Inter-Office Communication

Date March 30, 1948

To Dick Kelly.

From Ralph Showalter.

Subject Sundry Statistics for Walter P. Reuther.

In regard to the points in your memo of March 15th:

1. You have the Finletter Report Survival in the Air Age.

2. Table 1, attached, lists the cost of expanding the aircraft industry between July 1940 and June 1945. It includes plants and equipment for production of aircraft, aircraft engines, parts and accessories. Notice that taxpayers directly footed the bill for 89.2% of the total expenditures ($3,474,000,000 of $3,894,000,000), private interests investing only 10.8% ($420,000,000) for plant & equipment.

Table II gives comparable information for the cost of all expansion facilities authorized by the manufacturing industries during this period (1940-1945). This table shows that government financing accounted for 3/4 of the total expansion of industrial plants.

This information of Table I completes the data represented on page 22 of Are War Plants Expendable. The information there did not account for the period between May 1944 and June, 1945.

Table III has been added here to bring up to date some of the information given under The Industries We Built (on page 23 of Are War Plants Expendable.

4. It is difficult to set down meaningful figures on obsolescence of military aircraft. The Surplus Property Administrator said in his report of Nov. 23, 1945 that of the Government investment in surplus aircraft and parts (17.5 billion dollars) 65% was in tactical planes. Only an insignificant number of these planes could be used for flight & non-flight purposes, and the bulk created a problem of minimizing handling & scrapping costs. In effect tactical aircraft were 100% obsolete in 1946. The only significant market the SPA could find was governments of "friendly" foreign nations, but nothing was sold that wasn't really obsolete by U. S. Military Standards.

The Transport planes enter obsolescence at a slow rate and even have a chance to wear out before being replaced by more efficient types. It should be pointed out that SPA sales of transport planes was of a negligible number of the surplus and the great bulk of these planes was scrapped.

An article in January 1945 Fortune on Junking the Planes says "a combat airplane is nothing more or less a weapon; when its military usefullness is over, it has to be written off for

(con't) 4. no more than its value as scrap. The problem of extra aircraft would be greatly simplified, to be sure, if combat planes exploded like bombs or shells, then there would be no problem of salvaging them." P. 232.

NOTE: The scrapping problems were terrific and costly. A B-24 that cost $235,347 and 23,698 man hours to build and equip required 1074 man hours to be stripped down to its component parts; - this operation cost more than the scrapped plane was worth. (You try stripping down to your component parts sometime.)

Take the center section of the wing for instance. At a dollar an hour it took $138 to pay for disassembly. The resultant scrap was worth $53.74. Even the army figured this was an improvident business venture. (end of note)

5. Commercial requirements engage only a small part of the facilities of the aircraft industry. Military orders constitute over 75% of the aircraft business (1947) and it is expected to increase proportionately even if we do not get into another preparedness program. The combined domestic and American Flag Line (foreign) fleet of commercial planes is only 900 planes (1947). It is expected to reach 1100 by 1950 and producers have a backlog of orders to keep them busy in 1948, but only 280 two and four engine commercial planes were made in 1947. However, this work can not employ the war time facilities which turned out airplanes at the rate of more than 8,000 a month in 1944.

At the end of 1947 only the following commercial models were being built:

				No. of Passengers
4 engine	Beech	-	Model 34	20
4 "	Boeing	-	Stratocruiser	80
2 "	Consolidated Vultee	-	Convair-Liner	40
4 "	Douglas	-	DC-6	52-58
4 "	Lockheed	-	Model 649, Constellation	69
2 "	Martin	-	Model 202	40
3 "	Northrop	-	Pioneer Pass.-Cargo	?

Personal aircraft production (including heliocopters) can not promise to employ a great part of plant facilities either. Approximately 16,000 personal planes were sold in 1947 ($52,000,000), but industry experts look on this figure to decline in 1948. In 1946 some 34,000 new planes and 31,000 surplus military aircraft took care of the demands and unless means are found of creating the conditions for mass airplane market (increased national income, reduced cost of purchasing and operating personal aircraft; technological improvements, and field improvements) the industry will supply, make replacements for the 65,000 or 70,000 private planes now in use. A CAA study (1945) talked of 400,000 private planes by 1955 (280,000 personal, 40,000 business, 80,000 airline commercial), but this estimate was based on declining prices and improved engineering,

(con't) 5. neither of which appears likely.

Diversification of manufacture has been extensive in the aviation parts plants, but has not become important among the aircraft builders. Bell produces small motors for agricultural equipment, electric dish washers and industrial machinery. Curtis Wright makes clutches and purchased Victor Animatograph Corporation. Grumman makes aluminum truck trailers, canoes and small boats. Martin makes resins, photographic emulsions, a light weight construction material. Northrop is making artificial limbs, but Ryan quit making caskets (business was dead). Beech lost interest in its housing project and Consolidated Vultee & Fairchild also divsested themselves of non-aviation activities according to Standard & Poors, Dec. 1947.

7. Aluminum.

War time investment of the Government in the Aluminum industry was $716.1 million of which $34.2 was in loans to private enterprise by the RFC, $681.9 in Defense Plant Corporation and Navy plants and into plants owned jointly by the Government and private concerns.

The first supplementary report of the W.A.A. (Feb. 12, 1947) indicates that to November 30, 1946 $651.8 million in government plants and facilities had been declared surplus, $387.3 millions disposed of, with $278.1 million in aluminum plants awaiting disposal. $296 million of "disposals" are leased [1] $79.6 million worth were sold - for $28.5 million.

8. Employment in aircraft & engine & parts plants was at peak in March, 1944. More than 2.1 million workers were employed. For the period of the last 2 months of 1943 and first six months of 1944 employment remained close to 2 million. Average employment for 1947 was approximately 190,000 and at no time exceeded 200,000. The latest figure is for January 1948.

[1] Government owned 56 plants, declared 53 surplus (one withdrawn by Navy). Fourteen were sold, fourteen leased. Sixteen of these 28 still Aluminum. They operate as part of the aluminum industry.

uopwa 26 cio
et

TABLE 1

(Title) COST OF EXPANSION OF AIRCRAFT FACILITIES

(Period covered) June 1946 - July 1947

	TOTAL	STRUCTURES	EQUIPMENT
	Private and Federal		
* $	3894	1556	2338
%	100	100	100
	Privately Financed		
$	420	212	208
%	10.8	13.6	8.9
	Federally Financed		
$	3474	1344	2130
%	89.2	86.4	91.1

* Dollars in Millions.

SOURCE:
War time mfg. plant expansion:
privately financed, 1940-1945
Civ. Prod. Adm. March 15-1946
Table 1, P.5

uopwa26cio
ms

TABLE 11

(Title) COST OF EXPANSION OF MFG. FACILITIES

(Period covered) July 1940 - June 1945

	TOTAL	STRUCTURES	EQUIPMENT
	Private and Federal		
* $	23066	9444	13622
%	100	100	100
	Privately Financed		
$	5900	1989	3911
%	25.6	21.1	28.7
	Federally Financed		
$	17166	7455	9711
%	74.4	78.9	71.3

* Dollars in Millions.

SOURCE:
War time mfg. plant expansion:
privately financed, 1940-1945
Civ. Prod. Adm. March 15-1946
Table 1, P.5

uopwa26cio
ms

TABLE 111

(Title) INDUSTRIES WE BUILT * **

(Period covered) June 1940 - July 1945

PER CENT FINANCED BY THE FEDERAL GOVERNMENT

INDUSTRY	Per Cent
Aircraft (etc.)	90
Shipbuilding & Repair	91
Machine Tool	43
Machine & Electrical Equipment	47
Non Ferrous Metals	76
Steel	58
Synthetic Rubber	94

* Indicates proportion of investment in new facilities borne by Government.

** Compare Page 23 of "Are War Plants Expendable"

SOURCE:
War time mfg. plant expansion:
privately financed, 1940-1945
Civ. Prod. Adm. March 15-1946
Table 1, P.5

uopwa26cio
ms

MEMO

Date March 29, 1948

From LEO GOODMAN

To Walter P. Reuther

Subject Reuther Housing Plan of 1948

Conferred today with Mr. John Ohly, Special Assistant to Secretary of Defense, regarding the proposals which you made in the pamphlet entitled "Are War Plants Expendable."

I suggested that it would be mutually advantageous for the achievement of your housing ideas outlined in that pamphlet and the objectives of the President's Air Policy Commission to coordinate development of industrialized housing program and the needs for standby aviation industry proposed in a report of the President's Commission on Air Policy.

Mr. Ohly seemed favorably taken with the idea and stressed the difficult situation that the Armed Services are having to fill their own housing needs ~~in~~ and their resultant sharp awareness of the needs for the National Housing Program.

Mr. Ohly agreed to confer with Secretary Forrestal and contact me at an early date. He suggested the advisability of arranging an early meeting between Secretary Forrestal and yourself to discuss this whole subject.

Leo Goodman

ALUMINUM SUBSTITUTION IN THE AUTOMOBILE INDUSTRY

REPORT BY THE RESEARCH AND ENGINEERING DEPARTMENT, UAW-CIO

to the meeting of the

INTERNATIONAL EXECUTIVE BOARD

March 1948

Prepared in accordance with
Resolution No. 1 adopted by the
1947 UAW-CIO Convention

SUMMARY OF FINDINGS

(This report is submitted to the International Executive Board in accordance with Resolution No. 1 of the 1947 Convention)

From a technological point of view, aluminum is very well suited to replace steel in many parts of the automobile. The obstacles to substitution are of an economical rather than of a technical nature.

Aluminum was used extensively by the automobile industry in the past, specifically before World War I, and during the early 1920's. It was abandoned because of the price policy of Alcoa which at that time had a 100% monopoly in the aluminum market.

At present, although there are three primary aluminum producers, the situation has not improved much and the automobile industry is still primarily dependent on Alcoa for its supply of aluminum.

The cost factor is the most serious obstacle to large scale substitution. Because of relative costs, replacement of steel by aluminum will have to be limited to three fields:

1. The most extensive use of aluminum can be made in the production of commercial vehicles like trucks and buses. The larger payload and the savings in operating costs more than compensate for any higher initial costs.
2. In some parts of the passenger car, such as doors, hood, trunk lid, lightness adds to the passenger's comfort and convenience. In the high price field the car buyer will be as willing to pay for this added luxury feature as he is to pay for other luxury gadgets.
3. In some cases in which steel can be replaced gauge by gauge, the part made of aluminum is not more expensive than the steel part because of the savings in weight and machining costs. In these cases aluminum can be used in all motor vehicles.

The potential aluminum supply is adequate to support such a program.

At a production rate of 5½ million cars per year, such a program would in no way interfere with the consumption of other aluminum users at the present level. In addition, it would still leave a comfortable margin of unused capacity which could

take care of any seasonal or emergency demand.

The program would have to be enforced by:

1. Minimum standards of aluminum consumption worked out by representatives of government, labor and industry for each subdivision of the motor vehicle industry. Such standards ought to be the basis of conservation orders issued by the Federal Government.
2. Government control of the aluminum market - price ceilings and distribution controls.
3. Machinery for the periodic revision of the minimum standards.

Such a program would result in 300,000 to 375,000 additional cars. It would lengthen the average work year in the auto industry by at least 2½ to 3 weeks. Such an extension of the work year would mean an increase of annual earnings by $150 to $180.

But beyond these immediate effects it would benefit the people as a whole. By bringing forth a larger supply of cars it would tend to stabilize car prices at a more reasonable level and would help to conserve our iron ore and fuel reserves and thereby contribute to the wealth of the nation as a whole.

INTRODUCTION

The UAW is vitally interested in seeing that the production capacity of the automobile industry is used to a maximum. Only such a policy will assure full employment to all its members and to the automobile workers as a whole. Maximum production is also necessary to assure the American public of a sufficient supply of the type of cars which it has a right to expect and which have become a symbol of America's higher standard of living throughout the world. Finally, maximum output is required to assure that prices will stabilize at a level which the car hungry public can afford. Otherwise, there is the very real danger that irresponsible manufacturers, taking full advantage of the present sellers' market and charging what the traffic will bear, will price themselves out of the market. This would result in unemployment and misery throughout the industry.

At the present time, the main obstacle to any further expansion of automobile production is to be found in the limited steel supply, particularly the limited supply of sheet steel. For a long time during the war the steel monopoly resisted any request of the Government to expand its capacity. It has not changed its policy since the end of the war. Actually, this country requires an increasing amount of steel in order to replenish and expand the capital stock which was worn out during the war, and in order to produce the durable consumer goods which could not be made during the war. And a war-ravaged world cries for ever increasing oversea shipments of steel and heavy machinery for rehabilitation purposes.

Yet, the steel industry thinks up ever new excuses for sabotaging the expansion of its facilities. As a result the steel quota allocated to the automobile industry, already insufficient in 1947, has been cut again for the first quarter of 1948. In all likelihood, the situation will continue to deteriorate. "Automotive manufacturers whose steel quotas were cut in the last quarter of 1947 found out last week that promised 1948 quotas have been pared down too.... according to further reports, the same treatment is in store for the auto makers on second quarter quotas."[1]

1 - Automotive News, January 26, 1948

The UAW at its last convention decided to investigate the means by which the present steel shortage could be alleviated. For this reason, the convention passed a resolution ordering the Executive Board to investigate "the possibilities of substituting aluminum for steel to be used in the automobile industry." The present report is made in response to this directive of the convention.

PROBLEMS ENCOUNTERED IN ALUMINUM SUBSTITUTION

Technological Problems

From a technological point of view, aluminum seems very well suited to replace steel in many parts of the automobile. Admittedly, aluminum has some disadvantages. To cite a few, it is structurally weaker than steel, the combination of aluminum and steel might lead to electrolytic reactions, the welding of aluminum meets with great difficulties and requires considerable more labor, and deep draws are less feasible in aluminum than in steel. But all these difficulties can be overcome. Where structural strength is required, the part will have to be somewhat sturdier; the electrolytic reaction can be prevented by the proper use of paint; in many cases (especially in truck and bus bodies) the sheets can be joined by riveting rather than by welding; and the use of deep draws often can be eliminated by a change in design.

On the other hand, aluminum has its distinct advantages. Its higher heat conductivity suggests its use in parts of the engine, such as the cylinder heads and pistons; its higher corrosion resistance in many uses eliminates the necessity of a further painting or finishing job; its lower specific gravity saves in dead weight and cuts down fuel consumption.

On the whole, it seems that from a technological point of view approximately two-thirds of the average passenger car could be made of aluminum. This at least is the opinion of an expert who, for other reasons, is very much opposed to the substitution of aluminum. W. S. James, an official of the Studebaker Company testified: "In my opinion the part of the automobile in which aluminum... could be substituted

This experience was repeated after World War I. In 1922 Ford used aluminum in car doors and in car bodies. In 1924 Alcoa again advanced the aluminum price substantially and Ford abandoned the aluminum cars. At the same time the Studebaker Company, which had used 110 pounds of aluminum per car, dropped its use entirely. Since then, the automobile industry has refused to use a raw material when its supply depended on one single non-competitive source.[4]

During World War II, the federal government invested many millions of dollars in the aluminum industry. A second producer, the Reynolds Metals Company, was brought into the field of primary aluminum production. As a result, aluminum is the only commodity on which the price dropped substantially during the war years, (the decline was more than 25%). Yet, while Alcoa through such price maneuvers tried to get rid of a bothersome competitor, it retained and even strengthened its grip on the industry. At the end of the war Alcoa owned or operated 90% of the greatly enlarged production capacity in this country. In addition, Alcoa owned in Canada, through a Canadian subsidiary, the largest aluminum plant in the world. Its capacity is three times the size of the total U. S. prewar capacity.

After the war, under the pressure of public opinion, Alcoa was forced to give up the government plants it operated during the war years. But the Surplus Property Board continued with only slight modification the policy practiced by the government during the war years. The plants were to be sold or leased to operators who had past experience in the field and the "technical know how." This ruled out most of the applicants, and at present, because of this policy, the total primary aluminum industry is in the hands of not more than three producers. Of these, Alcoa is still by far the largest, owning more than half of the total capacity. The rest is either owned or leased by Reynolds Metals Corp., or Kaiser Permanente Metals Company.[5] Reynolds owns large facilities for the production of finished →

4 - U.S.A. vs. Aluminum Company of America; quoted in "Aluminum plants and facilities" Report by the Surplus Property Board, 1945.

5 - See appendix table 1

aluminum products, which require most of the output of its primary aluminum plants. For this reason it could not become a substantial supplier for the automobile industry. The automobile industry, therefore, can buy either from Kaiser, who is a direct competitor in its field, or go back to Alcoa. As far as the automobile industry is concerned the situation has not improved much as compared to the 1920's. The primary aluminum market is still largely monopoly controlled.

The Cost Factor

The relative cost of aluminum as compared to steel is the other big factor which determines the range in which aluminum can be substituted. Many factors influence this cost comparison. 1 pound of aluminum sheet at present costs 24¢ compared to 3.2¢, the official price of 1 pound of sheet steel. But steel is three times as heavy as aluminum, or in other words, an aluminum sheet weighing 1 pound can cover three times the surface of a steel sheet of identical gauge and weight. This would still leave aluminum at a disadvantage (24¢ for aluminum against 9.6¢ for steel). But on the gray market, sheet steel sells at 10¢ and 15¢ a pound today. Compared to steel at gray market prices, aluminum is definitely less expensive (24¢ for aluminum against 30-45¢ for steel). Furthermore, machining costs of aluminum are 20% lower compared to steel. On the other hand, aluminum, because of its lower structural strength, often has to be used in larger volume. In these cases, 1 pound of aluminum instead of replacing 3 pounds of steel might replace only $2\frac{1}{2}$ pounds or 2 pounds.

In advocating the widest use of aluminum there is no reason to accept the present aluminum price as something given by unalterable economic laws. On the contrary, indications are that the present price of primary aluminum (15¢ per pound) contains a substantial monopoly profit.

The present price has remained unchanged since 1944. In the meantime the basic raw material, bauxite, must have become cheaper since most of it is shipped from overseas and wartime shipping insurance rates were many times higher than present

rates. Furthermore, Reynolds as well as Alcoa were allowed to write off their total wartime capital investment. In the aluminum industry, depreciation is a substantial cost factor. The lower depreciation costs ought to be reflected in a lower final price.

Another big cost item is electric power rates. These fluctuate widely depending on the location and the time the power plant was built. According to government sources, power costs per pound of primary aluminum produced range from .7¢ at some of the older Alcoa plants (where fixed investments in power plant and dam were written off) to 2¢ in the Pacific Northwest and 3.25¢ at the plants using TVA power.[6] This suggests that some of the Alcoa plants make a differential monopoly profit of more than 2¢ per pound. The above evidence seems to indicate that if OPA were reinstituted, the present primary aluminum price could be lowered by at least 1 to 2 cents per pound, especially if price controls were supplemented by a policy calculated to wipe out differential monopoly profits.

But even at present aluminum prices there are at least three distinct fields in which aluminum substitution is economically feasible.

1. Aluminum can be used to best advantage in commercial vehicles, buses, trucks, and trailers. The reasons are obvious: Savings in deadweight, reduction in fuel consumption, tire savings and reduction in vehicle wear and tear. On this point all experts seem to agree. The representatives of the aluminum industry have stated: "By using aluminum trucks and buses, operators can furnish better and safer transportation at lower costs to themselves."[7] Representatives of leading automobile manufacturing firms contend that: "In the field of carriers, economic return can be expected from light weight construction. The savings are _____

6 - "Aluminum plant and facilities" Report by the Surplus Property Board, Sept., 1945

7 - W. Rice, Reynolds Metal Company Hearings before the special committee to study problems of American Small Business, part 47, Future of Light Metals.

considerable in those cases in which the carrier operates continuously at full capacity."[8] "Large quantities of magnesium and aluminum can be used in the manufacture of truck and bus bodies. Lightness will save fuel and permit increase in size and speed."[9] And even representatives of the competing steel industry admit the superiority of aluminum in this field. "Aluminum application in the truck field has proved to be sound and in any vehicle where the pay load is important aluminum will be used in increasing quantities."[10] Finally the possibility of aluminum substitution in this field is proved convincingly by the fact that some companies actually use aluminum in this application to a very large extent. The Twin Coach Company manufactures buses in which aluminum contributes about 98% of the structural material; the Greyhound Bus Lines use aluminum buses exclusively; and the Reynolds Metal Company, car division, produces 100% aluminum truck and trailer bodies.

2. Another field in which aluminum can be used is that of the high prices passenger car. Some parts of the car, such as doors, hood, trunk lid, have to be regularly moved or lifted by the passenger. In these cases, lightness is an added luxury feature. Even if these parts made of aluminum were more expensive, the buyer of a high cost car would be willing to pay for the added convenience the same way he pays for any other luxury gadget. This is also proved by the fact that several large manufacturers in the past have used aluminum in the manufacture of these parts in their luxury models, (pre-war models of Lincoln and Cadillac).

8 - Dr. Laird, Ford Motor Co...Hearings before the Special Committee to Study the Problems of American Small Business, part 50.

9 - Henry Kaiser...Hearings Before the Special Committee To Study Problems of American Small Business, Part 49.

10 - Iron Age, November 13, 1947.

3. Finally aluminum can be used instead of steel in all passenger cars in those cases in which aluminum can replace steel gauge by gauge. In these cases present prices often mean a saving in favor of aluminum. Because of the lower tooling costs this is particularly true where extrusions are required. "Extrusions of aluminum are replacing steel and can meet cost, plus the reduction in weight which makes them an attractive issue."[11] In the appendix[12] are listed the automobile parts which can be made of aluminum economically. The parts enumerated there are either made of aluminum by one of the automobile manufacturers today or have been made in the past from aluminum or were compiled from suggestions made by leading engineers in the field as published in government documents and trade journals. This program is rather conservative since all doubtful cases have been eliminated.

The Supply Situation

Another factor which is often used as an excuse for the resistance to aluminum substitution is the supply situation. Aluminum production facilities as compared to the prewar period were tremendously expanded during the war. Primary aluminum production capacity at present is more than four times that of 1939 and production facilities of aluminum sheet and strip mills increased ten fold during the same period.[13]

Admittedly a large part of this increase is today taken up by the greater requirements of the aircraft industry, by the railroad car manufacturers, and the construction industry. Even last year, total aluminum sheet production amounted to only two-thirds of capacity. Data for 1946 and 1947 suggest that the average demand for aluminum sheet will not exceed 95 million pounds per month.[14]

Admittedly one of the factors which has hampered sheet production has been a shortage of primary aluminum. This shortage in turn was caused by a lack of suffic-

11 - Scott, Ford engineer quoted in Automotive News, December 8, 1947

12 - Appendix Table 2

13 - Appendix Table 3

14 - Appendix Table 4

ient electrical power.

But there is no reason to project this shortage into the future. In the Tennessee Valley it was caused by abnormally unfavorable climatic conditions, an abnormal low water level due to the lack of rain. In the Pacific Northwest new power generating facilities are under construction. With a little good luck, indications are that the power situation ought to ease up.

While October shipments of sheet were considerably above the 95 million pounds figure, November and December shipments have dropped below the October peak. The increase in shipments in recent months has to be interpreted as a seasonal movement rather than as a long term trend. This is also borne out by the 1946 experience which, too, shows an October peak and large seasonal fluctuations. At the present total average monthly demand of 95 million pounds of sheet, and provided the power situation eases up, there is still a wide margin of unused production capacity since present sheet aluminum production capacity amounts to approximately 135 million pounds per month. The automobile industry could substitute aluminum sheet at a rate of 35-40 million pounds per month and could use another 20 million pounds of extrusions without overtaxing present production facilities. In addition, Alcoa has a new sheet mill under construction which is scheduled to start operation in April. This mill will have an annual capacity of approximately 150 million pounds.

This potential supply is sufficient to make all the substitutions suggested by us. It is difficult to estimate the aluminum requirements part by part since in some cases substantial design changes would have to be made. But Engle estimates that at present prices, 80 - 100 lbs. could be used per passenger car and W. Rice, the Reynolds Metals representative has estimated that 80 pounds would be required in the production of those parts which have to be moved or lifted (doors, trunk lid, engine parts). Only recently the aluminum industry calculated that at present prices, approximately 200 pounds of steel could be replaced which roughly also suggests an aluminum use per car of approximately 100 pounds.

We have figured additional aluminum consumption based on the best available es-

timates of unit requirements for each subdivision of the motor vehicle industry. At a production rate of five million cars per year the additional monthly aluminum requirements, both sheet and extrusions, would amount to somewhat more than 40 million pounds.[15] That would still leave a comfortable margin of unused capacity for increased seasonal and emergency demands of other users.

SUGGESTED MEASURES AND RESULTS

Although the substitution program outlined above is economically sound and although it can be supported by an adequate aluminum supply, it is not to be expected that it will actually be carried through without sufficient outside pressure. Recently, there has been a lot of talk about greater aluminum use, but most of it has remained in press releases and while one of the automobile manufacturers has actually begun such a substitution program, it has never become industry-wide.

This reluctance can be only partly explained by the additional tooling costs. Actually in many cases the same dies could be used with only slight modifications. Besides, right now the tooling up for new models would have offered a splendid opportunity to make all the changes required. It is rather that in the present sellers' market, there is no incentive to try something new and risk the costs connected with new design and development.

It might be said that it takes time to work out the new design changes. But in 1915 after the rise of aluminum prices it took Ford two weeks to change to steel. The same Ford Company has been studying aluminum substitution since 1945. After more than two years, a few minor changes have been made but most of the results are still "under study."

In our system of free enterprise nobody worries about the needs and resources of society as a whole. That natural resources tend to be exhausted, that substitution of aluminum would help to conserve precious iron ore and fuel reserves -- that is nobody's concern. The automobile companies attempt to solve their steel bottle-

15 - Appendix Table 5

neck by resort to the gray market, by "connections" with steel suppliers and/or by electing a steel firm representative to their board of directors and vice-versa, and so on.

A program of aluminum substitution will not be effectuated unless it is forced upon the industry. Representatives of government, labor and industry would have to determine how much aluminum is to be used in the production of each type of motor vehicle. These standards would have to be enforced by government regulation.

Such standards ought to be the basis of steel conservation orders similar to those used during the war period. Such orders would tend to maintain the relative competitive position of each individual firm within the industry and at the same time would enforce industry-wide acceptance of these standards.

In order to assure the automobile industry that a sufficient supply of aluminum would be forthcoming at prices which would make substitution economically feasible, these consumption standards would have to be supplemented by government imposed price ceilings and government control over the distribution of aluminum.

Finally machinery would have to be set up which would provide for periodic reconsideration of the substitution standards in order to allow for further technological development and changes in price and supply conditions.

If these measures were adopted something very close to the above outlined program could be carried through. Approximately 100 pounds of aluminum could be used per motor vehicle of all types.

Assuming the present aluminum consumption per vehicle equals approximately the prewar consumption, 92 pounds of aluminum could replace roughly 185 - 230 pounds of steel.

Since the average car contains between 3000-3500 pounds of steel, automobile production at the present steel quota could be increased by roughly 6% to 7½% or 300,000 to 375,000 cars per year. This would mean that the work week of the average automobile worker could be lengthened approximately by the same percentage or by roughly 2½ to 3 weeks. Such an extension of the work year at present wage rates might mean

an increase of annual earnings by $150 to $180.

This aluminum substitution program would not only help the automobile workers, it would benefit the public at large. A larger supply of cars would help keep automobile prices at a more reasonable level. In addition, such a program would help to conserve precious fuel and iron ore reserves, thereby contributing to the wealth of the country as a whole.

###

uopwa26cio

TABLE 1

Aluminum capacity, November 30, 1946[1]

Product		Total	Alcoa	Reynolds (leased or owned)	Kaiser (leased or owned)	Others (leased or owned
Alumina	(1,000 lbs.)	4,895,000	2,140,000	1,755,000	1,000,000	_ _ _ _ _ _
	%	100.0	43.7	35.9	20.4	_ _ _ _ _ _
Primary aluminum	(1,000 lbs.)	1,535,357	828,127	449,730	257,500	_ _ _ _ _ _
	%	100.0	54.0	29.2	16.8	_ _ _ _ _ _
Sheet strip and plate	(1,000 lbs.)	1,604,400	802,800[2]	468,000	288,000	45,600
	%	100.0	50.0	29.2	18.0	2.8

1) Aluminum Plants and Facilities, First Supplementary Report War Asset Administration (February 1947)

2) Additional 150 million lbs under construction

TABLE 2

Substitution of aluminum for steel by type of motor vehicle

a) Passenger Car

Automobile parts which could be made of aluminum

pistons
cylinder heads
timing gear
gas tank
oil pan
distributor housing
starter and generator end plates

headlamp housing
fan plate
scuff plate
bumper

car door[1]
trunk lid[1]
hood[1]

b) Commercial cars

pistons
cylinder heads
front gear cover
fly wheel housing
water pump
clutch casing
transmission case
valve covers
oil pans

brake shoes
wearing gear housing
rear axle housing

sheet metal parts in:

truck bodies
bus bodies
trailer bodies

1) For high class cars only

TABLE 3

Aluminum production capacity 1939, 1944, 1946[1]

		1939	1944	1946
Alumina from bauxite capacity as a percentage of 1939	(1,000 lbs.)	800,000	4,895,000	4,895,000
	(percent)	100.	610.	610.
Primary aluminum capacity as a percentage of 1939	(1,000 lbs.)	350,000	2,327,357	1,535,357
	(percent)	100.	665.	440.
Sheet, strip and plate capacity as a percentage of 1939	(1,000 lbs.)	158,000	1,604,400	1,604,400
	(percent)	100.	1000.	1000.

1) Aluminum Plant and Facilities, First supplementary report of the War Assets Administration to the Congress, February, 1947

TABLE 4

Aluminum wrought products[1]
Monthly shipments and capacity

		Sheet plate and strip (million lbs.)	Extruded shapes tubing (million lbs.)	Sheet and extrusion combined (million lbs.)
1946	Jan.	39.3	6.9	
	Feb.	24.6	5.9	
	March	53.7	8.0	
	April	60.5	9.3	
	May	59.9	10.4	
	June	65.5	12.3	
	July	80.3	12.3	
	Aug.	88.8	12.6	
	Sept.	91.9	10.1	
	Oct.	110.1	13.4	
	Nov.	99.5	12.9	
	Dec.	92.7	11.9	
Average second six months		93.9	12.2	106.1
1947	Jan.	96.3	14.3	
	Feb.	96.6	11.7	
	March	91.0	11.4	
	April	83.3	10.3	
	May	81.6	10.1	
	June	70.5	8.9	
	July	72.2	7.3	
	Aug.	82.4	7.7	
	Sept.	97.9	8.4	
	Oct.	120.1	10.7[2]	
	Nov.	108.0[2]	10.0[2]	
	Dec.	110.3[2]	11.0	
Average for year		92.5	10.2	102.7
Production capacity[3]		133.7	36.5	170.2
Average unused capacity margin		41.2	26.3	'67.5

1) Facts for industry, U. S. Department of Commerce Census Bureau

2) Aluminum Plant and Facilities

3) First Supplementary Report, War Asset Administration, February 1947

TABLE 5

Estimated monthly aluminum requirements of the automobile industry based on substitution program

	Number produced per month[1]	Lbs. of aluminum used per vehicle[2]	Total amount of aluminum used per month (1,000 lbs.)
Buses	3,000	500 lbs.	1,500
Trucks	105,000	200 lbs.	21,000
Passenger Cars) Other than low priced)	142,000	100 lbs.	14,200
Low priced cars[3]	173,000	25 lbs.	4,325
All Motor Vehicles	423,000		41,025

1) Assumed production rate of five million cars per year. Distribution of different types of vehicles is identical to 1947 experience.

2) For source of these estimates see Table 6

3) Chevrolet, Plymouth, Ford

TABLE 6

Various estimates of quantities of aluminum which at present prices can be substituted by type of motor vehicle.

a) PASSENGER CAR

Source of estimate	Estimated quantity
U.S. Attorney General[1]	500 lbs. aluminum
Engle[2]	80-100 lbs. aluminum
Aluminum Industry[3]	aluminum to replace 200 lbs. steel
Ford Motor Company (1947)[4]	aluminum to replace 120 lbs. steel
Reynolds Metal Company[5]	80 lbs. aluminum
Ford Motor Company[6]	25 lbs. aluminum

b) TRUCKS AND TRAILERS

U.S. Attorney General[1]	695 lbs. aluminum
Engle[2]	500 lbs. aluminum
Ford Motor Company (1945)[6]	200 lbs. aluminum

c) BUSES

Ford Motor Company (1945)[6]	500 lbs. aluminum

1) The Aluminum Industry, Letter from the Attorney General

2) N. Engle, H. Gregory, R. Morse, The Aluminum Industry, an industrial marketing appraisal

3) Quoted in Iron Age, September 25, 1947

4) Iron Age, September 25, 1947

5) Hearings before the Special Committee to Study Problems of American Small Business, U.S. Senate, part 47, Future of Light Metals

6) Ibid, Part 50

THIS STATEMENT COMPARES THE SENATE AND HOUSE REPUBLICAN MEASURES (S. 709 SPONSORED BY SIXTEEN REPUBLICAN SENATORS AND H. R. 1973 SPONSORED BY REP. JAVITS) WITH EACH OTHER AS WELL AS WITH S. 138, THE DEMOCRATIC MEASURE SPONSORED BY EIGHT SENATORS, AND WITH THE NPHC'S SUGGESTIONS ON HOUSING LEGISLATION

-

DECLARATION OF POLICY

Senate Republican bill (S. 709) adds "To facilitate community development and redevelopment", recommended by NPHC. Otherwise, the bill in its "Declaration of Policy" is the same as the Democratic measure, S. 138.

House Republican bill (H. R. 1973) is the same as the Senate Republican bill.

SLUM CLEARANCE TITLE

Senate Republican bill's title (S. 709) is "Urban Development, Redevelopment and Slum Clearance", which is NPHC's suggestion. The loans are for 45 years instead of S. 138's 40 years. S. 709 also omits the limitation against disbursements prior to July 1, 1950 (an NPHC suggestion) which is contained in S. 138. Also the Senate Republican bill changes the language against demolition prior to July 1, 1951, as it appears in S. 138 to the way it appeared in S. 866, the Taft-Ellender-Wagner bill of the 80th Congress, when it passed the Senate (also an NPHC suggestion).

The Senate Republican measure, S. 709, contains an affirmative provision granting U. S. Tax Exemption to the interest on the local agencies' bonds issued for redevelopment.

This title of the House Republican measure (H. R. 1973) is exactly like the Senate's.

PUBLIC HOUSING

The Senate Republican measure (S. 709) is like S. 138 except:

1. The dollar cost limitations are removed (an NPHC suggestion).

2. The loans are for 45 years instead of S. 138's 40 years.

3. The annual contributions contracts are for 45 years instead of 40 years.

4. The annual contribution rate is 4½% instead of S. 138's 5%.

5. The annual contributions authorization is for $60,000,000 a year for four years instead of S. 138's $85,000,000 the first year and $90,000,000 for each of the succeeding four years.

The Senate Republican measure (S. 709) permits acceleration of $30,000,000 in any one year by the President on advice of the Council of Economic Advisers, instead of S. 138's acceleration of $90,000,000 upon Presidential determination.

6. The Senate Republican measure (S. 709) permits 100,000 starts a year for six years, instead of S. 138's 1,050,000 for seven years. Also, it permits acceleration by the President on advice of the Council of Economic Advisers by 50,000 a year, ins tead of S. 138's 100,000 a year upon determination by the President.

7. S. 709 leaves 20% local contributions requirement in, but permits 10% payments in lieu of taxes, instead of S. 138's removal of the local contribution requirement and 5% payments in lieu of taxes.

8. The Senate Republican measure (S. 709) makes a 10% limitation of expenditures in each State refer to $268,000,000 instead of S. 138's $473,000,000.

The House Republican measure (H. R. 1973) is exactly like S. 709 in this title except that:

1. The annual contribution authorization is $80,000,000 for each of four years, with Presidential acceleration of $40,000,000 a year authorized. Also the starts are limited to 135,000 a year for six years, with Presidential acceleration possible up to 65,000 units in any one year.

2. The 10% limit expendable in each State is on the basis of $320,000,000.

RESEARCH TITLE

The Senate Republican bill (S. 709) is the same as S. 138 except that it also contains power "to make grants to educational institutions and other non-profit organizations".

The House Republican measure (H. R. 1973) is the same in this title as is the Senate Republican measure, S. 709.

FARM HOUSING

The two Republican measures, S. 709 and H. R. 1973, are the same as S. 138, except that Section 404 as it reads in S. 138 is eliminated, and provision is made for migratory workers to be eligible beneficiaries of the title.

PRIVATELY OWNED HOUSING FOR FAMILIES OF LOWER INCOME

This title is contained in the House Republican measure, H. R. 1973, but not in the Senate Republican bill, S. 709. Its provisions correspond generally to the suggestion of NPHC.

The title creates a Housing Loan Administration, headed by a Commissioner, within the Housing and Home Finance Agency. It provides for loans to Mutuals, cooperatives, non-profit corporations, limited dividend corporations and other corporations restricted by Federal or State laws. Loans may be made not exceeding the development or acquisition costs at the going Federal rate, plus ½% (3%) with the maturity equal to the useful life of the project, not exceeding 60 years. The Commissioner may issue regulations assuring that this housing will serve low income families. The contract must provide that the borrower will fix

maximum income limits - net income not more than five times rental and 6 to 1 where there are two or more minor dependents. The homes must not be of elaborate or expensive design with construction costs equal to going costs in the community. The Commissioner is authorized to borrow from the Treasury $500,000,000 the first year and the same amount in each of the five succeeding years. The title also contains provisions calling for veterans' preferences and the payment of prevailing wages.

Rep. Javits on introducing the bill said this title was designed primarily to assist families in the "20% gap" area -- whose incomes are too high for admission to public housing but too low to obtain adequate accommodations in today's market.

AMENDMENTS TO EXISTING AIDS TO PRIVATELY FINANCED HOUSING

This title appears in the House Republican bill (H. R. 1973) but not in the Senate Republican bill (S. 709).

It liberalizes certain existing aids. As to homes under Section 203 (b) (2) (D), the limit is raised to $7,600 plus an additional $1,000 for the third bedroom and still an additional $1,000 for the fourth bedroom. It also extends maturities to thirty-five years in the case of homes under Section 203 (b) 3.

In addition, the title provides for a builders' warranty in the case of Section 203 loans.

Furthermore, as to loans to co-ops under Section 207 (c) (2) it provides for a 95% and in some cases 100% insurance with maturity for forty-five years.

The title removes the F. H. A. premium charge to veterans on Section 203 (b) (2) (D) loans.

In addition, there are other liberalization features under Title 6 and certain amendments to the G. I. Bill.

MISCELLANEOUS

The Senate Republican bill (S. 709) does not contain the Banking Act amendment which is contained in S. 138. It has a section dealing with the conversion of State low-rent projects to Federal projects, a provision not in S. 138. In addition, this version provides for a decennial census of housing, which is not in S. 138. Finally, it does not have the provision removing the interest on local housing authority bonds from Federal income tax, which is contained in S. 138 (but which Senator Maybank has advised the Senate he will move to have stricken).

The House Republican bill (H. R. 1973) of the miscellaneous title is the same as the Senate Republican bill.

Note: Recommendations as to content of legislation were submitted by NPHC similarly to Democratic and Republican sponsors of housing bills, and to the Housing and Home Finance Agency. They will be repeated in testimony offered to the Senate Committee on Banking and Currency.

NPHC, 1025 Vermont Ave., N.W.
Washington, D. C.

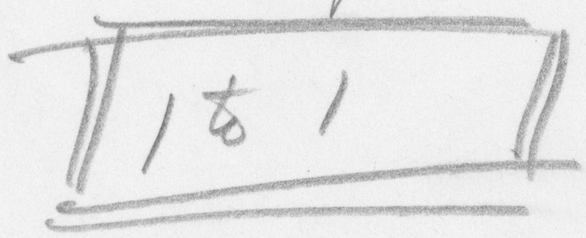
1000 homes = 2½ million dollars each in const costs, to

83½,000 utilities

760,000 - water, street + sewer

1000 per child in schools

6 million minimum each per 1000 home project.



~~25000,000~~

3 Types

1) Human effort - 48-70

2) meets the - Depts - Air Co - 70

3) ~~Ta~~ P.C. — Readyable Potential)

2nd Best plans

not good enough

[Research + Development]

Soc Sec Reserv 1 3/2 Billion

Check Paid by - Loan

Materials

Export Affinity - Pres Reorder -

alum -

Scrap Plans -

Wood & Chemical Ind - - waste -

Gypsum Rock -

*6000 - Less . 2-Bed R
Kitch
Bath
L. Room & D R.

Exempt
from
ownership

Savings, overall - Build
Land
Interest
Carrying Charges,
Insurance -

Reduction
35-50%

1) 1st stop — VE Day — Welcome Home

1yr ago — { fast work.
held up —

Word Search —

Hills — space — millions —

Homes — Plans — Jobs —

2nd Bridge — 75% { next Domestic needs — Security needs } next Both

Plan — homes — not of ~~cost~~ price } next Security
with greater security

2) 48 - 70 —

---

1) Tru — — econy -

2) Accep- mode -

3) Air policy Com — { Potentials -

Resear -

More Products —

Tech - Prod Know how —

XB - 47 — Split Air — Body how

Plug in type —

Stand by Plants — Product trans

Refusher Course —

TO Walter P. Reuther

FROM George Campbell

MEMO-GRAM

43

PRINTED IN U. S. A.

rough estimate of number of unemployed skilled workers in the city of Detroit:

5,000

2200 tool and die workers; 2200 at Ford Rouge plant alone

they are back to leaders' classification of 1925 in seniority list

Die makers - back to 1927 list

Tool makers - " " 1931 list

Senate to Get Compromise Housing Bill

A compromise housing bill incorporating both Administration and Republican suggestions probably will be ready for Senate consideration next week, The Washington Post learned last night.

The measure will be tailored to give liberal aid to the "little man" who wants to build his own home, as well as to provide low-cost public housing and slum-clearance help to States and municipalities.

Once this is out of the way, the Senate Housing subcommittee headed by Senator John Sparkman (D., Ala.) plans to give serious study to a proposal made yesterday by President Walter Reuther of the United Automobile Workers (CIO) for the mass production of prefabricated homes.

The scrappy red-headed union leader, his arm still in a brace from a shotgun attempt on his life, suggested the Government help private capital turn idle airplane plants into assembly lines for prefabricated homes.

Reuther said this method of solving the housing crisis would contribute to national defense because the now deteriorating plants could be quickly switched back to plane production if war threatened.

The UAW chieftain estimated that airplane fuselage presses could quickly stamp out some 20 million prefabricated homes that could sell in two-bedroom models for less than $6000.

Sparkman told The Washington Post that Reuther's proposals merited "serious consideration."

The subcommittee, Sparkman said, plans to pursue Reuther's suggestion at a round-table discussion to which Reuther, Donald Douglas, airplane manufacturer; representatives of the Air Force, and officials of the Lustron Housing Corp. would be invited.

Douglas, it was reported, has already worked out the engineering problems in connection with such a program but could not find sufficient private capital interested in financing it.

The subcommittee is considering an Administration bill to erect 1,050,000 Federally financed public housing units during the next seven years. Reuther urged that the program be squeezed into four years instead.

Rodney M. Lockwood, vice president of the National Association of Homebuilders, denounced the public housing program as one which would give tenants a "free ride" at high cost to other taxpayers.

He said each family in a proposed project would cost other taxpayers $37 a month in rent subsidies.

Horace Russell of Chicago, general counsel of the United States Savings and Loan League, opposed the public housing program as "unconstitutional" and "socialistic."

20 MILLION HOUSES URGED BY REUTHER

Vast Assembly Line Production of Low-Priced Units Proposed for Idle Aircraft Plants

N. Y. TIMES FEB 13 1949

By WALTER W. RUCH

Special to THE NEW YORK TIMES.

DETROIT, Feb. 12—A plan for the assembly-line production of 20,000,000 low-price houses in the next ten years through initial financing by the Federal Government and utilization of idle aircraft plants was advanced today by Walter P. Reuther, president of the United Automobile Workers, CIO.

The program, designed to be largely self-liquidating, would mushroom, he said, from an original outlay of about $500,000,000 into a project of gigantic proportions.

He estimated that if all possible mass production economies were realized, a two-bedroom house with all functional equipment could be manufactured to sell for about $6,000. A 20,000,000-unit program on such a basis would involve $120,000,000,000.

In addition, Mr. Reuther said, there would be matching expenditures in such concomitant requirements as utility expansion, ground clearance, shopping centers and street and sewer construction, bringing the total outlay to $240,000,000,000. He added that experience had shown that for each dollar expended for housing an equal amount was spent by utilities, municipalities and other outside interests to defray costs of providing service and conveniences.

The two-bedroom house described was only an example, Mr. Reuther explained. He said houses could be built on an assembly line basis with no more restrictions as to external appearance and internal appointments than are present in the manufacture of automobiles.

He stressed that his plan provided a means of keeping production units intact through diversion of surplus aircraft capacity to housing production.

The houses would be built mostly for sale, he asserted, though a relatively small percentage would be available on a rental basis. Those that were sold, he said, should require no down payment, since the monthly payment would be sufficient for amortization purposes while providing a fair profit.

Mr. Reuther, who named his plan, "Houses for People—Jobs for Prosperity—Plans for Peace," said that he had submitted it to President Truman, in his capacity as chairman of the National Housing Committee of the Congress of Industrial Organizations.

The union leader said that private industry would not or could not undertake mass production of housing because of the tremendous costs involved in "tooling up" assembly lines to turn out prefabricated units.

Private industry would have first call, he added, on loans from the Government to finance the estimated $500,000,000 costs involved in building and tooling the necessary assembly lines, with the Government to go into the house-building business only if private industry proved unwilling to accept what he called its responsibilities.

Mr. Reuther said that aircraft plants converted to house building could be kept as fully manned and equipped stand-by facilities for an emergency shift to plane production, should war threaten.

He recommended cutbacks in current military appropriations as a means of financing the plan initially, thus offering the opportunity to the country "to purchase progress and security in one package."

As another way to underwrite the initial costs of the program, Mr. Reuther suggested that it might be possible to find means for tapping $13,500,000,000 of Federal old-age benefit funds held by the Government in the form of long-term loans to the housing project.

Mr. Reuther said that he agreed with the President's Air Policy Commission in emphasizing that unless aggressive Government action was taken, "the skilled production teams which gave America air supremacy during the war may be scattered or completely dissolved."

Mr. Reuther proposed the establishment of a National Housing Authority to take over the War Assets Administration's plants and tools adaptable to mass housing construction. The authority would link its production plans with emergency industrial mobilization plans of the armed services, using multi-purpose tools suitable to prefabricated housing or aircraft production.

The authority should, he said, 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 cramped development of the program.

The UAW executive said that housing, "once a national scandal, is now a national tragedy," which is so serious as to impel President Truman to reimpose allocations of and priorities on materials needed to put the housing program into successful action.

He estimated that his proposal would create 1,000,000 jobs and would meet a need not being met by private industry. He said that the building trades unions of the American Federation of Labor should not object because the workers would be free to choose their unions. He added that the program would not be in competition with the work being done on projects by AFL members.

He emphasized that his planes-and-homes program was not submitted as a substitute for housing proposals in Congress, but as "a broad-based, long term plan to accomplish what proposed palliative legislation had failed to undertake in the housing field."

Wants 20 Million Units:

Low-Cost Housing Urged by Reuther

Times 2-13-49

By JACK CRELLIN

Mass production of low-cost prefabricated homes by utilizing the nation's idle aircraft manufacturing facilities was advocated Saturday by Walter Reuther, UAW-CIO president.

Under his program, Reuther said, 20,000,000 homes could be produced in the next 10 years which could be sold for as low as $6,000 with little or no down payment.

The homes would contain a minimum of two bedrooms, a kitchen, bath, living room and dining room. They would be modern in design and equipped with the latest in functional units.

He envisaged the homes pouring off assembly lines in much the same manner as automobiles are now produced.

Volume production would be the key to high quality homes at low cost, Reuther said.

Reuther pointed out that millions of square feet of unused floor space are available in idle aircraft plants throughout the country. In addition, the government has thousands of machines which could be easily converted from aircraft manufacture to turning out parts for homes.

He advocated a government program which would put the aircraft industry to work building both planes and homes, in what he termed "an unprecedented national effort to make democracy strong in the accomplishments of peace as well as prepared to repulse aggression."

Instead of hindering the aircraft industry, Reuther claimed his program would help it.

Reuther pointed out that millions would be employed in producing homes in plants which could be converted overnight to production of warplanes if the necessity arose.

Cost of financing the retooling job needed for production of houses would be in the neighborhood of $500,000,000, Reuther estimated.

He advocated that the federal government subsidize this program and that private enterprise and individual initiative be granted full participation in the program.

Another part of the proposal was that industrialists interested in the plan be granted long range low interest loans, providing they agree to meet basic standards and policies established within the plan.

If private industry fails to cooperate, Reuther said the government should step in and operate the production facilities.

To critics of government ownership and operations he gave this assurance:

"This is not a back door approach to nationalization of housing."

Reuther said he had forwarded a copy of his plan to President Truman and intended to discuss it with him in detail in the near future.

Reuther suggested that money for financing the program could be borrowed from the $13,500,000,000 in the social security reserve fund.

Turning to the more practical aspects of the plan, Reuther said he felt the AFL building trades should approve it because it would provide jobs for at least 10 years.

However, he added, CIO industrial unions would maintain the right to represent the millions of workers who would be employed inside the plants. To the AFL trades would go exclusive rights for erection and all other outside jobs connected with the homes.

Reuther Urges Making Houses in Plane Plants

Plan for 20 Million Units Costing $6,000 Each Offered to Truman

F.P. 2-13-49

BY ARTHUR O'SHEA
Free Press Labor Writer

A plan for building 20,000,000 prefabricated homes in 10 years in idle aircraft plants has been proposed to President Truman by Walter P. Reuther, UAW (CIO) president.

The two-bedroom homes would cost about $6,000, Reuther estimates.

He believes military aviation would be aided instead of endangered because the prefab builders would form a work pool instantly convertible to aviation manufacture in event of emergency.

* * *

HE SAID there were enough available plants to start the program and also build a 70-group Air Force.

Tools with which to stamp out the Reuther-conceived homes would come in part from war surplus. An additional $500,000,000 for tooling-up would be required.

Two methods were advanced to finance the gigantic program:

1—A loan of four to five billion dollars from the 13½-billion-dollar social security fund.

2—Allocations from current appropriations for military aviation.

* * *

REUTHER said the plan would provide jobs for one million workers, particularly thousands of skilled tool, die and patternmakers who now are idle.

The plan already has been submitted to President Truman.

"This is not a back-door approach to nationalization of the housing industry," Reuther said. "Private contractors will be encouraged to participate under some form of subsidies."

But, he insisted, some sort of innovation was imperative because of the industry's "outmoded approach to the job."

* * *

"THE BEST this antiquated industry can do is provide 500,000 homes annually and most of these are in the higher income brackets, with little or no provision for farm dwellings."

There would be no requirement for a down payment on the home under the Reuther program. Monthly payments would be about equal to rent.

* * *

MATERIALS should not be a problem, Reuther said, if the Truman program for Government steel plants is carried out and expanded to include the aluminum industry.

He said the scrap aluminum in obsolete planes would provide enough material for about 300,000 prefabricated homes.

However, Reuther insisted, the types of materials and prefabricating techniques would be left to final decisions by the Housing Authority.

* * *

THE PROGRAM would aid instead of conflict with the interests of AFL building trades, Reuther said.

Most of these craftsmen are employed on public buildings, roads, high-income housing and construction work for utilities, he said.

"For every dollar spent on individual housing another goes for projects of this type, all of which would be in the AFL jurisdiction," Reuther said.

Reuther Asks Mass Output of Prefabs

News 2-13-49

By ASHER LAUREN

The latest "Reuther Plan," calling for mass production of 20 million prefabricated homes in the nation's idle aircraft plants, was sent to the White House, Saturday.

Walter P. Reuther, president of the UAW-CIO, contends the program would solve the housing problem and keep the plants tooled and manned with skilled aircraft workers for a quick shift to aircraft production in event of war.

The program, Reuther said, is backed by the national CIO, which will press for Federal Government sponsorship.

DESCRIBE HOMES

The goal is 20 million two-bedroom massed-produced homes in 10 years. They would sell for $6,000 or less, with a small or no down payment and monthly payments "like rent."

The program would supplement, not replace, existing housing programs.

"Whole kitchens and bathrooms could be stamped out just as auto bodies are stamped out now," Reuther said.

OFFERS FINANCE PLANS

Two suggestions for financing the program were advanced. The money could be borrowed from the 13½ billion dollar social security reserve fund and paid back in 10 years. Or it could be diverted, Reuther said, from part of the money now allot for aircraft production.

"We are for private concerns running the plants if they will," Reuther added. "Perhaps even some of our automobile companies would be interested.

"But Government funds would be needed. The cost of tooling alone would run around 500 million dollars."

WANT GROUP NAMED

President Truman was urged to appoint a national housing committee made up of representatives of the Armed Forces, the National Resources Planning Board, the War Assets Administration, members of the House and Senate Banking and finance Committees, the housing and other Federal Government agencies.

The committee would be instructed to develop within 90 days means of putting the housing plan into operation.

REUTHER PRESENTS PREFAB HOUSE PLAN

N. Y. TIMES FEB 15 1949

Tells Senate Group That Idle Plane Plants Could Produce 20,000,000 Homes by '59

WASHINGTON, Feb. 14 (UP)—Walter Reuther, president of the United Automobile Workers of America, CIO, presented to a Senate Banking subcommittee today his plan to use idle warplane factories to turn out 20,000,000 prefabricated homes in the next ten years.

He said that if this country tackled the housing shortage the way it did the war it could show the world that "democracy knows how to meet the needs of our people."

The airplane plants, Mr. Reuther said, contain "millions of feet of idle floor space" which could be converted to assembly-line production of houses. By keeping them in readiness, he said, a quick switch to plane production would be possible if war threatened.

The UAW leader told the Senators that the Government might have to finance the program because "no private capital has been willing to get into it on the volume and scale necessary."

He urged the subcommittee to act promptly because, he said, there was ample evidence of housing needs. "We need action, not more facts," he said, adding that he already had submitted his proposal to President Truman.

The subcommittee is considering an Administration bill to erect 1,050,000 Federally financed public housing units during the next seven years. Mr. Reuther urged that the program be squeezed into four years instead.

Rodney M. Lockwood, vice president of the National Association of Home Builders, denounced the public housing program as one which would give tenants a "free ride" at high cost to other taxpayers.

He said each family in a proposed project would cost other taxpayers $37 a month in rent subsidies.

Horace Russell of Chicago, general counsel of the United States Savings and Loan League, opposed the public housing program as "unconstitutional" and "socialistic." His organization favors some form of slum clearance, he said, but is against the Administration proposals.

Tenant groups urged the House Banking Committee, which is holding hearings on rent control extension proposals, to accept an Administration proposal to put rent ceilings back on hotel rooms occupied by permanent guests.

A plan to extend rent controls for fifteen months, instead of the twenty-four requested by the Administration, was gaining committe support as the rent hearings entered their second week.

A WITNESS IN WASHINGTON YESTERDAY



Walter Reuther, president of United Automobile Workers, before Senate Banking Subcommittee. The New York Times (by Bruce Hoertel)

Aircraft Makers Reject Plan

Special to THE NEW YORK TIMES.

LOS ANGELES, Feb. 14—The Reuther plan was viewed with extreme skepticism today by leaders in the aircraft manufacturing industry on the West Coast.

Generally the proposal was rejected on the ground that there was so little in common between the mass-producing of planes and a similar operation for houses. Linking the two activities would be of questionable advantage to either housing or national defense, it was held.

Aside from this over-all problem, it was noted that two large plane manufacturers, Douglas and Consolidated-Vultee, had spent large sums immediately after the war exploring the problem of mass production of houses and had abandoned it because of difficulties in that field—principally costs, building trades union requirements and local building codes.

The main flaw ascribed by aviation industry officials to the Reuther plan was the union leader's assertion that house-building would provide airplane plants with a "stand-by" mass of machines and manpower against an emergency demand for planes.

It was pointed out that both airplane manufacturing machinery and personnel were highly specialized and quite unadaptable to any other work.

REUTHER PRESENTS PREFAB HOUSE PLAN

Tells Senate Group That Idl Plane Plants Could Produc 20,000,000 Homes by '5

WASHINGTON, Feb. 1[4] (UP)—Walter Reuther, presiden of the United Automobile Workers of America, CIO, presente to a Senate Banking subcommittee today his plan to use idle warplane factories to turn out 20,000,000 prefabricated homes in the next ten years.

He said that if this countr tackled the housing shortage t'e way it did the war it could sh'w the world that "democracy k'ows how to meet the needs of ou' people."

The airplane plants, Mr. Reuther said, contain "millions o feet of idle floor space" which could be converted to assembly-line production of houses. By keeping them in readiness, he said, a quick switch to plane production would be possible if war threatened.

The UAW leader told the Senators that the Government might have to finance the program because "no private capital has been willing to get into it on the volume and scale necessary."

He urged the subcommittee to act promptly because, he said, there was ample evidence of housing needs. "We need action, not more facts," he said, adding that he already had submitted his proposal to President Truman.

The subcommittee is considering an Administration bill to erect 1,050,000 Federally financed public housing units during the next seven years. Mr. Reuther urged that the program be squeezed into four years instead.

Rodney M. Lockwood, vice president of the National Association of Home Builders, denounced the public housing program as one which would give tenants a "free ride" at high cost to other taxpayers.

He said each family in a proposed project would cost other taxpayers $37 a month in rent subsidies.

Horace Russell of Chicago, general counsel of the United States Savings and Loan League, opposed the public housing program as "unconstitutional" and "socialistic." His organization favors some form of slum clearance, he said, but is against the Administration proposals.

Tenant groups urged the House Banking Committee, which is holding hearings on rent control extension proposals, to accept an Administration proposal to put rent ceilings back on hotel rooms occu-

A WITNESS I[N] WASHI[NG]TON YESTERDAY



Walter Reuther, president of United Automobile Workers, before Senate Banking Subcommittee. The New York Times (by Bruce Hoertel)

manpower against an emergency demand for planes.

It was pointed out that both airplane manufacturing machinery and personnel were highly specialized and quite unadaptable to any other work.

Fireboat Up For Sale

The salvage division of the City Department of Purchase announced yesterday that it was seeking bidders for a collection of marine and motor vehicle equipment, including the fifty-year-old Fireboat William L. Strong. The boilers of the fireboat have been condemned. The list of items ready for sale includes 101 used automobiles and trucks including several police cars.

Delay Asked in Thomas Trial

WASHINGTON, Feb. 14 (AP)—Counsel for Representative J. Parnell Thomas, Republican, of New Jersey, today asked postponement of his trial on charges of conspiring to defraud the Government and filing false claims in connection with his Congressional office payroll. Judge Henry A. Schweinhaut, who heard arguments on the motion, said he would rule by tomorrow. Mr. Thomas currently is due to go on trial March 7. H' attorneys asked the delay un the Supreme Court decides case of Carl A. Marzani, for State Department employe, victed of falsely telling G ment officials he was not munist.

plied by permanent guests.

A plan to extend rent controls for fifteen months, instead of the twenty-four requested by the Administration, was gaining committe support as the rent hearings entered their second week.

Aircraft Makers Reject Plan

Special to THE NEW YORK TIMES.

LOS ANGELES, Feb. 14—The Reuther plan was viewed with extreme skepticism today by leaders in the aircraft manufacturing industry on the West Coast.

Generally the proposal was rejected on the ground that there was so little in common between the mass-producing of planes and a similar operation for houses. Linking the two activities would be of questionable advantage to either housing or national defense, it was held.

Aside from this over-all problem, it was noted that two large plane manufacturers, Douglas and Consolidated-Vultee, had spent large sums immediately after the war exploring the problem of mass production of houses and had abandoned it because of difficulties in that field—principally costs, building trades union requirements and local building codes.

The main flaw ascribed by aviation industry officials to the Reuther plan was the union leader's assertion that house-building would provide airplane plants with a "stand-by" mass of machines and

The Evening Star
With Sunday Morning Edition.
WASHINGTON, D. C. 2/16/48

The Reuther Prefab Plan

Walter Reuther's sword-into-plowshare plan for converting idle warplane plants into prefabricated housing factories may prove to be impracticable on careful study, but the idea has a two-way appeal. It should interest not only many persons in desperate need of adequate housing but those who are seeking ways of preserving wartime plants in stand-by status for some future emergency.

Mr. Reuther, who is president of the United Automobile Workers of America (CIO), told a Senate Banking subcommittee that if some of the large plants which helped to build America's great air fleet in World War II could be reopened for home prefabrication, an estimated 20,000,000 homes could be provided within the next ten years. He said he would prefer to have private concerns undertake the job, perhaps with the aid of Federal loans. He pointed out that it would be to the advantage of the Government to maintain the plants as a defense precaution. The availability of workers in the area, resulting from continued operation of the plants, would be an asset of value in time of war, he emphasized.

There are difficulties in the way of such a program that cannot be ignored, of course. The prefab industry which grew up rapidly after the war has encountered many disappointments. The public has been slow to accept this type of housing. Building codes in many cities have placed heavy restrictions on prefabricated developments. Steel and other material shortages have held back would-be producers of prefabricated houses. And all these setbacks have discouraged private capital from investing in this promising field.

But the public resistance might well be overcome by an intensive educational campaign. Such a campaign might effect a reasonable liberalization of restrictive codes. Once the market for such homes becomes active, private capital probably would not be long in finding its way into the new industry. Certainly in these times of housing shortages throughout the country, the Reuther plan is deserving of consideration.

Reuther Plan

Wall St Journal

7/6/49

Mr. Reuther Is Late

THE WALL STREET JOURNAL *Washington Bureau*

WASHINGTON—The U. S. Treasury already has borrowed and spent the Social Security trust funds that union leader Walter Reuther suggests be used for prefabricated housing projects.

This week the head of the United Auto Workers (C.I.O.) outlined a plan for using surplus aircraft facilities to make prefabricated housing. He suggested that the Treasury borrow some $4 billion to $5 billion in Social Security reserves to finance this.

However, such funds already have been borrowed by the Treasury to meet its current costs. They are invested in U. S. Treasury issues, with interest computed at the average rate paid on publicly-held Treasury securities.

The old age fund now stands at about $10,722 million, and the unemployment insurance fund is about $8,496 million. The Treasury expects to pay $446,931,372 interest on this money during the 1949-50 fiscal year which begins July 1.

NYT - 2/18/49

THE MASS-PRODUCTION HOME

It is a rather surprising and certainly disappointing fact that this nation, so proud of its industrial know-how, has failed thus far to make more substantial use of its mass-production experience and skills on the housing problem. Now Walter P. Reuther, president of the United Automobile Workers, CIO, has come up with an idea for doing so, through use of idle aircraft plants, assembly-line production and government aid. He aims at making a two-bedroom house, with all functional equipment, at about $6,000. Leaders in the aircraft industry on the West Coast show little initial enthusiasm for this idea, in so far as it relates to their plants, but this is certainly insufficient reason for dismissing an idea that appeals to the imagination and which, in principle. has the claim of logic.

The idea is not new, for it has, in a limited way, already been tested. Several companies have been organized to produce long-life housing on an assembly-line basis. With a different approach to what is roughly called pre-fabrication, these companies must by now have developed a body of experience that could guide the Government to sound policy for a broad attack. If this attack embraced the calling in of the best production talent from the automobile, aircraft and shipbuilding industries and also made use of techniques developed by large builders in metropolitan centers it might well succeed in starting a housing revolution. A whole new industry could flower from this idea of the mass-produced house if Government, business and labor interests on all levels got behind it. There could be a creation of useful jobs, after training, for the rather considerable body of unemployed who are now being counted with some concern.

Can the American Government, which in wartime led industry and labor into such extraordinary feats of production, create now an assembly line of mass-production for good homes at a reasonable cost?

N.Y. Tribune

Houses From Plane Factories

An intriguing spectacle of 20,000,000 prefabricated houses, each priced at about $6,000, pouring from the aircraft factories in the next decade, was sketched by Walter P. Reuther last week when he testified before the Senate Committee on Banking and Currency. Although Mr. Reuther appeared in his capacity as chairman of the Congress of Industrial Organizations' housing committee, his testimony also reflects the fact that he is president of the United Automobile Workers, which includes aircraft workers as well. The production of houses in aircraft plants that must be kept in stand-by condition to produce military planes on short notice means, we suppose, that these workers would become members of Mr. Reuther's union. We mention this not because we suspect Mr. Reuther of empire building but because it is one of the quickest ways of getting to the obstacles that confront his plan.

The other obstacles to fully industrialized housing have been explored pretty well since the war. Mr. Wilson Wyatt knocked his head against a good number of them. Beside jurisdictional squabbles among unions, they include building code limitations, the lack of a distribution and servicing system, relatively high costs, consumer resistance, opposition from mortgage lending institutions and the fact that the prefabricated part of a house accounts for only about half of total housing costs. All of these obstacles can be overcome. Nor is technical "know-how" for prefabricated houses among the list of obstacles. The British have produced more than 50,000 aluminum houses in aircraft factories since the war. Two of our largest aircraft manufacturers have been ready with house designs for more than a year. Indeed, our very readiness throws into sharp relief the one substantial obstruction, the lack of risk capital for such a new and admittedly speculative enterprise.

Factory production of houses on a scale big enough to affect the national shortage means really large investment in capitalizing a new industry. The only considerable ventures in this direction, like the Lustron Corporation, have been supported almost wholly by government loans. And the conclusion thus far, if one may be ventured, is that the loans have been too small. We doubt that even the half-billion dollars mentioned by Mr. Reuther, on top of existing investments in idle aircraft plants, would suffice for the program he envisages.

We would like to see Mr. Reuther's plan get a little more attention from Congress. Just a year has passed since Senator Ralph E. Flanders, in his notable report on cost factors and cost reduction for the Joint Congressional Committee on Housing, pointed out that financing prefabricated house production was the crux of the matter. He cited Section 609 of the national housing act, providing loans for prefabrication, and criticized the administration of this law. Here is something the Senate committee might well get its teeth into. Before an intelligent answer can be given Mr. Reuther's spectacular proposal, we should know what has been the experience thus far with government aid for prefabricated housing.

FEB. 20, 1949

Factory-Built Houses Aren't Banned by City Building Laws

F.P. 2-20-49

IF THE UAW PROPOSAL of building factory-made houses by the million should be carried out, there's nothing to prevent erection of such houses here.

Proof that there's nothing to the idea that Detroit has outlawed such buildings is presented in a couple of hundred "prefab" houses have been constructed here in the last 15 years.

There's also an enameled steel house and a plywood house.

●

THERE ARE LIMITATIONS, of course.

Materials and construction must meet certain minimum building-code requirements, whether your house is tailor-made or factory-built.

But you can use wood, steel, glass, aluminum, concrete —or green cheese, for that matter—if you can convince the Department of Buildings and Safety Engineering that it meets their standards.

Then there is the housing code, which has something to say about adequacy of living space, etc. Zoning regulations will tell something about the kind of house you can build. And subdivision restrictions usually have a bearing on what you build where and the cost.

But, in and of themselves, prefabricated or any other kind of houses are by no means outlawed in Detroit.

Free Press
Feb 21, 1949

W.P.R.

WALTER REUTHER'S proposal that the Government borrow from Social Security reserves to finance his prefabricated-housing program contains a flaw. There are no such reserves from which to borrow.

As fast as Social Security taxes withheld from pay envelopes reach Washington Secretary Snyder spends them for general purposes. All there is in the till is a lot of IOU's

NOTES:

[Newsweek, 2/21/49]

Trends and Changes

Homes: Walter Reuther, president of the CIO United Auto Workers, urged President Truman to build 20,000,000 prefabricated houses in surplus aircraft plants during the next decade. He said the scheme would give work to jobless auto workers and solve the housing problem. The plants would be kept ready for plane production if necessary. (Most building workers, who have resisted prefab operations, belong to the AFL.)

▶ Housing Expediter Tighe Woods asked Congress to discourage temporarily the building of single-family homes for sale. He said: "A multiple-unit apartment building can be built faster, cheaper, and with less material."

Reuther Plan
1949

MAR 8 1949

The
COMMONWEAL

VOLUME XLIX March 11, 1949 NUMBER 22

THE WEEK 531
KICKING AGAINST THE GOAD *Evelyn Waugh* 534
TWENTY-FIVE YEARS 535
CONTEMPORARY GERMAN WRITERS *Max Fischer* 536
A WALK AFTER DARK (Verse) *W. H. Auden* 540
THE KEY OF DAVID *Damasus Winzen* 540
COMMUNICATIONS
Affirmative Approach—The Indonesian Problem
THE STAGE *Kappo Phelan* 542
THE SCREEN *Philip T. Hartung* 543
CATHOLIC INTERNATIONAL NEWS 544
A THOMIST ANSWERS SARTRE *Kurt F. Reinhardt* 545
BOOKS 546
19 *Stories—Burke's Politics—Stalin & Co.—And the Third Day—Throne of the World*

THE COMMONWEAL *is indexed in the Reader's Guide, Catholic Periodical Index and The Guide to Catholic Literature Founded by the Calvert Associates, Inc., in* 1924 *with Michael Williams as President and Editor.*
Published weekly and copyrighted 1949 in the U.S.A., by The Commonweal Publishing Co., Inc., 386 Fourth Avenue, New York 16, N. Y. MUrray Hill 3-9685. Entered as second-class matter February 9, 1934, at the Post Office at New York, N. Y., under the Act of March 3, 1879. U. S. and Canada $7 a year. Foreign $8. Single copies 15c

EDWARD S. SKILLIN, *Editor*
PHILIP BURNHAM, *Executive Editor*
EDWARD F. MEAGHER, *Assistant Editor*

Associate Editors:
John C. Cort, Anne Fremantle, Gregory Smith
Kappo Phelan, *Theatre;* Philip T. Hartung, *Cinema*

Advertising Manager
John Brubaker

Housing Always Emergency

ONE OF THE important bills held up by the miseries of the Eighty-first Congress is the Senate Bipartisan Housing Bill. This expanded version of the Taft-Ellender-Wagner Bill would provide 810,000 dwelling units by 1955 for families receiving less than $2,000 a year income. This housing is an emergency need despite the fact that across the country from California to New York real estate operators are finding themselves this winter, for the first time since before the war, with unsold houses on their hands.

That market is not the housing emergency in its stubborn and difficult form. It's impossible for families taking in less than $2,000 a year to have decent housing through the going economic system. Homes simply can't be built by our industrial system at a cost these families can meet on either a purchase or rental basis. The immediate, obvious, emergency problem is financial, and the Senate bill is largely a financial bill, providing contributions and federal financing: a system of housing subsidies to help the families, the states and the cities.

The American Federation of Labor also points out that "there are about 37 percent of American families who are in the so-called middle-income groups [between $2,000 and $4,000]. . . . They cannot afford to buy $10,000 houses or rent $80-a-month apartments." The AFL wants to utilize government lending powers to cheapen houses for these people. "These terms should be made available to public agencies (such as local public housing authorities), cooperatives, non-profit and limited-dividend corporations, and private builders who can conform to the rent schedules." This demand of the AFL expands the view of the housing problem, but it still keeps it almost exclusively financial, and still works strictly within the prevailing economic industrial system.

Walter Reuther, as usual, proposes a more startling innovation in methods. He wants warplane factories to turn out 20,000,000 prefabricated houses in the next decade, the Government financing the effort if private business will not carry it out. In Cleveland, a still more radical effort is being made by lumber dealers, who are encouraging and helping people to build their own homes. They sell "precut lumber to ambitious amateur builders—and throw in free expert advice on the side. Such a build-yourself system has been developed in Scandinavia over years, where they say housing conditions are good. It is, of course, in the direction of distributism and away from centralized capitalism, and a far more than simply financial affair. Innovation in this direction requires a kind of resolve and morale, and reaches further than to the immediate emergency.

But treating housing always as an emergency, and, with that excuse, attacking it by the line of least resistance, accumulates new problems almost as it passes, or bypasses, old ones. There are all the general planning and traffic snarls which will continue to injure most of our communities. An article by Charles Abrams, in *Commentary,* accuses the Federal Housing Administration of being a serious offender against racial and social segregation—"one of the large contributing factors to a 'ghetto system' being created in public and large privately-owned housing projects." And his own cure sounds rather nerve-wracking: "some attempt at 'tenant selection.'"

The release covering his article says: "Mr. Abrams concludes by saying that unless we can preserve the variety of races, cultures, income groups and other types that are the valued assets of cities, "the democratic chaos of unplanned cities may be preferable to the undemocratic order of stratified communities. . . . With a proper grasp of the facts and with imagination . . . we may be able to achieve both livable communities and the democratic way of life."

Housing is an emergency which we must not treat only as an emergency.

Reuther Explains the 'Reuther Plan'

The "Idea Man" of the CIO sketches new roles for labor, industry and government.

By A. H. RASKIN

THE thug who fired a shotgun 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. When Philip Murray decides to step aside as president of the CIO, it is going to be hard to keep Reuther from moving into his seat, even though there are plenty of people determined to try.

IF he succeeds in welding the kind of political coalition that has already taken shape in his thoughts, the White House itself may become a target for the impatient young man from Wheeling, W. Va. His union has already established working control of the Democratic party in Michigan; it has elected one of its own members to Congress in Ohio and it is only starting to set up its political organization. The UAW head hopes to see a further rise in labor's political effectiveness through a unification of all American labor and a breaking down of the barriers that have kept unions from identifying their welfare with that of the community.

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 selfish pressure group but as an instrument for promoting the common welfare, his star is likely to continue to rise.



Spokesman for the UAW's million members—Walter Reuther testifies in Washington.

THERE is no question that Reuther has what it takes to get ahead in politics. In intellect and personal appearance, he combines the most engaging 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. By the time he was ready to leave the hospital he had developed a "Reuther plan" for reorganizing the entire institution.

"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 essense 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 *(Continued on Page 62)*

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

don't buy a bra anywhere



—but in a fitting room.

One swift try-on will tell you more than a million words! For a bra can never fulfill its promise unless it fits your very own proportions.

Bali has made a study of your proportions. The famous patented Bali bowknot bra has been scaled to 128 figure types so that it fits you precisely . . . as you've never been fitted before!



But, there's only one place to find this new figure beauty—in the fitting room of your favorite store. *Remember, you'll never know, until you take time for a try-on.*

BALI BRAS, 8 West 30th St., New York 1

Reuther Explains His Plan

(Continued from Page 17)

the Government builds 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 business men 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."

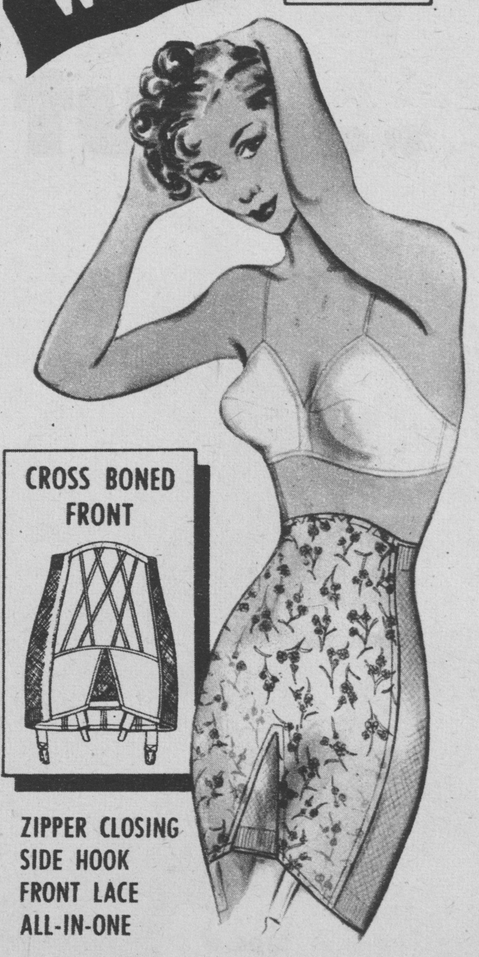
ON the economic side, Reuther has a sheaf of proposals for "making 1949 the start of a great new forward march." First of all, he wants a national government agency set up to keep looking at the economy as a whole. He thinks our economy has grown so complex and so interrelated that it needs over-all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

(Continued on Following Page)

the incomparable **whirl-eze*** **cross-boned front**

Exclusive with **WHIRL-EZE** *Rivoli*



flattens flatters firms your figure

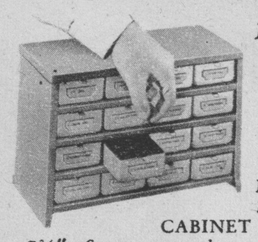
. . . also made in a lightweight s-t-r-e-t-c-h-a-b-l-e back

Sold at fine stores. Always ask for WHIRL-EZE CROSS-BONED FRONT

Write for folder and name of nearest store.

RIVOLI CORSET COMPANY, Inc.
358 FIFTH AVENUE, NEW YORK 1, N. Y.

The **JIFFY** metal **CABINET**



Helps you keep things handy!
16 DRAWER UNIT ONLY **$4.95**
Post Paid

DRAWER SIZE—1¼" x 2¾" x 6". CABINET SIZE—6" x 12¾" x 7¾". Sure way to keep small items, washers, nails, screws, nuts, bolts, buttons, household, office and hobbyist needs. Sturdy spot welded cabinet, gray enamel, rust-proof aluminum drawers — card index holder, $4.95 postage paid. Only $3.95 if you want cardboard drawers. Check or money order—no C.O.D.'s. Ohio orders add 3% sales tax.

KAYTEE PRODUCTS, Dpt. 3, Canton, O.

CIGARETTES
ALL POPULAR BRANDS
$1.52 Per Carton **POSTPAID**
5 Carton Minimum
Orders Mailed Day Received
NORTH SALES 2805 Moore Street Wilmington, Del.
5 Cartons Per Mo. N. Y. Residents

(Continued from Preceding Page)
ity. 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 outnumber 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 2 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 deemphasize 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.

SOLUTION TO LAST WEEK'S DOUBLE-CROSTIC PUZZLE

CHAIM WEIZMANN: TRIAL AND ERROR: Happily we have made an excellent beginning in our agricultural colonization. I believe we have, through our system of land naturalization and cooperatives, avoided many mistakes from which old and powerful states suffer * * * today.



WRITE FOR FREE FASHION FOLDER DEPT. No. T-2

Nothing quite like a Lassie Maid coat! Brashly cuffed . . . boldly buttoned . . . a coat of deliberate drama for Spring. In a beautiful Velsheen 100% virgin wool.

Grey, Green, Llama Brown, Coral, Bluebell Blue, Skipper Blue, Black.

Sizes 8 to 18. Style #2954. About $49.95. At better stores. For name of store in your city, write: Barkin, Levin Co., Inc., 512 Seventh Avenue, New York 18, N. Y.

Reuther Explains the 'Reuther Plan'

The "Idea Man" of the CIO sketches new roles for labor, industry and government.

By A. H. RASKIN

THE thug who fired a shotgun 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. When Philip Murray decides to step aside as president of the CIO, it is going to be hard to keep Reuther from moving into his seat, even though there are plenty of people determined to try.

IF he succeeds in welding the kind of political coalition that has already taken shape in his thoughts, the White House itself may become a target for the impatient young man from Wheeling, W. Va. His union has already established working control of the Democratic party in Michigan; it has elected one of its own members to Congress in Ohio and it is only starting to set up its political organization. The UAW head hopes to see a further rise in labor's political effectiveness through a unification of all American labor and a breaking down of the barriers that have kept unions from identifying their welfare with that of the community.

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 selfish pressure group but as an instrument for promoting the common welfare, his star is likely to continue to rise.



Spokesman for the UAW's million members—Walter Reuther testifies in Washington.

THERE is no question that Reuther has what it takes to get ahead in politics. In intellect and personal appearance, he combines the most engaging 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. By the time he was ready to leave the hospital he had developed a "Reuther plan" for reorganizing the entire institution.

"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 essense 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 *(Continued on Page 62)*

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

Reuther Explains His Plan

(Continued from Page 17)
the Government builds 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 business men 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 responsibil-

(Continued on Following Page)

(Continued from Preceding Page)
ity. 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 outnumber 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 2 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 deemphasize 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.

SOLUTION TO LAST WEEK'S DOUBLE-CROSTIC PUZZLE

CHAIM WEIZMANN: TRIAL AND ERROR: Happily we have made an excellent beginning in our agricultural colonization. I believe we have, through our system of land naturalization and cooperatives, avoided many mistakes from which old and powerful states suffer * * * today.

Family Incomes Average $3,000

WASHINGTON, Feb. 7 (AP)—The average income of U. S. families was $3,000 in 1947, the census bureau reported today, adding that it was the highest figure up to that time.

Income was distributed among the nation's 37,000,000 families in this fashion:

Four million had under $1,000; six million had $1,000 to $2,000; eight million $2,000-$3,000; eight million $3,000-$4,000; four million $4,000-$5,000; three million $5,000-$6,000; three million $6,000-$10,000; and one million $10,000 or more.

Thus only four million families had in 1947 the $6,000 which President Truman has suggested as the starting point for the income tax increase he has asked Congress to consider.

Be It Ever So Humble, There's No Place — But CIOers Can Build Their Own



AMALGAMATED: Pioneer in union cooperative housing in this country, the Amalgamated Housing project in the Bronx, N. Y. has come of age. It's 21 years old this year, is busy increasing its capacity from 700 families to 1450. Rents average $11 a room, about 20% less than that for comparable apartments. In addition the union has a project in Manhattan's East Side, housing 235 families and is now building Hillman Houses to accommodate 800 families. Real estate bigwigs predicted the Bronx project would become a slum, but since its beginning, it hasn't had a single juvenile delinquency case.



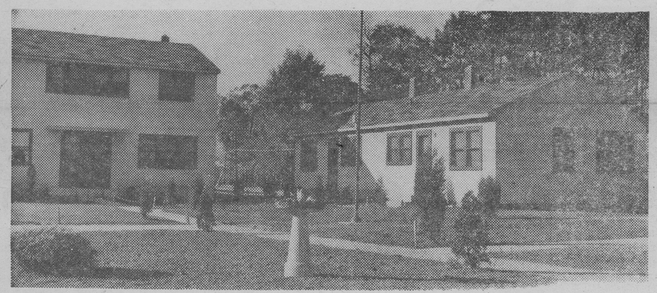
CARL MACKLEY: Planned and sponsored by the CIO Hosiery Workers, these 284 handsome apartments are situated on 4½ acres in Philadelphia. Here families with children are preferred. Monthly rental for a 3-room apartment is $38.



WALNUT GROVE: One of 8 government-built mutual ownership projects, this development near South Bend, Ind., houses 250 families, mostly CIO Auto Workers at Bendix and the Studebaker plants. Transfer of title to tenants' Mutual Housing Corp. will be completed soon.



WINFIELD PARK: Typical of most housing projects, this community building is the center of development's cultural and social life. CIO Shipbuilders of Kearny, N. J. induced government to build project, which is one of eight mutual housing projects built during war. Community center houses large gym, also used as meeting hall, 3 club rooms, a library, fully-equipped kitchen, maintenance shops, garage and managament offices.



AUDUBON: Built by the Federal Public Housing Authority at a cost of $2,321,000, this project has 500 homes similar to the one above, houses mostly CIO Shipyard Workers, employes of the New York Shipyards, and a smaller number of CIO Electrical workers, RCA employes at Camden, N. J. Tenants are now negotiating to buy development from government. Audubon was one of eight mutual ownership projects built by Government for war workers. Plans are to sell developments to tenants, who are members of non-profit Corporations.



AUDUBON VILLAGE: It can happen here, and demonstrating it are Mr. and Mrs. William Brown, whose triplets were born shortly after they moved into the housing development. Populated mostly by CIO Shipbuilding Workers, project is government-built.

By GLORIA CAPLAN

"OH, give me a home, where——"

Well, maybe not "where the buffalo roam," but if you're one of several million Americans, you're looking for a home where the rain won't come cascading down the living room walls, where you don't have to brave the elements to reach the bathroom, and — most important — where your kids can grow up in a safe wholesome environment.

And, if you're an average worker, "coining" about $50 a week, chances are you're having no luck. Private builders have been building, they'll tell you. They completed 837,000 units last year. But unless you're able to shell out about $10,000-and-up for a home, they're not for you.

Four years of war played havoc with the nation's housing. (This just aggravated a shortage that had been accumulating since 1926.) The war meant a cessation of home construction—except for emergency housing in suddenly over-populated defense areas. It meant a sharp increase in the marriage rate, accompanied by a sharp birth rate rise. Veterans came home; they wanted their own place; their own family. What did they get? A mother-in-law.

Some Congressmen, apparently fed up with the plague of mother-in-law jokes, declared that what this country needs is not a good five-cent cigar—but a good supply of reasonably-priced homes. And since private industry had demonstrated its inability to fill the gaps, it was clearly time the government took a hand in matters.

THAT was three years ago when Sen. Robert Wagner (D. N. Y.) wrote a housing bill. The following year, Sens. Taft and Ellender joined Wagner in improving the instrument. It had the overwhelming support of labor, veterans, housewives, civic groups, church groups—everybody, practically, except the real estate lobby. The lobby has been successful in keeping the TEW bill buried for two years.

Recently it lost its battle in the Senate, which finally passed the measure as modernized by a set of amendments submitted by Sen. Ralph Flanders (R. Vt.). And now it is waging a last-ditch battle in the House Banking & Currency Committee, where Chairman Jesse P. Wolcott (R., Mich.) is holding on to the bill for dear life.

But the Congressman knows he can't stall forever, for the majority of his committee is against him. And once the bill escapes his committee, it is assured of passage in the House.

Thus the chances for enactment of this very thorough attack on a gigantic problem look good. It could mean the construction of 1½ million homes a year for the next 10 years. It makes use of every possible means of stimulating construction—from 90% loans to non-profit cooperatives and speculative builders to public housing for low-income groups.

It provides for research in new building methods, incentive for prefabricated housing, special consideration for veterans, and aids to cities for slum clearance.

But the sections with which we are now concerned are those which union members, acting together, can take advantage of. These are:

1. Provision for government loans of 90% of the cost to non-profit housing cooperatives at not over 4% interest. Loans may be repaid over a period of 40 years.

2. Veterans co-ops can receive 95% loans.

During the war, with funds available under the Lanham Act which provided government housing for war workers, the federal government erected eight big "mutual ownership" housing projects.

Constructed with the understanding that the tenants after the war would take over ownership of the project through a tenant corporation, these houses are heavily populated by CIO members. The Greenmont Village project, Dayton, O., is the only one, however, whose sale to the tenants has been completed.

THE TEW bill does not provide for actual government building of "mutual ownership" projects. But the incentive to cooperatives is there and differs only in that the cooperative must first be formed, initiate the construction, and carry it to completion. The project is its "baby" from beginning to end.

Here is where CIO unions come in, for it is in the manufacturing centers where the housing shortage is most acute. And a great number of these industrial workers are CIO members.

Here, then, are examples of what industrial workers, under CIO leadership have accomplished through their own cooperatives or through the government-built mutual ownership projects:

Amalgamated Clothing Workers

Back in 1927, workers were faced with the same discouraging need for housing as today. That, too, was a post-war situation—after the first World War.

The CIO Amalgamated Clothing Workers, recognizing that the needs of their membership extended far beyond the basic struggle for higher wages, became the first union in the country to move into the cooperative housing field.

The Amalgamated's credit union took up the challenge, formed a housing corporation, obtained loans from two Amalgamated banks and smaller loans from other sources.

The Amalgamated Cooperative Housing project in the Bronx, N. Y., was the initial result. Today it houses 700 families, is now being expanded to house a total of 1450 families.

In 1930, spurred on by the success of the first endeavor, the union began its second great project on the Manhattan East Side. It now houses 235 families.

Still another project is underway today—Hillman Houses, situated near the second group of buildings. On completion it will house 800 families.

Told briefly, it sounds easy. But as pioneers, the cooperators had a rough time of it.

Big realtors warned that the union was only transferring the slums from the East Side to a lovely high-rent section of the Bronx. "They know better now," say the Amalgamated cooperators of today.

And then the depression hit. Workers were hard-pressed to pay rentals, and the corporation was hard-pressed to keep its head above water.

But you can't keep a hardy, determined bunch of cooperators down — and it was the spirit of cooperation, strongly imbedded in each that insured the continued healthy existence of the little community.

So devoted are the tenants to their cooperative that 70% of the original cooperators still live there.

In 20 years there has not been a single case of juvenile delinquency at the project.

And no wonder! Take a look at the way the project caters to its youth:

It has a nursery, a playground, a cultural center, a library and reading room, a summer camp, classes in art, drama, music, carpentry, radio and electrical shops. At one time it owned its own school bus.

In addition, the project has its own cooperative milk service, cooperative stores and laundry and a tea room. At one time the corporation bought a 300-acre farm outside New York on which it produced its own poultry, eggs and vegetables, but war-time complications forced the corporation to sell it.

At one time, too, the project owned its own electrical power generator, which permitted a tremendous saving — savings which were then thrown into providing other services.

At every turn tenants enjoy savings which grow out of cooperative enterprise. And the greatest of these, of course, is on rent. The average rental is $11 a room. The management estimates this is 20% less than rents in similar privately-owned apartment houses.

And not the least of the project's contributions to the community is its daily lesson in democracy. For each tenant is a member of the corporation, and each has a say in the policy-making.

STONEWALL HEIGHTS

Like most housing projects the Textile Workers' housing cooperative at Front Royal, Va., began with a Housing Committee.

Nestled deep in the Blue Ridge Mountains is the little town of Front Royal. Population in 1943 was 9,000. Chief industry: American Viscose. A quiet little textile town until war necessitated the plant's doubling the number of its employes.

Up came—you guessed it—the housing problem. Through the efforts of the TWUA local, the government erected several hundred temporary units. At that time the average wage at the

(Continued on Page 10)

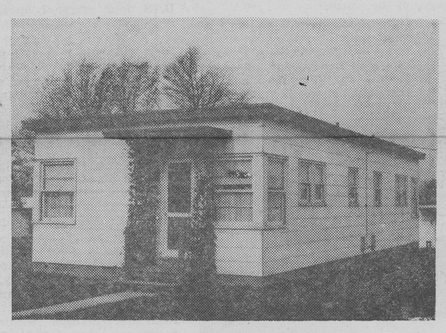
Only One Owned By Tenants

Of the eight mutual ownership housing projects the government erected for war workers, Greenmont Village, Dayton, Ohio, is the only one now owned by the tenants, most of them CIO Electrical Workers.

Another, Walnut Grove at South Bend, Ind., has been sold, but title has not yet been transferred. Most of these tenants are CIO Auto Workers.

Residents of Audubon Village, N. J., mostly CIO Shipyard workers, are now negotiating for purchase of the project.

The government is no longer building such projects, but passage of the Taft-Ellender-Wagner bill would enable workers organized into a non-profit corporation or cooperative to obtain federal loans on 90% of the cost at 4% interest.



WINFIELD PARK: Some 3000 residents live in houses similar to this one. Recently the New Jersey legislature declared the development a separate township, which necessitated tenants' having to cope with such headaches as maintenance of schools, roads, fire, police, and health depts. Tenants are selected on a basis of veteran status, need for housing, likelihood of family to contribute to project's success. Turnover averages only two families a month. All agree it's a happy and wholesome place to live and raise kids. What more could a group of people want? Not much.



GREENMONT VILLAGE: Another typical scene in housing projects is the coop store, through which tenants make great savings. A government-built mutual ownership project at Dayton, O., Greenmont was bought by tenants' corporation last year. Most tenants are CIO Electrical Workers, a smaller number CIO Auto and Rubber Workers.

TEW Bill Would Spur Housing Cooperatives

TRUMAN ADVOCATES PLANNED ECONOMY TO PREVENT CRASH

He Bars 'Controlled' System as Totalitarian—U. S. Fiscal Health, World Role Linked

WARNS WE MUST NOT SLIP

Our Position as Leader Makes Panic Prevention Vital, He Says in Impromptu Talk

Y. TIMES FEB 2 1949

By ANTHONY LEVIERO

Special to THE NEW YORK TIMES.

WASHINGTON, Feb. 1—President Truman pleaded tonight for a "planned economy" rather than a "controlled economy" because "we have become the symbol of what government should stand for and become international leaders for the world as a whole."

He asserted that nearly everything was planned in this country and the idea of it was acceptable until one started talking of planning economically. When one talked about that, he continued, he was usually "charged with being a communist or a fellow traveller."

Persons who made such charges, Mr. Truman said, were thinking of a "controlled economy rather than a planned economy." In making this distinction he implied that he considered a controlled economy totalitarian and a planned economy democratic.

Appearing as an impromptu speaker before a dinner meeting of the National Planning Association, Mr. Truman made planning his theme.

He urged the members and their guests, totaling about 200 persons, to develop wide public support for the plans for reorganizing the Government that both he and former President Herbert Hoover are now presenting to Congress.

Already, Mr. Truman asserted, he had received a great stack of mail from special pleaders who were trying to exempt this and that agency from the economy and efficiency drive.

He spoke highly of the work of the former Republican President, who has headed a Congressionally-created commission to plan reorganization of the Governmnet.

Mr. Truman warned that pressure groups in the past had prevented streamlining of the Government by their outcries for special agencies.

Reciting one by one the dates of the nation's great economic depressions, Mr. Truman declared that we could not longer afford to slip down from our role of world leadership. The fact that we were in the leading position, he added, made the situation different than any that followed after these panics.

Continuance of that leadership, Mr. Truman said, could only be assured if this country remained economically sound.

He expressed the belief that we were now in a better position to head off economic declines because we now had a Council of Economic Advisers and a Joint Committee on the Economic Report, whose missions were to analyze and head off hazards to the economy.

Implicit in Mr. Truman's speech was the great conflict between Russia and her satellites on the one side and the Western nations aligned with this country on the other.

He explained that in his inaugural address he tried to set forth this country's position for striving toward world stability and peace within the framework of the United Nations, reiterating that world welfare depended more than anything else on our own stability.

Mr. Truman told the guests the association could be of great assistance in getting "an efficient set-up for the Government." He added that too many Government bureaus reported directly to him and that if he did talk directly to all of them he could accomplish nothing else.

He remarked that his chief job was "to try to get people to do what they ought to do without being asked to do what they ought to do."

"I spend a lot of time kissing one cheek and then another cheek of people to get them to do what they ought to do," Mr. Truman remarked.

He added humorously that the President had just received a wage increase and perhaps ought to work harder—twenty instead of eighteen hours a day.

Ghost Revived As Labor-Hater Laid Low

THIS IS a story of how a labor-hating, union-busting ghost was laid, and how a labor editor had a major role in the funeral arrangements.

The ghost was "Steve Hamlin," a revived ghost byline that now was being used to peddle anti-union and anti-labor propaganda through the Minnesota Editorial Association.

Hiding behind the fictitious byline were a group of Republican members of the Minnesota legislature, who squirmed when asked to reveal themselves, and then piously denied they had anything to do with the Steve Hamlin tirades.

BUT LOU PARLIN, political writer for St. Paul Dispatch and Pioneer Press, has named two as admitting to him they were involved. One, in addition to being a legislator, is a news commentator for WCCO, CBS outlet here.

The Steve Hamlin byline had been invented some years ago by Jay Vessels, former AP and newspaper writer who wrote legislative sidelights as a sideline. It was a chatty column to which no one raised serious objection. The column was dropped when Vessels left to be a war correspondent. On his return he did not revive the Hamlin byline.

BUT BEFORE the 1949 state legislature was convened, a group of Republican legislators (conservatives they're called in the nonpartisan legislature) called on the editorial association to ask distribution of a weekly column about the legislature.

Explained the GOP delegation: A fellow, Steve Hamlin, was to write the column and they wanted to have some fun with some harmless brickbats at labor, and that Steve Hamlin was a dead ghost.

The Minnesota Editorial Association has some 450 members—dailies and weeklies. Minneapolis Labor, state CIO paper, also is a member. MEA sends a weekly news package to members—mats, blurbs from press agents, state and university releases, and so on.

STEVE HAMLIN'S stuff started out harmlessly enough, but soon labor and unions were his targets. Emil J. Krieg, Minnesota Labor editor who succeeded Jerry Love, was irked by the Hamlin pieces, and went into action over an artful and snide piece that planted the idea that national treasuries of various unions amounting to "several hundred million dollars" were open to "the biggest, most active group of lobbyists" at the legislature.

Labor bosses, Hamlin wrote, were thus going to buy or coerce their legislative program down the throats of the legislators.

KRIEG, a former Twin Cities Guild president, called on the MEA to protest, and learned bills for servicing the Hamlin propaganda were sent to a St. Paul postoffice box. No one remembered who signed the checks.

Krieg checked some more and did some phoning. Meantime, other protests were rolling into the MEA office. The Hamlin material was read again, and the association announced the stuff no longer would be sent out by MEA.

So currently Steve Hamlin has been buried again. There were no flowers.

—From The Guild Reporter.

CLEARING AWAY THE SNOW



Impartial Committee Finds Smear Put on Dr. Condon

SUPPOSE you were to wake up tomorrow morning, get the morning paper, and read in screaming headlines that you are considered by a Congressional Committee as a menace to the security of these United States.

You'd be hopping mad. You'd call the the papers and deny the charges. You'd ask for proof.

You'd ask for a public hearing to hear the evidence against you—in order that you could answer the charges.

And chances are you wouldn't get such a hearing.

That's been the experience of Dr. Edward U. Condon, director of the U. S. Bureau of Standards (one of the government's top scientific research agencies). He's a man of high professional reputation, served the government in a variety of important posts during the war—and he's been subjected to a smear campaign that you'd say off-hand "can't happen here."

But it did happen here—and it's had many Congressmen, supporters of civil rights and many of the country's most prominent scientists hopping mad for months.

THE SCIENTISTS decided to do something about it—to measure impartially, almost scientifically, the harm done to Dr. Condon by the House Committee on un-American Activities' charge that Condon was "the weakest link in our atomic security chain."

Six leading scientists hired an impartial agency—Columbia University's Bureau of Applied Research—to study the handling of the Condon story by the New York metropolitan newspapers. What the survey found bears out the old adage that a lie in print can outrun and outlast a denial.

Here's what the Columbia University bureau discovered:

• Statements by members of the House Committee on un-American Activities were "virtually the only source" of news stories criticizing Dr. Condon.

"These reckless assertions, carrying the weight of Congressional authority, received not only wide but repeated publication," the survey found. "No less than 57% of the derogatory material appearing in the news columns consisted in mere repetition of the Committee's baseless charges."

• The case for Dr. Condon was less well reported in the papers, though scores of "responsible individuals and agencies, including the Office of the President," came to his defense.

"THE SMEAR stuck, as is indicated by the continued high ratio of derogatory statements attached to Dr. Condon's name long after his clearance by the Atomic Energy Commission," the report noted.

The six scientists who sponsored the survey are leading members of the faculties of Massachusetts Tech, Columbia, University of Chicago, California Tech and Carnegie Institute.

In a letter to the President of the U. S. Senate and to the Speaker of the House of Representatives, they recall that many citizens have been subjected to "trial by newspaper."

The findings of the survey, they add, show the hazard to a man's reputation "when a Committee of Congress fails to observe the elementary rules of fair play which protect his rights in all other procedures under our common law system of justice."

The Condon case, they added, shows "the need for reform in the conduct of Congressional investigations in order to prevent, at least to some extent, the recurrence of such wrongs as this."

—H. C. F.

No Hearing Yet

The statement charging Dr. Edward U. Condon—director of the U. S. Bureau of Standards—with being the "weakest link in our national atomic security chain" was made by members of the House Un-American Activities Committee during the 80th Congress.

Condon immediately asked for a hearing to prove himself innocent of the charges; and voluntarily removed himself from every phase of atomic energy work until he was later cleared by the Atomic Energy Commission.

The Un-American Activities Committee kept stalling on Condon's demand for hearings during the 80th Congress. Last week Rep. John Wood (D., Ga.), new head of the group, said he wouldn't call a hearing for Condon unless the scientist filed a new request. To which Condon indicated he had already made all the requests he intends to.

Reuther Gives The Nation Plan For 20 Million Homes

BY GLORIA CAPLAN

HISTORY books are full of those little epoch-making "he-who-laughs-last" episodes.

They laughed when Henry Ford talked about mass-produced automobiles, and at Robert Fulton when he talked about his steamboat.

They laughed in 1940 when Walter Reuther of the CIO Auto Workers proposed a plan for conversion of the auto industry to war planes production.

And last week, Reuther, now UAW president and head of the CIO Housing Committee, warned that those same die-hard victims of "status quo-itis" would be laughing again—this time at the second big Reuther plan.

Walter Reuther was right. Within 24 hours after the newspapers had the story of his unorthodox proposals for mass production of low-cost homes in plane factories, the "apostles of business as usual" had got their sneers in print.

"Homes for People, Jobs for Prosperity and Planes for Peace" is the giant objective: 20 million high-quality homes costing $6,000 each in 10 years; 1 million new jobs; and, for immediate conversion to maximum production of planes in case of emergency — reserve production facilities and trained manpower all set to go.

Lobbyists At Work

LIKE A blockbuster dropped over Times Square on New Year's Eve, the Reuther blueprint for solving the housing crisis was released just when Washington was swarming with members of the American Association of Property Owners. They had come to testify and lobby against rent control and public housing bills.

Also filling Congressional hallways and offices at the time was another bunch of special pleaders—aircraft industry representatives intent on getting Congressional approval for a 70-group air force.

Reuther spoke of the "utter failure of the private building industry to make modern, decent, low-cost shelter available to the average family." He called the federally-subsidized aircraft industry a "public ward." So the Reuther proposals didn't appeal too much to the two groups mentioned above.

But for the 20 million moderate and low-income families to whom the plan could mean sorely-needed homes, it offered hope.

When you read the 26-page, simply - written pamphlet explaining the plan, you toss out of your mind the picture of antiquated building methods such as we use today—and have used for many scores of years.

The Reuther idea is to take the construction of houses out of the horse and buggy era, from which it has never progressed very far, bring it up to the Twentieth Century by applying our modern skills, research, new materials and abundant, ready production capacity.

The very magnitude of the plan offers a liberal education in some economic facts of life not generally known.

- Over the past quarter of a century, the construction industry has averaged no better than 500,000 non-farm homes a year.
- Balanced against this is a snowballing need: 500,000 new families are created each year; there are 7½ million slum dwellings "that ought to be torn down"; some 15 million non-farm homes are over 35 years old.

On the other hand, a great part of the aircraft industry's facilities is lying idle—21,200,000 square feet of plant space held in idle reserve. Valuable basic machinery, which can be used for home production as well as planes, is wasting away in War Assets Administration warehouses.

And only 20% of the workers engaged by the industry during the war are now employed by the industry.

Heart Of Plan

Making use of these idle plants, machines and workers, Reuther offers this plan:

1. "An operating airframe plant making pre-fabricated homes is only one engineering step away from mass production of transport planes, bombers, and fighters." Basic general-purpose machines, 65,000 of which are being purchased now by the government and are lying in storage awaiting an emergency, can be used for peacetime homes production.
2. By a "relatively simple" tooling-up process—such as the auto industry uses to turn out new models—this machinery can be used to turn out houses, and can be quickly converted when necessary for airplane production.
3. Mass production of war planes today is impractical, because "today's super-bombers are tomorrow's Model T's." The aircraft industry is lobbying for a Congressional handout in the form of a huge 70-group air force.

Reuther recommends that the money and floorspace now earmarked for finished plane production be cut back, and that money and facilities be used instead for design and engineering on new prototypes.

"Tomorrow's war, if it comes, will be won by today's effective capacity quickly mobilized, not yesterday's output," which in a year becomes obsolete.

4. The vast idle shipyards can also be used for homes-and-ships production.
5. It CAN be done. The basic engineering work for such a plan has already been completed by two big aircraft manufacturers—Douglas and Consolidated-Vultee. The projects were abandoned because of the expense. The Dravo shipbuilding corporation is today producing homes under such a plan in Wilmington, Del.

Plan's Operation

Visionary? Well, let's see how the plan would be put in operation:

The President would appoint a National Housing Committee, composed of representatives of the Armed Services, the Natl. Resources Planning Board, government housing agencies, WAA, the Congressional Banking Committees, the Air Policy Commission, organized labor and the construction industry.

This committee would lay the ground work. It would make an inventory of national housing needs and of surplus government-owned floor space and machinery available for homes production.

It would establish a research agency which would develop new housing materials, improved production methods and best ways of using existing materials.

It would use the most advanced architectural know-how to design low-cost, high-quality houses with a maximum variation in floor plans and appearance. (This would scotch one complaint that pre-fabricated houses would be all alike.)

Business Encouraged

At all times the government would stress the participation of private enterprise, which would be encouraged to operate both the manufacturing and distribution ends itself. This would be done through long-range, low-interest federal loans. Where private industry refuses to accept the responsibility, the government would operate the manufacuring facilities.

The new houses would be bought from or rented by private distributing agencies; co-operative housing groups; or federal, state and local housing authorities.

But the two questions that always crop up in housing discussions, will also crop up here: What of the shortage of materials and what of local building codes? Reuther offers an answer to that, too.

In the first place, competent research will produce new materials, just as substitutes for scarce materials were developed in wartime. Meanwhile, however, a system of priorities for materials will be instituted, placing housing needs second only to national defense requirements. Thus materials which might otherwise have gone into new bowling alleys or night clubs will instead go into homes.

In addition, the government would go into the production of such materials as steel or aluminum if industry continues its refusal to expand capacity.

The National Housing Authority would cooperate with local housing agencies and planning commissions to revise outmoded and restrictive building codes.

And then there will be that familiar, agonized cry: "Where's the money coming from?"

The answer is the federal government, because no other agency is big enough to assume such an undertaking. If the government can subsidize the limping aircraft and shipbuilding industries, says the UAW head, it can certainly subsidize the country's most urgent peacetime need—housing.

Like TVA, the homes program would be largely self liquidating. The 10-year program would cost an estimated $120 billion. It would set in motion a great building flurry as utilities expanded, new streets, shopping and recreation centers go up.

But even more important from a democratic government's standpoint: It would replace squalor and desolation with wholesomeness and a healthy environment for children.

In place of our customary building cycle, which contributes to the boom-and-bust routine—we would move toward a stabilized full-employment economy at least during this 10-year period. That would pay off plenty for our American democracy.



Reuther tells Senators his plan would . . .



. . . move families to homes like this . . .



. . . from ones like this.

Newspaper Calls Proposal 'Contribution To Victory'

There were many who didn't laugh at the Reuther home-and-planes plan—and the crusading St. Louis Post-Dispatch was one of them. Here is that paper's Feb. 15 editorial on the plan:

Once again Walter Reuther of the United Automobile Workers deserves bouquets for contributing a brilliant idea to the national welfare. His plan for turning the automobile plants of the United States into the arsenals of democracy was discounted by those who do not like to give credit to labor sources, yet it was a contribution to victory, no matter what weakness of detail it may have embraced.

There may be similar "bugs" in his new proposal to use the airplane plants of America to turn out prefabricated housing, thus meeting an urgent national need while keeping the plants intact and their workers together for speedy change-over to the building of fighters and bombers should that again become necessary.

"We would stamp out whole bathrooms and kitchens just as we do auto bodies," says Reuther—and he talks as a man with know-how. He has also made a thoughtful suggestion for financing the process. This is more than a make-work cure for unemployment. It is the sort of dynamic thinking that keeps a free country going places.

Instead of sticking to an antiquated building industry, it is to be hoped that capital, labor and government take up the Reuther suggestion and make it work.

Reuther On Air

UAW Pres. Walter Reuther will discuss labor's support of a national health insurance program on the American Town Meeting of the Air this week.

The program is broadcast over the ABC network Tuesday night, Feb. 22, at 8:30 P.M. (EST).



JOHN E. OWENS

Owens, who is president of the Natl. Apartment Owners Association, claimed at House hearings that "rent control is actually confiscation of property and a mockery of personal dignity."

Have You Given Your PAC Dollar?

Anti-Rent Story Bounces When Rep. Huber Probes

Anti-rent control propaganda took a shellacking from this story uncovered by Rep. Walter Huber (D., O.).

Huber had received a complaint from one of his constituents who described herself as a widow and victim of rent controls. For the past seven years, she said, she had received only $18 a month rent on her house which, because of increased costs, should have brought in $35. She claimed she had been repeatedly denied an increase by the area rent director.

On investigation, the area rent director learned that Mrs. Anna Ward was indeed a widow. But there the facts and the letter parted company.

There's no record of her ever having owned a piece of property in the county; there's no record of her ever having asked for a rent increase. And to top it off, the rent director learned, she is the domestic employe of Dr. C. F. Wharton, president of the Akron Apartment House Owners' Association. P. S. The day after Rep. Huber received the widow's letter, there arrived a letter from Wharton (in his own name) urging the end of rent control.

CIO Backs Douglas Bill

IN asking for strong, effective rent controls, the CIO has urged passage of the Douglas-Myers bill, rather than the Spence bill, which is based on Housing Expediter Tighe Woods' proposals.

Here are the major differences:

Duration: The Douglas bill extends controls for 27 months; the Spence bill only for 15 months.

Coverage: The Douglas bill would re-control new housing, so-called "conversions" (which have often been the excuse for decontrolling units), trailer camps and motor courts, permanent hotel residences. The Spence bill would leave these untouched, as they are under the present law.

Eviction controls: Tenants would receive stronger protection against eviction in the Douglas bill.

Tenant appeal: The Douglas bill would permit tenants to appeal any general orders or regulations. Under the present law—and under the Spence bill—when the Administration issues an order the tenant has no right of appeal.

Landlords Boo, Cheer At Hearing

AS FAR as the Nation's Capital was concerned, last week was "Housing and Rent Week."

Rep. Brent Spence's House Banking & Currency committee heard testimony from a parade of landlords.

The landlords weren't quite agreed on whether rent controls should go altogether, or whether they should be kept for a year provided landlords are handed a 25% general rent increase.

On one thing the landlords agreed—they claim they're being "discriminated against."

On hand to lobby against any and all rent controls after the present law expires March 31, was a group of Property Owners Association members. It was the local chapter of this organization in Tulsa, Okla., that attempted to touch off a nationwide epidemic of anti-rent control evictions. The device boomeranged against the landlords.

Landlords' Field Day

The boys had a fine old time in Washington. They attended the rent hearings en masse, got their views into the record, booed and applauded at the right times.

They got their pictures in the newspapers, appeared in a body at an American Forum of the Air broadcast in which Senators Cain ("I'm opposed to rent controls") and Myers (who's sponsoring a strong bill for controls) debated the explosive subject.

Here again—with Sen. Cain actually directing the chorus—the boys punctuated what they didn't like (which was everything Myers said) with raucous boos and jeers. Commented Cain in their defense: "This is a lively subject to which people react as their emotions impel them."

Thereafter the boos increased.

The House Banking Committee—despite the landlord pressure—is expected to report out a rent control bill this week.

Meanwhile, the Senate Banking & Currency committee was listening to pleas for and against a large-scale housing program.

To this committee Walter Reuther, in his capacity as chairman of the CIO Housing Committee, urged approval of an immediate government program to "help those who live in houses, not those who live off houses."

The immediate legislation Reuther recommended was not to be confused with or replaced by his dramatic homes-and-planes plan, made public the day before. He urged the Senators to first put into a motion a program to build a million homes in the next four years. Then, he said, "The Plan" should be considered as a means of strengthening the program already begun.

The CIO is not making its fight on housing primarily for the people it represents — because most CIO members would not fall in the category of "low income" families who could qualify for public housing units, he said.

Furthermore, he emphasized, the CIO is interested not only in city housing, but in rural housing as well.

A comprehensive housing program should also encourage the building of homes for middle income groups, Reuther said. These are the people he described as "too rich to qualify for public housing and too poor to buy homes."

To aid this biggest group, Reuther asked that the bill:

- Amortize government loans for home-building over a 60-year period.
- Reduce the interest rate on federal loans to the "going government rate" — now around 2.5%.
- Encourage formation of genuine housing cooperatives.

53 Win $15,000 Back Pay, Old Jobs

Fifty-three employes of Swift and Co. in Greensboro, N. C., have their jobs back and will receive $15,000 in back pay as the result of an agreement reached between the Company and their union, the CIO Retail, Wholesale & Department Store Union.

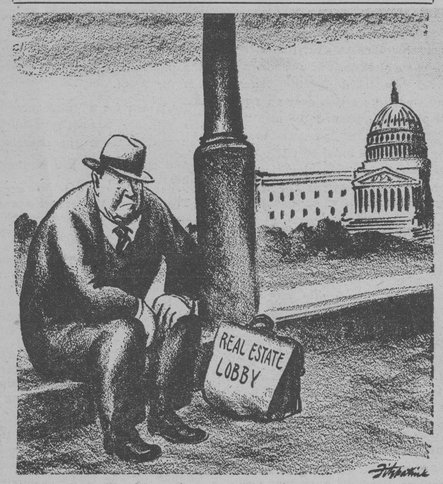
The workers were discharged in November 1947 but had been ordered reinstated following an NLRB hearing last September. The $15,000 payment is a compromise agreement covering wages lost while the men were unemployed.

The discharge occurred when the employes struck in protest at the discharge of Valrie Russell, chairman of the local union.

See in a Quick Glance How Reuther Plan Works

Here is how Reuther's one-package approach to homes, planes and jobs would work:

- Use the now-idle airplane plants and basic machinery for mass production of houses.
- Do this by the same method the auto industry converts from one model to another each year. The basic machinery for production of planes and houses is the same. Add to that machinery special tools for houses, and satisfy a peacetime need. Have on hand other special tools for planes, and you satisfy a wartime need.
- While part of the plant space is being used for houses, other parts will be used for research and experiments in new types of planes.
- The workers will take a refresher course periodically in order to keep their plane-making skills intact.



EVICTED? The caption in the cartoon which appeared in the St. Louis Post-Dispatch was "Evicted." Representatives of property owners' organizations last week turned out in full force to ask ending or crippling of rent control.



Rent Control Enemies: Rev. Wallace J. Murphy, second from left, executive secretary of the Tulsa, Okla., Property Owners Association, which sent from 600 to 1000 eviction notices to tenants, testified at Washington against rent control. L. to r., J. J. Kuehner, St. Louis, president of the Property Owners' League; the Rev. Murphy; Rep. Ben F. Jensen (R. Ia.), who hasn't yet voted on control but appears pleased with his company, and William Schmidt, Chicago, head of the Property Owners Association of America.

Truman Aide Says Halt Prices or Up Wages

IF ONE member of President Truman's Council of Economic Advisers was a labor leader—a labor leader who saw no serious moves on the part of Congress to combat high prices—he'd be fighting hard for a fourth round of pay increases for the men and women in his union.

That's what John D. Clark, a former Standard Oil of Indiana official who retired and became an economist, and is now on the three-man Council of Economic Advisers, told the Joint Congressional Committee on the Economic Report. He also contradicted a claim that no industrialist would welcome unemployment.

Here is the way the discussion went:

Rep. Christian Herter (R, Mass.)—"Would you record yourself as being against a fourth round wage increase at the present time?"

Clark—"I would say if I were a labor leader, seeing the profit situation, seeing that prices have been continuing to advance and no effective action has been taken to give assurance to labor that they will not again advance, and I considered that my strategic position was strong enough to permit me to win wage increases which would at least compensate for the increases in the cost of living which have taken place since the last wage payments, I would make a tremendous drive for those wage increases."

Herter—"In other words, you would try to get that out of the earning surplus of the manufacturer, that wage increase? It has to come from somewhere, doesn't it? You would not take it out of consumers' pockets. The only place it can come from is from the profits today being earned by the large corporations."

And later, Clark referred back to a comment Rep. Robert F. Rich (R, Pa.) had made earlier—that he's never heard of a businessman who wanted unemployment. Said Clark:

"I think it was you who asked if there was anybody who was in favor of unemployment. . . . We have had presented to us repeatedly in our conferences with representatives of business that very proposal that the best thing that could happen would be to have a larger degree of unemployment in order that there might be at the factory gate each morning a list of job hunters—what is happening in their kitchens I don't know—because that would make labor more eager and more productive."

Rich had no reply to that.

Foot-in-Mouth Dept.

HUGH ("Best Stock") Scott, Jr., renegade Democrat, is chairman of the Republican Natl. Committee.

Give $1 To PAC And Go Scott-Free

In such a capacity, it would be reasonable to expect that he would be an authority on such Republican-fostered legislation as the Taft-Hartley Law.

But, no, you are wrong. Scott can't be bothered with little things like accuracy. In a Lincoln Day address at Bridgeport, Conn., Scott made this amazing statement:

"The Administration proposes to strike out the T-H ban on Communists as officeholders in labor unions."

Even the Republican Party must be shocked that its chairman should make such a childish boner. T-H does not ban Communists from holding office in unions. It bars a union from the facilities of the Natl. Labor Relations Board if the officers of the union fail to sign the non-Communist affidavit of T-H.

Boy, one more dunce cap for Mr. Scott.

Keep It Clean, Gen. Denham!

THIS IS a clean story about NLRB's General Counsel Robert N. Denham. He's the same Robert Denham who took a justifiable lacing in an appearance before the Senate Labor Committe, which is considering among other things a provision to take away Denham's autocratic powers as general counsel.

But, let's get back to the clean story about Robert N. Denham.

The NLRB is moving from its antiquated offices in Washington's Rochambeau Bldg. (right next door to the Chamber of Commerce of the U. S.) to quarters in the Federal Security Bldg., near the Capitol.

The main suite in the new offices has a de luxe private bath and shower.

As soon as Denham heard about it, he pontificated: "That is my office!" He thought that settled it, because he's used to having people obey when he decrees something.

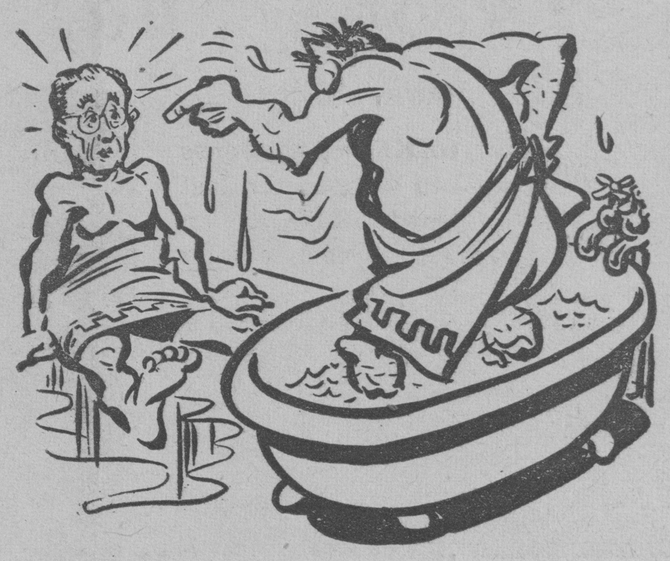
But, Paul Herzog, NLRB chairman, who's demanding that Congress strip Denham of his crown and sceptre, insisted that the suite, bath and shower were his.

Herzog won out.

* * *

Of course, there's a P. S. to this.

Denham then went to the Public Bldg. Administration and proclaimed that, to save face, he'd have to have a bath and shower, exactly like Herzog's. This time he was obeyed, PBA agreed and the matter's cleaned up.



Note to the Congressional pro-T-H bloc: We know you dote on Bob Denham; but how do you justify an expense to the taxpayers of $1000 to build a bath and shower for one man?

Murray Hits Delay

(Continued from Page 3)

to avoid unnecessary increases in building industry costs.

He was Paul Geary, of Natl. Electrical Contractors' Association. He said his group favors the Thomas Bill: "outlawing the closed shop impairs the employer's right of contract."

3. Rep. Andrew J. Biemiller (D., Wis.) told the House that supporters of T-H believe that "the only good union is a dead union." He said that when the NAM says it favors unions "it means just what Stalin means when he says he is in favor of democracy."

4. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, wired Pres. Truman asking for the ouster of NLRB General Counsel Denham as "unfit to hold office."

5. The Common Council of the City of Milwaukee — together with an increasing number of public bodies and private citizens —"sent a resolution to Congress" calling for repeal of the Taft-Hartley Act.

6. Sen. Taft, who is built up by America's "free press" as the Senate's smartest "statesman," was fumbling as a result of the Democrats' barrage of questions.

Once he offered an embarrassed "I'm sorry" after Sen. Paul Douglas (D., Ill.) reminded Taft that he was violating the committee's rules in breaking in to ask a question of Green.

Taft giggled to hide his embarrassment—but to no avail.

7. The Natl. Association for the Advancement of Colored People, noting that it had opposed T-H "before it became law," told the committee "we have found no reason to change our position."

NAACP called for safeguards against unions which might discriminate against Negroes.

8. Taft admitted to the St. Louis Post-Dispatch that preservation of the status quo in an industrial dispute for 30, 60 or 80 days is not "vital." It was an important stepdown from Taft's earlier position on injunctions.

As Post-Dispatch writer Joseph Hanlon noted: "Here, Taft was recognizing that after all a temporary injunction is temporary—there comes a time when it expires and men restrained from striking are free to strike once more unless the injunction is made permanent. Taft is opposed to permanent injunctions against striking."

There, Taft helped explode a myth that he and other T-Hers have built up: that T-H has weapons — use of injunction power—to forbid a strike permanently.

9. Business Week magazine, observing that business had been rather quiet after the election, noted new signs of corporation support for T-H. It pointed particularly to the loaded questionnaire sent to its employes and the public by General Electric and some Hearst newspapers.

10. C. E. Wilson, General Electric's president, did as expected in expressing what he called "genuine alarm" over the Thomas Bill.

Why, he cried, this threatens "our individual and collective freedoms through removals of safeguards now so wisely in force."

That's what he said.

Asked by Sen. Pepper what he would think of a law which regulated the internal affairs of corporations in the manner T-H regulates the internal affairs of unions, Wilson said that the hearings had brought out nothing that indicated T-H was one-sided toward management.

Pepper drily assured him that labor—and Pepper—thought and knew differently.

Wilson and his personnel chief. L. R. Boulware, certainly are impartial. They criticized both the CIO Electrical Workers and the AFL Brotherhood of Electrical Workers.

TAFT, in his interview with the St. Louis Post-Dispatch and also in a radio debate with Sen. Douglas, admitted that temporary injunctions are not the real solution in labor disputes of the type commonly called "extreme national emergency."

Taft, in his remark that injunctions are not "vital," wobbled a bit—not much, though. As an alternative to the injunction process, he thought out loud on a different procedure.

Taft didn't seem to know exactly how this other plan might work. He spoke vaguely of a "special Act of Congress" to deal with a particular strike. "I don't know what that act would be. It might be government seizure. It might be calling out the troops. I just can't tell what it would be."

(Some observers at the Senate Labor hearings on T-H repeal note that Taft apparently has taken some of his line of reasoning from that of Will Davis.)

Hanlon remarks in an editorial aside that "it is interesting to note that, although six 'national emergency' strike injunctions have been issued in the year-and-a-half T-H has been on the books, Taft considers that only one of them dealt with a 'national emergency' in the sense that the authors of the law conceived that phrase.

"That single instance was the strike over the Mine Workers' welfare fund. The strike was not ended until 12 days after the injunction prohibiting it was issued."

(There are few observers in the labor scene who agree with Taft that the UMW's strike constituted a peril to the naional healh and safey.)

The Post-Dispatch's Hanlon touches on a sore spot among the Republican committee members. Sen. Smith, a former professor at Princeton University before he became a U. S. Senator, invited two personal friends to testify as minority witnesses, theoretically, against the Thomas bill.

One witness called by Sen. Smith was David A. McCabe, Princeton economics prof. McCabe was pretty orthodox in supporting most of T-H until he reached one point.

When a strike became, in a rare case—as both McCabe and Davis agreed—one in which the national health and safety are "really" imperiled, the result would be seizure of both management's property and the workers' productivity.

Under the McCabe plan, both management and workers would go into the national service. Now, this sounds something like the makeshift "government operation" of wartime days under which a railroad or plant was "seized," a colonel put in nominal charge, but the same old bosses retained to give the orders.

McCabe deeply embarrassed Sen. Smith by suggesting, as the Post-Dispatch put it, that after the seizure "the government would determine how much the workers would be paid, how much would be charged for products or service, and in the end how much the owner of the property could take in earnings for his business."

Heavenly

Sen. Humphrey, remarking that while he felt Denham of the NLRB had displayed bias, said "even the Angel Gabriel would be accused of being an autocrat under T-H."

"Is the Angel Gabriel a member of the closed shop?" asked Donnell.

"Yes, he is—the Upper Chamber," replied Humphrey. "He fell from grace only for a short time."

Pres. Murray's Letter

(Continued from Page 3)

lation of the "featherbedding" provision of T-H.

(9) He has recognized that the present free speech provisions of the Act go too far.

(10) He has conceded that the provisions of T-H imposing limitations upon political expenditures by unions are ambiguous.

(11) He has conceded that the problem of welfare funds was not properly handled in T-H.

(12) He has admitted that the enormous concentration of unreviewable power in the general counsel may be legitimately criticized.

(13) He has admitted that the provisions for union authorization elections to obtain union security are unsound and should be deleted.

(14) He has conceded that the present injunctive provisions of T-H dealing with so-called national emergency strikes permit of too broad an application.

(15) He has accepted the provisions in the Thomas bill authorizing emergency boards to make recommendations for the purpose of settling disputes, a power which is withheld from emergency boards created under T-H.

(16) Not only has Senator Taft expressed doubts concerning the present powers of the general counsel but he has expressed a lack of confidence in the general counsel in a number of specific ways. For example, he has expressed disagreement with the general counsel as to whether small local business is covered by the T-H. He has repeatedly insisted that the act must be amended to limit its scope.

(17) Similarly, he has expressed lack of confidence in the general counsel with respect to the rulings of the general counsel that a member of a picket line is an agent of a union for purposes of T-H and that a failure of a union to comply with notice provisions of the Taft-Hartley Act is a refusal to bargain.

(18) He has conceded that the provision for polling the employees at the end of the 80-day no-strike period with respect to the empolyer's last offer should be eliminated.

I think it can fairly be said that the entire issue with respect to the President's inherent powers has been deliberately confused by opponents of the Thomas bill. The fact is the bill contains no injunctive provisions and it is not the purpose of the bill to employ the device of the injunction in strikes affecting the national health or welfare. Secretary Tobin made this plain in his sponsoring testimony.

It is an ironic circumstance that those who insist upon permanently introducing injunctions into our national life do so on the ground that the public must be protected. But it degrades the public interest to assume that we protect it by forcing workers to work against their will for the profit of private employers. The public interest demands above all that we have a free America. And this third devious attempt to restore government by injunction must be exposed because a free labor movement is a vital part of a free America.

I strongly urge that S. 249 be promptly reported out of committee and that, with the minor technical amendments sponsored by the CIO, it be passed as the first step in a vitally needed and long-overdue legislative program.

Jet's 607 MPH Across U. S. Is New Mark to Shoot At

WASHINGTON, Feb. 9.—(AP)—The Air Force is planning a B-47 Stratojet bomber even better than the one which whizzed across the continent in less than four hours Tuesday.

There are only two of the Boeing jet craft now. The 62½-ton plane which spanned 2,289 miles at an average speed of 607.2 miles an hour Tuesday was the first one built.

Later models—the Air Force has ordered 10—will have better equipment, including engines 25 per cent more powerful.

The Stratojet's three-and-three-quarter-hour hop from Moses Lake, Wash., Air Base to Andrews Field near here was the fastest ever made across the country, but it was not counted as a record because it did not cover the 2,460-mile official contest course from Los Angeles to New York.

* * *

RECORD OVER 4 HOURS

THE RECORD for that course is four hours, 13 minutes at 584 miles an hour, set by a Lockheed F-80 Shooting Star flown by Col. William Council, Jan. 26, 1946.

The B-47 was flown by Maj. Russell E. Schleeh and Maj. Joseph W. Howell, both attached to the Air Materiel Command at Wright Field, Dayton, O.

The Air Force termed the flight a routine delivery of the six-engine, swept-wing bomber for a Congressional air show next Tuesday. Numerous other military planes, including the huge flying wing bomber, the Northrop B-49, also will be shown.

* * *

MINOR MISHAP

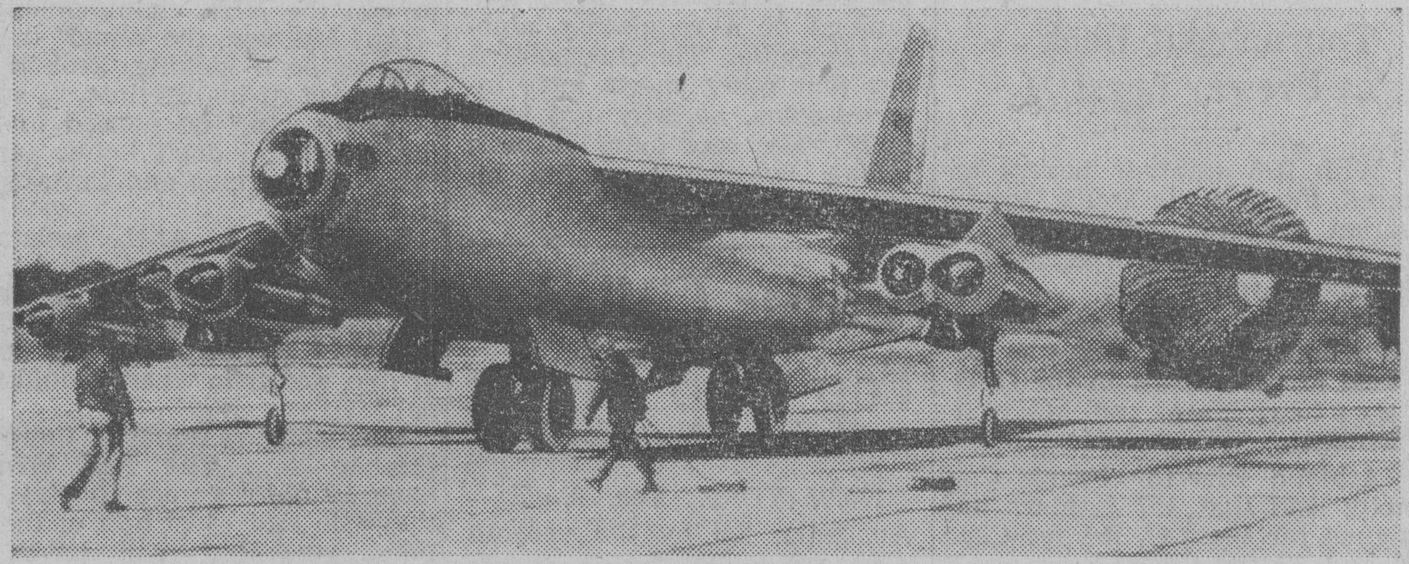
SCHLEEH DESCRIBED the flight as uneventful except for the loss of an aluminum cone from the nose of one engine as the plane descended over Washington — and that caused no trouble.

The trip was made partly at 32,000 feet and partly at 37,000 feet. At one time the plane covered 648 miles in a single hour.

The bomber, which normally carries a crew of three, matches the B-29 in size and weight and doubles it in speed, but its combat range of 800 miles is only about half of the B-29 range. The plane is capable of carrying 10,000 pounds in its single large bomb bay.

Schleeh, who previously had made only three short flights in the B-47, said it "handles very nicely" and is "quite an improvement over other large types."

* * *



An Air Force XB-47 stratojet comes to a halt at Andrews, Md., air field after a 2,289-mile flight from Moses Lake, Wash., in three hours and 46 minutes. Streaming out behind the plane is an air-brake parachute released upon landing.—AP Wirephoto.