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Knerr, Douglas

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CHAPTER SIX

A Porcelain-Enameled Legacy

The best security for civilization is the dwelling, and upon proper and becoming
dwellings depends more than anything else the improvement of mankind.
—Benjamin Disraeli

The Lustron Corporation retains a multifaceted legacy nearly six decades
after Carl Strandlund first walked into Wilson Wyatt’s office. Aided
by the Internet and a heightened interest in the immediate postwar
period, public awareness of Lustron has increased dramatically in recent years. Virtual
communities of Lustron owners trade maintenance tips, post photographs, and share
experiences of “the Lustron life” on numerous websites. Hundreds of articles in the
local, regional, and national press have highlighted various aspects of the company’s
saga, and many television home improvement shows have mentioned Lustron in some
manner. The company never lacked for publicity, of course, and Strandlund would
no doubt appreciate the renewed enthusiasm and glowing comments about the physical
legacy of his enterprise.

Solid As Steel

In 1994, Jim Morrow, a retired building-supply businessman and preservationist,
opened his Lustron house in Chesterton, Indiana, near Gary, to the public as a “his-
toric-house museum.” It is currently one of several Lustron houses listed in the National
Register of Historic Places. Along with the occasional help of Joe Tucker, Jr., who
served as Lustron’s director of quality control, Morrow conducts free public tours
of the maize-yellow three-bedroom Westchester, number 2,329 off the Lustron pro-
duction line. Publicity from several newspaper articles and the Indiana Bureau of
Tourism enticed over 1,000 people to visit the house during the first three months
of operation, and the house continues to attract a steady stream of tourists.1
Morrow purchased the house in 1991 for $52,000. The original owners, Norris and Harriet Coombs paid $13,516.55 for the house in 1949, which included a two-car Lustron garage. As Strandlund predicted, the house has held up remarkably well. Morrow repaired rusted roof tiles, a broken dishwasher/washing machine, and several damaged doors, but the porcelain-enameled panels remained in near pristine condition. “My Lustron house maintains a like-new condition,” he reported. “Just the wipe of a damp cloth—no soap—removes anything.” Period furnishings and decorations complement the interior. Morrow currently resides in the house, and despite some raised eyebrows in his family, maintains a high level of enthusiasm about his project. The “house is an important part of our heritage,” he asserts, “and there’s no sense keeping it a secret.”

The secret is indeed out. Jim Morrow’s fascination with Lustron houses and the public’s enthusiastic support of his endeavor reflects an ongoing interest in all things Lustron. Proud owners have populated the Internet with intricate websites detailing every aspect of their homes and corporate lore; Home and Garden Television has featured Lustron in its Extreme Homes series; an annual convention of Lustron homeowners began in 2000; and a major documentary film on Lustron has been shown on PBS affiliate stations throughout the nation. Even a casual web surfer would find over a thousand web pages containing references to Lustron in a simple query—not bad for a company that went out of business more than half a century ago.

Why the continuing interest? It’s the house. There is still nothing quite like it, and anyone who has ever set foot in one is likely to remember the experience. From the beginning, the Lustron house received glowing reviews, and owners often became evangelists for the company. Bernard E. Kinsock provided perhaps the best illustration from Lustron’s operating era. As the company faced foreclosure in early 1950, Kinsock, an owner of a three-bedroom Westchester in Cuba City, Wisconsin, assailed the RFC and other opponents of the company for ignoring the high level of customer satisfaction frequently expressed among Lustron owners:

I bought one of the first three-bedroom models in this section of the country . . . absolute satisfaction is my verdict on every count . . . unfavorable criticism is usually forthcoming from those who have never been inside a Lustron house.

Kinsock’s comments reflected a common concern among the original owners of Lustron houses. Many wondered why the government would withdraw its support of the company despite glowing reviews from its customers. “The Ford Motor Company did not get into full swing in one year,” Kinsock noted. Delays in establishing marketing and service organizations seemed normal for any enterprise, especially one
as ambitious as Lustron. Kinsock also wondered why the company’s critics never mentioned “how the Lustron home provided a family with the best type of dwelling it could obtain [for the] price.”

Clearly the design and quality of Lustron’s product demonstrated that many Americans would accept a factory-made house, a significant accomplishment given previous perceptions of prefabricated houses as cheap, impermanent “crisis” housing. In 1953, the U.S. Steel Corporation sponsored a survey of 320 Lustron owners to determine satisfaction with steel prefabricated housing and to provide research for a possible foray into the market. Two hundred owners returned the questionnaire, which covered such topics as age and income levels, length of occupancy, types of houses previously owned, and where they had first heard about the Lustron house. The survey also queried owners’ opinions regarding design features such as the porcelain-enamed surfaces and mechanical features such as the heating system. It then asked them to compare the Lustron house with other prefabricated houses, other steel prefabricated houses, and, finally, conventionally built houses.

Regarding the characteristics of Lustron owners, the survey found that 68 percent were between the ages of thirty and fifty and that 67 percent reported an annual income in excess of $5,000. Nearly 90 percent said that they were the original owner of the house, and 82 percent reported that they had lived in a conventionally built house before purchasing a Lustron. Validating the company’s advertising strategy, 73 percent of the respondents said that they had first heard about the house from magazine advertisements or from press coverage of the company’s model homes tour during 1948.

The survey also revealed that a majority of owners, nearly 85 percent, believed that the house was large enough to suit their needs. Less than 10 percent had made structural changes, and the majority of those had enclosed the side porch. Intriguingly, only four of the 200 respondents reported altering the interior surfaces of their houses. Of the four, two had installed wood paneling in the living room and two had added wallpaper to the bathroom and kitchen.

The 200 respondents reported high levels of satisfaction regarding the general livability and efficiency of their houses. Ninety-six percent said the house was warm in the winter, 90 percent said the house was cool in the summer, and 99 percent said the windows and doors were “weather tight.” Moreover, nearly two-thirds of the owners reported a savings in heating costs over their previous, comparably sized houses. Over one-third said that they had saved as much as 30 percent in annual heating costs. Yet the heating system also led the list of owner objections to the house. Fourteen percent reported difficulties in adjusting and maintaining uniform heating levels throughout the house. Other objections included the appearance of the asphalt tile baseboards (9 percent), the lack of materials to repair potential damage
(7.5 percent), improperly fitting doors (7 percent), and the lack of sufficient interior soundproofing (5.5 percent)."\(^9\)

In conclusion, the survey revealed that 97 percent of the respondents preferred the Lustron house to their previous houses for three main reasons: low maintenance costs, ease of cleaning, and convenient floor plan. Ninety-eight percent liked the overall design and the appearance of the porcelain-enameled surfaces, and 95 percent said they would purchase another Lustron house or a comparably featured steel house. When asked what changes they would suggest, 11 percent desired a larger kitchen, and 11 percent wanted access to the bathroom and bedrooms without going through the living room. Only 7.5 percent cited “expandability” as an issue that would influence the purchase of another steel prefabricated house."\(^1\)

With such favorable reviews, the company would perhaps have had little trouble attracting customers, especially as it introduced new and more sophisticated models. In a continuing testament to the quality of the house, current Lustron owners report generally the same level of satisfaction at the beginning of the twenty-first century. Recently, Thomas Fetters and Vincent Kohler, founders of Lustron Research, a nonprofit organization dedicated to preserving the company’s historical and physical legacy, estimated that “2,200 of the original 2,500 units originally produced are still standing and fully functional as low maintenance, pest-free
homes.” Lustron Research has documented approximately 2,000 houses and interviewed many of the current owners. Fetters and Kohler reported that only two current owners in their survey “expressed regret that they had acquired the home,” which left “95.5 percent of the owners that were either inexpressive on their feelings or irrepressible in their enthusiasm for their Lustron.”

The existing houses have also attracted considerable attention from preservation societies as important artifacts of the postwar-built environment. In January 1996, the historic commission of the Chicago suburb Brookfield, Illinois, honored several local Lustron houses in a ceremony that united past and present owners. Mary Kircher of the commission commented that the houses “were unique to the American landscape” and a “legacy to the American people.” Another Lustron home in nearby Lemont, Illinois, caused a preservation controversy because it stood in the path of a proposed extension of Interstate 355, a tollway connecting Chicago’s western suburbs. Homeowner Victor Pantaleo and the Will County historic preservation commission appealed to the Illinois State Tollway Authority to aid in securing funds to relocate the house. Pantaleo said, “Lustron houses really and truly are a unique part of our housing history. It’s like rolling over Lincoln’s home, but they don’t care.” The Tollway Commission eventually agreed to move Pantaleo’s house to another site.

Another threat to existing Lustrons is unfolding in established suburbs near major metropolitan areas where vibrant real estate markets have encouraged teardowns of modest postwar houses in favor of high-value new construction. The entry-level neighborhoods into which most original Lustron houses were placed are currently experiencing a different type of gentrification that threatens the viability of many houses of immediate postwar vintage. Some cities are taking steps to maintain the architectural integrity of original suburban developments by adopting new laws or highlighting the architectural history of the area. In Middleton, Wisconsin, the local landmarks commission recently undertook an educational project that included a Lustron house. The commission created and marketed jigsaw puzzles of historical local buildings to educate the public in the importance of the region’s material heritage. One of the puzzles depicted a Lustron house located at 7120 North Avenue. Commission chairman Kent Calloway said the house was included to show people that “buildings don’t have to be old to be unique.”

Lustron’s legions of enthusiastic homeowners and others interested in the legacy of the enterprise have found a collective voice via the Internet and other mass media that might have helped the company survive its political travails. Lustron Research interviewed hundreds of current and former owners and reported widespread loyalty, devotion, enthusiasm, and pride in their houses. The “lust for Lustron” seems to transcend generations, as a number of young owners have created late-1940s time capsules in various rooms or in one case used the house as the centerpiece of a “kitschy-
kastle” lifestyle. The line between kitsch and cool is indeed a fine one, and generation X seems to have embraced the house as an exemplar of both. Singer-songwriter Leonardo named one of his albums after the Lustron house, “not knowing the consequences of [his] actions.” Soon he was receiving “emails requesting maintenance advice (I did help fix a roof once) . . . invitations to conventions, and interviews for documentary films . . . who knew the underbelly I had scratched.”

It is fair to speculate that had the Internet existed in 1950 it might have helped to rally supporters to the company’s cause in a politically viable manner. However, even the Lustron dealers who expressed their desire to save the company before Congress ultimately had little influence over the firm’s ultimate demise. Perhaps part of the company’s continuing attraction is that its potential was left unfulfilled and its final chapter left unwritten, an asymmetric evolutionary arc that has enabled supporters and detractors alike free to speculate about what might have been.

What If . . .

Contemporary and subsequent evidence indicates that Lustron delivered a desirable, high-quality product to the housing market. Yet the company ultimately failed. Bernard Kinsock’s assessment—that the single most important element of Lustron’s failure was the government’s impatience and shortsighted, politically motivated attitude toward the firm—spoke directly to the pitfalls of government entrepreneurship in the social realm. Since new enterprises of Lustron’s scale are never the result of the efforts of a single individual, the quality, tenacity, and foresight of a firm’s entrepreneurial network is crucial in transforming a promising idea into a commercial reality. Lustron’s network included many energetic and tenacious constituents who believed in the firm and convinced others that something new and transformational was in the offing. Yet the federal government, Lustron’s most important entrepreneurial partner, lost its taste for the venture and failed to foster additional networks and coalitions of resources to shepherd the enterprise toward maturity. Lustron supporter Representative Pat Sutton commented recently that Lustron might have survived the Washington jungle if it had employed well-connected lobbyists or reliable corporate representatives. Successful government entrepreneurs such as Henry Kaiser maintained effective Washington agents who arranged key meetings, smoothed ruffled feathers, and kept the company’s finger on the governmental pulse.

The engineering consulting firm Booz, Allen & Hamilton, which authored a detailed report on Lustron’s operations in 1949, concluded that the company had produced a high-quality house. However, the main issue for Lustron was not the technological challenges of design and manufacturing, but the process of motivating and binding
heterogeneous constituencies to carry the infant enterprise toward stability. Once
the crisis conditions that spawned Lustron had abated, the government abandoned
the entrepreneurial partnership with devastating consequences. One of the most intrigu-
ing questions is whether a different political climate would have maintained the mid-
dle-tier strategy of federal support for innovative housing technologies, in the
interest of improving the overall quality of housing for the mass market, while reduc-
ning costs to a point where even low-income Americans could afford decent single-
family houses in suburban settings. Additional money and time might have produced
a different reality for low- and moderate-income families.

Could Lustron have survived and prospered with additional time and money? The
Booz, Allen report concluded that the average price of the house, around $10,000
including a lot, was simply too high for the mass market segment that Lustron had
to serve in order to rationalize its tremendous productive capacity. The company
recognized this problem and had intentionally geared its initial offering to a higher
market segment because Strandlund and other top managers believed that only a
full-featured house could overcome negative public perceptions of prefabricated hous-
ing. Lustron’s early advertising consistently reminded customers that the Lustron
house was not a “crisis” house, but a permanent, traditionally designed dwelling with
more features and conveniences that a comparably priced conventionally built house.
The company sought first to obtain public acceptance for its product, then expand
the product line to serve broader market segments.

The initial prices for Lustron houses reflected greater than anticipated manufac-
turing expenses and costs of dealer assembly and site preparation that proved diffi-
cult to quantify given regional variations. Indeed Booz, Allen’s analysis was
correct—for 1949. The price of Lustron’s early models limited the company’s mar-
ket potential and rendered inefficient its large investment in production capacity.
But Lustron had by January 1950 undertaken a number of strategies to increase manu-
facturing efficiency and expand market potential.

The implementation of architect Carl Koch’s plans for a “second generation” of
Lustron houses represented the most important step. A reconfigured design
emphasizing modularity promised to reduce raw material and manufacturing costs,
speed the production process, and increase the number of models that the company
could offer. For a relatively small investment in retooling and a revision of the pro-
duction layout, Lustron was poised to offer models with an estimated cost ranging
from $7,000 to $12,000, excluding lot. Profitable production of a $7,000 model
represented the key to the wage earner market, while at the same time the com-
pany retained the capacity to serve higher market segments.

Koch’s redesign would have rationalized Lustron’s productive capacity and pro-
duced significant economic benefits for dealers and developers using Lustron
houses. By increasing the level of factory preassembly, dealers and developers would spend less time and money to erect the house. Increased profitability promised a more stable distribution network and provided incentives to attract developers who could not otherwise afford to invest in training specialized crews to assemble Lustron houses. The “countrywide production line” envisioned by the company seemed within reach once profit potential could be assured throughout the production, distribution, and assembly process.

Further, by January 1950 Lustron had reevaluated its sales and marketing strategy and reconsidered its initial reliance on a franchised dealer network. The franchised dealer approach proved seductive as an initial strategy because it seemed to provide a flexible marketing structure. Variations in housing markets throughout the nation made it difficult for Lustron to devise strategies suited to each region. Local dealers seemed better equipped to implement tactical marketing strategies suited to local environments. Franchised dealers also relieved the company of the financial burden of carrying the cost of the house until it was sold to a customer.

Reliance on a franchise system, however, created a number of problems. The issue of control loomed large. In the automobile industry, for example, the push and pull of the dealer-company relationship had been resolved in favor of the companies, which exerted a high level of control over dealers with respect to pricing, inventory, and service requirements. Lustron’s system did not give the company sufficient control over its dealers to guarantee that a large production volume could be consistently moved onto the dealer network. Moreover, some dealers did not share the company’s vision for the appropriate setting of the house. Individual dealers typically did not possess the financial resources to become community builders and thus focused on selling individual or small groups of houses that may or may not have been placed in community environments.

Consequently, Lustron implemented a general reorganization of its sales strategy that dropped all but the most profitable dealers, who—as it happened—had found success by implementing the community-planning suggestions contained in Lustron’s Planning Guide. The company’s emphasis on fleet sales—high-volume sales to suburban developers or to the military—promised to resolve the problem of unloading a large production volume while retaining control over the proper placement of the house within community environments. The “community building” marketing strategy included a commitment to expand factory support to large-scale developers and an extension of the financing arrangement with the Galbreath Mortgage Company to facilitate customer sales.

By establishing relationships with community builders instead of relying on small-scale franchised dealers as its market conduit, Lustron demonstrated an evolving understanding of its economic environment and an appreciation of the external factors
that determined success or failure in the prefabricated housing industry. As William Levitt observed in 1949, “there is no such thing as a complete factory-engineered house—because no one has discovered how to prefabricate the land, how to prefabricate the road in front of the land, or the water main that goes into the house.”

Lustron indeed realized that only through a holistic approach to the process and consequences of prefabrication could it aspire to a profitable future. This was especially significant for a producer of factory-made housing. Firms like Levitt and Sons employed site prefabrication, a system in which the house was affixed to a community setting from the beginning of the construction process. For Lustron, extending administrative coordination beyond the shipping dock and encouraging partnerships with community builders represented a major step in the development of the industry. Whether the company’s approach would ultimately have succeeded of course remains a matter of speculation.

As this study has argued, the firm’s demise can be viewed as more a function of its relationship with the federal government than business shortcomings or market acceptance of its product. The company’s reliance on government capital and association with the crisis atmosphere of the midcentury housing shortage placed it in a political crucible throughout its existence. Lustron’s position reflected conflicts inherent in the process of government entrepreneurship in the social realm. Though the rewards may have been considerable, the drawbacks included incessant public attention and evaluation of even the smallest detail of corporate policy.

Lustron initially welcomed the attention as a valuable aspect of its advertising strategy because press coverage was overwhelmingly favorable. Yet such attention also created unrealistic expectations. When manufacturing and marketing difficulties delayed full-scale production, the media and government officials began to reconsider their support for Lustron. The terms of the relationship and the yardsticks for determining progress and success frequently shifted with the political winds. In five years Lustron’s relationship with the government went from favorite son to unwanted stepchild.

The political environment that Lustron faced ultimately cost the company time, a commodity that in retrospect was as valuable as capital. Lustron’s association with an ongoing debate regarding the proper role of the federal government in the postwar economy made it especially vulnerable to political attacks. The efficacy of federal capital allocation to industry in peacetime through the RFC became an issue that raised concerns about free competition and government domination of markets to the detriment of private enterprise. Many of Lustron’s critics based their opposition solely on these ideological grounds. Other prefabricated housing firms also raised the issue of anticompetition, noting that government “favoritism” of Lustron created a barrier to entry for firms that were not fortunate enough to receive federal capital.
The tenuous political position of the RFC also undermined Lustron’s prospects. As the agency battled for its continued existence, its association with Lustron became a political liability. The terms of the Lustron loans reflect the RFC’s desire to plot a course between supporting a promising venture that served public policy goals, and the temptation to abandon Lustron in order to shore up its political position. Recognizing the complexity of the venture, the original loans granted a long-term repayment schedule. But the later loans required full repayment within a time span as short as six months. The short repayment terms of the later loans thus provided the RFC with a rationale for terminating its association with Lustron.

Without access to long-term capital, the company’s plans to refine production and marketing strategies could not be realized. Ironically, one of the most frequently cited reasons for optimism regarding Lustron’s success was its large capitalization that enabled the attainment of production economies. In the end, however, Lustron was highly undercapitalized as a result of the withdrawal of RFC support. The company was thus unable to exploit the competitive advantage of scale, a factor that had long been viewed as essential to the rationalization of the American housing industry.

Clearly, both the RFC and Lustron made many mistakes. Lustron’s management team grew accustomed to special treatment and at times adopted an arrogance that exacerbated difficulties with the government. Strandlund admitted that Lustron was “in the habit of getting what it want[ed].” This attitude fostered resentment among its critics and sometimes even its supporters as the company expected them to run interference when bureaucratic roadblocks appeared. The RFC was also inconsistent in defining the limitations of its involvement in company affairs. Initially adopting a hands-off attitude, as political pressures increased and business problems inevitably emerged, the RFC became interested in minute operational details. The increased level of interest was undoubtedly a political defense mechanism as it sought to justify its considerable investment. Yet to Lustron officials it appeared that the RFC was simply looking for shortcomings and problems to use as ammunition in a quest to destroy the company. The lack of communication between the company and its primary creditor produced an atmosphere of mistrust that obviated what otherwise might have been a beneficial aspect of the company’s relationship with the federal government.

Contemporary observers of the immediate postwar housing industry often called for “revolutionary” approaches to facilitate the mass production of affordable housing. Lustron was indeed revolutionary, particularly with respect to the scale and scope of its operations and the level of federal support that it initially received. It may, however, have been too radical. Not from a product perspective, for the market acceptance of the Lustron house demonstrated that the public would buy a porcelain-enamed steel dwelling, but from a process perspective.
The unprecedented level of direct federal financial participation in one company represented a significant departure from traditional peacetime housing policies. Despite the crisis atmosphere created by the veterans’ housing issue, such an investment seemed out of place within a peacetime economic context. Conservatives especially viewed federal support for Lustron as inconsistent with their desires for reduced governmental involvement in the private sector. Indeed, the Housing Act of 1949 included the objective that “private enterprise shall be encouraged to serve as large a part of the total need as it can” and “governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need.” Opponents of Lustron clearly believed that continued governmental assistance was not a “feasible” element of federal housing policy, and the American public ultimately accepted this analysis.

Legacies

Though not as evident as the houses themselves, other elements of Lustron’s legacy remain relevant today. The technological scope of the firm was significant and influential. The allure of factory-built housing did not disappear after Lustron, and in subsequent years the housing industry has embraced prefabricated technologies with substantial vigor. Instead of focusing on one firm or one type of technology, though, the industry has made steady but sure progress across a range of processes and materials. This has allowed it to digest the impact of industrialization on market practices and business systems in a more comfortable and contextual manner. At the dawn of a new century, however, prefabricated housing technologies can be found in virtually all newly constructed single-family houses. Even in high-value “custom-built” houses elements of industrialized building are used with increasing frequency. Calling the average million-dollar home “prefabricated” is of course a stretch, but in my suburban Chicago neighborhood “conventionally” built houses using factory-made modules can sell just a few price points south of the million-dollar mark.

Industrialization is now a reality in residential construction across a wide range of housing forms. Perhaps the most familiar is the mobile home, also called the manufactured house, since it is rarely mobile in its present use. Despite a legacy of criticism and condescension, manufactured housing plays an important role in the housing market as the “predominant unsubsidized type of affordable housing in the United States.” The manufactured housing industry is especially important in providing decent housing in less populated areas, but its impact is felt nationwide across a surprising demographic range. Over 12.5 million people live in manufactured houses, and the industry is growing at nearly twice the rate as the conventional homebuilding industry.20
Part of the success of manufactured housing has been the consistent development of larger models with more sophisticated features and higher-quality materials engineered to surprisingly high tolerances. Another factor has been its increasing use outside the “trailer park” in traditional, desirable neighborhood settings. There is a good chance that many Americans have driven by a “mobile home” without realizing it. Manufactured housing, with a little help from a landscape designer and finish carpenter, has proven well suited to many neighborhoods and continues to offer value to a market segment frequently neglected by today’s merchant builders. Indeed, the manufactured housing industry has increasingly demonstrated an understanding of the total dimensions of industrialized housing and has provided valuable lessons to the industry as a whole.

The increasing sophistication of the manufactured housing industry in recent decades has indeed provided greater opportunity for home ownership in the lower-income market. Yet the Lustron house of the late 1940s remains superior to most manufactured houses currently on the market. Lustron’s engineering and build quality far exceeded most contemporary manufactured homes in comparable market segments. In contrast to the surveys of Lustron owners cited above, owners of manufactured housing report wide variations in quality and satisfaction. The extensive use of environmentally unsustainable products in manufactured housing and their associated deleterious health effects is but one of the social costs of abandoning Lustron’s more sophisticated, integrated approach. Given the firm’s engineering expertise and dedication to quality and innovation, there is little doubt that a twenty-first-century Lustron house would be superior to any contemporary manufactured home and would exert considerable influence over build quality and cost structure across the market spectrum of modern housing construction.

Serving traditionally underserved markets through the economic benefits of industrialized production has been a focus of those concerned with American housing issues since the late-nineteenth century. Yet the impetus for industrialization today reaches well beyond concern for the underserved to encompass all sectors of the residential construction industry. As demand pressures force housing costs higher, the need for greater efficiency and productivity is clear. Industry forecasters predict a housing boom while at the same time warning of a continuing shortage of carpenters and trades people over the next decade. Technology, in the form of improved production processes or new materials, has gained increasing attention across the industry in recent years.

The rise of environmentalism has also emerged as a major issue for the housing industry and a motivation for increasing the efficiency of the production stream. Prefabricated components and systems help reduce waste at the building site and thus help firms reduce significant waste management costs. Rising prices and
declining quality of lumber have prompted the industry to give building materials other than wood serious consideration. A number of companies in the steel and construction industries have promoted the use of steel in residential construction as a response to the increasing environmental consciousness among consumers. Several companies cited the innovative quality of Lustron’s steel frame design at a recent convention of the National Association of Home Builders in Houston, Texas. Steel framing systems consisting of roof trusses and wall studs displayed at the convention bore a remarkable resemblance to the Lustron system, and firms touted the same advantages of steel framing, such as durability and structural stability, as Lustron did in 1947.

The Steel Framing Alliance, an organization established by the American Iron and Steel Institute in 1998, continues vigorously to promote steel-framed housing. The steel industry’s longstanding interest in housing as an additional market for its products is well served by contemporary environmental concerns. As one member observed, “steel-frame housing gives steelmakers a chance to portray themselves as environmentalists. After all, the choice between wood and steel for the frame of an average house is the choice between one acre of trees . . . or seven Oldsmobiles.” The Alliance believes that steel is the best and most feasible alternative building material for residential construction and that it has “inherent benefits that can be found in no other product.”

Additional advantages of steel construction touted by the Alliance would sound familiar to Lustron’s sales staff: impervious to termite damage; noncombustible; dimensionally stable; consistent material quality; screwed and bolted together for greater resistance to wind damage; not vulnerable to any type of fungi or organism; and, interestingly, “reduces work for other trades as it has pre-punched holes for running piping and electrical wiring.” Steel framing and steel housing systems are also attractive from a long-term performance and quality standpoint, especially since insurance companies are increasingly wary of litigation surrounding building component warranties on conventionally built housing developments. Clearly, wood is no longer automatically seen as the best material for housing, and this has forced builders to become more familiar with alternative systems and aware of possible competitive inroads.

Other factors currently influencing the advance of industrialization is the ongoing consolidation of the building industry. Big builders are getting bigger, and the increased geographical scope of individual firms has heightened competition. The scale and scope of these firms and competitive pressures associated with the pursuit of new markets have made them more aware of the advantages of factory-built components, particularly in controlling the cost of site labor. Interestingly, as these firms become more powerful they have been able to influence the adoption of per-
formance-based building codes and have thus paved the way for further prefabrication in wood and other materials amenable to factory production.

While current market forces seem to favor the advance of housing technologies, one factor that has had minimal influence on industrialization in the decades following Lustron’s demise is federal housing policy. This is primarily a consequence of the triumph of privatism and prosperity in the postwar era. The “path not taken”—providing direct support for innovative housing firms—meant that the two-tiered housing policy that emerged in the 1930s remained preeminent. The advance of housing technologies was ancillary to concerns over the continuation of subsidies for the private construction of suburban-based middle-class housing on one hand and publicly funded urban housing projects for low-income families on the other. Despite the importance of the housing industry to the American economy, there has been very little government investment or interest in residential technologies. The federal government bears substantial blame for the continuing fragmentation of the industry and for inhibiting the introduction of new technologies. Many emerging technologies rarely get past the prototype stage since the federal government remains unwilling to offer sufficient incentives to support experiments beyond initial stages of research, development, and market testing. Strandlund would have understood.

However, beginning in the 1990s, the use of industrialized housing to achieve public policy goals has again attracted the attention of government policy makers. In 1990 Congress passed the Cranston-Gonzalez National Affordable Housing Act that established the National Commission on Manufactured Housing. The Commission called for “equal treatment” of prefabricated houses with respect to financing and federal housing subsidies. The department of Housing and Urban Development has also supported the use of manufactured housing to provide “elder cottages” for low-income seniors. One hundred units in seven cities have been erected under the Elder Cottage Housing Opportunity program. In 1994 Congress passed the Veterans’ Benefits Improvements Act, which included Veterans Administration loan guarantees for manufactured housing. In this respect, the Act is reminiscent of the Veterans’ Emergency Housing Act of 1946, the legislation that aided the establishment of the Lustron Corporation.

Industrialized housing also continues to attract attention as a strategy to provide affordable housing and economic opportunity. A current focus is on economically depressed regions in major cities. The Automated Builders Consortium, founded in Los Angeles by Don Carlson in 1992, envisioned building prefabricated housing plants in the inner city. Carlson stated that

it occurred to us that we ought to start building housing factories in the inner city that would employ local people and teach them skills . . . the more you can do in
a factory, the more you have an opportunity to train people and the less costly the product will be.

Echoing the theme of government entrepreneurship, Carlson planned to “take advantage of government financing programs . . . and involve the banks and mortgage companies.” Several factories are currently in operation, including two in Los Angeles, one in Wichita, Kansas, and one on the south side of Chicago.27

These firms will undoubtedly face some of the same problems that Lustron did half a century earlier. Like Lustron, it appears that the current ventures have a strong commitment to providing a quality product. As Jim Kuhnert of New Era Building Systems recently observed, “we build to the top of the code . . . I think our product is better than the average site-built house.”28 Perhaps their customers will express the same level of satisfaction with their houses fifty years from now, as many Lustron owners have since 1949.

Another significant development in the area of government–industry cooperation is the creation of PATH, the Partnership for Advancing Technology in Housing. A national effort to improve the housing design and construction industry, PATH began in 1994 when the Clinton administration created a clearinghouse organization to assist a variety of federal agencies and private participants in the formulation of national construction goals. The effort heightened interest in an ongoing public–private partnership, and in 1998 Congress officially authorized the organization to foster the development, dissemination, and use of new housing technologies under the coordination of the Department of Housing and Urban Development. PATH addresses “issues and institutional problems related to technology development in the housing industry . . . strives for viable cost-effective solutions” and has “adopted far-reaching goals that deal with the quality, durability, environmental impact, energy efficiency, affordability, and disaster risk of America’s homes.” With partners from all sectors of the residential construction industry, PATH seeks to meet three primary objectives: developing new housing technologies; disseminating information about new and existing housing technologies; and studying and establishing mechanisms for sustained housing technology development and market acceptance.29

PATH clearly holds promise as a model for business and industry collaboration outside traditional boundaries. Expenditures on residential technology research and development continue to languish as a percentage of sales in comparison to other industries. Emerging technologies that could be useful to the housing industry often fail to find acceptance because the housing industry, unlike other driving forces in our economy, is extremely dispersed. The introduction of new technologies can take decades to achieve full market penetration. By helping industry to close these gaps
and to get next-generation technology into the market faster, PATH hopes to have a significant impact on improving the quality and affordability of American housing.30

The recently issued Millennial Housing Commission report “Meeting Our Nation’s Housing Challenges” contains other elements suggesting renewed federal interest in housing technologies and prefabricated construction. The report affirmed the importance of manufactured housing to the American housing system and called for the expansion of credit access for buyers of manufactured houses. The report also asked Congress to affirm that Fannie Mae and Freddie Mac can purchase loans on manufactured homes classified as personal property, encouraged support of a secondary market in such loans if they are determined to be sound, and established performance goals for manufactured home loan purchases. Integrating all types of homes into the U.S. housing finance system on an equitable basis is an important element for the future of industrialized housing. The report also generally affirmed the importance of government-sponsored enterprises such as Fannie Mae, Freddie Mac, and the Federal Home Loan Banks in the development of industrialized housing to serve low- and moderate-income homebuyers.31

Whether these programs will hasten the process of industrialization remains to be seen. With the aid of market forces favorable to prefabrication, they may produce technological advances that would aid all sectors of the industry. It is unlikely, however, that another venture like the Lustron Corporation will emerge from the cauldron of government–industry interaction. Lustron was the product of a line of evolution within the housing industry unceremoniously extinguished by political and economic circumstances. And that was a loss for society, since with few exceptions the provision of housing for ordinary Americans has received scant attention in subsequent decades. The concerted energies of the Truman administration, Congressmen from both parties, and various administrators in dealing with housing in the immediate postwar years must be recognized as one of the few eras when actions as well as words were aimed at easing the nation’s enduring housing problems. Wyatt, Truman, and other supporters of Lustron’s vision for a new era in housing production deserve credit for risking their reputations in the quest to find solutions to assist Americans of modest means. They challenged long-established and powerful forces in the conventional home building industry and demonstrated an awareness of historical influences and future possibilities. In the end they lost the battle, but they remain largely unsung heroes in the ongoing campaign for the fulfillment of the national housing goals as expressed in the Housing Act of 1949 of “a decent home and living environment for every American family.”

Unlike the majority of failed business enterprises, Lustron left considerable tangible evidence of its existence. Visitors to Jim Morrow’s Lustron “museum” and
current owners of Lustron houses can still share a part of Carl Strandlund’s vision. It is likely that the Lustron house will endure as a small but intriguing part of America’s material heritage for some time to come. In 1959, C.W. Webster of 2021 Kilburn Avenue in Rockford, Illinois, told a reporter about the time a runaway truck smashed into the corner of his Lustron house. “The truck was completely demolished,” he said, “but two former Lustron carpenters repaired the damage to the house in a day and a half at a cost of approximately $150.” The carpenters stated that “any other house would have been knocked off its foundation by the force of the collision.” The Lustron house at 2021 Kilburn Avenue remains standing today.