of full employment productivity increases federal revenues by another $8 billion. This means, compared to present levels, $8 billion more next year, $16 billion more in 1968, an extra $24 billion in 1969, and so on. Over the next ten years our economic growth alone will produce close to $400 billion in additional taxes. An ample portion of these funds can be earmarked for saving our urban areas from decay and eventual destruction.



New Governmental Techniques

I have been favorably impressed with recent changes in federal administration, and the work of the new federalists. The days seem to be behind us when federal officials painted a sign on their doors, and then waited patiently for local officials to search them out for help.

The Office of Economic Opportunity, the Labor Department, and the Department of Health, Education and Welfare now seek out our national trouble spots, and many of their technicians are equipped to do something about them.

The President's Committee on Manpower, for instance, an inter-agency team made up of a representative from OEO, HEW and Labor, seeks to focus all their departments' available resources on local manpower problems and I think their early successes warrant a stepped-up use of this team approach.

We need to extend this approach to cover the whole range of urban problems, however. Each urban area should have its own federal expediter—as contemplated in the original Demonstration Cities proposal—right there on the local scene. He should be capable of helping to coordinate all of the federal government's resources in a planned program to meet local needs. Perhaps even more important, he should be able to get the government to move quickly, to cut through bureaucratic bottlenecks.

But we also need expediters in Washington. Some technique must be developed whereby interagency committees are created responsible for the efficient application of federal aid to each individual city, so that local officials in a given city, as well as the federal expediter in that city, can maintain a constant liaison with responsible officials in Washington of sufficient rank to assure adequate federal responses.

This cooperation, instead of competition, at the federal level must also find its parallel at the local level. New and needed programs will be frustrated unless urban areas reduce to an efficient number the maze of interfering governmental jurisdictions which today paralyze city planners.

Another vital ingredient of the new federalism will be the establishment of Congressional committees on urban areas. We have accepted the need for a cabinet-level department to deal with urban troubles. Congress itself should establish standing committees on urban affairs in both Houses. It will be important, too, for the new Committees to follow the precedent established by the House Agriculture Committee and others, of controlling both front door and back door federal spending for urban areas.

Community Participation in Decision Making

We can deal successfully with national and regional problems only through national and regional mechanisms. This means that more and more decisions which affect individuals will be made above and beyond our traditional jurisdictional boundaries.

For a long time to come, then, two forces will oppose one another. On the one hand, we must ceaselessly strive to cut unnecessary waste and duplication to a minimum. This will require making many of our decisions and doing much of our technical planning and work through centralized agencies.

On the other hand, we must seek to preserve, or perhaps I should say increase, individual control over society's workings. Retention of individuality will require us to devise countervailing decision-making processes and check points at the local level.

Lessons learned from citizen participation in the war on poverty should serve as a basis for intensive federally financed studies aimed at defining what technical decisions can most efficiently be made through centralization and what social decisions must be retained or created to protect local initiative and personal freedom.

But this participation must stop with the individual. The many private institutions in each community—churches, labor unions, businesses, banks and credit unions, service organizations, welfare agencies, etc.—these too must be brought into the processes of planning, decision-making and action. In sum, the total community must be enrolled in the effect to solve the community's problems.

National goals must, in the future, be set by the people of the nation. And the means by which we plan to achieve them must spring from a peoples' mandate. This is the only alternative to superbly organized chaos.

The New World of Urban Areas

The last decade has been the scene of an amazing transformation in Americans' living habits. Where once we flocked to the city, we now flee in droves from it. The vague notion which has prompted this mass exodus seems to be that we can somehow cut our losses in the city by hiding in a suburb. This is as ridiculous as thinking we can escape nuclear annihilation by building bigger and better bomb shelters.

Everyone whose job is city-based, or whose market is, whose fresh or not-so-fresh air and water comes from a city, who enjoys professional sports, or museums or concerts, or the theater is part of his core city, regardless of what return address is printed on his personal stationery. Its problems are his—and his problems become its problems.

When the core city produces crime, unemployables, and contaminating poisons, it produces problems which affect not just it, but its surrounding network of suburbs, and the entire country.

Just as none of us is immune to small pox unless we invest in certain safeguards, none of us is immune to the sickness of our cities.

The problems of our cities are already the problems of all America. They must be treated as such. The urban areas of the future will sprawl, hopefully in an increasingly orderly fashion, around a small number of centers. Those centers can make life good and full—or they can make it impossible and barren.

We have the opportunity and the capacity to make it good and full. We must grasp that opportunity and exercise that capacity.



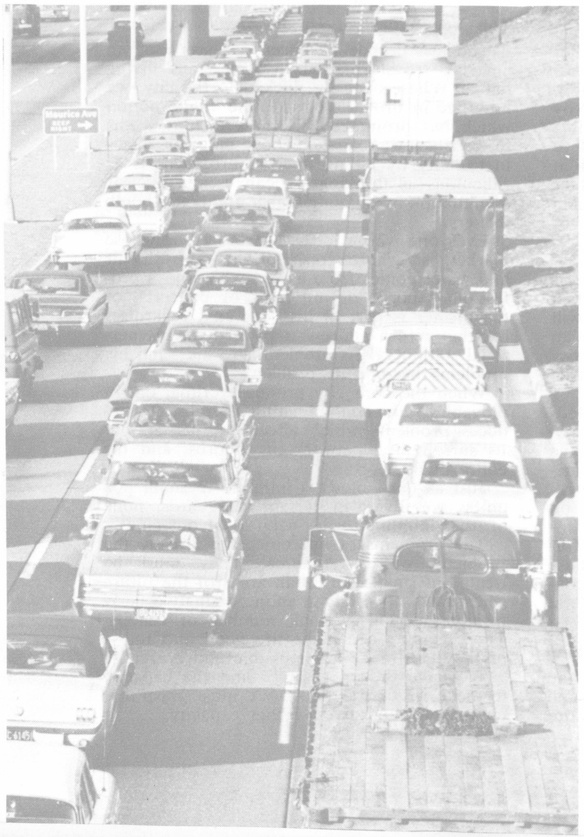
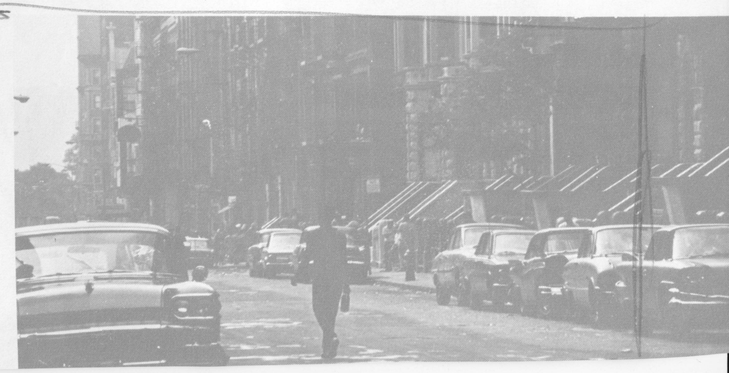


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The average retired couple wants to live in a community where they still have a sense of belonging. They want children in the neighborhood, so they can watch them play. They make the best babysitters. They want to feel that they are still an integral part of community life, because that gives them a sense of belonging and a sense of worth.





September 11, 1967

Mr. Abner J. Mikva, Chairman
Committee on Illinois Government
127 North Dearborn, Room 641
Chicago, Illinois 60620

Dear Mr. Mikva:

In accordance with your request, please find enclosed Mr. Reuther's recollections of Paul Douglas for the tribute book.

Sincerely yours,

(Mrs.) Otha Brown, Secretary to
Walter P. Reuther

opeiu 42

THE PEOPLE'S ADVOCATE

To think of Paul Douglas is to call up the image of a man of rare courage and commitment -- a man whose vast learning and intensity of purpose have invariably been directed toward the achievement of economic and social justice within the values of a democratic society.

Paul Douglas' voting record as a Senator mirrors the depth of his social conscience and his compassion for people. Yet his record in Congress is only a pale reflection of his stature and performance, his unchallenged integrity, his devotion to truth and honesty and his independence of conviction as a public servant.

Paul Douglas is one of the best friends of democratic unionism the labor movement has ever known. I have had the privilege and pleasure of being his friend, his colleague and ally in the public arena for many years, as we in the UAW fought side by side with him in the ongoing struggle to build a nation whose deeds bespeak its principles, a nation in which social and economic justice prevails for the deprived and dispossessed as it does for the affluent. Yet he could never be mistaken for a narrow, acquiescent partisan of organized labor or any other particular interest -- including the Senate establishment. He has lived and voted his own informed conscience, his own tenacious devotion to the common weal, exemplifying the finest virtues of democratic values in spirit and practice.

Paul Douglas had done his homework on the great public issues long before he arrived in the U. S. Senate, and he continued to do his homework as a Senator. Nobody had to nudge him into action; for years, on issue after issue, he was out far ahead of the field. It was not his fashion to sit waiting for the buzzer to sound; more often than not, the bill had been his from the beginning, long before the Congress or the country acknowledged the problem and the need.

In his very first speech as a Senator, he called for a civil rights law. In Congress after Congress, he introduced bills for area redevelopment, until a law was finally enacted in 1961. An authority on social security and one of the authors of the first Social Security Act, he continued, throughout his years in the Senate, to seek improvements in the law. He fought persistently for more public housing for low-income families. An expert in the distinction, basic to workers, between money wages and real wages, and in what might be called the movement of wages out of the pockets of consumers into the grasping hands of those with market power, Paul Douglas consistently fought in behalf of the most vulnerable and least organized of our citizens. The 1955 bill to raise the minimum wage to $1 bore his name. He was among the most vigorous advocates of adequate unemployment compensation. He led the struggle in the Senate for a truth-in-lending law. ~~Time and time again he stood in the path of the reactionaries~~ drive to undermine the Supreme Court's one-man, one-vote decisions and thereby rob wage-earners and the poor of our great urban centers

of their proper representation in Congress and state legislatures.

Paul Douglas has been against the interests -- all interests -- that push less powerful people around. He fought the oil depletion allowance windfalls to the big well owners. He held the Senate floor for two days in 1950 against a bill to exempt the natural gas industry from federal regulation. And, characteristically, he was also, in 1958, the major author of a law to protect union members' pension and welfare funds.

Paul Douglas was holding forth against the oil depletion allowance in the Senate in 1954 when a colleague warned him that he was inviting defeat in that election year as a candidate in a state in which a third of the counties had oil or gas production. He replied: "... I again ask for the yeas and nays. Every man has a right to commit suicide."

Paul Douglas belongs to and serves this nation. Nobody can fill his shoes; but many can learn from his presence and example. A list of the temporarily lost causes for which he fought and still fights would offer a basic agenda of democracy's unfinished business in most of the vital areas of our national life. Paul Douglas never became a comfortable member of the Senate club. But he set a standard of personal integrity, courage and public performance that honors the Senate and will challenge the best in America down the years. We cherish him as a warm friend, and salute him as a great American.

Walter P. Reuther

September 7, 1967

Abner J. Mikva, Chairman
Committee on Illinois Government
127 North Dearborn
Room 641
Chicago, Illinois 60602

Dear Mr. Mikva:

As you are no doubt aware, Mr. Reuther has been deeply involved in collective bargaining negotiations and has therefore requested that I reply to your letter of August 31.

This is to advise that he will be submitting his recollections to your tribute book for Paul Douglas and will make every effort to have it in your hands by the deadline date of September 11.

Sincerely yours,

Irving Bluestone
Administrative Assistant
to the President

IB:lm
opeiu42

SEP 1 1967

Frank Wise

Committee on Illinois Government

127 North Dearborn
Room 641
Chicago, Ill. 60602
Phone: 372-5694

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Paul Simon
William Singer
Adlai E. Stevenson, III
Daniel Walker
Lynn A. Williams
Robert Wilson

August 31, 1967

Mr. Walter Reuther
United Auto Workers
8000 Jefferson
Detroit, Michigan

Dear Mr. Reuther:

I am writing in regard to our request that you contribute some of your recollections to our tribute book for Paul Douglas to be presented at our dinner on October 23.

It is very important that we know right away whether or not you will be able to accept our request, as the deadline of September 11 is drawing close. We would appreciate hearing from you soon.

Cordially,

Abner Mikva

Abner J. Mikva
Chairman

AJM:le

August 18, 1967

Dick Kelly

Irv Bluestone

Tribute to Paul H. Douglas

The attached is self-explanatory. Walter would like to have a draft prepared in response to the request.

Would you please undertake to do this and send the draft directly to Walter. Since the deadline is September 11 and the negotiations will be heating up very soon, it would be well if you could have the draft in Walter's hands before Labor Day.

IB:lm
opeiu42
att.

AUG 11 1967

Committee on Illinois Government

127 North Dearborn
Room 641
Chicago, Ill. 60602
Phone: 372-5694

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Frank J. Roan
Calvin Sawyier
Anthony Scariano
Paul Simon
William Singer
Adlai E. Stevenson, III
Daniel Walker
Lynn A. Williams
Robert Wilson

August 9, 1967

Dear Mr. Reuther:

On October 23, Illinois friends of Paul H. Douglas will present him with an award for "Excellence in Politics" at a dinner given in his honor by the Committee on Illinois Government. Governor Otto Kerner and Mayor Richard J. Daley are honorary co-chairmen of the dinner.

We are compiling a tribute book for the occasion which will include a special section of personal reminiscences by a dozen friends and fellow workers of the Senator from different stages in his career. We would like you to write one of these.

Would you kindly contribute some of your recollections of Paul Douglas as a defender of labor? The assignment is a difficult one, of course. We are asking you to reflect upon and perhaps evaluate a large and rich experience--and do it in less than 700 words--and by September 11. But we and many other friends and admirers of Paul Douglas would greatly appreciate your help.

Could you let us know at once if you can accept this task? Thank you.

Cordially,

Abner Mikva

Abner J. Mikva
Chairman

Mr. Walter Reuther, President
United Auto Workers
8000 Jefferson
Detroit, Michigan

AJM:le