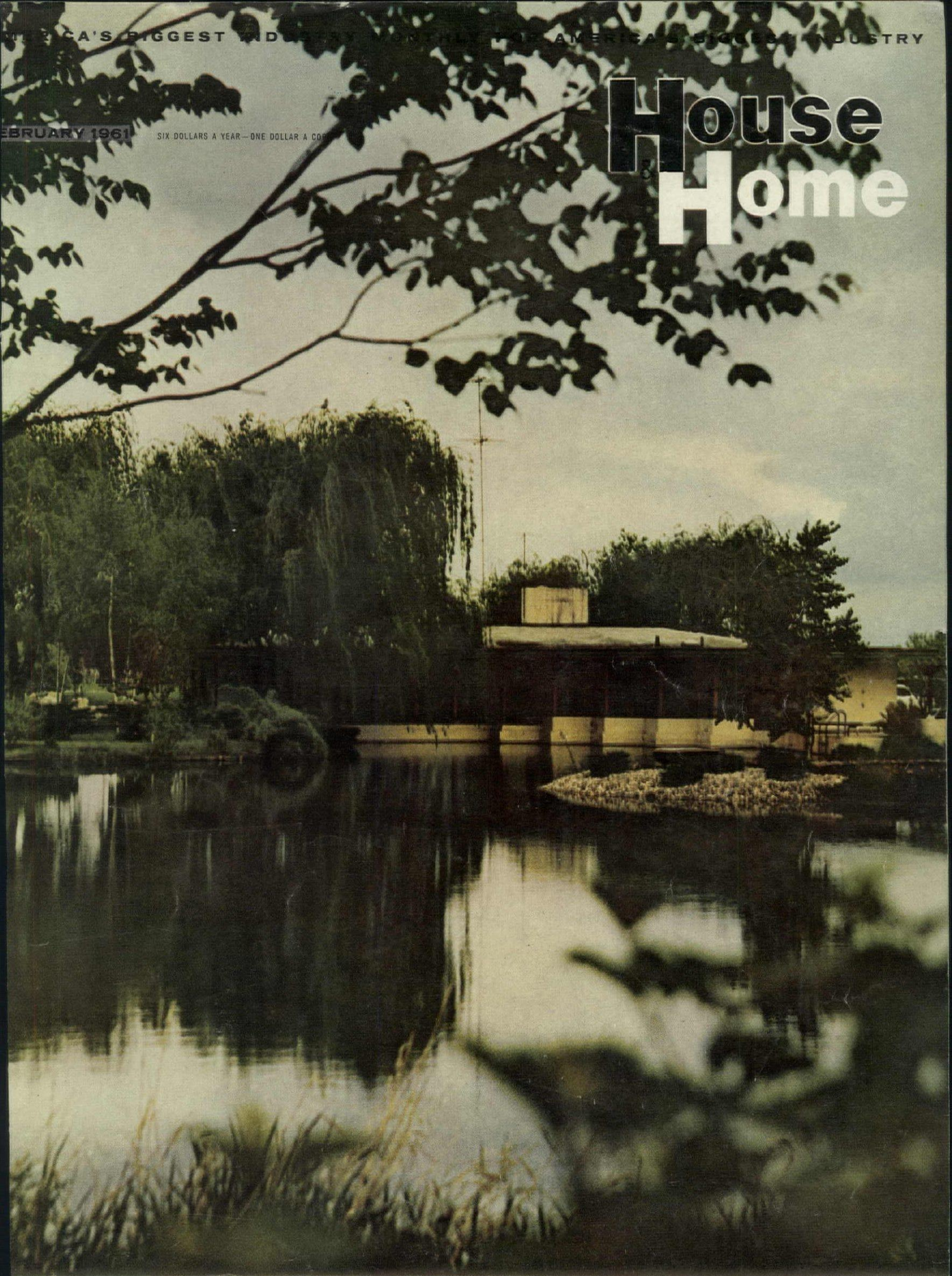


AMERICA'S BIGGEST INDUSTRY MONTHLY FOR AMERICA'S BIGGEST INDUSTRY

FEBRUARY 1961

SIX DOLLARS A YEAR—ONE DOLLAR A COPY

House Home



PROFILE IN DESIGN: 1. Houses by Alden Dow of Midland, Michigan

Opportunities in retirement housing

NEWS BEGINS ON PAGE 39 / COMPLETE CONTENTS, PAGE 81

Celebration... Sellebration...
now an **INLAID VINYL** flooring with
Sellsational home selling features!

AMERICANA

Congoleum-Nairn proudly introduces a Flor-Ever® Vinyl floor that for the first time gives your homes every selling "extra"—with no extra in cost!

Flor-Ever Vinyl, you know, has been the quality symbol in millions of homes. Now, "Americana" offers three *new* features.

1. Flor-Ever in a luxury design with decorative "chip colors" in the newest style—to correlate with today's color trends in appliances, top coverings, paints and wall coverings.
2. A blend of Flor-Ever's famous features (the non-porous quality that defies household staining and gives easy-care glow) with a beautiful new sateen finish that disguises scuffs, hides underfloor irregularities and resists indentation... a magnificent vinyl by the yard for a virtually seamless expanse of beauty.
3. A pricing policy that fits EVERY home selling budget—plus Congoleum-Nairn's great "Model Home" policy and promotional selling helps.

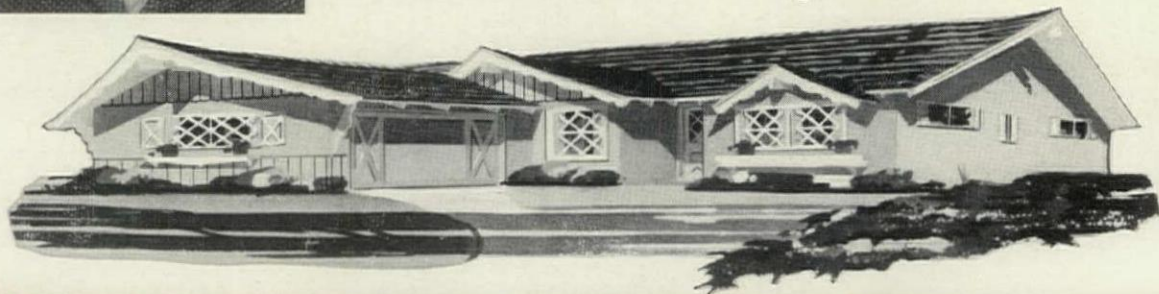


Congoleum-Nairn
FINE FLOORS



**"...will help SUN RAY sell
luxury and comfort—at sensible prices"**

says James R. Murphy, sales manager of Sun Ray Estates, the highly successful development created by R. A. Watt. And to Mr. Murphy's shrewd appraisal of Americana Vinyl's value for smart builders need be added only the fact that Sun Ray's color coordinator, Mel Grau also selected Americana for his sales-exciting interiors.





**MODERN IN EVERY
CONCEPT...**

The three and a half million dollar Atlanta Hilton Inn was developed and constructed by Hogan Bros., Inc. of Metairie, La. The architect was George Saunders, Waller E. Blessey handled the structural engineering, and Edward Sanford was in charge of mechanical engineering. The installation of the plumbing system was made by Hoffman-Wolfe Southern Corporation of Atlanta.

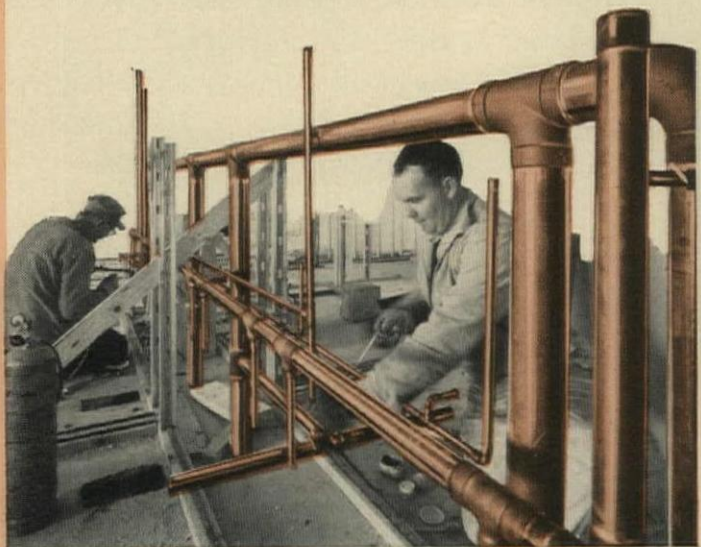
When it comes to modern, rust-proof, clog-proof, life-time supply and drainage plumbing systems, more and more architects, builders and plumbers are saying: "All copper". The jet-age Hilton Inn, just opened in Atlanta, Georgia, is an excellent example because Streamline copper tube and solder-type fittings are used for supply and drainage plumbing in this ultra-modern 310 room structure.

Because of solder joint strength and lighter weight of copper, even complex plumbing assemblies can be quickly shop prefabricated or assembled on the site with a minimum number of solder joints. With copper there's more actual useable area in the building because furring-out is eliminated. The standard 20 foot lengths, uniform dimensions, complete range of sizes, weight-savings and lower labor costs make Streamline copper tube and fittings more economical, too.

Send for catalog D-459, for all the latest facts on Streamline DWV copper tube and solder-type fittings, the modern, sanitary drainage piping material.



INCLUDING THE
Streamline®
COPPER TUBE AND
FITTINGS USED IN
THE PLUMBING SYSTEM



318-R



See You In Chicago . . . Booth 845-849

MUELLER BRASS CO. PORT HURON 10, MICHIGAN

A NEW LOW-COST WAY TO AIR CONDITION AND HEAT YOUR HOMES

...the amazing Carrier Thermo-Center!

Here's a way to sell your new homes fully air conditioned at little more than the price of a heating system alone. It's the exclusive Carrier Thermo-Center—a unique method of combining a forced warm air heating unit with a self-contained summer air conditioner to provide low-cost, twelve-month central air conditioning. It can be used with substantial savings in ranch, split level or multi-story homes.

Study the diagrams on the opposite page. Notice that the key to this system is the pre-fabricated Thermo-Center wall sleeve and

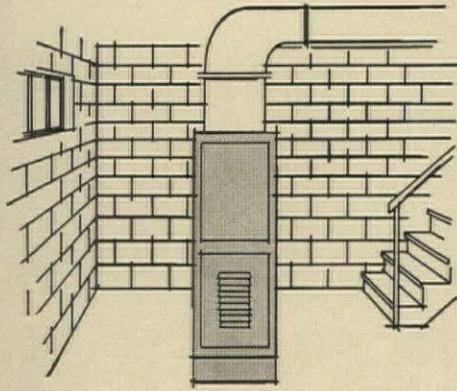
transition assembly which provides a simple, through-the-wall mounting for the air conditioner and controls the airflow between the heating and cooling units. The result is a cost-cutting installation technique for you and superior air conditioning your prospects want and can afford.

You can't afford to overlook this big sales plus in your new homes. Get the full facts about it from your Carrier Dealer, listed in the Yellow Pages. Or write Carrier Air Conditioning Company, Syracuse 1, New York.

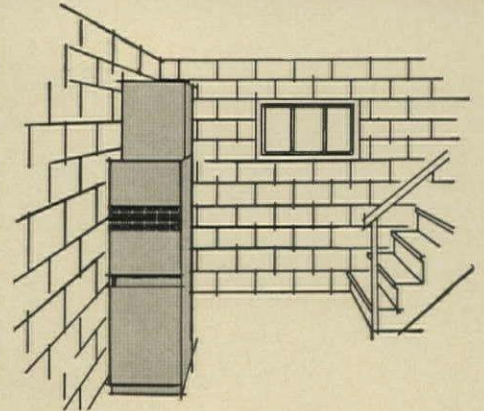
Any type of home can be a Carrier Thermo-Center home



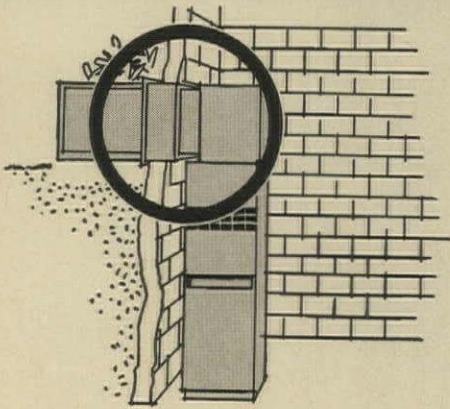
The ABC's of the Carrier Thermo-Center Concept



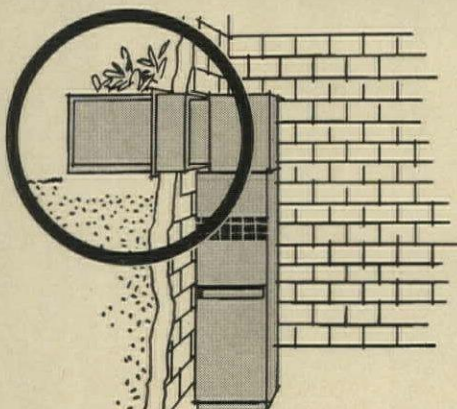
1 The first step is to put aside outdated notions of where a heating unit can be located. Planting the furnace in the middle of the basement was good enough years ago when people were satisfied simply with heating their homes.



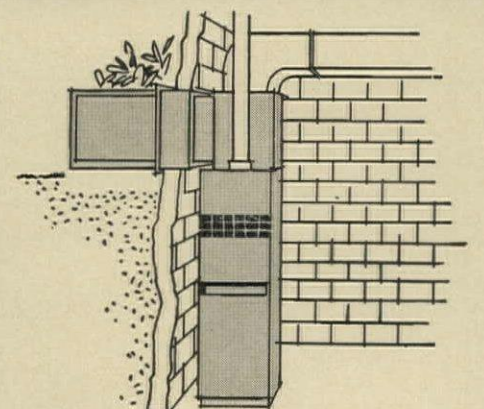
2 In the Thermo-Center, the unit is moved to an outside wall. There's no change in the amount of ductwork required, nor is the system operation affected in any way. Heating units can be upflow, downflow or horizontal; gas or oil.



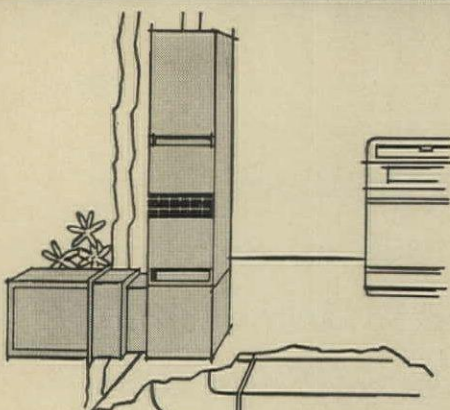
3 Next, the prefabricated sleeve and transition assembly is built into the wall and joined to the furnace plenum and ductwork. The sleeve and transition assembly can be applied to any type of wall construction—frame, brick or concrete.



4 The cooling unit is inserted into the sleeve, anchor brackets attached, seams caulked and electrical connections made. There are no refrigerant lines, no plumbing, no specialized on-the-job construction, no installation delays.



5 The Thermo-Center can be applied to any type of home—ranch, split level or multi-story. In a house with a basement, for example, the cooling unit is connected to a plenum set on top of an upflow Carrier Winter Weathermaker.



6 In a house built on a slab, the transition is joined to a Thermo-Center downflow plenum which supports the Winter Weathermaker. The plenum directs air from the heating and cooling units into the duct system.

You save hundreds of dollars per home

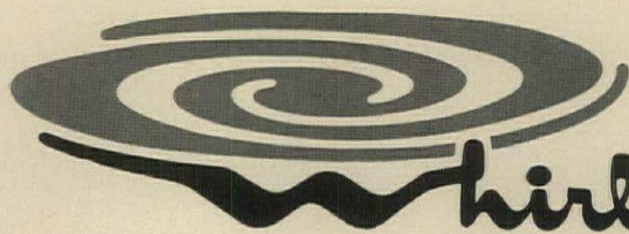
- 1** No water supply or drain piping is required
- 2** No refrigerant lines are needed
- 3** Ductwork and wiring are simplified
- 4** No specialized on-the-job construction is necessary
- 5** Installation time and labor are greatly reduced
- 6** Less than 5 square feet of floor area is required

Carrier Air Conditioning Company

A DIVISION OF CARRIER CORPORATION

THE TWO APPLIANCES THAT SELL THE WHOLE FAMILY

...you'll get unanimous home-buying decisions faster,
because mom, dad and the kids will all welcome
the opportunity to put an end to dishwashing
drudgery and messy garbage cans.




Whirlpool

CORPORATION

ST. JOSEPH, MICHIGAN

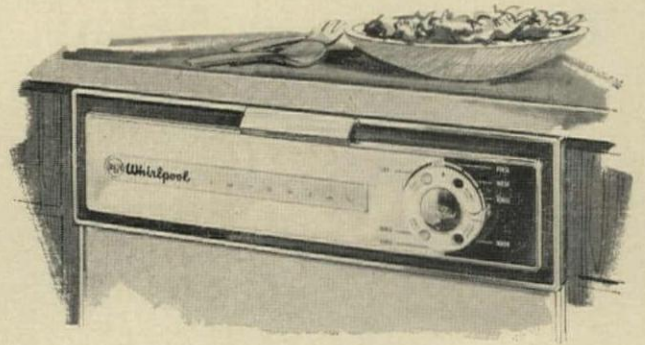
Manufacturer of RCA WHIRLPOOL Automatic Washers • Wringer Washers • Dryers • Washer-Dryers • Refrigerators • Freezers
Ice Cube Makers • Ranges • Air Conditioners • Dishwashers • Food Waste Disposers • Dehumidifiers • Vacuum Cleaners.

Use of trademarks  and RCA authorized by trademark owner Radio Corporation of America

YOUR GREATEST ASSET IS OUR QUALITY PERFORMANCE

New for '61

RCA WHIRLPOOL DISHWASHERS AND FOOD WASTE DISPOSERS



Here are the two RCA WHIRLPOOL appliances that capture the fancy of the whole family. No more tedious dishwashing for mom. No more dishdrying for dad and the kids. And no more disposing of messy garbage. Instead, the whole distasteful job is done automatically, permitting more time for more enjoyable things.

With RCA WHIRLPOOL Dishwashers your prospective home buyers will be impressed with its large capacity, its simple loading, its 4 automatic-dial settings, its Filter-Stream* washing action and the Select-A-Door* trim kits which permit installation of door panels to match the kitchen decor. There are many other features, too, you should learn about. Just write Contract Division, Whirlpool Corporation, St. Joseph, Michigan.

*Tmk.

RCA WHIRLPOOL Imperial model food waste disposer



Engineered for quiet, positive action, its automatic reversing system frees jamming should it occur. Safety cover switch seals the sink and sets the disposer in action. An ideal companion to the RCA WHIRLPOOL Dishwasher with provision for drain connection through the dishwasher.

SHD-31



Model FU-70B
automatic dishwasher



**Apply In
Any Weather!**

Paint When You Choose!

Takes Less Paint - Faster!



**Weyerhaeuser
DRI-SHIELD**

A special water-repellent preservative protects siding from rain and snow during construction, stops capillary action or "wicking" after application. Paint goes on faster, less is needed and it can be applied at your convenience. Home buyers like the smoother finish and the savings on lower upkeep. You get these features with Dri-Shield plus the recognized quality of Weyerhaeuser 4-Square wood siding.

Available in These Species and Sizes:

Western Red Cedar and Western Hemlock, $\frac{1}{2}$ " x 6", 8" and $\frac{3}{4}$ " x 8", 10". Nu-Loc, made to measure lumber, in both species.

For more information, write us at Box B, Tacoma, Washington

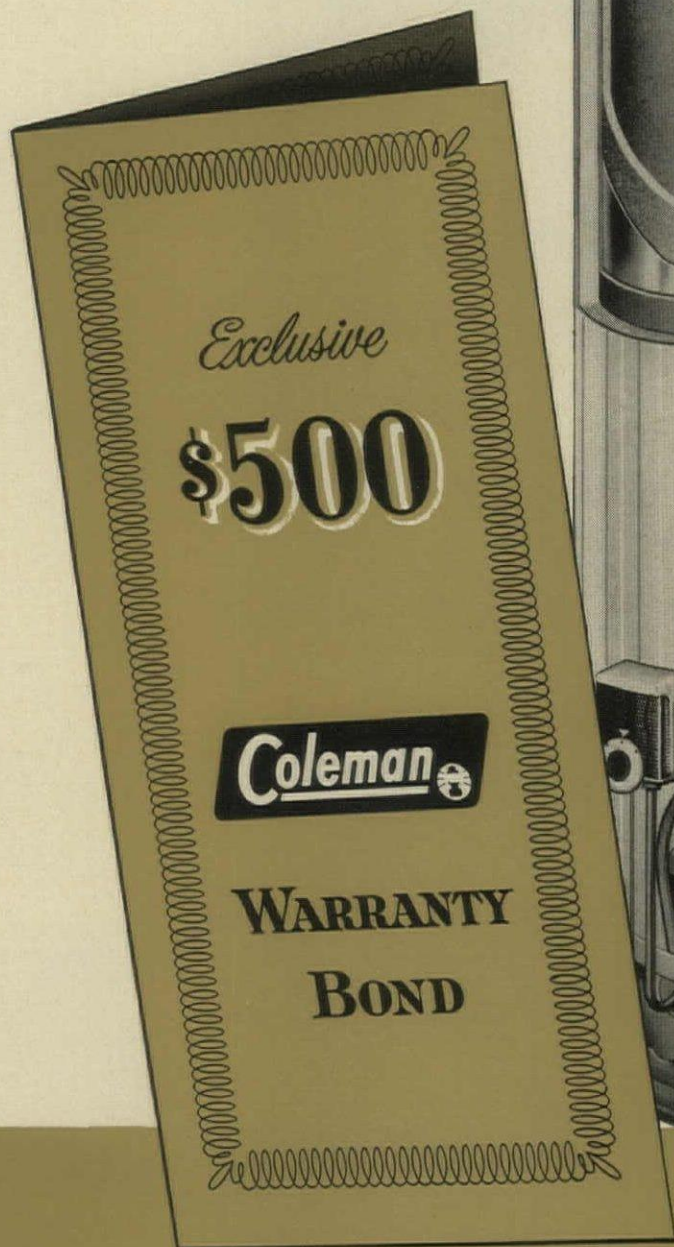
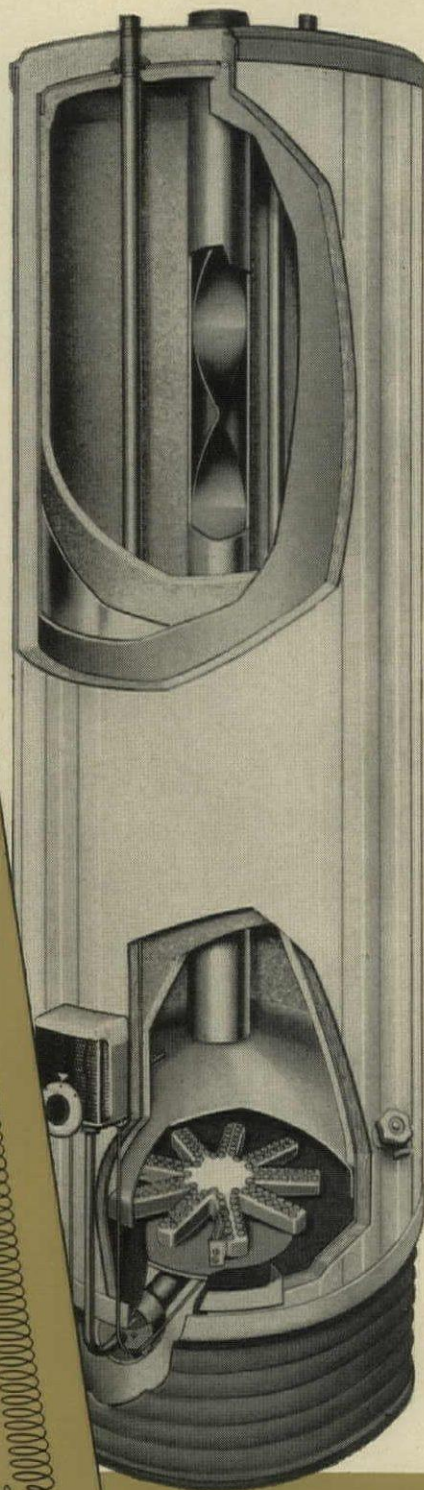


Weyerhaeuser Company
Lumber and Plywood Division

World's only water heater with

rust-proof Vit-Rock lining

World's Only Bonded Gas Water Heater



BOND ISSUED BY TRAVELERS INDEMNITY
COMPANY, HARTFORD, CONN.

*Bonded because it's better.
Better because it's Coleman.*

GREATEST SCIENTIFIC ADVANCE in the history of water heaters. Coleman's revolutionary Vit-Rock Water Heater—with its stone-lined tank and double glass-lined heating surfaces—absolutely will not corrode or rust. Water never touches metal! No matter how destructive the water in your area may be, it cannot harm Vit-Rock.

A.G.A. approved... capacities from 20 to 50 gallons. 10-year guarantee backed by exclusive \$500 warranty bond. Ask your Coleman distributor or write

The Coleman Company, Inc. / Wichita 1, Kansas

Coleman builds the most complete and only bonded line of heating and air conditioning. Investigate!



The drama of wood dominates this living room. Structural beams blend harmoniously with paneled walls and strip flooring, as well as bricks and glass. Unusual, paneled overhang makes room more cheerful.

In the living room, wood stands for pleasant living

WOOD sells the rooms that sell the house

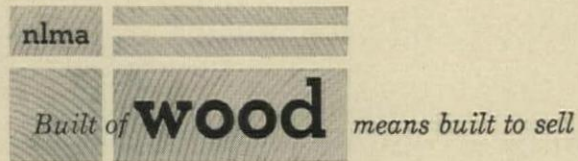


Wood's indoor-outdoor beauty makes a strong selling point in modern living rooms. Here, modified plank and beam construction makes beams double as window frames. Wall paneling is hardwood plywood.

When you are planning living rooms, keep in mind that your prospects will examine them as the showpieces of their homes-to-be. Here is where they plan to relax, entertain, lead the good life . . . and this calls for *wood*. In living rooms, nothing in the world shows to better advantage at such reasonable cost. It can be a beamed ceiling . . . the grain in a parquet floor . . . a mantelpiece . . . the luster of a paneled wall . . . a window frame. Any or all of the uses of wood can influence your prospects to stop waiting and start *buying* the house you want to sell them.

Uses of wood in the living room are featured in a two-page, full-color NLMA spread in the February 17th issue of *LIFE*—seen by millions of people, including your prospects. They will be looking for wood's beauty in the living rooms you show them. For more information on better homes of wood, write:

NATIONAL LUMBER MANUFACTURERS ASSOCIATION
Wood Information Center, 1319 18th St., N.W., Washington 6, D. C.



Slanting, laminated beams emphasize the warm coziness of wood. Vertical, random width paneling adds continuity to the planks of the ceiling. Note the compatibility of glass room divider with wood.

302 BUILDERS CCH PROGRAM

THOUSANDS OF NEW HOMES ALREADY PLANNED AS BUILDERS JOIN '61 PROGRAM IN RECORD NUMBERS!

We asked hundreds of the 1300 Comfort-Conditioned Home builders in 1960 what kind of selling support and assistance they wanted in 1961. Here's what they asked for, and here's what they are getting in the 1961 CCH Program:

- **Sales Training** — two-day NAHB sales clinics under the auspices of Owens-Corning Fiberglas, open to all builders. And exclusively for CCH Builders, a valuable Sales Makers Course and Sales Makers Kit.
- **On-Site Merchandising Assistance**—a complete, proved promotion kit and a new merchandising guide book.
- **National Advertising Support** — spreads in LIFE Magazine listing CCH builders on a regional basis.
- **Marketing Assistance** — a market analysis guide to help builders planning their future operations.

ATTEND FREE NAHB SALES CLINIC

All builders are invited to attend the free NAHB Sales Makers Clinics, under the auspices of Owens-Corning Fiberglas. These valuable two-day courses will be held in 25 cities across the country during the year. Be sure to check with your local association's executive officer for the time and place it will be held in your area.



SIGN UP FOR 1961 IN JUST 6 WEEKS!

HERE'S WHAT LEADING BUILDERS HAVE TO SAY ABOUT THE 1961 PROGRAM ...

“... an outstanding promotion... I want to be sure to compliment you and Owens-Corning Fiberglas... we certainly want to participate.”

—Nels G. Severin, SEVERIN CONSTRUCTION CO., San Diego, Calif.

“Your new sales promotion program for boosting home builder sales sounds terrific. Congratulations to your Company for its continued leadership in this field.”

—George C. Martin, BOLLINGER-MARTIN, Inc., Louisville, Ky.

“... major sales aid... the Comfort-Conditioned program has permitted us to successfully promote our homes. We look forward to a repetition of this promotion.”

—Daniel Rutenberg, RUTENBERG HOMES, Clearwater, Fla.

SIGN UP NOW and get started on CCH sales training and merchandising programs immediately. For full details on how you can participate in the Comfort-Conditioned Home Program for 1961, write, wire, or phone the local representative of any of the following companies or contact your local Owens-Corning Fiberglas office:

Armstrong Cork Co.
Certain-teed Products Corp.
The Flintkote Company
The Ruberoid Co.
Tiger Division, Basic Incorporated
Insulite Division, Minnesota and Ontario Paper Co.

Kaiser Gypsum Co.
Stanley Building Specialties
The Curtis Companies
AlSCO Inc.

MAIL THIS COUPON FOR CCH PRESENTATION

OWENS-CORNING
FIBERGLAS

T.M. REG. U.S. PAT. OFF.

Owens-Corning Fiberglas Corp., Dept. 67-B, Toledo 1, Ohio

I would like to see the 1961 Comfort-Conditioned Home presentation in my office, without obligation. Please have your local Owens-Corning Fiberglas representative call for an appointment.

Name _____

Title _____

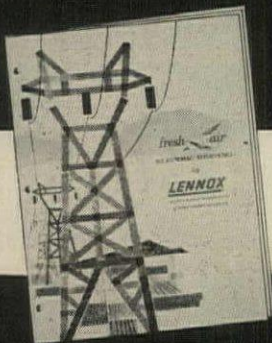
Company _____

Address _____

City _____ Zone _____ State _____

Now!
LENNOX[®]

TAKES
ELECTRIC HEATING
OUT OF THE
"TRIAL AND ERROR"
ERA!



WRITE FOR YOUR FREE COPY OF THIS COMPLETE BROCHURE THAT FULLY EXPLAINS LENNOX FRESH AIR ELECTRIC HEATING SYSTEMS
Address: Marketing Services Dept., Lennox Industries, Inc., 317 S. 12th Ave., Marshalltown, Iowa.

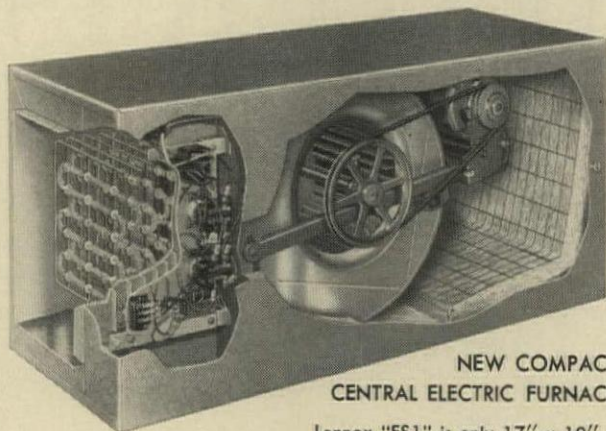
The Long-Time Leader in Developing the World's Finest Indoor Comfort Systems Introduces

fresh air **ELECTRIC HEATING**

You can offer your buyers their choice of three different systems:

- * ZONED CONTROL
- * WHOLE-HOUSE CONTROL
- * INDIVIDUAL ROOM CONTROL

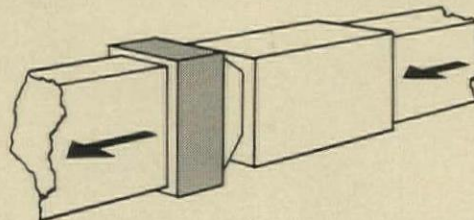
Now, the answer to practical, comfortable and affordable electric heating has been found . . . *Lennox Fresh Air Electric Heating*. This system introduces, filters and continuously circulates fresh outdoor air throughout the home; so vital to comfort in a tight, heavily insulated house. Humidity is kept at a perfect level, and operating costs are held to a minimum. Give your homes the glamour of electric heating, plus the comfort that only a ducted system and sensitive low-voltage thermostats can provide. **IT'S THE SAME SIMPLE, PROVEN DUCT SYSTEM YOU KNOW . . .** installed by a heating expert.



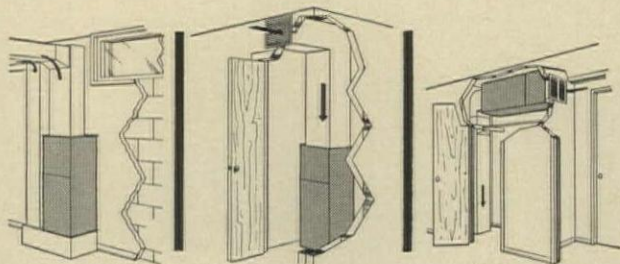
**NEW COMPACT
CENTRAL ELECTRIC FURNACE**

Lennox "ES1" is only 17" x 19" x 42 1/2". Can be installed almost anywhere for up, down or horizontal air flow. 39,000 Btuh. UL listed.

Unlike most electric heating systems,
**YOU CAN EASILY ADD
AIR CONDITIONING!**



Another big plus. Lennox Fresh Air Electric Heating gives you and your buyers easy economical adaptability to air conditioning. This electric heating system's ductwork, filter and blower can be used to air condition the home in the summer . . . providing perfect year 'round indoor comfort.

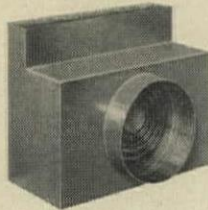
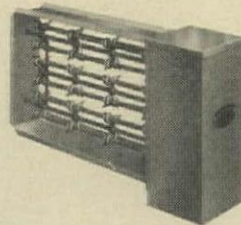


Up-flo in basement or closet.

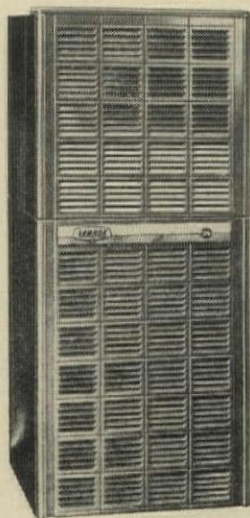
Down-flo in closet or utility room.

Horizontal in crawl-space or above closet.

HEATERS THAT FIT IN DUCT for zone or large-room control. Air supplied by central blower-filter unit. UL listed.



HEATERS THAT FIT IN DUCT OUTLET for individual-room or zone control. Air is supplied by central blower-filter unit.



DELUXE LENNOX LANDMARK central electric furnace for larger homes. Matching cooling and heat pump sections optional. UL listed.

LENNOX

Aire-Flo® HEATING • AIR CONDITIONING

© 1960 Lennox Industries Inc., founded 1895; Marshalltown and Des Moines, Ia.; Syracuse, N. Y.; Columbus, O.; Decatur, Ga.; Ft. Worth; Los Angeles; Salt Lake City. In Canada: Toronto, Calgary, Montreal, Vancouver, Winnipeg.

NOWADAYS, IF LAND IS YOUR WATER IS

Suitable land for building? A rare commodity. Water-serviced land? Even rarer.

Result: many builders now find themselves in the water business. If there is no water system on the land a builder wishes to develop, he must see that one is installed. He must have a water supply system in order to sell his property.



BUSINESS, YOUR BUSINESS, TOO

If you're like most builders, you don't compromise when it comes to water supply systems. You want the best: cast iron pipe.

Don't be misled concerning the initial cost of cast iron pipe—cement-lined and inherently rugged, cast iron pipe delivers a full flow of water, generation after

generation; lasts for over a century.

Ask a consulting engineer. Chances are he will specify cast iron pipe.

Write for complete information to Cast Iron Pipe Research Association, Thos. F. Wolfe, Managing Director, 3440 Prudential Plaza, Chicago 1, Ill.

Permanently Yours,



CAST IRON PIPE

THE MARK OF THE 100-YEAR PIPE





How to make a lady fall in love with a house . . .

1

UNPLUG A RANGE UNIT. Westinghouse Plug-Out design assures fast, easy cleaning. Then tell her the Safety-Matic unit won't let her foods burn, even if the pan boils dry. And fine-tuning controls let her dial the exact temperature she wants.



4

OPEN A CABINET. Westinghouse Heirloom maple finish wood cabinets add valuable storage space . . . as well as warmth and beauty . . . to any kitchen. And like all Westinghouse built-ins, they carry the famous Good Housekeeping Seal of Approval.

5

POINT OUT THE OVEN CONTROLS. They're at eye level . . . mounted at the side out of the heat zone. Other things she'll love about the Westinghouse built-in oven: Rotisserie, Serv-Temp Roast Guard, Lift-off oven door, fully adjustable oven racks.



2

PULL OUT THE CENTER DRAWER. It's so easy to use... see into... reach into. It keeps 21 lbs. of meat fresh 7 days without freezing... keeps vegetables crisp and store-fresh. And the new Westinghouse Center Drawer Refrigerator is Frost-Free throughout.



3

ROLL OUT THE DISHWASHER. Only Westinghouse has the Hot Water Booster to assure 140° water... and the hotter the water, the cleaner the dishes. She'll love the idea that "Power Soaking" means no scraping or rinsing... and that fan-forced hot air dries without streaking or spotting.



6

SHOW HER THE SPACE-MATES. The Westinghouse Space-Mates Laundromat® and Dryer put 18 pounds of washing and drying capacity into a space just 25 inches wide. Or they can be built in side-by-side. Now she's seen a kitchen equipped with the finest appliances you can supply.



... and what happens to her husband when she does!

(You can be sure... if it's Westinghouse.)

These appliances and Kitchen Cabinets, plus Heating & Air Conditioning, Wiring Devices, Micarta® Counter Tops, Apartment Elevators, are all available through one point of contact. See your Westinghouse residential sales manager or write Westinghouse Electric Corporation, Contract Sales Dept., Mansfield, Ohio.

Westinghouse



Save on construction costs with the new '61 FORD TRUCKS

SAVE FROM \$52 TO \$221 ON PRICE* ALONE WITH FORD'S ECONOLINE PICKUP

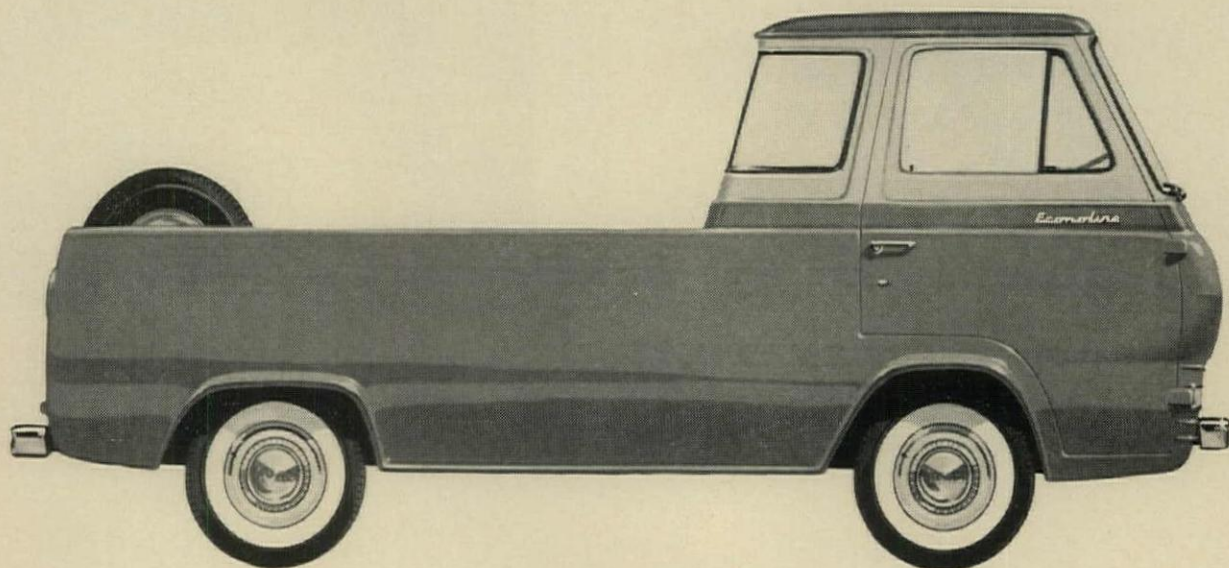
Profit-conscious contractors are finding it's good business to do business with the new Ford Econoline Pickup. It's America's lowest-priced* pickup—bar none! Priced from \$52 to \$221 below other cab-forward economy pickups. But that's just the beginning! You get lively performance and proven gas economy with the popular Falcon Six. This modern engine goes 4,000 miles between oil changes, and has an aluminized muffler which lasts up to three times as long as ordinary mufflers.

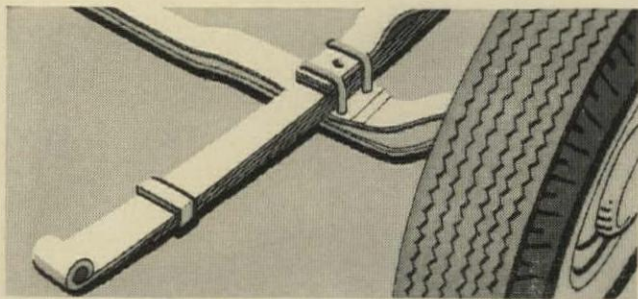
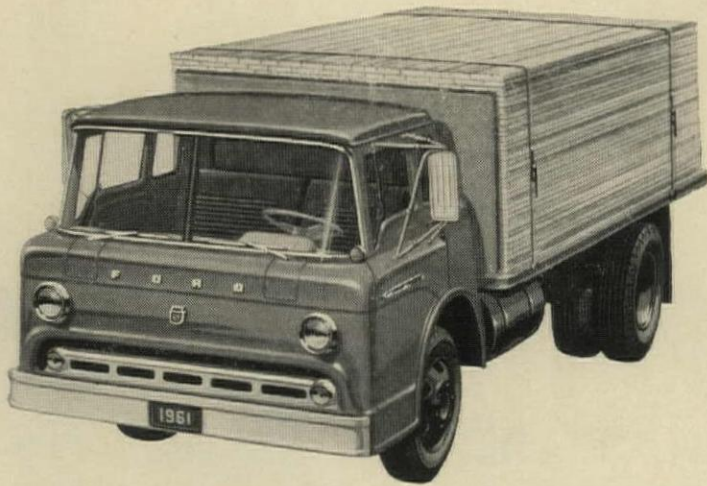
And you can save more because Ford's functional design has pared away 1,000 pounds of dead weight, yet you still get the payload capacity of standard ½-tonners. The big 7-foot box provides a whopping 73 cubic feet of loadspace . . . that's up to 23% more than conventional

6½-foot pickups. A full 49-inch tailgate opening means you can load items like standard sheets of 4' by 8' plywood. And the full-length flat floor permits bulky or heavy loads to be positioned easily by sliding them anywhere in the pickup box.

And you can save on maintenance expense, too. The large engine cover can be lifted quickly, exposing the entire engine for rapid service. Spark plugs, distributor, etc., are conveniently located to speed engine tune-ups. And many major repairs can be made without ever removing the engine. One-piece cab-and-body construction provides increased rigidity and eliminates a major source of rust. In addition, all main underbody structural members are heavily zinc-coated to resist rust and corrosion.

*Based on a comparison of latest available manufacturers' suggested retail delivered prices





SAVE UP TO \$150 ON FRONT TIRES! In certified tests of truck suspensions, Ford front tires lasted up to twice as long. In 50,000 miles savings can add up to \$150 on a pickup . . . more on two-tonners. And Ford's sturdy I-Beam front axle and leaf-spring suspension not only cut tire wear, but their simpler design also cuts maintenance costs.

**12,000 MILE
OR 12 MONTH
WARRANTY**

SAVE WITH GREATER DURABILITY . . . on all 1961 Ford Trucks, each part, except tires and tubes, is now warranted by your dealer against defects in material and workmanship for 12 months or 12,000 miles, whichever occurs first. The warranty does not apply, of course, to normal maintenance service and to the replacement in normal maintenance of parts such as filters, spark plugs and ignition points. Never before have you had such protection . . . such evidence of long-term economy!

**SAVE WITH FORD'S NEW 262-CU. IN.
"BIG SIX" ALL-TRUCK ENGINE FOR
TOP PERFORMANCE AND ECONOMY**

America's lowest-priced* medium-duty tilt-cab models now offer a big 262-cubic-inch Six with the power of big displacement, the gas economy of 6-cylinder design, plus the durability of heavy-duty construction. This engine features a sturdy stress-relieved head and block, strong forged steel crankshaft, long-lasting stellite-faced intake and exhaust valves and durable pyramid-type connecting rods. Positive Crankcase Ventilation reduces oil dilution and sludge formation to extend engine life. Ford's proven 292 V-8 and 292 HD V-8—the V-8's with "six-like" economy—are also available for your special power needs.

The popular Ford Tilt Cab Series outsells all other makes and for good reason! Their compact 82-inch BBC permits longer bodies within a given over-all length . . . for longer loads of lumber and building materials with excellent maneuverability. And set-back front axle design means more weight is carried on the front axle for greater payloads.

You also save with other new features like the stronger radiator with new lock-seam construction, and color-coded printed instrument panel electrical circuits that provide for greater reliability and simplified maintenance. In addition, Ford's parallel ladder-type frame, with standard 34-inch width, allows you to install new or transfer your present special construction bodies quicker and for less.

FORD TRUCKS COST LESS

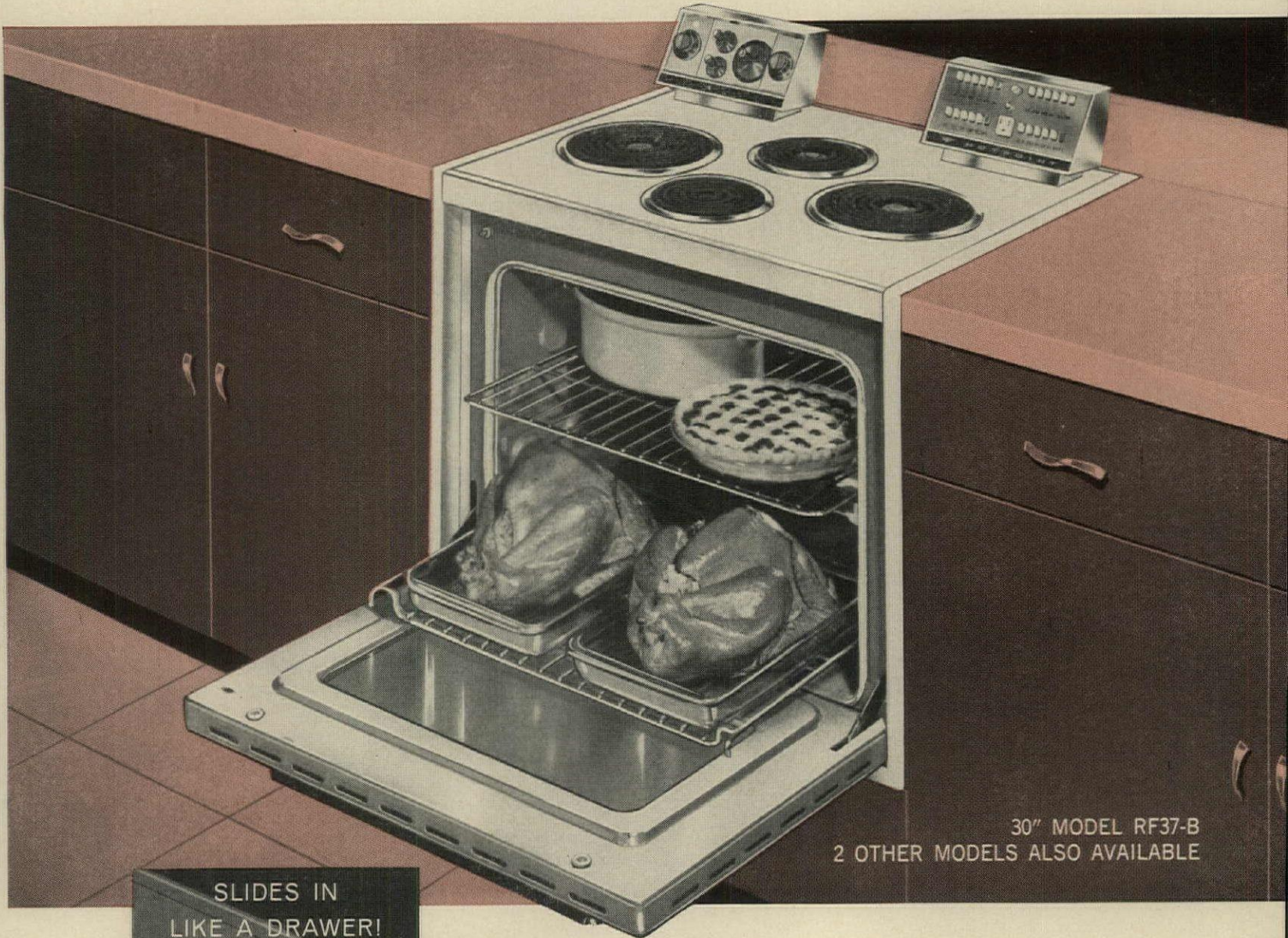
YOUR FORD DEALER'S "CERTIFIED ECONOMY BOOK" PROVES IT FOR SURE...

FORD DIVISION, *Ford Motor Company*

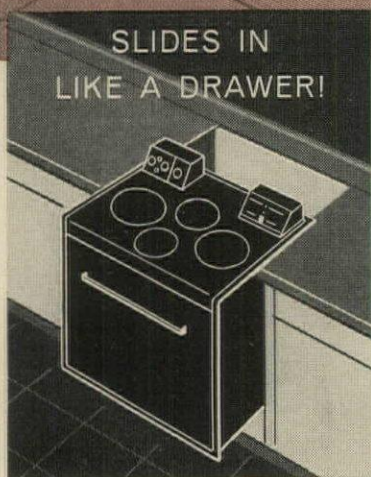


NEW BOON

Hotpoint Town and Country



30" MODEL RF37-B
2 OTHER MODELS ALSO AVAILABLE



SLIDES IN
LIKE A DRAWER!

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ELECTRIC RANGES • REFRIGERATORS • AUTOMATIC WASHERS • CLOTHES DRYERS • CUSTOMLINE® • DISHWASHERS

FOR BUILDERS

Ranges Give You That Luxury Look with . . .

LOW
INITIAL
COST

LOW
INSTALLATION
COST

DELUXE
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FEATURES

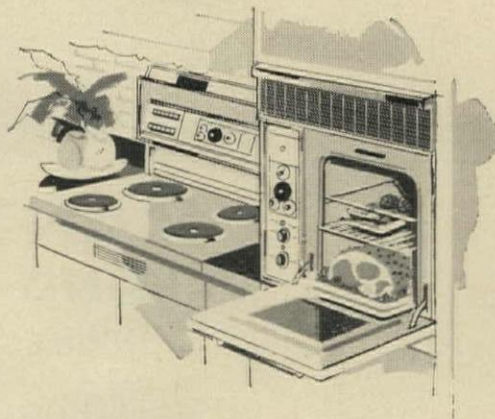
Initial cost is low because no side panels are needed. Installation cost is low because this single compact unit slides in like a drawer . . . with just one electrical connection. And Town and Country Ranges give you deluxe selling features like . . .

- Twin Control Towers—easy to see and reach, yet away from "little fingers" and spatters.
- "Super 2600" Speed Unit—heats so swiftly you can boil a can of soup in just 65 seconds.
- Automatic Oven Timer—turns oven on and off with pre-set clock control.
- Removable Window Door—detaches for easy, reach-in oven cleaning.
- Seven Beautiful Finishes—complete compatibility with any color scheme.

CONTACT YOUR HOTPOINT DISTRIBUTOR FOR COMPLETE DETAILS TODAY!

... And Hotpoint Offers the Most Complete Line of Built-Ins in America! The right model, the right price for every home from \$10,000 to \$100,000.

No matter what kind of homes you're building, Hotpoint has a quality built-in range and surface unit that will fit your kitchens and your cost requirements. Specify Hotpoint . . . no other manufacturer offers you so wide a choice.

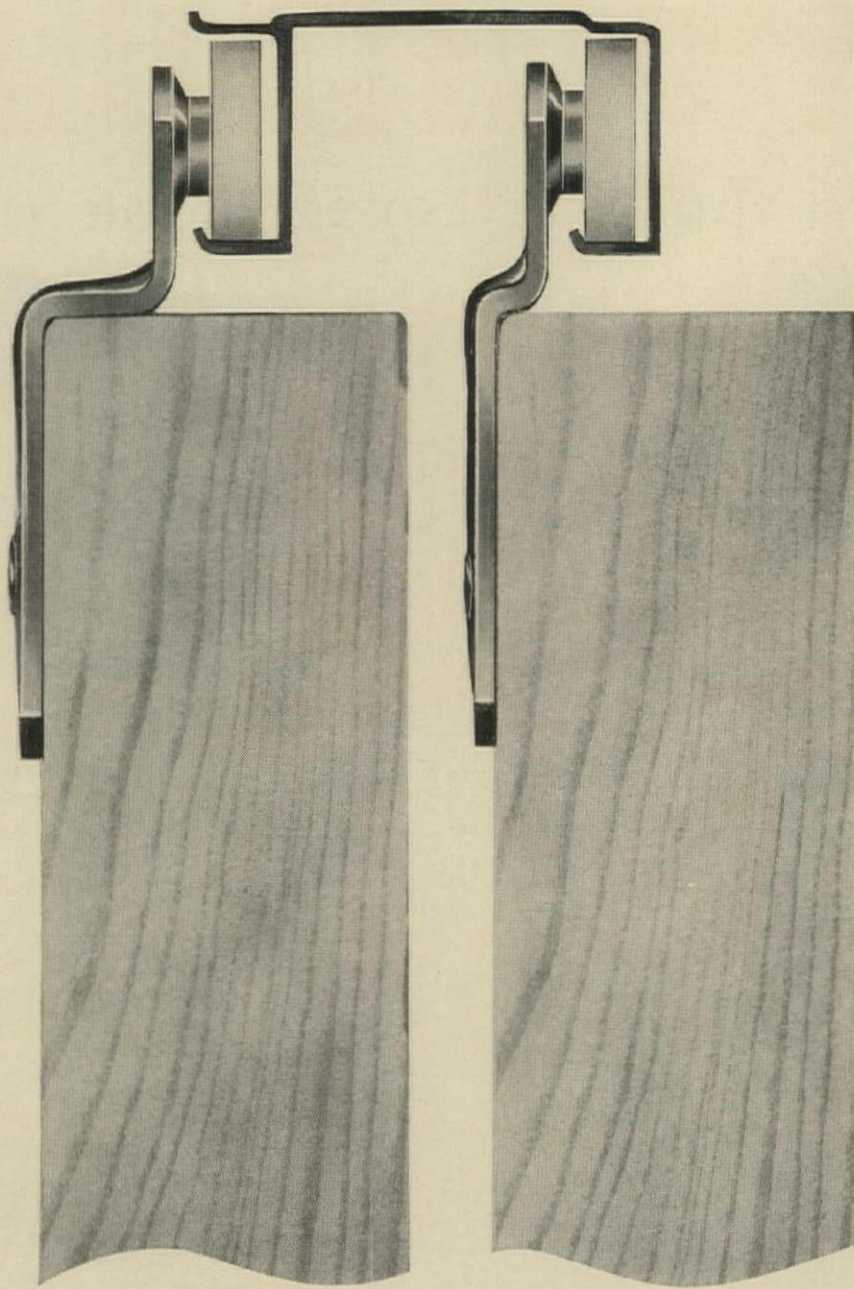


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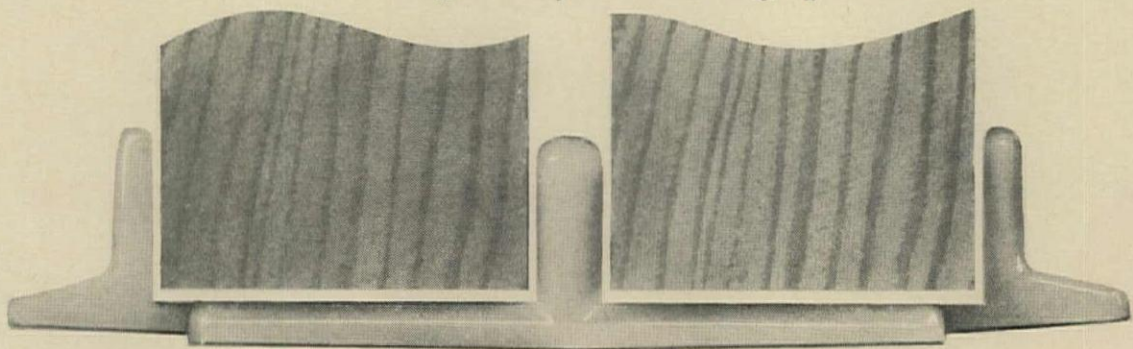
A Division of General Electric Company, Chicago 44, Illinois



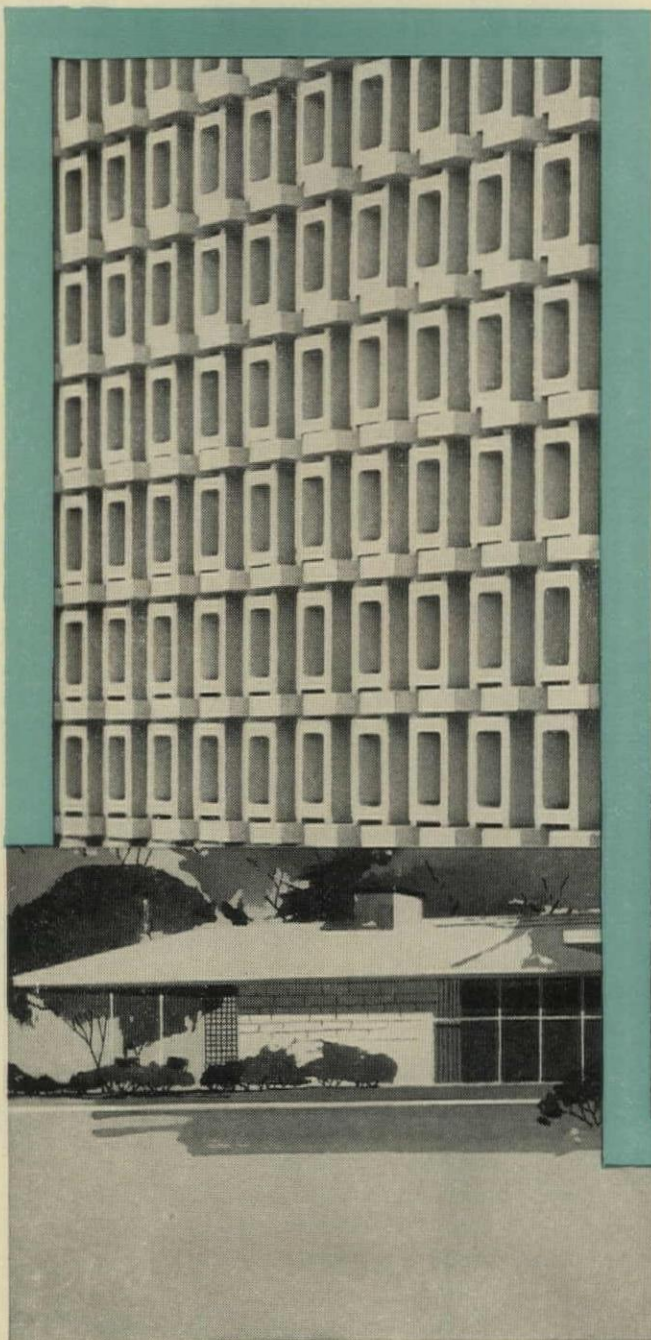
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GRANT 1000/6000
SLIDING DOOR HARDWARE
custom designed/economy priced

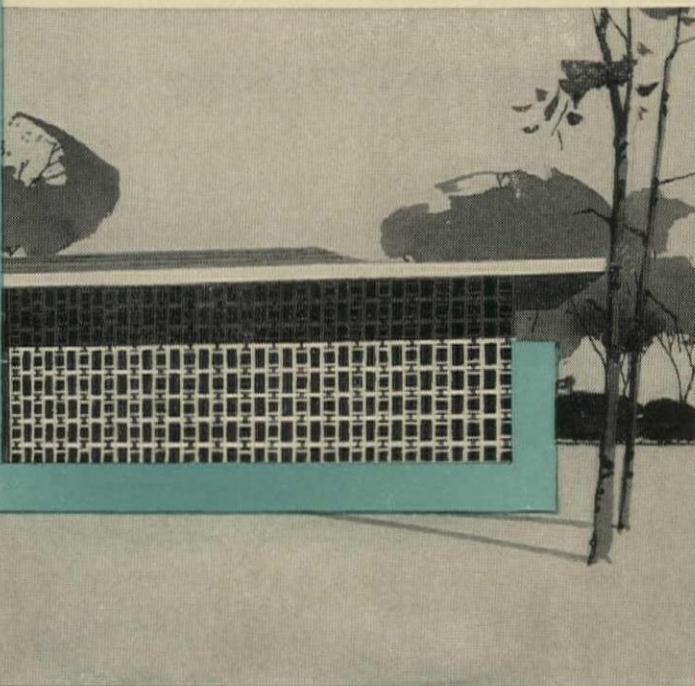


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Eastern Division/ 31 High Street, West Nyack, N. Y.
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sliding door hardware • drawer slides • drapery hardware
pocket frames • pulls • special sliding hardware • closet rods



Decorative walls of

**CONCRETE
GRILLE BLOCK**



Newest way to give sales-winning beauty to your homes! For exterior and interior interest, more and more builders are turning to concrete grille block. Available now in hundreds of different patterns, this modern decorative masonry gives a fresh, custom look to accent walls, carport walls, sight and solar screens, and even space dividers. Here's a simple, low-cost way to excite buyer interest. And concrete's easy upkeep and long life are additional sales points. Grille block is one more example of how builders can use modern concrete to give homes that vital extra sales attraction.

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... a national organization to improve and extend the uses of concrete

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for



Concrete Industries HORIZON HOMES Program

More **KINGSBERRY HOMES** were sold in 1960 than in any other year...

"Kingsberry's national and local advertising programs are keeping our sales program moving ahead in this tight market. With Kingsberry's fast building schedules we have been able to keep our money cycling at least twice as fast as we could by conventional construction methods."

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Albany Engineering &
Construction Co.
Albany, Georgia

"Kingsberry cooperative advertising enabled us to set up a \$14,000 ad budget and put our brand new subdivision on the map in a hurry. Even with a problem location, we've already built on more than 1/3 of the lots. You can't do that building conventionally."

Ben Crosland
Citizens Realty &
Insurance Co.
Knoxville, Tennessee

"We made our reputation on the fine quality of the homes we built. But now we honestly believe the Kingsberry system allows us to put up a better value at the going market price. At the same time, Kingsberry's cost control has enabled us to keep our profits at a pleasing level."

Jack McKay
Fickling & Walker
Development Co.
Macon, Georgia

"We've settled on Kingsberry because of the excellent quality of the finished product. Kingsberry homes are easy to erect and fast to finish, contributing substantially to a rosy profit picture. The name "Kingsberry" backed by an effective advertising program means a lot to our sales, too."

William J. MacKenna
Smyrna, Georgia

"One customer moved in only 4 weeks after FHA cleared their commitment. I couldn't have made the deadline the old conventional way. In our area financing has been hard to come by in the past year. However, Kingsberry financing has helped us increase our business substantially while our market generally has been off."

Bob Decker
Decker Development Co.
Tuscaloosa, Alabama

"After trying almost every manufactured home available in our area, we're building Kingsberry's. A big "plus" with us is the excellent service we've gotten from Kingsberry personnel in helping us with scheduling, FHA processing, and other details."

David Lee,
General Sales Manager
D. L. Stokes & Company
Atlanta, Georgia

In the past 12 months Kingsberry builders have written new sales records—reported better-than-average profits. How have they succeeded despite a temporary lag in home construction? The answer lies in Kingsberry's cost-saving **manufactured homes building system**, plus the **exclusive advantages of the Kingsberry Market-Buster Plan**.

Today a revolution in Southern home construction is rapidly underway. On the one hand—rising prices, increased labor costs, are squeezing builders' profits.

On the other hand, new methods and materials are taking the time-and-profit gamble out of building, making old-fashioned, stick-by-stick construction obsolete.

Southern builders by the hundreds have found the happy solution to these problems in the Kingsberry Market-Buster Plan. Kingsberry offers more than the South's finest homes, more than powerful promotion to sell them. Today, Kingsberry can streamline your entire operation! Speed up financing, unclog bookkeeping, free

you from bothersome detail. As a result, while building costs have jumped 11% in the past 3 years, *cost of building a Kingsberry house package has dropped 7%*.


In a few minutes our Kingsberry representative can show you how remarkably simple this plan is. He'll show you how precision factory methods cut on-site labor costs up to 62%. You'll see how Kingsberry's mass buying gets you the best possible price on famous name appliances, top-quality components. He'll show you financing tailored to every builder need—Market-Buster promotion that's helping Southern builders, like the ones above, capture a greater share of their market.

An even better market-buster plan for 1961

New Market-Buster advances now give you a greater-than-ever edge on competition. Dozens of additional cost-savers protect your profit. New designs, with literally hundreds of possible variations in trim, floor plan, options, let you offer prospects a fabulous range of



KINGSBERRY HOMES

Manufacturers of the  South's Finest Homes
FORT PAYNE, ALABAMA PHONE: FORT PAYNE 610

10 Southern Builders tell you why!

"Our Kingsberry pre-sales program resulted in 32 sales in 40 days. These houses were completed and occupied in only 63 working days. This fast sales tempo has enabled us to cycle our capital much faster than we ever could building conventionally, giving us an excellent return on our investment."

Herman Grossman
G. S. & M. Company
Warner Robins, Georgia

"Not even a four-foot snowfall stopped us last winter from building, using Kingsberry Homes. Couldn't have done it with previous custom building. I figure that's added 3 extra months of profit to our operation that we'd have missed if we'd stuck with old methods."

R. C. Fox
Oak Ridge, Tennessee

In advertising, financing—*everywhere*, your Kingsberry representative can help you plan for greater sales and profit.

"We have just pre-sold 21 houses at a time when $\frac{1}{4}$ of our market's annual housing production is standing unsold. This success was due to good location, sales appeal of Kingsberry homes and an effective promotion program in which Kingsberry participated substantially."

W. W. Stevens
Stevens-Woods, Inc.
Mobile, Alabama

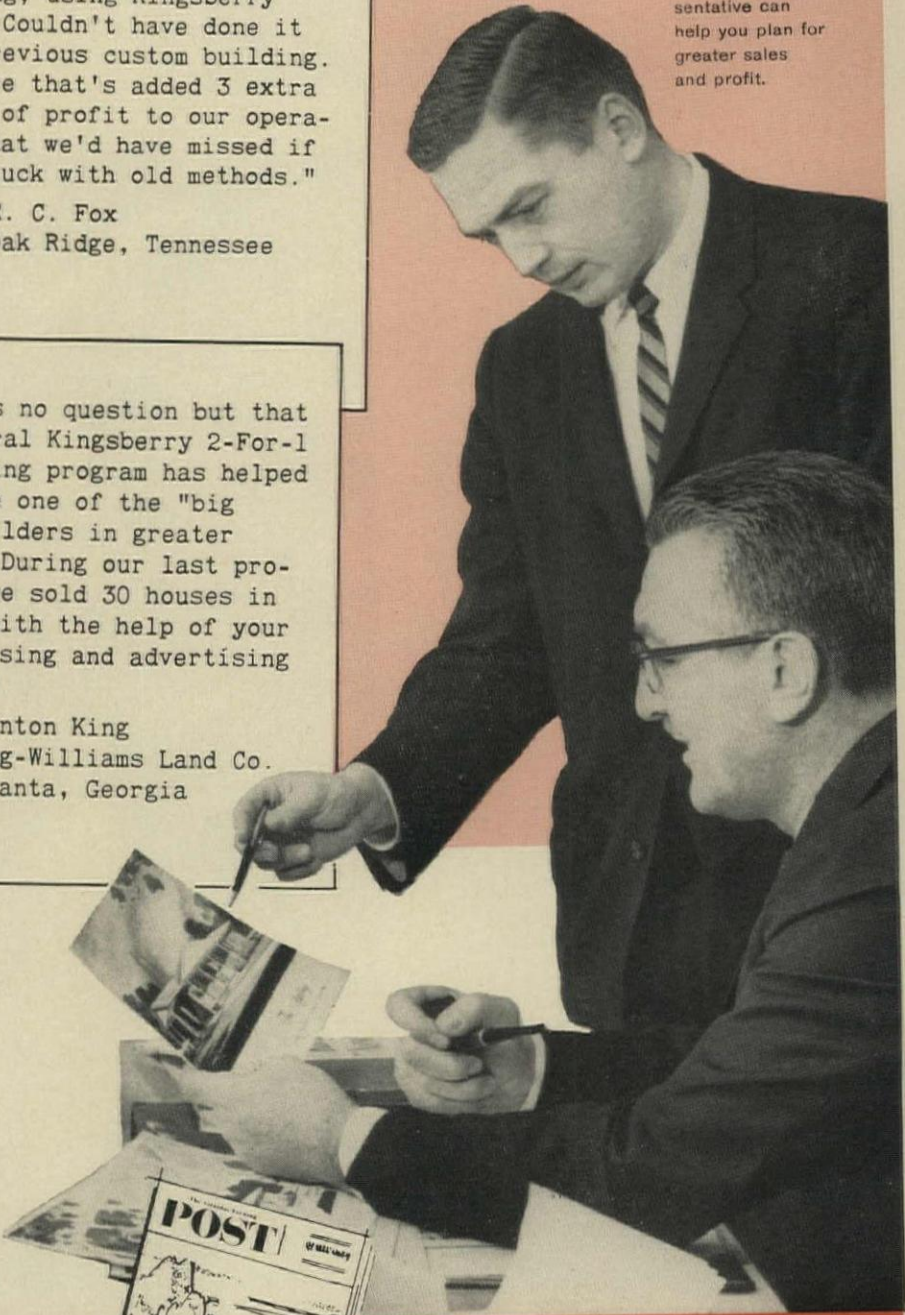
"There is no question but that the liberal Kingsberry 2-For-1 advertising program has helped me become one of the "big name" builders in greater Atlanta. During our last promotion, we sold 30 houses in 30 days with the help of your merchandising and advertising program."

Quinton King
King-Williams Land Co.
Atlanta, Georgia

homes from \$9000 to \$34,000 with *widest selection in the popular \$10,000 to \$14,000 price range.*

Coming! National advertising spectacular with your name listed

Last call to have your name, your development, listed in Kingsberry's *Saturday Evening Post* 4-color, 2-page ad spectacular. Don't wait. Last year's spectacular promotion sold hundreds of thousands of dollars' worth of homes for Kingsberry builders. Write or call us today.



HURRY! Last Chance to have your name, your development, listed in May 6th issue of The Saturday Evening Post!

MAIL THIS COUPON TODAY!

ALBERT HILDEBRANDT, KINGSBERRY HOMES, Dept. H-3, Fort Payne, Alabama

Please have your representative call with full information about the 1961 KINGSBERRY MARKET-BUSTER PROGRAM—and show me how it fits into my present operation. (Please check your interest and fill in number.)

I have _____ lots ready to build on. I have _____ lots being developed. I am interested in construction financing. I am interested in model home furnishings financing.

Your name _____

Firm name _____

Street _____

City _____ Zone _____ State _____

At present Kingsberry can serve builders only in Kentucky, Tennessee, North Carolina, South Carolina, Georgia, North Florida, Alabama, Mississippi and Louisiana.



**A FLORIDA BUILDER REPORTS ON
FLAMELESS ELECTRIC HOUSE HEATING:**

“It’s simple to install and gives us



ACCURATE ESTIMATES of heating costs help Cheezem convince prospects. Here he consults Howard Khouri (right), of Florida Power Corp., on insulation and wiring specs. Cheezem vaporproofs walls, floor slabs and uses 6" of blown ceiling insulation. Fully grown citrus trees add to customer appeal.

something new to attract buyers”

Charles Cheezem, builder and developer of Ridgewood Groves in St. Petersburg, Fla., shows how electric house heating helps him sell \$13,000 homes to the cost-conscious retirement market.

“It *does* get cold in Florida. Consumer awareness and demand for electric heating has shown fantastic growth in just the last year,” says Cheezem. “And our salesmen are enthusiastic about all the extra advantages that electric house heating gives them to demonstrate.”

“For example, customers gain closet and storage space that a furnace would usually take up. And that’s important in a 1000-sq.-foot home.”

Cheezem’s salesmen also point out the cleanliness and the big maintenance advantage electric house heating provides. Customers are pleased with the individual room control and quiet operation.

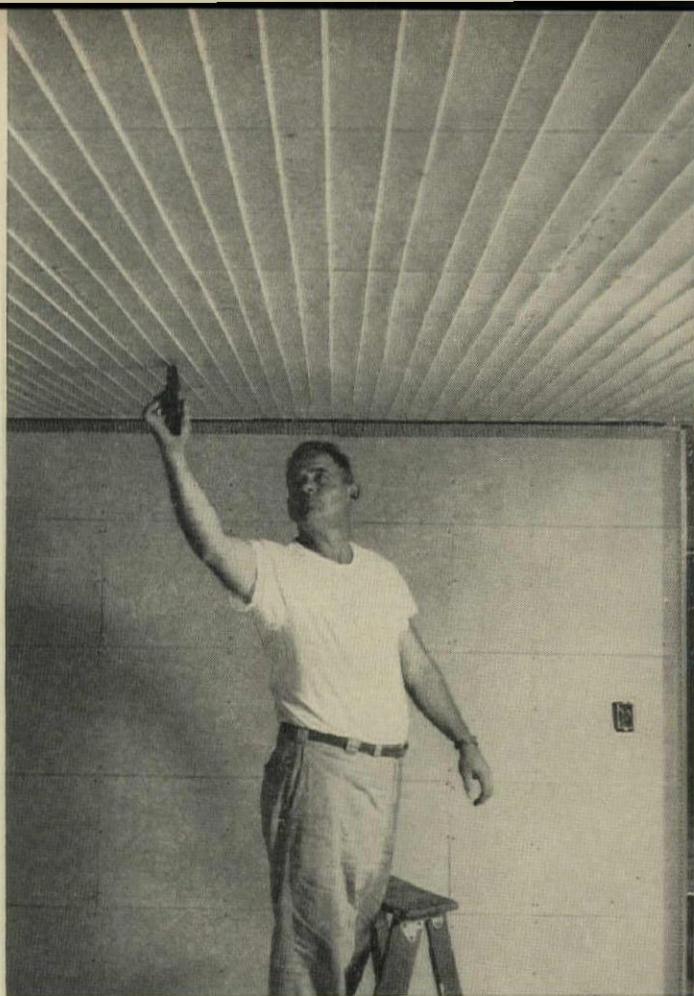
And Cheezem knows that electric heat is more adaptable to expansion than any other kind of system. It’s easy to add cable later to heat an additional room, like the popular glassed-in Florida room.

Another bargain for the customer is the extra electrical service already built in. Their homes will not become obsolete. And they can add air conditioning plus additional appliances without a rewiring job.

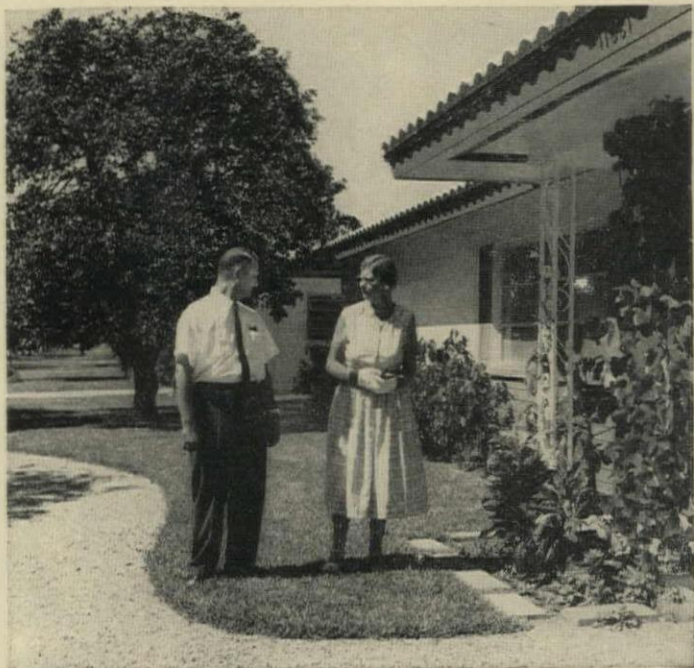
“And speaking as a builder,” Cheezem adds, “electric house heating makes my job a lot easier. I deal with only one subcontractor, instead of at least four. And people in the business recognize the superiority of electric heating. One of our electricians just bought a home from us.”

Charles Cheezem’s experience shows why builders across the nation are joining the swing to electric house heating. Now more than 850,000 homes in the U. S. benefit from the clean comfort of flameless electric heat. For this reason, every profit-minded builder owes it to himself to learn all he can about electric house heating.

For complete information on the five basic methods of electric heating—ceiling cable, baseboard, wall panel, heat pump, furnace—why not call your local electric utility representative first chance you get.



EASY INSTALLATION speeds construction. “My electrical subcontractor handles the heating along with the wiring job,” says Cheezem. “This saves me days in scheduling and simplifies bookkeeping. And customers like to know that it’s easy to add more cable to heat an extra room, without expensive rewiring.”



BUYER SATISFACTION: Mrs. Hazel Batterton is enthusiastic about the clean comfort and absence of maintenance in her electrically heated Largo home. Cheezem adds: “Low maintenance is especially appealing to retired couples.”



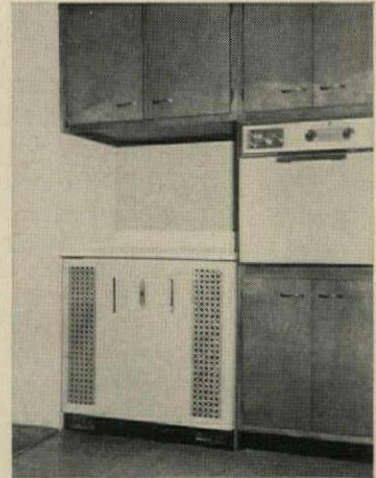
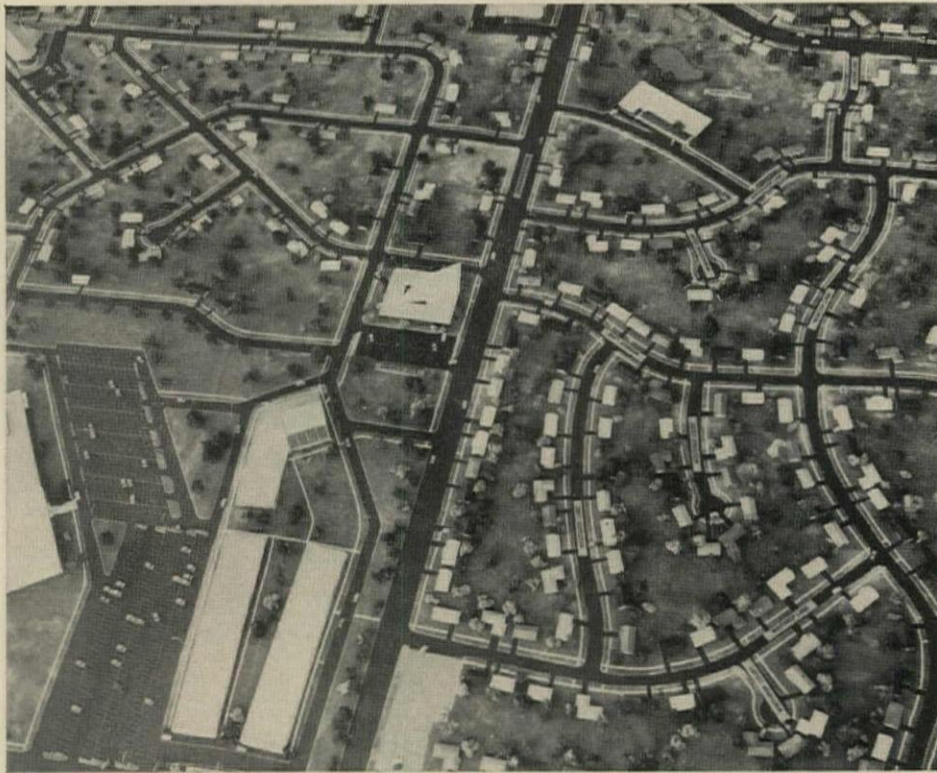
With clean, comfortable Electric House Heating

YOU LIVE BETTER ELECTRICALLY

Sponsored by Edison Electric Institute



Typical homes in Campanelli Brothers' Weathersfield development in Schaumburg, Ill., a suburb of Chicago.



The amazingly compact house heating boiler is concealed behind the grille work of this countertop cabinet, providing added working space in the kitchen. View at left shows a section of development.

B & G *Hydro-Flo*® HEATING HELPS SELL THREE HOMES A DAY!



B & G BOOSTER

The key unit of a B & G *Hydro-Flo* System—a quiet, automatically controlled electric pump which circulates hot water through the heating system.

The outstanding sales power of *Hydro-Flo* hydronic heating helps account for the remarkable sales performance of Campanelli Brothers' Weathersfield homes in suburban Schaumburg, Ill.

The homes in this huge development, priced at \$15,590 to \$21,500, are selling at the rate of *three per day*.

The sound judgment of the builders in choosing radiant hydronic heating is obviously paying off. "Radiant heating with its sunlike warmth," said Mr. Al Campanelli, one of the builders, "can't be equalled for genuine comfort and cleaner, quieter operation."

The B & G *Hydro-Flo* system operates with unrivalled economy—and further offers the optional advantages of plentiful, low-cost year 'round hot faucet water and snow-melting. These are the reasons why progressive builders are finding *Hydro-Flo* Heating a clinching sales feature.



***Hydro-Flo*® SYSTEM**
BELL & GOSSETT

C O M P A N Y
Dept. GN-10, Morton Grove, Illinois

Canadian Licensee: S. A. Armstrong, Ltd., 1400 O'Connor Drive, Toronto 16, Ontario



Angeliqe (Guiana Teak) with Maple Divider Strips.

Beauty that speaks with rare eloquence . . .

BondWood® Parquet for the Mass Home Market

It isn't every day that the luxuries normally associated with the high-priced homes are considered within the reach of the average home buyer. That's why the "extra" touch of elegance that BondWood gives to medium-priced homes makes the sale so much easier, so much faster. Yet BondWood costs no more than ordinary parquet! No other parquet offers so many different woods and patterns. Every slat is precision made and may be individually replaced in the event

repairs are ever needed. There are no beveled edges—joints are tight, and floor squeaks are eliminated.

Write for color booklet giving all the many advantages of BondWood. Harris Manufacturing Company, Dept. HH 21, Johnson City, Tennessee. See our catalog in Sweets.



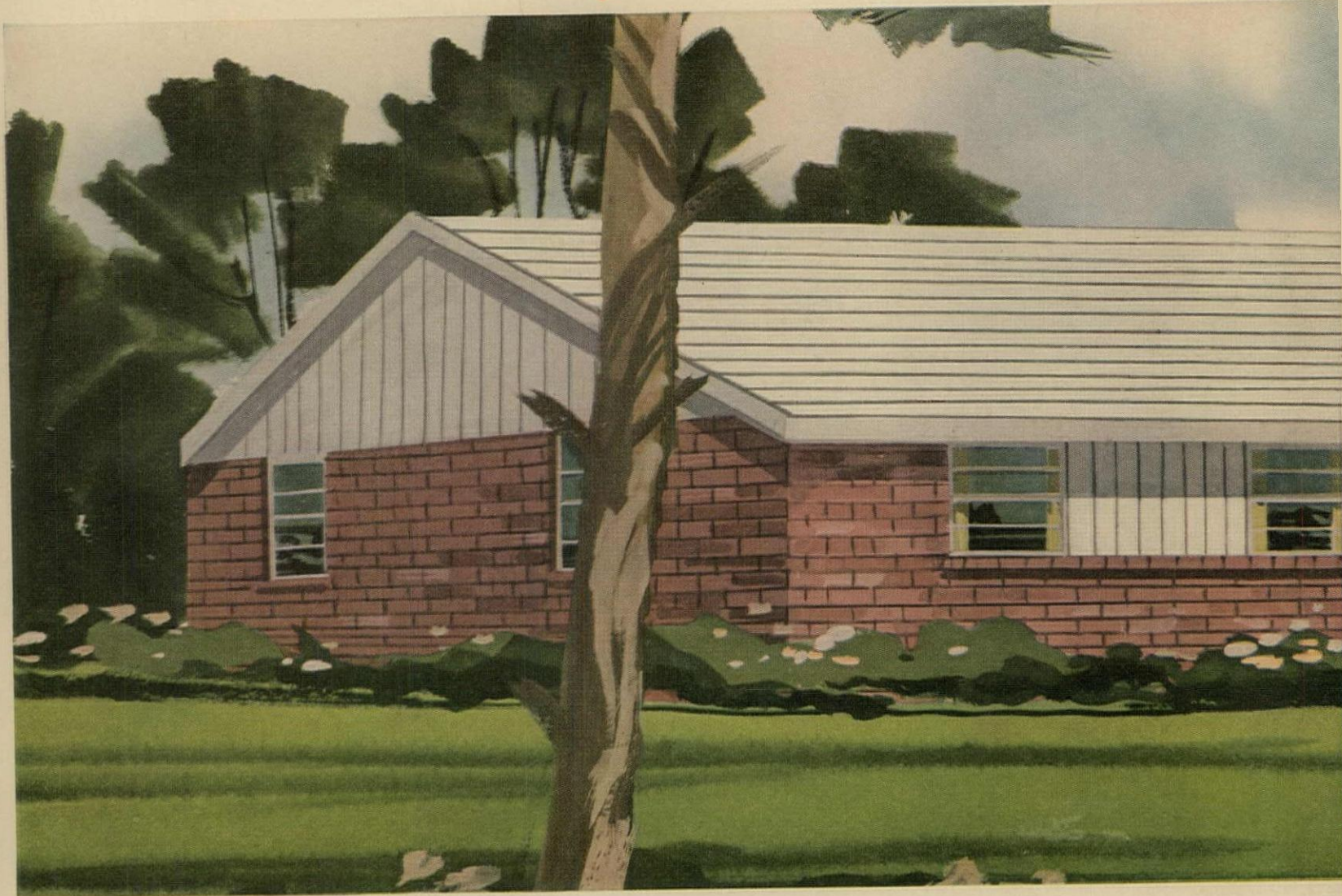
*Par White Oak (natural finish)
—most popular grade in the
mass home market.*

Finest in flooring since 1898

HARRIS FLOORING



Lafayette series



917 SQ. FT.
YOUR COMPLETE
PACKAGE PRICE:
(F.O.B. Plant)

SOUTH

\$1872*

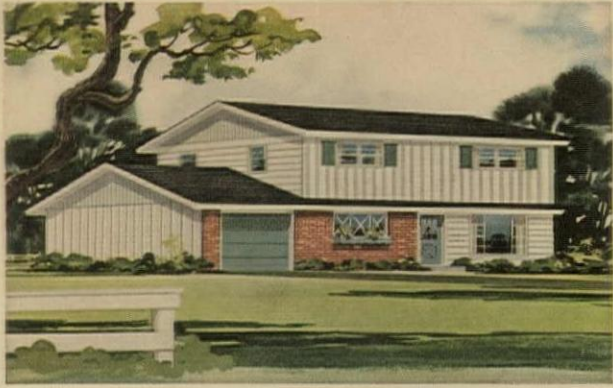
NORTH

\$1985*

New! Low-cost Falcon

You can sell for \$6,500 plus land . . . a 28'8" x 32' home designed for 203 (b) modified, 203 (i) or 221.

* Including kitchen cabinets



The Lafayette series . . . manufactured by:

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Effingham, Illinois

KNOX HOMES CORPORATION
Thomson, Georgia

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Toledo, Ohio · Collins, Mississippi

LESTER BROTHERS, INC.
Martinsville, Virginia

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Memphis, Tennessee

Mortgage Financing Available

Quotes for good locations

FHA 203 (i) - 3% FHA 203 (b) - 3% VA - 7%

No commitment fee — construction money included.

The price we say is the price you pay.



Vina-Lux[®] FLOORS
 satisfy champagne tastes
 on beer budgets

Vina-Lux vinyl asbestos tile floors help you sell those tough prospects who will have "nothing but the best" . . . on a budget. Here's how: Vina-Lux floors come in a wide selection of coordinated colors and styles to meet the most discriminate taste. Yet they cost far less than other types of vinyl flooring.

Equally important, Vina-Lux helps you build more house for less money, because it installs faster and easier on or below grade over concrete slab — the modern, low-cost construction method — or over wood or plywood sub-floors.

Compare Vina-Lux for yourself — let us send you free samples, color charts, model home merchandising kit and idea-filled "Vina-Lux Floor Styling Handbook."

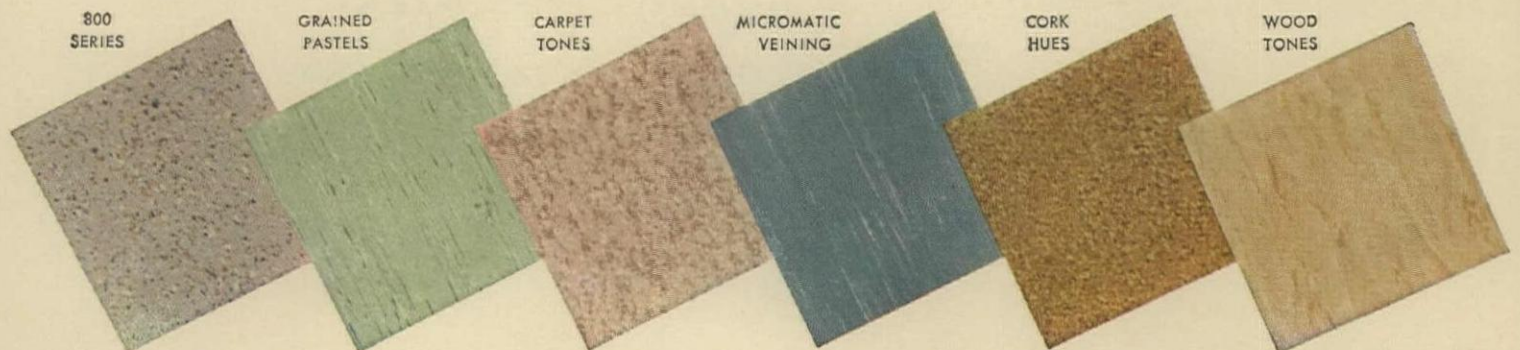
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AZROCK FLOOR PRODUCTS DIVISION

Specialists in the manufacture of vinyl asbestos tile and asphalt tile flooring
 UVALDE ROCK ASPHALT COMPANY • 551A FROST BANK BLDG. • SAN ANTONIO, TEXAS



Over 50 colors and a style for every builder requirement



Roundup:

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Kennedy advisers weigh in with big housing plans

Two task forces have handed President Kennedy recommendations on housing policy. One report, by an economic team led by Prof Paul A. Samuelson of MIT, suggested that FHA and VA interest rates be cut all the way back to 4½% (see p 43). Samuelson doesn't spell out precisely how this could be accomplished. He acknowledges the danger of worsening the US gold loss problem. But he talks of actions "to help bring down long-term interest rates relative to short-term." Some mortgage men are horrified lest this mean prodding the Federal Reserve to buy long-term government bonds to depress long-term interest rates.

The second report, by a five-man team led by Joseph P. McMurray, president of Queensborough Community College and former New York state housing commissioner, suggests a four-year \$7.4 billion housing program rich with new kinds of subsidies for items like urban renewal, public housing, and college dormitories (see supplement with this issue). The keynote to the McMurray proposals is more local discretion in how federal subsidies are used. For public housing, for instance, he would let cities use federal aid at about \$500 per year per family almost any way they wish as long as it goes for housing them.

The McMurray report also suggests a blueprint for converting HHFA into a cabinet level department without running into trouble on Capitol Hill by trying to grab too many activities now in other cabinet hands.

Is housing's slump bottoming out?

Private residential starts in December tumbled to 65,600, lowest for any month in at least two years (changes in US statistics preclude comparisons before 1959). Result was a yearly total of only 1,218,800 units—20,000 to 30,000 less than estimated and 18% below 1959's total of 1,494,600. In dollar volume of new dwelling unit construction, the lag wasn't quite as bad—\$16.5 million in 1960, vs \$19.2 million in 1959, a drop of 14%.

Economists see glimmers that the bottom of the slump has been reached and a mild upturn may be in the offing. Vacancy rates, after rising steadily since the last quarter of 1959, leveled off in the last quarter of 1960—at 7.6% for rental units and 1.2% in units for sale. FHA applications for mortgage insurance on one-to-four family houses rose 7% from November to December on a seasonally adjusted basis, thus showing more strength than usual for the time of the year. The US S&L League notes that December home loans totaled \$1.6 million, a gain over November's \$1.13 million and a year ago December's \$1.09 million. It is the second month in a row that lending volume topped that of the same 1959 month. Says President C. Elwood Knapp: "These figures are reason for cautious optimism, and would seem to bolster hopes that a modest improvement in real estate activity and home building lies ahead."

Home Federal S&L, Chicago, points to another hopeful sign: prices of existing houses "have receded to more realistic levels." As a result, says President Otto L. Preisler, "We should see a speed-up in the sale of many existing houses. Since many owners of existing houses wish to upgrade by moving into new homes, this should strengthen new construction." Add to predictions of 1961 starts: UCLA's graduate school of business administration and NAREB foresee 1,300,000.

WASHINGTON INSIDE: When the Home Loan Bank Board term of Chairman Albert J. Robertson expires June 30, Capitol Hill hears, President Kennedy may name Joseph P. McMurray to the vacancy. McMurray, onetime (1949-53) staff director of the Senate banking committee, has a host of friends in the Senate and Kennedy himself made a speech on the Senate floor praising his work when McMurray left to become New York State housing commissioner. . . . Outgoing Urban Renewal Commissioner Dave Walker blasted FHA foot-dragging in urban renewal, as predicted on this page a month ago. The only reason he didn't advocate cutting Secs 220 and 221 out of FHA entirely, he indicated, was because setting up a fresh agency would involve getting fresh state enabling legislation to let lenders make high-ratio loans. So instead, Walker urged creating a whole new team inside FHA to handle nothing but urban renewal mortgage insurance. This idea is very close to the thinking of Dr Robert C. Weaver, HHF Administrator-designate (see p 41). . . . Weaver, incidentally, was getting some turndowns in mid-January as he tried to put together his housing team.

Among them: William L. Rafsky, \$25,000-a-year Philadelphia development co-ordinator, who said "no" to suggestions he head URA, at \$20,000.

MARKET MURMURS: Big Builder Joe Kantner of Cincinnati is trying out a tie-in scheme to help rent his apartments and simultaneously sell his new homes. Buyers can now rent a garden apartment in either of two Kantner projects and get a \$10 a month credit (out of rents of \$74 to \$78 for a two-bedroom unit) toward a downpayment in his Forest Park community. In three years a couple would have \$360 credit on a down payment. The first ten days this "home equity plan" rented 25 apartments, Kantner says. . . . Land Developer Charles Rutenberg of Clearwater, Fla. offers to pay real estate taxes for 10 years for home buyers in his retirement subdivision (\$12,000 for 2 b/br on a sewerer lot) . . . Builder Frederick L. Berard tried a slightly different version in Springfield, Mass., found it fell flat. He guaranteed to pay any increase in realty taxes above \$396 to his buyers, for three years (for houses priced at \$12,600-\$12,900). NEWS continued on p 40

Kennedy's most controversial appointment

Bob Weaver, scholar, administrator and housing careerist, backs open occupancy so strongly (as has JFK) that the South may fight the Administration's big housing plans

To Robert Clifton Weaver, the news that he was being tapped as President Kennedy's housing administrator came as a surprise happy-birthday present. Weaver, a genial intellectual who has spent most of his working career in housing, got the definite word that he was the new Administration's choice to head the Housing & Home Finance Agency on his 53d birthday, Dec 29.

Two days later, the housing industry and the nation got the news, too. It was a surprise—and to some not a happy one.

Bob Weaver, who holds a Ph.D. in economics from Harvard, has won a host of admirers for his work on Action's board of directors and as vice chairman of New York City's Housing & Redevelopment Board. That scholarly Bob Weaver is a distinguished Negro leader is incidental to housing (although perhaps not to politics: he will become the first of his race to hold so high a federal post). What upsets many a realtor, mortgage lender, builder, and legislator (notably Southerners) is that:

1. Weaver has been a crusader for minority civil rights for three decades, is chairman of the militant Natl Assn for the Advancement of Colored People, and a strong advocate of a Presidential order to require open occupancy in all federally-aided housing.

2. Weaver's designation makes it all too plain that the new President intends to carry out his campaign promise to issue just such an order—though perhaps not immediately. Said Kennedy in a Sept 9 speech in Los Angeles: "As chief executive, the next President must be prepared to put an end to racial and religious discrimination in every field of federal activity." One step, he added, would be to issue "the long delayed executive order to put an end to racial discrimination in federally subsidized and supported housing."

Such an executive order, many industry spokesmen contend, would cripple public housing in the South and would cut housing output at a time when it is already too low by driving builders almost everywhere out of FHA and VA programs. If open occupancy is inevitable, say industry men, let it come by evolution, not revolution.

Whether all their fears are well founded is debatable. For even in the eight states which have racial anti-bias laws on their books, most of them applying to conventionally financed as well as FHA and VA subdivisions, no large stir has developed. As Negro leaders, including Weaver, have long contended, only a handful of Negro families are likely to invade the upper crust precincts of suburbia. Moreover, the more areas that are open to them, the fewer Negroes will congregate in any one. In the South, and especially in public housing, there will be a real problem. (Weaver's idea, apparently, is to try to go gently but steadily on enforcing compliance.)

Wrong man? Most outspoken opposition to Weaver's appointment comes expectedly from Southern senators including Chairman A. Willis Robertson (D, Va.) of

the banking committee which must approve his confirmation before the Senate itself acts on the same question. Robertson told newsmen he was "surprised and disappointed" at Kennedy's choice. The President "did not pick the right man," he added.

Their choice, agree Robertson

Yale Joel



HHFA's WEAVER
A new kind of housing chief

and Sen John J. Sparkman (D, Ala.), chairman of the Senate housing subcommittee, was Joseph P. McMurray, former New York State housing commissioner, and, under both Democratic and Republican Congresses, staff director of the Senate banking committee. Ironically, Weaver was deputy state housing commissioner in New York under McMurray. And while Kennedy's talent scouts were zeroing in on Weaver for the top federal housing job, McMurray, now president of Queensborough Community College, was heading a task force shaping housing policy recommendations for the new President (for details on the McMurray task force report, see supplement). The McMurray report is silent on the subject of racial integration in housing.

At mid-month, storm signals on Capital Hill seemed to indicate that opposition to Weaver might delay this confirmation, but would not block it.

But whether Weaver's appointment will stymie the new Adminis-

tration's plans for massive housing legislation is another matter. It is noteworthy that Rep Albert M. Rains (D, Ala.), No. 1 man in the House on housing, made no move to reconstitute his housing subcommittee in the new Congress. Normally, Rains acts routinely to continue the committee within a day or two after Congress convenes. He will stall, Capitol Hill dopesters figure, until he gets reassurance from the President himself that no radical moves are coming up on racial bias in housing. How Kennedy could give any such assurance, even covertly, escapes most political analysts. If he doesn't, it is possible that Rains could block House consideration of any major housing legislation this session. On the other hand, Rains has taken strong stands before in the early days of a Congress, only to give way later.

Cabinet status? The first big test of whether Congress will swallow a Presidential anti-bias order is likely to come over Kennedy's plans to upgrade HHFA into a cabinet-status department of urban affairs (NEWS, Jan).

The simplest way for the new Administration to do this is for Congress to re-adopt the now-lapsed Reorganization Act giving the President power to regroup executive activities subject only to a Congressional veto. Chairman John L. McClellan (D, Ark.) of the Senate government operations committee has already introduced a bill to do so, with the powerful co-sponsorship of Sens. Humphrey (D, Minn.), Jackson (D, Wash.) and Ervin (D, N.C.). It would give Kennedy power to create the proposed urban affairs department subject to a veto by majority vote of either House.

The last Reorganization Act, which expired June 1, 1959, had the same provisions. But at one stage in the law's history, it contained a specific prohibition against creation of new cabinet-level departments. By whatever means are available, opponents of Weaver and a federal edict on open occupancy will be out to load the new

reorganization law with crippling amendments. Congressional insiders doubt that they will succeed, but legislative forecasting is a risky business.

Finally, Weaver's appointment may well stir animosities toward housing on the appropriations committees, where southern Democrats hold a majority in both Houses. If aroused, the committees could quietly knife housing appropriations at every chance.

Backers & opponents. Support for Bob Weaver is strong among northern liberal senators—men like Joe Clark of Pennsylvania, Jacob Javits of New York (and conservative Kenneth Keating of New York, too). Inside the housing industry, notable backing comes from among the men who have served with Weaver on Action's board of directors and executive committee and been impressed with his grasp of knotty sociological housing problems.

Among the shocked and worried industry groups, only realtor leaders are showing the courage to speak their convictions. Most builders, lenders, and others who do not applaud his selection either refused HOUSE & HOME's invitation to comment or produced something that adds up to a muffled: "harrumph."

Press comment was sparse. What there was generally applauded Kennedy's choice and praised Weaver as well fitted by his background for the post. Thus the press, overlooking the fact that 97% of housing is privately built, while Weaver's background is wholly in public sectors, fell again into the trap it digs for itself by consistently reporting housing in terms of the perennial fight over the 3% that is public. "A man notably equipped for the job," editorialized the Milwaukee Journal, "... extremely well qualified both as an expert in the field and as an administrator." Said the Washington Post: "... outstanding qualifications for this particular assignment." Said the New York Times: "... superbly fitted to carry out a public housing program."

As it so often does, the better balanced light shone forth a few days later in a letter to the Times from Alan Rabinowitz of Cambridge, Mass. Write he: "Too often, in our experience, the public housing programs of the federal government dominate politically oriented discussions of urban renewal. In fact, as well as in law, public housing is a minor part of the attack on obsolescence of the American city.

"The problem of the low income (and often the non-white) popu-

For an editorial analysis of the significance of Weaver's appointment, see p 82.

lation in the cities is better treated by the urban renewal approach than by the public housing approach. Urban renewal as a concept includes comprehensive planning for economic development, physical redevelopment, regionally coordinated transportation and conservation of existing neighborhoods, as well as providing for additional publicly supported housing.

"We know that Dr Weaver will address himself to these larger problems as well as to the problem of low-rent housing. One of his more important tasks . . . will be educating the American public about the urban problem."

Where Weaver stands on some of today's top housing issues

Apart from racial open occupancy, the most controversial housing issues likely to arise during the new Congressional session involve what to subsidize and how much, and how and whether to use FHA instead of direct subsidy.

How much more overhaul will FHA face in the name of serving 'unmet-needs'? FHA, with its \$758 million reserves, "is the basic element" to reshaping federal hous-

ing efforts toward the new frontiers Weaver has in mind. "FHA needs to be keyed more into the whole housing program," Weaver told HOUSE & HOME a few days after his appointment was announced. For instance, Weaver notes, FHA often seems at loggerheads with the Urban Renewal Administration over the little steps and decisions that need to be taken to make the war against slums move faster. Most of the men in FHA prefer to stick to their main business of insuring loans on single-family detached houses in the suburbs instead of getting mixed up with the bewildering and constantly growing list of special plans to stimulate special types of construction (including renewal).

As HOUSE & HOME has noted (NEWS, Jan), more and more top housing people are growling over FHA's record of non-accomplishment in its welfare-tinged programs—notably Secs 220 and 221 for urban renewal. Even retiring HHFA administrator Norman Mason has conceded that FHA doesn't have the habits of mind that urban renewal requires. "The program requires a willingness to take a chance," Mason has said. "FHA's whole background is built on getting the facts and making large percentage loans based on the

facts. In the 220 program, there are few facts."

FHA's tilt toward the new suburban home is so imbedded that some experts now contend the really effective way to provide mortgage insurance for urban renewal (and perhaps some other sections of FHA like nursing homes and non-profit housing for the elderly) would be to split these off from FHA—along with some of the reserves—and set up a completely new mortgage agency.

Says Bob Weaver: "I'm aware of this demand. And I'm studying it." As a matter of law, the mutuality of FHA would make it a very tricky business to tap the bulging single-family house insurance reserves to support other ventures. Moreover, a good case could be made that this would amount to kidnapping the reserves from Sec 203—reserves accumulated by overcharging home owners*—for money to underwrite economically questionable schemes in the name of general welfare.

Right now, Weaver agrees, it might be "unfortunate to split FHA wholly." So he is looking for "in between steps" to hitch FHA to the new frontier.

Weaver himself takes a moderate stand on one big subsidy issue; continued on p 43

Neal Hardy to be named FHA commissioner; Jim Cash to be deputy

If the appointment of Robert C. Weaver as HHFA administrator upsets some elements of the housing industry, the selection of Neal Hardy as the new Administration's FHA commissioner should reassure them.

Hardy, 46, is not only one of the philosopher-kings of housing.

Reni



FHA's HARDY
Back to officialdom

He is one of the nation's few housing careerists whose interests lie in the publicly-oriented sector but who thoroughly understands the private industry and mortgage lending.

For the last six years, Hardy has been successively director and general manager of NAHB's \$2½ million National Housing Center in Washington. At least, that was his title. Actually, home builders leaned on Hardy to help think through their policy stands on controversial issues. And Hardy's gentle persuasion, insiders say, had a lot to do with how fast the builders' organization has matured in its attitudes on public issues. Sample: Hardy was instrumental in persuading NAHB to hire Joseph P. McMurray for his just completed \$40,000 study of how to house low income families.

For five years before he joined NAHB, Hardy was assistant HHFA administrator. As No. 3 man in the agency, Hardy was an all-around troubleshooter who helped launch many new programs Congress handed HHFA, such as community facilities and college dormitory loans. During the Korean War he handled HHFA's end of defense housing.

Born in Ottawa, Kan., Hardy graduated from the University of Kansas in 1936 and worked a year with the National Institute of Public Affairs in Washington. From 1937 to 1943, he was an assistant to Chairman John H. Fahey of the Home Loan Bank Board, specializing in research. During World War 2, he was an Army assistant military attache in London.

Jim Cash, 39, scheduled to be named deputy FHA commissioner, is an Arkansas native who has been staff director of the House housing subcommittee since July 1958. From 1949 to 1953, he worked at FHA as an aide to the assistant field commissioner for operations.

Weaver's career: housing, teaching, rights

All his career Bob Weaver has battled to break down barriers for Negroes. He was one of the first of a group of Negroes—later called the "Black Cabinet" by the Negro press—recruited by the New Deal in 1933. Most of these, like Weaver, were known as race relations advisors. They dealt with racial problems in fields like housing, education and employment. Weaver began in 1933 as an aide to Interior Secretary Harold L. Ickes, later served as special assistant in such agencies as the US Housing Authority, the housing division of the Works Progress Administration, the National Defense Advisory Commission, the War Manpower Commission and the War Production Board.

Even in those depression years, he made a reputation as a tough-minded and resourceful foe of the status quo in which Negroes were largely excluded from or segregated even in federal agencies and programs. Weaver and the other race relations specialists persuaded, cajoled and pressured the Roosevelt Administration to get more jobs, housing, education and equal rights for Negroes. But he did it patiently, using both logic and the right cuss word at the right time. The best way for Negroes to achieve equal opportunity, he has said, is "to fight hard—and legally—and don't blow your top." Before he left Washington in 1944, Weaver was described as the least known, and yet most influential, Negro in the New Deal.

Bob Weaver, fourth man to head the 13-year-old HHFA, will be the first housing chief whose background is almost exclusively the subsidized sector of housing. Ray Foley (1947-1953), the first housing administrator, was a newspaperman turned FHA director and then FHA commissioner. Albert M. Cole (1953-1959) was a lame duck congressman from Kansas, who had been exposed to housing through two terms on the House banking committee. Norman P. Mason (1959-1961) was a retail lumber dealer who moved into government as FHA commissioner.

Weaver, by contrast, has worked in public housing, taught economics and sociology at Northwestern, New York Teachers College, and New York University. He served three years as New York State rent administrator under Governor Averell Harriman (the first Negro ever appointed to cabinet status in the state government). He served as deputy state housing commissioner in New York under Commissioner Joseph McMurray. In his last post, vice-chairman of the New York City Housing and Redevelopment Board, he concentrated on developing long-range policies and plans to guide the Board's massively subsidized efforts to save New York City from its choking collar of slums. He had a major hand in turning the city toward more emphasis on conservation and rehabilitation in new projects. At HHFA, Weaver will take a \$1,500 a year salary cut from

his \$22,500 New York City job.

It also means he is going home. Weaver was born in Washington, D.C. where his father worked for 42 years as a postal clerk. His mother, who influenced him in the direction of his scholarly life, was the daughter of Dr Robert Tanner Freeman, the first American Negro to win a doctorate in dentistry. That was in 1869, at Harvard.

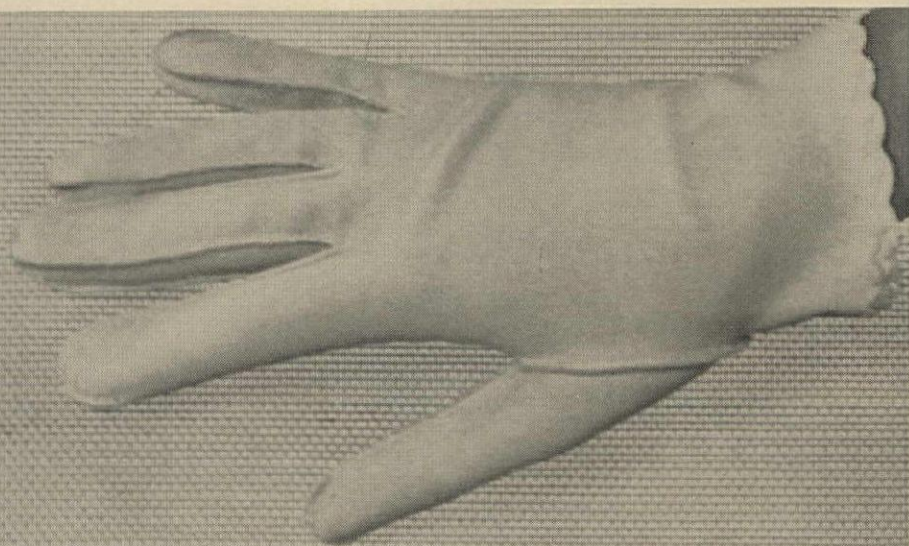
Bob Weaver graduated cum laude from Harvard in 1929, got his M.A. and Ph.D. in economics there, then taught at North Carolina Agricultural and Technical College before he began his 11-year stint in Washington.

Dr Weaver is a man of quality, humor, and brains. He has a knack for telling stories to illustrate his point. He hates exercise, loves reading and tinkering around the house (he once held an electrician's license). "I'm an incurable do-it-yourself man," he smiles. His wife, the former Ella Haith, is an assistant professor of speech at Brooklyn College. They live in a spacious apartment on New York's Central Park West (which they plan to keep), have a summer home on Connecticut's Housatonic River. They have an adopted son, Robert Jr, 19. Weaver is the author of two books, "Negro Labor: a National Problem" (1946) and "The Negro Ghetto" (1948), a study of housing problems. He has also written more than a score of articles for technical and professional magazines, mostly on racial problems in housing.

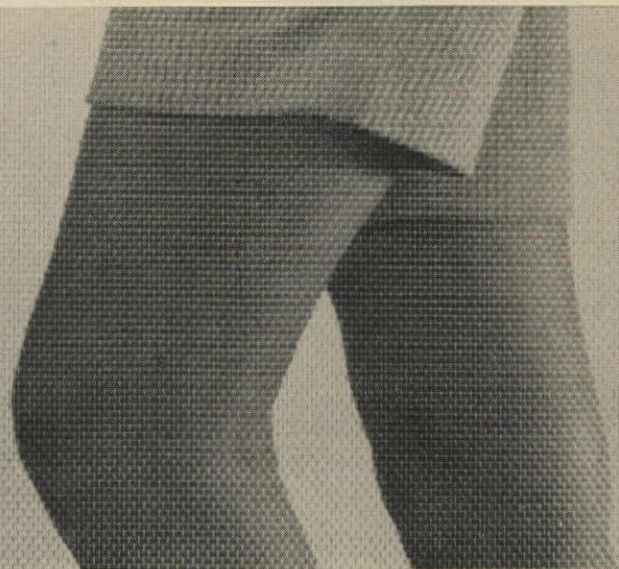
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Cut FHA rate to 4½%, JFK task force urges

middle income housing. The alliance of Democratic big city mayors, labor and public housers has been pushing for a big new program of subsidized loans on the ground that there is a vast "unmet need" for new housing for families too rich to get into today's public housing. Many a private houser retorts that private industry is already doing a pretty good job of housing middle-income families (though not in rent-controlled New York).

Bob Weaver—patient as always—takes his stand on the side of experts like President Karl Falk of the Natl Assn of Housing & Redevelopment Officials, who argues that nobody can really tell what the middle-income housing need is until more current facts are dug out. "First thing," says Weaver, "is to analyze what sort of middle-income housing is required, area by area. It's never been analyzed. We even have to define what middle-income housing is. We may well come up with several programs rather than one monolithic program. The need may well be different in different areas."

On whether Fanny May should get more money for special assistance mortgages, he takes no stand yet.

President Kennedy's economic task force has urged the new Administration to cut interest rates on mortgage loans (presumably FHAs and VAs) to 4½%, "with discounts correspondingly reduced."

What kind of magic the new Administration should use to woo private money into government-backed mortgages at 1½% less than prevailing interest rates, the task force did not spell out.

But the task force, headed by Professor Paul A. Samuelson of MIT, did say "it will be necessary to push hard on specific credit programs in housing" because the nation's gold losses "inhibit" more conventional monetary tinkering. The task force also recommended:

- "High priority" to expanding urban renewal.
- Expansion of home modernizing loans.
- Longer amortization for FHA and VA mortgages.
- A cut in FHA mortgage insurance from ½% to ¼%.
- More mortgage buying by Fanny May "especially for high risk mortgages lacking private markets."



ECONOMIST SAMUELSON
For housing credit: special efforts

Here is the text of the report's housing recommendations:

"The last two recessions were helped immensely by a successful program to make credit more available to residential housing. No experts could have predicted the anti-cyclical potency that housing has shown in the postwar period.

"Already we have seen some easing of credit in this area, but such steps do not seem this time to have been so successful—in coaxing out a new demand for

home construction. There is perhaps some reason to fear that less can be expected from the housing area in the year ahead. Down payments are already quite low, as are monthly payments. Vacancy rates, particularly in certain areas and for certain types of housing, have been rising. The age brackets that provide the greatest demand for new housing are hollow ones because of the dearth of births during the depression of the 1930s.

"Nonetheless, so great is the need for housing a few years from now when the wartime babies move into the house-buying brackets and so useful is the stimulation that a resurgence of housing could bring, that it would seem folly not to make a determined effort in this area. In particular, loans for modernization of homes, which now bear so high an interest rate, might provide a promising source for expansion.

"Many specific actions will be required. Mortgage rates might be brought down to say 4½% interest, with discounts on mortgages correspondingly reduced; considera-

continued on p 45

Quotes from Weaver's writings on race and housing issues

"The most persistent proponents of residential segregation in the North are the well-organized real estate dealers, home builders and home finance institutions. These groups can be counted on to lead the fight in opposition to any modification in residential segregation." (1948)

"In most American cities the Negro has become a handy dumping ground for obsolete property that lies in the path of the geographic expansion of the Black Belt." (1948)

"Modern cities can absorb a large supply of low-income migrants without subjecting the newcomers to economic exploitation and greatly augmenting slums and blight only by building more low-rent housing on open sites, solving the problems of rehabilitation without excessive costs and providing a free housing market. The central city has a stake in open occupancy throughout the metropolitan area because it is necessary in order that the market may operate most efficiently. Under conditions of open occupancy a much smaller number of areas of middle-class housing need be threatened by inundation by non-whites." (1960)

"Opening the suburbs to non-whites is one of the necessary prices for attracting and holding middle-income whites in the central city." (1960)

"The key to the situation in the North probably lies in the racial

composition of newly constructed suburban housing. If there are effective legislative actions and if a few of the major producers of new housing establish successful open-occupancy developments, the unsegregated patterns now emerging in the older sections of northern cities will be supported. Of course, destruction of racial ghettos will not immediately result. The majority of non-whites will continue to live in areas of high concentration, but new patterns will emerge elsewhere, and slowly the Negro and other colored groups may begin to disperse as have other ethnic city groups." (1956)

"There is hardly an aspect of minority group problems in the North that is not related to housing. Restricted areas, high rents and inferior accommodations spell economic exploitation, ill health, inadequate public and community facilities." (1948)

"There needs to be an acceleration of the size of the middle-class among non-whites. This will be achieved in large measure in proportion to the degree that the middle-class Negro is accepted as his immigrant prototype was accepted. Unless the achievement of American norms of success on the part of Negroes is rewarded, as it has been among others who started at the bottom of the economic and social scale, there will be a loss of motivation (already apparent among Negroes) with consequences which are inimical to the economic, political, and cul-

tural health of the central city. Such results would be tragic for the nation—and western democracy—in the world of the cold war and the emergence of Asian and African nationalism." (1960)

"In practice, it is difficult to maintain a racially mixed pattern of living once the proportion of non-white tenants exceeds 40 to 60 per cent." (1956)

"The middle class in America is keenly conscious of the threat of lower-class encroachments . . . This has long been a national characteristic, perhaps an inevitable consequence of a socially mobile people who are status-conscious . . . Many middle-class families will not long voluntarily remain in an area which they believe threatened by lower-class engulfment; few will migrate to such areas."

"Urban renewal concerned with attracting and holding middle-class households in the central city must be geared to creating neighborhoods which offer good schools, a reasonable degree of cleanliness, protection from violence, and physical attractiveness. They need not be single-class neighborhoods, but there is a limit—a class tipping point—to which they can be heterogeneous from a class point of view. They can absorb some minority group families of middle-class attributes as well as some of lower incomes."

" . . . Central cities . . . will survive. Their demise, largely on the same grounds cited as threatening them

[now], has been foretold many times in the past. Of course, they will be different. For years to come, they will have trouble attracting and holding middle-income white families with children . . . To the degree that redevelopment, renewal, and conserved neighborhoods, as well as areas which are left alone, become or continue to be identified as middle-class, there will be middle-income whites with children in the central cities. Good public schools and other satisfactory public facilities will augment the number. Almost equally important will be the success we have in utilizing housing codes and other tools to raise the general level of housing, in developing realistic school programs to raise motivation and achievement in all schools, and in applying effective techniques for accelerating the occupational, residential, and social mobility of the growing number of newcomers who are entering and will continue to enter our cities."

" . . . Society must supplement the operations of private industry so as to assure an adequate supply of standard housing." (1948)

"The principal costs of the Negro ghetto are the costs of slums." (1948)

"While the size and squalor of slums may be decreased we shall not clear all of them. Poverty, rejection, and a certain amount of individual choice will dictate their perpetuation." (1960)



A BUILDER STATES A CASE FOR GAS AIR CONDITIONING . . .

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tion might be given to further extended amortization periods. The insurance fee for single dwellings under FHA programs might well be reduced from one-half per cent to one-quarter per cent. The Federal National Mortgage Association could step up its mortgage purchasing program, especially for high-risk mortgages lacking private markets. Housing for the elderly is another program desirable for its own sake. Measures that tie in with urban renewal and college dormitories, also hold out promise.

"Particularly because our international balance of payments inhibits certain types of activist monetary policy will it be necessary to push hard on specific credit programs in the housing field. Innovation, ingenuity and experimentation with new instrumentalities will be needed in this matter. It is not reasonable to believe that the patterns earlier arrived at are the last word in feasible programming."

How Kennedy experts in economic, fiscal fields view the issues

Whatever other qualities the Kennedy appointees may have as a group, consistency of viewpoint is not one of them. There are no extremists either of the right or the left, but there is a wide range of in-betweens from the monetary orthodoxy of the Treasury appointments, particularly Robert Roosa, to the "pragmatic liberalism", as it is called, of Walter Heller, the new chairman of the Council of Economic Advisers.

Heller, 45, who has been economics chairman at the University of Minnesota, favors higher budget surpluses and lower interest rates to speed economic growth.

As Undersecretary for Monetary Affairs, Roosa succeeds Banker Julian Baird, who has tried hard to extend the average maturity of the debt. Roosa's views and objectives will not greatly differ from his predecessor's. In contrast, Heller differs from his predecessor, Raymond J. Saulnier, about as fully as is possible. A firm believer in a private market economy, Saulnier placed stress on the internal correctives in a free economy and on monetary actions and the natural working of the interest rate structure as the principal economic governors. He also advised a stronger position on the wage push than was taken by the Eisenhower Administration, pointing out its inflationary influence. Heller is an activist of the Galbraithian school who believes that government should take a more positive role in the allocation of resources.

Somewhere between Roosa and Heller stands David Bell as director of the Budget. Less apprehensive of mounting federal expenditures than the outgoing director, Maurice Stans, he is still considered a man to whom "deficit" is an ugly word except in a time of economic emergency.

Eisenhower's final words on housing

President Eisenhower's final state of the union message summed up his accomplishments in housing in these words:

More houses have been built during the past eight years—over 9 million—than during any previous eight years in history.

An historic new approach—urban renewal—now replaces piecemeal thrusts at slum pockets and urban blight. Communities engaged in urban renewal have doubled and renewal projects have more than tripled since 1953. An estimated 68 projects in 50 cities will be completed by the end of the current fiscal year; another 577 projects will be underway, and planning for 310 more will

be in process. A total of \$2 billion in federal grants will ultimately be required to finance these 955 projects.

New programs have been initiated to provide more and better housing for elderly people. Approximately 25,000 units especially designed for the elderly have been built, started, or approved in the past three years.

For the first time, because of federal help and encouragement, 90 metropolitan areas and urban regions and 1,140 smaller towns throughout the country are making comprehensive development plans for their future growth and development.

American communities have been helped to plan water and

sanitation systems and schools through planning advances for 1,600 public works projects with a construction cost of nearly \$2 billion.

Mortgage insurance on individual homes has been greatly expanded. During the past eight years, the Federal Housing Administration alone insured over 2½ million home mortgages valued at \$27 billion, and in addition, insured more than ten million property improvement loans.

The federal government must continue to provide leadership in order to make our cities and communities better places in which to live, work, and raise families, but without usurping rightful local authority, replacing individual responsibility, or stifling private initiative.

NEWS continued on p 47

EDITORIAL:

What more can Washington do to help us?

Every rule has its exceptions, so perhaps HOUSE & HOME should record these seven exceptions to the broad statement we made last month that: "If Washington would just stop using housing as a countercyclical device tossed from boom to bust by the alternation of too easy and too tight money, there is little left that Washington can do for us that Washington has not already done."

Exception No. 1—The new Administration could and should debalkanize FHA. How can FHA fulfill its mission to "raise the standard of housing" as long as each local office is authorized to nullify any forward-looking directive from Washington on the plea that it does not conform to what has been local custom? (For example, many FHA offices are still enforcing the income requirements countermanded by Commissioner Mason three years ago—income requirements that allow homebuyers to budget only 10% of their after-tax income above \$3,000 for mortgage payments and all other expenses connected with their houses.)

This nullification problem was first dramatized by Commissioner Mason; Commissioner Zimmerman made it his No. 1 target; the new Democratic commissioner should finish the job.

Exception No. 2—The new Administration should let FHA spend enough of its own income to do its work right and to pay high enough salaries to hold good men. That means Congress should allow FHA to budget at least a third of its premium income for its operations to put them on a more efficient basis.

Exception No. 3—The new Administration could and should reduce the grossly excessive FHA insurance premium and let FHA collect it as a single non-refundable advance payment of somewhere between 1% and 2% added to the appraisal and the mortgage as in England (instead of collecting ½% a year in up to 360 microscopic installments subject to a

possible refund to somebody 30 years later). The ½%-a-year saving on the carrying cost of the mortgage would let most homebuilders qualify for a little better home; and a lot of useless bookkeeping would be eliminated.

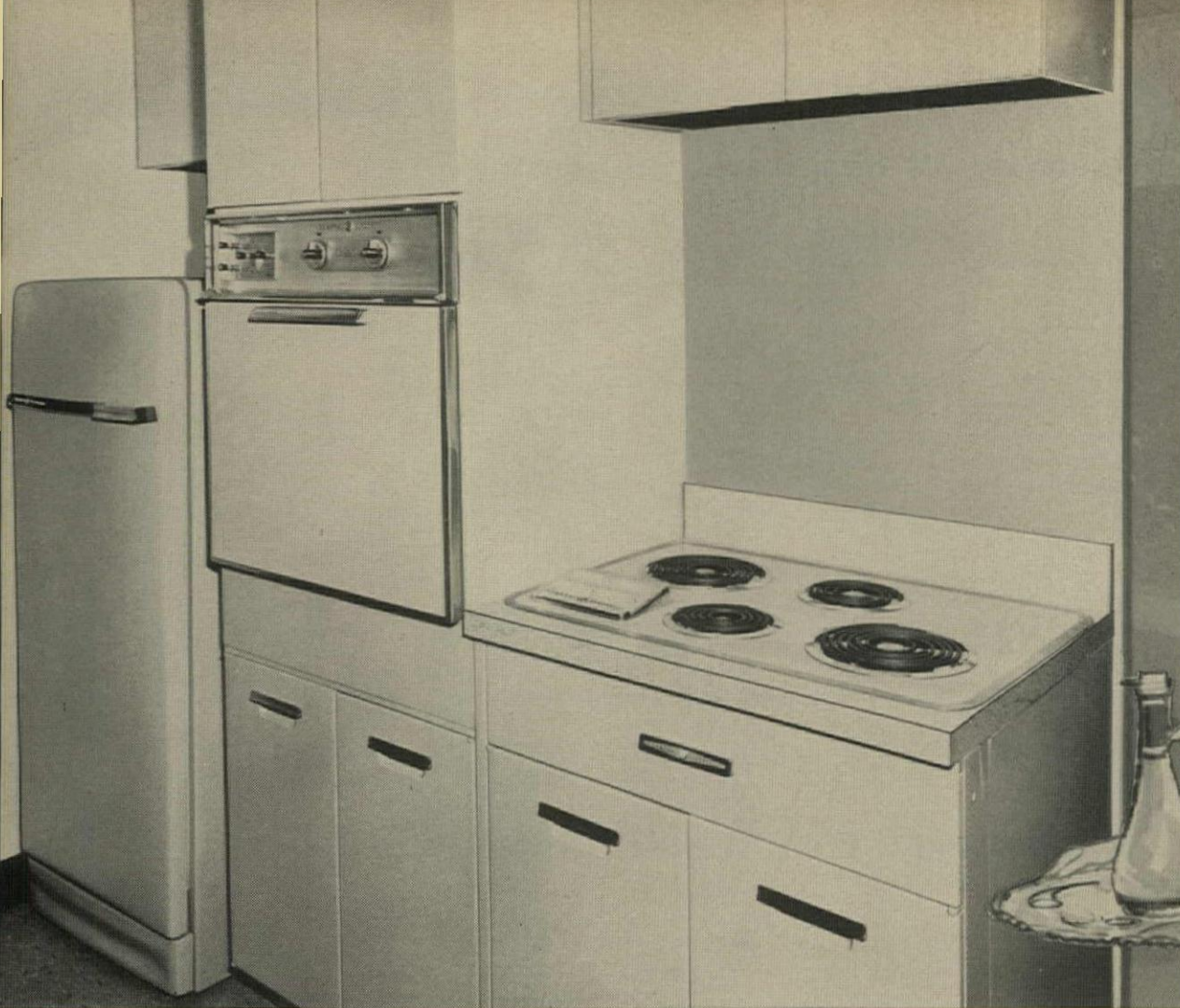
Exception No. 4—The new Administration could and should increase the liquidity of government-insured or guaranteed mortgages (and thereby their attractiveness and saleability to small institutions) by letting Fanny May lend money to institutional investors on their security *with recourse*.

Exception No. 5—The new Administration could and should change the FHA regulations which now penalize saving and keep homeowners from building up the equities needed to trade up to better homes. To that end, FHA should base its income requirements on 40-year straight line depreciation (which is a true cost) regardless of how fast or how slow the amortization (which is a form of saving and not a cost at all).

Exception No. 6—The new Administration could and should provide more nearly adequate market statistics on housing. The federal government some years spends more money to gather statistics on peanuts than it spends to provide the needed figures for America's biggest industry. Housing's priority on statistics is so low that Census may not release until late in 1962 many of the housing facts developed by the 1960 census!

Exception No. 7—The new Administration could and should let FHA spend more of its income for construction research needed to span the gap between the product research manufacturers can be expected to do and the field research the homebuilders can be expected to do for themselves.

These seven changes need not cost the taxpayers a penny. It is high time they were made.



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MORTGAGE MONEY:

More funds than loans—so prices keep going up

The new year has started with the sharpest drop in months in the cost of mortgage money.

In almost every city in HOUSE & HOME's 17-city monthly survey, higher prices were reported for FHA and VA loans.

**House
& Home**
exclusive

Immediate delivery loans gained ½ to 1 point in 10 cities. Elsewhere, discounts fell in such categories as futures, higher-equity loans, existing-house loans.

In Philadelphia, for example, FHAs moved up to 99½-par from 99½, and in New York, to 99 from 98. In Detroit, VA no-down immediates jumped from 93½-94 to 94½-95. Conventional rates showed less easing, but more business is now being done on the lower edge of quoted spreads, and choice loans can "break" the going rates in many areas. Here are midmonthly indicators of market changes:

FHA minimum-down immediates—in Cleveland, from 97½ to 97½-98; Detroit, from 97-97½ to 97½-98; Jacksonville, from 97 to 97-98; Los Angeles, from 97-97½ to 97½-98; Newark, from 98½ to 99; Oklahoma City, from 97-97½ to 97½-98; San Francisco, from 97½ to 97½-98. Massachusetts savings banks quote 97-98 for out-of-state purchases, up

from last month's 97-97½ (but relatively few sales yet at top price).

VA no-down immediates—in Cleveland, from 93 to 93-93½; Jacksonville, from 93 to 93-93½; Los Angeles, from 93 to 93½-94; Newark, from 93 to 94; New York, from 94-94½ to 95-95½; Oklahoma City, from 92½-93 to 93-93½.

Will the trend continue? Yes, chorus mortgage bankers, lenders, and economists.

Supply and demand are still way out of balance. Lagging house sales keep originators' shelves bare while investors are flush with money.

Items:

- Mutual savings banks gained \$1.4 billion in deposits in 1960—16.7% more than in 1959—and expect to do even better this year. (Notes a mortgage broker: "Mutuals didn't anticipate their deposit improvement and many didn't start moving after mortgages until it was too late. Now some have to go to FNMA where they pay par for FHAs.")

- Savings & loan associations grew \$8 billion last year while "mortgage volume failed to keep pace," says President Gerritt Vander Ende of the Natl League of Insured S&Ls. He looks for at least the same deposit growth in '61.

- Pension fund money is flooding into the mortgage market to compete with traditional investors. For example, Jack Eleford of Eleford & Counihan, New York mortgage brokers, says that his sales to pension funds zoomed from \$7.5 million in 1959 to \$26.2 million in 1960. Rutgers, Massey & Co reports that funds accounted for 18% of their \$60 million business in 1960, will be an even bigger item in 1961.

This year, predicts Economist Saul Klamman of the Natl Assn of Mutual Savings Banks: "the supply of investment funds seeking outlets in mortgage markets will exceed the demand. As the flow of savings expands, the downward pressure on mortgage interest rates will continue—at least during the early part of the year—and the quality of credit will decline as reflected in contract terms and acceptability of borrowers." Say S&L officials: "Amen."

Many mortgage bankers are disgruntled because prices have climbed so slowly despite heavy competition for loans.

"The market is moving like molasses," says Vice President C. A. Bacon of Denver's Mortgage Investment Co. Cries another mortgage banker: "How long can this collusion of investors hold out?" Adds President Ray Lapin of San Francisco's Bankers Mortgage Co: "A lot of people think prices should be higher—based on other aspects of the money market. Investors are in touch with each other more than they used to be. They're putting up stiffer resistance. They have to."

Why are mortgage rates stickier than other long-term rates? Klamman pinpoints these reasons:

1. Mortgages are more complicated and more variable than paper like AAA corporate bonds. In home financing, many contract terms (ie, down payment, amortization, maturity, prepayment penalties, etc) are up to individual negotiation. The borrower's credit and location of the house are important, unlike bonds. "Few markets are characterized by more one-of-a-kind deals," says Klamman.

2. Mortgage markets are locally oriented. "A going rate of exactly 5½% or 6% becomes accepted and changes only slowly."

3. Few mortgage men can achieve "the fine-drawn pricing through discounts and premiums" that an investment banker can. "The mortgage lender dealing directly with borrowers rarely resorts to basis-point calculations," says Klamman, "and seldom changes contract interest rates by less than ¼% and often not by less than ½%."

4. Administrative costs for mortgages are higher—"perhaps 75 basis points compared to 10 on corporate securities."

5. Finder's fees paid by lenders to brokers or originators are not included in yield or rate calculations but in administrative costs.

"For reasons growing out of market and technical peculiarities," says Klamman, "fairly substantial and more prolonged changes in financial conditions are required to bring about changes in mortgage interest rates."

Dwindling discounts are turning more and more builders back to VA financing to spur sales.

"Discounts are getting small enough now so that builders are willing to absorb the cost to unfreeze their houses," says President Stanley Earp of Detroit's Citizens Mortgage Co. Builders bank on no-down payments to attract some buyers and lower carrying charges to qualify others who can't qualify FHA.

A shift to VA has been particularly marked in the volatile California market. Says Vice President Chris Gebhardt of Colwell Co, Los Angeles: "Builders who find themselves stuck with the tail end of an FHA tract are switching to VA. New tracts contain a larger proportion of VAs now. It's a major trend." Six months ago, FHAs held a three-to-one margin over VAs in the state. But not anymore, say mortgage bankers. Sonoma Mortgage Co, San Francisco, for example, now has \$6.7 million in VA loans vs. only \$3.7 million in FHAs.

Says Vice President Bob Morgan of the Boston Five Cents Savings Bank: "Interest in VA financing is quite general now. It helps builders move sticky merchandise. The outlook for VA is as bright as it has been in a long time."

The potential VA market still has 9 million World War 2 vets (until July 1962) and 5 million Korean vets (until Feb 1965), says VA.

How soon will the decline in long-term money rates (and mortgage rates) start bottoming out?

Experts parry the question with more questions:

When will business begin to pick up? Midyear is the consensus now. Will S&Ls cut high dividend rates (which keep loan rates from falling very much)? Not before midyear at the earliest, it appears, and not then if business picks up and competition for savings sharpens. Will the Kennedy administration cut the FHA interest rate? If it does, discounts will shoot up. Will the nation's gold losses discourage the Fed from pressing for low short-term rates (which help keep long-term rates down)? Will the new Administration try to prime the economic pump with a heavy spending program (thus creating heavy borrowing by the Treasury and greater competition for investors' money)?

NEWS continued on p 49



*Important Announcement by
the Home Ventilating Institute...*

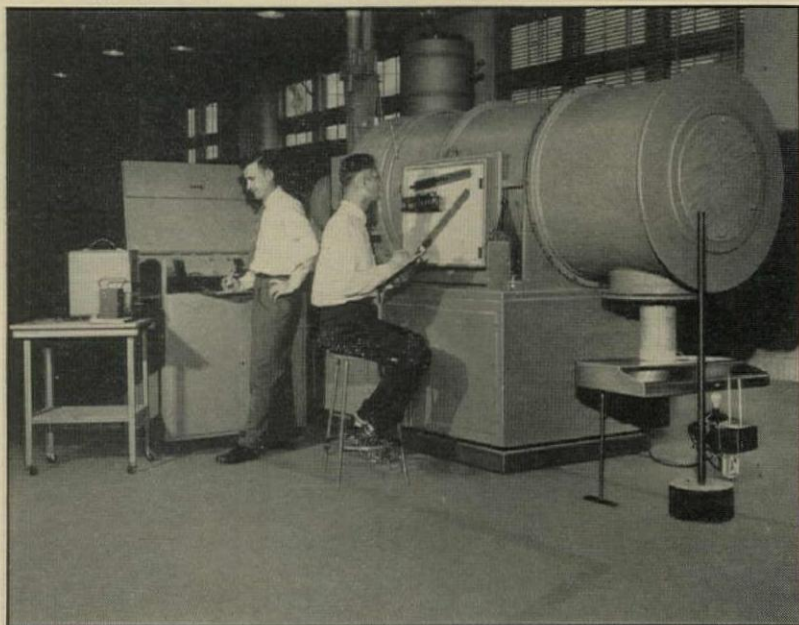
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Texas Engineering Experimental Station, Texas A. & M., College Station, Texas



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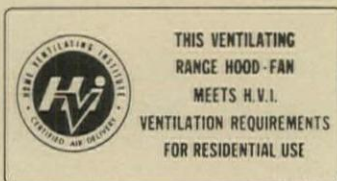
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Pension fund outlet books \$100 million

The spectacular rise of pension fund interest in mortgages has boosted Investors Central Management Corp into the ranks of the nation's biggest buyers of mortgages.

ICMC, founded 4½ years ago by 28 mortgage bankers to woo pension money into mortgages, issued commitments to buy more than \$100 million worth of one-family FHA and VA homes last year. This amounts to two-thirds of the estimated \$150 million that pension funds put into FHAs and VAs in 1960—three times what they invested in 1959.

In racking up this record, ICMC grew from a company managing \$31 million of mortgages Dec 31, 1959, to one managing \$110 million at the end of 1960.

ICMC's staff has swelled from nine a year ago to 27 today. Its loans came from 65 mortgage bankers and commercial banks, went to some 120 pension funds, almost all of them managed by bank trustees (eg Chase Manhattan, Morgan Guaranty, Bankers Trust, First National City Bank in New York—the big four—plus Hanover, First National of Chicago, Old Colony of Boston, Mellon in Pittsburgh, The Bank of New York and Marine Midland Trust).



ICMC's VINER
Bridging the gap

Pension funds, growing at the rate of \$3 billion a year compounded, are now "the most important single force in today's mortgage market," insists President Arthur Viner of ICMC. "They are always there and they always have money, at a price."

A mortgage banker who wants to sell loans to pension funds "must adjust to their way of doing business," Viner cautions. In effect, this means offering mortgages for quick delivery (ie up to 120 days) yielding as well or better—generally better—than currently available new issues of AA bonds. "If you can offer a spread of more than 50 or 75 basis points, the de-

mand for mortgages is enormous," says Viner. But ICMC also managed to sell mortgages to pension funds through part of 1959 and 1960 with no spread at all—"why, I don't know." One big reason is that top flight bonds, like issues non-callable for five years, are scarce. But scarcity of industrials no longer drives major investors into government bonds. Says Viner flatly: "Most bank trusted pension funds don't buy government bonds today."

ICMC neither originates nor services mortgages. Instead, it performs the kind of supervisory work that a home office of a life insurance company would do, for a fee of about ⅓ of 1%. Pension funds themselves own the mortgages. Servicing is by ICMC stockholders or other mortgage bankers who originate the loans.

As Chairman Miles Colean said when ICMC was formed (NEWS, April '56): "The educational work you have to do is terrific."

The big stumbling block was pension managers, unfamiliarity with mortgages, and their lack of organization trained to supervise a mortgage portfolio. ICMC (220 E. 42nd St, New York City) set out to bridge that gap.

It took ICMC almost a year to sign its first agreement to sell FHAs and VAs to New York's Guaranty Trust Company for pension funds the bank managed as trustee. Growth continued slowly until 1959. "That was the year that put us on the map," says Viner. It was a year of mortgage pinch, but ICMC was in the market all year—generally at one point below Fanny May.

SEC snaps whip on trust deed firms; five Ten Percenter officers arrested

The Securities & Exchange Commission announced a crackdown on trust deed and mortgage investment companies and promptly showed it means business with the arrest of five officers of the bankrupt Los Angeles Trust Deed & Mortgage Exchange on fraud and conspiracy charges.

The arrests followed a US Appeals Court decision (NEWS, Jan) sustaining an SEC injunction against the \$45-million California Ten Percenter investment company. SEC contended that the company, in selling discounted second trust deeds to investors, was unlawfully selling unregistered securities. SEC also accused the company of mail fraud.

Arrested were: David Farrell, 40, LA TD&M president; his brother, Oliver, 45, vice-president; Stanley C. Marks, 40, controller; Thomas Wolfe, Jr., 33, executive assistant to the president; and Frank Stark, 50, manager of the firm's San Francisco office. The Farrells were released in \$50,000 bail each, Stark and Marks \$10,000 each, and Wolfe, \$5,000.

LA TD&M has been adjudged bankrupt. Farrell says he will appeal.

Buttressed by its victory in the LA TD&M case, SEC has warned all brokers and dealers publicly selling discounted trust and mortgages in the form of "investment contracts" that they are peddling securities and are subject to federal registration and anti-fraud laws.

An offering is an "investment contract," says SEC, when, among other things: the seller takes care of selecting, servicing, and foreclosing for the investor; there is an implied or express guarantee against loss; a guaranteed yield is implied or expressed; continuous investments are accepted; funds are advanced to protect the security of the investment; fractional interests may be purchased in mortgages or trust deeds. Not all these factors must apply to characterize an offering as an investment contract.

"The wider the range of services offered and the more the investors must rely on the promoter or third party," says SEC, "the clearer it becomes that there is an investment contract."

"The necessity for strict compliance with the federal securities laws is underlined by the growing number of insolvencies and bankruptcies of organizations engaged in offering such plans. The commission intends vigorously to apply and enforce the federal securities laws in this relatively new area of investment. . . . Organizations and individuals engaged in offering such plans to the public are cautioned to reexamine their offerings to make certain that they are not in violation of the applicable provisions of these laws."

SEC now is seeking an injunction against Insured Mortgage & Title Corp, a Florida concern offering investments in first mortgages.

MORTGAGE BRIEFS

Bigger apartment loans

Federal S&Ls can now make bigger conventional loans on apartments of 7 to 12 dwelling units.

The Home Loan Bank Board has just boosted loan ceilings from 66% of appraised value for 15 years to 70% for 20 years. This gives 7- to 12-unit rental structures the same maximum mortgage terms as apartments with more than 12 units.

The board has also boosted maximum maturity from 15 to 20 years on loans for nonresidential income-producing properties.

Par money: problems

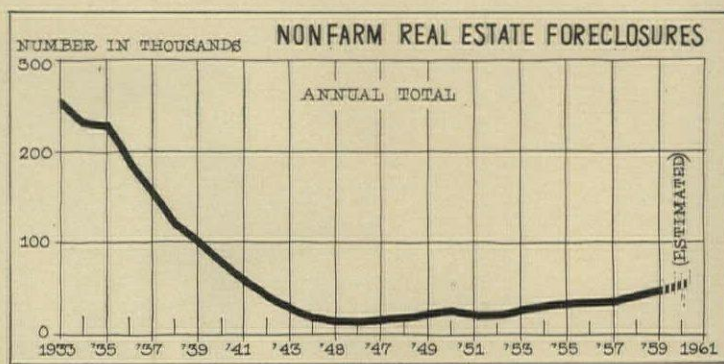
Would a par mortgage market undercut some homebuilders? Yes, asserts a Columbus, Ohio mortgage company officer.

Many builders, reasons General Manager Karl W. Kumler of Nationwide Mortgage Co, paid substantial prices—2, 3, even 5 points—for standby commitments a year ago but weren't able to sell their homes in housing's slump.

Now, with discounts shrinking and a par-FHA market a possibility, other builders can offer substantially the same home this spring without including a fat standby fee in the selling price. Result: the builder who paid high standby fees is caught in a dilemma between continuing sales efforts at a higher (and unattractive) price or sacrificing the fee by dropping prices to meet competition from similar homes without a standby fee.

And a par-FHA market (current Columbus price for FHA 5¾s minimum down: 96½-97) would

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Foreclosures highest since early 1940's

Non-farm residential mortgage foreclosures—on the rise every year since 1952—jumped sharply in 1960.

Mortgages were foreclosed on some 49,000 one-to-four-family houses last year, estimates the Federal Home Loan Bank Board—a boost of 11% from 1959's 44,075 foreclosures and the highest yearly rate since the early 1940s. The 1960 foreclosure rate was around 2.5 per 1,000 mortgages, nearly double the 1952 rate of 1.32. HLBB economists expect the upward trend to continue until

the economy perks up.

Mortgage experts do not regard the increase in foreclosures as alarming. The 1960 total was well below the depression peak of 232,400 in 1933. (Exact foreclosure figures are not available for pre-war years, but economists estimate that 20 years ago the rate per 1,000 was two or three times what it is now). After 1933, foreclosures declined to 58,599 in 1941 and to only 10,453 in housing-short 1946. Then they began moving up, reaching 21,537 in 1950. In 1952, the total dropped to 18,135.



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*PUBLISHER'S PROJECTED AVERAGE CIRCULATION
FIRST SIX MONTHS 1961

only increase this competitive disadvantage.

Kumler, one-time Columbus FHA director, believes this plight is widespread among Columbus' small builders (one to five homes annually) and may hold true in other localities. Larger volume builders are less likely to be hurt, he figures. "But a lot of builders who have their year's profits tied up in one or two houses are going to go broke," Kumler predicts.

Kumler believes the only hope for these builders lies in a stabilized mortgage market until these homes can be absorbed.

FSLIC plan offered

A plan favored by the S&L industry to boost FSLIC reserves has been put before Congress.

In his last budget message, President Eisenhower urged legislation to cut required purchases of Home Loan Bank Board stock by S&Ls from 2% of their mortgage assets to 1% and to pay the difference to the FSLIC. This

plan has the support of both the US S&L League (NEWS, Dec) and the Natl League of Insured S&Ls. A previous Administration proposal to maintain the stock quota and boost the premium paid by S&Ls to the FSLIC to insure deposits brought strong industry opposition.

S&L men have expressed increasing concern over the declining ratio of FSLIC reserves to liabilities. The ratio is now 65¢ to every \$100 of liability, in contrast to the FDIC's \$1.40 per \$100 for banks.

S&L land loans urged

Sluggish house sales will force S&Ls to look for new ways to put their money to work, warns the US S&L league.

How can they do it? The league suggests:

- Put more money in land purchase and development loans to builders.
- Make more property improvement loans.
- Boost participation in mortgages held by other S&Ls.

S&L broker tries selling FHA's

A big New York broker specializing in supplying deposits to S&Ls is giving the brokerage business a new twist: selling FHA mortgages to individual investors.

The broker, B. Ray Robbins Inc, started in mid-December with a four-figure-a-week mail, radio, newspaper and magazine advertising splurge offering investors an opportunity to put their money in FHA-insured mortgages in amounts from \$8,000 up with a return of 5 1/4%.

Here's how President Maurice Robbins describes his operation: an FHA-approved mortgage—"one of the largest in the east"—buys loans from mutual banks or whoever has paper to sell and warehouses them. When Robbins receives money for a mortgage from an investor, he forwards the money to the mortgagee who assigns a mortgage to the investor. For arranging the sale Robbins receives a fee from the mortgagee. There is no charge to the investor.

Thereafter the mortgagee deals with the investor and Robbins is out of that particular transaction. "We never appear in any sale as a principal," explains Robbins.

Robbins offers an added gimmick. Mortgage purchasers may have their monthly amortization and interest payments sent directly by the mortgagee to an S&L selected by Robbins where the money earn 4 1/2% dividends. This simplifies paperwork for the mortgagee since he can then send one check to the S&L along with a list of the sums to be credited to each purchaser's account.

At the moment, Robbins says he deals with only one approved mortgagee and one S&L in his mortgage sales. But he refuses to disclose their identity. He is also mum on the big question: how many mortgages are being snapped up by investors?

"We're in the public relations phase," says Robbins.

NEWS continued on p 54

MORTGAGE MARKET QUOTATIONS

(Sale by originating mortgagee who retains servicing.) As reported to HOUSE & HOME the week ending Jan. 14, 1961.

FHA 5 3/4s Sec 203 (b)						VA 5 1/4s						Conventional Loans		
FNMA Scdry Mktxy	New Construction Only				Existing* Min Down 25 year Immed	City	FNMA Scdry Mktxy	New Construction Only				Comm. banks, Insurance Cos.	Savings banks, S & Ls	Construction loans w Interest+fee
	Minimum Down* 30 year	10% or more down 20-25 year	Immed	Fut				No down 30 year	5% or more down 20-25 year	Immed	Fut			
97	97 1/2-98	97 1/2-98	98	98	97 1/2-98	Atlanta	93	93 1/2-94	93 1/2-94	"	"	5 3/4-6	6-6 1/4	6-6 1/2+2 1/2
98	par-101	par-101	par-101	par-101	par-101	Boston local	94	97-98	97-98	97-98	97-98	5 1/2-5 3/4	5 1/2-6	5 1/2-6
—	97-98*	97-98*	97-98*	97-98*	—	out-of-st.	—	93-93 1/2	93-93 1/2	93-93 1/2	93-93 1/2	—	—	—
97	97-98	96-98	97 1/2-99	97-98 1/2	97 1/2-99	Chicago	93	91 1/2-92 1/2	91 1/2-92 1/2	91 1/2-93	91 1/2-92 1/2	5 1/2-6	5 1/2-6 1/4	5 3/4-6 1/4+1 1/2-2 1/2
97	97 1/2-98	97 1/2	98-98 1/2	98	98-98 1/2	Cleveland	93	93-93 1/2	92 1/2-93	93 1/2	93	5 3/4-6	6-6 1/4	6+1-1 1/2
96 1/2	96 1/2-98	96-97 1/2	97-98 1/2	97-98 1/2	96 1/2-98	Denver	92 1/2	92-93 1/2	92-93 1/2	92-94 1/2	92-94 1/2	5 3/4-6 1/2	6-6 3/4	6-6 1/2+1-2 1/2
96 1/2	97 1/2-98	97 1/2	98-98 1/2	98	97-98	Detroit	92 1/2	94 1/2-95	94 1/2	95-95 1/2	95	5 1/2-6	5 1/2-6	6+1 1/2
96 1/2	96 1/2	96 1/2	97	97	96 1/2-97	Honolulu	93 1/2	92 1/2 b	"	"	"	6 1/4-7	6 1/2-7 1/2	6 1/2+1 1/2
97	97 1/2-98	97 1/2-98	98 1/2-99	98 1/2-99	98	Houston	93	93 1/2-94	93 1/2-94	"	"	6*	6	6-6 1/2+1-1 1/2
97	97-98	97-97 1/2	97 1/2-98	97 1/2-98	96-98 d	Jacksonville	93	93-93 1/2	93-93 1/2	93 1/2-94 b	"	6-6 1/4	5 3/4-6	6-6 1/2+1-1 1/2
96 1/2	97 1/2-98	97-97 1/2	98-98 1/2	97 1/2 b	97 1/2	Los Angeles	92 1/2	93 1/2-94	93-93 1/2	"	"	6-6 1/4	6 1/2-7.2	6+1 1/2*
97 1/2	99	98 1/2	99	98 1/2	99	Newark	93 1/2	94 b	"	94 b	"	5 3/4-6	5 3/4-6	6+1
98	99	99	99	99	99	New York	94	95-95 1/2	95-95 1/2	95-95 1/2	95-95 1/2	6 f	6 f	6+1
96 1/2	97 1/2-98	97 1/2	98-98 1/2	"	96 1/2-98	Okla. City	92 1/2	93-93 1/2	93	93-93 1/2	"	6-6 1/4	6-6 1/2	6-6 1/2+1-2
97 1/2	99 1/2-par	99 1/2-par	99 1/2-par	99 1/2-par	99 1/2-par	Philadelphia	93 1/2	96	96 b	96	96 b	5 3/4-6	5 3/4-6 b	6+1
96 1/2	97 1/2-98	97-97 1/2	98-98 1/2	97-97 1/2 b	96	San. Fran.	92 1/2	93 1/2	93-93 1/2	"	"	6-6 1/4	6-7	6-6 1/2+1 1/2-3
97	95-98	94 1/2-98	96-98 1/2	95-98	95 1/2-98	St. Louis	93	"	"	"	"	5 3/4-6 1/2	5 3/4-6.6	6-6 1/2+1-2
97 1/2	98	98	98 1/2	98	98	Wash., D.C.	93 1/2	94	94	94 1/2	94	6 b	6 b	5 3/4-6+1 1/2

* 3% down of first \$13,500; 10% of next \$4,500; 30% of balance.

SOURCES: Atlanta, Robert Tharpe, pres, Tharpe & Brooks Inc; Boston, Robert M. Morgan, vice pres, Boston Five Cents Savings Bank; Chicago, Murray Wolbach, Jr, vice pres, Draper & Kramer Inc; Cleveland, David O'Neill, vice pres, Jay F. Zook Inc; Denver, C. A. Bacon, vice pres, Mortgage Investment Co; Detroit, Stanley M. Earp, pres, Citizens Mortgage Corp; Honolulu, Gordon Pattison, vice pres, Bank of Hawaii; Houston, Everett Mattson, vice pres, T. J. Bettes Co; Jacksonville, George Dickerson, vice pres, Stockton, Whatley, Davin & Co; Los Angeles, Chris Gebhardt, asst vice pres, The Colwell Co; Newark, William F. Haas, vice pres, Franklin Capital Corp; New York, John Halperin, pres, J. Halperin & Co; Oklahoma City, B. B. Bass, pres, American Mortgage & Investment Co; Philadelphia, Robert S. Irving, exec vice pres, W. A. Clarke Mortgage Co; St. Louis, Sidney L. Aubrey, vice pres, Mercantile Mortgage Co; San Francisco, Raymond H. Lapin, pres, Bankers Mortgage Co of Calif; Washington D.C., Hector Hollister, exec vice pres, Frederick W. Berens Inc.

- ▶ Immediate covers loans for delivery up to 3 months; future covers loans for delivery in 3 to 12 months.
- ▶ Quotations refer to houses of typical average local quality with respect to higher in surrounding towns or rural zones.
- ▶ Quotations refer to houses of typical average local quality with respect to design, location, and construction.

Footnotes: a—no activity, b—very limited activity, c—commercial banks do very little mortgage lending in Texas, d—higher price is for high-equity loans in preferred locations, e—S&Ls charging 6-7 plus 2 1/2-4 point fees, f—occasional loans available at 5 3/4%, g—Relatively few sales at 98, h—some banks making 5 1/2% loans with 50% down payments, w—six month construction loans unless otherwise noted, x—FNMA pays 1/2 point more for loans with 10% or more down, y—FNMA net price after 1/2 point purchase and marketing fee plus 2% stock purchase figured at sale for 50¢ on the \$1, z—on houses no more than 30 years old of average quality in a good neighborhood.

NEW YORK WHOLESALE MORTGAGE MARKET

FHA 5 3/4s

Immediates: 97 1/2-98
Futures: 97 1/2

VA 5 1/4s

Immediates: 93 1/2-94
Futures: 93 1/2

FHA 5 3/4 spot loans

(On homes of varying age and condition)
Immediates: 97-97 1/2

Pricing for out-of-state loans, as reported the week ending Jan 13 by Thomas P. Coogan, president, Housing Securities Inc.

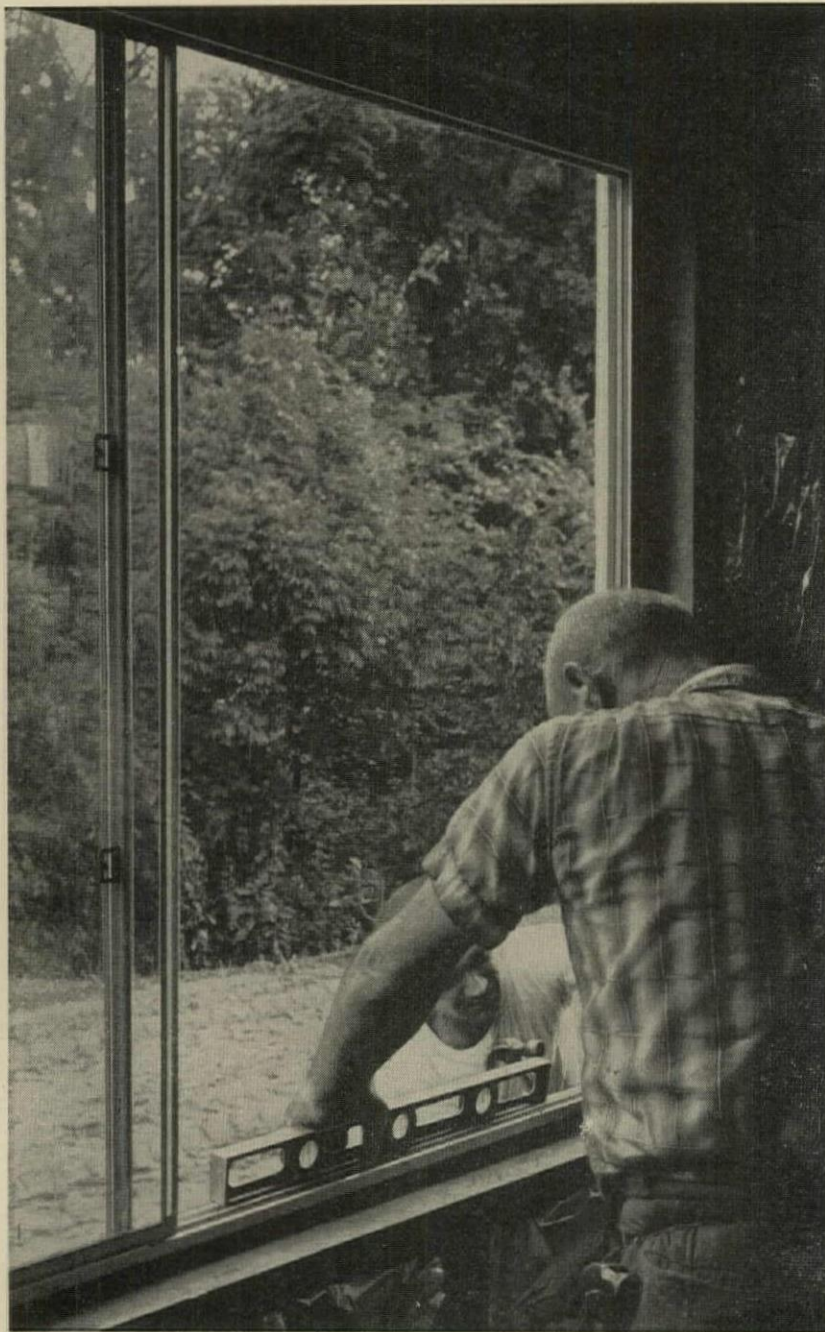
Note: prices are net to originating mortgage broker (not necessarily net to builder) and usually include concessions made by serving agencies.

FNMA STOCK

	Dec 13	Jan 11	Month's low	Month's high
Bid	67 3/4	68	65 1/2	68
Asked	69 3/4	70	67 1/2	70

Quotations supplied by C. F. Childs & Co.

Why did FHA adopt the AWMA quality standards for aluminum windows?



FHA Minimum Property Standards published in November 1958 and revised in July 1959 state that all aluminum windows must conform to the AWMA quality specifications. Why? Because FHA is vitally interested in protecting the investment of home buyers... and because the AWMA specifications are a basic standard for judging quality.

These AWMA quality specifications carefully spell out all the requirements that must be satisfied before a window can qualify, including the metal alloy used, wall thickness, strength of sections, size limitations, hardware, as well as performance tests for air infiltration, deflection and other physical load tests.

The AWMA Quality-Approved seal *on the window* together with the official AWMA Conformance Test Report by a recognized, independent laboratory are your assurance of windows that conform in every detail to FHA requirements.

Why take chances and waste time with aluminum windows of questionable quality when it's so easy to get windows that not only satisfy FHA requirements but will satisfy your most discerning buyers, — windows that are designed and built to eliminate time-wasting, costly call-backs. For your own protection insist on "Quality-Approved" aluminum windows.

For a copy of the latest AWMA window specifications and the names of approved manufacturers ready to serve you, write to the Aluminum Window Manufacturers Assn., 630 Third Ave., New York 17, N. Y. Attention Dept. H-2.



MEMBERS: Adams Engineering Co., Inc., Ojus, Fla.; Albritton Engineering Corp., Bryan, Texas; American Duralite Corp., Loudon, Tenn.; American Metal Window Co., Shreveport, La.; Arnold Altex Aluminum Co., Miami, Fla.; The William Bayley Co., Springfield, Ohio; Capitol Products Corp., Mechanicsburg, Pa.; Ceco Steel Products Corp., Chicago, Ill.; Crossly Window Corp., Miami, Fla.; Fenestra Inc., Detroit, Mich.; Michael Flynn Mfg. Co., Philadelphia, Pa.; Kesko Products, Bristol, Ind.; Mayfair Industries, Inc., Lafayette, La.; Miami Window Corp., Miami, Fla.; Porterfield Industries, Inc., Miami, Fla.; Reynolds Metals Co., Richmond, Va.; Rogers Industries Inc., Detroit, Mich.; The F. C. Russell Co., Columbiana, Ohio; Stanley Building Specialties, North Miami, Fla.; Truscon Div., Republic Steel Corp., Youngstown, Ohio; Valley Metal Products Co., Plainwell, Mich.; Windalume Corp., Kenvil, N. J.; Wisco Inc., Detroit, Mich.



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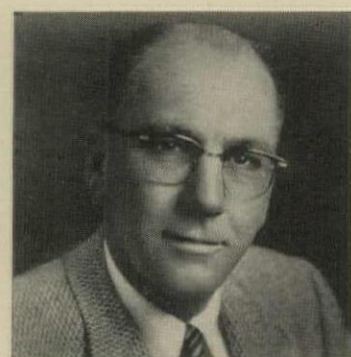


Mortgage bankers take the plunge, too

Mortgage bankers are joining the growing list of companies in the housing industry that are going public.

Two California mortgage firms have turned to the stock market for money. They are among the first major mortgage banking concerns, in the ken of industry veterans, to go public*, and they foreshadow what could be a trend in mortgage finance. The pacesetters:

● Colwell Co, Los Angeles, has issued \$1 million in 6½% subordinated sinking fund debentures with attached warrants for 60,000 shares of common stock. The debentures, issued in \$1,000 units with 50-share warrants, hit the market at midmonth, sold out immediately. Stock price: \$10/share.



CALIFORNIA'S COLWELL
Among top ten

● Palomar Mortgage Co, San Diego, has asked Securities & Exchange Commission approval of \$1.1 million in subordinated convertible debentures. Offering price and interest rate have not been set yet.

The companies' prospectuses also provide a rare glimpse into the financial structure of two successful mortgage bankers.

Colwell, founded in 1947, figures it is the third largest mortgage banking concern in California and one of the ten largest in the country. Last September, the company was servicing \$291,853,400. With branch offices in San Diego and Anaheim, Colwell has extended its operations as far north as Bakersfield. Its business has been primarily residential loans, mainly FHA and VA. Now, it is putting more stress on commercial and industrial loans. Proceeds of the stock and debenture issue will be used in the company's regular loan operations.

In the first nine months of 1960, Colwell reported a total income of \$1,435,357, up 12.7% from \$1,273,349 in the same 1959 period. Nine-month net earnings were: for 1960, \$200,291; for 1959, \$190,879. Total 1959 income was \$1,723,282 and net earnings, \$236,371.

In the last fiscal year, income broke down thus: servicing fees 62%; originating fees 24%; con-

*A minority of the stock of Stockton, Whatley, Davin & Co, Jacksonville, has been publicly owned for years.

struction loan fees 5%; interest (net) 3%; and miscellaneous 6%.

In 1959, President-Board Chairman Bundy Colwell was paid \$64,940 and Executive Vice President Robert E. Morgan, \$30,352.

Prior to last month's issue, the company had outstanding 390,030 shares of stock, 100% owned by officers. Largest holders: Colwell, 190,476 shares (48.84%) and Curtis McFadden, a vice president, 102,445 shares (26.26%). For the debenture issue, officers sold 50,000 shares to the underwriters (Mitchum, Jones & Templeton and J.A. Hogle & Co, Los Angeles). Colwell sold 24,495 shares, reducing his holdings to 165,981 shares, and McFadden sold 13,167 shares, cutting his holdings to 89,278. The officers now hold 340,030 (85%) of the outstanding 400,030 shares.

The underwriters received commissions of 9% on the stock, 6½% on the debentures.

For Palomar, this is the second trip to the public since December a year ago. At that time, the company offered 7% debentures totaling \$750,000 with attached warrants for 75,000 shares of common stock (100 shares for each \$1,000 debenture unit) and also 80,000 shares of common stock which sold at 5½%. After commissions, Palomar netted \$1 million. At midmonth, bid price of the stock was up to 7½%.

Proceeds of the pending issue, after underwriting commissions of 6½%, will total \$1,028,500 and will be used to repay \$500,000 in

bank loans, augment working capital by \$508,500 for real estate loans, and pay \$20,000 expenses of the sale. Underwriter is J.A. Hogle & Co.

Palomar now has outstanding 361,740 shares of common stock, 61.9% of it owned by officers and directors. President Nels G. Severin, also a builder and past (1958) NAHB president, holds 51.5%—186,459 shares (including 42,640 shares owned by Severin Construction Co and Severin Motors which he also controls). After the debenture issue, the outstanding shares will be boosted to 382,754.

The company, incorporated in 1950 as Palomar Mortgage & Finance Co has branch offices in San Bernardino, Phoenix, and Tucson. The prospectus lists the servicing volume of the company and its Arizona subsidiary at \$45,329,175 as of last August 31.

Palomar's income for the ending last August 31 was reported at \$1,454,408 vs fiscal 1959's \$1,011,141. Fiscal 1960's net earnings were \$140,244 as against '59's \$62,550 and earnings per share of common stock were \$.45 vs \$.25. A 4% dividend payable in shares of common stock was paid last September.

Palomar lists its income from these sources: loan servicing 36%, interest 31%, loan fees 23% and miscellaneous 10%.

In fiscal 1960, Severin received \$30,465. Severin, who also has an interest in several realty companies, devotes 75% of his working time to Palomar, according to the prospectus.

STOCK INDEX RISES

Shell-house stocks are still soaring.

Paced by Wise Homes, which jumped from 10½ to 17¾ bid, shell issues registered a gain of 21.9% last month in HOUSE & HOME's monthly tabulation of housing industry stocks traded enough to create a market.

The impact of shell housing was also felt on the New York Stock Exchange last month. Certain-teed Products went up 6½ points and became one of the most heavily traded stocks (80,000 shares turned over on one day). A big reason for the rise, said brokers, was stories discussing Certain-teed's new role in the shell house boom (see p 133).

The performance of the shell-house stocks jacked up HOUSE & HOME's index for all housing stocks to 11.74, a gain of 12.7% from the previous month's 10.42. Stocks in all housing categories showed strength except realty issues which slipped a trifle—0.7%.

Dow-Jones industrials, meanwhile, edged up 2.3% (from 611.94 to 625.72) and the Natl Quotation Bureau's industrial average went up 8.3% (from 102.45 to 110.95).

Here are HOUSE & HOME's averages, combining closing prices for listed stocks with bid prices for over-the-counter issues:

	Oct 14	Nov 14	Dec 12	Jan 11
Building	5.46	5.21	5.50	6.00
Land development	6.28	6.06	5.74	6.08
Finance	16.32	16.32	17.38	19.49
Realty investment	8.66	8.06	8.28	8.22
Prefabrication ..	7.47	7.59	6.96	7.92
Shell homes ...	16.96	18.13	18.63	22.71
TOTAL	10.19	10.23	10.42	11.74

NEWS continued on p 59

HOUSING'S STOCK PRICES

Company	Offering Price	Oct 14 Bid	Oct 14 Ask	Nov 14 Bid	Nov 14 Ask	Dec 12 Bid	Dec 12 Ask	Jan 11 Bid	Jan 11 Ask
BUILDING									
Eichler Homes ... e	5%	6%	5½	5%	5%	6%	5%	6	
First Natl Rlty & Const (pfd) . . . 8	9	9½	8%	9%	9	9½	10%	10%	
First Natl Rlty & Const (com) . . . 2	2½	2½	2	2%	2%	3%	3%	3%	
General Bldrs .. e	4	4½	3%			4%		4½	
Hawaiian Pac Ind 10	11½	12	12%	13%	12½	13	14%	15	
Kavanagh-Smith . . 5	6½	6%	5%	6%	6½	7	7%	8%	
Levitt	10	4%	5	4%	4%	4%	5%	4%	4%
US Home & Dev. . . e	2½	3½	1%	2½	2½	3%	1%	2%	
Wenwood	e	2½	3%	2	2½	1%	1%	1%	1%
LAND DEVELOPMENT									
All-State Prop . . e	5 ^b		4%			4%		5%	
Arvida	e	10%	10%	10%	11	9%	9%	10%	
Cons Dev (Fla) . . 5	5½	6	5½	6	6	6½	6½	7	
Coral Ridge Prop. e	1%	2%	1½	1%	1½	1%	1%	1%	
Fla Palm-Aire . . . e	1%	2%	1%	2%	1%	2	1%	2	
Forest City Ent. . . 10	11%		11½			10%		11	
Garden Land ... e	6½	5	5%	4%	4	4½	4½	5	
Gen Dev	e	13%		12½		11%		12½	
Grt Southwest . . 18	10½	11½	10%	11%	10%	11%	10%	11	
Laguna Niguel . . e	9%	10%	9%	10%	9%	10	10	10½	
Lefcourt	e	2%		2½		2½		2%	
Major Rlty	e	2	2½	1%	1%	1%	1%	1%	2
Pac Cst Prop . . . 10	7½	8	7	7½	6	6½	7	7½	
Reals'te Inc e	2	2	1%	2%	1%	1%	1%	1%	
United Imp & Inv e	4%		5%			5%		5%	
FINANCE									
Calif Fin	e	21	21½	21	21½	22½	23	25½	26
Emp Fin	e	8%	9%	10%	11%	10½	11	10%	11%
Fin Fed	e	51	52½	48½	50	53½	55	60½	61½
First Chtr Fin. . . e	23%		25%			28%		30%	
First Fin West . . e	9%	10%	10	10%	9%	10%	11%	11%	
Gibraltar Fin . . . e	22	22½	21	21½	22½	23½	27½	28	
Grt Wstrn Fin . . . e	27%		27%			29%		34%	
Hawthorne Fin . . e	7%	7%	7%	8%	6%	7%	8%	8%	
Lytton Fin e	11½	12	11½	11%	14	14½	15½	15%	
Mdwstrn Fin .. 8%	7	7%	8	8%	10%	10%	13	13%	

Palomar Mtg ... e	7	7½	6%	7%	7	7½	7%	7%	
San Diego Imp. e	7%		8½			7%		8½	
Trans Cst Inv .15	13%	13%	12	12½	11	11½	11%	12%	
Trans World Fin. 8%	8%	8%	8%	9	9%	9%	11½	12	
Union Fin 15	13%	14	13	14	12½	13%	12½	13%	
United Fin of Cal	10	19%	13%	18½	19	19%	20%	21	
Wesco Fin	e	19%	19½	20	20%	21½	21%	23	
REALTY INVESTMENT									
Gt Amer Rlty .. e		1		7%	7%	7%	7%	7%	
Kratter A	e	21½		20%		20%		18%	
Rlty Equities .. 5%	5%		5%		4%		4%		
Wallace Prop .. 6	7%	8%	6%	7%	7%	8%	8%	9%	
PREFABRICATION									
Admiral Homes . e	2%	2%	2%	3	2	2½	2	2½	
Crawford	13	9%	9%	9	9½	10	11½	9	
Harnischfeger .. e	23 ^b		22%			19½		23½	
Inland Homes . . e	8%	9%	9%	9	9	10	8%	9%	
Natl Homes A . . . e	10	10½	10	10½	9	9½	11½	12	
Natl Homes B . . . e	9½	10	9%	10%	8%	9	11½	11%	
Richmond Homes. e	1%	1%	1	1%	1%	1%	1%	1%	
Scholz Homes . . . e	3	3½	3%	4%	3%	3%	3%	4%	
Techbilt Homes. . e	1/16	3/16	5¢	15¢	5¢	20¢	1%	1%	
SHELL HOMES									
Bevis	d	3	3%	3%	3%	3½	4	4%	
Jim Walter e	37½	38½	39½	40½	47%	48%	46½	47	
Wise Homes e	10%	10%	11½	12	10½	11	17%	18%	

a stock not yet marketed
 b closing price (American)
 c closing price (New York)
 d issued in units, each consisting of five 50¢ par common shares, one \$8 par 9% subordinated sinking fund debenture, due Feb 1, 1985, and warrants for purchase of one common share and one \$8 debenture at \$9.50 per unit, expiring Dec 31, 1962 and 1964, respectively, at \$15.50 per unit. Prices quoted are for common stock.
 e stock issued before Jan 1, 1960
 Sources: New York Hansett Corp; American Stock Exchange; New York Stock Exchange.

try to do what makes sense. When they run into trouble, they reach for a senator.

"We've got a concept that the federal government will hold the locality's hand all the way through. So the only answer is a project. But this leads cities to pervert their capital works spending to sweep everything into a project in order to qualify" as putting up the local one-third of the land write-down cost. "The boundaries of a project may make no sense from a community planning standpoint, but to meet our criteria cities have to have projects."

Instead of subsidizing specific projects, Ewald would have the US make broad grants to cities for renewal, provided only that the city qualifies by having a community renewal plan URA approves, and a workable program—enforced—to carry it out and simultaneously stop the growth of slums. "We would make one grant that a city can spend on an itemized list of things on a formula basis," he suggests.

Such a setup could still tie in with local public works so cities without cash could still qualify for federal aid, Ewald theorizes. "You could still let cities work on a project basis if they are not sophisticated enough to handle the new plan."

How would Ewald prevent abuses of such stringless handouts of federal funds? "We might work it this way," he replies. "We'd say,

for example: "Mr. mayor, we don't like the way you are enforcing your housing code, so no more renewal money until you do it right."

PUBLIC HOUSING:

PHA knocks hole in 'ceiling' on cost of subsidized projects

The high cost of low-rent public housing has spurred still higher as the Public Housing Administration ever-so-quietly has broken a three-year self-imposed \$17,000 per unit limit on new projects.

So far PHA Commissioner Bruce C. Savage (NEWS, Apr) has approved at least three projects in the over-\$17,000 bracket. Two, in New York City, will cost \$19,022 and \$17,700 a unit. A third, in Syracuse, is to cost \$18,046 per family dwelling. By comparison, the median sales price for new FHA homes last year was \$14,300.

The shattered ceiling suggests why Savage, former Indianapolis realtor who took over PHA last March, is so popular with public housers—many of whom are urging that subsidized housing be approved for higher-income families.

PHA functionaries defend the action by noting that the \$17,000 "ceiling" was wholly informal. When ex-Commissioner Charles Slusser noticed that public housing

costs were rising, he let it be known that he wanted to inspect personally any project applications beyond \$17,000 per unit. Slusser did not say he would refuse to approve projects costing over \$17,000 a unit, but local officials drew that inference anyway. No one in Washington acted to clarify the question.

Congress sets no cost limit per unit on public housing. The official patter now is that no PHA commissioner would ever approve low-rent units costing "astronomical sums"—like \$25,000. Even so, some public housing now is to cost 25% more than the typical new private house (whose owners thus pay taxes to subsidize families to live in units more expensive than they can afford).

Glutted housing market doesn't faze PHA

Can a community plan new public housing when FHA-defaulted units are going begging?

The disturbing answer: yes, judging from the boom-gone-bust town of Paducah, Ky. (population 34,479) where two members of the HHFA family are preparing to go into business against each other.

FHA entered the Paducah housing market first, taking over 350 homes and 150 apartments in the fringe Forest Hills defense housing project because they were completed too late to serve Korean War construction workers then building a \$1 billion atomic energy plant there. Even today, some 250 units are still vacant.

Into this glutted market the Municipal Housing Commission has now stepped with PHA blessing to add 210 units to the city's public housing inventory. Why didn't the commission seek to convert FHA-owned Forest Hills—on which the US has already lost millions—into public housing? Says one commissioner: "The units are not suitable and are far beyond the designated low-rent area of the city."

Construction of the new units won't start for a year, though, and only this may keep FHA and PHA from crossing door keys over their rival vacancies.

SEGREGATION:

Anti-bias housing laws—do they offer threat or hope for builders?

Do laws against discrimination in housing carry an automatic threat of ruin for builders, realtors, and other industry members? Or do they instead offer the best atmosphere for building and selling open-occupancy housing without such a threat?

Such questions are getting some of the frankest airing to date in Pittsburgh, which has the nation's second (and toughest)* municipal law against race bias in housing. Occasion for the debate is a newly brewing fight for a similar statewide law in Pennsylvania, where the measure failed last year. It was set off at a conference of civil rights, religious, and housing leaders called by the Pittsburgh Presbytery to seek solutions to the open-occupancy issue. Some of the frank talk the 125 who attended heard:

Keynoter Dr Charles B. Nutting, dean of George Washington University's National Law Center: the city law is "in my view . . . a mistaken approach. [It] prevents the owner of an individual home from disposing of his property through normal means. To the extent that it is enforced, it invades a very important area of individual freedom. To the extent that it is employed as a threat, it is a hypocritical misuse of legal process."

The Rev LeRoy Patrick, pastor of the Bethesda Presbyterian Church, rebutting Dr Nutting:

"The only immediate solution is legislation with teeth in it. Human rights must take precedence over property rights."

Pittsburgh Lender C. Elwood Knapp, president of the US Savings & Loan League: "Whether they agree with the idea or not, lenders must recognize as a fact of business life that integrated property loses attractiveness as an investment." He cited one investor who learned of Pittsburgh's law, said: "I'll invest no money in Pittsburgh."

Economic ruin? Builder Roland C. Caterinella, president of the Pennsylvania State HBA: "I am not willing to sell at this time to Negroes in an all-white community. This is not because it is not morally right, but because I would be

inviting economic ruin." Caterinella's grounds: he built Calumet, a guinea-pig interracial development conceived four years ago under sponsorship of a private corporation of civil rights and housing leaders. Planned for 38 houses from \$17,000 to \$20,000, it slowed to a standstill after 17 were built, ten sold to whites, five to Negroes.

"We white people," says Caterinella, "have an attitude of white supremacy. Only when we believe that the fine Negro family is the rule rather than the exception can we break down this feeling." Until then, he contends, what is needed is good "equal but separate" housing for Negroes, and legislation to 1) reduce financial risk for open-occupancy builders and 2) offer easier terms to whites as an inducement to live with Negroes.

Counters Mrs Marguerite I. Hofer, head of the department of city and industrial relations of the Presbytery (which helped midwife the Calumet project): Caterinella's experience underlines the need for a statewide law to put all builders in the same boat, force white buyers to accept open occupancy by making it universal (and put city builders who must operate under the city law on a par with suburban builders who do not).

How it works. Has Pittsburgh's law been effective? Yes, says Executive Director George W. Culberson of the city's Commission on Human Relations—at least for those who use it. But its short

history offers a poor basis for judgment. In the 20 months since it went into effect only 50 cases have been processed. All but one were settled by mediation, and that ended when the complainants withdrew for health reasons. Result: Negroes now live in five formerly all-white neighborhoods.

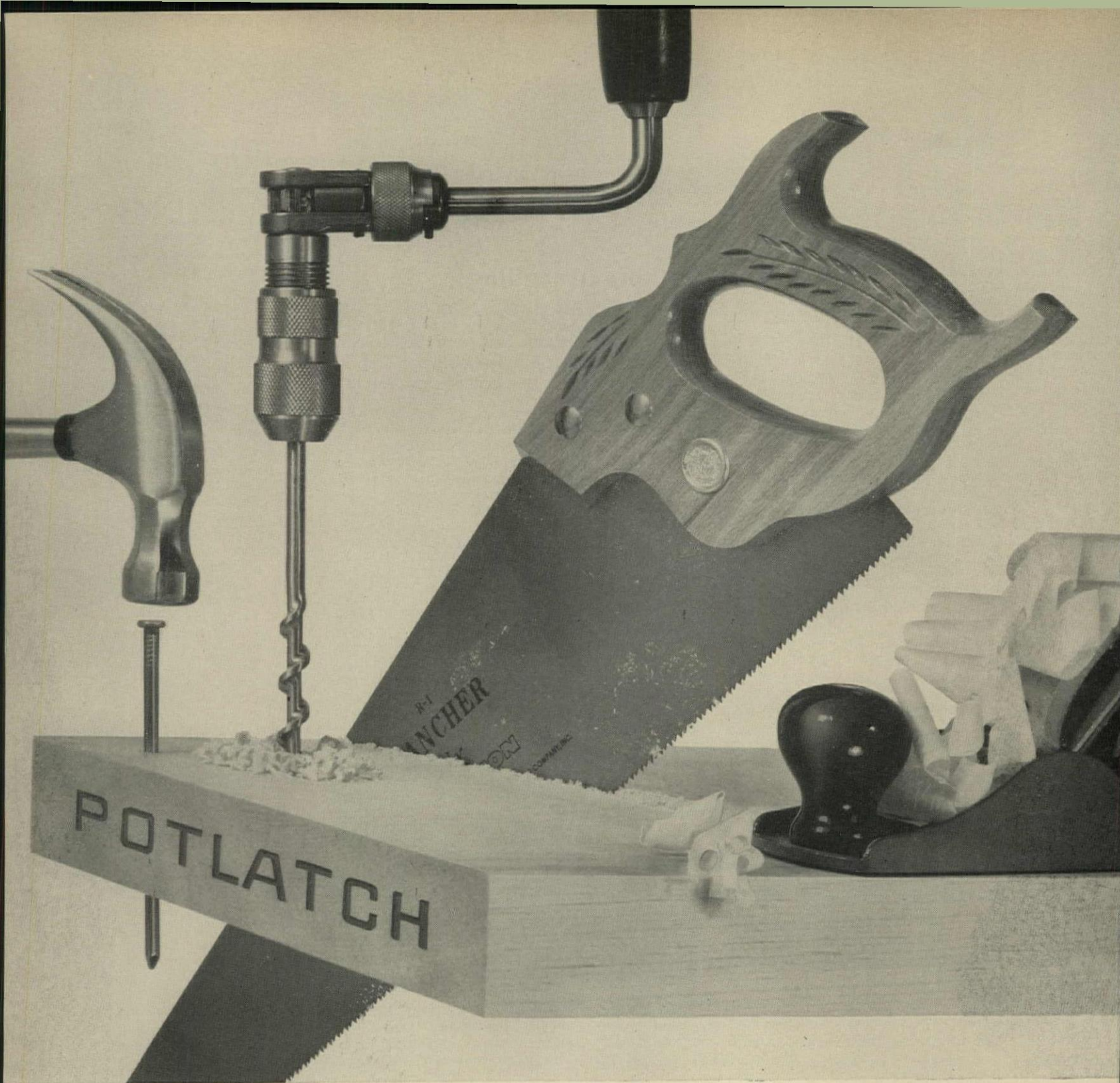
But, says Culberson, there is still inertia. "People who have lived in a restricted market all their lives don't know how to use an open market or don't want to use it. The law has not changed the fear of the difficulty of moving into a white neighborhood."

One strong voice, favoring controls on the racial mix and voluntary efforts toward integrated housing, is that of J. Stanley Purnell, board chairman of Pittsburgh's famed Action-Housing Inc, whose sponsorship of integrated Spring Hill Gardens showed: "Many of our present white tenants would not have moved in . . . without assurance that we would do all in our power to achieve and maintain an 80 (white)-20 (Negro) balance."

Rumbles of the open-occupancy fight elsewhere:

● In Detroit, the Rev Theodore M. Hesburgh, president of Notre Dame and a member of the US Commission on Civil Rights, wound up a hearing with a call for a Presidential executive order banning racial or religious bias in all federally financed or insured housing, and all areas or projects using federal funds.

continued on p 63



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CANADA:

Order bars race bias in all NHA housing

Canada's National Housing Act regulations have been changed to forbid racial discrimination in NHA homes.

The rule doesn't have such big implications as it would in the US. Canada has less than 20,000 Negroes in a population of 17 million. That is 0.11% of the population vs a 10% Negro population in the US. The only city with any sizable Negro community is the border auto city of Windsor, Ont, adjacent to Detroit. But CMHC officials point out the new rule will also apply to cities with large Asiatic populations, notably Vancouver.

The no-discrimination rule applies as long as there is an NHA mortgage outstanding on the property. Builders found guilty of discrimination will be cut off from NHA borrowing for three years.

A 1959 complaint by Negro Draftsman Lloyd Watkins of Windsor sparked the new rule. He was told no homes were available where he wanted to buy and was offered instead a house in a segregated block. He then wrote Public Works Minister Howard Green: "I feel qualified [for NHA loans]. Persons have the right to be protected."

• In New York City, Mayor Robert F. Wagner submitted bills to the city council to extend the city's Fair Housing Practices Law to all one- and two-family houses except those occupied by their owners. Present law applies only to groups of ten or more such dwellings. And in Albany, State Assembly Speaker Joseph Carlino predicts victory this year for a stiffening of the state's antibias law to cover sale and rental of most private housing. The measure failed last year in a feud between Gov Nelson Rockefeller and state Senate leaders.

Deerfield (cont'd)

Interracial Housing Developer Morris Milgram won Round 2 in his battle to put up a 51-home tract for mixed Negro and white occupancy in an all-white Chicago suburb.

A US Circuit Court of Appeals reversed a federal District Court decision (NEWS, April) which dismissed a claim by Milgram's Modern Community Developers Inc for \$750,000 damages and refused to enjoin the Deerfield Park Board from condemning Milgram's tract for a park. The appeals court ordered a trial on MCD's damage claim and injunction petition. MCD also is appealing the Park Board's condemnation of the site in a separate action in state courts.

CODES:

Federal code illegal, says expert

A single national building code is legally almost impossible, except on a voluntary basis.

This is one of the findings of a first-of-its-kind study of building code law by Washington Attorney Charles S. Rhyne, published by AIA and NAHB.* "Building code law is grounded on the police power of the state . . . the power to legislate for the general welfare of its citizens. Most states have chosen to delegate a portion of their police power to [municipalities] to enact building codes," says Rhyne's report. A national code, therefore, could not be imposed without violating rights reserved to the states by the US Constitution, he holds.

Rhyne, a former (1957-8) president of the American Bar Assn who is also general counsel of the Natl Institute of Municipal Law Officers and counsel to the American Municipal Assn, worked almost a year on the study. "It was one of the most difficult things I've ever done," he says.

His prestige with city officials makes his study twice as significant when he hammers at the troubles with today's wasteful multiplicity of codes: "Many cities still use obsolete specification-type codes adopted years ago. These codes impede progress because they prevent use of new and improved

techniques and materials, often at a lower cost. . . . The solution appears to be the adoption by states or municipalities of one of the several performance-type model building codes (just the solution advocated by builders and architects). The advantage of these model codes is that they are continually being revised to keep up with new developments in building."

Are mobile homes subject to building codes? Some builders have been urging NAHB to attack mobile homes on this basis. Their aim is to strip this new competitor of housing of one of its key advantages (the other is freedom from local realty taxes).

Rhyne cites an impressive list of court decisions going back to 1947 which have ruled that trailers are subject to the same health and safety regulations as other dwellings. He calls two Pennsylvania court decisions "significant." One upheld a local ordinance providing that any trailer used more than 30 days a year for living purposes was subject to minimum floor space requirements for dwellings. The other subjected trailers to the same minimum lot area as single-family homes.

But Rhyne leaves the question up in the air by concluding that if trailers, "are in fact suitable as permanent dwellings . . ." subjecting them to building codes that effectively exclude them from a city "would be clearly unreasonable."

NEWS continued on p 64

*Survey of the Law of Building Codes. Charles S. Rhyne, 62p. \$2. Published by AIA and NAHB, Washington, D.C.

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Future of FHA and VA goes on block in two crucial US Supreme Court cases

Will homeowners be able to sue FHA for damages if the agency goofs on appraisals?

This prickly question now is going before the US Supreme Court. The verdict may well have a far-reaching effect on the housing industry.

The high court has agreed to review a Circuit Court of Appeals ruling upholding a District Court award of \$8,000 damages to an Alexandria, Va couple (NEWS, Oct). The couple sued FHA on the grounds that they bought a used house for \$24,000 (with an FHA mortgage of \$18,800) on the strength of an FHA staff appraisal of \$22,750, but discovered after they moved in that the house was built on settling clay and had serious structural defects. The lower courts, sustaining the plaintiffs' charge of negligence by FHA, valued the house at only \$16,000, awarded the buyers the \$8,000 difference between its valuation and the purchase price.

If FHA fails to upset the precedent-setting award, housing experts fear that the agency will be deluged with costly and time-consuming suits from unhappy buyers. For builders and realtors, the re-

percussions would be serious, too. To duck possible legal troubles, the agency probably would stiffen inspections and appraisals (which would tend to slash loan-value ratios), shun developments likely to produce complaints (eg, on filled land or using new materials and techniques), perhaps even require builders to post costly bonds.

The Supreme Court indicated it would like to hear the case in late April, raising the possibility of a decision some time this year. If the decision goes against FHA, officials say they will promptly ask Congress for legislation clarifying the extent of the agency's liability.

The rash of damage claims forecast by government lawyers swelled to a grand total of one when a retired Army master sergeant took dead aim at a "negligent and careless" FHA appraisal in Columbus, Ohio, federal court.

Carlos J. Calvo, 63, argued that the \$12,500 FHA appraisal on the only house he's ever owned far overstated its \$4,250 fair market value when he bought it in March 1959. His suit, filed under the federal Tort Claims Act like the

Neustadt case, asks \$8,250 damages.

Calvo complained FHA inspectors overlooked a not-so-firm foundation which "had failed some time in the past and there was reason to believe that another such foundation failure might occur in the reasonably near future." Columbus Building Dept records reveal a \$1,000 foundation repair permit issued in 1955 for the house, valued at \$9,000 when constructed in 1949.

The Supreme Court has also agreed to review a case VA says "strikes at the heart" of its home loan guaranty program.

It involves a conflict of opinion on how VA should pay off lenders on defaulted loans. When Veteran George E. Shrimmer bought a home in Montgomery County, Pa for \$13,000, VA guaranteed 37% of the debt, or \$4,800. Six months later Shrimmer defaulted. Excelsior Savings Fund & Loan Assn foreclosed and filed a claim with VA for \$4,000. Before Excelsior received payment from VA, it resold the house for \$10,500.

The US then sued Shrimmer for a deficiency judgment of \$4,000. But

Shrimmer replied that under Pennsylvania law deficiency judgments were to be paid after sale of the property. Moreover, he contended, VA had paid the lender when Shrimmer was under no obligation to VA.

Both a US District Court and the Third Circuit Court of Appeals agreed, and denied VA the right to recover. They held that VA is obligated "to pay no more than the deficiency after foreclosures and sale."

VA contends this decision "jeopardizes" the whole VA program. It contends that the law sets up the guaranty as a substitute for customary down payments and that the whole intent is to assure lenders that the guaranty will be paid promptly without an obligation by the lender to try first to recover his loss through resale.

"If lenders must stand the risks of the GI home-loan program alone," says VA, "without the protection afforded by a large cash down payment and without the substitute protection given by the guaranty mechanism, and at interest rates measurably below those available in private financing, they will not lend under a GI guaranty."

Probe uncovers fraud to 'qualify' poor credit risks for FHA mortgages

Housing's slump has spawned a new problem for FHA: bogus credit reports on marginal or unqualified homebuyers.

Desperate for sales, some mortgage bankers, builders, and real estate brokers have been either careless or outright fraudulent in representing the financial status of buyers in order to qualify them to get insured mortgages.

How widespread is the problem? Many industry leaders call it only minor. But an investigation by FHA in Miami turned up some flagrant examples of spurious deals.

Rechecking credit applications, an investigator discovered three

different mortgagors listed as holding the same job (produce department manager) in the same supermarket at the same time. There were also indications that some credit agency employees, under pressure from builders, "mislead" damaging information about prospective homebuyers' debts.

Reputable Florida mortgage bankers advised Miami Director John Grubb that they were losing business to a few sharpshooting mortgage outfits that let unethical builders and brokers process and send in purchasers' credit applications themselves. These applications, cried mortgage men, foisted

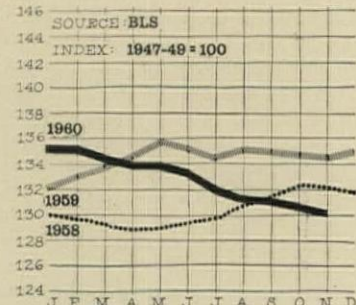
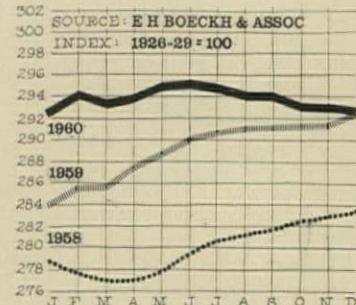
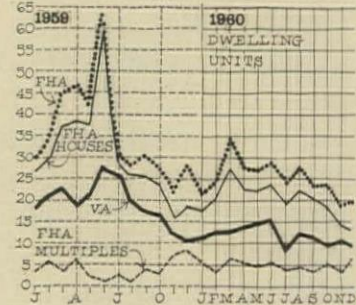
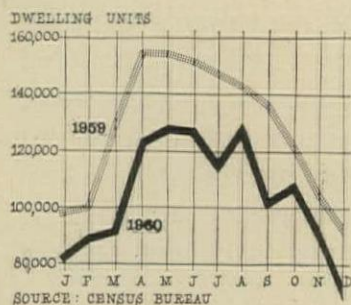
off poor risks as qualified buyers. Investors in New York found to their sorrow in foreclosure actions that a few builders, unable to sell houses fast enough, tried another dodge: "selling" houses to their own workmen who could qualify as FHA mortgagors. With the mortgage money in hand, and the pressure off, these builders then set up a resale to any buyer who finally showed up. Says one investor: "When we see houses in a development being sold to a high percentage of carpenters and plasterers we get suspicious fast."

Moving to tighten up, Director Grubb first warned mortgagees

that he would hold them responsible for processing FHA applications. When several mortgage companies tried to duck around that by putting builders and realty brokers on the payroll as parttime employees to handle applications, Grubb countered with another stiff warning: only fulltime employees of an approved mortgagee might process the papers.

FHA officials say credit report finagling is not confined to Florida, but they do not regard the situation as serious. They blame a relative handful of "smart money" operators for the worst abuses. In

continued on page 66



HOUSING STARTS fell to 72,100 in December (65,000 private, 6,500 public), the lowest monthly figure in at least two years. December's total was 23.8% behind November's. The annual rate for private starts was 980,000, 18.3% behind November and 30.1% below December 1959.

Total nonfarm starts for the year were 1,260,500, a drop of 17.7% from 1959. Private starts, at 1,218,800, were some 20,000 units shy of recent predictions, and 19% under 1959.

FHA APPLICATIONS rose 5.3% from November to December to 19,875. But all the increase was due to a 63.7% spurt in project applications, to 6,706. New home applications at 13,169, were 10.8% under November and 27.5% behind 1959.

VA appraisal requests on new and proposed units were 9,995. This was 3.1% under November and 9.7% behind December 1959. For all 1960, FHA applications ran 28.3% behind 1959. VA appraisal requests were 38.9% below a year earlier.

RESIDENTIAL CONSTRUCTION COSTS are now only 0.8 point higher than a year earlier. They fell 0.3 point from November to 292.8 in December on Boeckh's index. Major reason for this slip, says Col E. H. Boeckh, is the long drop of lumber prices. And a mid-January break in the price of fir plywood to the lowest point since World War 2 (from \$68 per 1,000 sq ft for sanded, 1/4" grade to \$60) augurs even cheaper lumber this winter. Labor rates were unchanged during December.

MATERIALS PRICES are 3.3% below a year ago. They fell for the 11th straight month in November to 130.2 on BLS' index. Slower than ever tabulating data, BLS could not supply year-end prices by Jan. 20.

Heating equipment prices are 2.6% under a year earlier, after dropping 0.8% from October. Building paper and board also slipped 0.2%, to a level 1.5% under last year. Only metal doors, sash and trim went up in October—a small 0.2%—and still 1.6% under November 1959.

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many cases, says a Washington FHA spokesman, "it's just a case of sloppy credit reporting because an ordinarily reliable mortgagee isn't doing what he's supposed to."

All the same, FHA is pondering whether to order all field offices to clamp down on credit reports. Trade groups are also warning members against loose practices.

Says a Florida FHA man: "There's no doubt we were taken for some time."

Rent control extension voted by Honolulu

Honolulu property owners are steaming over the extension of a dubious distinction their city shares with only a small handful of other

cities in the US: rent controls.

Imposed in May 1941, controls were due to expire at year's end. The city council extended them for six months despite property owners' cries that they are communistic and unnecessary.

To back their case that no housing shortage exists, the Honolulu Realty Board cited an 8% increase in housing in 1960 (9,659 units) vs only a 2.4% population increase for the whole island of Oahu. And Landlord Donald C. Smith cited a phenomenon some New York landlords complain of, too: "Rent control kills the initiative of the tenant—not just the landlord, but the tenant. Some tenants complain about the rent, but maybe work just two or three days a week."

LOCAL MARKETS:

Unsold homes rise in 4 cities

Washington, D.C.: Homebuilders entered the new year with a big overhang of unsold new houses and a sharp puncture in the happily held theory that the Capitol area, propped by a large and stable US payroll and the lowest unemployment rate of any major labor market (2.6% vs. the national average of 6.3%), is immune to economic tides.

"Last year was the slowest for the industry here in 12 years," says Executive Vice President James W. Pearson of the metropolitan HBA. Permits lagged 25% behind 1959's 13,871 single-family houses. In the last three months of the year, unsold houses began to pile up, particularly in the \$20,000 to \$30,000 bracket. One of the largest building companies sold 150 houses during the year, found itself at year's end with 100 still unsold. "Quite an inventory," adds a vice president glumly. Many other builders report similar problems. One big builder says he had no inventory problem because he cut back construction a whopping 75%.

Sales of used houses have boomed. Explains Mrs. Naomi Laughlin, executive vice president of the Montgomery County (Md) Board of Realtors: "Lenders were more willing to provide money for older houses. Customers were more interested because the neighborhoods were already shaped up, schools were there and people saw exactly what they were getting."

Apartment occupancy also was high—only 450 vacancies in 47,830 units (.94%) in buildings operated by members of the Building Owners & Managers Assn of Metropolitan Washington.

The big exception to the slump in new house sales is Bill Levitt's Belair development (\$14,990 to \$27,500). Of 800 sales in three months, more than 200 were the lowest priced \$14,990 model, a Cape Cod. Many builders are eyeing Levitt's success with the idea of trying the lower-priced market themselves now. Says Vice Presi-

dent D. O. Nichols of F. W. Berens: "Levitt added a new dimension to housing in this area. The \$15,000 and under market is not satisfied."

Another strong market, says Pearson, is \$30,000 and up, where sales moved normally last year despite the slump. Reason: more second-time buyers are coming into this market.

Minneapolis: Builders are carrying a heavy (1,000-unit) inventory of completed but unsold new homes, a survey shows. Biggest surplus is homes priced from \$16,000 to \$20,000. The \$21,000 to \$30,000 class runs second. But 50% of a sample of 20% of the area's builders are planning to build more homes this year than last, the survey finds.

Phoenix: Unofficial tallies indicate John F. Long was again the area's largest homebuilder in 1960. Long had about 2,680 starts; Staggs-Bilt Homes, 1,585; Del E. Webb, 1,416; Hallcraft Homes, 1,147; Forrest Cox Home Builder, 812; Allied Construction Co, 325, and Cavalier Homes, 250.

Wilmington: After a decade of moving like clockwork in Delaware's largest metropolitan area, homebuilding went as limp as a Dali watch in 1960. Starts dropped some 25% from 1959's 3,200. Unsold inventory is now low; builders have been putting up only three or four houses at a time, holding back cautiously on added starts until these are sold.

The average-priced house moved up sharply in 1960 to the \$20,000 to \$25,000 range (vs. 1959 average of \$18,000). Explains one builder: "A definite majority of our sales now are to second-time buyers and new residents in the community."

St. Louis: Starts in 1960 dragged 27% behind 1959 (8,000 vs 10,900). Used home sales were down around 13%. Vacancies in rental units rose from 8% in 1959

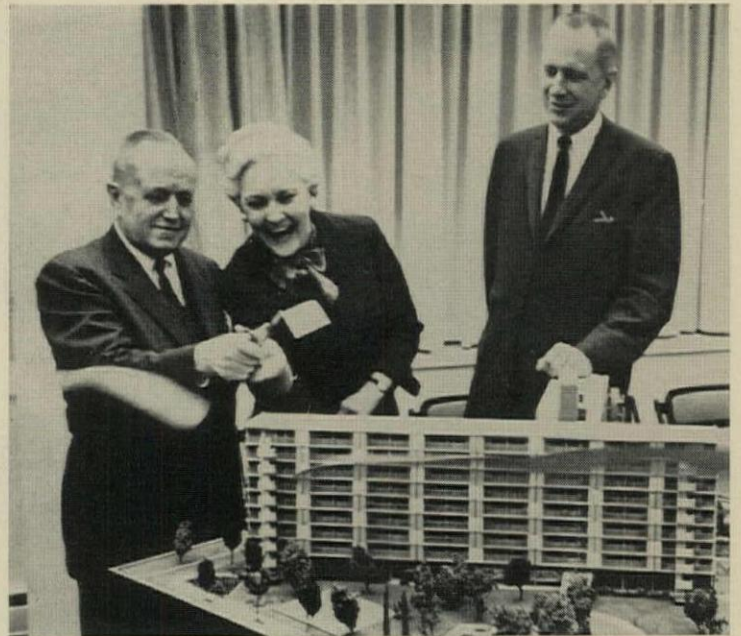
to 10.7%. Unsold new houses at year's end totaled about 300, up slightly from the same time the year before.

Hardest hit by the drop-off in sales were houses in the lower price ranges. Best selling houses are now in the \$18,000 to \$22,000 bracket. The stability of sales in the higher-priced houses, say build-

ing men, indicates that there is a substantial and continuing market among home owners who want to move up to better housing.

Builders look for a pickup in 1961, beginning around midyear. But the trend is toward smaller projects than in past years. Many builders now prefer five 20-acre plots to a single 100-acre plot.

Washington Star



PUBLIC HOUSING FOR THE ELDERLY was built to match this model in San Antonio for \$2,700 a room. During the White House Conference on Aging it was exhibited—of all places—at NAHB's Natl Housing Center in Washington, where Marie McGuire (c), San Antonio public housing director, showed it off to HHFA administrator Norman Mason (l) and NAHB President Martin Bartling (r). The 185-unit, \$2 million project houses persons over 65 whose incomes are not more than \$2,500 a year.

HOUSING THE AGED:

Conference ponders the need

"We are just beginning to realize that the needs of the elderly constitute as big a housing problem as the one faced by the veterans just after the war."

With this remark Mortgage Banker Walter C. Nelson of Minneapolis (and past MBA president) summed up the White House Conference on Aging held in Washington Jan 9-12.

Because of the size of the task revealed by the various housing panel and workshop sessions, most delegates seemed less concerned than usual with whether public or private housing should do the job.

Builders, savings and loan men, and other business delegates used their influence to keep the conference on the ground—to tone down resolutions. Even so, there seemed to be a general feeling that there was a place for public housing and direct lending.

By a vote of 73 to 41, the conference's housing section defeated a motion to drop a recommendation to continue and expand HHFA's direct lending program for housing projects for the elderly.

Also rejected was a last-minute proposal to delete the resolution calling for more public housing

"with additional subsidy" through federal, state, and local laws.

But Los Angeles Realtor (and past NAREB president) Charles B. Shattuck succeeded in adding the softening language: "for aged of inadequate income."

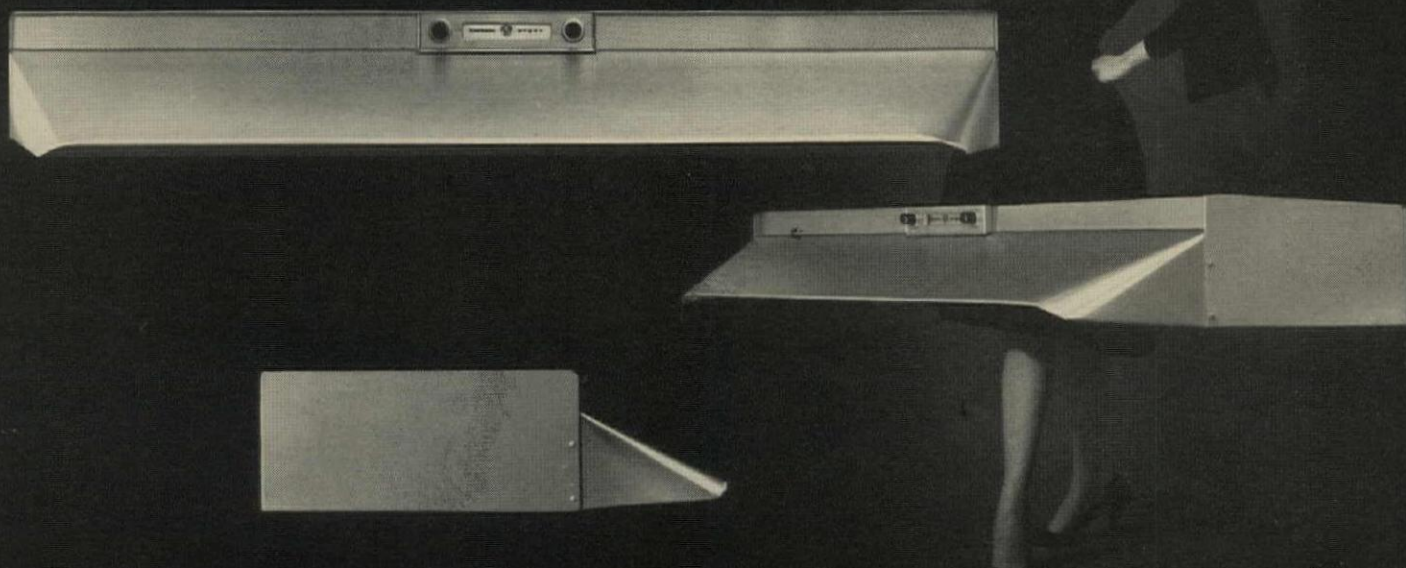
For FHA, the conference went on record as favoring easier requirements for sponsors of both profit and nonprofit projects.

Audience participants noted that there is often neighborhood opposition to housing-the-elderly projects no matter how self-supporting. "There seem to be exaggerated fears that old folks will be bedridden and require too many services," said one participant.

Director Marie O. McGuire of the San Antonio Housing Authority stressed that most elderly people are in the low-income brackets. "Of families with heads over 65, 37% have incomes under \$165 per month," she noted. Among widows, widowers, and other single elderly, "74% have incomes under \$125 per month. A recent Labor Dept survey indicates a livable budget for the elderly must be \$200 to \$280 per month." For more on retirement housing, see p 94. NEWS continued on p 69

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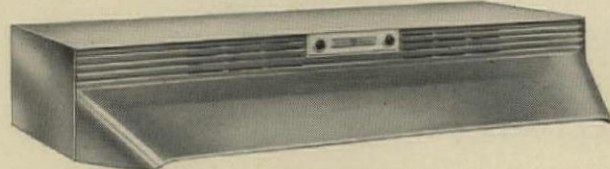
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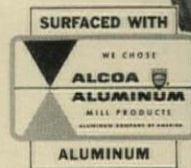
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PEOPLE:

New president for Koppers

Fletcher L. Byrom has been elected president of Koppers Co, giant Pittsburgh industrial construction, chemical and housing products concern. At 42, Byrom becomes one of the youngest presidents in the company's history and heir apparent to Board Chairman Fred C. Foy.

Foy, who has been both president and chairman since 1958, is continuing as chairman and chief executive officer. Byrom, who was vice president and general manager of the tar products division, is chief administrative officer. The board tapped a younger man for the presidency, Foy said, because all of the present senior officers will reach the mandatory retirement age (65) at about the same time in a few years. Foy is 55.

Cleveland-born and a Penn State graduate (BS in metallurgy) Byrom was a sales engineer for

Harold Corsini



KOPPERS' BYROM
Hitched to housing's new technology

American Steel & Wire Co and, during World War 2, procurement and administration co-ordinator for the Naval Ordnance Laboratory. He joined Koppers in 1947 as assistant to the general manager of tar products. In 1955, he became divisional vice president and assistant general manager and in 1958, vice president and general manager.

Foy reports that 1960 sales will total approximately \$300 million, up from 1959's \$240 million. A rising star in the company's sales picture: the Dylite panel, Koppers major entry in housing's industrial revolution.

The polystyrene sandwich panels (which Koppers says provide faster, stronger, and cheaper construction than conventional stud and dry-wall, besides furnishing better insulation and substantial space savings) are catching on fast in housing, say spokesmen. Approved by both FHA and VA, the panels are now permitted by amendments to building codes in 247 communities, including Detroit, Cincinnati, and storm-wary Dade County in Florida. The company has pushed for code changes only in areas where it feels there is a market, says B.R. Sarchet, manager of housing and panel development. He adds: "We have never been turned down on a code change necessary for the use of Dylite panels." The panels have been approved by the Southern

Building Code Conference and "conditionally approved" by the Building Officials Conference of America.

Dylite panels are being used or will be used, say Koppers officials in Arizona, Texas, Florida, Virginia, New York, Pennsylvania, Michigan, Illinois, Wisconsin, Alaska (where 60 Dylite panel houses are now going up as part of a 2,000-house development near Juneau) and Ontario, Canada. Koppers has also made a bid to enter the California market. Code hearings have been scheduled before the Intl Conference of Building Officials in Los Angeles.

Koppers has invested \$500 million in a Detroit plant to make the panels. It has a capacity equivalent to 1,500 houses a year.

Mamie's nephew gets HHFA job

In a curious lame-duck appointment, outgoing HHFA Administrator Norman Mason named Michael Doud Gill, 25, nephew of Mamie Eisenhower, to a \$13,730-a-year job as the agency liaison man on Capitol Hill.

Since the job is exempt from Civil Service, Gill can be fired by the new HHFA Administrator. Gill, professing surprise that eyebrows were lifted over his appointment, explained that he was left "without a job and available" when the Republican National Committee cut its staff after the November election. He said he heard about the HHFA job, applied, and was hired by Mason whom he'd met "once several years before." He added that as far as he knew, President Dwight Eisenhower didn't know he had the job until it came out in the newspapers. Gill contended while he is young, he is not without qualifying experience for such a post. In addition to working for political organizations, he cited business experience with his own firm, Gill Products Inc, and as a director of Wells Industries, a California electronics company.

DIED: William A. Davis, 75, founder and chairman of First S&L, Oakland, Calif, Dec 7, while vacationing in Bermuda; Stuart B. Leigh, 39, executive vice president of Thatcher Furnace Co, Garwood, New Jersey, Dec 16 in the United Airlines jet that hit a TWA plane and crashed in Brooklyn; Thomas J. Ryan, 38, executive vice president of the Mechanical Contractors Assn of America, Dec 16 in the same air disaster; H. J. Davenport, 80, honorary chairman of Home Title Guaranty Co, Brooklyn, a leader in the title insurance industry for many years, Dec 19 in New York; Leo C. Janisse, 71, Detroit mortgage banker, Dec 29, in Detroit; Walter Kirk Bartlett, 37, suburban Chicago homebuilder and former vice president of Martin H. Braun & Co, Jan 2 in Westchester, Ill.



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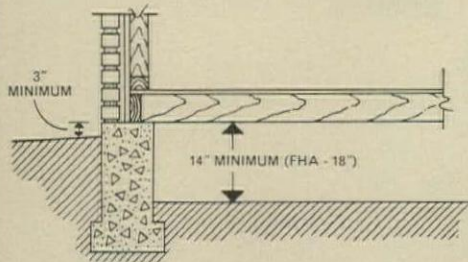
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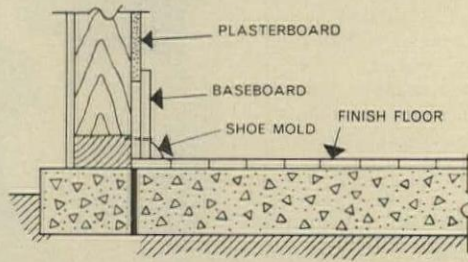
FOR MOST EFFECTIVE TERMITE CONTROL

BUILD SAFELY

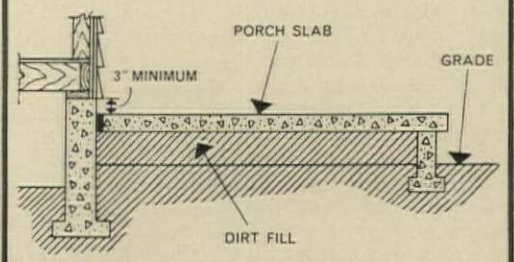
IN WOOD JOIST CONSTRUCTION grade should be at least 3" below frame construction and drainage slope 4% per 25 feet.



IN SLAB CONSTRUCTION provide access to plate and studs. Stop finish wall 3" to 4" above floor, with removable baseboard.



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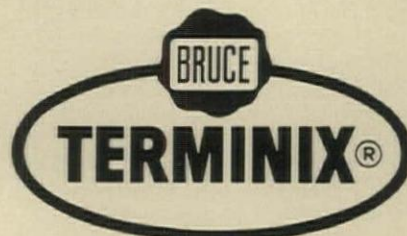
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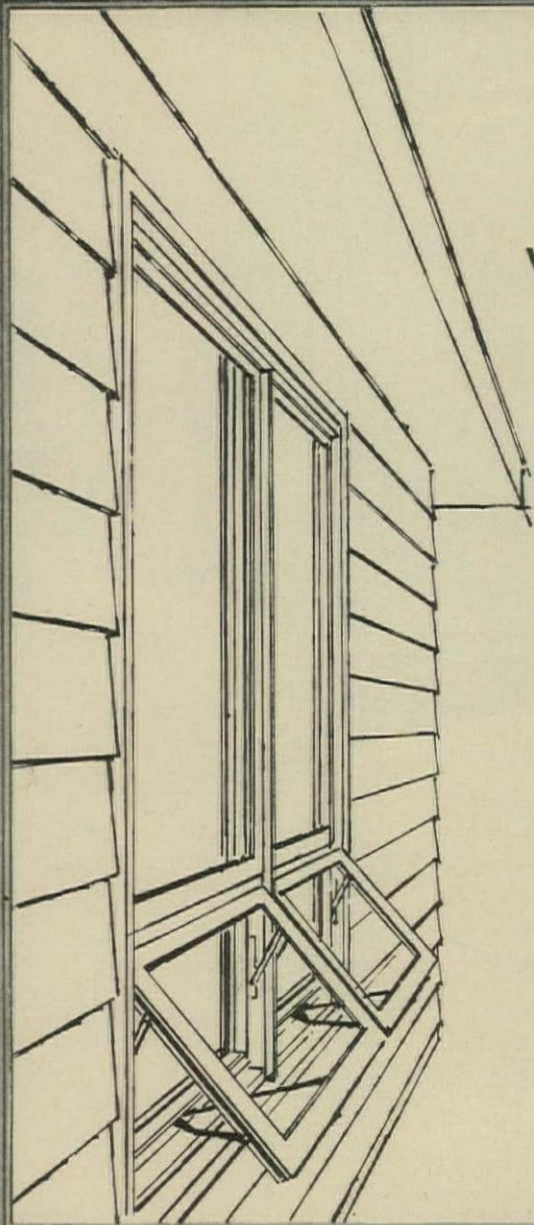
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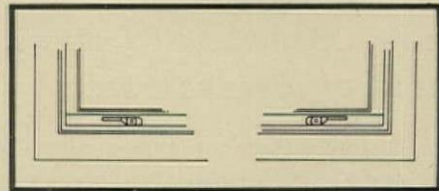
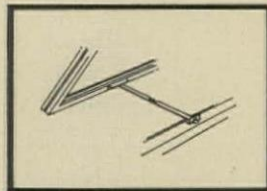
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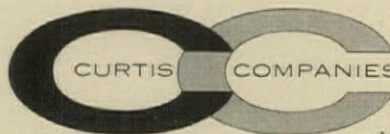
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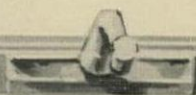
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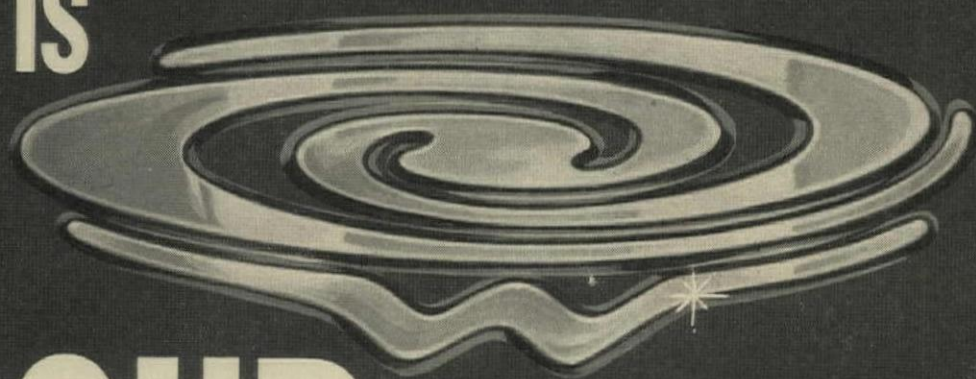
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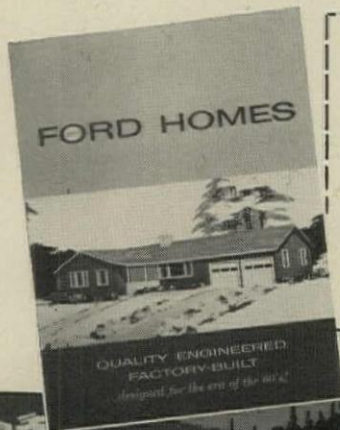
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Middle income housing

I read your article [Views on the News, Dec 60] with a great deal of interest and pleasure. It said so well and so clearly the many things that builders have spoken of in regard to middle income housing. Thank you for that clear ray of light.

JOSEPH A. SINGER, builder
Jenkintown, Pa.

Economics of natural law

Congratulations for bringing the economics of natural law out into the open, as you did in your August issue.

When I came to this part of Florida 13 year ago, an acre lot in a subdivision could be bought for \$600. Raw land in the suburban areas (not rural) could be bought for \$50 an acre as recently as five years ago. After the county put in a road, that same land jumped to \$4,000 an acre and cattle are still grazing on it.

The consequences: Where the average family was able to buy a decent-sized lot and build a house with conventional financing (or where a mass builder was offering houses) the price was right in relation to the local wage scale. Today, despite high wages at the neighboring military installation, most homebuyers have difficulty in making the down payments and keeping up the monthly payments.

FLORIDA REALTOR
(name withheld by request)

Blueprint houses

November is the most terrific issue ever.

MARGARET GALE, designer
San Antonio

Viva la House & Home

HOUSE & HOME is the most provocative and far sighted building magazine sold. Anyone who reads it over a period is bound to have his mind stretched and new horizons developed. Viva la HOUSE & HOME.

GEORGE R. THOMPSON, builder
Tampa, Fla.

More on apartments

In recent years, little publicity has been given to the desirability of apartment living or to the newer modern apartments. HOUSE & HOME is to be commended for its recognition of the strides being made in providing the ultimate in modern living for apartment dwellers.

SAM O. PLUNKETT, executive secretary
Oregon Apartment House Assn
Portland, Ore.

I can't tell you how interesting I think your recent edition [Oct '60] of HOUSE & HOME was, with its comprehensive discussion of apartment houses. I read all that you had to say with tremendous interest.

JAMES LAWRENCE, JR, FAIA
Child, Lawrence & Shannon

Errata:

In the December New Products section (p 177) pictures of the Arcadia and Portat-lume sliding glass doors were transposed.

Dureen Flake board is manufactured by West Virginia Pulp & Paper, not Kelvinator as listed in the January issue.

FEBRUARY 1961

House & Home

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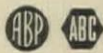
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COVER

House in Michigan by Architect Alden Dow
Photo: Baltazar Korab

COMING NEXT MONTH

How to build custom houses with components
Growth formula: Use better appraisal methods to take the guesswork out of 1) land purchase, 2) land development and 3) market planning
A portfolio of blueprint houses

An aerial photograph showing a dense urban grid with numerous buildings and streets, likely New York City. The perspective is from a high angle, looking down on the city.

The new top man in housing—
symbol and harbinger of ...



Three big changes in housing policy that will affect us all

1. *Much more money for urbanization*
2. *Much more reliance on subsidization*
3. *Much more pressure for desegregation*

President Kennedy owes his election to the overwhelming support of the big city vote and the Negro vote.

All through the campaign he voiced deep concern for the problem of the cities and the problem of the Negroes; "The cities—their needs, their future, their financing—these are the great unspoken, overlooked, underplayed problems of our time," he said. And he promised that if elected he would use the federal power and purse to do something important about them.

So the housing industry should not have been so shocked and surprised when the new President picked as his chief aid for housing:

1. A self-styled "central city man." He can talk about housing problems for an hour without saying a word about the suburbs which up to now have been the prime concern of the housing industry and the prime object of federal housing policy.
2. A veteran public houser. He has no first-hand experience in the private sector of homebuilding, but few men can match his knowledge of subsidized housing—the 3% of each year's construction the industry tends to deplore.
3. An outstanding Negro leader, chairman of the militant National Association for the Advancement of Colored People. He is an outspoken crusader for desegregation—the problem the housing industry would most like to see swept under the rug. By his choice for housing chief, the President has not only taken the rug away; he has hung the problem on the chandelier where nobody can miss it.

*Housing Administrator
Robert Clifton Weaver*

Photo: Yale Joel, LIFE

Besides that, Robert Clifton Weaver is a cultured and highly educated intellectual (Harvard BS, MA, and PHD), a hopeful believer in free enterprise, and a moderate, intelligent, and articulate man. In the long run his mind, his character, and his ability may prove more important to housing progress than his background, for he is quite strong enough and smart enough to hold up housing's end in any debate and any infighting (the Negro press hailed him as the least known and most influential Negro in the New Deal); but it is his background that epitomizes the impending change and redirection in federal housing policy for which everyone concerned with housing should now get set—the impending change studied on the next four pages.

This is the biggest change in emphasis since the US first moved in on housing

The \$18-billion-a-year housing industry as we know it today was made possible by a bipartisan federal housing program conceived under President Hoover, born and nursed under President Roosevelt, expanded under President Truman, matured and refined under President Eisenhower. With shifts in emphasis but no change in basic direction, Democrats and Republicans alike have carried forward pretty much the same housing policies—policies which helped 60 million people move to the suburbs, changed America from a nation 60% renters to a nation 62% home owners, fathered the merchant builders, and helped homebuilding enter at long last the industrial revolution.

This bipartisan program would not be dropped by the new Administration; it would just be de-emphasized. (Says Dr Weaver, dismissing it quickly to talk more about urban problems: "Of course, the basic FHA program must go on.") But the new Administration is much less interested in giving the housing industry the help it wants to build more houses and apartments in the suburbs than in doing something for the big city voters to whom it owes its election.

This change is foreshadowed not alone by the President's choice of a housing chief. It was proclaimed in the Democratic platform, which promised the cities so much that few business men took it seriously. It was echoed across the country in Kennedy campaign speeches that too many homebuilders heard with deaf ears. It was made specific in Candidate Kennedy's campaign pledge to end racial discrimination in federally aided housing by executive order (a promise on which President-elect Kennedy has since temporized). It was amplified by Candidate Kennedy's endorsement of the subsidy-laden 3,000-word housing program presented by the 450 officials who met with him in Pittsburgh in October. It was repeated in the 85-page report of the five-man task force President-elect Kennedy named to draft a Kennedy housing program—a report that suggests \$7.5 billion in federal housing and urban development subsidies as a modest four-year minimum.

This is not the kind of policy change that many home builders hoped for, but...

Many homebuilders wanted cabinet status for housing. What they seem likely to get is a department of urban affairs which may or may not include housing as its secondary title (the President-elect called it just plain "a department of urban affairs"; the Kennedy task force recommended a "Department of Housing and Urban Development.") Whatever its name may be, chances are that it will be far more concerned with urban problems like planning, slum clearance, mass transportation, and pollution than with the encouragement of private ventures in rental and built-for-sale housing.

Most homebuilders wanted a central mortgage bank to make financing easier, cheaper, and more dependable. The President has yet to mention the subject; Weaver has volunteered no comment; the task force merely recommended that the subject be studied thoroughly.

Many homebuilders wanted 40-year mortgages. The task force turned the idea down flat. The only liberalization of FHA terms it recommended was a slight reduction

in down payments on houses priced from \$18,000 to \$20,000 and a \$2,500 higher limit on FHA one-family mortgages.

Many homebuilders hoped for Fanny May special-assistance money they could use in their business. The task force recommended special assistance only for urban renewal housing (\$350,000,000), homes for the elderly (\$75,000,000), consumer co-ops (\$50,000,000), military housing, and disaster housing.

If the Kennedy New Deal for housing is not just what the homebuilders would have ordered, the loss is no great matter. Said HOUSE & HOME last month: "Our problems of the Sixties cannot be solved for us by new federal aids. There is very little left that Washington could do for us that Washington has not done already" (for seven detailed exceptions see p 43).

Most economists and most sociologists would agree that a shift in housing emphasis from suburb to city is right and perhaps overdue.

Few will question the political expediency of trying to solve the cities' problems by big federal subsidies, and their expediency is extra obvious for an Administration edged into power by the big city vote. Says the Philadelphia *Bulletin*: "The beauty of urban renewal by massive federal aid lies mainly in its convenience to local politicians and officials. The taxing is done from Washington; the good works are fashioned at City Hall."

But the evolving Kennedy program raises two big-nonpolitical questions. To the first of these questions, HOUSE & HOME believes the answer is "certainly not." To the second, HOUSE & HOME believes the answer is "probably yes."

Question No. 1:

Can bigger US subsidies substitute for sound solutions of city snafus?

The whole case for federal subsidies rests on the assumption that the cities and towns have no adequate tax base to raise the money themselves. Said the Kennedy conference on urban affairs last October "The basic cause [of urban snafus] is the inability of the American city, with its limited taxing power, to finance unaided the programs and services required to prevent decay." Said the Kennedy housing task force: "The federal government has largely preempted the sources of tax revenues."

This assumption is highly questionable. Fact is that under our form of government the biggest tax source of all, historically speaking, is reserved to the cities and towns—a \$250-billion-plus tax source that could easily afford to provide more added revenue than all the federal subsidies recommended by the task force will supply. The local governments present unwillingness or inability to tap this underused tax source for a big enough flow of money does not necessarily justify saddling the resulting tax deficit on the already-overburdened federal income taxpayers.

This biggest tax source, historically speaking, is land. As late as 1914 land carried nearly half the total tax load—local, state, and national. Today the land values in our cities and suburbs add up to something like over a quarter of our total national wealth, but land is so underassessed and undertaxed that it pays less than one-twentieth of the total tax bill, and more than half that twentieth is deductible from the land-owners' state and federal income taxes.

Undertaxation of land is the No. 1 reason most cities are in financial trouble. It is the No. 1 reason slums are still spreading despite the billions of federal sub-

continued

sidies spent to clean them out. It is the No. 1 reason city land prices are so high that private enterprise cannot meet the need for good low-income and middle-income housing in big cities without a big subsidy from someone. And the undertaxation of land leads to the overtaxation of improvements, so the undertaxation of land works two ways to perpetuate slums and retard urban renewal.

Undertaxation of land is also the No. 1 cause of suburban sprawl, the No. 1 reason cities are disintegrating instead of expanding in a plannable way, the No. 1 reason most cities consume four times as much land as they use, the No. 1 reason billions of dollars must be wasted extending highways and streets and sewers and utilities past miles of underused land, the No. 1 reason suburban land and land development costs too much and therefore the No. 1 reason many good new homes may be priced out of the market.

Says that outstanding urban economist, Professor Ernest M. Fisher of Columbia: "The plain fact is that our present system of real estate taxation, like the whole system of local government finance of which it is the chief part, is obsolete, inadequate, and unsuited to present-day political, social, and economic conditions.

"The need to re-examine and overhaul this whole complex is urgent and imperative, not only for the sake of real estate and housing, but also and a fortiori to save our local governments from bankruptcy—if possible."

Undertaxation is not only the local weakness that should be corrected locally (instead of being covered over by federal subsidies). Most cities abet slums not only by undertaxation, but also by not enforcing minimum code standards on old buildings. Most cities discourage improvements not only by overtaxation, but also by enforcing much too wasteful code standards for new buildings. And most cities make their traffic mess hopeless by undercharging motorists for parking space on their streets, thereby subsidizing those who drive to work or to shop at the expense of mass transportation and so worsening the mass transportation crisis for which federal relief is now sought.

Until cities and towns start setting their own tax house in order, pouring bigger federal subsidies into the city coffers will be pouring money down a rat hole.

The Eisenhower housing authorities learned in time the all-important truth that federal subsidies can do more harm than good if local politicians can use these subsidies as substitutes for local action; their real usefulness is to spur local politicians to develop a "workable program" for local action to earn the federal aid. So the Eisenhower appointees began talking up a tough policy of "no subsidy for cities without a workable plan." The more open-handed Kennedy task force now suggests softening this to read "bigger subsidies for cities covered by any area plan."

The Eisenhower housing authorities also learned in time that, in Norman Mason's words: "There is a close relationship between our prevailing real estate tax system and our problems of slums, blight, and urban renewal. The question of taxes—tax advantages and tax disadvantages—is inextricably intertwined with the problem of community development."

Perhaps the Kennedy Administration will be quicker to grasp this second lesson. The president's chief economic adviser has shown in his speeches that he knows all the right questions to ask on land-value taxation, though he has not yet stated his answers. The president's new highway chief is on record as wishing he could recover part of the cost of his program from the multi-billion-dollar windfall new highways have given land owners along their routes. And the president's housing task force has urged a commission to study the effect of state, local, and federal tax policies on housing.

For more about the Kennedy housing policies and the Weaver appointment, see page 40.

Can a federal edict bar race bias without disrupting housing output?

The answer depends on how the edict is administered and how it is enforced.

So it is important to know that Administrator Weaver, for all his militant principles, has spoken out for moderate action. "I have no illusions," he says, "that non-discrimination can be achieved overnight, and I do not consider this my primary job. It is just one of several problems I must try to solve—and if I can't solve the others I have a feeling I can't solve this one."

An executive order desegregating all federally-aided housing would indeed make better housing available sooner to minorities. But the idea that such an order would send thousands of Negro families rushing to suburban tracts is nonsense. Negro family incomes still average much lower than white (\$2,900 vs \$5,600), so not many Negroes could afford the move; and of these not many would expose themselves and their families to the unpleasantness often involved in pioneering across color lines.

Experience in the eight states whose laws already prohibit racial discrimination in housing—four of them not merely FHA and VA but all large-scale rental and subdivision housing—is another omen indicating a federal anti-bias order would not upset the housing industry so much that starts would plummet. (The states: New York, New Jersey, Connecticut, Washington, Oregon, California, Colorado, Massachusetts. Also, New York City and Pittsburgh.) Up to now, these state and local laws have created no large stir. Indeed, a just-issued survey in New York City shows that most citizens don't know the law exists or think it is not enforced (it is).

Desegregation's impact would probably vary widely from region to region and perhaps from city to city.

In the North it might, at first, push many builders into higher price brackets and conventional financing, where the federal order would not affect them.

In the South, where the low-priced market is biggest, builders might turn from FHA-VA financing to second mortgages (as many California builders turned to escape big discounts) or even to consumer financing (as shell houses are financed). Many Southern builders already have elaborate plans to avoid selling tract homes to unwanted Negroes; some of them sound slick enough to work—at least for a while. And nobody who knows Bob Weaver thinks he would ever jail anybody to advance open occupancy.

A federal desegregation edict would not necessarily hurt the used-house market, for here there is no problem of advance commitments; seller and buyer make their deal before any application is made to FHA or VA. On used houses the only serious impact would be on the FHA trade-in program designed to help present owners trade up to better homes. Here the realtor or builder *does* get an FHA commitment before he knows who will buy the used house.

Public housing in the South might be a real trouble spot. If federal contributions are made contingent on dropping racial bars, no more public housing would be built there for a time; and if the order applies to units already occupied, the Public Housing Administration might well have to take them over and operate them. This sticky prospect is why Negro groups have raised only a feeble outcry for desegregation in public housing (which is already 47% Negro occupied). /END



You don't have to be a giant builder to profit from modern management

Kurt Mayer and Curt Peterson built and sold only four houses in 1959, but they used the same construction methods and the same planning and control techniques used by the industry's big producers.

Did it pay off? So well that they built and sold 38 houses in 1960, despite a 20% slump in the Tacoma market.

"But even if we were still building only four or five houses a year," says Curt Peterson, "we would use the same profitable methods. Modern building and management techniques save time, and time is the most valuable asset any builder has.

"Big and small builders alike face the same basic problems, from land development to sales. The smaller builder can't afford staff men—he has to solve all his problems himself. But efficient methods simplify many problems and give you time to handle the rest.

"A lot of small builders think they are building all the houses they can sell. If they switched from archaic piece-by-piece methods they'd have time to find new markets or time to work more at selling—and boost their volume and their profits. If nothing else, they'd find time to go to Florida!"

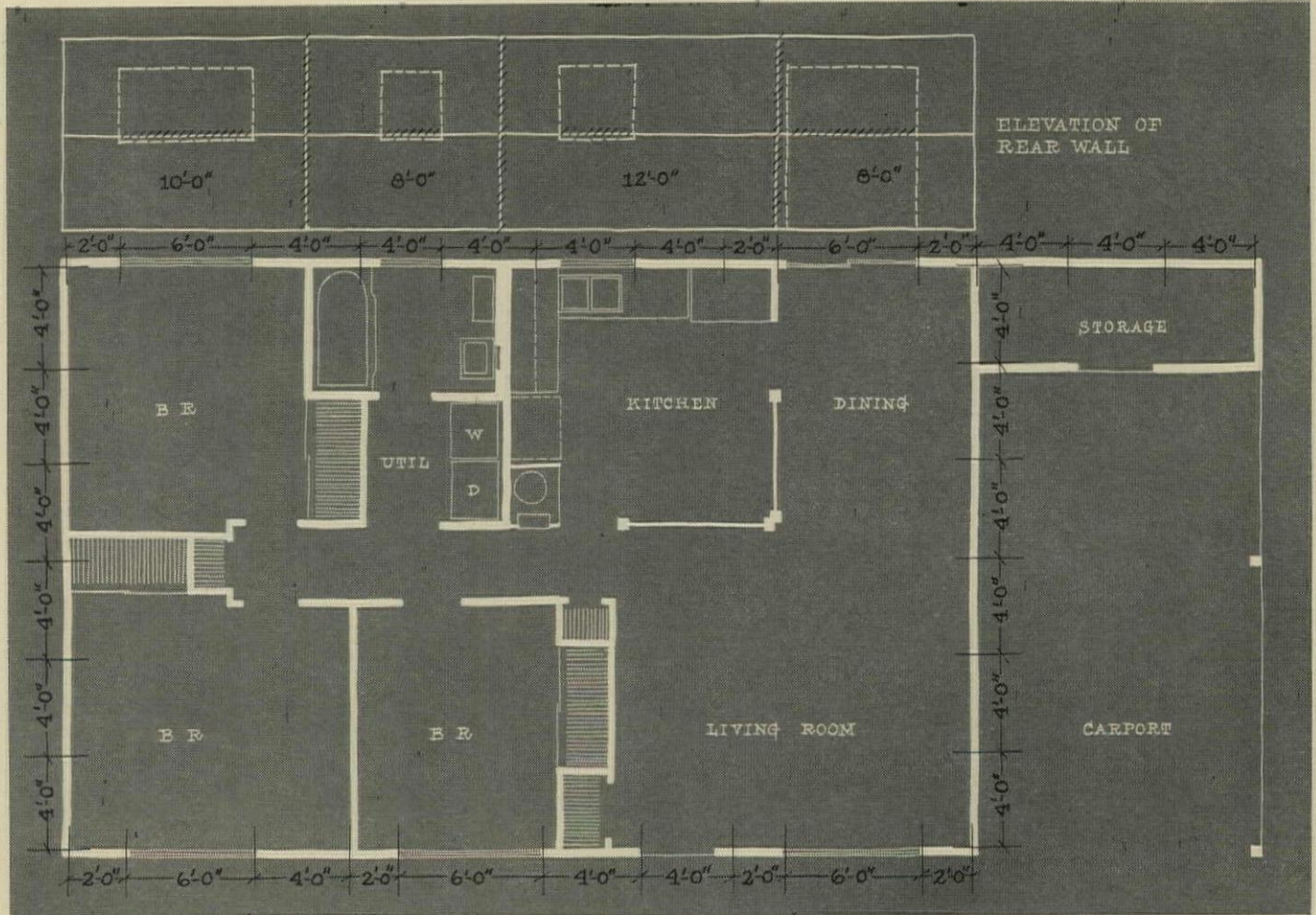
Mayer and Peterson saw the importance of time-saving management from the start. They were realty men, switched to building when they spotted a shortage of good houses in the \$10,000 to \$14,500 bracket (needed by military personnel at nearby McCord Air Force Base. Since they knew they could sell all the houses they could build, they knew that "the archaic methods of most of today's small builders were dead wrong for us. We just didn't have the time to put thousands of pieces together at the site."

"We think we've found the answer," says Peterson. "We built our first house with components, and we've used the same method ever since [for details, see overleaf]. And we've developed simple systems that any builder could adopt to control the flow of men, money, and materials with the least effort [see p 92].

"Building this way keeps overhead to a minimum. We don't even need a secretary. We started with a two-man crew, and now have only four carpenters and a foreman. We hope to build 70 houses this year, and we'll build them with this same crew. The way we build, each man is worth 16 houses a year."

To see the systems that make this possible, turn the page.

Curt Peterson, left, and Kurt Mayer are shown here during construction of one of their first houses just a year ago.



TYPICAL PLAN is based on a module that fits Lureco components. House can be lengthened or widened in 2' units. All appliances and

cabinets fit the module. Drywall finishing is minimized, since many partitions butt against vertical joints (see typical material layout, top).

No matter how few houses you build, you can profit from big builders' construction methods

"Any component building system will save time and money for the smaller builder just as it does for the big builder," says Curt Peterson. "The special advantage of components for the smaller builder is their simplicity.

"Before we started building, we could see that the less work we did at the site, the more time we would have for all the other problems of building and selling houses.

"We could have used any of several component systems or prefabs. But since we were just starting, we felt a close relationship with the supplier was crucial. So, since our first house, we've worked with Bob Blackstock of H. W. Blackstock Lumber Co in Seattle. He supplies us with: 1) Lureco wall panels, 2) roof trusses, 3) plywood roof sheathing, 4) 2-4-1 flooring, and 5) interior partition materials and trim."

Component building simplifies five major problems that plague smaller builders

Here's how Kurt Mayer spells it out:

Components simplify the design problem. "Blackstock's staff architect [Larry Higgins, AIA, formerly with Lureco's Washington, D.C. headquarters] developed designs to suit our market. We don't have to use a standard model, and can change houses simply by adding 2' and 4' panels. This kind of flexibility is especially important for smaller-volume builders."

Components eliminate delays caused by weather. "We close and lock the house the first day [see photos opposite]. After

that, we are inside where rain can't throw us off schedule."

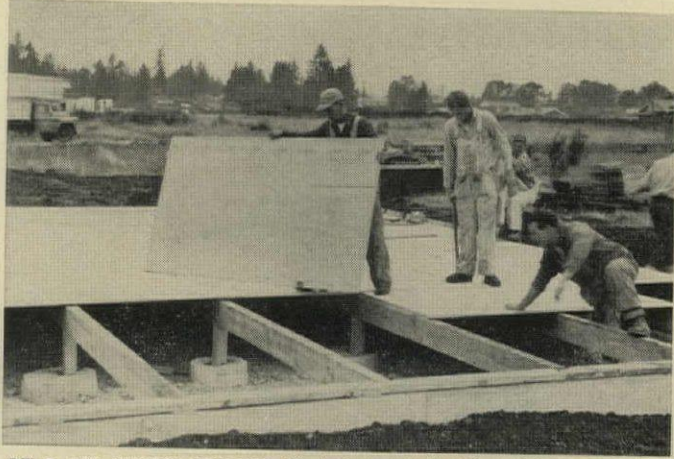
Components cut down the payroll. "We need only four full-time carpenters, a foreman, and an occasional laborer." (M&B sub everything but framing and finishing. See p 92.)

Components simplify financing. "We can build so quickly that the buyer moves in before we get the bill from Blackstock. So very little of our capital is tied up."

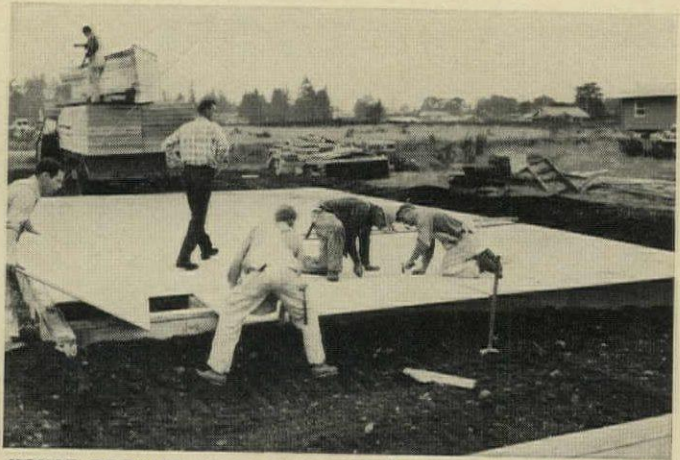
Components cut overhead. "Because we buy this house as a package, we don't spend any time on materials lists or purchasing [see p 92]."

And other factory-finished parts and materials make sense for the smaller builder, says Peterson

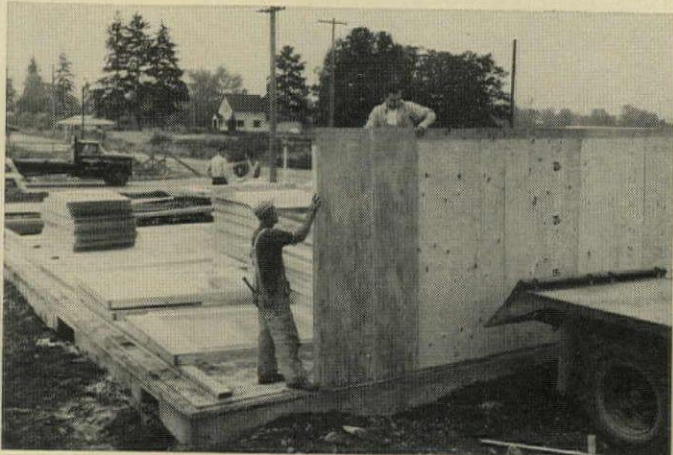
"We are always searching out new and better materials to save our own time, job time, and to simplify our operations. Blackstock knows this and, on his advise, we've adopted a lot of good methods. He showed us the advantages of prehung doors, primed windows, factory-sealed perforated hardboard for closet walls, prefinished hardwood plywood for feature walls, and finished kitchen cabinets. Together, we are studying the economics of primed siding. We've also gone directly to some of the big manufacturers and told them we want to try out new materials as soon as they can get them to us. That's how we got a quick start using Georgia-Pacific's weatherproof 2-4-1 floor and its new 1/8" thick oak floor tile [which was announced only last month]."



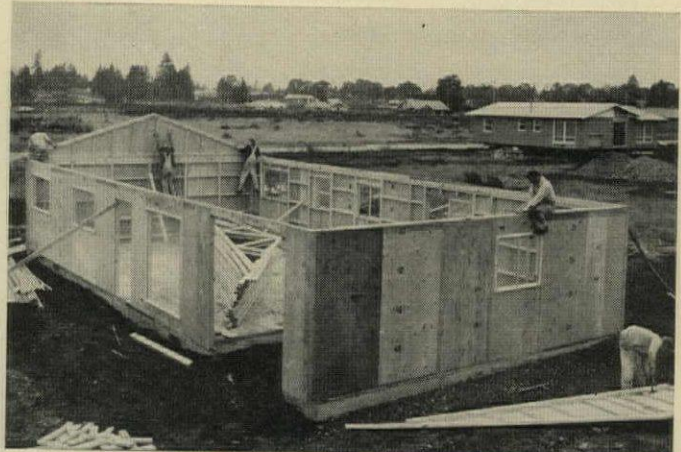
AT 8 AM, WORK STARTS. First step: placing floor joists and laying t&g 2-4-1 floor onto prepared foundation.



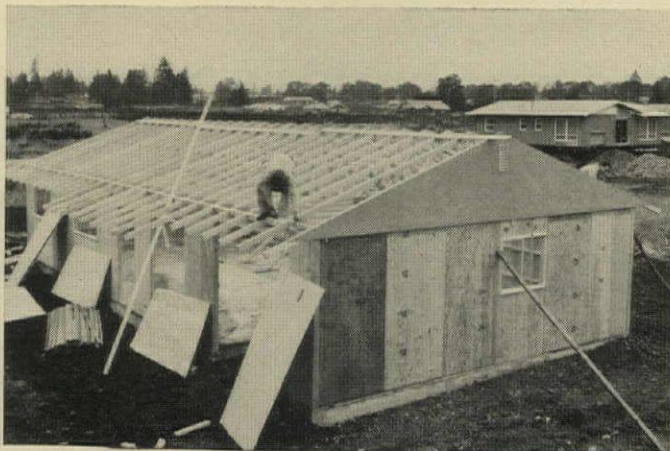
HOUSE PACKAGE IS DELIVERED just as carpenters finish off the floor platform. Tight schedule is essential to M&P operation.



WALL ERECTION STARTS AT ONCE. Components are stacked on the floor platform near where they will be used.



SILL IS PLACED and gable ends are lifted into position. Wall panels include glazed and primed windows installed at plant.

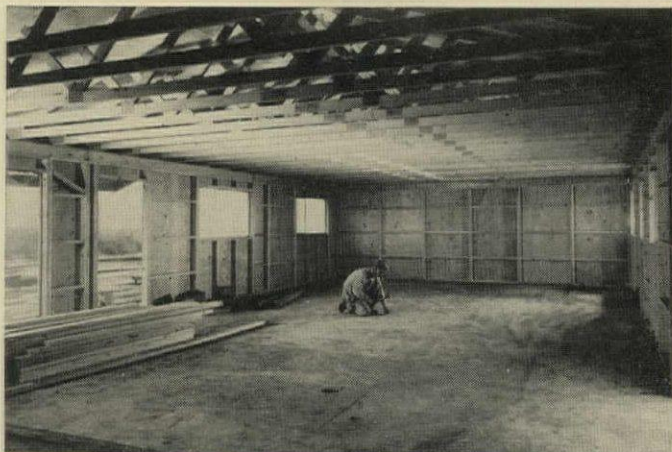


ROOF TRUSSES complete framing, make possible a "one-big-room" building technique (see photo below) that speeds interior work.

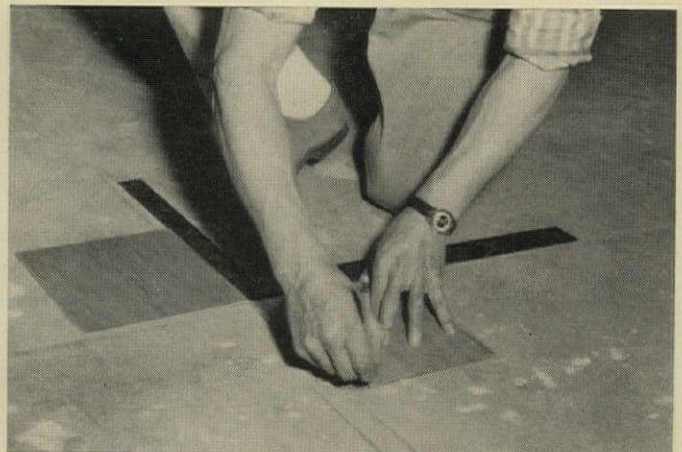


ROOF SHEATHING, stacked against house so crew can reach it easily, is quickly placed and fastened with power nailers.

Acme



AT 1:20 PM, HOUSE IS ENCLOSED. By late afternoon, prehung doors are installed and house is locked. Interior work starts next day.



FINISHED MATERIALS, like this 1/8" oak flooring tile, hardwood plywood for walls, and finished cabinets, reduce interior work.

continued

Job # #12
 Plan # 1070 D
 Address 5011 South Alaska Street

DAY #	CALENDAR DATE	ACTION
- 20	6 December	Building Permit
- 20	6 "	Survey Land
- 9	20 "	Temporary Service Installed
- 8	21 "	Excavate Land
- 7	22 "	Move Forms
- 6	23 "	Form Foundations
		Inspections
- 5	27 "	Pour Foundation
- 4	28 "	Strip Foundation
		Lay Subfloor
- 3	29 "	Backfill
+ 1	3 January	Receive House

Job # #12
 Plan # 1070 D
 Address 5011 South Alaska Street

ORDER DATE		DELIVERY DATE		ITEM
DAY #	CALENDAR DATE	DAY #	CALENDAR DATE	
- 10	19 December	- 5	27 December	Lumber: 1st Phase (Subfloor)
- 10	19 "	+ 1	3 January	Lumber: 2nd Phase (Package)
- 8	21 "	- 6	23 December	Inspection: PMA
				City
+ 1	3 January	+ 14	20 January	Cabinets
+ 1	3 "	+ 14	20 "	Driveways
+ 3	5 "	+ 6	10 "	Utility: Power Hookup
+ 3	5 "	+ 10	16 "	Insulation: Blow Ceiling
+ 4	6 "	+ 6	10 "	Inspection: PMA
				City
				Electrical
+ 5	9 "	+ 13	26 "	Light Fixtures
+ 6	10 "	+ 7	11 "	Inspection: Water Line
+ 7	11 "	+ 14	20 "	Lumber: 3rd Phase
+ 7	11 "	+ 19	27 "	Mirrors
+ 10	16 "	+ 10	16 "	Inspection: Sewer Line
+ 11	17 "	+ 11	17 "	Utility: Water Hookup
+ 12	18 "	+ 14	20 "	Decorator: Fencing, Materials
+ 20	30 "	+ 22	1 February	Inspection: PMA

1. PREPARATION FORM lists work to be done before house package arrives. Job number is listed at top. Job days, left, are numbered; calendar dates are filled in when starting date is fixed.

2. ORDER AND DELIVERY FORM establishes standard (and calendar) dates for order and delivery of all materials. Note how delivery dates relate (dark lines) to actual building schedule.

No matter how few houses you build, you can profit from big builders' business controls

"Many small builders don't have time to make money or time to grow because they don't have any real control over their operations," says Peterson. "They have to pay themselves carpenter wages because they don't know what their costs are and can't be sure of making a profit on their house."

Good control systems are simple to set up and easy to use, says Mayer & Peterson

"We use three simple forms to control the flow of men and materials into each house," says Kurt Mayer.

Preparation form (1, above). "This schedules exactly what must be done from the time we get the building permit to the time the house package is delivered by Blackstock."

Order and delivery form (2, above). "This tells us just whom to call, and when to call, to get each operation done on schedule. It covers inspections, utilities, materials."

Construction schedule (3, opposite). "This covers every job, day by day, for our own crew and our subs. Each sub gets such a schedule for each house. He knows he must meet the schedule or lose our business."

Our system is so simple, we know exactly how much we spend and how we spend it, says Peterson

"Here's how our cost system works:

"Labor costs are recorded on individual job cards (4, oppo-

site) filled in by each workman each day. The cards show how each man spent his time, broken down by the house or houses he worked on (job number) and the operation he performed. The cards for the whole crew are audited by the foreman and posted to standard job sheets for each house each week. The job sheets give us the total time (and therefore labor cost) for each operation in every house we build.

"Materials costs are even simpler to control. Because we buy a house package from Blackstock, we get a single price for all house materials. And because we use subs for everything except assembling the package and finish carpentry, there are no other purchasing records. Each sub has to do his own purchasing, scheduling, expediting.

"Subcontracting costs for grading, plumbing, wiring, foundations, roofing, etc are charged to a specific house.

"Overhead costs are collected, averaged from the past six months, and allocated to each house proportionately.

"All costs are distributed to each house, so any variance from our standards in labor, materials, or subcontracting is easy to spot—and then we can correct the problem.

"We save \$250 a house because we developed this system. Since we can project specific costs, specific cash requirements, and specific assets, we can finance most of our operation with commercial bank loans, and assign the houses until permanent owner-financing comes through. So we don't need construction money, which is expensive out here."

Job # 42
 Plan # 1030 D
 Address 5011 South Alaska Street

DAY #	CALENDAR DATE	OPERATION
1	3 January	Carpenter: Erect walls and trusses
2	4 "	Carpenter: Lay roof sheking, verge, fascia, gutters
3	5 "	Roofer: Load and lay roof. Carpenter: Frame partitions
4	6 "	Plumber: Rough-in. Carpenter: Outside trim
5	9 "	Electrician: Rough-in. Carpenter: Outside trim. Septic Tank: Install (Deadline day #9)
6	10 "	Carpenter: Insulate. Inspections: FHA, City, Mining
7	11 "	Drywall: Hang. Utility: Hookup power. Plumber: Install water line
8	12 "	Drywall: Tape
9	13 "	Electrician: Hang heaters
10	16 "	Insulation: Blow ceiling (Deadline day #20). Drywall: 2nd coat. Lasser: Final grade. Sitework: (Deadline day #25)
11	17 "	Utility: Install water meter. Cement Finishers: Walks and patios
12	18 "	Drywall: 3rd coat. Flooring: Lay finish floor, sand edges
13	19 "	Drywall: Texture
14	20 "	Drivesways: Install
15	23 "	Painter: Interior and millwork. Landscaper: Dump, spread topsoil (Deadline day #24)
16-17	26-25 "	Carpentry: Finishing
18-19	26-27 "	Floor covering: Counters, tile, flooring installed
20	30 "	Plumber: Trim out. Electrician: Trim out. Flooring: Sand, fill, and coat.
21	31 "	Flooring: Waxed. Painter: Touch up. Weatherstripping: Install. Housecleaner: Clean up
22	1 February	Inspections: FHA

A HOUSES CARPENTER WORKED ON

B JOBS PERFORMED & TIME SPENT ON EACH

John Smith NAME *Jan 6* DATE

JOB NUMBER 42 43

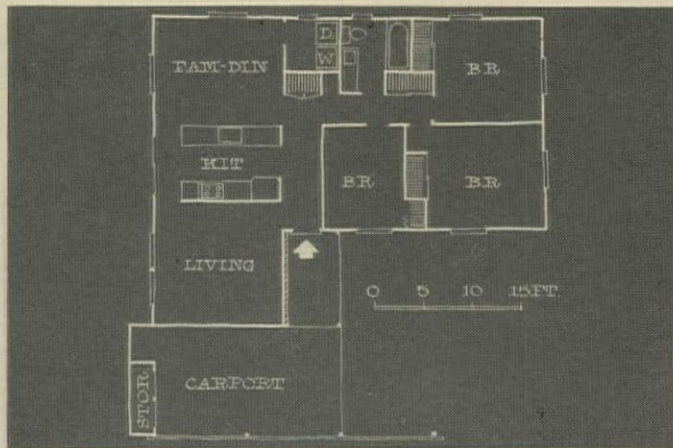
1. FOUNDATION	
1.1 Set Forms	
1.2 Pour Foundation	
1.3 Strip Foundation	
1.4 Clean Forms	
2. FRAMING	
2.1 Set Beams	3
2.2 Lay Sub Floor - Underlayment	
2.3 Erect Walls and Trusses	
2.4 Roof: Gable, Gutter, Fascia	
2.5 Interior Partitions	
3. FINISHING	
3.1 Interior Trim	5
3.2 Exterior Trim	
3.3 Cabinets	
4. MISCELLANEOUS	
4.1 Cleanup	
4.2 Materials Handling	
4.3 Repair/Replace	
4.4 Insulation	
4.5 Securing Materials	
5. PAINTING	
5.1 Doors, Woodwork	
5.2 Interior Walls	
5.3 Exterior Surfaces (Spray)	
5.4 Windows	
TOTAL JOB HOURS	5 3
TOTAL DAILY HOURS	8

C TOTAL TIME ASSIGNABLE TO EACH HOUSE

D TOTAL HOURS WORKED BY CARPENTER

3. CONSTRUCTION SCHEDULE lists, day by day, every operation to be performed by M&P carpenters and by all subcontractors. Houses are completed in 22 to 24 working days.

4. JOB CARDS are filled in each day by every M&P carpenter. This card shows that carpenter set beams in House 43 for three hours, then worked at trimming in House 42 for five hours.



This \$13,500 Mayer & Peterson model was seen by 80,000 prospects

The house was built in the parking lot of a suburban department store, helped establish the new firm's reputation for quality and value. This electrically heated three-bedroom model has 1,064 sq ft of living

area, vertical siding and stone veneer, ceiling-high cabinets and a full range of built-in appliances in the kitchen, paneling and valance lighting in the living room.





"We are just beginning to realize that the needs of the elderly constitute as big a housing problem as the one faced by veterans after the war."

—Mortgage Banker Walter C. Nelson,
chairman, housing committee, White House Conference on Aging

Here is what every housing professional should know about . . .

Today's neglected retirement market

What is the "retirement" market? How big is it? Where do retired people want to live?page 96

What kind of housing do retired people need? Can they afford it?page 97

How do you look for older buyers? And once you locate them, how do you sell to them?page 98

Why is the retirement market "neglected?" How can housing professionals break into it?page 98

What is the last word in design for retirement housing? .page 100

What special features and equipment should retirement housing include?page 103

What kinds of houses in what price ranges are being sold today to the retirement market?page 104

What kinds of apartment units are being built for older people, and how are they financed?page 106

What was the fastest selling retirement community in 1960, and why did it sell so well?page 108

RETIRED COUPLE leads active life in Sun City, Ariz., a big new retirement community with a wide range of stores and recreation facilities (see p 108).
Photo: Arizona Photographic Assoc.

For a close look at the retirement market, turn the page

Today's retirement market is far more than "the 65-and-over market"

Best way to sell the retirement market is to aim at couples whose children are grown, whose health is good, and whose incomes are at a peak.

These families—many of whom are as much as 15 or more years from actual retirement—can be sold today on buying a house or renting an apartment that fits their new needs—and future needs—better than the house they bought years ago to raise their children in.

"The attack on the housing needs of the elderly should start with people as they reach middle age, when children are growing up, getting married, and establishing homes of their own." So says Everett (Jack) Ashley, HHFA's top expert on housing for the retired.

"The best retirement market to sell to is people who have not retired, who still work, who want to continue to live near their many friends. They already have more leisure time and can be sold on moving to a house that will be better suited for them when they have even more leisure after retirement." So says Sociologist William C. Loring of Prudential Insurance Co.

"Too many people wait until retirement to start thinking about a place to live. The earlier the building industry can introduce ideas of retirement housing into their thinking the more successful their living arrangement is going to be when they finally do decide." So says William C. Fitch, executive director, American Assn of Retired Persons.

Today's retirement market is far more than "the warm-climate market"

The retirement market is strong not only in warm climates but wherever you design, build, sell, or finance homes today.

The great majority of retired—and-about-to-retire—people want to stay in their own communities.

Surveys indicate 75% to 90% of older people expect to stay in the neighborhood or city where they now live. There is also evidence that some people who retire to new areas grow tired of living there and return to their former communities.

Says New Jersey Builder Bob Schmertz: "We've sold lots

of houses to people who have returned from a Florida retirement. They find they want the change in seasons and they don't want to be so far away from their children."

Most retired people live in the same areas where they previously lived, according to the 1957 Census. Despite the severity of winters in Vermont, New Hampshire, Maine, and Iowa, these four states lead in percentage of residents 65 and older. And southern states have the lowest percentages of older people. (State by state, the percentage of older people ranges from 5.1% in Nevada to 11.6% in Vermont.)

Today's retirement market is big—and fast getting bigger

Before you start to build another group of houses for young couples with growing families, take a look at some of these figures:

One-third of all US households are now headed by a man or woman 55 years old or older.

Every year in the Sixties, the number of households headed by older people will go up more than 400,000.

In the next few years, these older families will account for about half the increase in all households.

So ten years from now there will be 10 million more of us who are 45 and older (of retirement and preretirement age). Significantly, a couple in their late 50s today can expect

almost a quarter of a century of life. Married women today can expect to live another 30 years—and their husbands another 21—after their last child has left home.

The market for retirement housing is growing fast not just because the number of older families is growing fast but because their children are marrying earlier and moving away from the family homestead earlier. So houses are growing too big before their time.

As PHA's Mary Cleverley points out, these older families are not hard to move out of their old homes "because they have learned to buy a house like you buy a suit and are accustomed to moving every three or four years."

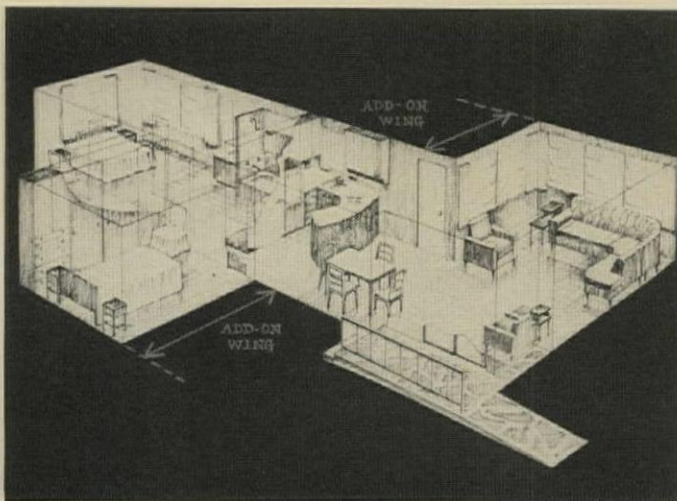
Today's retirement market is made up of people who want to simplify living

Most want a smaller house than they now have, and a smaller lot. They want more built-in conveniences and easier maintenance. They want to be closer to churches, stores, and recreation facilities.

But they are not just slowed-down "old folks" facing a few declining years.

Says Professor Alexander Kira of Cornell University's Housing Research Center: "Most housing for the aged has focused on the needs of the infirm . . . This is a mistake."

Most people over 60 reach retirement today as active and vigorous as middle-aged people were a few decades ago. The great majority enjoy good health. Only about 4% of men 65 to 69 cannot work. In fact, nearly half of all men aged 65 to 69—and nearly one-fourth of men 70 and older—are still employed. And the retirement market also includes far more people than you would expect in their 40s and 50s. There are a million men between 45 and 64 who could work but have nonetheless retired, Census figures show. And a



Retirement housing offers opportunities for new technology

The factory-finished house above—a 10' x 50' main unit with two 10' x 12' wings—is being sold by Mobilife Corp in two retirement communities that opened late last month in Sarasota, Fla. and Tucson, Ariz. It is one of five houses built by Vought Industries, a large manufacturer of mobile homes. The houses are com-

pleted at plants in Loveland, Colo. and Tavares, Fla., trucked to their sites, and set on slab foundations. Prices, including lots, range from \$8,790 to \$10,000. Buyers get 10-year, 7.5% mortgages at 7% simple interest, a better rate than they can get on mobile homes. (For more on factory-finished houses, see H&H, Dec '60).

survey by First Research Corp among people who moved to General Development Corp's Port Charlotte community in Florida when they retired shows that 68% were over 60, 22% were 50 to 60, and 11% were under 50 years old.

So don't be fooled by stereotypes about "old folks" who sit around when they retire. That is no longer true—and fortunately so—because gerontologists have learned that about the worst thing that can happen to an elderly person

is to be inactive. (The experts also agree that many old people in institutions would be much better off in their own homes.)

Says the "Background Paper on Housing" for the White House Conference on Aging: "Earlier generations were satisfied merely to wait out their remaining days. But today's shorter work week, increased leisure, and longer period of retirement emphasize the need for ways to occupy one's time and for the optimal environment in which to enjoy [it]."

Today's retirement market is ready to pay for the kind of housing it needs

Millions of the people 65 and older—and most people approaching that age—can afford good new housing.

Reports the Census Bureau: In 1959, one-third of non-farm families headed by a person 65 and over had incomes of \$4,000 or more a year (two-thirds owned their homes, and half owned their homes mortgage-free). In 1958, three-fourths of families headed by people 55 to 64 years old had incomes of \$3,000 or more.

And the buying power of older people is growing fast:

In 1958, people 65 and over had incomes totaling about \$30 billion, compared with \$22 billion in 1954. (So says the Department of Health, Education & Welfare.)

In 1960, 83% of people 65 and over were employed and/or received social insurance benefits, compared with 52% in 1950 (Social Security Administration).

In 1960, social insurance benefit payments totaled \$10.6 billion, compared with \$1.2 billion in 1950 (SSA).

No current figures pinpoint the assets of people in the retirement market. But a Federal Reserve study of older persons' finances in 1953 showed that the average couple or single person 65 and over had a net worth of \$8,400.

Older people need less income than younger families to buy a new house

Many retired people with \$3,000 incomes can afford new housing as easily as younger people earning \$6,000, according to Sociologist William C. Loring of Prudential.

Here is why:

1. Older people have more capital for down payments.

Says Loring: "The median homeowner among the elderly has more than twice the equity possessed by the median of all spending units."

Builder Carl Mitnick, ex-NAHB president, cites figures that back up Loring's point: Of the first 400 retirement buyers at Mitnick's North Cape May, N. J. community, 28% paid cash, 25% took mortgages of 60% or less, and only 26% took mortgages of 90% or more. Says Builder Bob Schmertz, who sells 203(i) houses to retired buyers in Toms River, N. J.: "These people aren't rich, but they have lots of cash." Adds Long Island Builder Alex Paulsen: "About 75% of our retired buyers pay all cash."

2. Older people can afford to budget more of their income for housing—about 33% compared with less than 20% for younger people. Furthermore, much of their income—annuities, pensions, and life insurance endowments—is tax free and not subject to change. Says Builder Mitnick: "When the rest of our business fell off in 1959, retired people continued to buy because they knew what their incomes were." Says Builder Schmertz: "We can feel the effect of all these new pension plans right now. Our retired buyers have more income and more cash than they used to have."

Prudential's Loring points out: "Over 3 million heads of senior families (30%) have incomes and equities large enough to consider moving to other housing. . . . So new housing, skillfully designed and merchandised, can compete with used housing for about one-third of the elderly market—about the same ratio as the demand for new vs used housing in the general market."

continued

But—except in a few scattered areas—this big market has been overlooked by most housing professionals

The vast majority of private housing built since the war has been aimed at families with children.

Most housing for older people today is being initiated by public authorities or non-profit organizations (except in sunshine states like Florida and Arizona where private enterprise is very active in this market). And the bulk of this public and semi-institutional housing is either for the very poor or the well-to-do. For example:

1. Thousands of units are being built with state and federal support in low-rent public housing projects. Retired families must have small incomes—usually \$1,500 or less—to qualify for occupancy.

2. Thousands of units are being built by non-profit groups like churches, unions, and fraternal orders. They are financed conventionally or through the FHA program for non-profit, multi-unit housing for older persons (200,000 FHA units are being planned or built, according to Mary Cleverley, assistant commissioner of PHA and former FHA specialist on housing for the elderly). In much of this group-sponsored housing, down payments are large (\$10,000 or more a person) and monthly payments are substantial because buyers often get hospital care, other services, and even meals.

So middle-income retirees—18 million people of 60 or

over—are barred from most public housing because their incomes are too high and from most group-sponsored housing because their incomes (and often their assets) are too low. This is the neglected segment of the retirement market that housing professionals could meet.

Why isn't the housing industry filling the gap?

Zoning restrictions and high land costs often discourage retirement housing

"Zoning discriminates against the aged," says Prof Alexander Kira of Cornell University's Housing Research Center. "Our entire postwar housing boom has been child-centered, and so has our community planning. Subdivision regulations that provide for minimum lots, minimum house sizes and prices—that ban apartment houses and prevent remodeling large old houses into smaller apartments—have prevented builders from building for retired people."

Says California Builder Ned Eichler: "We've never built for retirees or young childless couples who want the same kind of houses. Land costs are too high and zoning restrictions too tight. For example, we can't afford to put a small house on an expensive 8,000 sq ft lot in Palo Alto or Los Angeles. So we build bigger, higher-priced houses that fit the land cost."

Selling to retired buyers? Hit these points hard

You can sell (or rent) to retired—or about-to-retire—people pretty much the way you sell to younger people. But some phases of your sales effort will need special emphasis. For example:

1. *Put more emphasis on careful market analysis.* The more neglected a market is—and the retirement market is largely neglected—the more you need to find out about who is in it, what they want, where they want to live, and how much they can afford. One good starting point: Get the survey your state prepared recently, with federal aid, for the White House Conference on Aging. And one of the best analyses of the overall retirement market is the "Background Paper on Housing" prepared for the conference by Architect Walter Vivrett. You can get a copy by writing to the head of the conference housing committee—Walter C. Nelson, vice president of Eberhardt Corp, 207 Sixth St, Minneapolis.

2. *Put more emphasis on tracking down your prospects.* Many builders advertise in military magazines to attract about-to-retire officers and enlisted men. Some advertise in church publications (and even urge pastors to buy a group of retirement houses for their parishioners). Says Detroit Builder James Babcock: "We draw many prospects with our ads in church papers, which older people read thoroughly. So few retired people think about moving, they don't bother to read real estate sections in local papers."

You can also locate good prospects by calling on people whose children are graduating from college or high school—these families may be willing to move to a smaller house or apartment. Another source: corporation personnel directors, who can give you names of men reaching retirement.

3. *Put more emphasis on community facilities.* Just about every successful builder for the retirement market has emphasized the close proximity of his houses or apartments to stores, churches, swimming pools, golf courses, community

centers with hobby shops and game rooms. Many retired people prefer to walk to these facilities. Builder like Del Webb in Sun City outside of Phoenix and General Development in southern Florida build these attractions in their developments. Other like Orrin Thompson in Bradenton, Fla, locate near established shopping and play centers.

4. *Put more emphasis on proving a small house can be a well built house.* Most retired people want a smaller house, but they suspect it is not as well built as the big house they live in. Says St Petersburg Builder Charles Cheezem: "Our job is to convince them—with product displays and in sales talks—that a small house can pack in a lot of quality."

5. *Put more emphasis on trouble-free housing.* Retired people want their new home to work well with little upkeep. So emphasize easy-to-maintain floors, heating systems, plumbing, appliances, and other features.

6. *Put more emphasis on features that have special (if unvoiced) appeal to older people.* Give them better light because older people frequently have poorer eyesight, give them better heating and insulation because older people need a warmer house, give them safety features because older people are more accident-prone.

But don't overemphasize these features to older prospects. They don't want to be reminded they are getting older. (The younger your retiree prospects, the more you can stress these appeals, because they are less touchy about aging.)

7. *Put more emphasis on lower living costs if you sell in low-living-cost areas.* Says General Development Sales Director Herman Perl: "To bring buyers to Port Charlotte, we emphasize low clothing and fuel costs and low taxes in Florida. And we point out that they won't have to spend much for amusement because we offer so many recreation features. We sell them first on Florida and then on Port Charlotte as the lowest-cost area down there."

Zoning in suburban towns—usually designed to keep the school population down — often boomerangs against the zoners. Reason: It bars retirees who pay school taxes without adding to school costs.

But there are some ways builders could avoid or cope with zoning problems

You can build on downtown commercial land, suggests James Babcock. In Detroit, where almost no available land is zoned for multiple-unit dwellings, Babcock buys undeveloped land on secondary commercial streets that stores have bypassed in favor of suburban shopping centers. Babcock pays \$15,000 for a typical 100' x 100' site, so his land costs on a \$10,000 co-op apartment are about \$1,000.

You can move from the city to a small town, suggests Leo C. Rush of Portland, Ore. Says Rush: "We wanted to build small retirement houses but Portland planners refused to reduce lot sizes below 7,000 sq ft, and lots that size would

have forced us to build houses our market could not afford. So we moved to Woodburn halfway between Portland and Salem. The town officials were glad to have us. They realized our buyers would not create a demand for more schools and would supply parttime labor needed by local industry."

Or you can do some old-fashioned horse trading, suggests a New York builder who for obvious reasons wishes to remain anonymous. He bought a large tract zoned for 60' lots although he knew the town would refuse to permit hundreds of single-family houses and would probably balk at a retirement center.

"Right away, I filed a plat for a 400-house development," he says. "Of course, this raised a scream of protest. Everybody started worrying about swarms of kids and overcrowded schools. So I 'compromised' and offered what I really wanted—to build 50 houses on half-acre lots and 350 moderate-rental units for older people. After that it was fairly simple to get approval."

Of the few housing professionals now in the market, many simply stumbled onto it

Take the case of Herbert Gold, who builds garden apartments on Long Island. He discovered that 91% of his renters are older people whose children have grown up (two-thirds of them had sold nearby houses to younger families). So he will include more one-bedroom and efficiency units in his next apartments.

Take the case of Carl Mitnick, who builds single-family houses on the New Jersey shore. Says Mitnick: "I just happened to go down to Cape May to sell resort homes, and I noticed after a year that 50% of my customers were retired people. So I started to study the market."

Take the case of Herb Rosenthal, who builds co-op garden apartments in Chicago. Says Rosenthal: "I stumbled into this market by accident. We found that a high proportion of our buyers were over 60, so we modified our designs to meet the special requirements of elderly people."

Take the case of Mitchell Berenson, who builds garden apartments near Peekskill, N. Y. Says Berenson: "I studied my turnover rates and found that young people moved out in two years (and often damaged the apartments), but older people stayed on (and rarely damaged the apartments). So now I am making a bigger effort to get retired people as tenants."

Take the case of Bob Scarborough, who builds single-family houses in Haddonfield, N. J. Asked by HOUSE & HOME

whether he sells to retired or about-to-retire families, Scarborough analyzed his buyers and came up with these findings: Overall, his buyers average 39½ years of age and two children per family. But the buyers of his only one-story model (four others are splits and two-stories) average 46½, and most of them have no children. And, though the ranch model accounts for only 18% of his sales, it accounts for 40% of his all-cash sales. Scarborough's conclusion: his one-story house offers him an opportunity to exploit the retirement market.

Take the case of Myers & Lazeau, who build single-family houses in Jacksonville. Says Paul Lazeau: "In last year's Parade of Homes, we built a small three-bedroom house in which the third bedroom opened to the living room through double doors and to the bedroom through an ordinary door. So the room can serve not only as a den or bedroom but also as an extension of the living room. We sold six houses on the first day of the Parade. About half our sales went to older people whose children had left home (the other half went to young couples with no children or one child). We were so impressed with the success of the house that we plan to make it 20% of our production this year."

So without even knowing it, you may already be selling or renting retirement housing. And if you are, you can use what you know about your retired buyers or renters to increase your share of the market.

You can meet today's retirement market with many different kinds of housing

You can meet the market with single-family houses in retirement colonies or mixed in among younger families—and ranging from low-cost shell houses to luxury homes.

You can meet the market with low-rent apartments, high-rent apartments, and co-op apartments in suburbs and central cities.

You can meet the market with self-contained communities offering everything from stores to recreation facilities.

You can meet the market with home modernization—by remodeling small post-war houses or by dividing large old houses into apartments.

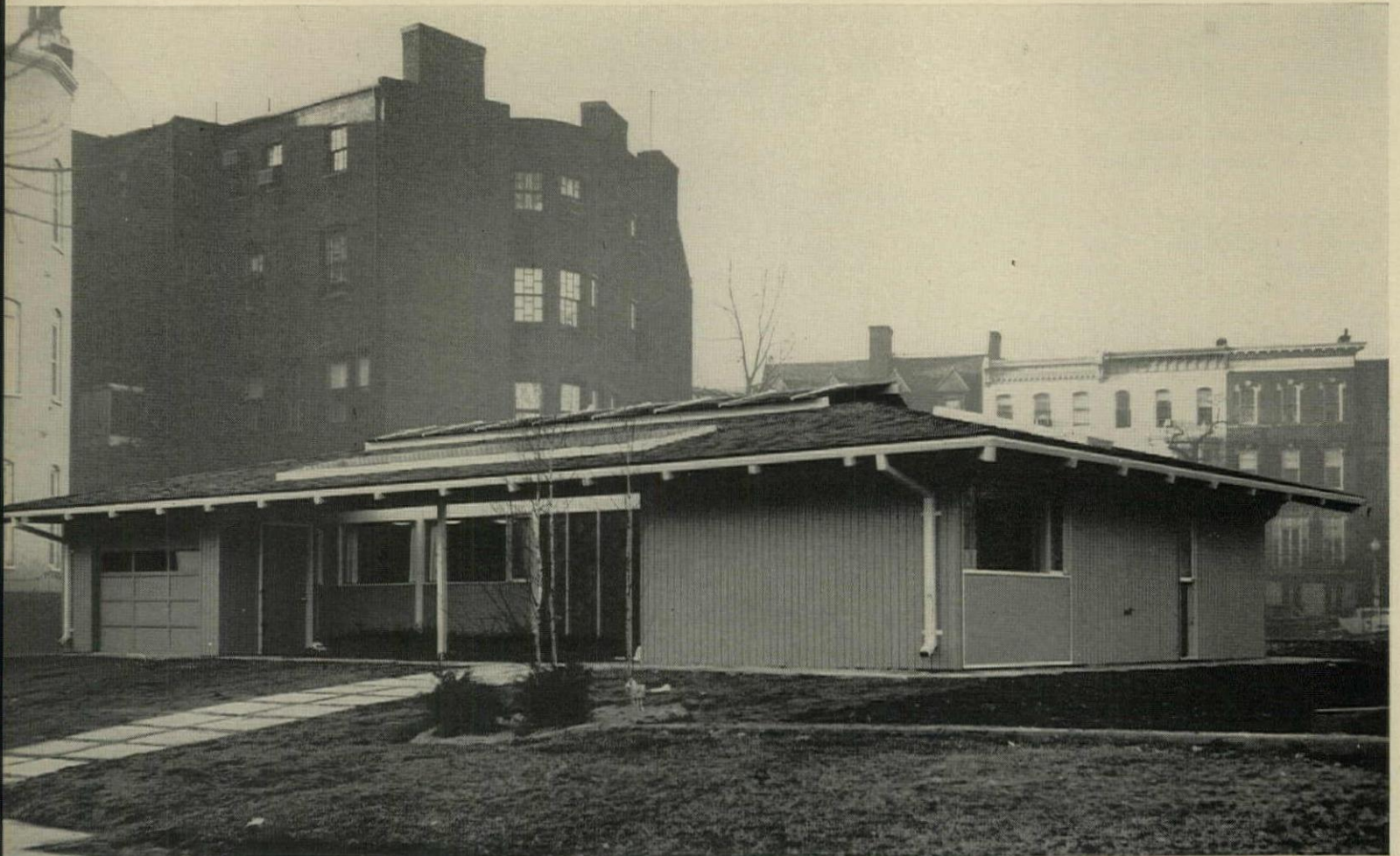
You can meet the market with specialized communal housing including central dining facilities and essential services like hospital care.

You can meet the market by helping your communities offer better-designed, better-financed, better-located, and better-built houses and apartments for the part of the retirement market unable to buy or rent unless the public subsidizes the adequate housing they need.

So the retirement market is really many markets. In fact, some experts say it calls for more kinds of housing than are now being built for families with children.

And because this market is so broad and so diverse, it offers new opportunities for every housing professional—for land planners, architects, builders, realtors, lenders, and everyone else in housing. To find out how some housing professionals are capitalizing on these opportunities, see p 104. To see what makes a good retirement house, turn the page.

continued



PROTOTYPE RETIREMENT HOUSE has 888 sq ft plus garage and hobby room, was designed to sell for \$8,000 to \$10,000 plus land.

How to design retirement housing

This house is packed with ideas you can use



Its features—comfort, safety, and effortless living—are essential to many retirees and likely to appeal to many other home buyers.

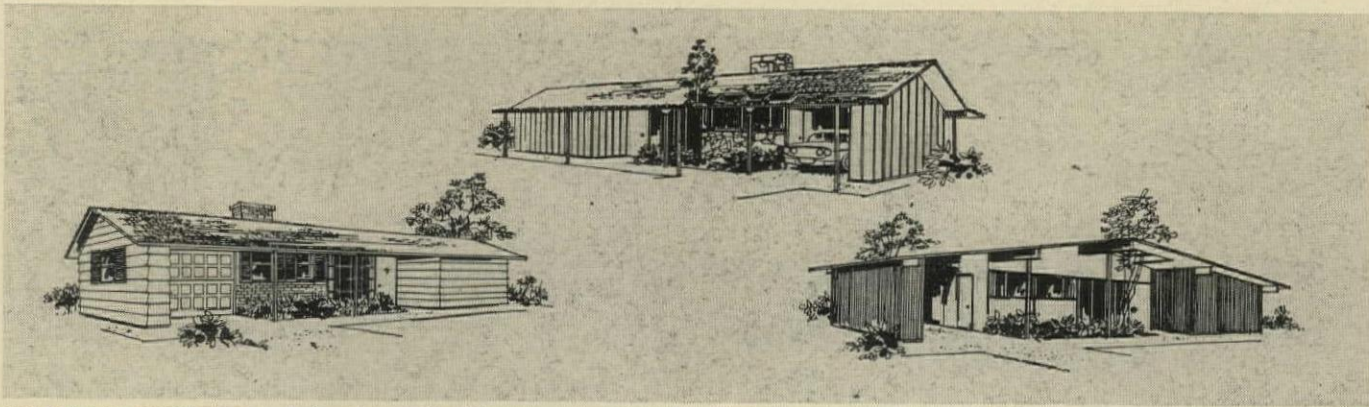
The house, cosponsored by the American Assn of Retired Persons and the Douglas Fir Plywood Assn, was first displayed at the White House Conference on Aging (Jan 6 to 15).

Here are 12 ideas that make it a comfortable, safe, and easy house to live in: 1) compact one-level plan eliminates steps; 2) materials require minimum maintenance; 3) roof overhangs protect walk, walls, and windows; 4) extra-wide doors (3') and halls (3'4") are easy to get through; 5) big windows add light, spaciousness, pleasant views to all rooms; 6) non-skid floors prevent slipping; 7) light switches, 36" above floor, and 8) convenience outlets, 18" above floor, are easy to reach; 9) three-way switches and master controls (at entry, in garage, and in master bedroom) light the path ahead; 10) well planned (and lavish) storage is easy to get at; 11) low kitchen counters with knee-space (see *p 102*) permit sit-down meal preparation; and 12) bathroom safety features (see *p 102*) prevent accidents.

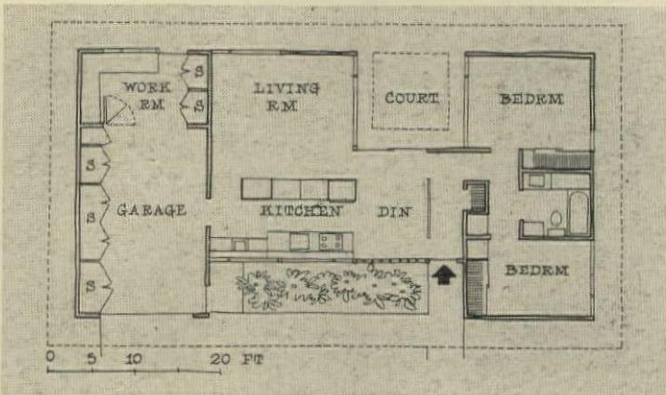
To broaden the appeal of the house, Architect Robert Waring designed it to be built with modular components, full-wall panels, or conventional framing; prepared an alternate plan and elevations (opposite); and showed how it can be used in multiple-unit housing (opposite).

LIVING AREA is defined and divided by 6'-high storage wall. Open plan and open ceiling make each room seem bigger than it is.

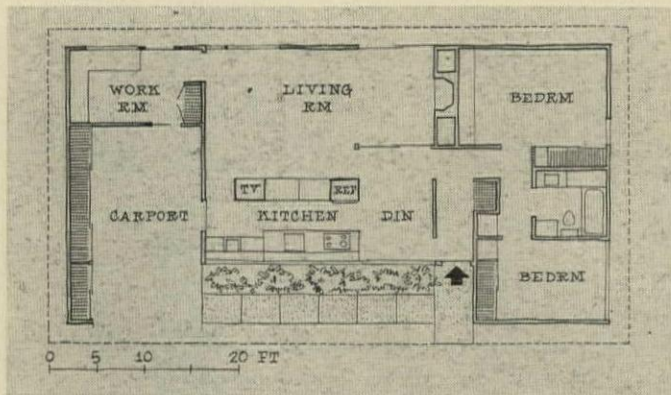
Here are variations of the prototype house



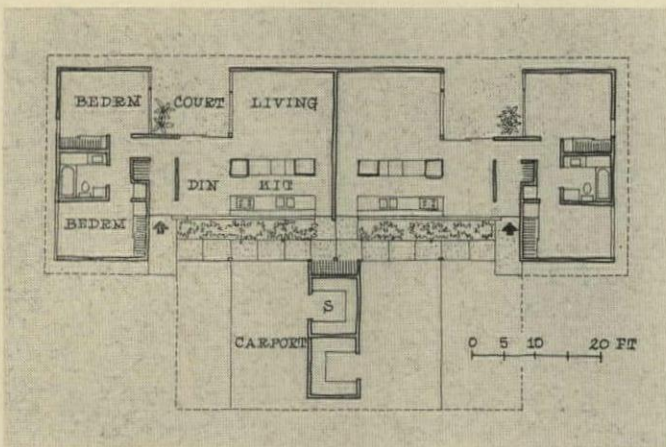
ALTERNATE ELEVATIONS—designed to suit different market tastes, colonial, western ranch, or California contemporary look, by making simple changes in roof, siding, and windows. —show how oriental-style prototype (opposite) can also be given a



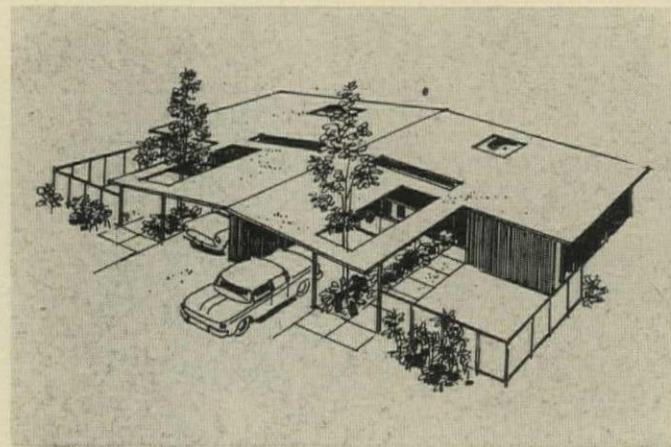
FLOOR PLAN has a private court, to add light and sense of space, a covered entry walk, hobby room, and 20 lin ft of storage.



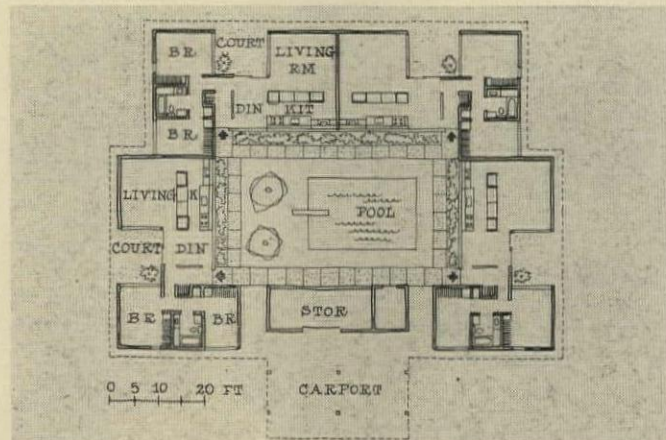
ALTERNATE PLAN has bigger living room with fireplace backed up to storage wall in enlarged master bedroom. Carport replaces garage.



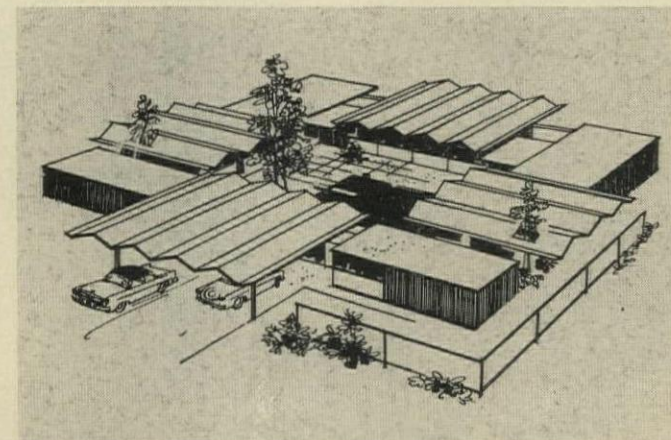
DUPLEX has carports in front separating fenced courtyards and separated by hobby rooms for each unit. Roof openings and skylights



keep interiors bright. Duplex plans adapt to row housing—similar pairs of units are built side by side with common bedroom walls.



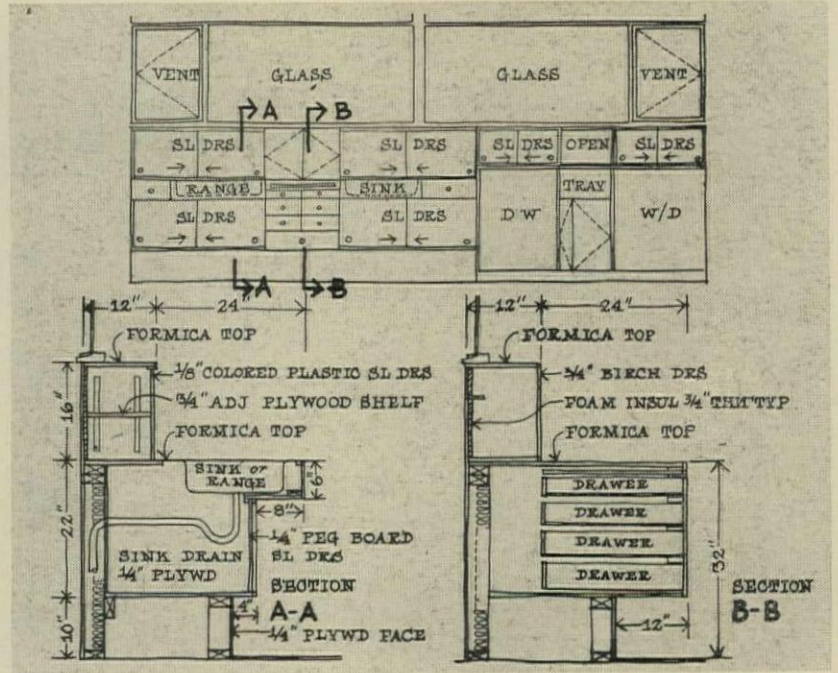
FOUR-UNIT CLUSTER has recreation area and swimming pool shielded from street by common carport, hobby room, and storage



room. Each house retains private skylighted rear court. Total unit has garden-apartment look. Folded-plate roof can be used on single units.

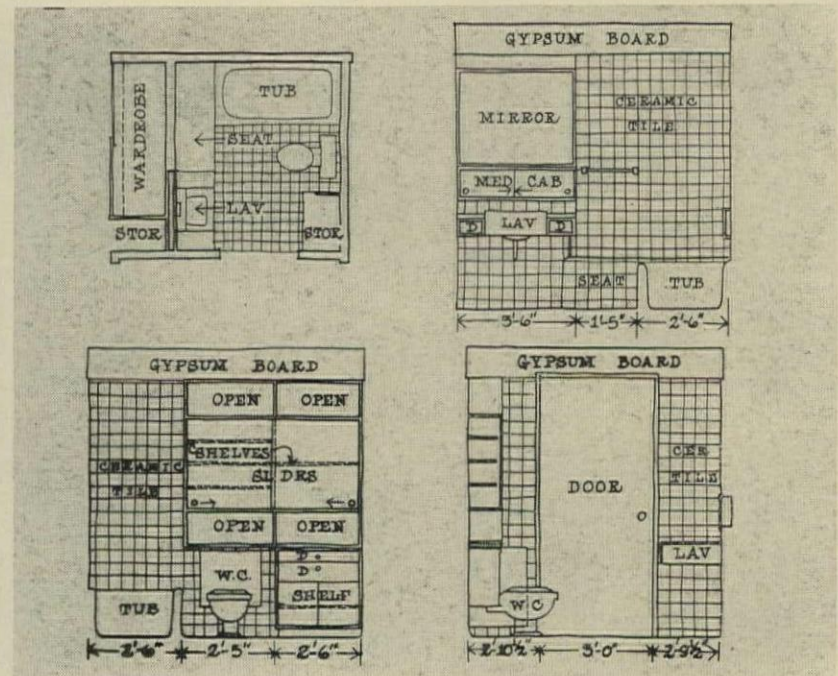
continued

Here are key ideas in key areas of the prototype house



Kitchen has built in convenience

Items: 1) the counters, range, and sink are low (32") and have knee space underneath so the housewife can work sitting down; 2) storage space is easy to reach without climbing on stools or stooping; 3) sliding cabinet doors never project into work area; 4) big windows and ample lighting fixtures give high-level illumination 5) pull-down fixtures simplify bulb changing; and 6) the wall oven is at counter height.



Bathroom has built in safety

Items: 1) the light switch is outside the door so people can light the bath before entering; 2) the floor is skidproof even when wet; 3) knee space under the lavatory permits sit-down washing; 4) strong towel bars and grab bars around the tub protect against falls; 5) a seat at the end of the tub makes dressing easier; and 6) ample storage drawers and open shelves have no swinging doors to get in the way.

Your retirement housing will sell or rent better if it passes this test

Will your housing provide maximum comfort?

- Is the heating system most efficient at 75F (instead of 72F)? Does it respond quickly and control humidity?
- Is there summer air conditioning (in hot climates)?
- Is noise reduced by acoustical materials?
- Is mechanical equipment (even light switches) quiet?
- Are circulation patterns short, direct, and easy (eg, a straight-line path from bed to bath)?
- Are walls and windows protected from summer sun by overhangs or outside shading devices?
- Are controls for openable sash easy to reach?
- Do doors have easy-to-grasp lever handles or matte-finished polygonal knobs?
- Are doors at least 3' wide?
- Are electrical outlets high (at least 18") to prevent stooping?
- Are wall switches low (36") to prevent reaching?
- Are there master light controls in the bedroom, main entry, and garage to turn off forgotten lights?
- Is there space in the master bedroom for twin beds with 18" minimum clearance on three sides?
- Is there lots of built-in storage?
- Do bedroom closets have low (48") easy-to-reach poles for hanging up skirts, pants, and jackets?

Will your housing require minimum maintenance?

- Do exterior materials need little or no upkeep?
- Are interior materials easy to clean?
- Can windows be removed from inside for easy washing?
- Do roof overhangs protect walls and windows from rain?
- Have you avoided dust-catching interior trim?
- Have you avoided hard-to-clean corners?

Will your housing have maximum safety?

- Are floors, walks, garage, and patio all on one level?
- Are joints in concrete paths and tile floors small, tight, smooth, and level?
- Are floors skidproof even when wet or greasy?
- Are floors so goodlooking the occupant won't cover them with slippery scatter rugs?
- Are saddles avoided at doorways?
- Are light fixtures and outlets controlled by luminous wall switches?
- Are there three-way switches (at door and bed) in master bedroom?
- Does multi-point switching light a path ahead?
- Do high and uniform lighting levels (both natural and artificial) eliminate dark corners?
- Do ceiling fixtures (where necessary) pull down for easy bulb changing?
- Is there a fire alarm system?
- Can all bolts and latches be opened from both sides?
- Do steps and stairs (if unavoidable) have uniform proportions, continuous handrails on both sides, closed risers no more than 7" high, abrasive treads or nosings, good illumination, light colored treads,

spacious landings at top and bottom, and a minimum width of 3'3"?

- Do closet and cabinet doors slide (instead of swing) so they will not project into rooms?
- Are all shelves less than 6' high?

Will your housing have a cheerful atmosphere?

- Are there lots of big windows to bring in light and add spaciousness?
- Are window sills no higher than 30" (so pleasant views can be seen from chairs and beds)?
- Does open planning make space seem larger?
- Is there room for hobby activities?
- Are colors light, bright, and cheerful?
- Is there a private outdoor sitting area?
- Do interior spaces have visual and spacial variety?
- Is there wall space and open storage to display prized mementos?

Will your kitchen include these special features?

- Are counters low (32" or less) with knee room under sink and range so housewife can work sitting down?
- Are there pull-out boards beside sink and range to increase work surface for sitters?
- Can storage be reached without stooping, stretching, or climbing (no shelves higher than 6')?
- Do base cabinets have pull-out shelves and drawers?
- Is sink shallow so its bottom will be easy to reach from a sitting position?
- Does sink have a single-lever faucet for easy control?
- Are hot-water pipes and underside of sink insulated to protect person when seated at sink?
- Are work areas (including range) brightly lighted?
- Are oven, range, hood, and laundry controls front-mounted?
- Do indicator lights show when range or oven is on?
- Does gas equipment have safety shutoffs?
- Are small-appliance outlets easy to reach?
- Is kick space at least 9" high and at least 6" deep?

Will your bathroom include these special features?

- Is there a light switch outside the door (so bath can be lighted before it is entered)?
- Is there knee space under lavatory for sit-down washing?
- Is mirror low enough to use when seated?
- Is there extra storage for medicines and cleaning equipment?
- Are cabinets, soap dishes, etc recessed?
- Does bathtub have low sides (not over 18")?
- Is there a built-in seat next to the tub?
- Are there grab bars at the tub and shower?
- Are towel bars strong enough to act as extra grab bars?
- Are water controls lever-operated?
- Is shower and tub water thermostat-controlled?
- Can shower control be reached without getting wet?
- Is there supplementary heating?

continued



\$14,000 FLORIDA HOUSE in George Beauchamp's Kissimmee development was designed for retirees, also sells to younger families.

How to capitalize on the retirement market

You can build one-family houses everywhere

Everywhere there are people whose housing requirements have changed because their children have grown up and moved out.

Although some of these people are willing to pick up and go to retirement areas like Arizona and Florida, many of them want to remain among familiar surroundings—but in a smaller house with less upkeep and more convenient living.

This "everywhere" market is being sold today. But it is not being sold as well as it could be sold for a simple reason: Few of the houses bought by retired buyers are (like the DFPA house on p 100) designed specifically for them.

Most houses being bought by retired buyers just happen to meet their general requirements. And most builders are just beginning to learn from their own sales records that they have healthy local markets among older families.

For example: The five houses shown on these pages are being bought by older people. But only two of them were designed for the retirement market. And only one—Developer George Beauchamp's model (above)—includes special features to make living easier and safer for older people.

Beauchamp sells mostly to retired people at his Orange Gardens community in Kissimmee, Fla. But about 20% of his buyers are younger families with children. He says: "Special features that attract older people also appeal to younger ones. What buyer of any age wouldn't like easily cleaned tile window sills and vinyl baseboards, electric outlets 24" above the floor, kitchen cabinets at a convenient height, safety locks, skid strips in bathtubs, towel bars that support 500 lbs, and no steps inside or out?"

When it comes to merchandising these features, Beauchamp's salesmen have learned to use a low-key approach:

"We don't say they are for older people (who hate to be reminded that they are not quite as spry as they used to be). We simply show their advantages for any homeowner the same way we show the advantages of other features like built-in ranges and ovens."

Other builders who are moving into the retirement market are coming up with useful findings

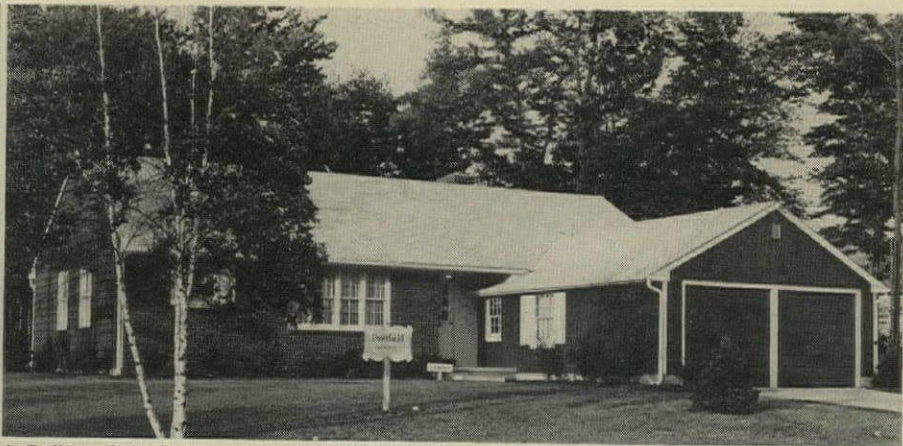
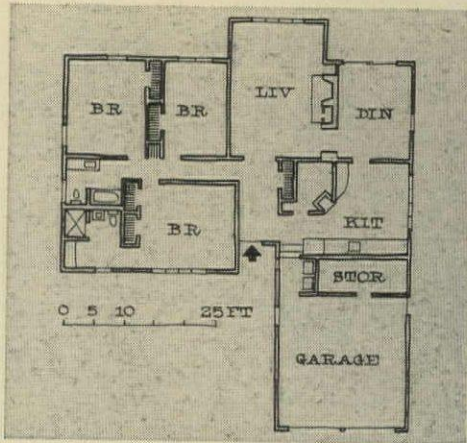
For instance:

Retired buyers want one-floor living. Says New Jersey Builder (and ex-NAHB president) Carl Mitnick: "In our area, two-story houses are making a comeback, but older people don't want them."

Retired buyers are easier to deal with. Says another New Jersey builder, Bob Schmertz (one of whose houses is shown opposite): "Most of them are second, third, or even fourth-time buyers who can judge a house at once and understand the legal problems involved. They make big down payments or take 10-year mortgages so they can stop monthly payments when they stop working or a few years afterward."

Says Sales Manager Larry Bement of Paulsen-Risbergs Co on Long Island: "These are good people to sell to. Most of them pay cash. About 60% have owned houses before and know what they want. We don't have to waste a lot of time explaining things to them."

Retired buyers are in many price classes. Arizona Builder John F. Riley sells about 20 retirement houses a year (one is shown opposite). Their price range: \$12,000 to \$35,000.

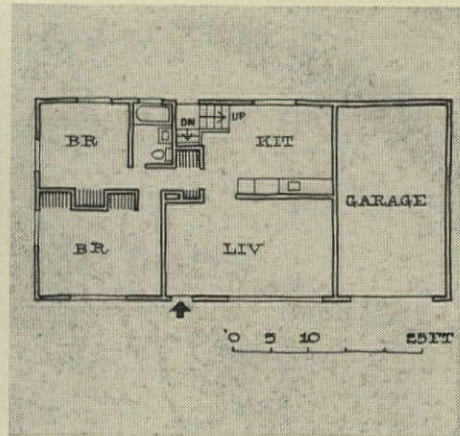


\$22,000 NEW JERSEY HOUSE is Haddonfield Builder Bob Scarborough's only ranch model (two others are split levels, two have two

stories), but it is the best-seller among families who have only one child still living at home or whose children have grown up and left home.

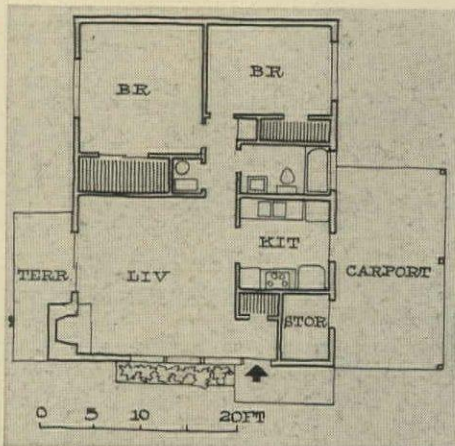


\$9,300 NEW JERSEY HOUSE built by Bob Schmertz in Tom's River has two bedrooms, is popular in both young and older age groups. He



sells 400 houses a year, 25% to retirees. Most older buyers have small incomes but can pay all cash or take short-term mortgages.

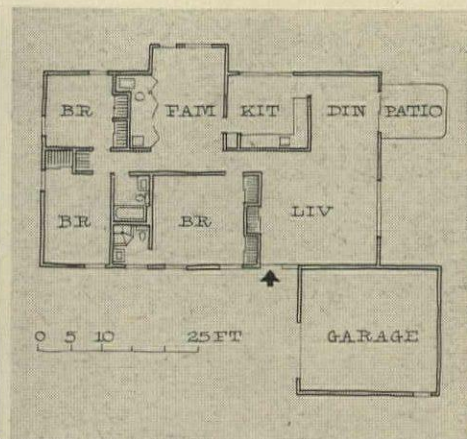
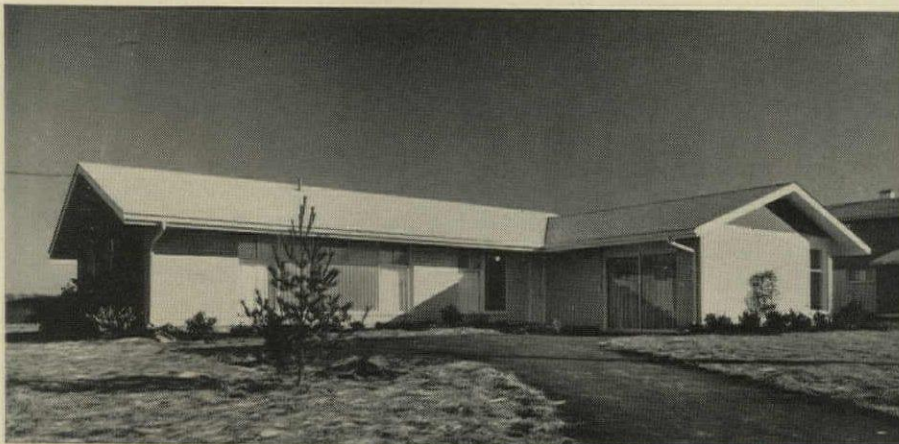
H&H Staff



\$14,000 ARIZONA HOUSE is one of several in John F. Riley's small retirement community in Tucson. He sells about 20 houses a year at

\$12,000 to \$35,000. All models feature indoor-outdoor living. Most have two bedrooms, large closets, and evaporative cooling systems.

Lawrence S. Williams



\$19,500 PENNSYLVANIA HOUSE is Fox Bilt Homes' only ranch model in Horsham, accounts for 40% of sales. Says Dick Fox: "It is

the most popular model with buyers 45 and older, who usually pay cash or take small mortgages. House shown here has sales office in garage.

continued



LOW-RENT APARTMENTS IN NEW YORK were built near Peekskill by Mitchell Berenson and Larry Schnall. Rental range: \$69.50 to \$94.50.

How to capitalize on the retirement market

You can build rental and co-op apartments

Three million apartment units will probably be built during the Sixties, and it is a safe bet that a good percentage will be rented or sold to people who are retired or nearing retirement.

The reason: Almost any apartment automatically meets some important needs of older people. Apartment living frees people from lawn mowing, snow shoveling, and repair chores; permits them to travel without worry about a house; provides the more compact space they prefer; and usually brings them closer to stores, theatres, and recreation areas.

Because these advantages are particularly attractive to retired people, many retirees are attracted to apartments. One case in point: Fidelity Engineering Co's apartments in Ridgewood, N.J. (opposite, center) are drawing many retired couples.

Some builders—who see the potential of the retirement market—are building apartments designed specifically for this market. For example:

Two New York partners are building low-rent apartments in high-cost Westchester County. Their one-bedroom and studio units (above) rent for \$69.50 to \$94.50. Facilities at the 40-acre site in Peekskill include a library, social and recreation areas, and bus service to shopping centers.

Builders Mitchell Berenson and Larry Schnall are building their units (designed by Architect Edward A. Luders) at an average of \$7,000 each. They obtained a conventional \$2.6-million loan from Ninth Federal S&L in New York, will have

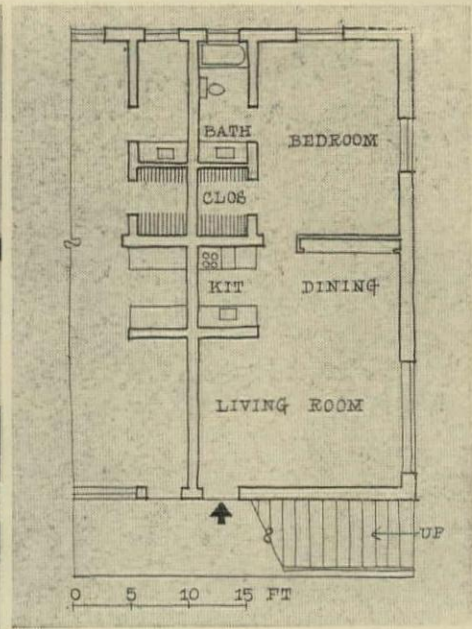
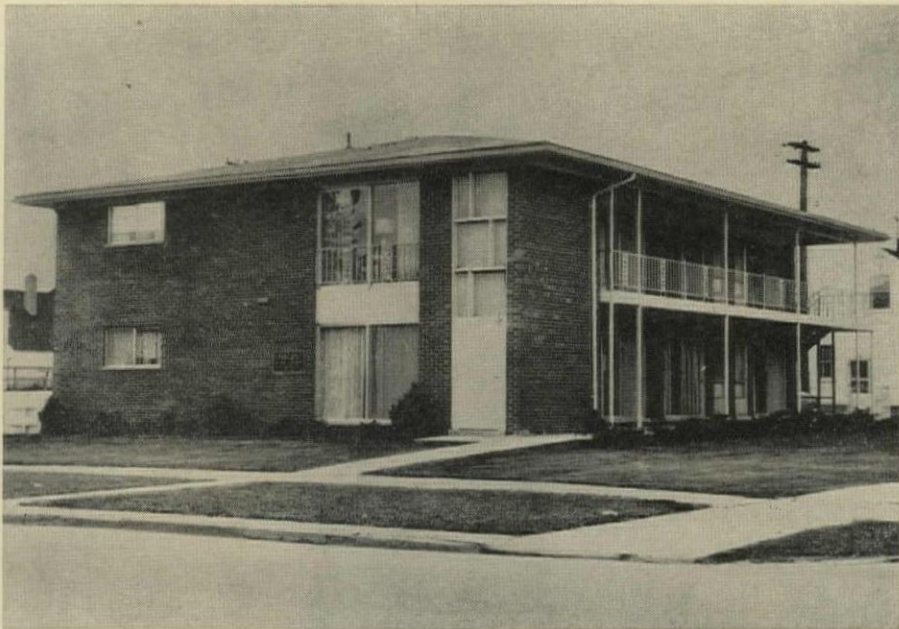
a \$700,000 equity in the project, and report they are making a "normal return" on their investment.

Most of the project's tenants are couples and single women. About half of them come from nearby Westchester towns, 25% from other counties and states, 15% from New York City, and 10% from Florida after brief stays in the sun. Their average income is \$3,700 (some about-to-retire tenants commute to work in New York).

A Michigan builder is aiming at people with low incomes but plenty of cash. Most of the tenants in the one-bedroom co-op apartments (opposite, top) built by C. W. Babcock & Sons in Detroit are widows.

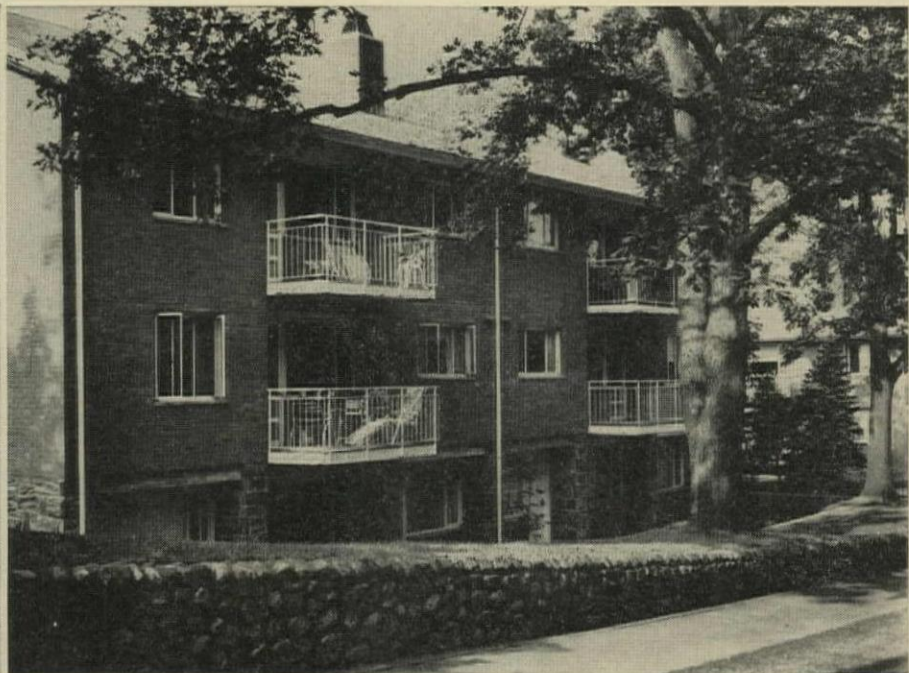
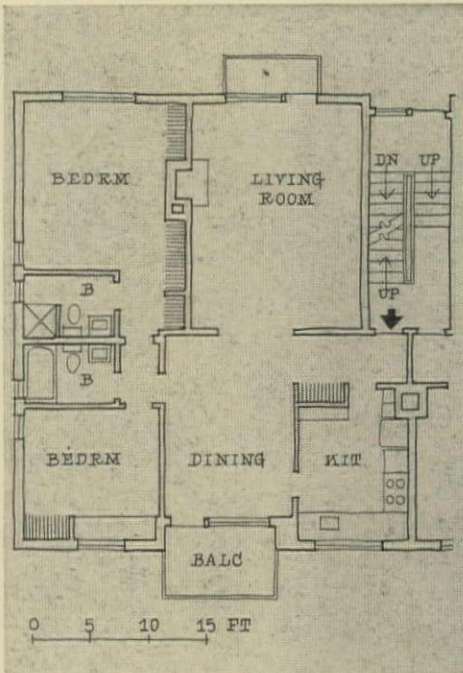
Two Arizona builders are using FHA sec 231 to finance rental units for people of 62 and over. In Phoenix, Milton Saper has broken ground for a four-story, elevator building (opposite, bottom) where rents will start at \$110. Each unit will include wall-to-wall carpeting, draw draperies, and individual refrigeration and heat control. In Tempe, William H. Shafer, Phoenix HBA president, has announced plans for 99 one- and two-bedroom units to rent from \$100 to \$120.

A Texas architect is designing and building a pair of low-rent retirement centers. The centers, both in Dallas, will have 88 and 100 units. Facilities at each will include a library, cafeteria, hobby room, and infirmary. Rents will range from \$65 to \$95. Architect-builder Nairne W. Fisher designed his buildings for prefab construction, will use pre-wired and pre-plumbed wall panels.



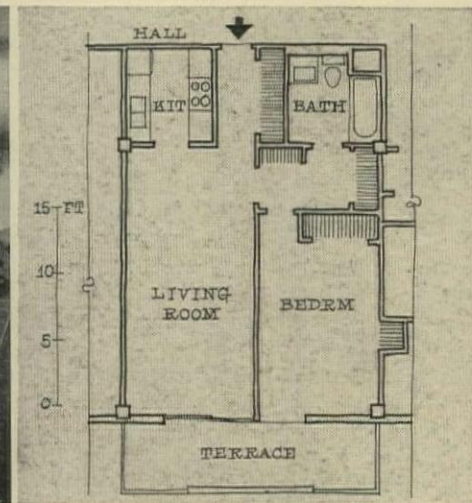
CO-OP APARTMENTS IN MICHIGAN were built by C. W. Babcock & Sons in buildings with eight to 26 units. Most are one-bedroom apartments for which buyers pay \$10,500 cash and \$30 a month for maintenance and all other expenses. Says James Babcock: "Most buyers come from big houses they own free and clear, but where they pay \$100 a month in taxes, fuel, etc. Thus they cut their living costs in co-ops."

H & H Staff



HIGH-RENT APARTMENTS IN NEW JERSEY are built by Fidelity Engineering Co. Five-room units rent for \$300, including utilities. Says Fidelity President George Lethbridge: "Most of our tenants are older people, many of them retired, whose children are married and gone. These tenants no longer want the work and responsibility of a big house. We have a big waiting list for these apartments."

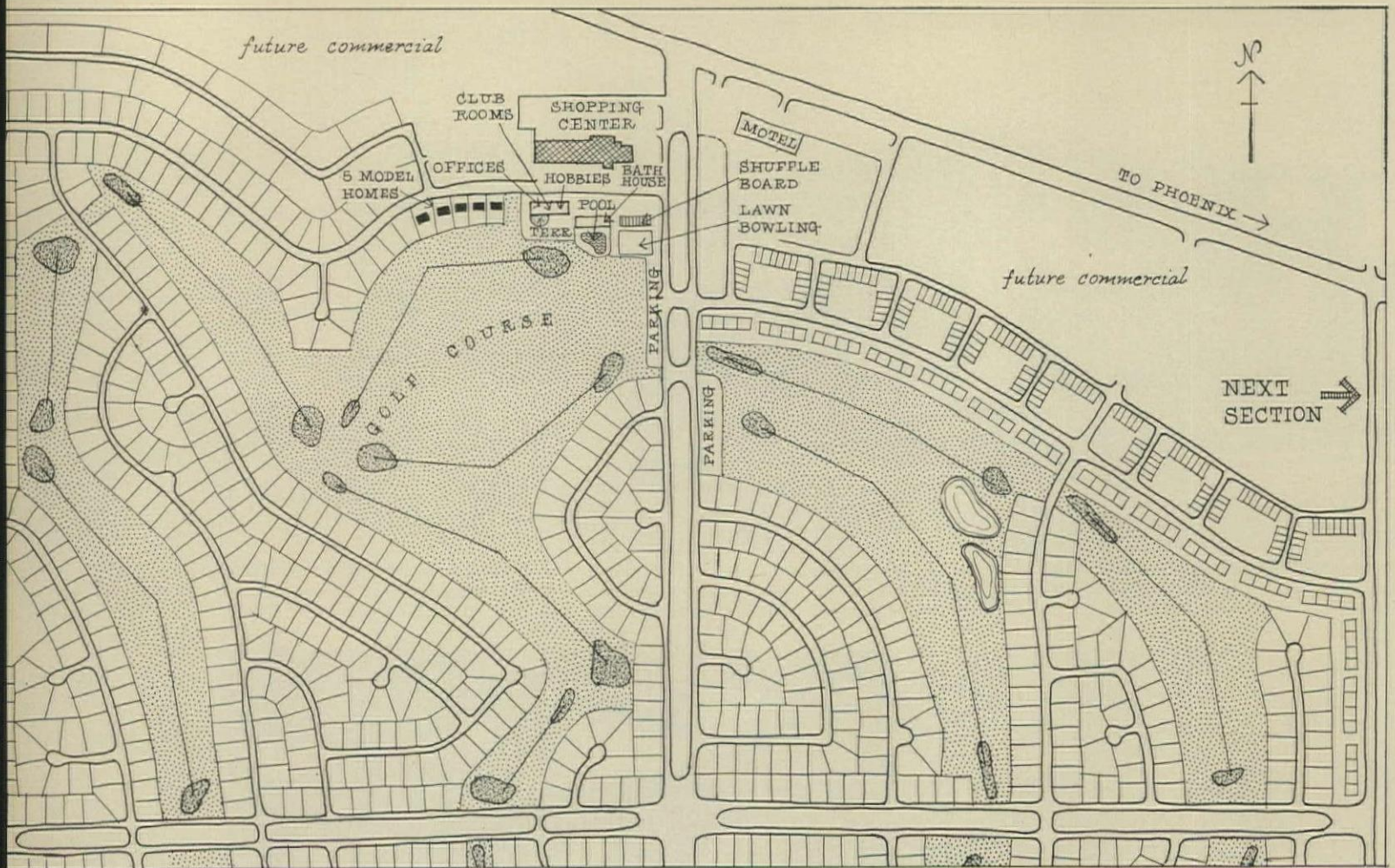
Markow



MEDIUM-RENT APARTMENTS IN ARIZONA are the first profit-motivated units to be built in Phoenix under FHA sec 231 (rental units for people 62 and older). Builder Milton Saper's four-story building

will have 157 studio and one-bedroom units to rent for \$110 and up. Facilities will include a swimming pool, putting green, and other recreation facilities. Construction started last month.

continued



GOLF COURSE FAIRWAYS provide big green areas throughout Sun City. First nine holes were completed before model houses were opened.

How to capitalize on the retirement market

You can even create a retirement town

Pictured in the land plan above and the photos opposite are segments of Del Webb's Sun City—1960's fastest selling retirement town.

Big-investor Webb (among his holdings: a sizable share of the New York Yankees) opened Sun City near Phoenix on New Year's Day, 1960. By December, the first section of his 10,000-acre community—1,350 single-family houses and 250 co-op garden apartments—was sold out. Now Webb is developing the second mile-square section. His long-range plans: other Sun Cities in Florida and California.

Behind Sun City's success is a four-year research program by Webb to find out what kind of housing retired people want, what they can afford, and what kind of communities they want to live in. The key finding: Retirees who tear up their roots and move to a new area are afraid the developer won't come through with the community amenities he has promised.

So before he opened a single model house or apartment, Webb built a shopping center, a motel, swimming pool, community buildings, and other recreation facilities. Result: When the first prospects came out to shop his models, they saw the heart of a self-contained community—not just a set of land plans and architects' renderings.

Sun City's success backs up one claim by many retirement-housing experts and contradicts another.

1. It backs up the claim that retired people want to be active. Webb's buyers have already formed more than 30

clubs and are making extensive use of Sun City's swimming pool, golf course, and other recreation facilities. Sun City ads (in national magazines and northern newspapers) stress activity. One slogan: "Science adds years to life—Sun City adds life to years."

2. It contradicts the claim that a retirement community cannot succeed unless it has a leavening of young families with children. Sun City residents are required to be at least 48 years old. And, although residents include many relatively young military retirees, their average age is about 61.

Other retirement towns are springing up in Florida and some northern states

In Woodburn, Ore. (halfway between Portland and Salem), Builder Leo Rush and Mortgage Banker George F. Brice Jr are building a 1,100-house retirement community with a shopping center and a nine-hole golf course.

In Florida, is the biggest and best known retirement town—General Development's Port Charlotte. General Development also has the most ambitious sales program—a multi-city drive headed by Herman Perl. He is organizing a nationwide network of realtors to comb their local markets for Port Charlotte prospects. Says Perl: "Last year 95% of our houses were sold at the tract. This year 75% will be sold elsewhere (some in Europe at military bases). Our organization will soon be selling 50 to 60 houses a week."



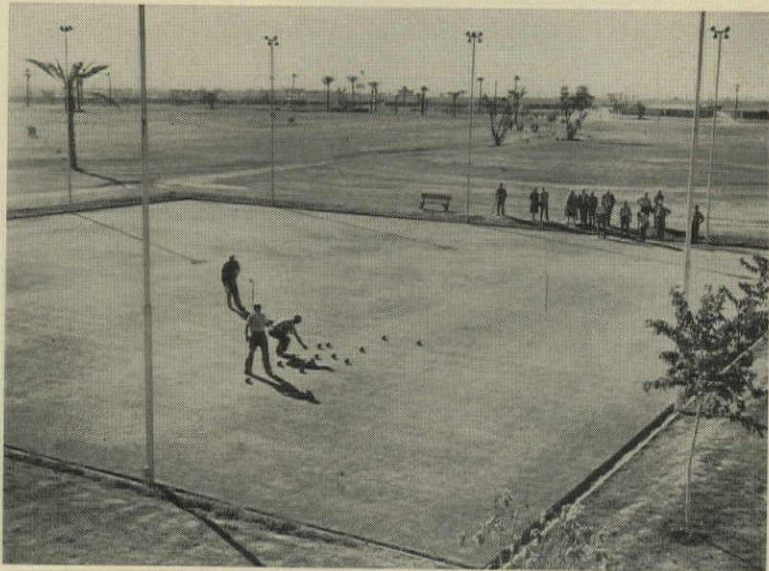
SHOPPING CENTER, at entrance to Sun City, was built and leased to Safeway and other stores before Webb started selling his houses.

Arizona



COMMUNITY BUILDINGS include hobby rooms for woodworking, ceramics, and other crafts, club rooms, auditorium, kitchen, and offices.

Arizona



LAWN BOWLING is latest sport facility in recreation center. The 50'x50' rink cost \$50,000. Nearby are nine shuffleboard courts.



SWIMMING POOL is 75' long, with 12'-deep diving area at one end. In background are a covered cabana, bathhouse, and hobby building.



SINGLE-FAMILY HOUSES have two or three bedrooms, sell for \$8,750 to \$11,600. Homes facing golf course sell for an extra \$1,400.



CO-OP APARTMENTS have one or two bedrooms, sell for cash at \$8,500 to \$12,100. Maintenance charges are \$30 to \$40 a month.

/END



In Midland, Michigan

Alden Dow

*is creating houses in a native and contemporary idiom
that reaffirms the art of architecture*

Dow's houses are among the most photogenic and least stereotyped being built anywhere today.

They will reward study by those who believe that the housing industry's potential is held down by unimaginative design and by unwarranted reliance on yesterday's successes.

But an understanding of Alden Dow's houses cannot be conveyed through precepts. His houses are different, each from the other, and his approach to architecture is philosophic. Neither the design nor construction can be encompassed by a series of clichés.

Dow has been practicing architecture in and around Midland since 1933. This midwest city of approximately 28,000 people is perhaps unique: almost everywhere you turn you see the mark of a highly individualistic architect—more than 60 houses, the hospital, the library, the community center, country club, several schools, and three world-renowned churches. Dow's contemporary design is part of Midland and the architect is one of the city's foremost sons.

Although Dow's roots are deep into the Midwest (he comes from a prominent industrial family and has lived all his life in Midland) there is nothing provincial about either the man or his work. As the photographs on the next 12 pages show, he has assimilated influences from many sources and they have become his own. It is this richness, made at ease in the American scene, that gives an especially timely quality to Alden Dow's Houses.

Living room of A-frame house is fine example of Dow's latest work. Structure is simple, materials are natural, design is fresh. Additional photos of this house are on pp 122 and 123.



H & H Staff

"This kind of thinking leads to organic design, the kind of design that is alive as opposed to dead."

*Alden Dow expanded his ideas on creativity in an address delivered at Michigan State University in 1958 and later published with other addresses under the title *Creativity: and Its cultivation**, edited by Harold H. Anderson. The following extracts are quoted by permission of the publisher.*

When I first started the practice of architecture, I came to the conclusion that the designing of a building was a simple process of reasoning. All you had to do is gather all the facts together, and then through reasoning, out would come a good building.

One day, after finishing sketches for a house, I reviewed my reasoning for the scheme. While I could at least invent reasons, it came to me as a shock to realize that the things that made this house good did not start with reason. Ideas seemed to come out of the blue and then were recognized as reasonable. This led me to the idea that there must be different ways of thinking. I listed them as three.

First, the kind that says one and one make two. It is the kind of thinking you can put into words. I called this factual thinking, or the "Science" of the subject.

Next, is the kind of thinking that says that a certain flower in a bouquet should be here rather than there. I call it personal thinking, of the "Art" of the subject.

Finally, there is the kind of thinking that gives you an answer when least expected. You have been working on a problem for days and cannot find a satisfactory solution. Then, while at the breakfast table, with no apparent thought of the idea on your mind, suddenly the answer appears. This, I be-

lieve, is called "Intuitive Thinking." The most valuable thing about it is that as far as you are concerned, it is a truthful and new idea.

There is a real force for creative thinking that I find very few people aware of. I first became acquainted with this force in high school in a physics class. It is found in Newton's law of motion, "For every action there is an equal and opposite reaction."

It says that if I push down on this table ten pounds, the table pushes back ten pounds. Or for instance, a goat with an idea meets another goat and they lock horns and there they stand until one collapses. All wars and brutal fights involve this principle. This, however, is not the way a thinking or creative man conducts himself.

He begins an idea knowing full well there is going to be a reaction so he waits until this reaction is formed, then he changes his course, and the resultant of these two forces becomes greater than the original force. In other words, the original idea, when confronted with the reaction, absorbs some of the reaction idea with its own and thereby makes the final idea a combination of ideas, which in truth is a new idea. Naturally the greater the intelligence displayed in the action and reaction, the more valuable the resultant idea.

In a democratic society, action and reaction is not only the rule but the most important value of the process.

It is the aggressive, creative force of a democracy and is the great weakness of a society ruled by rigid conformity. Does it always produce the best idea? Sometimes not. But I find in my own profession it is more apt to produce an idea superior to the original.

I find myself asking the question a hundred times a day: "Is this a good or bad idea?" Or, "What's good about this idea, or what's bad about it?" Can the weak values be separated from the

Says Alden Dow: "You can't think

strong values? I believe they can and in the process of doing this we learn about values or what makes quality.

I have a little test that I like to use that divides quality into three parts.

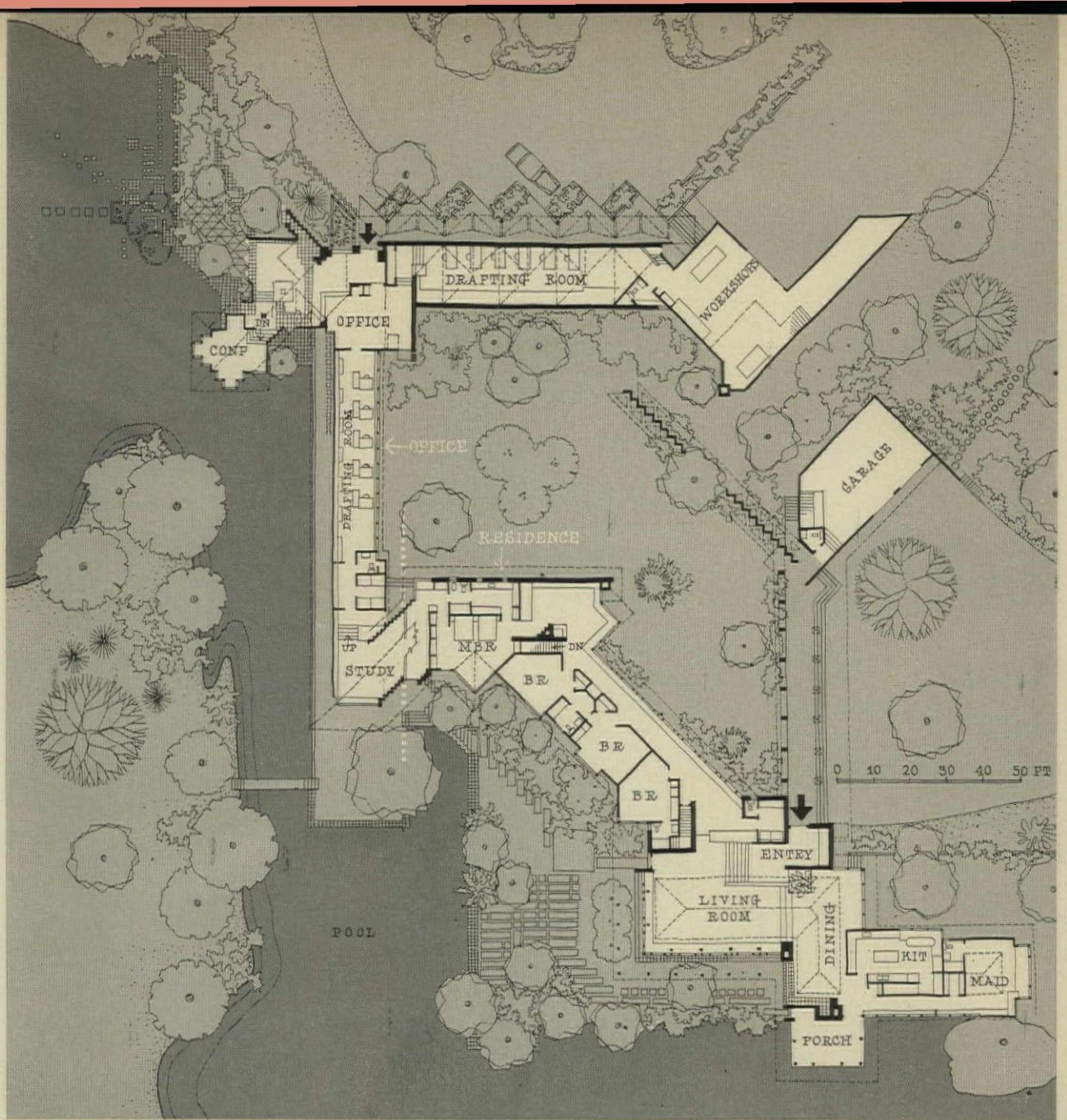
First: Is this thing honest? And do not confuse this with sincere. We can accept sincerity as honesty in a child, but not in a mature man for sincerity allows for ignorance, and honesty can be nothing but the truth. Honesty, as a specific property of quality, is difficult to define; however, I believe that everyone is born with an affection for truth so that with very little practice you can learn to detect it in its multiple forms.

Second: A thing of quality must also have what I call humility. By this I mean the ability to give and take gracefully. It seems to be a combination of justice, respect, and love. A building that has humility must contribute something to the land it sits on and the land in turn must contribute to the building. A person who has humility contributes something to an acquaintance and in turn he takes something from that acquaintance. A bouquet sitting on a table, if it has humility, contributes something to the table and the table in turn contributes to the bouquet. One is enhanced by the other. It is not the same bouquet if it is placed elsewhere.

Third: Quality must have enthusiasm; call it the ardent pursuit of expression. It's the property we call sparkle, or liveliness in a person or richness in a fabric or piece of architecture. For example, if it is a building serving a complex of services, it isn't just a box with a hole in the side labelled "Entrance." The building itself must reflect its multiple services and through architectural expression one is led to the entrance. If you are looking for this quality in a person, he has a variety of approaches to his subject and is intrigued with all subjects. If it is the bouquet on the table, it has variety.

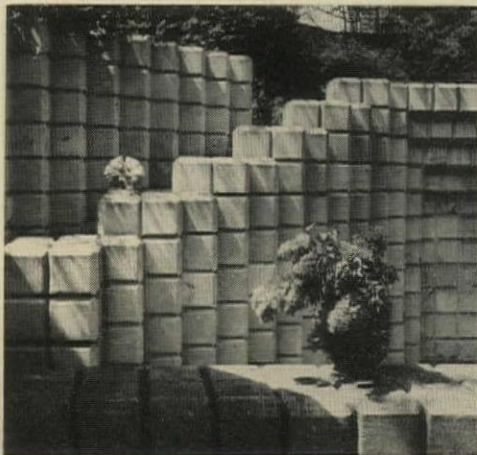
* © 1959, Harper & Brothers, New York

(All photographs on these two pages show Alden Dow's own house and its gardens. Photos are by Baltazar Korab).

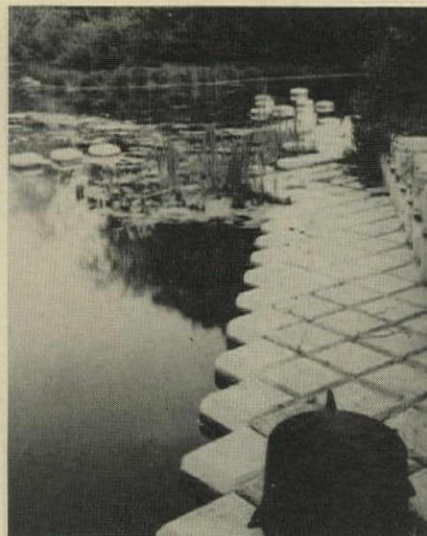


PLAN of Dow's home and architectural office shows how space is arranged so one shape seems to grow out of the next, to form a complex series of structures.

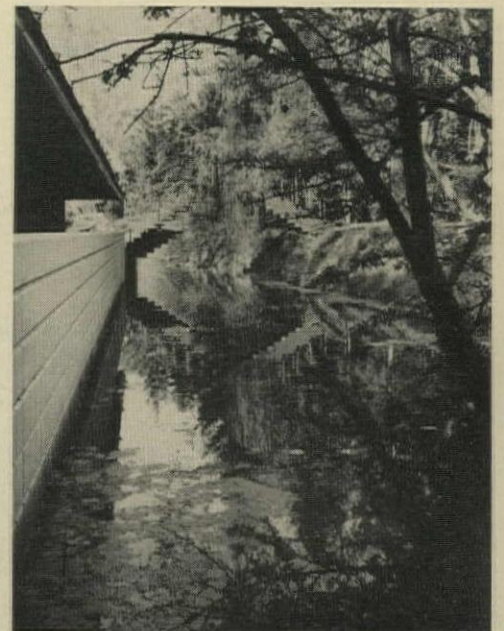
"The house must be compatible with nature"



RETAINING WALL is made of square blocks laid up on the diagonal to emphasize the vertical line and cast strong shadows.



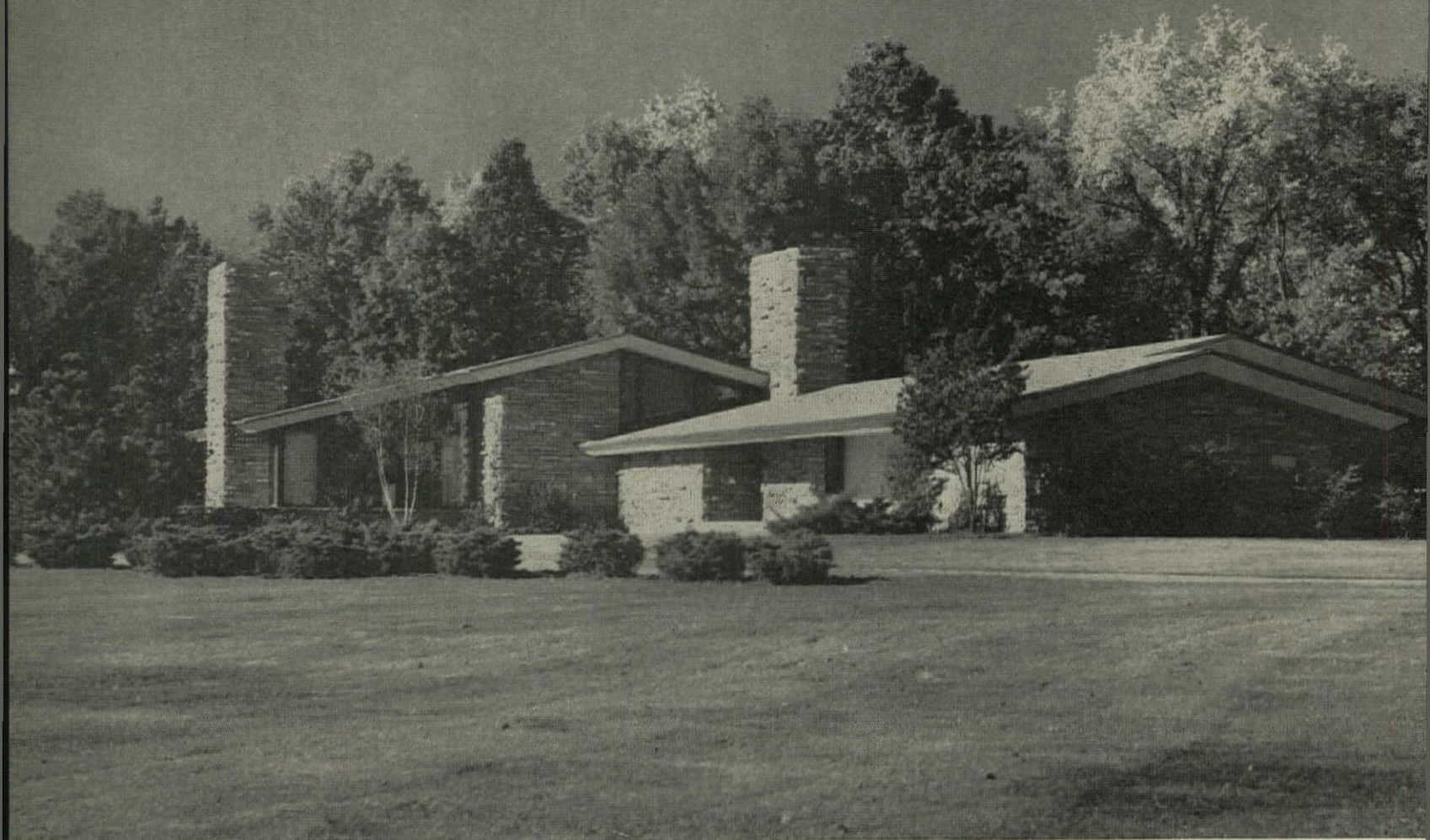
WATERSIDE TERRACE and stepping stones extending out into the water help to blend the house into the surrounding landscape.



STEPPED BRIDGE across pool links house with glade on opposite shore. This view is seen from conference room where clients are interviewed.

SCREENED PORCH (left), off dining room in Dow's own house, extends out over pool which flows around two sides of the building (see plan above). Natural texture and color of man-made structure contrasts with trees, flowers, and water to intensify both. Blocks are used for solid wall and for openwork grille supporting the light pavilion.

continued



BIG ROOF, pitched low and enlarged by wide overhangs, accentuates horizontal, ground-hugging quality of this rambling fieldstone house.

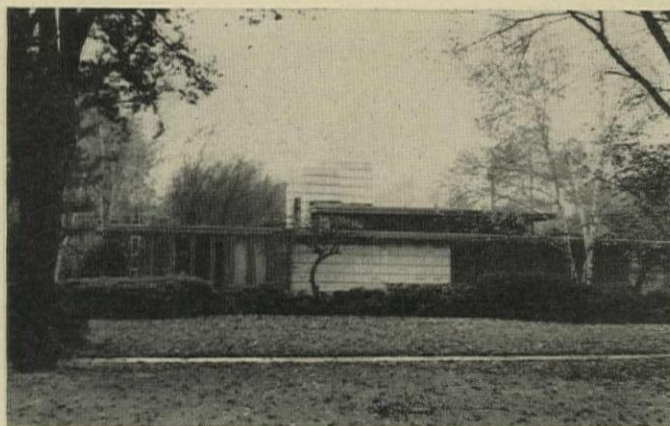
"Style is a result, it can never be an objective"



"When style, itself, becomes the objective, nothing results but a copy. For style is a process pattern and fine style, real character, develops only when you have an objective beyond obvious utilitarian requirements. So there is never a fine thing unless it is original."

EMBELLISHED FASCIA enhances flat roof, which lightly floats on bands of windows, and, with garden walls and walks, ties house to site.

H&H Staff



CONCRETE BLOCK WALLS contrast with patterns of vertical mullions in this house that is typical of Dow's earlier designs.

H&H Staff

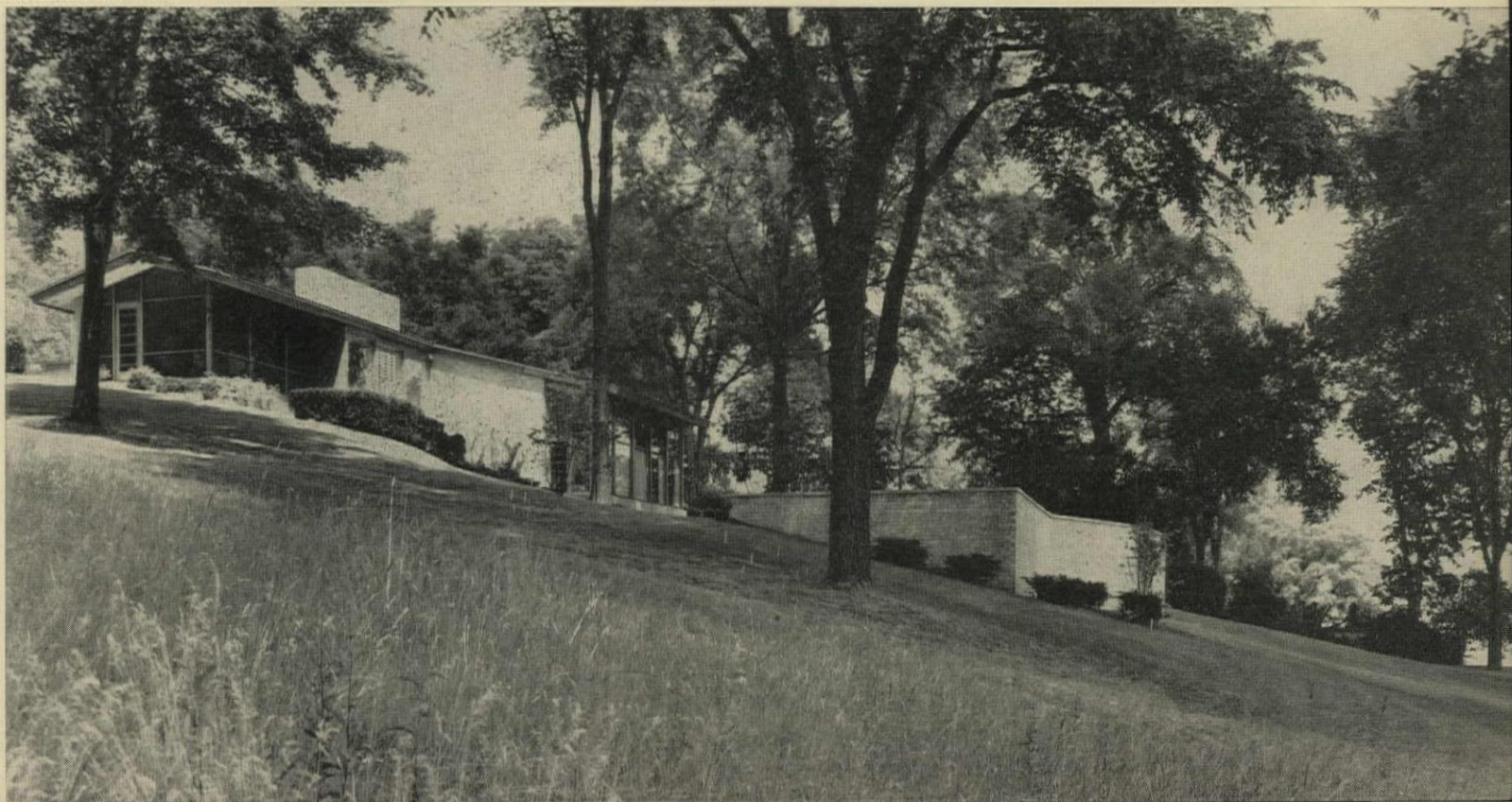


STEPPED SHELTERED WALKWAY between house, right, and garden-house, left, shows graceful handling of simple elements.

continued

MANY-LEVELLED HOUSE hugs steep slope of site. Angle of roof pitch parallels slope, contrasts with vertical thrust of the chimney.

Photos: Baltazar Korab





FREESTANDING BARBECUE and fireplace divide dining and living room but let space flow from one to the other. Ceiling fixture is typical Dow design.

"Space—the effect of space—is fundamental to good interiors"

Baltazar Korab



OPEN PLAN in this living area affords vistas toward dining room and hall.

"I have never had a client who could afford all the space and square footage he wanted. So we have to build houses that have an effect of space. Now, what are some of the things that affect space?"

"First, continuity of line, continuity of surface, continuity of idea. For example, if I drill a hole in a wall and look through it and find a nice little garden on the other side, the wall is really a barrier. Now what is the difference between a little hole—a knot hole—and a window that is just cut as a hole in the wall? Many houses today have windows in walls that are just 'holes in the wall' so there is no continuity of idea, line, or surface.

"Another way to increase the effect of space is to design the room so you do not see all of the space from any one place. If part of the living area, for instance, can become part of a little hallway, or part of the corner of the kitchen, or some other room, so you do not see all of either, the effect of space is greatly increased—the room seems much larger."

Baltazar Korab



VERTICAL CIRCULATION is designed to assure the effect of space at every turn. Natural and artificial lighting complement each other.

Hedrich-Blessing



SKYLIGHT floods central planting island with sunshine, and adds an unexpected dimension to this garden room.

Hedrich-Blessing



CATHEDRAL CEILING and dropped ceiling result in a contrast of heights that make the living room in this Michigan house seem larger.

Baltazar Korab



SEATING AREA allows views in several directions and promises spaciousness without loss of intimacy. Changes in levels are important.

continued



ROOM DIVIDER, left center, provides for display and storage of small objects and is important decorative element in this informal living room.

"Organized clutter' is another fundamental to good interiors"

"Organized clutter can be handled with shelves that develop here and there, cupboards, and other forms of hidden space. There are lots of ways of handling it and I believe it is one of the most-desired things people want in a house.

"I was in Japan this spring and I found that the kitchens in Japanese farm houses, and in many city houses, were

very much like the kitchens in our own colonial houses. They organized clutter beautifully. I have never known anyone who didn't just drool over an old colonial kitchen, with a done-over fireplace and the utensils hanging in the opening, the water carrier, something else here and there. I think we all like to live with organized clutter."

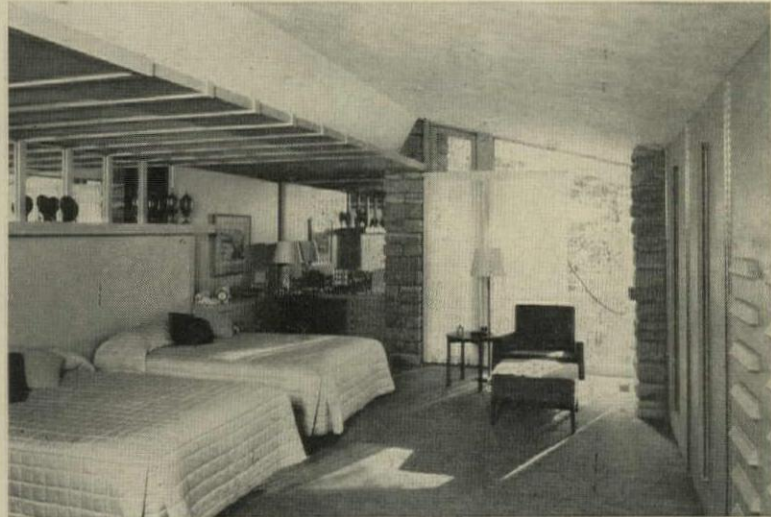


KITCHEN CABINETS are ample, conceal all necessary equipment and leave counters clear in this inviting work area.



UNDER-WINDOW CABINETS and built-in cupboards are designed to accommodate all types of bedroom clutter.

Photos: Baltazar Korab



Hedrich-Blessing

DRESSING-TABLE ALCOVE, left background, and shelf above beds define space for clutter in this bedroom.

Hedrich-Blessing



WALL-HUNG SHELVES and built-in desk in small bedroom, left, answers storage problem and allow for display of collection of pottery.

BUILT-IN BUFFET, right, and dropped-ceiling-shelf give sense of order to dining area in same house as at left.



continued



A-FRAME HOUSE in Midland shows Dow's affinity for structural inventiveness and simplicity. Bold diagonal sheathing contrasts with small scale of brick.

"Anything fine must, above all else, reflect human care"

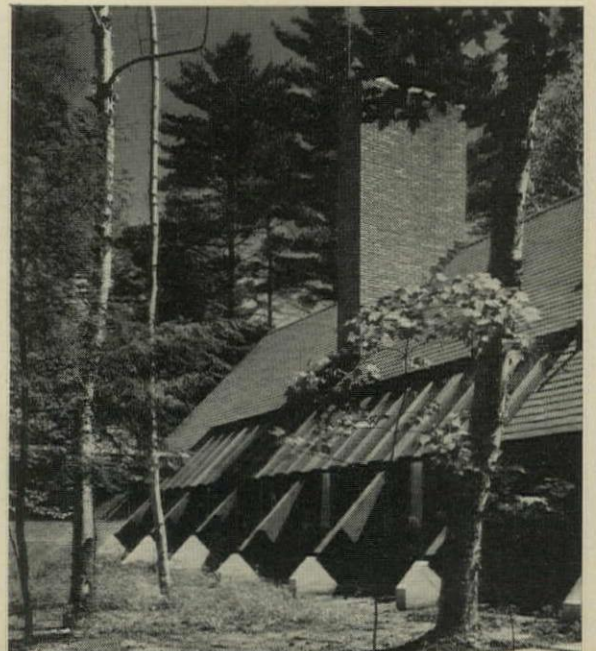


PORCH has fixed glass lights set into roof slope. Lower windows open to provide ventilation.

ROOF FRAMES (photo right) are set in steel shoes that rest on concrete piers. Heavy chimney mass acts as vertical counter point.

"When care is uninhibited by conformity and is really profound, it is creative.

"First, however, we must have a purpose or a way of life that is commensurate with human needs and recognizes no boundaries to the wonderful and beautiful potentialities of the individual human being. Then, the basic thing is to develop a deep sense of care."



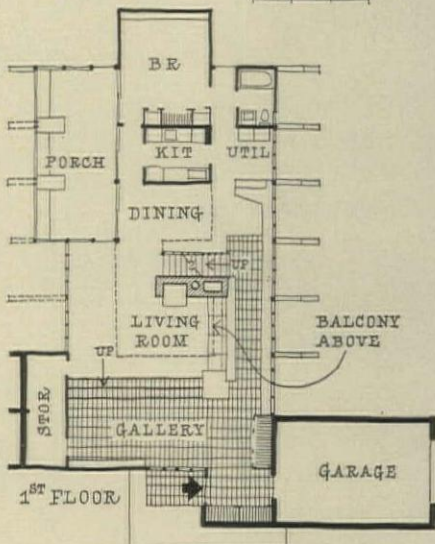
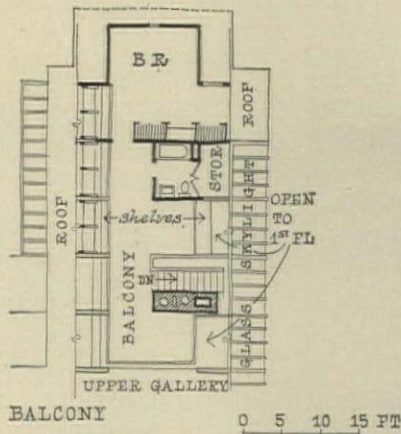
Photos: Hedrich-Blessing



LIVING ROOM, seen from front door, is lit from two sides. Dining room, kitchen and stair to balcony are beyond fireplace, porch is at left. (Same view is shown in larger scale on p 110.)



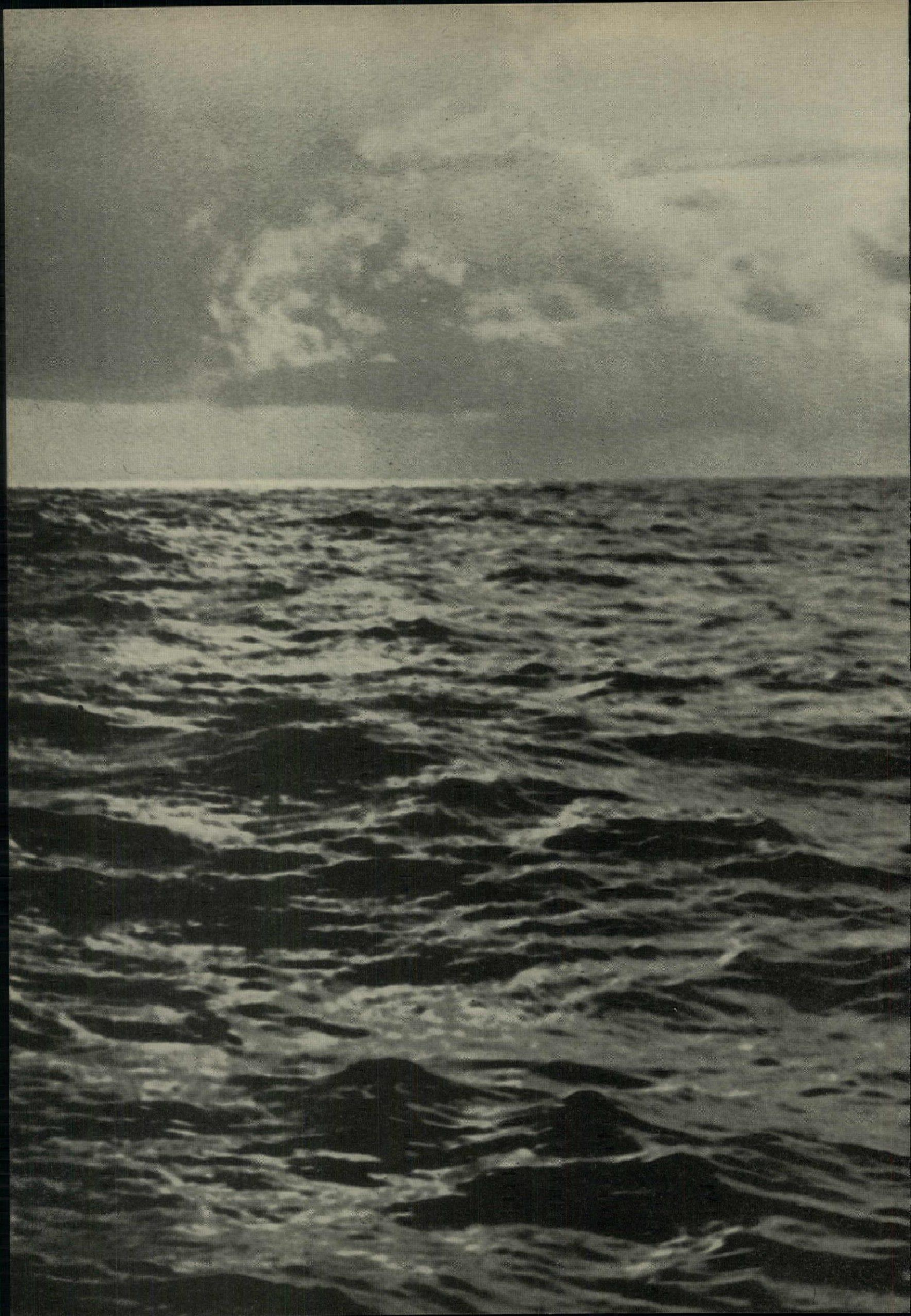
MAIN ENTRANCE leads into gallery and living room. Areas are articulated by a change in levels and in flooring materials. (See also plan.)



PLAN of A-frame house reveals intricate three-dimensional concept the architect evolved from a simple rectangle.

BALCONY seen from master bedroom, right, exemplifies the care with which Dow applies his principles even in the smallest area. Here can be seen his subtle use of flowing space, his sense of human scale, his love of natural materials simply used, his devotion to architecture as shelter.





FRESH WATER FROM SALT WATER

By Richard O'Neill

Desalting the ocean for drinking water, washing water, factory water, and even irrigation water is next in the cards.

And desalting the ocean will remake the map of the United States—the homebuilding map, the industrial map, and the farming map.

Right now—desalting plants for a million gallons a day are being built; plants for 50 million gallons a day have been engineered—and that's enough water to meet the household needs of a city the size of Seattle or Minneapolis or Dallas or Buffalo.

This breakthrough comes none too soon.

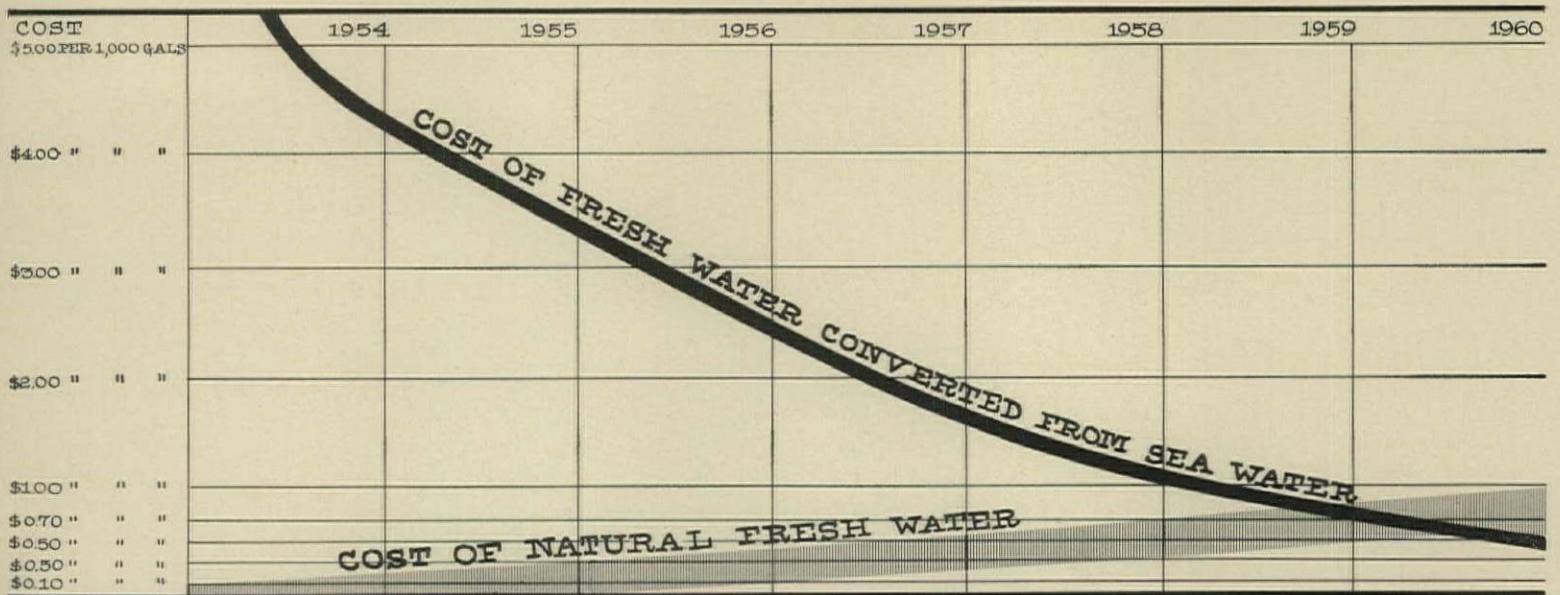
New housing and new industry are already being straitjacketed by water shortages all over the country. And this straitjacket will get immeasurably tighter in the years ahead.

By 1980, we will need 585 billion gallons of water per day for factory, farm, and home use. This is nearly twice as much water as we use today (312 billion gallons) and eight times as much as we used in 1900. It is enough to cover Rhode Island to a depth of 22"—more water, in fact, than is available each day over the US land mass, even if we could catch it all.

But supplies of salt and brackish water are limitless. Nearly half our states—with 65% of our industry and 55% of our people—border on seas holding over 300 million cubic miles of water. And under our central states is enough brackish water—over a trillion gallons—to meet all our needs if converted to fresh water.

The next six pages tell the story: what it will cost to get this water (*p 126*); what systems can do the job and how they work (*pp 127-129*); what new ideas point to even cheaper and better ways to free the huge supplies we will need in the years ahead (*p 131*).

Peter Stackpole, LIFE



WATER COST CURVES show constantly decreasing cost of fresh water from the sea compared to rising cost of more water from natural sources.

The cost of converting salt water has been cut sharply

In 1952, it cost \$5 per thousand gallons to convert salt water into fresh water. Today it costs less than one-tenth that much.

A multiple flash-distillation plant (*see p 128*) designed to produce 50 million gallons per day can convert sea water for 42¢ per thousand gallons, according to engineering studies by the Fluor Corp. The calculation is based on costs (\$1 a thousand gallons) for a one-million-gallon-a-day pilot plant now under construction at Point Lomas, Calif.

The 42¢ figure includes all costs—land, capital investment, operating costs, maintenance, interest, insurance, taxes, and a rather severe 20-year amortization period. If capital investment and land cost are removed from the figure—as municipalities would do with a general bond issue—cost drops by 50%; to 21¢ per thousand gallons. Distribution costs of 10¢ per thousand would put the price of water at the tap at 31¢.

New freezing processes (*see p 129*) developed by Carrier Corp and Cornell University will produce fresh water from the sea at 38¢ per thousand gallons in 10-million-gallon-per-day plants, according to engineering calculations.

Electrodialysis systems (*p 129*) are now producing water at even lower costs: Oxnard, Calif. pays 20¢ per thousand gallons for fresh water converted from brackish water (much less salty than the sea) in a plant designed by Ionics Inc, Cambridge, Mass.

The cost of converting salt water is now competitive with the real cost of supplying more fresh water

Said Secretary of the Interior Fred Seaton last year: "Many cities with low water rates may be in for a jolt when they discover the cost of developing and impounding additional supplies. In most instances the most readily available, or most easily developed supply has already been pre-empted. New sources will be far more costly to develop than were former projects. Many water rates are based on development and construction costs of 25 or more years ago. And a lot of rates do not reflect the cost of water at all. Some water utilities were financed, not by water revenues, but by general obligation bond issues. In other words, property taxes were used to foot the bill instead of profits from the sale of water."

For example: Los Angeles' top water rate is 20¢ per thousand. Its Metropolitan Water District got \$27.6 million in taxes in 1959, but took in only \$11.1 in water revenues. So the real cost of this 20¢ water may have been more like 50¢

to 60¢ per thousand. Private water companies in Virginia, which have to pay their own way, charge up to 75¢ a thousand gallons.

The alternatives to conversion are rapidly rising in cost and dwindling in potential

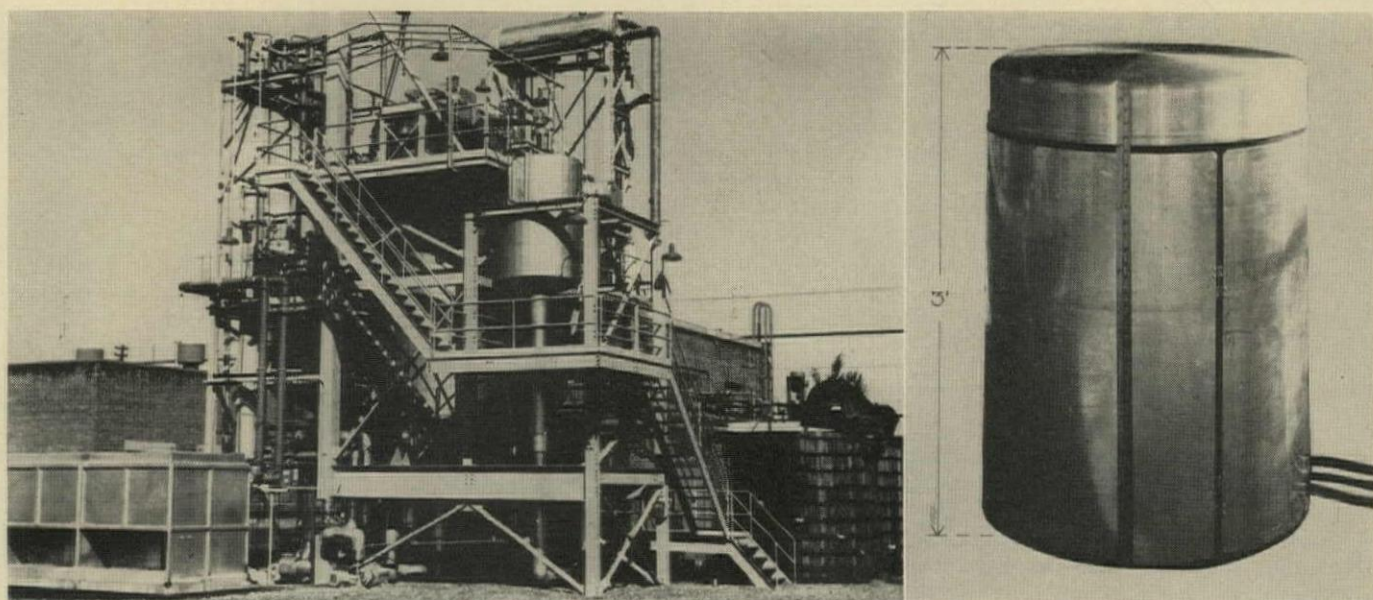
There are three other ways we could get more fresh water. None of them hold great promise for the long run.

1. *We could catch more run-off.* We now capture and use only 60% of the water available to us everyday—the rest runs off to the sea.

Catching more of this water would require more surface water storage—involving the purchase, at tremendous expense, of substantial blocks of land for reservoirs. New Jersey has considered this solution and found it wanting. Said Gov Meyner last year: "The region between Trenton and Wilmington is one of the faster growing industrial areas in the nation. Many water-problem areas already exist in New Jersey. The availability of surface water storage sites is a serious problem because of overwhelming land demands."

2. *We could bring water in over longer distances.* Last November, California voters approved the most expensive proposition ever placed on a ballot—to bring water from northern California to the south end of the state. Maximum distance: 750 miles. Cost: an estimated \$1.75 billion. The most optimistic proponents estimate the cost of this new water delivered in Los Angeles at 25¢ a thousand gallons, plus the cost of retiring the general obligation bond (which could bring the cost up to 40¢ a thousand). Critics of the system argue that land and construction costs for the project will go far beyond official estimates, and that the water will cost up to \$1 a thousand—far more than the cost of converting salt water.

3. *We could dig deeper wells.* But the ground water we can get from wells is limited. If we took it all at once, it would take over 160 years of rain to replace it. But in some areas communities are pumping it out "all at once," and depending upon nature for immediate recharge. For instance: Arizona is drawing twice as much water out of the ground as soaks in; and in one section, the water level has dropped 55' in six years. Further, as ground water supplies are depleted along seacoasts, salt water moves in.



PLANT at Wrightsville Beach, N. C., is prototype of municipal sea-water conversion plant. Household unit, right, is made by Aquastill, Inc.

Systems for a city—or a single house—are being built

Three pilot plants—which will each produce up to a million gallons a day—are now under construction; two more are being designed. Electrodialysis plants have been producing fresh water for small communities and military bases in the US for the last three years. And five companies have household conversion units in laboratory- and market-testing stages.

Huge municipal conversion plants have the advantage of high efficiency. When they are tied in with electric generating stations, they can use the low-pressure, 250F to 300F steam from the last stage of the turbine to provide heat for distillation. The Pacific Gas & Electric Morro Bay station and Southern California Edison Mandalay station are now distilling ocean water for their own use with this technique.

Atomic power may soon be the cheapest fuel for big plants. Fluor Corp studies for its 50-million-gallon-per-day plant show that steam generated by a 370-thermal-megawatt light-water nuclear reactor would cost 37 cents per million Btu contrasted to 50 cents per million Btu for steam from a conventional boiler. A big nuclear electric-generating station could provide by-product heat for a distillation plant at very little cost.

Household-size conversion units are now being readied for the market

They will range from medicine-cabinet size to washing-machine size. The cost of operating these household units runs as low as \$1.50 per thousand gallons (the average household uses 400 to 500 gallons per day). Smaller units can be used if

the house is double piped to use brackish or sea water for toilets, sweet water only for drinking, cooking, and washing.

Here are the five household units now in development:

1. Aquastills, Inc. of Rochester, N.Y. has developed a unit which occupies less space than a washing machine, produces 500 gallons per day. Energy consumption is approximately 70 kilowatt-hours per 1,000 gallons of distilled water. It was invented by Dr. K. C. D. Hickman and works on the vapor compression distillation principle (see p 128).

2. General Electric's thin-film evaporator is about the shape of a water heater, produces more than 1,000 gallons of water per day. It is essentially a vapor compression unit.

3. American Machine & Foundry has a wall-hung unit, the Aquafresh, providing 24 gallons of sweet water daily. It is an electrodialysis unit (see p 129). It is being market-tested right now in Texas. Price: \$250. AMF feels that the unit will pay for itself in brackish-water areas by eliminating bottled water. (The unit draws a very light electrical load). AMF is also developing a larger electrodialysis unit that may produce 500 gallons of sweet water per day.

4. Chance Vought is experimenting with a vapor compression unit to produce from 250 to 1,000 gallons per day.

5. Mechanical Equipment Co. of New Orleans, is working on a 1,000-gallon-per-day vapor compression distillation unit.

All of these units are designed for use with electricity, but the distillation units could be adapted to the cheapest fuel available.

The government will spend a lot more money in the next decade to perfect water conversion

President Kennedy, in a whistle-stop tour across California last fall, pledged a crash program of research on producing fresh water from the sea. Such a program would build on the foundation already laid by the Department of the Interior.

Much credit for the development of saline conversion systems goes to Interior's Office of Saline Water. osw started with an appropriation of \$2 million for a five-year period, but in 1958 a \$10 million authoriza-

tion led to the construction and operation of the pilot plants mentioned above.

Universities, private industry, and engineering consultants actually devised and engineered these systems, but a large part of their work was financed by contract with osw. (Since osw was created in 1952 by the Saline Water Act, some 200 contracts have been let to these inventors.)

Vice President Johnson, last April, introduced and got passed a bill (S. 3557)

that would have appropriated an immediate \$5 million a year for research alone. There was not time for committee action on the bill in the House. Johnson pledged to support a similar bill in this session.

Several Senators and Congressmen have already introduced bills with a clause "that there be authorized such monies as will be needed from time to time"—in other words, a crash program with expenditure expansion built in.

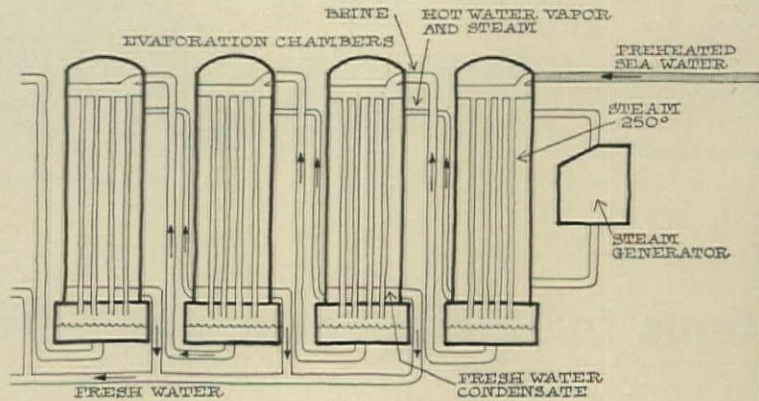
Here is how the six basic conversion systems work

Systems 1, 2, and 3 operate on the oldest principle of purifying water—distillation by boiling. System 4 operates on a technique perfected within the last five years—freezing salt water to crystallize out fresh water. System 5 uses the sun as a fuel, and system 6 screens out the mineral salts.

1. Long-tube vertical evaporation

This system keeps fuel costs down by using heat over and over again in 12 evaporator vessels set in series. In the process, sea water—preheated by hot fresh water produced in the plant—is piped into the top of the tubes in the first evaporator vessel. Steam around the tubes boils the sea water so pure water vapor from the salt water escapes, to a separator at the bottom of tubes, to join the steam around the tubes. Brine and steam are pumped to the next evaporator vessel where the process is repeated at a lower pressure. The cycle repeats 12 times with temperatures decreasing from 250F (in the first vessel) to 110F (in the twelfth vessel). With this system, 1 lb of oil produces 200 lb of water (vs 15 lb of water with straight boiling).

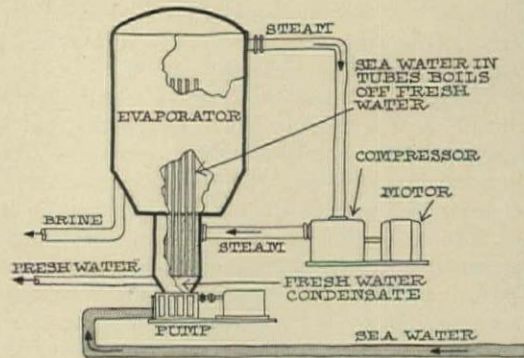
This system, designed by W. L. Badger & Assoc., Ann Arbor, Mich., is used in osw's first million-gallon-per-day plant in Freeport, Tex. Water costs \$1 per thousand gallons. Estimated costs for a 17-million-gallon plant are 50¢ per thousand.



2. Forced-circulation vapor compression

The only heat that has to be supplied once this system is running is to replace heat lost to the air around the unit. A compressor circulating steam, like the compressor in an air conditioner circulates refrigerant, evaporates sea water in a closed, insulated chamber. The condensate is fresh water.

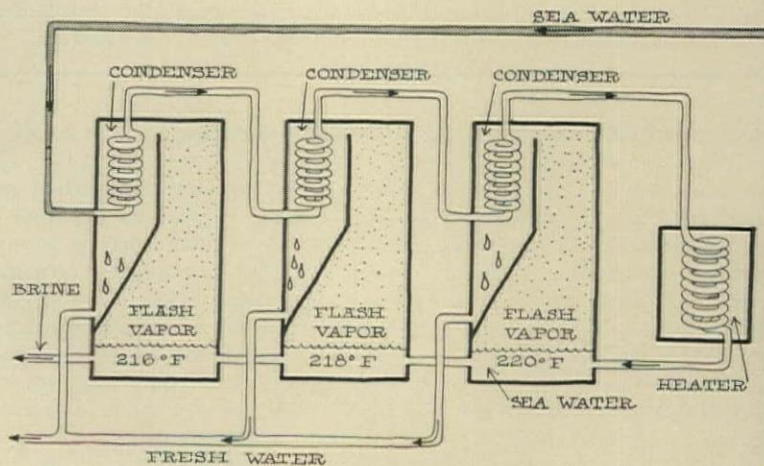
The first pilot plant (capacity: up to one million gallons per day) will be built by Catalytic Construction Co, Philadelphia, for Roswell, N.M., which has been depleting its fresh ground water at a rapid rate. The plant will operate from a well driven into the brackish-water table. In time, the fresh-water table will build up again and push back the brackish-water table.



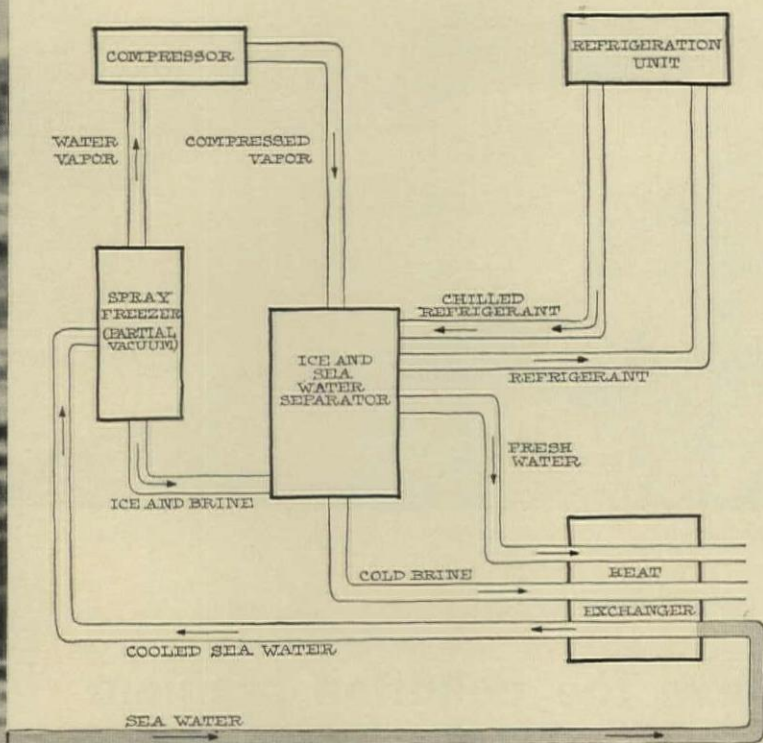
3. Multi-stage flash evaporation

This distillation system uses heat more efficiently than any other system. The Fluor Corp of Whittier, Calif., designed it. Their 50 million gallon-a-day plant—engineered on a Datatron digital computer—would take sea water through 104 steps in 52 chambers—each with slightly lower pressure than the previous one (only three chambers are shown in the schematic drawing). Hot sea water (at 220F and under pressure) boils in a flash when released in the first chamber. It loses some heat in doing this, but boils in the next chamber under slightly lower pressure. It finally leaves the last chamber as brine at 99F and in a partial vacuum. Fresh sea water is pumped through the chambers the other way (from No. 52 to No. 1) getting hotter—from the boiling sea water—as it goes along. At the top of the cycle it starts back through its 52-stage boiling process. The fresh water condensate is drawn off at each stage.

The first pilot plant for this system—a million-gallon-per-day plant—is now being built at Point Loma, San Diego.



4. Freezing



This system may have the greatest potential. Reason: theoretically, at least, it takes only one-seventh as much energy to freeze water as to make it boil. The minimum energy needed to freeze a pound of ice at 26F to 28F is 150 Btu, the minimum energy needed to vaporize a pound of steam is 1,000 Btu.

Sea water at 28F breaks into a mixture of fresh-water ice crystals and concentrated brine. Fresh water is obtained by separating the crystals from the brine and melting them.

There are two processes used: In the first, a system developed by the Carrier Corp, pre-cooled sea water is sprayed into a partial vacuum. Some of it evaporates, extracting heat from the salt water left as a liquid, and causing ice crystals to form. The ice floats to the top of a gravity separation column, is drawn off and melted into pure water. The concentrated brine is pumped back to the sea.

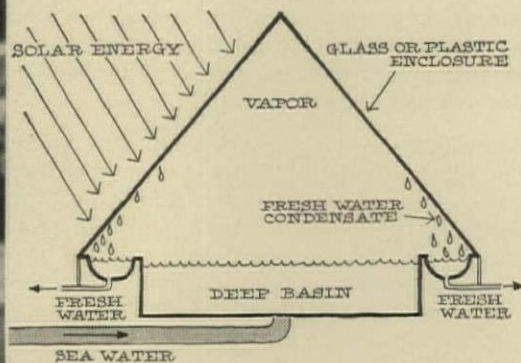
Water vapor from the process works through a compressor in a cycle very much like the compression cycle in any refrigeration unit.

In the second process, ice is produced by flashing a volatile refrigerant through salt water, again causing ice crystals to form. The brine is separated from the ice by washing, and the ice is melted by condensing the refrigerant.

Projected costs of both processes run about 38¢ per thousand in a 10 million-gallon-per-day plant.

The first 15,000-gallon-per-day pilot plant for conversion of sea water to fresh by freezing was built by Carrier Corp at Wrightsville Beach, N.C. A larger plant of 150,000 to 350,000 gallons a day is slated for the East Coast by 1962. Blaw-Knox Co, Pittsburgh, is building a pilot plant to test the refrigerant-freezing system.

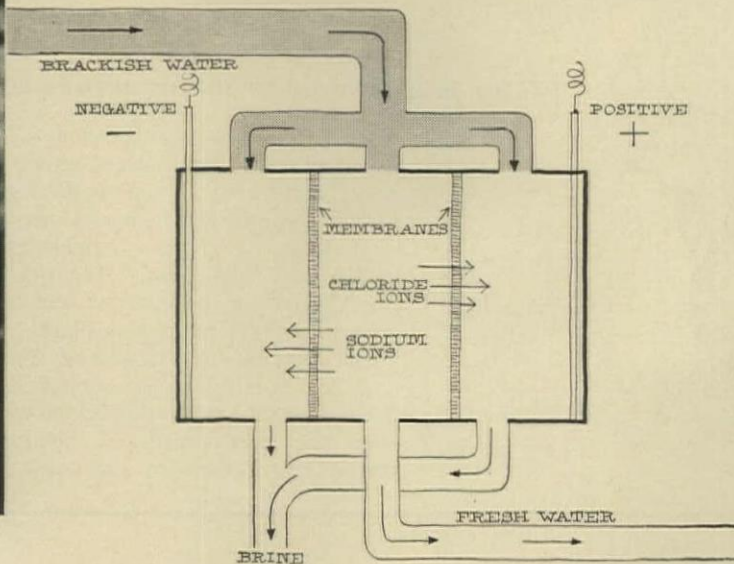
5. Solar distillation



This system requires no fuel except heat from the sun. But solar energy is so diffuse that up to now solar stills have not produced fresh water at a cost competitive with fuel-using systems. In a solar still, solar energy passes through the glass or plastic cover and is absorbed by the water in the basin. Vapor from the heated water rises and condenses on the underside of the cover. It then runs down the glass and is collected for use. The foot or so of sea water in the basin holds enough of the sun's heat to continue some evaporation at night.

The Battelle Memorial Institute of Columbus, Ohio, operated a solar research station for osw at Daytona Beach. Even in Florida, where there is lots of sun, it takes 5,000 sq ft of still area to produce 500 gallons of fresh water per day.

6. Electrodialysis



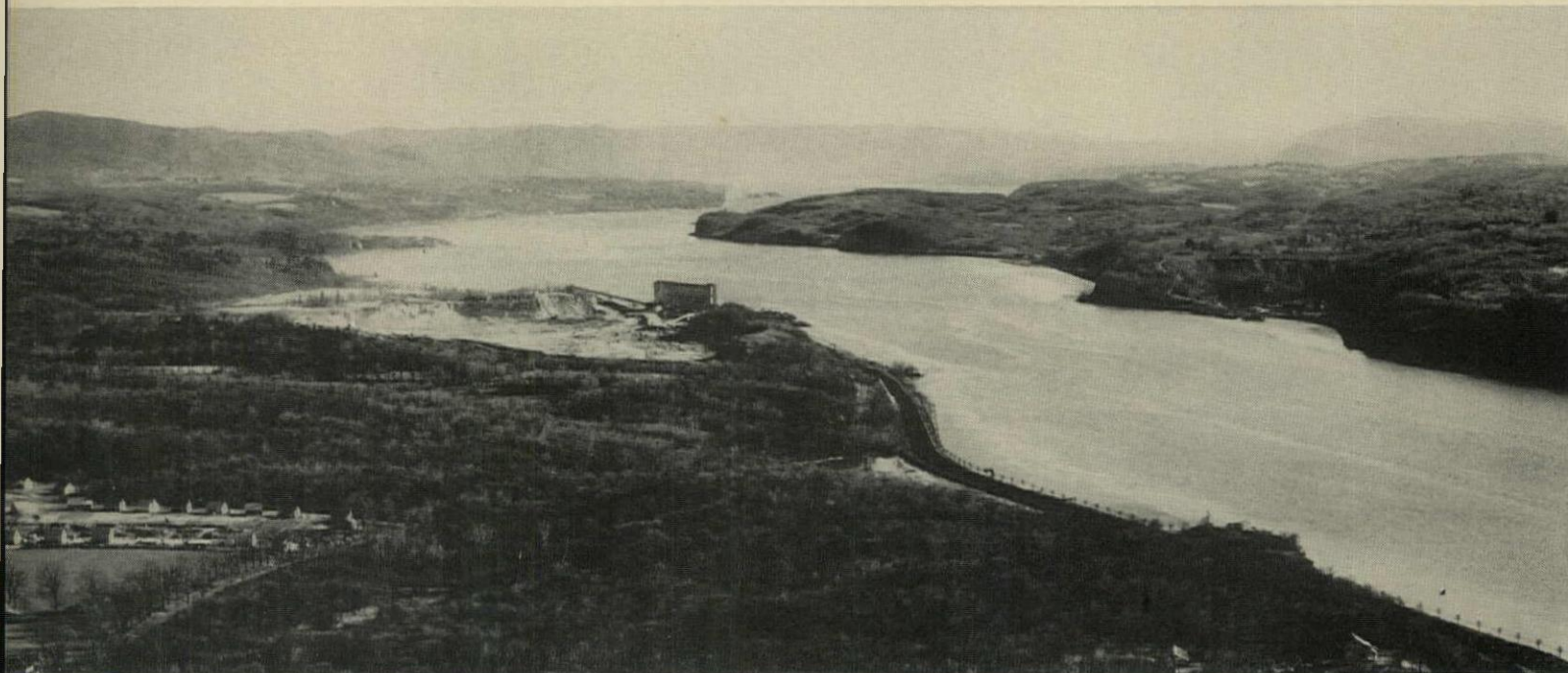
This process is best used for converting brackish water rather than much saltier sea water. Voltage is applied across pairs of membranes so positively charged ions of mineral salts go through the negatively charged membrane, negative ions through the positive membrane, leaving fresh water—which will not ionize—between the membranes where it is drawn off.

This process is being used by several cities today. Coalinga, Calif. once paid \$7.25 a thousand gallons for natural fresh water, now pays \$1.45 a thousand for water produced by electrodialysis.

Since last June, Ionics Inc, of Cambridge, Mass. has been transforming 250,000 gallons a day of unpotable water into good water for the town of Oxnard, Calif. at a cost of only 20¢ per thousand gallons.

The US Bureau of Reclamation has designed and Austin Co, Cleveland will build a pilot 250,000-gallon-per-day electrodialysis plant for osw in Webster, S.D.

continued



POLLUTED WATER from the Hudson River threatened Rensselaer, N. Y., with an epidemic of infectious hepatitis in 1957.

Conversion can also solve the pollution problem

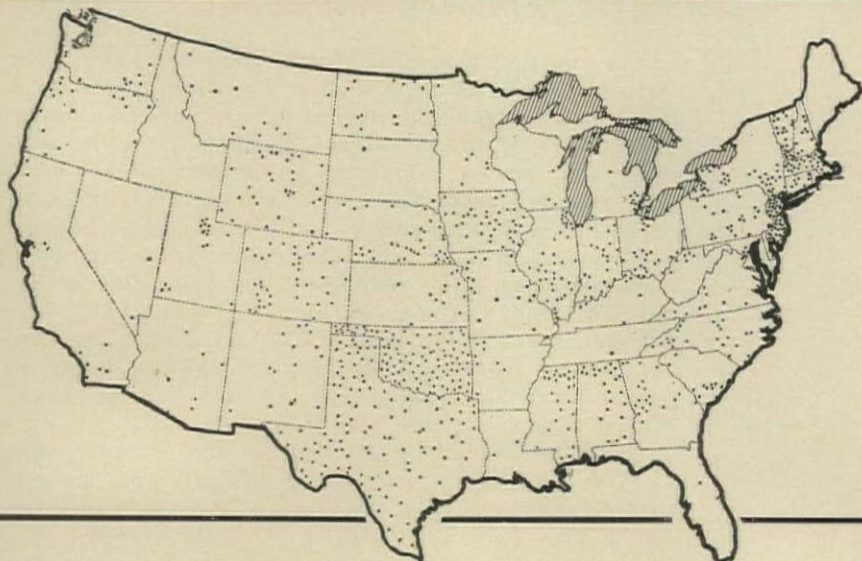
Many existing sources of fresh water—like the Hudson River (above), which supplies water for millions of people in New York State—are becoming alarmingly polluted. Much of the problem is being caused by new sources of pollution (see below) which defy conventional water treatment. Most types of salt-water conversion can screen out this pollution.

Disease carrying worms are a growing problem. Studies made two years ago by the Robert A. Taft Sanitary Engineering Center, Cincinnati, showed that drinking water taken from 13 rivers in the US contained microscopic worms (called nematodes) carrying disease-causing bacteria and viruses. These nematodes are resistant to bactericidal agents and chlorination fails to kill them.

Petrochemicals are a growing problem. We are using more and more petrochemical insecticides, pesticides, weed-killers, fertilizers, and detergents. One part per million of detergent in water can cause it to foam. At 1½ parts per million the water begins to taste oily and fishy. Says Dr. A. L. Miller,

head of the Office of Saline Water: "Sanitary engineers have identified approximately 100 petrochemical compounds as water pollutants. The new contaminants are difficult to spot and even more difficult to control. They cannot be entirely removed from the water by current treatment methods. We know that high concentrations of these chemicals are toxic to fish. While we do not know their effect on human health, we do know that they can cause the water to smell bad and sometimes to taste even worse than it smells."

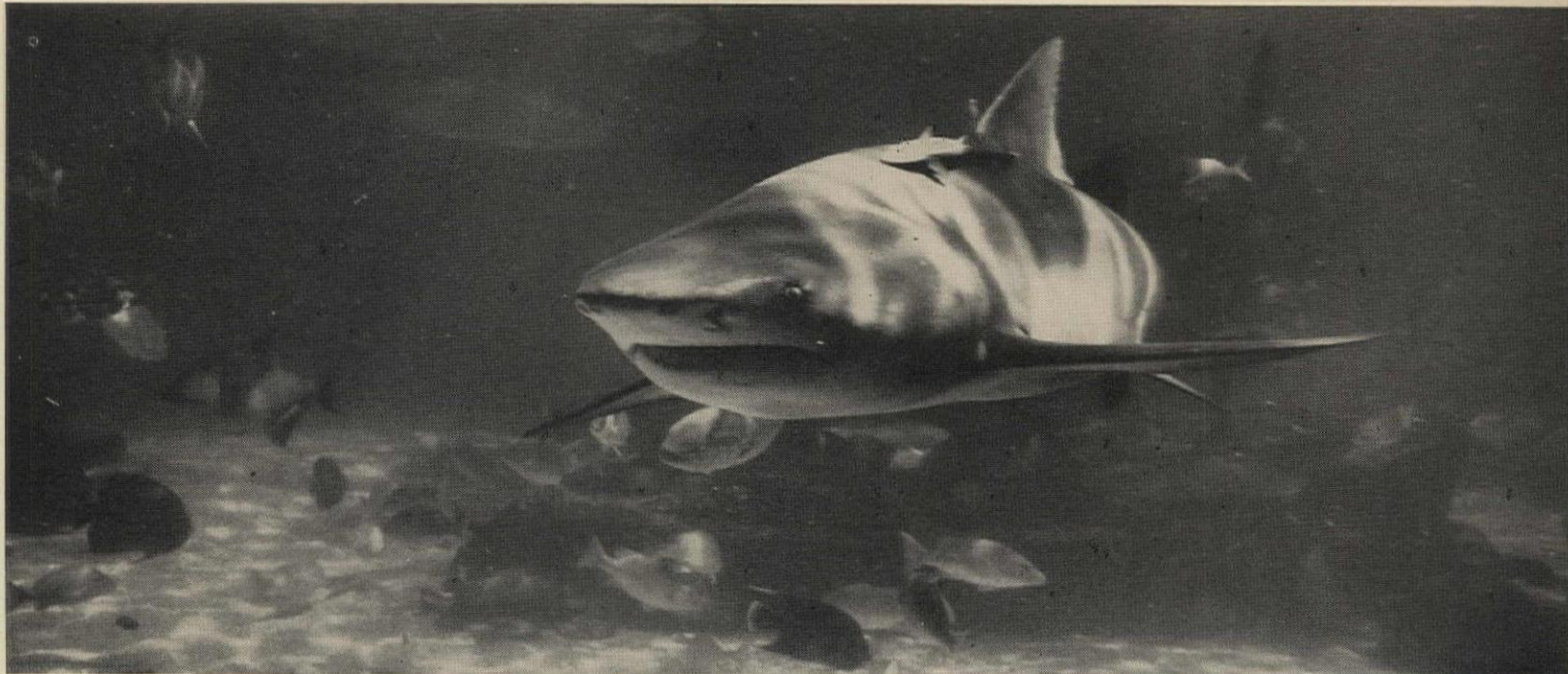
Radioactivity is the newest problem. In 1959 approximately 30,000 people in southwest Colorado and northwest New Mexico were using river water that ranged 40% to 160% above maximum permissible levels of radioactive content, says the Department of Health, Education, & Welfare. In addition to government installations and uranium mines and mills, laboratories, hospitals, and thousands of industrial plants now use radioactive materials, and produce radioactive wastes. As a result Philadelphia and Chicago now monitor their water supplies for radioactivity.



Water is a chronic problem across the US

More than 1,000 US communities in 46 states (see map) were forced to curtail their use of water in 1957, reports the Geological Survey. ¶The Department of Commerce reports that 42% of the US municipal water supplies are inadequate. ¶Last year 200 cities asked for government consideration as sites for pilot conversion plants.

Los Angeles, third largest city in the US, is so desperately short of water that further residential and industrial development hinges upon the development of plentiful new sources. Projections by the California De-



SHARKS AND OTHER FISH can live on water that man cannot tolerate. Research into sea life may lead to improved water conversion systems.

Next step: pure research into water and sea life

Item: Scientists want to know more about sharks, which are apparently salt-water conversion machines. The water in their systems is saltier than the sea. Reason the experts: sharks must produce, and discard, fresh or at least brackish water.

Item: We need to know more about how sea mammals live on salt water when man cannot. The ocean is about 3% salt, and man's kidneys can secrete only a 2% salt solution. This means that for every quart of sea water a man drinks, his body must eliminate 1½ quarts of urine to get rid of the excess salt. His body water makes up the difference, and he becomes more and more dehydrated. But whales do not.

There is much about water and the way it behaves that scientists do not understand

We need to know a lot more about the fundamental molecular physics of water—how it freezes, how it thaws, how it moves, how it evaporates. We need to know about the corrosive effects of sea water at high temperatures. And we need

to know more about the effects of water on membranes.

One of the areas of research that most fascinates scientists is a laboratory phenomenon called hydrate formation. Under certain very narrow ranges of temperature and pressure, hydrocarbon gases, such as ordinary propane, unite with the fresh water molecules in brine to form solid crystals. The fresh water can then be separated from the crystal simply by changing the temperature.

Another technique of salt-water conversion still at the laboratory stage is called solvent extraction. In this system, fresh water is extracted from salt water by organic liquids which absorb large quantities of water but have at the same time a low solubility in water. The ideal solvent would dissolve fresh water and then release it at a slight temperature change.

The advantage of both these systems, if they could be made to work on a practical scale: they would require much less fuel and much less complicated equipment.

Where will this future research lead? Someday, scientists hope, to an endless and cheap source of clean, fresh water.

and "an international problem of terrifying proportions"

partment of Water Resources show that by 1977 California will have to import water "from sources not now available," and by 1990 will have to import more than 1½ billion gallons a day from such new sources.

Water shortages are by no means confined to dry areas. New Jersey's water shortage is acute, yet it gets over 40" of rain per year (some states get less than 12"). In 1957, water trucks had to trail fire engines in some New Jersey communities because water pressure had dropped so low that hydrants were unusable. In Orange,

N.J. a \$200 fine was imposed for having a leaky faucet.

One-third of the total land surface of the earth is in arid zones. Said Paul G. Hoffman, managing director of the United Nations Special Fund, last year: "The demand for fresh water is an international problem of terrifying proportions. At least 60 of the 100 under-developed countries and territories associated with the United Nations face forms of water shortage which in time can only be met from brackish and salt water sources . . . Saline-water conver-

sion projects of the United States are of great interest to the United Nations. What the United States may accomplish could have tremendous impact in Africa, the Middle East, Asia and Latin America. In these areas the pace of economic development is often controlled by the development of essential water at a reasonable cost . . . in certain of the arid and semi-arid areas the key to political stability and progress is tied to their obtaining substantial amounts of drinking water, and water for livestock and agriculture."

/END



The New Frontier for housing proposed by the President's task force on housing legislation

JOSEPH P. McMURRAY, chairman,
former staff director, Senate hous-
ing subcommittee, former New
York State housing commissioner.

CHARLES WELLMAN, president,
Glendale (Calif.) Federal S&L.

HARRY HELD, senior vice president,
Bowery Savings Bank, New York.

JOHN BARRIERE, staff director,
House housing subcommittee.

ROBERT C. WOOD, professor of
economics, MIT.

MARY LAVERY, secretary, former
deputy New York State housing
commissioner.

Here, for the first time anywhere, is a complete digest of the 85-page, 27,000-word report of the task force President-elect Kennedy named to recommend housing and urban renewal legislation for his new Administration.

Housing Administrator Bob Weaver is now using this report as "the point of departure" for developing his program. Senator Sparkman is "very much impressed, approves a major portion of it and would like to see it enacted into law." Congressman Rains thinks it "an outstanding report."

Whether or not the President and his housing chief buy all the task force recommendations and whether or not Congress goes along with them, we believe HOUSE & HOME subscribers will find it well worth their while to read this report with care. They will find it full of surprises, and it should open their eyes to many impending changes that were not even hinted in the 500-word summary that is all any other publication has printed.

FHA gets just over three of the 85 pages in the report and FNMA gets even less. Compare this with 31 pages on the scope, name, and organization of the proposed new Department of Housing & Urban Development, 15 pages on subsidized housing and urban renewal, and four pages on mass transportation.

The task force did not favor longer terms for FHA mortgages, nor did it recommend a repetition of the big FNMA special assistance for low-priced houses that proved such a windfall for lucky builders two years ago. It did recommend a lower FHA insurance premium, lower FHA down payments for homes priced over (but not under) \$18,000, a higher FHA mortgage ceiling, and a new program to help more builders and realtors get into land development.

Builders who have been cheering for cabinet rank for housing may change their minds when they see how FHA is downgraded in the proposed organization of the new department.

Most exciting recommendation is an alternate to public housing that would encourage the private-enterprise housing industry to participate in the multi-billion-dollar subsidized housing program. This suggestion originated in the proposal developed by Task Force Chairman McMurray on a \$20,000 grant from the EPIC planning committee of NAHB.

Says EPIC Chairman Dick Hughes: "If we assume that federal subsidies are inevitable, I believe NAHB will favor this proposal, provided the rules are so drawn that the private housing industry will have a fair chance to compete for the work—which we could not expect if the local public housing authority is in charge."

Says HHFA Administrator Weaver: "I agree in principle with this proposal, but it will need careful implementation. I don't believe we can just continue the present public-housing program, but getting public housing and private industry together will be like trying to get the lion and the lamb to lie down together."

Says James W. Rouse, chairman of ACTION: "If this local flexibility idea can be made to work it would be a fine thing. The rigidity of the present public-housing program is stupid."

The task force subsidy proposals, totaling \$3.9 billions in grants and \$3.5 billions in loans through fiscal 1964, would roughly double the Eisenhower rate.

In presenting this digest HOUSE & HOME has shifted the order of the various sections and sometimes the order of the paragraphs in the sections. Occasionally the editors found it necessary to translate the official wording into understandable English.

We must solve basic housing problems now to be ready for big expansion in the mid-sixties

Your Administration must prepare for a very rapid increase in metropolitan growth and very heavy pressure on the housing supply beginning toward the middle of this decade.

There are three basic problems on which your Administration must concentrate:

1. The cost of housing and urban development.
2. The correction of structural imperfections in the financing mechanism which may prevent or impede the proper flow of an adequate amount of credit to housing and urban development.
3. The reassessment of federal programs in relation to their impact on private lending, so that private lending and private enterprise, state and local governments, can do as much of the job as possible, in order that the federal government can do more efficiently and effectively that part of the job which it alone can do.

The next two years are vital to the ultimate solution of the tremendous housing problems that lie ahead, but from now through 1963 housing is likely to have a retarding rather than a stimulating effect on national prosperity and economic growth *unless* knowledgeable and open-minded leadership can channel the varied forces involved toward a common purpose of maintaining an increasingly high level of effective demand and construction activity.

Cities must help with the job

Solving the housing problem will require the cooperation and assistance of the cities and metropolitan areas in which much of the new housing and development must take place, so it is essential that individual efforts be coordinated in hundreds of areas.

No past Administration has faced up to this coordination problem or attempted to fashion a comprehensive program of well

planned, coordinated activity to replace the individual, haphazard, old-fashioned, fragmented approach that has characterized the housing and urban renewal programs to date. Present programs represent, to a considerable degree, a historic accumulation of emergency and ad hoc responses to specific problems.

Your task force believes that the day is over when liberal conservative differences over housing policy can be defined solely in terms of the size of federal appropriations. In housing, as in many other areas of our national life, the time is now for liberalism to be perceptive of problem and inventive in answer.

As a first step toward the new frontier in housing and urban redevelopment, the status of the agencies concerned with housing and urban redevelopment should be raised to Cabinet level. The various activities should be consolidated, rationalized, and centralized in a more consistent and logical organization.

Commissions should be set up at once to study better mortgage practices, codes, and tax policies

Four commissions should be appointed immediately to prepare a series of extensive studies of some of the basic problems that form road blocks to the long-term solution of the total problem of housing and urban development. Specifically:

1. Commission on mortgage law

A renewed and more effective effort to obtain uniformity in state laws and practices is needed, and it is essential to get that uniformity on the basis of the most desirable type of laws and procedures.

The incidental costs of mortgage instruments and the potential cost of foreclosure are factors in the purchase price of most homes, so reducing these costs will tend to reduce the cost to home purchase.

Of greater importance is the deterring effect of high foreclosure costs on lenders. This is most harmful to prospective homeowners in states where capital must come from investors in other states who can invest their money where foreclosure laws are more advantageous to them.

The free flow of mortgage credit across state lines is in many instances impeded by local "doing business" laws and requirements. Uniformity in this area would provide a freer flow of funds into areas of mortgage capital shortage.

The commission study results should be disseminated, and the federal government

should, through active leadership and such incentives as the commission may develop, encourage states to cooperate.

2. Mortgage credit commission

Mortgage credit problems are at the core of all federal home financing programs, so the new Administrator or Secretary should have the advantage of a thorough study on the subject, including the short- and long-run effects of interest rates, discounts, supply of available funds, etc., on the various programs he administers.

Specific recommendations are needed on the big unsolved problem of meeting the credit needs of rehabilitation work. Present machinery is wholly inadequate.

The mortgage insurance and secondary market programs of the federal government require basic studies looking to recommendations for legislative changes designed to bring more simplicity, consistency, and clearly defined purposes to each specific program and to identify the amount of government subsidy in each program.

3. Commission on codes

The federal government should provide leadership towards the nation-wide standardization of building and other local codes, for it is in a position to give great assistance and encouragement to this process. This is particularly true in the case of housing or

occupancy codes, which are directly related to federal housing and urban renewal programs.

4. Commission on taxation

One of the most difficult and complicated subjects having a direct impact on housing construction and rehabilitation is the tax policies of the federal government and the state and local governments. Because of the specialized and technical nature of this subject, the commission should include representatives of local and state governments who are tax experts in their respective fields, as well as representatives of appropriate federal agencies.

This commission should keep the Secretary advised on the effect of taxation on the various programs of the Department. It should also evaluate current recommendations for removing alleged inequities in the tax structure affecting residential property, and formulate specific recommendations for any desirable legislation. This should include proposals for bringing greater equality between taxation affecting the housing industry and other industries. Of particular concern are taxes which have an adverse effect on rehabilitation, both in urban renewal areas and in other urban areas. Incentives to housing production and rehabilitation, through income tax and other tax relief, should also be favorably considered.

continued

Better research is urgently needed to find new ways to lower costs and improve housing

The high cost of housing has narrowed the private market, impaired effectiveness of government insurance and guarantee programs, and intensified creation of slums.

The federal government's investment and contingent liability in all housing and related programs is now about \$65 billion. It will continue to increase at a multi-billion dollar rate. Decisions on the part of the Administration, the Congress, and industry affecting such a tremendous investment (indeed, the economic stability of the nation) require that they be made on the basis of the best information and facts available, not on guesswork.

Yet, compared with research being carried out by Agriculture, Health, and Defense, HHFA's present research program is insignificant, piecemeal, spasmodic, and uncoordinated.

Major research objective should be a breakthrough in cost and methods of land development and housing construction, including the development of new patterns of land use, new materials, new building tech-

niques, and new management-labor practices. Another study would focus on tax policy at the federal, state and local level as it affects housing and urban development. A third urgent research target is mass transportation, where our ignorance is obvious. In the urban renewal program we also need more accurate answers to many basic questions.

This whole research program should be consolidated and centrally directed, and given a specific institutional identity (it might, for example, be placed in a semi-autonomous Institute of Urban Affairs paralleling the experience in public health research). The Institute should also serve as a clearing house for research being carried out by other government agencies, by industry, foundations, and the universities. An important task would be to become familiar with the gaps in our knowledge of housing and urban development problems, and then to point these out and stimulate and otherwise encourage private and local government groups to research the answers.

The task force, conscious that it takes time to develop a good and efficient research organization, recommends as a beginning that research now being carried out in the HHFA and the various constituents be consolidated, and funds be increased by \$650,000 for the next fiscal year.

It further recommends that as a means of encouraging advance design and technology in housing, FHA be authorized to insure mortgages totaling \$5 million a year without regard to usual economic soundness criteria. Thus, mortgages would be insured by FHA on homes incorporating new and untried materials, design, and construction methods. Provision would be made for inspection and tests during and after construction, and where any correction of major defects has to be made, FHA would be authorized to expend funds for this purpose.

But it must be stressed that this is just the beginning of a research program that should be built up continually and increasingly over the years.

Federal funds are necessary to help finance a vast program of community facilities

The need for additional community facilities has become critical in many areas. There are tremendous backlogs of unmet needs and our accelerated population growth is creating new demands. In some fields we are falling behind at an alarming rate.

Nearly 2,900 new sewage plants are required for 19.5 million people in communities now discharging raw sewage; 1,100 new plants are needed for 3.4 million people in communities where existing treatment works are inadequate or obsolete; and another 1,630 communities need additions and enlargements of existing inadequate plants to provide satisfactory treatment for 25 million persons. One out of three treatment facilities in operation today is not meeting pollution control needs.

More people will add to problem

To catch up by 1968, communities must spend an average of \$600 million a year to eliminate the backlog, provide for new population, and replace obsolete plants. This is almost double present municipal expenditures for this purpose.

To compound the problem, many municipalities are not planning ahead to meet their demands for municipal water. Often acute water shortages must hit a community before positive action is taken. Municipal planning on a multiple basis must be encouraged to exploit potential sources of municipal water supplies and bring such supplies to where they are needed. By 1980, an investment of \$105 billion will be required to eliminate the backlog of needed

construction of municipal water supply and sewage treatment facilities and to provide for new population growth and the obsolescence of existing facilities.

The need for federal assistance for water and sewer facilities is by far the most pressing and dramatic, but there is likewise a pressing need for federal assistance, particularly in the suburbs, for libraries, parks, and recreation areas, and many other vitally needed facilities. Air-pollution control facilities are also needed in metropolitan areas and should be given assistance under any community-facilities program. In all these recommended programs federal aid should be related to the fiscal capacity of the communities involved.

Three point program

The task force recommends:

1. A new community-facilities grant program, with the federal government contributing one-third of the cost or \$500,000, whichever is less. Half the funds should be reserved for communities of 150,000 or less; one-third should be earmarked for sewer and water works, and adequate evidence should be required of its relationship with general plans of community development. Air-pollution control projects would be eligible; hospitals and schools would be excluded. Authorize \$100 million the first year; \$200 million the second year; \$225 million the third year; \$225 million the fourth year. The existing loan program, presently confined to very small communities, should be continued, but no additional funds would be needed.

2. Advance planning under Sec 702 should be changed from a loan to an outright grant program of \$15 million a year for four years.

Aid to orderly suburban growth

Without subscribing to the more panic-like descriptions sometimes applied to recent suburban growth, the task force is disturbed that current suburban development, with its grossly uneconomic use of land, cannot continue much longer without creating insoluble problems.

Unless federal grants for community facilities are tied to some requirement for orderly planning and systematic tract development, they may aggravate the problems of disorderly development instead of easing them.

The task force believes the time has arrived for the federal government to help the suburban communities which its housing policies have, to a large measure, spawned. It believes that modest federal assistance to help local governments solve problems relating to the planning and development of large tracts of predominantly open land is a legitimate function of the housing agency, where such assistance will prevent speculation, or the uneconomic use of land, and provide for sound and orderly development.

The problem is so extensive no authorization would be large enough to solve it everywhere, but the task force hopes the authorization recommended would be sufficient to provide a number of demonstrations of what might be done. Accordingly,

the task force recommends:

1. A \$25-million program providing 50-50 matching grants for the suburban communities to make surveys and plans for the further use and development of rela-

tively large tracts of predominantly open land located within the community. In the event the land development planning is conducted on a metropolitan basis, the federal contribution would be increased

to 75%.

2. A \$100-million fund to lend to local communities to buy, plan, improve, and resell—with proper restrictions—relatively large tracts of predominantly open land.

Insurance for land development loans is the biggest change proposed for FHA

Effective demand for housing depends in large measure on the amount of mortgage funds available and the terms available to prospective homebuyers. We recommend that mortgage terms be liberalized as follows:

1. Cut to 10% the down payment on houses appraised at \$18,000 to \$20,000. Cut the down-payment increase above \$20,000 to 25% of the excess instead of 30%.

2. Let the FHA Commissioner reduce the FHA insurance premium (now at the statutory floor of 1/2 of 1%) to as low as 1/4 of 1% if actuarially justified. This would help further to reduce monthly housing costs for prospective homebuyers.

3. Raise the \$22,500 mortgage ceiling on FHA one-family homes to \$25,000. This would permit FHA to serve more families with three, four, and five or more children.

FHA insurance for land development

Certainly one of the most important problems facing the homebuilding industry is the lack of well located, suitably developed land. This lack has undoubtedly contributed to soaring land costs as a component of housing costs. Means to finance land development are limited in many communities, so only a relatively small group of builders or developers with substantial capital can undertake land development. The monopoly elements inherent in

this situation are clearly undesirable.

It is pertinent to note that in the Housing Act of 1959 Congress evidenced its concern with this problem by authorizing federal savings and loan associations to invest a limited portion of their assets in loans to assist land development. FHA land insurance would afford an opportunity for such investment to other lender groups, so we recommend a new FHA program to insure low-ratio, short-term loans for improving and developing raw land, with appropriate safeguards against speculative abuses.

Program simplification

During the past 25 years FHA has been expanded from its original concept of a mutual mortgage-insuring authority (primarily for insuring long-term high-percent-age loans on one- to four-family dwellings) to a burgeoning agency administering a multitude of varying activities in housing financing.

In this expansion, new titles have been added to the National Housing Act and programs have been initiated in many directions.

Considerable simplification, coordination and consolidation of FHA programs, regulations, and activities would unquestionably inure to the benefit of the agency and the people it was created to serve. The task force recommends an immediate thorough review of all FHA programs and commends

for study the possibility of rewriting the National Housing Act with respect to FHA programs for the purpose of consolidating them under three major titles:

Title I—Home improvement and modernization

Title II—Home mortgages

Title III—Multifamily housing

FHA should be given adequate authorization for at least a four-year period, in order to avoid the recurring crises which have complicated the agency's operations when its annual authorization ran out. Recommended increments: \$8 billion to carry FHA through fiscal 1962 plus \$6 billion for each of the next three years.

Encouragement of experimentation

Because of the statutory "economic soundness" criterion which governs FHA operations, the agency is handicapped in encouraging the development of original construction ideas and innovation in design and technology. This statutory obstacle may well be impeding technological breakthroughs which could lead to greatly increased efficiency in housing construction and to lower costs. So the task force recommends setting up a new \$5 million-a-year FHA insurance fund exempt from the "economic soundness" requirement, for the purpose of encouraging improved design and technology and innovation.

FNMA needs to expand its borrowing authority and increase assistance to special housing programs

FNMA has provided a reasonably adequate secondary market backstop for the FHA and GI loan programs, and has furnished a helpful measure of liquidity to mortgage originators. The only immediate problem apparent here is that FNMA's common stock capital accumulation, resulting mainly from requiring mortgage sellers to buy its stock, has not been sufficient to assure the projected necessary expansion of FNMA's borrowing authority (which is limited to ten times its corporate capital and surplus).

So the task force recommends that the Treasury be authorized to buy an additional \$40 million of FNMA preferred. This should furnish adequate capital to continue its regular secondary market opera-

tions through the end of fiscal 1962.

The task force recommends greatly increased efforts to insure the continued development of the special assistance program, which in turn supports and stimulates especially deserving and meritorious housing programs like military housing, cooperative housing, urban renewal housing, housing for the elderly, and disaster housing.

Grants for special assistance

So the task force recommends that the present \$950 million special assistance fund be increased by \$450 million. Of this, \$350 million will be needed for Sec 220 urban renewal and Sec 221 relocation housing, and \$75 million for housing for

the elderly.

The special Sec 213 cooperative housing fund should be increased by \$50 million exclusively for true consumer cooperatives.

Secondary market facilities

Much attention has been devoted by industry groups, Congressional committees, and mortgage experts to the question of how to provide a more effective secondary market mechanism. There are a number of private studies almost concluded dealing with the whole broad area of secondary mortgage market operations. Therefore, the task force makes no recommendations in this area pending the completion of these studies.

continued

Private industry should be allowed to play a bigger role in subsidized housing

Federal subsidies will continue to be essential to meet the housing needs of those families whose incomes are too low to afford decent private housing. However, this does not mean that a federal bureaucracy is in the best position to determine what type of program is best suited to each locality.

So, as an alternate to the present public housing program, the task force proposes the authorization of federal subsidies to local governments, to be used for whatever plans the local governments may devise (including public housing) that promise to improve the housing condition of those who cannot afford decent private housing.

Federal legislation authorizing the new program should include a clear statement of purpose, a set of safeguards to assure wise use of the money, and an implementing authorization of funds. The community itself would determine how these funds are to be used, and in all cases would be required to make a local contribution of 10% and coordinate this program with other community development plans.

New ideas should be tried

The new program must provide the widest latitude for local discretion, provide maximum encouragement to new ideas and experiments, and give the families aided every incentive to improve their own economic status.

The new program should also provide inducements to private enterprise to join in the task of providing decent housing for all families. The overwhelming bulk of new-home construction will continue to be in the normal private market. Thus the new program should make it possible to stimulate construction of housing in lower price and rent ranges generally. By greatly expanding our inventory of moderately priced homes we can contribute immeasurably to the eventual solution of our housing problems.

The federal subsidy would be available in annual installments over the necessary

period of years. It is expected that the subsidies will average about \$500 per year per family, as under the present low-rent housing program.

A number of possible local programs have been proposed and discussed, but it cannot be overemphasized that the federal subsidy could be used for any other promising plan.

Possible local programs

Following are samples of plans that may be utilized as outlined or with some variations:

1. The subsidy could be used to encourage construction of new private housing by meeting some part of the rental or mortgage payments of an eligible family. Such payments might be made directly by the local agency to the landlord or mortgagee. These payments could be reduced periodically according to a predetermined schedule. In most cases they would be needed only for a limited period (such as ten to 15 years). The subsidy could also be used to provide down payments for families with limited liquid assets.

2. The local agency might accumulate a stock of units through purchase or lease and apply the subsidy toward the rent of eligible families. This approach has the advantage of using a variety of homes in scattered sites.

3. Rent certificates might be employed on a temporary and limited basis. For example, a family displaced by urban renewal might be made eligible for such relief until new housing becomes available in the urban renewal project or elsewhere.

4. The subsidy could be used to help owners to undertake essential rehabilitation. Such aid could consist of low-interest loans on liberal terms or a grant of part of the cost of the rehabilitation. In addition to individual assistance, the local public agency might invite sponsors to submit bids for the rehabilitation of existing homes on a mass production basis in urban renewal areas.

5. The subsidy could be used to acquire and improve vacant land for resale to private builders. Builders wishing to participate could compete by offering the best proposals for low-cost, efficiently produced housing.

6. Federal funds could be used in connection with municipal bond issues where funds borrowed by the city in the private market are reloaned to sponsors, such as nonprofit and limited-profit corporations, to build projects for eligible families.

7. In communities so electing, the subsidy could be used for the construction of regular low-rent public housing of the kind provided under existing law.

Subsidy period

It is expected that every encouragement would be given to local plans involving a relatively short period of assistance such as ten or 15 years. However, some local programs will require that the subsidy be available for a longer period. For example, in the case of a subsidy to a homeowner taking a 30-year mortgage, it is likely that he will need assistance for no more than ten years or so, but the lender will undoubtedly want assurance that the subsidy will be available for a longer period if necessary. Similarly, local borrowing on the private market will probably involve mortgages of 20 or 25 years, and low-rent public housing, such as provided under the present program, involves 40-year financing. Therefore, 50% of the funds provided under this program should be available for only a period of perhaps 15 years and the other half would be available for a longer period.

Year	Amount authorized (\$ million)		Approximate No. of units aided	
	New contracts	Carry-over	New	Cumulative
1961	50	0	100,000	100,000
1962	75	50	150,000	250,000
1963	100	125	200,000	250,000
1964	100	225	200,000	650,000

Meanwhile, here are five improvements to make in the present public housing program

This program has made an important contribution in providing decent housing for low-income families. However, a number of reasons (including site selection difficulties, a lower quality of tenancy, the "institutional" appearance of some projects, unsympathetic and bureaucratic administration, changed economic conditions, and opposition and non-cooperation by some groups) have made the program much less effective in meeting the needs of our low-income families, according to many of its ardent supporters. So the task force recom-

mends these changes in legislation:

1. Raise the income ceiling for public housing 25% by abandoning the idea of minimizing competition between private and public housing by leaving a 20% gap between the highest income level for which subsidized public housing can be built and the lowest income whose needs can be met by private housing—ie, authorize public housing for middle-income families as well as low-income families.

2. Give local officials a free hand to de-

termine what tenant selection preferences, if any, they wish to apply.

3. Let tenants whose incomes rise above the ceiling level stay on by paying full economic rents. Evicting them discourages tenants from improving their own economic status, encourages concealment of income, and deprives the project of its most successful families.

4. Authorize the local agency to sell existing public-housing units (particularly row houses) to the tenants, either as indi-

viduals or in cooperatives, but only if provision is made for replacing public-housing units needed in the locality and only if private housing is not available within the means of the purchaser.

5. Give local public-housing authorities

an incentive to operate the projects economically by letting them apply any "residual earnings" to faster amortization of their bonds instead of reducing the federal subsidy. Set the annual subsidy at a fixed amount before the project is built, based on 90% of the debt service

instead of 100% as now.

Subsidy funds under the previously discussed new program for low-income families could at the local community's option be used for public housing, so no separate authorization of public housing units will be needed.

We need more money and better planning to assure successful urban renewal

The urban renewal program is our most direct and effective attack on urban blight. It must play a basic role in any effort to eradicate slums and accelerate orderly urban growth; and it makes a vital contribution to urban fiscal solvency by eliminating blighted areas which cost far more in government services than they return in tax revenues.

But experts are virtually unanimous that its tempo must be greatly accelerated if we are ever to make an effective dent in slums and blight. Spokesmen for the nation's mayors agree that federal assistance averaging \$600 million a year for ten years is needed.

Urban renewal is a long process

So it is important to assure communities that federal assistance will be available when needed. However, the task force does not consider it practical to undertake a ten-year program at this time. Instead it recommends an authorization of \$2.75 billion over the next 4½ fiscal years, on which the Administration can commit itself and thereby enable local communities to plan a realistic long-term program—\$250 million for 1961, rising to \$500 million in 1962, to

\$600 million in 1963, and to \$700 million in 1964 and 1965.

Federal share of the cost

The federal government pays two-thirds of the net cost of slum-clearance projects and the community pays the other third, either in cash or by non-cash grants-in-aid in the form of new public facilities, land donations, or services. These grants-in-aid are generally easier for the community, but experience has shown that in most cases only [the larger] cities can take advantage of this easier method of meeting the local share. So the task force recommends that the federal share be increased to three-fourths in the case of small and medium-sized cities.

Problems arising from the lack of comprehensive metropolitan-area planning are growing steadily more serious. There is an urgent need to provide inducements to area-wide planning, so the task force recommends that the federal share of urban renewal costs be increased to three-fourths in metropolitan areas covered by a comprehensive area-wide plan.

Sec 701 of the National Housing Act authorizes federal grants to meet half the

cost of local planning. This program has proven both popular and effective; already some 1,400 small areas and 110 larger areas are participating, so the task force recommends that authorization be increased \$10 million a year for the next four years.

Allow non-residential projects

Basic purpose of the slum-clearance program was to eliminate substandard housing and slum neighborhoods. However, it has long been recognized that clearing blighted nonresidential areas is sometimes extremely important to healthy city development. So the task force recommends that the Housing Act of 1949 be amended to permit the use of up to one-fourth of all grant funds for nonresidential projects.

Displaced business firms

The task force recommends that the federal government should pay the full amount of actual moving costs of displaced business firms and the Small Business Administration should be authorized to make 15-year, 3% loans to displaced business firms; \$25 million should be provided for this purpose.

We must coordinate rail and mass transit systems with our planning for metropolitan highways

In urban centers, transportation—together with housing availability and economic development—determines the pattern of location of people and industry, influences directly the price of land, and distributes special benefits and special costs to various groups within the urban complex.

For 50 years the federal government has been involved in shaping the transportation network of every major urban center. Primarily, the government has committed itself to encouraging and extending the use of automotive facilities, and until recently it has given first priority to inter-city, non-urban highways.

Within large urban and metropolitan areas, however, exclusive reliance on the highway system is wasteful and, in the end, self-defeating. Mass transit and pri-

vate railroads must maintain and extend their services if urban economics are not to suffer increasing costs and inefficiencies from unbalanced emphasis on automobile facilities.

In the long run, the task force believes the urban transportation program will be successful only when the different transportation modes are considered as components of the same system, their development planned on an integrated basis, and their financing secured under conditions which assure reasonable equality of treatment in terms of public subsidy and taxation.

We believe direct grants are the only real solution. We believe state and local action in the form of tax forgiveness to private carriers will be required, and federal policy should encourage that action. We believe the management and operations of

mass transportation facilities require analysis and inspection and that full benefit of federal assistance will not be realized until corporate and structural reforms separating commuter from intercity operations and assuring effective management in the former are accomplished. We recommend the development of such legislation based on the experience gained in the Long Island Railroad reorganization and the Philadelphia-Pennsylvania Railroad lease service experiment.

More specifically, we recommend passage of the Williams bill providing \$100 million for planning grants and public facilities loans; we recommend amending the federal highway act to require consideration of alternate means of transportation; and we recommend the appointment of a Presidential study commission.

continued

Here are proposals for farm housing, college housing, and housing for the elderly

In 1950, 77% of farm housing was substandard; that is, it was either dilapidated or lacked inside plumbing facilities.

Since 1950 there has been some improvement, but the 1960 census is expected to show that farmers still live in some of the poorest housing in the nation. The farm housing problem is no less complex than the farm problem in general—it is basically an economic problem. Low farm income is the principal cause of poor housing among farmers, but in some respects, farm housing is worse than warranted by economic conditions.

Title V of the Housing Act of 1949 authorized loans and grants to farm owners to build, improve, alter, repair, or replace dwellings and other farm buildings; \$450 million was authorized in 1956 for direct loans for farm housing for a five year period.

Unfortunately, because of a decidedly unsympathetic Administration, the wishes of Congress were all but completely frustrated and thwarted in this area. The outgoing Administration's neglect had led some to believe that Title V was a failure

and should be either repealed or drastically overhauled. Farm authorities, however, feel that there is absolutely nothing wrong with the law and that, in the hands of an enlightened and sympathetic Secretary of Agriculture, Title V can be made an effective vehicle for both farm housing and rural non-farm housing, the importance of which is increasing yearly.

So the task force recommends that the Title V farm housing program be continued for four more years, that \$450 million be authorized for direct loans on "adequate" or "potentially adequate" farms, that \$10 million be authorized for commitments or contributions to reduce loans on "potentially adequate" farms, and that \$50 million be appropriated for improvement and repair loans and/or grants to keep farms sanitary and safe, and to encourage family-size farms.

College housing loan program

The task force strongly recommends that sufficient funds be made available to colleges and universities during the next four years to cope with the mounting enroll-

ments which face these institutions. (The Office of Education estimates enrollments will increase from 3,610,000 in the Fall of 1960 to 4,750,000 by the Fall of 1965.)

So the task force recommends that the college housing loan fund be increased by \$650 million in the first year (this includes \$150 million to supply the program through the current fiscal year) and an additional \$500 million a year for each of the following three years.

Housing for the elderly

The Housing act of 1959 made a significant breakthrough in providing decent housing to elderly citizens at rentals they can afford. In essence the plan authorized \$50 million in direct loans to nonprofit corporations at a very low interest rate (3½% under the current formula) and for terms up to 50 years.

The task force recommends that the original authorization be increased by an additional \$50 million. Also that the requirement to finance through appropriations be eliminated and public debt transactions be substituted.

Now is the time when we should raise housing and other urban affairs to Cabinet rank

Three major factors make it timely to reorganize HHFA into a Cabinet level department:

1. The importance of its programs

Few departments of the government now exceed the Housing Agency either in the importance and magnitude of its functions or in the proportion of the population affected.

Private residential, non-farm construction in the past two years was almost one-third of all private domestic investment. This percentage may well increase as the children born during (and immediately after) World War 2 marry and begin to establish their own households. The impact of residential construction on the national economy is even greater than this figure indicates, because this construction generates a large and quickly felt demand for home furnishings, equipment, and related public facilities.

The impact of the Housing Agency programs on the economy is incidental to their impact on the living conditions of many millions of our citizens.

Housing Agency programs have such a great impact on the entire national economy and their financing has such a great impact on our private money market and federal debt structure, that its functions play an extremely important part in major economic and fiscal decisions of frequent con-

cern to the Council of Economic Advisers, the Bureau of the Budget, the Treasury, and—in fact—to the President himself.

2. Accelerating urban growth

In 1900, 24.1 million people lived in metropolitan areas. By 1959 this number had increased fourfold to 100 million, while our total population was increasing less than one-third. Even more rapid urban growth can be expected in the years ahead.

We may therefore expect even greater strains on the traditional ways of producing housing and related community facilities, and also on the existing federal, state, and local governmental programs for housing and urban development.

3. The need for coordination

The Housing Agency's programs are unavoidably complex and there is a compelling need to coordinate them with each other, with the programs of other agencies and departments, and with the general fiscal policies of the federal government.

Housing production must be geared to the development of such community facilities as sewer and water lines, and these requirements for expansion must be considered along with the need to prevent and eliminate slums and blight in existing areas.

Federal aids for airports, highways, and schools are appropriately administered

within the Department of Commerce and the Department of Health, Education & Welfare; but in each urban locality, the location, timing, and size of these facilities must be made on the basis of overall plans.

The unity of purpose which is fundamental to a successful attack upon the nation's housing and urban development problems would be facilitated by the establishment of a single federal department organized to give the necessary coordinated leadership to our localities and to represent their interests on the federal level.

The name of the new department

Suggested names include Department of Urban Affairs, Department of Urban Development, Department of Urbiculture, Department of Housing & Community Facilities, Department of Housing & Metropolitan Affairs, Department of Housing & Urban Affairs, and Department of Housing & Urban Development.

The differences in the names do not reflect any difference in the functions their proponents would assign.

The inclusion of the word "housing" in the title would have the advantage of indicating the Department's historical origin. It would also give the name more meaning to the public at large, partly because the concept of housing is more specific and more familiar than the concept of urban development. For these

reasons, we recommend the inclusion of the word "housing" in the title, although we recognize that there is some advantage

in a shorter name which better suggests that the new Department would have a unified mission. Among all the suggested

names which include the word "housing" we prefer "Department of Housing & Urban Development."

Here is an outline of recommended functions that should be included in the new department

The only functions assigned to the new department should be those whose basic objective is to improve day-to-day living conditions within urban areas. That would give the department a unified mission.

Several proposals for creating a new Department for Urban Affairs have been defective in that they assign to it a variety of functions which are only tangential to this underlying purpose. For example, some proposals would assign civil defense activities, hospital and school aids, and airport and highway construction responsibilities to the new Department. This would be a serious mistake. It would solve no present problems and create many new ones. The Department would be a catch-all giving the appearance—but not the substance—of coordination. The head of such a Department of urban miscellany would soon find he had lost much of the real control over its diverse activities.

The new Department should include all the functions now in HHFA and two others:

1. Responsibility for any federal program of aid to local urban mass transpor-

tion, as distinguished from aid to interstate highways.

2. The program to combat water pollution by means of federal grants for municipal sewage treatment plants. This is now administered by the Public Health Service, but its major purpose warrants its transfer to the proposed new Department, which could, of course, draw on the technical skills of the Public Health Service on a reimbursable basis.

The Home Loan Bank Board

In view of the strong support from the savings and loan industry and the strong bipartisan and, fairly recent, Congressional support for the Board's independence, it seems undesirable at this time to attempt to transfer its functions to the new department. Instead a thorough study should be undertaken of the relationship between the Federal Home Loan Bank Board's financing functions and its regulatory functions, including those of the Federal Savings & Loan Insurance Corporation. In addition, the relation of the Board's func-

tions to the thrift industry and the mortgage market should be reexamined with a view to possible changes both in the substantive law and in the organization of the Board.

The VA home loan program

We also believe it would be unwise to transfer the VA program to the new Department. The major obstacles which prevent the VA home-loan guarantee program from being coordinated as it should with the FHA mortgage insurance program are the result of statutory provisions which cannot be changed by governmental reorganization. Chief among these are their differing limitations on interest rates.

Other statutory differences are relatively minor but they would, if anything, be even more irritating to builders and mortgage lenders who use both programs if they were to be administered by a single agency. Accordingly, this matter can best be dealt with through separate substantive legislation rather than through a governmental reorganization bill.

FHA would lose its present independence in the proposed new housing department

The present basic structure of the housing agency should not be followed in setting up a Department of Housing & Urban Development, because it is the result of historical accident rather than reasoned decisions.

FHA and PHA were established before the overall housing agency; and when they were transferred into HHFA basic statutory authority continued to vest in FHA and PHA Commissioners, subject only to general supervision and coordination by the Housing Administrator. The organization of FHA and PHA continues to resemble that of independent agencies. Each has its own regional or field offices.

The FNMA which was transferred from RFC to HHFA in 1950, operates more like a part of the housing agency than do FHA and PHA primarily because the Housing Administrator is Chairman of FNMA and appoints the other members of the Board; but FNMA also continues to maintain its own regional offices.

Only the Urban Renewal Administration and the Community Facilities Administration have their powers vested by statute in the Housing Administrator; but many of their important powers are delegated to regional housing administrators

who have not even supervisory power over FHA, PHA, and FNMA field operations.

Serious deficiencies have resulted from this diffusion of authority. For example, the HHFA administrator's approval of a locality's "workable program" is a prerequisite for URA approval of the locality's application for a renewal project and for PHA approval of its application for a public housing project to house families displaced by the renewal project. At the same time, FHA may be processing a special assistance mortgage application for a housing project on the urban renewal site and for another housing project elsewhere for persons displaced. In such a case, a material failure by any constituent agency to coordinate its processing with that of another could upset the entire operation.

Outside of Washington, there are now 213 regional and field offices in the housing agency located in 147 cities. Each of the five constituents and the VHMCP has its own set of regions, except that URA and CFA use the same. FHA has 75 insuring offices in the field and 64 stations for servicing or valuation. There are 48 other area or field offices in HHFA mostly dealing with CFA functions.

To end this confusion, all statutory

powers of the proposed department should be vested in the secretary who should have an under secretary and three assistant secretaries appointed by the President and confirmed by the Senate.

All other officials of the department should be appointed by the secretary, including specifically the FHA Commissioner, who is now a Presidential appointee not directly responsible to the Housing Administrator.

Processing and operating functions would be delegated by the secretary to the commissioners of these operating organizations: 1) Urban Housing and Renewal Administration, 2) Federal Housing Administration, 3) Federal National Mortgage Administration, and 4) Community Facilities Administration. These would correspond roughly to the present constituents of HHFA except that PHA and URA would be combined.

The separate sets of regional offices for each of the various programs in the housing agency should be consolidated. The benefit of consolidating the department functions in Washington would be largely lost if field operations are not consolidated. /END

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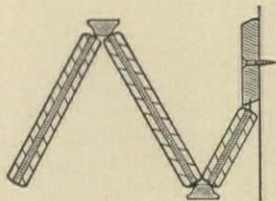
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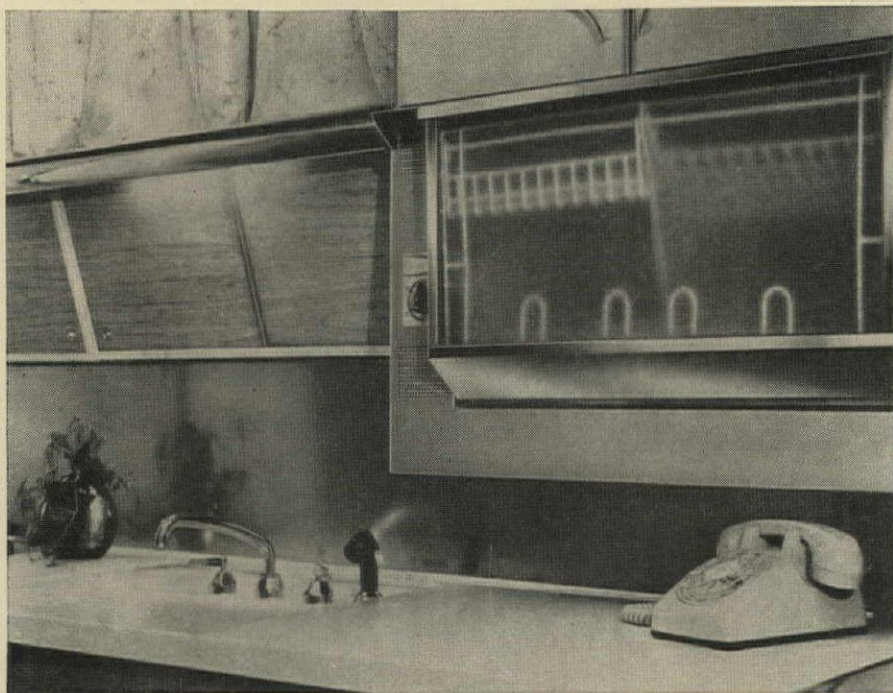
Be sure to see

NEW WAYS TO BUILD BETTER

A monthly report on home building ideas, products, and techniques

Starting here

New products



New-style dishwasher can hang from a cabinet, sit on a counter, or be fully portable. Three models handle service for six, ten, or 15 people in a box only 15" or 18" high, 13" deep, 30" wide. A 1/3-hp motor oscillates a solid stream of high-velocity water over the dishes. Water changes seven times during cycle but wash operation takes only 7 1/2 gallons and is completed in 12 1/2 minutes. A 12 1/2-minute steam cycle rinses and purifies dishes.

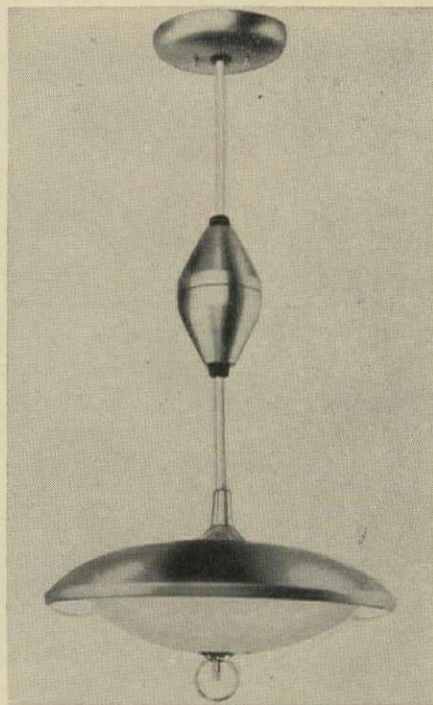
Ling-Temco Electronics, Dallas.

For details, check No. 1 on coupon, p 188

Budget lighting fixtures, like the one on the left, make up a new line from Emerson-Imperial designed for the speculative building market. Line includes 19 new fixtures of all types: two pull-down fixtures, two wall brackets, three kitchen drum fixtures; three hall lights, five bedroom fixtures, two bullet fixtures, one bathroom-kitchen fixture, one mirror-work-area light.

Emerson Electric, St Louis.

For details, check No. 2 on coupon, p 188



And on the following pages

Technology

Glass envelope heats and cools glass house. . . . New h-p roof anyone can build. . . . Flat-car load cuts lumber handling costs. . . . Valance hydronic system passes cooling tests.

page 160

What the leaders are doing

What market are the "builders other builders follows" aiming for? . . . Aerial photos aid land acquisition. . . . Expert panel answers buyers' questions. . . . Door-to-door selling pays off.

page 165

Publications

How to use kraft-veneer panels. . . . Comics sell windows. . . . Full data on polyethylene pipe. . . . New catalogs of wood products, ornamental hardware, luminous ceilings, faucets, etc.

page 182

More New Products

New tools to move big loads, big packages. . . . New storage uses dead corner space. . . . Suspended grid ceiling for residences. . . . Sliding door suits cold climates.

page 172

"Excellent dimensional stability... no callbacks on Insulite Primed Siding"

Medema Builders, Inc., builders of fine homes in Oak Forest, Illinois, have used Insulite Primed Siding since 1957—have never had a customer callback on any Insulite product

"In the four years we have used Insulite Primed Siding we have seen no warping, buckling, shrinking, expansion or contraction."

No splitting. Further statements point up the Medema brothers' satisfaction with other qualities of this fine product: "We like the fact that Insulite Primed Siding comes to us completely packaged in uniform lengths and thicknesses. And it's

easy to work with—it just won't split or crack from nailing."

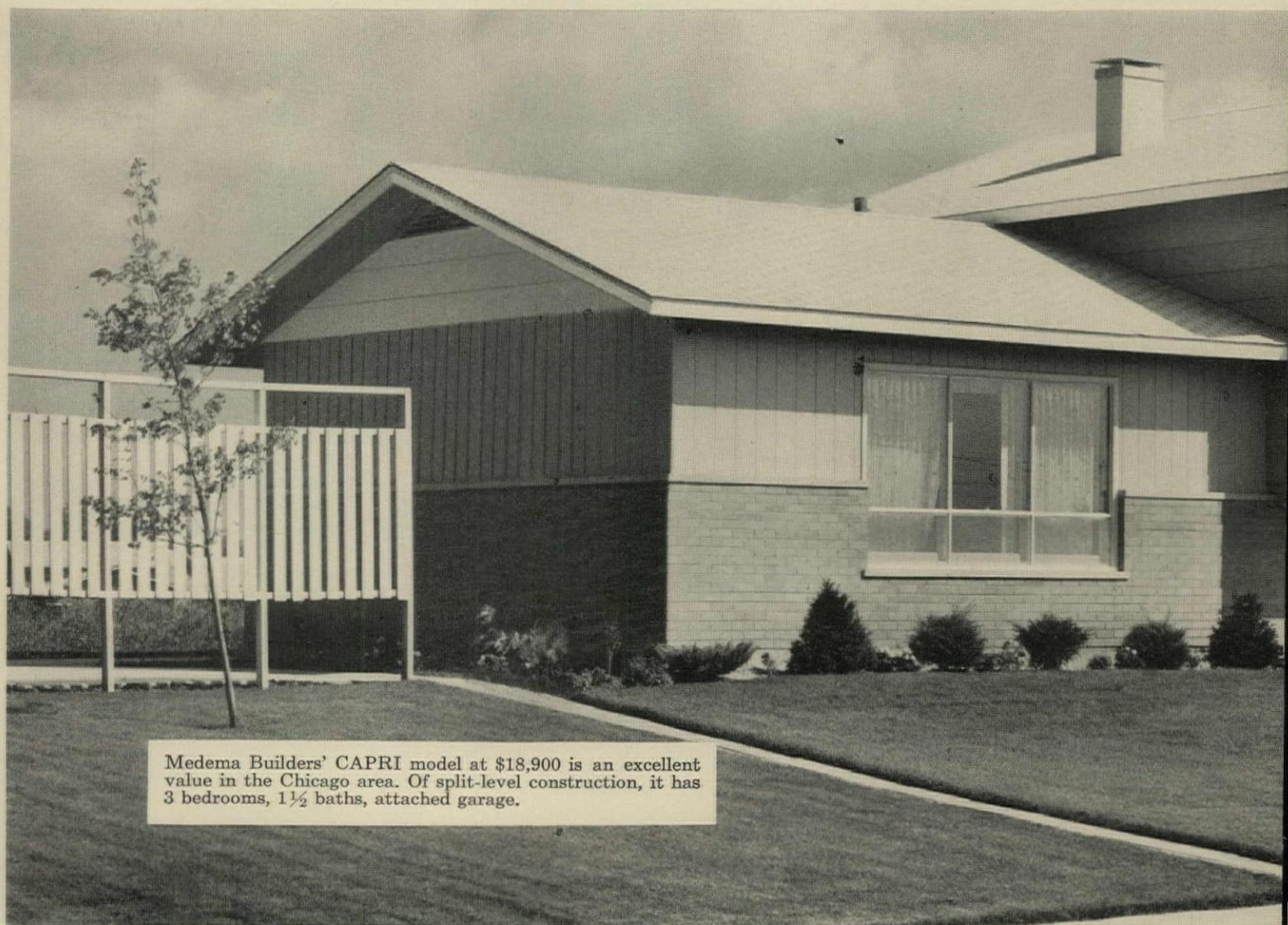
Quality at a fair price. The use of name-brand materials is one of the big reasons why Medema Bldrs., Inc. can live up to its motto of giving every buyer "quality at a fair price." And this has paid off in enthusiastic owners who act as "salesmen" for homes still to be constructed in the \$12 million

Medema-built "El Vista" community. In fact 55% of all "El Vista" homes now sold result from a recommendation by a present owner! **Get complete facts.** Find out how Insulite Products can help you keep your building costs down—while keeping quality up. Just call your nearby Insulite Sales representative; or write now to Insulite, Minneapolis 2, Minnesota.

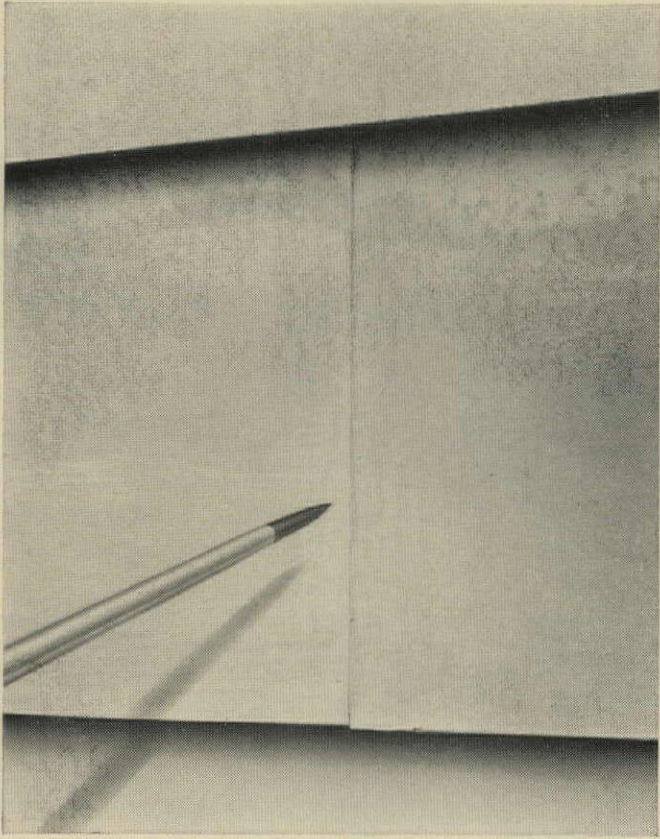
Build better with **INSULITE**® Primed Siding



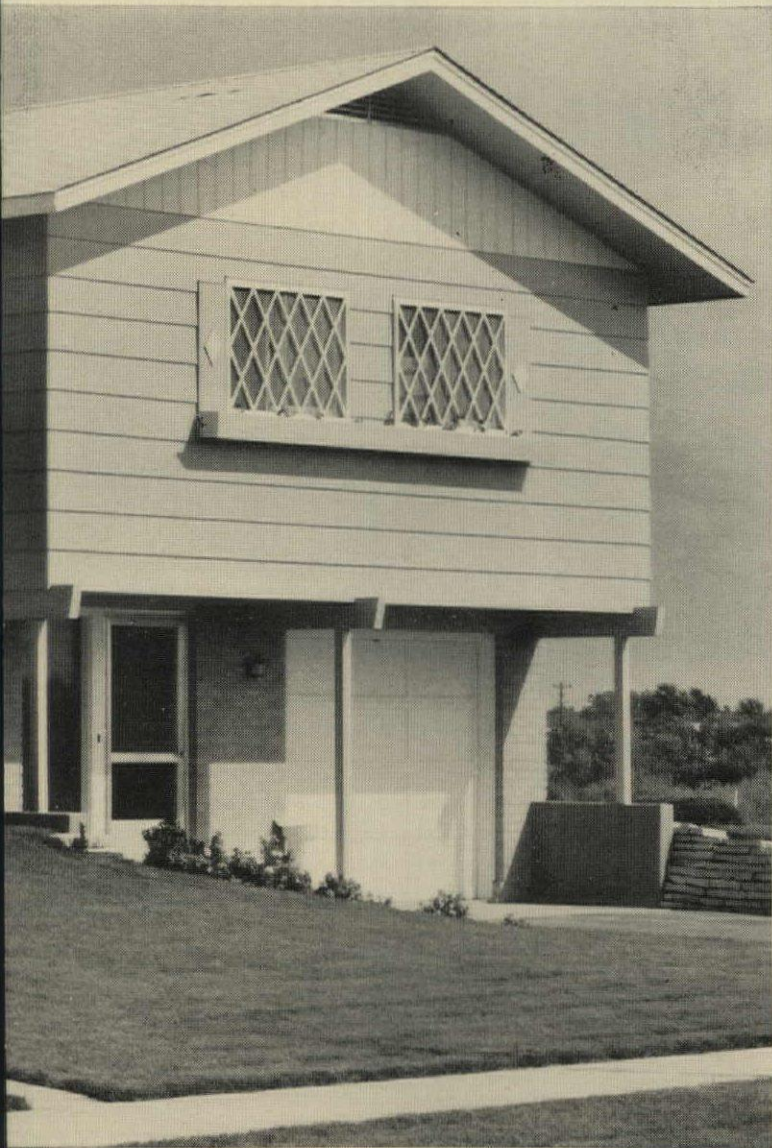
Insulite Division of Minnesota and Ontario
Paper Company, Minneapolis, Minnesota



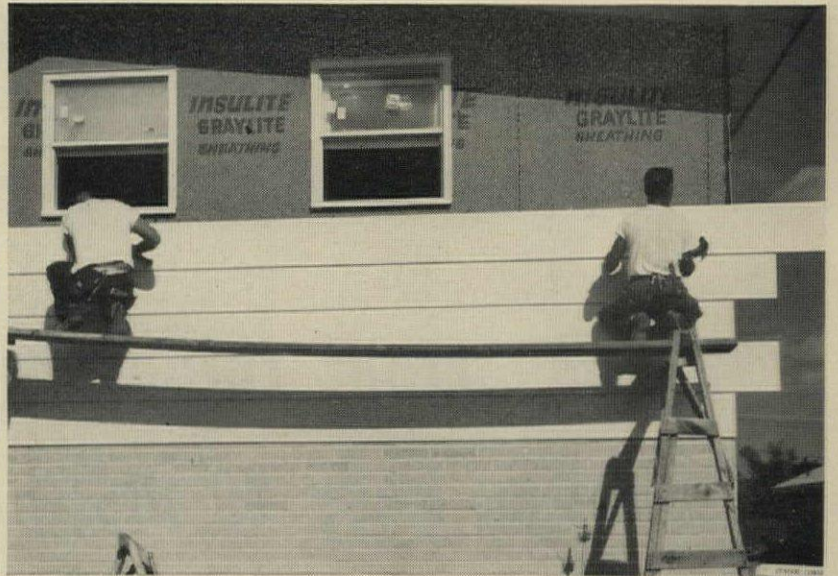
Medema Builders' CAPRI model at \$18,900 is an excellent value in the Chicago area. Of split-level construction, it has 3 bedrooms, 1½ baths, attached garage.



NO SHRINKAGE. This unretouched photo was taken almost four years after this Insulite Primed Siding was applied. Notice that this siding's excellent dimensional stability has kept the butt joints as tight and weatherproof as the day they were first made.



EASY TO SAW AND NAIL. Medema Builders say Insulite Primed Siding "cuts easily with hand or power tools—won't crack, split or splinter." And because its density is close to that of natural wood, no special nails are needed.

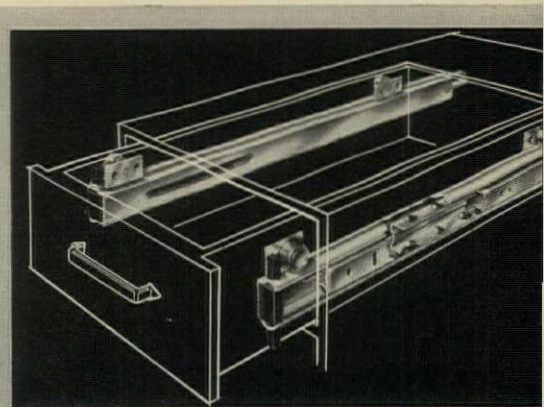


GOES UP FAST. Here's how Medema Bldrs. put it: "Insulite Primed Siding is easy to handle, easy to apply over the rugged Insulite Sheathing we also use. Packages unload from truck quickly—either manually or with fork lift."



SAVES \$65 PER HOME. Medema estimates "savings of \$65 per house because factory-primed Insulite Siding saves us one complete coat of paint. What's more, we find it helps make the finish coat blister-free. We have never had a paint complaint on Insulite."

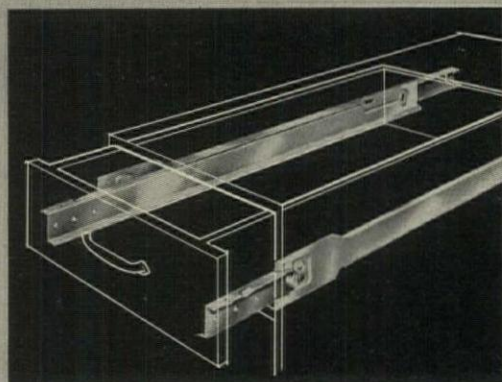
A complete line: Heavyweight • Lightweight
Full-extension • Under-drawer • Single-track
Double-track • Self-closing.



**No. 1400 Ball-Bearing,
Full-Extension Drawer Slide**

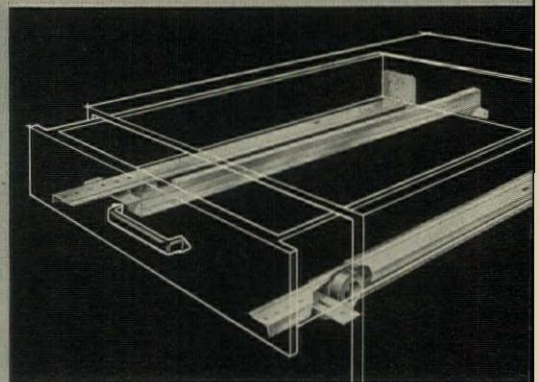
Improved to provide even better floating extension for heavy drawers. Super Oilite Bearings positively eliminate sticking, jamming, sag or breakdown even when drawers are fully extended under heaviest load. Heavy gauge, zinc-plated steel. Unquestionably the finest drawer slide on the market. Recommended for loads of 100 pounds.

*The important things to remember about K-V
They're easy to install! Won't sag or stick!*



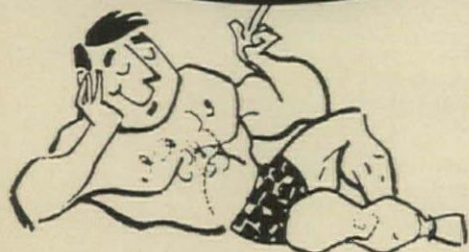
**No. 1100 Lightweight
Drawer Slide**

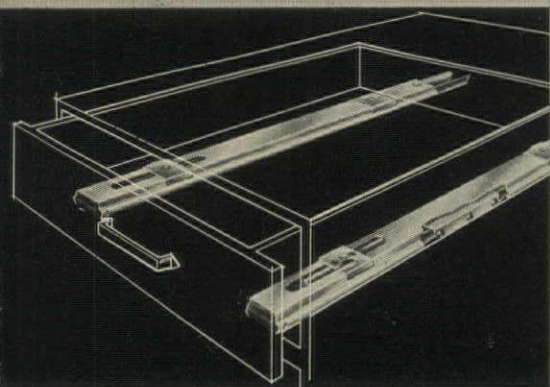
Ideal for kitchen and other home cabinets. Bright zinc-plate finish. Long life of smooth, quiet action guaranteed by 3/4" nylon rollers. Engineered for easy positioning; no measuring, marking or templates required. Only 1/2" clearance needed on each side of drawer. Zinc-plated finish. Recommended for loads to 50 pounds.



No. 1150 Under-drawer Slide

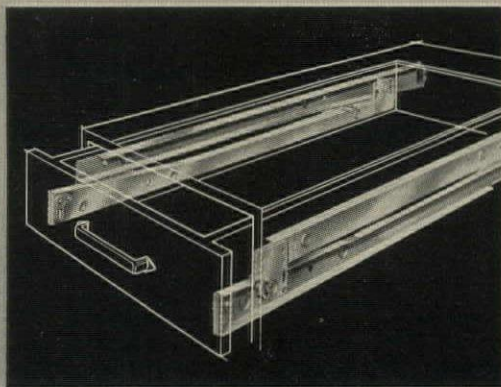
Under-drawer design allows you to use otherwise wasted space between drawers; hardware is completely concealed when drawer is open. Self-aligning drawer tracks for easy installation—even on existing drawers. Zinc-plated finish. Recommended for loads to 50 pounds. Large nylon rollers for quiet action, smooth operation and long, trouble-free service.





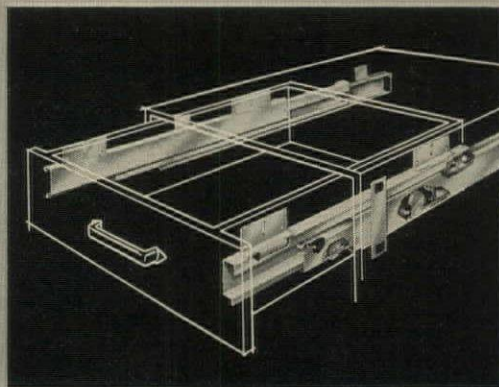
**No. 1500
Under-drawer Extension Slide**

Designed for use where side clearance space is not available. Ideal for narrow spaces, built-in units, deep storage drawers, built-in record players or pull-out typewriter shelves. Zinc-plated finish, on heavy gauge steel, ball-bearing rollers for smooth, frictionless operation. Recommended for loads of 50 pounds.



**No. 1600 Self-closing
Drawer Slide**

Operates smoothly and quietly on lifetime ball bearing nylon rollers. Drawer closes automatically when within six inches of closing; may be removed easily at full extension. Stopping points protected with rubber bumpers; slides and bearings permanently lubricated. Made of heavy gauge, zinc-plated steel. Recommended for loads up to 100 pounds.



**No. 1700 Full Extension
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Designed for use in executive desks, file cabinets and drawers containing heavy precision equipment. Superior construction insures a lifetime of smooth, easy operation, allows full use of all the drawer space even under heavy weights. Made of heavy gauge, zinc-plated steel. Recommended for loads over 100 pounds.

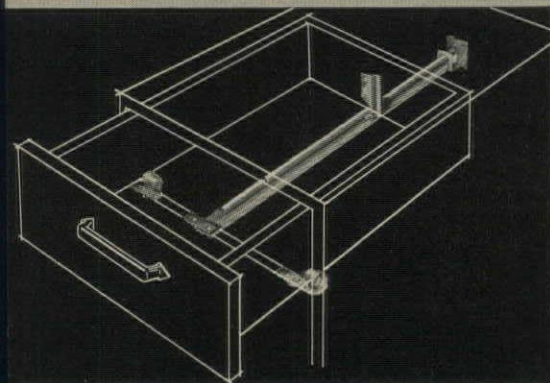
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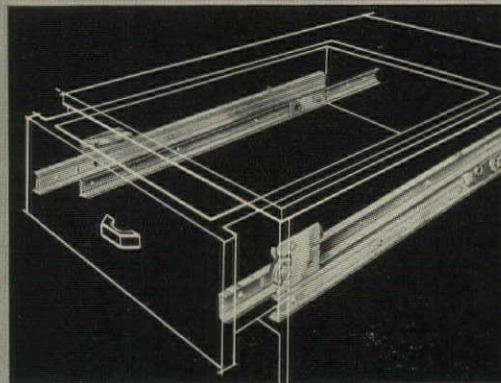
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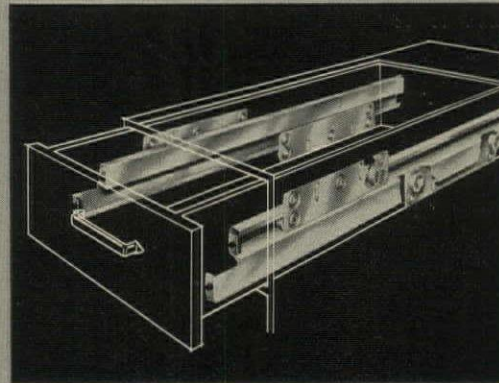
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**No. 1390 Lightweight Full
Extension Drawer Slide**

Fits all drawers from 15" to 29" deep, provides excellent full-extension drawer range for a variety of cabinet styles. Durable zinc-plate finish, rugged construction. Long, quiet life assured by 7/8" nylon rollers. Lifts out easily for cleaning when fully extended. Recommended for loads to 50 pounds, fully extended.

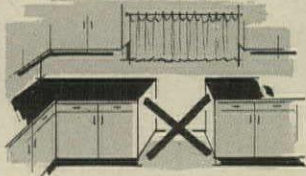


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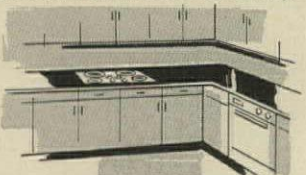
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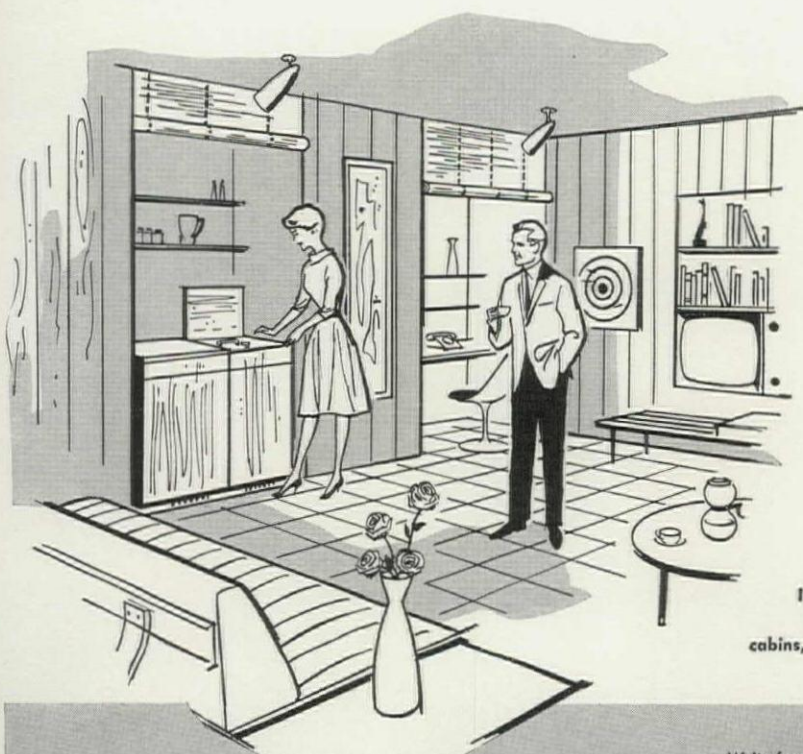
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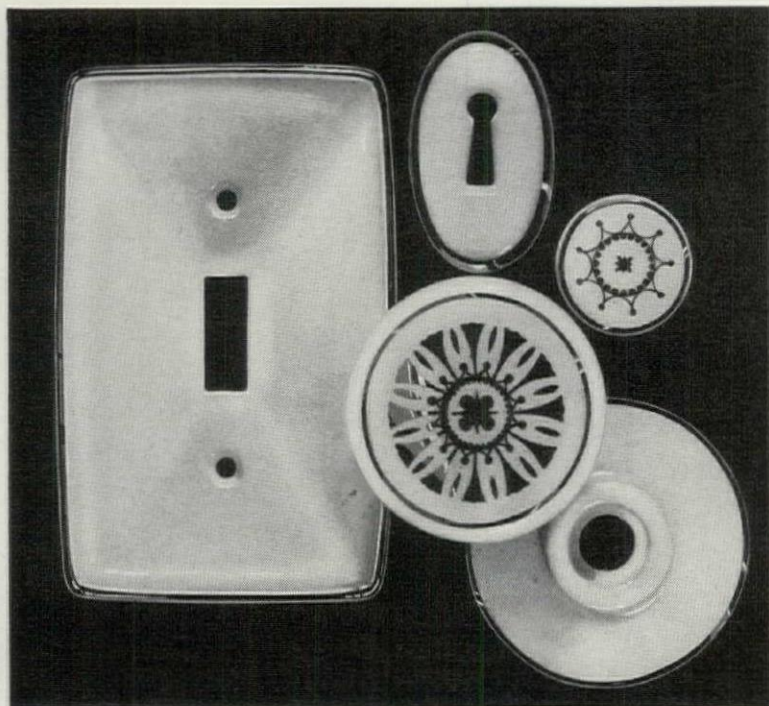


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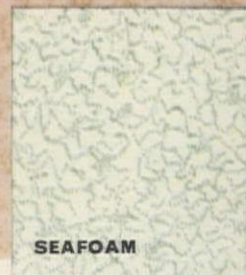
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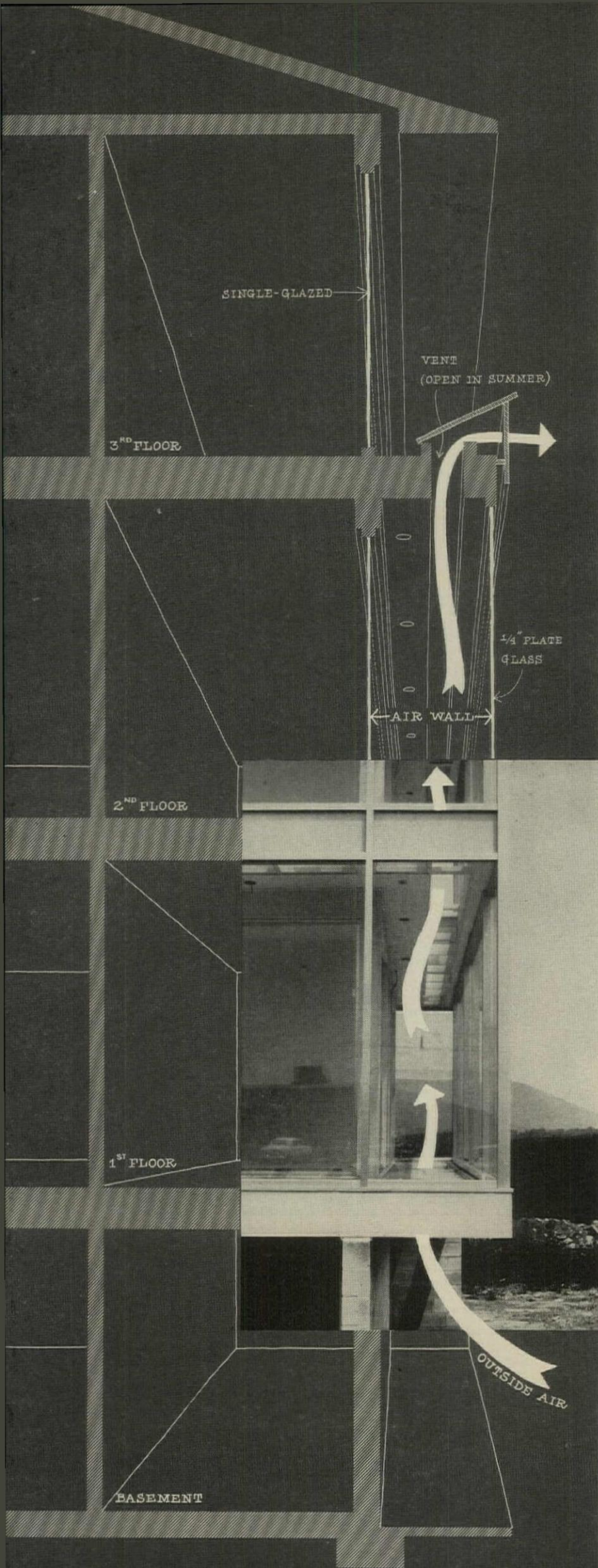
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Now people in glass houses can live cooler in summer and warmer in winter

The trick: Surround the house with a glass envelope set about 3' from the inner glass wall.

In summer (drawing at left) open vents at the floor and ceiling let warm air rise between the inner and outer glass walls. This flue action draws cooling air past windows, thus reduces the build-up of solar heat on the inner glass wall.

In winter the vents are closed, and the space between the walls becomes a heat trap. Solar heat builds up to help heat the house (temperatures in a west room can rise to 131° while it is freezing outside).

Penn State Architect William Hajjar designed the glass envelope system—which he calls an air wall—to cut down the big heating-cooling loads in glass buildings. (Ordinary double glazing reduces the gain or loss of convected heat but has very little effect on radiant heat.)

To test the air wall, Hajjar (with a grant from Pittsburgh Plate Glass) designed and built the research house, opposite, in State College, Pa. On each of three levels, four test rooms were placed around a central core and insulated from each other to permit measurement of temperature differences between rooms. The top floor was single glazed to permit temperature comparisons with the floors enclosed by the air wall.

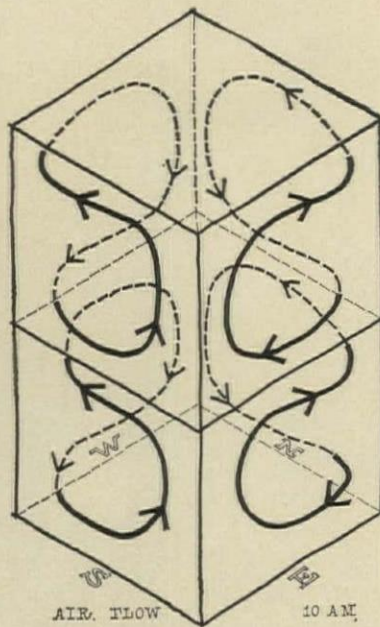
Here are the study's first findings:

1. In winter daytime temperatures from room to room vary less than 10° without supplemental heat because the trapped sun-heated air flows in the air wall from the unshaded to the shaded side of the house (drawings, opposite).
2. With vents closed, peak daytime room temperatures are higher in winter than in summer—sun slants in more directly in winter and bounces off snow into the house.
3. Drapes are more effective with an air wall than with single glazing in cutting summer heat gain.
4. An air wall also cuts noise transmission as much as a 1' brick wall. With flues and ceiling vents closed, noise transmission drops 50 decibels.

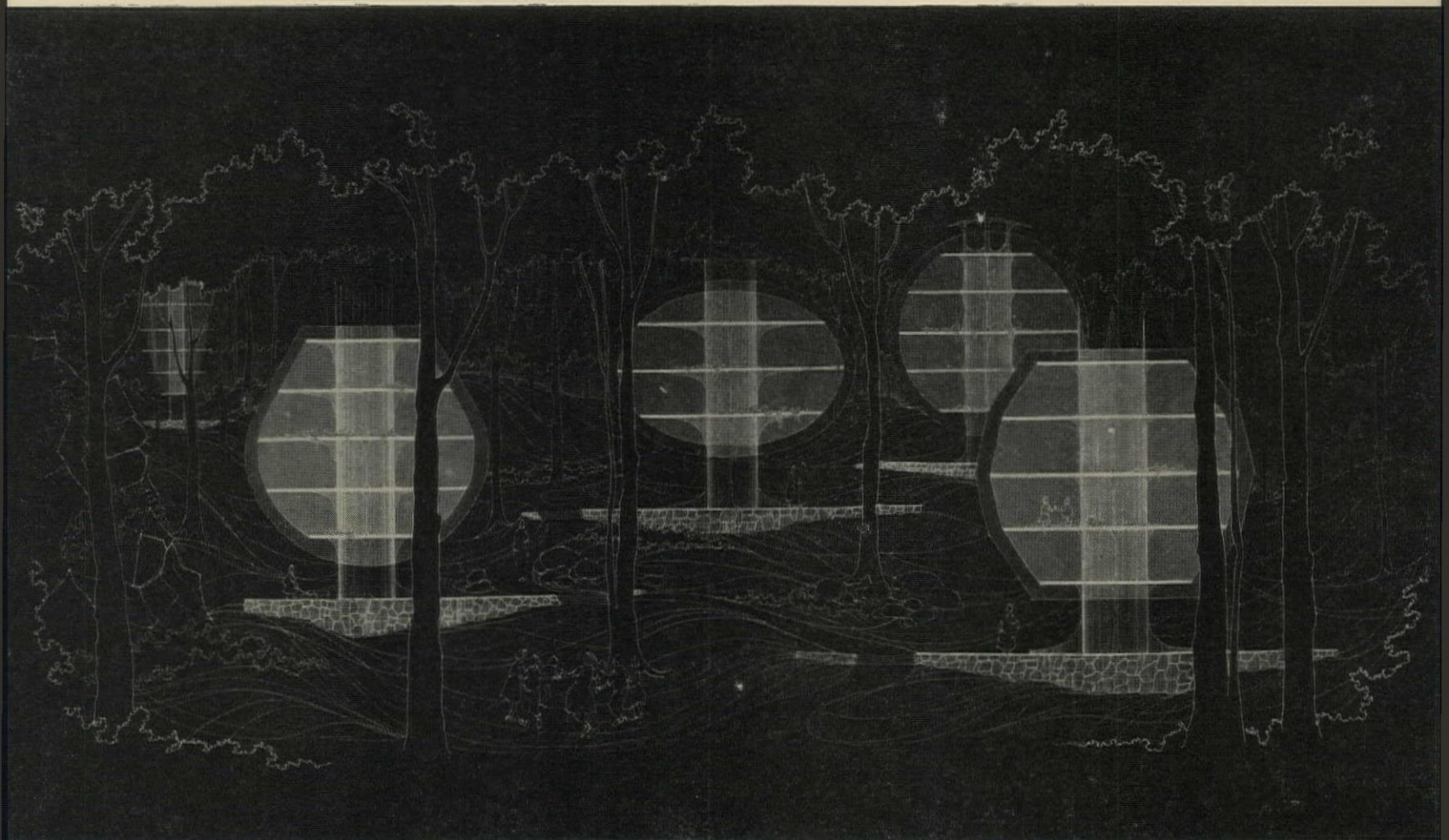
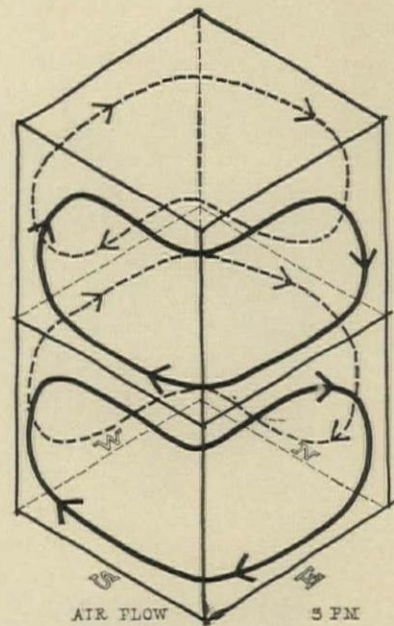
FLUE ACTION through vents cools glass house in summer. Outer glass overhangs basement, provides 3'-wide air space.



GLASS ENVELOPE encloses first two floors of 26'x26' three-story test house. To provide comparative test data, envelope was not extended to top floor. Walls face four compass points.



AIR FLOW in glass envelope on winter days (floor and ceiling vents are closed) follows pattern above in morning and one at right in afternoon. Sun-heated air rises, moves across air space to shaded side of house, and pushes cold air around to sunny side to be heated. This action keeps differences in room temperature on opposite sides of house below 10° without inside heat on sunny days. All walls have equal glass area.



BRANDY SNIFFER DESIGN for houses is suggested by Architect Hajjar as best way to capitalize on air-wall system. Reason: Air Flow in closed air-wall space moves in spherical currents (drawings above). A round, multi-level house, hung from a central mechanical core (with an eleva-

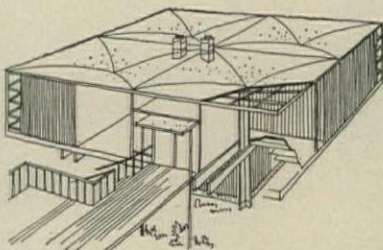
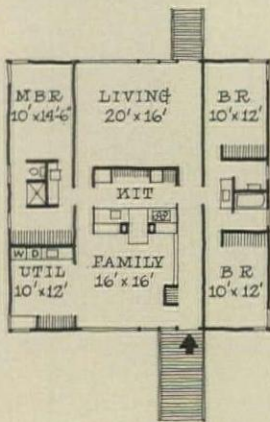
tor) on a small foundation, would make maximum use of direct solar radiation by spreading trapped sun-heated air evenly and continuously around the exterior. In summer plants growing in the air wall space would add evaporative cooling to the flue action of moving air.

Technology continued on p 162



HYPERBOLIC-PARABOLOID ROOF needs no bearing walls, supports roof load on four posts. 2x4 shoring positions two of four h-ps.

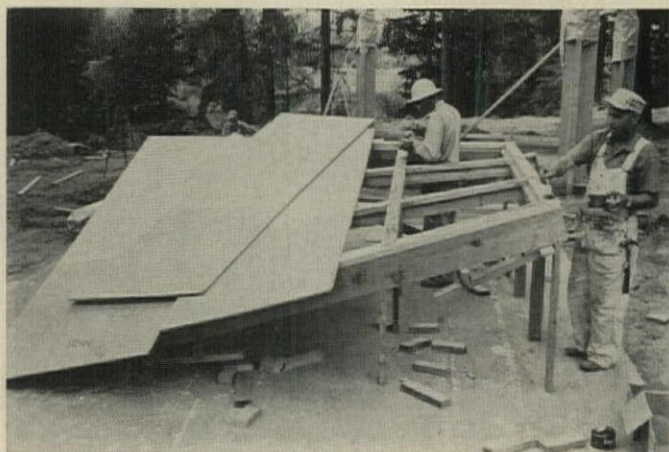
Here is an h-p roof system any builder can use



RESEARCH HOUSE has 20' stressed-skin floor panels, centered over laminated beams, that cantilever 10' beyond the utility core below.

The roof being assembled above was prefabricated on a simple jig at the building site from 1/2" plywood and dimension lumber (below left).

Because the roof is supported on four posts, the house needs no bearing walls. And because there are no bearing walls, the plan is flexible (walls go anywhere) and there is no perimeter foundation. Instead, the four posts that support the roof and the 40'x40' main living level rest on heavy piers connected by a light foundation. The foundation for the whole 1,600 sq ft house is only 20'x20', so it costs less than a full-size foundation, requires less grading, and adapts more easily to uneven sites. This Wood Products Research house, designed by Architect Paul Hayden Kirk, was co-sponsored by *Living for Young Homemakers* (which will publish it this month), Weyerhaeuser, and Andersen Corp.



SIMPLE JIG is used to prefab 16 glue-nailed roof panels at site. Plywood is warped across straight (but not parallel) 2x4 and 2x6 frame.



EXPERIMENTAL BOOM lifts roof panels into place. Four 10'x10' panels form each h-p roof section. Sheet metal splice strips will cover joints.

New way to load lumber cuts cost of unloading flat cars to 6¢ per Mbf

The new system—called the “stakeless floating load”—steel-strap ten packages of framing lumber into one load on a flat car.

Unloading is simple: A worker snaps the steel straps that hold the ten packages together, then makes ten carries with a forklift.

Says Houston Lumber Dealer Bob Stahlman who has received experimental shipments (by Southern Pacific): “If we unload 100 cars a month this way, we can save \$4,000 a month over the old method of manhandling lumber out of single-door box cars (see comparison of unloading costs, below). Using a 7,000 lb to 15,000 lb capacity fork lift, one man can unload 36 Mbf of lumber (50,000 lbs) in 25 minutes.”

The new system has been tentatively approved by the Assn of American Railroads, which previously would not accept flat-car lumber shipments for fear of shifting loads in transit. The weight of the new loads holds maximum forward and backward shifting to 18". A 2x4 nailed along each side of the flat car prevents side-to-side shifting.

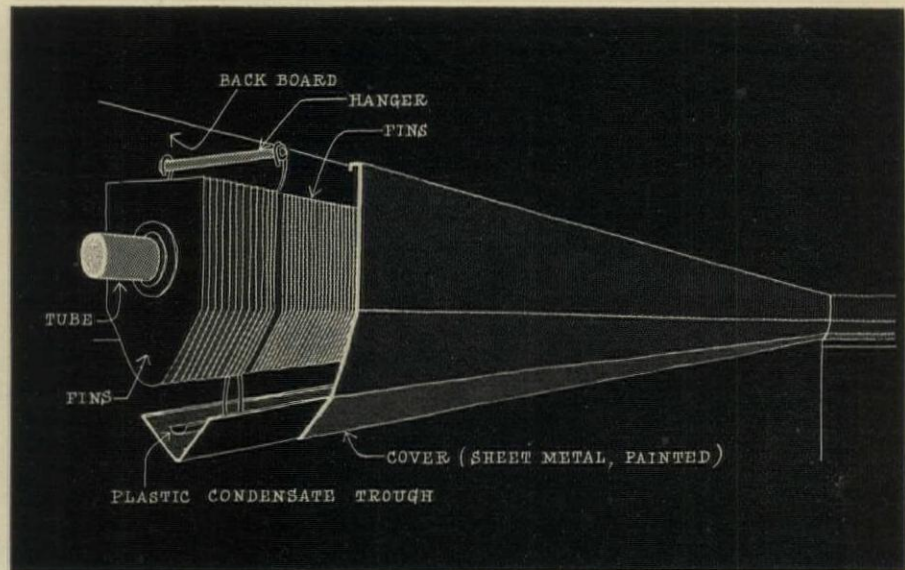
In experiments three lumber packages were laid end to end on each side of the car; each row of three was topped by two more packages—coursed like bricks. Each package was made up of two standard units (or 12 McCracken packages which are about 1' high, 2' wide, and up to 20' long).

Many mills have indicated they will wrap lumber in polyethylene or kraft paper for flat-car shipment at no extra cost (this way, the mill saves money on loading). But finish lumber must still be shipped in closed cars.

HERE ARE COSTS OF UNLOADING LUMBER BY 10 DIFFERENT METHODS*

Single-door box car unloaded by hand (lumber graded, stacked)	\$1.65 Mbf
Single-door box car unloaded by hand (lumber ungraded, unstrapped)	\$1.17 Mbf
Single-door box car unloaded by 4,000-lb fork-lift (McCracken packages)65 Mbf
Plug-door box car unloaded by 5,000-lb fork-lift (standard units)58 Mbf
Double-door box car unloaded by 15,000-lb fork lift with extension (standard units)30 Mbf
Flat-bed truck unloaded by 4,000-lb fork lift27 Mbf
Flat car with stake sides unloaded by 5,000-lb fork lift25 Mbf
Flat-bed truck unloaded by 8,000-lb fork lift20 Mbf
Flat car with “stakeless floating load” unloaded by 5,000-lb fork lift.....	.12 Mbf
Flat car with “stakeless floating load” unloaded by 12,000-lb fork lift.....	.054 Mbf

*Data from National Retail Lumber Dealers Assn.



IBR research shows benefits of valance cooling system

Preliminary cooling tests rate performance and comfort “very good” for the hydronic valance system designed by the Pierce Foundation, New Haven (H&H, July '59).

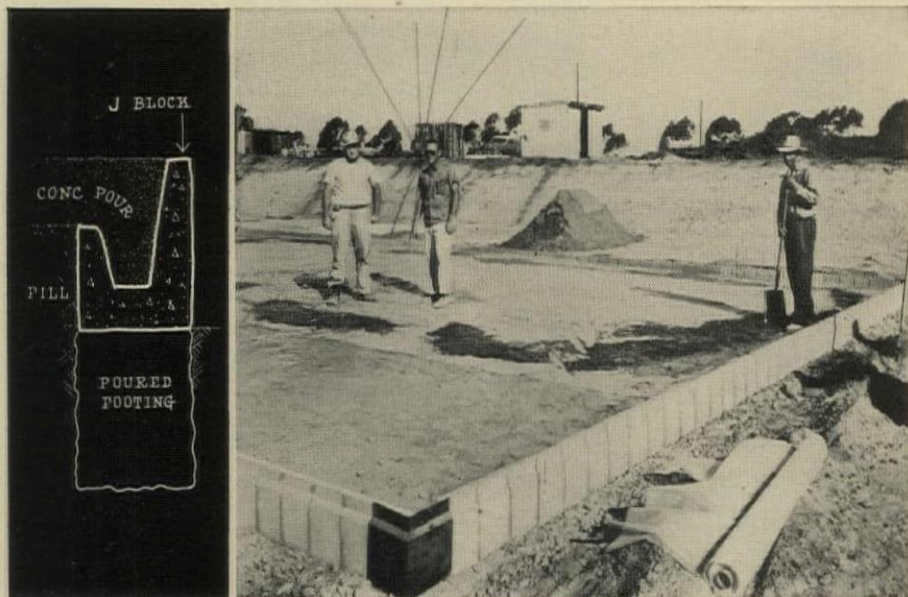
The system uses 40F chilled water for cooling, 185F water for heating. The water circulates through ceiling-height finned-tube units, located around the perimeter of the house. A plastic trough collects cooling condensate.

The test house, at the University of Illinois, has three thermostat and valve-controlled zones, a water chiller, a

boiler, and a circulating pump.

Here is how the system rated: excellent, for quiet and cleanliness; very good, for room air temperature, lack of drafts, floor-to-ceiling temperature variation, overall performance; good, for appearance and humidity control; satisfactory, for installation ease and room-to-room temperature variation; poor, for removal of condensate. Although there was no clogging during the tests, troughs tended to overflow.

Heating cycle tests are now under way; results will be released in June.



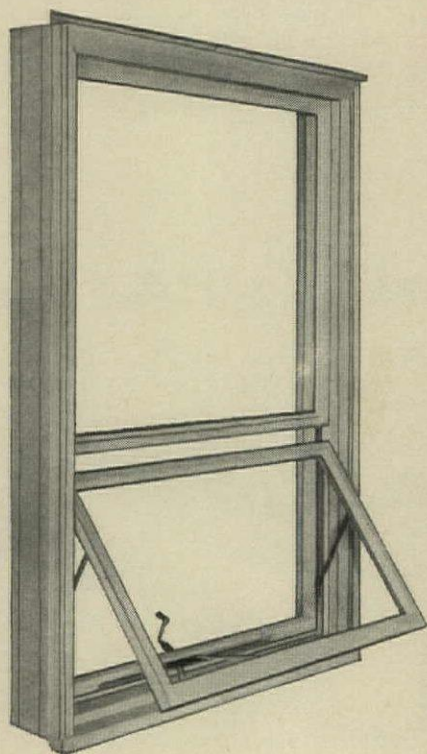
This new block system cuts foundation costs

It needs no forms, uses less-skilled labor, and saves a day and a half over conventional methods.

Here's how the system works: 1) a trench footing is dug and filled with poured concrete; 2) special “J” blocks, 8" high inside and 12" high outside (above), are set on wet concrete and lined up with level lines; 3) area inside

the foundation is filled to top of the 8" level with compacted soil; 4) mesh reinforced slab, 4" thick, is poured. Pour also fills the hollow in the “J” blocks to top of the 12" level, thus ties slab and footings together.

The system was developed and is being marketed by Tru-Block, 5960 Fairmount Extension, San Diego. /END



ROLLING OFF THE ASSEMBLY LINE right now is the all new Rimco "Vuevent" Wood Window Unit. Make sure you reserve openings for it.

This addition to the Rimco line of quality window units is just what the name implies . . . view sash joined with a ventilating sash . . . all in a single jamb unit with new narrow meeting rails. This allows you to use more glass at substantially less than the basic component cost of separate stacking units. There's installation savings, too, because there's just one unit to set and trim out.

The ventilating lower sash is available in a choice of three under-screen operators: Standard push-bar, Deluxe Lever-Lock or Custom rotary gear. Anodized aluminum weatherstripping gives complete year 'round protection. Decorator gold-tone aluminum screen frame features non-glare wire. There are eight unit sizes from which to choose — all available with either insulating glass or regular glazing with Insulating Panel.

And like *all* Rimco Wood Window Units, the "Vuevent" is protected with deep-penetrating Woodlife preservative applied by the Dri-Vac *controlled* process.

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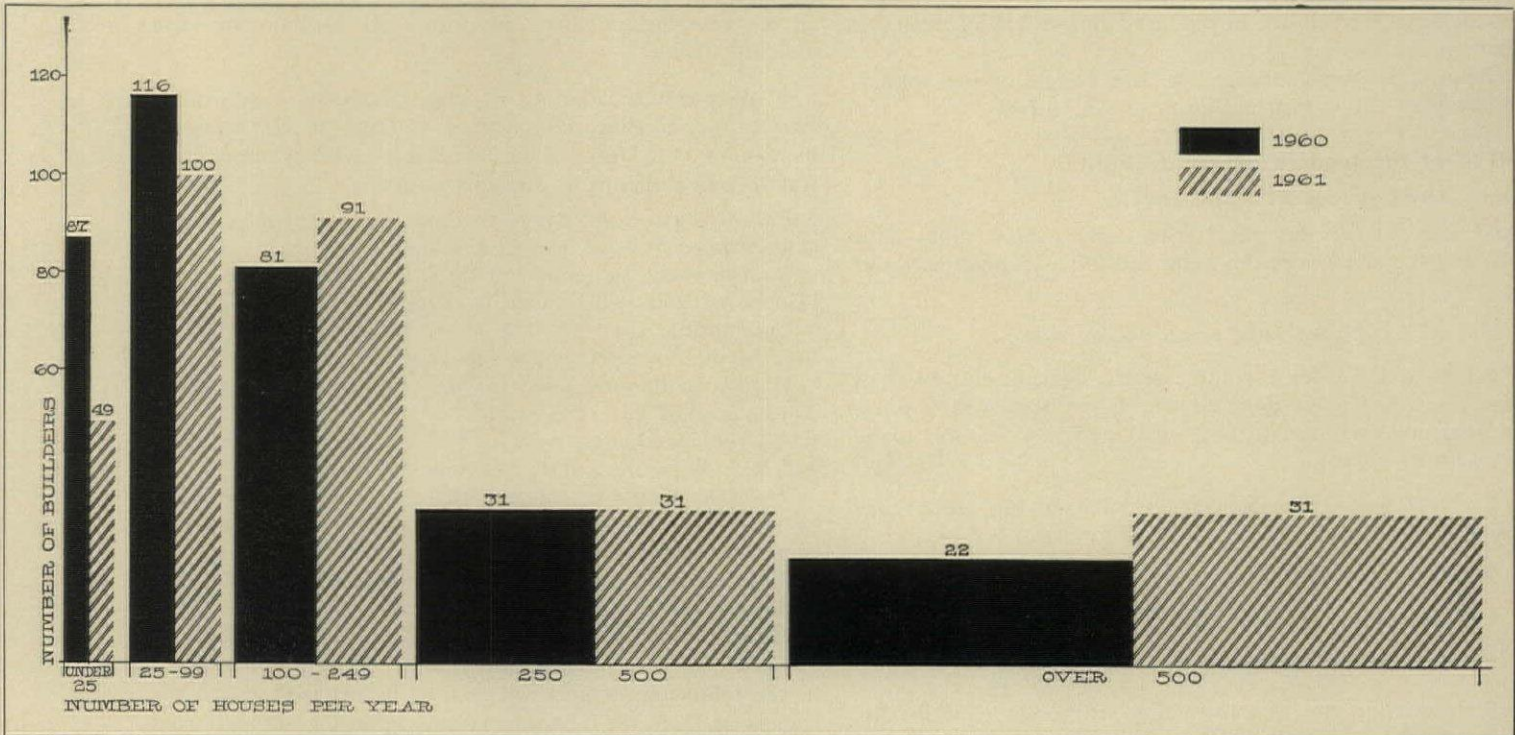
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GROWTH OF LEADING BUILDERS is shown by graph of how many houses they sold in 1960 and how many they expect to sell in 1961. For example: the number of leaders selling under 25 houses a year will drop 43%, while the number selling over 500 will be up 46%.

61% of the "builders other builders follow" expect to sell more houses this year than in 1960

That's the optimistic outlook uncovered by the third C. E. Hooper survey of HOUSE & HOME's panel of leading builders. (For the results of the first and second surveys, see H&H, Feb, May, and June, '60).

The new survey, made in December, covered 400 of the country's leaders. Of these, 318 reported both their 1960 sales and their 1961 estimates.

The result: 61% expected an increase in sales this year, 15% expected a drop, and 24% expected their sales to remain at the 1960 level.

The leaders expect to sell a lot more houses this year than they did in 1960. A comparison of 1960 reports and 1961 estimates shows that as a group, the panel expects to sell 22% more houses this year.

The leaders are becoming bigger builders (graph above). According to their estimates, 23% more of them will build over 100 houses this year than did in 1960.

76% of the leaders sold most of their 1960 houses at prices above the FHA national median

The FHA median price for 1960 was \$14,300 (the median for all housing was \$15,000, according to NAHB Economist Nat Rogg).

Here is what else the survey revealed about the leaders' house prices:

45% (186) of the leaders made most of their 1960 sales at or above \$17,600.

21% (85) of the leaders made most of their 1960 sales at or above \$23,700.

The survey also showed that some leaders are selling in a surprisingly wide price range. For 20 of them, it was so wide (\$11,000 to \$50,000 in one case) that they could not be included within the categories in this table:

Price range in which most sales were made	No. of builders	% of builders
Over \$23,700	85	21.3
\$17,600 to \$23,699	88	22
\$14,300 to \$17,599	96	24
Over \$14,300	34	8.5
\$12,500 to \$14,299	50	12.5
Under \$12,500	27	6.7
No answer or unreportable	20	5

Leaders in the higher price ranges expect to make most of their 1961 sales to second-time buyers

Panel members who plan to sell mostly in the over-\$23,600 range in 1961 were asked how many of their sales they expected to make to second-time buyers.

More than two-thirds said over 70%.

More than half said over 80%.

Even among panel members making most of their sales in the next lower price bracket—\$17,600 to \$23,600—the sec-

continued on p 166

ond-time buyer is expected to be an important factor. More than half of this group thought that 60% of their 1961 sales would be to second-time buyers, and almost half of them put the figure at 70%.

Below the \$17,600 range, the importance of the second-time buyers drops fast, according to the survey.

48% of the leaders expect to hold their 1961 prices at 1960 levels

And the rest of the panel was fairly evenly split—32% planned to raise prices this year and 24% planned to lower them.

The 32% who will raise prices will do so to:

1. Make their houses more salable. Specifically, 54% of this group will make their houses bigger; 30% will improve construction quality, and 60% will "add new features to increase sales appeal."

2. Meet rising costs. Specifically, 60% of this group cited rising land costs and 54% cited higher wages.

The 24% who will lower prices will do so by:

1. Cutting their profit margins (54% of this group).

2. Making their houses smaller (56%).

3. Improving their construction efficiency. Specifically, 56% of this group will schedule their labor better; 44% will make wider use of components; and 36% will mechanize more of their building operations.

Six house features are making relatively big gains in acceptance among the leaders

The significance of this finding lies not in the number of leaders using these features but in the sharp increase of users from 1960 to 1961 (graph below). The "growth" features:

1. Underground wiring. 36 leaders used it in 1960, 43 say they will use it this year—an increase of 19%.

2. Luminous ceilings. 57 leaders used them in 1960, 66 say they will use them this year—an increase of 16%.

3. Screened or covered patios. 65 leaders used them in 1960, 71 say they will use them this year—an increase of 9%.

4. Acoustical ceilings. 74 leaders used them in 1960, 85 say they will use them this year—an increase of 15%.

5. Complete air conditioning. 76 leaders included it as a standard feature in 1960, 89 say they will do so this year—

an increase of 17%. In addition, 90 panel members said they are offering full air conditioning as an option, and virtually all of these include ducts for future air conditioning as a standard item.

6. Wall-to-wall carpeting. 81 leaders included it as a standard feature in 1960, 89 say they will do so this year—an increase of 11%. In addition, 63 leaders said they are offering wall-to-wall carpeting as a regular option.

But there was little change in the acceptance of the features now included by most leaders. For example:

Built-in ovens and counter ranges, included by 78% of the leaders in 1960, will be used by 79% this year.

Ceramic tile, used by 81% of the leaders in 1960, will be used by the same percentage this year.

Hardwood flooring, used by 71% of the leaders in 1960, will be used by 72% this year.

Big roof overhangs, built by 78% of the leaders in 1960, will be built by the same percentage this year.

Water heaters with ten-year guarantees, installed by 78% of the leaders in 1960, will be installed by the same percentage this year.

Paved driveways, used by 86% of the leaders in 1960, will be used by 87% this year.

"Superior hardware", installed by 77% of the leaders in 1960, will be used by 76% this year.

The following features will be used by better than half the leaders in their 1961 houses, according to the survey: vinyl flooring, 69%; full insulation (over FHA minimum requirements), 64%; garbage disposer, 59%; two-car garage, 57%; and big mirrors, 57%.

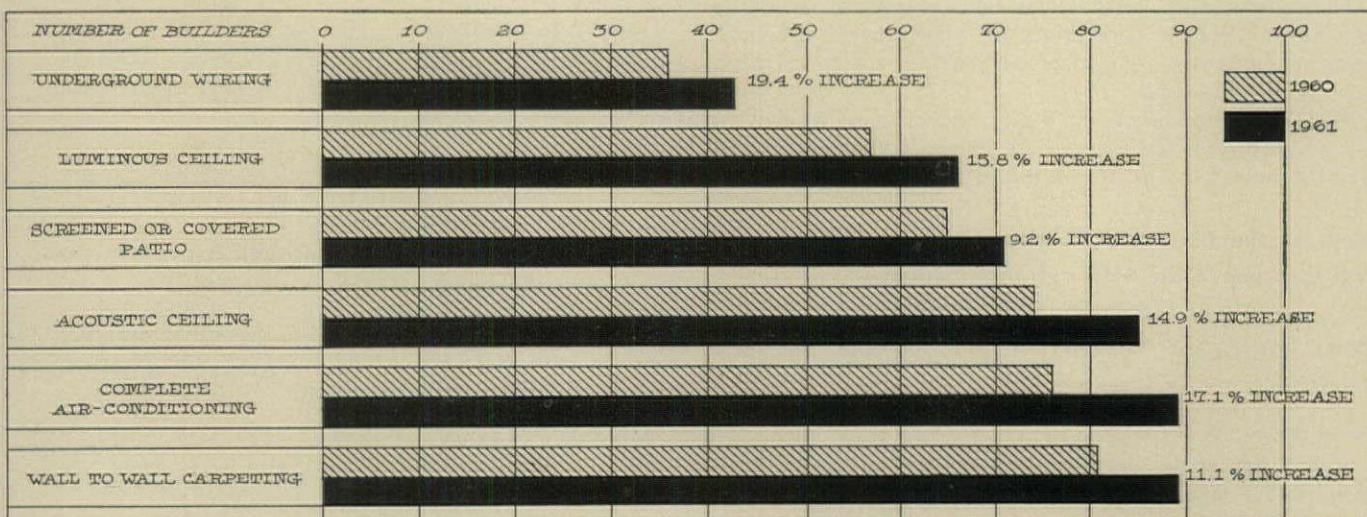
Here are some other significant findings revealed by the survey:

Ninety percent of the leaders said they consulted with one or more persons before deciding what features and products to include in their houses. Of this group, 49% said they talked with their dealers; 46% said they talked with their architect; 35% said they talked with their realtor; 30% said they talked with their wives.

Ninety percent said they furnished at least some of their model houses in 1960, and 81% of this group used professional decorators to do it (37% retained independent decorators and 44% used decorators from a local store).

Eighty-five percent of the leaders say they either are realtors themselves (67%) or use an outside realtor (18%).

Sixty-five percent of the leaders said they kept their model houses open at night. And of this group, 94% used floodlights to light the exterior of the model.



THESE SIX FEATURES showed biggest growth in acceptance by leaders from 1960 to 1961, even though number using them is still small

Leaders continued on p 168



Prospect Towers, 281 Prospect Street,
East Orange, New Jersey



402 Mt. Prospect Ave., Newark, N. J.



555 Mt. Prospect Ave., Newark, N. J.

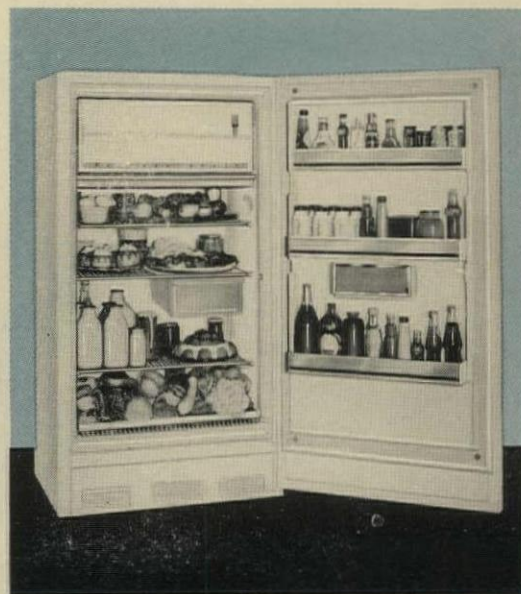
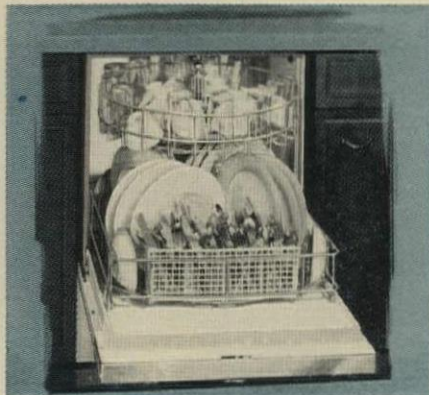
Luxurious is the word for these new buildings now being built by the Taylor International Corp., famous throughout the United States and overseas for its many magnificent projects. Over \$300,000,000 would be an accurate estimate of the worth of Taylor projects, ranging from hotels to baseball stadiums. Owner-builders, as well as general contractors, Taylor is thoroughly experienced in every phase of the building industry from original concept through financing and actual construction to profitable management.

Taylor International Corp. builds new apartments featuring Kelvinator Appliances

In all Taylor enterprises, flawless quality and utmost dependability are imperative in every detail. A big reason why trouble-free Kelvinator refrigerators and dishwashers were chosen for the 496 apartments in the beautiful buildings shown. Another big reason: Kelvinator appliances are well-regarded by Taylor experts for their economy of operation, low maintenance costs and handsome appearance.

Kelvinator 12 cu. ft. refrigerator gives you full-width frozen food chest, a giant 70-pound frozen storage capacity, waist-high crisper, butter chest, and many more modern conveniences. Kelvinator's Polarsphere is the world's finest cold-making unit . . . assures dependable, low-temperature food-keeping and long trouble-free service.

Kelvinator multi-cycle automatic electric dishwasher does every dishwashing chore automatically . . . thoroughly washes *all* your dishes cleaner . . . is more convenient and safer to use. Just set the easy-to-read dial control and Kelvinator does the rest!



Kelvinator Appliances

Kelvinator Division, American Motors Corporation, Detroit 32, Michigan

REFRIGERATORS • RANGES • AUTOMATIC WASHERS • CLOTHES DRYERS • HOME FREEZERS • ROOM AIR CONDITIONERS • DISHWASHERS • DISPOSERS



These basement hobby rooms emphasize family living

Slavik Builders of Detroit put five hobby rooms in a new model to show how much space there is for family projects. Shown above: shop, sewing room, and model building room. Not shown: plant-

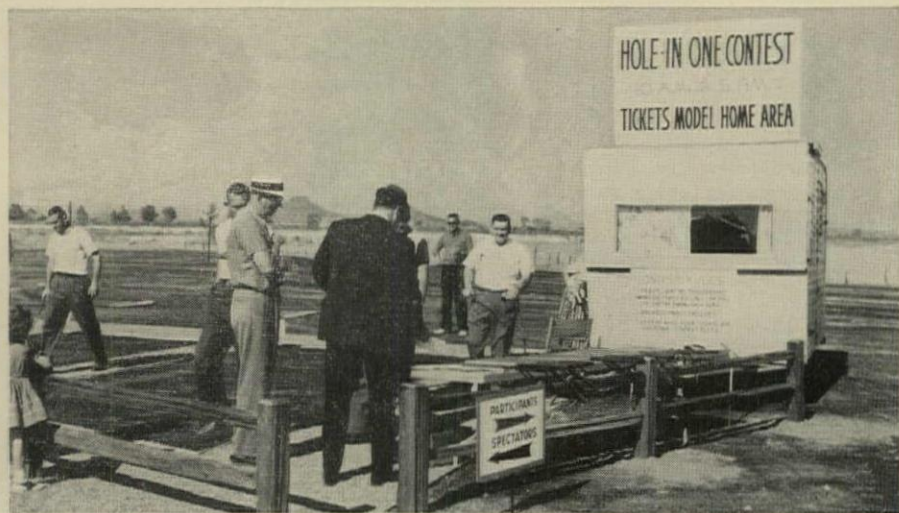
ing room and model train room. "We aren't selling these areas," says Sales Manager Don Hodgins, "we use them to emphasize our 'togetherness' theme. They've caused wonderful comment."



Building a sewage plant? It needn't be an eyesore

This treatment plant is housed in reproductions of Williamsburg garden houses. Buildings were designed by Architect Walter Pfeiffer, and built by Benjamin Glazer for Cromwell Hills, a new

community of colonial houses in Morris Township, N. J. When finished, the entire plant area will be seeded and shrubbed and climbing honeysuckle will be planted along the wire fence.



A hole-in-one here would have meant a free house

To promote his new Phoenix subdivision, Builder Bob Lusk (H&H, Jan) set up a short golf hole and offered a free home to anyone who scored a hole-in-one. The program was insured with

Lloyd's of London, so the gift house would have cost Lusk virtually nothing. "In fact," says Lusk, "we'd have been delighted with a hundred holes-in-one. But no one scored."



Door-to-door selling: "One call in ten leads to a sale"

So says Bill Bachman, sales manager of Concept Development Co., Centerville, Ohio, whose door-to-door salesmen (photos above and below) have sold 19 houses since last August.

Calls are made during the day with no advance preparation. The salesman does not mention Concept but asks the prospect to fill out a questionnaire on her family's present housing, financial qualifications, and, most important, what her family would want in a new home. Then the salesman identifies himself and shows literature and color slides of Concept's houses.

Says Bachman: "So far, we have made 90% of our calls on apartment dwellers. Later we plan to move into an area of small houses and use the same door-to-door technique to get people to trade up."



Salesman asks prospect's preferences . . .



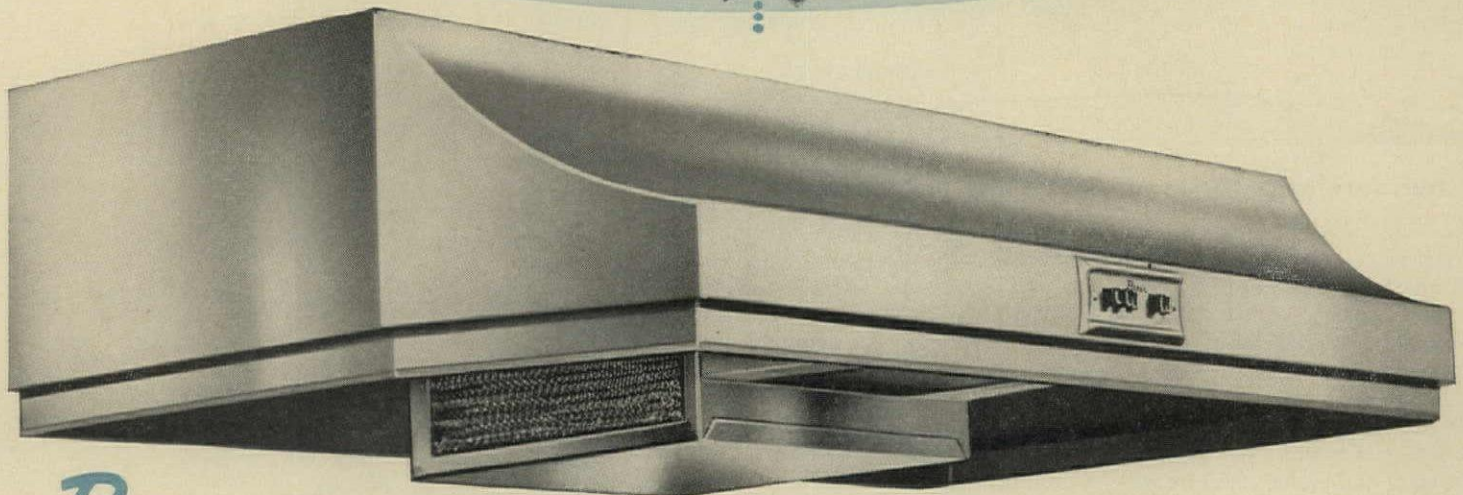
. . . and shows slides of builder's models.

Leaders continued on p 170

looks perfect in the kitchen



... is perfect in performance



Broan Dual Blower Range Hood

Under the surface of this hood you find one of the best engineered blowers available. A genuine four pole motor — not a noisy two pole — drives two large 5½ inch “squirrel cage” wheels for high performance against high duct pressures. Quietness is inherent in every centrifugal blower of this type, but Broan goes a step further by mounting the motor on neoprene to eliminate vibration noise.

Installation is fast and easy. If range is on an outside wall, you discharge straight out the back of the hood without even cutting a hole in the cabinet. Vertical discharge is also possible.

Other features are lifetime aluminum filters, recessed light, built in damper, push button controls, 5 year guarantee and “HELIARC” welded construction that leaves no seams to collect grease.

For full details, specifications and colors, please write



Manufacturing Company, Inc.

924 West State Street, Hartford, Wisconsin
NEAR MILWAUKEE

Specialists in Quality Ventilating Equipment for Over 25 Years



DUAL-BLOWER ISLAND HOOD

Has the same engineering features and advantages as the regular Dual-Blower Hood.



DUCT-FREE HOOD COMBINATION with Air Refreshing Charcoal Converter

A slim line converter that mounts atop any Dual-Blower or Mixed-Flo Hood for Duct-Free service.

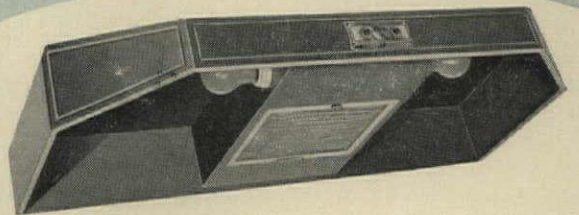
In Canada

Manufactured by Superior Electric, Ltd., Pembroke, Ontario

Broan Mixed-Flo Range Hood

a great performer in saving space and money

Here is the greatest value leader in a low priced range hood, fully assembled, ready to install from the carton and sales packed with every major feature wanted by knowledgeable housewives. Exclusive Broan Mixed-Flo fan blade delivers blower-like air stream with whisper-quiet action. Horizontal or vertical discharge, no lost cabinet space, push button controls, twin lights, removable aluminum filter, etc. Write for full information.





These builders look for land with maps and aerial photos

"Now we can pre-scout land without leaving our desks," says San Francisco Builder Don Stone (left, above).

Stone and partner Lewis Schulte (right) combine aerial photos with matching maps of the area they expect to work in the next few years. Photos show the relation of potential development sites to surrounding communities and the present and probable future pattern of development. The maps, which

were bought from a local title guarantee firm, show the names of all land owners.

The book was assembled by S. M. Hodgkinson & Assoc, an architectural firm. It has a master map and photo of 625 miles of the South San Francisco Bay area and larger scale maps and photos of the same area in more detail.

The book cost more than \$4,000. "But," says Stone, "one mistake buying land could cost many times that."



This outdoor map helps sell a lakefront community

The gravel walks and pool above are a scaled-down (1'-40') layout of the streets and lake at Carrollwood, Sunstate Builders' new Tampa community.

"Besides causing lots of comment," says Sunstate President Matt Jetton, "the map (behind our model houses) helps our salesmen. They can take a prospect

out the back door of the model and show him just where his house will be in relation to the whole community. And as we add more streets to the project, we'll add more walks to the map to keep it up to date. So far, our cost for the land (which is leased) and the landscaping is under \$3700."



Bus service promotes a "one-car" subdivision

Builder Don L. Dise operates the line between his Boulder Hill project and Aurora, Ill., the nearest shopping and transportation center two miles away, so he can advertise a "one-car family" community. And the bus is a rolling billboard for Boulder Hill.

Riders pay 25¢ a trip. Net cost to the builder: "Less than we would pay for a standard billboard," says Dise, "and much more effective."



Panel of experts answers buyers' questions

Hasbrook Construction Co of Chicago wanted to give prospects a chance to ask technical questions about its houses. So it brought together its suppliers, subcontractors, and mortgage lenders, then asked prospects (through newspaper ads and free TV coverage) to come out and "try to stump the experts."

The result, says Sales Manager Robert Silva: Sales for October (when the program was held) were up 40% over September.

Waste King offers builders how-to-use-it consultants

More than 70 home service consultants are now available to demonstrate the proper use of Waste King dishwashers. Builders, through their local distributors, can arrange for demonstrations on one or two key days of their home sales program. And as a follow-up the consultants will return to give group demonstrations when housewives move into the new homes. /END

ANOTHER BILT-WELL



FEATURE BY CARADCO



BILT-WELL Super-Therm

Removable Windows

with Thermal Glass Set in Vinyl Gasket to Eliminate Storm Sash



The deluxe BILT-WELL Window that offers customer luxury features without custom cost

The Super-Therm by BILT-WELL employs an entirely new concept in glazing. The insulating glass is set in a vinyl gasket that provides maximum weather protection and cushions the glass against cracking or breaking. Super-Therm is the prestige window that offers the ultimate in comfort with minimum heating and cooling costs and eliminates the inconvenience and unsightly appearance of storm sash.

* And Look for these other Bilt-Well Job-Tested Features

- Patented Unitized Frame
- Jamb-Liner (Patented) Weatherstrip
- Widest Selection of Sizes
- Jamb Adjustors, Factory Installed
- Competitively Priced

Frame Parts Interchange with BILT-WELL Super-Hold and Super-Lift Window Units.

Every BILT-WELL Window Unit exceeds U.S. Government Requirements and are so labelled, permanently and clearly: U.S. Patent No. 2,303,418, 2,866,234 and 2,918,710.

*BILT-WELL "Job-Tested" means the products have been thoroughly tested in actual construction for ease of installation, weather-tightness, ease of operation, durability and acceptance.

The BILT-WELL Line—WINDOW UNITS, Double-hung, Awning, Casement, Basement. CABINETS, Kitchen, Multiple-use, Wardrobe, Storage, Vanity-Lavatory. DOGRS, Exterior, Interior, Screen and Combination.

Mfg. Since 1866 by **CARADCO, Inc.**, Dubuque, Ia.

Here are three new tools to move big packages

They move big lumber packets, big component bundles, even whole house packages. And since big packages—and the special tools to handle them—are a concomitant of industrialization, these three tools move the housing industry closer to getting the right equipment for mass production.

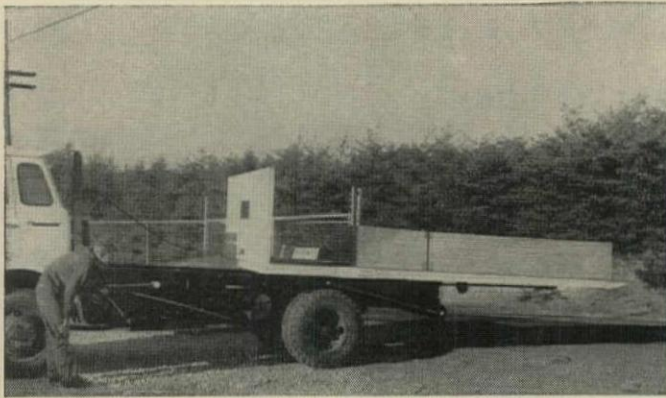
The truck below combines the virtues of a flat bed, a tilt bed, and a scissors lift to give almost handless handling of truck-load lots.

The big trailer opposite can pick up, carry, and deposit at

the site all the materials or all the components needed for a house (or can carry large loads of other materials over the road for drop delivery).

The big fork lift (bottom opposite) can not only handle big bundles but can handle them with new speed and flexibility over rough terrain.

Meanwhile, development is continuing along more established lines. On page 174 are shown some of the jobs being done by big conventional fork lifts.



Elevator truck bed pulls load on, lifts it up, or drops it off for fast delivery

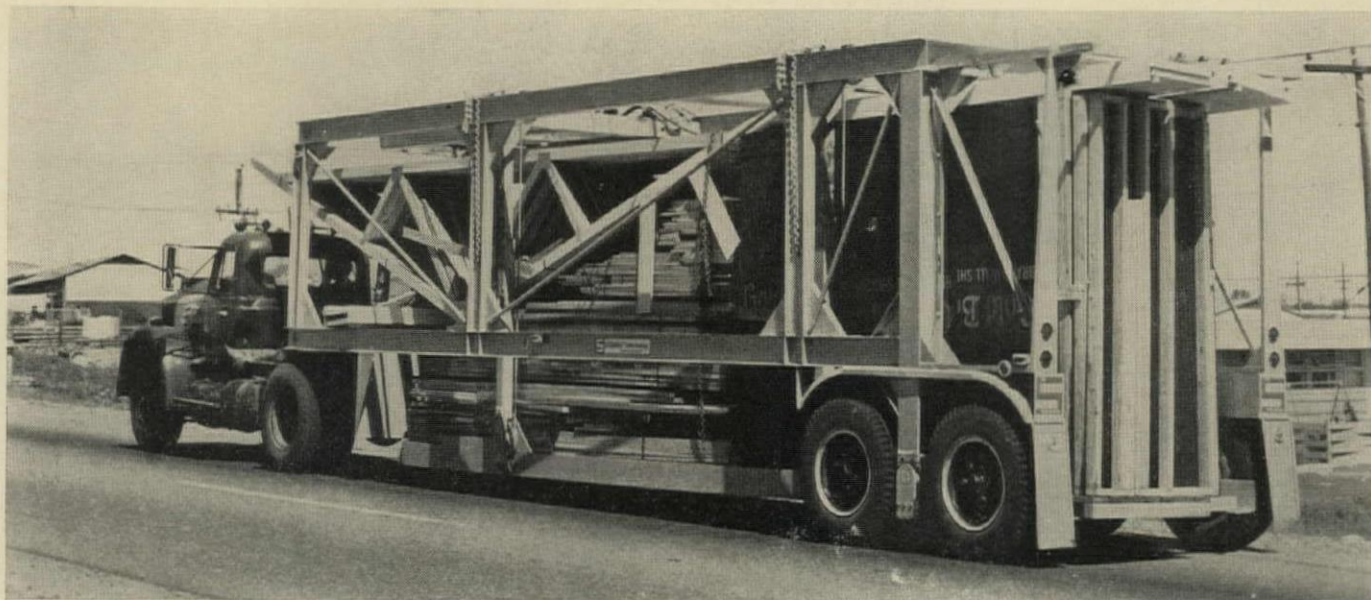
And it is specially adapted to move building materials. The truck body is a 16'x8' platform with a three-ton capacity. As the pictures show this platform is moved by hydraulic cylinders

that push it 8' backwards, tilt it to a 12° angle, or lift it 6' above the truck chassis. The truck is also equipped with an hydraulic winch to load heavy equipment. Bodies are made on a stock basis

to fit Ford, Chevrolet, and GMC tilt-cab chasses.

Transportation Equipment Development Corp, Washington, D.C.

For details, check No. 3 on coupon, p 188

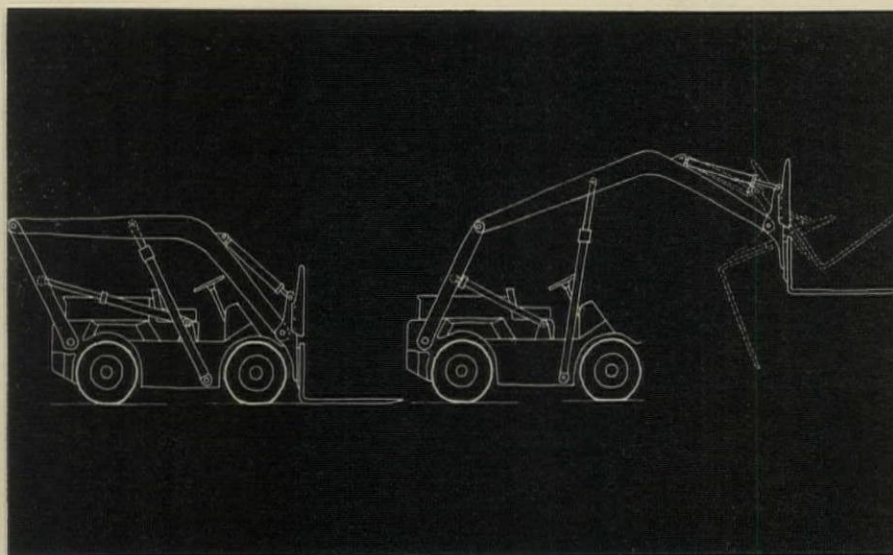
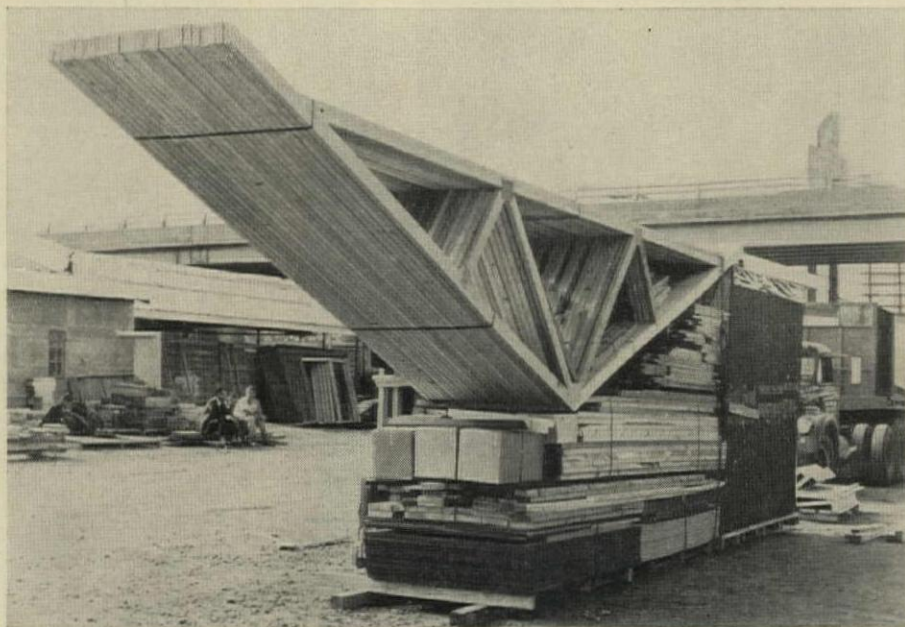


Big straddle trailer loads and unloads itself

This special trailer picks up a stacked load, holds it secure while traveling, sets it down—still neatly stacked—at the house site. The welded steel frame spans a load 69" wide, 150" high, 35' or 40' long, weighing up to 20 tons. Overall dimensions are 8'x13'6"x35' or 40'; weight, 13,000 lb. Double-acting hydraulic cylinders develop up to 8,250 lb side pressure and 900 psi lifting pressure to raise the load up to 40" (usual road clearance: 12"). Tandem wheels are on a walking beam suspension on 11,000-lb stub axles. Brakes are 15" air or vacuum-actuated double cylinder. Any standard over-the-road tractor can pull the rig.

Challenge-Cook Bros, Los Angeles.

For details, check No. 4 on coupon, p 188



Big fork lift reaches high and wide to move over three tons of materials

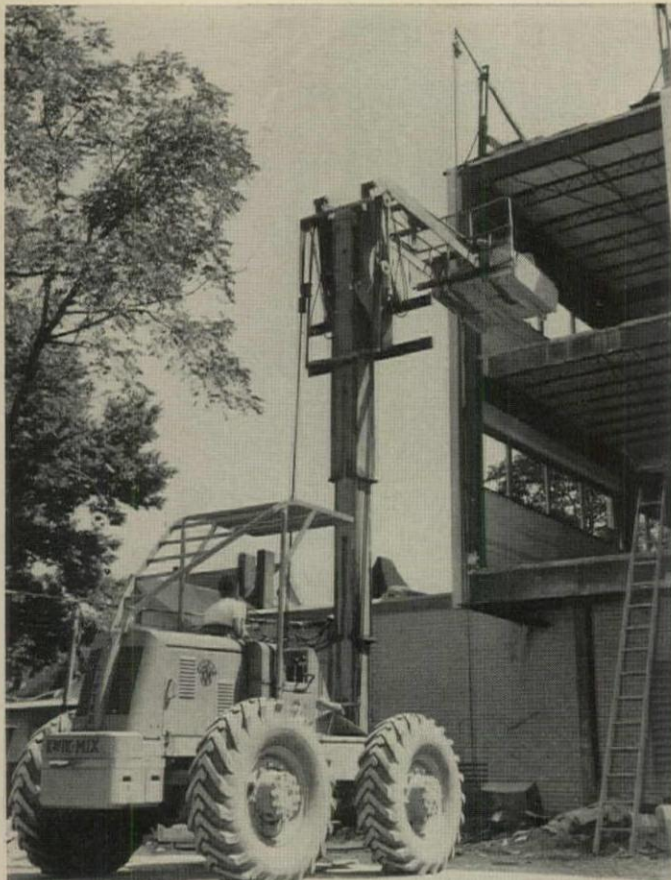
This new model, Pettibone Super 7, is an adaptation of the extra-heavy-duty lift trucks of up to 35-ton capacity used in the logging industry. It has the unique ability to reach forward to un-

load a truck or flat car from a single side. The Super 7 has a rated load of 7,000 lb, maximum lift of 13'6", forward reach of 5'8". Forks tilt back 12°, forward 90°. They lift at 80 fpm,

lower at up to 100 fpm. The 73-hp Continental engine drives the truck over the road at 13 mph.

Pettibone Mulliken Corp, Chicago.
For details, check No. 5 on coupon, p 188

continued on p 174



22'-HIGH LIFT puts 2-ton loads on upper story (35' high and 8' forward with arm and hook). Big four-wheel drive works in rough ground.



JOB-SPOT DELIVERY by big wheeled lift gives workmen a full roof of sheathing in a single pass. Unit can carry 3-tons over rough terrain.

These tools deliver big loads to men on the job



DIG LUMBER LOAD—here about 4,000 bd ft—can be moved about yard, plant, or site at 10 mph. Trucks will lift and carry up to 3 tons.



FAST UNLOADING means quick turnaround. Modern lifts can load or unload a truck in 20 to 30 minutes, move up to 1,500 bd ft at a pass.

Here are manufacturers of big forklifts for rough terrain work

For details, check number shown in parentheses on coupon, p 188.

- Allis Chalmers Mfg Co, Milwaukee, (6)
- J.I. Case Co, Racine, Wis. (7)
- Caterpillar Tractor, Peoria, Ill. (8)
- Clark Equipment Co, Battle Creek, Mich. (9)

- Deere & Co, Moline, Ill. (10)
- Ford Tractor & Implement Co, Birmingham, Mich. (11)
- Harlo Products Corp, Grandville, Mich. (12)
- Henry Mfg Co, Topeka, Kans. (13)
- Frank G. Hough Co, Libertyville, Ill. (14)

- Hyster Co, Portland, Ore (15)
- International-Harvester, Chicago. (16)
- Kwik-Mix Co, Port Washington, Wis. (17)
- Massey-Ferguson, Toronto, Ont. (18)
- Oliver Corp, Chicago. (19)
- Sherman Products, Royal Oak, Mich. (20)
- Towmotor Corp, Cleveland. (21)

New Products continued on p 177



Walnut cabinets are also available in 'off-the-floor' units.

No Finer Kitchen Styling . . . at ANY Price

Beautiful kitchens help sell the home . . . and it's easy to feature eye-catching kitchens in your homes — without paying a custom price — when you use 'customized' Texboro cabinets. Texboro's years ahead styling combined with a variety of door styles and finishes in beautiful Ash, Birch, Mahogany and Walnut woods, easily solves the 'look-a-like' kitchen problem even in large projects.

Prospective buyers readily see the difference between these fine furniture type cabinets — with a special 'mar-

resisting' finish that is baked on at the factory to last the life of the home — and ordinary 'job-built enclosed cupboards' . . . that's why Texboro is often the big difference between prospects looking and actually buying.

Prompt job-site delivery to builders and kitchen designers West of the Mississippi — on a single kitchen or for several hundred kitchens.

Write today for free color literature and the name of your nearest Texboro factory representative.

Representatives in all principal cities West of the Mississippi

TEXBORO CABINET CORPORATION
Mineral Wells, Texas



WOODLOUVE®



WOODMOULD



FLUSH



WOODWEAVE®

BEAUTIFUL



KITCHENS



designed to help you sell faster

You can sell them in the kitchen... with the kitchen... when you use beautiful pre-finished Boro Wood cabinets. These fine furniture quality cabinets immediately capture the attention and admiration of prospective buyers because they are *styled - built - and finished better* than ordinary job or mill built cabinets. This is the Boro Wood *quality* difference that sells prospects!

Boro Wood cabinets are available in modular or custom width units in a variety of door styles, eye-catching finishes and fine woods that offer maximum flexibility of individual kitchen design

...eliminating "look-a-like" kitchen problems - even in large projects. Best of all, factory-engineered Boro Wood cabinets, sink tops and accessories can be installed easily and economically - saving you time and money.

Prompt job-site delivery to builders and kitchen designers East of the Mississippi on a single kitchen or several hundred kitchens.

Write today for free color literature and the name of your nearest Boro Wood representative.

Offices in all principal cities East of the Mississippi.



BORO WOOD PRODUCTS CO., INC.
Bennettsville, South Carolina



Ferris-wheel bins make good use of dead space in cabinet corners

The five bins of this vertical lazy susan will hold 70 lb of stores in a 4 sq ft space. Bins revolve at a light touch on the brake, are accessible through the 20"x14" opening without stooping or squatting. When unit is not being loaded or unloaded, opening is covered with a maple cutting board.

The 18"x6"x6½" bins are removable. The Korner Stor is shipped knockdown, can be assembled and installed in minutes. Retail price, with cutting board, about \$85.

Murray Equipment Co, York, Pa.

For details, check No. 22 on coupon, p 188

Preway 1961 line lists nine new built-in ovens and range tops, three new hoods, two new gas and electric drop-in ranges. New gas ovens have 140F controls for thawing frozen foods or plate warming. All control panels have indices on heat-resistant glass silhouetted by panel back lighting. New hoods come in copper, stainless steel, and white enamel.

Preway Inc, Wisconsin Rapids.

For details, check No. 23 on coupon, p 188

Replacement sink in new Cuisine Centre line is 37"x22" model—to fit openings of old 36"x21" sinks. Stainless-steel double-bowl unit comes with small bowl to left or right, self-rimming construction, long-spout faucet, spray attachment, remote-control pop-up drain, basket strainer for use with waste disposer. The two bowls are 16"x18" and 13½"x16", 7½" deep.

Elkay Mfg Co, Chicago.

For details, check No. 24 on coupon, p 188

Electrostatic hood is Fasco's answer for the ductless-hood market. Filters consist of an aluminum mesh grease filter and a series of charged plates, both washable in warm water and detergent. Units are self-contained, have two 75-w lamps for lighting and a powerful fan for air circulation. Hoods are copper or stainless steel, 24", 30", 36", and 42" long. Five-year guarantee.

Fasco Inc, Rochester, N.Y.

For details, check No. 25 on coupon, p 188



Compact refrigerator from GE is new 13.2 cu ft combination with many deluxe features. Door-mounted ice bucket stores cubes at press of lever. Refrigerator shelves swing out. Refrigerator is self-defrosting. Unit has over 10 cu ft of refrigerator storage, over 3 cu ft of freezer space. Available in white or color with removable front panel.

General Electric, Louisville.

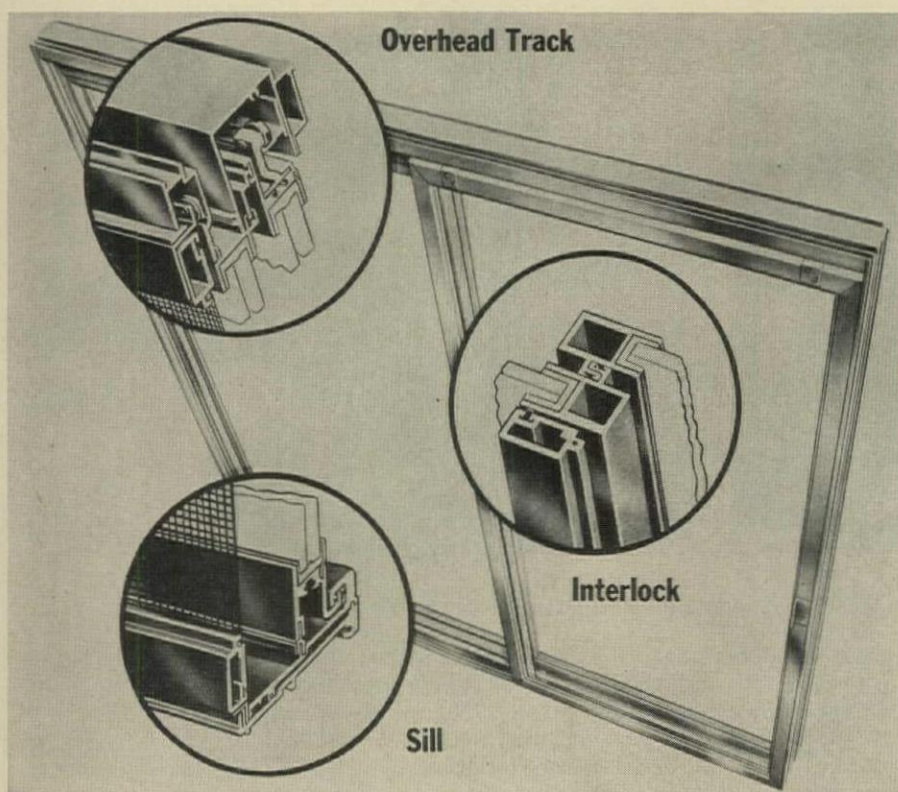
For details, check No. 26 on coupon, p 188

Packaged storage is supplied by two 8'-long units shipped to the job in individual cartons. All doors are red birch veneer on flakeboard cores, are interchangeable and reversible. All drawers roll on nylon ball bearings. Catalyzed plastic finish (in fruitwood or clear) is non-yellowing, resistant to cracks, scuffs, stains, and dirt.

Continental Millwork, South Bend.

For details, check No. 27 on coupon, p 188

New Products continued on p 178

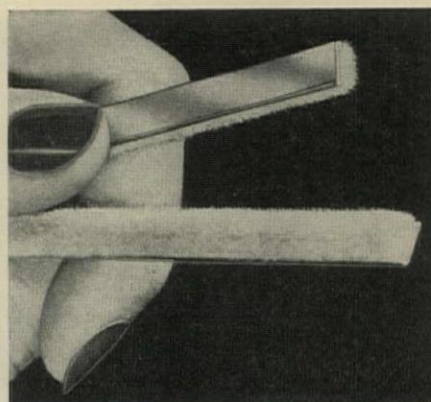


Top-hanging sliding doors are designed for cold climates

New line of factory-glazed doors is specially made to combat high winds and wind-driven rain. Track and rollers are at the header away from snow, ice, and dust. Sill combines automatic drainage, sill cap, and J vent-rail to stop wind-driven rain. Double wool pile in

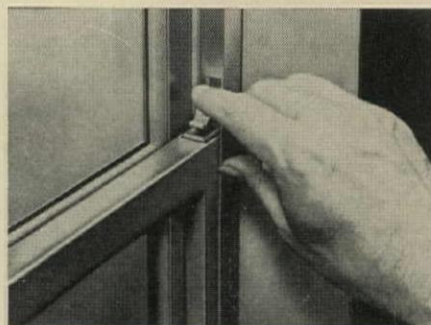
side contact at meeting rail forms sealed interlock between the fixed and sliding panel. Series 110 Fleetlite door has heavy-duty sections to take 1" insulating glass; Series 158 takes 5/8" glass.

Fleet of America, Buffalo.
For details, check No. 28 on coupon, p 188



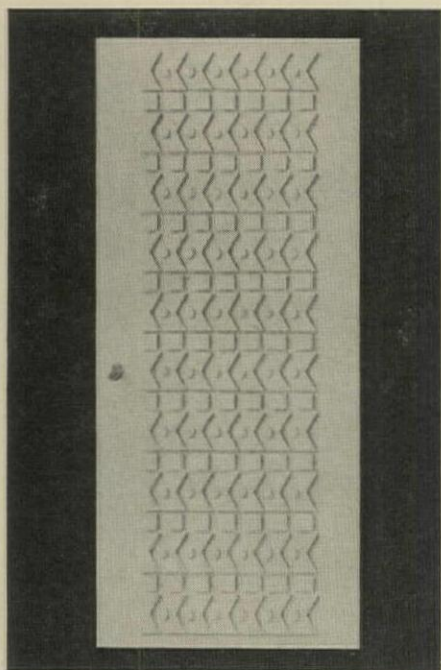
Pile weatherstrip is now available with an aluminum back for use where greater rigidity is needed. The pile's resin-impregnated backing is bonded to the metal back and gripped by the metal at the flanges. Rigidity makes the pile easy to install on the assembly line. Tolerances are closely held on all dimensions for manufacturing control.

Schlegel Mfg Co, Rochester, N. Y.
For details, check No. 31 on coupon, p 188



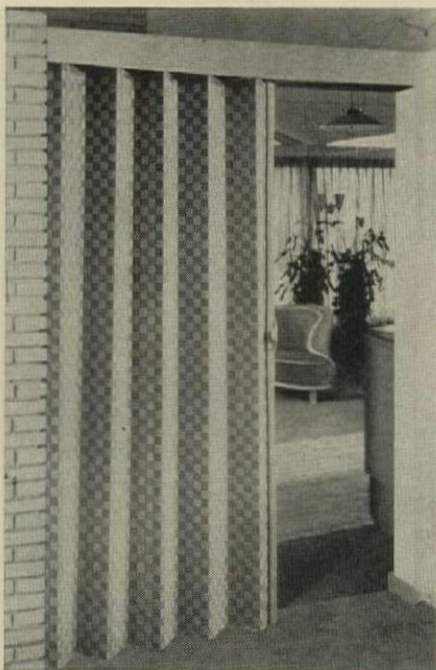
Operating sash of new Alwintite single-hung window has new features: New balance allows the lower sash to be removed as easily as flicking a light switch (above). New nylon lift latch automatically locks the window when it is closed, opens it when lift is applied to the latch. Unit is integral fin type, fully weatherstripped.

General Bronze, Garden City, N. Y.
For details, check No. 32 on coupon, p 188



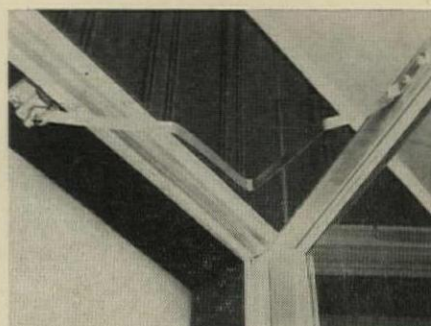
Decorated entry doors come in six different patterns on solid cores. Faces are smooth-sanded birch plywood. Geometric patterns are cut from hardwood blocks and strips, glued to one face. Whole door is primed with a flat white undercoat, then individually boxed for shipment. Stock size: 1 3/4"x3'x6'8".

Bellwood Co, Orange, Calif.
For details, check No. 29 on coupon, p 188



Woven slat door is made of stained and lacquered basswood strips interwoven with translucent nylon-reinforced vinyl tape. The Radox 66 comes in four stock sizes. Handle contains mortised magnetic latch. Nylon glides ride on hardwood track. Stock doors are 6'8" and 8' high, cost \$16.60 to \$79.80.

Hough Mfg Co, Janesville, Wis.
For details, check No. 30 on coupon, p 188



Door protector of stainless steel strip replaces chain on storm or screen doors. Strip of full-hard steel is formed at three points, rolled at the edges. Simple design stays clean and rust free. Operation is noiseless. Only four screws are needed to install it on steel, aluminum, or wood doors.

Kingsley Mfg Co, Detroit.
For details, check No. 33 on coupon, p 188

YOU CAN'T BUY A POOR PIECE OF TECO-TESTED PLYWOOD



Teco Technician inspecting plies during regular production.



Your best source of
Teco-Tested plywood is:

**WILLAMETTE
VALLEY LUMBER CO.**

**WILLAMETTE
NATIONAL LUMBER CO.**

Dalles, Ore., Phone MA 3-2351, TWX 80-U

DAY-BY-DAY INSPECTION GUARANTEES EACH PIECE OF PLYWOOD AS GRADED

The Teco Grade Stamp on a sheet of plywood is your guarantee of superior quality. Teco Graded plywood undergoes production line inspection every day by a Timber Engineering Company technician. This technician checks every step of the manufacturing process and runs independent tests on the finished product. Only when plywood meets TECO's rigid requirements is it given the Teco Grade Stamp approval. This daily production line inspection guarantees you consistent quality and protects your building investment.



Luminous ceiling is made up of 2'x2' diffuser pans mounted in a T-bar suspension grid. The pans are vacuum formed from vinyl sheet, can include a custom design. Honeycomb surface gives uniform light transmission with a high coefficient of utilization. Double pans prevent "show-through," destaticizing cuts dirt and dust attraction.

Hexcel Products, Berkeley, Calif.

For details, check No. 34 on coupon, p 188



Suspended ceiling for residences, now available through Montgomery Ward, adapts a commercial system. A lightweight aluminum grid holds acoustical, luminous, eggcrate, or pegboard panels. T-bars fit a 2'x2' module, interlock for rapid assembly. Grid hangs from existing ceiling or joists by perforated straps. Only simple tools are needed.

Cupples Products, St Louis.

For details, check No. 35 on coupon, p 188

Custom ceilings are offered in wood-fiber acoustical tile by Kaiser Gypsum. The new tile is a random perforated 12"x12" with either t&g or butt joints, with or without painted bevels. Performance matches other tile. Almost any design, message, trademark, etc, can be incorporated in the surface.

Kaiser Gypsum, San Francisco.

For details, check No. 36 on coupon, p 188

New inlaid vinyl leads new designs from Congoleum Nairn. Westernaire pattern groups vinyl cubes in a neutral matrix. New sheet goods lines are a fleur-de-lis decorated marble and a star-patterned metallic. Other news: marble-chip inlaid vinyls, high-style inlaid linoleums, and marbled solid vinyls.

Congoleum Nairn, Kearny, N. J.

For details, check No. 37 on coupon, p 188

New Tesserette countertop in Custom Corlon leads Armstrong's 1961 showings, matches Tesserra floor covering. Also new, 71 flooring patterns: Elegante vinyl-inlaid linoleums, Aurora vinyl sheet goods are new, while many patterns have been added to Corlon, Excelon, asphalt, and Accolon lines.

Armstrong Cork, Lancaster, Pa.

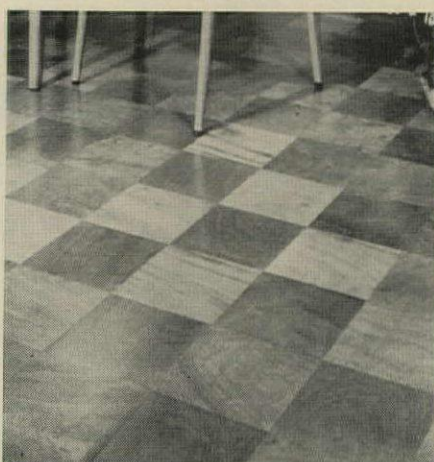
For details, check No. 38 on coupon, p 188



Sandran Orleans is the latest addition to Sandura's sheet flooring line. The simple textured ground is set off with metallic fleur-de-lis designs to adapt the pattern to contemporary or traditional furnishing. Base colors are tones of beige, light gray, and charcoal. Material comes in 6', 9', and 12' widths, as well as rug sizes, at suggested prices of \$1.49 to \$1.79 per sq yd.

Sandura Co, Jenkintown, Pa.

For details, check No. 39 on coupon, p 188



Stretchedwood tile, originally announced over a year ago, is now available nationally. The 3/8" thick 9"x9" hardwood tiles are prestretched to relieve expansion stresses, to hold stable size. The tiles are then given a six-coat factory finish, can be refinished like ordinary hardwood floors after wear. Stretchedwood can be used as a wall or countertop covering as well as on floors.

Higgins Industries, New Orleans.

For details, check No. 40 on coupon, p 188



Quarry marble is the latest style in Robbins translucent vinyls. The non-directional pattern comes in four color blends. Tiles come in .080" and 1/8" gauge in 9"x9" and 12"x12" sizes. New in deluxe lines: beige tone in its Byzantine vinyl. A new economy tile is offered in Petite, a 1/16" gauge, 9"x9" solid vinyl that compares in price with asbestos and laminated vinyls.

Robbins Floor Prods, Tuscumbia, Ala.

For details, check No. 41 on coupon, p 188

SELL MORE HOMES THIS YEAR WITH GM-DELCO'S TRIPLE SALES OFFENSIVE

1

A COMPLETE NEW DELCO LINE OF CENTRAL AIR CONDITIONING

Choose from Delco's wide selection of units and meet your problems of air conditioning installations across-the-board. Installation is quick and simple with the Delco Cooling Coil (evaporator) unit. With the matching GM-Delco durable and attractive Remote Condenser (outdoor) units, Delco has a completely self-contained line which is just the ticket for hot water, steam and other ductless heating systems.

2

NATIONAL ADVERTISING THAT PRE-SELLS THE DELCO NAME

Because your prime home-buying prospects will continue to see, hear and read a broad schedule of national GM-Delco advertising, they'll spot your home as quality-built when they see your Delco installation. The General Motors name will help sell your homes.

3

A FLEXIBLE, LOCAL MERCHANDISING PACKAGE TO FIT YOUR MARKET

Take your pick of the tops in billboard signs, local radio and TV scripts, 1000 and 500-line newspaper ads, brochures and tack-up signs for your model homes. They are available for your selection in Delco's hot new merchandising package. And they're all designed to sell the quality of your homes . . . and help you sell more homes.

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that identifies your
homes with quality*

GM Delco 365
CONDITIONAIR



Weyerhaeuser PLY-VENEER
backing for ceiling tile for faster, smoother application



Weyerhaeuser PLY-VENEER
economical, lightweight panels for room partitions, dividers and screens



COMMERCIAL WAREHOUSE PARTITIONS
for fast, efficient erection, strong and reliable partitions of steel, aluminum, concrete and masonry




LIGHTWEIGHT FOLDING SCREENS
quick erection and portability for temporary partitions, screens and dividers

How and where to use low-cost kraft-veneer panels


This new pamphlet from the Silvatek division of Weyerhaeuser points out the many ways low-cost, lightweight, large-panel Ply-Veneer can be used in home and commercial building. The panels come 1/8" and 3/16" thick with 42-lb or 76-lb white or tan kraft faces in panels up to 8'x8'. They are recommended for use in paneling playrooms,

cottages, garages, attics, basements, and closets. Joints can be covered with battens, moldings, or taped and cemented; overlay takes paint and paper well. Other uses: backing for ceiling tile, partitions and screens, displays, storage boxes, etc.


Weyerhaeuser Co, Tacoma.
For copy, check No. 42 on coupon, p 188





CRIS CRESTLINE or, perhaps you've never had a sale!




CRIS CRESTLINE or, a house without a window is not a home









Coloring book for kids sells windows to builders

Crestline has printed 12 cartoon-strip advertisements and bound them into a black & white coloring book which will be distributed to builders through Crestline dealers. Though the pictures are aimed at pleasing kids, the copy is slanted right at the builder. Typical points made in the strips: good built-in

weatherstripping cuts callbacks, prompt delivery speeds the job, detail file cuts delivery time, full stock cuts delivery delays, national advertising means more and faster sales, model-home kit gives sales ideas that work, etc.

Crestline Co, Wausau, Wis.
For copy, check No. 43 on coupon, p 188

How to use polyethylene pipe

Union Carbide has a new 8-page brochure that tells the story of polyethylene in complete detail, but in non-technical language. The booklet tells the virtues of polyethylene, compares costs, shows the effect of density on properties. It also details two guards against misuse: commercial standard CS197-60 and the National Sanitation Foundation specifications. Two sections tell where the pipe can be used and how to install it.

Union Carbide, New York City.
For copy, check No. 44 on coupon, p 188

Big hydronic systems

Raypak has a new catalog of hot-water systems for apartments, stores, restaurants, self-serve laundries, etc. Combinations to supply central heat, domestic hot water, and swimming pool heating to meet a wide scale of demands are available as factory assembled packages.

Raypak Co, El Monte, Calif.
For copy, check No. 45 on coupon, p 188

Commercial standard for plywood

The first major revision of the federal plywood standards has been adopted as CS 45-60 and reprints are available from DFPA. Western larch is now accepted as equal to coastal-type Douglas fir, which has the highest specification. Other new sections cover scarfing, overlays, underlayment, marine grade.

DFPA, Tacoma.
For copy, check No. 46 on coupon, p 188

Electric heat catalog

Specifications and operating data on forced-air convection baseboards, wall insert and bathroom heating units are given in a new 6-page color brochure, form EH-136A, from R&M-Hunter.

Robbins & Myers, Memphis.
For copy, check No. 47 on coupon, p 188

Bathroom accessories

A new 36-page catalog describes the medicine cabinet, accessory, and pin-up light line of General Bathroom Products. Brochure includes construction and installation detail, specifications, prices.

General Bathroom Products, Chicago.
For copy, check No. 48 on coupon, p 188

Gypsum material flyers

Five new mailing pieces have been put together by Bestwall to promote its gypsum-wallboard products. They cover: the Hummer systems, gypsum sheathing, regular and firestop wallboards, drywall finishing materials.

Bestwall Gypsum, Ardmore, Pa.
For copy, check No. 49 on coupon, p 188

in America's
biggest industry...
almost
everybody
who is
important to
your selling
reads

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- More builders of more houses than either of the builder books...and they vote 4 to 1 that HOUSE & HOME is their first choice magazine
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- More distributors than read any building supply magazine
- More mortgage lenders—the men who have to appraise and finance the sale of your product in houses—than buy any mortgage magazine
- More realtors—the men who must sell your product to consumers as part of the house—than read any realty magazine
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- All the leading prefabricators
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&
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ROCKEFELLER CENTER, NEW YORK 20, N. Y.

Publications

New shower & faucet line

Tub and shower fixtures of all types—including unique adjustable-arm showers—are shown in this new 16-page catalog. Also included: kitchen sink mixing faucets for concealed or top mounting, lavatory faucets, no-sweat tank valves, upright and submersible sump pumps.

Milwaukee Faucets Inc., Milwaukee.

For copy, check No. 50 on coupon, p 188

1961 wood products catalogs

Georgia-Pacific has just issued three new booklets on its plywood and hardboard lines. A 20-page, four-color pamphlet illustrates and specifies G-P's line of decorative plywoods: hardwood paneling in premium, cottage, and grain-ply types; imported paneling in exotic wood and profiled surfaces; architectural veneers on flakeboard or lumber cores; softwood plywoods, textured plywood.

For copy, check No. 51 on coupon, p 188

A 4-page folder has full specification detail on medium and high-density overlaid plywood and Douglas fir structural plywoods.

For copy, check No. 52 on coupon, p 188

An 8-page pamphlet covers G-P hardboards. Among the types described: premium plain and perforated, cabinet panels, ribbed and corrugated sheets, garage liner, panel and lap siding. Brochure also suggests uses, shows how to work, fasten, and finish the material.

Georgia-Pacific, Portland, Ore.

For copy, check No. 53 on coupon, p 188

Built-up roof specifications

This 28-page brochure serves as a specification manual for architects and engineers. Materials and methods are covered for flat decks and steep roofs on all types of surfaces. Re-roofing, insulation, flashing, waterproofing and dampproofing are also covered.

Koppers Co., Pittsburgh.

For copy, check No. 54 on coupon, p 188

Locke shows two lines

The new catalog of Locke wrought and cast iron railings and columns covers construction detail of basic types, shows individual pieces in drawings and photographs. Also included: lantern posts, mailbox posts, canopy brackets, etc.

Locke Mfg Co, Lodi, Ohio.

For copy, check No. 55 on coupon, p 188

Adjustable railings and columns in wrought iron and aluminum are shown in a new catalog from Versa, a Locke subsidiary.

Versa Products Co, Lodi, Ohio.

For copy, check No. 56 on coupon, p 188

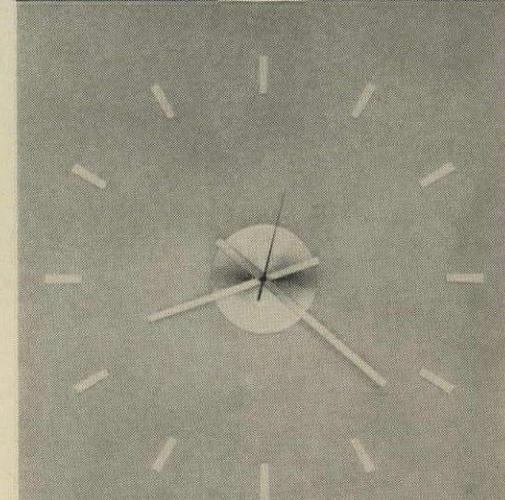
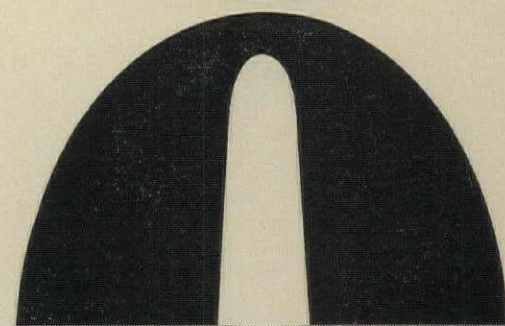
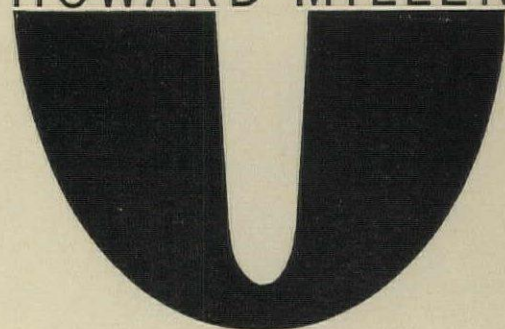
Shingle and siding flyers

New folders on asbestos-cement siding and asphalt shingles for new construction and various types of asphalted fiberboard siding for fix-up work are available from the manufacturer.

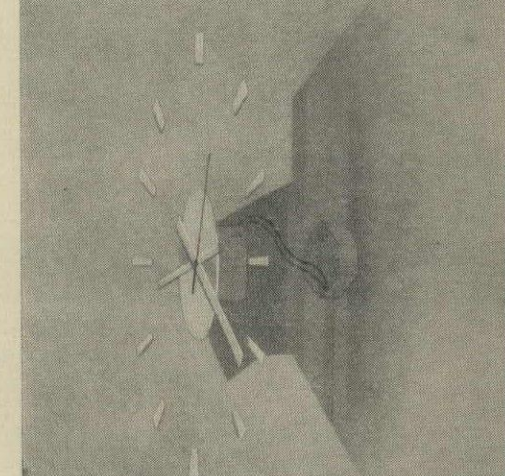
Certainteed Products, Ardmore, Pa.

For copy, check No. 57 on coupon, p 188

HOWARD MILLER



HOWARD MILLER BUILT-IN WALL CLOCKS enhance any decor. Model 6734 . . . Aluminum or Brass . . . 15" to 24" dial diameters . . . Retail \$50. A complete line of built-in wall clocks . . . 9" to 12" dial diameters from \$11.95 to \$17.95. UL Approved.



Movement is mounted in wall. Easy installation according to template and complete instructions furnished. WRITE FOR COMPLETE, ILLUSTRATED LITERATURE.

BUILT-IN DIVISION
howard miller clock company
ZEELAND, MICHIGAN

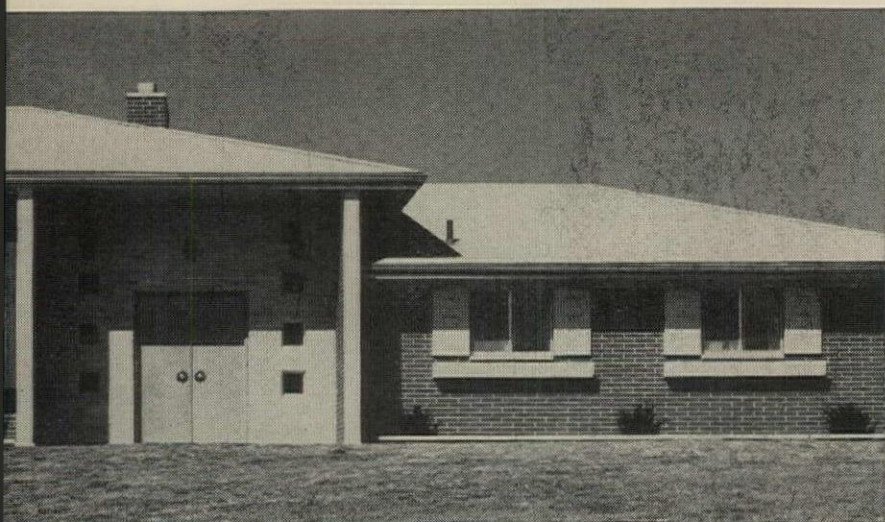
continued on p 187



SERIES 57—
1 1/4" THICK

Low-Cost...

CLOSE THE SALE with beautiful Truscon Aluminum Windows, available from warehouse stocks in all popular styles and sizes. Strong, rigid, lightweight Truscon Aluminum Windows feature weatherstripping around the entire perimeter of vent sections for maximum weather resistance. Easy to install in any type of construction. Available with screens and storm sash. Mortgage approved by leading lending institutions everywhere. Call your Truscon dealer, or send coupon for specifications and attractive prices.

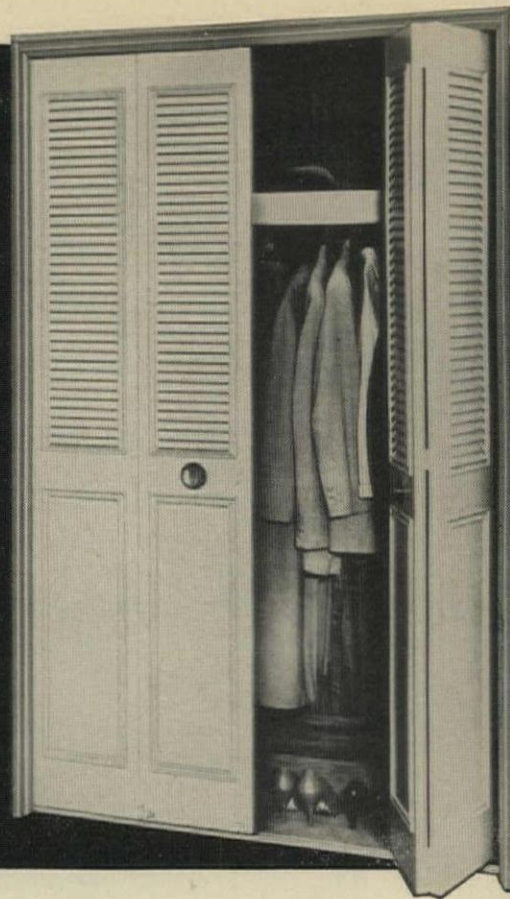


CLOSE THE SALE by pointing out the advantages of Republic Roof Drainage Products for better homebuilding. Your Republic Roof Drainage Products distributor carries a complete line of everything you need—in galvanized steel, ENDURO® Stainless Steel, terne, or copper, with perfectly matched accessories to assure fast, economical installations. The home above, valued at \$65,000 to \$70,000, features Republic Stainless Steel Roof Drainage Products. See your sheet metal distributor, or send coupon for more information.





SERIES 50—1 3/8" THICK



CLASSIC LOUVER FOLDING DOORS

TRUSCON HOLLOW METAL DOORS

High Quality Close the Sales!

Built-in features that sell—at prices builders can afford. Truscon Hollow Metal Steel Doors, Frames, and Folding Closet Doors add beauty and value to any home . . . at lowest installed prices.

Home buyers like the way Truscon Doors open easily, close silently. Steel folding closet doors roll smoothly, effortlessly on nylon guides. Truscon Doors never stick, never warp, never sag—eliminate costly

builder call backs. Steel frames give lowest installation costs.

Order door frames and accessories for same-time delivery from one source. Full line carried in warehouse stocks. Call your Truscon dealer listed in the Yellow Pages and refer to Sweet's Light Construction File. Or, contact your nearest Truscon representative for more builder-saving information. Send coupon below.



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GAS AND ELECTRIC BUILT-INS

O'Keefe & Merritt's just-unwrapped "Better Living" series of gas and electric built-ins — the newest, most exciting line for any modern kitchen! Here is new beauty, new convenience, new sales appeal to make the kitchen the heart-stealer of your homes. Better Living ovens gleam with sparkling new features including Wide 'n' Wonderful doors and oversized Panoramic windows for that smart, extra-quality look. And, there's a new Pacific Blue porcelain interior that's much easier to keep clean, much more dramatic for high-style kitchen beauty.



The gleaming cooktops feature extra-safety recessed controls, exclusive Starjet burners which provide widest possible heat range at a touch, and the O'Keefe & Merritt Panomatic burner that makes any pan automatic.

The new O'Keefe & Merritt Better Living series includes 14 gas and electric ovens and 12 cooktops in six contemporary, big-demand colors. The overall beauty, the industry-leading features, the quality of manufacture all mean Better Living for your home buyers and, through that, a better living for you.

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Gas Electric

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Publications

start on p 182

Decorative glass patterns

Photographs of residential and commercial installations, pattern photographs, light distribution charts, and transmission data are included in this new catalog of rolled, figured, and wired glass. Catalog 61-R covers the company's full line of decorative glass.

Mississippi Glass, St. Louis.

For copy, check No. 58 on coupon, p 188

New catalogs from Simpson

Symphonic, flush, bifold, and stile and rail doors are shown in a new 8-page four-color catalog. Cutaway details show construction. Charts give complete technical information and specifications.

For copy, check No. 59 on coupon, p 188

Movable partitions with fiberboard cores and printed hardboard faces are described in a second Simpson catalog. Details show how panels adapt to wood framing or proprietary partition systems.

Simpson Timber Co, Seattle.

For copy, check No. 60 on coupon, p 188

Roof deck specs

Insulation board manufacturers have agreed on a general specification to cover product and application for structural roof decks. The spec contains product descriptions, test methods, minimum physical standards, installation procedures.

Insulation Board Institute, Chicago.

For copy, check No. 61 on coupon, p 188

Vanity details

Literature on Scheirich's new vanity line is now available. The line—which conforms to the Bronzeglow pattern—includes 12", 15", and 18" drawer and cabinet bases, 24" and 36" bowl bases, and 18" hamper unit, end and filler panels.

H. J. Scheirich Co, Louisville.

For copy, check No. 62 on coupon, p 188

Luminous ceilings listed

Thirty-six kinds of luminous ceilings are listed in a new 8-page brochure which pictures the various types and gives details on each: module, color, pattern, texture, lighting efficiency, brightness control, reflected glare, acoustic property, air control, flexibility, use under sprinklers, changeability, etc., and approximate cost per sq ft.

Luminous Ceilings, Chicago.

For copy, check No. 63 on coupon, p 188

Why wood is best

NLMA offers four folders in four colors on "why wood is best for floors, exterior siding, interior paneling, framing and sheathing." Each has a color cover taken from the association's advertising program, three pages of solid information on wood's virtues for each application. Each is punched for loose-leaf binding.

Natl Lumber Mfrs Assn, Washington.

For copy, check No. 64 on coupon, p 188

continued on p 188

Flash Floods?
BROKEN WATER LINES?
Sewer Back Up?
GROUND WATER SEEPAGE?

Get
LOW COST Insurance
Against Water Damage

with
KENCO®

The ORIGINAL and Best Yet
Submersible Pumps
Prevents Basement Flooding

Protects valuable appliances, heater, furnace, or game room equipment.



Compact Easy to hide

- under the floor
- out of the way
- out of sight!

EASIEST To Install!

- No floats to adjust
- No rods to foul up
- No water level worries

Just plug it in any 115-v. outlet, connect discharge pipe and it's ready to go!

Won't Flood Out!

Completely submersible—all controls inside the pump—motor can't flood or burn out—has thermal overload protector with automatic re-set.

Budget Priced Basement Pump

- Fully Automatic
- 1850 GPH at 10-ft.
- 6 7/8" high, 8 3/4" wide



Model 59A

NEW Heavy Duty Sewage Pump

8600 GPH at
5 ft. head
6800 GPH at 10'

Rugged Bronze Construction



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Approved Multi-Purpose Model 109 Pump

Moves fluids fast—3300 GPH at 10' head—bronze or cast iron—easy to install



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**SPICE
RACK**

"SUNSET"
COOKING GUIDE
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Beautiful FREE Colonial spice rack with 24 spice-filled jars make an impressive sales clincher! And she'll love the Philco Miss America range, named in honor of Miss Nancy Anne Fleming. Exclusive Tilt-Top, and the many other Philco deluxe features make it a dream to clean... a dream to use!




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See your Philco Distributor for full information on this "Spice of Life" Philco Range promotion.

"Only Philco has it!"

FOR THE MOST ADVANCED FEATURES
IN ELECTRIC RANGES YOU NEED

PHILCO

 Famous for Quality the World Over

Publications

start on p 182

Technical data on wood

Revisions of the standard manuals for wood construction are now available. No. 1 (AIA file 19-B) devotes 44 pages to house framing, complete with detail drawings for all uses.

For copy, check No. 65 on coupon below

No. 2 (AIA file 19-D) covers random length wood decking. Basic coverage: how to design to use nominal 2" lumber most economically in roofs and floors.

For copy, check No. 66 on coupon below

No. 3 (AIA file 4-D-1) gives design data for wood formwork for concrete structures. Practical arrangements for meeting engineering requirements are detailed.

For copy, check No. 67 on coupon below

No. 4 (AIA file 19-B) discusses plank & beam framing for residential buildings. The 32-page booklet includes a general discussion of design practices, the advantages and limitations of the system, construction details, structural requirements, tabular design data.

Natl Lumber Mfrs Assn, Washington.
For copy, check No. 68 on coupon below

How to specify paint

A new 20-page *Architects' Specification Guide* puts all pertinent facts in easy-to-use chart form. The guide includes a section on conditions that affect painting adversely.

O'Brien Corp, South Bend.
For copy, check No. 69 on coupon below

Want more information?

The numbers below are keyed to the items described on the New Products and Publications pages. Check the ones that interest you and mail the coupon to:

House & Home Room 1960, Time & Life Building
Rockefeller Center, New York 20, N.Y.

NEW PRODUCTS • February

1. Temco dishwasher
2. Emerson Imperial fixtures
3. Tedco elevator-bed truck
4. Challenger-Cook straddle trailer
5. Pettibone Super 7 forklift
6. Allis Chalmers forklift
7. J. I. Case Co forklift
8. Caterpillar Tractor forklift
9. Clark Ranger forklift
10. Deere & Co forklift
11. Ford industrial forklift
12. Harlo forklift
13. Henry forklift
14. Frank G. Hough Co forklift
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16. International forklift
17. Kwik-Mix forklift
18. Massey-Ferguson forklift
19. Oliver forklift
20. Sherman forklift
21. Townotor forklift
22. Murray Korner Stor
23. Preway 1961 appliances
24. Elkay 37"x22" sink
25. Fasco ductless hood
26. GE compact refrigerator
27. Continental packaged cabinets
28. Fleet Series 110 door
29. Bellwood decorated doors
30. Hough woven slat door
31. Schlegel metal-back pile
32. Alwintite single-hung window
33. Kingsley door protector
34. Hexcel luminous ceiling
35. Cupples ceiling system
36. Kaiser custom ceiling tile

37. Congoleum-Nairn inlaid vinyl
38. Armstrong 1961 line
39. Sandura Orleans flooring
40. Higgins Stretchedwood tile
41. Robbins quarry marble tile

PUBLICATIONS

42. Weyerhaeuser Ply-Veneer uses
43. Crestline merchandising comics
44. Union Carbide polyeth booklet
45. Raypak hydronic catalog
46. Plywood commercial standard
47. Robbins & Myers electric heat catalog
48. General Bathroom catalog
49. Bestwall gypsum mailers
50. Milwaukee faucet catalog
51. Georgia-Pacific hardwood plywood
52. Georgia-Pacific structural plywood
53. Georgia-Pacific hardboard
54. Koppers roofing booklet
55. Locke ornamental iron
56. Versa adjustable railings
57. Certainteed siding flyers
58. Mississippi Glass patterns
59. Simpson door catalog
60. Simpson partition catalog
61. Roof decking specifications
62. Scheirich vanity catalog
63. Luminous ceiling catalog
64. "Why wood is best" folders
65. NLMA house framing manual
66. NLMA roof decking manual
67. NLMA plank & beam framing manual
68. NLMA plank & beam framing manual
69. O'Brien paint specifications

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House & Home's servicing of this coupon expires May, 1961. In addressing direct inquiries please mention **House & Home** and the issue in which you saw the product or publication.

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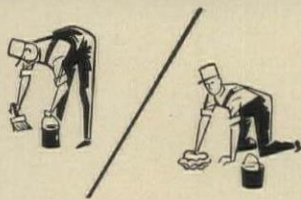


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labor 40% to 50% with
Bruce PRE-finished Floors**

YOU ELIMINATE ALL THESE OPERATIONS



SANDING
(3 cuts)



APPLYING FINISH and FILLER
(2 or 3 operations)



WAXING and BUFFING
(2 operations)

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work of other trades.
No waiting for
finishes to dry.

**HOMEOWNERS LIKE THE
BEAUTY AND DURABILITY OF
BRUCE PRE-FINISHED FLOORS**

The factory-applied Bruce Finish brings out the full beauty of Oak and keeps floors looking new year after year. Tests show this superior finish will outlast surface finishes 3-to-1 because it's baked into the wood. Durability has been proven in half-a-million homes.

Surveys show home buyers prefer Bruce Flooring by a wide margin over all other brands. This results from dependable quality and consistent advertising in leading national magazines. Builders find it pays to feature Bruce PRE-finished Oak Floors in their homes.

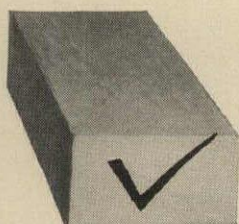
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1742 Thomas Street
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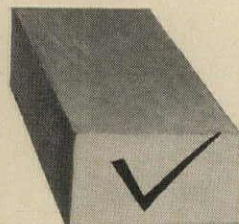
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Build in Sales Appeal . . . Brick by Brick

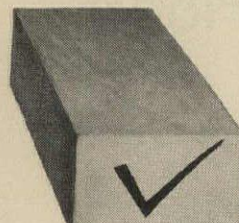


Brick resists:

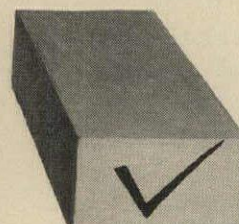
Wear. Brick never goes out of style, never wears out, lasts for lifetimes without costly maintenance.



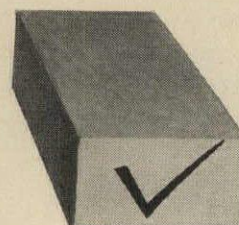
Fire. Heat and fire are part of the manufacturing process; fireproofing is permanently burned in.



Weather. Neither snow, nor rain, nor heat . . . nor any combination can penetrate impervious brick.



Insects. Brick offers neither sustenance nor haven for insect life; insects cannot bother brick.



Erosion. No significant physical erosion ever takes place; ancient Roman brick are still intact. Nor is there any erosion of public acceptance; brick is always welcome.

Brick resists

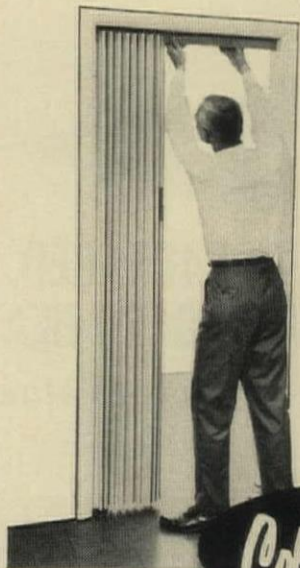
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Structural Clay Products Institute
1520 18th St. N. W., Washington, D. C.

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167	American Motor Corp. (<i>Kelvinator Div.</i>)
68	American Sisal Kraft Corp.
38	Azrock Flooring Products Div. (<i>Uvalde Rock Asphalt Co.</i>)
34	Bell & Gossett Co.
175, 176	Boro Wood Prod. Co.
148, W2	Briggs Manufacturing Co.
169	Broan Manufacturing Co.
189	Bruce Co., E. L.
70	Bruce Co., E. L. (<i>Terminix Div.</i>)
191	Cabot, Inc., Samuel
79	Caloric Appliance Corp.
171	CARADCO, Inc.
8, 9	Carrier Corp.
20, 21	Cast Iron Pipe Research Assn.
153	Chrysler Corp. (<i>Airtemp Div.</i>)
13	Coleman Co., The
55	Colonial Products Co.
191	Columbia Mills Inc., The
157, 158	Consoweld Corp.
72	Curtis Companies, Inc.
181	Delco Appliance Division (<i>General Motors Corp.</i>)
32, 33	Edison Electric Institute
192	Edwards Engineering Co.
63, 65, 67, 69	Emerson Electric Mfg. Co.
80	Float Away Door Co.
74	Ford, Inc., Ivon R.
24, 25	Ford Motor Co.
26, 27	General Electric Co. (<i>Hotpoint Div.</i>)
181	General Motors Corp. (<i>Delco Appliance Div.</i>)
75-78	Georgia-Pacific Corp.
2	Gold Seal Division (<i>Congoleum-Nairn, Inc.</i>)
28	Grant Pulley Hardware Co.
191	Hardwood Plywood Institute
35	Harris Manufacturing Co.
3	Hastings Aluminum Products
48	Home Ventilating Institute
26, 27	Hotpoint Co. (<i>Div. of General Electric Co.</i>)
50	HOUSE BEAUTIFUL MAGAZINE
148, W1, 183, 191	HOUSE & HOME
183	Howard Miller Clock Co.
71	Hunter Division (<i>Robbins & Myers, Inc.</i>)
142, 143	Insulite Division (<i>Minnesota & Ontario Paper Co.</i>)
156	Japan Architect, The
167	Kelvinator Division (<i>American Motor Corp.</i>)
187	Kenco Pump Div. (<i>The American Crucible Prod. Co.</i>)
193	Kentile, Inc.
30, 31	Kingsberry Homes
144, 145	Knappe & Vogt Manufacturing Co.
18, 19	Lennox Industries Inc.
58	Libbey-Owens-Ford Glass Co.
56, 57	Mastic Tile Corp.
53	Minnesota Mining & Mfg. Co. (<i>Adhesives, Coatings & Sealers Div.</i>)
142, 143	Minnesota & Ontario Paper Co. (<i>Insulite Division</i>)
159	Moe Light Division (<i>Thomas Industries, Inc.</i>)
7	Mueller Brass Co.
152	National Gypsum Co., The
36, 37, 194	National Homes Corp.
14, 15	National Lumber Manufacturers Assn.
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186, 187	O'Keefe & Merritt Co.
16, 17	Owens Corning Fiberglas Corp.
188	Philco Corp.
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184, 185	Republic Steel Corp.
46	Republic Steel Kitchens
71	Robbins & Myers, Inc. (<i>Hunter Division</i>)
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140	Rolscreen Co., The
146	Samuel Stamping & Enameling Co.
148, W1	Sani-Top, Inc.
192	Sonoco Products Co.
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190	Structural Clay Products Institute
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175, 176	Texboro Cabinet Corp.
159	Thomas Industries, Inc. (<i>Moe Light Division</i>)
151	United States Ceramic Tile Co.
150	United States Steel Homes, Inc.
60	Universal-Rundle Corp.
38	Uvalde Rock Asphalt Co. (<i>Azrock Floor Products Div.</i>)
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12	Weyerhaeuser Co. (<i>Lumber & Plywood Div.</i>)
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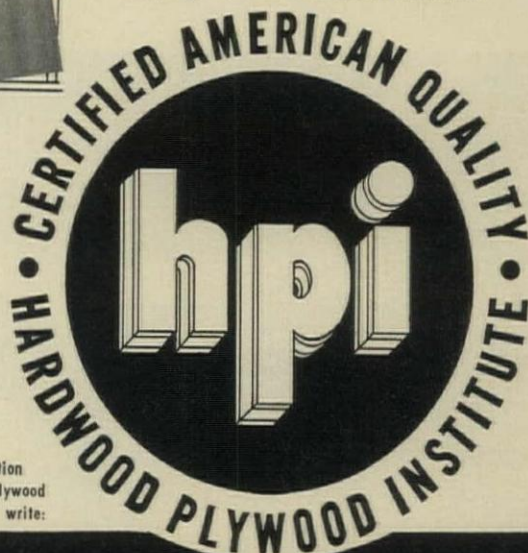
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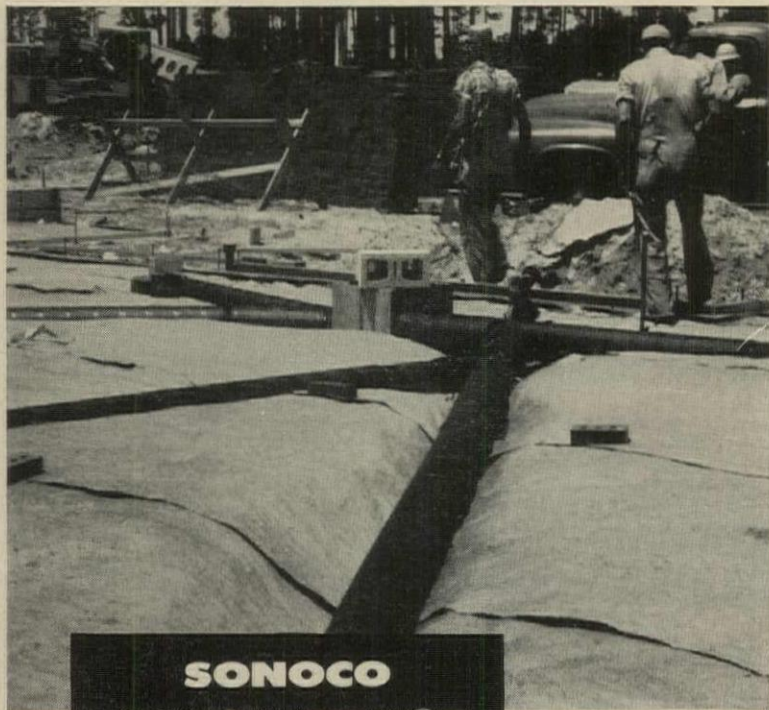


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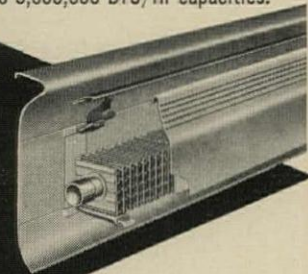
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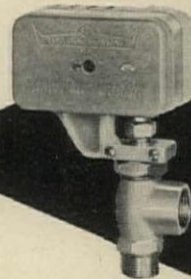
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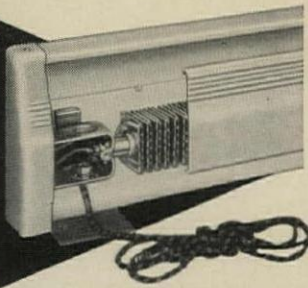
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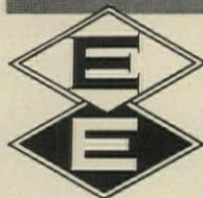


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