

Oral History Interview

with

DR. ROBINSON NEWCOMB

Director of construction research, War Production Board, 1940-45; Director, Office of Economic Research, Federal Works Agency, 1945-47; Economist, President's Council of Economic Advisers, 1947-50; Economist, Office of the Secretary of Commerce, 1950-51; Economist, Office of Defense Management, 1951-53; and Consultant and Technical Adviser on highways, Committee for Economic Development, 1947-55.

Vienna, Virginia

August 6, 1977

by James R. Fuchs, Harry S. Truman Library

The Harry S. Truman Library

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FUCHS: Would you give a little of your background; when and where you were born, something about your education and some of the positions you had until you came into the Truman administration?

NEWCOMB: Well, I was born in 1901 on a kitchen table in the country in Geauga County, Ohio -- no birth certificate, didn't have any in those days.

I graduated from the 8th grade when I was eleven. Then I went to a technical school in Cleveland. I was very poor at using my hands. I was way ahead, time wise, and so I went to a technical school instead of an academic

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school. I think it was a good idea; I had the best teachers I've ever had in my life there, for some reasons or another. Good teacher in science, good teacher in math, excellent teachers in chemistry. We had a marvelous principal.

Then I went to Oberlin College. I graduated from there summa cum laude. I then went down to Ohio State for summer school and a professor there got interested in me and gave me a fellowship to Brookings. I got my Ph.D. at Brookings. There were maybe forty people given Ph.D.'s by Brookings. I was one of the lucky guys.

I had a Rockefeller fellowship for a year down in North Carolina studying Negro business; back in the twenties that wasn't as socially acceptable as it is now. I decided to study Negro business in one city, at Winston-Salem. I went up there and interviewed in every Negro

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business establishment. I found what they were selling, how much, and so on. Obviously, to know how successful they could be, I had to know what the income of the Negroes was.

The Camel plant there was the main employer and I went to them and asked what they were paying. They refused to tell me. So I got out on the street on payday. The men were paid in cash in envelopes. They tore the envelopes apart, took out the money and threw the envelopes on the street. I got the envelopes for a few weeks and so learned what the wages were. That made the R. J. Reynolds Company mad and they called or wrote the president of the university and he went up and talked to them and I got fired. But Brookings figured it was an okay job. They gave me my degree.

When I graduated I got a job as the first economist, as far as I know, in the

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Government, in construction, under Herbert Hoover. Technically I was assigned to the Bureau of Standards. I had an office downtown and an office out at the Bureau of Standards building. I did a study of mortgage financing. I went to Cleveland and I got data on every Torrens title property in Cuyahoga County and found that interest rates were running around 8 percent, 9 percent -- much higher than people thought. They were as high in those days as they are now. But the rate was concealed. You'd get a mortgage and every three years you'd have to pay a big renewal fee on it; things of that sort. So that actual interest rates in those days were higher than they appeared to be, and the argument that mortgage interest rates are high now, in my experience, doesn't stand up well.

Then Roosevelt came in and I got fired.

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I suggested to an economist who reported to him, Bill Thorp, that we ought to do sample studies of urban properties and see how serious the situation was around the country.

He got two or three million dollars out of Hopkins and I ran a study in New York with a staff of five thousand engineers and architects. We listed every square foot of land in the five boroughs. We got a very detailed study, inch-by-inch almost, of every property occupied; vacant, residential, industrial property, what the floor load was, etc. It was a complete inventory. It's never been done since in that detail, which is unfortunate. When that was over I was out of a job.

FUCHS: Was this the Willard Thorp who was later the State Department Under Secretary?

NEWCOMB: Yes, Under Secretary for Economics in State. He was an able man.

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Just as an aside, when I was in the Office of Defense Mobilization during the Korean war, one of the men asked me about firing Willard Thorp and putting in someone else more dynamic, and I said, "For God's sake no, he knows what's going on. Truman can be dynamic enough; if he needs action he is not getting he'll tell Willard Thorp." Whether that suggestion was serious or not I don't know.

One of Truman's comments about the State Department intrigued me, he said that he wished the State Department were as interested in the United States as in the foreign countries with which it deals. A problem over there is that they can become advocates of countries with which they deal.

I had to stumble around for several years. I found I had made an enemy in high levels and whenever I got a job he got me fired. I didn't know about it for a long

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time. When I learned about it, I went to Thorp and other people I knew and they spoke to the necessary people to stop this action.

FUCHS: Who was your enemy, would you care to say?

NEWCOMB: No, I don't think so. He's dead now. So, that stopped. After that was over I have always had a job. But there were four or five years when I had a real problem making ends meet. For a time I couldn't even buy a newspaper.

FUCHS: Was this when you were going to one department and then another?

NEWCOMB: Yes. I'd get a job, for instance, on the Home Loan Bank Board and three months later I was out. I didn't know why. This happened several times. The same with the Resettlement Administration. I set up a bookkeeping system there, and did a few other things.

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When the war came I was invited by the head of Statistics and Research in WPB to take a job there. That night when I got home I got a telephone call saying I'd been fired. I asked if it was this guy who'd done it and they said, "yes." So I told them the background.

FUCHS: He must have had a lot of clout in Government.

NEWCOMB: Yes, he did, but I had as much clout when I wanted to use it and knew it was necessary. I got in touch with Willard Thorp and a couple of others and I was back at work the next morning.

FUCHS: What did that work entail?

NEWCOMB: For the first time in history we had a record of how much construction was going on. I started the series that comes out every month now.

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FUCHS: Was this civilian construction and not military?

NEWCOMB: Everything. I got records of every job reported as it started, such as contracts, and building permits, and Government authorizations. When the Government authorized a project, I had the record of it, and I had a follow-up, I got a report every month on every job. So, for the first time in history we knew how much work was going ahead.

FUCHS: This was all Government building?

NEWCOMB: All building, private and public. I was supposed to get data on every house, every factory, shipyard, etc. Then we set up a system whereby I knew how much material, how much steel, copper, iron, lumber -- everything going into construction -- would be required, because we were running short of materials. I was able to tell the War

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Production Board every month how much material would be needed for construction underway and proposed, and how much I would recommend we allow to proceed.

I had a problem in housing, because everybody wanted to hold housing down. They figured that that was unimportant. I said, "How are you going to get people to build airplanes in Willow Run without some housing up there?" It was a nice problem. They finally allowed the building of some houses, but they wouldn't allow related construction, such as barbershops.

Well, you're familiar, I'm sure, with bureaucracy. Each man has his bailiwick. They don't think things through. At least we tried to have an overall view of all types of materials and how much manpower was needed. I was the only one in the War Production Board that didn't have to go through the Controlled

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Materials Plan. I obviously had an easier time than the others, because how could the fellow making steel bars know how much construction there was going to be and, therefore, how many orders for steel bars there were going to be and how much material was needed. But I had that. I recommended the allocation for construction for both military and civilian purposes.

The only place I had any problem was the Manhattan project. We could see what stuff was coming in for it, and we got a pretty good idea what was going on; and one of my men flew over the Hanover job out in Washington. We could figure out what was happening; I had read enough science before the war started.

FUCHS: You knew that they had something big going there?

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NEWCOMB: Yes. I remember telling one of the White House men that either we went ahead first or the Germans went ahead first, and if the Germans went ahead first we'd lost the war, so we had better push it.

The Manhattan project was wasteful of material. When they put up a house we gave them designs and specs for houses. They put up a project, for instance, out in the Ohio Valley. They used between two and three times as much material as the others did, and I complained. The Secretary of War, Stimson, said, "Well, we had better forget it." I could understand that. For this project it was too important to take time to think about economy. He just let them go ahead and waste it.

FUCHS: Did you come in touch with the Truman Committee while you were in WPB?

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NEWCOMB: Not until later. I knew the staff and dealt with them occasionally. He was respected.

In checking military use of construction materials I found there were millions of tons of material stashed away, without any record, and the Army figured they could use it and avoid the rules. I sent a statement to this effect to Stimson and his office checked with various places and got the story, "No, there's nothing there." There was no record, of course. He sent back a pretty nasty note. So, I gave him details on what was in what warehouse. One or two people went to "Siberia" the next week I think. I found enough pipe for instance, as I remember, to go from the Atlantic to the Pacific Ocean.

You can't blame the Army -- it thought to hell with the rest of the economy, we've got to win the war. Stimson could act when a situation developed like that, and refuse to act when he didn't think it necessary. That reflected Truman to me.

If you're interested in some of those things, there's a couple of situations that affected Roosevelt that intrigued me, although I am not sure they are documented. He stated, as I remember, "We're going to build a large number -- I forget the exact number -- of airplanes in a year." Well, they just couldn't build that many useful ones. So they built a lot that were useless, trainer-type things

that they didn't need; but they reached their goal. I said, "Why in the heck don't you tell Roosevelt that we're wasting all this material, the engines and aluminum and so on?"

"Nobody tells Roosevelt anything."

The same thing happened with Lloyd George. He gave orders for certain things and they had to cannibalize the existing

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planes to build the new ones.

Well, then, another situation. Roosevelt sent out an order that we should send a cracking plant to Russia. Month after month passed and nothing ever happened. So, I asked the head of the Petroleum -- I've forgotten what they called it -- Division or what, when they were going to send it. He said, "Never." And that was right. He never did. In other words, the bureaucracy can nullify the bosses if they really want to.

FUCHS: Roosevelt wanted it to go but it was kind of sidelined along the way?

NEWCOMB: Yes, and nobody took up the fact with Roosevelt that it wasn't going, except the Russians.

To get back to my field, I recommended allocations for construction. Final allocations were made by the Policy Board -- I've

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forgotten what they called it -- of the War Production Board. Decisions were made every quarter. The only area where I really had to fight was housing. I failed housing in one place. I said we should build more mobile housing because that took less material per house, and we could build it fast and move it around.

FUCHS: Was this during the war?

NEWCOMB: Yes. The housing agency was [John B., Jr.] Blandford's shop. I had a lot of respect for Blandford who ran the Federal Housing Agency. He said, "No, because when the war's over these will be just cheap mobile homes, and we want to have some good housing when the war is over." So I lost on mobile homes. We could have had mobile housing that would have been better than what they did build. We put up plasterboard housing that did not

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stand up instead of relatively good mobile homes.

Well, that's one place I lost. So far as I remember, I was in the White House on this only once or twice.

FUCHS: Whom did you see there?

NEWCOMB: I don't remember.

Now, do you want to talk about specific things?

FUCHS: In your letter to the Library you mentioned the housing problem in 1947 and Wilson Wyatt.

NEWCOMB: At that time I was chief economist and deputy to the Administrator of the Federal Works Agency, which Truman had made in effect a department under General [Philip B.] Fleming. He attended Cabinet meetings. We were handling lots of construction for housing, as well as schools. Wilson Wyatt was giving authorization

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for building materials to anybody who wanted to build housing. Well, if we have enough material for 500 thousand and you start a million, half of them don't get enough material, or all of them may get half finished, or some of them will get finished and others will just get barely started. I made some comments about this in upper echelons, and one day I got instructions to prepare a memorandum for Truman on it, which I did.

FUCHS: Who gave you instructions to do this?

NEWCOMB: General Fleming. He'd mentioned this at a Cabinet meeting, I think. Anyhow, I prepared the memo, and it went to the White House. I was called over to talk about it and they said do you think Wyatt should be fired? I said, "No, he's too good a promoter, he's a good PR man. What he needs is a staff that knows something about the subject;

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he doesn't have anybody on his staff competent to handle this sort of work. I would put an administrator under him, who knows what it's all about, and let Wyatt do the PR."

In finding Wyatt they had canvassed the country. He had been chosen as the young man of the year by the Junior Chamber of Commerce and he had been the Mayor of Louisville. He demonstrated real ability. He was not a political appointment. Truman was trying to get housing going; he was trying to do the best he could. But Wyatt had been given bright young men who didn't know construction. So I said, "No, keep him, but put somebody in who knows something about housing." Either that afternoon or the next morning he was called over. Steelman didn't call him over but Clark Clifford did. Clifford called him over and said, I was told, "Sit down here and write your resignation." And he let him read what

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I had written. So he wrote his resignation and, as I got the story, he went back and told his staff, "Why didn't you tell me what was going on?" I felt sorry for Wyatt. But anyway, there was a staff in the White House that was able to act, and Truman backed them up. Wyatt had all sorts of support; he was pushing housing. Truman didn't bat an eye and the thing was over.

FUCHS: Do you think Clifford was the real genius behind the firing?

NEWCOMB: Yes, I think so; I don't think Steelman was. Steelman asked me what I thought and I said I thought he ought to be kept.

FUCHS: What views did you have of Clifford?

NEWCOMB: I don't know. He's always bothered me. He and Steelman were at odds at times. I had the feeling that Clifford probably had the

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deeper understanding, and that Steelman may have had the better political and day to day abilities. He could meet with John L, and get things that Clifford never would have been able to get. I suspect that Steelman was in good part responsible for the relative labor peace we had. The labor people trusted him.

Now, Clifford couldn't have done those things. On the other hand, I think for broader policy matters Clifford may have had the deeper understanding.

More than four years ago, when Nixon was getting all this acclaim about the Chinese, I wrote Clifford and told him that Truman wanted to negotiate with the Chinese, but Taft wouldn't let him, and shouldn't this come out. Clifford did not respond.

FUCHS: Truman wanted to approach the Chinese Communists?

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NEWCOMB: No. The Chinese approached him through several people. One of my classmates, a brilliant guy, had been in the Foreign Service of the Chinese Government. He was in the Chinese Embassy in Japan during the war as long as the Japanese would let anybody stay there. He used to climb the fence at night and put a handkerchief over his face, as many Japanese did, and go out and mix; he could speak Japanese fluently. He knew, obviously, a good many of the top bureaucracy in the Chinese Government; and he came to me, because I was moderately high up in the Government at the time, with a statement that the bureaucracy would like to make a deal with the United States. They were afraid of Russia; they weren't as afraid of the United States. They knew we had no desire to annex Chinese territory and Russia did. If we were to sign a treaty with them they'd be an ally of ours. I took

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this to Admiral Souers and Admiral Souers said, "You are the third or the fourth man who has brought this story to us, so we believe it's true, but Truman says Taft won't let him do it. So there's no sense of your wasting your time or the President's time pushing this matter any further."

Well, Truman was alerted to this possibility and I believe would have followed through if he had been given a chance. Now Nixon didn't have a Taft, didn't have a Chinese lobby to fight. If Truman could have done this, the history of the Far East would have been entirely different. We



wouldn't have been in Vietnam, we wouldn't have been in Korea. I would like to have Truman, in the history books, have credit for being willing to negotiate with China, though he was boxed in by the reactionaries, and by Taft.

Taft was a strange Senator. I never did

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understand him. I remember in 1949, wasn't it, when the Senate became Republican by a majority of two or three, the housing bill being drafted in the Congress was known as the Wagner-Ellender-Taft bill. Taft the Republican went along with his name at the end. When the Republicans took over in the Senate it was known as the Taft-Ellender-Wagner bill. I got a note from Truman, asking whether he should support this bill or not, now that it's Taft-Ellender-Wagner? I wrote back, "Yes, it's the same bill. I don't think the order of the sponsors' names should affect what should be done. Now, for political purposes you may not want to do it, but for social purposes if you wanted to do it before, do it now." This was one of the things that I learned at the CEA, and the chairman of the Council was strong on this. He would tell the President, "This is the economics of it as we see it, but we recognize that there

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are military and political considerations which may outweigh the economic." This was definitely true in many areas and Truman was able to weigh the three; obviously I couldn't.

FUCHS: Who would have asked you to write the memo about the Wagner-Ellender-Taft bill? To whom would you have addressed the memo?

NEWCOMB: So far as I know, it was just Truman. I know neither Nourse nor Keyserling were around. I don't know where they were. The memo landed on my desk. Mr. Keyserling said he knew nothing of the request from the White House when I told him about it later. The request could have come from one of the staff men at the White House. It didn't make any difference because my answer got to Truman. I showed a copy to Keyserling afterwards, when he came back to Washington, and he said it was a good memo.

FUCHS: You were on the staff of the Council of

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Economic Advisers at that time?

NEWCOMB: Yes.

FUCHS: Where were your offices?

NEWCOMB: Right in the Executive Office Building. I overlooked the White House. My room was in the middle of the third floor on the east side of the Executive Office Building.

FUCHS: By that time Leon Keyserling was the chairman?

NEWCOMB: At the time of this incident, yes.

FUCHS: Did you have occasion to consult with Nourse?

NEWCOMB: Oh, yes.

FUCHS: What are your views of him?

NEWCOMB: I liked him very much. He was not a strong theoretical economist, but I think he

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had a pretty good judgment of how things were actually working. Theoretical economists didn't respect him as a theoretician. But, as an honest man, with a general understanding of things as a whole he was better than most theoretical men; and he was one who didn't try to force his way and try to tell the President, "You've got to do this because it's good economics." I respected him.

Now, Keyserling was a strong personality and would fight and would do anything that the President wanted, or that the Party wanted. He, to my mind, was political, not professional. I remember bringing him some figures on housing, which showed that the vacancy rate was rising and the volume of construction was far greater than the records had shown. I can give you the story there.

The census came out with a study which showed lots more construction than had been

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indicated by monthly building permit figures. He threw it in the wastebasket and said, "That's not what I want." He was fighting a political cause rather than, I think, serving the country objectively.

FUCHS: Do you think the Council under Nourse was more nearly what it was supposed to be?

NEWCOMB: Yes, that is my personal opinion. Many think it should be more active, the way it was under Heller. Nourse told the President what he thought, in confidence; he would never speak in public.

FUCHS: How did you happen to go to the Council?

NEWCOMB: I suspect I went to the Council because I had been proven right on housing for some time -- as when I said we were building too much housing. One of the Budget men blew up when he heard of the memorandum I had given the

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White House. But then he began to look into what I had said. He decided I was right and he approached me and apologized, and afterwards when there was something happening in housing he would ask my judgment.

When I was still at the Federal Works Agency the Council asked me to come over and make a statement on construction; what the situation was and the prospects. When I got through one of the members, I think it was Clark, said, "This is the best statement we've had from anybody, in any field."

I had some strong friends who felt that I could be trusted. I remember once, during Truman's time, when I was in ODM, one of the men said, "If you want somebody who will tell you what you want to be told, don't ask Newcomb. If you want somebody who will tell you what the facts really are, ask Newcomb." I had that sort of reputation.

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One of the men said once, "You wear no man's collar." Well, you can't get along in the top echelons of Government that way indefinitely. When Keyserling came in I quit; because, obviously, with a politician in charge instead of a professional, my usefulness was reduced. But so long as I was dealing with nonpolitical men such as General Fleming, or Nourse, or the War Production Board's people, I could be honest and still be effective.

FUCHS: They respected you for your frankness, where some people wouldn't.

NEWCOMB: Well, during the war, of course, it was necessary to do things, and get things done, and I did. I was not a climber and that they obviously respected. As the war neared its end the Federal Works Agency asked me to come over; I didn't know there was a vacancy there. The Council of Economic Advisers asked

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me to come over, I didn't know they were considering getting a man in the construction field.

FUCHS: Who do you think on the Council was the one that was behind that?

NEWCOMB: I suspect it was Mr. Clark and Mr. Nourse. Nourse respected what I'd done. Nourse knew me at Brookings. I got my Ph.D. at Brookings and he was on the examining committee when I took my doctor's oral exam and he was very friendly before and after. So, he very well might have initiated the idea.

FUCHS: How many economists were there on the staff?

NEWCOMB: Seven or eight in those days.

FUCHS: The Council members and seven or eight economists. Did you go to ODM when you left the Council?

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NEWCOMB: No, I went to Maritime. General Fleming had been sent over to Maritime because that was an unadulterated mess. Fleming had done an excellent job with one of the Labor agencies, and then when Ickes had made a mess of Public Works, Fleming had been moved over

there, either in 1943 or '44, but it was during the war. So, when the Korean war was approaching he was sent over to Maritime to see if he could straighten that up.

FUCHS: Was the Maritime Commission an independent agency?

NEWCOMB: It was under the Secretary of Commerce, who rode herd on it; but the head of Maritime was also Under Secretary of Commerce. I called one day and said, "I'm going to leave the Council;" and he said, "I'd like to have you over here."

Keyserling objected to my leaving, I

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don't know why. When I left he said, "I want you to understand that we didn't ask you to go.

Anyhow, I went over to Maritime. It continued to be a political mess. Senator Lucas, I think from Illinois, was put under pressure by certain maritime groups -- I don't know why they were dealing with him -- and he insisted that Fleming be fired. He hadn't been friendly enough. He'd been too objective, too technical (and I, obviously, was technical), so Fleming didn't last there very long.

Fleming was a good friend of Truman's. Truman said once he wished that all his secretaries were as loyal as Phil. There was a rapport there between Truman and Fleming that didn't exist everywhere.

So Fleming didn't last there very long and I wasn't there long enough to do anything. When he left I asked him if he would get me

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a job with [Thomas H.] MacDonald, head of Public Roads, which he did. I was transferred to Public Roads right away.

FUCHS: Where was Public Roads at that time?

NEWCOMB: Public Roads at that time was in Federal Works. The Korean war came and I was asked to go to the Office of Defense Mobilization. Arthur Flemming, I guess, was there at the beginning. He left later and Steelman moved in. This was one place where Truman was not as ably supported as he should have been. ODM had to be set up in a hurry, and he got one man after another to run it.

FUCHS: Charlie Wilson?

NEWCOMB: Charlie Wilson, for instance; and he didn't understand the problems. Steelman finally came in but he was only there a day a week or so. Well, this gives me a chance to mention

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one thing that I did want to come out.

Dave Stowe got the idea that the steel strike was going to make trouble. I had the data on steel. Steel's necessary for construction and from my experience with it during the war, I knew how to get the data on steel, actual and nominal. And I found that we had all the steel we needed for the war, even with a long strike. Dave never asked me. He just told Truman we've got to take over the steel mills.

I mention this in part because Margaret in her book damns the Supreme Court for its decision. Well, the Supreme Court was right, we didn't need it, and Truman was badly advised. I would like to have him exonerated on this. He thought that we were in desperate straits, and if we were going to win this war we must get the steel we needed. You remember how the North Koreans were pushing us back,

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we just had a few square kilometers left in the southern part of the peninsula; it was really nip and tuck.

FUCHS: What was your position in ODM?

NEWCOMB: Nominally construction and transportation. How much we would need for construction? Are we going to get it? What shall we do about housing? For instance, I recommended we have a good-sized housing volume in those days, because we had plenty of material. Keyserling said we should cut the volume to 600 thousand a year; we ended up with a million and a half. Keyserling said we didn't have enough material for more than the 600 thousand. He was a politician and he thought that was the political thing to do.

FUCHS: Do you think Stowe was the one that advised Truman?

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NEWCOMB: Stowe was the one that advised Truman on the steel take over. Stowe and I always got along nicely. I liked him very much. I think he was honest and very loyal to Truman. If he had to wink once in awhile, he would tell me why. For instance, if anybody from Truman's old regiment came he'd tell me, "Now you've got to take care of this guy, not because he deserves it, but because he is part of Truman's regiment and Truman insists on it." This sort of thing goes on in any operation and it was part of Truman's emotional machinery. It was understandable, and if I had been in Truman's shoes I might have done even more of it.

FUCHS: In what way were they taken care of, materials, jobs, or what?

NEWCOMB: Oh, no. No law to be violated. But I don't remember; I have no recollection at all

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of what the particular favors were. I was to lean over backwards if this particular guy was in his regiment. We would do what we could for them, that's about the way it was.

But I would like to have the record show I think that Truman was badly advised on the steel takeover. Certainly if Stowe challenges this, I'll argue it with him. Of course, I don't have the data at my fingertips now. But the fact is that we didn't run into trouble, that we were able to produce what we needed, because we had enough steel.

FUCHS: In a letter to the Library you mentioned an incident that I would like to have in here about public roads and MacDonald?

NEWCOMB: Yes. This intrigued me because Truman was involved in roads and their construction back in Missouri; he understood this up and down and back and forth.

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Who was the Senator from Missouri with all the oil money?

FUCHS: There was Kerr from Oklahoma.

NEWCOMB: I'm sorry, Oklahoma. My mistake, Kerr.

FUCHS: Robert Kerr.

NEWCOMB: At the time he was chairman of the subcommittee in the Senate dealing with public roads and an election was coming up and he wanted to do some paving jobs in every county. Well, you'd put a quarter of an inch of asphalt all over the state and you could spend your money. MacDonald said, "No, this is a complete waste of money." Kerr said, "Either you do this or you don't get any appropriations next year. I am chairman of this committee and you do what I tell you to do."

Well, one of MacDonald's men or MacDonald

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himself, it doesn't make any difference, asked me to find out if Truman would support him if he stuck to his guns. I think he would have resigned if Truman didn't support him. So, I scratched my head and asked Roger Jones who was a political man in the Budget Bureau. He handled all of the political problems. He was a grand guy. So, Roger asked Truman and came back and told me Truman asked, "Is this a courthouse operation?"

And Roger said, "I told him, yes."

He said, "Tell MacDonald I will support him."

That pleased me very much. Kerr was an important guy, but it was important that MacDonald's insistence on running a nonpolitical office be supported. MacDonald had tried and I think -- with maybe one or two exceptions as in the State of Massachusetts -- he had been able to keep politics out of the

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Washington office. MacDonald had done a marvelous job to my way of thinking.

FUCHS: Where were you at that time?

NEWCOMB: At that time I was either in the Council of Economic Advisers or the Office of Defense Mobilization. I don't know which.

FUCHS: Was Kerr's idea just to make work and have the money spent there?

NEWCOMB: Yes. Make more jobs just before election day.

FUCHS: Truman understood about this.

NEWCOMB: Yes, he understood that. How politicians can think it's all right to spend the taxpayers money for their own purposes I never did understand. But it is still the case.

Truman understood it and he reacted properly. He didn't waste money when he was

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building roads, and he didn't let Kerr waste money.

FUCHS: Have you met Mr. Truman personally?

NEWCOMB: Oh, yes. I remember asking him once, "How can you keep this up; do so much and be so calm? I think you must like people."

He says, "I do."

That was part of it, I think. Another part was when the big decision was made, he forgot it; it had been done and he wouldn't worry about it. He'd go to bed and go to sleep.

FUCHS: When did you first meet him?

NEWCOMB: I think it was in the Oval Office on some formal affair. He was meeting some youngsters or something.

FUCHS: Would this have been when you were on the Council?

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NEWCOMB: Yes. For some reason or other I was involved and was a part of the group. I have no idea what the subject was or why I was involved. Another time I asked to go over. I said, "I've taken my son over to see Truman, I would like to take my daughter."

So, Steelman arranged for me to go to the White House. But I'd met him outside of the White House, also; but that's the only time I've ever asked to go in to see him.

FUCHS: Did you know Steelman rather well?

NEWCOMB: Moderately well. As a matter of fact, he left the Government about the same day I did.

FUCHS: When did you leave the Government?

NEWCOMB: When Eisenhower came in. I was asked back, by the way, as a technician. I went back under Arthur Burns of the Council of

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Economic Advisers, part-time. But this was obviously as a technician. In other words, he knew I'd been reporting to Steelman in the ODM and Nourse in the Council, and so I didn't go back under any false pretenses.

FUCHS: You didn't retire from the Government then?

NEWCOMB: No, I had resigned. But Burns asked me to come back as a consultant to the Council; and I did earn my money that year. I said, "We're going to have more construction, as much construction as we can handle. Even though we're having a general depression there will not be a depression in construction. I think I was the only one in Washington who said that. Burns listened to me and agreed with me, and it turned out I was right. In his testimony on the Hill he said the recession would be ameliorated by the

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construction industry, which would be booming. That meant that what we had to do to bring the economy out of the recession was much less than we would have had to do if construction were plummeting. So I earned my salary.

FUCHS: Were you in the Civil Service, or were these excepted appointments?

NEWCOMB: No, these were all Civil Service. In those days I was as high as I could get in the Civil Service, the top of Grade 15. They didn't have 16, 17 and 18.

FUCHS: Super grades.

NEWCOMB: They didn't have those. As a matter of fact, when I left I think my salary was, I don't know, eleven or thirteen thousand. I couldn't get any higher and I had two kids in college.

I never had a political appointment,

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never. Never an excepted appointment.

FUCHS: Did you have any personal contact with Secretary of Commerce Charlie Sawyer?



NEWCOMB: No. I didn't like him. That was a bad mistake on my part. A personal assistant asked me to come over to do construction economics, and I said, "No, I don't like Mr. Sawyer." That put me in the "black book."

FUCHS: Wasn't he Secretary of Commerce when you were in Maritime?

NEWCOMB: Yes, but I was willing to work under General Fleming. Sawyer made it uncomfortable for me. I couldn't get in the official's dining room, things of that sort. I should have kept my mouth shut.

FUCHS: Oh, you mean that you worked in Commerce after he had asked you to come at an earlier date?

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NEWCOMB: Yes. I should have kept my mouth shut and just said no and not given them the reason.

FUCHS: You should have thought it and not have said it.

NEWCOMB: Yes. That's one reason I was recognized as a man who says what he thinks; but I said it too often.

FUCHS: What did you do subsequent to your Government career?

NEWCOMB: Oh, I set up my own shop and did consulting work. It went fairly well. I started out with an income of \$18,000 I guess, where I had been getting eleven or thirteen -- somewhere around there -- maybe thirteen, in the Government. I've forgotten. The income went up and hit \$40,000. But this is a precarious operation. Then when I became seventy years of age, maybe

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sixty-nine, I began to taper off.

I started working in '28 under Hoover; and he didn't ask me whether I voted for him or not in '28, and I hadn't. I finally quit work in '72. I've had three cancers. So, I quit work completely last February.

FUCHS: Truman and Hoover got along well together.

NEWCOMB: Yes, Truman respected Hoover's honesty and administrative ability. Actually, if you'll read the later literature you will find that Hoover was more or less right in 1928-29. The Federal Reserve is what brought the depression, not Hoover.

In a book that was published in 1953 or '54, I have a chapter on the start of the recession, and I describe how Hoover called together the best men he could get, economists from John Hopkins and businessmen from A.T.&T., etc. He set up machinery for

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increasing public works, and utilities, and in 1930 Federal-state-local and utility construction was greater than it was in 1929. In an area in which he had some influence, Government expenditures, he increased them. If the Federal Reserve had played ball, the recession would have been over in a short time.

President Hoover wrote a letter to Governor Roosevelt in New York asking him to play along and increase state expenditures in New York. Governor Roosevelt wrote back, no, he was not going to have a deficit in the State of New York. Hoover did his best. He got the RFC going. He got the Home Loan Bank Board going. He did all sorts of things that in those days were imaginative, farseeing. He wanted to get the banks liquid. Roosevelt refused to do anything. And when he came in, he closed the banks. He made it very dramatic and then he opened them up again.

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Roosevelt was responsible in some degree for how serious it was in 1932 and '33; but Hoover wasn't.

How much of this Truman knew, I don't know. But he was able to judge people and he thought Hoover to be a great man.

FUCHS: Well, we've covered the points that were in your letter.

NEWCOMB: I think that's probably about it.

I wanted Truman to put Public Housing under Federal Works. In other words, get Government subsidized operations separate from the private, FHA. The standards, the criteria, the objectives were so different in the two, that I thought that if we were building schools and then roads, community building, community facilities, if all the Government subsidized operations were in one shop, and the private in another, we'd have

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better housing programs. Truman didn't go along with it. I think he didn't go along with it basically for political reasons, and this I could thoroughly understand. The housing lobby wanted and did use FHA for social purposes rather than for building housing. [Miles L.] Colean's book\* here goes into how the social-minded people destroyed FHA, so that it became unimportant. In those days it was a major source of housing finance. The housing lobby wanted to get their hands on it and shift it, make it a social and political operation instead of a homebuilding operation. And I think if I had been in Truman's shoes I probably would have done what he did. As a technician, I think it was a mistake.

It reminded me a little bit of his decision to have the Veteran's Hospital an independent agency. I don't know whether

\* *A Backward Glance. An Oral History.* A series of interviews with Miles L. Colean. Oral History Research Office, Columbia University.

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you remember in the early days, after the war, the hospital program was in pretty bad shape. He brought in a doctor who did a marvelous job in organizing and, getting it going. But the Budget Bureau said, "If everybody were able to come to you and, get what he wanted out of you, you would have a completely ineffective administration and never get anywhere. You need to have somebody that filters these things and makes orders of priorities. They had a knock-down drag-out fight on it and the Budget Bureau lost. Well, they lost because, I think in this case, the man running the hospital program was very able, very imaginative. Over the long run it would be a mess had things been left that way. It had to come back under the Budget Bureau when that man left. But here was a political decision at a time when it was wise, to let a man who could do it, do it.

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I sympathize with Truman on that. I would have done what he did. I think it was bad Government, bad administration, excellent decision.

Well, he was a man who could do this sort of thing.

FUCHS: On the whole, then, you think Truman was a pretty good President?

NEWCOMB: Oh, marvelous. I have a great respect for him. He stood up for what he thought was right.

FUCHS: What did you think when Roosevelt died?

NEWCOMB: I have no idea at all. At that time I was immersed in how much the Manhattan Project was going to take, and we had a big fight on with the petroleum industry (we finally got them licked). They were going ahead drilling as many wells in 1943 as they had drilled in 1939 and these wells wouldn't be

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coming into production until way after the war. So, some of us thought that maybe we could postpone some of this drilling for postwar purposes and use the steel for war purposes.

I was very, very deeply involved working 18 hours a day, something like that, and could not think about the death. I took a little time off for the funeral, but I was in no position to judge how fast Truman could move in. No position at all.

FUCHS: When you were in the War Production Board, who were some of the Labor people that you admired?

NEWCOMB: I found most of them at the Board were fighting the war and not trying to help labor.

FUCHS: They were all loyal?

NEWCOMB: Yes, much more loyal than some of the

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industry men. [Walter] Reuther's position was as farsighted as anybody's. The brick labor unions, for instance, were another problem. The brick men wanted to work slowly and put in as many man hours as they could. The Washington men said, "No, you've got to do this, you've got to increase your production, you got to be more efficient, because we need all the construction we can get."

The plumbing situation was the worst I ever ran into. We had a staff developing efficient plumbing designs. Instead of using a two inch or a three inch vent, for instance, we found we could use an inch and a half one or whatever it was; it was small. All you needed was enough there for air pressure to change so that water didn't back up into the water closet. I called the plumbing companies in that did the installation in houses. I said, "We're running short of copper and we're running

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short of steel and we've got to economize all the way through."

And they said, "We won't."

I said, "Why?"

"Because if we economize now and it works, as we know it will, then when the war is over the industry will continue to economize and we will be selling less material."

Well, I said, "That may be so, but we don't have it now for you."

They said, "We will not install it like that."

I said, "Okay, in all public buildings the Corps of Engineers will put it in."

That was a bluff. I couldn't move that fast. That night I got a call from the association's executive secretary and he said, "We've sent our president back home, and we'll play ball."

In World War I the same thing happened.

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Barney Baruch was running the War Industries Board, and he wanted to economize the same as I did in World War II. He had his staff create some labor and material saving designs for plumbing and the employers refused them as they did in World War II. (I didn't have this trouble with the union men.) So, he said, "Okay, now the War Shipping Board is building housing" -- it was somewhere in New England -- "and we will put up one building, one apartment house in our design and one with yours, and we'll test the two." And they said okay.

So, they built the two and went to test them. The Government design wouldn't work; there was a rubber ball in every water closet system so that the water would not flow.

I was told afterwards, when the war was over, that Baruch's library was raided and everything relating to plumbing was stolen.

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In another meeting I said we should cut out metallic-sheathed cable -- what we call BX in wiring, steel wrapped around wire -- because we were running short of steel and we were running short of zinc and it wasn't needed. Some of the Government agencies didn't even permit it. TVA for instance believed it harmful to have the steel around the wire. If there is a short the steel can carry the electricity to elsewhere in the house and start a fire.

They said, "No, we insist on BX."

And I said, "Why?"

"Because anybody can put up non-metallic sheathed cable and they'll discover they don't need BX."

So the attitude of manufacturers, and installers particularly -- installers were worse than the manufacturers -- was not as good as the attitude of labor in the dealings

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I've had. Colean goes into some of that in his book.

FUCHS: You said Reuther was really thinking further ahead than anybody.

NEWCOMB: Than anybody.

FUCHS: I believe he thought that you could completely cut out automobile manufacturing as early as 1940.

NEWCOMB: He told me that at a lunch in 1940. As it worked out, the auto plants shifted to trucks and tanks and so on. They had more employment than they could provide for. But Reuther wasn't thinking in those terms, he was thinking, "We are wasting steel now, we need it for war."

FUCHS: Well, thank you very much.

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