[1948]

PLANES AND HOMES

for

PEACE

A Program To Meet The Inner And Outer Threats

To

Democracy's Survival

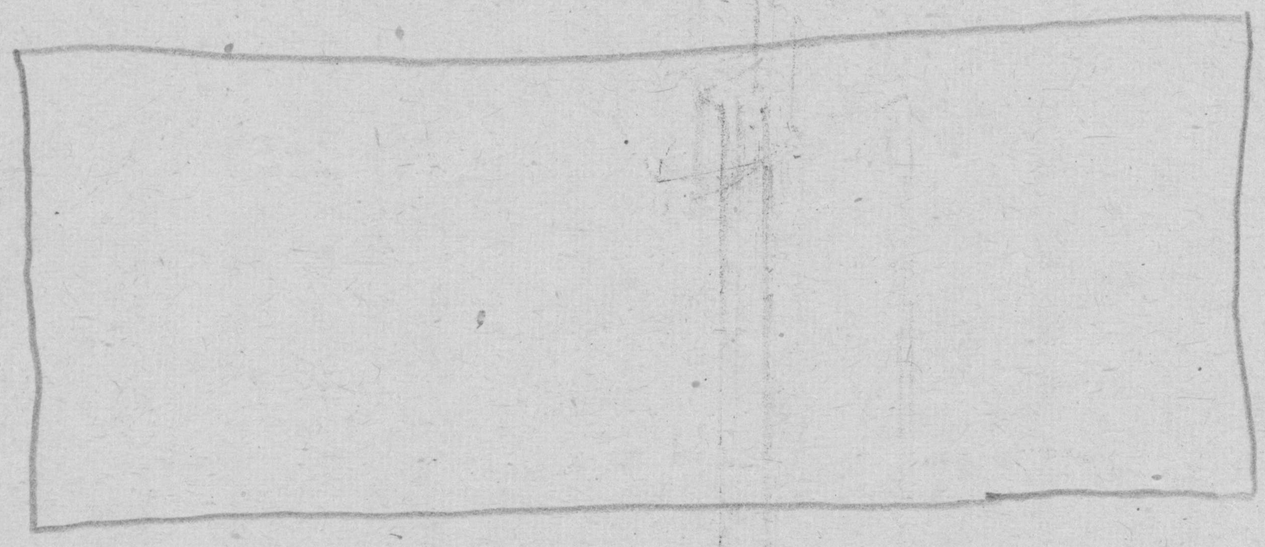
by

WALTER P. REUTHER

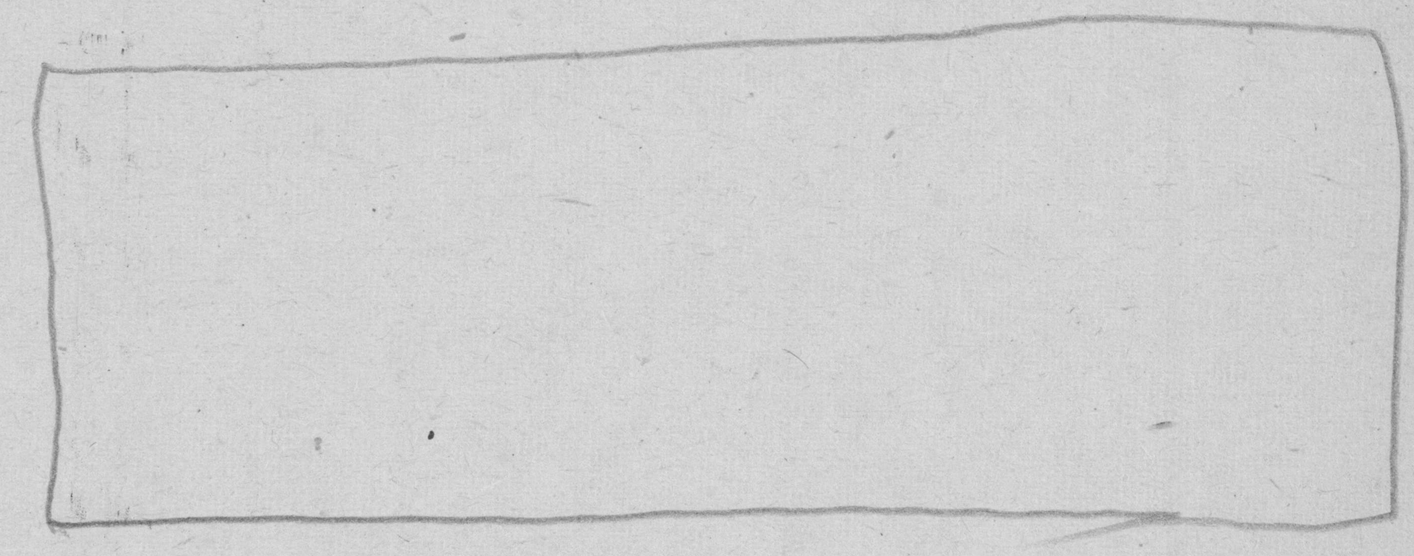
Caption for pictures:

~~Obsolete~~

Obsolete Houses...



and



Obsolete planes...

A Balanced Preparedness and Housing Program Can End Such Waste

And Equip Democracy for Survival in the Atomic Age

Survival - or Democratic Survival?

Three years after the second World War, the world prepares for the third. Yet Americans and Europeans alike, whatever their economic beliefs and political allegiances, understand that war in the atomic age can mean the complete extinction of civilized life and values.

The prospect of atomic warfare flings the ultimate challenge at governments and peoples. It dominates national policies. It underlies the daily acts and calculations of private citizens, imparting an undercurrent of anxiety and foreboding to every event.

The question of survival has become a practical question. No man can escape the challenge to answer it, least of all democratic man, for whom mere survival cannot be enough. We who believe in and defend the values, actual and potential, of a democratic society must weigh every proposed answer to the question of survival from the standpoint of whether it takes intelligent account of the values we cherish and seek to preserve.

[redacted] Military defense is imperative. Power to resist attack and carry a war, once it is started, to the enemy's homeland, is the only language understood by aggressor nations. Yet democracy must speak another language as well. A free society must arm itself not only with the implements of war but with the tools and accomplishments of peace. A military program which is not directly and consciously linked with these vital ends of democratic living may guarantee survival; it will not guarantee survival under conditions tolerable to free men. It may even lead to the corruption from within of those institutions it professes to protect from external attack.

Viewed in this perspective, current proposals for military preparedness represent a lame response to democracy's crisis.

Democracy's Double Crisis

War hysteria flows from a wrong estimate of the danger from and results in without a failure to recognize the inner threat. One aspect of the inner threat to democracy is the possibility that we shall attempt to meet the external danger of totalitarianism by preparedness measures which will force our own free institutions into a totalitarian mold. Another part of the internal danger is that a rash emphasis on military preparedness will further obscure the crying need to complete the unfinished business in democracy's own backyard.

The mindless masses of a slave society who have their thinking done for them by their betters do not fix their own course in peace or in war. They have little to lose but their chains in turning from one to the other. But men who live by democracy's creed are bound to ask themselves what dangers they are preparing against and what worlds they are trying to win. We Americans must consult our consciences and our common sense in matters that in other lands can be left to the authorities.

The proper way to preserve the peace and meet war's threat is the most important of these matters. In this matter, the American people must re-assert their right to independent judgment quickly. We must demand a national policy which will prepare for war without throwing away the fruits and hopes of peace. We must formulate a program which will cope with the outer threat and at the same time mobilize our energies for a continuing attack on democracy's inner weaknesses.

Such a program will make the kind of sense that free men need to sustain themselves in these hours of their greatest crisis. For our crisis is not military or ideological alone. It does not stem from the Soviet challenge or the Communist challenge alone - or even primarily. It is, rather,

the consequence of democracy's failure to command the deepest loyalties and release the best energies of mankind. Democracy is losing ground because it is not true to itself. Communism wins new conscripts because democracy's promises have out-run its performance.

A program of action aimed both at defense against external aggression and at repairing the inner damage to democracy's self-assurance would be a more sensible and hopeful bulwark against the inroads of Communism than witch-hunts and hysteria. It would weld the vital necessity of military preparedness to the inescapable challenge of peaceful accomplishment. It would demonstrate to ourselves and the world that democracy does not wait passively for inevitable doom, but instead moves out to shape the future in freedom's image.

Such a program is possible. Its outlines are apparent in the area where the aircraft industry and the construction industry meet. Its elements emerge from an examination of two urgent current needs: America's need for planes, and its need for homes.

Planes and Homes for Peace

The realities of world power cannot be evaded, but they can be wisely or foolishly met. America must have air power. But neither our national well-being nor the requirements of our foreign policy will be served by rushing to produce scores of thousands of military planes which in a year or two will be obsolescent candidates for the scrapheap. What is needed is a plan for the procurement of military aircraft geared both to the total preparedness program and to the equally-urgent needs of an expanding society at peace.

What, then, is the most imperative need of the American people, if we conceive of ourselves as a nation ready for war but intent on peace? It will not be questioned, outside of the disciplined ranks of the professional exploiters of the housing shortage, that this most imperative

need is ~~my~~ homes. First, enough homes. Second, homes at a cost within the reach of every American's purse, since all need shelter. Third, homes built for living, not for speculation at the expense of the prospective owner and of the community. Fourth, homes as related parts of neighborhoods, of communities, of cities. The failure of the private building industry to meet these minimal standards of civilized living is not a momentary lapse from normal performance; it is a permanent and inseparable aspect of the industry's ingrained approach to the job. The private building industry can no more satisfy the national demand for housing than the private aircraft industry could satisfy the national need for defense without government planning and support.

What is more logical, then, than a government program which would meet the national need for both air defense and housing, by using the war-inflated facilities of the aircraft industry, now largely idle and wasted, to build both homes and planes?

The essential components of such a program are easily defined. Even if an Air Establishment of the proportions recommended by the President's Air Policy Commission were officially adopted, the goal could be achieved without touching millions of square feet of floor space in the airframe aircraft and ~~xmx~~ engine plants constructed during ~~Wwwx~~ World War II and now dispersed throughout the country as ghostly monuments to an unprecedented wartime expansion program. This floor space can be used for the mass production of low-cost housing. The difference between holding this space as an idle reserve and maintaining it in an active stand-by condition through a government housing program is the difference between an aircraft industry without the manpower and production teams needed for full wartime operation and an aircraft industry ready for immediate conversion to a war footing, both in terms of equipment and in terms of working force.

A government-coordinated housing program utilizing the excess capacity

of the airframe and aircraft engine plants will achieve two important ends: it will permit a balanced Air Force procurement program from an aircraft industry fully manned and fully prepared for instant conversion - and it will develop the national momentum without which the most crucial mass need of peace - the need for homes - will never be met by private builders.

Through such a program, this nation can meet the threat of war without neglecting the continuing imperatives of peace. Through it, we can confront the outer peril without succumbing to our most serious inner weakness, the lack of a national policy which gives a basic need of the masses of people priority over the speculative drive of a comparative few.

The Aircraft Industry - Then, Now - and Tomorrow

Aircraft manufacturing was the Cinderella industry of World War II. From its lowly position as 44th peacetime industry in 1939, employing only 76,000 workers, it rose to princely eminence as the nation's greatest home-front operation, with over 2 million workers, and facilities worth almost 4 billion dollars, 90% of which came from the pockets of the American public.

In 1947, aviation was back among the ashes of its humble pre-war status, with an average employment of but 190,000, with the promised post-war commercial market an unrealized dream, and with the major producers begging for government hand-outs in the form of an expanded military procurement program.

The great production team that gave America supremacy in the skies over every war front is scattered to the four winds. Millions of square feet of floor space in airframe and aircraft engine plants are lyihg idle, in mute testimony to a national failure to plan for the peacetime use of a huge wartime investment.

Will these great facilities now be used to build an Air Establishment

far in excess of requirements, in response to the blind pressures of war hysteria? Will government contracts with the 15 major producers enable them to exist profitably without risk, with millions of square feet of floor space remaining idle and wasted in a subsidized reserve? Or will the American people insist on the sane utilization of these great production units through a coordinated housing-and-preparedness program?

The people must decide, and quickly. They can permit the building of scores of thousands of planes which will be obsolete in a year. They can use their tax dollars to maintain a large fraction of the aircraft industry in profitable idleness. Or they can demand a government program which will put the aircraft industry to work building both planes and homes, in an unprecedented national effort to make democracy strong in the accomplishments of peace as well as in the ways of war.

The aircraft industry is a public ward. In the words of the Air Policy Commission report, it has "a market with but one major customer, the Government, which purchases 80 to 90 percent of its entire output." The same report states that the industry has "an organization in excess of present requirements." That organization was financed, not by private investment and risk, but by a vast public outlay of funds, after the private aircraft manufacturers, in the summer of 1940, bluntly refused to expand capacity in the face of a mounting threat to our national security - until the government offered to pay their way.

Such an industry cannot claim the immunities and privileges of a private enterprise. Its wartime performance was the product of public investment and of a technical know-how in the possession of its skilled personnel. It was not due primarily to any outstanding managerial competence or initiative. The uses to which the facilities of the industry should be put today must be determined by public decision and open discussion of the possibilities in the light of pressing national needs - not by irrational

fears and reckless procurement.

The plant reserve of the aircraft industry is at least 90% public property, in any sensible meaning of the term. The whole industry is "affected with a public interest"; it is a public utility in function and strategic importance, however stubbornly its nominal owners may cling to the forms and slogans of private business. The disposition of its reserve is, therefore, a public matter. It must be used to serve a public need, not to nourish private power or fortune. And the public need it will serve must be determined, not by the military alone, but by the majority of citizens.

Since the majority of citizens are acutely aware of the tragic need for housing, and since the unused facilities of the aircraft industry can be put to work to break the housing bottleneck, common sense clearly dictates the adoption of a balanced government program for the full use of airframe and aircraft engine plants for the production of housing as well as planes. Such a program holds out the hope of making a coordinated attack on two of our most fundamental problems.

The aircraft industry can be a tool for the enrichment of peace as well as a source of military power. To exploit its dual nature in a coordinated house-and-plane production plan would be to offer mankind much-needed proof that America's technical competence is controlled by a creative social imagination working through the democratic process. There could be no more eloquent refutation of the totalitarian argument that American democracy has gone to seed.

<u>The Housing Tragedy</u>

If Americans ever lose faith in the free way of life, it will not be

because they have been converted by totalitarian arguments, but because ~~the democratic process has failed to~~ vested interests within the democratic system ~~have~~ raise intolerable barriers to the satisfaction of popular needs. The democratic process will then fall under the sheer weight of accumulated frustrations and resentments. In no sector of the national cummunity has ~~this~~ the erosion of mass confidence in democracy's ability to get things done reached a more critical phase than in the home-building industry.

The lack of decent housing within economic reach of all American families may once have been a scandal. It is now a tragedy. No amount of propaganda by real estate and mortgage lobbyists can conceal the utter failure of the private building industry to make modern, decent, low-cost shelter available to the average family.

Every estimate of the national housing need is far above the actual and potential performance of the private building industry. About 500,000 ~~f~~ new families are established each year. Yet the ~~home-building~~ industry has averaged no better than half-a-million non-farm homes annually over the past quarter of a century. Thus, leaving the farm population entirely out of account, and considering the fact that private builders offer the bulk of their product to high-income families, it is clear that the construction industry cannot build enough housing to keep pace with the annual formation of new families. It is inconceivable that such an industry will ever get around to replacing the 7½ million dwellings that ought to be torn down, the additional 4½ million dwellings that need major repairs, or the 15 million non-farm homes that are ~~now~~ more than 35 years old.

An industry which cannot even cope with the physical demand for houses will certainly never accommodate its out-worn habits to the need for community planning and urban de-centralization. Yet this nation needs, not dwelling space alone, but living space that meets up-to-date standards of health,

recreation, and efficiency. To attain these ends, the public interest in housing must be made paramount; the need for homes as related parts of wholesome communities must take precedence over the profit-drive of the sub-division speculators, the mortgage and loan agencies, and the profiteering middlemen who impede rather than expedite the flow of materials.

Home-building must be released from the shackles of the handicraft era and its practices modified to take advantage of mass-production techniques, modern materials, and the lower costs resulting from large-scale operations. Private builders themselves would benefit from these innovations. Building trades workers could exchange short-run gains for long-term security, for satisfaction of the national housing need would provide a continuing source of employment. Elimination of the building cycle would go far toward stabilizing the business cycle and toward maintining the economy at full-production levels. Yet these vital reforms will not be made by the builders themselves, by materials suppliers, by real estate brokers, or by building trades labor. No group by its own initiative can break through the vicious circle of selfish, outmoded, and unproductive practices in which the building industry is bound.

Only a comprehensive yet de-centralized government housing program can breaking the housing logjam and mobilize the massive but uncoordinated energies of the construction industry for the job of giving America the homes we need and deserve. And one of the pillars of such a program, if it is to succeed, must be the mass-production of pre-fabricated housing, using the millions of square feet of idle floor space in the publicly-financed and publicly-subsidized aircraft industry. Only such an ambitious plan can overcome the inertia which has consistently defeated piecemeal attempts to wipe out the housing deficit.

The Plan In Action

The Congressional Aviation Policy Board, in cooperation with the President's Air Policy Commission, would determine the amount of floor

space needed to satisfy the combined demand for aircraft of the Air Force, the Navy, the National Guard, and commercial carriers. The present covered floor area of the major airframe manufacturers now contracting with the military measures 41,000,000 square feet, according to the Air Policy Commission. Plants held in idle reserve have a total area of 21,200,000 square feet. The total potential annual capacity of the present aircraft industry at peak utilization (assuming the wartime airframe output of 9 pounds per square foot per year) is 560,000,000 airframe pounds.

Since the Commission "believes that military requirements for 30,000,000 to 40,000,000 pounds annually, in addition to demands for commercial and private planes, would provide a sound basis for expansion in an emergency" - and since civil aircraft production in 1947 was in the neighborhood of 15,000,000 pounds - it is clear that the full demands of the services and of commercial carriers can be met without full utilization of millions of square feet of floor space.

The floor space and facilities not needed for the military and commercial aircraft production program will be assigned to a National Housing Authority, an agency which will incorporate all the housing activities of the federal government. This Housing Authority would take the unused floor space out of idle reserve and maintain it and its equipment in an active stand-by condition, through a mass-production housing program.

The most significant result of such a housing program, from the military standpoint, would be the resulting mobilization of a labor force possessing the skills for rapid conversion to aircraft production in the event of an emergency. Both the Air Policy Commission and the Congressional Aviation Policy Board have underscored the importance of such a work force.

The Board, in its report, National Aviation Policy, recommends: "A comprehensive plan for allocating manpower should be developed for immediate application in the event of an emergency. Competition between the services,

and between industry and the services, must be prevented. Drafting of experienced defense workers into the military and replacing them with unskilled workers is a distinct loss to total effort. Specialized skills will be needed more critically than ever in factories."

Such industrial mobilization must be accomplished without coercion. The best guarantee that it will be carried out both democratically and efficiently lies in advanced planning. Use now of idle aircraft industry facilities in a mass-production housing program would assure a skilled work force in being. An active reserve is clearly preferable to an idle reserve. Through such a housing plan, we can have not only an adequate stand-by plant but the necessary stand-by labor force.

The Board study says further: "Many of the best supervisers, engineers, and skilled workmen are leaving the aircraft industry because of instability and insecurity resulting from absence of a long-range program. Sporadic awarding of contracts throughout the industry has caused even the nucleus f force of top-trained employees to undergo lay-offs. The production of present day aircraft is highly complex. Frequent changes are required in methods and processes of manufacturing. Breaking up of coordinated teams of engineers, tooling, liaison, production control and production workers will have a serious effect on producibility and expandability in an emergency. Success in production depends upon the manufacturing teams which have been developed over a period of years."

A housing program based on the idle plant reserves of the aviation industry would satisfy the need, obviously regarded as vital by the Board, to re-assemble and maintain the full aviation production team that went to pieces in 1945.

The Air Policy Commission states: "The most efficient aircraft in the world, no matter how brilliant its performance, is of

little value to the national defense unless it can be manufactured quickly in large quantities.

"The team concept is not limited to research and design. Production planning and production control groups are ~~x~~ equally necessary, but it is more difficult to keep such teams together in peacetime. When production drops off to mere jobbing levels, their functions simply disappear. Means must be found to keep alive the special skills that have been evolved in ~~the~~ these particular fields during the war years. If they are alowed to be disipated, time and effort will be needed to replace them in a future emergency."

The means to keep these teams and skills alive lie in the mass-production housing program. The program also permits ~~mmxm~~ active use of machine-tools now held in storage. The ~~Aix~~ Commission says further: "It was proposed by the Air Coordinating Committee that a reserve of general purpose machine tools be established and maintained, with 65,000 machine tools as a minimum. These reserve tools are being acquired and placed in storage by the Air Force and Navy under Public Law 364 (80th Cong.). We recommend that this program be completed." Under the planes-and-homes plan, these general-purpose tools would not be held in idleness; they would be used by the re-assembled production team to mass-produce housing.

The National Housing Authority would mobilize research and engineering skills in housing comparable to the skills now brought to bear on bomber and fighter ~~phamxmx~~ design and production. A technical commission within the Authority would investigate every aspect of home-building - methods of construction, materials, design, community planning - toward the end of making available to American families a sound, up-to-date, low-cost house embodying the ~~kmxd~~ quality of technical know-how and efficiency which produced the B-29 and the atom bomb. The proposition that an investment in wholesome

living is worth as much outlay of talent and planning as our late wartime investment in wholesale death and ~~and~~ destruction will not be controverted by any citizen in ~~his~~ command of his rational faculties and democratic instincts.

Full Scope for Local Initiative

Government intervention in the housing field today is limited to for the most part assumption of risk, not in behalf of the home buyer or renter but in behalf of the mortgage lender. The proposed National Housing Authority will lend government support where it is needed - to the family that needs a home to live in, rather than to ~~the~~ those who seek to profit by that need.

The Authority will provide ~~government~~ momentum, a framework for action, and goals. It will not be ~~an~~ a centralized governmental colossus. On the contrary, full scope would be given to local initiative. It would hold out the promise of deliverance ~~from~~ from the jitters of instability to both building trades labor and bona fide contractors. It would bring order into the industry without coercion, eliminate the present unwieldy system of distribution, and create an atmosphere of confidence among ~~both~~ builders, buyers, and renters.

The Authority would cooperate with local public housing agencies and planning commissions in the revision of out-moded and restrictive building codes. It would foster genuine cooperative housing developments. It would provide housing for both ownership and rental. In every instance, the Authority would set the framework and assure minimum standards. The local nature of the building industry would not be changed. A floor would merely be placed under its performance, in order that local initiative might be released in an atmosphere of confidence for the satisfaction of the housing needs of low-income families. The Authority would not compete with suppliers and builders in the high-income building market. Its activities would be directed exclusively toward making available high-standard housing for the one-third of a nation which is still deprived of adequate shelter at low cost.

If the industry as presently organized could supply that market, there would be no housing problem. Since it cannot, government action is indispensable.

A Balanced Program for Homes and Preparedness

There will be those who will claim that such a plan is impractical, just as there were those who alleged that the automobile industry could not be converted to a war footing, when that proposal was advanced in the summer of 1940, a year and a half before Pearl Harbor.

Yet whatever is necessary to nourish democracy at its roots is surely practical. The standards of practicality badly need definition, if the national toll in health, dignity, stability, and confidence arising from bad housing can be regarded as practical.

Is it practical to expect the private building industry to supply the national need for 15 million homes in the next ten years, when that industry cannot even keep pace with the formation of new families annually? Is it practical to expect that the private building industry can supply the low-rental market, when that industry is currently ~~supplying~~ offering 80% of new rental units to ~~the~~ that half of the nation's families with an income above $2,500 and only 20% of such units to the half of the nation's families with incomes less than $2,500?

Almost every analysis and forecast with respect to home-building assumes a continuation of the current practices of the construction industry. From the point of view of vested interests in the field this approach may be practical. But such a view is blind to the overriding fact that the dimensions of the housing tragedy are so vast that tinkering at the edges of the problem is futile. The whole face and nature of the industry must be transformed. Present government intervention perpetuates the old by making unproductive and speculative practices profitable. What is needed is government intervention to protect the people who live in houses rather than those who live

off them. A planes-and-homes program, based on the idle plant reserves of the aircraft industry, is the lever that can move the whole building industry out of the past into a future of sustained production and prosperity.

The plan is equally practical in terms of military preparedness. It will maintain a trained work force in being for emergency conversion. The floor space and facilities used in the housing program will constitute an active rather than an idle reserve. It is certainly more practical to have such an active reserve for quick conversion, and a fully-mobilized, trained labor force on hand, than to wait for the onset of military crisis to begin the time-consuming process of manpower recruitment and training and plant conversion. An airframe plant making prefabricated houses is only one engineering step away from mass production of transport planes and bombers.

Peace Is Inevitable

The planes-and-homes program is of more than technical importance. It could help to dissipate the fog of war hysteria and fatalism. If it ill becomes a democratic people to abdicate responsibility to the military in time of war, then it is even more reckless to abandon civil judgment to the generals in time of peace. War is only an interruption, never a refutation, of the projects and purposes of peace. A mad rush to re-arm can be fatal to a democracy. It can become an irresponsible flight from the realities that perpetually confront us as free citizens. An obsession with arming ourselves could be a refusal to face our guilt and our failure in the matter of housing ourselves. A free people defends its way of life best by spending its best energies in its daily pursuit.

The deepest practicality of the planes-and-homes plan is that it does not throw peace overboard. It offers the promise of an adequate Air Establishment and the hope of a down-to-earth attack on our greatest home-front

evil, all without a reckless squandering of our substance in a fatalistic march to global suicide.

The plan raises, it is true, a fundamental question for our policy-makers and for the American people as a whole. For it is based on the assumption that we as a nation are interested, not in mere survival in the air age, but in democratic survival.

FROM: FRANK WINN
PUBLIC RELATIONS DIRECTOR
UAW-CIO

MEMO TO LABOR REPORTERS AND EDITORS -

Walter P. Reuther, UAW-CIO president, will hold a press conference Friday, February 11, at 11 a.m. to discuss his proposed plan, HOUSES FOR PEOPLE, PLANS FOR PEACE, JOBS FOR SECURITY. The conference will be at UAW-CIO headquarters, 411 W. Milwaukee.

This copy of the plan is being sent to you today so that you may have an opportunity to read it before the press conference.

Please note that the plan is not for release until Sunday papers, February 13.

From: UAW-CIO Public Relations Department
411 W. Milwaukee, Detroit 2, Mich.
Trinity 1-6600
Frank Winn, Director

PLEASE OBSERVE RELEASE DATE

For Release to:

Sunday Papers, February 13, 1949

A program to harness surplus production capacity in the aircraft industry to a massive assault on the nation's housing crisis was spelled out today by Walter Reuther, UAW-CIO president and chairman of the national CIO housing committee. The program, entitled HOUSES FOR PEOPLE, PLANES FOR PEACE, JOBS FOR SECURITY, has been submitted to President Truman.

The new Reuther plan calls for government utilization of unused floor space in the aircraft industry for the mass production of pre-fabricated housing, its goal being liquidation of the nation's twenty million unit housing deficit over a period of ten years. Plants converted to pre-fab production, Reuther stresses, could be kept as fully manned and equipped stand-by facilities for emergency shift to plane production should war threaten.

Recommending cut-backs in current military appropriations as a means of financing the plan's initiation, Reuther declares that the planes-and-homes program offers the nation an opportunity to purchase progress and security in one package.

Citing alarming current jumps in unemployment, the UAW president urges that the thousands of jobless auto industry engineers, technicians and tool and die workers be put to work on the basic mass production tooling job required to put the plan in gear.

Reuther joins the President's Air Policy Commission in underlining that unless aggressive government action is forthcoming, the skilled production teams which gave America air supremacy during the war may be scattered or completely dissolved. His proposal offers a means of keeping production units intact through diversion of surplus aircraft capacity to housing production.

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"The uses to which the facilities of the aircraft industry should be put today," he states, "must be determined by public decision and open discussion in the light of pressing national needs— not by irrational fears and reckless procurement."

"The aircraft industry can be a tool for the enrichment of peace as well as a source of military power. To exploit its dual nature in a coordinated hours-and-plane production program would be to offer mankind much-needed proof that America's technical competence is controlled by a creative social imagination working through the democratic process. There could be no more eloquent refutation of the totalitarian argument that American democracy has gone to seed."

Private industry, using conventional housing methods, Reuther makes clear, is not up to the job of supplying sufficient housing at low cost to meet the demands of the 500,000 new families created annually, let alone capable of attacking the mounting obsolescence of existing housing.

Construction labor, the plan assures, far from suffering harm through mass pre-fab production, would be relieved of the fear of seasonal and cyclical unemployment. The plan also supplies the basis for an eventual guranteed annual wage to building trades workers.

Reuther proposes establishment of a National Housing Authority to take over current War Assets Administration plants and tools adaptable to mass houding construction, this Authority to tie in its production plans with emergency economic mobilization plans of the armed services, using multi-purpose tools suitable to either pre-fab housing or aircraft production and providing refresher courses for plant workers as a guarantee of quick convertibility should a threat of war arise.

The proposed Authority would include a research and technical development agency devoted to exploitation of new housing materials, perfecting the application of existing materials, and expanding current production capacity where shortages cramp development of the program.

"What was once a national scandal is now a national tragedy," the UAW president asserts. He urges upon President Truman re-imposition of materials allocation and

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priorities as necessary to guarantee adequate supply for the national housing effort he outlines.

The plan, Reuther points out, could be used to satisfy directly the President's request in his State of the Union message for creation of a full-employment economy with at least a million additional jobs. It would also offer an effective brake against sharply mounting unemployment, now approaching the three-million mark, as well as a flexible stabilizer in the economy for a long period in the future.

Calling upon the government to intervene "in favor of the people who live in houses, rather than those who live on them," Reuther proposes basic revision of the current practices of federal underwriting agencies to achieve substantial reductions in the financing costs of new homes. Direct financial support, including subsidies where necessary, should be given to low-rent public housing, he states. "In the national book-keeping, decent housing for unhoused low income groups can only be inscribed as a gain. If we accept that a nation is justified in subsidizing commercial aviation and shipping in case of need, we can be content with no less for that nation's citizens in need."

Scheduled shortly to testify before the Senate Banking and Currency Committee in its hearings on housing, Reuther emphasizes that the planes-and-homes program is not submitted as a substitute for currently proposed legislation, but as a broad-based, long-term plan to accomplish what proposed palliative legislation has failed to undertake in the housing field.

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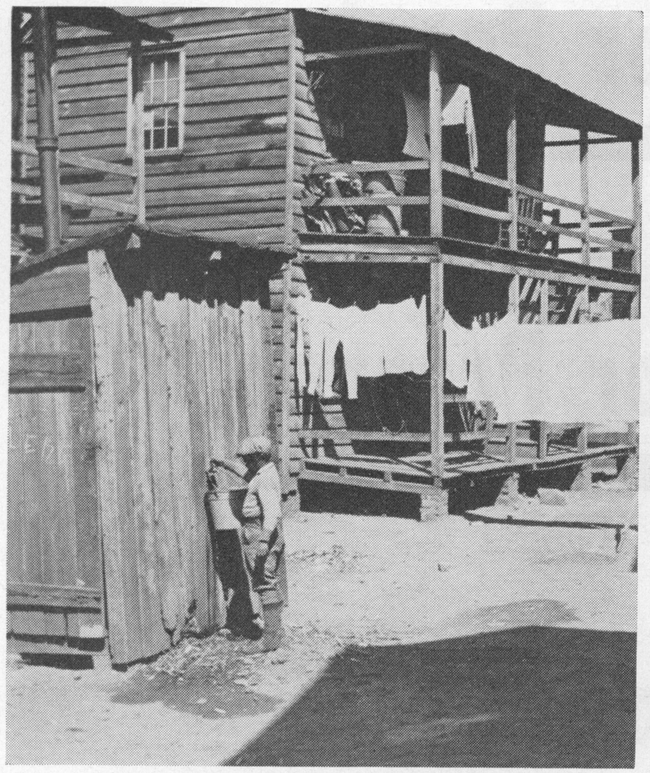
HOMES for People

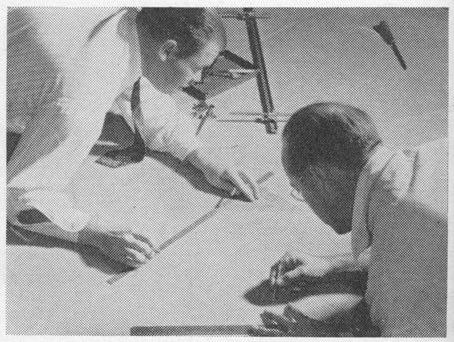
JOBS for Prosperity

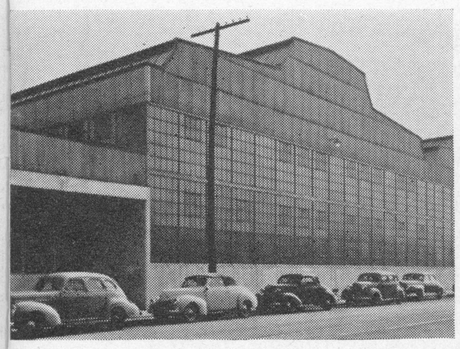
PLANES for Peace

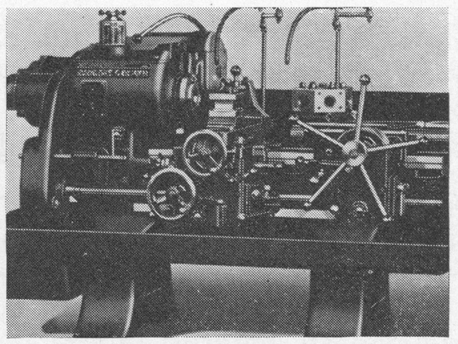


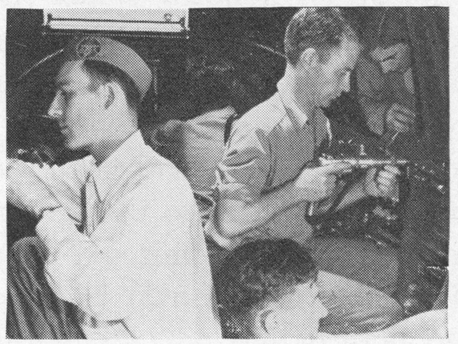
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Congress of Industrial Organizations

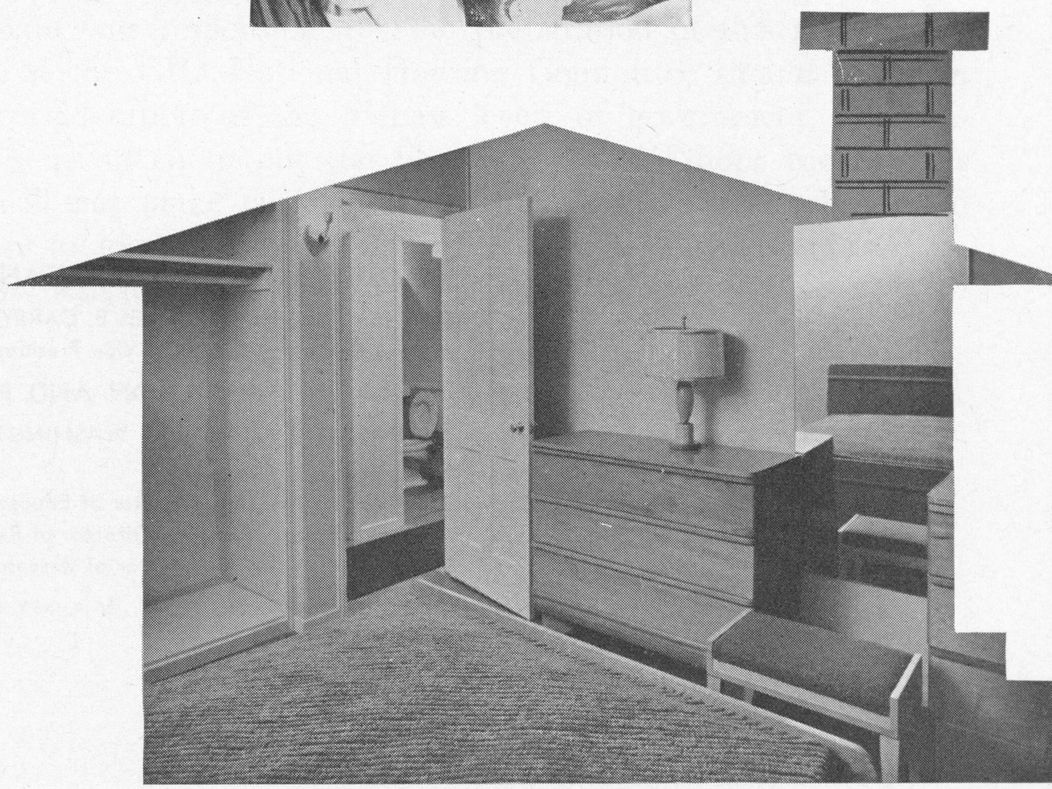












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FOREWORD

April 6, 1949

In 1940 I commended to the attention of the government a CIO proposal prepared as a result of the experience of a group of skilled automobile workers headed by Walter P. Reuther for the mass production of defense aircraft. Our program was born out of CIO's desire to make its utmost possible contribution to national defense. Organized labor offered to the government its knowledge and abilities for use in the national emergency. The critics of organized labor refused to heed our proposals and the advantages which might have been gained had our program had early acceptance, were lost by the many months of delay before the automobile industry was required to convert to war production.

Once again organized labor, through its accumulated experience and skills in the application of advanced modern techniques, proposes a program seeking solution of our country's most pressing need. The CIO National Housing Committee approved for presentation to the President this plan for applying production line methods to the manufacture of hundreds of thousands of sorely needed homes. The chairman of the CIO National Housing Committee, who has aptly said, "last year's housing crisis has turned into today's housing tragedy," in the main was responsible for the preparation of this plan. This proposal of the CIO National Housing Committee should be given serious consideration at the highest levels of government, and immediate steps taken to put the plan into gear. I hope the nation's leaders will not make cumulative the tragedies which resulted from the failure to adopt our earlier proposals by delaying the implementation of this desirable program.

Philip Murray

PRESIDENT, CIO

INTRODUCTION

One consequence of the plan here presented is certain. The spokesmen of special interest will call it everything from impractical to fantastic. By now their voices are familiar. We heard them raised against full economic mobilization while Hitler's legions were crushing freedom throughout Europe. Shortly we shall hear them again.

These apostles of business as usual and economic scarcity sneered when labor in the automobile industry proposed that the men and tools making cars could be put to work making planes. They were wrong.

It is impossible and pointless to try to evaluate the loss in time and lives resulting from industry's refusal to put aside business as usual in favor of conversion to military production in the national interest. Forgetting such tragic accounting, we need only remember that those who scorned President Roosevelt's call for 50,000 planes as "visionary" lived to see a mobilized America exceed that figure by far, and that those who cried "impractical" to labor's proposal for conversion of the automobile industry saw between eighty and ninety percent of that industry's machine tools and as much of its manpower harnessed to plane and armament production in an incredible demonstration of industrial might.

Today America faces a different crisis, but the old issue has reappeared: Shall business as usual prevail over the need to mobilize our industrial resources in the national interest?

Hitler is gone, but the legacy of the war he made is still with us. Millions of American families in thousands of slum tenements, shacks and trailer camps, cramped and crowded as never before, need homes. Millions of veterans, four years after demobilization, are increasingly embittered at democracy's apparent inability to house its defenders. Inherently incapable of adjustment to crisis, business as usual cannot meet the national housing needs.

Millions of Americans will continue to be denied decent low-cost housing in wholesome communities unless we launch a large-scale mass production housing program, based on the full application of our most advanced technology.

The production engineering and scientific "know-how" which can bring into being the B-36 or the jet F-86 and split the atom can certainly, if applied, build a decent inexpensive house. The technicians

and skilled workers are ready, available and willing. They ask only for the opportunity to go to work on our national housing program.

Now standing idle or only partially used, government-built airframe plants and certain other government-owned facilities located throughout the country, are ideally suited to the mass production of low cost, high quality homes.

Thousands of machines, now motionless in War Assets Administration storage sheds, could be put to productive use to build needed homes for American families.

The tool machine industry, currently suffering from falling demand and rising unemployment, could supplement WAA machinery with required new equipment. The basic machinery needed—large and small blanking and stamping presses, sheet metal forming and rolling machinery, riveting and welding equipment—is common to both mass production of low cost housing and production of advanced military aircraft. Shifts in types of production are achieved by changed application of tooling to basic mass production machinery.

In the auto industry the major portion of tooling work for new models has been completed. There are currently close to four thousand skilled technicians in the tool and die and related skilled labor categories of the industry unemployed. These thousands of technicians could be employed to build the tools, dies, jigs and fixtures required in tooling existing basic machinery for the mass production of homes.

Dangerous soft spots are already developing in our economy. On February 4, 1949, the United States Census Bureau reported that total unemployment in the nation rose in January, 1949, to 2,650,000, an increase of 600,000 over January, 1948.

These figures should impress on the most cautious the need for vigorous counter-measures, the more so in view of President Truman's recent State of the Union message calling for creation of a million **new** jobs. A bold, realistic approach to the mass production of low cost housing through utilization of idle plant and labor reserves will give us

HOMES FOR PEOPLE
JOBS FOR PROSPERITY and
PLANES FOR PEACE.

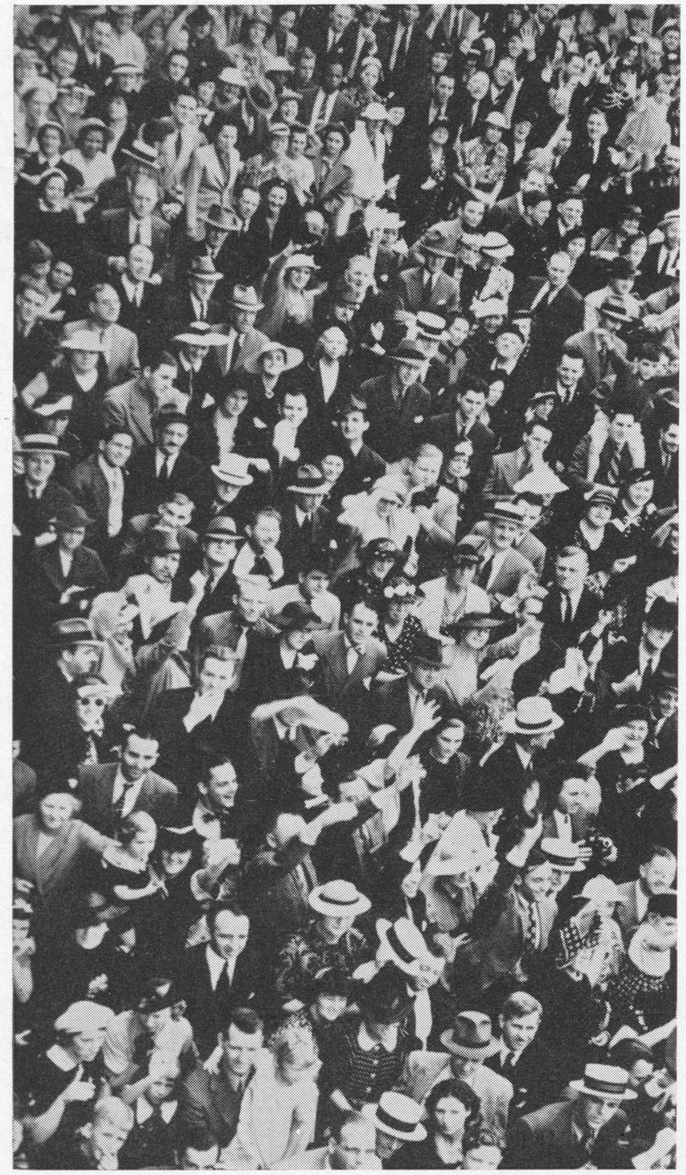
It is not exaggerated to describe our housing crisis as a war—a war between the national welfare and special interest. The plan

which follows seeks to bring that war to an end. Now, as in the late war, men of little faith and limited vision will seek to block or delay the full mobilization of democracy's productive potential. Now, as then, we must guarantee their failure. We who want democracy to live cannot permit the selfish obstruction of a few to thwart fulfillment of the needs and hopes of the many.

Walter P. Reuther

PRESIDENT, UAW-CIO
Chairman, CIO Housing Committee

Survival



or Democratic Survival?

Four years after the second World War, fear of a third World War forces nations into heavy appropriations for defense. Yet men of all nations, whatever their economic beliefs and political allegiances, understand that war in the atomic age can mean the complete extinction of civilized life and values.

The prospect of atomic warfare flings the ultimate challenge at governments and peoples. It dominates national policies. It underlies the daily acts and calculations of private citizens, imparting an undercurrent of anxiety and foreboding to every event.

The question of survival has become a practical question. No man can escape the challenge to answer it, least of all democratic man, for whom mere survival cannot be enough. We who believe in and defend the values, actual and potential, of a democratic society must weigh every proposed answer to the question of survival from the standpoint of whether it takes intelligent account of the values we cherish and seek to preserve.

Military defense is imperative. Power to resist attacks and carry a war, once it is started, to the enemy's homeland, is the only language understood by aggressor nations. Yet democracy must speak another language as well. A free society must arm itself not only with the implements of war but with the tools and accomplishments of peace. A military program which is not directly and consciously linked with these vital ends of democratic living may guarantee survival; it will not guarantee survival under conditions tolerable to free men. It may even lead to the corruption from within of those institutions it professes to protect from external attack.

Viewed in this perspective, current proposals for military preparedness represent a lame and only partial response to democracy's crisis. That crisis may well endure beyond the life of armaments now contracted for. Its internal aspects can no longer be neglected, for already they match in seriousness the external threat. A startling vision of the disproportion in resources devoted to combatting the danger from within as against the danger external to us is projected by the Federal budget for the fiscal year 1950. The blunt figures spell out potential disaster: 75% of total government expenditures will be channeled into payment for war or the threat of war; less than 1% will flow into housing or community development.



Democracy's Double Crisis

War hysteria derives from a wrong estimate of the danger from without, and results in a failure to recognize the inner threat. One aspect of the inner threat to democracy is the possibility that we shall attempt to meet the external danger of totalitarianism by preparedness measures which will force our own free institutions into a totalitarian mold. Another part of the internal danger is that a rash emphasis on military preparedness will further muffle the crying need to complete the unfinished business in democracy's own backyard.

The mindless masses of a slave society who have their thinking done for them by their betters do not fix their own course in peace or in war. They have little to lose but their chains in turning from one to the other. But men who live by democracy's creed are bound to ask themselves what dangers they are preparing against and what worlds they are trying to win.

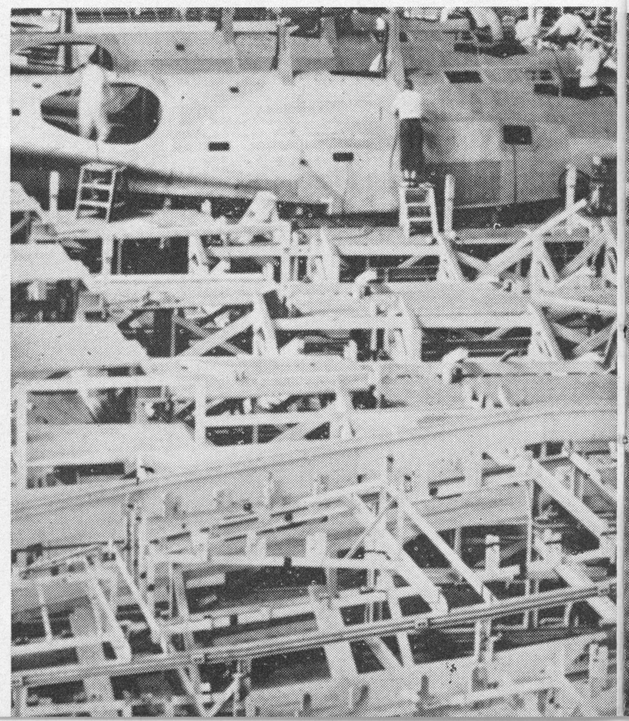
The proper way to preserve peace and meet war's threat is the most important of these matters. On it the American people must reassert their right to independent judgment quickly. We must have a national policy which will insure our safety without throwing away the fruits and hopes of peace. We must formulate a program which will cope with the outer threat and at the same time mobilize our energies for a continuing attack on democracy's inner weaknesses.

What we see happening today in China takes place not because of Communism's success, but because of Democracy's failure. Freedom cannot win on the battlefield what should have been won in the ricefields.

The program here submitted will make the kind of sense that free men need to sustain themselves in these hours of their greatest crisis. For our crisis is not military or ideological alone. It does not stem from the Soviet challenge or the Communist challenge alone—or even primarily. It is, rather, the consequence of democracy's failure to command the deepest loyalties and release the best energies of mankind. Democracy has lost ground because it was not true to itself. Communism wins new conscripts because democracy's promises have outrun its performance.

A program of action aimed both at defense against external aggression and at repairing the inner damage to democracy's self-assurance is a more sensible and hopeful bulwark against the inroads of Communism than witch-hunts and hysteria. It would weld the vital necessity of military preparedness to the inescapable challenge of peaceful accomplishment. It would demonstrate to ourselves and the world that democracy does not wait passively for inevitable doom, but instead moves out to shape the future in freedom's image.

Such a program is possible. Its outlines are apparent in the area where the aircraft industry and the construction industry meet. Its elements emerge from an examination of two urgent current needs: America's need for planes, and its need for homes.



Homes for People, Planes for Peace

The realities of world power cannot be evaded, but they can be wisely or foolishly met. America must have air power. But neither our national well-being nor the requirements of our foreign policy will be served by rushing to produce scores of thousands of military planes which in a year or two will be obsolescent candidates for the scrapheap. What is needed is a plan for the procurement of military aircraft geared both to the total preparedness program and to the equally urgent needs of an expanding society at peace.

What, then, is the most imperative need of the American people, if we conceive of ourselves as a nation prepared against war but intent on peace? It will not be questioned, outside of the disciplined ranks of the professional exploiters of the housing shortage, that this most imperative need is homes. **First,** enough homes. **Second,** homes at a cost within reach of the purse of every American family, since all need shelter. **Third,** homes built for family living, not for speculation at the expense of the prospective owner and of the community. **Fourth,** homes as related parts of neighborhoods, of wholesome communities, of cities. The failure of the private building industry to meet these minimal standards of civilized living is not a momentary lapse from normal performance; it is a permanent and inseparable aspect of the industry's ingrained and outmoded approach to the job. The private building industry can no more satisfy the national demand for housing than the private aircraft industry could satisfy the national need for defense without government planning and support.

What is more logical, then, than a government program which would meet the national need for both air defense and housing, by using the war-expanded facilities of the aircraft industry, now idle or only partially utilized, to build both homes and planes?

The essential components of such a program are easily defined. Even if an Air Establishment of the proportions recommended by the President's Air Policy Commission were officially adopted, the goal could be achieved without utilizing millions of square feet of floor space in the airframe and aircraft engine plants constructed at government expense during World War II and now dispersed throughout the country as ghostly monuments to an unprecedented wartime expansion program. This floor space can be used for the mass production of low cost housing. The difference between



holding this space as an idle reserve and maintaining it in an active stand-by condition through a government housing program is the difference between an aircraft industry without the manpower and production teams needed for full wartime operation and an aircraft industry ready for immediate conversion to a war footing, both in terms of equipment and in terms of trained working force.

A government-coordinated housing program utilizing the excess capacity of the airframe and aircraft engine plants will achieve two important ends: it will permit balanced Air Force procurement from an aircraft industry fully manned and fully prepared for instant conversion —and it will develop the national momentum without which the most crucial mass need of peace—the need for homes —will never be met by private builders.

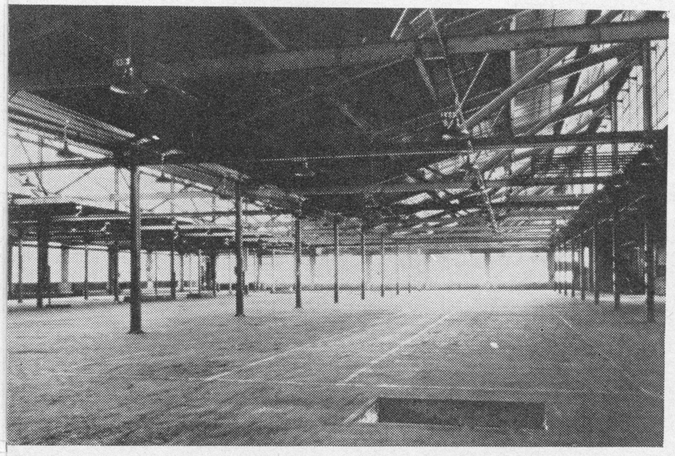
Through such a program, this nation can meet the threat of war without neglecting the continuing imperatives of peace. Through it, we can confront the outer peril without succumbing to our most serious inner weakness, the lack of a national policy which gives a basic need of the masses of people priority over the speculative drive of a profiteering minority.

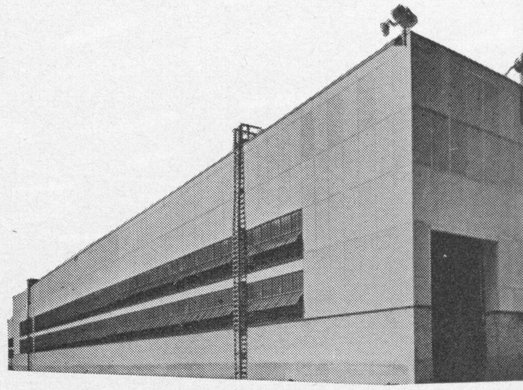
The Aircraft Industry— Then, Now—and Tomorrow

Aircraft manufacturing was the Cinderella industry of World War II. From its lowly position as 44th peacetime industry in 1939, employing only 76,000 workers, it rose to princely eminence as the nation's greatest home-front operation, with over 2 million workers, and facilities worth almost 4 billion dollars, 90% of which came from the pockets of the American people through their government.

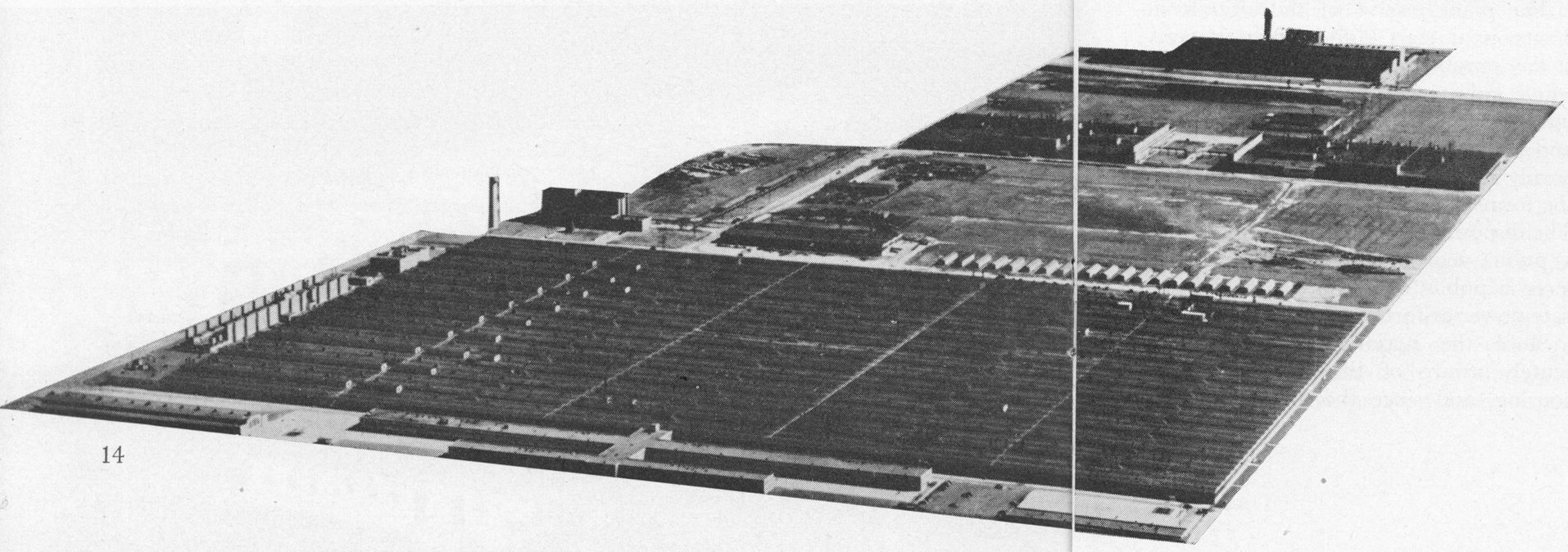
In 1947, aviation was back among the ashes of its humble pre-war status, with an average employment of but 190,000, with the promised post-war commercial market an unrealized dream, and with the major producers begging for government hand-outs in the form of an expanded military procurement program.

The great production team that gave America supremacy in the skies over every war front is scattered to the four winds. Millions of square feet of floor space in airframe and aircraft engine plants are lying idle, in mute testimony to a national failure to plan for the peacetime use of a huge wartime investment.

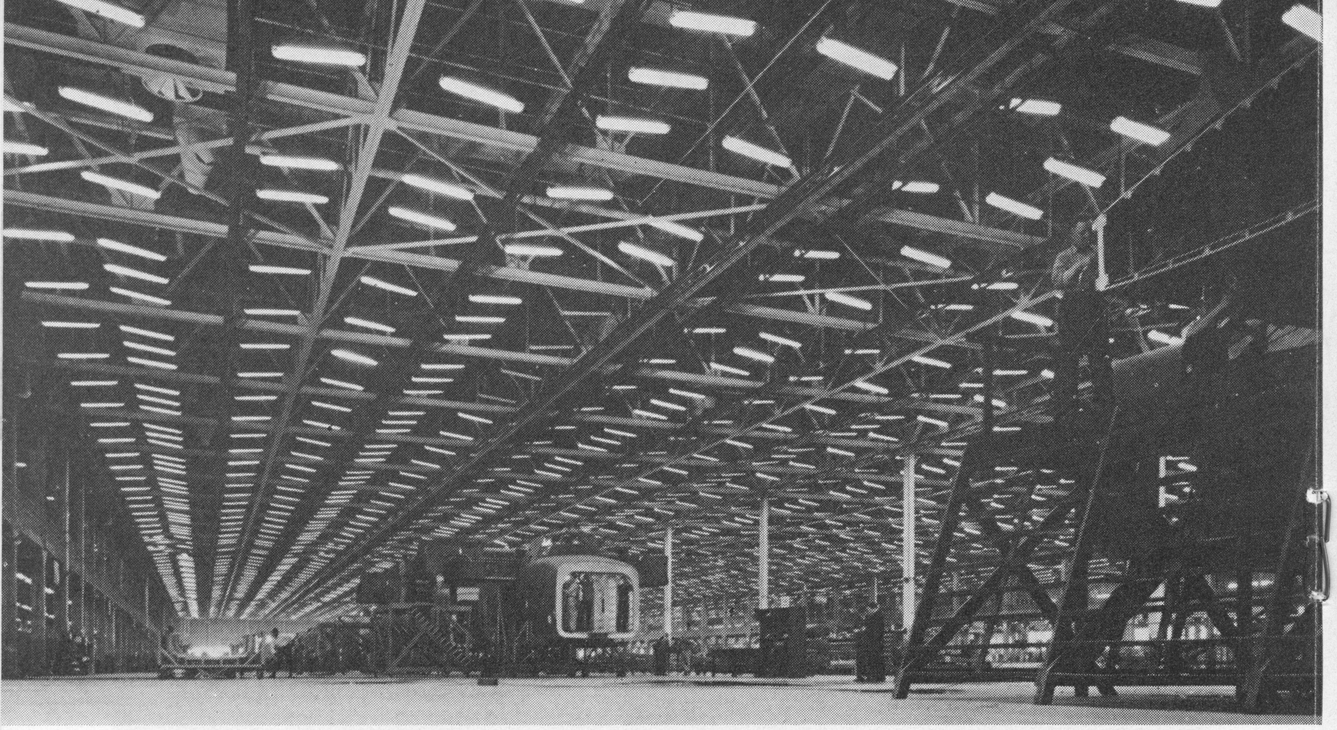








Will these great facilities now be used to build an Air Establishment far in excess of requirements, in response to the blind pressures of war hysteria? Will government contracts with the 15 major producers enable them to exist profitably without risk, with millions of square feet of floor space remaining idle and wasted in a subsidized reserve? Or will the American people insist on the same utilization of these production units through a coordinated housing-and-preparedness program?



The People's Double Stake in the Industry

The people must decide, and quickly. They can permit the building of scores of thousands of planes which will be obsolete in a year. They can use their tax dollars to maintain a large fraction of the aircraft industry in profitable idleness. Or they can demand a government program which will put the aircraft industry to work building both planes and homes, in an unprecedented national effort to make democracy strong in the accomplishments of peace as well as prepared to repulse aggression.

The aircraft industry is a public ward. In the words of the Air Policy Commission report, it has a "market with but one major customer, the Government, which purchases 80 to 90 percent of its entire output." The same report states that the industry has "an organization in excess of present requirements." That organization was financed, not by private investment and risk, but by a vast public outlay of funds, after the private aircraft manufacturers, in the summer of 1940, bluntly refused to expand capacity in the face of a mounting threat to our national security—until the government offered to pay their way.

Such an industry cannot claim the immunities and privileges of a private enterprise. Its wartime performance was the product of the money of the American people and of a technical know-how in the possession of its skilled personnel. The uses to which the facilities of the industry should be put today must be determined by public decision and open discussion of the possibilities in the light of pressing national needs—not by irrational fears and reckless procurement.

The plant reserve of the aircraft industry is at least 90% public property, in any sensible meaning of the term. The whole industry is "affected with a public interest"; it is a public utility in function and strategic importance, however stubbornly its nominal owners may cling to the forms and slogans of private business. The disposition of its reserve is, therefore, a public matter. It must be used to serve a public need, not to nourish private power or fortune.

Since the majority of citizens are acutely aware of the tragic need for housing, and since the unused facilities of the aircraft industry can be put to work to break the housing bottleneck, common sense clearly dictates the adoption of a balanced government program for the full use of airframe and aircraft engine plants for the production of housing as well as planes. Such a program holds out the hope of making a coordinated attack on two of our most fundamental problems.

Peace, Not the Sword Alone

The aircraft industry can be a tool for the enrichment of peace as well as a source of military power. To exploit its dual nature in a coordinated house-and-plane production plan would be to offer mankind much-needed proof that America's technical competence is controlled by a creative social imagination working through the democratic process. There could be no more eloquent refutation of the totalitarian argument that American democracy has gone to seed.

It should by now be clear that a tactical objective of the totalitarian bloc's war of nerves is so to panic us that we divert an ever-increasing portion of national income needed elsewhere to the production of sterile instruments of war. Engaged as we are in a struggle whose outcome will not be determined by weapons alone, in a struggle in which a hostile philosophy seeks to reduce our inner strength by every means available, we risk the serious danger of handing democracy's enemies a cheap and bloodless victory in the measure that, by hysterical flight to arms, we leave democracy's house unguarded.

Whether the merchants of panic are bent on blackmail or complete conquest may now be impossible to determine. Whatever their motives, our sole security against a dual threat is one which prepares us to repulse both simultaneously. The two-purpose program here proposed will call for constant vigilance and mobility in planning, but these are in any case forced upon us by our present danger and are a cheap price indeed for survival. They are the only price at which we may purchase both progress and security in one package.

The Housing Tragedy

If Americans ever lose faith in the free way of life, it will not be because they have been converted by totalitarian arguments, but because vested interests within the democratic system raise intolerable barriers to the satisfaction of popular needs. The democratic process will then fall under the sheer weight of accumulated frustrations and resentments. In no sector of the national community has the erosion of mass confidence in democracy's ability to get things done reached a more critical phase than in the home-building industry.

The lack of decent housing within economic reach of all American families may once have been a national scandal. It is now a national tragedy. No amount of propaganda by real estate and mortgage lobbyists can cancel the utter failure of the private building industry to make modern, decent, low cost shelter available to the average family.

Every estimate of the national housing need is far above the actual and potential performance of the private building



industry. Census figures establish that at least 500,000 new families are formed each year. Yet the industry has averaged no better than half a million non-farm homes annually over the past quarter of a century. Thus, leaving the farm population entirely out of account, and considering the fact that private builders offer the bulk of their product to high-income families, it is clear that the construction industry cannot build enough housing to keep pace with the annual formation of new families. It is inconceivable that such an industry will ever get around to replacing the 7½ million slum dwellings that ought to be torn down, the additional 4½ million dwellings that need major repairs, or the 15 million non-farm homes that are more than 35 years old.

An industry which cannot even cope with the physical demand for houses will certainly never accommodate its outworn habits to the need for community planning and urban decentralization. Yet this nation needs, not dwelling space alone, but living space that meets up-to-date standards of health, recreation, and efficiency. To attain these ends, the public interest in housing must be made paramount; the need for homes as related parts of wholesome communities must take precedence over the profit-drive of the subdivision speculators, the mortgage and loan agencies, and the profiteering middlemen who impede rather than expedite the flow of materials.

Small home building must be released from the shackles of outmoded methods and its practices modified to take advantage of mass-production techniques, modern materials, and the lower costs resulting from large-scale operations. Private builders themselves would benefit from these innovations. Building trades workers, already feeling the squeeze of unemployment, could at last achieve long-term security, for satisfaction of the national housing need would provide a continuing source of employment. Elimination of the building cycle would go far toward stabilizing the business cycle and toward maintaining the economy at full-production levels. Yet these vital reforms will not be made by the builders themselves, by materials suppliers, by real estate brokers. No group by its own initiative can break through the vicious circle of antiquated, selfish, and unproductive practices in which the building industry is bound.





Only a comprehensive government housing program can break the housing log jam and mobilize the massive but uncoordinated energies of the construction industry for the job of giving America the homes we need and deserve. And one of the pillars of such a program, if it is to succeed, must be the mass-production of pre-fabricated housing, using the millions of square feet of idle floor space in the publicly-financed and publicly-subsidized aircraft industry.

To date, efforts in the pre-fabricated field have only played at the fringes of the mass production problem. Mass production **tooling** is the sole key to both minimizing costs and maximizing volume. We must tool up for the production of housing on a scale comparable to the tooling job done for the mass production of automobiles.

Only such an ambitious plan can overcome the inertia which has consistently defeated piecemeal attempts to wipe out the housing deficit. Only the impetus of such a plan can bring into play and coordinate local and regional planning now held impotent in the straitjacket of inadequate financing and insufficient material resources.

Here is a plan to which no special interest except the barefaced profiteer can take basic exception. To the nation's armed forces it offers reserve production facilities fully manned and capable of almost instantaneous conversion to military output. Remembering the agonizing delay imposed on expansion of aircraft production at the outset of the war, our military planners cannot again risk allowing shortages of trained labor to endanger the national existence. Another war would scarcely permit us the luxury of repeating the errors of the last.

The Tools Are There

That surplus facilities lie at hand for use is obvious. Already well-advanced, the new aircraft production program finds itself employing in 1949 only 20% of the workers engaged at the war-time peak. Even after achieving its zenith in 1951 the aviation program will require only a fraction of the floor-space now available. Without detailing here an exhaustive inventory of disposable surplus space and equipment, and making due allowances for expanded space requirements per unit resulting from changing plane types, it remains clear that facilities more than adequate to the plan's needs are within easy reach.

To mention only the giants among plants now idle or essentially underutilized, the following may be cited: Dodge and Douglas, Chicago; Chance-Vogt, Stratford, Connecticut; Bell, Atlanta, Georgia; Douglas, Oklahoma City. These facilities alone would furnish the plan much of the capacity and the geographical distribution required. It should be remembered, in addition, that large fractions of plants now under military contracts, such as Lockheed in Burbank, California, are not in use.

Shipyards, Too

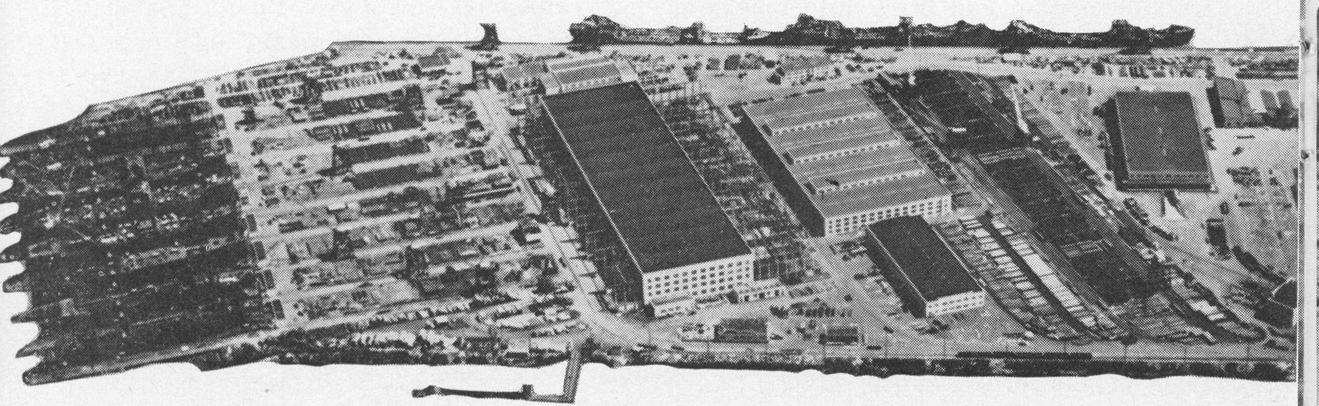
Nor is the aircraft industry alone in holding surplus facilities convertible to housing production. Now, as after the first World War, a staggering waste of capacity is visible in a corpse of the shipbuilding industry. A major portion of Federally-financed yards — their huge fabrication shops—most of their marine ways—their miles of railroad siding and port anchorage usable for transportation —their steel fabrication units—their machine tools—all idly await obsolescence or are being dismantled. In Maine, in Massachusetts, in Delaware, in Maryland, in North Carolina, in California, in Oregon—two billion dollars in facilities are condemned to rusting disuse or marginal exploitation. Certain yards, such as that of the Dravo Corporation in Wilmington, Delaware, have already been partially adapted to home production but, due to the financial difficulties invariably encountered by private housing enterprise, on an entirely inadequate scale.

"Second Best Is Not Good Enough"

Serious consideration should be given to the advisability of cutting back the amount of money and floor space now earmarked for finished plane production as distinguished from money and facilities set aside for design and engineering on new prototypes. At the present pace of change in military aircraft, today's super-bombers are tomorrow's Model T's. We cannot house our home-hungry millions in tomorrow's obsolescent aircraft. Nor will today's planes guarantee our security in the future any more than yesterday's B-17's, B-24's and B-29's can guarantee it today. Our long-term safety will best be served by an investment policy which creates the maximum potential production capacity, tooled and manned for sudden quantity output of the latest models of military aircraft should an emergency approach. Tomorrow's war, if it comes, will be won by today's **effective capacity,** quickly mobilized, not yesterday's output. "For national security," states the President's Air Policy Commission, "second best military aircraft are simply not good enough."

Beyond assuring the military an already-mobilized labor supply, trained if necessary for quick conversion to military production by occasional refresher courses, and plants tooled up for the same purpose, the plan offers quick solution of a major bottleneck of the past two wars—military housing, general construction and emergency war housing for workers. Standby capacity for production of pre-fabricated barracks, warehouses and related structures would involve enormous savings in time, materials, and manpower should we ever again be forced into national mobilization. Even the limited shifts and expansions incidental to our present armament program are already frustrated and delayed by the lack of available housing for workers. Without standby capacity for emergency mass housing production, a full-scale rearmament program, given the existent housing shortage and given the stresses and gross movements of manpower it would impose, would find itself almost literally stopped in its tracks.

Only a massive and flexible emergency housing machine could avoid the evils of compulsory labor allocation, overcrowding, illegal wage premiums and labor-pirating which in varying degree cursed mobilization for the last war.



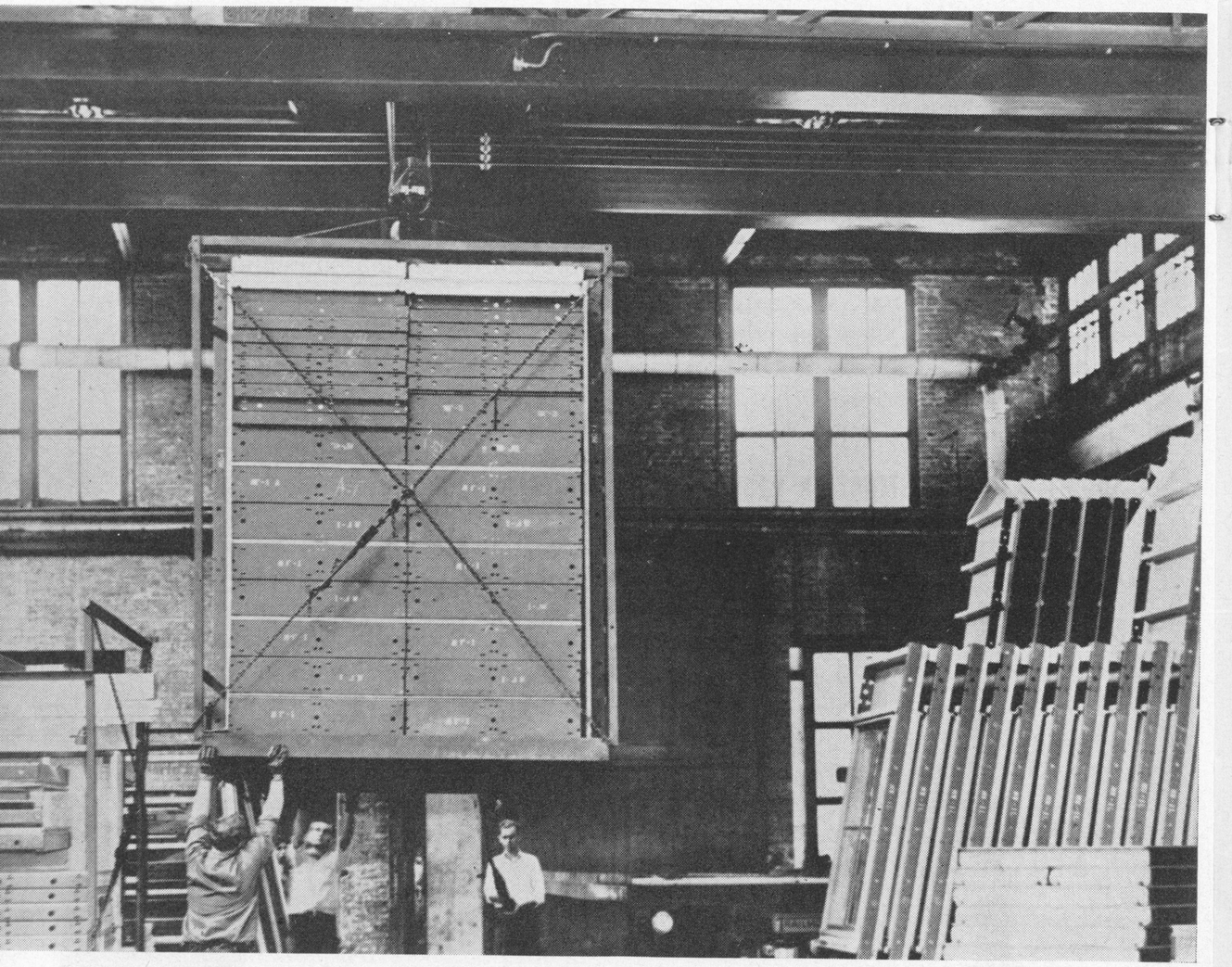
Security for Construction Labor

The plan's advantages to building trades labor are equally obvious. A coordinated ten-year national housing program would for the first time lay the spectre of cyclical and seasonal unemployment. Its inevitable reduction of housing costs would not only force down exorbitant current costs in non-Federal housing but in so doing incalculably increase the over-all demand for housing. If the construction industry continues to price itself out of the market, building financial interests may survive the impending collapse, but building labor will be among its primary victims. Indeed, its first casualties may already be counted, and the number grows daily. Any assumption that labor can profit from inflation and scarcity is as empty an illusion in the field of housing as in any other.

The dimensions and duration of a building program such as that here proposed would make feasible for the first time the possibility of a guaranteed annual wage for construction labor. Renovation of old communities and the emergence of new home projects within an over-all government plan would create sustained demand for new roads, hospitals, churches, schools, stores, banks, post-offices and related facilities. In such a context, security for the construction worker could at last become a reality.

The plan promises to relieve distress in an all but forgotten area as well—farm housing. Only large-scale intervention of the kind here envisioned can arrest the creeping dereliction of farm housing throughout the nation. This is an area into which private building is neither disposed nor equipped to enter. The same may be said for rural non-farm housing already obsolescent and doomed to accelerating decay, as well as for housing for migrant farm workers.





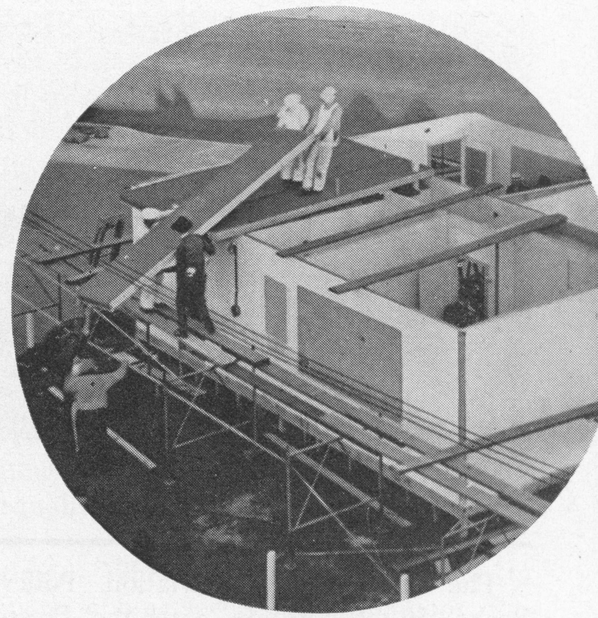
Bottlenecks Must Be Broken in Peace as Well as in War

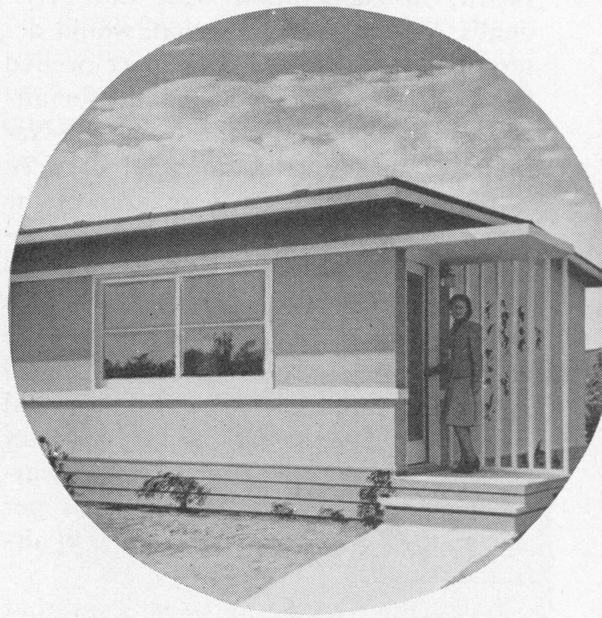
But granting all the foregoing, it may be asked, what about the impact of the plan on material shortages which are already acute? Would it not simply compound the incidence of demand on fixed supplies and aggravate the very inflation it seeks to offset?

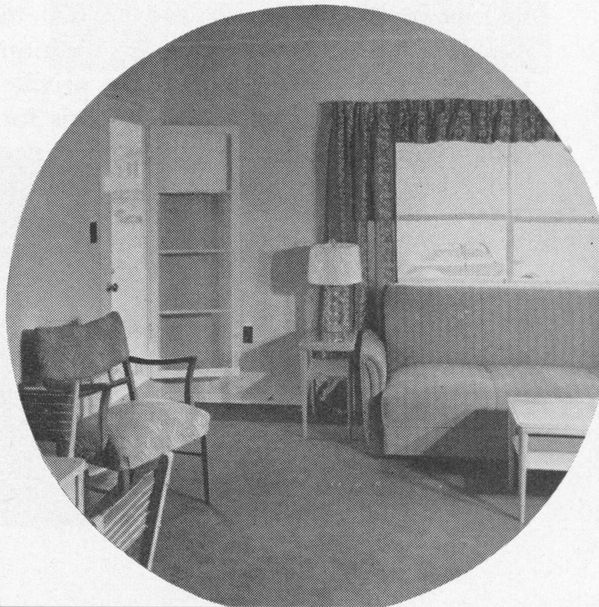
There are two answers. One is that mass production of pre-fabricated housing need not compete for materials currently in shortage. Aggressive research and a willingness to depart from conventional materials and practices will quickly liberate a national housing program from materials which are in short supply.

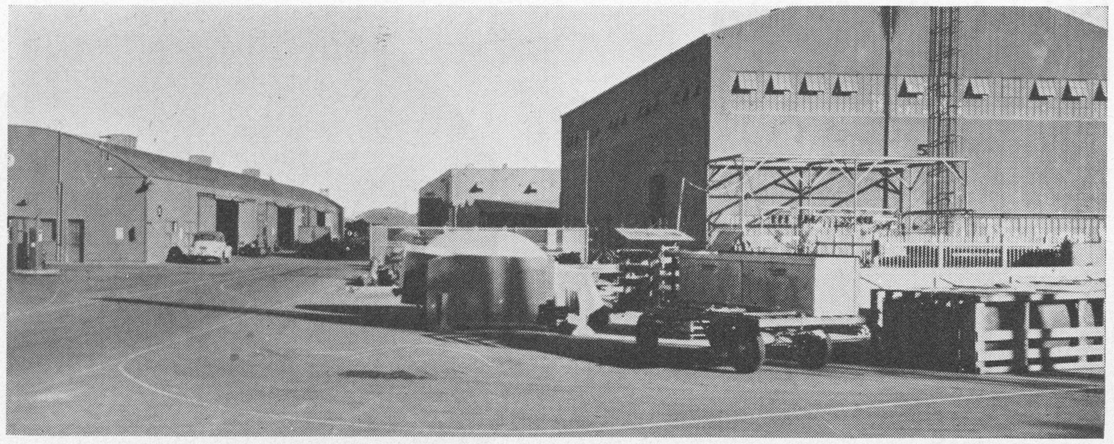
Incapable, by its very nature, of dealing with housing in national terms, the building industry raises the "hope" that this year or next more materials may be available for low cost housing due to a decline in the luxury housing field. But we cannot gamble the future of American families and of building industry labor on the chance of a collapse in housing demand in upper income groups.

The second answer to the question raised must be that if and where scarcity bottlenecks exist they should be broken with the same vigor with which they would be broken in wartime and for the same reason—the public interest. Pending the exploitation of new materials and expanded production capacity in existing materials, the reimposition of allocations and priorities over scarce building supplies is a clear necessity. This must be accompanied by direct government intervention, as proposed by President Truman in his State of the Union message, wherever basic industry fails to expand capacity to meet expanded demand. Neither in war nor in the emergencies of peace can a democracy function on the assumption that any of its constituent parts is greater or more sacred than the whole.









The Approach to the Plan

The Congressional Aviation Policy Board, in cooperation with the President's Air Policy Commission, would determine the amount of floor space needed to satisfy the combined demand for aircraft of the Air Force, the Navy, the National Guard, and commercial carriers.

The present covered floor area of the major airframe manufacturers now contracting with the military measures 41,000,000 square feet, according to the Air Policy Commission. Plants held in idle reserve have a total area of 21,200,000 square feet. The total potential annual capacity of the present aircraft industry at peak utilization (assuming the wartime airframe output of 9 pounds per square foot per year) is 560,000,000 airframe pounds.

Since the Commission "believes that military requirements for 30,000,000 to 40,000,000 pounds annually, in addition to demands for commercial and private planes, would provide a sound basis for expansion in an emergency"—and since civil aircraft production in 1948 was in the neighborhood of 10,000,000 pounds—it is clear that the full demands of the services and of commercial carriers can be met without utilization of millions of square feet of floor space. The floor space and facilities not needed for the military and commercial aircraft production program will be assigned to a National Housing Authority, an agency which will incorporate all the housing activities of the federal government. This Housing Authority would take the unused floor space out of idle reserve and maintain it and its equipment in an active stand-by condition, through a mass-production housing program.

Quick Conversion Later Means Planning Now . . .

The most significant result of such a housing program, from the military standpoint, would be the resulting mobilization of a labor force possessing the skills for rapid conversion to aircraft production in the event of an emergency. Both the Air Policy Commission and the Congressional Aviation Policy Board have understood the importance of such a work force.

The C.A.P. Board, in its report, **National Aviation Policy,** recommends: "A comprehensive plan for allocating manpower should be developed for immediate application in the event of an emergency. Competition between the services, and between industry and the services, must be prevented. Drafting of experienced defense workers into the military and replacing them with unskilled workers is a distinct loss to total effort. Specialized skills will be needed more critically than ever in factories."

Such industrial mobilization must be accomplished without coercion. The best guarantee that it will be carried out both democratically and efficiently lies in advanced planning. Use now of idle aircraft industry facilities in a mass-production housing program would assure a skilled work force in being. An active reserve is clearly preferable to an idle reserve. Through such a housing plan, we can have not only an adequate stand-by plant but the necessary stand-by labor force.

Keeping Production Teams Intact . . .

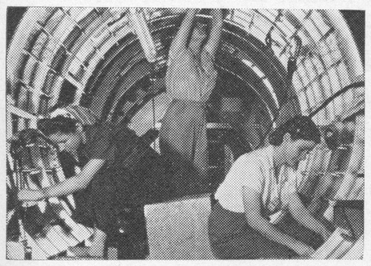
The Board study says further: "Many of the best supervisors, engineers, and skilled workmen are leaving the aircraft industry because of instability and insecurity resulting from absence of a long-range program. Sporadic awarding of contracts throughout the industry has caused even the nucleus force of top-trained employees to undergo lay-offs. The production of present-day aircraft is highly complex. Frequent changes are required in methods and processes of manufacturing. Breaking up of coordinated teams of engineers, tooling, liaison, production control and production workers will have a serious effect on producibility and expandability in an emergency. Success in production depends upon the manufacturing teams which have been developed over a period of years."

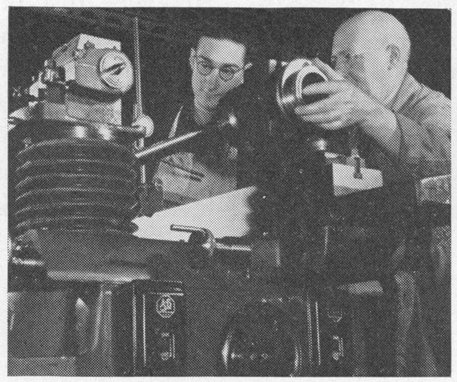
A housing program based on the idle plant reserves of the aviation industry would satisfy the need, obviously regarded as vital by the Board, to re-assemble and maintain the full aviation production team that went to pieces in 1945.

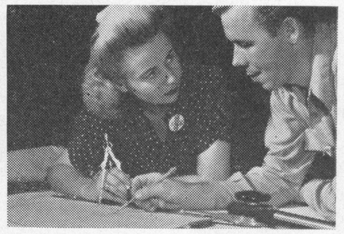
The Air Policy Commission stated: "The most efficient aircraft in the world, no matter how brilliant its performance, is of little value to the national defense unless it can be manufactured quickly in large quantities.

"The team concept is not limited to research and design. Production planning and production control groups are equally necessary, but it is more difficult to keep such teams together in peacetime. When production drops off to mere jobbing levels, their functions simply disappear. Means must be found to keep alive the special skills that have been evolved in these particular fields during the war years. If they are allowed to be dissipated, time and effort will be needed to replace them in a future emergency."









. . . And Tools Installed for Use

The means to keep these teams and skills alive lie in the mass-production housing program. The program also permits active use of machine-tools now held in storage. The Commission says further: "It was proposed by the Air Coordinating Committee that a reserve of general purpose machine tools be established and maintained, with 65,000 machine tools as a minimum. These reserve tools are being acquired and placed in storage by the Air Force and Navy under Public Law 364 (80th Cong.). We recommend that this program be completed." Under the planes-and-homes plan, these general-purpose tools would not be held in idleness; they would be installed and used for the mass production of housing.

The National Housing Authority would mobilize research and engineering skills in housing comparable to the skills now brought to bear on bomber and fighter design and production. A technical commission within the Authority would investigate and work on every aspect of home-building—methods of construction, materials, design, community planning—toward the end of making available to American families a sound, up-to-date, low-cost house embodying the quality of technical know-how and efficiency which produced our super-planes and the atom bomb. The proposition that an investment in wholesome living is worth as much outlay of talent and planning as our late wartime investment in wholesale death and destruction will not be controverted by any citizen in command of his rational faculties and democratic instincts.

The President's message to Congress called for the creation of at least a million new jobs. The contribution of the homes-and-planes program to the accomplishment of this objective would be enormous. Properly timed in its application and expansion, the program offers both a constructive source of new employment and a flexible instrument for leveling off fluctuations in employment brought about by seasonal or cyclical factors in private industry.

Full Scope for Local Initiative

Government intervention in the housing field today is limited for the most part to assumption of risk, not in behalf of the home buyer or renter but in behalf of the mortgage lender. The proposed National Housing Authority will lend government support where it is needed—to the family that needs a home to live in, rather than to those who seek to profit by that need.

The Authority will provide momentum, a framework for action, and goals. It will not be a centralized governmental colossus. On the contrary, full scope would be given to local initiative. It would hold out the promise of deliverance from the jitters of instability to both building trades labor and bona fide contractors. It would bring order into the industry, without coercion, eliminate the present unwieldy system of distribution, and create an atmosphere of confidence among builders, buyers, and renters.

The Authority would cooperate with local public housing agencies and planning commissions in the revision of outmoded and restrictive building codes. It would foster genuine cooperative housing developments. It would provide housing for both ownership and rental. In every instance, the Authority would set the framework and assure minimum standards. A floor would be placed under the performance of local building industry in order that initiative might be released in an atmosphere of confidence for the satisfaction of the housing needs of low-income families. The Authority would not compete with suppliers and builders in the luxury building market. Its activities would be directed exclusively toward making high-standard housing available for the one-third of a nation which is still deprived of adequate shelter at low cost.

If the industry as presently organized could supply that market, there would be no housing problem. Since it cannot, government action is imperative.

A Balanced Program for Homes and Preparedness

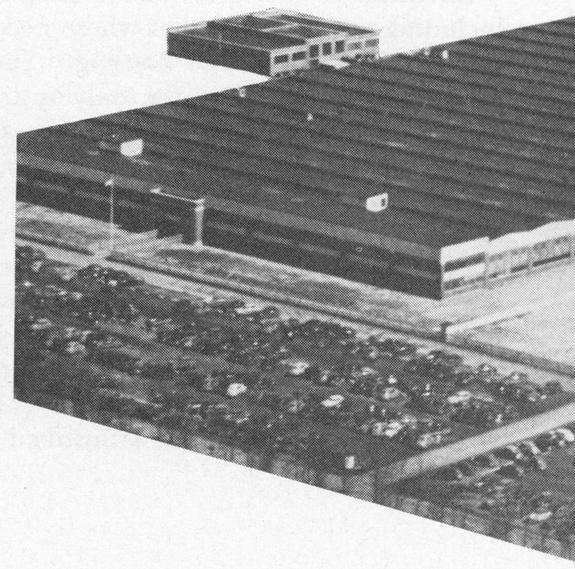
There will be those who will claim that such a plan is impractical, just as there were those who alleged that the automobile industry could not be converted to a war footing, when that proposal was advanced in the summer of 1940, a year and a half before Pearl Harbor.

Yet whatever is necessary to nourish democracy at its roots is surely practical. The standards of practicality badly need definition, if the national toll in health, dignity, stability, and confidence arising from bad housing can be regarded as practical.

Is it practical to expect the private building industry to supply the national need for 20 million homes in the next ten years, when that industry cannot even keep pace with the formation of new families annually? Is it practical to expect that the private building industry can supply the low-rental market, when that industry is currently offering 80% of new rental units to that half of the nation's families with an income above $2,500 and only 20% of such units to the half of the nation's families with incomes less than $2,500?

Almost every analysis and forecast with respect to home-building assumes a continuation of the current practices of the construction industry. From the point of view of vested interests in the field this approach may be practical. But such a view is blind to the overriding fact that the dimensions of the housing tragedy are so vast that tinkering at the edges of the problem is futile. The whole face and nature of the industry must be transformed. What is needed is government intervention to protect the people who live in houses rather than those who live off them. A planes-and-homes program, based on the idle war plant reserves of government-financed industry, is the lever that can move the whole building industry out of the past into a future of sustained production and prosperity.

Once in motion, the plan will yield quick and permanent benefits in terms of military preparedness. These have already been cited. There can be no question that an active reserve, whether of machines or manpower, is more valuable than a still-to-be-mobilized idle reserve. An operating airframe plant making pre-fabricated homes is only one engineering step away from mass production of transport planes, bombers, and fighters.



Financing

No legislation to date enacted or proposed has come to grips with the problem created by inflated financing charges in construction. Created originally to stimulate the mortgage market, the FHA has held narrowly to that objective into a period which has radically changed. Gradually FHA has confined its insurance to high-class mortgages where its services are least needed. The agency is now big money, moving and thinking in a banker's world. It may now fairly be said the FHA represents actual obstruction to the expansion of low-cost housing in general and of prefabricated housing in particular. Its grim dedication to returning a high annual profit may have earned it the applause of the 80th Congress, but a home-starved American people owes it no gratitude.

It is not the business of a Federal housing agency to make money. In the present crisis its business must be aggressively to stimulate the development of low-price housing. The new authority proposed in the homes-and-planes plan can attack swollen costs in home-building on four fronts.

First, it can acquire land at uninflated prices, the size of its operation giving it advantages in so doing which smaller agencies would not have.

Second, it can give direct support, including outright subsidies where necessary, to low-rent public housing. Such an authority is in fact the only instrument conceivable for alleviating the situation of millions of American citizens unable to pay an economic rent. If subsidy is open to attack as "charity," it must be anwered that adequate housing is a "charity" which America owes itself. In the national bookkeeping, decent housing for unhoused low income groups can only be inscribed as a gain. If we accept that a nation is justified in subsidizing commercial aviation and shipping in case of need, we can be content with no less for that nation's citizens in need.

Third, the agency envisaged can undertake on a national level to reduce interest and other financing costs in housing to equitable levels. To do so will require radical revision of the regulations of the principal government mortgage agencies. It need not be pointed out that the national plight forces radical change upon us. The revisions necessary would involve longer amortization and lower interest rates on government and government-insured mortgages, higher ceilings on the portion of the costs of builder-financed homes which the government can underwrite, government authority to reduce inflated capital costs on the homes it underwrites.

Fourth, the agency proposed would be in a position to guide and encourage mutual home ownership, to date the best tested method for reducing management costs and at the same time procuring a sufficiently high standard of maintenance to minimize deterioration.

Survival Is Not Enough

The planes-and-homes program is of more than technical importance. It could help to dissipate the fog of war hysteria and fatalism. If it ill becomes a democratic people to abdicate responsibility to the military in time of war, then it is even more reckless to abandon civil judgment to the generals in time of peace. War is only an interruption, never a refutation, of the projects and purposes of peace. A rush to re-arm which is blind to a nation's daily needs and wants can be fatal to a democracy. It can become an irresponsible flight from the realities that perpetually confront us as free citizens. An obsession with arming ourselves could be a refusal to face our guilt and our failure in the matter of housing ourselves. A free people defends its way of life best by spending its best energies in its daily pursuit.

The deepest practicality of the planes-and-homes plan is that it does not throw peace overboard. It offers the promise of an adequate Air Establishment and the hope of a down-to-earth attack on our greatest home front evil, all without a reckless squandering of our substance in a fatalistic march to global suicide.

The plan raises, it is true, a fundamental question for our policy-makers and for the American people as a whole. For it is based on the assumption that we as a nation are interested, not in mere survival in the air age, but in democratic survival.

To Put the Plan in Gear

It is recommended that the President appoint a National Housing Committee as quickly as possible. This Committee should include representation from the Armed Services, the National Security Resources Board, government housing and financing agencies, the War Assets Administration, members of the House and Senate Banking and Finance Committees, the Air Policy Commission, organized labor, and the construction industry. The Committee should be instructed to develop, within ninety days of its creation, proposals to accomplish the following:

1.) a national inventory of housing needs, along with a detailed outline of how mass production of pre-fabricated housing could help meet these needs.

2.) an inventory of surplus government-owned airframe plants or similar suitable floor space and machinery adaptable to pre-fabricated housing production.

3.) establishment of a Research and Technical Development agency within a National Housing Authority devoted to:

a. development of new housing materials, new sources of materials, and insuring maximum production and utilization of existing materials.

b. application of the most advanced architectural and engineering know-how in the designing of modern, functional, low-cost family houses, to be produced with maximum variation in floor plans and in exterior and interior design.

c. development of rational city and regional planning to achieve modern communities for wholesome family living. Slum clearance and re-development must be an integral part of this program. We must abolish the slums, not modernize them.

d. creation of a technical production commission to work out a production and tooling program insuring the fullest application of advanced technology in both the engineering and production aspects of the housing plan. (President Truman, in his Inaugural Address, suggested that America should lend its production and technical know-how to the world's backward economies. We approve this suggestion, and recommend that this same production known-how be applied to a backward domestic industry. Completion of the tooling program for new models among the major producers in the automobile industry has made available several thousand highly skilled technicians, engineers, tool and die makers and related workers who are equipped to do the tooling job for the mass production of high quality, low cost housing.)

e. formulation of a specific program to

coordinate and standardize conflicting or restrictive local building codes so that they will meet present-day needs and standards.

4.) provision for coordination of housing production with potential requirements of military production, including programs for refresher courses for labor in skills applicable to plane production, and procurement of basic tools suited to both types of production. (Surplus stocks of multiple-purpose equipment such as large and small stamping and blanking presses, welding apparatus, riveting, and rolling machinery are already on hand or being acquired in quantities adequate to initiate the plan. This basic machinery can be supplemented where necessary by special machinery which the tool machine industry, now working on reduced schedules and with skilled labor unemployed, is in an excellent position to furnish.)

5.) programming of government sponsored and coordinated high quality, low cost mass production housing providing for:

a. full participation of private enterprise and individual initiative in the plan, including the granting of long-range, low-interest loans, provided such private undertakings meet basic standards and policies established within the plan.
b. direct government operation of production facilities where private enterprise is unwilling to assume responsibility. (Operation of the program should aim at maximum decentralization consistent with efficient operation.)

6.) creation of a finance and distribution agency authorized to facilitate and encourage home ownership by families on long-term, low-interest loans. Such an agency should be authorized to purchase large tracts of land to be made available for small home owners free from speculative intervention.

It should be the policy of this agency to make homes available for purchase or rental through the following channels:

a. private distributing agencies which comply with and meet the required standards and policies of the program.
b. organized cooperative housing groups who meet the same requirements.
c. federal, state and local housing authorities.

7.) programming of government-sponsored housing production with private building efforts to assure liquidation of our basic housing deficit during the coming ten years.

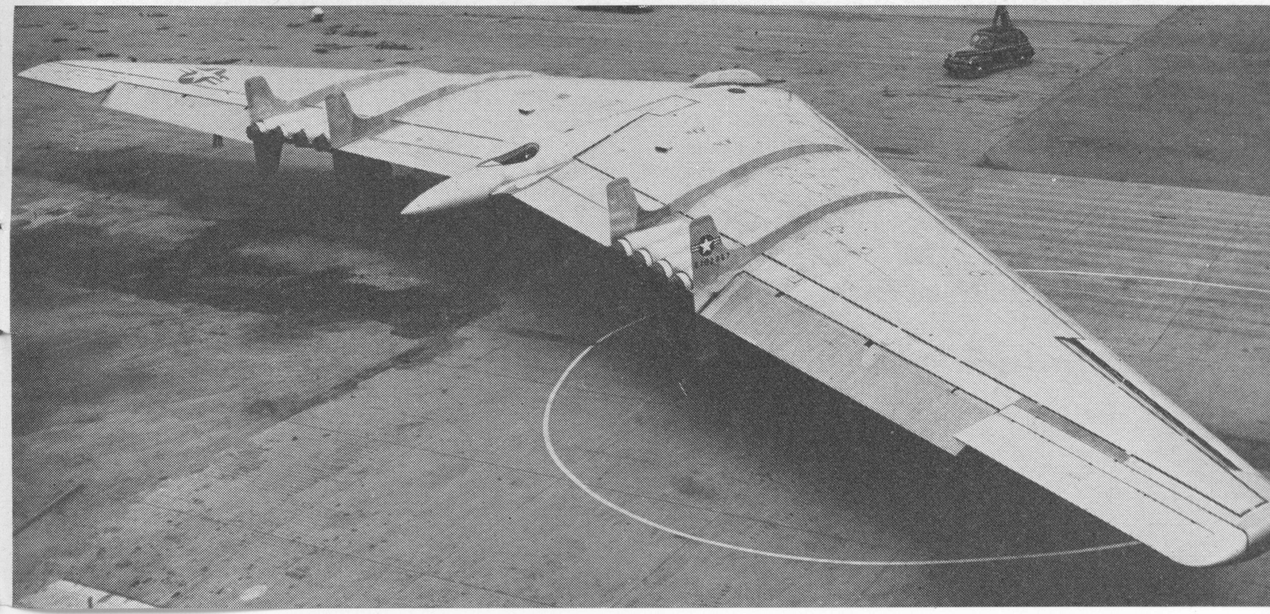
8.) creation of a system of materials procurement and allocation giving the national housing program priority second only to the demands of the armed services and equal to these demands where housing and security requirements coincide.

9.) extension of the President's proposals relating to steel to other industries, such as aluminum, copper and power, wherever refusal to expand capacity impedes fulfillment of the housing plan.

10.) formulation of proposals for legislation to increase government authority and financing power wherever existing funds and authority may be inadequate to accomplish the foregoing.

These recommendations are in no way offered as substitutes for legislation currently under congressional consideration. We submit only that the accelerating severity of our housing crisis imposes counter-measures designed to cure and not to palliate. Many of the steps necessary to meet that crisis can be taken immediately. As for those aspects of the plan requiring further legislation, we express the confident hope that a people's President will be supported by his government in satisfying our nation's most pressing need.

"At the present pace of change in military aircraft, today's super-bombers are tomorrow's Model T's. We cannot house our home-hungry millions in tomorrow's obsolescent aircraft."



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Reuther Explains the 'Reuther Plan'

By

A. H. RASKIN

Reuther Explains the 'Reuther Plan'

By A. H. RASKIN, a labor reporter for The Times since 1931, who has been covering the union activities of Walter Reuther for the past ten years.

THE thug who fired a shot gun through Walter Reuther's kitchen window last April 20 performed one unintended service for the dynamic young leader of a million unionized automobile, aircraft and farm equipment workers. The weary months of convalescence from the assassin's bullet have given the owner of one of the most agile minds in America time to think. This is a luxury that most men in public life are forced to forego because too many things demand their attention and leave them no time for real thought.

Ideas have always been Walter Reuther's long suit. Author of a score of "Reuther plans" for solving the problems of war and peace, he has what his friends call a brain with jet propulsion. His adeptness at formulating and dramatizing ideas that are both novel and challenging has been the principal ingredient in his rise to economic and political power. If the speed of a man's mind could be measured in the same way as the speed of his legs, Walter Reuther would be an Olympic champion.

What goes on in the mind of the red-haired president of the United Automobile Workers, CIO, is of interest to more than his wife and relatives. At 41, he has shown that he is no dreamer. He has hammered his way to mastery of a union that contained more and tougher factions than any in the American labor movement. All the tricks of the Communists and their "pork-chop" allies failed to check his ascent.

The concept of unionism that he is trying to sell to his own union associates and to the country at large is at the opposite pole from that typified in the public mind by the hulking figure of John L. Lewis. The president of the United Mine Workers thinks of himself as the intrepid commander of a coal-daubed band of warriors beset on all sides by enemies. He is convinced that the miners must fight for everything they get and that their only trustworthy support in the fight is their own strength. This is a concept that translates out to something like: "We against the world."

Reuther's approach is quite different. He is equally convinced that labor will never get anything on a silver platter, but he feels the way to achieve labor's goals is to merge its interests with those of the community and go forward together. His idea is: "We with the world." To the extent that he can persuade farmers and white-collar workers that his union is not operating as a sefish pressure group but as an instrument for promoting the common welfare, his star is likely to continue to rise.

THERE is no question that Reuther has what it takes to get ahead in politics. In intellect and personal appearance, he combines the most en-

gaging qualities of Albert Einstein and Van Johnson. He has no vices, lives an impeccable family life and is a prototype of clean-cut American manhood. He is an earnest speaker, with a newly developed change of pace that streaks his more somber passages with relieving flashes of humor.

The vigor that enabled him to stay on the move sixteen and eighteen hours a day is flooding back into his system after a slow initial recovery. His wounded right arm is still in a brace, but he is beginning to get some movement in his fingers. He is flying about the country, outlining his views to mass meetings of union members and assorted liberals. At the same time he is considering ways in which he can better integrate the UAW, which already runs its own stores, schools, newspapers and radio station, into the life of the communities in which its members work and live.

Reuther gave his mind little rest in the weeks he spent in hospitals and at home receiving treatment for his injured arm and for the malaria that set in as a result of a blood transfusion. When he came out of the ether after his first operation in Detroit, his eye was caught by the array of cords and pulleys that held his arm in traction.

Unable to move and shaken by spasms of severe pain, he concentrated his attention on the traction. When his doctor came by to check on his condition, Reuther brushed his questions aside and began explaining what was wrong with the traction apparatus.

"What they need around hospitals," he says, "are some good industrial engineers to redesign the outmoded equipment on which they rely. The trouble is that the hospitals can't pay enough to interest first-rate men in doing anything for them."

MOST of Reuther's thinking has been directed toward ways of solving the world's basic problem: how to achieve economic security without sacrificing human freedom. This is a problem that statesmen and political philosophers have been trying vainly to solve for some centuries. It is the essence of the struggle between democracy and totalitarianism.

There was a time when Reuther felt nationalization of basic industries represented the high road to a richer and freer life for all the people. Now he advocates a go-slow policy on centralization of economic power. He feels every effort should be made to win the voluntary cooperation of industry in programs for expanding production and that Government should take over only when the public necessity demands its intervention.

Moreover, he feels that the essence of democracy is to bring about the acceptance of responsibility at the lowest possible level. He wants no top-heavy bureaucracy for America or the world. He thinks the Tennessee Valley Authority represents a classic example of the effectiveness of passing responsibility down the line. He considers it David Lilienthal's great contribution to the progress of American democracy.

On the other hand, he is all for President Truman's proposal to have the Government step up steel production by building and operating its own plants if the steel industry refuses to cooperate in expanding output to the level the Government considers desirable. Before the President delivered his State of the Union message, Reuther was one of those who attempted to impress on him the importance of more steel to the national well-being.

"TEN million more tons of steel in the lifestream of our economy would stimulate power expansion," Reuther observes. "In the Far West alone, there are 25,000 jobs waiting to be developed if there were enough power. Steel is the bottleneck.

"The same thing is true in automobiles. We have unemployment for lack of steel. We are short of gas in many areas because there is a lack of steel pipe. We are short of coal because there is a lack of steel cars. We could substitute aluminum for steel in many operations, but we do not have enough aluminum for lack of power and that again depends on lack of steel.

"To call the President's program for meeting this situation socialism is tommyrot. What the President has proposed in suggesting that the Government build plants and make them available for operation by industry if industry wants to run them simply carries forward an idea that has already been applied in the airlines, the merchant marine and the railroads. It is an idea that was originally advanced by the high priests of laissez-faire capitalism."

REUTHER'S thinking on steel reflects his general conviction that no private economic decision should be permitted to hamstring the total welfare. He has little confidence in the wisdom of industrial leaders or in their devotion to the idea of an economy of abundance. He feels that the primary interest of most large corporations is in keeping production down as a means of keeping prices up.

As he goes about the country addressing union audiences, he likes to compare the dominant group in industry and finance to a man driving down the highway with a big rear-view mirror where the windshield should be. The result, he contends, is that our powerful economic machine is moving into the future with its driver looking backward.

"It would be bad enough if the driver were in the car alone," Reuther concludes owlishly, "but we are all in the car with him and if the car goes off the road we will be caught in the wreckage."

That brings Reuther to a consideration of what labor and those who share its aims can do to take over the wheel. He is emphatic that this is not a job for labor alone. It requires a realignment of political forces that would put trade unionists, white-collar workers, farmers and small businessmen into one camp. He feels that these groups are natural allies, but he does not underestimate the difficulties involved in winning general acceptance of this viewpoint among all four major groups.

IT is up to labor, as the vanguard of the political realignment, to demonstrate by its policies and actions that it is seeking to go forward with the community, and not at the expense of the community, the UAW leader declares. He thinks his own union is contributing to this end by trying to lift collective bargaining out of the arena of economic warfare and into that of rational exploration of economic facts. General Motors, which has its own ideas about the pacific quality of the Reuther "look at the books" prescription, may enter a dissenting opinion on this count.

In line with the community service theme that Reuther considers basic to labor's political effectiveness, the UAW has dedicated its new FM radio station in Detroit to the service of the people and has set up a public advisory committee to guide its programs. The union's education and legislative programs similarly reach out for links to groups outside the labor movement. For ties to farmers, who are historically the least sympathetic group to labor's appeal, the UAW is counting heavily on the economic bond it is forging through its burgeoning chain of cooperative food stores in Michigan and other states.

President Truman's victory has made Reuther hopeful that the Democratic party might become the vehicle for the kind of political realignment he wants to see in this country. But if it does, a lot of the early settlers in the party will not recognize it as the Democratic party they used to know. In fact, there won't be any room in the party for them. (Dixiecrats please note.)

REUTHER feels that the real shortcoming in the present political scene is that the two major parties have become "a hodgepodge of incompatible political forces and theories" and that people too often vote for party tags, rather than for issues. Accordingly, he is urging the auto workers to build a year-round political machine of their own in every district in which they live and carry on an unremitting educational campaign among the voters on basic issues.

"We will work with the Democratic party in most instances," Reuther declares, "but we will not be swallowed up in it. If we can influence the Democratic party into being the kind of vehicle we want, we will become more closely identified with it. If neither major party can be so influenced, we will have our own machinery for independent political action.

"The thing we are determined to do is to avoid any narrow, premature, sectarian approach. We must make a real try to influence the old parties. If we find we cannot, then the move for a third party must come up from the bottom and have a very broad base. It must not be a palace revolution like the abortive Wallace candidacy."

ON the economic side, Reuther has a sheaf of proposals for "making 1949 the start of a great new forward march." First of all, he wants a national government agency set up to keep looking at the economy as a whole. He thinks our economy has grown so complex and so interrelated that it needs over-all supervision.

He would have representatives of labor, industry, agriculture, science and other major groups sit in the central planning agency and consider what was happening to the economy. He takes no short-range view of this responsibility. He thinks it is time some central group began thinking about the economic repercussions of commercial power production through atomic energy. Without an advance plan, such commercial application of the atom could dislocate industry and cause widespread hardship, Reuther contends.

THE sponsor of the pre-Pearl Harbor Reuther plan for converting automobile plants to aircraft production now has a counterpart to accelerate the national housing program. As chairman of the CIO housing committee, he wants to harness the engineering talent that evolved the B-36 and the P-80 to the mass production of housing.

He suggests that aircraft plants can be used to build cheap houses and at the same time kept in standby condition for swift conversion to plane production if a national emergency arose. Such a plan would have the double merit of strengthening our way of life internally and of safeguarding it against external threat, Reuther believes.

In collective bargaining, the UAW is putting its accent this year on pensions and welfare funds rather than wage increases. Reuther feels it is industry's obligation to provide basic security for workers who are "too old to work and too young to die." He notes acidly that generous provision is made for the retirement of highly paid executives and he has pledged his union to end this "double standard."

At the same time he is giving enthusiastic support to the President's call for liberalization of the Federal social security program and for establishment of compulsory health insurance. At each of the five hospitals he has been in during the past nine months, physicians have sought him out and urged him to oppose what they consider socialized medicine.

TO all he has given the same answer: "You are fighting an ideological windmill. I know from my own experience that you have to be a millionaire to be sick in America. It is up to you, the professional men in the field, to provide an answer to the problem of making adequate medical and surgical care available to all. By defaulting on this responsibility, you force us to make a medical decision in the political arena. Instead of taxing each member of the American Medical Association $25 to fight health insurance, you should be raising that money to supply what you think is a better method. In the absence of such a solution, you are bound to lose because the people who need care out-

number the doctors by a hundred to one."

He does not regard the program put forward by the AMA as an adequate substitute for health insurance. He calls it "the old story of too little and too late—the medical eyedropper approach when a major operation is needed."

Outside the medical field Reuther believes there is too much tilting at "ideological windmills" in this country. He feels we must develop more affirmative goals to lend vitality to the democratic system. In line with this thought he wants to "reverse the way of the world" so that 75 cents of every budget dollar can be spent on people and only 25 cents on financing past and future wars. The ratio in the current Truman budget is just the opposite, and it is encountering opposition because it gives two cents more to human services than last year's budget.

"We must build a decent world society so we can all be secure and live at peace," he declares. "For a long time the people who ran the world have made a mess of things. It is up to us to show we can do a better job."

HE does not minimize the difficulties involved in fitting Soviet Russia into the pattern of a peaceful world society. He is a strong supporter of the European Recovery Program, but he feels it will not achieve its full effectiveness unless we broaden and intensify democratic contacts with the peoples of other countries.

"The United Nations should be supported and strengthened while we work toward the goal of world government," Reuther maintains. "We should de-emphasize a foreign policy that operates through rigid, stuffed-shirt diplomatic channels. The pattern of Russian behavior can be changed in direct ratio to our ability to win democratic allies among the people of the world."

He puts a more smoothly functioning American economy high up on the list of supports for a peaceful world. The basic fight in this country, as he sees it, is between privately planned scarcity for profits and publicly planned abundance for the people. This is the fight in which he intends to make his principal contribution.

As the boundaries of labor's influence push outward, this Horatio Alger character out of the ranks of the auto workers is likely to have a good deal more to say about the kind of country we live in. And he can be depended on to say it in a way that will make millions listen.

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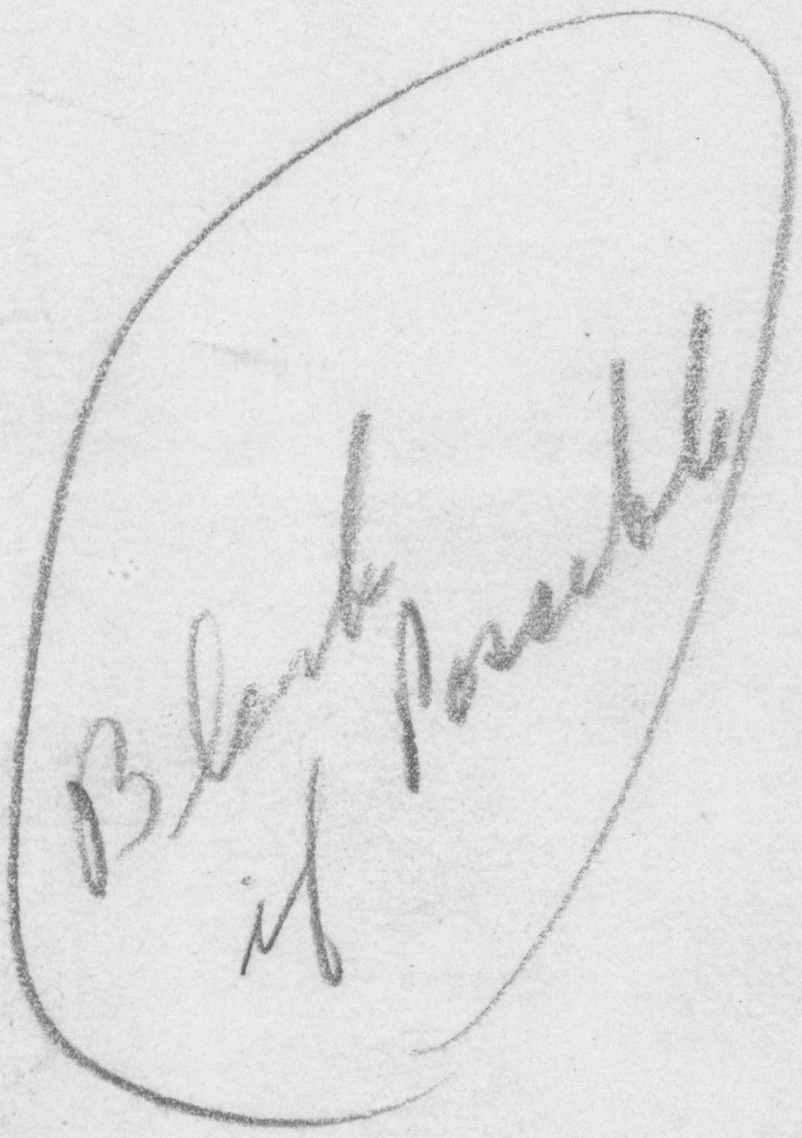
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(Reuther Housing Plan - 1949)

UNIONS and GOVERNMENT LPA
LABOR & ADMINISTRATIVE AGENCIES

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Vol. V No. 33
Week ending February 12, 1949

New Reuther Plan
Would Provide Jobs
Planes And Houses

Washington (LPA) - United Auto Workers President Walter P. Reuther, who is chairman of the CIO Housing Committee, challenged the federal government this week with a program to provide badly needed houses for the nation by a means that would still leave our aircraft industry fully prepared if there is a threat of war. The newest "Reuther Plan" would, in addition, provide jobs in areas where employment has fallen seriously.

Obsolete houses, obsolete planes, and the possibility of obsolete workers are with us today, the union warns. "A balanced preparedness and housing program can end such waste and equip democracy for survival in the atomic age," says Reuther. He has submitted to President Truman a program that would fill the bill. Its title: "Homes for People, Jobs for Prosperity, Planes for Peace." Its goal: 20,000,000 more houses in ten years.

Describing our present housing crisis as a war--"a war between the national welfare and special interest"--Reuther declares that "millions of Americans will continue to be denied decent low-cost housing in wholesome communities unless we launch a large scale mass production housing program, based on the full application of our most advanced technology."

"Now standing idle or only partially used," he points out, "government-built air frame plants and certain other government-owned facilities located thruout the country, are ideally suited to the mass production of low cost high quality homes.

"Thousands of machines, now motionless in War Assets Administration storage sheds, could be put to productive use to build needed homes for American families.

"The tool machine industry, currently suffering from falling demand and rising unemployment, could supplement WAA machinery with required new equipment." Expressing alarm over the latest unemployment figures (2,650,000), Reuther asserts that many jobs could be created, tooling the plants and building the houses.

The skilled production teams which built American planes during the war will be lost if the men are not kept working. The scores of thousands of planes they build now, tho, will be obsolete in a year because aviation design is moving so fast. The answer, to Reuther, is to keep the skilled workers in practice, but keep them busy building needed homes instead of useless planes. Then, if the nation needs to convert, we can do it quickly.

How can this be achieved? Cut present frantic military appropriations, Reuther urges, and put the money into the proposed housing plan. "The Congressional Aviation Policy Board," he suggests, "in cooperation with the President's Air Policy Commission, would determine the amount of floor space needed to satisfy the combined demand for aircraft of the Air Force, the Navy, the National Guard, and commercial carriers.

"The floor space and facilities not needed for the military and commercial aircraft production program will be assigned to a National Housing Authority, an agency which will incorporate all the housing activities of the federal government. This housing authority would take the unused floor space out of idle reserve and maintain it and its equipment in an active stand-by condition, thru a mass-production housing program."

Re-imposition of materials allocation and priorities are necessary for such a plan, Reuther says. But "aggressive research and a willingness to depart from conventional materials and practices will quickly liberate a national housing program from materials which are in short supply."

MORE

To put the plan in gear, the union leader recommends that Truman appoint a Nat'l Housing Committee as quickly as possible. "This committee," he says, "should include representation from the Armed Services, the Nat'l Resources Planning Board, government housing and financing agencies, the War Assets Administration, members of the House and Senate Banking and Finance Committees, the Air Policy Commission, organized labor, and the construction industry."

The committee should be instructed to develop, within 90 days of its creation, proposals to accomplish a national inventory of housing needs and airframe plants of similar suitable floor space, an outline of how mass production of prefab houses could meet these needs, and establishment of a Research and Technical Development agency within a National Housing Authority to develop new material, architectural designs, city and regional planning, and create a technical production commission. It also should formulate a program to standardize conflicting or restrictive local building codes.

This plan, Reuther emphasizes, is a long-term thing and is no substitute for currently proposed legislation.

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NATIONAL PUBLIC HOUSING CONFERENCE
SEVENTEENTH ANNUAL MEETING PROGRAM

Hotel New Yorker, New York City
May 3, 4 and 5, 1948

* * *

May 3, Monday

8.30 a.m. REGISTRATION

10 a.m. GREETINGS

Gen. Thomas H. Farrell, Chairman, New York City Housing Authority

10.30 to 12.30 STATING THE HOUSING PROBLEM: A PANEL

Chairman - Hon. Helen Gahagan Douglas, Congresswoman from California

Participants -

the consumer.....Anne X. Alpern, Solicitor of the City of Pittsburgh
the veteran.....Ray Brannaman, Commander-in-Chief, Veterans of Foreign Wars
the farm need....Charles F. Brannan, Assistant Secretary, U. S. Department of Agriculture
labor.....Boris Shishkin, Secretary, Housing Committee, American Federation of Labor

2 to 5 p.m. GOVERNMENT'S ROLE - NATIONAL, STATE, LOCAL: A PANEL

Chairman - Leon H. Keyserling, Vice-Chairman, Council of Economic Advisers to the President

Participants -

from the U. S. Senate...Hon. Allen J. Ellender, Senator from Louisiana
from the U. S. House....Hon. Jacob K. Javits, Congressman from New York
from the state.....Stuart Rothman, State Director of Housing and Redevelopment, Minnesota
from the city.....Hon. Horace Edwards, Mayor of Richmond, Virginia

May 4, Tuesday

9.30 a.m. to 12 AN ADDRESS: HAS PUBLIC HOUSING DONE ITS JOB?
Rt. Rev. Monsignor Dan P. O'Connell, Galveston, Texas

NPHC's job.....Theo McGee, President
Report to membership.....Lee Johnson, Executive Vice President

Elections; resolutions; reports of committees.

"From the floor" participation is the keynote throughout meeting; formal speeches are identified as an ADDRESS; panel participants will make quick opening statements, then engage in mutual discussion with the audience.
Registration for the meeting is optional - the interested public is welcome.

May 4, Tuesday

2 to 5 p.m. **HOUSERS MEET THE PRESS: A PANEL**

Chairman - Franklin D. Roosevelt, Jr.

Participants, to be announced, will be publishers of leading newspapers in the U. S.

AN ADDRESS: by Hon. George W. Welsh, Mayor of Grand Rapids, President, U. S. Conference of Mayors

7 7:p.m. **BANQUET AMERICA TACKLES ITS HOUSING PROBLEM**

Co-sponsored by the Citizens Housing and Planning Council of New York and the United Neighborhood Houses

INVOCATION: Rev. Thomas B. Keehn, Washington, D. C.
TESTIMONIAL: To Mrs. Mary K. Simkhovitch, founder of NPHC
RADIO ADDRESS: By Hon. Robert A. Taft, Senator from Ohio

ADDRESSES: Hon. John W. McCormack (D.,Mass.), Minority Whip of the U. S. House of Representatives
Hon. Ralph E. Flanders (R.,Vt.), author of the Final Report of the Joint Committee on Housing

May 5, Wednesday

9.30 a.m. to 12 **THE QUESTION BOX: A PANEL**

Chairman - Clarence Klein, Executive Director of the Housing Authority of Pittsburgh

Participants -

Raymond M. Foley, Administrator of the Housing and Home Finance Agency
John Taylor Egan, Commissioner of the Public Housing Administration
Bleecker Marquette, Director of the Better Housing League of Cincinnati, Ohio
Reginald Johnson, National Urban League
Rt. Rev. Monsignor John O'Grady, Secretary, National Conference of Catholic Charities
J. T. Knight, Executive Director of the Housing Authority of Miami, Florida

1.30 to 4 **HOW THE PEOPLE CAN WIN. ACTION!: A PANEL**

Chairman - Rev. Francis McPeek, Industrial Relations Secretary, Congregational Christian Churches of the U.S.A.

Participants -

Walter Reuther, Chairman, Housing Committee, CIO
Gerould L. Gill, Chairman of the Housing Authority of the County of Contra Costa, California
Mrs. Maxwell Barus, League of Women Voters, Montclair, N. J.
Hugh B. Mitchell, former U.S. Senator from the State of Washington

A HOUSING PROGRAM . . .

for now and later

NATIONAL PUBLIC
HOUSING CONFERENCE

This statement was prepared by a Joint Committee of the National Association of Housing Officials and the National Public Housing Conference:

CATHERINE BAUER, *Chairman*

ERNEST J. BOHN	PHILIP M. KLUTZNICK
ERVIN W. BLUM	THEO MCGEE
JOHN EDELMAN	BORIS SHISHKIN
RAY O. EDWARDS	EDWARD WEINFELD
BRYN J. HOVDE	COLEMAN WOODBURY

In the preparation of such a comprehensive statement, wholehearted agreement on every word by every Committee member was not to be expected. Many might have preferred a somewhat different emphasis on one point or another. But the final report does reflect a fair consensus of the varied viewpoints and experience of the Committee members.

The governing bodies of both organizations have also approved the report.

A HOUSING PROGRAM

for now and later

February 1948

Price:
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NATIONAL PUBLIC HOUSING CONFERENCE
1015 Fifteenth Street, N.W.
Washington 5, D. C.

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A Summary of Principles and Immediate Program

The National Association of Housing Officials and the National Public Housing Conference, founded on the conviction that every American family should have suitable and decent shelter, believe that any effective housing program must be based on certain fundamental principles:

Enough homes

to overcome the present shortage, keep up with the increase in families, and replace the slums.

New homes for all kinds of people

in all income groups, for rural as well as urban families.

Good homes in good neighborhoods in pleasant and efficient communities

with its corollary, the elimination of slums and blighted areas.

Maximum opportunity for private enterprise

through a modernized building industry; sound finance on easy terms with adequate consumer security for all who want and can afford to own their homes; expansion of rental development; and special encouragement for well planned, large-scale, nonspeculative housing enterprise, for rental and also for cooperative and individual ownership.

Public financial aid

for any part of the essential program that private enterprise clearly cannot accomplish alone.

Public initiative where absolutely necessary

to rehouse low-income families and get rid of slums and blighted areas.

Maximum local autonomy

with all initiative and direct responsibility at the local level, but with federal aid or subsidy where necessary and such minimum federal controls as to assure that the overall national purpose is achieved with minimum risk and cost to the taxpayers.

A unified national housing policy
coordinated through a single federal agency and reflecting a bipartisan determination to achieve decent housing for all American families as quickly as possible, with first priority for veterans' needs.

NAHO and NPHC support all private efforts and all public policy that will help do the job on a sound basis. At the present critical moment we particularly and wholeheartedly support the following measures embodied in the Taft-Ellender-Wagner Bill, S. 866, as favorably reported in 1947 by the Senate Committee on Banking and Currency. These measures are in full accord with our long-standing principles and goals, as stated above.

1—Extension of the United States Housing Act, with federal subsidy, for locally initiated low-rent public housing, and with priority for veterans.

2—Better financial terms for cooperatives, non-speculative rental housing, and small-home purchasers.

3—Yield insurance for investment housing by fiduciaries.

4—Loans and grants for various types of farm and nonfarm rural housing.

5—Federal subsidies for the acquisition of blighted areas, to permit their suitable reconstruction by private or public initiative.

6—Research in the technical, social, economic, and fiscal aspects of housing.

7—National housing policy, at least for nonfarm areas, administered through a unified agency (already accomplished in skeleton form through the establishment by Congress in 1947 of a permanent Housing and Home Finance Agency).

S. 866 is not a cure-all. Its ultimate success depends on an increasingly efficient and enlightened building industry and also on responsible and energetic local housing authorities, planning commissions, and redevelopment agencies. Progressive land planning for new housing is almost wholly a state and local responsibility. And in the present inflationary situation, supplementary measures may also be desirable at all levels of government. But S. 866 provides the *essential framework*, hitherto lacking, for a broad and effective nation-wide housing policy and without such a framework no real progress is possible.

The first all-important step is for Congress to adopt S. 866 or its equivalent.

I. A Re-View

WHAT IS THE "HOUSING PROBLEM"?

"House" is a simple kindergarten word and shelter is an elementary human physical need, along with food and clothing. But when we say "housing" we immediately suggest a vast unanswered question that calls forth a stream of abstract, technical verbiage; emotional diatribes; and involved proposals. Everyone seems to blame everyone else and layman and expert alike can sympathize with the frequent cry: "Why does housing have to be so complicated?"

But housing is complicated at base, just because it *is* so personal, because it is related to such a vast range of intensely human problems that confront not only "veterans" or "slum dwellers" or any one special group, but all of us in one way or another, every day of our lives.

CLICHÉS DON'T HELP

The housing problem cannot be explained away with easy clichés: the greedy landlord, the maniac tenant who hacks the flooring just for the fun of it, or the slum dweller who would put coal in his bath tub if he had one; nor the slick mortgage-foreclosing banker versus Little Nell; nor yet the communist agitator versus the strong, sturdy, upright private enterpriser.

Housing is not only the fact that you can't find a place to live; it is also the fact that when you *do* find a decent house, you may have to cut down on food to pay for it—and then lose it anyway when you are unemployed for a few months some time. Or it may be the fact that you can't afford a house with a back yard when the children are young and need the space and sun, but must wait till you get that raise and the doctors' bills are paid . . . and by that time the children have grown up. And it is the fact that you would love your old parents a lot more if they didn't have to live with you in a crowded flat.

Housing right now is doubling up and sharing the bath and cooking over a hot plate. It is why your nice young neighbors, who got married in a romantic rush during the war, couldn't turn it into something solid and enduring afterward and are now separated. It is also why colored and white veterans are throwing rocks at each other in some overcrowded cities where otherwise there seems to be a general and sincere desire to get rid

of discrimination and make progress toward democracy.

THE TAXPAYER PAYS

Housing is the fire that trapped a sick woman in an old three-decker, the bowed legs and pale face of the little girl in the tenement, the epidemic that started in the shacktown with no sewerage connection, the boy gang in the alley aping the older gang in the pool room . . . and it is the cost of all these things to taxpayers and society as a whole.

Housing is the fact that, even if there were no shortage and you had plenty of money, you would probably have to choose between renting a noisy apartment in a crowded neighborhood where your children must be muzzled and buying a suburban house that is pleasant and open but isolated and an hour from your work, where you can't find a place to park.

Housing is the fact that the house and neighborhood you used to take pride in are now run down, "undesirable" for anything but cheap boarding houses and funeral emporiums and quack doctors; it is finding a place with a nursery school near by and where the older children won't have to cross dangerous highways or pass filthy dives. And it is the fact that the dirt and noise and danger and dreariness and high tax rate made you move to a suburb, but that did not improve the conditions you left behind . . . and it may have made the tax rate still higher. Housing is also the fact that your child in the suburb and the child in the slum or low-rent housing project tend more and more to see only their own class and kind, in a country whose historic strength is a lack of built-in class barriers.

It is one reason why the farmer's wife grows old before her time and his children go away to the city, where at least they won't have to thaw out the pump on zero mornings. And it is why the big producer cannot get enough men to pick his crop before it rots.

IT *IS* COMPLICATED

The housing problem is all the frustrations and difficulties and economic crises and discomforts that most of us go through at one time or another and have tried unsuccessfully to cope with on our own. And it is hard to solve because we have to balance so many different factors one against the other.

We believe that public health requires the enforcement of minimum housing standards . . . but we don't want a lot of policemen running in and out all the time. We have enormous faith in modern industrial methods . . . but we don't want to live in standardized barracks. We think some national rules and controls are probably necessary . . . but we don't want "projects" that look the same whether in Schenectady or Pasadena. We still like the idea of owning our own homes . . . but we also like to move around and live in different ways at different periods in our lives. We want neighborhood planning and community facilities . . . but we don't want to be kept off the grass or bothered by fussy managers or over-enthusiastic neighbors—and we *do* want privacy. We want private enterprise to do as much of the job as it possibly can . . . but we do feel that somehow the government must take a firmer hand and do some things itself.

And one of the most subtle difficulties is the fact that we don't want to have to decide, here and now in answer to a questionnaire, exactly how and where we want to live for the rest of our lives: for we were all brought up on the idea that *choice* is the only real freedom, whether in jobs or in clothes or in friends or in homes.

IT OFTEN SOUNDS LIKE GIBBERISH

So it *is* complicated. And when it gets translated into the lingo that seems unavoidable in working out legislation and public policy—annual contributions, equivalent elimination, middle-income group, redevelopment area, decentralization, yield insurance, investment housing, and whatnot worse—it often sounds like gibberish to the layman, however interested. S. 866, like most important social legislation, makes hard reading.

Good summaries and popular explanations are readily available, however, and its very complexity reflects the fact that it is the joint product of many different viewpoints and interests. Indeed, it would be hard to find another movement with such a wide range of active supporters. The "housers" come from every region and from cities, towns, and rural areas. They are Democrats and Republicans; white and colored; Catholics, Protestants, and Jews. And they include doctors, lawyers, businessmen, architects, planners, economists, clergymen, trade unionists, welfare workers, financiers, editors, social scientists, veterans, administrators, housewives, and politicians . . . and some realtors, too. Each year and each new crisis has added to their number, to

the variety of their interests and experience, and to the unanimity of their conclusions. But this does not mean that they have yet been given a chance to attack the present housing crisis.

WERE WE WRONG?

The great progressive movement to improve housing conditions has in fact reached a critical point in its history. Never has the housing situation been worse. And never, on the other hand, has less heed been given in Washington to the professional and public interest groups that presume to know something about housing through study, experience, and long concern. It is time to sit down soberly and take stock.

For 15 years, more or less, the members of the National Association of Housing Officials, the National Public Housing Conference, and other national and local organizations interested in housing have accepted and promoted a fairly consistent set of principles that lead to certain quite definite conclusions and recommendations. NAHO's original 1934 *Housing Program for the United States* is still an outstanding statement of the viewpoint that produced the United States Housing Act of 1937 and 41 state enabling acts, hence the considerable prewar achievement of low-rent housing and slum clearance by local housing authorities—and also much of the vast and successful war workers' housing program. Since the war, however, these principles have been reflected solely on paper in:

many urgent messages to Congress from the President;

report of Senator Taft's Subcommittee on Housing and Urban Redevelopment;[1]

reports of the 79th[2] and 80th[3] Congress' Senate Banking and Currency Committees;

report of the House Special Committee on Postwar Economic Policy and Planning;[4]

the program proposed in 1945 by the former National Housing Agency;[5]

the Taft-Ellender-Wagner Bill, S. 1592 in the last session of Congress and S. 866, now before Congress.

Thus far it has been impossible to convince the postwar Congress that these recommendations are valid or that our wide and solid experience since 1932 is worth building on. A few states and cities have recently taken some constructive steps on their own but as far as national policy is concerned we have, by and large, turned the clock back to the postwar world of 1920. Of course, we do have rent control, interest rates are lower, and mortgage finance has been considerably reformed. But the shortage is very much worse this time and the slums 25 years older. And, although housebuilding is as exclusively the province of the speculative operator as it was then, the federal government has in the meantime taken over most of the risk for the builders' mistakes, through the Federal Housing Administration, the Home Loan Bank Board, and the Veterans Administration. In other words, the government now guarantees much of the profit of private enterprise but assumes no parallel responsibility in the consumers' interest: no assurance of an adequate supply of new housing; no program to secure housing for the families who need it most desperately.

ONE ACHIEVEMENT

Our sole recent achievement is the establishment of a permanent Housing and Home Finance Agency to replace the temporary NHA but this is a pretty hollow victory as long as HHFA has no real program authorized by Congress and as long as its subsidiary, the Public Housing Administration, has no funds even to continue the modest prewar operations under the United States Housing Act. Indeed, the administration of PHA and its predecessors, the Federal Public Housing Authority and the

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1. *Postwar Housing.* Report to the Special Committee on Postwar Economic Policy and Planning by the Subcommittee on Housing and Urban Redevelopment, United States Senate. 79th Congress, 1st Session. August 1, 1945. 23 pp. United States Government Printing Office, Washington 25.
2. *General Housing Act of 1946.* Report from the Committee on Banking and Currency to Accompany S. 1592. Senate Report No. 1131, 79th Congress, 2nd Session. April 8, 1946. 47 pp.
3. *National Housing Commission Act.* Report from the Committee on Banking and Currency to Accompany S. 866. Senate Report No. 140, 80th Congress, 1st Session. April 24, 1947. 50 pp. United States Government Printing Office, Washington 25, D. C.

4. *Postwar Public Works and Construction.* Seventh Report of the House Special Committee on Postwar Economic Policy and Planning. House Report No. 852, 79th Congress, 1st Session. July 3, 1945. 37 pp. United States Government Printing Office, Washington 25, D. C.
5. *Hearings before the Committee on Banking and Currency, United States Senate on S. 1592, a bill to establish a national housing policy and provide for its execution.* Statement of the Honorable John B. Blandford, Jr., Administrator, National Housing Agency, November 27, 1945, pp. 34-183. United States Government Printing Office, Washington 25.

United States Housing Authority, is currently subject to violent Congressional attacks that everyone who has worked with these agencies, or looked into the facts, knows to be unjustified.

In such a situation it is natural to ask ourselves some questions. *Are* we, after all, really on the right track? Not just for 1934, but for 1948 . . . and 1960? Should we turn and trim our course to suit the present cold winds? Or shall we stand bolder and firmer than ever in the renewed conviction that there *is* no real solution except along the general lines we have consistently recommended?

In later pages of this report, therefore, we have tried to test our old principles afresh in terms of both the present emergency and longer-term needs and goals.

PAST PRINCIPLES REINFORCED

If our reasoning is sound, the answer is all too clear. The speculative builders are making little headway against the shortage. In many areas the crisis is still growing worse, nowhere is it really being solved. And the failure can no longer be ascribed to this or that transitory obstacle due to reconversion; nor can it be blamed on "stifling controls," for now there are practically no controls whatsoever on new building. The reason is fundamental and enduring; the residential building business as presently constituted can reach only the richest 30 to 35 per cent of American families, even in a period of full employment and moderate costs, still fewer at today's inflated price levels. And it is now clear that there are no technological miracles of cost reduction just around the corner.

Enough housing to meet bare quantitative needs simply cannot be distributed solely to this small group, even were we to ignore the tragic immediate plight of average and lower-income veterans. And slum replacement and urban redevelopment are out of the question as long as this narrow and ineffective market for new housing is allowed to persist.

BACK TO S. 866

Our principles were first developed in a depression. But in a period of shortage and inflation they are truer than ever. New housing must be built to reach all income groups. And this means, inescapably, that the product of the speculative builder must be supplemented by nonspeculative private housing in various forms and also by public construction for the people who cannot be reached any other way.

Which brings us right back to the measures embodied in the Taft-Ellender-Wagner Bill.

Indeed, when we consider the volume of new housing required—4.5 million homes in the next three years, 20 million by 1960—we wonder if we have been bold enough. S. 866 will increase home production, broaden the market, and eventually facilitate a real attack on slums. But at current cost levels, it may not assure *enough* new housing for families of low and moderate means. Moreover, the question of locating all these homes, particularly the vast majority that must go on raw land, poses problems in city and regional planning that we are little if any better equipped to handle than we were in the twenties. The 1934 NAHO program is stronger on these issues than most of the important statements on housing policy that have come out since.

DELAY ADDS TO CRISIS

Every day of delay only makes the situation worse, eventual solution more difficult, progressive principles more valid, and our responsibility greater. An inflationary and purely speculative boom won't solve the housing problem but it will lead us rapidly into a depression, even as it did in 1929, while a sound program could be a strong factor in maintaining prosperity. Housing is, in fact, one of the great universal tests in this difficult and dangerous postwar world: a test of ideals, ideas, skills, resources; of our democratic capacity for change and growth; of the effectiveness of both private enterprise and government and their ability to cooperate; of the intelligence of consumer and voter as well as producer and administrator. If we in America with all our resources cannot even solve our own housing problem, what hope is there?

OPPOSITION: HOW STRONG IS IT?

Before proceeding with a detailed analysis of needs and proposals, it may be well to consider the current climate of public opinion on housing policy.

The extraordinary violence of the opposition by reactionary real estate interests to even the mildest progressive proposal is ridiculous and depressing, but not entirely inexplicable. To a practiced political ear (an attribute that many housers have been forced to develop), these desperate screams are simply a further indication of weakness. People with logic and proven achievement on their side do not need to resort to bogey-man tactics.

LOBBYISTS PROVIDE THE HYSTERIA

Fortunately for the country, the hysteria is not as universal as it sounds and emanates largely from the offices of a few paid lobbyists and professional agitators in Washington. In every locality there are dozens of sober and influential business men and realtors, including many active board members of local authorities, who take a more open-minded view. Far from believing that the secret purpose of Senators Taft, Ellender, and Wagner in sponsoring S. 866 is to promote socialism, many of them find it a necessary and desirable measure. Newspapers of all political tints have endorsed it heartily. *Fortune*, in a notable first-page editorial in its September 1947, issue, derided the real estate lobby and urged Congress to give S. 866 priority in the next session, hailing it as a bill that "supplements private enterprise at its weak points and strengthens it where it could be strong." And the Joint Congressional Committee on Housing in its recent nation-wide hearings discovered that support for a bold, broad national policy including public housing, was universal except from organized real estate interests, who, despite every encouragement from the Committee, were wholly unable to suggest an effective program of their own.

Local officials and civic leaders were practically unanimous. But there is still inadequate support and understanding by the public itself — veterans, people who need housing in general. Congressmen cannot be blamed entirely, as long as their own constituents press them as little as they have to date.

ARE THE PEOPLE APATHETIC?

It is not that people don't care. The worst cynic could not make a case for the notion that a majority of American families are relatively indifferent to the sort of homes they live in, or even to the sort of homes *other* people live in. Everyone knows from personal acquaintance and sympathy that the veterans who are doubled up or camping around in makeshift quarters are angry and desperate, not indifferent, and that even the people who have always lived in slums are as a rule deeply dissatisfied and perpetually hoping for something better.

Americans do tend to have a kind of easy-going adaptability to circumstance, the quality

that made it possible to get millions of people to move thousands of miles from their old homes during the war, to crowded munitions centers. We are also inherently optimistic: pie in the sky, at least — if not here and now. It is difficult for Americans to believe that progress in a thing like housing is not inevitable sooner or later, above all in a period of full employment and high wages. As a matter of fact, we are not in the habit of worrying about any consumer problems very directly and are not equipped to deal with them politically, as the price situation well demonstrates.

These amiable traits postpone the day of reckoning in a crisis like the housing shortage, but not forever. We can put up with almost anything for a while, *provided* we believe it is temporary. We did learn, a while back, to look to the government to prevent, or at least remedy, unemployment. But we have not yet quite learned that the government must also assume some responsibility for the quantity and quality of housing . . . not just to make work in a depression, not just to house war workers or postwar veterans in a temporary emergency, but as a permanent continuing policy. Americans do want decent homes, however, and once it is clear that the speculative builders and prefabricators have had their big chance and cannot do the job alone, the demand for action may be sharp and quick.

THE PRESSURE HAS BEGUN — AT HOME

In some areas this demand is already vocal and is reflected in recent state and local legislation for veterans housing. But it takes time for a popular appeal to reach Washington. The desperate veteran parks his family on the steps of the city hall: he may not even know the name of his Congressman.

But it *will* reach Washington. And the problem then is to make sure that this time we get a program that will really work, not another hopeless makeshift. Logic and common sense are all on the side of the kind of program proposed by NAHO and NPHC. Whenever people have taken the trouble to dig through the maze of facts and statistics with an open mind they come out with similar answers. And in the long run Americans in general tend to act on the basis of common sense, even when it involves new methods and hitherto unpopular ideas. But first they must learn the facts of the case.

HOW CAN THE ISSUES BE EXPLAINED?

A great many important and influential national organizations — church, labor, veteran, welfare, civic, political, professional — have given wholehearted support to the principles and policies embodied in the Taft-Ellender-Wagner Bill. All of them are seriously interested in housing and all of them include responsible people who have taken the time and trouble to think the problem through and convince their national officers, at least, that our proposals are the only ones that will do the job. Most of them have testified to that effect in Congressional hearings.

Taken together, these organizations represent the vast majority of American citizens; their active members are the progressive local leaders. With a few exceptions, however, very little has yet been done to inform and mobilize the *local* branches of these organizations. Each organization will know best how to reach its own members and local committees should be set up to include representatives of all the national organizations that support the program.

INTERPRETATIONS IN LOCAL TERMS

There is a closely related job that only the local housing and planning people can do. That is to interpret the laws and policies proposed in terms of the concrete achievements that would thereby be possible in *their own communities*. It should be possible for them to say: The monthly payments *on this very house* would be $60 instead of $65 and, if you were unemployed or ill for a period, you would not have to give it up and lose your investment, as you might at present. Here, *on this spot*, could go those apartments the insurance company has been talking about, which might rent for $55 or $60. Here, the local authority will build small houses that will rent for under $30 a month, homes with enough bedrooms to fit the large families from that slum area that shocked everybody when the survey was publicized last year. That cooperative project started so hopefully three years ago by a veteran group could now, at last, get a hearing and homes could be built that might cost about $50 a month. Or perhaps the local authority might build it under the new state bill and sell it off to the veterans later on, with some allowance for present inflated building costs. And, two or three years from now, this blighted area that everybody is tired of hearing about can actually be

torn down and turned into the park we need so badly, or a fine new residential district.

PUT THE FIGURES IN LOCAL TERMS

Statistics also need to be translated into local terms to have any real meaning. National figures are too vast and general to be comprehended. Every community needs to know how many of its veteran families are doubled up or living in rooming houses or tourist cabins and what rent they can pay, how many new homes are being built and what they cost, and how many slum dwellings there are at what rents.

In the next section of this pamphlet is a table showing national housing needs. The needs in any given locality will never, of course, be in fixed proportion to these overall figures. Yet it might be advisable for every community to figure their proportionate share in such a program solely on a population basis, pending adjustment up or down by detailed local market analysis, simply to get an idea of the *scale* of local responsibility.

The facts are all on our side. Any objective person who looks at the facts will agree with our general conclusions. But truth does not, alas, float through the atmosphere of its own momentum spreading the blessing of enlightenment like manna from heaven. It must be carefully and conscientiously conveyed by human beings who already know the facts from study and experience.

II. Principles Retested . . . And A Program

PRINCIPLE NO. 1 . . .
Enough Houses

We must build enough new dwellings:

(1) to overcome the present severe shortage as rapidly as possible;

(2) to take care of the annual increase in families;

(3) to replace the dwellings that must be destroyed in the course of a systematic program to get rid of slums, both urban and rural, and reconstruct blighted areas; and

(4) to help maintain prosperity and a balanced economy.

THE PROBLEMS . . .

THE PRESENT SHORTAGE

(Sources of all figures are identified on page 16)

More than 2 million families are forcibly doubled up with other families or living in makeshift quarters today. And it would take another 750,000 units to bring habitable vacancies up to 3 per cent, the minimum surplus that would insure a relatively free market and some automatic inner check against universal landlord exploitation. The shortage hits veterans the hardest because they are the latest comers, the "new families."

A few more years of this situation will create social ills that may take a generation to cure. The current divorce rate alone should be adequate warning. Also, as long as there is a severe shortage in any given locality, just so long must there be some form of rent control. Unsatisfactory though it is and unavoidably unfair in some cases, it is the one and only consumer protection that can substitute for an adequate supply of homes. And finally, no real start can be made on slum clearance and redevelopment while the shortage persists; indeed, slums will merely multiply faster than ever.

MORE FAMILIES

But the arrears to be made up are only one part of the quantitative need. The rate of increase of families is much faster than that of the population as a whole and will continue to be substantial for many years to come. At the present moment it is phenomenally high due to the high

marriage rate. From 1942 through 1945, marriages were 1.6 million per year on the average, almost 25 per cent more than in the late thirties. But in 1946 they reached 2.3 million. The annual net increase in families will decline only gradually to a norm in the 1950's and may go up again in the 1960's due to the present high birth rate. All this is just another way of saying that, though families are smaller, they are relatively more numerous.

Meanwhile, however, the shortage is not being solved. Around 835,000 permanent homes were completed in 1947 but this total scarcely covers the net increase in families during the same period, let alone making up arrears. And, although current housebuilding fluctuates in keeping with its highly speculative nature and is at present on the upgrade after last year's summer slump, there is no indication that any substantial speedup can be achieved, or, above all, maintained, through our present home-production mechanism alone.

THE WAR

One aspect of our shortage has been too little recognized: it is not wholly due to the war by any means. Indeed, we built more houses per year during the war than we did in the thirties. In that decade the net increase in family groups requiring housing, low though it was, topped the increase in dwellings by 35 per cent. By 1939 most large cities were acutely aware of a shortage, even though it was still partly hidden by unemployment, which always causes considerable "voluntary" doubling-up.

The result is that our postwar situation was just about as critical, proportionately, as that in England. Having had a broad-based housing program for many years, they were in a much better position than we were in 1940 and their war destruction and building stoppage simply brought them down to a shortage we were in anyway without the excuse of bombing.

The long-term failure of our housebuilding mechanism even to build enough houses (quite apart from quality or price or replacement questions) is extremely significant. For it suggests that the present failure is no temporary accident due to wartime dislocation or inflated prices and that it may in fact be all too "normal."

SLUM REPLACEMENT NEEDS

This failure to supply a steady and adequate number of new houses is reflected in our long-

TABLE 1

HOUSING NEEDS OF THE UNITED STATES

1948 THROUGH 1950, TO MEET THE EMERGENCY SHORTAGE:	
Families now seeking separate dwellings	2,100,000[1]
Additional units to bring habitable vacancies up to a minimum 3 per cent standard	750,000[2]
Net increase in families (1948-1950) plus 3 per cent vacancy allowance	1,520,000[3]
Dwellings likely to be destroyed by fire, storm, flood, and essential public works	150,000[4]
TOTAL DWELLINGS NEEDED BY THE END OF 1950	4,520,000
(or: *1,500,000 additional units per year*)	
1951 THROUGH 1960, TO MAINTAIN ADEQUATE SUPPLY AND REPLACE SLUMS:	
Net increase in families, plus 3 per cent vacancy allowance	4,000,000[3]
To replace nonfarm slums and blighted areas:	
Dwellings warranting demolition now	7,000,000[5]
Dwellings that will become seriously substandard in the next 13 years	2,000,000[6]
To replace the most seriously substandard farm homes	2,000,000[7]
To replace dwellings destroyed by fire, storm, flood, or public works other than planned redevelopment	500,000[4]
TOTAL DWELLINGS NEEDED, 1951 THROUGH 1960	15,500,000
(or: *1,500,000 additional units per year*)	
TOTAL DWELLINGS NEEDED, 1948 THROUGH 1960	20,020,000

. . . of which:

NONFARM HOMES needed are about 17.5 million, and

FARM HOMES needed are about 2.5 million.

1. The United States Census estimated, on the basis of 1947 surveys, that about 2,750,000 married couples were living in other families' households and that another 500,000 families were occupying transient or nonfamily quarters. It is here conservatively estimated that only about two-thirds of these 3,250,000 families are actually seeking separate dwellings, but it may well be over-optimistic to assume that more than a million families are living "voluntarily" under such conditions.

2. Applies only to nonfarm housing. Standard nonfarm vacancies available for rent or sale today are about 1 per cent of total nonfarm units.

3. United States Census Series P-46, No. 4

4. *America's Needs and Resources*, Chapter 8, page 166.

5. Includes seriously substandard nonfarm dwellings, variously estimated at 6 to 10 million, minus an allowance for scattered dwellings that might be repaired, plus an allowance for relatively standard dwellings that would have to be included in any large-scale clearance and redevelopment operation. See *America's Needs and Resources*, chapter on "Housing," and Census material.

6. Estimated on the basis of .5 per cent of existing supply per year.

7. A minimum 10-year program to meet the need, estimated by the Department of Agriculture.

Disagreement comes, of course, on the degree of public intervention required and how it should be administered. But it must never be forgotten that something approximating this *volume* of home production is essential in any case. Any policy that does not meet this primary test is a failure, no matter how sincere or plausible the principles on which it is based.

HAVE WE ENOUGH LABOR AND MATERIALS?

Have we the actual physical capacity for such a volume of housebuilding? The answer at the present moment is probably *no*, if the current rate of non-residential construction continues. Steel is still short and in every locality there are recurring shortages of various kinds of material and labor that hamper production and increase costs. As soon as we achieve anything over a million houses a year, there will be need for basic expansion not only in the steel industry but also in lumber, gypsum, and other essential building materials. Many more building trades workers will have to be trained. And until this expansion is achieved, inflationary pressures will continue.

Temporarily, if we are serious about solving the shortage by 1951, it may be necessary to cut down once more on nonessential construction. Perhaps we can not reach the 1.5 million rate in 1948, in any case. But in a relatively short space of time we *could* develop an ample supply of materials and manpower to meet all demands, just as we developed the resources to do the job of war production.

NEEDED: RECOGNITION, CONFIDENCE

What we need is general recognition throughout industry of the long-term housing need and, more important, confidence that it must and will be met. The demand is there all right but it must be made effective.

Most of the restrictive practices that have hamstrung the housing industry at all levels, from the extraction of raw materials to plumbing installation, reflect fears of over-expansion and unemployment, fears all too well grounded in the past. A firm bi-partisan Congressional determination, adequately implemented, to achieve a rate of 1.5 million dwellings per year as quickly as possible, and *maintain* that rate for the next 10 to 15 years, is the first essential step. And conversely, the necessary expansion will probably never take place as long as we attack housing

solely with wavering, piece-meal, and temporary measures.

HOUSING AND FULL EMPLOYMENT

Inflation is itself the advancing shadow and threat of depression. And it is not too soon to concern ourselves about the role of housing in maintaining prosperity. The *1947 Midyear Economic Report of the President* said: "From the purely economic viewpoint, many have repeatedly emphasized the dangers to our economy if the housing industry is not stabilized at high levels of production." The report mentioned housing as one of the main areas "in which the process of economic adjustment toward a stabilized pattern of maximum production and employment is encountering difficulties . . . This is an old problem in the American economy. Prewar conditions were not satisfactory, wartime shortages were acute, and the postwar performance has fallen below expectation and certainly below needs . . . The problem of bringing the construction industry up to a much higher level, important as it is, has not yet showed its full significance, since the national labor force is fully employed while the housing program is still only on the 750,000-units level. The important fact is that several other lines of activity that have been absorbing the Nation's resources of labor and materials in the industrial reconversion and restocking process are beginning to decline or are about to decline. As domestic backlogs are whittled down and the extraordinary demand in other areas recedes, released resources seeking productive use can well find their opportunity in the field of construction, especially housing. If this development is to take place, however, fundamental adjustments must be made . . . More important than any [other] measures is prompt passage of a comprehensive housing program embodied in the nonpartisan bill now before the Congress."

HEROIC EFFORT NOW WILL PAY OFF LATER

The first step, again, should be a firm national determination to reach and maintain, year in year out, that "high level stabilization" of the residential building industry that is as essential for a healthy national economy as it is for production efficiency and our social well being. The heroic effort required to solve the shortage by 1951 will not be wasted; it will create the very instrument we need later on to replace slums and, incidentally, combat depression.

PROGRAM NO. 1 . . .
Toward an Adequate Supply of Housing

At the federal level, Congress and the President should formally state that the emergency and long-term needs of the country require the construction of approximately 1.5 million dwellings per year for many years to come and that it is the responsibility and firm intent of the government to insure that this rate of home-production is rapidly achieved and consistently maintained. It should further be stated that while traditional private enterprise with the usual forms of public aid will be encouraged to supply as large a share of this housing as possible, it is now clear that additional public measures of various kinds are essential to the achievement of the goal.

S. 866 should be enacted immediately, since it would encourage additional private construction and extend the public housing program. The principle of a unified national policy to deal with housing has already been adopted in the establishment of a permanent Housing and Home Finance Agency.

A study and recommendations should be made immediately by the Housing and Home Finance Agency (in conjunction with the Committee of Economic Advisers to the President and with other federal agencies) with respect to any material or labor shortages likely to hinder the accomplishment of the necessary immediate housing program, together with measures needed to overcome such shortages by allocation or otherwise.

HHFA should also estimate the volume of housing that might reasonably be expected in the next three years from a combination of (a) ordinary private enterprise with present forms of aid from the Federal Housing Administration, the Home Loan Bank Board, the Veterans Administration, etc.; (2) housing that would be provided by state and local measures; and (c) additional housing likely to be facilitated by the passage of S. 866, the Taft-Ellender-Wagner Bill. In the likely event that this combined potential volume appears to be substantially less than the needed rate of 1.5 million dwellings per year, the neces-

sary amendments or additional measures should be drawn up and incorporated in the national program.

At the state and local level, similar analysis of quantitative needs in relation to present and potential means should be carried out in concrete local terms but in such form that the results may be synthesized and national and local estimates checked against each other.

PRINCIPLE NO. 2 . . .
New Homes for All Kinds of People

We must build homes to reach families of small and moderate means as well as the "upper income group"; homes for rent as well as homes for sale; homes to meet all types of family need; homes for minority races; homes for farmers and agricultural workers.

THE PROBLEMS . . .

"FILTERING DOWN" IS NO ANSWER

The fact that only a small proportion of the population can traditionally afford new private housing in America has been rationalized into a dignified academic-sounding principle by those who profit from the system. The theory of "filtration" holds that the newest houses *should* go solely to the richest people, thereafter being handed down sucessively until the oldest and worst houses are finally vacated and destroyed.

A certain amount of filtering is necessary and desirable, of course. No one claims that every family of modest means must ultimately have a brand new dwelling. Second-hand, or even tenth-hand homes can be quite as satisfactory as new ones, if they were decently designed and constructed in the first place, have been well maintained, and suit the needs of the families who fall heir to them. The trouble is that even in a time of seeming surplus there are never enough such sound older dwellings to take care of more than a fraction of the middle-income groups and almost none ever reach the really low-income families. Moreover, the process is inhibited, even in cases where it could have worked, by our habitual failure to recognize and meet the primary condition of successful filtration; namely, systematic

devaluation of the property to allow for increased upkeep costs and diminishing price or rental income.

"BLIGHT" SETS IN

In practice, therefore, what we mainly get from this process are the broken down mansions converted into boarding houses, obsolete apartments cut up for several families' use, and all the other types of unsatisfactory or "run down" dwellings that spread the contagion of blight. And even so, there is rarely enough surplus at the bottom to permit any systematic demolition of the worst slums, even in those rare localities where police powers are earnestly applied.

In a shortage, filtration either doesn't work at all or works in reverse. Even with rent control, the decent older dwellings are picked up at fancy prices and remodeled by the *higher* income families. And in this particular shortage the people who need and deserve to get better housing first are the millions of badly housed veterans families, few of them in the top income group.

When the shortage is finally met and we tackle our long-term replacement needs, the theory will work no better. Either families displaced by large-scale clearance operations will overcrowd other blighted or potentially blighted areas, or new homes must be built for them directly.

NOT ENOUGH HIGH-INCOME FAMILIES

The final unanswerable argument against the limited market, however, is simply the *volume* of new housing needed. There just are not enough upper-income families, a majority of whom already own quite satisfactory homes anyway, to absorb anything remotely resembling a million and a half homes a year, even in 1948 when little has been built for this group since 1940.

Moreover, if super-quality and super-salesmanship could induce practically every upper-income family to move into a new house, some of them several times over within a decade, the rapid devaluation of all older property, good as well as bad, would hardly be welcomed with enthusiasm by home owners, tax assessors, financial institutions, the Federal Housing Administration, or the National Association of Real Estate Boards . . . essential though it is to the theory of filtration.

Actually, no such volume of building by present methods is imaginable. Building dries up as soon as there is any real shifting down and the prices

of vacated dwellings begin to fall. Once the cream is skimmed, the nervous speculator, who has little capital or continuing investment in any case, simply stops building — a phenomenon visible even now in many severely underhoused American communities. And if by increased efficiency, subsidy, or sheer foolhardiness he manages to keep on long enough seriously to threaten the value of existing first-class property, the lending agencies themselves apply the brakes. Even today, FHA approval does not always mean that financing can readily be found.

THE MARKET MORE LIMITED THAN EVER

Before the war only about one third of American families could really afford the new homes put on the market by private enterprise. And the proportion is probably smaller today. The potential benefit of high wages, full employment, and a somewhat more even distribution of income than before the war is canceled out by inflationary costs and abnormal speculative profits. Veterans are younger than the average, and less well established on the whole, so their proportion may be still smaller.

The *Wall Street Journal* says: "The average American (salary $50 a week) can not afford to buy a house today" and quotes a large home builder: "Nine out of ten prospects who look at my house don't have a salary large enough to swing the mortgage loan. The cold fact is—people just don't have purchasing power to pay the price the builders must ask."

CAUTION OUT THE WINDOW

Of course, a great many people are buying houses they *can't* afford. The *Journal's* article continues: "Yet hundreds of thousands of Americans, because they have no alternative, are buying houses far beyond their means, creating a shaky and insufficient 'boom' in building. The old safety rule that no one should spend more than two or two and a half times his annual income for a house has been flung out the window . . . This . . . could lead to a mortgage crisis," which would in turn be a sharp blow to taxpayers due to the federal guarantees and insurance. Some lenders are already pulling in their horns.

In general, the urban housing market is probably not more than 25-30 per cent effective on any sound basis despite mortgage guarantees, veteran loans, and the boost offered the prefabrication industry. The rural market is, of course, far

more limited. And it seems obvious that the 10 million families or thereabouts who can pay present prices cannot possibly absorb 4.5 million new dwellings in the next three years, let alone 20 million dwellings by 1960. And when we consider low-income veteran needs and the question of slum replacement, it is equally clear that even a 50 per cent effective market would not get the whole job done.

WANTED — HOUSES TO RENT

Moreover, the actual market is still more limited than these figures would indicate. For most of the new homes are offered solely for sale, while a majority of urban families apparently want homes to rent, for the time being at least.

As to the volume of new housing available for rent, national figures are again inexcusably lacking. The situation varies locally but it is generally agreed that rent ceiling removal, advance claims to the contrary, produced little increase in rental production. Despite the campaign of exhortation by the Federal Housing Administration, the market for apartments at $100 in high-cost, high-income areas (or $50 to $70 in lower-level communities) just looks too limited and uncertain, even to speculators who can get mortgage insurance far above bona fide value.

CAN HOUSES BE BUILT MORE CHEAPLY?

Initial construction cost is only one element in the cost of housing to the consumer and its relative weight has often been exaggerated. Financial terms and profits, durability and upkeep, are at least equally important. In any case, however, construction cost is one of the major factors and any substantial economies would broaden the market considerably. Furthermore, it is certainly too high today, even apart from inflationary pressures.

The most publicized potential cure-all has been "prefabrication" and it seems logical to expect that the application of modern industrial methods to such a backward and somnolent industry would result in real savings.

But it is now clear that, back in 1946, former Housing Expediter Wilson Wyatt failed to profit by Winston Churchill's experience and put too much faith in immediate technological miracles. He stressed the prefabricators' guarantee over practically everything else (including the Wagner-Ellender-Taft Bill) and won the first round with Congress. Results to date, however, are

negligible. In 1947 factory producers accounted for only about 5 per cent of the new homes and prices are no lower than by old-fashioned methods.

UNIONS, CODES NOT MAJOR OBSTACLES

This lack of progress is not to be explained away by the well-known traditional obstacles. The opposition of the building trades unions has been declining, for a variety of reasons, and in any case housebuilding is not controlled by unions in a great many areas. Building codes are still a stumbling block in most large cities but there is improvement even here and outlying districts often have progressive codes, or none at all.

One major reason, however, is the simple fact that few prefabricators are really trying to reach the untouched market for lower-cost homes. Many seem quite content to compete with traditional builders in skimming the cream off the top. And few if any have enough capital, in any case, to enable them to set prices (as Kaiser-Frazer did on their car, for instance) that might put them in the red for a year or two until maximum volume for efficiency is achieved. And finally, most of them have gradually been discovering that production is not the only problem and assembly line methods no complete solution. There is still the little matter of distribution.

MORE EFFICIENCY WOULD HELP

Nor is the pure "industrial house" the only answer to the production problem. Greater efficiency in the organization of building operations on the site, even with conventional materials and the traditional craft-union setup throughout, is not only possible but increasingly visible in practice. Housing authorities and insurance companies, big contractors and some of the larger speculative builders, are *not,* despite the popular press, still using the methods employed in Egypt 4000 years ago. Little of the full benefit of such progress reaches the consumer, however, in a sellers' market dominated by speculators out for maximum immediate profit.

Construction costs *can* be lower and the federal government can help, through various financial aids now available, including producers' credit, and also through technical research and experiment. Local governments can help, through better building codes. But the primary need is still for nonspeculative methods of getting homes from producer to consumer.

DISTRIBUTION IS KEY PROBLEM

The big problem of the efficient producer is identical, as a matter of fact, with a larger and older housing question: *distribution.* If the product must reach the consumer via the same old speculative, irresponsible, usually small-scale setup, then most of the new machinery might as well be thrown out the window. The shell of a house may have some points of potential similarity with the body of an automobile but the complete house-and-lot in a neighborhood, which is what the consumers are interested in, is more like the automobile *plus* garage, servicing facilities, roads, bridges, traffic controls, parking spaces, and what-not besides . . . quite a different matter and one that has required ever-increasing public intervention and subsidy even to reach its present unsatisfactory state.

The prefabricator and the effiicient contractor need a solid responsible middle-man, a limited dividend company, cooperative, fiduciary institution, or other nonspeculative private developer, or a local public agency, to lay out a suitable piece of land in full conformity with a progressive city plan, to install utilities as well as houses, and thereafter to handle the management and maintenance. This is equally necessary whether the houses are to be rented or sold, for only thus will technical gains bring any real long-term benefit to consumer, citizen, or taxpayer. Furthermore, only through the weight of such substantial local agencies can building codes gradually be transformed to the "performance" principle instead of clinging to outmoded specifications that preclude all technical innovation.

NEEDED: BASIC REORGANIZATION

Only through such a solid framework, moreover, can home production be planned on a long-term basis providing year-round work, whether in factories or on the site, thus eliminating all excuse for those wasteful devices — "featherbedding," exorbitant hourly rates, and the rest — by which building workers protect themselves in a chaotic industry. And finally, only through the combined pressure of progressive producers and responsible distributors, backed by government, will we ever make headway against the expensive system of "agreements" with retailers on the one hand, and the inefficiency and well known monopoly practices at the other end of the game, in the extraction and manufacture of such primary ma-

terials as steel, concrete, lumber, glass, etc.

Only a major reorganization of the housing business will bring about real economies. And in the meantime we might as well face the fact that progress, at best, will be gradual. The cost limitations originally written into S. 866 will in many cases have to be raised if it is to be effective at all in the present situation.

HOMES FOR LOW-INCOME FAMILIES

It will take public policy all along the line, and in a variety of forms, to broaden the market effectively. But the people who have the most urgent and desperate need are obviously those now living under the worst conditions, with the smallest chance of escape.

All overcrowding is serious but doubling up in a dwelling that was already a slum and a civic menace long before the war, when occupied by only one family, is a social crime. All the costly and evil effects of slum living, demonstrated by so many meticulous studies, will be magnified and prolonged until direct action is taken. For the most spectacular boom in building for the well-to-do will not even ease the shortage for families at the other end of the scale until many years have passed and it will never get them out of the slums. It is insupportable to force a man who has given his best years and risked his life for his country to put up with such conditions, not temporarily but indefinitely.

FAILURE IS UNNECESSARY, INEXCUSABLE

Moreover, it is unnecessary and inexcusable, for we know how to build housing for low-income families and have had a decade of valuable and successful experience. Hundreds of local agencies have been set up for this express purpose, for the most part unused and neglected in the current crisis.

One simple axiom must be faced, however, an axiom that Congress accepted in 1937 and again in 1938, and that the Joint Committee on Housing has been hearing all over again in every community in its recent country-wide tour: *only public initiative and public subsidy can reach the lowest-income families and get them out of the slums.* It would be fine if real wages should ever reach a point where subsidy would prove unnecessary and every effort should be made to reach this goal. But the axiom is truer than ever at present and is likely to hold as far as we can see

into the future, even with continuing full employment and progressively higher levels of prosperity.

THE GOVERNMENT MUST HELP

Fortune, in a housing article entitled "The Industry Capitalism Forgot" in August 1947, was careful to explain that the middle market that private enterprise *should* reach "has nothing to do with building houses in the slums. The cliché of public housers, that the private building industry has never done anything for the slum dweller, is perfectly accurate and, in view of the limited accomplishments of the industry outside the slums, almost undeservedly kind. But few industries provide products at prices that lowest-income groups can pay. The slum dweller can not buy a new Chevrolet. Or a refrigerator. Even a decently balanced diet may be out of his reach. If it is important that he have a decent dwelling — and without doubt it is — then the state will have to help provide it."

If we want to make sure that all veterans, at least, have decent homes, then part of the program must be public housing. If we want to get rid of slums, whether by police power or large-scale redevelopment projects, then public housing must be available for many of the displaced families.

STATE AND LOCAL HELP

A question may arise at this point: what about the wave of postwar state legislation to help local authorities provide emergency public housing for veterans? Nine legislatures have taken such action, in California and Ohio solely for temporary construction, but for permanent housing in Connecticut, Illinois, Massachusetts, New Hampshire, New Jersey, New York, and Wisconsin. This is a healthy development particularly as a sign of increasing citizen demand for housing action. And it will help, of course.

But the potential volume and effectiveness of this state and local activity must not be overestimated. In 1947, the Bureau of Labor Statistics reports only 4,052 units started with state or local financing, more than half of them in New York City. The figure may be higher in 1948 but probably not very much. Moreover, a great many of these homes are not destined to reach the lowest-income veterans who need housing the most. By and large, they are for the "middle" or average group. Perhaps the states and local governments can permanently accept

some responsibility for filling the no-man's-land above the level of eligibility for federally-aided housing. But the *basic* job must be done with federal aid, or not at all. No better proof is needed than the fact that the areas that are doing most on their own are for the most part, and almost irrespective of political complexion, demanding re-implementation of the United States Housing Act as well.

THE CASE FOR THE U. S. HOUSING ACT

It is just as true in 1948 as it was in 1937 that where substantial subsidies are required on a long-term basis to protect the national health and welfare, as they are for housing low-income families and eliminating slums, the principal source must and *should* be the federal government. The federal income tax is not only the major and least regressive source of public revenue, it is also eminently suitable for subsidies that serve to equalize somewhat the extreme difference in wealth and resources between one locality and another. The southern states, for instance, have the least resources and the worst housing.

Most of the subsidy necessary for a program to rehouse low-income families must come from the federal government and the best form for such a subsidy is clearly the formula so thoroughly tested in the United States Housing Act: annual contributions on a contractual basis with local housing authorities, requiring a fair local contribution and with complete initiative and operating responsibility resting in the community. Local autonomy is a basic principle in the successful administration of housing policy.

The principle of completely decentralized administration established in the United States Housing Act has been highly successful, as well as the principle of direct relations between the federal government and the communities. (Where the states also take some active responsibility for local public housing, it is generally felt that such projects should be entirely distinct from federally-aided projects, even though both may be operated by the same local authority. A three-way division of responsibility on one undertaking would only make for delay and confusion.)

AN INSTRUMENT READY TO USE

There are some 500 active local housing authorities in the country, established by and responsible to local governments, and all but 50 or

so have had concrete experience in the development or management of housing projects, whether for families from slums, war-workers, or veterans. In 262 cities and towns, small and large, in 40 states, the District of Columbia, Puerto Rico, and Hawaii, there are 168,000 low-income families who moved into decent new homes built under the United States Housing Act. In meeting the "equivalent elimination" condition of the Act, 131,000 slums have been either torn down or rehabilitated and the remainder will be eliminated as soon as the housing shortage permits. (For an excellent illustrated summary, see *10 Years of Public Low-Rent Housing*, issued by NAHO on the tenth anniversary of the USHAct.)

LOCAL AUTHORITIES HAVE SET THE PACE

The achievements of local housing authorities over the past decade have set an example of modern community planning and neighborhood organization that is improving the standards and efficiency of *all* large-scale housebuilding, private as well as public. Contractors and architects are accustomed to working with local authorities and investment houses are ready to buy their bonds at exceedingly low rates. In short, the United States Housing Act is a proven instrument and needs only the few minimum changes contained in S. 866, *plus the authorization of funds for subsidy* (no loans are needed), to get a new program under way. Many authorities have projects all designed and ready to go as soon as federal aid is again available, including 27,000 units approved before the war for which subsidies are still reserved, held up solely by construction-cost limitations.

At present S. 866 provides for a four-year program of only 500,000 low-rent units, or 125,000 per year — far less than the number of veteran families alone who are in the low-income group and need such housing. Even after its completion, the proportion of low-rent public housing in the country would be less than 2 per cent of the total number of dwellings. Moreover, the more low-rent dwellings we build in the near future, the sooner will it be possible to start large-scale clearance and redevelopment, which in turn will stimulate additional private construction. One of the surest ways of increasing the volume of housing, as well as meeting other social needs, would be an increase in the authorization for annual contributions under the United States Housing Act in S. 866.

WHAT *IS* A "LOW-INCOME FAMILY" TODAY?

Low-rent public housing is solely for low-income families from substandard homes but the exact limits of eligibility must be studied anew in the current economic scene. Back in 1940, the average family income in public housing was only about $800, although it was considerably higher, of course, in some northern cities, where the top limit for a very large family sometimes approached $2,000. The latest *Economic Report of the President* points out that national income has more than doubled and is somewhat better distributed than it was in 1940, due to full employment. And, although real purchasing power has declined during the past two years due to inflationary prices, actual buying power is, nevertheless, higher for all income groups than it was before the war in many kinds of goods and services.

But not in housing. The prices demanded for most new homes are relatively higher, in relation to incomes, than they were in 1940. There are just as many families living in substandard homes, perhaps more. And, in addition, a great many families are occupying "standard" homes under slum conditions, due to overcrowding and doubling up.

In most localities where a family with $2,000 income might have been able to buy a new FHA-guaranteed house in 1940, they cannot afford a new house at today's prices, even with an income of $3,000. The slum family that had $1,000 may have $1,500 or even more now but they're lucky if their housing condition is as good as it was before the war. In many metropolitan centers, a thousand dollars could be added to all these figures and the statements would still be true.

Recent studies of minimum adequate family budgets in 34 cities by the Bureau of Labor Statistics[1] offer concrete evidence as to what constitutes a "low-income family" today. Monsignor John O'Grady, Secretary of the National Conference of Catholic Charities, analyzed these figures in his testimony before the Joint Committee on Housing and concluded: "All this shows the need for revision of our estimate of low-income families. On the all-over national average, families with incomes of less than $2,000 and up to $3,200 cannot hope to obtain adequate housing. In some instances, in

1. *City Worker's Family Budget—Bureau of Labor Statistics Publication, Serial No. R. 1909.* Preprint from February 1948 Monthly Labor Review. 38 pp. 20 cents. United States Government Printing Office, Washington 25, D. C.

large urban centers families with incomes up to $3,400 annually may well be termed low-income families. Obviously we must think in terms of public low-rent housing as we have known it under the terms of the United States Housing Act of 1937. If these families are to be aided, public assistance is required. While certain elements of private enterprise have suggested that they be subsidized, either directly or through rent certificates, it is unthinkable that private enterprise would in the long run subscribe to the necessary regulation to which it would have to submit if the public interest was to be protected. The alternative is public, low-rent housing, which has won its spurs in American economic, social and governmental life."

FIXED LIMITS ARE UNWORKABLE

In most localities, no housing official would claim that a family with an income of $3,000 should be eligible for a home under the United States Housing Act. And all housing agencies and organizations agree that there should always, in practice, be a substantial "gap" between public and private housing, as a stimulus to expansion of the effective private market. But it is nevertheless true that in some large northern cities many such families are actually in the low-income group today, particularly if adequate consideration is given to the large families with several children, whose housing need is most desperate.

All of which simply proves that the United States Housing Act is, if anything, more necessary today than it was when enacted and that the principles of tenant eligibility originally embodied in the Act and in administrative policy were correct and must still be adhered to. Families must come from substandard housing conditions and their incomes must be such that no adequate supply of standard housing, old or new, is likely to become available to them within the visible future. At any given time in any given locality there must be specific income limitations related to family size. But these limitations will necessarily vary from one period to another, hence no fixed overall figures can be written into legislation. Nor is it practicable to establish eligibility on the basis of a definite fixed segment of the population.

HOMES FOR MODERATE-INCOME FAMILIES

Private builders *should* be able to satisfy the housing needs of average American families—the middle group—as well as the upper third. And

one of the primary purposes of S. 866 is to broaden the effective private market on a sound and permanent basis, through technical research, through better financial terms and greater individual security for the small-home purchaser, and by special encouragement for cooperatives and various forms of limited dividend rental housing. But the job cannot be done by legislation alone; it requires bold leadership on the part of public agencies and enlightened initiative and cooperation from the entire housebuilding industry.

Many families of average means dream of buying a home of their own and indeed the principle that they should be able to do so is an integral and historic element in American culture. A great many would prefer to rent if they could find what they need. But neither dream can be realized as long as we depend almost wholly on the small inefficient speculative builder, without capital and unable to utilize large-scale development methods, modern techniques, mass-purchasing, and year-round building operations. FHA has helped somewhat, mainly by reducing the waste in secondary financing. Through S. 866 it can do a lot more, *if* the new measures are administered boldly in the public interest.

PUBLIC AID SHOULD REACH CONSUMER

Instead of bolstering up wasteful practices and guaranteeing speculative profits, all public aid should offer special inducements for increased efficiency and reduced cost for operations on a high-volume, low-unit-profit basis. Public aid to a backward industry should be used as a lever. In short, the public should support and encourage progressive developments within the industry where the benefits realized are passed on to the consumer. Both G.I. Loans and Title VI, under which an additional billion dollars worth of mortgage insurance and builder and producer guarantees will probably be provided this year, are likely to cost the taxpayers a considerable sum sooner or later. The taxpayers have the right to demand a better performance in return for public assumption of practically all the risk.

With respect to rental housing, so urgently needed, the problem of developing new forms of nonspeculative enterprise is even more urgent. The "garden apartments" encouraged by FHA over the past decade are a great improvement over the grim and crowded apartments of the 1920's. But the lack of responsible equity capital is still a great

drawback, resulting in over-valued mortgages and other speculative financial tricks to produce quick profits for the operator. The federal government assumes practically the entire risk, yet the resulting rents are far beyond the middle group's capacity to pay. And the volume of rental housing has in any case been very low.

Considering the federal guarantees, lower interest rates should be possible under FHA, as envisioned in S. 866.

HELP FROM INSURANCE COMPANIES

Some progress in providing rental housing is being made by insurance companies and other fiduciaries that need new outlets for their funds. Led by the Metropolitan Life Insurance Company, they are coming to believe that direct "100 per cent equity investment" may provide a safer continuous yield than that from spotty individual mortgages on properties over which they have little or no control. Encouraged by various kinds of state legislation, several projects were built before the war and more are under way or contemplated now, particularly in connection with central redevelopment programs. The rents are not low: in most cases, under present cost conditions, they hardly reach down to the middle group at all. But they are nevertheless lower than the rents charged for most speculative apartments.

To attract more capital into this field, S. 866 includes a provision for "yield insurance," whereby the government would guarantee a minimum return on "100 per cent equity" projects, with a limitation placed on maximum return. As yet, however, insurance companies manifest little interest in this provision.

HELP FROM COOPERATIVES

A major possibility yet to be plumbed is cooperatives. Hundreds of groups interested in cooperative projects have sprung up since the war, particularly among veterans, but thus far few have had adequate means to go ahead under present conditions of cost and financing. Many have also been stopped by obsolete zoning ordinances or restrictive covenants, or by lack of any real encouragement from FHA. But here lies a vast potential source of sound democratic initiative for moderate-cost housing. It must be made effective in the near future before discouragement has nipped it in the bud. S. 866 offers more favorable financing than has been available hitherto, although the present provisions are weaker than those in the original

Wagner-Ellender-Taft Bill of 1946. Concrete local encouragement is also badly needed and all cooperative activity requires that unique type of leadership that combines practical business and administrative ability with bona fide social idealism.

WHAT ABOUT THE "GAP," HERE AND NOW?

The framework for low-rent public housing already exists but the framework that can eventually bring private housing to moderate-income families has hardly begun to take effective shape. S. 866 will speed up the process and broaden the immediate market considerably but no flood of cooperatives and nonspeculative rental housing can be expected in the next few years, nor yet a revolution via prefabrication. And as long as the present price situation prevails, even the most efficient private enterprise probably cannot reach very far down into the middle group without subsidy.

Meanwhile, the plight of the veteran of moderate means dramatizes the issue. And the result is a rising tide of proposals for "emergency" federal action, quite apart from S. 866 and often promoted as a substitute. How shall we assess these proposals? Since they are all still subject to change and others are likely to come up, no detailed analysis is here presented. Up-to-date summaries will be obtainable from NAHO and NPHC as occasion warrants.

SUBSIDY FOR THE "GAP"?

But as of February, 1948, these new bills do have some important qualities in common. All of them, for one thing, involve outright federal subsidy in one form or another, whether to private enterprise (Veterans Homestead Bill and also the National Association of Real Estate Boards' program); to both limited dividend companies and local housing authorities (Donohue Bill); or solely to public enterprise (Douglas-Taylor Bill).

Some of these measures offer little assurance that the subsidy would result in full benefit to the consumer but in most cases some new housing for moderate-income veterans would doubtless result. None of them, however, will provide any housing at all for low-income families, veteran or otherwise. None will assist slum clearance or redevelopment. None is likely to result in a permanent framework for reaching the middle group by private enterprise on a sound basis. None provides the groundwork for anything remotely resembling a comprehensive national housing policy. Indeed,

both the Donohue Bill and the Veterans Homestead Bill in present form are to be administered by the Veterans Administration rather than the Housing and Home Finance Agency and thus would effectively prevent any unified program. The underlying weakness in all these proposals is that they perpetuate the costly error that has hamstrung all postwar federal activity in the housing field to date, the notion that this is a purely short-term "emergency," solely caused by the war, which can be "solved" by temporary, if ever more costly, expedients of one kind of another. In short, whatever they might or might not accomplish for middle-income families, *none of these measures is in any sense a substitute for S. 866*, the Taft-Ellender-Wagner Bill, whatever claims may be made to the contrary.

PRINCIPLES FOR IMMEDIATE ACTION

NAHO and NPHC take no direct stand on specific measures aside from S. 866 at the present time. Instead we offer a set of principles to guide public policy on this question.

S. 866 must first be passed: that we *know* is needed. Then, as quickly as possible, we must make a careful market analysis, for the nation as a whole and within each locality, an analysis now impossible due to the shocking lack of current facts on incomes and housing prices. If it is then decided that supplementary measures are necessary, the form such measures take is all-important. If they are once more devised as a substitute for basic policy, or an entirely separate operation, we shall be worse off than ever. Any supplementary aid must be coordinated with long-term measures and specifically designed to strengthen rather than nullify them. This means no more "temporary" housing, which costs almost as much as permanent construction and simply adds to the future slum problem. It also means no tax exemption without adequate controls. And it means no subsidies to speculators, because such subsidies are extravagant and rarely reach the consumer, and no subsidies or market guarantees to prefabricators unless their product sells or rents through a nonspeculative distribution system, below some fixed moderate figure. In short, no subsidies are defensible or effective unless they include adequate conditions as to price, profits, and quality.

SWEDISH EXPERIENCE

In Sweden, where new housing has been going up at a rate about double ours in proportion to

population, this problem of the middle group has been solved by public aid to private enterprise. Flexible annual subsidies, geared to fluctuating prices and controlled rent levels, are granted to limited dividend developments, including cooperatives. But in all Scandinavian countries most private housing has for many years been done by large-scale "investment-type" builders. While in America we have no such mechanism ready at hand. Here is an immediate challenge, therefore, to develop forms of housing enterprise that can hand on to the consumer the full benefit of public aid.

LET'S GET STARTED, NOW!

The exact proportion of new housing to be made available at different cost and income levels is not the primary question at this moment. What *is* absolutely necessary is that, in every area, suitable permanent machinery is developed to meet the various kinds and levels of housing need. Once such a mechanism is in working order, demand on the one hand, and the private and public agencies involved on the other, can make adjustments in volume from year to year as may be required. Indeed, there is no way of determining defensible long-term national allocations until local market analysis is much more fully developed than it is today. Of one thing we may be sure, however. The proportion of low- and moderate-rent housing will be insufficient to meet the long neglected need for years to come, even with the most determined public policy, and even if the maximum potential economies in construction are realized.

"Homes for all kinds of people" applies to social needs, however, as well as economic. It means not merely abstract shelter for that hypothetical Census family of exactly 3.7 persons: it means homes for families with eight or ten children and for families with none at all. It means suitable dwellings for single working people, particularly women, and also for old people. With the rapidly increasing proportion of our population in older age-groups, the latter need is bound to become a major social and political issue very soon. And it means homes available for Negroes and other minority groups, who are now the worst housed people in the country almost irrespective of their capacity to pay.

. . . INCLUDING HOMES FOR FARMERS

Farm incomes are higher than they were before the war but they are still much lower than the

national average. And if building costs seem relatively low in rural areas, it is largely because standards are lower still. In many cases an identical house would cost more in the country than in the city.

The problem of farm housing, moreover, cannot be divorced from the pattern of agriculture. Tenancy and share-cropping may be the problem in one region; migrant seasonal workers in another. And family farms in New England, Iowa, Utah, and the Columbia Basin have little in common. In each case the housing problem has distinctive angles. But fundamental needs are similar, and perhaps not as different from urban housing needs as has often been assumed.

The housebuilding business may be backward in urban areas but it can hardly be said to exist at all in the country. No financial institutions seem to be interested in expanding their field of investment in rural areas. Prefabrication has done little to provide a house or house-parts suited to rural needs and incomes, although this market should be a major opportunity for industrial ingenuity and enterprise. It is costly to transport building workers to rural sites and many farmers have enough skill to lay in their own foundations and put the parts of prefabricated buildings together, if properly designed for the purpose.

RURAL HOUSING EXPERIENCE LACKING

A flexible national program for rural housing has long been needed but there is all too little experience and knowledge on which to base it. The Farm Security Administration made some distinguished experiments in the south and west and some of this work is continuing at a very small scale under the Bankhead-Jones Farm Tenancy Act. A number of housing authorities have been established in rural counties and some homes were built before the war but it has been difficult to adapt the United States Housing Act to rural needs in its present form. And finally, any effective program probably requires public initiative and subsidy to meet a large part of the need, which presents a special problem where individual home ownership is the rule.

The beginnings of a farm housing policy are embodied in S. 866, under which the Department of Agriculture will administer various forms of loans and grants. The Department will not itself engage in construction but it may work througn local housing authorities if it chooses to do so.

"Rural nonfarm housing," for agricultural wage-workers, some suburbanites, and small part-time farms whose owners get most of their income from other sources is provided for in another section of the Bill and would be administered by the Public Housing Administration under amendments to the United States Housing Act. This formula is similar to the urban low-rent program, except that tenants would have an option to purchase their homes whenever they no longer require subsidy. Here is a starter at least, for the most backward segment of housing in the United States.

PROGRAM NO. 2 . . .
Toward Adequate Distribution

S. 866 presents a constructive program for broadening the market that should receive the earliest possible priority for Congressional attention. It provides: an additional program of low-rent public housing under the United States Housing Act, with priority for veterans; better financial terms for cooperatives, rental housing, and small-home purchasers; yield insurance for investment housing by fiduciaries; and loans and grants for various types of farm and other rural housing. It also provides for research in the technical, social, economic, and fiscal aspects of housing—research that would eventually further broaden the market, although this section was stronger in the original W-E-T Bill (S. 1592). These provisions, taken together, will assuredly increase home production, reach a great many families now entirely outside the market, and lay a sound foundation for the future. Since low-rent public housing is so urgently needed, and is the surest and quickest way to expand the market and increase the quantity, the present modest authorization for such housing in S. 866 should be increased.

A condition of federal aid should be a detailed market analysis for each locality and metropolitan area and a well balanced program that attacks the whole need insofar as possible, including all income groups and all races.

If any federal aid in addition to S. 866 is provided, to counteract the current price situation and insure an adequate immediate supply of homes for moderate-income veterans, it must meet certain conditions if it is to be an effective part of an overall housing program. It must include adequate controls to insure that such aid really achieves its purpose, without waste of the taxpayers' money. It must be administered as an integral part of the broader long-term program. And, above all, it must not take precedence in Congress over the comprehensive and basic legislation embodied in S. 866.

PRINCIPLE NO. 3 . . .
Good Homes in Good Neighborhoods . . . in the Right Place

Our new homes must be not merely "decent, safe and sanitary," but positively good . . . good enough to satisfy 1960's higher standard of demand. Progressive standards, much more refined than heretofore, are also needed for the classification of slums and blighted areas, rural as well as urban, and their eventual elimination and reconstruction.

Most of the nonfarm homes should be arranged in neighborhoods that offer varied accommodations, include adequate facilities for education and social life, foster a healthy democratic society, and are proof against future blight. Neighborhoods should in turn be grouped in communities large enough to become efficient and relatively self-sufficient civic organisms, separated from each other by permanent open space, and either including industry or located in some defensible relation to places of work.

In short, new housing must be planned so as to improve the convenience and efficiency of our metropolitan areas instead of furthering the drift toward chaos and bankruptcy.

Planning for rural housing must concern itself not only with the economic agricultural base but also with the establishment of minimum social and physical standards, including standards for community facilities as well as for homes.

THE PROBLEMS . . .

STANDARDS MUST GO UP, NOT DOWN

The standards set now by federal and local agencies are likely to determine the quality of America as a place to live in for the next generation. By 1960 about 40 per cent of the population may be occupying homes built *after* 1947. It is too

easy, in a period of emergency, to slip backward. The standard of demand has been temporarily lowered: people will take almost anything and be glad to get it, no matter what ill effects on family life may result. In the long run, however, the standard of demand is sure to rise. And there is all too great likelihood that much of what we build now will be obsolete and "undesirable" long before it is worn out or amortized.

This is the time to take a good look fore and aft. Sooner or later we shall all be swamped once more with hectic decisions and questions of immediate practicality. But today, for the first time in 15 years, the energies of the progressives in the housing field are not entirely absorbed by the demands of a current construction program. This is our one great chance to consider objectively what we did in the past and what should be better done in the future.

LET'S LOOK AT WHAT'S BEEN DONE

Let us look in particular at all our "large-scale housing projects," public and private (and perhaps, incidentally, invent a pleasanter term for them). Are they really as good as we intended them to be? What do people like or dislike about them, and why? Are they too standardized and "institutional"? Are they ugly or handsome, fresh in design or dull and pompous? Will they be too grim and crowded by 1960's higher standards? Are they efficient to operate? What effect do they have on the people who live in them and the life of the neighborhood? If the same sort of thing were multiplied ten-fold, what effect would it have on the visual quality, the efficiency, and the social and economic structure of the entire community?

A 1946 report issued by the Federal Public Housing Authority, *Public Housing Design*, is an excellent starter. But the same sort of study should be made in every region or community, including private as well as public work, designs on the boards as well as those built and occupied, and related to broader social and civic questions. The distinguished Committee on the Hygiene of Housing of the American Public Health Association has devoted much time for the past three years to a study of standards for new housing. Three volumes will soon be published, on *The Neighborhood Environment of the Home, Planning the Home for Occupancy*, and *Construction and Equipment of the Home*. These studies should be extremely useful in the revaluation of existing

developments *and* in setting fresh goals for the future.

SOME QUESTIONS

One or two specific questions may here be posed. Should we not finally accept the fact that a family with two or more children needs a home with *three* or more bedrooms? Perhaps larger families would seem less of a burden to people with a modern standard of living if we offered them the chance to have children *and* decent privacy at the same time. And doesn't every family with small children need *private outdoor space*—a garden or terrace, or at least a porch or balcony? In England both these standards are not only generally recognized but still being enforced, even in their present desperate emergency. Their equipment, it is true, is much less good than ours . . . but which is more important in the long run, adequate space or electric refrigerators?

RURAL STANDARDS ARE NONEXISTENT

In rural areas the question of setting definite standards is even more urgent and fundamental. Perhaps the most serious obstacle to the improvement of farm housing is the lack of any generally accepted criteria whatsoever, particularly in any legally enforceable sense. In cities the principle of "minimum standards" for homes and community facilities is pretty well accepted in theory and to a certain limited extent even in practice. But in rural areas the very concept has hardly begun to be recognized, whether by local government, the United States Department of Agriculture, or even the farmers themselves.

Perhaps this is due in part to the fact that a substandard farm house seems a less direct and obvious threat to its neighbors than a city slum does. The threat is there, nevertheless, and the effect on the family occupying the house is equally bad in either case. Until this primary step in social philosophy is taken, all efforts to improve rural housing and social facilities are likely to be sporadic and spotty, however valuable as demonstrations.

STANDARDS MUST NOT BE RIGID

The fact that most local building codes are a serious obstacle to technical progress is well known. But they are often far too rigid with respect to dwelling *plans* as well. An effort to develop flexible plans to suit modern family life and varied family types is all too likely to run up against some an-

tique code provision. The "performance" principle should be extended to plans as well as materials and a few simple "occupancy standards" might eliminate pages of detailed specifications and measurements.

The Committee on the Hygiene of Housing recognizes and defines "optimum" standards as well as minimum in many aspects of housing. This defining of top "goals" is a most important principle to recognize in the establishment and administration of standards, particularly those set by federal agencies for both private and public housing. Too many existing projects are merely exact embodiments of the *minima* prescribed by USHA, FPHA, or FHA. Local building agencies must have some leeway; otherwise there can be no variety, no adaptation to regional needs, no experiments, and therefore no real progress.

ARCHITECTURE FOR THE 20TH CENTURY

Architecture is finally breaking away from the copy-books that dictated Gothic for campuses; columns for city halls; and a jumble of Georgian, Olde Englishe, Spanish, and Colonial for suburbs. But modern architecture is not just a new "style" to replace the others; nor is it just a bare shell for hard-boiled minimum standards. It is a principle of designing buildings in harmony with twentieth century people's lives, the landscape, civic needs, and modern techniques and materials. Infinite variety is possible and real expression of all that is best in our culture, but only on one condition: that fresh-minded architects are given a chance to demonstrate what the possibilities are.

For the people who live in houses as well as for building agencies and architects, it is important to remember that there can never be any one all-perfect standard or building form. The most important standard of all is that people should have some real choice in the matter of their housing.

WHAT DO PEOPLE WANT?

For instance, a basic question for planners and housers alike is whether the traditional American individual-house-and-garden ideal is still as strong as ever or whether more of us will want a closer pattern of urban living, with maximum community services. Vast questions inviting all kinds of needed research are involved in this decision: Are women going to work or stay home? What will we want to do with our leisure time? Which kind of environment is more conducive to having children and raising them properly? Do people more and more want entirely different kinds of homes at different stages in their family cycle?

The experts alone can never decide these matters. We shall not even begin to know the answers until a great many people have the actual power to choose between *good* examples of both kinds of housing. The choice between an expensive suburban house, 20 miles from work and with almost no neighborhood facilities, and the usual sunless city apartment on a noisy street and almost equally lacking in group conveniences, is no choice at all.

NEIGHBORHOOD PLANNING IN PRACTICE

A basic principle of "neighborhood planning," as taught in our best schools and expounded by our best planners, is the inclusion of a variety of dwelling types as well as various community facilities in any residential development, to provide adequate choice and to prevent over-standardization both in population and in general appearance.

In ordinary practice, however, multi-family and private houses are seldom mixed and the decision between them is made either on a slide-rule, in terms of the density required by a given land-cost, or by a zoning commission. Growing recognition of the virtues of row or "group" housing has, it is true, extended the use of ground-level dwellings with private yards to somewhat more expensive land than formerly. And a few bold suburban builders have tried to include some apartments along with the usual family homes. But, by and large, a central site in a large city still means apartments, even if the people to be housed there include many families with small children; while most desirable outlying land is zoned exclusively for detached houses, thereby barring most progressive types of community development.

Complete rezoning is needed in a great many areas, or at least the incorporation of modern flexible provisions in outmoded, over-restrictive ordinances. This means the difficult task of undoing and reshaping public attitudes created by 30 years of earnest mis-education.

MISTAKES OF PAST PUBLIC POLICY

In central reconstruction, land cost is usually a major issue and often results in arbitrary decisions as to density and dwelling type wholly unrelated to human needs and desirable long-term land use. Past policy was at fault in two respects. Under the United States Housing Act, the subsidy required to

house low-income families was obliged to cover the necessary reduction of land value in slum areas as well. And also, under state urban redevelopment legislation, subsidies essential to reduce land cost to "use value" are either inadequate or lacking entirely. S. 866 remedies both these weaknesses: aid for low-rent housing and aid for urban redevelopment are provided for under separate titles and procedures, with adequate subsidies for each.

Overall national standards for density, dwelling type, and neighborhood facilities cannot be boiled down to flat rules or simple figures. Tall apartments with maximum communal service arrangements may be justified for certain groups even in towns now consisting largely of bungalows. And it is quite possible that even New York's Lower East Side should eventually include some row houses with their own gardens. In setting standards for central redevelopment, particularly, it must be borne in mind that all the long-term forces promoting decentralization are just as strong as ever, however obscured temporarily by the shortage. As soon as any choice of shelter is available, the central area will again be in direct competition with the suburbs. It does not have to provide exactly the same type of housing for identical people, but it must be *just as good*, in its own way.

This point is underscored in a pamphlet on *The Disintegration of the American City* recently issued by the Tax Institute, an organization that represents no Utopian reformers but some of the most powerful business interests in the country. In the "fluid city" of the future, it says, "the density of population will be far less than at present. This will mean considerably more living space for the residents who elect to stay in the city. Detached houses and grass plots may even return to some of the now congested areas."

FLEXIBLE PLANNING

The demand for community facilities has been increasing so rapidly that it is by no means clear just what will be standard neighborhood equipment in another decade. But one thing is sure: ample space must be reserved. Flexibility in design must also be considered, for the elementary school may soon have to serve toddlers and adults as well as adolescents and the people who want bowling alleys today may want a cooperative restaurant tomorrow. Nursery schools and other facilities now provided sporadically by local authorities, landlords, outside private agencies, or tenants themselves, are likely

to become a general civic responsibility sooner or later and this step should be envisioned ahead and encouraged.

The increase in neighborhood integration may eventually result in some sort of recognized unit of government at this level. It may prove just as necessary and desirable for the city to hand down some of its detailed responsibilities for planning and management to this smaller group as to hand on to the regional level some of its broader powers.

DEMOCRATIC NEIGHBORHOODS

Good neighborhoods are not, however, just a varied arrangement of land and building, properly planned and efficiently managed. They are only "good" insofar as they promote a good life and a healthy democratic society. And they are not good at all, no matter how handsome, if they promote and strengthen class barriers and racial discrimination. Which is just what much planning and housing practice *is* doing at the present moment despite our optimistic habit of assuming constant if gradual progress in such matters. Zoning and larger-scale housing operations tend to standardize wide areas within narrow income limits. While restrictive covenants and tenant selection policy (with some notable and successful exceptions among forward-looking housing authorities) push us toward the most complete and absolute segregation by race—far more complete and over much wider areas than ever existed before in either north or south. Instead of gradual progress, however uneven, we face an exceedingly dangerous relapse in democracy and a society divided geographically against itself. For meanwhile the political trend is markedly *against* discrimination: in voting, in employment, in the use of public facilities, and in education.

RACIAL INTEGRATION IS THE GOAL

As a resolution unanimously adopted at the 1946 NPHC convention states:

"Housing and planning agencies have a major responsibility for effectuating progress, as rapidly as feasible, toward the full integration of ethnic minority groups into our American democracy.

"In the numerous communities where, despite any continuing practice to the contrary, the trend in local law and obvious public intent is against discrimination or differentiation in any form, housing programs and city plans must be prepared to embody this principle in practice at the earliest possible moment. Much friction and painful later

adjustment can be avoided if the housing and planning agencies *now*, at the outset of a period of major development, take a firm stand against restrictive covenants and in favor of nonsegregation, above all in new projects and neighborhoods.

"Where the framework of local law still requires social separation, a special responsibility devolves upon public agencies to insure adequate supply of land and houses, fair distribution, equal standards, and the responsible participation by minority groups in the development and administration of housing and planning policy."

ECONOMIC AND SOCIAL INTEGRATION, TOO

The trend toward wholesale class segregation is no less marked but may be simpler to combat once we determine to do so. As long as we built only for one group, there was little choice. But when we get a broad-based and efficient housebuilding mechanism, it should not be impossible to plan new developments to include different types of public and private housing, adjacent to each other and sharing major public facilities to some degree. In recent planning for central reconstruction, part of the stated purpose is often to "bring back" some well-to-do families and restore a healthier civic balance. The reverse principle is equally necessary: inclusion of lower-income families in suburban plans. The greatest opposition will come from those upper-class communities whose primary preoccupation is protecting themselves against "invasion." And perhaps they should just be allowed to gently obsolesce in full possession of their prejudices . . . provided we don't create a lot of new ones.

TEN MILLION HOMES ON NEW LAND

For the past five or ten years we have concentrated on how to get rid of slums and redevelop blighted areas. The zeal was sincere and the work will not be wasted but the timing and emphasis turn out to have been sadly misplaced. The critical planning problem today is not slum replacement, which cannot be tackled on any scale until the shortage is met, but the location of housing in unbuilt areas.

Practically all of the 4.5 million dwellings needed by 1951 must go on vacant sites, many if not most of them outside the corporate limits of established communities. (The Bureau of Labor Statistics estimates that more than 40 per cent of current nonfarm housebuilding is in the latter category, with the percentage rising.) And even in the decade following,

at least 5 to 6 million homes must go on new land. Besides the net increase in families, there will be some "overspill" from redeveloped areas if they are properly planned at low densities and if adequate parks and open spaces are introduced into central districts.

Ten million homes with their schools, shops, open spaces, and whatnot, will probably take up more than 3,000 square miles of space, an area equal to all the land within the boundaries of our 40 largest cities, and half again as big as the entire State of Delaware.

LAST CHANCE

This is our last great chance to do it right the *first* time, to prevent future blight and to remedy some of the ills that already threaten to paralyze and bankrupt our communities . . . ills due primarily to chaotic expansion in the past.

The Tax Institute, in the pamphlet previously referred to, accepts the inevitability of further decentralization with unusual boldness. It concludes: "We are in a transitional period when the outmoded circumscribed city of the past is giving away to the fluid city of the future. We should adjust ourselves consciously and with intelligent forethought, because once the difficult transitional period is past, the new pattern of urban rural development offers the promise of a higher standard of living and a healthier and happier way of living than anything that has ever been known."

THE LINE OF LEAST RESISTANCE

There is plenty of land, of course, any amount of land for further expansion. That is our traditional frontiersman's attitude. But what will result if we just let the sprawl continue? Building operations will be spotted around the outer fringe without beginning or end, largely in unincorporated areas without adequate controls . . . but all to be served somehow by schools, churches, shops, highways, transportation, sewers, water, fire-engines, and police. Eventually a welter of little new local governments will spring up to battle against each other, the central city, and any whisper of metropolitan unification . . . governments too small and weak to reserve adequate parks, provide efficient services, undertake the necessary public housing, or assist desirable private development. The surrounding open space that makes our present outer suburbs attractive will be gone and many of them will begin to look suspiciously like the older blighted areas.

These areas, in turn, will look still worse and, being further removed from natural countryside, will have yet greater need for costly man-made playgrounds and breathing spaces.

Traffic congestion at the center and along the spokes will be far worse than it is now, with redoubled demand for ever new and ever more expensive superhighways, underground parking, and rapid transit . . . none of them ever quite catching up with the need, no matter how much money is spent. Industry will continue to move out too—but probably to locations quite unrelated to the new residential areas and the wasteful "cross-haul" will be magnified. Where 30 minutes gets a man to his job today, it may take an hour or more tomorrow. Taxes will be higher all round, particularly in the central cities, many of which already approach bankruptcy.

THE BREAKING POINT

At some point in this cycle the citizen will balk. He will look around the country for a place to live where his wages, even if lower or more uncertain, might buy him an easier and pleasanter life. Social security protection and national wage standards make him all the more potentially mobile in his outlook. And this is the point that may finally give some impetus to bona fide city and regional planning, for it means *qualitative* competition between one urban area and another. It is already coming over the horizon. The cities that take steps to remedy rather than extend these evils will gain an advantage. And the smaller independent communities outside metropolitan areas may gain a new lease on life if they take care to preserve and strengthen their present virtues of convenience, openness, and relative self-sufficiency, instead of merely yearning for sky-scrapers and subways.

WHAT COULD WE DO INSTEAD?

With an effective housing policy *plus* a positive land use policy, we could channel almost all this development into neighborhoods grouped in communities large enough to provide decent services efficiently and with enough permanent open space for recreation and protection. All these communities could be located in some sort of sensible relation to present and future employment and many of them could be planned from the start as relatively self-sufficient towns, attracting new industries and the industries that will be moving out of older areas anyway. Such towns could be located wher-

ever appropriate: some of the converted war plants now more or less isolated in open country might well form a nucleus of employment to begin with. But if they are satellites within a metropolitan orbit, then they should be well out beyond the present built-up areas, with a belt of permanent open space between.

"NEW TOWNS" . . . WHY NOT?

It is not an impossible Utopian idea. NAHO's famous 1934 report, *A Housing Program for the United States*, recommended it quite soberly, under circumstances much less pressing with respect to new outlying development than confront us today. England is now preparing to use "New Towns" to disperse her congested areas and prevent more "ribbon development," with completely nonpartisan support for the program—and, indeed, after years of study and recommendations, sponsored by a conservative government. She is doing it not because it is "radical," but because it is sensible, economical, and less wasteful of desperately limited resources, than the endless sprawl.

As the President put it in his *Economic Report to Congress* of January, 1948: "The present acute housing shortage requires a large amount of new construction in outlying areas before we can engage in slum clearance and urban redevelopment on the large scale that will be needed. Some of this suburban construction needs to be located in whole new communities with adequate provision for municipal services, commercial facilities, and available employment opportunities. These need to be carefully integrated with better planning of our present urban areas. Otherwise urban congestion will be aggravated and local governments, both central and suburban, will be faced with ever-mounting costs."

Instead of costing the taxpayers a great deal of money, as central redevelopment must, it would require little outright subsidy of any kind and in the long run would actually save money.

CAN WE ACT IN TIME?

But we are pretty far behind. In this country land use controls and any initiative for such town building belong with state and local governments. But where is even one urban region equipped to make and carry out a comprehensive development plan? Where is the city willing to admit that it has *enough* population, if not too much? What happened to the once hopeful movement for metro-

politan unification? Where is the state that has studied desirable urban population distribution in relation to resources or seriously concerned itself with positive solutions for the decentralization problem? Or with the vital need to *prevent* building in certain areas as a corollary to encouraging it in others? Where are the civic leaders and politicians ready to explain to the people that everyone living in a metropolitan area is in the same boat, albeit without captain, crew, or rudder at the present moment?

The problem is there, nevertheless, and we are already coming up against it at a hundred different points. How many housing authorities, for instance, can find enough good unbuilt sites within their present jurisdictions, even sites that are sorely needed for new parks or other use, to house their own veterans and take care of their share of the shortage program? Where will they put the families permanently displaced by redevelopment operations?

WHAT WE CAN DO HERE AND NOW

Suddenly, somewhere, the problem will become too obvious to ignore. But when that time comes, will the people supposed to be responsible for such matters know what really ought to be done and how to do it?

There are some steps we could take, here and now. We could extend the jurisdictions of local housing authorities and establish state or regional housing and development authorities. We could grant the power of eminent domain to states, local authorities, and limited dividend corporations for the acquisition of suitable sites for satellite or independent towns. We could approve long-term mortgage insurance for the acquisition of such sites and make public loans for the development of utilities. We could extend the scope of all state and federal *re*development measures to include development of raw land. And we could make metropolitan cooperation and unified planning a condition of state and federal aid.

THE INTERNATIONAL ANGLE

There is another and still larger aspect, of international significance. It has been claimed that planned decentralization along the lines here discussed, although of course infinitely more drastic, would be the only defense against atomic warfare. It seems improbable, however, that social science techniques would ever keep pace with physics for

long enough to insure civilian protection by any such means, once a war got started. But "defense" is not solely a military matter in this world. Defense in our case is very largely a matter of proving to the world that our kind of democracy, based on individual freedom and private enterprise but with a considerable admixture of social control and public services, is not on the down-grade and can still solve its own domestic problems at least. It's not merely food that we must give the world. To the extent that we can demonstrate our capacity for progress, not only in technical proficiency and in maintaining full employment, but also in better housing and more efficient modern cities, to that extent will our influence have greater weight and our world be safer. All the countries of Europe are watching the new English housing and land planning program, above all their New Towns policy. By such activities Britain demonstrates that she is still capable of creative international leadership even in the midst of a life-and-death economic crisis. Can we do less?

AN END TO SLUMS

One great advance has been made in the past 10 or 15 years. Today there is hardly a city in which responsible citizens would say: "We have no slums." This gain comes from increased knowledge of the facts, through the hundreds of local surveys made during the depression, and the Housing Census of 1940.

To design and enforce adequate restrictive regulations, however, and to plan a concrete clearance and redevelopment program, every community needs a far more exact knowledge of the quality of its present housing than it has at present.

To meet this need the Committee on the Hygiene of Housing of the APHA has devised an *Appraisal Method for Measuring the Quality of Housing*, complete with detailed schedules and procedural instructions. A number of cities have already started to use this technique and it is to be hoped that a great many more will thus take advantage of the interim period before large-scale replacement gets started. The Committee has also made some valuable recommendations on the administration of housing and building codes and is preparing a model housing code.

NO CLEARANCE WITHOUT REHOUSING

That we have a vast number of slum dwellings is obvious, however, and we also know something of

their tragic cost, to society as a whole and to local taxpayers, through local studies that have been widely circulated. And we *should* know by now that the only effective way to get rid of slums is, first and foremost, to build decent new homes for the people who live in them. Nor should it require further argument that such homes need public initiative and both federal and local subsidy. This axiom was clearly stated in NAHO's 1934 program and it was the basic premise embodied by Congress in the United States Housing Act of 1937. It has been emphatically restated in a thousand places since, including most of the responsible newspapers all over the country. And its fundamental truth is only confirmed in the present crisis.

The urban redevelopment movement of recent years has nevertheless created some confusion on this score. In shifting emphasis to the economic and private-profit angles of "blight," the urban redevelopers have too often forgotten the fundamental *social* nature of the slum problem. Too often the new state laws assume that replacement of low-rent slum homes by high-rent apartments is all that needs to be done. The fact that the displaced population would inevitably make crowding and slum conditions just that much worse in some other area is blithely ignored.

Fortunately the T-E-W Bill is more humane and realistic in this regard. Local governments must assume full responsibility for the adequate rehousing of families thrown out of their homes by clearance projects receiving federal aid. In effect this provision means that urban redevelopment must work in partnership with a low-rent public housing program. But it may take considerable education and constant watchfulness to insure that this provision is enacted in full force.

THE SHORTAGE MUST FIRST BE MET

It cannot be stated too firmly or too often, however, that the *first* necessity is an adequate supply of new dwellings in all price and rent ranges, on sites that do not involve demolition of present housing. Moreover, the more low-rent housing we do for families from substandard homes, the sooner will large-scale demolition be possible.

In any area with a severe shortage no dwellings should be destroyed except for essential public works unless they are demonstrably so unsafe and unhealthy that even an increase or extension of overcrowding and doubling up is clearly preferable. What this means is that ordinary condemnation pro-

ceedings in excessively bad individual cases should still be carried out but large redevelopment schemes, which usually include many homes not in the worst categories, must with rare exceptions be postponed.

NOW IS THE TIME TO PLAN

The wave of genuine interest in redevelopment need not be wasted. Quite the contrary, for the proper planning of such schemes takes time and care and this interim period may well be used to insure better results in the long run.

It may be argued that some of the contemplated central projects represent new housing construction that would not be done at all if central sites were not provided, notably insurance company developments under recent state laws. This argument merely reflects the blind zeal with which we concentrated our "postwar planning" efforts on reconstruction. In view of the inevitable long-term shortage, at least an equal amount of zeal should have been devoted to providing incentives and proper overall planning for large-scale rental-investment projects on new land. With increasing awareness of this need, however, such action should now be possible in many states as well as through S. 866.

LAND PLANNING AND RURAL HOUSING

Farm rehousing must be coordinated with fundamental agricultural replanning all along the way A great many farm homes can, of course, simply be rebuilt *in situ* but many should not be replaced on the same site, often not even in the same county or state. It is useless to put permanent new houses on farms that are inherently too unproductive or too small to provide even barely decent subsistence. Their owners or tenants must first be helped to move to some more hopeful location. Likewise, to build new homes for share-croppers in the south simply means strengthening and prolonging an agricultural pattern that is basically unsatisfactory. Also, many migrant farm workers have no permanent home base of any kind: merely to improve their camps and company shack-towns is certainly no permanent solution.

Basic replanning takes time and in the interim some form of prefabricated "demountable" house might well be used to improve housing conditions so serious that they require remedy before permanent resettlement is possible.

While housing *per se* may be backward in agricultural areas, land use planning, the development

and protection of resources, and the framework for planned resettlement, are much further advanced than in metropolitan districts, through various well established programs of the Department of Agriculture and other federal and state agencies. The vast western irrigation projects of the Reclamation Bureau, for instance, offer a unique and immediate opportunity not only for good farm houses but also for complete new villages and towns, including industry.

PROGRAM NO. 3 . . .
Toward Pleasanter, More Efficient Communities

Housing standards, by whatever agency established, must be firmer than ever on essential minima but they must also develop flexibility in dealing with all matters of design where choice and variety, experiment and change, are desirable. Full use should be made of the progressive standards developed by the Committee on the Hygiene of Housing of the American Public Health Association, for new housing and neighborhoods, and also for the classification of slums and blighted areas.

Good neighborhood planning requires long belated changes in zoning and building practice. Builders and middle-class householders should be encouraged to reconsider with fresh vision the pros and cons of the one-class dormitory suburb, standardized for only one type of home and family. Housing and planning agencies have a major responsibility for effectuating progress toward the full integration of ethnic minority groups into our American democracy. Race restrictive covenants should be outlawed and segregation in large-scale housing projects receiving public aid should be prohibited in all areas where the trend in local law and obvious public intent is against discrimination.

To take care of the enormous volume of residential building that must go on new land, land use controls must be developed for regional or metropolitan areas on a unified basis as quickly as possible, including the preservation of permanent protective open space as well as the designation of areas for development.

All state and federal aid for planning and nonfarm housing should be designed and administered specifically to encourage, and eventually to require: (1) the development of complete new communities, including industry or at least in convenient relation to work places, and the prevention of planless scattered development; and (2) the unification of land planning, housing programs, and land use controls, for metropolitan or regional areas.

The acquisition of sites for development as complete communities or new towns will require the exercise of public powers. Powers already granted by states for public housing and urban redevelopment should be extended to the acquisition of vacant land for new towns or other large-scale development purposes, whether public or private or mixed. Federal aid for redevelopment provided for in S. 866 should be similarly broadened. In cases where multiple jurisdictions in metropolitan areas will otherwise prevent any positive planning policy for outlying districts, the power to acquire land (and also the power to construct public housing) should be vested in the state itself or a metropolitan authority, as well as in local governments.

Federal subsidies for urban redevelopment, as provided for in S. 866, are essential. All state and federal aid for central reconstruction should assure that such schemes are well integrated with overall plans and housing programs for the entire urban area involved and that full responsibility for rehousing displaced families is assumed and carried out. No large-scale demolition of dwellings should be permitted in any area where there is a serious housing shortage.

In planning for rural housing, the basic question of overall "minimum standards" applicable to all families must be tackled immediately. In reclamation and resettlement projects, fresh patterns for "rural neighborhoods" with adequate facilities should be tried and tested, and new towns and villages planned to demonstrate progressive modern principles.

III. Can We Do It?

IT'S ALL ONE PROBLEM

We must remember that, complicated and vast though it is, the problem cannot be divided up into watertight compartments. Every part is intermeshed with every other part. Here is no simple right-left question of "private" versus "public": they're all mixed up together. Even the worst enemies of public housing want federal mortgage insurance and subsidies for redevelopment, while local housing authorities sell their bonds on excellent terms to Wall Street investment houses that publicly support the program. Nor is it a matter of federal versus local responsibility: both are required. No longer can "housers" and "planners" ignore each other in separate professional cubicles: housing is a major instrument of planning, whether of neighborhoods, cities, regions, or the national economy. Slum clearance and urban redevelopment are merely different ways of saying the same thing and neither can be accomplished except in partnership with a housing and planning policy for new land. The only way to "save" either the city or its suburbs is to eliminate their fratricidal warfare and unify them politically. Even rural housing and agricultural planning are far more closely related to their urban counterparts than is usually recognized.

GOVERNMENT, BUSINESS — PARTNERS

The fact that housing requires a unified approach means that a permanent working relationship must be established between private enterprise and public policy and initiative—a new kind of *dynamics* for home and city building.

Private enterprise, once it accepts the facts of life, has a vast new opportunity ahead in housing and city building. This is not "socialism"; it is a challenge to private enterprise offering growing opportunities not only for profits, but also for creative endeavor and public service. Some of this additional profit will be of a less speculative nature, it is true, but it will also be safer and surer, providing the kind of long-term investment outlets of which there has been a serious lack in recent years.

The traditional private builder will still have as much to do as ever, in building individual homes for sale to upper-income families and even the

small builder will always have an important role in providing tailor-made homes. Other builders will find the scale of their operations increased, with opportunities for a stable business heretofore impossible. But, in addition, many private builders will find a new field for profitable operations in doing the actual production and contracting job for fiduciary, cooperative, and public housing projects. Indeed, all "public housing" is "private enterprise" with respect to design, construction, purchase of materials, and, under S. 866, even capital financing.

NOTHING TO FEAR

It would be hard to find anyone who now believes that housing and city planning require no public aid or intervention. And the principle that public aid must be administered in the public interest is simply an axiom of good government. Business has nothing to fear: quite the contrary. But it must learn the art of working in partnership with public policy and public agencies, for only thereby can our huge stores of capital, technical knowledge, and initiative be effectively released to solve the housing problem.

Some forms of private building enterprise are more likely than others to operate quickly and easily in such a partnership, with mutual good will and without any basic change in financial structure or viewpoint. Cooperatives are, of course, an obvious example. Another is insurance companies and other fiduciaries, not only because they are seeking long-term investments rather than speculative profits and are accustomed to considerable regulation already, but also because they are particularly sensitive to general public good will. One may be reasonably sure that Metropolitan has not enjoyed the public criticism of some of the aspects of Stuyvesant Town and that insurance companies in general may have learned some valuable lessons therefrom. And finally, any sound large-scale builder operating on a long-term construction and investment basis should fit easily into such a partnership.

Other forms and means must also be developed. The hand-to-mouth speculative builders themselves will benefit from better planning and a more stable market, once they get over their current hysteria and learn that the housebuilding field must be shared with other agencies.

Government also has new responsibilities in connection with such a partnership. Programs and

policies cannot be worked out behind closed doors, or arbitrarily administered. Professional, public interest, labor, and business groups must participate all along the way. A broad national policy and purpose must be firmly established and implemented but its administration must be flexible and decentralized, responsive to the public's changing needs and desires.

EXPERTS AND PUBLIC POLICY

A housing program requires the responsible cooperation of people from a wide range of professions: planners, architects, engineers, economists and other social scientists, health and welfare specialists, lawyers, administrators, business men, and craftsmen with all kinds of special knowledge. Only they can determine the needs, demonstrate the possibilities, and fit the pieces together. As long as each species of expert battles solely for his own specialty, the public is more likely to be confused or indifferent than enlightened. One of the hopeful things about the T-E-W Bill, however, is that it does reflect a very considerable degree of agreement by a wide range of specialists.

But the experts can never really decide by themselves how people should live. Certain obviously dangerous, unhealthy, or wasteful practices may be outlawed in the general public interest and certain negative standards may be established on a purely scientific basis. But the basic democratic freedom is freedom of *choice*. Indeed, it is only because the choice of shelter available to people has become so limited and unsatisfactory by contrast with our resources, that "free enterprise" must be supplemented by public action.

The positive form of our houses and cities evolves out of changes in popular ideals and living habits, varying from one community to another. And these can only be expressed in the long run through "natural selection," the individual's power to choose. The big job of the experts is to make a *real* choice possible.

THE NEW ROLE OF THE CONSUMER

The stage manager in this production is now the average citizen. Formerly he was merely in the audience and, whether applauding or grumbling, only responsible for buying his ticket. But the fact that "laissez-faire" didn't work in housing means that he can no longer sit back and wait for better homes to appear automatically, as he does for radios, automobiles, and fountain pens. In a way

it's a reversion, in complex modern terms, to the old frontier days when people built their own homes. For public policy simply means citizen responsibility in the long run.

This is so obviously true with respect to legislation that it should hardly need mentioning. But the fact is that political influence to be effective must be organized. And this is why our producing interests—business and labor—are strong politically while the voice of consumers as such is seldom given serious ear in Congress or legislature.

The unions played a major role in securing passage of the United States Housing Act of 1937 and in the achievement of adequate housing for war workers. They also give full support to S. 866 today but, in a period like the present one, their *primary* concern must necessarily be for wages, working conditions, and the collective bargaining process.

We also need consumer initiative in the housing and planning movement in a more direct personal form. Cooperatives need to be set up and operated successfully. Tenant organization is needed, not only to combat exploitation by private landlords but also to share the responsibility of management in large-scale housing developments and thus avoid the dangers of paternalism. And many of the new neighborhood facilities should be initiated and operated by the people who use them.

But before he can take an active directing part, the consumer must know enough about houses and cities to be able to decide *what he really wants*. Here lies a major challenge and responsibility for citizen leadership, for the quality of our environment rests ultimately on the standard of demand. People must learn the full possibilities for a good environment and forget some of the limitations they have too easily accepted as inevitable.

HOUSING IS STILL A "MOVEMENT"

Building 20 million homes is a complicated hard-boiled job requiring the best practical administrative and business talent available. But housing is also still a "cause," a great reform movement, which, in all its aspects, needs idealists, promoters, and experimenters—people with bold vision, independence, ingenuity, and a feeling for their fellowmen. During the next decade the best brains and most progressive zeal the country can offer should be guiding the housing and planning agencies, local and national, the building business, and the public interest groups who reflect and influence popular

opinion. And no domestic issue has greater need for able political leadership at all levels of government.

Compromise will be necessary along the way, of course. But goals must be firmly established so that every step we take is at least in the right direction. Perhaps we cannot achieve 1.5 million homes and a 100 per cent effective market next year but, at the very least, we must establish the framework that will eventually make such a program possible —the sort of framework proposed in S. 866. Even if we cannot get adequate overall land use controls right away, let us at least make some real demonstrations of good modern community development.

There will always be controversies. And indeed, there *should* be controversy, for many of the answers are far from clear as yet. But we must carry on these arguments in concrete terms related to definite needs, not on the abstract unreal level of "public" versus "private." There will always be a dividing line between different "interests" but on the question of better homes and communities for America, it should be a line that puts the rigid, the cynical, the fearful, and the non-productive on one side and all truly productive, democratic, and humanly hopeful interests on the other. *That* is the American way.

Homes For People . . .

Jobs For Prosperity . . .

Planes For Peace . . .

A Program to Meet the Inner and Outer Threats

to

Democracy's Survival

by

WALTER P. REUTHER
PRESIDENT, UAW-CIO
CHAIRMAN, CIO NATIONAL HOUSING COMMITTEE

Approved for submission to the President of the United States by the National Housing Committee of the Congress of Industrial Organizations

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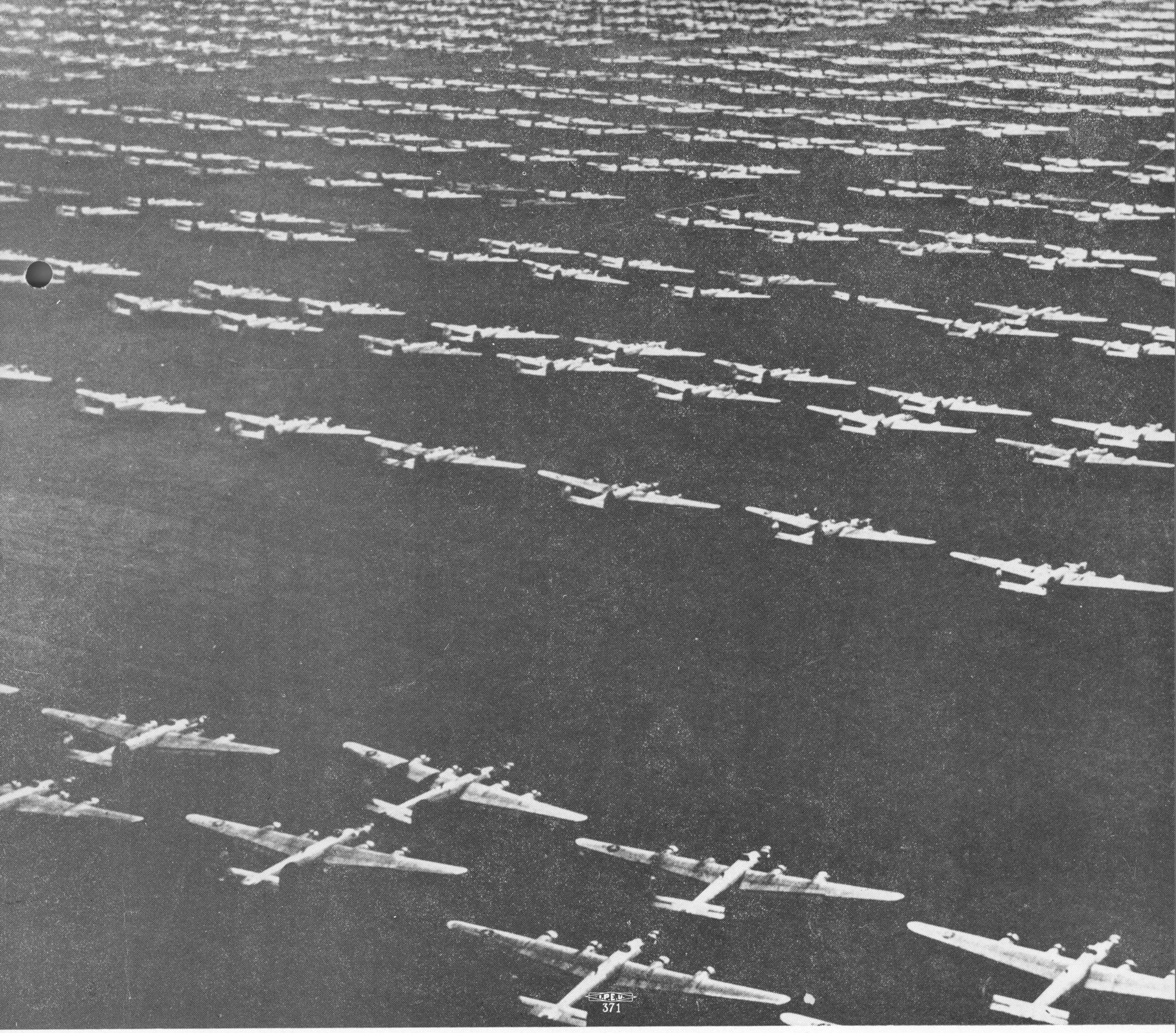
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Obsolete Houses . . .



Obsolete Planes . . .



and Obsolete Workers?

(February 1949, U. S. Census Bureau report: 2,650,000 jobless in January)

A Balanced Preparedness and Housing Program Can End
Such Waste and Equip Democracy for Survival
in the Atomic Age.

A plan to give us

HOMES FOR PEOPLE

JOBS FOR PROSPERITY

PLANES FOR PEACE

PLANES FOR PEACE

FOREWORD

NOW AS THEN

One consequence of the plan here presented is certain. The spokesmen of special interest will call it everything from impractical to fantastic. By now their voices are familiar. We heard them raised against full economic mobilization while Hitler's legions were crushing freedom throughout Europe. Shortly we shall hear them again.

These apostles of business as usual and economic scarcity sneered when labor in the automobile industry proposed that the men and tools making cars could be put to work making planes. They were wrong.

It is impossible and pointless to try to evaluate the loss in time and lives resulting from industry's refusal to put aside business as usual in favor of conversion to military production in the national interest. Forgetting such tragic accounting, we need only remember that those who scorned President Roosevelt's call for 50,000 planes as "visionary" lived to see a mobilized America exceed that figure by far, and that those who cried "impractical" to labor's proposal for conversion of the automobile industry saw between eighty and ninety percent of that industry's machine tools and as much of its manpower harnessed to plane and armament production in an incredible demonstration of industrial might.

Today America faces a different crisis, but the old issue has reappeared: Shall business as usual prevail over the need to mobilize our industrial resources in the national interest?

Hitler is gone, but the legacy of the war he made is still with us. Millions of American families in thousands of slum tenements, shacks and trailer camps, cramped and crowded as never before, need homes. Millions of veterans, four years after demobilization

are increasingly embittered at democracy's apparent inability to house its defenders. Inherently incapable of adjustment to crisis, business as usual cannot meet the national housing needs.

Millions of Americans will continue to be denied decent low-cost housing in wholesome communities unless we launch a large scale mass production housing program, based on the full application of our most advanced technology.

The production engineering and scientific "know-how" which can bring into being the B-36 or the jet F-86 and split the atom can certainly, if applied, build a decent inexpensive house. The technicians and skilled workers are ready, available and willing. They ask only for the opportunity to go to work on our national housing program.

Now standing idle or only partially used, government-built air frame plants and certain other government-owned facilities located throughout the country, are ideally suited to the mass production of low cost high quality homes.

Thousands of machines, now motionless in War Assets Administration storage sheds, could be put to productive use to build needed homes for American families.

The tool machine industry, currently suffering from falling demand and rising unemployment, could supplement WAA machinery with required new equipment. The basic machinery needed—large and small blanking and stamping presses, sheet metal forming and rolling machinery, riveting and welding equipment—is common to both mass production of low cost housing and production of advanced military aircraft. Shifts in types of production are achieved by changed application of tooling to basic mass production machinery.

In the auto industry the major portion of tooling work for new models has been completed. There are currently close to four thousand skilled technicians in the tool and die and related skilled labor categories of the industry unemployed. These thousands of technicians could be employed to build the tools, dies,

jigs and fixtures required in tooling existing basic machinery for the mass production of homes.

Dangerous soft spots are already developing in our economy. On February 4, 1949, the United States Census Bureau reported that total unemployment in the nation rose in January, 1949, to 2,650,000, an increase of 600,000 over January, 1948.

These figures should impress on the most cautious the need for vigorous counter-measures, the more so in view of President Truman's recent State of the Union message calling for creation of a million **new** jobs. A bold, realistic approach to the mass production of low cost housing through utilization of idle plant and labor reserves will give us

HOMES FOR PEOPLE

JOBS FOR PROSPERITY and

PLANES FOR PEACE.

It is not exaggerated to describe our housing crisis as a war —a war between the national welfare and special interest. The plan which follows seeks to bring that war to an end. Now, as in the late war, men of little faith and limited vision will seek to block or delay the full mobilization of democracy's productive potential. Now, as then, we must guarantee their failure. We who want democracy to live cannot permit the selfish obstruction of a few to thwart fulfillment of the needs and hopes of the many.

Walter P. Reuther

Survival — or Democratic Survival?

Four years after the second World War, fear of a third forces nations into heavy appropriations for defense. Yet men of all nations, whatever their economic beliefs and political allegiances, understand that war in the atomic age can mean the complete extinction of civilized life and values.

The prospect of atomic warfare flings the ultimate challenge at governments and peoples. It dominates national policies. It underlies the daily acts and calculations of private citizens, imparting an under-current of anxiety and foreboding to every event.

The question of survival has become a practical question. No man can escape the challenge to answer it, least of all democratic man, for whom mere survival cannot be enough. We who believe in and defend the values, actual and potential, of a democratic society must weigh every proposed answer to the question of survival from the standpoint of whether it takes intelligent account of the values we cherish and seek to preserve.

Military defense is imperative. Power to resist attacks and carry a war, once it is started, to the enemy's homeland, is the only language understood by aggressor nations. Yet democracy must speak another language as well. A free society must arm itself not only with the implements of war but with the tools and accomplishments of peace. A military program which is not directly and consciously linked with these vital ends of democratic living may guarantee survival; it will not guarantee survival under conditions tolerable to free men. It may even lead to the corruption from within of those institutions it professes to protect from external attack.

Viewed in this perspective, current proposals for military preparedness represent a lame and only partial response to democracy's crisis. That crisis may well endure beyond the life of armaments now contracted for. Its internal aspects can no

longer be neglected, for already they match in seriousness the external threat. A startling vision of the disproportion in resources devoted to combatting the danger from within as against the danger external to us is projected by the Federal budget for the fiscal year 1950. The blunt figures spell out potential disaster: 75% of total government expenditures will be channeled into payment for war or the threat of war; less than 1% will flow into housing or community development.

Democracy's Double Crisis

War hysteria derives from a wrong estimate of the danger from without, and results in a failure to recognize the inner threat. One aspect of the inner threat to democracy is the possibility that we shall attempt to meet the external danger of totalitarianism by preparedness measures which will force our own free institutions into a totalitarian mold. Another part of the internal danger is that a rash emphasis on military preparedness will further muffle the crying need to complete the unfinished business in democracy's own backyard.

The mindless masses of a slave society who have their thinking done for them by their betters do not fix their own course in peace or in war. They have little to lose but their chains in turning from one to the other. But men who live by democracy's creed are bound to ask themselves what dangers they are preparing against and what worlds they are trying to win.

The proper way to preserve peace and meet war's threat is the most important of these matters. On it the American people must reassert their right to independent judgment quickly. We must have a national policy which will insure our safety without throwing away the fruits and hopes of peace. We must formulate a program which will cope with the outer threat and at the same time mobilize our energies for a continuing attack on democracy's inner weaknesses.

What we see happening today in China takes place not because of Communism's success, but because of Democracy's fail-

ure. Freedom cannot win on the battlefield what should have been won in the ricefields.

The program here submitted will make the kind of sense that free men need to sustain themselves in these hours of their greatest crisis. For our crisis is not military or ideological alone. It does not stem from the Soviet challenge or the Communist challenge alone—or even primarily. It is, rather, the consequence of democracy's failure to command the deepest loyalties, and release the best energies of mankind. Democracy has lost ground because it was not true to itself. Communism wins new conscripts because democracy's promises have out-run its performance.

A program of action aimed both at defense against external aggression and at repairing the inner damage to democracy's self-assurance is a more sensible and hopeful bulwark against the inroads of Communism than witch-hunts and hysteria. It would weld the vital necessity of military preparedness to the inescapable challenge of peaceful accomplishment. It would demonstrate to ourselves and the world that democracy does not wait passively for inevitable doom, but instead moves out to shape the future in freedom's image.

Such a program is possible. Its outlines are apparent in the area where the aircraft industry and the construction industry meet. Its elements emerge from an examination of two urgent current needs: America's need for planes, and its need for homes.

Homes for People, Planes for Peace

The realities of world power cannot be evaded, but they can be wisely or foolishly met. America must have air power. But neither our national well-being nor the requirements of our foreign policy will be served by rushing to produce scores of thousands of military planes which in a year or two will be obsolescent candidates for the scrapheap. What is needed is a plan for the procurement of military aircraft geared both to the total preparedness program and to the equally urgent needs of an expanding society at peace.

What, then, is the most imperative need of the American people, if we conceive of ourselves as a nation prepared against war but intent on peace? It will not be questioned, outside of the disciplined ranks of the professional exploiters of the housing shortage, that this most imperative need is homes. **First,** enough homes. **Second,** homes at a cost within reach of the purse of every American family, since all need shelter. **Third,** homes built for family living, not for speculation at the expense of the prospective owner and of the community. **Fourth,** homes as related parts of neighborhoods, of wholesome communities, of cities. The failure of the private building industry to meet these minimal standards of civilized living is not a momentary lapse from normal performance; it is a permanent and inseparable aspect of the industry's ingrained and outmoded approach to the job. The private building industry can no more satisfy the national demand for housing than the private aircraft industry could satisfy the national need for defense without government planning and support.

What is more logical, then, than a government program which would meet the national need for both air defense and housing, by using the war-expanded facilities of the aircraft industry, now idle or only partially utilized, to build both homes and planes?

The essential components of such a program are easily defined. Even if an Air Establishment of the proportions recommended by the President's Air Policy Commission were officially adopted, the goal could be achieved without utilizing millions of square feet of floor space in the airframe and aircraft engine plants constructed at government expense during World War II and now dispersed throughout the country as ghostly monuments to an unprecedented wartime expansion program. This floor space can be used for the mass production of low-cost housing. The difference between holding this space as an idle reserve and maintaining it in an active stand-by condition through a government housing program is the difference between an aircraft industry without the manpower and production teams needed for

full wartime operation and an aircraft industry ready for immediate conversion to a war footing, both in terms of equipment and in terms of trained working force.

A government-coordinated housing program utilizing the excess capacity of the airframe and aircraft engine plants will achieve two important ends: it will permit balanced Air Force procurement from an aircraft industry fully manned and fully prepared for instant conversion—and it will develop the national momentum without which the most crucial mass need of peace—the need for homes—will never be met by private builders.

Through such a program, this nation can meet the threat of war without neglecting the continuing imperatives of peace. Through it, we can confront the outer peril without succumbing to our most serious inner weakness, the lack of a national policy which gives a basic need of the masses of people priority over the speculative drive of a profiteering minority.

The Aircraft Industry — Then, Now — and Tomorrow

Aircraft manufacturing was the Cinderella industry of World War II. From its lowly position as 44th peacetime industry in 1939, employing only 76,000 workers, it rose to princely eminence as the nation's greatest home-front operation, with over 2 million workers, and facilities worth almost 4 billion dollars, 90% of which came from the pockets of the American people through their government.

In 1947, aviation was back among the ashes of its humble pre-war status, with an average employment of but 190,000, with the promised post-war commercial market an unrealized dream, and with the major producers begging for government hand-outs in the form of an expanded military procurement program.

The great production team that gave America supremacy in the skies over every war front is scattered to the four winds. Millions of square feet of floor space in airframe and aircraft

engine plants are lying idle, in mute testimony to a national failure to plan for the peacetime use of a huge wartime investment.

Will these great facilities now be used to build an Air Establishment far in excess of requirements, in response to the blind pressures of war hysteria? Will government contracts with the 15 major producers enable them to exist profitably without risk, with millions of square feet of floor space remaining idle and wasted in a subsidized reserve? Or will the American people insist on the sane utilization of these production units through a coordinated housing-and-preparedness program?

The People's Double Stake in the Industry

The people must decide, and quickly. They can permit the building of scores of thousands of planes which will be obsolete in a year. They can use their tax dollars to maintain a large fraction of the aircraft industry in profitable idleness. Or they can demand a government program which will put the aircraft industry to work building both planes and homes, in an unprecedented national effort to make democracy strong in the accomplishments of peace as well as prepared to repulse aggression.

The aircraft industry is a public ward. In the words of the Air-Policy Commission report, it has a "market with but one major customer, the Government, which purchases 80 to 90 percent of its entire output." The same report states that the industry has "an organization in excess of present requirements." That organization was financed, not by private investment and risk, but by a vast public outlay of funds, after the private aircraft manufacturers, in the summer of 1940, bluntly refused to expand capacity in the face of a mounting threat to our national security—until the government offered to pay their way.

Such an industry cannot claim the immunities and privileges of a private enterprise. Its wartime performance was the product of the money of the American people and of a technical know-

how in the possession of its skilled personnel. The uses to which the facilities of the industry should be put today must be determined by public decision and open discussion of the possibilities in the light of pressing national needs—not by irrational fears and reckless procurement.

The plant reserve of the aircraft industry is at least 90% public property, in any sensible meaning of the term. The whole industry is "affected with a public interest"; it is a public utility in function and strategic importance, however stubbornly its nominal owners may cling to the forms and slogans of private business. The disposition of its reserve is, therefore, a public matter. It must be used to serve a public need, not to nourish private power or fortune.

Since the majority of citizens are acutely aware of the tragic need for housing, and since the unused facilities of the aircraft industry can be put to work to break the housing bottleneck, common sense clearly dictates the adoption of a balanced government program for the full use of airframe and aircraft engine plants for the production of housing as well as planes. Such a program holds out the hope of making a coordinated attack on two of our most fundamental problems.

Peace, Not the Sword Alone

The aircraft industry can be a tool for the enrichment of peace as well as a source of military power. To exploit its dual nature in a coordinated house-and-plane production plan would be to offer mankind much-needed proof that America's technical competence is controlled by a creative social imagination working through the democratic process. There could be no more eloquent refutation of the totalitarian argument that American democracy has gone to seed.

It should by now be clear that a tactical objective of the totalitarian bloc's war of nerves is so to panic us that we divert an ever-increasing portion of national income needed elsewhere to the production of sterile instruments of war. Engaged as we

are in a struggle whose outcome will not be determined by weapons alone, in a struggle in which a hostile philosophy seeks to reduce our inner strength by every means available, we risk the serious danger of handing democracy's enemies a cheap and bloodless victory in the measure that, by hysterical flight to arms, we leave democracy's house unguarded.

Whether the merchants of panic are bent on blackmail or complete conquest may now be impossible to determine. Whatever their motives, our sole security against a dual threat is one which prepares us to repulse both simultaneously. The two-purpose program here proposed will call for constant vigilance and mobility in planning, but these are in any case forced upon us by our present danger and are a cheap price indeed for survival. They are the only price at which we may purchase both progress and security in one package.

The Housing Tragedy

If Americans ever lose faith in the free way of life, it will not be because they have been converted by totalitarian arguments, but because vested interests within the democratic system raise intolerable barriers to the satisfaction of popular needs. The democratic process will then fall under the sheer weight of accumulated frustrations and resentments. In no sector of the national community has the erosion of mass confidence in democracy's ability to get things done reached a more critical phase than in the home-building industry.

The lack of decent housing within economic reach of all American families may once have been a national scandal. It is now a national tragedy. No amount of propaganda by real estate and mortgage lobbyists can cancel the utter failure of the private building industry to make modern, decent, low-cost shelter available to the average family.

Every estimate of the national housing need is far above the actual and potential performance of the private building industry. Census figures establish that at least 500,000 new families

are formed each year. Yet the industry has averaged no better than half a million non-farm homes annually over the past quarter of a century. Thus, leaving the farm population entirely out of account, and considering the fact that private builders offer the bulk of their product to high-income families, it is clear that the construction industry cannot build enough housing to keep pace with the annual formation of new families. It is inconceivable that such an industry will ever get around to replacing the 7½ million slum dwellings that ought to be torn down, the additional 4½ million dwellings that need major repairs, or the 15 million non-farm homes that are more than 35 years old.

An industry which cannot even cope with the physical demand for houses will certainly never accommodate its out-worn habits to the need for community planning and urban de-centralization. Yet this nation needs, not dwelling space alone, but living space that meets up-to-date standards of health, recreation, and efficiency. To attain these ends, the public interest in housing must be made paramount; the need for homes as related parts of wholesome communities must take precedence over the profit-drive of the subdivision speculators, the mortgage and loan agencies, and the profiteering middlemen who impede rather than expedite the flow of materials.

Small home building must be released from the shackles of outmoded methods and its practices modified to take advantage of mass-production techniques, modern materials, and the lower costs resulting from large-scale operations. Private builders themselves would benefit from these innovations. Building trades workers, already feeling the squeeze of unemployment, could at last achieve long-term security, for satisfaction of the national housing need would provide a continuing source of employment. Elimination of the building cycle would go far toward stabilizing the business cycle and toward maintaining the economy at full-production levels. Yet these vital reforms will not be made by the builders themselves, by materials suppliers, by real estate brokers. No group by its own initiative can break through the vicious circle of antiquated, selfish, and unproductive practices

in which the building industry is bound.

Only a comprehensive government housing program can break the housing log jam and mobilize the massive but uncoordinated energies of the construction industry for the job of giving America the homes we need and deserve. And one of the pillars of such a program, if it is to succeed, must be the mass-production of pre-fabricated housing, using the millions of square feet of idle floor space in the publicly-financed and publicly-subsidized aircraft industry.

To date, efforts in the pre-fabricated field have only played at the fringes of the mass production problem. Mass production **tooling** is the sole key to both minimizing costs and maximizing volume. We must tool up for the production of housing on a scale comparable to the tooling job done for the mass production of automobiles.

Only such an ambitious plan can overcome the inertia which has consistently defeated piecemeal attempts to wipe out the housing deficit. Only the impetus of such a plan can bring into play and coordinate local and regional planning now held impotent in the straight jacket of inadequate financing and insufficient material resources.

Here is a plan to which no special interest except the bare-faced profiteer can take basic exception. To the nation's armed forces it offers reserve production facilities fully manned and capable of almost instantaneous conversion to military output. Remembering the agonizing delay imposed on expansion of aircraft production at the outset of the war, our military planners cannot again risk allowing shortages of trained labor to endanger the national existence. Another war would scarcely permit us the luxury of repeating the errors of the last.

The Tools Are There

That surplus facilities lie at hand for use is obvious. Already well-advanced, the new aircraft production program finds itself employing in 1949 only 20% of the workers engaged at the war-

time peak. Even after achieving its zenith in 1951 the aviation program will require only a fraction of the floor-space now available. Without detailing here an exhaustive inventory of disposable surplus space and equipment, and making due allowances for expanded space requirements per unit resulting from changing plane types, it remains clear that facilities more than adequate to the plan's needs are within easy reach.

To mention only the giants among plants now idle or essentially under-utilized, the following may be cited: Dodge and Douglas, Chicago; Chance-Vogt, Stratford, Connecticut; Bell, Atlanta, Georgia; Douglas, Oklahoma City. These facilities alone would furnish the plan much of the capacity and the geographical distribution required. It should be remembered, in addition, that large fractions of plants now under military contracts, such as Lockheed in Burbank, California are not in use.

Shipyards, Too

Nor is the aircraft industry alone in holding surplus facilities convertible to housing production. Now, as after the First World War, a staggering waste of capacity is visible in the corpse of the shipbuilding industry. A major portion of Federally-financed yards—their huge fabrication shops—most of their marine ways—their miles of railroad siding and port anchorage usable for transportation—their steel fabrication units—their machine tools—all idly await obsolescence or are being dismantled. In Maine, in Massachusetts, in Delaware, in Maryland, in North Carolina, in California, in Oregon—two billion dollars in facilities are condemned to rusting disuse or marginal exploitation. Certain yards, such as that of the Dravo Corporation in Wilmington, Delaware, have already been partially adapted to home production but, due to the financial difficulties invariably encountered by private housing enterprise, on an entirely inadequate scale.

"Second Best is Not Good Enough"

Serious consideration should be given to the advisability of

cutting back the amount of money and floorspace now earmarked for finished plane production as distinguished from money and facilities set aside for design and engineering on new prototypes. At the present pace of change in military aircraft, today's super-bombers are tomorrow's Model T's. We cannot house our home-hungry millions in tomorrow's obsolescent aircraft. Nor will today's planes guarantee our security in the future any more than yesterday's B-17's, B-24's and B-29's can guarantee it today. Our long-term safety will best be served by an investment policy which creates the maximum potential production capacity, tooled and manned for sudden quantity output of the latest models of military aircraft should an emergency approach. Tomorrow's war, if it comes, will be won by today's **effective capacity,** quickly mobilized, not yesterday's output. "For national security," states the President's Air Policy Commission, "second best military aircraft are simply not good enough."

Beyond assuring the military an already-mobilized labor supply, trained if necessary for quick conversion to military production by occasional refresher courses, and plants tooled up for the same purpose, the plan offers quick solution of a major bottleneck of the past two wars — military housing, general construction and emergency war housing for workers. Standby capacity for production of pre-fabricated barracks, warehouses and related structures would involve enormous savings in time, materials, and manpower should we ever again be forced into national mobilization. Even the limited shifts and expansions incidental to our present armament program are already frustrated and delayed by the lack of available housing for workers. Without standby capacity for emergency mass housing production a full-scale rearmament program, given the existent housing shortage and given the stresses and gross movements of manpower it would impose, would find itself almost literally stopped in its tracks.

Only a massive and flexible emergency housing machine could avoid the evils of compulsory labor allocation, overcrowd-

ing, illegal wage premiums and labor-pirating which in varying degree cursed mobilization for the last war.

Security for Construction Labor

The plan's advantages to building trades labor are equally obvious. A coordinated ten-year national housing program would for the first time lay the spectre of cyclical and seasonal unemployment. Its inevitable reduction of housing costs would not only force down exorbitant current costs in non-Federal housing but in so doing incalculably increase the overall demand for housing. If the construction industry continues to price itself out of the market, building financial interests may survive the impending collapse, but building labor will be among its primary victims. Indeed, its first casualties may already be counted, and the number grows daily. Any assumption that labor can profit from inflation and scarcity is as empty an illusion in the field of housing as in any other.

The dimensions and duration of a building program such as that here proposed would make feasible for the first time the possibility of a guaranteed annual wage for construction labor. Renovation of old communities and the emergence of new home projects within an over-all government plan would create sustained demand for new roads, hospitals, churches, schools, stores, banks, post-offices and related facilities. In such a context, security for the construction worker could at last become a reality.

The Plan promises to relieve distress in an all but forgotten area as well—farm housing. Only large-scale intervention of the kind here envisioned can arrest the creeping dereliction of farm housing throughout the nation. This is an area into which private building is neither disposed nor equipped to enter. The same may be said for rural non-farm housing already obsolescent and doomed to accelerating decay, as well as for housing for migrant farm workers.

Bottlenecks Must Be Broken in Peace as Well as in War

But granting all the foregoing, it may be asked, what about the impact of the Plan on material shortages which are already acute? Would it not simply compound the incidence of demand on fixed supplies and aggravate the very inflation it seeks to offset?

There are two answers. One is that mass production of prefabricated housing need not compete for materials currently in shortage. Aggressive research and a willingness to depart from conventional materials and practices will quickly liberate a national housing program from materials which are in short supply.

Incapable, by its very nature, of dealing with housing in national terms, the building industry raises the "hope" that this year or next more materials may be available for low-cost housing due to a decline in the luxury housing field. But we cannot gamble the future of American families and of building industry labor on the chance of a collapse in housing demand in upper income groups.

The second answer to the question raised must be that if and where scarcity bottlenecks exist they should be broken with the same vigor with which they would be broken in wartime and for the same reason—the public interest. Pending the exploitation of new materials and expanded production capacity in existing materials, the reimposition of allocations and priorities over scarce building supplies is a clear necessity. This must be accompanied by direct government intervention, as proposed by President Truman in his State of the Union message, wherever basic industry fails to expand capacity to meet expanded demand. Neither in war nor in the emergencies of peace can a democracy function on the assumption that any of its constituent parts is greater or more sacred than the whole.

The Approach to the Plan

The Congressional Aviation Policy Board, in cooperation

with the President's Air Policy Commission, would determine the amount of floor space needed to satisfy the combined demand for aircraft of the Air Force, the Navy, the National Guard, and commercial carriers.

The present covered floor area of the major airframe manufacturers now contracting with the military measure 41,000,000 square feet, according to the Air Policy Commission. Plants held in idle reserve have a total area of 21,200,000 square feet. The total potential annual capacity of the present aircraft industry at peak utilization (assuming the wartime airframe output of 9 pounds per square foot per year) is 560,000,000 airframe pounds.

Since the Commission "believes that military requirements for 30,000,000 to 40,000,000 pounds annually, in addition to demands for commercial and private planes, would provide a sound basis for expansion in an emergency"— and since civil aircraft production in 1948 was in the neighborhood of 10,000,000 pounds —it is clear that the full demands of the services and of commercial carriers can be met without utilization of millions of square feet of floor space. The floor space and facilities not needed for the military and commercial aircraft production program will be assigned to a National Housing Authority, an agency which will incorporate all the housing activities of the federal government. This Housing Authority would take the unused floor space out of idle reserve and maintain it and its equipment in an active stand-by condition, through a mass-production housing program.

Quick Conversion Later Means Planning Now . . .

The most significant result of such a housing program, from the military stand-point, would be the resulting mobilization of a labor force possessing the skills for rapid conversion to aircraft production in the event of an emergency. Both the Air Policy Commission and the Congressional Aviation Policy Board have understood the importance of such a work force.

The C.A.P. Board, in its report, **National Aviation Policy,** recommends: "A comprehensive plan for allocating manpower should be developed for immediate application in the event of an emergency. Competition between the services, and between industry and the services, must be prevented. Drafting of experienced defense workers into the military and replacing them with unskilled workers is a distinct loss to total effort. Specialized skills will be needed more critically than ever in factories."

Such industrial mobilization must be accomplished without coercion. The best guarantee that it will be carried out both democratically and efficiently lies in advanced planning. Use now of idle aircraft industry facilities in a mass-production housing program would assure a skilled work force in being. An active reserve is clearly preferable to an idle reserve. Through such a housing plan, we can have not only an adequate stand-by plant but the necessary stand-by labor force.

Keeping Production Teams Intact . . .

The Board study says further: "Many of the best supervisors, engineers, and skilled workmen are leaving the aircraft industry because of instability and insecurity resulting from absence of a long-range program. Sporadic awarding of contracts throughout the industry has caused even the nucleus force of top-trained employees to undergo lay-offs. The production of present day aircraft is highly complex. Frequent changes are required in methods and processes of manufacturing. Breaking up of coordinated teams of engineers, tooling, liaison, production control and production workers will have a serious effect on producibility and expandability in an emergency. Success in production depends upon the manufacturing teams which have been developed over a period of years."

A housing program based on the idle plant reserves of the aviation industry would satisfy the need, obviously regarded as vital by the Board, to re-assemble and maintain the full aviation

production team that went to pieces in 1945.

The Air Policy Commission stated: "The most efficient aircraft in the world, no matter how brilliant its performance, is of little value to the national defense unless it can be manufactured quickly in large quantities.

"The team concept is not limited to research and design. Production planning and production control groups are equally necessary, but it is more difficult to keep such teams together in peacetime. When production drops off to mere jobbing levels, their functions simply disappear. Means must be found to keep alive the special skills that have been evolved in these particular fields during the war years. If they are allowed to be dissipated, time and effort will be needed to replace them in a future emergency."

. . . And Tools Installed for Use

The means to keep these teams and skills alive lie in the mass-production housing program. The program also permits active use of machine-tools now held in storage. The Commission says further: "It was proposed by the Air Coordinating Committee that a reserve of general purpose machine tools be established and maintained, with 65,000 machine tools as a minimum. These reserve tools are being acquired and placed in storage by the Air Force and Navy under Public Law 364 (80th Cong.). We recommend that this program be completed." Under the planes-and-homes plan, these general-purpose tools would not be held in idleness; they would be installed and used for the mass production of housing.

The National Housing Authority would mobilize research and engineering skills in housing comparable to the skills now brought to bear on bomber and fighter design and production. A technical commission within the Authority would investigate and work on every aspect of home-building—methods of construction, materials, design, community planning—toward the end of making available to American families a sound, up-to-date,

low-cost house embodying the quality of technical know-how and efficiency which produced our super-planes and the atom bomb. The proposition that an investment in wholesome living is worth as much outlay of talent and planning as our late war-time investment in wholesale death and destruction will not be controverted by any citizen in command of his rational faculties and democratic instincts.

The President's message to Congress called for the creation of at least a million new jobs. The contribution of the homes-and-planes program to the accomplishment of this objective would be enormous. Properly timed in its application and expansion, the program offers both a constructive source of new employment and a flexible instrument for levelling off fluctuations in employment brought about by seasonal or cyclical factors in private industry.

Full Scope for Local Initiative

Government intervention in the housing field today is limited for the most part to assumption of risk, not in behalf of the home buyer or renter but in behalf of the mortgage lender. The proposed National Housing Authority will lend government support where it is needed—to the family that needs a home to live in, rather than to those who seek to profit by that need.

The Authority will provide momentum, a framework for action, and goals. It will not be a centralized governmental colossus. On the contrary, full scope would be given to local initiative. It would hold out the promise of deliverance from the jitters of instability to both building trades labor and bona fide contractors. It would bring order into the industry without coercion, eliminate the present unwieldy system of distribution, and create an atmosphere of confidence among builders, buyers, and renters.

The Authority would cooperate with local public housing agencies and planning commissions in the revision of out-moded and restrictive building codes. It would foster genuine cooperative housing developments. It would provide housing for both

ownership and rental. In every instance, the Authority would set the framework and assure minimum standards. A floor would be placed under the performance of local building industry in order that initiative might be released in an atmosphere of confidence for the satisfaction of the housing needs of low-income families. The Authority would not compete with suppliers and builders in the luxury building market. Its activities would be directed exclusively toward making high-standard housing available for the one-third of a nation which is still deprived of adequate shelter at low cost.

If the industry as presently organized could supply that market, there would be no housing problem. Since it cannot, government action is imperative.

A Balanced Program for Homes and Preparedness

There will be those who will claim that such a plan is impractical, just as there were those who alleged that the automobile industry could not be converted to a war footing, when that proposal was advanced in the summer of 1940, a year and a half before Pearl Harbor.

Yet whatever is necessary to nourish democracy at its roots is surely practical. The standards of practicality badly need definition, if the national toll in health, dignity, stability, and confidence arising from bad housing can be regarded as practical.

Is it practical to expect the private building industry to supply the national need for 20 million homes in the next ten years, when that industry cannot even keep pace with the formation of new families annually? Is it practical to expect that the private building industry can supply the low-rental market, when that industry is currently offering 80% of new rental units to that half of the nation's families with an income above $2,500 and only 20% of such units to the half of the nation's families with incomes less than $2,500?

Almost every analysis and forecast with respect to home-

building assumes a continuation of the current practices of the construction industry. From the point of view of vested interests in the field this approach may be practical. But such a view is blind to the overriding fact that the dimensions of the housing tragedy are so vast that tinkering at the edges of the problem is futile. The whole face and nature of the industry must be transformed. What is needed is government intervention to protect the people who live in houses rather than those who live off them. A planes-and-homes program, based on the idle war plant reserves of government-financed industry is the lever that can move the whole building industry out of the past into a future of sustained production and prosperity.

Once in motion, the plan will yield quick and permanent benefits in terms of military preparedness. These have already been cited. There can be no question that an active reserve, whether of machines or manpower, is more valuable than a still-to-be-mobilized idle reserve. An operating airframe plant making pre-fabricated homes is only one engineering step away from mass production of transport planes, bombers, and fighters.

Financing

No legislation to date enacted or proposed has come to grips with the problem created by inflated financing charges in construction. Created originally to stimulate the mortgage market, the FHA has held narrowly to that objective into a period which has radically changed. Gradually FHA has confined its insurance to high-class mortgages where its services are least needed. The agency is now big money, moving and thinking in a banker's world. It may now fairly be said the FHA represents actual obstruction to the expansion of low-cost housing in general and of pre-fabricated housing in particular. Its grim dedication to returning a high annual profit may have earned it the applause of the 80th Congress, but a home-starved American people owes it no gratitude.

It is not the business of a Federal housing agency to make

money. In the present crisis its business must be aggressively to stimulate the development of low-price housing. The new authority proposed in the homes-and-planes plan can attack swollen costs in home-building on four fronts.

First, it can acquire land at uninflated prices, the size of its operation giving it advantages in so doing which smaller agencies would not have.

Second, it can give direct support, including outright subsidies where necessary, to low-rent public housing. Such an authority is in fact the only instrument conceivable for alleviating the situation of millions of American citizens unable to pay an economic rent. If subsidy is open to attack as "charity," it must be answered that adequate housing is a "charity" which America owes itself. In the national bookkeeping, decent housing for unhoused low income groups can only be inscribed as a gain. If we accept that a nation is justified in subsidizing commercial aviation and shipping in case of need, we can be content with no less for that nation's citizens in need.

Third, the agency envisaged can undertake on a national level to reduce interest and other financing costs in housing to equitable levels. To do so will require radical revision of the regulations of the principal government mortgage agencies. It need not be pointed out that the national plight forces radical change upon us. The revisions necessary would involve longer amortization and lower interest rates on government and government-insured mortgages, higher ceilings on the portion of the costs of builder-financed homes which the government can underwrite, government authority to reduce inflated capital costs on the homes it underwrites.

Fourth, the agency proposed would be in a position to guide and encourage mutual home ownership, to date the best tested method for reducing management costs and at the same time procuring a sufficiently high standard of maintenance to minimize deterioration.

Survival is Not Enough

The planes-and-homes program is of more than technical importance. It could help to dissipate the fog of war hysteria and fatalism. If it ill becomes a democratic people to abdicate responsibility to the military in time of war, then it is even more reckless to abandon civil judgment to the generals in time of peace. War is only an interruption, never a refutation, of the projects and purposes of peace. A rush to re-arm which is blind to a nation's daily needs and wants can be fatal to a democracy. It can become an irresponsible flight from the realities that perpetually confront us as free citizens. An obsession with arming ourselves could be a refusal to face our guilt and our failure in the matter of housing ourselves. A free people defends its way of life best by spending its best energies in its daily pursuit.

The deepest practicality of the planes-and-homes plan is that it does not throw peace overboard. It offers the promise of an adequate Air Establishment and the hope of a down-to-earth attack on our greatest homefront evil, all without a reckless squandering of our substance in a fatalistic march to global suicide.

The plan raises, it is true, a fundamental question for our policy-makers and for the American people as a whole. For it is based on the assumption that we as a nation are interested, not in mere survival in the air age, but in democratic survival.

To Put the Plan in Gear

It is recommended that the President appoint a National Housing Committee as quickly as possible. This Committee should include representation from the Armed Services, the National Resources Planning Board, government housing and financing agencies, the War Assets Administration, members of the House and Senate Banking and Finance Committees, the Air Policy Commission, organized labor, and the construction industry. The Committee should be instructed to develop, within ninety days of its creation, proposals to accomplish the following:

1.) a national inventory of housing needs, along with a detailed outline of how mass production of pre-fabricated housing could help meet these needs.

2.) an inventory of surplus government-owned airframe plants or similar suitable floor space and machinery adaptable to pre-fabricated housing production.

3.) establishment of a Research and Technical Development agency within a National Housing Authority devoted to:

a. development of new housing materials, new sources of materials, and insuring maximum production and utilization of existing materials.

b. application of the most advanced architectural and engineering know-how in the designing of modern, functional, low-cost family houses, to be produced with maximum variation in floor-plans and in exterior and interior design.

c. development of rational city and regional planning to achieve modern communities for wholesome family living. Slum clearance and re-development must be an integral part of this program. We must abolish the slums, not modernize them.

d. creation of a technical production commission to work

out a production and tooling program insuring the fullest application of advanced technology in both the engineering and production aspects of the housing plan. (President Truman, in his Inaugural Address, suggested that America should lend its production and technical know-how to the world's backward economies. We approve this suggestion, and recommend that this same production know-how be applied to a backward domestic industry. Completion of the tooling program for new models among the major producers in the automobile industry has made available several thousand highly skilled technicians, engineers, tool and die makers and related workers who are equipped to do the tooling job for the mass production of high quality, low cost housing.)

e. formulation of a specific program to coordinate and standardize conflicting or restrictive local building codes so that they will meet present day needs and standards.

4.) provision for coordination of housing production with potential requirements of military production, including programs for refresher courses for labor in skills applicable to plane production, and procurement of basic tools suited to both types of production. (Surplus stocks of multiple-purpose equipment such as large and small stamping and blanking presses, welding apparatus, riveting, and rolling machinery are already on hand or being acquired in quantities adequate to initiate the plan. This basic machinery can be supplemented where necessary by special machinery which the tool machine industry, now working on reduced schedules and with skilled labor unemployed, is in an excellent position to furnish.)

5.) programming of government sponsored and coordinated high quality, low cost mass production housing providing for:

a. full participation of private enterprise and individual initiative in the plan, including the granting of long range, low interest loans, providing such private undertakings

meet basic standards and policies established within the plan.

b. direct government operation of production facilities where private enterprise is unwilling to assume responsibility. (Operation of the program should aim at maximum decentralization consistent with efficient operation.)

6.) creation of a finance and distribution agency authorized to facilitate and encourage home ownership by families on long term, low interest loans. Such an agency should be authorized to purchase large tracts of land to be made available for small home owners free from speculative intervention.

It should be the policy of this agency to make homes available for purchase or rental through the following channels:

a. private distributing agencies which comply with and meet the required standards and policies of the program.

b. organized cooperative housing groups who meet the same requirements.

c. federal, state and local housing authorities.

7.) programming of government-sponsored housing production with private building efforts to assure liquidation of our basic housing deficit during the coming ten years.

8.) creation of a system of materials procurement and allocation giving the national housing program priority second only to the demands of the armed services and equal to these demands where housing and security requirements coincide.

9.) extension of the President's proposals relating to steel to other industries, such as aluminum, copper and power, wherever refusal to expand capacity impedes fulfillment of the housing plan.

10.) formulation of proposals for legislation to increase government authority and financing power wherever existing

funds and authority may be inadequate to accomplish the foregoing.

These recommendations are in no way offered as substitutes for legislation currently under congressional consideration. We submit only that the accelerating severity of our housing crisis imposes counter-measures designed to cure and not to palliate. Many of the steps necessary to meet that crisis can be taken immediately. As for those aspects of the plan requiring further legislation, we express the confident hope that a people's President will be supported by his government in satisfying our nation's most pressing need.