

House & Home

MANAGEMENT MAGAZINE OF THE HOUSING INDUSTRY

JULY 1963

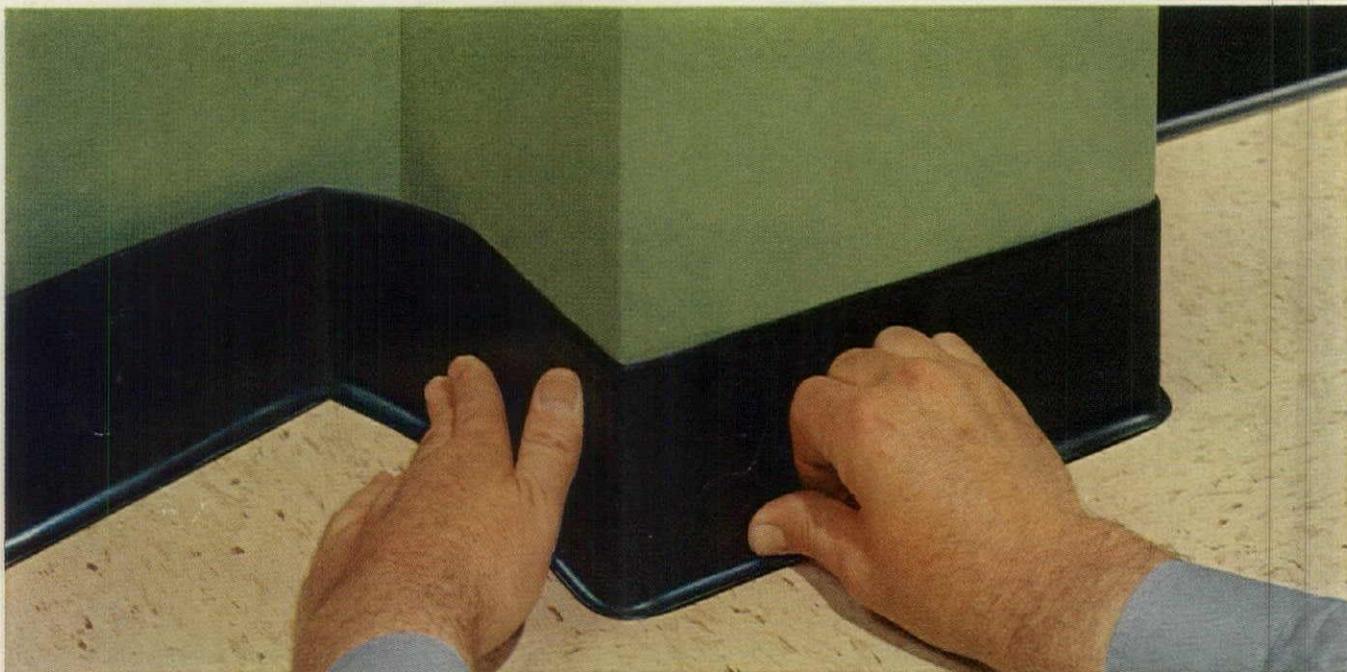


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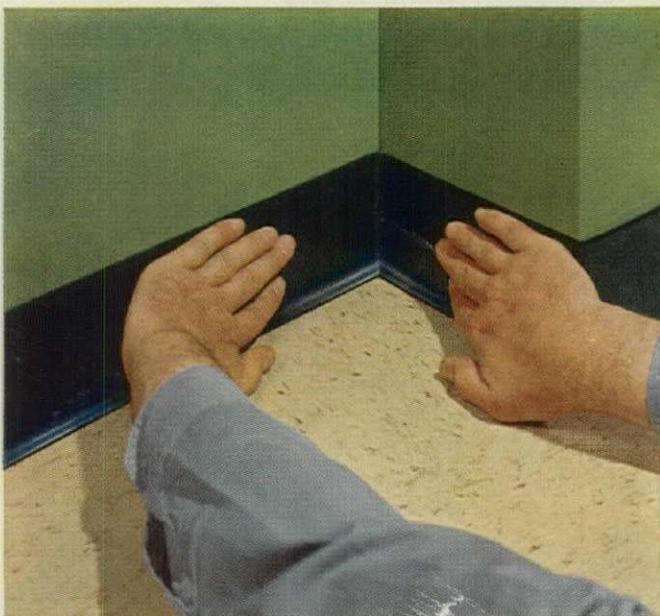
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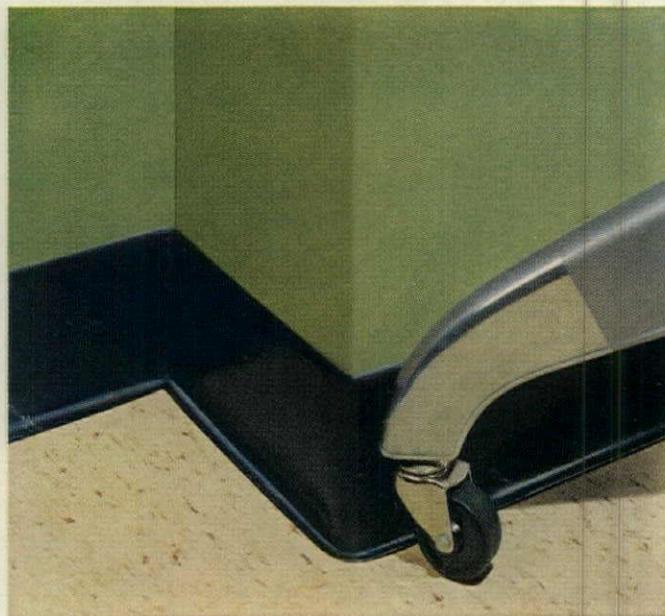
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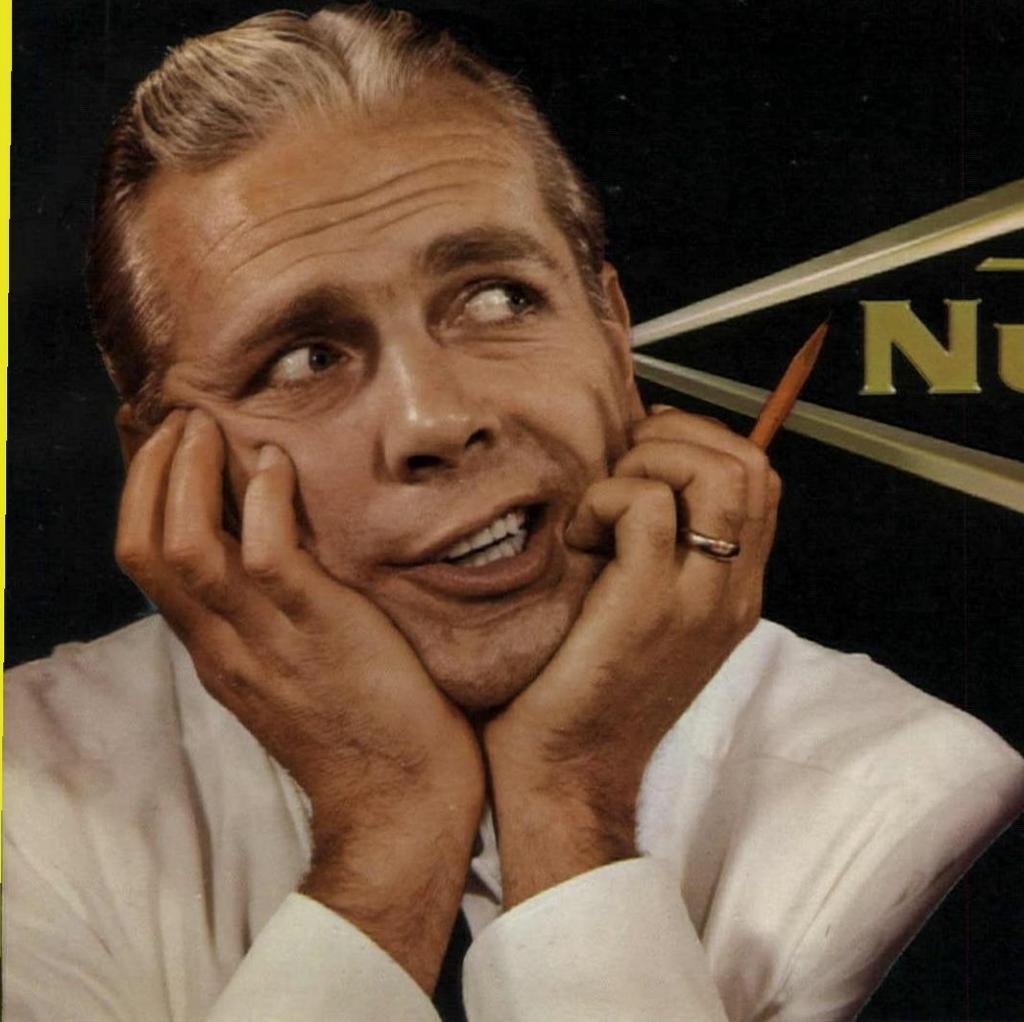


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— SEE NEXT PAGE —>

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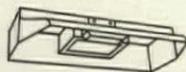
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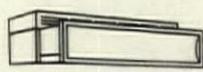
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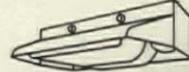
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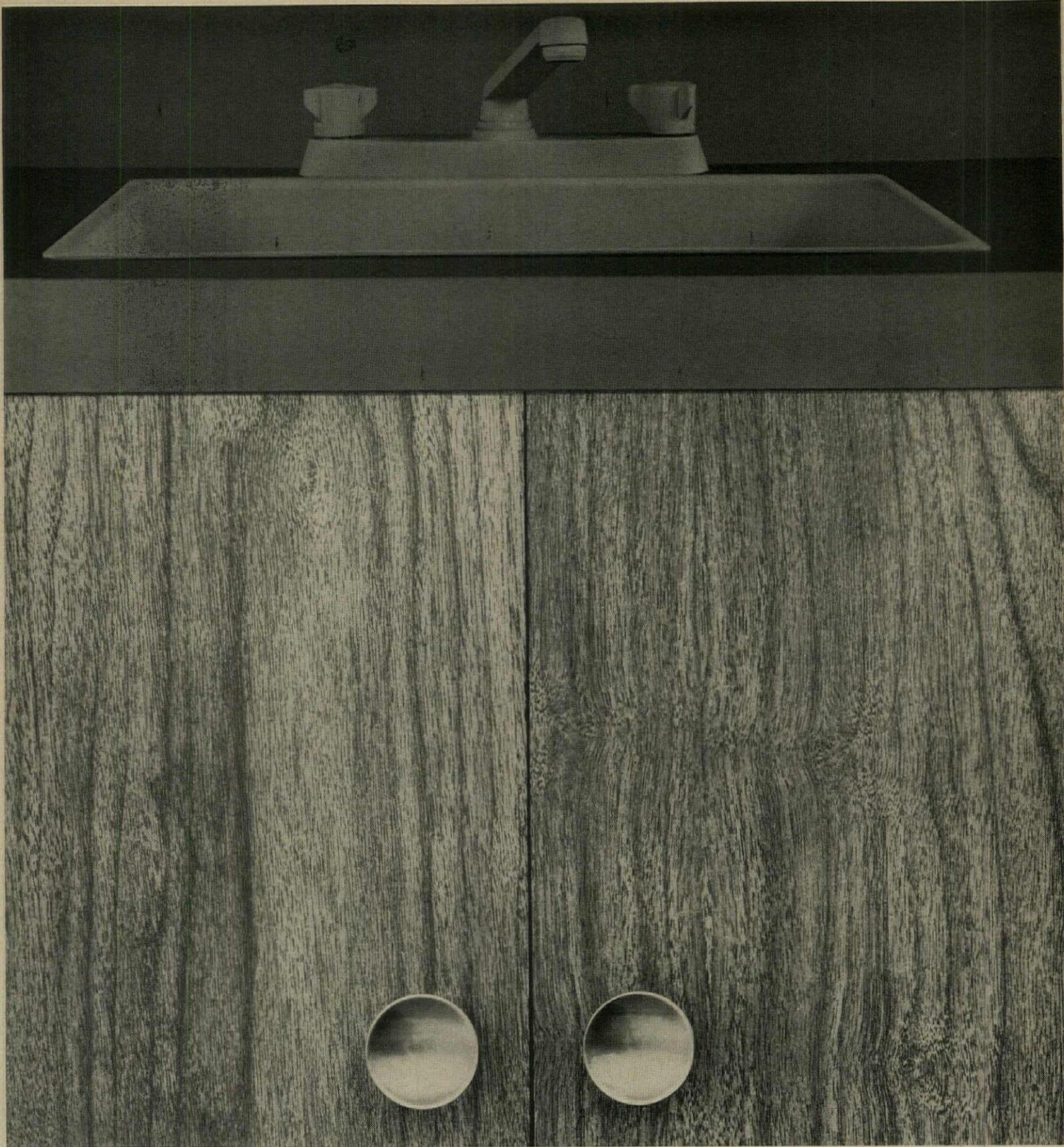
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Twelve award-winning apartments cited in the 1963 Homes for Better Living program . . . The new housing industry, part V: Architecture—for better or worse; a study of the quality of built-for-sale house design . . . What U.S. builders are doing in Hawaii, Puerto Rico, and Latin American countries.



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HOUSE & HOME

Housing outlook: a brighter picture than expected

At mid-year, housing is bustling along at a rising pace. Starts in the South and West (where five of every eight homes were built last year) are rising fast enough so HOUSE & HOME expects builders will reach 1,450,000 private non-farm starts this year. Last November, Economist Miles Colean foresaw 1963 as "a little better" than a 1962 then pegged at 1,400,000 private non-farm starts. But the final count turned up 1,429,000. The outlook now is for a level that would be the second highest since the Census Bureau began its new method of counting starts in 1959. A key contributor to the optimism: leading economic indicators like gross national product, personal income, industrial production, and retail sales are all showing steady increases.

But the 1963 market is dramatically different than the 1959 market. One-family homes are down 20% and multi-family units up 77% from 1959. From some cities come hints the market is splitting up in new ways. In booming Houston, for instance, small homes (under 1,000 sq. ft.) now make up 14% of the market, vs. 6% last year. But over half are still 2,000 sq. ft. Despite this, average permit value has dipped 16% to \$13,539. Apartments contribute nearly 75% of current Houston starts.

Religion and race: the changing pressure on builders

Suddenly this summer the mood and tempo of a nation grappling with how to treat its Negroes is switching dramatically.

Negro groups compete with one another in militancy. In Philadelphia, CORE sit-ins and NAACP pickets against union bias brought violence (*see p. 21*) ending in a bitter squabble between the two groups. In Los Angeles CORE boycotted a housing tract built in a Negro area because the builder dodged selling to Negroes elsewhere (*see p. 17*). Mass rallies and pickets backing anti-bias laws are becoming commonplace in statehouses.

Reaction is becoming more militant—but so far non-violent. The National Association of Real Estate Boards endorsed the property owners bill of rights—which NAHB refused to back (NEWS, June)—to keep government from trampling on the rights of property owners by pushing civil rights for minorities. An Alabama legislative committee has approved a bill setting up a state FHA to insure segregated loans.

All this lends support to the view of Columnist James Reston of the New York Times: "The moderates may make sense but it is the extremists who make news."

Between these two poles a new force is emerging: religion. Following an inter-faith meeting in January, rallies to break bias (especially in housing) were staged in ten cities. The National Council of Churches has just assigned an emergency staff of six (and eventually will have 25 full-time workers) to encourage "negotiations, demonstrations, and direct action."

For builders, this means new impetus behind local fair housing committees, which often draw heavily upon moderate but firm church groups instead of militant Negro groups. One measure of this force already: local groups pushing integrated housing have multiplied 14 times (from 18 to 250) in three years.

Mobile builders s-t-r-e-t-c-h for new markets

In today's bitterly-competitive homes market some of the country's biggest builders are going two ways: into untested markets and into some of the hottest building areas.

Celotex Corp., Chicago-based materials producer taken over by shell-home Builder Jim Walter last year (NEWS, Sept.) is jumping into vacation homesites in Michigan's upper peninsula. Celotex has built gravel roads, brought electricity in, and is selling lots (\$1,495 on the water, \$995 nearby) on Petticoat Lake, one of 250 lakes dotting 250,000 acres of forest land Celotex has owned for seven years. Ski slopes lie nearby and the company calls it "ideal territory for vacation and recreation." It is so beautiful that Walter won't let salesmen from Seay & Thomas agency in Chicago sell lots without viewing the lake country first.

Builder William J. Levitt is beginning land development for 1,600 homes on 450 acres at Rockledge on Florida's east coast near both Cape Canaveral and Patrick AFB. He plans to open model homes in this burgeoning market next year. President W. Evans Buchanan of NAHB plans to follow Levitt to the Paris market. He is there to pin down final details.

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Housing industry wins first round victory on depreciation

The House ways & means committee has voted tentatively to reject the Kennedy Administration's plan to end fast tax write-offs for apartments and other real estate.

If this outcome stands up in the final version of the hotly disputed 1964 federal tax law, the housing industry will have won a battle to keep at least part of one of its most cherished tax shelters.

As the law stands now, investors in income property get these advantages:

1. Profits from sale of buildings owned more than six months are subject only to capital gains tax (25% maximum now and a 19½% ceiling under the committee's tentative reduction) instead of to ordinary income tax (up to 91% now for individuals).

2. Operating profits can be offset by depreciation (on paper) at rates up to double the straight line method (or up to 150% for existing buildings). If this produces a book-keeping loss—as it usually does during the first six or seven years of an ownership—the loss can be used to offset the taxpayer's other income. If the owner sells the building for more than its depreciated book value that gain is subject only to capital gains rates, too.

The Administration contends this is "giving rise to increasingly uneconomic investment practices and threatening legitimate real estate developments." It wants to 1) end all accelerated depreciation for real estate, 2) tax as ordinary income all profit on sale of a building held less than six years—with no depreciation allowed at all, and 3) grant owners the right to pay capital gains tax on profits-at-sale on a sliding scale thereafter—1% depreciation per month. Thus an investor would have to own an apartment 14½ years before he could sell it and be taxed only at capital gains rates.

Ways & means, carrying out the dogged aim of Chairman Wilbur Mills (D., Ark.) to stuff tax reform into 1963 legislation, has de-

Walter Bennett



TAX WRITER MILLS

Price for a tax cut: a little reform

vised its own formula for realty depreciation and taxes of profits-on-sale. Under it, a builder could still claim fast write-offs but if he sold the building within ten years, he would have to pay ordinary income tax on the difference between accelerated and straight-line depreciation on this formula: full income rates for the first year, decreasing by one-eighth of the difference each year until only capital gains rates would apply in the tenth year. Moreover, the committee has also voted to ease capital gains taxation. Now, only 50% of actual capital gains is taxable—with the 25% rate ceiling. The committee would cut the inclusion to 30% for real estate and securities held over three years.

How the plans compare. A look at the table below shows why housing and real estate men hail the committee plan as a victory. It would subject part of fast write-off to the ordinary incomes taxes, if a building is resold in its young years. But it is far less drastic than the Administration plan.

For an apartment valued at \$100,000, with a 40-year life and resold at its purchase or construction cost, and fast write-off at a

150% rate, here's how present law, the committee's, and Administration plans compare:

YEAR	PRESENT LAW		WAYS & MEANS		ADMINISTRATION	
	Accel. Deprec. (Cum.)	Ord. Inc.	Ord. Inc.	St. Line Deprec. (Cum.)	Ord. Inc.	Ord. Inc.
1.....	\$ 3,750	—	\$1,250	\$ 2,500	\$ 2,500	\$ 2,500
2.....	7,359	—	2,359	5,000	5,000	5,000
3.....	10,833	—	2,695	7,500	7,500	7,500
4.....	14,177	—	3,132	10,000	10,000	10,000
5.....	17,395	—	3,060	12,500	12,500	12,500
6.....	20,493	—	2,748	15,000	15,000	15,000
7.....	23,475	—	2,148	17,500	15,400	15,400
8.....	26,338	—	1,584	20,000	15,200	15,200
9.....	29,100	—	825	22,500	14,400	14,400
10.....	31,758	—	—	25,000	13,000	13,000

The committee formula is still subject to final approval but the tentative vote is taken by housing men to mean the committee won't adopt the Administration's drastic reforms.

NAHB and the National Association of Real Estate Boards have argued the Administration plan would lock-in investors for 14½ years and so dry up investment funds for real estate, especially apartments (NEWS, June).

Tougher installment sales. Builders lost their plea that the committee reject an Administration crackdown on installment sales for which no interest is charged.

Builders now can take an option on raw land and, if the seller agrees, pay no interest until they are ready to take title to the land and subdivide it. The seller reports the full price as a capital gain.

Ways & means voted to let the Treasury apply a standard interest rate to such sales and apply ordinary income tax rates to the portion of the sale attributable to interest.

Builders predict taxing interest to sellers, notably farmers, may boost land prices.

The committee also softened a crackdown on multiple corporations (NEWS, June) in favor of a 3% penalty on surtax exemptions claimed by companies under common ownership.

ABA nudges its secondary market bill ahead a bit

Ostensibly, the third annual mortgage conference of the American Bankers Assn. in Washington last month was to build enthusiasm among commercial bankers for making more residential mortgages.

But by skillful maneuvering, the conference's leader, ABA Deputy Manager Kurt Flexner, managed to steer a controversial pair of bills setting up a secondary mortgage market for conventional loans (drafted under Dr. Flexner's direction) from Congressional limbo to a half-way certain date for public hearing. One bill would set up a secondary market facility under federal charter, while the other would provide for federal chartering of private insurance companies to insure the conventional loans.

Word from the hill. Dr. Flexner sagely scheduled the two men whose support he must have on Capitol Hill—Sen. John Sparkman (D., Ala.) and Rep. Albert Rains (D., Ala.), heads of the two housing subcommittees—to speak at the opening session. Rains and Sparkman were less than encouraging.

Both forecast that the bills would not pass this year. Rains suggested they could be included in an omnibus housing bill next year, because lumping them with other housing measures was the surest way to get widespread support in Congress. As to hearings, he said he "hopes" to get testimony on the bills sometime later this year when he takes his committee on a tour of five or six major U.S. cities to inspect housing programs. Sparkman noted that his committee already had 16 bills to study but "can probably find time to schedule hearings on the secondary market facilities before the others if it is felt desirable."

ABA followed the lawmakers' two talks with the calculated flattery of a testimonial luncheon at which the bankers presented each with laudatory plaques. Samples: To Sen. Sparkman for his "energetic statesmanship in the fields of banking and housing;" to Rep. Rains for "his ability to advance housing legislation which greatly benefits the nation."

Next day, as Sen. Willis Robertson, chairman of Sparkman's parent banking committee, waited to speak to the bankers, Dr. Flexner announced Sen. Sparkman had conferred with Sen. Robertson and Sparkman would begin hearings "probably in late August."

WASHINGTON INSIDE . . .

▶ Administration insiders are whispering that the executive order banning bias in federally-aided housing may be extended to conventional loans in two months. Key reason: Earl Cocke Sr., steps down next month as chairman of the Federal Deposit Insurance Corp.—the one federal agency which privately refused to go along with an anti-bias rule last year.

▶ Look for Administrator John E. Horne of the Small Business Administration to replace Joseph J. Williams on the three-man Home Loan Bank Board. Horne is a former staff aide to Sen. John Sparkman. The Kennedy Administration is cool to reappointing Williams, an Eisenhower appointee, despite strong support from S&Ls and HLBB Chairman Joseph McMurray. One fact that could help win Williams a second term: he is a Virginia Democrat and close to Chairman A. Willis Robertson of the powerful Senate banking committee. Robertson is a Virginian too.

Slums for military families?

The Defense Dept. has just counter-attacked builder complaints about its ambitious on-base military housing program (62,000 units in five years at a cost of \$1 billion) by showing asserted slums where many a military family now lives (*see photo*).

Defense Secy. Robert McNamara presented to the House armed services committee nine photos he said were typical of "thousands of actual cases." He asserted 138,000 service families live in substandard housing and another 49,000 are separated because of lack of quarters.

Builders have complained that in some localities like Ft. Lewis, Wash., and Keesler AFB, Miss., military base commanders use covert pressure to keep servicemen from living off-base. The Ft. Lewis commander has told his men that plans to keep a home off-base does not mean a request to live off-base will be automatically granted; the serviceman must also show intent to resign the service within six months. Louisiana builders say two or three subdivisions near Keesler are "on the ropes," even without new on-base units.

Builders say they are encountering processing snafus with Sec. 810, written in 1959 to provide off-base rental housing without burdening the federal debt. Only four projects with 414 units are underway (NEWS, Apr.). None are completed. Builder Paul Bickford of Hampton, Va. says officers at one North Carolina base had never heard of Sec. 810, although base commanders must certify units are needed before FHA can insure the mortgages. Builders fear that with the de-emphasis on Sec. 810, more on-base housing will be pushed through Congress, and the business will go to general contractors; not homebuilders.

But militarymen counter the builder arguments by saying they count heavily on Sec. 810 to provide 42,000 units in the next five years. McNamara puts total military housing needs at 128,000 units and says the 62,100 units the military wants (12,100 of them in fiscal 1964) is the minimum after using all private units, including new trailer spaces and renovating inadequate on-base quarters. His department's policy "is to rely to the maximum extent possible on the civilian commu-



LABELED INADEQUATE by the Defense Dept. is this two-bedroom house outside Malmstrom AFB, Great Falls, Mont. for which a staff sergeant pays \$110 monthly including utilities. Note the prop to support rotting porch. The Pentagon says two-thirds of off-base housing here is substandard but few private apartments are being built.

nity to provide housing for our service families," he says.

The armed services committee, after listening to the arguments and studying the photos, cut the Pentagon's 1964 program from 12,100 to 10,000 units, including 7,962 for domestic bases and 1,397 units of the suddenly-controversial relocatable houses (NEWS, May).

FHA REGULATIONS

No funds, so backlogs loom again

FHA's annual hold-your-breath contest with Congress over appropriations is on again.

As happened last year, the independent offices appropriations bill carrying FHA money—although the agency earns from fees more than it spends—is moving slowly. It was not expected out of the House committee until too late to complete Congressional action before the 1964 fiscal year that begins July 1.

To carry agencies past such lapses, Congress normally lets them keep spending at present rates. But if a bill carrying funds starts to move, the agency must follow the last Congressional action taken—and the House appropriations committee usually cuts FHA budgets (by over 10% last year).

So FHA aides are telling builders this could mean longer processing time late this summer when builders are rushing to get construction finished before bad weather sets in.

Entering June FHA found 14 offices taking 11 or more working days to process applications. Detroit was slowest at 15 days. Others: Buffalo and Columbia, S. C., 14 days; San Diego, Santa Ana, Calif., Dallas, and Manchester, N. H., 13 days; Atlanta and Helena, Mont., 12 days; Jamaica, Providence, Birmingham, Cleveland, and Sacramento, 11 days.

Agency enlarges the types of builder data it reveals

After prodding by Rep. John E. Moss (D., Calif.) and his House government information subcommittee, FHA is revising the rules under which it will reveal to the public information submitted by builders on applications.

The change is an outgrowth of a fuss in which Houston newspapers claimed the district director had overruled an adverse land

value report by his chief underwriter in insuring a \$4.7 million project (NEWS, Apr.).

Commissioner Philip Brownstein says the agency is throwing away its list of documents and official records classified as confidential, and so not open to public inspection. "It is difficult to keep such a list current at all times, and erroneous inferences often are made regarding documents not listed," he says.

Now, FHA will tell employees to comply with the U.S. law which says officials may not reveal "trade secrets, processes, operations, style of work, apparatus, or the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person, firm, partnership, corporation or association." Income returns (and their copies) and abstracts are also classed confidential.

Converting co-ops to rental challenged in Florida court

A disgruntled would-be co-op buyer has gone to court to upset FHA's practice of letting Sec. 213 cooperative sponsors shift to straight rental if they flop as a co-op. FHA has permitted this in Florida and New York City, where some co-ops have been unable to achieve 97% sales FHA requires before closing the loan.

Newspaper Publisher Jay Morton (Hialeah Home News) has just sued FHA and Sponsors Norman Arkin and Jack Taylor of the \$5-million Bay Park Towers in Miami to halt such a change. Morton says he bought one of Bay Park's 250 suites in 1961 and invested more than \$12,000 in improvements which he cannot recover. Last November, Morton and other residents were notified Bay Park was shifting to rental. All but Morton accepted

return of their down payments and a lease at the co-op carrying charge. Even as a rental project, Bay Park is one-third empty.

Morton contends FHA cannot legally waive its customary requirement that an investor co-operative operate two years. He also argues Arkin and Taylor are partly responsible for the slow sales because they did not spend \$150,000 for advertising and promotion as projected in the FHA commitment.

New anti-bias move: agency to post lists of applications

FHA has just ordered its field offices to post notices in their lobbies of applications covering new construction. The move comes in answer to complaints by Negro groups that they can't find out locally what units are covered by President Kennedy's ban on race bias in federally-aided housing.

Under the order, all rental units and applications for one-family homes received in groups of five or more are to be posted. FHA says the order will eventually cover all applications received after last Nov. 20, when the Presidential mandate became effective.

But FHA will display only the name and location of the subdivision, date of application, and number of homes or apartments involved. "No other information shall be included."

Anti-bias backers at a rally staged by the National Committee Against Discrimination in Housing in Washington (NEWS, June) pressed for some way to find out which homes and apartments were covered by the executive order. They also wanted price and rental data for minority househunters.

FHA rejects posting this much data on the ground it would be unfair to give it to a builder's competitors.

Three states move to check frauds in land-sales

Spurred by the implied threat that the federal government would move in unless abuses are checked (NEWS, Mar. *et seq.*) Colorado, Florida, and Minnesota have enacted measures to curb fly-by-night promoters of land.

At the same time, federal grand juries followed earlier indictments with new charges of mail frauds against three New Mexico and seven Oregon land promoters.

Following the lead of New Mexico's legislature, which passed a strong bill regulating land sales (NEWS, April), Florida and Minnesota enacted stiff legislation. A watered-down bill limped through in Colorado.

Florida, worried that out-of-state publicity about shady land deals was hurting the state's big land-development business, adopted a tough law with real teeth. It sets up an installment-land-sales board with broad powers to register developers of more than 50 sites, and review their advertising, title validity, fulfillment of development claims, and financial resources. It is also empowered to revoke or suspend licenses, and even to go into court to enjoin sales resulting from fraudulent ads (earlier regulation covered only advertising placed by developers in out-of-state media). The new law, widely supported by builders

and developers, was based on a report by a committee of key figures in Florida development, home-building, realty and finance. While noting that "a great majority of the land sales business in Florida is entirely legitimate", the study suggested the industry itself, working with such a state regulatory agency, should help "weed out unscrupulous dealers." To help police the situation, 24 big Florida land companies—including some of the state's giants like General Development Corp. set up an Installment Land Sales and Development Assn. to establish and maintain ethical standards.

Minnesota reacted to land swindle scandals with a "full disclosure," anti-fraud bill, pushed vigorously by its consumer-protection-oriented state attorney general, Walter F. Mondale. It requires disclosure to the state of details of real estate promotion development outside of urban areas. Because of early opposition from homebuilders (who didn't like the loss of local planning board jurisdiction to the state, and feared new red tape) it applies only outside communities with self-regulation.

Adding some water. A strongly Republican Colorado state house failed to get far toward stricter regulation. A bill proposing

tough licensing laws for subdivisions and stringent rules for subdividers passed the Senate only to be gutted in the House. Substituted: an enacting clause calling only for licensing of the subdivider without attention to his property. Amid considerable protest the amended bill was passed as "the best we could do at the end of session."

This wasn't good enough for State Real Estate Commissioner Kenneth Koske, who makes no attempt to hide his dissatisfaction. His forlorn hope: this is just the first step toward a better law.

Federal crackdown. In Albuquerque, a federal grand jury indicted Robert N. Golubin and two associates on 26 counts of mail fraud in sales of 35,000 undeveloped lots.

Golubin, organizer and former president of Great Southwestern Land Co. and New Mexican Southwestern Development Co., also faces FTC charges (NEWS, May) and 17 California counts in connection with the same land. The federal indictment charges him with using the mail to defraud through the "free lot" come-on device. In Portland, Ore., a jury indicted seven promoters of desert waste land it said was "deceptively" named Lake Valley.

Colorado: scandal-shy builders back licenses for contractors

The Metropolitan Denver Home Builders plugged hard for passage of Sen. Richard F. Hobbs' bill to license contractors, but in vain.

Builders saw the bill as a way to curb abuses which they fear may do heavy damage to homebuilding's public image. The Hobbs' bill would allow punishment of a contractor for "diversion of funds or property received for any purpose for which not intended in connection with the prosecution or completion of a construction project."

In Denver, reliable sources are deeply worried that some of the larger and more important builders may be misusing money in last ditch attempts to save their businesses from bankruptcy. One contractor calls the prosperous appearance of some project sites deceiving. Many contractors are borrowing from Peter to pay Paul—and will be in trouble if expected sales fall short, he says.

Pennsylvania: Realtor leads license reform, wins top job

Realtor Alan M. Emlen became a critic of Pennsylvania's real estate licensing practices six years ago when he first was elected president of the Philadelphia Board of Realtors. Over the years he has also been critical of the way the state grants 15 other professional licenses (to some 430,000 licensees). "It [licensing procedure] has relapsed into a bad, sloppy situation," says Emlen. "The deterioration has been a creature of growth."

Last year, irregularities in licensing practice made headlines. Anthony Turchi of Philadelphia, son of the head of the state real estate license board, won a license after failing the state exam three times. The board ex-

plained it had set up a new policy of granting licenses to repeat failures if they displayed adequate knowledge of laws in a personal ex-

Jules Schich



REALTOR EMLEN

For a critic, the repair job

amination. After vague charges of irregularities in licensing architects and engineers, the top administrator of these licensing boards was fired.

So it was no surprise that when Republican William Scranton was elected governor last fall, he called upon Emlen, now treasurer of the GOP state committee, to suggest reforms.

Emlen called for grouping all 16 license boards under a single commissioner reporting directly to the governor. The commissioner would be a voting member of all boards.

Gov. Scranton adopted Emlen's plan and made it one of 11 points in his legislative program. Last month the legislature approved the Emlen plan despite Democratic charges that the new set-up will be operated politically.

Scranton promptly signed the bill and named Emlen the new license commissioner. Said Emlen, 43, surveying his new office jammed with cardboard boxes full of old files: "The only place to go is up."

New York: Builders win two key planning and zoning laws

A year ago builders persuaded the legislature to pass bills setting up guidelines for cluster zoning and to giving builders zoning protection during construction.

But Gov. Nelson Rockefeller (R.) vetoed both at the urging of various state agencies. Undaunted, builders huddled with the protesting officials and re-drafted the measures to overcome their objections.

Result: Revised bills have just been signed by Gov. Rockefeller. The new laws:

- Lay down guidelines for cluster zoning. Town planners have had power to make "any reasonable change" in zoning rules since 1927, but in practice have used this little because the law was vaguely worded. The new law provides these rules for making changes for cluster zoning: 1) changes can be made only on residential land, 2) the planning board cannot exceed the original density of the land under normal zoning, and 3) the board may hold public hearings on changes.

- Make zoning protection for large tracts easier to acquire. Under present law zoning on mapped subdivisions is frozen for one to three years only after the builder posts bond for all street and utility improvements. Builders argued that this works a hardship on small builders, who find bond costs prohibitive, and large tract builders. The new law lets town planning boards give builders the right to file subdivisions in sections containing at least 10% of the tract, thereby gaining the three-year zoning freeze for the entire tracts. Bonds for improvements on each section must be provided.

Says Executive Director Garrison Dillon of the New York State Homebuilders Assn.: "We are absolutely convinced that preliminary groundwork pays off."

HOUSING MARKET

Year-old Bureau for Advanced Housing dies in bankruptcy

When the Bureau for Advanced Housing burst upon the housing industry a year ago, the idea was both cheered and jeered. It was a predictable welcome from a tradition-bound industry for what was the most ambitious plan yet for a package house linking manufacturers and builders.

Now, the bureau has died unannounced and virtually unnoticed. A federal court in Trenton has declared it bankrupt, with liabilities of about \$500,000 and visible assets of \$50,000.

While Receiver Kester Pierson of Princeton, N.J., disposes of the tangible evidence of the bureau's work (chiefly furnishings at its Princeton office), a small group of men who worked closely with the bureau are sifting the intangibles—how the bureau operated, what it did and did not do—to decide whether the idea is still sound. Some of them contend strongly that it is.

Grand plan. The bureau emerged in a blaze of publicity (NEWS, July '62) as a new twist on vertical integration in house production—the concept of unified control from producer to builder.

The plan: the bureau would design and promote a group of Advanced Homes of the Year priced from \$15,000 to \$45,000. A builders advisory group would pick builders to build them. Selected builders would pay the bureau 5% of the sales price of production homes (10% on model homes)—but were supposed to recoup this cost through lower prices on materials in the bureau's package. Builders had to agree to build at least two models a year and to use the bureau's package of design and materials without deviation. Participating manufacturers (the bureau said it had signed up more than 30) agreed to give volume discounts on their products used in bureau houses enough to offset the 5 or 10% builders would pay the bureau.

The bureau was the brainchild of S. (for Sidoine) J. (for Jordon) Schwinn, 58, who began a long career in advertising and merchandising in 1924. After serving as vice president and director (1948-51) of Ruthrauff & Ryan advertising agency, he became a marketing consultant in Princeton. He entered housing by helping Certain-teed organize its ill-fated venture in shell homes (NEWS, May), the Institute for Essential Housing. Later, he and Certain-teed parted.

The bureau started with more than \$1 million capital—\$800,000 from National Gypsum and about \$230,000 from other investors. But it ran into squalls almost at birth. Its first brochure promised that "wasteful, inefficient distribution and exorbitant marketing costs" could be "largely eliminated in this decade" through the bureau's leadership. Builder Leonard Frank, then president of NAHB, criticized it publicly, and the National Lumber and Building Material Dealer Assn. viewed it skeptically as an attempt to bypass normal distribution channels.

Chairman Melvin Baker of National Gypsum hastily assured the industry this was not the case: "The bureau will in no way compete with builders . . . The bureau will not compete with our dealers in that all materials will be purchased locally at prevailing prices." (But builders would pay with special certificates purchased at reduced prices from the Bureau.) Bureau plans would specify National Gypsum products, and Baker estimated a \$5 million to \$10 million sales from an ex-



BUREAU'S SCHWINN
The show never got off the ground

pected 10,000 homes in 1963.

At the same time National continued its own Gold Bond house program, offering builders cooperating with its existing dealers a similar plan and materials package.

Undoing the plan. From the beginning the plan excited builders. Desks at the bureau were piled high with inquiries. Materials producers sensed the marketing potential and sought to cooperate until the Bureau stalled.

Schwinn, ingenious marketing innovator, showed up as less than an ideal administrator, say his associates. As chief administrator, he is bearing the brunt of criticism for poor follow-through. But part of the blame lies on everyone concerned, manufacturers and staff. Some troubles:

Major problem was agreeing on the details of what constituted the Advanced House for 1963. The bureau named two architects, Vincent Furno of New York City and Alfred Kastner of Washington, to head an architectural board. But the pair worked on alternate weeks, and Schwinn often asked one architect to change the other's plans.

Most of the changes stemmed from arrangements Schwinn made with manufacturers to include their products in the house. Often the deals were made with down-the-line staffers of manufacturers and later repudiated by company higher-ups.

On one occasion Schwinn ordered a nationwide search for two-sided bathtubs so

he could design an Advanced House with a tub separating two separate washrooms. Schwinn was told this was an antique item but the hunt persisted. Sure enough, one plumbing maker offered to give the bureau about 100 obsolete two-sided tubs in storage.

As months progressed and details of the manufacturer items to go into the Advanced House were still highly fluid, anxious staffers tried to force the issue by summoning all manufacturers to tie-down their commitments. Schwinn remained in his office while marketing vice presidents of about 30 companies promised co-operative ad campaigns with the bureau logotype—to a whirling tape recorder.

Late last fall the bureau worked out arrangements to buy lots and build with its own builder six model homes at General Development Corp.'s Port Malabar in Florida. Schwinn went to oversee the building personally because final working plans were not completed. Four times staffers tried to arrange tours by co-operating manufacturers to see how their products were being used.

Four times the tour was postponed. After the fourth delay, the staffer for manufacturer relations told producers he had quit.

As the project fell behind schedule, Schwinn, who had projected a profit after nine months, stepped up his spending in an effort to catch up. National Gypsum officials grew concerned lest he squander money, and this provoked a series of clashes between Schwinn and Gypsum executives.

Key staffers drifted to other jobs. In February, a letter to employees announced administrative control had been shifted to Frank Fineran, Westport, Conn. builder who had chaired the advisory committee. When creditors filed a petition for involuntary bankruptcy against the Bureau May 24, Schwinn resigned. He was unavailable for comment.

The 1963 Advanced Homes—two completed and four unfinished—stand at Port Malabar—encumbered by heavy building liens, says the bureau receiver.

Will it work? Despite the operational flop, former employees and investors still praise the plan. "It looked good on paper and might have worked if it had the horses behind it," says one. "The concept is entirely sound and for my money is still untested," asserts another heatedly. "And I feel that most manufacturers I have talked to since leaving agree."

And an investor who worked with Schwinn for many years and stands to lose many thousands of dollars adds: "It was a brilliant idea and still is. But Sid is no administrator."

NEWS continued on p. 13

ONLY TWO Advanced Homes at Port Malabar, Fla. were completed by separate Bureau Homes Inc., owned by three nominees of Bureau including President Schwinn.



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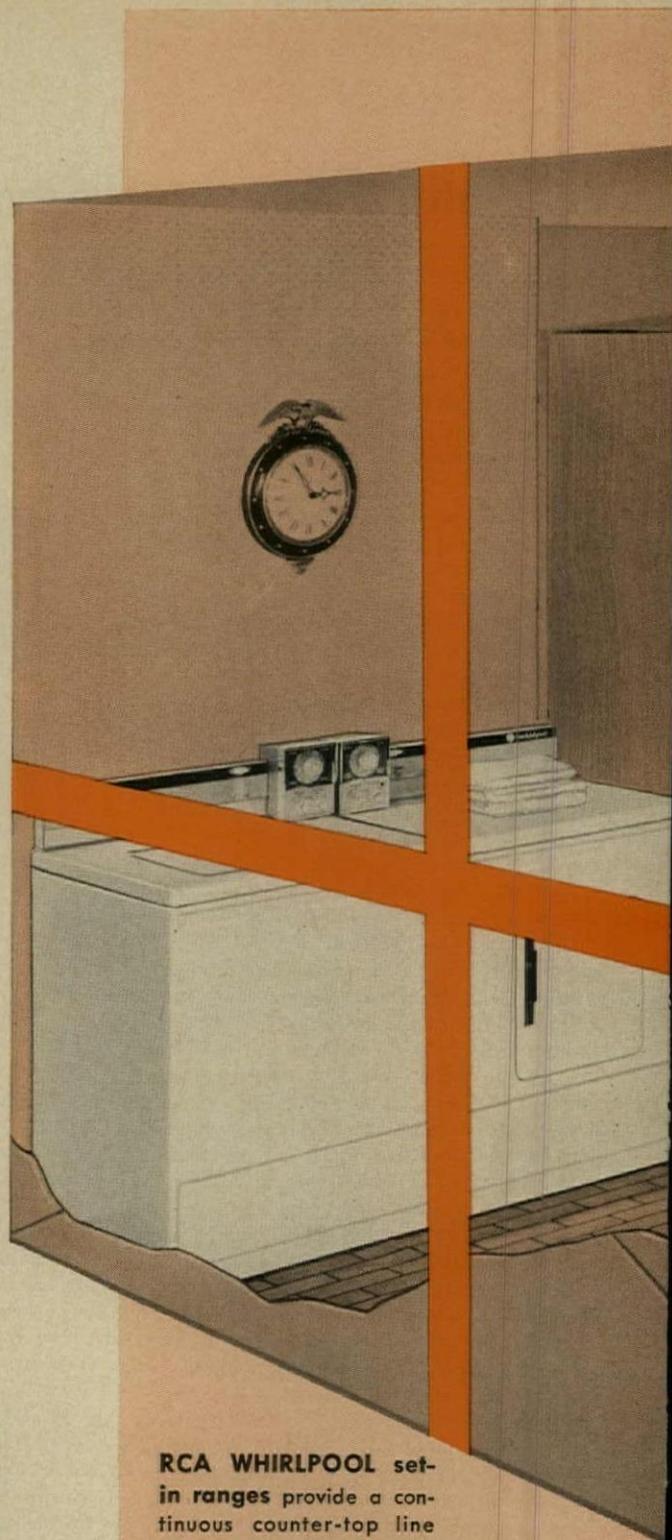
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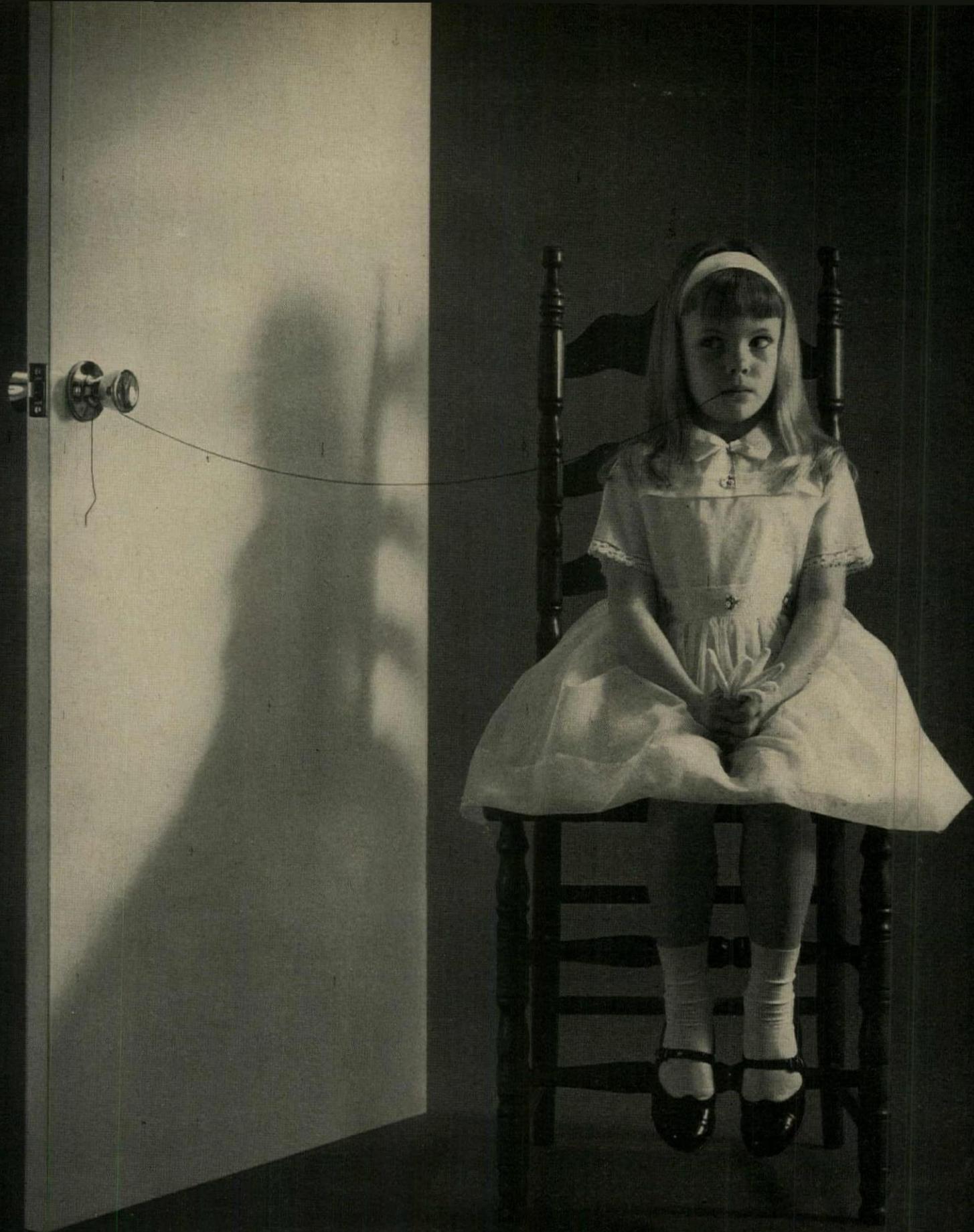


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RESEARCH

Struggle over federal research

Only after the battle was well joined did the Commerce Dept. divulge the study that touched off the squabble over whether the U.S. should finance major housing studies

The hottest housing battle before Congress this year involved an area that hasn't been controversial for nearly a decade: federal support of technical research. The Commerce Dept. sought a \$7.4 million appropriation to stimulate research in three industries it calls technically backward: construction, textiles, and food processing. But the House appropriations committee, after hearing loud objections from private housers, knocked housing out and gave Commerce only \$1 million to complete its textile research.

Most of the housing industry fought the idea on the ground that it would compete with private research and upset the competitive status quo between rival product manufacturers. As the row raged in Congress, the Commerce Dept. belatedly divulged the White House panel report—written last year—on which the whole idea is based. The report, to President Kennedy's scientific advisor, Dr. Jerome Wiesner, was written by a distinguished five-man committee of experts: Chairman R. A. Charpie, advanced products manager of Union Carbide; R. M. Dillon, executive director of BRAB; Executive Vice President James Lash of Action Inc.; Martin Meyerson, director of the MIT-Harvard Joint Center for Urban Studies; and Vice President C. F. Rassweiler of Johns Manville. If you want to understand what the battle is about, the Charpie report is vital reading. Herewith a condensation of its findings:

In the past 15 years the housing industry has undergone a fundamental change from an ill-defined handcraft activity to a local well-organized industry, with many important innovations along a broad front ranging from finance to technology.

This change, dramatic as it is, is but the first in what will be a process of continuing change for many years to come. This process must be accelerated, for in the exploitation of technological methods housing fails and will continue to fail to contribute as fully as it might to national economic growth.

To provide technological growth comparable to the major growth industries (which spend about 1½% of sales for R&D) housing should spend as much as \$360 million a year on research and development.

Probably the biggest single obstacle is the commercial structure of the industry.

Housing is a highly local and fragmented activity. In 1960, no single builder or home manufacturer accounted for more than 5,000 units—and most erected fewer than 20. The same lack of large units exists among the professions, the manufacturers, the suppliers, and to some extent even among those who provide the financial backing; and a myriad of political jurisdictions have a subsidiary or regulatory function to perform.

This fragmentation makes the promotion of innovations difficult and expensive. In the automotive industry, innovation gains wide usage simply through its adoption by one major company. In the housing industry literally thousands of individuals and private and public bodies must be sold on its value and taught how to use it. Innovation may come from any source within the building complex, but there are no clear or simple channels for getting acceptance or adoption.

Most of the money paid by the homebuyer flows into the hands of people and companies who have little opportunity to improve their profits by spending for research and development. This tends to preserve the *status quo*.

Needed: leadership companies with a broad

enough interest to assume over-all responsibility for housing as an end product.

And there is serious doubt whether housing can achieve its desired status of a growth industry unless leadership companies do emerge.

A second major obstacle to progress is the absence of land development policies.

It is often said that there is too little land for growth in many of our urban areas. We think this widely-held opinion is incorrect. Rather, there is insufficient land readily available at a reasonable cost for residential development, particularly in metropolitan areas.

There is too little advance planning to use the location of highways or the provision of new utilities in such a way as to make the maximum amount of desirable new land available at least possible cost. Virtually all mu-



RESEARCHER CHARPIE
Author of a controversial report

nicipal services, particularly transportation and utilities, have been provided on an "after-the-fact" basis, rather than as a means of promoting good land use.

Speculative land-buying has been, and continues to be, a serious problem in urban growth and in the economic development of the housing industry.

Too little new technology is applied in fields of public interest.

In some areas new technology must be stim-

ulated by a concern for the public interest rather than by the incentive for private profit alone. For instance:

1. The proper use and preparation of land.
2. The assembly of housing and commercial structures into healthful, pleasant, and stable neighborhoods and communities.
3. The effect of the design and structure on the comfort, well-being, and satisfaction of the occupants.

There is little likelihood that private industry will soon spend its own money for research in such areas government-sponsored research is both needed and appropriate.

There is no scientific tradition, literature, or recognized profession in housing technology.

It is remarkable that so large an industry has not developed a scientific and technological tradition within our university community. The lack of a firmly-rooted university tradition in housing science and technology is a major factor in the technological backwardness of the industry.

The building industry needs a better basis for performance requirements and methods of measurement.

There is great pressure to play safe by staying with established practices. There is no sound approach to establishing codes or minimum standards which will permit the rapid adoption of worthy new technology.

Needed: scientific and experimental work to provide a clear understanding of what characteristics are essential measures of performance. Without this a great deal of the research and technical work is wasted.

The merit of a specific innovation is often hard to determine because its actual performance will likely depend on a complex interaction among many different materials and items of equipment, assembled under a given set of conditions in a given manner, and subject to unique environment and usage. Deterioration processes are complex and vary greatly from place to place. An innovation which may be suitable in some areas is often unsuitable in others; there must be adequate allowance in evaluation for catastrophic conditions at unpredictable intervals; and to be accepted technically, a proposed dwelling must perform satisfactorily over a long period of time. And, finally, a house must provide a healthful and satisfying living environment—qualities which are most intangible and most difficult to evaluate in deciding whether an innovation should be accepted or rejected. Yet today there is no accepted definition of the properties which the various elements of a house and the total structure must have to assure this result.

The federal government's role as an insurer of housing mortgages has given it major power in regulating what can and cannot be successfully sold for building purposes and how buildings may be constructed. The way in which this power is exercised can make it either an obstacle or a stimulus to innovation.

FHA has had to set minimum standards which must be met to make a mortgage eligible for FHA insurance. FHA has done this job much more effectively and intelligently than any other agency in the housing field. As a result, its minimum standards also serve as a guide for other lending agencies and for code authorities, even beyond housing.

FHA's influence has become so great that it is almost impossible to achieve any major utilization of innovations in materials, equipment, or construction techniques without first getting FHA approval. The rapidity and accuracy with which FHA can make decisions on innovations thus becomes a controlling factor, not only in the rapidity with which innovations are utilized, but also in either stimulating or discouraging the expenditure of industrial funds to develop innovations.

Past FHA decisions have dealt primarily with relatively small deviations from earlier traditional practice. On these small deviations FHA has been able to reach judgments largely on the basis of past experience in building.

But now a great ferment is leading to more radical innovations. Many of these will come from outside the housing industry—from the electronic, metal, chemical, and similar industries now seeking to diversify by entering the housing field with plastics, metal alloys, and similar products adapted from advanced technologies. As a result, FHA is now being forced to make decisions as to whether radical innovations can safely be accepted.

It is obvious that if the federal government had started a major scientific and experimental program years ago, knowledge and techniques for evaluating the worth of the radical innovations which were clearly predictable would now be at hand. Not having

been allowed to do so, FHA is now caught in the dilemma of either holding back and taking a restrictive attitude toward radical innovations or of granting approvals on an inadequate technical basis.

The government has a major responsibility. If, through lack of proper technical background, FHA should approve a new low-cost item which is unsound, it would not only harm the home-owner and the mortgage-holder, but might also actually destroy the displaced manufacturer whose product would actually have been of greater value. And, even if the item were sound, irreparable damage to existing manufacturers could result if the basis for acceptance were not comparable, or made comparable, to let the displaced manufacturer match the new competition by an appropriate change in quality.

Codes, zoning, and subdivision regulations.

Code requirements vary so greatly from place to place that housing is denied the full advantages of mass production which have contributed so significantly to other sectors of the economy. Also, the time and expense involved in getting local code approvals reduce the incentive for innovations and increase the tendency to continue old practices.

The mere existence of at least 5,000 different local building codes presents an important barrier to the development of a broadly-based

national housing industry. Furthermore, far too many local codes still specify materials and methods rather than performance requirements. Probably the greatest weakness of the present system, from the technological point of view, is that most local code groups lack adequate staffs and funds to investigate innovations in materials and concepts with sufficient vigor and competence to keep the codes up to date. It has been a help to have public and private code groups in operation to offer model codes. But as long as four different model codes are recognized, there is still a basis for great variation in local codes through reference to one or another of the four model codes for different elements of a local code. There is need for intensified efforts toward greater uniformity among the four presently recognized model codes.

Government attitude toward innovation in its own housing construction.

The government's own housing programs provide another avenue for stimulating innovations. No other consumer of housing has resources to justify the expenditures to determine the desirability of innovations by actually building them into an adequate number of new structures. Up to now, the federal government has leaned toward the use of old-time housing practices rather than leading the industry to use innovations.

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URBAN RENEWAL

URA and FHA agree upon first nationwide fixup standards

In the nine years since the 1954 Housing Act first called for mass rehabilitation of deteriorating housing in the gray neighborhoods of cities, the idea has made scant headway. One of the biggest reasons:

Builders trying to upgrade housing under rehabilitation programs like FHA Secs. 220 and 221 constantly are trapped between three different standards: 1) a city's minimum housing code standards, 2) special standards set by local renewal agencies for formal renewal neighborhoods, and 3) FHA's own standards for rehabilitation, which generally followed the agency's standards for new homes. Meshing the triple standards has resulted in monumental processing delays. Sample: it took Reynolds Aluminum Service Corp. 20 months to renovate a trio of three-unit buildings in Baltimore (NEWS, June '61).

But in that same Baltimore neighborhood, FHA and URA began talking seriously about this three-pronged confusion and ways to overcome it. One method explored was doorstep processing by FHA and URA (NEWS, Oct.).

Out of that Baltimore experiment in the Harlem Park neighborhood has now come a far more important document: the first set of rehabilitation standards which both FHA and URA agree upon for nationwide use.

How important is it? URA Commissioner William Slayton calls it "a new breakthrough." Carter McFarland, assistant FHA commissioner for programs who coordinated the agency's work developing the new standards, calls the achievement of "realistic, do-able" standards "tremendously significant."

Builders have heard such glowing promises before as each innovation was hailed as the missing link in rehabilitation's chain. So skeptics may outnumber believers today. But the new standards *do* provide rehabilitators with the first really concrete set of standards to help rehabilitation fulfill its promise.

FHA flip-flop. FHA's new minimum property standards for obtaining insured loans in urban renewal rehabilitation are significantly different from standards for new construction, heretofore the almost totally inadequate guide used for what little fixup lending FHA has done.

In fact, the new standards represent a profound turn-about in both philosophy and practice for the agency, often accused of refusing to "come in out of the suburbs" because of its traditional preoccupation with new home mortgages.

At the first of six big HHFA rehabilitation training conferences around the country to introduce the new standards to district staffers (who have killed other promising changes by footdragging) FHA Deputy Commissioner Philip J. Maloney claimed this "extraordinary revamping of standards" had turned normal FHA procedures "upside down." Previously, FHA has started at the top and moved reluctantly away from new home standards to cope often with some distaste with the grimier problems of fixup. The new MPSS, developed in close—if sometimes uneasy—tandem with URA, start at the bottom with basics like protection against the elements and safety (often at the local code level) and move up from there.

Because of changes in construction require-

Robert Seaver



URA'S SLAYTON
"Much tougher to carry out"

H&H staff



FHA'S MCFARLAND
"At least we know the problems"

ments and housing customs (many older one-family dwellings now house two or more families, for example) FHA concedes the standards in general are lower than those for new construction. This is especially true in categories of the greatest advances in building technology like insulation, heating and cooling methods, and new, easily-installed interior and exterior finishing materials.

The standards are not the final word for all cities. To cope with "vast differences" between (and within) renewal areas FHA and the local renewal agency are expected to work out project standards based on the new rules.

But the standards are emphatic about mandatory provisions and achievement of standards which will help restore areas to sound condition economically and residentially. "Any limitation to local code requirements is not intended," FHA concludes firmly.

Rules for renovation. Here are the most important new standards for rehabilitation—and how they differ from new construction:

Lot coverage is set at 30% maximum for a new house; the renewal MPS recommends 45% as a "desirable limit" for a detached house on an interior lot. Since considerable latitude is given local offices, FHA says the figure could go as high as 80%.

Room sizes, held to rigid minimums for new homes, are flexible. A living room, for example, need be only 140 sq. ft. (versus 160 sq. ft. in a new home) and the local FHA can go 10% below that when necessary.

Water supply requirements get particularly lenient treatment because of modern equipment in new houses. Thus, rather than requiring each house to have fully automatic hot water equipment with specific capacity for each bedroom, these standards require only a

working system to provide an adequate (also smaller) supply of water. This permits non-automatic devices (like side-arm heaters) and setups like a single heating system serving two units, both allowed in the experimental Baltimore Harlem Park project but not permitted in new construction. Basis for local FHA decision? "It's a market judgement."

Heating equipment gets plenty of latitude, also because of varying local conditions. Heating systems, whether a centralized facility or "a sufficient number" of individual space heaters, need to be capable of maintaining minimum temperature of 70°. Open flame radiant type heaters and unvented space heaters are permitted only in areas where they are the "predominant" heating method.

Kitchens must be a "specific kitchen space" with a sink with counter work space, hot and cold water, adequate space for installing cooking and refrigeration equipment, and for storage. Minimum kitchen storage space: 30 sq. ft. of shelving, 5 sq. ft. of drawer area (vs. 50 and 11 sq. ft. respectively in new homes).

Light and ventilation requirements, while way below new house standards, will still be tough for many older houses. Interior rooms without sources of light and ventilation (never a bedroom) are acceptable only with a 6-ft. wide opening into a room which has outside light. Light for remodelled rooms must be provided by a glass area (windows, doors, skylights) at least 10% of floor space, and close to that when not remodelled. Habitable rooms below grade shall not run more than 4' below grade and must meet light and ventilation standards of other rooms.

Interior finish is another area where big technical strides have made FHA new house standards unworkable or uneconomic for rehabilitation. Thus pages of detailed instructions and specifications for new homes shrink to one sentence requiring merely that walls and ceilings provide a "suitable base for decorative finish"; waterproof surface in spaces subject to moisture, and finally no "noticeable surface irregularities or cracking." Where "needed," painting must provide weather-resistance, protection from moisture or corrosion, and "reasonable durability."

Windows and doors, a category where even loose adherence to complex new house standards means replacement in existing houses, are expected merely to "operate satisfactorily and show evidence of continuing acceptable service." The MPS suggests, in fact, repair and refinishing as alternatives to replacement. According to FHA this could mean savings of \$800 per house. The minimum standards for door sizes dramatize the effort made to cope with existing conditions. For example, doors to bathrooms, toilets and most closets need be only 2' wide.

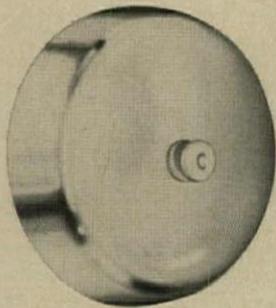
Closets and storage space, often a problem for housing built in the era of the giant mahogany wardrobe qualifies if it is reasonable in terms of minimum volume (100 cu. ft. more for 3 or 4 bedrooms) and accessibility. While desirable, separate closets, are not required and in some cases the space could be a curtained area.

Applications. The new standards spell out the exhibits needed for submission with an

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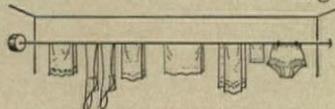
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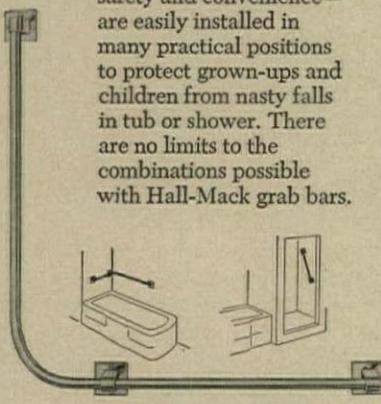
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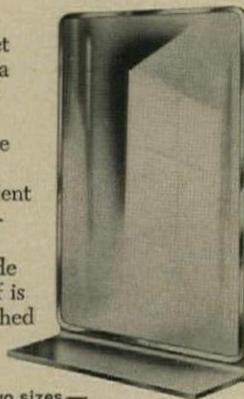
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application for the FHA loan. They include: a recent survey, a plot plan showing any changes in a structure, and detailed scale drawings of other changes.

What's ahead. FHA and URA officials are reluctant to estimate the number of older homes in renewal areas which could get FHA loans under these new rules. But they are confident the new standards will provide many owners of older homes with long-needed financial backing to start restoring property. URA's Slayton points out: The term of the FHA mortgages, 20-25 years, and the ability to refinance existing debt will make it possible for property owners to finance improvements . . . not possible without such FHA financing. And in cases where one cannot find a lender, Fanny May will buy mortgages at par."

Nevertheless, even the most optimistic government housing men have no illusions about the difficulties ahead. Slayton took care to scotch the popular misconception of rehabilitation as a "kind of 'instant renewal.'" Instead, he calls it "a complex, individualized renewal technique much tougher to carry out than clearance and redevelopment."

And Carter McFarland, describing even successful completed experiments in rehabilitation says drily: "They were a huge success, but only in coming to grips with the harsh realities. At least we know the problems."

HHFA gets tough on workable programs after GAO prodding

HHF Administrator Robert C. Weaver has ordered the Urban Renewal Administration to stop signing loan and grant contracts with cities that are not living up to their promises to fight slums with their own resources.

Since 1954, HHFA has required each city to adopt and carry out a seven-point program for eliminating slums, including effective housing code enforcement, to be eligible for federal renewal and public housing subsidies. But even some of the officials who administered the program have conceded that workable programs often are more puff than fact.

Now, the General Accounting Office, Congress' watchdog over federal spending, has accused URA of giving the city of Cincinnati renewal subsidies when no workable program was in effect. In a Cincinnati speech Weaver quotes the yet-unpublished GAO report: HHFA approved a workable program in June 1955, "and although the city showed no progress in correcting serious program deficiencies, the HHFA recertified the program in 1956, 1957, 1958, 1960, and 1962. . . . In 1959 and again in 1961 the URA executed a loan and grant contract although there was no workable program then in effect. It called this a clear violation of the intent of Congress."

The projects in question apparently are a \$16,367,000 grant made for Kenyon-Barr I project in January 1960, and \$9,238,000 for Avondale-Corryville in August 1961.

Added Weaver: "The GAO recommended—and it is a recommendation we endorse and intend to carry out—that . . . renewal contracts not be entered into with communities that do not have a certified workable program."

Ten days after Weaver's talk, HHFA granted Cincinnati, its citizen-backed Better Housing League, and the University of Cincinnati \$117,986 to begin a two-year demonstration of how "housing standards advisers" in gray areas can boost housing rehabilitation.

PUBLIC HOUSING

FHA foreclosure: 'couldn't compete with public housing'

An \$875,000 postwar FHA rental project in Knoxville has just been foreclosed because, says its owner, public housing next door stole its tenants.

The 200-unit project, privately financed under FHA Sec. 608 by New York Life Insurance Co., rents two-bedroom apartments for \$35 a month. Three-bedroom apartments go for \$40. It cost \$4,375-a-unit to build in 1950.

Within a few blocks are four public housing projects containing 1,308 units. The closest of these, 320-unit College Homes stands on a hill opposite Lincoln Heights and charges its occupants an average of \$32 a month rent. It cost \$4,821-a-unit to build in 1940. It rents for less because U.S. taxpayers, through the Public Housing Administration, are liable to repay the entire construction cost and interest. Nearby Western Heights (244 units) was also built in 1940 at \$4,868 a unit.

The competition for tenants began before the FHA project, Lincoln Heights Homes, opened its doors. The project was born of the post-war demand for housing, especially among lower-income Negro families. The same demand led the Knoxville Housing Authority to start building two other projects with 744 units (cost: \$11,572 and \$10,730 a unit) nearby. Although the first of these units weren't completed until March 1952, "By the time we were ready to rent, many of the families who had told us they needed housing were waiting for public housing," recalls one man connected with Lincoln Heights since its opening.

While Lincoln Heights rents are low, the project has not been able to compete with the public housing rents, which range upward from \$15 or \$20 monthly (city-wide average is \$32). Too, the frame construction and brightly painted asbestos siding of Lincoln Heights contrasts unfavorably with the solid brick of the public housing.

Result: Lincoln Heights has always had rental troubles, and vacancies have varied from 6% to 18%. Realtor Gene Monday (who operates several 608 projects) took over the apartments from the original builders and has tried to make it work—so much so that he says he poured \$100,000 from his own pocket into meeting monthly mortgage payments over the years. But this year the end finally came.

"There is an awful lot of public housing (1,637 units in Knoxville) and it is hard to compete now. I have no complaint against public housing. We have nice little buildings [but] public housing authorities have been able to put up better buildings which are cheaper to rent . . . It has been impossible to make a go of this FHA project. I haven't taken out a penny for salary or dividend," says Monday. Despite the faltering income, Monday kept maintenance standards high: vacant apartments were repainted, exteriors were repainted two years ago, and a \$30,000 sinking fund

for improvements set up.

With Monday giving up, officers of Fidelity Bankers Trust Co., mortgage bankers who service the \$862,000 loan for New York Life, urged the housing authority to take over the property instead of building 750 new public housing units, 520 of them for elderly persons. But the authority and the Knoxville subcommittee on minority housing turned thumbs down on the idea in favor of another site five miles away. The land there is more level and cheaper, says the authority.

The authority argues that Knoxville's ambitious urban renewal and code enforcement program—which recently won an All-America City award for the city—is increasing demand for subsidized low-rent units but not increasing demand significantly for higher-income units like Lincoln Heights. So says Monday: "We have to let it go back to FHA."

Three Massachusetts officers accused of bribe-taking

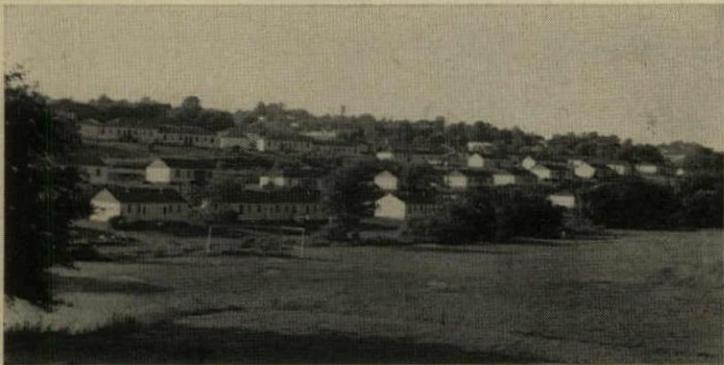
Two architects, Douglas C. Goodman of Agawam and Joseph F. Paley of Boston, have told the Massachusetts Crime Commission they paid bribes to top state officials.

Result: a grand jury has indicted two members of the state housing board and a member of the governor's council on charges of soliciting and accepting bribes.

Board Chairman Leo Benoit, 60, of Chicopee, and Urban Renewal and Redevelopment Director John A. Letteney, 52, are accused of seeking and taking gratuities from Goodman in 1960 in connection with two elderly housing projects in Agawam and West Springfield. The state board approves all architects.

Two years ago the board was under public fire for its long delays in picking architects. Both Agawam and West Springfield local agencies objected violently to the state board's choice of architects.

Third man involved is Counciller Joseph Ray Crimmins, 41, accused of taking \$1,800 from Architect Paley in 1959. A state assistant attorney general who presented the case did not link Crimmins' action specifically with a housing project. The attorney general's office does not plan to move against the architects.



Warner Ogden

POSTWAR HOUSING is being foreclosed in Knoxville after long and losing competition for tenants with public housing located next door.

SEGREGATION

Negro boycotts spread to housing, but fail to stop sales

Los Angeles' militant Congress of Racial Equality (CORE), which has often staged sit-ins at model homes, has now adopted the boycott as a weapon in its war against alleged race bias in housing.

CORE members are parading each weekend before models at Centerview Estates, being built by Builder Don Wilson on the edge of a large Negro area near Compton. Signs advise prospects: "DON'T BUY HERE . . . DON'T BUY SEGREGATED HOUSING."

The boycott grew out of CORE sit-in demonstrations against another Wilson development,

Dominguez Hills in Gardena. A Negro school-teacher tried to buy in Dominguez Hills but changed his mind and bought elsewhere. During the incident, CORE asserts: "Wilson told us not to pick on him because he was going to begin a tract for 'you people'." CORE contends that Centerview is intended to be Jim Crow because Wilson advertised it exclusively in Negro newspapers, donated land to a Negro church, and his Dominguez Hills salesmen tell Negro visitors to go to this subdivision.

Wilson's attorney, Clement Jacomini, says: "We are not creating segregation. The people

are creating segregation themselves. We'll sell the houses (priced from \$25,000 to \$28,000) to anybody." Jacomini noted that no whites have bought Centerview homes, except for a few instances of mixed marriages.

Has the boycott hurt sales? Not very much, contends Jacomini. In five months on the market, Centerview has sold and built over 100 homes, and Jacomini says this would be good business whether they were boycotted or not. Adds Jacomini: "The sad part is that Don thought he was doing something good."

NEWS continued on p. 21

"I've been soaked in hot water for 4 hours, steamed for 24, frozen for 80, and baked for 84. I can't take it any more. I'm cracking up."



Both of the above panels—CreZon Overlaid Plywood and regular plywood—have undergone a grueling 8-day torture test designed to demonstrate resistance to weathering. For four cycles, 192 consecutive hours, they were alternately boiled, steamed, frozen and baked dry—the equivalent of years of weather exposure.

Result: The photos (unretouched except for cartoon lines) speak for themselves. Regular plywood started to face-

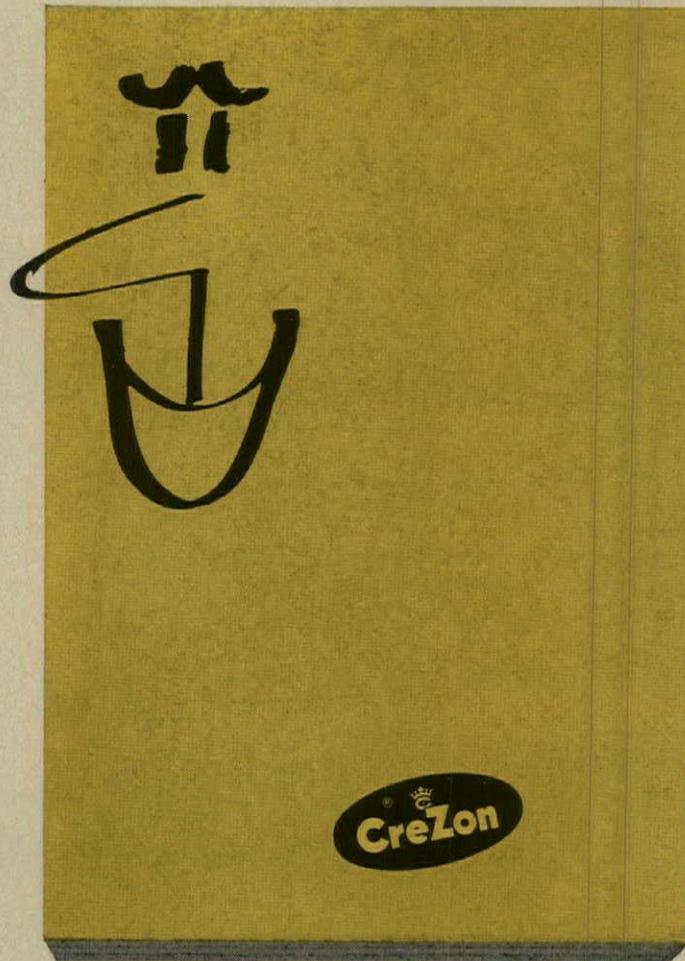
check during the first cycle, and became progressively worse. But the same plywood with CreZon overlay remained smooth and tough. There was no checking, cracking or grain-raise.

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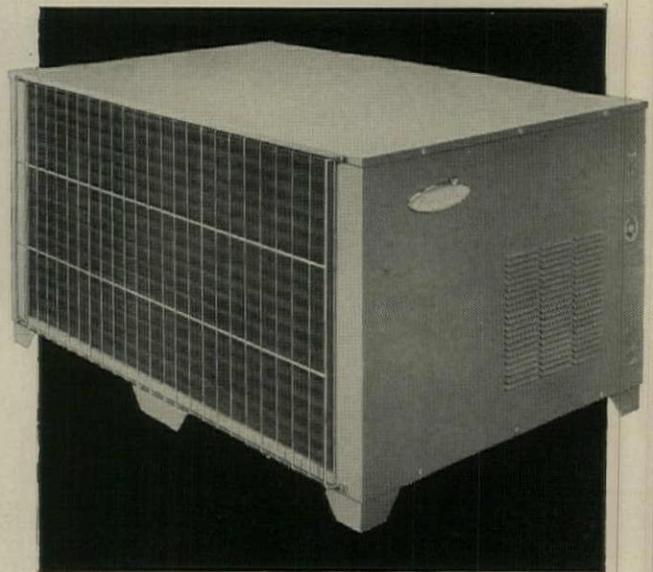
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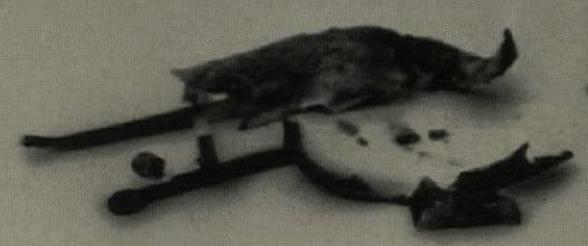
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For the second time, HOUSE & HOME editorial leadership has earned one of the unique Loeb Awards. The citation is "for distinguished business and financial journalism". Recipient is Robert W. Murray, Jr., HOUSE & HOME Associate Editor. His searching article "The Challenge of Open Occupancy", published last November, anticipated the Presidential executive order and examined in depth its possible effects on the housing industry. (In 1960, HOUSE & HOME became the first business publication to receive a Loeb Award—for an article written by present Managing Editor Gurney Breckenfeld.) We proudly add the most recent award to the twenty-three other citations for editorial excellence won during the past ten years, listed below.

INDUSTRIAL MARKETING, seven First Awards, six Merit Awards; ASSOCIATED BUSINESS PUBLICATIONS, four Jesse H. Neal First Awards, four Merit Awards; AMERICAN STANDARDS ASSOCIATION, Certificate of Appreciation; and two LOEB AWARDS.

Editorial quality is the true measure of a magazine's leadership

HOUSE & HOME is edited for its 140,000 readers: builders and other professionals of the housing and light construction industry. It has earned trust and respect through independent, responsible journalism, interestingly and handsomely presented. Editorial quality, broad coverage, depth of industry interpretation—these make HOUSE & HOME the leader. Housing is a big market, a big industry, and only HOUSE & HOME knows, covers, and serves all of it. HOUSE & HOME is first in circulation, first in advertising—because it's first in service to the industry. That's why it's a logical showcase for building products advertising that gets results.

House & Home

Management magazine of the housing industry

LABOR

Bloody riots force U. S. move against 'lily white' unions

A race riot in Philadelphia has led the federal government to use its substantial leverage of federal grants to fight race bias in building trades unions. And the Administration makes it clear builders and contractors may be roped into helping enforce the new U.S. stance against union bias.

The week-long riots injured 40 persons outside a school construction site in Philadelphia and climaxed 2½ action-filled weeks in which Negro groups won their most complete victory yet over assertedly lily white building trades unions.

As word of victory spread, Negro groups in other big Northern cities like Chicago, Cleveland, New York City, and Washington began talking about following suit. "We negotiated with the AFL-CIO. We played the game. After 20 years, we have decided on more direct action," vowed Labor Secretary Herbert Hill of NAACP. A week later Hill-led pickets clashed with police in New York City.

Bypassing hiring halls? To head off new violence, President Kennedy took the strongest step yet against race bias in unions: a forthcoming Executive Order will ban bias in hiring on all construction financed wholly or in part with federal grants. For over a year, the federal government has banned bias on all direct federal contracts (mostly non-housing). The new order extends this to state and local projects financed by federal money, such as renewal projects and water and sewer projects financed by the Community Facilities Administration.

Kennedy's public statement leaves unclear whether work financed by federal loans, such as college housing and Sec. 202 housing for the aged, will be covered too.

This is a first step in making builders responsible (and liable) for ending bias in the



PHILADELPHIA POLICE AND PICKETS

same manner that they are already jointly responsible with unions for the conduct of union hiring halls.

Labor Secretary Willard Wirtz says anti-bias pledges likely will be required of affected builders. He adds significantly: "Union discrimination will not be used as an excuse to keep them [Negroes] out."

Part of the Philadelphia settlement shows that government officials will not trust union hiring halls to do the job of ending alleged bias alone. Philadelphia's Human Relations Commission said it was setting up an information and referral office to encourage contractors to hire Negroes on city jobs outside any all-white union hiring halls.

Contractors must notify the referral office of their hiring requirements and schedules. Union hiring halls will be required to give the referral office lists of all available per-

sons, both union and nonunion.

Alleged bias in building unions has been hotly protested by Negro leaders like Rep. Adam Clayton Powell (D., N.Y.) in recent years. The NAACP recently began fighting the issue through the National Labor Relations Board. International officers of building trades unions have agreed to end bias—but are frequently frustrated by local unions.

Philadelphia story. In the city (37.8% Negro), the pent-up pressure to crack this barrier started when the Congress for Racial Equality sent sit-ins to Mayor James Tate's office to protest alleged Negro bias on work on a municipal services building. After an all-night sit-in, the mayor ordered work halted while his Human Relations Commission studied the issue. The commission reported "a pattern of discrimination against qualified Negroes . . . in the plumbing, steamfitting, electrical, sheetmetal and roofing trades." Cement finishing, rodsetting, carpentry, and construction engineering unions showed no discrimination. The commission set up its own hiring hall and work on the city building resumed.

But two days later, on a Friday, NAACP leaders sent pickets to a school being built by Frank H. Wilson Co. (and designed by a Negro architect). Violence erupted on three separate days when a union official and workmen (the job employed 66 Negroes, including 50 laborers and six carpenters) tried to cross the line under police protection. Delivery trucks were halted by pickets squatting in the driveway. At weekend unions agreed to hire four Negroes—a steamfitter, plumber, and two apprentice electricians. The 2,200-member Steamfitters Union angrily withdrew from the Building & Construction Trades Council.

Contractor group ousts local that signed \$7.55/hr. plumbers

Employer associations are beginning to get tough with local groups or individuals who break ranks during labor negotiations to sign out-of-line contracts.

"The only thing that surprises me about this new trend," says one of the nation's top building labor experts, "is that it has taken so long to develop."

The Mechanical Contractors Assn. of America and its former California chapter are embroiled in a brouhaha which has now ended up in court. The case may have significant effects on future relationship between national associations and their local affiliates.

The storm began brewing last year when a schism developed in the Mechanical Contractors Assn. of Northern California over a contract offered plumbers providing wage and fringe benefits to reach \$7.55 hourly by 1965. (NEWS, Aug.). Sixteen members were expelled or resigned in protest. MCAA's national board ordered the group to reinstate the dissenters and elect a new board of directors under MCAA supervision. The local group refused and was expelled from the national.

In March, dissenting factions of the former

affiliate announced they would become the nucleus for a new MCAA group, the Golden Gate Mechanical Contractors Association.

The original group which was to have hosted the 74th annual MCAA convention in San Francisco in May, retaliated by getting national president Leon Munier at the airport with 60 pages of writs, restraints and complaints in a \$110,000 lawsuit.

The suit alleges national "intermeddling" in the local's affairs, declaring that the national tried to engineer election of a new local board. The suit seeks to enjoin the affiliation of any local group with MCAA. A motion by MCAA to quash is pending.

Labor unions ease demands in scattered locations

A trio of labor settlements shows construction unions easing wage demands a bit on homebuilders. Behind the trend: continuing joblessness in depressed homebuilding areas.

In the most startling settlement, 500 car-

penters in Evansville, Ind. agreed to cut wages for residential building from \$3.60 to \$3 hourly while increasing commercial construction rates from \$3.60 to \$3.80. The union said it hoped to prompt similar action from other building trades, thereby stimulate lagging building. One third of the union's members has worked less than full-time work the past two years.

St. Louis carpenters and laborers hope to keep costs down by taking a 30¢ increase over three years from builders—just half what the same crafts will get from generals.

In Detroit, electricians offered to give up a 25¢ an hour increase in pay to divert it to a fund providing supplemental unemployment benefits of \$50 weekly for unemployed members.

These scattered instances take place against a steady up-trend of building wage scales. Hourly earnings rose 1.2¢ the first quarter to an estimated average for building trades of \$3.99 hourly. Painters pay went up the most: 2.9¢. Only 10% of the workers surveyed reported pay rises—but they were typically 10¢ to 15¢ hourly.

Homebuyers help Florida builder buy out his former bosses

As president and manager of Sunstate Builders Inc. since 1952, Builder **Matt Jetton** has had a big hand in winning a string of awards for the company, especially at its Carrollwood subdivision in Tampa. A home in River Grove Estates won a merit award in the HOUSE & HOME-AIA competition in 1958 (H&H, Nov. '58) and Jetton's skilled merchandising has won acclaim (H&H, June '62).

But as he passed his tenth anniversary with his company, (and his 38th birthday) last October, Jetton who served on contract, began thinking about his future. He asked the **Paul H. Smith** family, owners of Sunstate, to sell him a substantial interest in the building concern. They refused. Jetton (pronounced Jet-ahn) offered to resign.

As word of Jetton's impending departure spread, one friend came to him and offered to raise \$150,000 if Jetton could work out something with the Smiths. Faced

Bob Kirkpatrick—St. Petersburg Times



BUILDER JETTON
To his buyers, a good investment

with this challenge, he worked up a proposal to buy out the Smith family. The family gave him 90 days to complete the deal by raising the purchase money.

Jetton talked to some of the people he knew best: his employees and homebuyers. So did his friend and Carrollwood resident **Sam F. Davis**, president of Tampa Ship Repair & Drydock Co.

Explains Davis: "I was very much impressed with his type of operation and what he's done at Carrollwood. It's been recognized throughout the country as one of the finest subdivisions. Esprit-de-corps of residents is good; everybody takes care of his property and is interested in the community. And I think this is going to be a nice investment too."

The informal calls for help proved so successful that when the deal was finally signed last month, Jetton was installed as president of one of the most unusual building companies going: sixteen buyers of homes in Carrollwood (including three Sunstate employees) had put up \$140,000 to help Jetton buy out his bosses; four other employees added another \$25,000. "That was something," marvels Jetton.

The new company, named Carrollwood Investment Corp. but soon to be changed to Sunstate Builders, paid \$325,000 cash for

the equity in the Smith company and assumed \$593,000 in notes of the old company. Jetton calls the price a bargain: an independent appraisal put the company's assets after liabilities at \$828,000.

Jetton himself holds 46% of the common stock of the new company, but with an assignment of voting trust from three other stockholders controls over 51%.

The day the new firm opened its doors it had \$1.8 million of business on its books: five completed homes ready to close, 19 houses underway, and 36 sales on the drawing board, all homes averaging \$30,000. Only 100 of Carrollwood's 550 homesites are developed. The new company also owns homesites in River Grove Estates in Tampa, an apartment and commercial site in Tampa, and 55 unimproved acres.

All in all, says Jetton, "we have a good balance sheet. But see me in three years for how successful it's been."

MBA nominee foresees continued strength for small companies

The continued trend toward larger and more automated mortgage banking companies (NEWS, Nov.) does not dismay **Carey Winston**, who at 62 has just been nominated to be next president of the Mortgage Bankers Assn. His election to succeed **Dale M. Thompson** of Kansas City at the annual convention in October in San Francisco appears unopposed.

"The small companies will continue in business and will grow," predicts the slender, white-haired president of the company which bears his name in Washington, D. C. And Winston notes that his company, with \$50 million servicing and annual origination of \$10 million, is much closer to average size among mortgage bankers than the publicly-held giants.

Winston does 75% of his business in the FHA-VA field (he handled the first Sec. 213 co-op in Washington). He is especially concerned that proposals now before Congress might weaken FHA. "FHA represents the best market for the free flow of capital across state lines," says Winston. "As an industry, we are much concerned with the residential lending field, and we should aim to support, strengthen, and simplify FHA." To this end MBA is throwing its weight behind a bill in Congress to divorce FHA from Robert C. Weaver's Housing & Home Finance Agency and put it under an independent three-man com-



MBA'S WINSTON
The small companies will grow

mission appointed by the President (as is the Home Loan Bank Board).

Seattle-born Winston entered mortgages and real estate in his hometown after graduating from the University of Washington. In 1934 he came to Washington as assistant general manager of the Home Owners Loan Corp., later shifted to HLBB. In 1941 he started his own business.

A former president of the Washington Real Estate Board and Institute of Real Estate Management, Winston gets most of his recreation at a summer cottage on the Potomac 80 mi. south of Washington.

Nominated to step up to Winston's post as vice president is **C. (for Charles) (for Clifford) Cameron**, 43, president of Cameron-Brown Co. of Raleigh, N. C.,



MBA'S CAMERON
Found: new money for growth

who has been MBA's second vice president. Cameron represents a middle-ground between the merger-minded giants of mortgage banking and the small businessman. He has just merged General Mortgage Co. of Greenville, S. C. (\$40 million servicing) into Cameron-Brown, which thus grows to a \$360 million portfolio, one of the largest in the Southeast.

Newcomer to MBA's officer ladder is **Ewart W. (for Wade) Goodwin**, nominated as second vice president. Goodwin, tall (6'2") and graying at 56, is the third generation head of 88-year-old Percy H. Goodwin Co. in San Diego.

A firm advocate of diversification, Stanford-educated Goodwin is one of the nation's few men holding professional status from three affiliates of the National



MBA'S GOODWIN
Loans from ranches to skyscrapers

Association of Real Estate Boards. He is an MAI appraiser, SIR industrial realtor, and CPM property manager. Inside his company he combines mortgage lending and insurance with selling, appraising, and managing real estate to give a complete service to the three life insurance companies for which he originates. Goodwin concentrates on conventional lending (nearly 70% of his \$14 million originations last year were conventional) and a growing farm and ranch loan business in sprawling San Diego and Imperial Counties, each the size of Connecticut.

Ardent booster of downtown San Diego, he helped found and was first president of San Diego's Inc., whose work has stimulated \$48 million of new construction—including a \$16 million center he is arranging to finance.

H&H staff

Three-company deal creates new housing, financing giant

Two young (both 35) executives in real estate and housing finance have just put together a \$185 million combine which they plan to move heavily into housing.

They are President **Robert C. Lifton** of Transcontinental Investing Corp. of New York City and President **John F. Havens** of Equitable Investment Corp. of Columbus, Ohio. Officially, Transcontinental is acquiring Equitable in a tax-free stock exchange of 1.17 shares of TIC stock for each share of Equitable's 842,275 common shares. Havens becomes TIC executive committee chairman.

But this technicality masks the fact that the deal is really a merger (Equitable has \$128 million in assets vs. \$56 million for Transcontinental) which gives Equitable, whose stock up to now has been traded only in Ohio, a stock registered for nationwide trading by the Securities & Exchange Commission. At the same time, the merged companies have acquired North American Acceptance Co. of Atlanta (assets: \$12 million), which finances home improvements in 14 southeastern and southwestern states, specializing in short-term second loans



REALTOR HAVENS
Quick route to the big board

and refinancing. Say Havens and Lifton: "This gives us a vehicle like no other in the country."

The merger lets Haven's Equitable become publicly owned and nationally traded without the costly and time-consuming rigamarole of SEC registration. First step for the new giant combine will be to seek listing on the New York Stock Exchange—a move to give TIC access to the nation's biggest pool of new capital.

Realtor Havens has had a meteoric career in housing. He started Equitable with \$50,000 in

H&H staff

1956 and has steered it from a \$23,000 profit that first year to \$970,000 net income last year on gross revenue of \$8 million. Equitable has built or is building renewal projects in Cincinnati and Hamilton, Ohio, Kansas City and Newport, Ky. It owns Evans Savings Assn. (assets: \$108 million) in Akron and is major sponsor of Hideaway Hills, recreational development near Lancaster, Ohio. Equitable is developing some 40 midwestern subdivisions. It owns a mortgage company and a title agency. It builds and leases commercial and industrial properties.

Havens has been a leader in housing rehabilitation. He was the first to use Sec. 221 to renovate apartments, and a year ago became the first to use a 28-year-old part of Sec. 207 to buy and modernize the 27-unit Royal York Apartments in Columbus. Havens paid \$750,000 for the building, and after renovation got a FHA mortgage commitment for \$1,137,000. "What we have left is an apartment with only 2% working capital," he says.

He has been chairman of the Build America Better Committee

of the National Association of Real Estate Boards and was one of HOUSE & HOME's top performers of 1962 (NEWS, Dec.).

Lifton, a Yale Law School graduate, set up Transcontinental in 1961 by combining several smaller concerns. The company operates three office buildings, 17 hotels and motels, plus three apartment projects: 414-unit Rosemary Village in Silver Spring, Md., 111-unit Blair Apartments in Nashville, 89-unit Carlton Terrace in Bal Harbour, Fla.

Lifton and Havens plan to diversify Transcontinental even more in financing. "You have to cover all bases," says Havens. "Right now we are actively looking for a commercial bank and an insurance company." And Transcontinental has just been appointed world distributor for a new venture in housing components. It will represent newly-organized Thermal-built Corp. of Phoenix, producer of modular aluminum homes and motel units. "We can build motel units for \$1,500 to \$2,000 less than other types of motel units—and they will be maintenance free and movable," asserts Lifton.

How to beat a bribe: take it to court

A Wilmington city councilman and a night club owner, whose rock and roll shows he emceed, have been convicted of soliciting a bribe from developer of Wilmington's first urban renewal project. Councilman **Joseph L. Wallace**, a Negro, and **Edward S. Rovner**, white owner of the Baby Grand night club face sentencing on six counts involving a pay-off they allegedly sought from Builder **Leon N. Weiner**, president of Wilmington Renewal Associates Inc. and NAAHB regional vice president. The company had been awarded the contract for redeveloping 21½ slum blocks last year (NEWS, May '62).

Lester C. W. Harris, a Negro real estate broker for Weiner and rental agent for the integrated community where Rovner lived, testified Rovner and Wallace solicited the bribe through him. The money—quoted variously as \$4,000 to \$6,000—was to keep members of the city council from "knocking down" award of the contract to Weiner by raising a public outcry.

The trial basically was the word of Weiner and Harris against flat denial from Wallace

and Rovner. The jury apparently was convinced that Weiner had proved his point by coming forward to disclose the bribe and open himself to questioning, charges, and the trial (NEWS, June '62).

Wallace was convicted of soliciting a bribe, conspiracy with Rovner to solicit it, malfeasance in office, and conspiracy to commit malfeasance. Rovner was found guilty of being an accomplice in soliciting the bribe. Both announced plans to appeal. Until appeals are decided, Wallace keeps his job as city councilman.

Of the time, expense and unpleasantness involved in the stormy trial, which raised side issues of race and questioned the entire principle of urban renewal, Weiner says ruefully: "If somebody would refund 50% of what I've spent, and take (the project) off my hands I'd be happy."

He is going ahead, however, and hopes to begin work the end of this year or early in 1964. He has dropped completely his original plan to try for a balance between whites and Negroes in the redevelopment area through benign quotas. His reasons: the executive anti-bias order plus mounting Negro opposition to any schemes which smack of any restrictions on housing.



NAMSBS' RAUCH
Rx: renewal and federal charters

Rauch named to head mutual savings banks

R. Stewart Rauch, taking over as the new president of the National Assn. of Mutual Savings Banks, comes to the post with the reputation of an innovator at The Philadelphia Saving Fund Society and a leader in Philadelphia redevelopment. This could well help push NAMSBS toward two goals: expansion through federal charters and urban renewal.

Banker Rauch, 48, has rung up an enviable record of growth in his eight years as president of PSFS. The bank opened more offices (11 for a total of 21) under Rauch than under his sixteen pre-

decessors and assets grew from \$853 million to \$1.49 billion, third largest in the nation.

He will unquestionably bring the same drive for expansion to what he calls "the No. 1 issue" for mutuals: passage of federal charter legislation to let savings banks operate in the 32 states now barred to them.

Another objective, more savings bank lending for urban renewal, will get a special push from Rauch, who has been deeply involved in Philadelphia's redevelopment program. He heads up a group responsible for a privately-financed \$30 million urban renewal project, a 380-acre food center, for which local savings banks have supplied \$15 million.

A graduate of Princeton and the University of Pennsylvania law school, Rauch held his first job on the night shift at Campbell Soup Co., worked for the late Sen. Carter Glass (D., Va.) and got into banking via law practice.

Elected NAMSBS vice-president and next in line to succeed Rauch is Morris D. (Rusty) Crawford, president of Bowery Savings Bank, New York, largest in the nation. He is co-chairman of newly organized official meeting between savings bankers and S&Ls to discuss mutual problems.

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Keesler joins board of mortgage banker

Giant T. J. Bettes Co. (servicing volume: \$1.3 billion) has just snared itself major executive talent by bidding for—and tying up—the services of commercial banking's Mr. Mortgage Man a full two years before he retires.

H&H staff



BANKER KEESLER
Retirement will bring no rest

William F. Keesler, 63, is due to step down as senior vice president of First National Bank of Boston, New England's largest and one of the nation's most active in construction lending when he reaches the mandatory retirement age of 65 two years hence. Bettes invited Keesler to become its vice chairman when he retires, and Keesler accepted with this unique interim arrangement:

Keesler will become an active consultant for Bettes, and sit on its board and executive committee. The arrangement means he will devote some evening and weekend hours to Bettes work; all

his fees will go to the bank. Houston-based Bettes, which services about \$200 million of loans held by New England investors, will open a Boston office. But it will not originate loans in Massachusetts where First National operates, thus avoiding a conflict of interest.

Says Keesler, who joined First National in 1932: "I owe it to go the whole way [till retirement] with the bank."

DIED: Dr. Jules I. Bogan, 60, research professor of finance at New York University where he had been a faculty member since 1934, and a frequent speaker at mortgage lender conventions, May 17 in New York City; **Edward W. Doyle Jr.**, 29, West Sacramento (Calif.) mortgage man; **Oliver J. Bell**, 37, Sacramento real estate broker; and **Wilbur Hamren**, 35, San Diego rest-home owner, when a light plane piloted by Bell crashed into San Francisco Bay May 29 just after takeoff; **Sir Harold Bellman**, 77, chairman of the Abbey National Building Society, a leading English home-financing agency and a frequent speaker before U.S. S&L groups, June 2 in London; **Henry C. Watt**, 58, senior vice president of the Philadelphia Savings Fund Society June 3 in Cheltenham, Pa.; **Charles Magruder**, 56, managing editor of *Progressive Architecture* from 1940 until his retirement in 1961, June 3 in New York.

CANADA

New housing minister backs private enterprise

The man who will set housing policy in Canada's new Liberal government is John Richard Garland, 45, a bulky individualist from Ontario's rugged northland. When Prime Minister Lester B. Pearson first announced his cabinet, it was thought he had bypassed Garland because he was not named Minister of Public Works.

Next day, Pearson announced that Central Mortgage & Housing Corp., the government's all-purpose housing agency, would be shifted to the Minister of National Revenue and removed from Public Works, where it has been since 1945. Garland was named Revenue Minister.

As a member of the opposition liberals in the last Commons, Garland was an incisive critic of Conservative housing policy. He demanded 1) a cut in the 6½% rate on National Housing Act loans, 2) NHA lending on used as well as new homes, 3) a mu-

nicipal fund for services and public housing, 4) more help for rural housing, and 5) less government control of the mortgage market.

Builders have advocated all but lower NHA rates for the past two years. But they fear a lower NHA interest rate it would chase many private lenders out of the housing market. (At present NHAs are highly competitive with conventional loans, which range from 7% to 7¼%.

Many construction men are happy to have a man like Garland directing CMHC policy. He has been a strong advocate of using private enterprise wherever possible in housing. Construction men hope he will stem what they consider a strong trend in CMHC towards public ownership of low rental and other housing projects.

Garland has represented Nipissing riding (district) since 1949.

NEWS continued on p. 29

ADVANCE MORTGAGE CORPORATION

*Highlights
from the Annual Report*

for the Fiscal Year Ended April 30, 1963

	1963	1962	Change
Mortgages Closed:	\$144,279,716	\$ 75,975,000	+95%
<i>Residential, FHA & VA</i>	94,827,030	53,491,000	+77%
California		Montana	
Illinois		Ohio	
Indiana		Pennsylvania	
Iowa		So. Dakota	
Kentucky		Wisconsin	
Michigan			
<i>Residential, Conventional</i>	8,261,147	3,226,000	+156%
California		Michigan	
Illinois		Ohio	
Indiana		Pennsylvania	
<i>Multi-Family, FHA</i>	23,398,890	12,702,000	+84%
Arizona		Nevada	
California		Ohio	
Florida		Oregon	
Illinois		Utah	
Michigan		Wisconsin	
Montana			
<i>Commercial, Apartment, Industrial, Conventional</i>	17,792,649	6,556,000	+171%
California		Missouri	
Illinois		Ontario	
Indiana		Pennsylvania	
Iowa		Washington	
Michigan		Wisconsin	
Servicing Portfolio:	\$405,000,000	\$358,336,000	+13%
<i>Growth in Servicing:</i>	60,000,000	12,470,000	+381%
Purchased:	9,152,000	—	—
Originated:	50,848,000	12,470,000	+308%
Working Capital:	7,000,000	3,885,208	+80%
<i>Net Worth:</i>	5,010,000	2,818,398	+78%
<i>Subordinated Debt:</i>	3,700,000	1,700,000	+118%

Copies of the complete Annual Report are available on request.

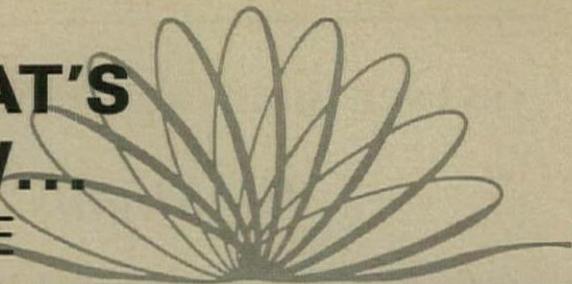


**ADVANCE
MORTGAGE CORPORATION**

First National Building • Detroit 26, Michigan

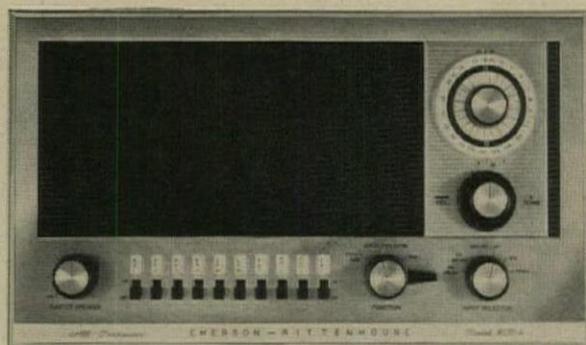
- CHICAGO
- DAYTON
- INDIANAPOLIS
- CINCINNATI
- DETROIT
- MILWAUKEE
- CLEVELAND
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WHAT'S
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To solve this problem Emerson-Rittenhouse developed an entirely new wiring system for its custom-line utilizing plug-in cables to connect remote stations with the master. This new idea replaces the costly business of hooking up dozens of separate wires, substantially reduces installed cost, and cuts service calls.

Tests conducted at Emerson Electric's Living Effects Laboratory (and later verified in the field) prove that on the average installation you save the cost of about 2½ man hours or \$17.50.*

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EMERSON ELECTRIC, Dept. HH-7, St. Louis 36, Missouri
PLEASE RUSH Sound Systems Catalog Details on 7-for-11 merchandising plan that sells homes for builders

NAME _____

STREET _____ CITY _____ STATE _____

EMERSON  ELECTRIC

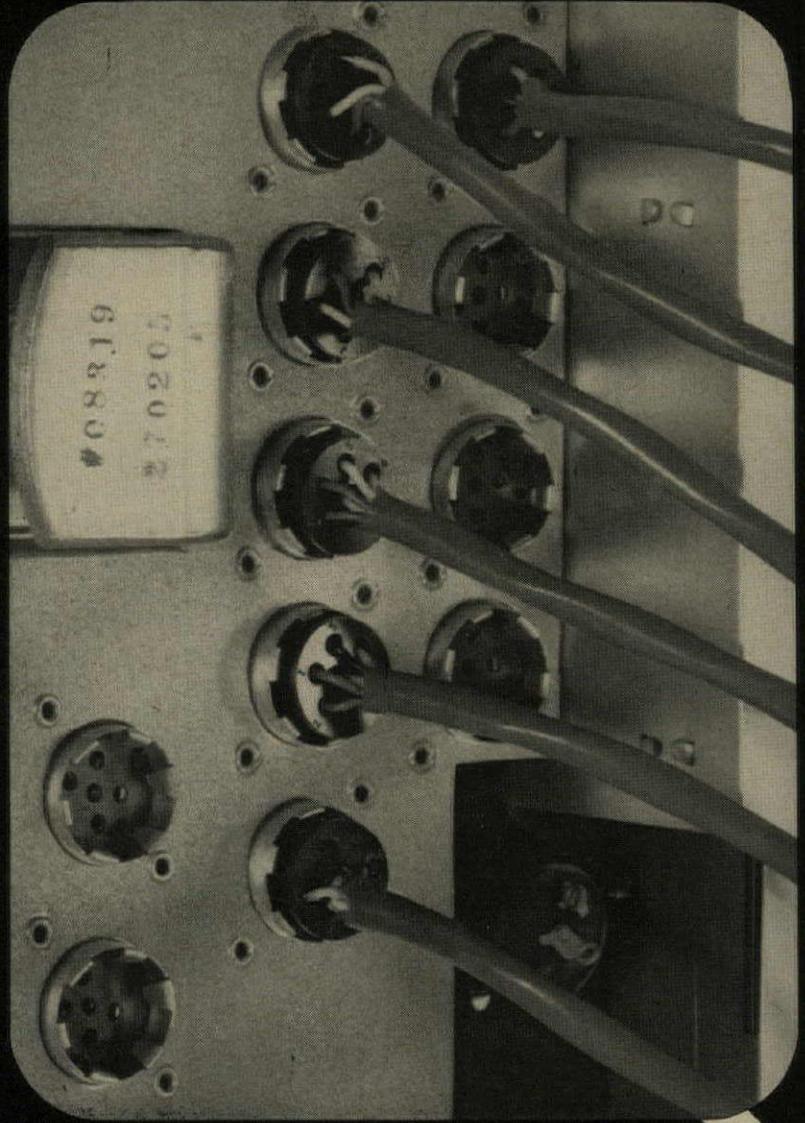
BUILDER PRODUCTS DIVISION

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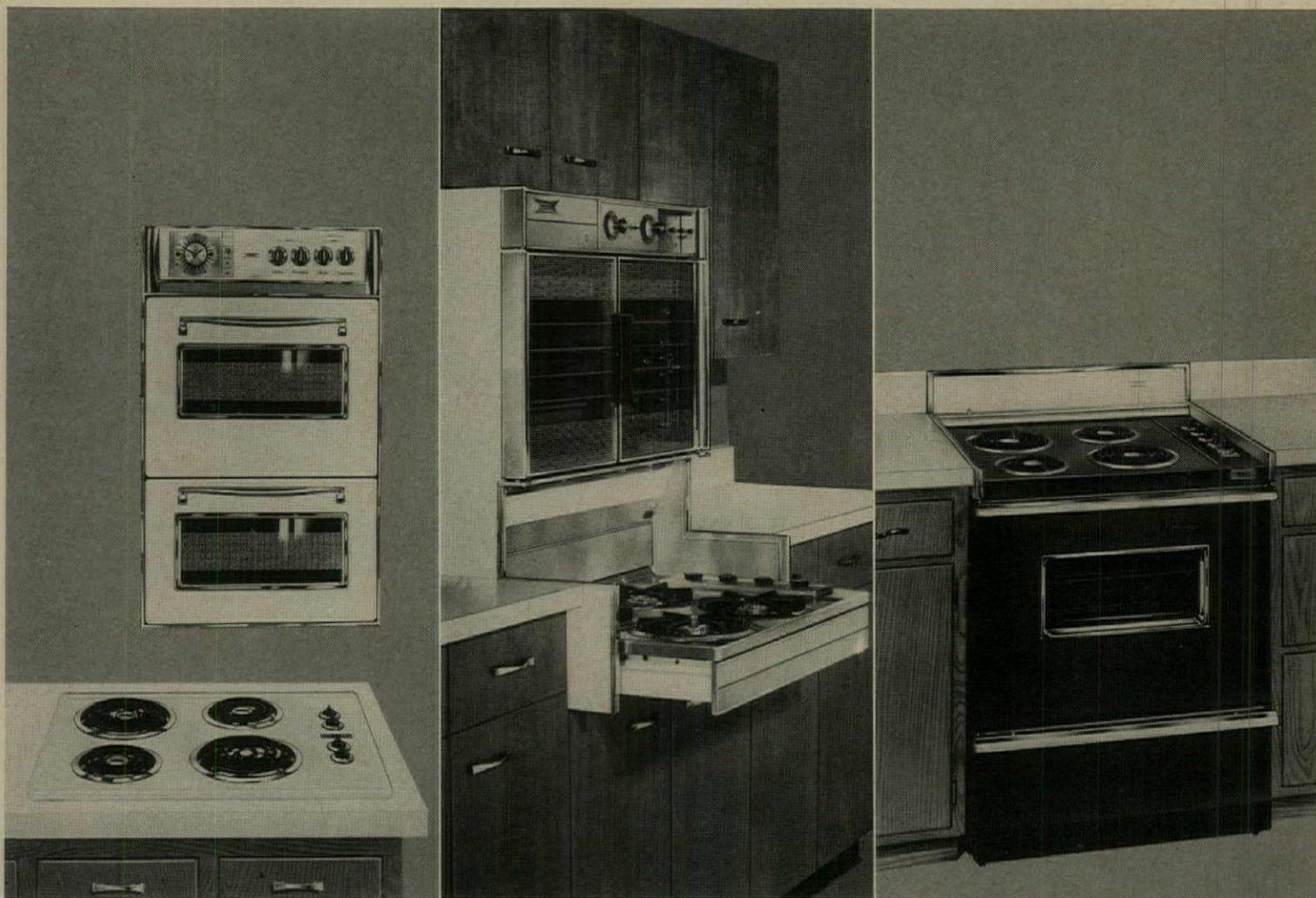
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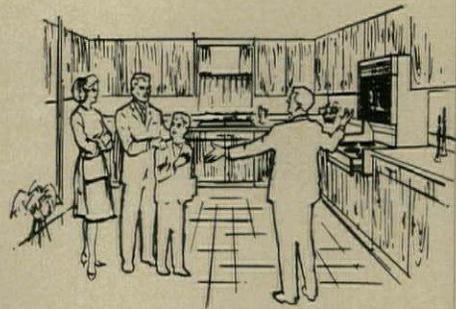
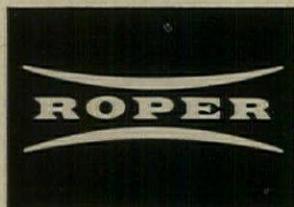
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MORTGAGE MONEY

Discounts poised for a turnaround as the hot savings battle cools

Has the 18-month drop in mortgage interest rates finally run its course? Suddenly, mortgage men and builders are counting a flock of indications this may be so. Item:

- A sprinkling of S&Ls cut—or hinted they would cut—dividend rates. But a few southern Oregon associations actually hiked their rates from 4¼% to 4½%.
- Commercial bank free reserves, best measure of lendable funds and so the best evidence of whether the Federal Reserve Board wants easier or tighter money, are at a low for the year. This suggests tighter money and rising rates ahead.
- The first discount increase since 1961 comes from Los Angeles in HOUSE & HOME's monthly survey of 18 cities.

Dr. James J. O'Leary, vice president and director of economic research for the Life Insurance Association of America, told the American Bankers Assn. mortgage conference: "We may now be in the early stages of a firming of the whole interest rate picture. We may be at the bottom now."

President Charles Wellman of First Charter Financial Corp. notes a "surprising shift" in the pattern of consumer savings—which may presage a new burst in spending. Savings inflow dropped markedly in April after record gains in the first quarter. In May, however, mutual savings banks bounced back with a record \$215 million inflow. If consumers put less money into savings, reasons Wellman, "an increase in interest rates is a much clearer possibility today than at any time in the last two years."

Mortgage discounts have stopped shrinking—but good loans remain scarce.

In Los Angeles, mortgage discounts shade downward one-half point, from 98½-99½ to 98½-99 for FHA minimum down payment, 30-year loans. In other cities this key category remains static.

But mortgage men familiar with the Los Angeles situation say the turnaround is partly local. Mortgage bankers there had been charging builders smaller discounts than they had to absorb on resale to Eastern investors. Now loan volume is picking up seasonally, so originators are cutting back their offering prices.

The nationwide halt in discount shrinkage—which has continued since January 1962, comes from this same seasonal loan volume pickup coupled with a slowdown in savings growth in traditionally slow April. Neither insurance companies nor New York savings banks are active in the mortgage-buying market. Explains Dr. O'Leary: life companies have record commitments to buy mortgages, and with the expectation of higher interest rates later this year "some slowing down in the rate of new forward commitments" is logical.

Loan volume is picking up in Texas, says President Robert Morgan of the Boston Five Cents Savings Bank and head of the Massachusetts Purchasing Group of savings banks. But other sections of the nation report that a good loan is still hard to find. One measure of the search: in some cities 35-year FHA loans, legalized in 1961, are commanding the same discounts as 30-year mortgages. Yet market yields have now moved to levels where investors have lost interest in buying loans from Federal National Mortgage Assn.

S&Ls are moving slowly to slice dividend rates despite the glut of savings.

Dividend cutbacks, urgently sought by the Home Loan Bank Board, started two months ago. Sample July 1 moves: Beverly s&L of Newark, N.J., cut from 4¼% to 4% July 1; First Federal s&L in Phoenix dropped from 4½% to 4%; Central Federal in San Diego dropped from 4.8% to 4.5%. One commercial bank, First National of Highland Park, Ill. followed suit, going from 3½% to 3% on savings.

Biggest trend makers are President Frank Yeilding of the U.S. S&L League, who cut rates from 4½% to 4¼% at his Jefferson Federal s&L in Birmingham, Alabama's largest, and California s&L Tycoon Bart Lytton, who announced his Beverly Hills Federal would drop from 4.8% to 4.6% on Oct. 1. Lytton said whether his much larger Lytton Financial Corp. would do likewise depends on whether his competitors follow suit. A HOUSE & HOME survey among major Los Angeles s&L's shows most would like to slice dividend rates, but each is waiting for somebody else to make the first move. Consensus: Lytton's Federal is too small to kick off a general move to lower rates—yet.

Bonds, instead of a mortgage, cut interest from 5¼ to 4.9% for an elderly housing project

B. C. Ziegler & Co., institutional bond underwriters of West Bend, Wisc., has revived a long dormant method of financing housing cheaper.

The method, bond issues instead of mortgages for FHA rental housing, was first used in the late 30s. But after a few small deals, including one in Crossett, Ark., and another in York, Pa., the idea faded into disuse. In recent years, HHFA's Community Facilities Administration has used much the same scheme in making subsidized loans for college dormitories: It buys bonds instead of the mortgage.

In the same way, Ziegler has just used bonds to raise \$3.5 million to finance part of a 306-unit high-rise for the elderly on Lake Washington outside Seattle being built by Presbyterian Ministries Inc., an affiliate of the United Presbyterian Church. First, Ziegler got FNMA to agree to buy any of the long-term bonds which remained unsold after public offering. The bonds are secured by an FHA Sec. 231 mortgage, which FNMA would be obliged to purchase under its special assistance program if mortgage holders desired.

The bonds offered publicly bear interest from 4.5% to 5.2% according to terms ranging up to 40 years. They were offered to the public at prices to yield 4% to 5.1% interest. The arrangement gives the church group an average interest cost of 4.9%, or a saving of over \$100,000 in interest over FHA's normal 5¼% interest.

FNMA insisted that if it had to honor its purchase commitment, it be offered not less than half the issue, or all bonds to be retired past 29 years. But Ziegler reports all bonds were sold without FNMA aid. And a second \$1,250,000 issue to build a 79-unit retirement home for a Baptist-sponsored group in Seattle was oversubscribed.

President D. J. Kenney of Ziegler predicts the plan can be used to raise funds for FHA's regular Sec. 207 apartment program. But there are serious obstacles. FNMA President Stanley Baughman regards a FNMA takeout commitment at par as essential to the plan. And FNMA cannot buy Sec. 207s at par under its special assistance program; instead, 207s come under its secondary market program. All 207 mortgages are on a negotiated basis, but current price is about 94. And some economists doubt the plan would work in times of tight money.

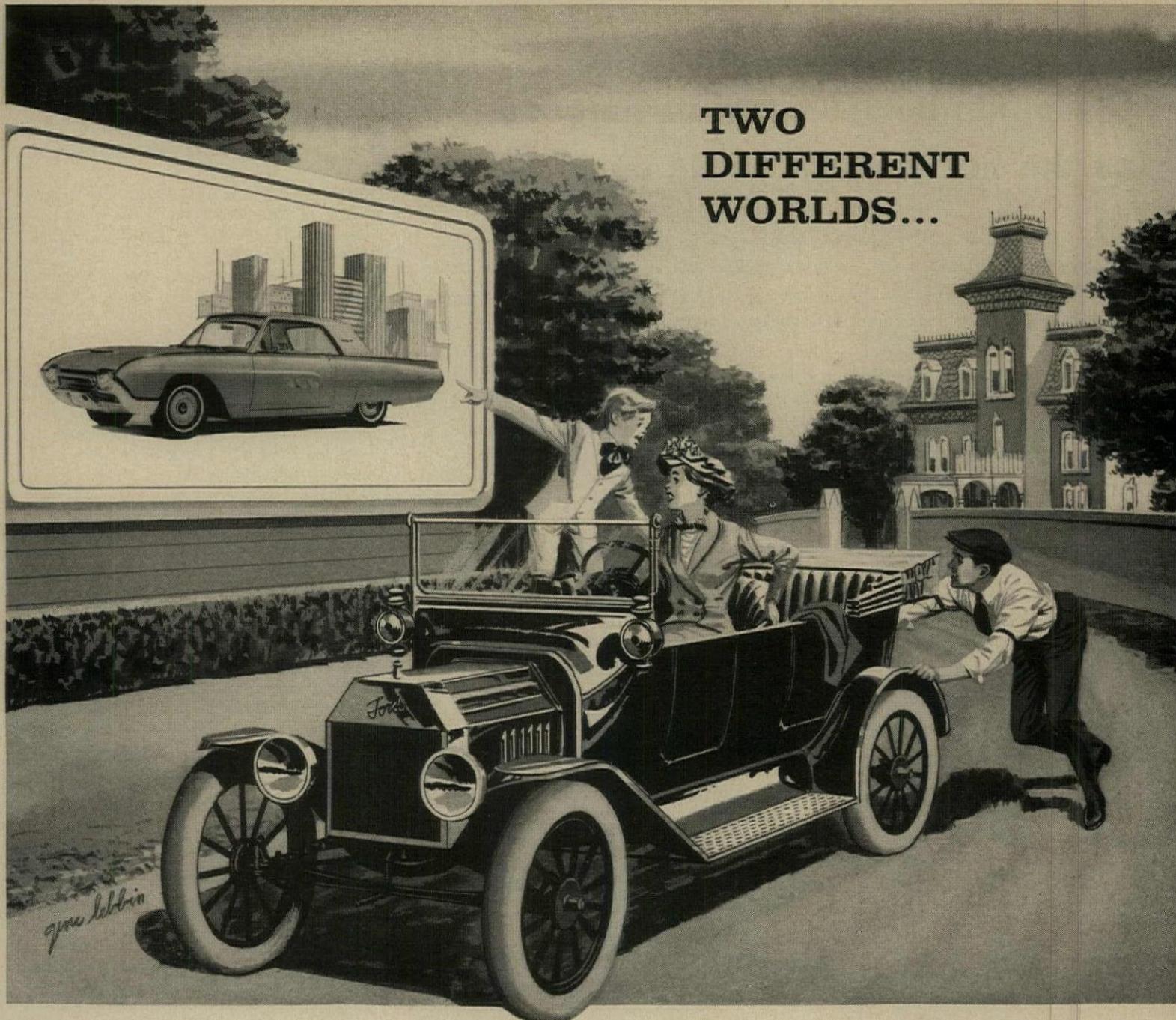
At it again: Home Loan Bank and Long Beach Federal S&L

Controversial Long Beach (Calif.) Federal s&L may soon vanish from the scene, via merger into Equitable s&L of Long Beach, a stock-ownership company. But negotiations are still so delicate that anything can happen.

For 16 years, President Thomas A. (for Audrey) Gregory of Long Beach Federal has clashed repeatedly with the Home Loan Bank Board over the way Gregory runs the s&L. Twice HLBB has taken over management of Long Beach. It returned the s&L to Gregory's control last year (NEWS, Apr.) under terms which have not yet been disclosed publicly.

Last month word leaked out that Gregory and the HLBB were at loggerheads over Gregory's plan to merge Long Beach Federal (as-

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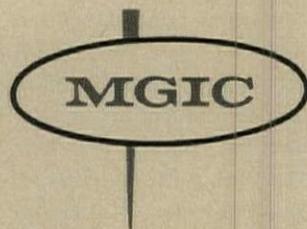
Thousands *more* qualified, deserving borrowers can own the better homes they aspire to — and *sooner*, too — when high-ratio conventional loans are available to them in your community. Write or phone for complete information on the MGIC Plan — or call in your nearest MGIC Man (name on request) for consultation.

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sets: \$88 million) into Equitable (assets: \$64 million)—in which Gregory's family holds substantial interest. Sore spot: Since the HLBB returned control to Gregory, its shareholding deposits have soared from \$30 million to \$72 million—and in the merger plan both new and old depositors would share in a \$9.4 million pot made up of \$6.4 million surplus in Long Beach and \$3 million in Equitable stock to go to Long Beach in the deal. HLBB objects to the new depositors getting equal shares.

In Washington, the House government operations subcommittee (which probed HLBB's 1960 takeover) studied reports that some movie stars and others had borrowed money to open Long Beach accounts in hopes of partaking of a merger melon. Crooners Frank Sinatra and Dean Martin appeared at elaborate ceremonies welcoming Gregory back and were pictured prominently in a "We're back again" brochure. Gregory poo-pooes these reports. He says filmland figures are an "insignificant percentage" of new depositors, who came from "every business."

Two weeks later, Gregory announced: "We think we have the problems ironed out." He said he expected Long Beach depositors to get one Equitable share (value \$12) for about each \$94 on deposit with Long Beach. But he refused to say how the dispute over new depositors had been settled.

Administration's dividend control plan takes new twist

Legislation which the Kennedy Administration promised to rush to Congress a month ago (NEWS, June) to impose standby dividend controls on s&Ls is taking so long to appear that its delay is stirring a ruckus on Capitol Hill.

Chairman Wright Patman (D., Tex.) of the House banking committee is annoyed by the delay. His committee suspended hearings on two bills to raise account-insurance coverage from \$10,000 to \$25,000 to await the Administration measure, the bargaining price for boosting insurance. Now he threatens to call his restive committee back into session—and thereby underline the Administration indecision even more.

The Administration snarl: in the hurry-up-and-wait drafting it first decided to postpone a second request that s&Ls post cash deposits with regional Home Loan Banks. Then it decided to trim the insurance coverage hike to \$15,000.

s&L men, who wanted the insurance hike if they could get it easily, are about ready to forget the whole business.

At the same time the U.S. s&L League is gradually taking the wraps off its counter-plan to the National Association of Mutual Savings Banks plan for federal charters for savings banks (which operate under state charter in only 18 states). The plan:

A new charter for federal savings associations, to be issued by the Home Loan Bank Board as are federal s&Ls. Federal s&Ls could switch to the new plan if they wanted, and thereby get broader lending powers. Mutual savings banks also qualify for the new charters if they join the Home Loan Bank system. Only 36 savings banks belong to HLBB. The latest: Bowery Savings Bank of New York City whose \$1.7 billion assets make it the nation's largest.

MORTGAGE MARKET QUOTATIONS

(Sale by originating mortgagee who retains servicing.) As reported to HOUSE & HOME the week ending June 7, 1963.

City	Conventional Loans ^W		Construction Loans ^W		FHA 207	FHA 220	FHA 203 ^b
	Comm. banks, Insurance Cos.	Savings banks, S & Ls	Banks, Ins Cos. & Mtg. Cos.	Interest + fees Savings banks, S & Ls	Firm Commitment	Firm Commitment 35 years	Min. Down 35 year Immed
Atlanta	5 1/4-6	5 1/4-6	6 + 2	6 + 2	a	a	97 1/2-98
Boston local	5 1/4	5 1/4 ^a	5 1/4-5 3/4	5 1/4-5 3/4	a	a	a
out-of-st.	—	—	—	—	a	a	97 1/2-98
Chicago	5 1/4-5 3/4	5-6	5 3/4-6 + 1-1 1/2	5 3/4-6 1/4 + 1 1/2-2	98 1/2-par	98 1/2-par	97-98
Cleveland	5 1/2	5 1/2-6	6 + 1	6 + 1	99-par	99-par ^b	97 1/2-98 1/2
Dallas	5 1/2-5 3/4	6 ^c	6 + 1	6 + 1	99-100	a	98-99 1/2 ^d
Denver	5 1/2-6	5 1/4-6 1/2	6 + 1 1/2-2	6 + 1 1/2-2	99	a	a
Detroit	5 1/4-5 1/2	5 1/4-5 1/2	6 + 0	6 + 0	99 1/2-par	99 1/2-par	98-98 1/2
Honolulu	6-6 1/2	6-7	6 + 1-2	6 + 1-2	a	a	96 1/2
Houston	5 3/8-6	5 1/2-6 1/4	6 + 1	6 + 1	97-99	98 ^{hd}	98
Los Angeles	5 1/2-6	5 1/4 ^h -6.6	6 + 1-1 1/2	6-6.6 + 2-3	99-99 1/2	99-99 1/2	98-98 1/2
Miami	5 1/2-5 3/4	5 1/2-6	6 + 1/2-1 1/2	6 + 1/2-1 1/2 ^m	a	a	97 1/2
Newark	5 1/2-5 3/4	5 1/2-6	6 + 1	6 + 1	99-99 1/2	99-99 1/2	98 1/2
New York	5 1/2-6 ^f	5 1/2-6 ^f	6 + 0-1	6 + 0-1	99-par	99-par	99-par
Okla. City	5 1/2-6 ^h	5 1/4-6 1/2	6 + 1-2 ^h	6 + 1-2	a	a	97-98 ^h
Philadelphia	5-5 1/4	5 1/4-6	5 1/2 + 1	5 1/4 + 1	99 1/2	par	99
San Fran.	5 1/2-6 ^h	5 3/4-6.5	5 1/2-6 + 1-1 1/2	6-6.6 + 1 1/2-2 1/2	99-99 1/2	99 1/2-par	98 1/2
St. Louis	5 1/4-6	5 1/2-6 1/4	5 1/2-6 1/4 + 1-2	5 1/2-6 1/4 + 1-2	a	a	a
Wash. D.C.	5 1/2-5 3/4	5 1/2-5 3/4	5 3/4 + 1	6 + 1	par	par-1/2	99

FHA 5 1/4s (Sec 203) (b)

City	FNMA Scdry Mkt ^W	New Construction Only			Existing ^W Min Down 25 year Immed	
		Minimum Down ^W 30 year Immed	Fut	10% or more down 30 year Immed		
Atlanta	97 1/4	98-98 1/2	98-98 1/2	98 1/2 ^b	98 ^b	97 1/2-98 1/2
Boston local	98 1/4	par-101	par-101	par-101	par-101	par-101
out-of-st.	—	97 1/2-98	97 1/2-98	a	a	97 1/2-98
Chicago	97 1/4	99-par	98 1/2-99 1/2	98 1/2-99	98-99	99-100
Cleveland	97 1/4	98 1/2-99	98-99 ^b	99-par	98 1/2-99	98-98 1/2
Dallas	97 1/4	98-99 1/2	97 1/2-98 1/2	98-99 1/2	98-99 1/2	97 1/2-99
Denver	96 3/4	98-99	97 1/2-98 1/2	98-99	97-98	98-99
Detroit	96 3/4	98-99	a	99-par	a	98-99
Honolulu	96 3/4	97 1/2	97 1/2	98	97 1/2	97-97 1/2
Houston	97 1/4	98-99	97 1/2-98 ^h	98-99	a	98-98 1/2
Los Angeles	96 3/4	98 1/2-99	98	99 ^{hc}	98 1/2	98 1/2-99 ^b
Miami	97 1/4	98	a	99 ^h	a	98
Newark	97 3/4	99-par	99	99-par	99	99
New York	98 1/4	99-par	99-par	99-par	99-par	99-par
Okla. City	96 3/4	98-99	98-99	98-99 1/2	a	97 1/2-99
Philadelphia	97 3/4	par	par	par	par	99 1/2
San Fran.	96 3/4	98 1/2-99	98 1/2	99	98 1/2	98-98 1/2 ^k
St. Louis	97 1/4	97-99	97-99	97 1/2-99	97 1/2-99	96-99
Wash. D.C.	97 3/4	99 1/2	99-99 1/2	99-99 1/2	99 1/2	99 1/2

* 3% down of first \$15,000; 10% of next \$5,000; 25% of balance.

Sources: Atlanta, Robert Tharpe, pres., Tharpe & Brooks Inc.; Boston, Robert M. Morgan, pres., Boston Five Cents Savings Bank; Chicago, Robert Pease, vice pres., Draper & Kramer Inc.; Cleveland, David O'Neill, vice pres., Jay F. Zook, Inc.; Dallas, Aubrey M. Costa, pres., Southern Trust & Mortgage Co.; Denver, Allen C. Bradley, asst. vice pres., Mortgage Investments Co.; Detroit, Harold Finney, exec. vice pres., Citizens Mortgage Corp.; Honolulu, Howard Stephenson, asst. vice pres., Bank of Hawaii; Houston, Everett Mattson, exec. vice pres., T. J. Bettes Co.; Los Angeles, Christian Gebhardt, vice pres., The Cowell Co.; Miami, Lon Worth Crow, Jr., pres., Lon Worth Crow Co.; Newark, William W. Curran, Franklin Capital Corp.; New York, John Halperin, pres., J. Halperin & Co.; Oklahoma City, M. F. Haight, first vice pres., American Mortgage & Investment Co.; Philadelphia, Robert S. Irving, vice pres., First Pennsylvania Banking & Trust Co.; St. Louis, Sidney L. Aubrey, vice pres., Mercantile Mortgage Co.; San Francisco, William McGowan, vice pres., Bankers Mortgage Co. of Calif.; Washington, D.C., Hector Hollister, exec. vice pres., Frederick W. Berens Inc.

Footnotes: a—no activity. b—limited activity. c—for local portfolios. d—on spot basis. e—FNMA is only purchaser. f—lower price is for loans under 80%. g—depending on location. h—limited 6%. j—some 5 1/2 and 5 3/4 available. k—for 25 or 30 years. m—no fee for permanent loans included. n—limited 5%. p—1/2 point differential has generally disappeared. w—interest charged to borrower. x—FNMA pays 1/2 point more for loans with 10% or more down. y—plus 1% stock purchase figured at sale for 75¢ on the \$1. z—on houses not over 30 years old of average quality in a good neighborhood.

• Immediate covers loans for delivery up to 3 months, future covers loans for delivery in 3 to 12 months.

• Quotations refer to prices in metropolitan areas, discounts may run slightly higher in surrounding towns or rural zones.

• Quotations refer to houses of typical average local quality with respect to design, location and construction.

NEW YORK WHOLESALE MORTGAGES

FHA, VA 5 1/4s	(On homes of varying age and condition)
Immediates: 97 1/2-98 1/2	Immediates: 97-98
Futures: 97 1/2-98 1/2	

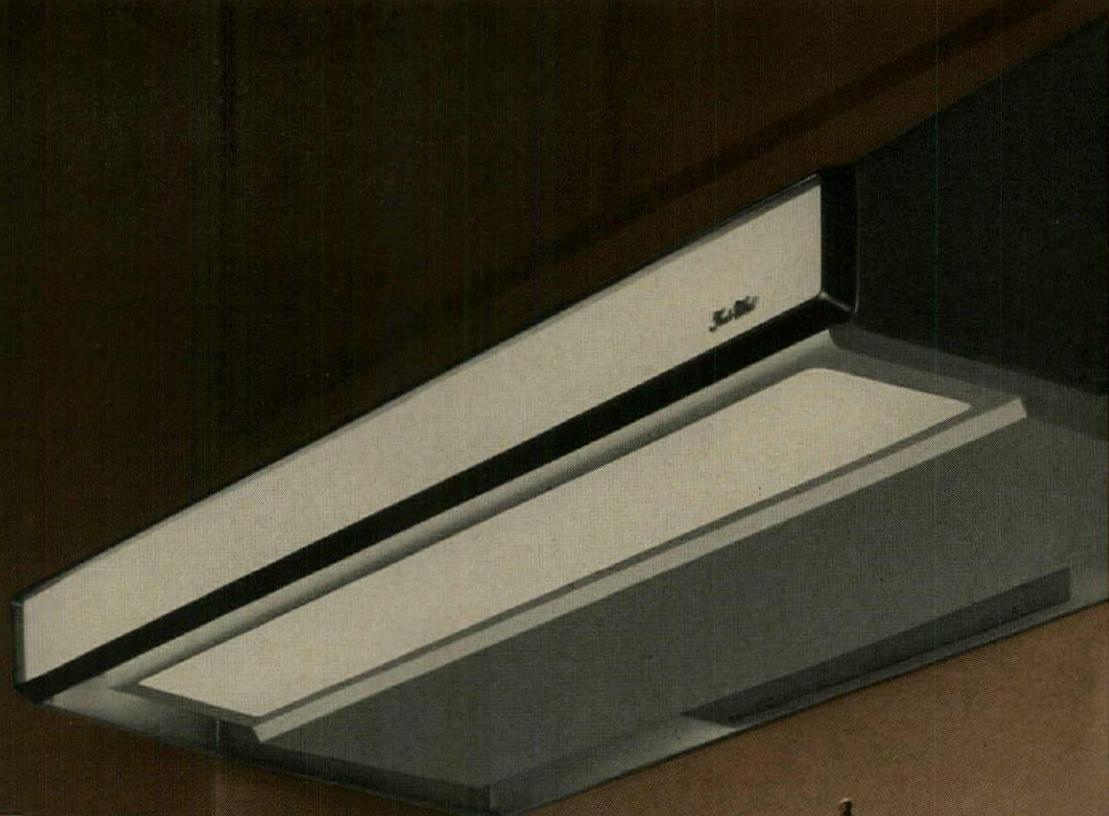
Note: prices are net to originating mortgage broker (not necessarily net to builder) and usually include concessions made by servicing agencies.

Prices cover out-of-state loans, reported the week ending June 7, by Thomas P. Coogan, president, Housing Securities Inc.

NET SAVINGS DEPOSIT CHANGES

	(in millions of dollars)			
	% change Apr. '63	Year to date	% change from 1962	
Mut sav banks ^a ...	\$12	d	\$980	+39
S&Ls ^b	485	+26	3,503	+47
Commercial banks ^c	1,000	+11	6,300	-9

^a—National Association of Mutual Savings Banks. ^b—United States Savings & Loan League projections. ^c—American Bankers Association. ^d—April 1962 showed a net loss in deposits of \$-51.



LIGHT...
A DRAMATIC
NEW DIMENSION IN
KITCHEN HOODS...



Styled by Sheldon Rulter

BY *Trade-Wind*

Adding light to enhance the distinctive styling of the Decorator's Collection is another new development by Trade-Wind. ■ For beauty, as well as utility, the front panel of these hoods transmits the glow of a new, warm white fluorescent light which also is diffused through a baffle under the hood, providing shadow-free illumination over the entire cooking area.

■ Other features of the hoods emphasize the quality built-in by Trade-Wind: Rocker switches to control the lighting and the 2-speed ventilator...exclusive baffle equalizes air intake...interchangeable discharge with damper...twin snap-in filters...30", 36", 42" and 48" lengths in real antique copper in the Traditional... and in brushed stainless steel in the Contemporary.

When you sell Trade-Wind...you sell quality



Trade-Wind

DIVISION OF ROBBINS & MYERS, INC. 7755 PARAMOUNT PLACE, PICO RIVERA, CALIFORNIA DEPT. HH

STOCK MARKET

Novel real estate trust clears SEC

Southeastern Mortgage Investors Trust, first real estate investment trust with a close tie to a large mortgage banking company, has just registered a \$10 million common stock offering with the Securities & Exchange Commission.

Promoter of Southeastern is former (1957) NAHB President George Goodyear, president of a complex of housing companies headed by Goodyear Mortgage Corp. (servicing: \$85 million) of Charlotte, N. C.

Goodyear will become one of four Southeastern trustees, along with NAHB Tax Adviser Sylvanus G. Felix of Oklahoma City, NAHB Counsel Herbert S. Colton of Washington, and Attorney Lyle Himebaugh of New York City, counsel for the underwriters.

The trust plans to invest in FHA and VA mortgages, first and second conventional mortgages, and land development loans not exceeding three years and 60% of improved value. The trust will not warehouse mortgages, says the prospectus. Another REIT, First Mortgage Investors of Boston, faces a threat by Internal Revenue Service to disqualify its tax shelter because it is heavily in warehousing.

Goodyear Mortgage Corp. is retained on a non-exclusive, non-assignable contract as investment adviser to advise on acquiring and disposing of Trust assets. GMC may also originate mortgages to the trust without an acquisition fee, but will not be the exclusive source. GMC will service all mortgages in its operating areas under a provision cancellable on 60 days notice.

NEW ISSUES

Date	Company	Proceeds to company ^a	Offering price of securities
May 13	Western Empire Real Est.	\$2,400,000 ^b	\$4
May 14	Holiday Inns of America	9,000,000 ^c	d
May 15	San Diego Imperial	7,000,000	e
May 16	Realty Equities Corp.	117,853	f
May 17	Mortgage Guaranty Ins. Corp.	5,400,000	27
May 20	Danac Real Estate Inv.	3,000,000	10
May 24	S. V. Hunsaker & Sons	1,650,000	50 ^g

^a—after underwriting discounts and commissions. ^b—without underwriting. ^c—6% sinking fund debentures due 1975. ^d—offering price not set. ^e—private placement of 5 1/2% 10-year collateral trust bonds with 14 institutional investors. ^f—subscription price \$6.25 per share. ^g—price per unit for one \$50 debenture and five shares.

REGISTRATIONS WITHDRAWN

Date	Company	Amount sought	Proposed price of securities
May 15	Amecana Properties Trust	\$1,013,600 ^a	\$10
May 24	Madway Main Line Homes, Inc.	1,400,000	14

^a—after underwriting discounts and commissions.

PROFITS AND LOSSES

Company	Fiscal year ends	1962 revenues (000)	% change '61	1962 net	% change '61
Admiral Homes	Feb. 28 ^a	\$2,218	-10.6	(-7,491)	—
All-State Props.	Dec. 31	1,363	159.1	(-1,298)	—
Arvida	Jan. 31 ^a	4,104	-2.09	(-626)	—
Atlantic Imp.	Dec. 31	744	-21.7	(-278)	—
Forest City Ent.	Dec. 31	30,295	44.3	601	46.8
Futterman Corp.	Dec. 31	3,053	50.1	826	b
General Builders	Dec. 31	10,683	-31.1	614	-12.9
General Dev.	Dec. 31	54,246	-30.7	(-516)	—
Glickman	Dec. 31	18,540	30.6	(-1,284)	—
Hodgson Houses	Feb. 28	4,639	8.4	109	-10.2
Inland Homes	Jan. 31	5,440	-6.4	284	-18.2
Investment Props.	Jan. 31 ^a	2,842	c	(-141)	—
Kavanaugh-Smith	Oct. 31	9,606	0.8	459	11.1
Kern County	Dec. 31	117,787	12.2	17,487	0.4
National Homes	Dec. 31	79,159	0.8	1,694	d
Palomar Mtg	Feb. 28 ^f	2,850	20	441	32.4
Webb & Knapp	Dec. 31	372	-87	(-19,625)	—

^a—Six months ended Jan. 31, 1963. ^b—Net loss of (-1,293) in 1961. ^c—No comparisons available. ^d—Net loss of (-157) in 1961. ^e—Six months ended Feb. 28, 1963. ^f—Feb. 28, 1962 changed from Dec. 31 fiscal year to Feb. 28 resulting in a consolidated net loss of \$21,591.67.

Stock is to be offered at \$10 a share on an all-or-nothing basis for the first 40,000 shares (\$400,000). Fleetwood Securities Corp. of New York City is underwriting at a commission not exceeding 10% and 2 1/2% expense allowance. Net proceeds to Southeastern if all shares are subscribed: \$8,680,000.

Southeastern is asking IRS for a ruling that the interest of Mr. Goodyear in GMC will not disqualify him as a trustee under the 1960 law that lets realty trusts qualify for conduit tax treatment (money distributed to shareholders is not taxed if the trust distributes 90% of income).

Housing stocks drop again as market advances slowly

Dragged down by losses in prefabrication and s&l holding company stocks, HOUSE & HOME's monthly index of 116 housing stocks slipped 0.9% to 10.35. During the same time the Dow-Jones industrial average rose 1% to

725.93 and the National Quotation Bureau's average for over-the-counter stocks rose 1.9%.

Realty investment issues were off 3.6%, with income properties dipping 7/8 to 3 1/8 and Mensh falling 3/4 to 12 bids Financial Federation, down 2 7/8, and Gibraltar Finance, off 3 7/8, led s&ls to a 3.9% drop. Building companies advanced 6.6%. Kaufman & Broad advanced 2 3/8. Del Webb rose 2 1/4.

Here are HOUSE & HOME's average of selected stocks in each housing group:

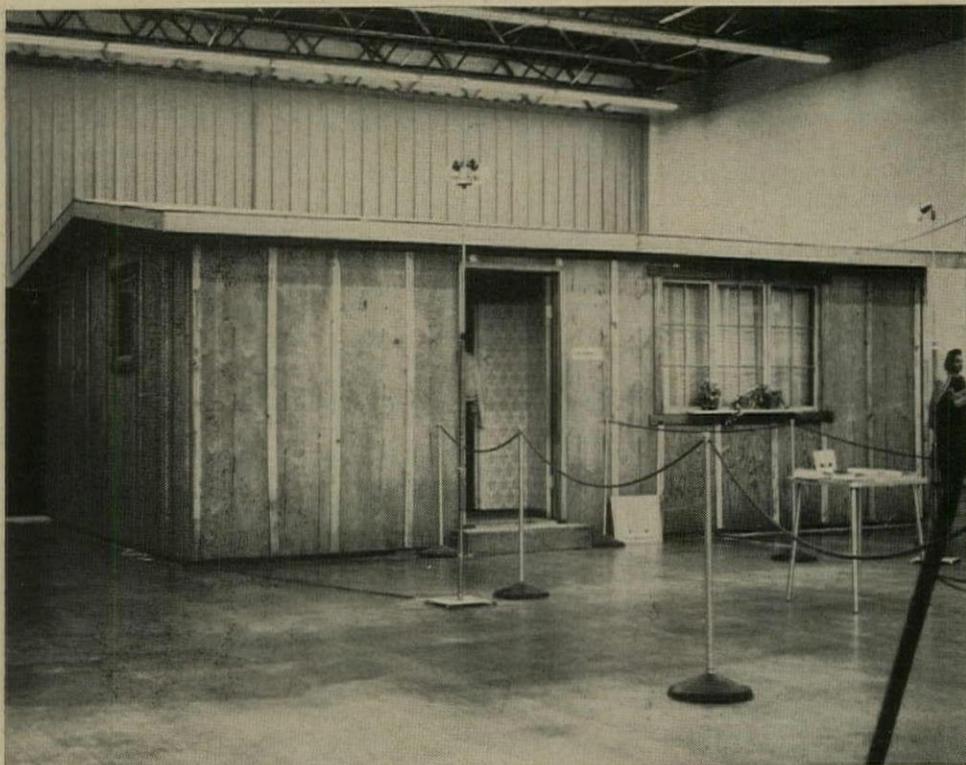
	Apr. 3	May 8	June 5
Building	5.91	5.93	6.32 ^a
Land development	5.32	5.26	5.16 ^b
S&Ls	23.78	23.21	22.53
Mortgage banking	11.26	11.46	11.48 ^c
Realty investment	6.28	5.89	5.68 ^c
REITS	9.15	8.80	9.02
Prefabrication	5.21	5.71	5.61
Shell homes	8.44	9.06	9.34
AVERAGE	10.63	10.45	10.35 ^d

^a—Pacific Coast Prop added to table. ^b—Holly Corp. included in average. ^c—Wallace Investments added to mortgage banking category, deleted from realty investment. ^d—average adjusted to include stocks newly added to table.

HOUSING'S STOCK PRICES

Company	Apr 3		May 8		June 5		Company	Apr 3		May 8		June 5	
	Bid	Ask	Bid	Ask	Bid	Ask		Bid	Ask	Bid	Ask	Bid	Ask
BUILDING													
Adler-Built Inc.	1/8	3/4	15¢	30¢	20¢	30¢	Capital Bld. Inds.	a		3 3/8	3 1/2		
Cons Bldg (Can)	8 7/8	9	8 3/4	8 7/8	9 3/8	9 3/2	Dev. Corp Amer	1 1/8	1 3/8	1/2	7/8	5/8	1
Dover Const.	4 1/4	4 3/4	5 1/4	5 3/4	5 1/2	6	Edwards Eng	6 5/8	7 1/8	7 5/8	8 1/8	6 3/8	6 7/8
Edwards Inds	13 1/2	13 1/4	1 1/2	1 1/2	7/8	1 1/8	Eichler Homes	8 1/2	9 1/4	9 1/2	10 1/4	9	9 3/4
First Natl Rlty	3 1/2	3 1/2	2 7/8	3 1/4	2 3/4	3 1/8	Frouge	3	3 3/8	3 1/8	3 3/4	3 1/2	3 1/2
General Builders	3 1/2	3 1/2	2 7/8	3 1/4	2 3/4	3 1/8	Hawaiian Pac Ind.	4 1/2	4 7/8	4 1/4	4 5/8	4 1/4	4 3/4
Kavanaugh-Smith	5 1/8	5 1/8	5	5 1/2	4 1/2	4 7/8	Kaufman & Broad	25 7/8 ^b	25 7/8 ^b	27 1/2 ^b	27 1/2 ^b	27 1/2 ^b	27 1/2 ^b
Louis Lesser Ent.	8 1/4	8 3/4	7 1/4	7 3/4	8 1/2	9 1/4	Levitt	3 3/4	3 3/8	4	4 5/8	4 1/2	5 1/8
Lusk	1 3/4	2	1 1/2	1 3/4	1 1/2	1 3/4	Pacific Cst. Prop.	10 3/4 ^b					
U.S. Home & Dev.	1 1/2	1 3/4	1 1/4	1 1/2	7/8	1 1/4	Del. E. Webb	9 7/8	10 3/4	8 7/8	9 3/4	11 1/8	12
Webb & Knapp	11 1/8 ^b	11 1/8 ^b	11 1/8 ^b	11 1/8 ^b	9 1/8	9 1/8	MORTGAGE BANKING						
Advance	9 1/4	9 7/8	9 5/8	10	9 3/8	9 7/8	Charter	2 5/8	2 7/8	2 3/8	2 5/8	2 3/4	2 1/2
Colwell	16 1/4	17	17 1/2	18	18 1/2	19	FNMA	89 1/2	92 1/2	90 7/8	93 7/8	92 1/4	95 1/4
MGIC	26	26 1/2	27 1/4	27 3/4	27	27 1/2	Palomar	6	6 3/8	6	6 3/8	5 3/4	6 1/4
Stockton, Whatley	12	12 1/2	10 3/4	11 1/2	10 1/2	11 1/4	Wallace Invests	6 3/4	7 1/8	6 3/4	7 1/2	7	7 7/8
REAL ESTATE INVESTMENT TRUSTS													
American Rlty Trust	9 5/8	10	10 1/4	10 3/4	10 3/8	10 3/4	Contl Mtg Inv	10 7/8	11 5/8	9 7/8	10 5/8	11 3/8	12 1/8
First Mtg. Inv	9 1/2	10 1/2	9 3/4	10 3/4	10	11	First Ntl	7 3/4	8	8	8 3/4	7 3/4	8 1/4
Liberty	7 7/8	8	7 3/8	7 3/4	7	7 3/8	U.S. Realty Inv.	9 3/4	10 5/8	9	9 3/4	9	9 3/4
PREFABRICATION													
Admiral Homes	1 5/8	1 7/8	1 1/2	2	1 1/2	1 7/8	Crawford	4 3/8	5 1/8	4 3/4	5 1/2	4 3/4	4 5/8
Great Lakes Homes	6 1/4	6 1/2	6 1/4	6 3/8	5 3/8	5 3/4	Harnischfeger	18 3/4 ^b	18 3/4 ^b	16 3/4 ^b	16 3/4 ^b	16 3/4 ^b	16 3/4 ^b
Inland Homes	10 1/8	10 1/8	10 1/8	10 1/8	10 1/8	10 1/8	Madway Mainline	9 3/4	10 3/4	9 3/4	10 3/4	11 1/2	12 1/2
Natl Homes A	5	5 1/8	4 7/8	5 1/2	5 7/8	6 1/8	Richmond Homes	4	4 1/4	4	4 1/4	2 3/4	3 1/4
Schol Homes	1 1/4	1 1/2	1 3/8	1 3/4	1 3/8	1 1/8	Seaboard Homes	1/2	3/4	3/8	3/4	1 1/4	1 1/8
Steel Crest Homes	5 3/4	6 1/4	5 3/4	6 1/4	5	5 3/4	LAND DEVELOPMENT						
All-State Props	2 ^b	2 1/4 ^b	2 1/4 ^b	2 1/2 ^b	2 1/2 ^b	2 1/2 ^b	American Land	1 1/2	1 3/4	1 3/8	1 3/4	1 1/4	1 3/8
Amer. Rlty & Pet	5 1/4 ^b	5 1/4 ^b	4 3/4 ^b	4 3/4 ^b	4 3/4 ^b	4 3/4 ^b	Arvida	5 3/4	6 7/8	5 3/4	5 3/8	5 1/4	5 1/2
Atlantic Imp	15 1/2	16	14 1/2	15 1/4	16 1/2	17 1/2	CKP. Dev. (Can)	12 3/4	13 3/4	11 3/4	13 1/2	11 3/8	11 7/8
Canaverl Intl	5 1/4 ^b	5 1/4 ^b	4 7/8 ^b	4 7/8 ^b	4 3/4 ^b	4 3/4 ^b	Cons. Dev	1 1/2	1 3/4	1 1/4	1 1/2	1	1 3/8
Coral Ridge Prop.	17 1/8	17 1/8	17 1/8	17 1/8	17 1/8	17 1/8	Cousins Props	8 3/4	8 3/4	8 1/2	8 7/8	8 1/4	8 3/4
Christiana O. Corp.	a	a	5 7/8 ^b	6 1/2	6 1/2	6 1/2	Fla Palm-Aire	1 1/2	1 3/4	1 1/2	2	2	2 1/4
Forest City Ent	5 3/4 ^b	Garden Land	3 3/4	3 3/8	3 3/4	4	4	4 3/8					
Gen Devel	5 1/2 ^b	5 1/2 ^b	4 7/8 ^b	4 7/8 ^b	4 7/8 ^b	4 7/8 ^b	Holly Corp.	1 3/8 ^b	1 3/8 ^b	1 1/4 ^b	1 1/4 ^b	1 1/4 ^b	1 1/4 ^b
Horizon Land	6 3/8	7 1/8	4 3/4	5 3/8	5 7/8	6 1/2	Laguna Niguel	11	12	11 3/8	12 1/4	10 1/2	11 3/8
Lake Arrowhead	3 3/8	4	3	3 1/2	3	3 1/2	Lefcourt	3 1/2 ^b					
Macco Rlty	6 1/4	6 5/8	7 5/8	8 1/4	7 1/2	8	Major Rlty	7 1/8	7 1/8	7 1/8	7 1/8	7 1/8	7 1/8
Pac Cst. Prop	9 3/4 ^b	10 3/4 ^b	10 3/4 ^b	10 3/4 ^b	10 3/4 ^b	10 3/4 ^b	Realists Inc.	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Sol Rlty & Util.	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	Sunset Int. Pet.	6 1/4 ^b					
United Imp. & Inv.	4 3/4 ^b	SHELL HOMES											
Albee Homes	8 3/4	9 3/4	8 3/8	9 1/8	8 7/8	9 3/4	Modern Homes Const.	6 5/8	7	6	6 3/8	5 5/8	6
Morris Homes Corp.	1/8	1/2	1/8	1/2	1/4	3/8	Nationwide	1	1 1/4	1	1 1/4	1	1 3/8
U.S. Finance	7 1/4	8	8	8 1/4	7 3/8	8 1/4	Jim Walter	16 3/4	17 3/4	18 2/8	19 1/4	21 1/4	21 1/4
Western Shell	7	9	15¢	20¢	1/4	1/2	REALTY INVESTMENT						
Brookridge Dev	1/8	1/4	1/16	3/16	1/16	3/16	Disc Inc	3 3/8	3 7/8	3 1/4	4	4 1/2	4 1/2
Gt. Amer. Rlty	40¢	50¢	35¢	50¢	35¢	50¢	Herman & Appley	3 1/2	3 7/8	3 1/2	3 3/4	3 1/2	4
Income Props	4	4 3/4	4	4 1/2	3 3/4	3 1/2	Kaymarq Cons	1/2	3/4	f	1/8	1/4	3/4
Kratter	12 ^b	8 3/8 ^b	8 3/8 ^b	8 3/8 ^b	8 3/8 ^b	8 3/8 ^b	Mensh Inv & Dev.	12	13	12 1/4	13 1/2	12	13
Presidential Rlty	8 ^b	8 ^b	7 3/8 ^b	7 3/8 ^b	7 3/8 ^b	7 3/8 ^b	Rlty Equities	7 ^b	7 ^b	6 3/4 ^b	6 3/4 ^b	6 3/4 ^b	6 3/4 ^b

^a—stock newly added to table. ^b—closing price (ASE). ^c—closing price (NYSE). ^d—no bids. ^e—no offer. ^f—ex-dividends. Sources: New York Hanseatic Corp., Gairdner & Co., American Stock Exchange, New York Stock Exchange. Listings include only companies which derive a major part of their income from housing activity and whose stocks are either listed or actively traded.



PINT-SIZED HOUSE, crudely finished, duplicates medium-priced Russian home.



LIVING ROOM is 11'6" by 9'6". Overstuffed furniture, typical of America in the 1920s, leaves little standing room. Rafters are exposed.



SLEEPING AREA, open to the living room during day, contains refrigerator—enough of a rarity in Russia to be a prestige item.

U.S. builders show what buyers in Russia get for \$22,000

Built to Russian plans and specs, the 384-sq. ft. house shown here has drawn 235,000 visitors in Louisville, Dallas, and San Antonio.

The replica of a Soviet medium-priced home was displayed by local homebuilders' associations because, as one HBA official observes, "it showed far more effectively than words just how much Americans get for their housing dollar."

Sleazier than U.S. wartime barracks, the house has four rooms: a combination kitchen-dining room, a living room, a bedroom separated from the living room by a folding partition, and a bathroom. It is heated by a wood stove in the kitchen, has no hot water, few electrical outlets, and no insulation.



VISITORS LINE UP to see model of Soviet house at the Dallas home show. Materials are American, design is Russian.

Even if a Russian could find a house like this for sale (most Russian urbanites have to live in cooperative apartments which pack an average of 2.72 persons into each room) he would have to pay 21,000 rubles for it: \$22,000 at the international rate of exchange, and \$8,500 at the free rate of exchange. Builders estimate the house could be mass produced in the U.S. for \$1,500.

The house has led a peripatetic eight-month life, seeing more of America than most traveling Russians. It was built by the Home Builders' Association of Louisville from plans in *Zhilishchnoye Stroitel Stvo*, a Moscow housing journal (which calls the house a typical village-project house). It drew an estimated 100,000 people at the Louisville HBA's exhibit at the 1962 Kentucky State Fair.

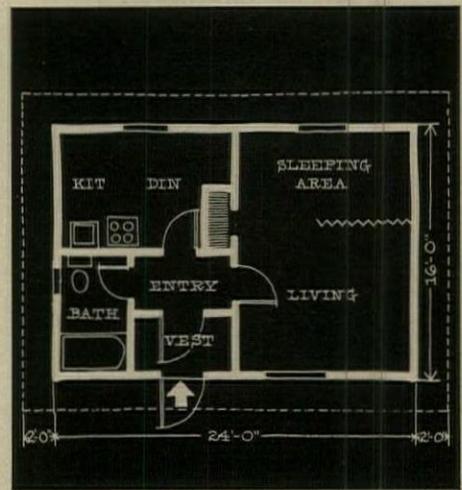
The size of the turnout impressed the HBA of Dallas County, which paid \$800 for the house, and had it shipped (knocked down) to Dallas for the Southwestern Builders Exposition & Home Show in March, where it drew some 50,000 visitors.

Knowing a good thing when they saw it, San Antonio HBA officials paid \$600 to get the house for their home show in April, where some 85,000 people visited it. And the Houston HBA has climbed on the bandwagon and bought the house for \$300 and will display it at an upcoming home show.

Authentic furnishings are an important feature of the house. In Louisville, Russian immigrants provided the furnishings, and in Dallas two Russian experts served as furniture-selection consultants.



KITCHEN-DINING ROOM has sink with cold-water tap, wood-burning stove which also heats the house. Samovar and picture of Krushchev add local color.



FLOOR PLAN, only 384 sq. ft., nevertheless includes an entry hall. Front vestibule serves as air lock to preserve precious heat.



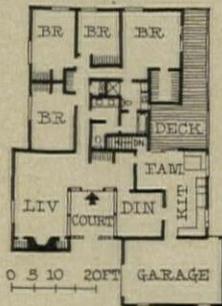
Parade house promotes long-wear finishes

Designed by Georgia-Pacific Corp. for last month's Washington, D.C. Parade of Homes, the house shows off two new materials that are notable for low upkeep and tough surfaces:

1. Plywood siding is coated with Hypalon, a synthetic rubber film with permanent coloring, whose makers say it weathers no more than one-tenth of a mil a year. The film is ten mils thick. Although it is still being test marketed, the new siding can be ordered through G-P distribution centers. Hypalon coating was also used on perforated hardboard soffits of the Parade house.

2. Interior panels of hardwood plywood are finished with Acryglas, a polymerized plastic coating which is resistant to hot grease, acids, and hard knocks. G-P introduced the new panels early this year.

G-P also used the house to test consumer reaction to a new ver-



sion of edge-and-end-glued redwood siding: It is 24" wide (for the first time), 24' long, and grooved to look like 6"-wide dropped siding. The reaction? Good, according to a company spokesman who added: "The carpenters loved it because it went up so easily."

The house, one of 12 at the parade, is a joint project of G-P and the HBA of Metropolitan Washington. Built by Tom Cary, it has 2,600 sq. ft. of living space (including a basement recreation room), is priced at \$41,500.

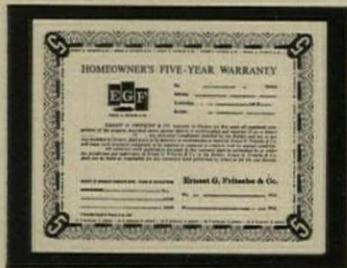
New homes carry a five-year warranty

Big Builder Ernest G. Fritsche (500 sales last year) of Columbus, Ohio has introduced what he believes to be the first five-year warranty in housing.

The warranty (shown at right) guarantees that any defects in "structural components" (e.g., foundations, floors, roofs, and stairways) that appear within five years will be made good at no charge to the homeowner. It excludes non-structural items or components warranted for less than five years by the manufacturer (e.g., paint, surfacing materials, grouting, and plantings).

Fritsche promoted the warranty in full-page newspaper ads, on billboards, and in TV and radio spots before the May 12 opening of his Devonshire community (price range: \$15,570 to \$19,950). And model-house visitors receive a question-and-answer sheet spelling out the warranty's details.

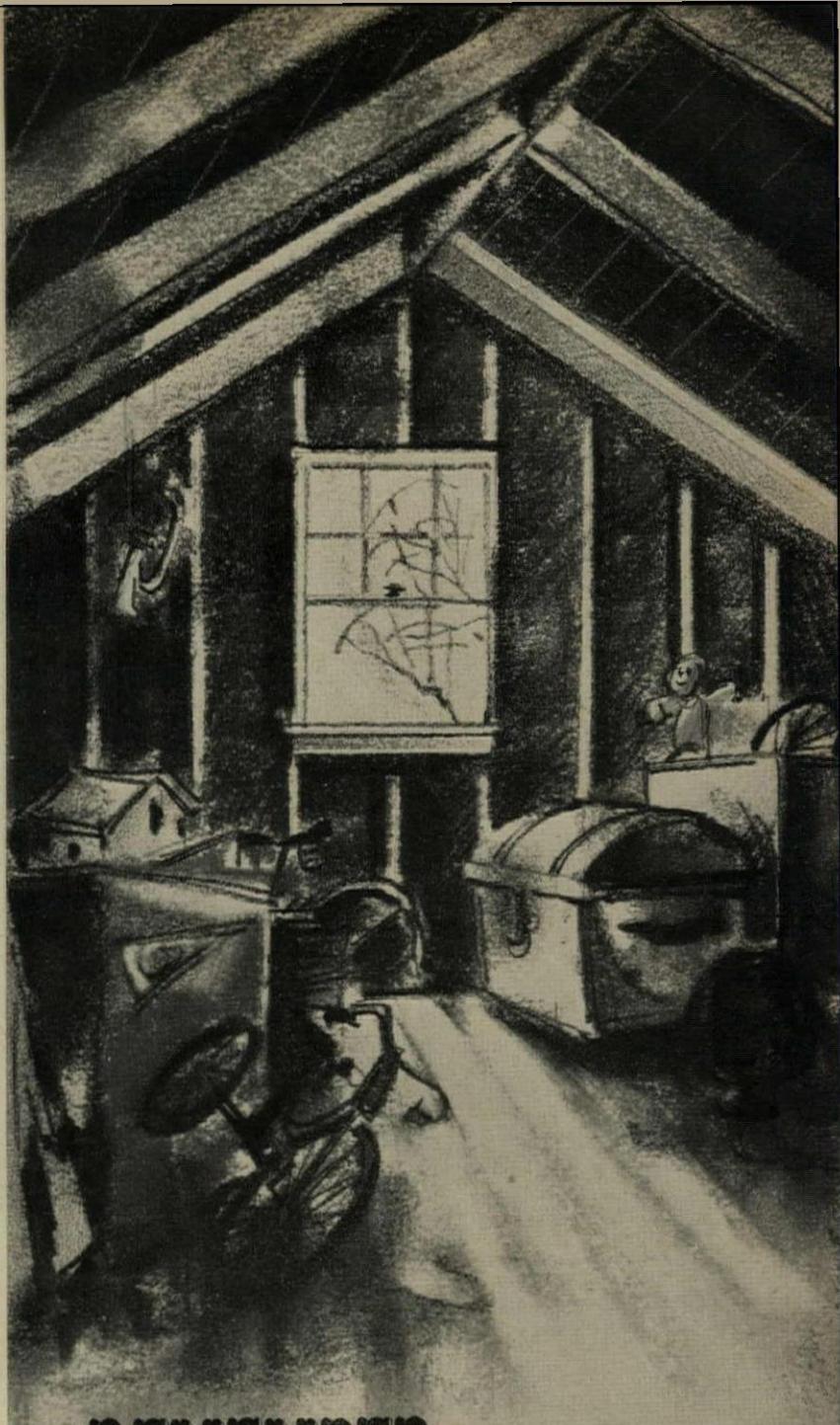
Says Fritsche: "For years we



have stressed quality and service. What we are doing now is simply to formalize the fact that we will stand behind the workmanship and materials in our houses."

Adds Alan E. Clark, Fritsche's vice president: "Lengthy warranties now offered by some of the auto makers have made the buying public more warranty-conscious than ever. And since we are competing with the auto industry for the consumer dollar, we think our warranty is a wise marketing move."

Marketing roundup continued on p. 36

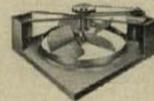


REMEMBER YESTERDAY'S ATTIC?

Remember the many treasures a small boy or girl could find hidden there? Today's attic looks different, of course, but one similarity remains. Tremendous heat builds up in all attics. Temperatures of 130° and higher are not uncommon. This trapped heat radiates down into a home's living area all night long, making sleep almost impossible. That's why Lau Attic Fans are big sellers in the spring and summer . . . Big profit makers too! Lau has everything you'll need to capture your share of this business; a complete line of competitively priced, quality fans and accessories and the national consumer advertising and sales help needed to generate product interest. Write for a catalog on Lau's complete line of quality built attic fans and accessories.



Niteair® Panel



Rancher



Attic Relief



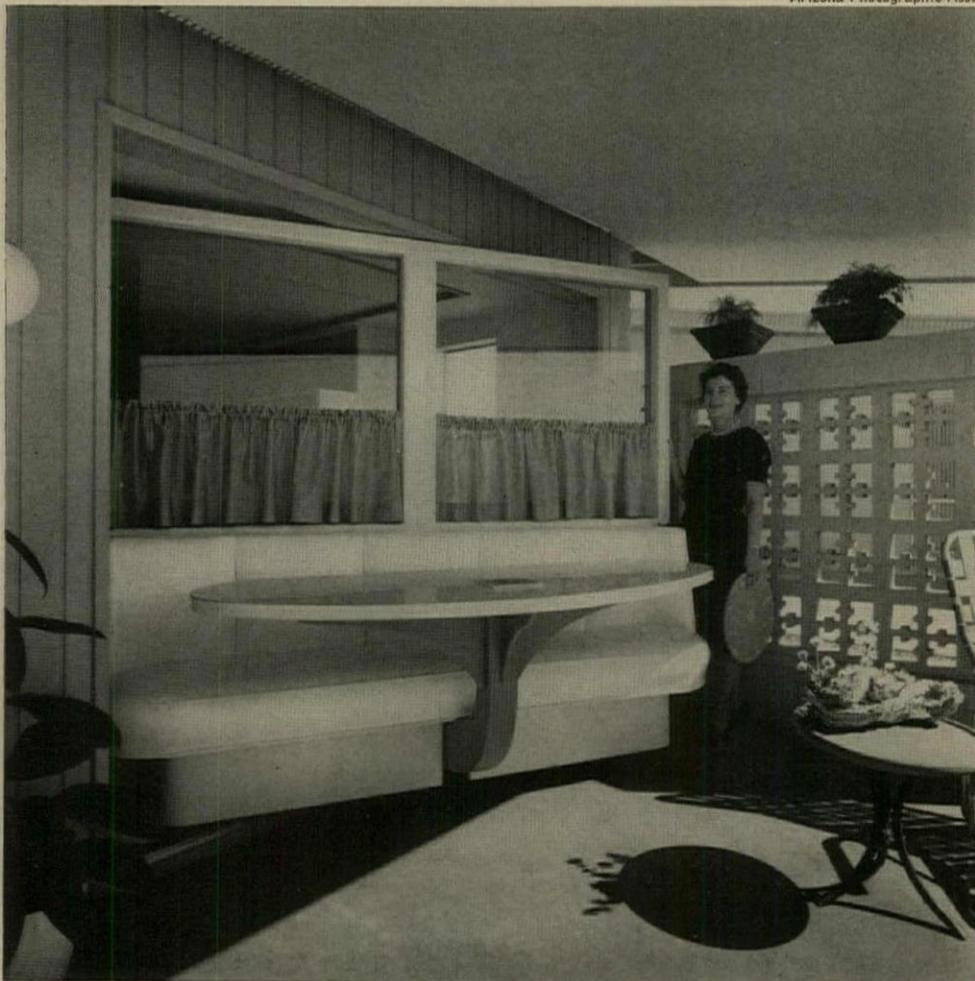
Rancher Builder



THE LAU BLOWER COMPANY
2027 Home Ave.

Dayton 7, Ohio

Arizona Photographic Assoc.

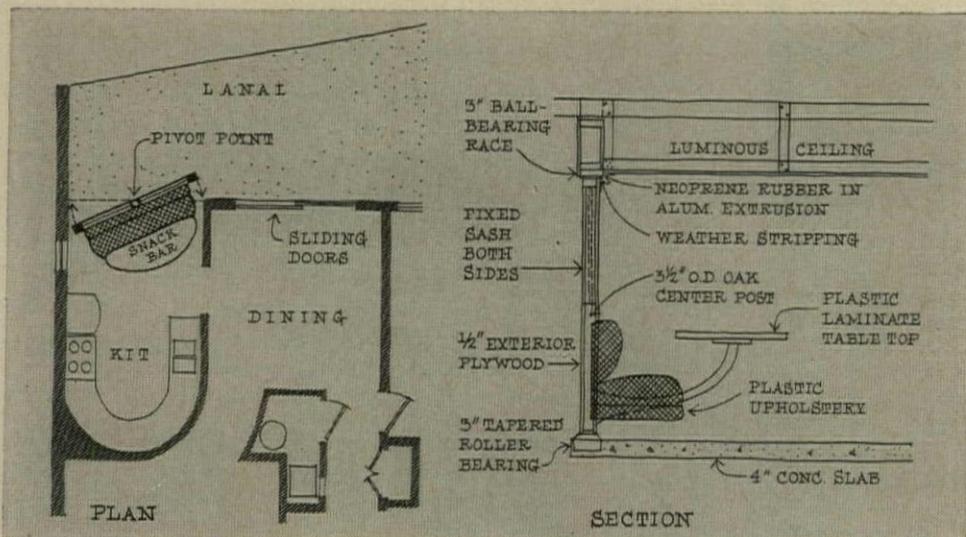


Revolving snack bar serves both kitchen and patio

The bar is hung on a rotating wall section between the kitchen and the lanai, so it can be used for both indoor and outdoor dining. Builder Howard Davis has put the bars in six 2-unit dwellings in Phoenix (priced from \$36,600 to \$37,500) and reports they have been a big hit with buyers. Builders have also been interested, and Davis has made

working drawings available to several in the area.

Cost of the installed unit is approximately \$300, of which \$120 is for upholstering the seat and back with plastic. The swinging wall section is slightly less than 8' long, and its vertical axle is hung on two bearings (plan and drawing below).



PLAN (left) shows how snack bar opens into kitchen or out to covered patio. Cross section (right) shows mounting of oak center post.

Bottom of post fits in 3" roller thrust bearing, top in 3" ball bearing. Neoprene weather-stripping assures airtight fit around opening.

Apartment owner woos tenants with rent-insurance plan

An insurance policy that guarantees both management and tenant that rent will be paid monthly to the end of the lease, even if the head of the household dies, is being pioneered successfully in midtown Philadelphia.

The rent-assurance plan, conceived by Developer Sylvester J. Lowery, has been in effect since May on his 30-story, 518-unit Penn Towers. Lowery figures Penn Towers has rented 20% faster because of rent insurance. He is so happy with the results that he plans to form a company to sell similar insurance to apartment operators across the nation. The plan, offered free to all tenants as a competitive feature of the luxury units, is designed to:

- Protect management against loss of rent due to the death of the head of the household.
- Spare bereaved families eviction and embarrassment.
- Improve management-tenant relations and avoid friction caused by hardship eviction cases.
- Speed occupancy of new developments, reducing early operating losses.
- Cut the usual vacancy factor of 5% to 3% or 4%.
- Encourage institutional investment by making nonpayment of rent due to death a predictable expense.

The policy, written by United of Omaha, covers leases up to three years, and is automatically renewable for tenants through the age of 66. No physical examination is necessary. If a tenant dies, the policy proceeds are payable directly to management, which pays an annual premium of about 1% of the total rent roll, depending on average age of the tenants. At Penn Towers, where household heads average 46 to 47 years old, the annual cost at full occupancy will be about \$15,000. Premiums, of course, are tax-deductible business expenses.

So Lowery figures the scheme saves more than it costs. Institutional investors usually figure on at least 5% vacancies in big apartments. "In a building this size," he says, "that amounts to \$75,000 or \$80,000. If we recover a small part of this, the plan will have paid for itself, especially if you add in the savings from renting the building more rapidly."

Rentals at Penn Towers range from \$120-\$137.50 (for efficiency apartments) to \$375-\$575 (for three bedrooms). So the maximum payable on any three-year policy would be \$20,700. If a tenant dies and his family elects to leave the building, management may re-rent the apartment and collect both insurance and rent—a windfall that can be accepted in good conscience since state law requires the insurance company to quote rates without contingencies for such refunds.

Lowery first broached the idea of rent insurance several years ago when his Cherry Hills, Pa., development, two 12-story dwellings, ran into an unusually high death rate and resulting rent delinquencies. But insurance companies he approached were reluctant because only a few premiums could be written each year once a new building was occupied. The principal stipulation of United of Omaha was that the building have 50% occupancy before a policy was issued.

Letters start on p. 53

New housing industry . . . landscaping . . . foreclosure problems . . . apartment noise

The new housing industry

H&H: You have performed a service in analyzing pools of capital [H&H, Apr.] and pointing out that very little capital actually comes from the Streets. The Big Board, of course, for all intents and purposes is a second-hand market only. The American does little more to attract fresh capital. Over-the-counter markets do more. Companies that go public tend to be the ones that make the biggest losses. If you are doing well, going public gives you money and enables you to expand. If you are doing poorly, going public adds to your costs. Of course, the biggest pool of fresh capital any builder uses is mortgage capital underwritten by his actual or prospective customers. But this was implicit in the article as a whole.

I was glad to see indications ["The meteoric rise of Kaufman & Broad," H&H, Apr.] that inflation of land value is about over. Land values are getting up to where they used to be relative to housing prices. Overdevelopment during the 20s followed by the long depression years forced land prices way down relative to other prices, and the rise back to historical relationships has taken some time and has been viewed askance by those not familiar with previous relationships. Now that historical relationships have been recovered and transportation capacity is rising faster than the demand for new urban land, urban land prices should stay relatively level.

ROBINSON NEWCOMB, consulting economist
Washington, D.C.

FHA's foreclosure problems

H&H: I am a little chagrined at the tone taken in your May [NEWS] article, "Foreclosures: will Congress step in?" I very much favor holding hearings on the subject of FHA and VA foreclosures and I have, on several occasions, indicated to various members of the subcommittee my willingness to schedule such hearings at the convenience of all concerned. I have, however, suggested that these hearings might be more fruitful if they are scheduled after certain reports pertaining to FHA and VA foreclosures are completed. As far as I know, members of the subcommittee agreed for I have heard nothing from them to the contrary.

The record shows that it was I who first expressed concern over increasing FHA and VA foreclosures. On Mar. 16, 1962, I wrote to the administrators of VA and HHFA expressing concern, requesting they look into the subject, and report to the subcommittee. During a hearing held by the subcommittee on Aug. 29, 1961, I questioned HHFA and FHA officials about foreclosure trends.

My concern and interest is evidence to refute the innuendo that "I have no stomach for hearings on foreclosures." The suggestion that I "went on a trip to Mexico" and returned to schedule hearings on Senate Bill 474 (to establish an International Home Loan Bank) is without foundation.

I represented the federal government as chairman of its delegation at the inter-parliamentary conference held in Mexico City during the week of March 18. In December 1962, when announcement was made of the international housing study by the subcommittee, I proposed to hold hearings on this subject as

early as they could conveniently be scheduled. Recent hearings were not for the purpose of considering Senate Bill 474 as your article implies, but were to give some 35 experts who, as a public service, prepared monographs on varied aspects of international housing, a forum to explore this subject more deeply.

That part of the article appearing to quote me—"he says he hopes FHA will not become too cautious in its underwriting"—distorts my point. In my address to the National Housing Conference on Feb. 25, I said: "I would regret to see the present unfavorable publicity given to the FHA cause decision makers in the agency to react to ultra conservatism in carrying out FHA statutes." To me, there is a great distinction in applying the law with caution vs. applying it with ultra conservatism.

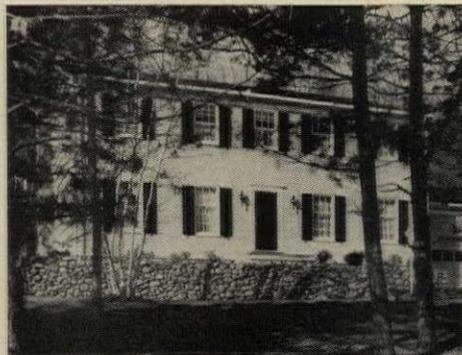
JOHN SPARKMAN, chairman
subcommittee on housing
U.S. Senate

How much landscaping is enough?

H&H: Several years ago sales were so easy builders felt they did not need a model-home garden designed by a landscape architect. Sales are tougher now, and Builder Purich ["Landscape design pulled me out of the sales doldrums," H&H, Apr.] no doubt has found that his new houses are competing with old houses which have a finished landscape appearance.

Purich spent \$4,145 for garden design and construction on a house that sold for \$38,500. This was more than 10% of the sales price. Several builders at the HOUSE & HOME Round Table [on landscaping] last year pointed out that this money can buy an extra bedroom and bath or some other feature with more sales appeal than landscaping.

Have we really reached a point where the appearance of the house outside is more important than an extra feature inside? If he could have all of his landscape cost back, would Purich landscape all his houses again?



Purich's Re-Landscaped \$38,500 Model

There is no doubt that the landscape architect helped make the houses more salable, but I don't think we have reached the point where landscape-architect-designed gardens can be a part of every house sold, even in this price range. The landscape architect's greatest contribution to homebuilding now is an application of his knowledge to subdividing, siting houses, grading sites, and preserving desirable features of landscape.

The article is excellent in its complete and accurate coverage of the services the land-

scape architect offers and the practical advantages of good landscape design.

THEODORE OSMUNDSON JR., landscape architect
Osmundson & Staley
San Francisco

• Reader Osmundson overlooks a key point: This story concerned landscaping a model house, not landscaping production houses. Builder Purich obviously could not spend \$4,145 to landscape every house he builds. Purich's landscaping was a merchandising cost which accountants would spread over the cost of each house in the tract.—ED.

H&H: I want to compliment you. Builders are not aware of the value to them of a landscape architect's services. The article brings this out clearly. The landscape architect's fee seems low for the work he did. Our office would have come out in the red, I am sure.

CLARENCE E. HAMMOND, landscape architect
Scruggs & Hammond
Peoria, Ill.

SEC investigation

H&H: The Security & Exchange Commission special study erred in reporting that Realty Equities Corp. was one of the five cash-flow companies listed on the American Stock Exchange. Although the SEC has apologized for the error, the report in your possession does not have the correction, so you list Realty Equities as one of the five cash-flow companies on the AES (May, NEWS). This matter is most important to us. We are one of the few public real estate companies that did not evolve from a collection of syndications and that has stayed away from cash-flow book-keeping and high-yield tax-sheltered payouts. Also we are one of the few companies that reported substantial increased earnings in 1962.

JEROME DEUTSCH, vice president
Realty Equities Corp.
New York City

What is a syndicator?

H&H: In a wonderful cartoon which appeared in SPORTS ILLUSTRATED some time ago the scene was a national park. A group of people were gathered near a sign which read "It is dangerous to feed the bears." A short distance away stood a sad looking deer with a sign around its neck reading "I am no bear."

After reading the article, "SEC lashes syndicators, developers" [May, NEWS] I feel something like the deer. I need for my company, a sign which says "I am no syndicator."

The popular usage of syndicator today does not describe our company. Presidential Realty as the offshoot of a long-respected family business—M. Shapiro & Son—is celebrating its 52nd year. It has been historically contractor, developer, owner, and manager of real estate.

JOSEPH M. BARUCH, president
Presidential Realty Corp.
White Plains, N.Y.

• H&H identified Presidential as a cash-flow company, not a syndicator, even though its Apr. 11, 1961, prospectus said: "The company has been engaged for several years in a type of activity which has come to bear the label 'syndication.' By such sponsorships, the com-

continued on p. 55



That's
right,
Lady ... I always



install Broan!

As an electrical contractor, I know what's going on *inside* your kitchen built-ins. And I know Broan's got other hoods beat by a mile.

Take this Dual Blower range hood I'm putting in for you. See those seams? Heliarc welded and hand polished. See that smooth finish? See the shape of the thing? Designed to pull in kitchen odors with extra efficiency. Pretty good looking, too, if you ask me. And a perfect match with the rest of your appliances — I know you ladies always go for the big choice of colors with Broan.

But I'm no interior decorator. All I know is, Broan hoods have a pair of "squirrel cage" blowers inside that do the job better than any I've seen. They're certified by HVI, too — HVI's the Home Ventilating Institute that tests the power of blowers like these at the engineering labs of Texas A&M—and that's good enough for me!

And frankly, Lady, putting in a Broan saves *me* a lot of headaches. Easy to install. Practically no service calls. Fast delivery on special orders. And happier customers — that's a fact. Funny, I've been installing Broan range hoods, exhaust fans and bathroom heaters for over 30 years now. But some people are just finding out about 'em. I see lots of contractors, builders and distributors switching to Broan, more dealers beginning to stock Broan products.

You take a look around, too, Lady. Bet you're not the first on your block with a Broan!

Manufactured in Canada by Superior Electrics, Ltd., Pembroke, Ontario.



Kitchen Range Hoods by



MANUFACTURING CO.
HARTFORD, WISCONSIN

LETTERS

start on p. 53

pany has earned syndicate fees and received long-term contracts to manage the syndicated properties on a fee basis."—ED.

Kaufman & Broad

H&H: Your April issue was interesting as always. In the article, "The meteoric rise of Kaufman & Broad," I am quoted as saying, "If we had more firms like this, the Street wouldn't be so leery of new housing issues." The statement is used out of context. I did not make it about Kaufman & Broad as such, but I say this without attempting to discredit them. The implications of the statement, as it refers to K&B, are not attributable to me.

CALVERT DOOMAN, securities analyst
Dominick & Dominick
New York City

Cutting noise in apartments

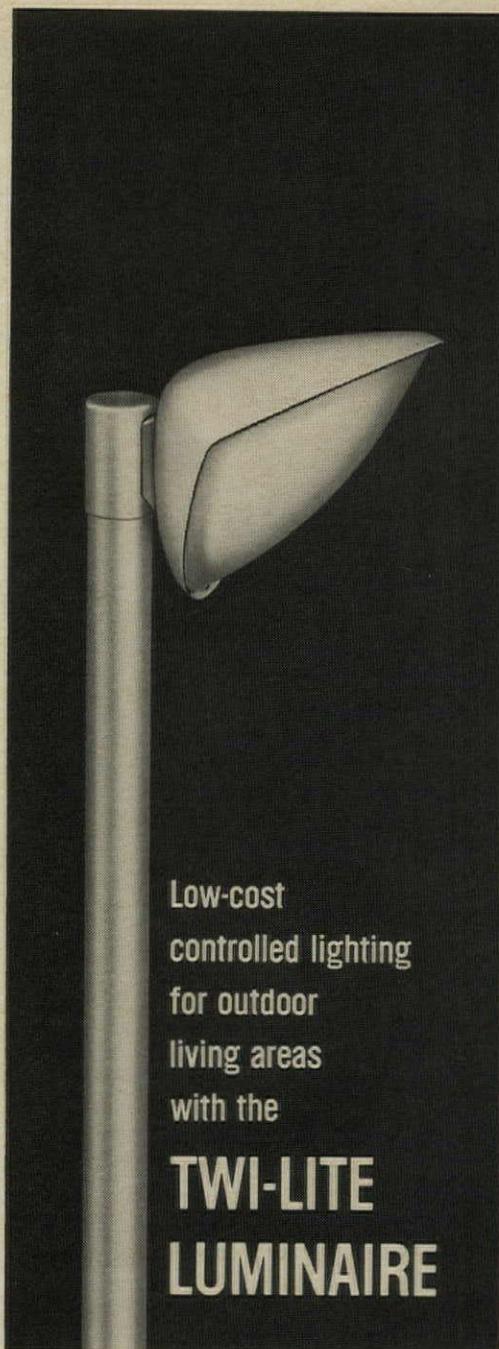
H&H: In sound control, impact noise reduction is important, but equally important is resistance to airborne sound transmission. The presentation ["How to stop noise that bedevils the neighbors downstairs, H&H, May] would have more value if airborne transmission losses were indicated along with the impact noise reduction. I have specific reference to the value shown for the assembly identified as "wood joists, carpet on foam pad, INR=+5." This might lead readers to think this is a highly satisfactory assembly where actually the airborne sound transmission class is approximately 35, which is below what is generally considered as minimum standard for adequate sound control in multioccupancy construction. Along this same line, the assembly identified as "wood joist, floating wood raft, resilient suspended ceiling, INR=-2" actually has, by test at the National Bureau of Standards, an airborne sound transmission class of 53 which is well above minimum requirements for control of airborne sound. In this same assembly, if carpet and pad were used as in the assembly noted above, our calculations indicate that this assembly would produce an impact noise reduction of approximately +20.

RICHARD C. CROWLE, sales manager
insulating products, Kaiser Gypsum Co.,
Oakland, Calif.

• H&H has said many times that cutting airborne sound is as vital, if not more so, than cutting impact noise.—ED.

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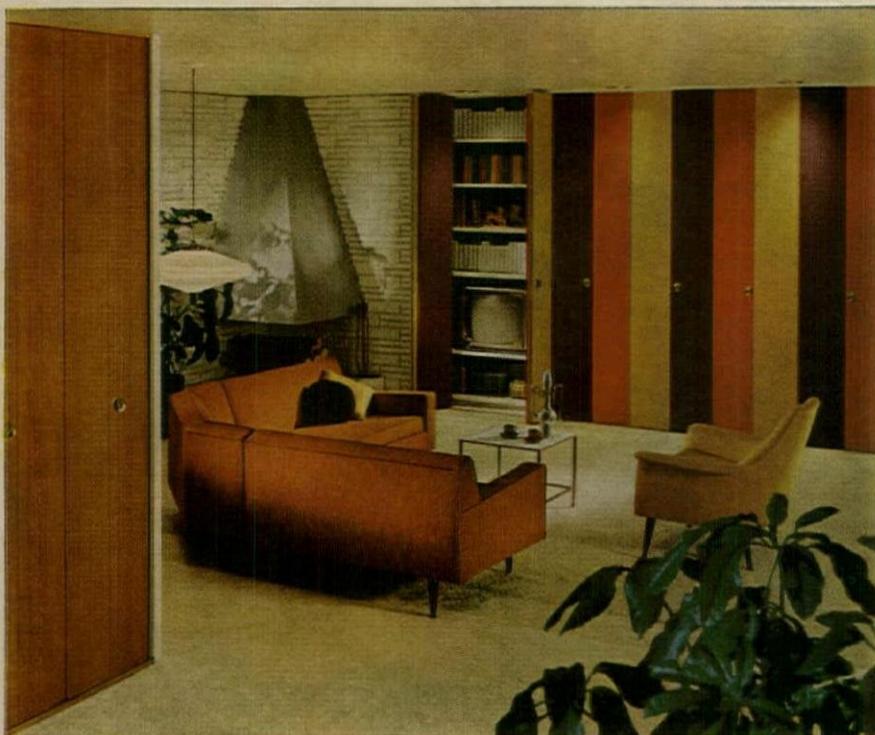
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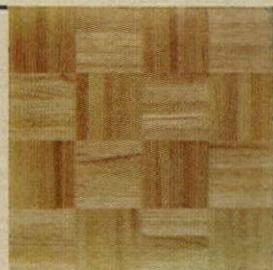
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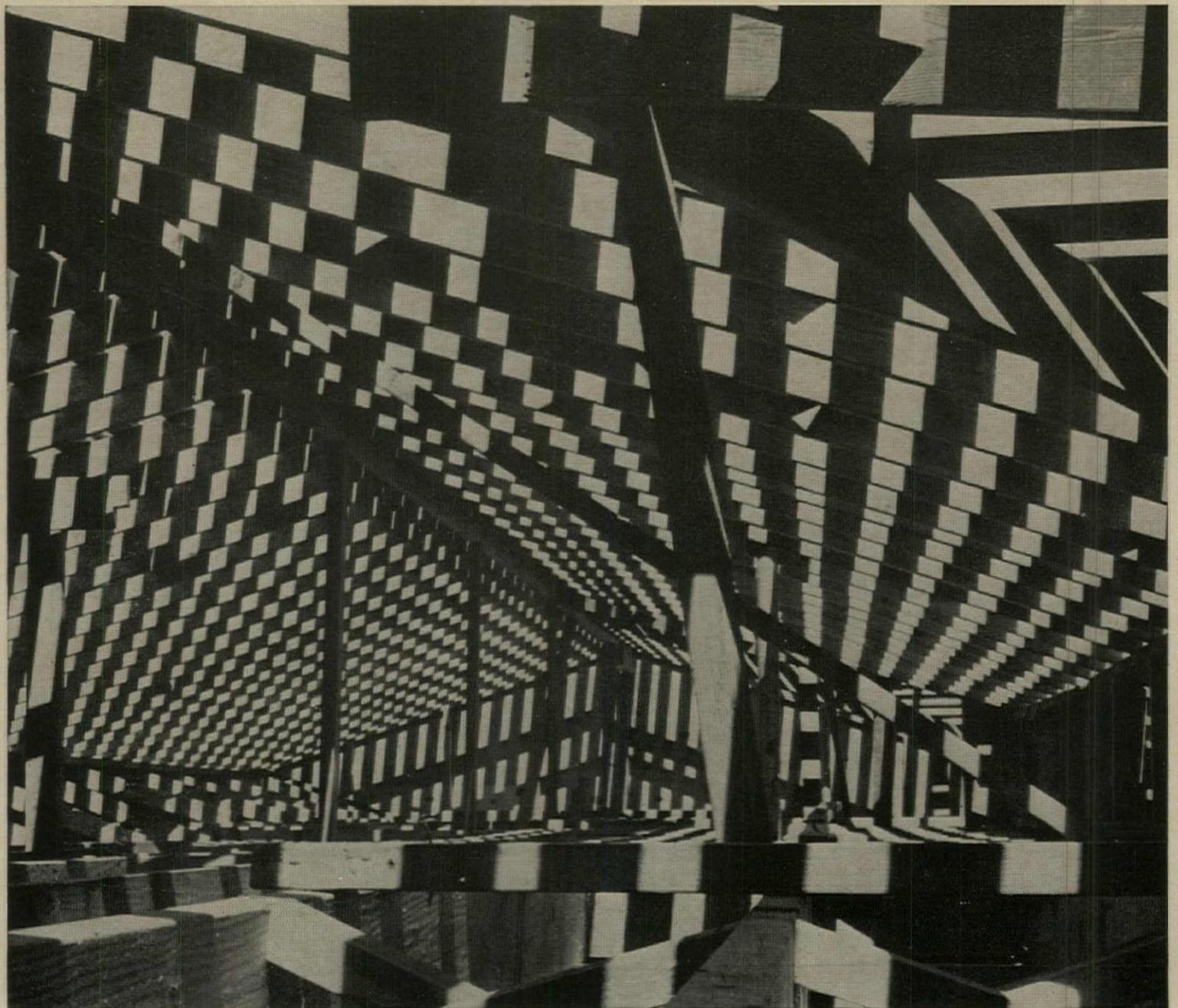


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Magic Chef Color-Mates give you a fabulously-styled kitchen package — range, dishwasher, disposer, hood and sink — in six handsome decorator colors. That's one big reason why more women cook on Magic Chef than on any other range.

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"Magic Sentry" Pilot Ignition — Just flick a switch — for *cool-safe-economical* cooking.



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The best in design: 1963's honor-award houses

The ten houses shown on the next 20 pages are worth careful study. For they have the rare quality seen all too seldom in today's new houses: the quality of thoughtful design that will make them a delight to live in—instead of just shelter.

Six of them are merchant-built, four are custom houses. Some are expensive, but most were designed to meet realistic budgets. They were chosen by distinguished jurors as the best of a near-record entry of 534 houses in the eighth annual Homes for Better Living Awards program sponsored by the American Institute of Architects, HOUSE & HOME, and LIFE—the largest design awards program of its kind in the nation. Twelve other houses, cited for Merit Awards or Honorable Mentions, will be published soon in HOUSE & HOME.

Built-for-sale houses: good design on a budget

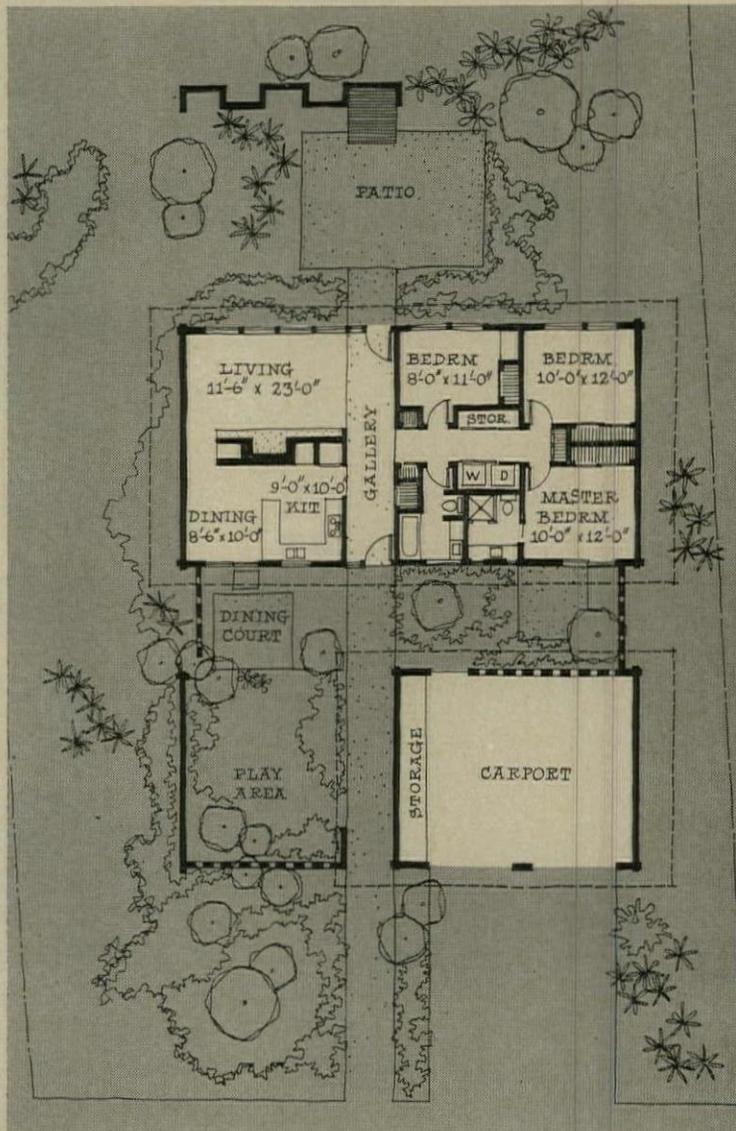
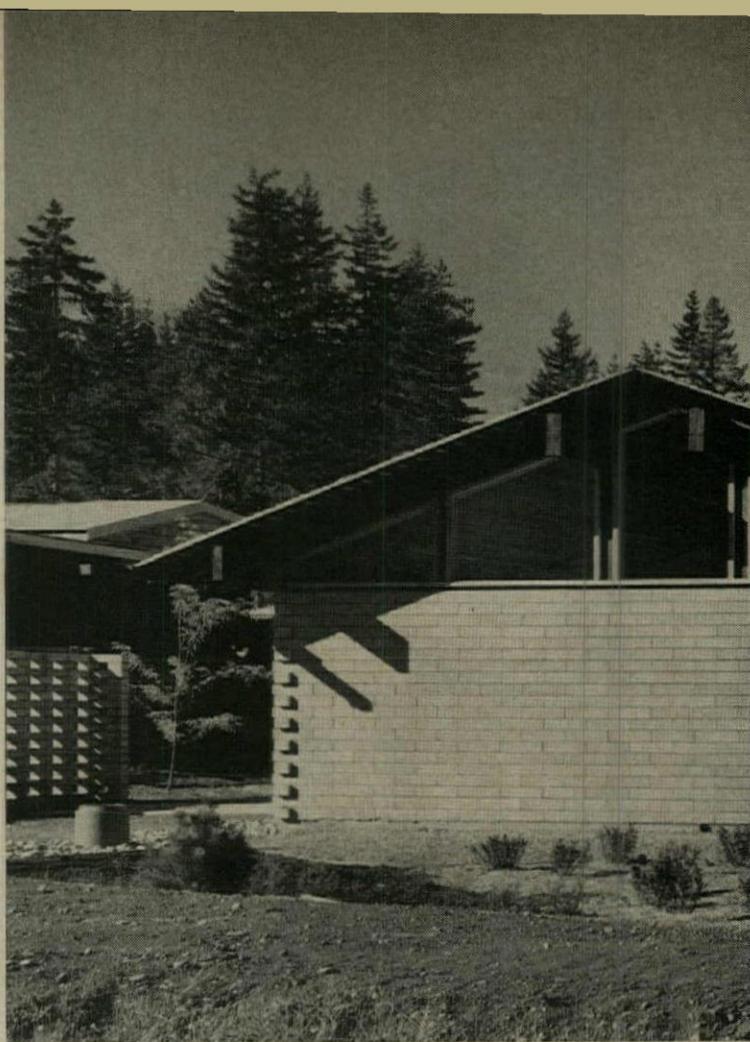
Significantly, four of the six houses picked for First Honor Awards were in the lowest priced category (under \$15,000 including land), an impressive answer to the common misconception that only the most expensive houses can afford the luxury of a talented architect. Only one of the top award winners was in the over-\$25,000 class, and it was a special promotion house designed to draw big crowds.

Even more important, all six winners drew favorable comment from the viewing public and several were outstanding sales successes. They show that good design is one of the strongest appeals a builder—faced with an increasingly tough buyers' market—can use.

Vincent A. Finnigan



JURORS AT WORK: Standing, l. to r.: Richard L. Aeck, FAIA, Atlanta; Neil A. Connor, AIA, director of architectural standards, FHA, Washington; Gurney Breckenfeld, managing editor, HOUSE & HOME; Builder Donald Huber, Dayton. Seated: Bertrand Goldberg, AIA, Chicago; George Hay, AIA, Media, Pa.



Plan shows thoughtful zoning of indoor and outdoor spaces that the architect used to create privacy. Enclosed entry court provides outdoor dining area, master bedroom garden, and play yard, all screened from public view.



Chas. R. Pearson

Side elevation shows complete visual privacy from adjoining houses in both indoor and outdoor areas, although high glass gable end admits light to living and dining rooms, and kitchen. House was sited to save best trees.

CATEGORY: *merchant-built*
 CLASS: \$15,000 to \$25,000 including land
 ARCHITECT: Dan F. Miller, AIA, & Associates
 BUILDER: Stewart & Potter Homes
 LANDSCAPE ARCHITECT: Glen Hunt
 LOCATION: Lynnwood, Wash.

Private from the neighbors, wide open to the outdoors

One of the toughest problems for architects and builders of the contemporary house has always been to reconcile big glass areas and the desire for a maximum of indoor-outdoor living with the strictures of the narrow—and sometimes shallow—subdivision lot.

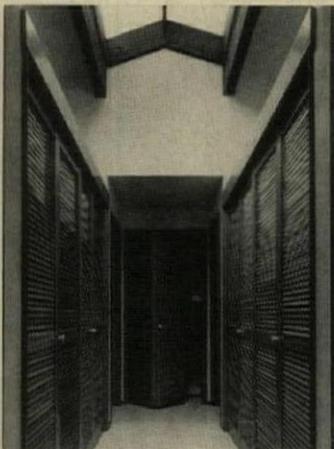
Architect Dan Miller solved this problem by making liberal use of precolored pumice-block walls to screen the outdoor living areas, by facing the living room to the rear and opening front-of-the-house rooms to private courts, and by using solid sidewalls to achieve complete visual privacy within. The jurors were especially impressed by the floor plan which they called "a very good—and unusual—center-hall arrangement for a one-story house."

This compact house (it has 1,250 sq. ft. of living area) was built as part of the Horizon Home program of the Portland Cement Assn. (which cited its design), but it was designed to be compatible—and competitive—with standard wood-framed houses in the subdivision. Its sale price of \$21,500 included all the privacy walls, a corner lot, and landscaping.



In living-dining area, high ceiling and divider wall add to feeling of space. Curve of fireplace opening, round chimney flues, and extensive use of wood help offset angularity and coldness of exposed brickwork.

Photos: Dearborn-Massar

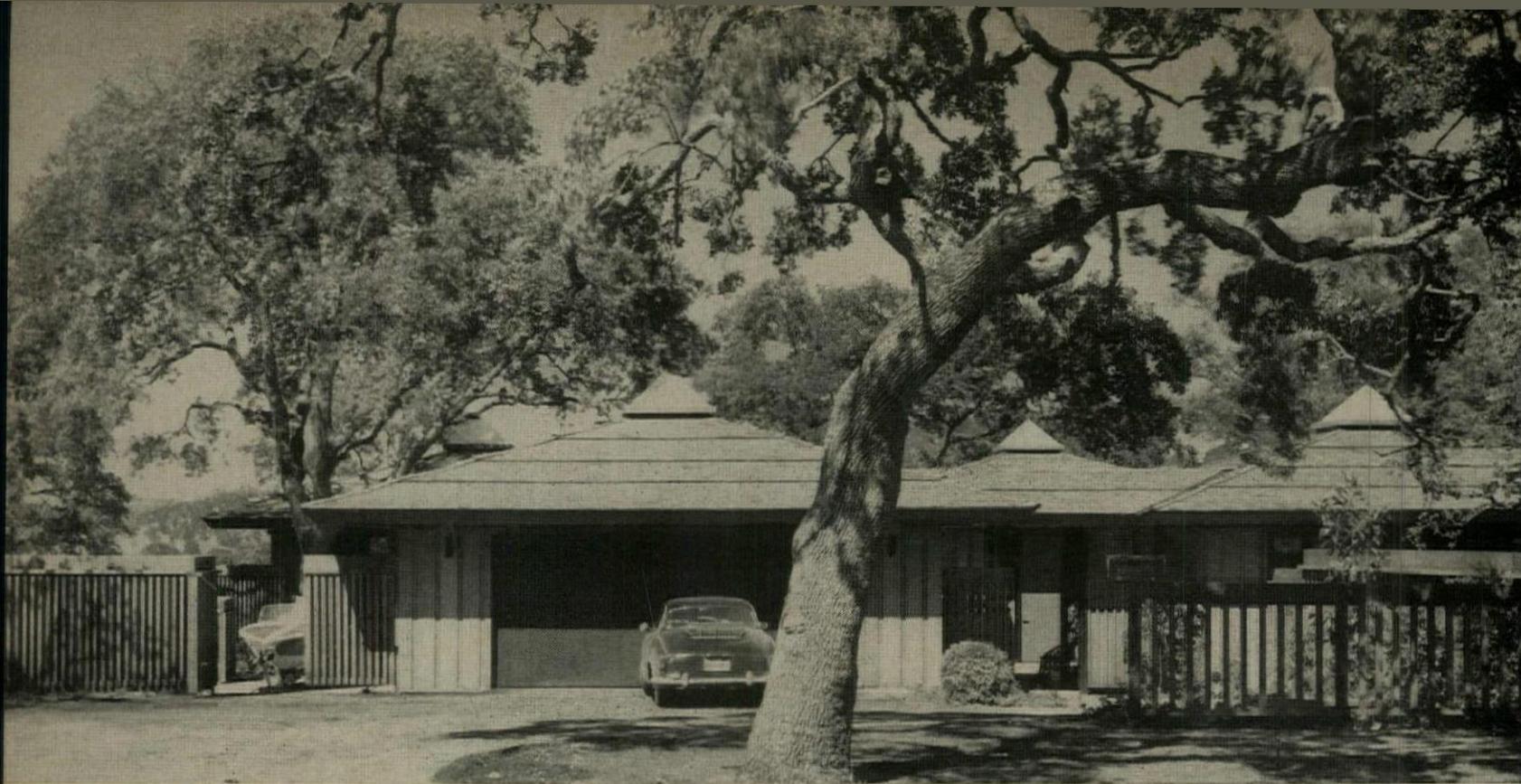


Bedroom corridor is skylighted and lined with storage and utility space behind louvered wood doors.



Private court opens off master bedroom and bath. High gable-end glass adds to usable wall space.

continued



Street facade emphasizes unity of all four pavilions, rather than separation of function. Walls are redwood; roof is cedar shingles.

Four pavilions around a court —a dramatic and livable house

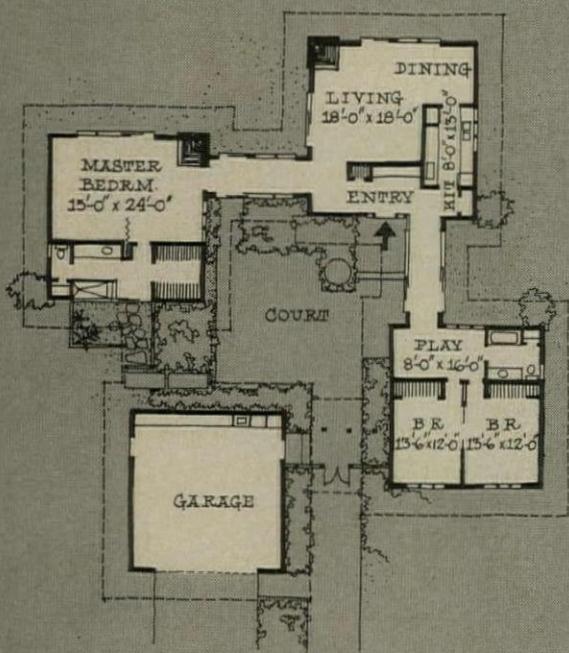
This is a built-for-sale house, but a very special one. It was designed as the pilot house for one of the 12 villages in El Dorado Hills, a new 10,000-acre satellite city (H&H, Mar.). The house was to be displayed a year before being sold. So it had to be able to handle the circulation of weekend crowds, as well as be a practical and salable house.

To solve this unusual problem, Architect Henrik Bull created four almost identical pavilions for 1) living, 2) parents, 3) teenage children, and 4) service. These are connected by glass-walled galleries which allow constantly changing views of the gardens in the central court. Each pavilion has a pyramidal ceiling crowned with a skylight (controlled by electrically operated shades), and most interior partitions are kept low to emphasize the sweep of the roofs. Floor levels follow the grade of the site, changing in the galleries (though roofs stay the same level) so the living area—which is on the lowest level—gets extra drama from a higher ceiling.

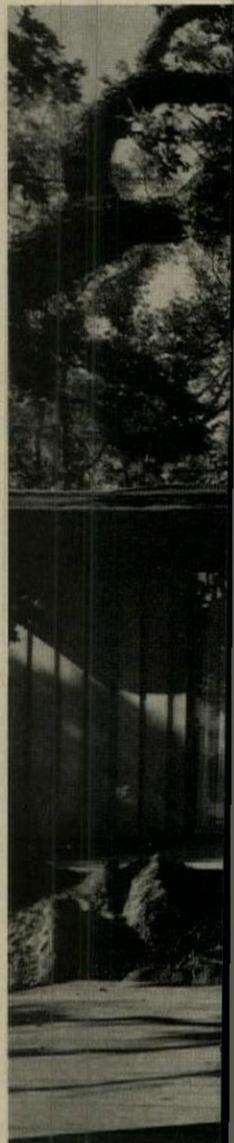
The service pavilion, facing the street, includes a workshop, laundry, and storage space, in addition to a two-car garage. Each pavilion is heated and cooled by its own separately controlled heat pump.

Sunset magazine sponsored the house, and its editors acted as clients.

CATEGORY: *merchant-built*
 CLASS: *over \$25,000*
 ARCHITECT: *Henrik Bull*
 BUILDER: *Murchison Construction Co.*
 INTERIOR DESIGN: *Virginia Anawalt*
 LANDSCAPE ARCHITECT: *Eckbo, Dean & Williams*
 LOCATION: *Sacramento*



Aerial view and plan show how the galleries tie different zones together, and how the deep (4'6") roof overhangs shelter the center court.





Fireplace is the focal point in the master bedroom-sitting room suite. Sleeping area can be closed off by folding doors.



Dramatic bath has window-wall and fenced private garden along one side. View is from walk-in master dressing room.



In main living pavilion, freestanding cabinets screen kitchen and entry. Sloping ceiling and skylight are strong design element throughout.

Rear elevations (below) of living area, master bedroom suite, and connecting gallery look out to the garden and patio areas.

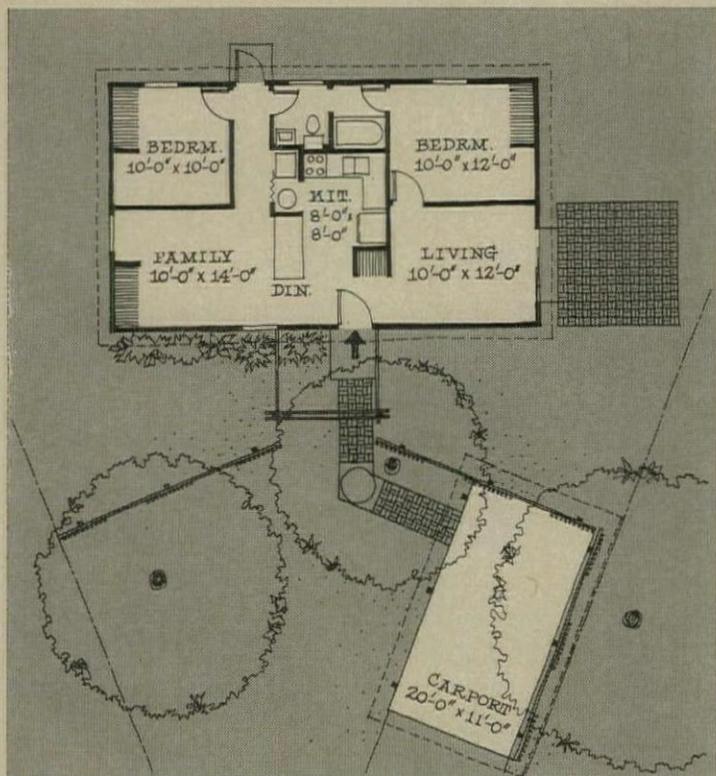
Photos: Ernest Braun



continued



Carport and wood screening were extras, adding \$1,000 to the basic \$5,950 price but giving variety to the simple house rectangle. The lot was provided by the city at \$750, about \$250 under normal market value.



In plan, only exterior walls and kitchen-bath core are fixed, and all wiring and plumbing lines are in these walls; so partitions forming bedrooms can be moved at will. Placing carport close to street reduced the driveway cost.

A \$7,000 experimental house with a flexible floor plan

This house was one of 28 built in San Antonio as part of Project SARAH (H&H, Dec. '61) a builder-association demonstration that private industry can build houses for low-income buyers. None was priced above \$7,000 including land.

The jurors were impressed not only by the amount of space (720 sq. ft.) in this house, but by "the livability and floor plan, and the utilization of space." The versatility of the floor plan provides a bonus for both builder and buyer. The same shell can be adapted to many different plans (see right) by adding non-bearing partitions made of hollow-core doors framed in redwood strips. Hall space is held to a minimum.

In spite of an enthusiastic reception by low-income prospects, none could qualify under the terms available (80% conventionals at 6%). Many builders ended up taking land contracts from buyers, but this house, vacant a year, now qualifies for a no-down payment VA mortgage as an existing house.

CATEGORY: merchant-built
 CLASS: under \$15,000 including land
 ARCHITECT: Ralph C. Bender
 BUILDER: Ray Ellison Enterprises
 LOCATION: San Antonio

Family room has one of three closets (left rear) built into all floor plans. Interior partitions are made from prefinished hollow-core doors.



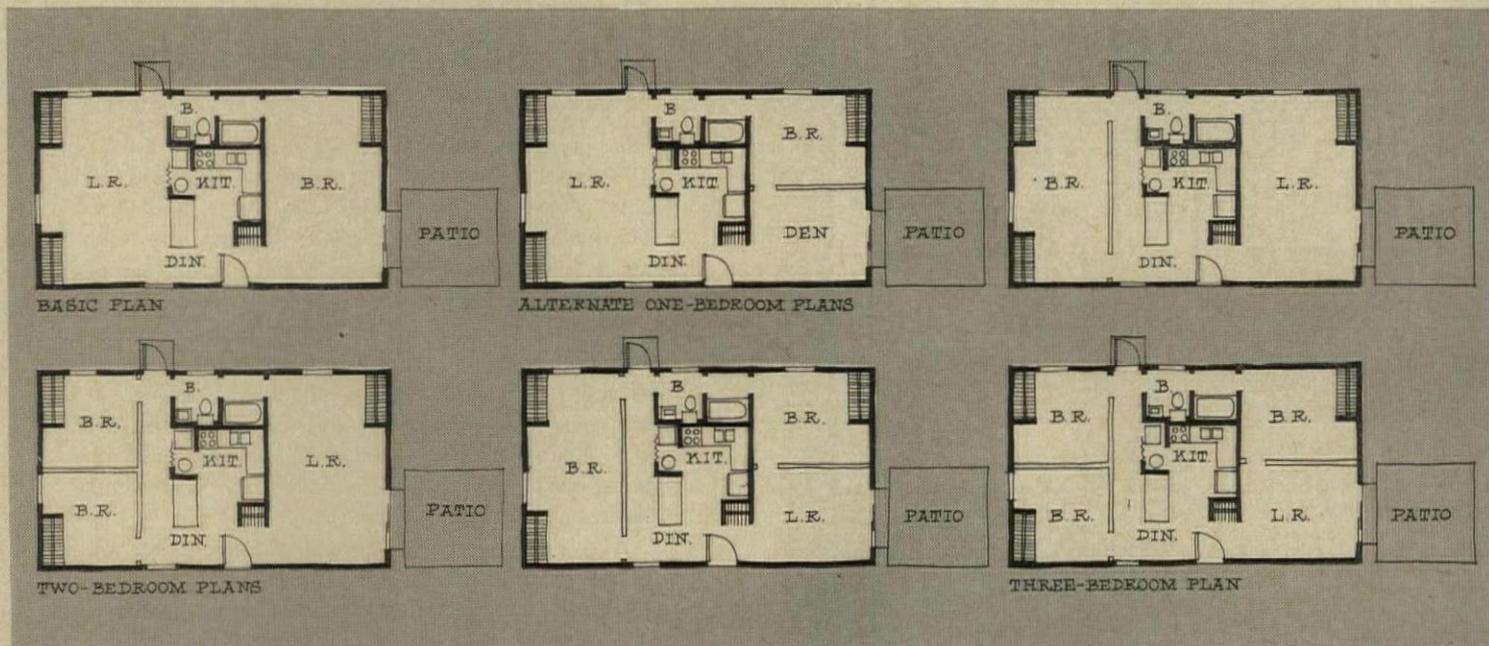
Photos: Paul Ambrico



Dining area is the same for all versions, has a laminate-faced table built onto the kitchen wall to reduce costs of furnishing the house.

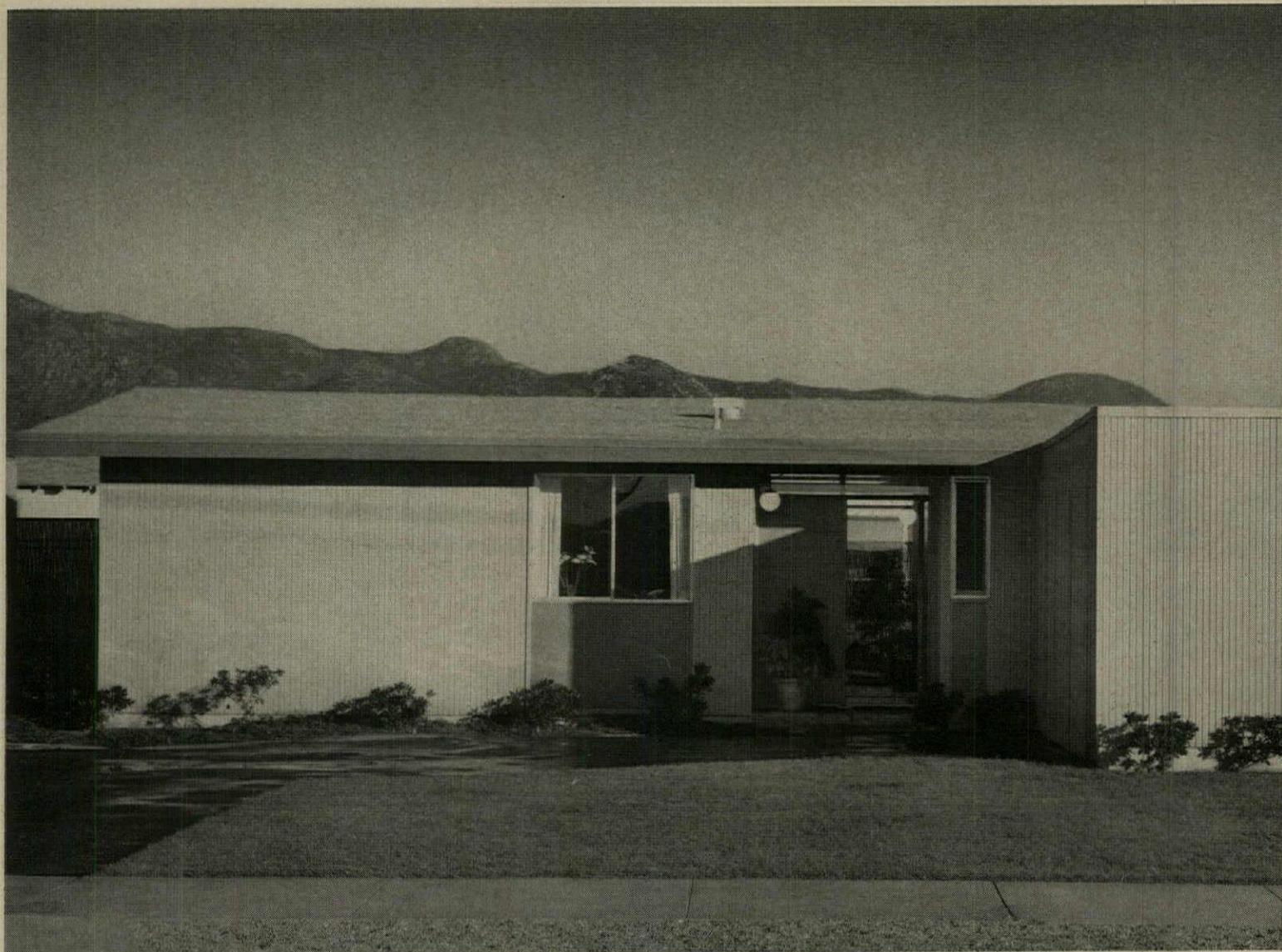


Living room has the only major glass area, opening onto side patio. Bedroom borrows light through strip window above partition at left.

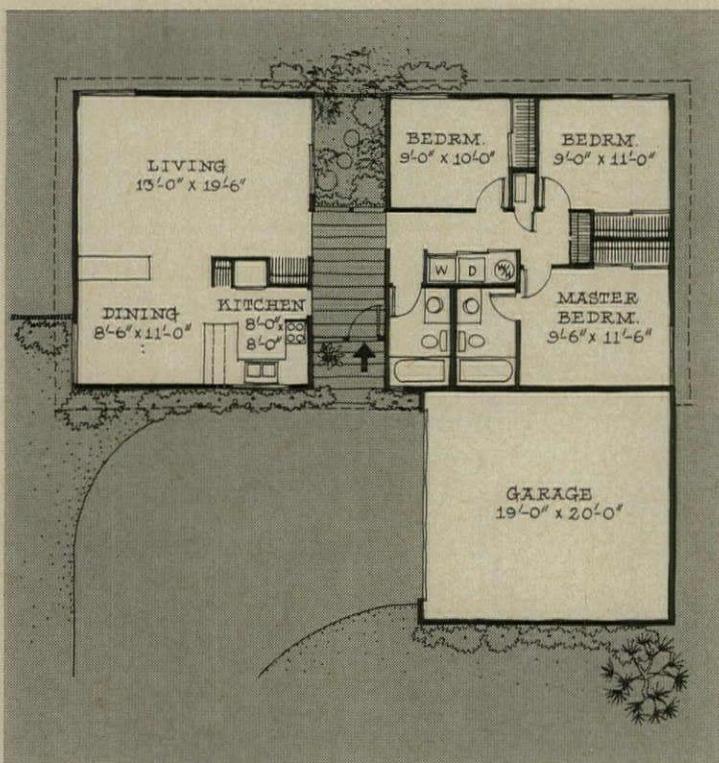


Many alternate one-, two-, and three-bedroom arrangements are possible, so the house can fit differing needs of present or future buyers.

continued



Entryway is set well back of the front wall, protected from weather. Curving driveway was cited by the jurors as more attractive than a straight-in approach—which would have cost less, but made garage doors too dominant.



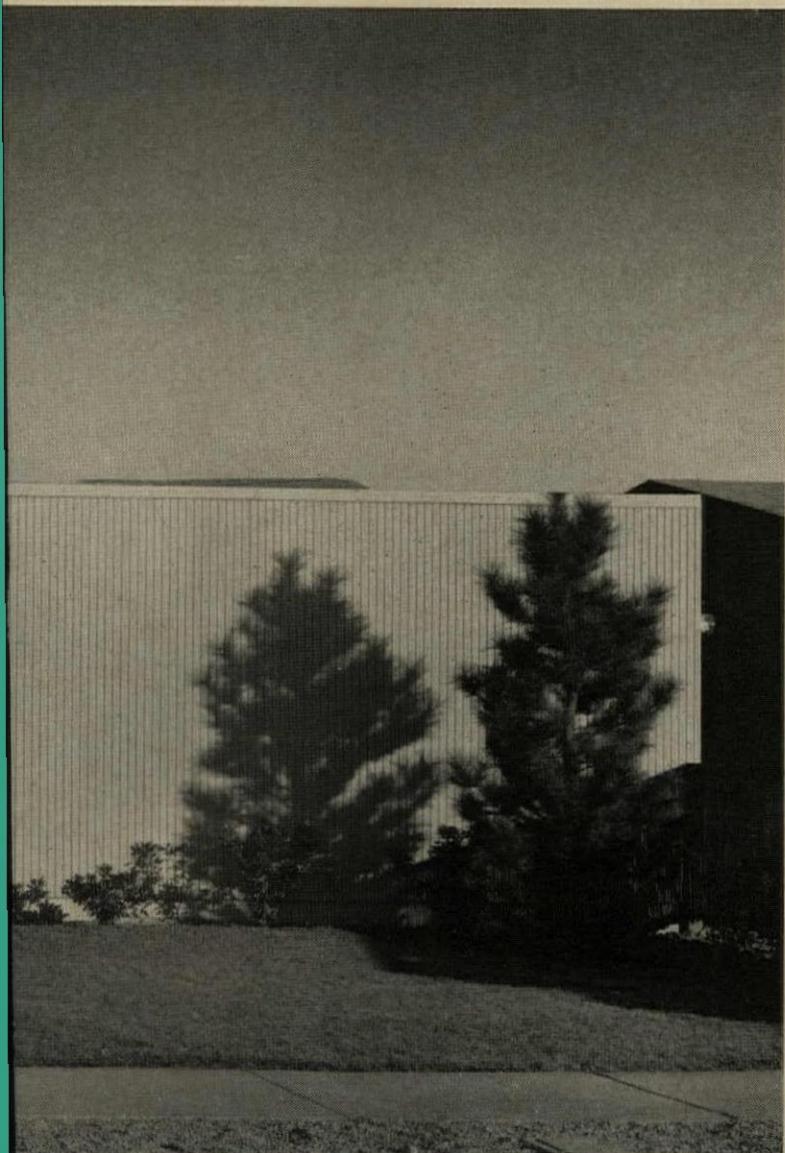
Floor plan divides house into two separate areas, with entry serving as a circulation center. Dead-end living area, independent of all traffic, proved a hit with buyers tired of living room freeways.

A simple exterior and striking plan add up to a best seller

This house, priced at \$13,500 and \$14,500 on 60' x 100' lots (and offered in a choice of elevations) accounted for 170 out of 200 sales for its San Diego builders. The biggest attraction, says the sales manager: "The atrium garden—something buyers did not expect in a low-priced house."

The broad central entry divides the house into two zones, and sets up an excellent traffic pattern. Said the jury: "The floor plan in the living, dining, and kitchen area is very good, and the master bedroom and separate bath arrangement is exceptional in this price class." The jury also cited the kitchen entry located close to the garage.

The house is conventionally framed with low-pitched, full-span trusses except at the entry, where 2" decking creates a high sloping ceiling. All interior partitions are non-bearing, 2½"-thick laminated gypsum drywall panels. The living area and bedrooms are carpeted.



CATEGORY: *merchant-built*
 CLASS: *under \$15,000 including land*
 ARCHITECT: *Homer Delawie, AIA*
 BUILDER: *Garden City Builders*
 LANDSCAPE ARCHITECT: *Richard Nadeau*
 LOCATION: *Poway, Calif.*

Photos: Douglas M. Simmonds



Atrium garden is first thing visitors see on entering the house. It provides a focal point and forms a light well for interior space.



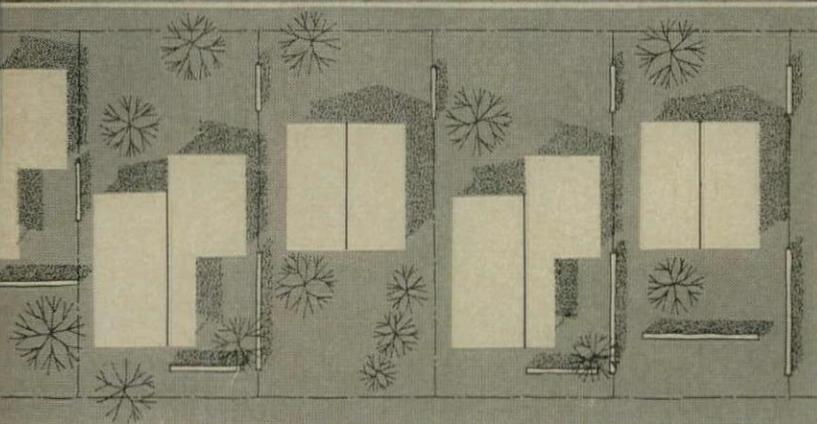
Kitchen and dining room are separated only by a snack bar. Freestanding cabinets, left, separate the kitchen from the living room and entryway.



Living room opens to the rear yard through a sliding glass door to the garden court. Small (60'x100') lot demanded side and rear privacy.

continued

CATEGORY (BOTH HOUSES): merchant-built
 CLASS: under \$15,000 including land
 ARCHITECT: Bruce Campbell Graham, AIA
 BUILDER: D.F.D., Inc.
 LOCATION: Rehoboth Beach, Del.



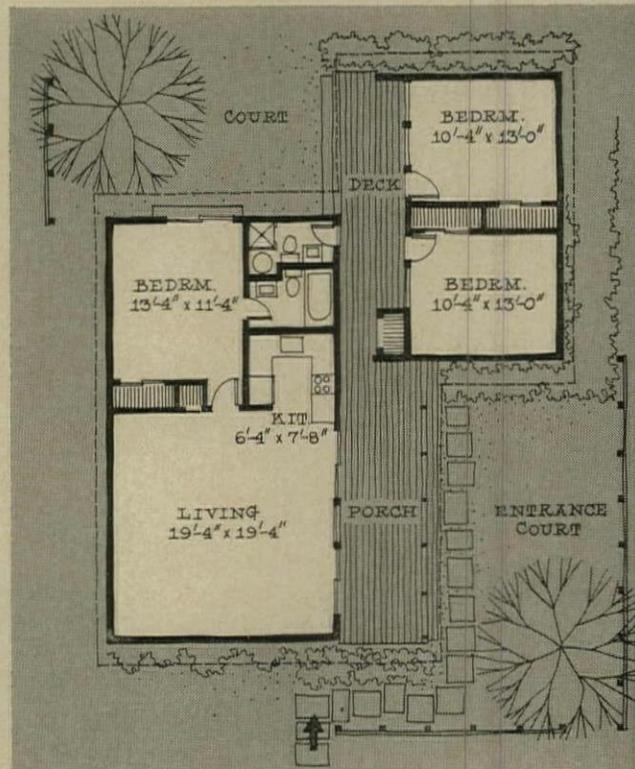
Varying setbacks and adroit placement of fencing creates private outdoor courts. Solid walls block the view from the street but high gable-end windows light the interiors.

Two low-budget beach houses achieve privacy on small lots

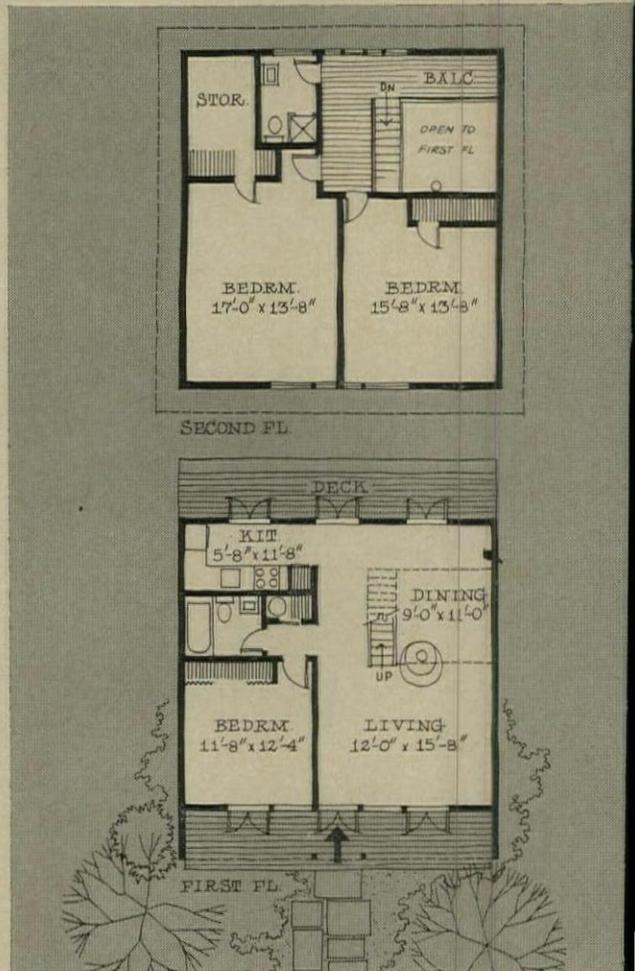
One juror called these houses "possibly the best buy in vacation houses on the whole East Coast—and something rarely seen anywhere besides the West Coast." Both models have 1,200 sq. ft. of living area plus big protected decks, and both are priced at \$11,750 plus ground rent of \$200 per year.

The design of both the one- and two-story houses was dictated by 1) narrow (50'x100') lots on high ground two blocks from the ocean, and 2) a pressing need for visual privacy. Outside walls parallel with the side property lines are solid, except for small ventilation panels. Fencing creates private courts at the front and rear of both models, and the houses are positioned on the lots to make the same side fences enclose courts on both sides (see plot plan). The houses are designed to a 4' module.

Reports Builder Thomas Fooks: "We have sold 46 of these houses since late last summer. They are the only things selling well in the area."



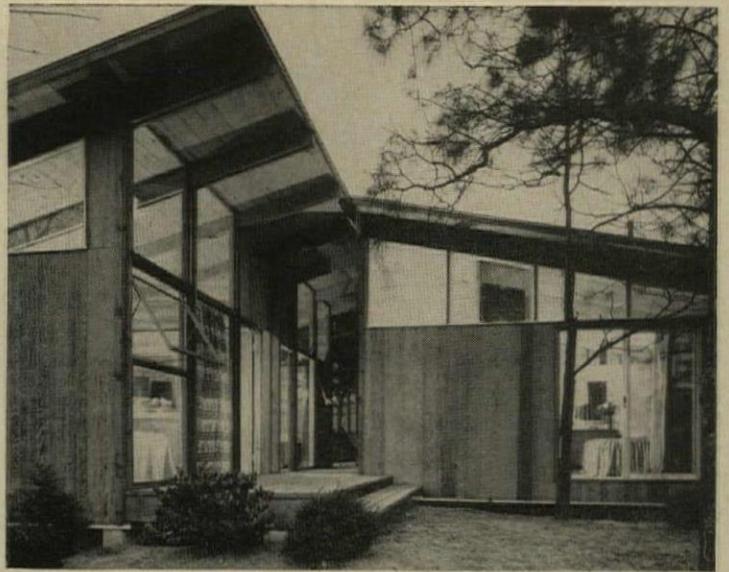
One-story house has separated bedroom wing for guests or children. This offset, plus fencing at the corners, creates two sheltered courts at minimum cost.



Two-story model has same 1,200 sq. ft. as one-story, but in a square plan. Front deck is protected beneath the overhanging second story. The 4' module is reflected throughout.



Central deck runs the length (48') of the house (see also photo upper right), is often screened by buyers.



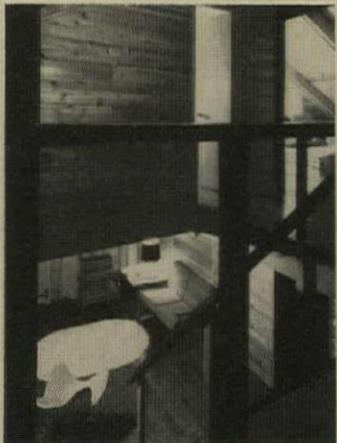
Rear court is adjacent to all three bedrooms, can serve as a protected sunbathing or outdoor dining area.



Compact kitchen is at the center of the house, back-to-back with baths for plumbing economy.



Open ceiling over the dining area creates design excitement. Balcony serves the upstairs bedrooms.



View from the balcony into the living room shows the cedar paneling used throughout the interiors.

Sidewalls of cedar plywood extend → 2' above first floor to increase the headroom on the second floor.



continued

Custom-built houses: portfolio of fresh ideas

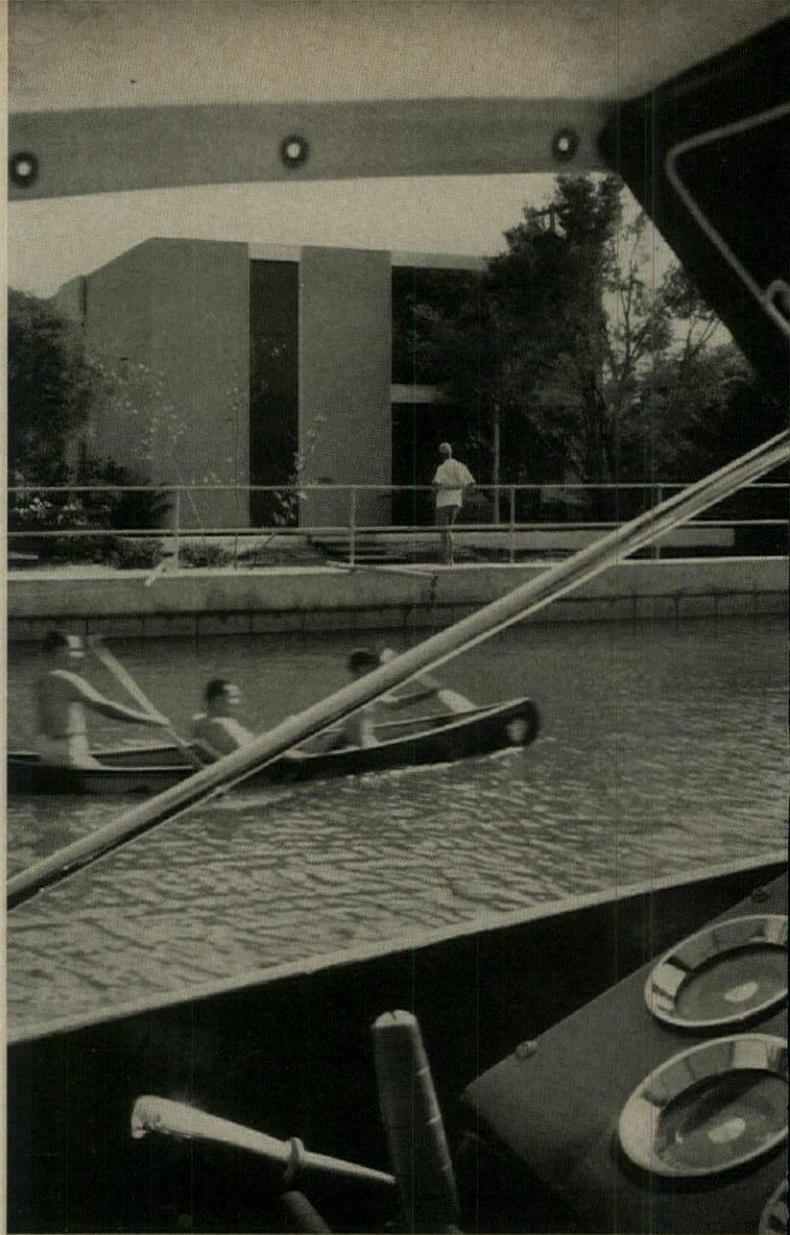
As usual in the Homes for Better Living program, custom-built houses outnumbered both built-for-sale and garden-apartment entries—the jurors spent two full days studying and restudying the entries still in the running after the first rough selections.

Their final Honor Award choices represent different design philosophies, for widely varied site and design problems: One (see opposite) is a disciplined urban house on a small lot; another is a set of pavilions perched on a California hilltop; another is a tiny and imaginative vacation house nestled in a redwood forest; and another is a big (but beautifully scaled) hillside house. All are examples of top-rank housing created by skilled architects for clients who knew how they wanted to live.

Vincent A. Finnigan



CUSTOM-HOUSE JURY: Seated (l. to r.), William J. Conklin, AIA, New York City; Robert O. Hausner, AIA, Chicago; and Henry Lyman Wright, FAIA, Los Angeles who was at the time of judging, president of AIA. Standing are: Charles P. Graves, AIA, University of Kentucky and Joseph C. Hazen Jr., AIA, associate publisher, HOUSE & HOME.



Water view shows how successfully house is detached from its surroundings. Complete privacy on water can be achieved by drawing the drapes in the living room and upstairs bedroom. Dark panel at left is two-story high door.



Entrance courtyard is open to the sky through a wood lattice work that shades the glass walls on both levels. Said the jury: "The major elevations of this house are interior elevations—the house creates its own environment."

CATEGORY: custom-built
 CLASS: 1,600 sq. ft. to 2,800 sq. ft.
 ARCHITECT: Killingsworth-Brady-Smith & Associate
 BUILDER: Stromberg & Son
 DECORATOR: Edward Frank
 LOCATION: Long Beach, Calif.

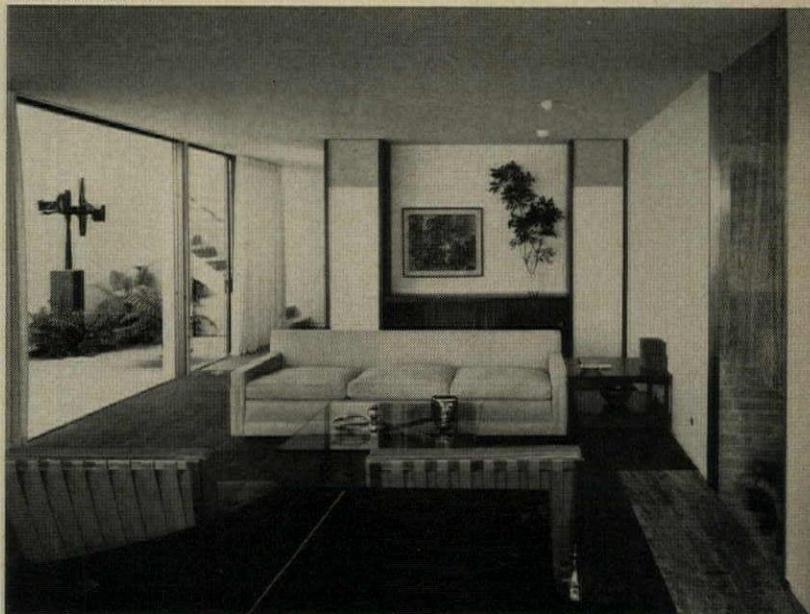
A private world on a small lot: disciplined but exciting

The jury, hoping to find solutions to the growing problem of the urban house, said: "This house is a wonderful illustration of how generous life can be, properly planned on a small lot. The architect obviously never skimped in his attention to detail."

The house stands on a 45'x80' canal-front lot. Visitors entering from the water side pass through a 17'-high door into a 15'x32' courtyard the full two stories tall; enclosed on two sides by solid walls, on the other two sides by the rooms of house (all but one bedroom and the kitchen overlook the courtyard through all-glass walls). Sunlight filters through an overhead latticework of 2x3s spaced 1½" apart to create an everchanging pattern of sun and shade.

Said the jury: "The architect has capitalized on simplicity of design and materials [steel and stucco] for drama." This is *Arts & Architecture's* Case Study House No. 25

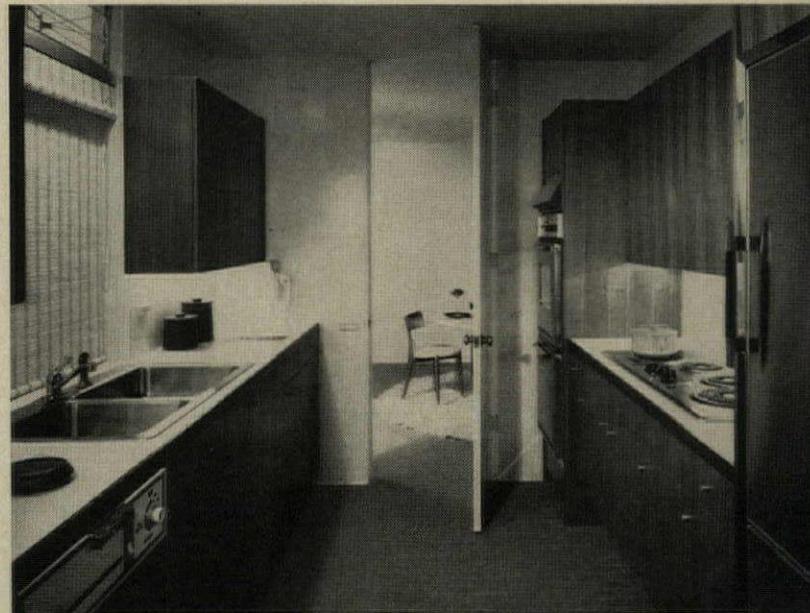
Photos: Julius Shulman



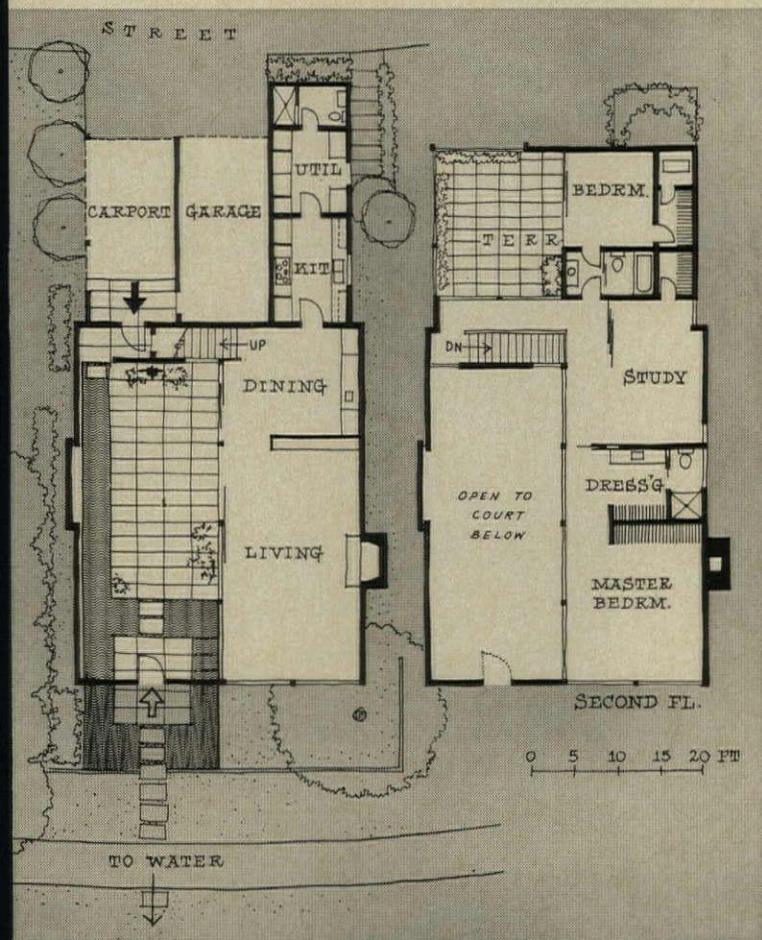
Living room shows clean detailing and proportions that won jurors' admiration. Cabinets on the far wall are recessed into the alcove.



Dining area has view into the courtyard but is sheltered from both the street and the canal. Tile floor adds color plus easy maintenance.



Kitchen is compact corridor layout (see also plan). Utility room and half-bath (behind camera) complete the service area.



Floor plan turns the blank walls of carport, garage, and service wing to the street, opens living room and master bedroom to views of boat traffic on the canal. Equal access on street and water sides was a design requirement.

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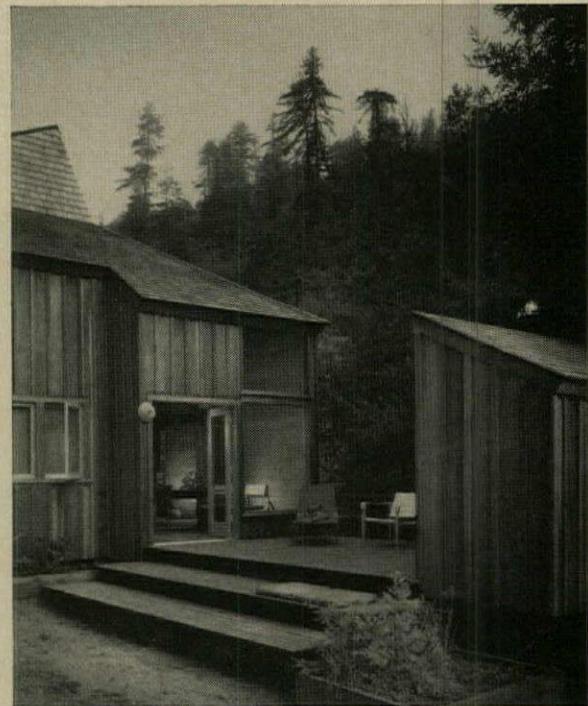
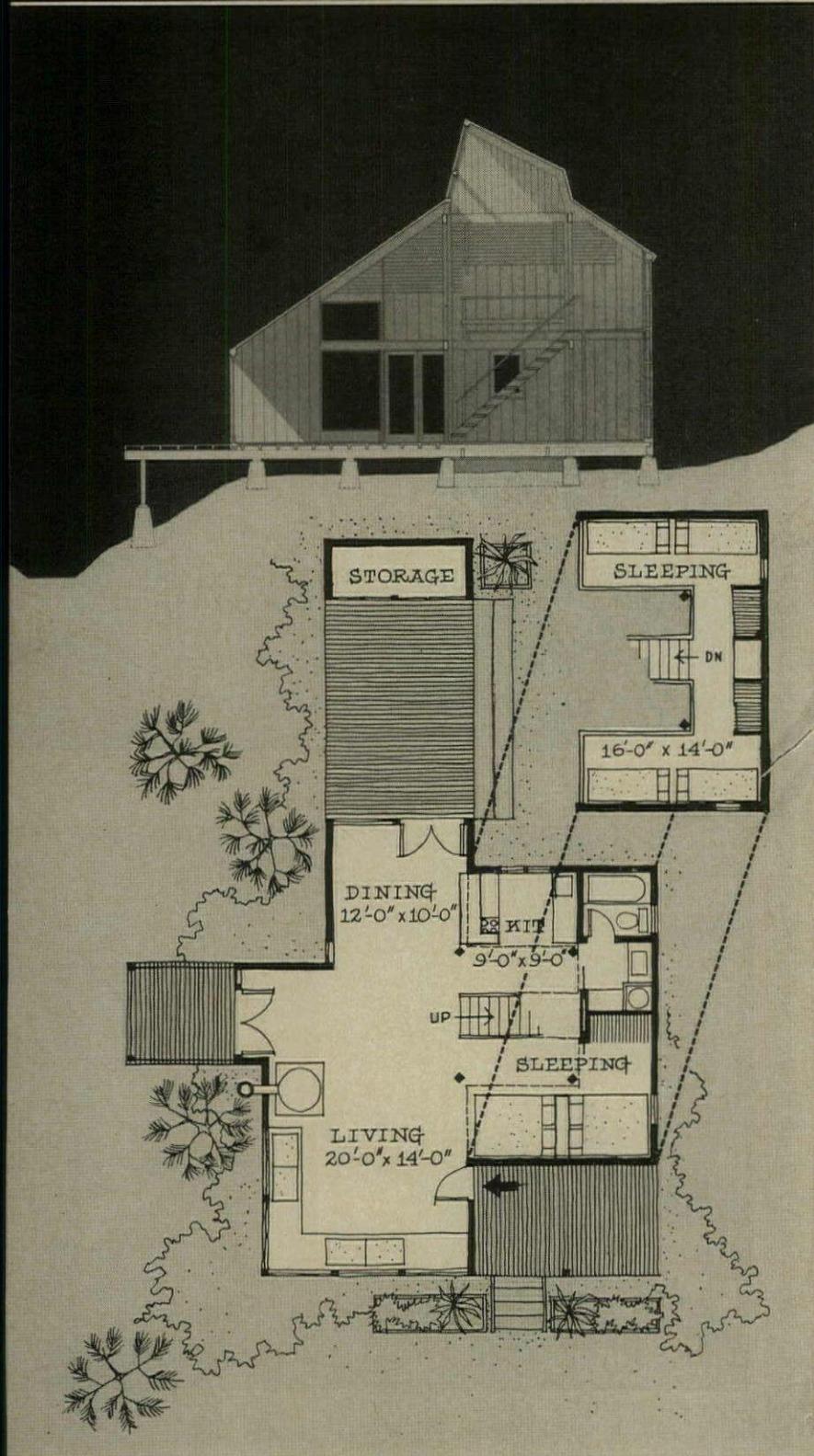


A bold new shape built with familiar materials

The jurors acknowledged the heritage of this design in the American tradition of board-and-batten walls and complicated pitched roofs. But they commented: "This house is not something that came from any previous design. It is developed as a unique and specific answer to this particular problem."

The four-man design team was equally successful on the economic front: The house cost less than \$9,000. It was built almost entirely of redwood in its natural finish, though some interior panels are plywood painted blue.

The smallest (900 sq. ft.) custom-built house to receive an Honor Award, this weekend retreat in a redwood-filled canyon had to accommodate one of the largest families: grandparents, parents, three children, and occasional friends. Bed alcoves for the adults and a mezzanine bunkhouse for children and guests were substituted for bedrooms, making possible a 32' long living space, reaching up 23' to the sky-lighted roof peak.



Main porch off dining room is sheltered between the house and a storage shed, overlooks a creek in the valley floor behind. Siding is redwood; roof is cedar shingle.

Floor plan and section show thoughtful and ingenious use of space within the unusual form of the house. The house floats above the site on concrete piers, and its roof lines echo the steep slope of the surrounding hills.



View from the front deck shows the openness of the living-dining area. The open staircase leading to the sleeping mezzanine is well lighted by the skylight, takes little floor space, forms no barrier to lower-level traffic.



Dining area has windows opening to views on two sides. The compact kitchen, right, has an open serving counter, is backed up to the bath for plumbing economy. Note the open sleeping mezzanine above the kitchen.

CATEGORY: *custom-built*

CLASS: *under 1,600 sq. ft.*

ARCHITECTS: *Charles W. Moore, AIA, Donlyn Lyndon, William Turnbull Jr., Richard Whitaker*

BUILDER: *Roy K. Hubbard*

LOCATION: *Monterey County, Calif.*



Living room is bathed in light from three sides and above. Built-in seating, with storage beneath, has prefabricated fireplace as the focal point.

View from above shows the multi-planed slope of the roof and the carefully detailed framing, roof deck, and paneling—all of redwood.

continued

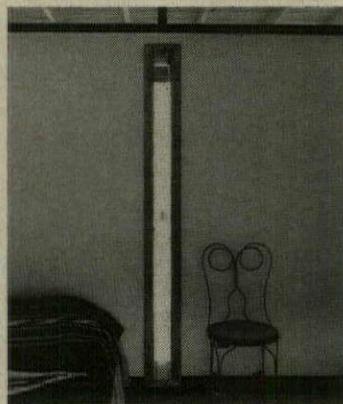




Broad deck and huge roof extend out 9'. Hillside site gives the illusion that the house is one-story, though the lower level opens to grade on three sides. Walls are rough-sawn board-and-batten; roof is cedar shakes.



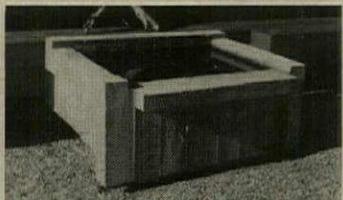
Airy staircage, with free-floating treads, contrasts with the cave-like feeling of lower level.



Slit window gives unexpected dimension to the wall, provides light and view while maintaining privacy.



Granite steps cantilevered from the concrete terrace wall are another design surprise.

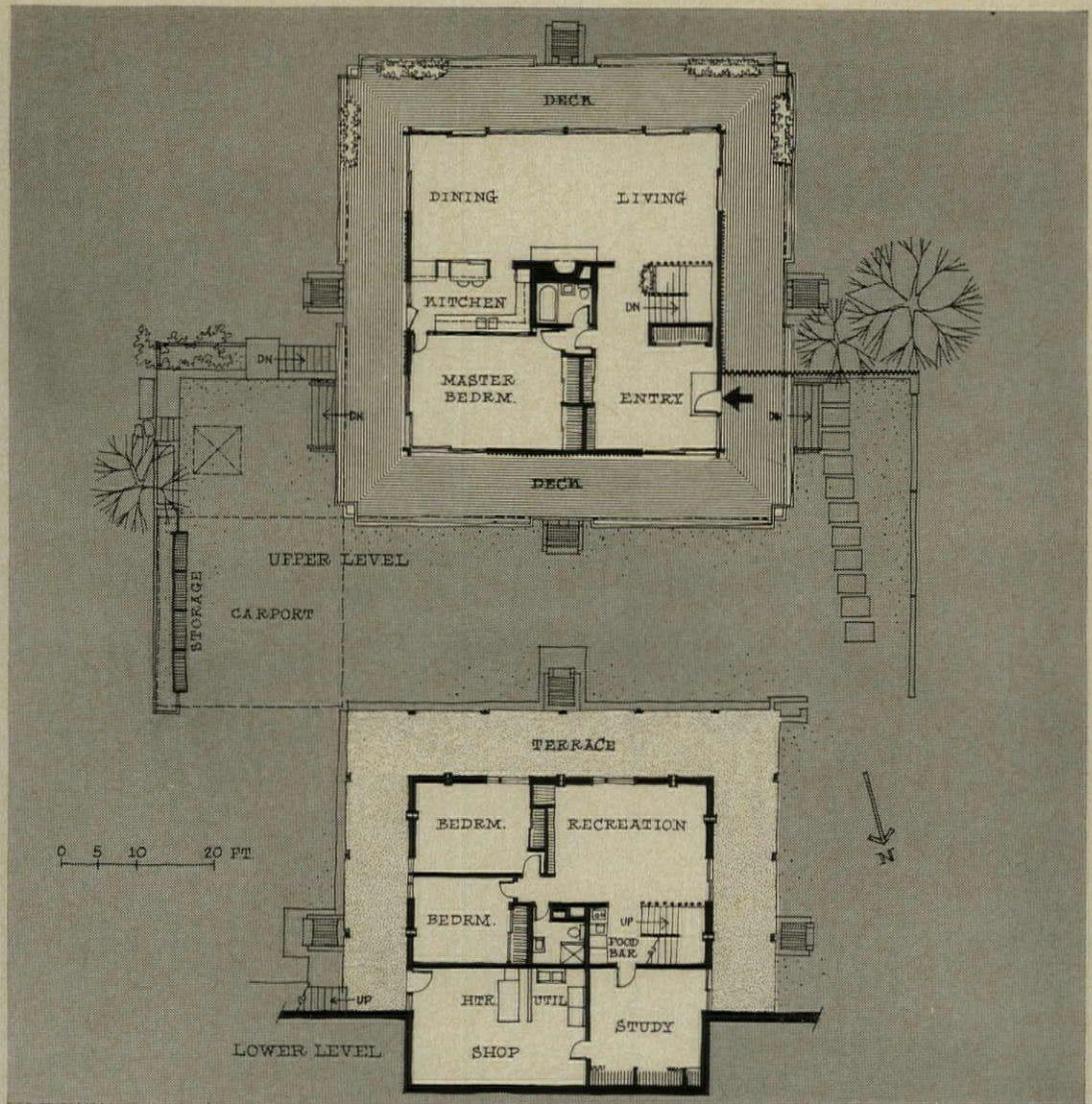


Concrete basins catch rainwater channeled off roof via four spouts (see top photo and plan).

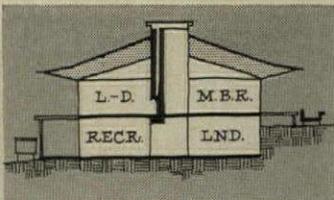
A simple plan embellished with warm details and materials

This house was designed by an architect for his own family. The square, two-story scheme was adopted to maintain privacy on a 150'x150' lot, to create strong separation of areas for adults and teen-age children, and to gain the savings in first cost and fuel implicit in such compact form. What Architect Currie saved with the minimum exterior walls, roof, and foundation of his square plan, and with the compact grouping of central utility core and chimney, he reinvested in the tremendous sweep of roof, the broad sheltered decks and terraces for indoor-outdoor living, and simple but delightful details like waterfall rainspouts and vision slits that pierce lower-level walls (see left).

The house has 3,200 sq. ft. of enclosed living space—"handled so well," said the jurors, "that the house appears to be quite small." And the warmth of materials like reused handmade brick, cedar shake roof, and liberal use of natural wood inside and out led one juror to comment: "I think we were refreshed in not seeing the slickness that we have seen in too many other houses."



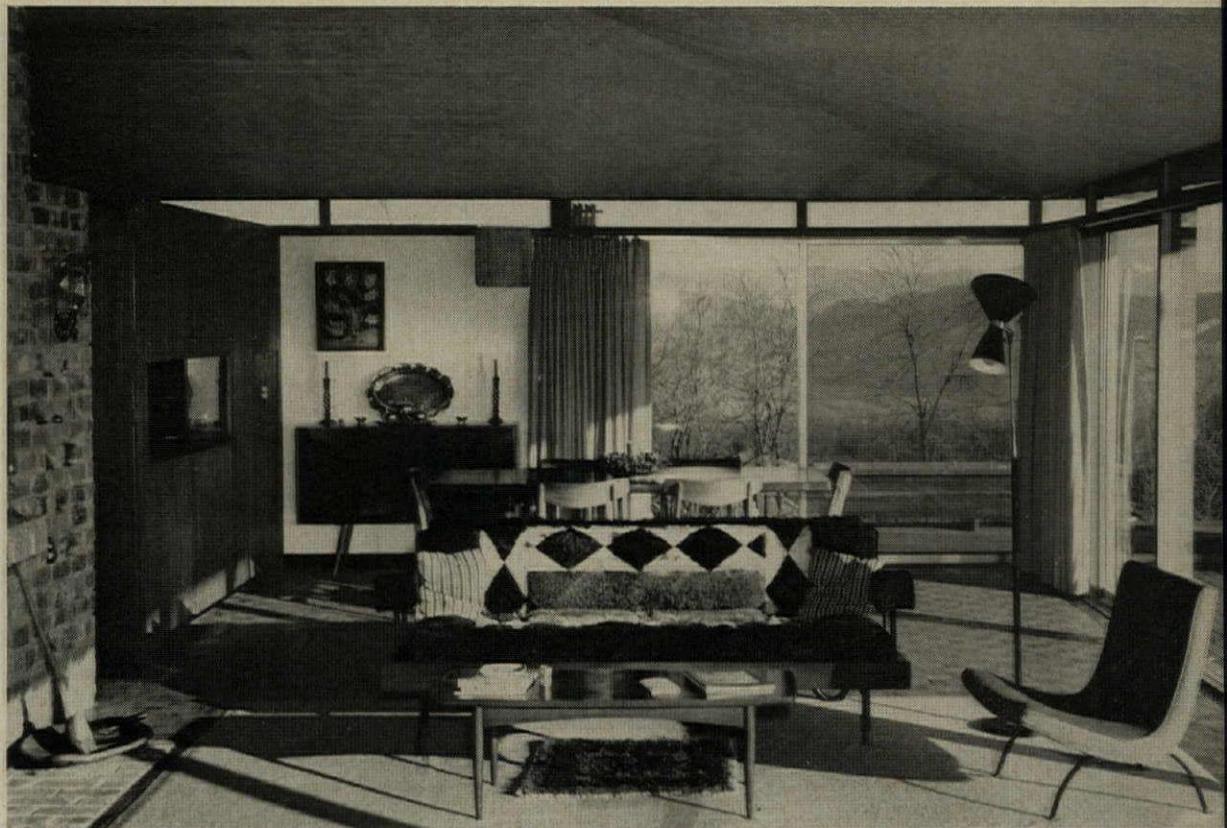
Plan is two-story, 40' rectangle, with a deck around the upper level, and a three-sided terrace below. The upper level is the owner's suite, the lower level a separate zone for older children, complete with kitchenette.



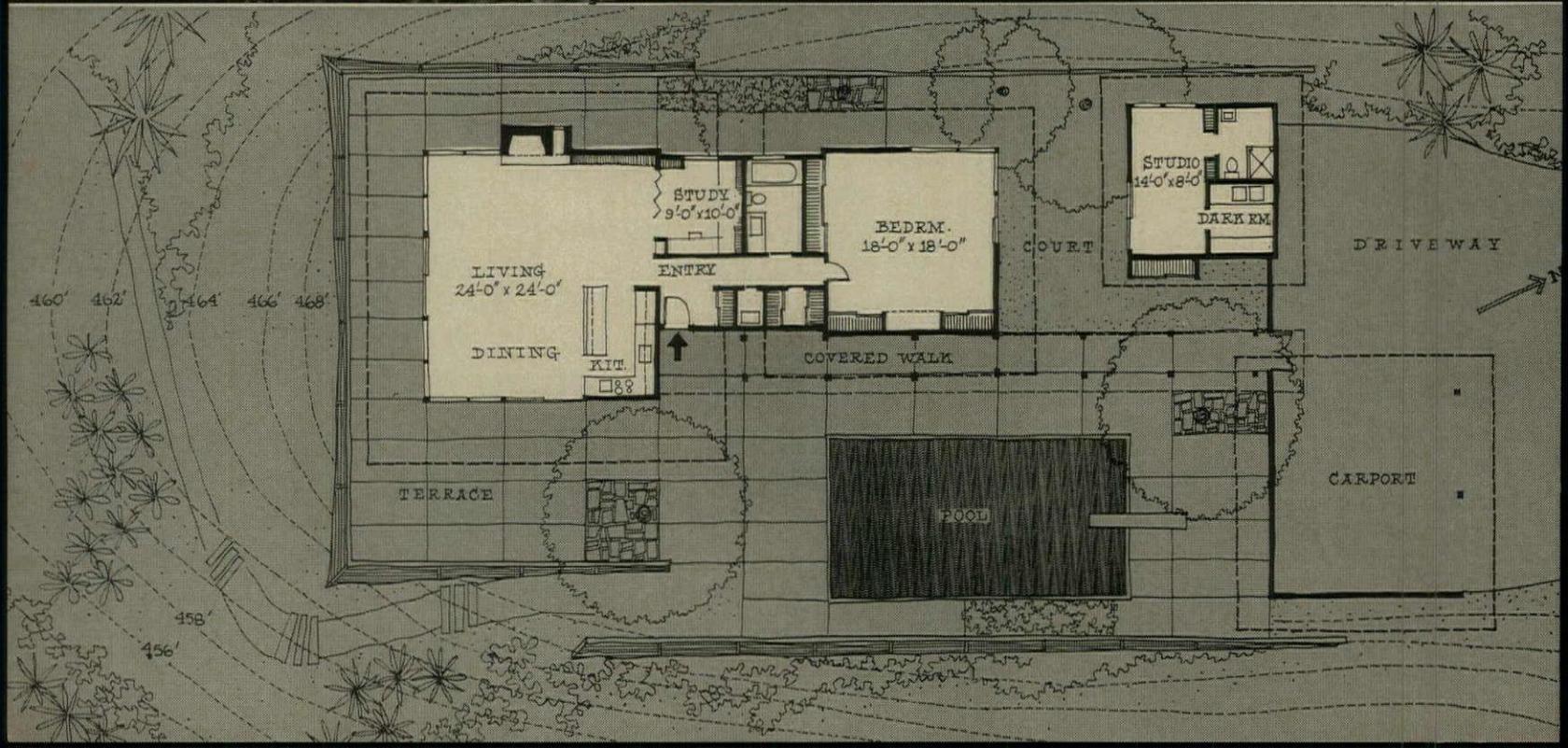
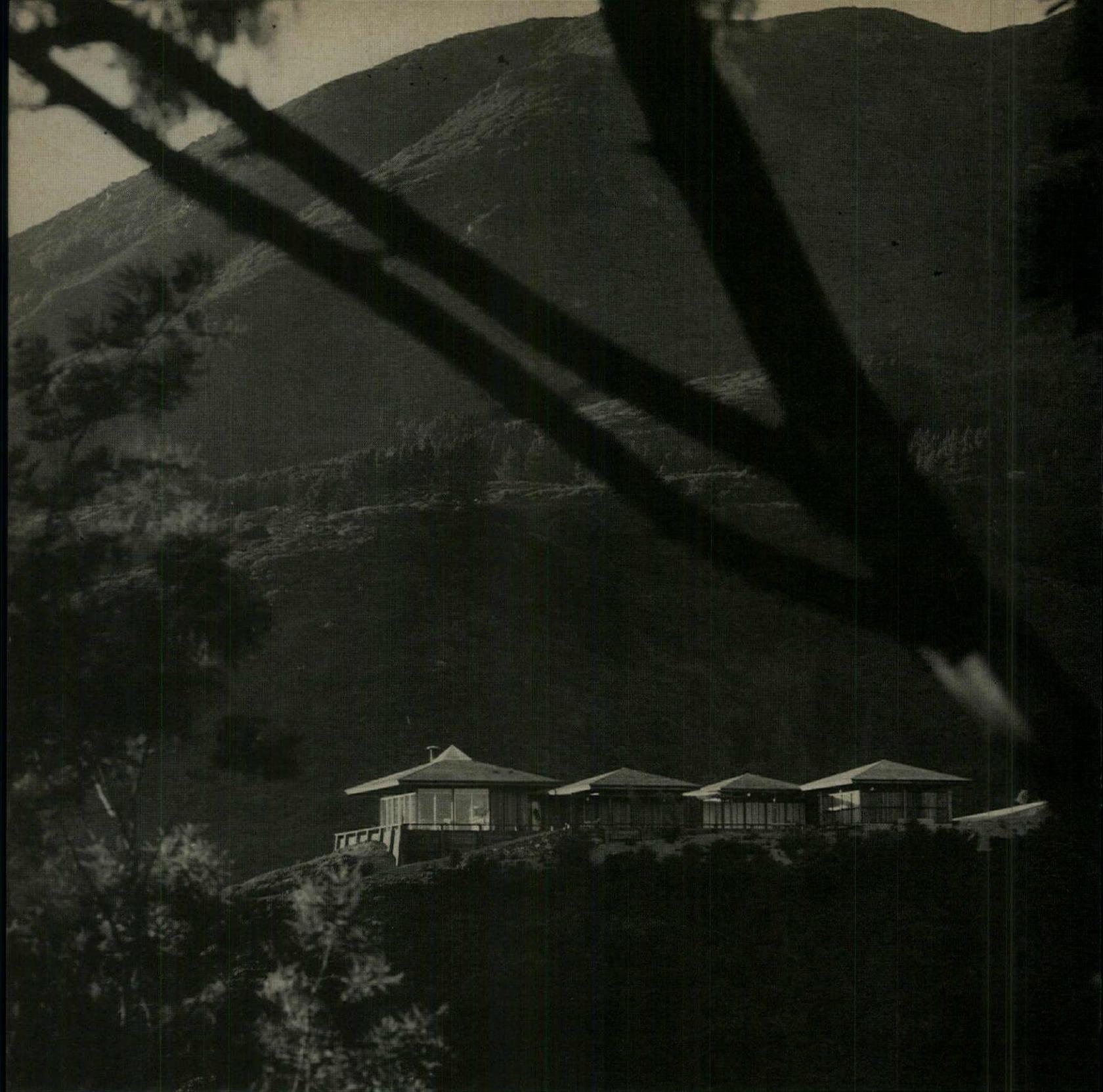
Cross section shows how house is set into hillside. Central fireplace core contains all plumbing.

CATEGORY: custom-built
 CLASS: over 2,800 sq. ft.
 ARCHITECT: Leonard J. Currie, AIA
 BUILDER: Charles T. Pascoe
 LOCATION: Blacksburg, Va.

Living-dining area has all-glass walls opening to the deck and the view of Virginia mountains.



continued



CATEGORY: *custom-built*
 CLASS: *under 1,600 sq. ft.*
 ARCHITECTS: *Marquis and Stoller*
 BUILDER: *Peter Dreyfus*
 LANDSCAPE ARCHITECT: *Robert Graves*
 LOCATION: *Mill Valley, Calif.*

Photos: Karl H. Riek



From above, house (lower right) nestles into and echoes the shape of the hills. San Francisco is visible in the distance.

A restrained and modest house for a powerful finger of land

Said the jury: "We were tremendously impressed with this house because of the restraint with which the architect handled the site. It is a site of enormous drama, and the house itself is almost modest and quiet. This struck us as being an unusual and uncharacteristic way to handle a powerful finger of land."

The design, by Architects Marquis and Stoller, grew out of three properties of the site: First, though the house is on a ridge, the only approach is by a steep roadway from above—so the architects put great emphasis on the roof structure. Second, the narrowness of the site dictated an in-line plan (and all outdoor living is on terraces filled in behind retaining walls). Third, the dazzling view of San Francisco's brilliant white skyline 15 mi. away dictated the position of the living room and its almost-all-glass walls. The result, a linked series of square units: the main living area, the master bedroom suite, a studio building, and the carport. Total living space: 1,385 sq. ft. The deep roof overhangs and the redwood retaining walls around three sides of the house heighten the feeling of shelter, something the architects felt important to counteract the exposure of the ridge top.

The drama of the site is carried into every room through broad walls of glass, and the living room has an almost 270° view of mountains, valleys, the bay, and the city (top photo, right). The living room gets still more drama from a massive fireplace and a skylighted roof peak which is lighted at night (see photos, next two pages).

Dramatic location of the site on the slopes of 2,604' Mt. Tamalpais is shown in photo from an adjacent ridge. Plot plan shows simple one-bedroom plan and detached studio.



Close-up view emphasizes the four separate areas of the house and gives the impression of a house much bigger than its 1,385 sq. ft.



Covered entryway has the only flat roof plane, extends 60' from carport to front door. Pool is set in broad terrace behind retaining wall.

For interior views, turn the page

Photos: Karl H. Riek



Living room, seen here from study, has broad sweep of glass opening to the deck and the spectacular view on three sides. The redwood roof

deck extends unbroken through the glass wall to shade part of the terrace. Steel cable X-bracing stiffens house against winter's gale-force winds.



Kitchen is corridor type, with a breakfast-bar/pass-through to the dining area. Cabinets reflect use of natural wood throughout the house.



Dining space is really a corner of the big living room, with equal exposure to views. Terrace can be used for outdoor meals.

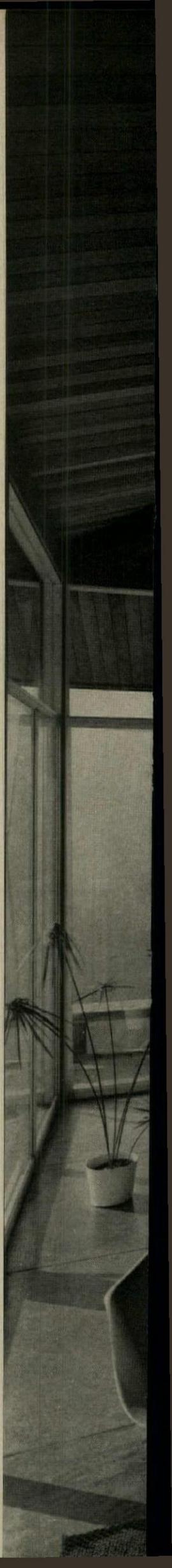


Master bedroom is pavilion with same high-peaked ceiling as the living area, but without a skylight. Studio is visible through far window.



Pleasant seating corner in bedroom has view of Mt. Tamalpais and closeup view of a formal Japanese-garden courtyard.

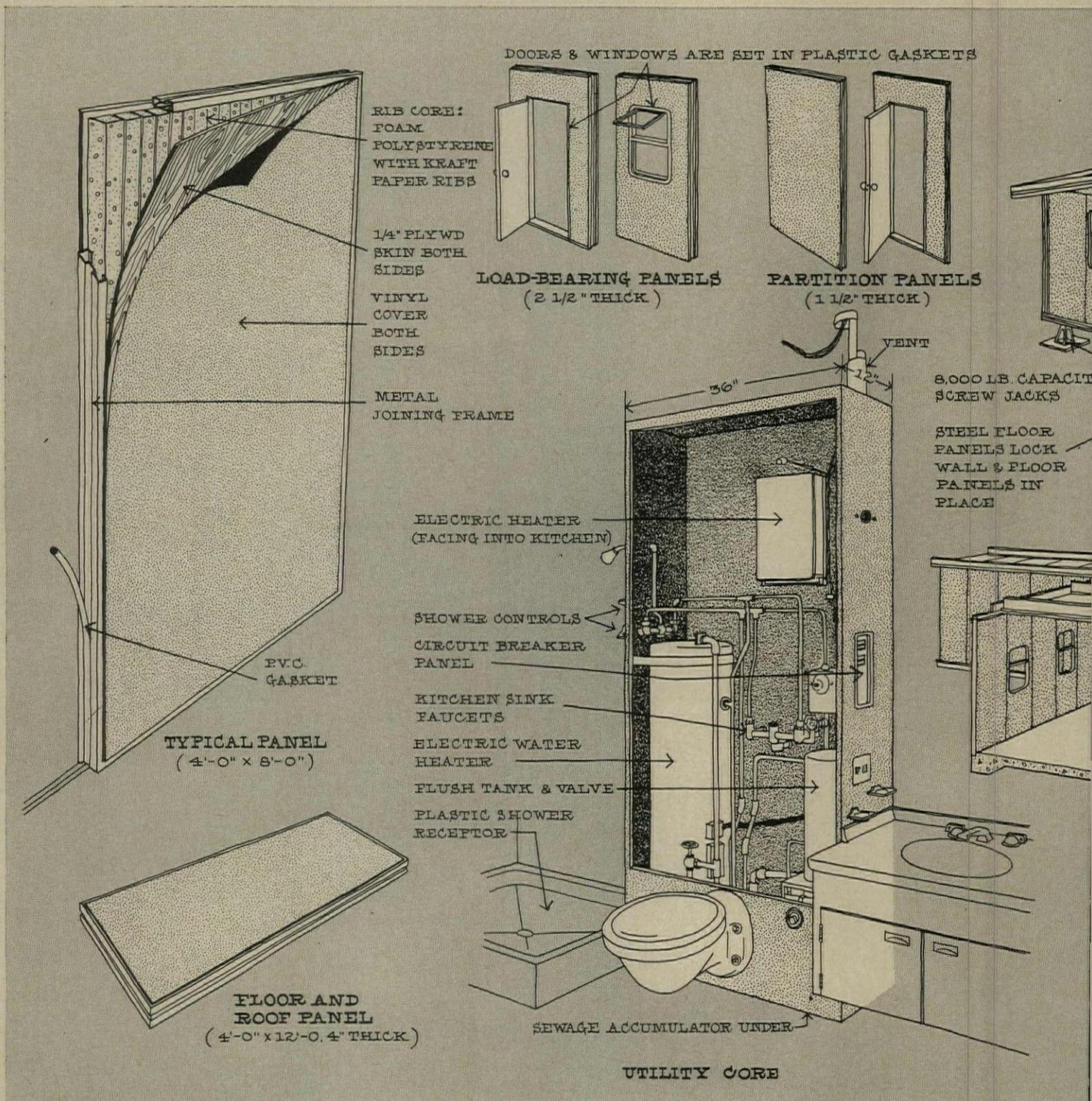
Massive stone fireplace and the strong lines of the roof framing and decking offer visual relief from the limitless views, and give the main living area warmth and texture. Indirect lighting in the skylight and soffits creates drama after dark. At the rear is the study, which can be closed off with folding doors.





Two original approaches to component building

Both systems are designed to solve special problems. The one shown below is a demountable system light enough to be shipped by air. The one shown on the next two pages aims at complete design flexibility. Neither is a competitive challenge to conventional construction for mass building—but both are thoughtful efforts to solve problems of 1) building in labor-short areas, 2) building a readily movable and expandable house, and 3) using materials more efficiently.



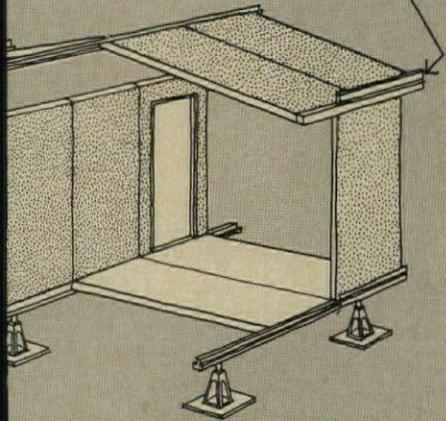
SANDWICH PANELS have foam-and-Kraft paper cores faced with plywood and integrally

colored PVC sheet. Identical floor and roof panels weigh only 3½ lb. per sq. ft., yet span 12'. Wall

and partition panels (top) are thinner, weigh still less. Core is prewired and plumbed, con-

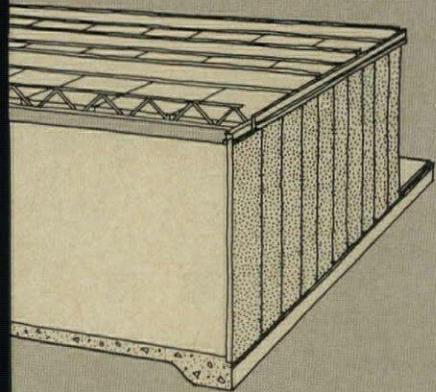
1. A lightweight system with a prefabbed mechanical core

ALUMINUM ROOF CHANNELS
LOCK ROOF & WALL PANELS
IN PLACE



BASIC BEARING-WALL
SYSTEM

SUPPORTED ON JACKS OR SLAB ON
GRADE.
CHOICE OF FLAT OR PITCHED ROOF
LIMITED TO 12'-0" CLEAR WIDTH



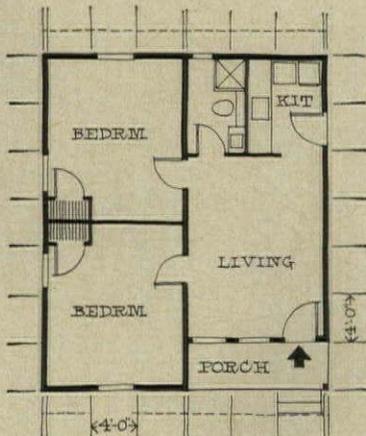
ALTERNATE SYSTEM FOR
LARGER SPACES

BASIC SYSTEM MODIFIED BY
USE OF BAR JOISTS.
LIMITED TO 28'-0" CLEAR SPANS.
COLUMNS NECESSARY TO EN-
CLOSE AREAS WIDER THAN 28'-0"

This modular system, now in an advanced stage of development by Monsanto, can be used for single or multi-family housing or other light construction in any climate. The designers' initial concept was to develop housing that could be flown to space tracking stations in undeveloped areas around the world. As developed, the system may be useful to anyone who needs easy-to-erect, relocatable, maintenance-free buildings. A complete 44'x24' three-bedroom house can be shipped in four crates—three of them 4'x6'x8', one 4'x6'x12'—and can be erected in two days. Costs have not yet been fully worked out.

The basic shell components are 4'x8' and 4'x12' sandwich panels (see far left) weighing only 3½ lb. per sq. ft. Roof and wall panels have PVC gaskets for weather-tight joints. The floor panels rest on steel floor channels, the roof panels are clamped into steel channels at ridge and wall line.

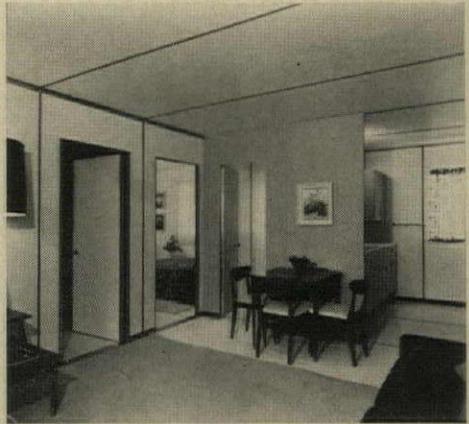
The utility core contains all the mechanical elements in the house except the baseboard wiring (see drawing), which can be prewired into a harness. The core has a sewage accumulator—a tank with its own trap located just behind the toilet. This device (which is connected conventionally to a septic tank or sewer line) makes it possible to connect basin, sink, and shower waste to the accumulator with flexible lines and without separate traps—a considerable simplification in plumbing.



TWO-BEDROOM HOUSE is shipped in three crates—two 4'x6'x8', one 4'x6'x12'.



ERECTION starts with placing foundation jacks, floor channels, and panels. Then walls go up.



INTERIOR has a sharply defined panelled look. Doors and windows are preset in panels.



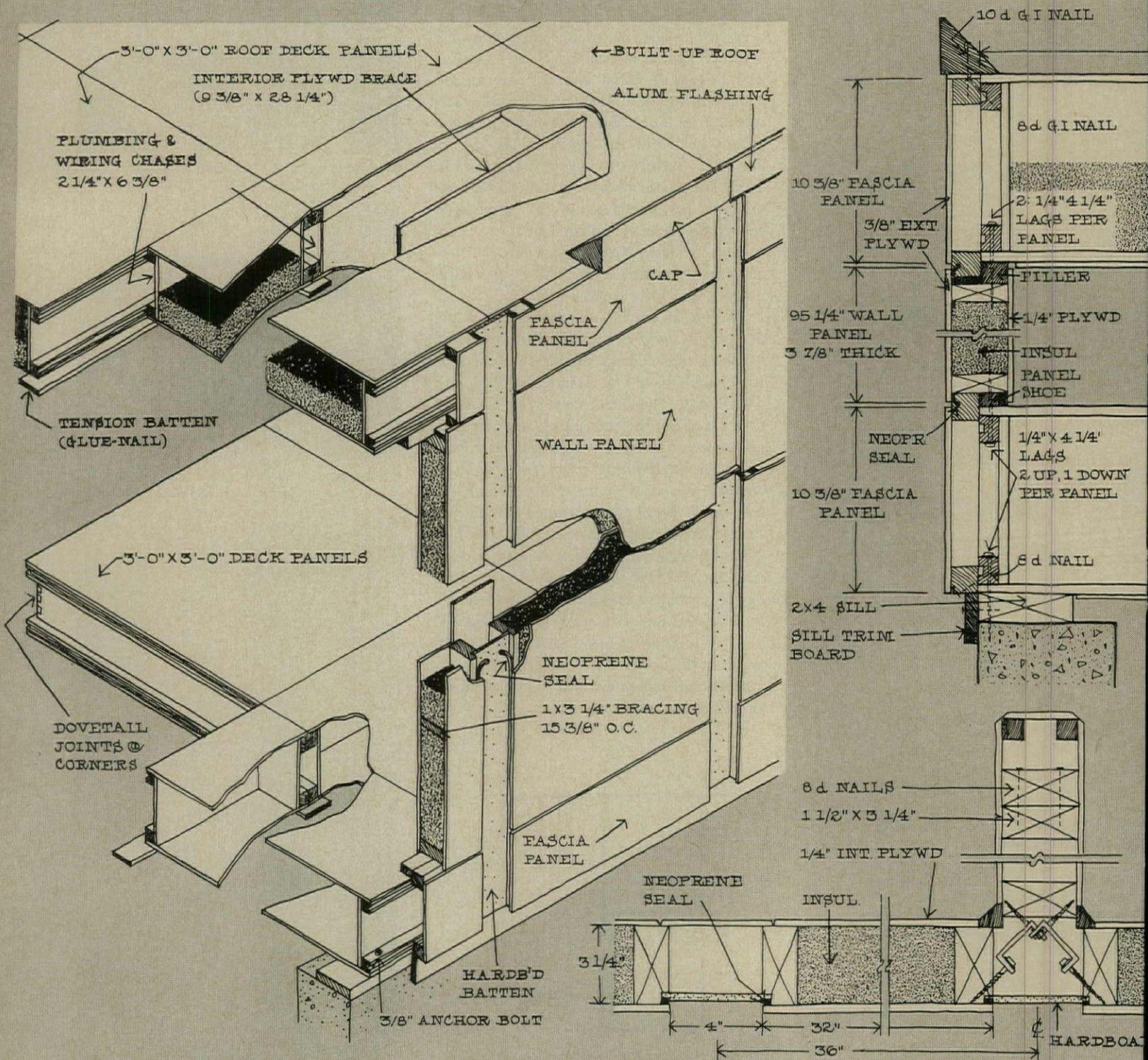
EXTERIOR of finished house has batters 16" o.c. to give the house a conventional appearance.



BATHROOM CORE is prefinished. Vanity cabinet, toilet, and shower are connected on site.

continued

2. A 3'-modular system that permits great design flexibility

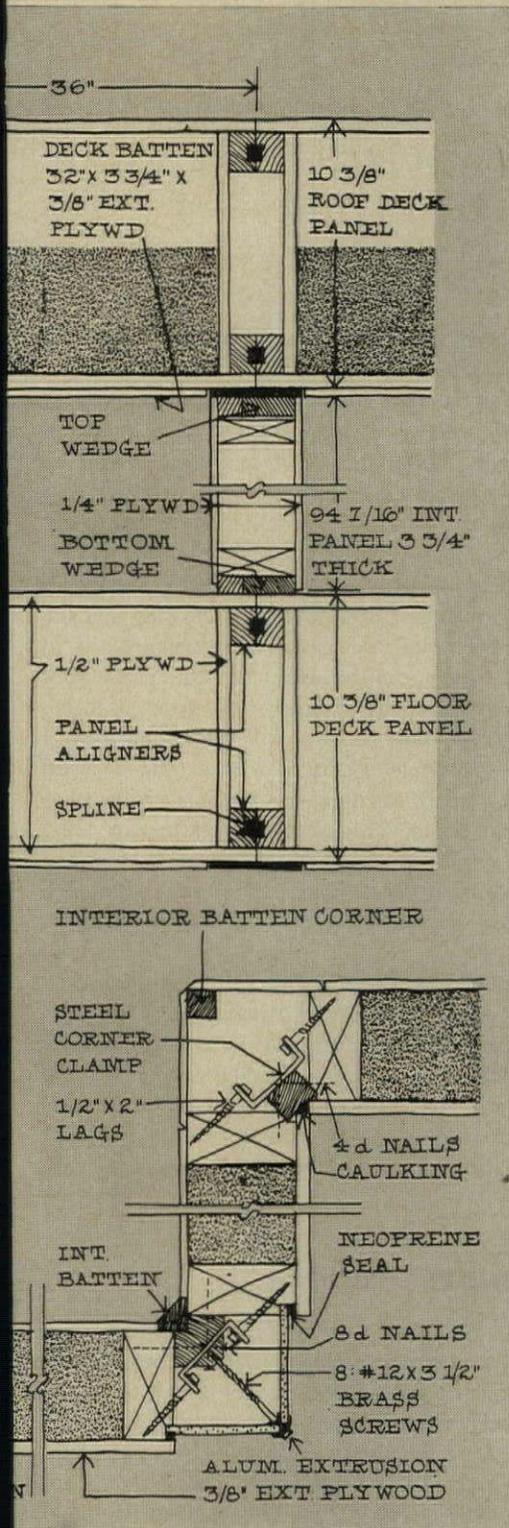


DETAILS of the 3'-modular system show how splines and battens tie 3'x3' floor and roof panels

into long spans, and how wall panels are tied into the floor and roof system with lag bolts.

Interior partitions can be removed simply by removing top and bottom wedges. Flat roof can

—and makes the most of standard sheets of plywood



In Epsom, N. H., Architect David Douglas is building houses with the unique structural system shown here. So far he has sold 12, at a price of \$14 per sq. ft. of living space, completely finished but not including land, septic tank, and water supply.

The most unusual elements of the system are the floor and roof panels. These are boxes 3' square and 10 3/8" deep. One 4'x8' sheet of 1/2" plywood is used per box: two 3'x3' pieces, four side pieces and a center brace fixed inside the box (see drawing). Floor and roof boxes are identical, except that the roof panels are insulated. At the site, boxes are fastened together with splines and 3/8" x 3 3/4" plywood battens nailed and glued over the bottom joints between panels. These two elements, plus the depth of the panels, permit roof spans up to 21' (130 lb. per sq. ft. snow load) and floor spans up to 12'.

Wall panels, made with 3/8" plywood on exterior faces, 1/4" inside skins, are 32" wide. The reason for this width, explains Douglas: "We can make any kind of inside or outside corner or T-intersection without using special panels. All our joints are 4" wide." Spaces between panels where there is no intersecting panel are simply filled with 4" wide hardboard battens.

Plywood left over from the 32" wide cut in a 4'x8' sheet is used for tension battens in the floor and roof system, fascias, and—grooved randomly—for interior paneling.

Douglas' houses can be built over basements, or crawl spaces. A small two-bedroom vacation house can be completed in a week once the foundations are in.

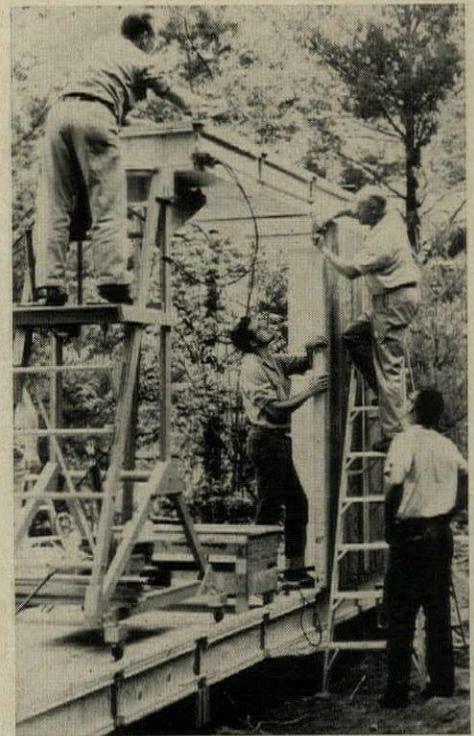
Douglas markets the houses direct to buyers through Douglas Panel Inc. "Prospects can design their own houses at the sales office. We give them a pad of paper marked off in a 3' grid. As long as all wall lines fall on grid lines, we can build anything, in any shape, with the same panels," says Douglas.

Although residential construction systems are rarely patented, this building system carries a U.S. patent.

cover any floor plan. Chases formed between all panels provide space for wiring and piping.



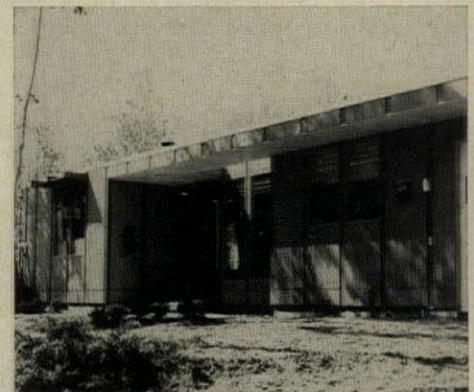
FLOOR PANELS are assembled into 12' lengths before they are placed on the foundation.



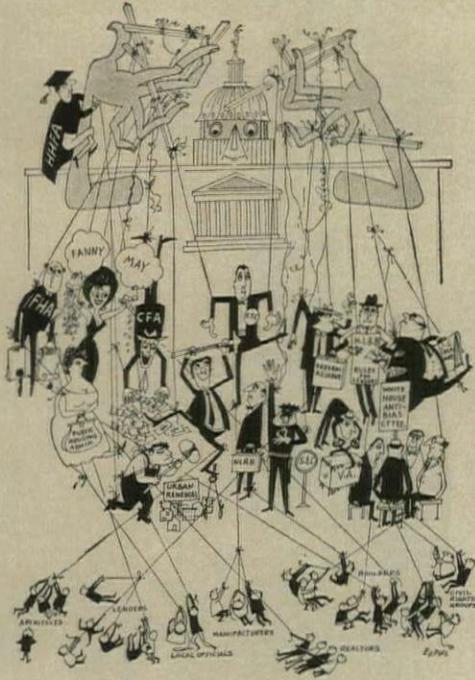
WALL AND ROOF PANELS go up together. Clamps align panels for stapling and lag bolting.



LIFT raises roof panels into position. Fascia panels finish roof and floor.



FINISHED HOUSE has a strong panelized look. It can be expanded easily in any direction.



The many-fingered federal puppeteer (part 2)

A close look at the non-housing agencies that help control the destiny of the housing industry—and an analysis of why most federal aids also make housing's No. 1 problem—costs—worse

Housing, the nation's biggest single user of credit, accounts for nearly one-third of what private citizens invest inside the borders of the U.S. each year. Yet this \$30 billion-a-year industry (including repairs and modernization) is so tied to government strings that most fluctuations in its volume since 1945 result not from the workings of supply and demand but from manipulations of housing agencies, Congress, or fiscal and monetary authorities like the Treasury and the Federal Reserve Board.

Until recently, availability of mortgage money was the prime control over how much housing could be built in any year. Through most of the 50s, the Federal Reserve Board, understandably concerned more with keeping the U.S. economy on an even keel than with how much housing went up how fast, adopted credit policies irrespective of the slowly-discovered fact that they made housing the counter-cyclical balance wheel of the economy. Tighter credit hit housing first and hardest, thanks notably to politically frozen VA (and to a lesser degree FHA) interest rates. So housing was one of the industries most easily manipulated.

One example shows how the whole thing worked. In late 1954, homebuilding volume rose rapidly, stimulated in part by a boost in the VA loan rate to 4½% in 1953. In 1955, housing reached 1,328,000 starts, third highest level on record. Meantime, the whole U.S. economy, stimulated by easy money and the tax provisions of the 1954 Revenue Act (of which more later), was moving at high levels, too. So late in 1955, the Fed began monetary restraints. In addition, selective controls were imposed on FHA and VA loans including higher down payments, inclusion of closing costs, commitment rationing, lower FNMA support prices, a slowdown on the

level of Federal Home Loan Bank lending and a warning from the Fed on warehousing of mortgages. Result: the biggest postwar slowdown in homebuilding—from a seasonally adjusted annual rate of 1.4 million starts in mid-1955 to a mere 933,000 starts in March 1957. Housing rose again during the 1958 recession, fueled by \$1 billion of Fanny May subsidized loans.

Amid today's glut of mortgage money (which itself may be partly the result of federal manipulation, notably boosting the ceiling on commercial banks' savings deposits to 4% in 1962), credit no longer serves as a brake on housing. Indeed, the cry is rising that the pressure to invest lendable money is leading some institutions to approve unsound loans which may backfire. But the paramount influence of federal money managers remains in the form of taxes.

"The power to tax is the power to destroy," said Chief Justice John Marshall in 1819. The converse is also true: The decision not to tax is the power to create. In housing, the most vivid recent example is the apartment boom. This began only after the 1954 Revenue Act gave rental builders a giant incentive via fast tax write off—a device which often returns 100% of a builder's capital in seven or eight years and temporarily makes much of his profit tax-exempt.

Now, Congress is wrestling with Kennedy Administration proposals to curtail not only tax breaks on apartments but also some of the much older tax breaks like deductibility of interest on personal income taxes which have helped make homeownership the way of life for a majority of Americans. The outcome of this struggle is unpredictable at this writing. But the result may well become the major federal influence on housing in the years ahead.

Agriculture's loan programs: Rx for driving out private lenders

Nowhere in the federal galaxy of easy credit programs for housing is there a better example than in agriculture of how well intentioned schemes devised to help a worthy group often get distorted later into undercutting private enterprise on a broad scale.

1. The Agriculture Dept.'s Farmers Home Administration was set up in 1946 to assist tenant farmers to become farm owners with low rate, long-term loans (currently 5% for 40 years) in remote

areas where little or no credit was available. In 1949, it began making loans on new farm homes (at 4% for 33 years) as well as farms. The New Frontier quietly slipped an amendment into the 1961 Housing Act broadening the eligibility to people living in rural areas whether on a farm or not. Ag-FHA's only requirements are that borrowers 1) live in the country or in a town of up to 2,500 pop., 2) own the land, 3) show they can't borrow elsewhere at reasonable rates. In other words, the land need not be a farm at

all and the borrower may actually earn his living at a non-farm job. Under these terms Ag-FHA has made loans to school teachers, phone company employees, a bank cashier, and a utility executive.

Ag-FHA can lend up to 100% of the construction cost of a house. It has no limit on what price house it will finance, but it does impose a ceiling of 1,200 sq. ft. of living space (excluding unheated porches, carports, and unfinished basements). Who can qualify? Hard to say, according to critics of the program like Economists Raymond J. Saulnier, former chairman of the White House Council of Economic Advisers and Miles L. Colean. Why? Because Ag-FHA defines its hardship rules broadly, has at times actively promoted loans instead of waiting for applications. No discounts, of course.

Thus Ag-FHA offers home loans to a lucky small-town and rural folk on better terms and at cheaper rates than most worthy borrowers can find in metropolitan money centers. All taxpayers bear the cost of this subsidy and its administration. Like most cheap-credit programs, Ag-FHA is chronically out of funds. Even so, in fiscal 1962 it made \$94 million of housing loans—almost half of it on nonfarm property.

No rules akin to the city-FHA's minimum property standards or mortgage underwriting govern the Ag-FHA program. Its 1,500 county supervisors operate under general instructions without formal regulations. They approve plans and specs, pass on the adequacy of construction, are responsible for collections. For the last year and a half, they have also had power to approve loans that do not raise the total debt of the borrower above \$12,000. This isn't all Ag-FHA does. It makes both direct (at 4½% for 40 years) and insured loans (at 5% for 40 years) to finance construction of rural or small town water systems. Maximum loan: \$500,000 direct, \$1 million insured. Eligible borrowers: soil, water or drainage districts, co-op water users' associations, mutual water companies, municipalities.

The 1962 Housing Act lets Ag-FHA make extra-easy rural housing loans to persons 62 years old and over. For them Ag-FHA money is not limited to house building. They may use the money to buy land, or to buy or repair a used home. Under the same law, Ag-FHA makes 3½% 50-year loans to non-profit corporations and consumer co-ops for rental housing and related facilities for the elderly—with no statutory limit on the size of the loan. And it lets Ag-FHA insure loans up to \$100,000 to profit-hopeful private en-

trepreneurs to provide rental housing for the elderly. None had been approved when this was written, but the House banking committee figures demand will develop. One-third of the nation's senior citizens live in rural areas or small towns.

To Economists Saulnier and Colean, the loosely-run gamut of Ag-FHA lending displays a "Gresham's law in finance" in which soft credit drives out sound credit; moreover, it is unjust, for "the borrower who cannot meet ordinary credit standards receives preferential treatment."

Lately, the Treasury and Budget Bureau have taken alarm at the expansion of rural housing loans. For a time, Budget blocked all but \$30 million of the \$160 million earmarked for loans in the just-ended fiscal year. In January, President Kennedy sent Congress a bill to take the Ag-FHA out of the business of direct loans at 4% and have it insure loans at 5% instead. The idea was to ease the strain on the budget, but the setup proposed was strange indeed. Ag-FHA would have originated the loans and resold them to lenders at 4½, paying whatever discounts were necessary out of taxes (perhaps \$18 million a year on \$300 million of loans, Agriculture Secretary Freeman estimated). The ½% difference would have gone to build up a loss reserve. This plan to use more private credit for rural housing died quickly. Chairman Albert M. Rains (D, Ala.) of the House subcommittee on housing announced 5% is too much to charge farmers.

2. *The Federal Land Bank System* was created in 1916 on the theory that farmers needed a new source of credit. The land banks became part of the Farm Credit Administration in 1933. In 1953, Congress overhauled FCA. In the process, its policy-making board of governors was converted from a group controlled by Presidential appointees to a board with 12 of 13 members nominated by borrowers. Since then, the FCA, 12 regional land banks and some 800 local land bank associations have eased their mortgage lending practices and become vigorous competitors for farm mortgages.

The land bank system gets so many financing and tax breaks that it can lend money about ½% cheaper than private competitors (NEWS, Nov). In the 1951-61 decade, land banks nearly doubled their share of the farm mortgage market (from 12% to 21½%) while banks, insurance companies, and individuals did a declining proportion of the total business.

HLBB: will the engine become a brake for housing's No. 1 source of money?

Some time this August, the nation's 6,358 savings and loan associations expect to reach an historic milestone in their growth: \$100 billion of assets. S&Ls are now giants among the nation's financial institutions—double the size of mutual savings banks, one-third as large as commercial banks. In savings alone, S&Ls are heading for top position; some experts predict they may win it this year.

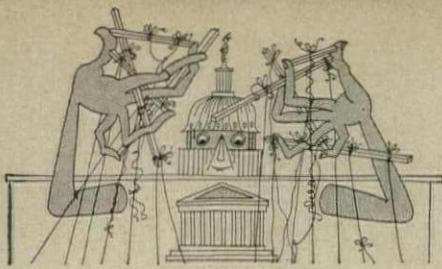
S&Ls' new stature and status climaxes nearly two decades of dramatic growth. Only a scant 18 years ago, S&Ls had only \$7.5 billion of people's savings to safeguard and invest. Now, S&Ls very success confronts them with unprecedented problems and opportunities. And their size may well portend basic changes in the role they will play in financing housing in the years ahead.

S&Ls have grown up *locked outside* the main lending arena of the nation's financial institutions—barred from commercial loans and profitable consumer credit, for example. In return, S&Ls have been tax sheltered and unrestricted on rates paid to shareholding depositors, for instance.

S&Ls have grown up *locked into* long-term housing finance—by law and regulation. This unique combination has made S&Ls the No. 1 source of mortgage money for private housing—43% of it at last count.

Today, both sets of underpinnings are undergoing what looks like long-term change. Last year, Congress amended the law to require S&Ls to start paying substantial income taxes for the first time. This year, the Federal Home Loan Bank Board, overseer to 78% of the nation's S&Ls (which have 98% of S&L assets), for the first time is agitating in favor of dividend-rate controls—on a standby basis. (Banks already are subject to rate ceilings.) The HLBB is supporting Administration proposals to require S&Ls—for the first time—to maintain reserve deposits with the 11 regional Home Loan Banks (much as commercial banks must maintain deposits with the Federal Reserve Banks). At the same time, the board has taken a series of steps to broaden the range of things S&Ls may invest shareholders' money in. And more seem to be

continued



in the offing—for instance, power to invest in taxfree bonds of states and localities, authority to make installment loans for the purchase of major household items like refrigerators and furniture. Such maneuvers are unlikely to produce any rapid shift in s&L focus on financing one- to four-family homes (90% of s&L housing loans). And savings and loan opposition may well forestall Congressional action on reserve deposits and individual control. But even so, they point toward a fundamental shift in the role of s&Ls in housing.

Where it began and how it grew

Three depression-born laws and three Presidential reorganizations shaped the Home Loan Bank Board into its present form as both watchdog and central bank for s&Ls. The original Home Loan Bank Act, signed into law by President Hoover in the summer of 1932, was an outgrowth of his White House conference on home ownership. This set up the regional Home Loan Banks to provide a source of seasonal, emergency, and supplementary funds for their members—all institutions which made long-term mortgage loans. s&Ls, homestead associations, cooperative banks, savings banks, and insurance companies were eligible to join. In practice, only s&Ls have made much use of the HLBB system; as of last March, 4,919 s&Ls and 35 savings banks were members.

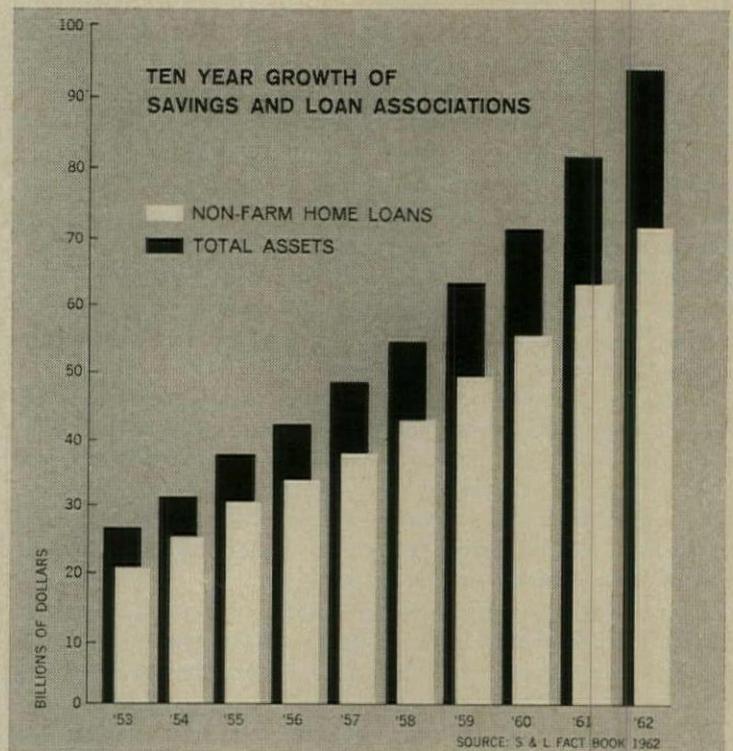
The Home Owners' Loan Act of 1933 provided for HLBB chartering of federal mutual s&Ls. Today, there are 1,953 federal s&Ls with some \$50 billion in assets (vs. 2,966 state-chartered s&Ls with \$43 billion in assets who are also HLBB members). The National Housing Act of 1934 (which also created FHA) set up the Federal Savings & Loan Insurance Corp. under HLBB control. Thus federal supervision of s&Ls was concentrated in a single agency, while bank supervision is split among three: the Treasury's Comptroller of the Currency (est. 1863) who charters and supervises national banks, the Federal Reserve Board (est. 1913) which acts as the discount and reserve facility, and the FDIC (est. 1933) which insures deposits.

During World War II, the HLBB was tucked under the wing of the National Housing Agency by Presidential order, and in 1947, when HHFA was created by Presidential fiat, the board became a constituent agency. It regained its independence in the Housing Amendments of 1955, thanks to a major effort by s&Ls which was not effectively resisted by the Eisenhower Administration.

Freedom to compete

Through the years, the HLBB has generally promoted s&L growth, or at least left undisturbed the industry's aggressive efforts to promote its own expansion. (In the eight years through 1961, savings accounts in s&Ls grew twice as fast as in banks.) Most s&Ls consider FHA an arch rival and so shy away from FHA mortgages. As Congress enacted more and more liberal FHA terms, the HLBB allowed s&Ls higher ratio conventional loans. Since 1958, s&Ls have been empowered to make 90% conventional loans (although few do). Among other lenders, only savings banks in New York can match such terms. Last year, s&Ls averaged a 72.6% loan on one-family homes (a \$12,334 loan on a \$16,994 house), but only 8% of federal s&L loans were for more than 80% of the purchase price. Since 1959, federal s&Ls have had power to make residential land purchase and development loans. But they have made only \$200 million of them.

When Joseph P. McMurray was named chairman of the HLBB with the start of the Kennedy Administration, the board found itself in the strong hands of a mover and shaker who has wrought



DRAMATIC GROWTH of savings and loan associations is the major new event in the nation's pool of funds to finance home mortgages since World War II. s&Ls had only \$8.7 billion in assets in 1945. By last March, this had swelled to \$93 billion; soon it will go over the \$100 billion mark.

more changes in two years than the board had seen in the 18 years before. Under McMurray, the HLBB has used its broad powers to regulate the s&L business aggressively instead of passively. At first, the thrust was for giving s&Ls broader scope—notable to compete with FHA via conventional loans. Specifically, the HLBB:

- Lifted loan limits and extended the maximum term of s&L loans from 25 to 30 years. Thus, s&Ls can make 90% conventional loans on homes priced up to \$25,000 and can finance a \$30,000 house for only \$3,500 down.
- Expanded loan participation—an Eisenhower Administration innovation—by letting originating s&Ls sell 75% of loans instead of only 50%.
- Authorized s&Ls to make loans 100 miles from their home office instead of only 50 miles.
- Empowered s&Ls to make bigger (75% instead of 70%) and longer (25 years instead of 20) apartment loans—and to make more of them.
- Raised the ceiling on lending by regional Home Loan Banks from 12½% to 17½% of member s&L's share accounts—a step which boosts their theoretical ceiling on advances from \$7.8 billion at the end of 1960 to no less than \$14 billion now. In point of fact, s&Ls borrowing has risen only \$300,000, from \$2.2 billion to about \$2.5 billion. This tends to refute assertions in some financial circles that the HLBB itself has encouraged the loose lending that plague s&Ls today. The real problem is a record influx of savings—ten times the size of the growth of borrowing.

Lately, Chairman McMurray has been jamming on the brakes. Ever since he took office, he has inveighed against the rate race

led by California s&Ls, most of which now pay 4.8% interest to shareholding depositors. Now, he is urging s&Ls to forsake growthmanship. "In effect," McMurray has been telling s&Ls, "you have been buying savings at higher prices, selling your product at lower yields, and reducing your profit and capital margins substantially." With savings outstripping opportunities for sound mortgage investment, he continues, rapid expansion of s&Ls has become "a matter of sober concern, not, as in the past, an occasion for rejoicing."

In six months, say startled s&L men, McMurray has changed from an expansionist to an apostle of caution in lending. Today, he is preaching cost-cutting, lower dividends to shareholding depositors. And his board is acting on its promise of sterner crack-downs on s&Ls with lax ways. The board not long ago forced Hillside s&L of Hillside, Ill. to merge with Oak Park Federal s&L, and at least two more Illinois s&Ls (names so far undisclosed) have just received letters warning them to correct abuses within 120 days or face loss of their FSLIC deposit insurance.

Six regulatory agencies: traffic cops with complex rules

In the scale of Washington's giant bureaucracy, the regulatory agencies are midgets. Six touch housing—the Federal Trade Commission, National Labor Relations Board, Tariff Commission, Interstate Commerce Commission, Securities & Exchange Commission, and the anti-trust section of the Justice Dept. At latest count the first five have only 6,616 employees, or slightly over ¼ of 1% of all civilians drawing federal paychecks.

Uncle Sam's business cops have an impact on business out of all proportion to their size. For unlike the more familiar housing agencies whose orders can be and often are issued peremptorily because use of the program is not obligatory, the regulatory agencies move on procedural tiptoe because their orders are binding. Their labyrinths of hearings, reviews, and regulations are a businessman's nightmare, but a lawyer's dream.

Their power over housing derives from the fact that manpower and materials for housing flow in interstate commerce, which the Constitution empowers the federal government to regulate. Today, this means that the wages you pay your building tradesmen and the prices you pay for four basic ingredients of a house—lumber, gypsum board and gypsum, asphalt roofing and siding, and cement—stem in large measure from decisions by regulatory agencies.

Moreover, the traditional rule that local home building and real estate is exempt from federal reach if inside a single state is changing. No longer can the small, local businessman dismiss all the rulings on anti-trust, deceptive-trade-practices, tariffs, and freight rates as something apart from him, in a corner reserved for big business only. Already, Detroit lumber wholesalers, Chicago plastering contractors, and Chicago mortgage bankers, to name a few, have become targets for government action.

Unlike the housing agencies, the business rulemakers do not compete with private business at making loans or insuring mortgages. Congress has given them a job: enforce laws curbing specific business practices. Since Congress has decided that U.S. business shall operate with less-than-complete laissez-faire, the real question is not whether to have rules but: 1) the degree of regulation, which again Congress must decide and 2) the speed and fairness with which the rules are applied.

Whether the agencies that make up the so-called fourth branch of government are, in fact, fair concerns President Sylvester C. Smith Jr. of the American Bar Assn. Says he: "The presumption of innocence no longer exists. When a man is prosecutor and judge, it violates the basic American concept of justice."

Up to now, this line of argument has won no support from the courts. In a landmark case,* a group of cement companies asked FTC members to disqualify themselves from ruling on a case because their prior investigations made them "prejudiced and biased." The U.S. Supreme Court *assumed* the members had formed opin-

ions but added: "Investigations did not necessarily mean that the minds of its members were irrevocably closed." In later hearings the cement companies had an opportunity to "produce evidence—volumes of it." And if FTC stepped aside, the court noted, Congress "has not authorized any other government agency to hold hearings, make findings, and issue cease-and-desist orders."

Many businessmen complain the slow hand of the bureaucracy running the regulatory agencies dulls business initiative. How? Says one specialist: "Closed in by uncertainty, the businessman chooses the easiest course—he does nothing." At its worst, delay and red tape by the agencies means the seven years of hearings and 16' stack of documents NLRB waded through to reach its controversial verdict that the Kohler Co., Wisconsin plumbing producer, must bargain with 2,800 fired striking members of the Auto Workers Union. President Sylvester C. Smith of the American Bar Assn., observes that business disgust with ever mounting regulations is reflected by the flight of U.S.-owned plants overseas. The ABA is seeking to speed the process of hearings before agency examiners by urging less formality, less paper work, and less complicated regulatory reports.

Yet efforts at speeding up face formidable obstacles. Bureaucrats depend on complicated processes for their living. Congressmen know it is politically safer to add new jobs rather than chop off existing employees, however surplus. And courts have criticized agencies for deciding cases without giving written reasons.

Finally, red tape gives both business and labor a fishing line to let out or reel in to suit their own purposes. For instance, an employer faced with a union representation election is almost certain to delay it with red tape—if he can—until he believes the opinion climate among his employees has changed.

Interstate Commerce Commission: traffic cop for freight

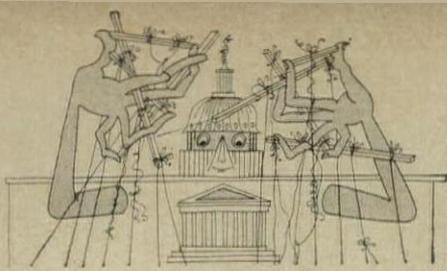
The 76-year-old ICC is at once the oldest and to some experts the most hidebound of the regulatory agencies. Indeed, President Kennedy in 1962 sent Congress a lengthy plan to reform the tangled rulemaking which snarls the railroads, truck lines, and barges moving materials.

Housing's biggest stake in ICC rulings traditionally has been in lumber; about 75% of cross-country lumber shipments move by railway car. So ICC rules on freight rates and transit cars affect lumber prices directly.

In one epochal battle, ICC in 1956 banned 15-day, free hold-overs for lumber-loaded freight cars, a device many small, speculative lumber producers were using to employ freight cars as free warehouses on wheels. After four years of litigation and a non-committal Supreme Court decision, the railroads cancelled transit privileges in 1960. Shippers then switched to circuitous routing to

*FTC v. Cement Institute, et al, 333 U.S. 683.

continued



delay cars in transit. In 1961, the railroads applied specific routes to specified midwestern gateway points for lumber cars. Transit shipments on U.S. railroads have dropped considerably.

Equally as hard fought was the effort by western railroads and West Coast lumber associations* to cut rail rates, frozen since 1935 at levels set to meet water shipping competition, by 7¢ per hundred weight on lumber shipped from the west coast to eastern cities. The new rates cut about \$52.50 from the freight bill for a 70,000 pound car with 30,000 board feet of lumber. Southern lumber associations** protested the change bitterly, as did several shipping lines. Finally, ICC let the rates go into effect.

Justice Department: scourge of price fixers

The Justice Dept. has 306 lawyers on the job of enforcing the Sherman Anti-Trust Act, passed in 1890, and the Clayton Act of 1914 (sections of which FTC also enforces). Their No. 1 target is price-fixing. Two-thirds of the lawsuits filed in 1961 and 1962 by Justice's anti-trust division alleged price-fixing. Some cases already have set a pattern for pricing of building materials. The most significant to builders is the Supreme Court's 1948 ruling that U.S. Gypsum Co. and six other producers† may not fix prices on gypsum board and gypsum products. In the mid-1920s, U.S. Gypsum licensed the six to produce a patented gypsum board. It included a price-stabilization clause in the license. The court ruled that "regardless of motives, the Sherman Act bars patent exploitation of the kind here attempted."

Equally potent is the 1941 consent decree signed by the National Lumber Manufacturers Assn. It forbids member lumber producers from price fixing or dividing up markets through any activity such as publishing production statistics, or promulgating brand marks and size standards which are not equally available to all manufacturers. Practically, this means lumber makers could promulgate their new 1½" kiln-dried standard for framing lumber (H&H, June) only after they had written consent of the Justice Dept.

Trade associations of employers have come in for scrutiny, too. Roofing contractors in Detroit were fined \$50,000 in 1955 (NEWS, Apr. '55) for bid fixing and their Sheet Metal & Roofing Contractors Assn. was ordered disbanded. In 1958, the Concrete Form Assn. of Central New England consented to break up its association and end alleged price fixing for concrete form work for home foundations which Justice said boosted house prices \$100.

Justice's moves against associations are not always successful. The Chicago Mortgage Bankers Assn. and 34 member companies fought 5½ years against charges they conspired to fix fees and prices paid for FHA mortgages. After a long trial, a federal judge tossed out the accusations in 1954.

Labor unions are exempt from anti-trust laws when acting independently, but restrictive agreements between management associations and unions come under constant scrutiny. For instance, in 1954 an Electrical Workers local and the Chattanooga chapter of the National Electrical Contractors Assn. were found guilty of conspiring to refuse to supply workmen to non-union contractors (NEWS, Mar. '54). In 1952, the Chicago Employing Plasterers Assn. and Local 5 of the Plasterers Union were accused of conspiring to bar out-of-state competitors and suppress local competition. But after four years of litigation, a federal judge threw out all civil charges and attorneys quietly dropped criminal charges.

*California Redwood Assn., Western Pine Assn., Douglas Fir Plywood Assn., West Coast Lumberman's Assn.

**Southeastern Pine Marketing Institute, Southern Lumber Traffic Committee, Carolina-Georgia, East North Carolina, and Texas Lumber Manufacturers Assn., Southern Pine Assn.

†National Gypsum, Certain-Teed, Newark Plaster, Ebsary Gypsum, Celotex, and Texas Cement Plaster.

What looms largest in the anti-trust picture is the recently-ended National Homes case, the first affecting housing under the relatively new (1950) Sec. 7 of the Clayton Act. This section adds two new pitfalls to mergers: 1) A merger that *tends* to create a monopoly without in fact doing so is now open to federal attack; 2) Justice lawyers may take a narrow view of what constitutes a "relevant line of commerce"—and so is open to legal attack.

In 1959, National, then producing 25% of all prefabs in the nation but only 2% of all housing units, acquired seven smaller companies. The government charged this would give National 38% of the manufactured home business, and that "the effect . . . may be substantially to lessen competition or to tend to create a monopoly" in violation of Sec. 7. While National argued that it competed with many other parts of the housing industry (and even with its expanded production would have accounted for only 3% of housing starts), Justice contended the mergers tended to monopolize the sub-market of manufactured homes.

Economics short-circuited this legal battle. National found some of its new plants were money-losers. In three years, the company dropped some \$5 million on the plants. Late last year, it consented to sell four of its seven acquisitions with six plants—a move Chairman James Price said National would have taken for business reasons anyway.

Justice is moving against other segments of the housing industry under Sec. 7. It is currently suing Chicago Title & Trust, the nation's No. 2 title insurance company, to force it to relinquish its recently acquired Kansas City Title Insurance Co., eighth largest (NEWS, Dec.). The government also wants Chicago Title enjoined against further acquisitions.

National Labor Relations Board: champion rulesmaker

Among the regulatory agencies, NLRB comes closest to being the crowded police court where rulings are dispensed at a comparatively fast clip. In the last fiscal year NLRB closed its books on 22,405 disputes between management and labor unions. The board itself issued 3,746 formal decisions. Construction generates 11% of these cases, second only to retail trade. So the board has wide impact on housing.

NLRB, set up by Congress in 1935 to be watchdog and arbiter of the National Labor Relations Act, describes itself as "a focal point for contending forces in the economic life of the nation." Both contending forces—labor and management—have political clout. So the agency, and especially its five-member board appointed by the President, works in a politically charged atmosphere. Either side may appeal a board decision to federal courts, but only about 4% of the board's decisions do go to the courts. These, of course, are the crucial cases.

NLRB's main work involves two vital areas of labor relations: 1) elections to certify or decertify a union as bargaining agent and 2) charges of unfair labor practices under the Taft-Hartley Act and the Landrum-Griffin amendments. The laws forbid employers from interfering with, restraining, or coercing employees from collective bargaining, dominating a union, using hiring policies either to discourage or encourage union membership, discharging an employee who files under the Act, or refusing to bargain in good faith with a union certified as bargaining agent. Unions may not 1) restrain or coerce employees from engaging in or refraining in collective bargaining activity, 2) force employers to discriminate against employees, 3) strike to obtain illegal demands, 4) conduct secondary strikes or boycotts, or 5) enter into hot cargo agreements with employers.

But the board must decide whether thousands of individual cases fall under these broad prohibitions. It is here the industrial



BUSINESS COPS whose decisions carry biggest punch for housing are Chairman Frank W. McCulloch of NLRB (1), Chairman Paul Rand Dixon of FTC (c), Chairman William L. Cary of SEC.

builder or builder association feels the full force of NLRB and here the political pressures build up. This involvement with NLRB is fairly new for most builders. Until 1958, NLRB accepted cases only from large concerns, leaving many builders in a legal no-man's land between federal and state labor laws. But in 1958 the agency took jurisdiction over any builder who buys more than \$50,000 of materials a year shipped over state lines (NEWS, Sept. '58). This key ruling gave builders many of the advantages—protection against secondary boycotts—as well as some of the procedural headaches of dealing with NLRB.

Now, organized builders are turning increasingly to the agency to settle distressing problems. Last year, the Greater Eastbay Home Builders of Oakland, Calif., complained that Shinglers' Local 478 was illegally fining members for laying more squares of shingles a day than a union work quota. A hearing examiner ruled equivocally. He held that the union cannot enforce its quota by diverting dues payments to the fines, because non-payment of dues would mean loss of a job for offenders under the union-shop contract. The full board is now pondering this case.

Builders in Westchester County outside New York City went to NLRB when the Bricklayers Union began using whipsaw strike tactics against individual members of the 600-member bargaining association. An examiner (just upheld by the board) agreed this was an unfair labor practice, and ordered the union to resume negotiations.

Tariff Commission: can you import it cheaper?

Few things anger U.S. materials producers more than low-cost imported products which steal domestic markets. Builders, of course, care much more about the price of a product than where it came from.

Producers have two ways of fighting imports: 1) by charging the imports violate U.S. anti-dumping laws and 2) by pressing the Tariff Commission for higher tariffs or import quotas.

Anti-dumping laws forbid sale of a product in the U.S. at lower prices than in its home industry. Before 1954 they were administered by the Treasury, which gave scant relief to U.S. producers. Since 1954, the Tariff Commission and Treasury have had joint responsibility. U.S. producers have won only six of 24 protests—but four of these halted dumping of cement in the U.S. by Belgium, Sweden, Portugal, and the Dominican Republic. The last case may give domestic cement producers—already suffering from overcapacity—important relief, for the Tariff Commission for the

first time ordered higher import duties on the grounds that imports are likely to injure U.S. companies.

Lumber producers have not shared this help from the Tariff Commission. Last year, Northwestern lumbermen asked for higher tariffs and an import quota on Canadian softwood, which they said was pilfering their Eastern markets. Before the Tariff Commission, NAHB opposed the move. The producers "give public notice that the application of a higher duty or a quota would definitely cause a rise in the prices of softwood lumber," argued NAHB in the first brief it has ever filed on tariff matters. "We cannot limit our interests to competitive factors solely within the U.S. An adequate supply of quality building materials competitively priced, is and will be needed by builders from whatever source."

The Commission, in its first ruling under the 1962 Trade Act, said imports were not the primary cause for a recession in the U.S. lumber industry. Result: Lumber prices will remain stable.

Federal Trade Commission: bugaboo for fakirs

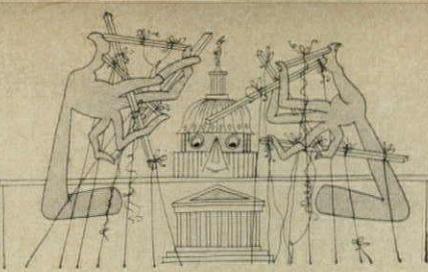
Congress set up the FTC in 1914 and told it to enforce two landmark laws on business conduct passed that same year: 1) the Clayton Anti-Trust Act, which prohibits acquisitions that "tend to create a monopoly," and 2) the Federal Trade Commission Act "to prevent persons, partnerships, or corporations . . . from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

Carrying out the latter task has brought historic tussles between materials producers and FTC, and, in the past two years, more and more moves by FTC into the retailing end of housing, especially the home-improvement business. The mere prospect of being hauled before FTC—first hearings before an examiner, then a decision by the five-member commission, then possible court action to test any FTC order—often frighten businessmen into trying to keep out of the coils of FTC. But on other occasions businessmen have appealed to FTC to help clean up shady practices in their industry. For instance, the residential aluminum siding industry in 1961 asked FTC to hold an industry conference on trade practices. After two months of hearings, FTC published trade-practice rules for aluminum siding (NEWS, May '62). These banned use of so-called model homes, bait advertising, or false gift offers in selling siding. The Aluminum Siding Assn. then complained that the rules should apply to *all* siding materials. Last year FTC also surveyed guarantees and guarantee advertising by hot-water heater manufacturers—and 32 companies changed their warranties.

FTC does not merely sit on the sidelines and make rules. It acts on complaints or on its own initiative to investigate trade practices. After investigation FTC may issue a formal complaint; in 1962 FTC started speeding its processes by issuing simultaneous consent cease-and-desist orders against deceptive practices (these consent orders do not constitute an FTC finding or admission that a firm has violated the law). Home improvements have been a frequent target of formal complaints; in fiscal 1962 four home-improvement and one shell-home concern ran afoul of FTC. Youngstown Homes Inc. and Lifetime Inc. of Philadelphia were ordered to quit advertising shell homes at \$1,995 while picturing a much larger and costlier structure with kitchen, bath, and basement. Home-improvement firms in Baltimore, Washington, and Hyattsville, Md., were ordered to stop using bait advertising and false guarantee claims in selling carports, patios, storm windows, porches, and garages.

In April, FTC moved against its first land promoter. It ordered Great Southwestern Corp. of Albuquerque to halt what FTC called the "deceptive practice" of giving "free" lots for \$49.50 closing

Text continued on p. 128. For an analytical summation, turn the page.



Why federal housing aid fails to get at housing's real problem — high cost — and instead makes it worse

Times and conditions change faster than programs. Federal intervention in housing was born of a depression. The programs were largely designed for a U.S. economy that no longer exists. Lenders are no longer sitting on their money as they were when FHA insurance was devised to lure it out of hiding. The postwar housing shortage that produced GI home loans has long since vanished. Slums persist, but amid rising vacancies and foreclosures. Indeed, the nation may well be heading into a glut of low-priced homes. But the old apparatus—patched, jiggered, overhauled, and much amended—remains.

Have federal aids, on balance, helped or hurt the nation's effort to improve its standard of housing? They have done both. At first, they clearly helped. Items:

- FHA fathered the mass homebuilding industry by introducing the firm forward commitment which lets builders operate on a scale large enough to begin using industrial techniques.
- FHA created the first national market for mortgage loans. This has made financing much easier to get in capital-shy, fast-growth states like California, Arizona, and Florida—and it now appears to be making it somewhat cheaper, too.
- Thanks to FHA's pioneering with high-ratio, amortized mortgage loans, millions of U.S. families today own homes (overhung with large debt) that they would not otherwise have been able to buy.
- FHA's example is beginning to persuade at least a few private lenders to venture 90% long-term mortgage loans at their own risk. And its profitability has spurred creation of private mortgage insuring companies. In sum, FHA is one of the best things that ever happened to the housing industry. The government's potential liability is gigantic (the Treasury stands behind the 20-year debentures with which FHA pays off foreclosed properties), but the actual subsidy up to now has been nil. And FHA has nearly \$1 billion in reserves—enough to withstand another major depression.
- Public housing and urban renewal programs have made only a small dent on the slums they hopefully set out to eliminate. But they have focussed public attention not only on slums, but also on their causes, problems, and potential cures in a way that earlier reform efforts did not. So while these two programs themselves seem to have failed, they may pave the way for programs that will work.

Which direction for federal housing programs?

Today, the thrust of U.S. housing agencies—notably Robert Weaver's Housing & Home Finance Agency and its satellites—is toward programs aimed not so much at housing problems as at urban problems. No longer is the emphasis on clearing away roadblocks so private enterprise can do the housing job. Now, the emphasis is on new, wider, and bigger federal subsidies (both open and hidden) to meet what New Frontiersmen

like to call "unmet needs." Their efforts are meeting growing resistance both within and without the housing industry. Lenders strive to halt the conversion of FHA into what they fear may become an outright subsidy agency for middle income housing. Realtors—and to a lesser extent builders—oppose the plans of self-styled liberals to persuade Congress to enact vast new subsidy programs to make new housing (regardless of its cost) cheaper for more and more segments of the population.

What role *will* government play in tomorrow's housing? One man who has pondered this question is Vice President James San Jule of Perini Land & Development Corp. As he sees it, today's efforts to solve urban problems like slums, mass transit, schools, and taxes are so ineffective that "people aren't going to stand for the onerous living conditions that soon will result." So he predicts voters will—in time—try to vote themselves solutions, even though they may be the wrong ones. "Part of the political pressure is likely to be demands that government itself get into the production of housing. I expect that governments on *all levels* will stimulate the production of housing in the next few years as never before—but in different ways than before."

The shortcomings of ever-cheaper-credit gimmicks

If so, governments will probably be compounding housing's problems, not curing them. Housing's No. 1 problem is its high cost (of which inflated land prices are the No. 1 ingredient). Between 1929 and 1962, the cost of residential construction has nearly tripled, according to the Boeckh index (see graph). That is a 50% faster rise than the Bureau of Labor Statistics' wholesale price index and a 60% faster rise than BLS consumer price index.

Up to now, federal housing programs have done next to nothing to attack this problem. All they have accomplished is to make it more tolerable.

Dr. Leo Grebler, professor of real estate and land economics at UCLA and former adviser to the White House Council of Economic Advisers, has appraised the government's puny efforts to control housing costs this way: "The government has trod lightly in using the substantial leverage of its programs for greater progress in removing costly restrictive practices, often ossified in building codes. Steps toward technological research have been timid and halting [and bitterly opposed by housing material producers]. Mortgage insurance at best has made a modest contribution by helping merchant builders operate on a larger scale.

"Instead of direct attack, the programs offer a compensatory device. They have sought to soften the impact of high costs by reducing down payments and outlays for debt service. The postwar injection of easier credit may have actually intensified the increase of construction costs and house prices. An industry thriving on easy terms may have lacked the discipline and incentive to innovate, strive for technological advance, and

develop better merchandising and marketing techniques."

Consider how this works inside FHA (and VA). The basis of their mortgage guarantees is to induce conservative lenders to lend house buyers money with less security than they would otherwise demand. So this government housing aid puts a protective umbrella over one form of consumer financing. So far, fine. The trouble is that easy terms in any and all industries are a device to make overpricing acceptable.

Another trouble is that FHA and VA are geared to conservatism in design, planning, technology. This makes it hard to introduce new ideas, new ways to build better—despite strenuous efforts by FHA's top brass to overcome the inertia below. So the building industry tends to get tied to the status quo. As Cornell's Burnham Kelly has long contended: "The competitive position in the whole economy of an industry thus supported may in the long run be injured as a result of government intervention." (His solution, incidentally, is to keep FHA, but create a bold new system of production financing to encourage new ideas and methods.)

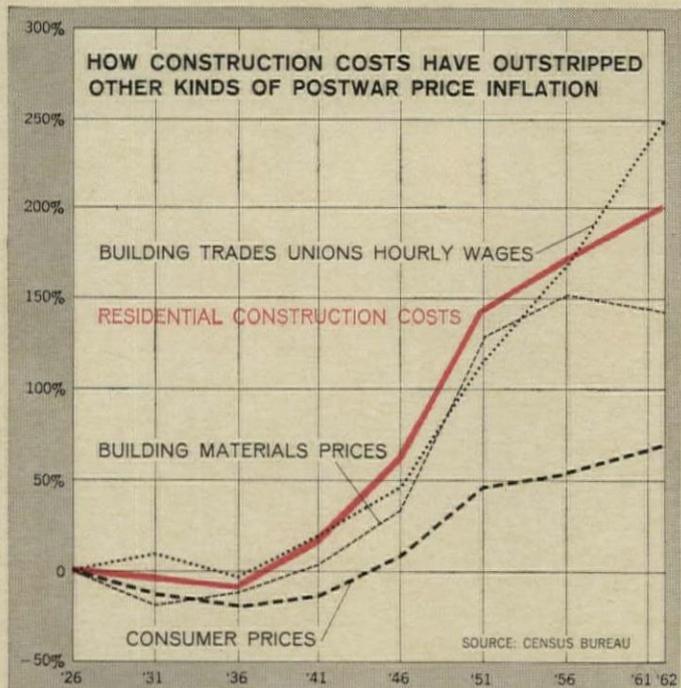
So federal (and local) programs have muffed big chances to raise housing standards by improving the industry's efficiency. Instead, they lull people into apathy about the real problems. Consider the efforts to get rid of slums by buying them up at prices three and four times their re-use value. They divert local governments from local action to efforts to get their share of federal dollars. As the 1960 report of the mayor's special adviser on housing in New York said: "The \$2-billion public housing program here has made no appreciable dent in the number of slum dwellings. No amount of code enforcement will be able to keep pace with slum formation until and unless the profit is taken out of slums by taxation."

Private enterprise cannot meet the social need for good low-income housing in big cities chiefly because land costs too much. A builder who pays a stiff price for city land must then compound his problem by building high-rise to spread the land cost. High rise costs at least 60% more per unit than walkups. The big reason city land costs so much is that much of it is notoriously underassessed and undertaxed. So the owners (especially slumlords) capitalize the too-big spread between the rents they can get and the taxes they pay, and translate it into too-high prices.

Urban renewal and middle-income housing programs foster an illusion something is being done about these problems. In fact, they only poultice the symptoms.

Is federal aid to housing stagnating it?

For decades, the approach to housing problems has been to sidestep the blockade of custom and code, of antiquated foreclosure laws, of obsolete technology that saddles housing with perhaps \$1 billion-a-year in waste, and run instead to Uncle Sam for guarantees, cheap loans, or subsidies. Housing's resulting inability to wipe out its costly inefficiencies is persuading more and more Americans that the only solution is more



FASTEST COST-RISE of any item people buy in the postwar U. S. economy has been rung up by construction. Labor rates, up 140% since 1946, are the leading ingredient; materials prices have actually declined for the last seven years. Boeckh's residential construction index today stands at 302.2, up 87% from its 1946 level.

of the same medicine. What people think they can't get from the housing industry by economic means (i.e. by buying homes at market prices), they are beginning to legislate out of the government by political means.

So housing programs proliferate to help this and that segment of the population. First we got federal aid to help everybody get homes, via FHA. Then public housing, for the poor. Then aid for veterans. Then special terms for slum clearance housing. Then special gimmicks for displacees, for remote areas, for farmers, for high-cost areas, for college students, for senior citizens, for non-profit groups.

It is popular to legislate in favor of better housing for everybody who can't afford to buy it for himself. But every time Congress gives a new segment of the population specially favored FHA terms, or a call on Fanny May special assistance mortgages (which is another way of saying Treasury loans at subsidized interest rates), it penalizes everybody else in the nation who lacks a pipeline to subsidy. To state it another way, each new nostrum for a special problem tends either to inflate the cost of housing itself or to drive up the cost of money borrowed to finance it.

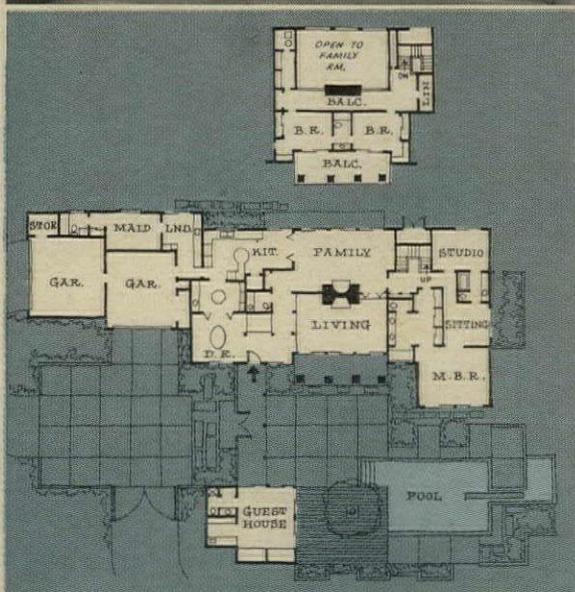
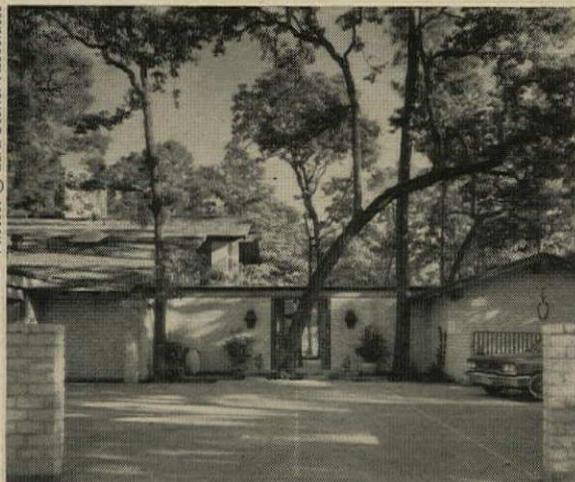
And it keeps on postponing fundamental reforms to attack the *real* problems and let housing price itself back into the market for everybody.

—GURNEY BRECKENFELD.





Photos: © Ezra Stoller Associates



House and its courtyards create an elegant but informal private world. View across pool, left, shows the main house with sheltered verandas on two levels, guest cottage at left. Double door in the wall leads to the entrance court.

Luxury promotion house adapts Texas traditions to today's living

More than 1,250,000 American families will see this graceful house in 36 pages of full color in the August issue of *House & Garden*. And more than 10,300 Houstonians paid 50¢ each to go through it during the three weeks (four weekends) it was open for inspection. The house was built in the top-drawer Memorial Drive section of the city and was extensively promoted to the housing industry by its local sponsor (Houston Natural Gas Corp.) in a series of private showings for 200 Houston and other south Texas builders, 100 local architects and their wives, and 120 members of Houston's apartment owners association.

continued



It is the latest in a long list of fine houses—designed to whet the public's appetite for better housing—that have been promoted by the shelter magazines. But there are some important differences between this and the usual promotion house: 1) It reflects strongly the design tradition of its own area (the Texas Gulf region) while still incorporating contemporary functionalism and a floor plan and site-use scheme for today's informal indoor-outdoor living; 2) Designer Roger Rasbach has done many promotion houses (his first at the age of 18 in Los Angeles); 3) it was built by an experienced custom builder, Sam Johnson, who heads the Houston HBA custom-builder committee, and is familiar with upper-income buyers' likes and dislikes; and 4) *House & Garden* is an old hand at quarterbacking such efforts (this is *H&G's* Idea House No. 8 in a series that began in 1951).

A final difference is the most important of all: In contrast to many heavily ballyhooed houses which have stood empty for months after the promotion ended and brought financial loss to their builders, this home was sold before it was half completed. Duplication price: \$130,000.

Something old, something new

Many of the architectural details are directly traceable to traditional Texas Gulf houses—items like first and second floor verandas; planked floors, walls, and ceilings; the long (32') covered entrance walkway (called a dog run by older generations), and the walled front patio which serves the modern family as a gracious entrance court.

But the plan, the rooms, and the facilities are planned for today's living: a big leisure room (left) for casual family use or entertaining as well as a living room for more formal occasions; dining rooms for both family or company (served by separate pantries) and a compact kitchen for servantless dining; flexibility that would permit expansion to a six-bedroom version or contraction to a one-bedroom house; an expansive (and walled-in) courtyard and redwood deck that surround a swimming pool for outdoor entertaining.

Another aspect to the promotion that had a strong appeal in Houston, petrochemical capital of the world, was the inclusion of an astonishing gamut of materials, appliances, and equipment created from—or using—natural gas or petroleum. All glazing throughout the house is of acrylic panels. The auto court is floored with colored asphalt, and many other organic chemical plastics are used. Patio heaters and a buffet warming table are gas-fired. The all-year air conditioning system is a gas-burning unit. As a final fillip—to prove it could be done—all the electricity in the house is produced by a gas-powered 30-kw. generator (the man who bought the house manufactures such generators for off-shore oil-drilling rigs).

The House of Ideas was co-sponsored by the American Gas Assn. and a long list of blue-ribbon manufacturers of building products, equipment, and materials.

Leisure room is a full two stories high, with acrylic glazing in both flat sash panels and skylight domes. Hexagonal Mexican tile extends through the informal dining area into the kitchen and pantries beyond.



Fireplace wall separates the informal leisure room from formal living area. Stairs lead to the balcony off the two upstairs bedrooms, which also open to the veranda in front.



Staircase, lighted by a plastic skylight, typifies fine detailing throughout the house. Wall and ceiling panel is redwood, stained to *House & Garden's* color specifications.



Photos: © Ezra Stoller Associates

Bathroom also shows attention to detail in the handmade door hardware and the tile. Cabinets, plywood with hardboard-strip latticework, were built by Designer Rasbach.

Too many homebuilders today omit one of the most important steps in building what will sell—that of making a careful, formal market survey. And it is safe to say that by failing to take this step, many builders stumble and some take serious spills. Builders are not the only housing people who fail to make early and detailed studies of their markets. All too few lenders, architects, appraisers, and Realtors research the market or ask their builder clients to have it done. HOUSE & HOME believes this is a serious omission in the marketing process—and an increasing number of builders agree. Here is a look at the ways and means of

Market research: housing's most neglected selling tool

Market research requires money and clear thinking—and there you have the answer to why the nation's housing industry has been slow to use research. There is little doubt that the industry spends little of either on this marketing tool.

ITEM: Top market researchers working most actively with homebuilders agree the industry invests less than \$1 per house for professional market studies. Including what builders spend doing research themselves, their total outlay is estimated at not much more than 1/10,000th of the \$18+ billion the nation spends for new housing annually.

ITEM: If you ask builders—large as well as small—why they don't hire a market research firm, most will say the cost is prohibitive. Actual cost is only about the same as offering buyers concealed telephone wiring or pure vinyl tile in the entry hall.

Builders who do not believe in market research for their own use give varying reasons, a few valid but most not, because, in fact, few builders have seriously considered using it. Some say they have

no faith in cold statistics. Some, like a prominent and successful St. Louis builder, say they are doing well without it because they know their market instinctively or because they keep in close contact with their buyers and prospects. Others doubt that outside experts can give useful advice on all the complex factors that selling houses involves. Still others say they know that some builders got bad advice from research firms (which is certainly sometimes true).

Indeed, many a thoughtful statement minimizing the use of costly market research studies comes from the researchers and marketing consultants most familiar with the subject. Says Consultant James H. Mills of New Canaan, Conn.: "Not infrequently when someone calls me in and wants to solve his troubles with a big survey I find his problem is higher up—he has a management problem primarily." Says Marketing Consultant William Smolkin of New Orleans: "I abhor the kind of so-called professional report, 500 pages long, with thousands of statistics, that forces you to ask: so what? Some researchers merely confirm what their clients already know. That kind of service is a waste of money."

The fact is that most builders have avoided market research because they don't understand what it is, or what it can do for them, or what it costs, or how to get it done. Some builders under-estimate its value. Some over-estimate it, forgetting that market research is only a tool to help make the right decisions. It is no substitute for imaginative, resolute, risk-taking judgment. Nor is it a cure-all for every problem a builder faces. But it can prove invaluable in solving a wide variety of problems affecting almost every facet of homebuilding. This is especially true when a professional researcher directs the work.

Marketing Consultant Stanley Edge of Washington, who has worked for many builders in the past six years, says most of these problems "fall into one or more of six categories. We usually approach market research as 1) a design specification, 2) a marketing direction, 3) an advertising discipline, 4) a base for selling programs, 5) a promotion effort, and 6) land usage. Too often, a builder expects the research to deal with all the six points equally. But if an attempt is made to cover all bases, the primary problem often gets short shrift."

Aimed at special problems, Edge's studies have helped Place &

Co. of South Bend, Ind., decide what sales features to offer, have shown Morrison Homes of Fremont, Calif., how to raise prices without losing sales, and have helped Frank Robino of Wilmington, Del., make special appeals to the DuPont engineers who make up most of the market for one community.

There are many other ways market research pays off every day for builders. It helps them get better loans because lenders are more easily satisfied with the facts. It helps convince zoning boards to grant land variances. It shows which salesmen are producing the most sales. It tells a lot about the suitability of a site.

And sometimes market research turns up some surprising results like these cited by Consultant Sidney Hollander of Baltimore:

- One builder found his prospects complained about being neglected by salesmen rather than about high pressure.
- A second builder who was putting up a better-than-average house at a price below competitive houses found his houses were actually regarded as cheap because he gave prospects no tangible evidence of value.
- A third builder found he risked losing few sales by not qualifying for VA approval, so he avoided the expense of conforming.
- A builder of high-priced homes learned two reasons for his poor sales: 1) the approach to his lots was through a rundown area,

and 2) his personality was less congenial to buyers than the polished manner of his chief competitor.

Market research can pay important non-marketing dividends. Marketing Consultant Harry C. Smith of Lombard, Ill., points out that a good statistical analysis of a builders' sales records can help him: regulate production, purchasing, and inventorying of materials; budget and control operating expense; establish capital requirements and cash flow; measure seasonal variations of many kinds; define responsibilities of key personnel; maintain the proper labor force; guide development for earnings and net profit.

If market research can do all this—or even a good part of it—for any builder, then the important question becomes: Who can do the research—and at what cost?

Competent market researchers can help builders in any city in the nation. Some have many offices and large staffs. Some perform the work as part of broad consulting services. Some are small local organizations or individuals like college economics professors. Research can cost as little as \$200 or more than \$100,000. Some consultants work only on monthly or annual retainers, some merely charge flat fees commensurate with the scope of the assignment. Here, for example, is how four prominent housing consultants work with builders—and what they charge for their varying services:

Gladisv



SANFORD R. GOODKIN, who heads the research firm bearing his name in Sherman Oaks, Calif., has about 40 housing industry clients. He receives yearly retainers as high as \$30,000 or more and has monthly retainer charges of \$1,500 to \$2,500 "for all services including reports on hot markets clients are interested in, move-in interviews with new owners, reports on the competition, etc."

He also charges flat fees for specific projects, ranging from \$1,500 to \$3,500 for small developments and from \$5,000 to \$8,500 for large planned communities. These fees cover many services including: data on population, employment, and housing starts; predictions on rate of sales; detailed analyses of competitive builders; recommendations on sizes and designs of houses to be built, use of model homes, merchandising plans, etc.

Goodkin has a special service for builders interested in the Negro market.



WILLIAM R. SMOLKIN performs extensive market research as part of his complete marketing consulting service. He charges from \$9,000 to \$15,000 for year-round consulting programs for builders (considerably more for manufacturers) and gets \$1,000 a month for quarterly or half-year assignments.

First part of his program for any builder is an exhaustive market research study. Says Smolkin: "We can do market analysis and a complete set of recommendations for a city of one million population or less in 30 days for the preliminary report and 120 days for the final report." Armed with this material, Smolkin then prepares a year-long program, including suggestions on price ranges, designs of houses, merchandising campaigns, budgeting, and practically any other marketing step involved.

Mettee

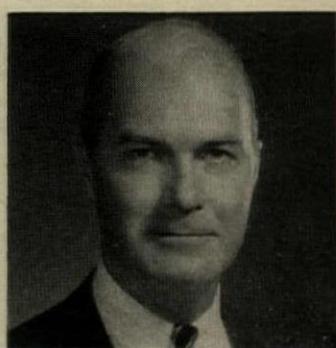


SIDNEY HOLLANDER, who heads the research firm bearing his name, charges flat fees ranging from a few hundred dollars to well over \$10,000.

"Prices are always difficult to discuss in the abstract and particularly so in housing," he says. "because problems range so widely. One builder merely asked me for a bibliography of articles on buyer motivation. Another wanted a general idea of what people were saying about him. A third asked us to find out how *bad* his site for a shopping center was so he could get a reduction in tax assessments.

"Least costly are statistical studies because so many facts are available in print. Most costly are interview surveys. The interviewing itself is relatively inexpensive, the cost is in designing a questionnaire, testing its merit, training interviewers, tabulating answers, and analyzing results."

Fabian Bachrach



PHILIP W. MOORE heads one of the nation's largest research firms, First Research Corp. of Miami, which has surveyed people in 800 cities in the U.S. and overseas. Moore's work with builders ranges from small local studies to one major market report costing well over \$100,000. Says Moore:

"Cost of research is a function of time and depends on which of the four major types of market research is required. An analysis of existing statistics might cost as much as painting a small project house. A study of land use or an economic demand study can cost as much as a new pickup truck. A study requiring depth interviews with consumers can cost as much as a small ranch house. Some studies, particularly statistical analyses, can be done in a week or so. Economic analyses can require five to ten weeks. Studies requiring interviews take longer—perhaps ten to 12 weeks—because of time needed to prepare for field work and evaluate the data."

continued

Many smart builders have added a professional market researcher to their building teams in the last few years. Several hundred builders now pay upwards of \$1,000 a year for such service. Some are small, some large—though one builder of 1,000+ homes a year told HOUSE & HOME he has never used outside help and does little of his own. Those who have obtained outside research—for quite diverse reasons—say it has played a major role in their successful marketing programs. Here are reports from four of them on how market researchers have helped.

Walter Daran



GENE B. GLICK, who last year built and sold 450 houses in Indianapolis, invested nearly \$30,000 in market research through Walker Research of Indianapolis and Real Estate Research Corp. of Chicago. This included \$13,000 directly related to the 450 sales, or about \$30 a house. (The remainder was for market studies in other cities where Glick may build, for apartment house feasibility studies, and other projects.)

Glick's research goes on year-round and takes many forms. One study of buyers who chose a competitor's houses disclosed that the main reason was the builders' public image, not house values or anything economic. Glick often calls on Walker Research to do telephone or face-to-face interviews with his present owners or buyers in competitive developments to probe how effective advertising has been, what features buyers want, and other sales influences. The research firm also shops Glick salesmen and reports on their effectiveness.

In addition to the outside assistance, Glick's own staff has 25 to 30 model-house visitors fill out questionnaires every Sunday to learn who the prospects are, where they live, why they came out, where else they have viewed houses, and the like.

Says Marketing Director Lumir S. Palma: "We could hardly do without market research. Outside professional research help should be even more valuable to smaller builders, who have fewer merchandising and selling facilities than we large builders have."

Harris & Ewing



STEPHEN G. YEONAS, one of the largest homebuilders in Washington, D.C. and a former head of NAHB's marketing committee, considers market research "the best investment a builder can make." He has used it consistently since 1960 when he paid Hammer & Co. Associates \$5,000 for a long-range forecast of the Washington metropolitan market and his ten-year sales potential there. The study made growth predictions for nine sectors of the market and suggested the best price ranges for each. Since then these statistics have been updated and other studies ranging in cost from \$200 to \$1,000 have been made.

Most of Yeonas' market research is now done by his staff under Chester M. McCall, vice president for marketing and sales. Says McCall: "With our basic program and data established, our future activities will largely be carried on within our staff, but we will use outside sources periodically to check our data and conclusions."

This continuing work includes:

- Keeping track of proposed highways, schools, industries, and other changes affecting land purchases.
- Comparison shopping of other new developments in Washington and selected U. S. cities.
- Codifying all available published material on new products and materials of possible use in Yeonas houses.

Augusta Berns



ROBERT WINNERMAN, president of publicly-held U.S. Home & Development Corp., Lakewood, N. J., says: "No one single decision has proved more fruitful for us than to study buyer preference with formal market research. We sold 120 houses—at \$17,990 to \$23,000—within six weeks after opening this spring, which means we interpreted the survey correctly."

U.S. Home paid J. S. Rowe Associates \$3,000 for a 400-person personal interview survey before starting its latest community, a 400-home tract in New Jersey 50 miles from Manhattan. Main purpose: to find what features and sales strategy were needed to lure buyers 50 miles from where they lived and worked. U.S. Home's own staff under Marketing Vice President Herbert M. Hutt (a Harvard Business School graduate) supplemented the outside research with 800 more interviews, all made in a month's time. Those interviewed were recent buyers in 18 nearby New Jersey developments.

Findings influenced decisions on what features to offer, whether to build a community pool, what newspapers to advertise in, and many more questions. Reports Hutt: "One of the most encouraging findings was that our unvarying emphasis on handling service calls promptly would help considerably because this produces referral sales—and the study showed that referrals are necessary to bring many New Yorkers this far out to buy homes."

Jerry Dempnack



BERT L. SMOKLER, who last year sold \$10.5 million of houses in his ten communities around Detroit, got a lot of mileage from a \$1,500 market survey conducted by Aaron J. Blumberg, onetime FHA economist turned marketing analyst. One hundred buyers in competitive developments near a projected Smokler tract were interviewed over a two-week period, and results were reported three weeks later. Among the findings: The best prospects for Smokler's houses are second-time buyers who need trade-in opportunities and features not in older houses; and although they do not often buy until they make four or five trips to the model, they seldom are called by salesmen they have met in model areas—a discovery that convinced Smokler to stress aggressive follow-up selling.

Even more important, one result of the study—a detailed picture of what so-called extras homeowners wanted and what they would pay for them—led to a major change in Smokler's sales and pricing strategy. Under a new, and highly successful, delete program, models were offered at a price including certain features (fireplace, dishwasher, etc.). But the price could be reduced by specific amounts for each amenity a buyer chose to omit. Says Vice President William Beriman: "This delete list lets us sell a house from a top price down, so buyers didn't feel we are pressuring them to pay more for extra features. Our sales at the new community were high—90 in the first year—and there is no question that market research played a key role in our success."

Some valuable fact-finding can be handled with little or no help from the experts, desirable as it is to hire professionals to cope with the complex aspects of thorough market research. A smart builder or sales manager can gather important statistics locally, learn much by studying past sales records, and even conduct depth interviews with prospects to improve the chances of making correct decisions. At times such do-it-yourself research can be significantly cheaper than outside work and perfectly adequate. Even the professionals agree this is so—and desirable if the alternative is no market research at all.

Says Bill Smolkin: "I see no danger in the builder using his own staff to dig up the statistics, provided they are the right statistics, the work is done conscientiously, and a professional marketing consultant—or a builder-scholar—then interprets the meaning of the statistics and draws pinpoint conclusions that lead to action. If the statistics do not lead to almost self-evident conclusions, they have not been well assembled or interpreted."

Says Sid Hollander: "We think it is actually better sometimes to forget the formal research and use the builder's experience or feel. Dedicated as we are to fact-finding, we nevertheless tend to prefer good intuition to poor research, and we feel that our clients have good intuition or they would not have arrived at the point where they want to talk to us at all.

"Not all the people who know sources of information and know how to use them are labeled researcher. Some people on our clients' staffs have the skill, and, particularly where we are not familiar with the geographic area, sometimes they have access to sources we don't know about. The danger comes, obviously, when builders don't know what they are doing—either don't know how to process data or how to interpret it. One possibility is for them to use experienced researchers as consultants and then do the spadework themselves.

"In other words, we are not at all precious about our services, and we don't see how any honest researcher can be. We have certain expertise to contribute, but there are always things the client

knows that we don't. The efficient way is to pool our knowledge with his. We have been engaged to tabulate results that someone else compiled, we have tape-recorded interviews and turned them over to a builder without further processing, and so on. In short, we want our services used in the way that gives the client the most value for his money."

Phil Moore, who has helped some builders set up their own research programs and done all the research for others, has this advice: "The builder who tackles his own research can do a lot by looking at his own records if the right records—particularly lists of prospects, pulling power of specific ads, and sales costs—are kept and are sufficiently broken down. Records should be kept up to date or not kept at all. They should be discussed at staff meetings and with other professionals on the builder's team. And, above all, they should be simple. If they are not kept simple they are either too costly or no use at all."

Harry Smith advises builders to check constantly against statistical pitfalls: "First is unconscious bias. Builders seem to be particularly susceptible to this. They seem to suffer from inflated egos because they are basically entrepreneurs. But whatever the pitfalls, it is better to risk them than not do any statistical research at all. I know one midwestern builder who ran across four fast-selling models on a trip out West. He came home, opened the same four models—and 18 months later they were still unsold. He then saw the need for research."

Builders who undertake their own market research studies can go to many sources for valuable data — and at least one excellent source or deciding how to plan a market research program. This is A Marketing Plan for Homebuilders, the 42-page guide written by Bill Smolkin and jointly produced by NAHB's marketing department and Allied Chemical's Barrett Div. The free guide describes in detail the types of material builders can find available locally, provides detailed checklists for collecting and assembling data, and gives pertinent details for a hypothetical building situation.

One good step-by-step method for actually going about the market study has been outlined for Kingsberry Homes' dealers by William Brown, sales and marketing vice president. As he puts it: "Limit the study to these key points: 1) What you need to know in order to reach decisions; 2) how you can get the information—quickly, easily and at minimum expense; 3) how to analyze it; and 4) what to do about it."

Brown suggests a five-day schedule for fact gathering—a day to collect figures on the principal economic indicators, possibly from

the local chamber of commerce; a day for locating growth areas by talking with local planners; a day for getting vacancy and construction records, available from utility companies; a day for checking on the competition through lenders and FHA or VA officials; and a day for determining how many eligible prospects there are by checking with personnel officers of major business firms or military bases.

Sources of information vary city by city. Here is a checklist of some common ones:

Your own sales records	Retail credit bureaus	FHA and VA offices	Shopping center owners
Your lender's records	Hostess organizations	Title companies	College marketing professors
Your present buyers	Electric company	State employment service	Building inspectors
Visitors to models	Gas company	Employment agencies	Realty transfer records
Competitors' buyers	Water company	Major industries	Cross-reference phone books
Your local HBA	Telephone company	Military bases	Building material suppliers
Realtors' board	Banks and S&Ls	Planning board	Architects and design firms
Chamber of Commerce	Mortgage bankers	Highway department	Newspaper real estate editors

continued

Some builders do all their own research because they are particularly well qualified, some because outside experts once steered them wrong. (This possibility is cheerfully admitted by some consultants, who point out that they can't be right every time, any more than a lawyer can win every case.) One reason for the trend toward do-it-yourself research: As builders grow more management minded, they are bolstering their staffs with skilled marketing specialists who can handle research themselves or work more knowledgeably, faster, and at less expense than outside experts. Here is why and how four builders make their own studies:

Agusta Berris



ROBERT J. SCHMERTZ has nearly sold out his 1,200-unit Brookwood community near Lakewood, N. J. in less than two years. He credits much of his success to market research. This work for his company, Robilt Inc., is directed by William E. Becker, vice president-marketing, a trained marketing analyst. Becker does his own research for these reasons: "First, we consulted at one point with an outside firm, but it had an unrealistic idea of our potential market, as determined in our own earlier interviews with former buyers. Second, we can forecast sales faster than an outside firm. Third, the best source of information is our own records—and we keep them on just about everything you can think of. We learn from our statistics on buyers' ages and on cancellations by model, by price class, by buyers' present addresses, by the names of salesmen who made the sales, by buyers, incomes, and on and on. We know exactly what papers our prospects read, where they come from, and what features they want."

H&H staff



DONALD L. HUBER, chairman of NAHB's marketing committee, who builds in Dayton and Indianapolis, feels he no longer needs to use outside market researchers because over the years he has learned so much about how to do the job himself.

Says Huber: "We once invested \$25,000 for an outside professional study that did us little good—simply because we weren't prepared to capitalize on what we learned and because the market at that time was not stable. We now collect and interpret statistics for our specific objective: to get a good share of existing markets rather than pioneer in new areas. We need to know the history of prices, sales, and buyer preferences in these markets—so we can make sound decisions on where to buy land."



HAROLD GOETRAD, president of publicly-held Dover Construction Co., which builds in New Orleans, Minneapolis, and Chicago, has key company executives do the market research. This, he contends, is anything but a waste of talent. Reason: The top men can pick up a great many market tips—by random conversation and otherwise—which less experienced employees might not recognize as important.

Dover has developed a standard procedure for researching each of the markets the company enters. First, a preliminary survey is made. The area is toured by auto, conversations are held with a wide variety of local people, some statistics are gathered on population and building trends, and possible locations are investigated. Then, if the preliminary work shows a good potential for a location, a thorough study is made of all factors bearing on the proposed project.

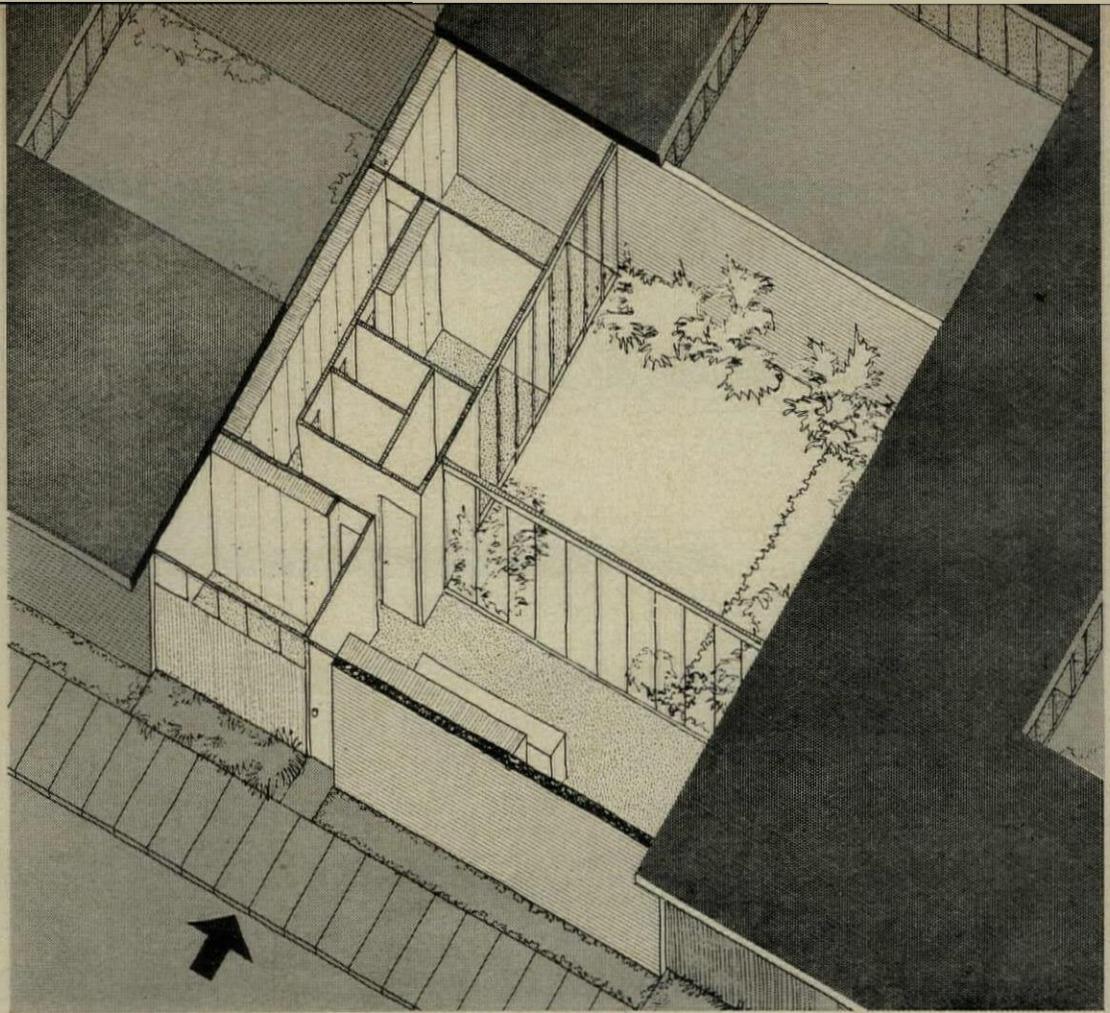


CHARLES K. CHEEZEM of St. Petersburg, Fla., who has used outside market researchers and appreciates the work they do, has nevertheless recently delegated this work to Vice President Jack N. Lewis. Says Cheezem: "We plan to go into other cities—Ft. Myers will be the first—and our main need is for information on opportunities in the new markets. By having our own staffman get this information, we can move quickly—and speed is essential. Jack knows our land-buying requirements and how we build and the kind of buyers we appeal to. He can size up an opportunity fast, and act fast if necessary to get a good land deal. If we hired someone outside to assess a market, we would have to study his report and check it out—and this would take time."

Cheezem is confident his own staff can collect all useful statistics on a market, but he would not expect his men to do motivation studies and some other types of research. When he needs these, he says, he will again use professionals.

Market research is more necessary than ever today, whether it is done by builders themselves or by outside professionals, according to most housing experts. Says Consultant Harry Smith: "The so-called mass market of the postwar boom years has exploded . . . exploded into a series of segmented, fragmented markets, each with its own needs, tastes, and way of life." And in these diverse and fast-changing markets, observes Consultant Sandy Goodkin, market research can become an essential "second pair of eyes for the builder . . . It looks at architecture, sales, advertising, and construction from the buyers' view and measures their strengths and weaknesses accordingly."

—ROBERT MURRAY



L-shaped patio townhouses: fresh answer to high land costs

The house shown above contains 1,600 sq. ft. of well-planned living area. It has 900 sq. ft. of completely private outdoor living area. Yet it sits on a lot that is only 50' square.

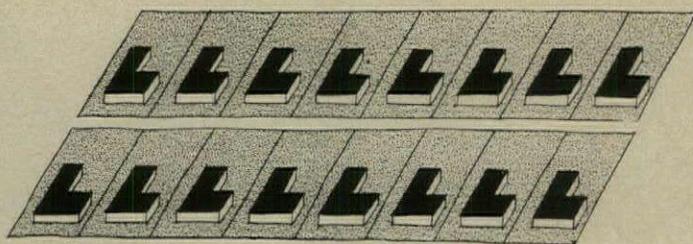
It is, in fact, a familiar patio townhouse in an unfamiliar shape—an L. It combines the best features of the row house—which is currently enjoying an unprecedented boom—and the single-family detached house. And it may be the best answer yet to builders' worst land problem: How to build single-family homes in urban-renewal areas, fringe urban areas, and close-in suburban areas without being priced out of the market by high land costs.

Patio townhouses are not a new idea. Six years ago its advantages were spelled out in a 14-page HOUSE & HOME report "The patio townhouse—a better way to use too-expensive land." Roman atrium houses copied the idea from the Greeks. Indeed, atrium houses are virtually the oldest form of urban housing there is. Europe has built patio townhouses for years, and lately has been turning toward the L-shape.

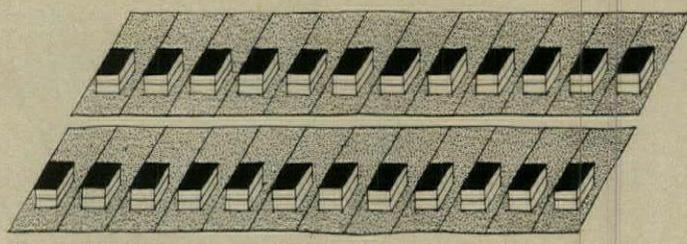
Latest word on the subject comes from the Urban Land Institute in *Technical Bulletin 45*, written by William K. Wittausch, manager of housing research at the Southern California Laboratories of Stanford Research Institute. Wittausch studied the use of patio houses in Europe and concluded that in the L shape it is the best possible solution to the U.S.'s growing problem of how to put single-family houses on high-cost land. His reasons:

- In cities, L-shaped patio townhouses provide much more privacy than conventional two-story row houses, much more density than one-family detached houses.
- In suburbs, L-shaped patio houses provide more privacy for homeowners, free more land for greenbelt and parks.
- L-shaped patio houses need not run up costs. Even in Chicago, a 1,400 sq. ft. L-shaped house could be built for \$18,000 (plus land) on a truly tiny lot.

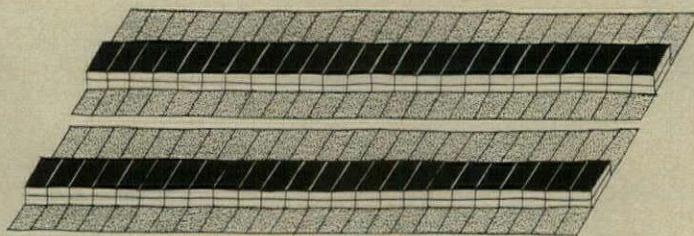
To see how L-shaped patio townhouses do all this, turn the page.



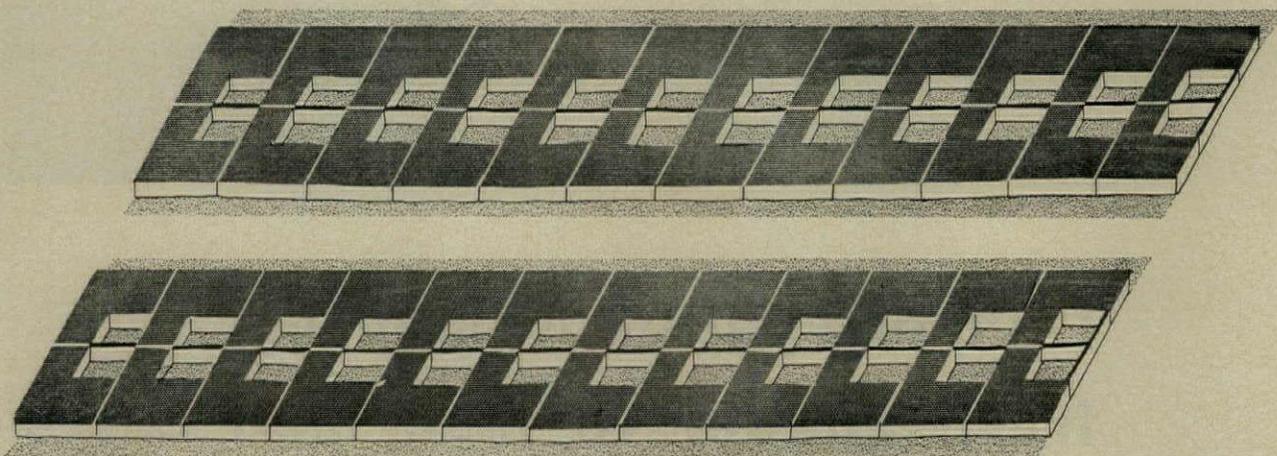
A 1-STORY DETACHED (3.2/ACRE)



B 2-STORY DETACHED (5/ACRE)



C 2-STORY TOWNHOUSE (11-14/ACRE)



D 1-STORY L-SHAPED PATIO TOWNHOUSE (9-13/ACRE)

DENSITIES of four basic types of one-family houses—all with areas of 1,600 sq. ft.—range from 3.2 to 14 per acre. Patio houses need only slightly more land than conventional townhouses.

L-shaped patio townhouses:

They combine one-story living with high-density land use

Four L-shaped patio townhouses require no more land than one typical single-story detached house of the same size. So since the biggest expense in high-cost lots is the raw land itself, the land cost for each patio townhouse is only a third to a quarter as much as for a detached house. The drawings above—taken from the ULI bulletin written by Housing Researcher Wittausch—show how the densities possible with the L-shaped townhouse compare with those of three other types of single-family houses.

One-story detached houses built on $\frac{1}{4}$ -acre lots produce a density of about 3.2 units per acre. Two-story detached houses need less frontage—and hence a smaller lot—if they are turned sideways, so density rises to about five per acre.

Conventional two-story townhouses, with a typical frontage of 25', give the highest density of all—11 to 14 units per acre. But at 14-per-acre, townhouses have shallow front and rear yards, which, combined with the two-story height, can produce a feeling of deep valleys along the street and in rear yards.

Average-size L-shaped patio townhouses (the ones shown above are 50' x 50') can produce densities of 9 to 13 units per acre, depending on the required width of the street and sidewalks. And

since they are only one-story high, they can be built right up to the lot line without giving the street a closed-in feeling.

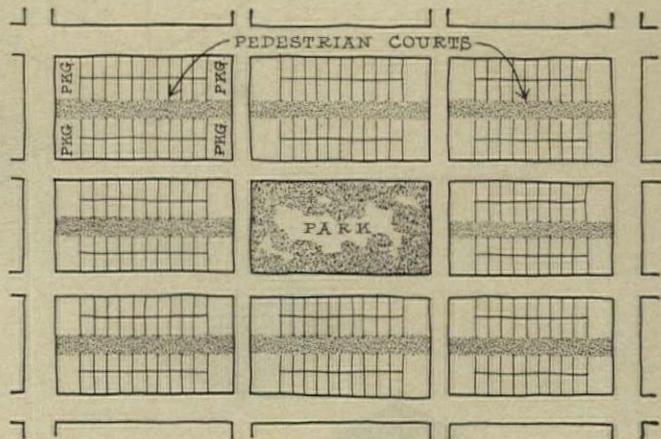
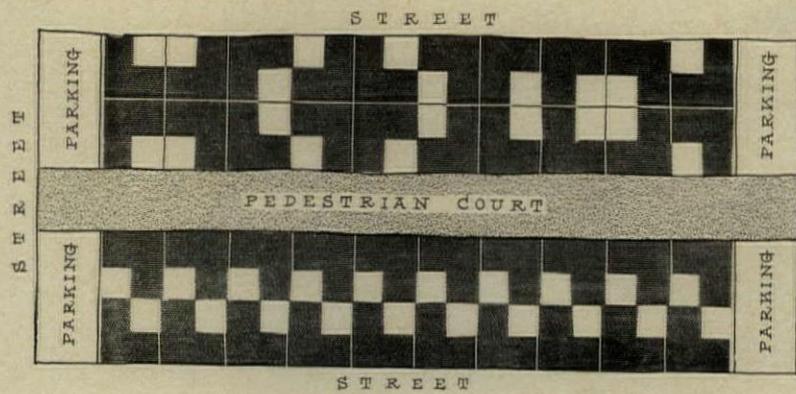
L-shaped patio townhouses adapt well to both urban and suburban land plans, as shown in the drawings opposite by Wittausch.

In the urban layout at top, Wittausch puts parking areas at both ends of 20-house sections. A pedestrian walkway between each pair of sections reduces street costs.

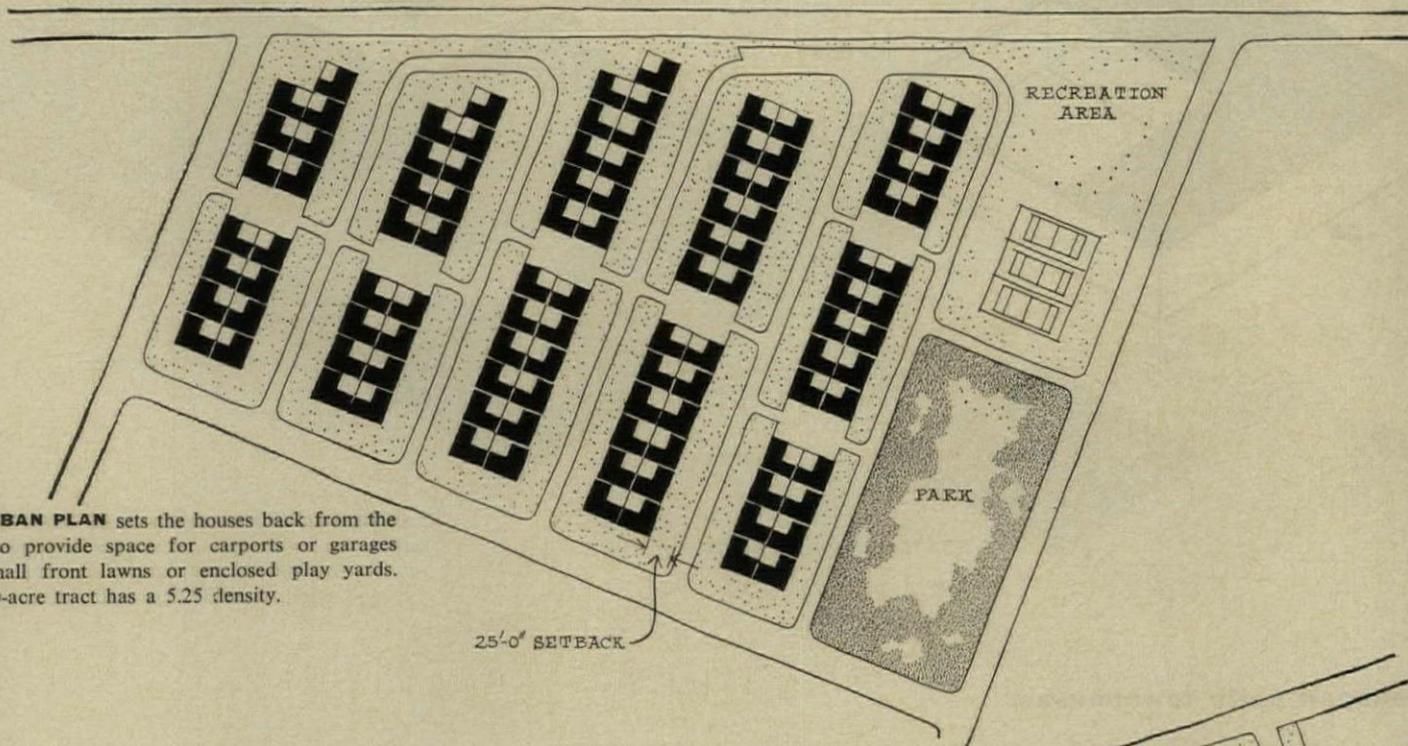
In suburban areas, with lower density required, patio houses can be set back about 25' from the lot line, leaving space for carports or garages and small front yards. Wittausch's suburban layout has a density, including play and park areas, of 5.25 units per acre. Excluding open land, the density is almost seven per acre.

Even in low-density cluster plans, like the one at the bottom of the opposite page, patio houses make good sense. Because the houses are attached they use less land, leaving more open area and reducing the length (and cost) of streets. And because they are close together, cluster-plan houses benefit from one of the patio house's biggest advantages: good indoor and outdoor privacy.

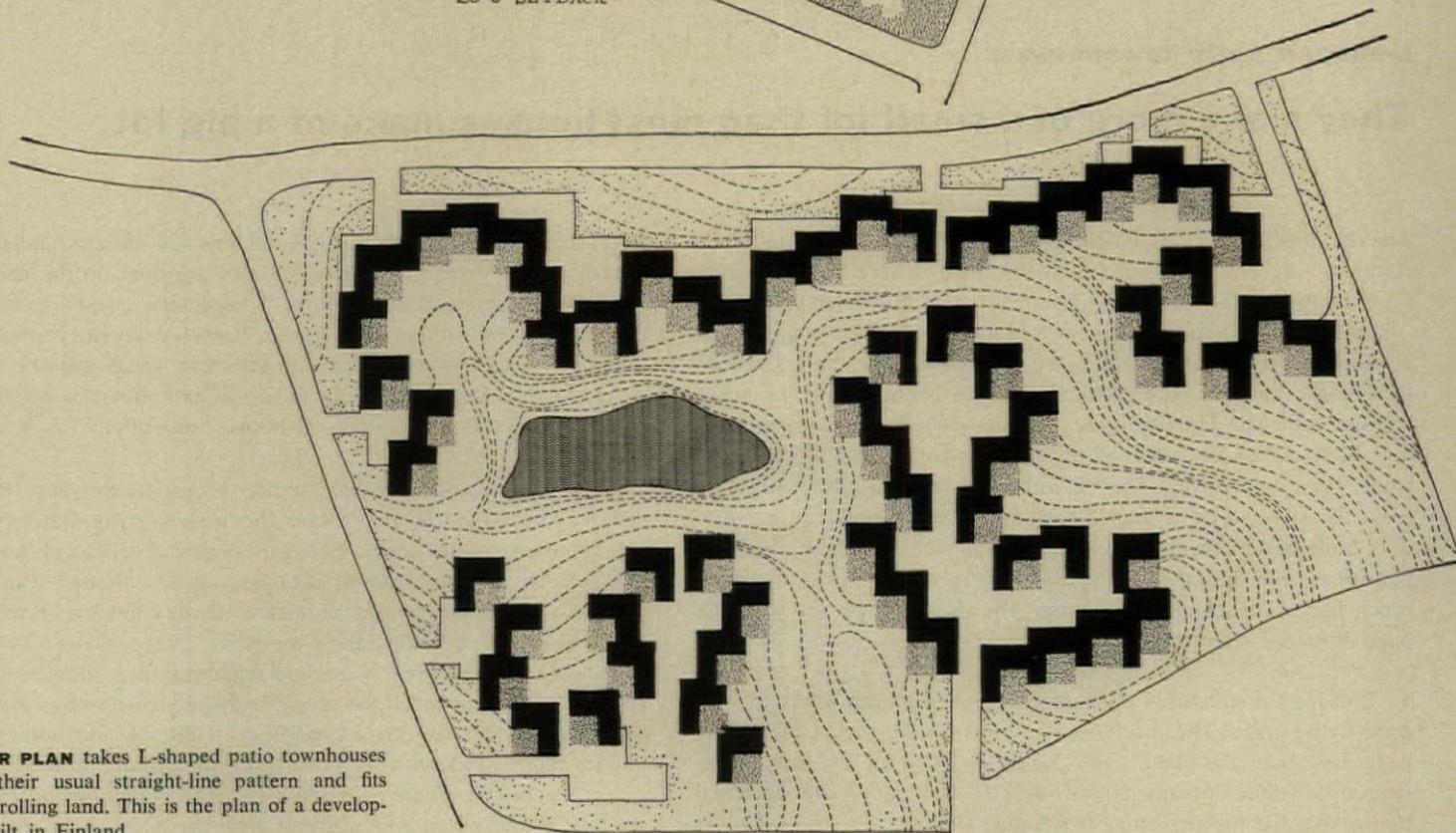
To see how L-shaped patio houses provide privacy, turn the page.



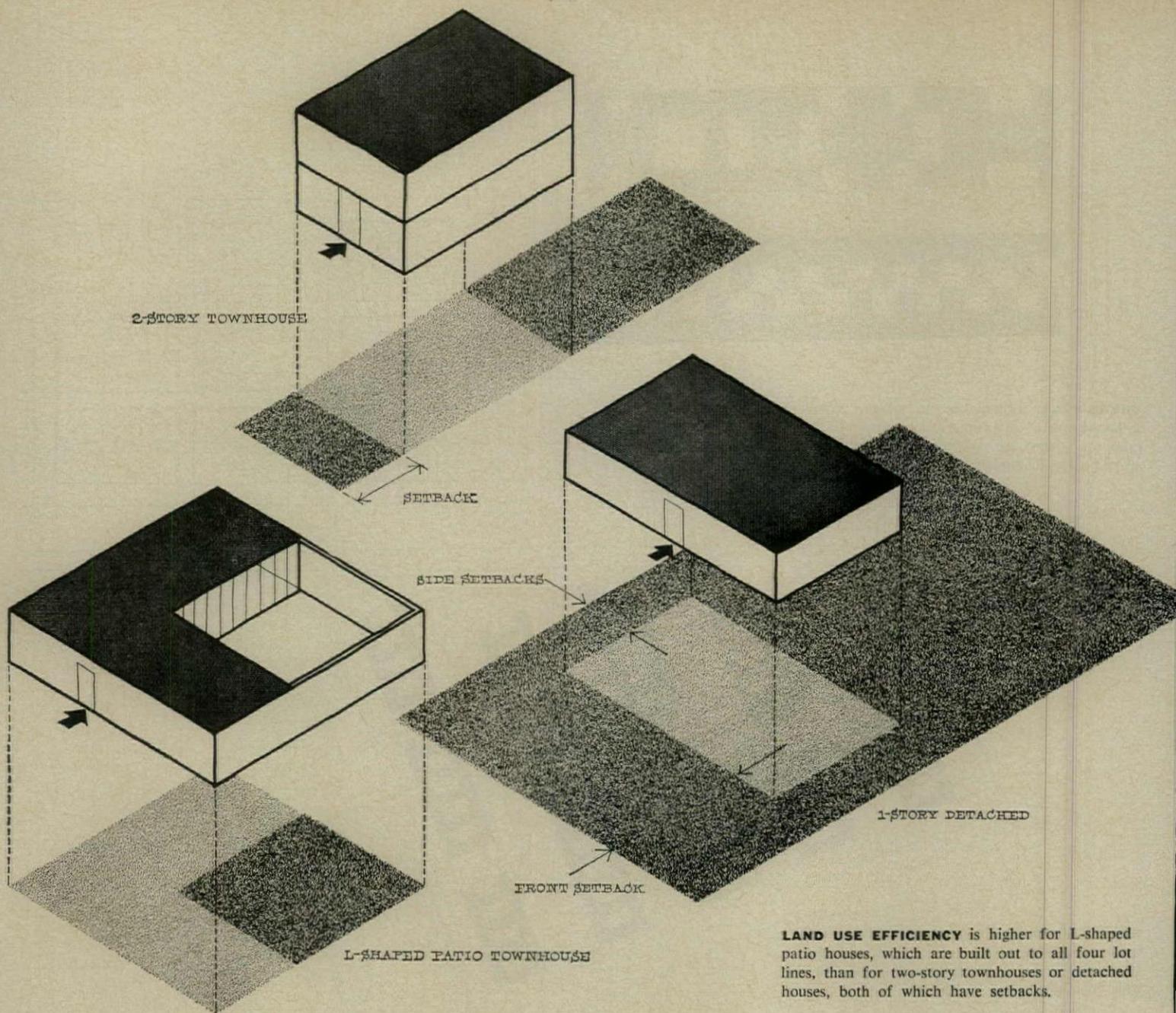
URBAN PLAN, suggested in ULI bulletin, arranges L-shaped patio townhouses in 20-unit blocks (above), which are laid out in grids (right) around a community park.



SUBURBAN PLAN sets the houses back from the street to provide space for carports or garages and small front lawns or enclosed play yards. This 20-acre tract has a 5.25 density.



CLUSTER PLAN takes L-shaped patio townhouses out of their usual straight-line pattern and fits them to rolling land. This is the plan of a development built in Finland.



L-shaped patio townhouses:

They make more of a small lot than most houses make of a big lot

The reason, says Wittausch, is that "patio houses look inward. They compact side and rear yards into a single space. This not only saves land, but also offers maximum privacy and quiet livability."

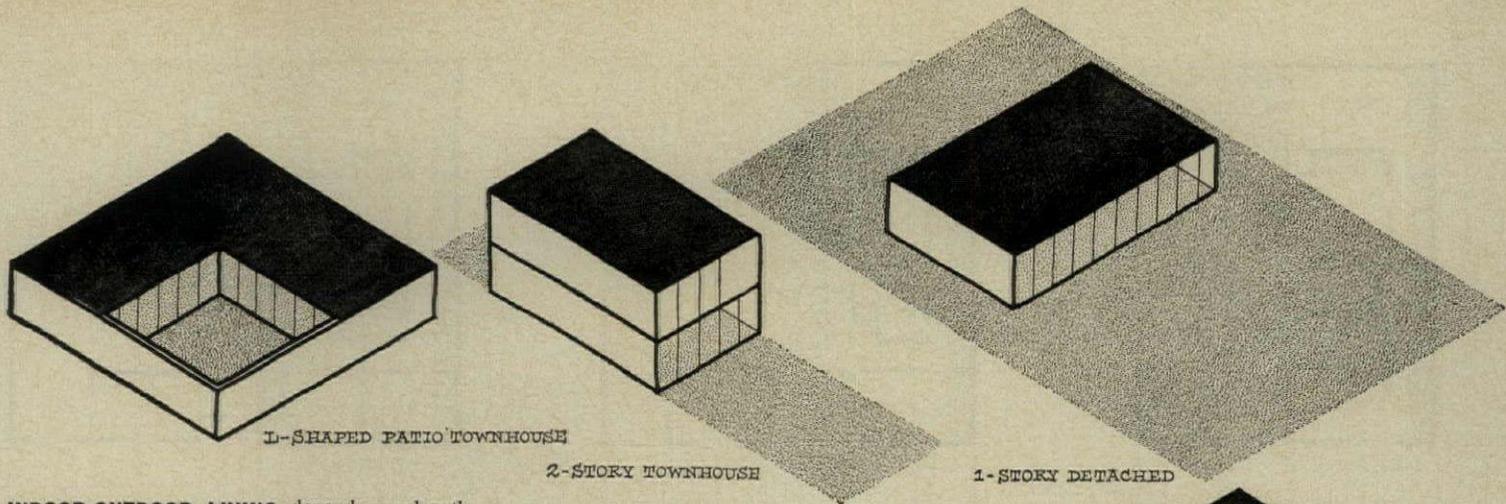
Compare the land-use efficiency of L-shaped patio townhouses, conventional two-story townhouses, and one-story detached houses (drawings, above). The detached house wastes land in front and side setbacks. The two-story townhouse wastes less land because it is built out to the sides of the lot, but some land is wasted in front because conventional townhouses are usually set back from the street. The L-shaped townhouse wastes no land because it is built out to the lot line on all four sides. And although its patio is smaller than the rear yards of the other two houses, it offers much better indoor-outdoor living. The drawings on the opposite page illustrate three reasons why:

1. L-shaped townhouses open more of their indoor areas to outdoor living areas. The three houses shown at the top of the facing page are about the same size—1,500 to 1,600 sq. ft. But the L-shaped townhouse turns 60' of wall to the patio, the detached house 50', and the two-story townhouse only 25'.

2. L-shaped townhouses have visual privacy indoors and out. By contrast, rear yards of detached houses are open to the neighbors (enough fencing to close them off is expensive), and side windows directly face the windows of adjacent homes. Two-story townhouses have no side windows, and smaller rear yards can be fenced more cheaply. But second-floor windows look down on neighboring patios and across to windows of houses next door.

3. L-shaped townhouses have more acoustical privacy. Because patios are enclosed by the houses themselves or by masonry patio walls, much of the sound between patios of adjacent houses is blocked. On the other hand, detached houses, though usually far enough apart to permit fair acoustical privacy indoors, rarely have sound barriers between their outdoor living areas. Two-story townhouses, if their rear yards are enclosed, have almost as much patio-to-patio acoustical privacy as L-shaped townhouses. But patio noise carries up to the second-floor windows and some sound carries from window to window along the second stories.

To see how L-shaped townhouses can be planned to take advantage of indoor-outdoor privacy, turn the page.

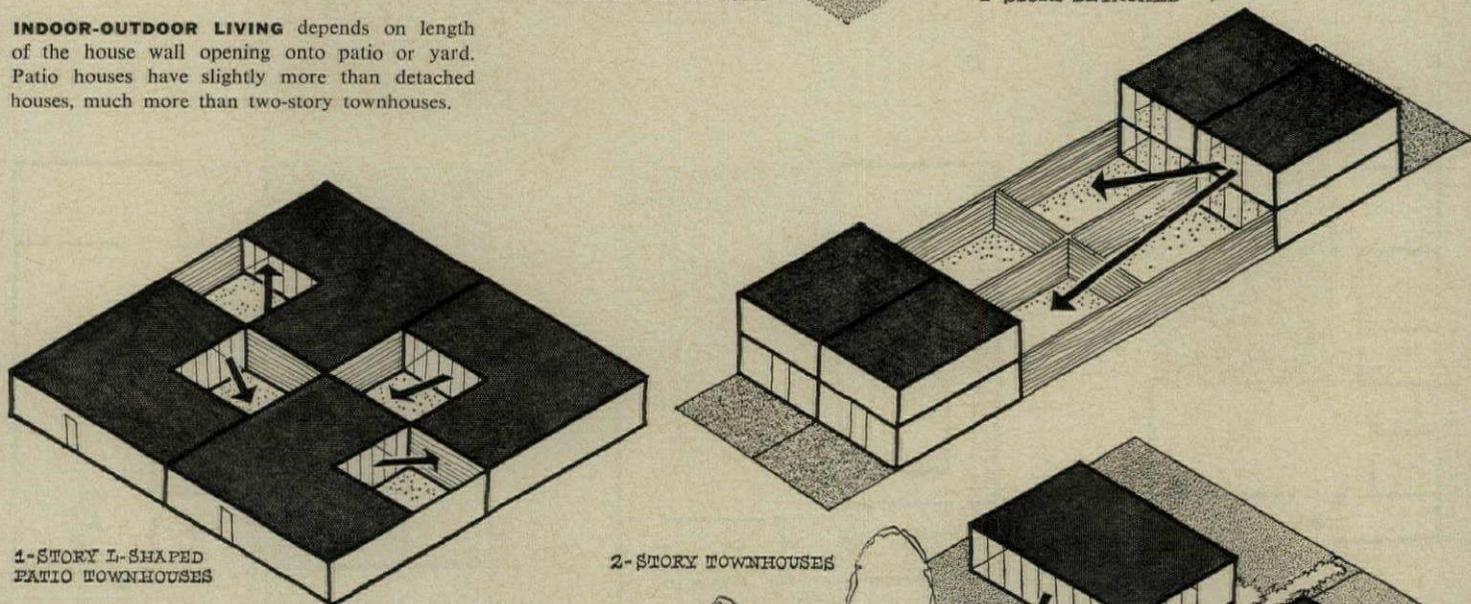


L-SHAPED PATIO TOWNHOUSE

2-STORY TOWNHOUSE

1-STORY DETACHED

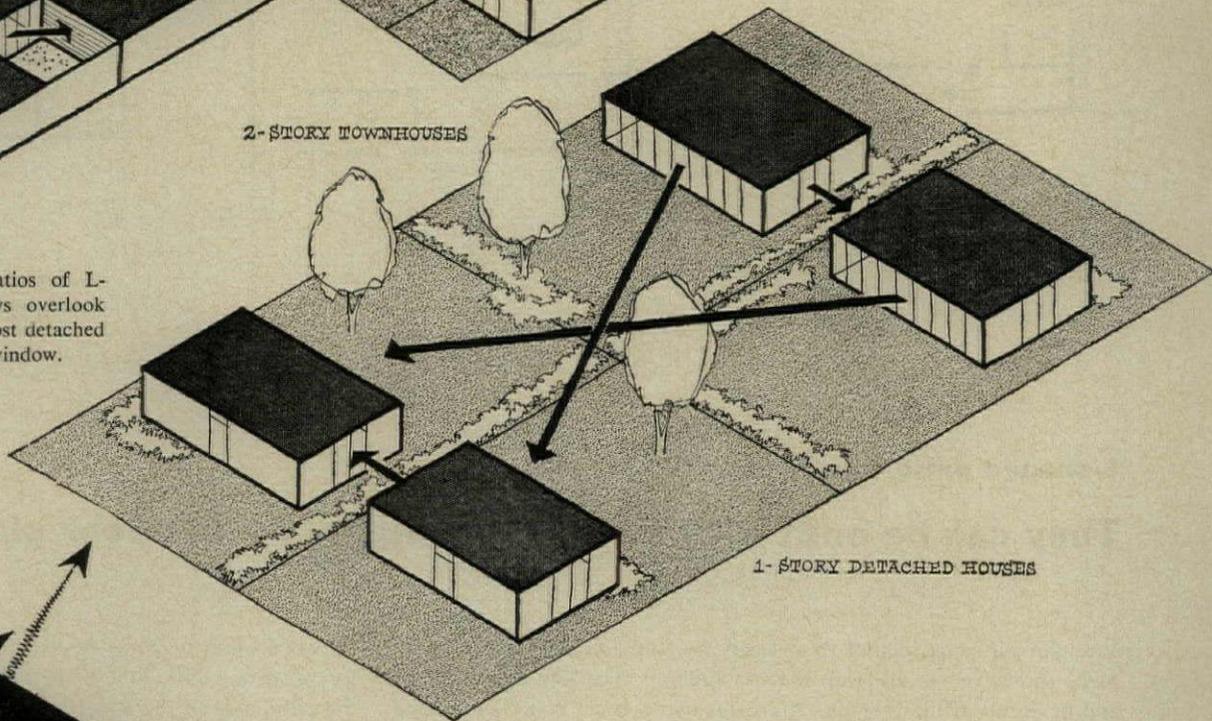
INDOOR-OUTDOOR LIVING depends on length of the house wall opening onto patio or yard. Patio houses have slightly more than detached houses, much more than two-story townhouses.



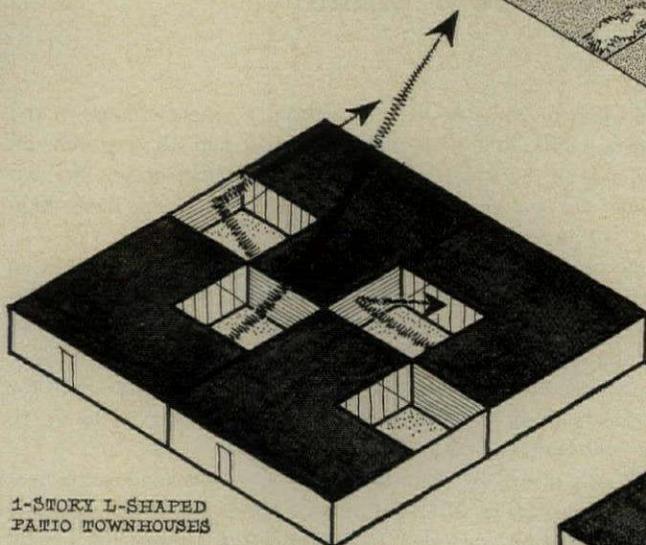
1-STORY L-SHAPED PATIO TOWNHOUSES

2-STORY TOWNHOUSES

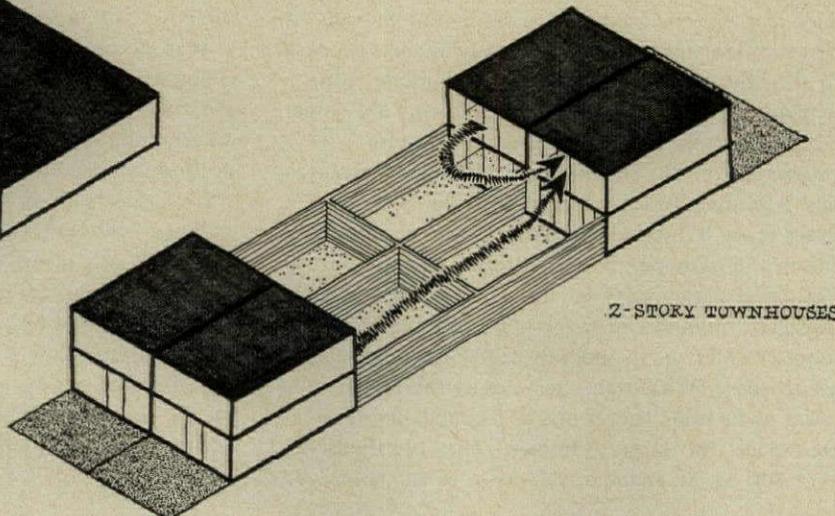
VISUAL PRIVACY is absolute in patios of L-shaped townhouses. Bedroom windows overlook yards of two-story townhouses, and most detached houses might as well be in Macy's window.



1-STORY DETACHED HOUSES

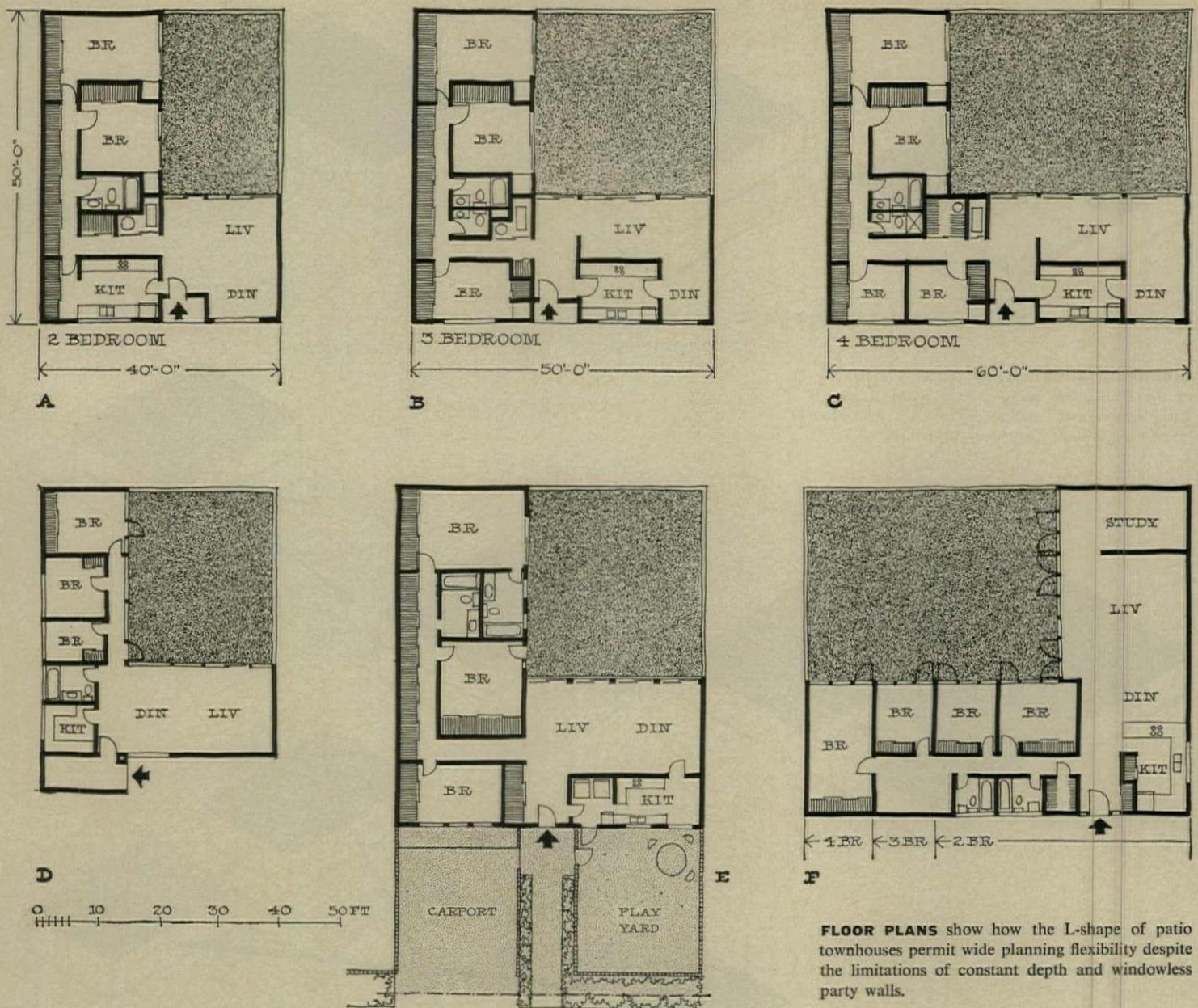


1-STORY L-SHAPED PATIO TOWNHOUSES



2-STORY TOWNHOUSES

ACOUSTICAL PRIVACY is better in L-shaped one-story patio houses than in two-story townhouses. Yard noise in two-story townhouses travels up to the second-floor bedroom windows.



FLOOR PLANS show how the L-shape of patio townhouses permit wide planning flexibility despite the limitations of constant depth and windowless party walls.

L-shaped patio townhouses:

They can be built with a variety of highly livable floor plans

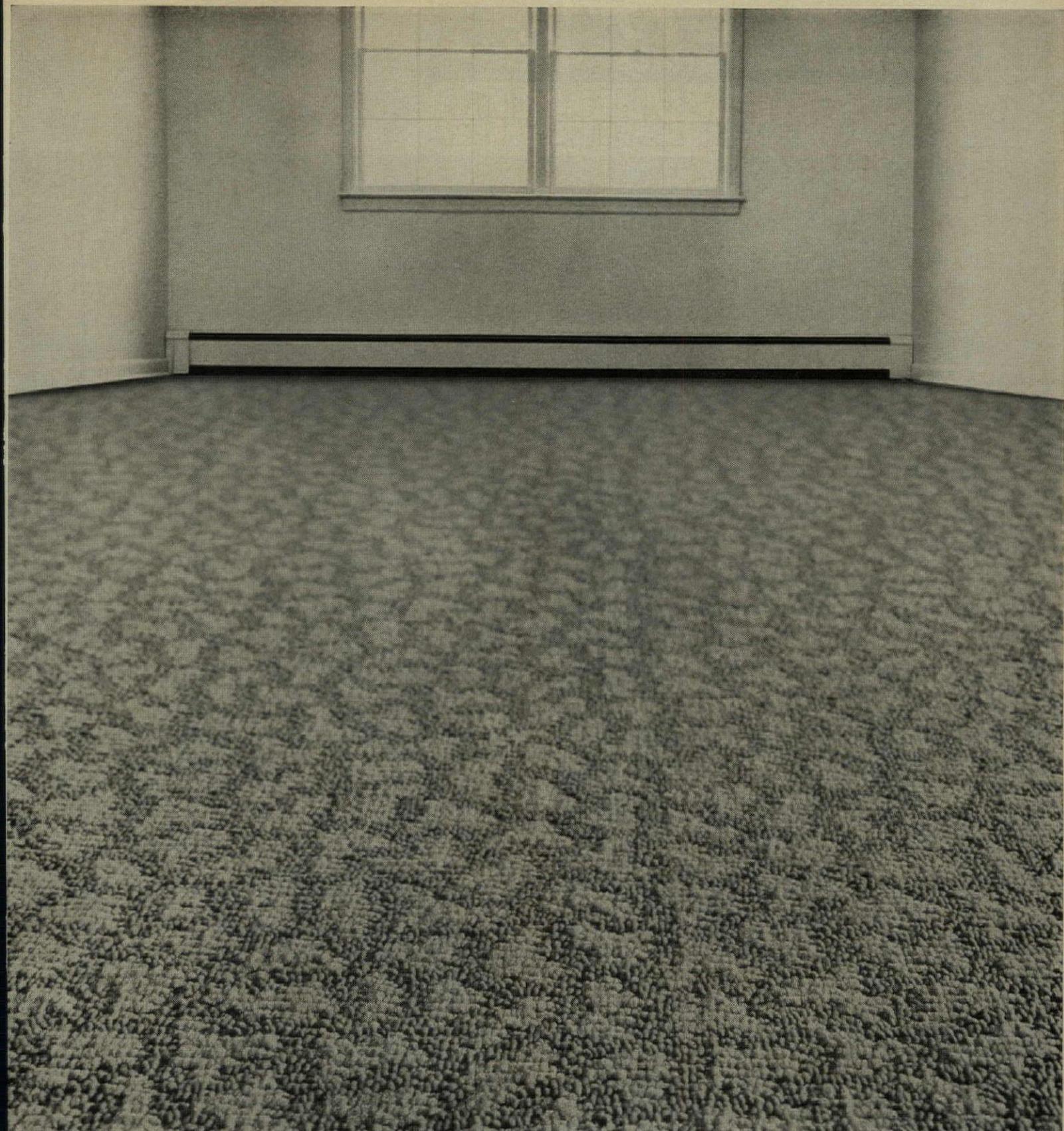
You can get some idea of this variety by studying the six excellent plans shown here—all from the ULI bulletin. The key to livability and flexibility is the L-shape. It creates two distinct zones—one for sleeping and one for active living. It permits a square or nearly square patio which can be enclosed with a minimum of wall. It allows more indoor-outdoor living than a rectangular plan because more rooms can face the patio. And it allows variations along a block simply by planning lots of varying widths facing the street while the depth of all the lots in a block remains constant.

Four of the plans above—A, B, and C by William Wittausch and F by Illinois Architect Brooks Buderus—show how easy it is to add or subtract space by planning lots of various widths along the street. Wittausch's designs put a two-bedroom plan (1,400 sq. ft. indoors, 600 sq. ft. of patio) on a 40' lot. This expands to three bedrooms (1,600 sq. ft. indoors, 900 sq. ft. of patio) on a 50' lot, or to four bedrooms (1,800 sq. ft. indoors, 1,200 sq. ft. of patio) on a 60' lot. In each case, Wittausch runs closets the length of a 50' party wall. And as he adds bedrooms, he expands living areas to provide more space for larger families. The four-bedroom Buderus plan F (1,800 sq. ft. indoors, 1,200 sq. ft. of patio) can

be cut to two or three bedrooms without a single change in the living wing. Unlike the other plans shown, it puts all bedrooms on the patio side of the street wing—away from street noise. The two bathrooms are on the street wall where they can have high windows for privacy.

Plan D, by Swiss Architect Armine Antes, is a corner house, so it has windows on two adjacent sides. This lets bedrooms lie along the outer wall where their occupants will not be disturbed by entertaining in the patio. The small storage area by the front door accommodates bicycles and motor bikes (still widely used for transportation by urban Europeans). The house has 1,000 sq. ft. indoors, 500 sq. ft. of patio.

Plan E was drawn by Wittausch for the suburban development shown on page 115. Its 25' front setback leaves room for a carport and storage area on one side. On the other side, instead of a goldfish-bowl front lawn, is a fenced-in play yard—off the kitchen so that children can be supervised and separated from the inner patio so the noise will not disturb people there. The house has 1,800 sq. ft. of indoor living area, 900 sq. ft. of patio, and 440 sq. ft. of play yard.



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Recognize him?

He's the one on the floor.

He's the carpeting of Caprolan® nylon that makes a house seem *finished*, ready to move into. Makes it easier for you to sell.

Hire him. Put him to work selling *your* houses. He's not expensive.

Instead of investing in finished flooring (which will be covered with carpet anyway), have 100% Caprolan nylon pile carpeting installed over plywood subflooring.

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So to build houses that sell faster, include the wall-to-wall salesman, Caprolan nylon carpeting. He gives the hard-sell no woman can resist. With the soft touch that makes her want to move in—soon.

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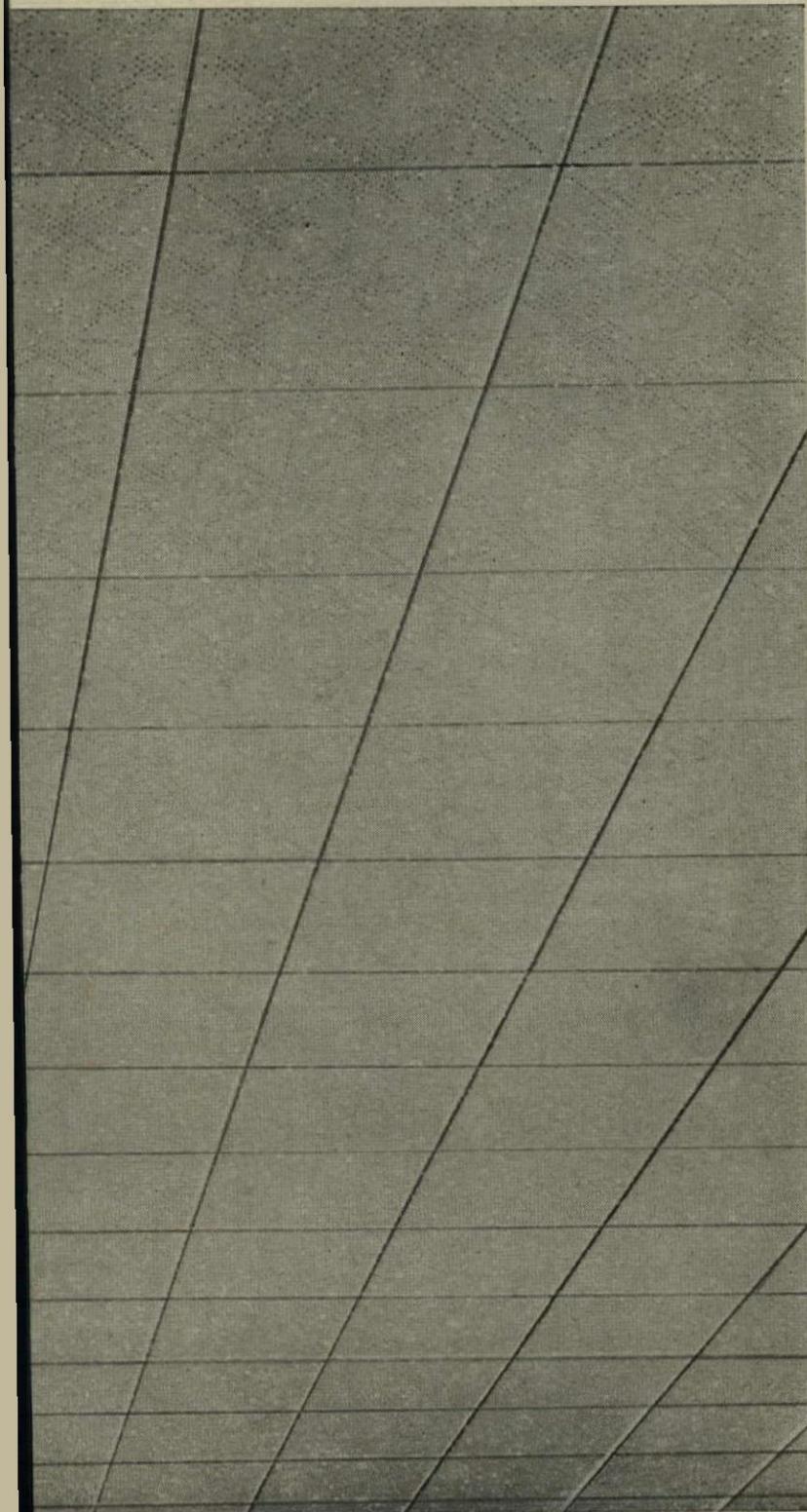
Add beauty to any room with Barrett's new Snowflake decorative acoustical tile that costs no more than plain acoustical tile.

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OFFER BUYERS THE PROFITABLE PLUS OF SOUND CONDITIONING! Your salesmen can turn the growing interest in the benefits of sound conditioning into profit by showing prospects homes finished with Barrett ceiling tile.

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sound conditioning in a bedroom, den or rumpus room. Easy to install, Barrett ceiling tile can be stapled or nailed directly to furring strips, or bonded to gypsum lath. With Barrett tile you eliminate the expense of ceiling board, taping and painting. Barrett's fast, on-time delivery ends costly on-job delays. Because of its extra strength, it requires no "kid glove" handling.



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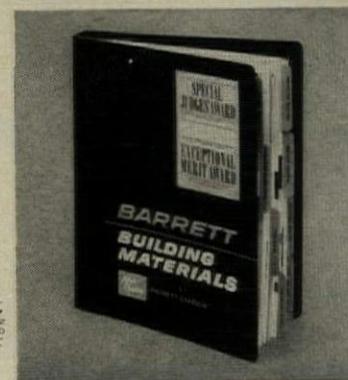
A SHEATHING-SIDING COMBINATION THAT INSULATES AND GOES UP FAST! Save \$40 to \$80 a house with Barrett nail-base Rigidwall sheathing, a product so dense you can apply shingles directly to it, so strong it needs no corner bracing. Maintenance-free Barrett asbestos-cement siding comes in the widest range of colors, colors sealed in plastic to prevent fading. Available in more locations than from any other manufacturer.



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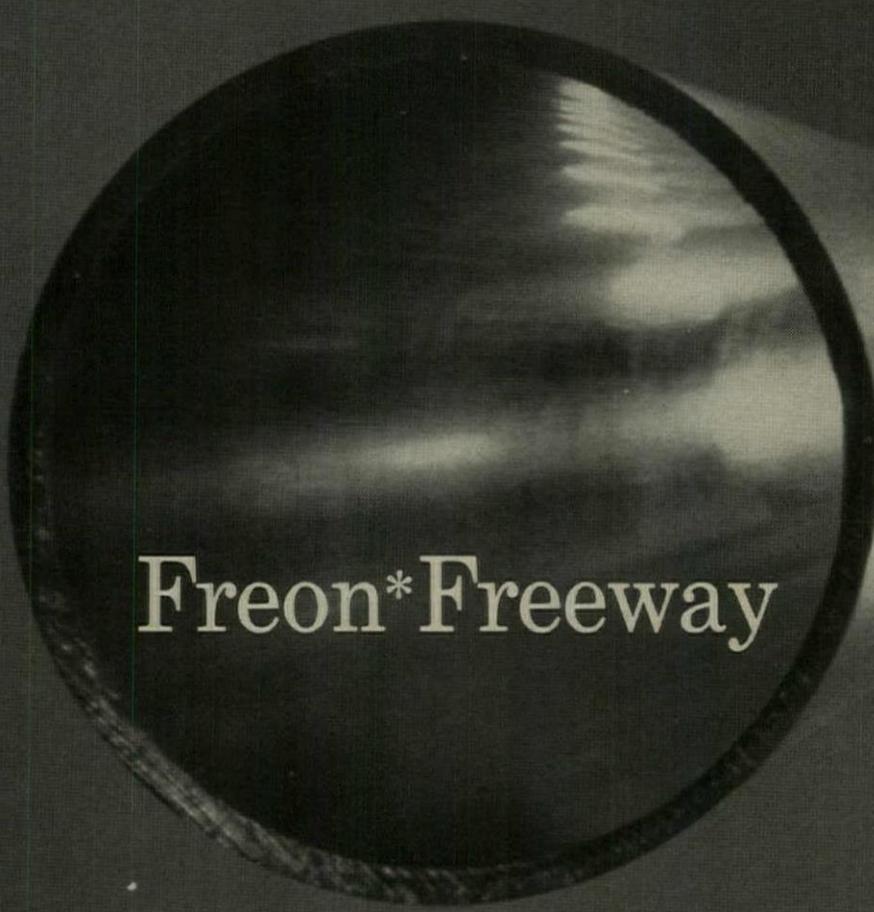
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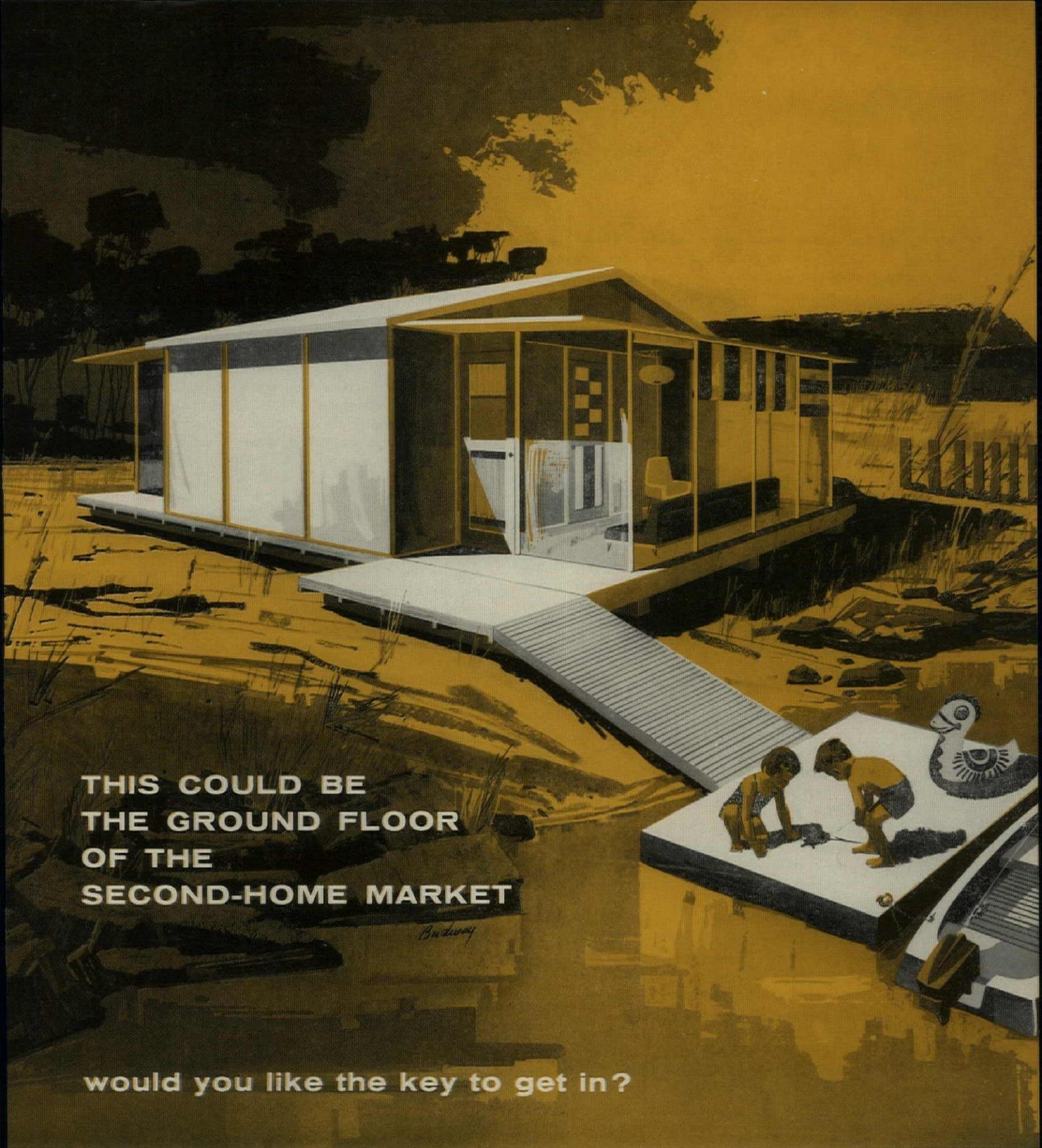
Freon* Freeway

The shortest, most direct route to making home air conditioning as common as the kitchen refrigerator—and just as affordable. More than just a copper tube, this metered refrigerant line is an integral part of the new Lennox RFC™ System. Cuts installation costs to a minimum . . . eliminates the causes of many operational troubles to assure years of trouble-free cooling. Unique, compact design gives a flexibility of installation that makes Lennox year 'round comfort practical in any size home or apartment. Find out how you can now afford to add this extra sales feature in your homes. Write LENNOX, 18 S. 12th Avenue, Marshalltown, Iowa.

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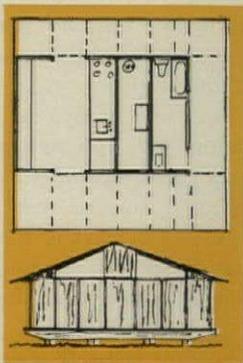
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THE GROUND FLOOR
OF THE
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Budway

would you like the key to get in?

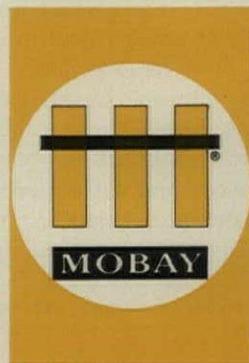


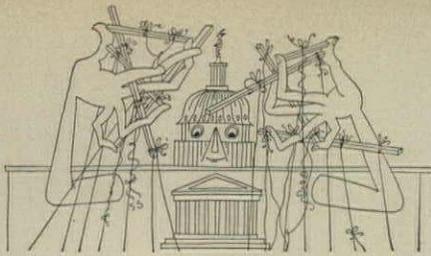
The plan for this urethane foam structure is amplified in Mobay's brochure.

A self-supporting, load-bearing, insulating material called rigid urethane foam is part of the reason this compact convertible can be built quicker, easier, cheaper and better. The rest of the reason is the way urethane foam brings out the best in other materials so that smaller amounts can do more work for less money. For a look at some brand new tricks of the building trade, write for Mobay's brochure—"RIGID URETHANE FOAM, a new concept of structural design."

MOBAY CHEMICAL COMPANY
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Pittsburgh 5, Pa.





continued from p. 101

costs, when this was actually the lot price (NEWS, May).

Many ground rules of the procedural game before FTC are laid down in the famous case in which FTC charged the Cement Institute and 81 member and nonmember cement companies with the "unfair method of competition" of fixing cement prices by a basing point method of computing delivered prices for individual areas.* When the U.S. Supreme Court finally decided the case in 1948, 11 years after the original complaint, it laid to rest these points:

- FTC may move against a company at the same time as the Justice Dept. During FTC proceedings against the Cement Institute for unfair trade practices, the Justice Dept. charged the Institute with violating the Sherman Anti-Trust Act for the same conduct. Said the court: FTC does have jurisdiction "even though the selfsame conduct may also violate the Sherman Act. [Congress intended] not to confine each of these proceedings within narrow, mutually exclusive limits but rather to permit the simultaneous use of both types of proceedings."
- Companies doing business only in one state are not immune from persecution. Two companies argued they did not engage in interstate commerce. But the court said the companies "agreed to maintain a delivered price system in order to eliminate price competition in the sale of cement in interstate commerce . . . The important factor is that the concerted action of all the parties to the combination is essential in order to make wholly effective the restraint of commerce."

Policing business practices is only part of FTC's job: Congress has also told it to enforce two other major business laws of more recent vintage: the Robinson-Patman Act of 1936 (which amends Sec. 2 of the Clayton Act) and the Cellar-Kefauver 1950 amendment of Sec. 7 of the Clayton Act, which FTC enforces in concert with the Justice Dept. (see p. 100).

The Robinson-Patman Act is viewed by a small group of lawyers who specialize in cases under this one section of law alone as a "price-fixing statute in the clothes of anti-monopoly," a law "born with a legal split personality and without a clear political or economic purpose."

One, Frederick Rowe of Washington, traces the bill to a push against chain stores by Depression-pinchd independent grocers and druggists. To avert the constitutional pitfall of legislation to aid a special group, it was grafted onto the Clayton Act of two decades earlier, which in essence prohibited predatory price cutting.

Specifically, the law bans price discrimination between different purchasers of commodities of like grade and quality, quantity discounts available only to a select few buyers, payment of certain brokerages or commissions to buyers except for services rendered, tying or exclusive-dealing contracts, and promotional or advertising discounts. Violators are subject to cease-and-desist orders with quasi-criminal sanctions plus fines up \$5,000 for each day the violation persists. In exceptional cases, criminal charges may also be preferred by the Justice Dept.

Many FTC orders under Robinson-Patman have been aimed at materials producers. And the actions directly affect the price of finished products to builders. In a precedent-setting case in 1952, the U.S. Supreme Court upheld an FTC cease-and-desist order against Ruberoid Co.** even though Ruberoid complained the order was too broad and barred differentials not even found by FTC to exist, and did not provide for price differentials to home manufacturers, wholesalers, retailers, or roofing contractors or applicators, and did not let the company meet price competition.

*This lumped production and delivery costs and set single per sack or barrel prices for entire metropolitan areas for delivered cement.

**FTC v. Ruberoid and Ruberoid v. FTC, 343 U.S. 470.

The Supreme Court defended a broad order: The commission cannot be required to confine its roadblock to the narrow land the transgressor has traveled," said the court. As to discounts for different classes of purchasers, the court upheld FTC's action in disregarding "these ambiguous labels" (some wholesalers doubled as applicators and contractors) on the ground that they "might be used to cloak discriminatory discounts to favored customers." FTC had forbidden discounts to "purchasers who in fact compete," whatever their title. Under this definition, the court held that home manufacturers could buy shingles and siding at discounts because they did not compete with wholesalers. As for Ruberoid's contention that the FTC order would not let it cut prices to meet competition, the court noted that the law gives any company this right.

Is Robinson-Patman outmoded? Quite likely, says Rowe. "Is it not high time for reappraisal . . . of protectionist policies conceived to protect merchants in the economic distress of another era, which are at odds with the philosophy of competition to which we all subscribe?" On the other hand, Sen. Russell Long (D, La.) is promoting a bill to expand Robinson-Patman's scope by bringing dual distribution systems under its cloak. If it becomes law, a manufacturer would be unable to take only one profit on a combined manufacturing-distribution set-up.

Securities & Exchange Commission: market watchdog

Unlike the other agencies, SEC does not control all business in its sphere. A company must voluntarily place itself under SEC jurisdiction by starting to sell stock to the public in more than one state. But once a company does so, how it makes out its financial reports and files them, how it pays its officers, how it elects its directors is open to public and SEC inspection.

SEC does not approve or disapprove a stock offering. It can and does insist that companies selling stock to the public make full disclosure of its financial standing and business operation through a prospectus. When a prospectus fails to do this, SEC can prevent the stock sale by suspending stock registration as SEC recently did with Realsite Inc. of Lauderdale Lakes, Fla. (NEWS, Apr.).

Housing's rush to the stock market beginning in 1959 has broadened the agency's influence on housing. Last year, SEC started to crack down on realty syndicators who had gone public by ordering companies to file quarterly S-7 reports showing whether their cash payouts to stockholders came from earnings, depreciation, or sale of buildings. Even this did not prevent a spectacular crash of syndications some months later (NEWS, Feb.).

Now SEC is just winding up the first full-dress review of stock-market operations in 25 years and is pressing Congress to impose new rules on syndication owners and officers, land developers, and companies whose stock is not listed on a major exchange.

Viewed as a whole, the work of the regulatory agencies is striking for its lack of co-ordination—the natural result of piecemeal legislation. Each goes about its business in its own way and at its own pace. The chaotic result is a little like the city snarl that would result if police tried to harness auto traffic with traffic lights controlled by individual cops an each intersection.

This situation seems likely to continue. Plans to give the regulatory agencies more executive supervision have run into political squalls. In 1960, when James M. Landis urged incoming President Kennedy to set up a White House office to oversee them, many Congressmen denounced the idea as putting a "czar in the White House" with "direct chain of political command" over independent agencies. So far, the President has not even broached the plan to Congress.

—GURNEY BRECKENFELD AND KENNETH D. CAMPBELL

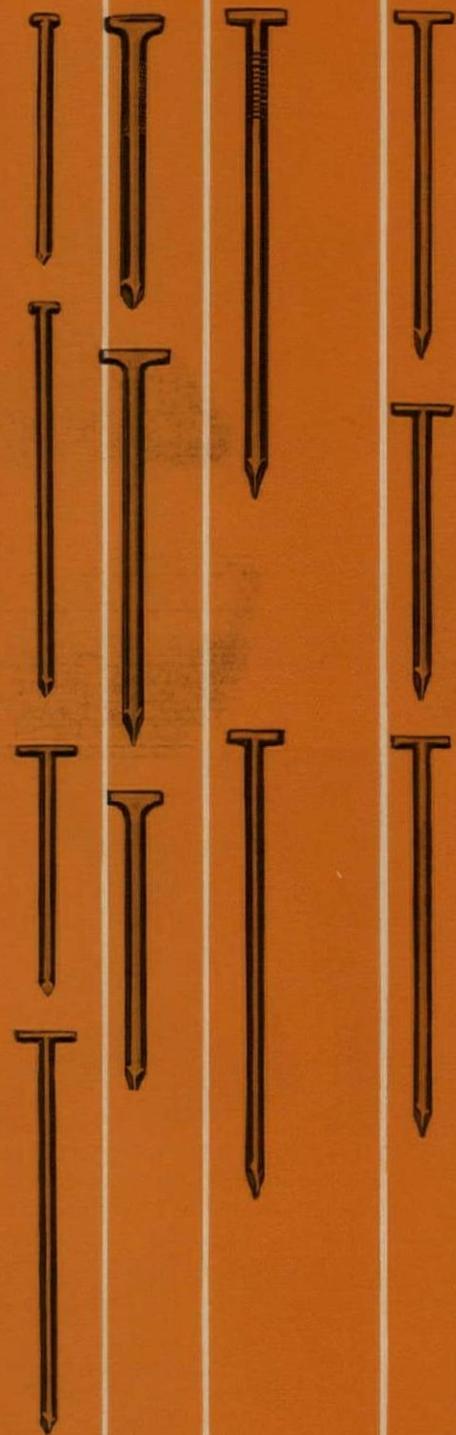
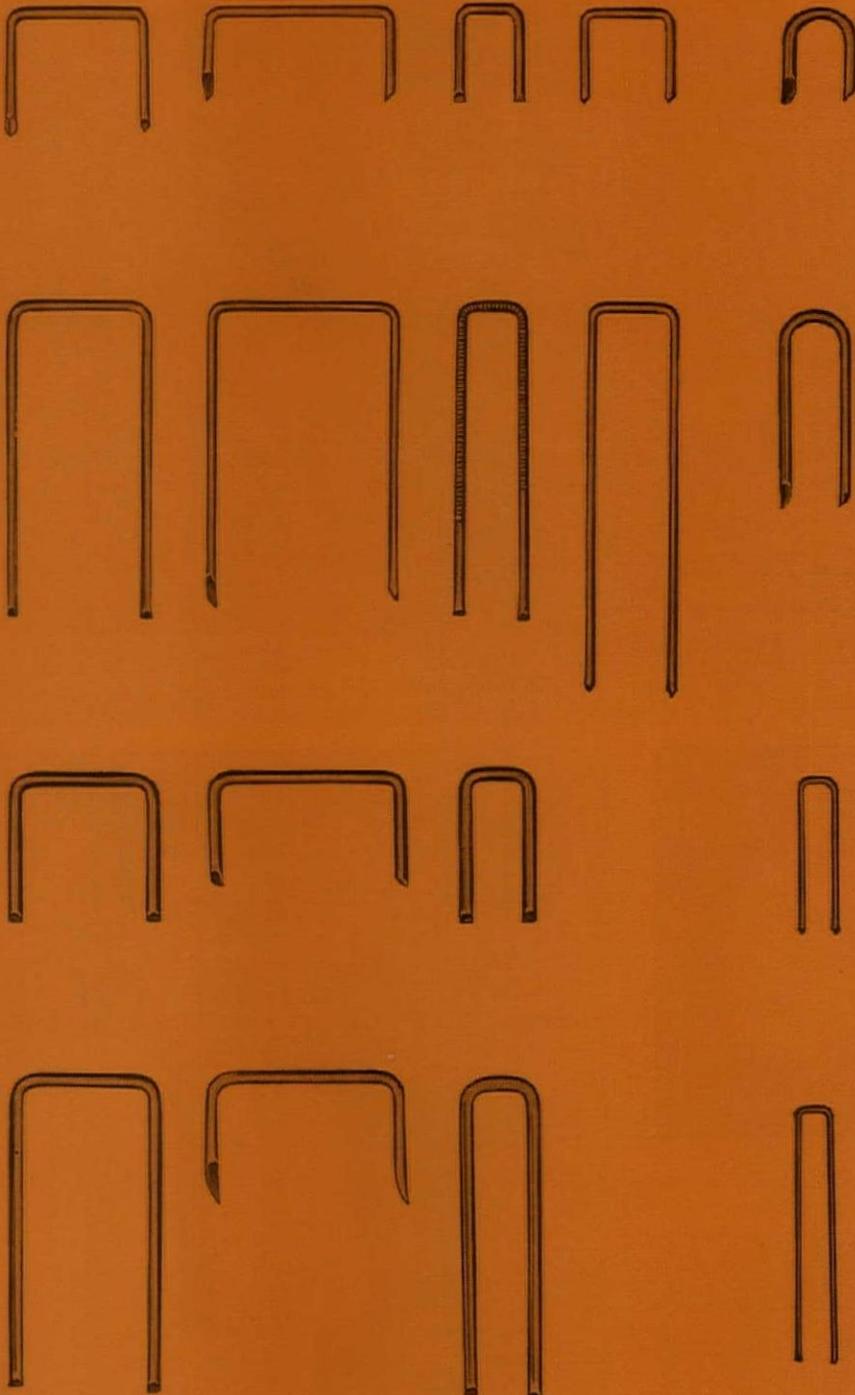


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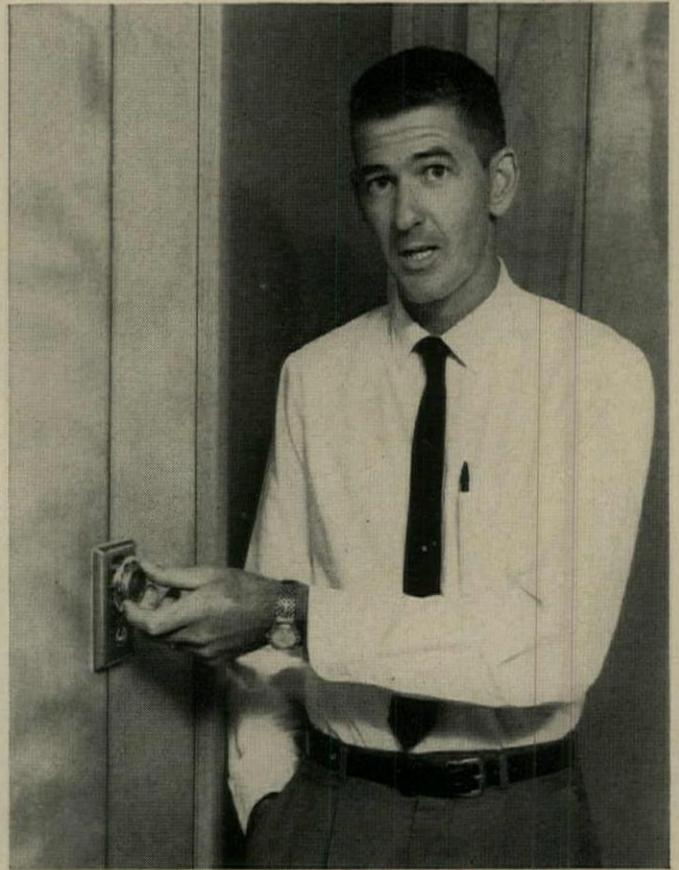
527 BRIGGS DRIVE, EAST GREENWICH, RHODE ISLAND



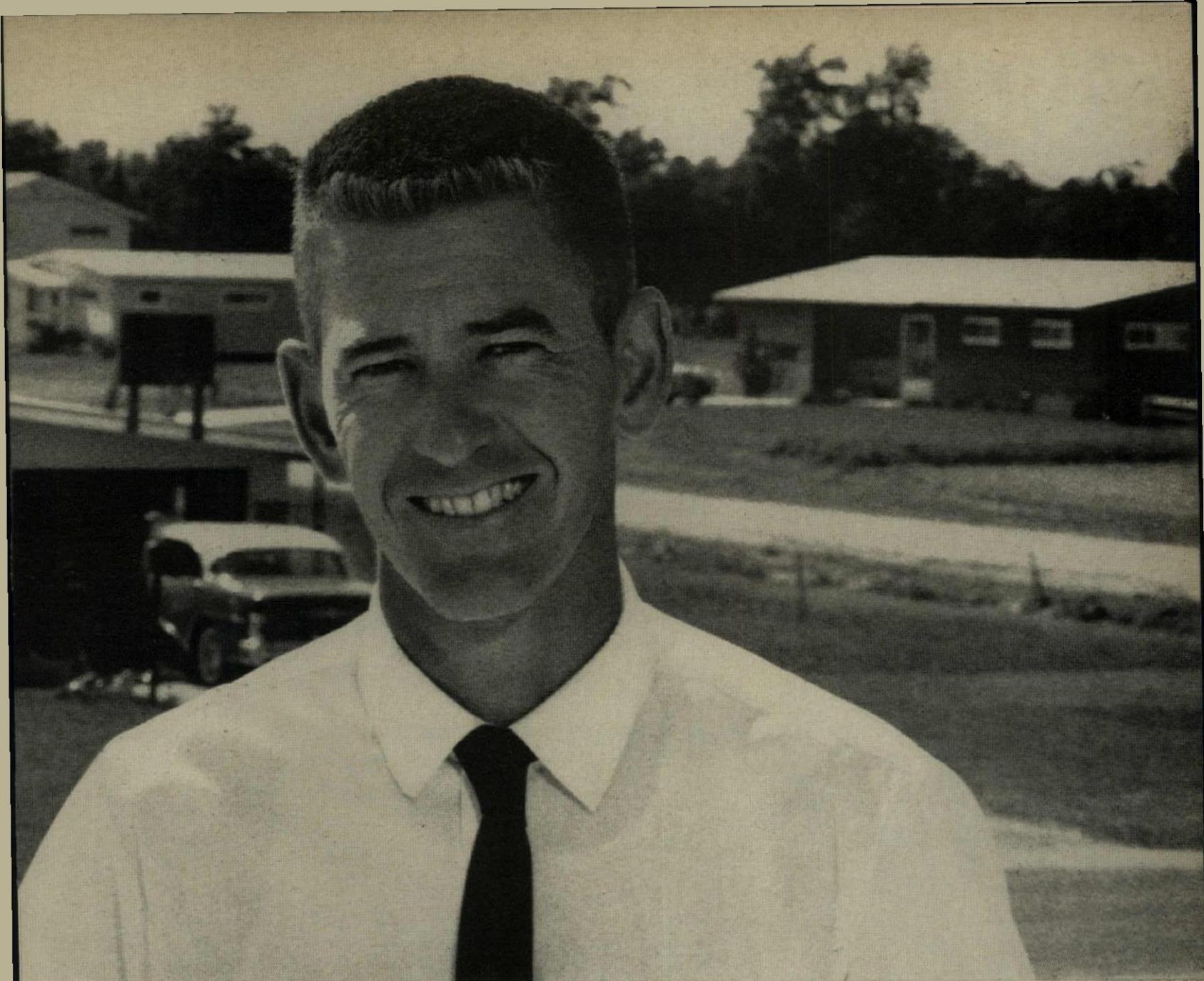
"LOCAL ELECTRIC UTILITY CO-OPERATION has been a big help closing sales," says Bill Rowland to Kansas Power and Light representatives Dale Whittaker (right) and Bill Brown (center).



COMPACT ELECTRIC BASEBOARD UNITS were chosen by Bill Rowland for his new homes to help him cut construction costs. Because they are quick and easy to install, they save on time and labor.



"INDIVIDUAL ROOM TEMPERATURE CONTROL is certainly a popular sales feature with prospects," Bill Rowland comments. "Electric home heating really gives you positive benefits to sell."



"SALES HAVE REALLY GONE UP since I started using flameless electric home heating in my houses eighteen months ago," reports builder Bill Rowland. "And I'm discovering that more and more prospects are looking for the Gold Medallion when they go house-hunting."

"NOTHING ADDS AS MUCH SALES APPEAL TO MY HOUSES AS FLAMELESS ELECTRIC HOME HEATING"

Hutchinson, Kansas, builder Bill Rowland tells why he has switched to flameless electric home heating in his \$11,950 to \$26,000 houses

"I'm really sold on electric home heating," reports Bill Rowland. "It helps me build my homes faster, and because prospects are attracted to them, it helps me sell them faster. I sure don't know anything better I could say about it than that."

Another thing this builder likes about electric heating is the low number of complaints and call-backs after installation. "Used to be, if I built 25 homes, come winter I'd have to go out and light 25 furnaces and make sure they were working right. Something like that can run into a lot of time. Fortunately, electric heating is almost fool-proof to install and operate."

"Here in Kansas, it's pretty clear that electric home heating is gaining momentum all the time. And when something like that comes along that means more profit, I certainly want to be in on it."

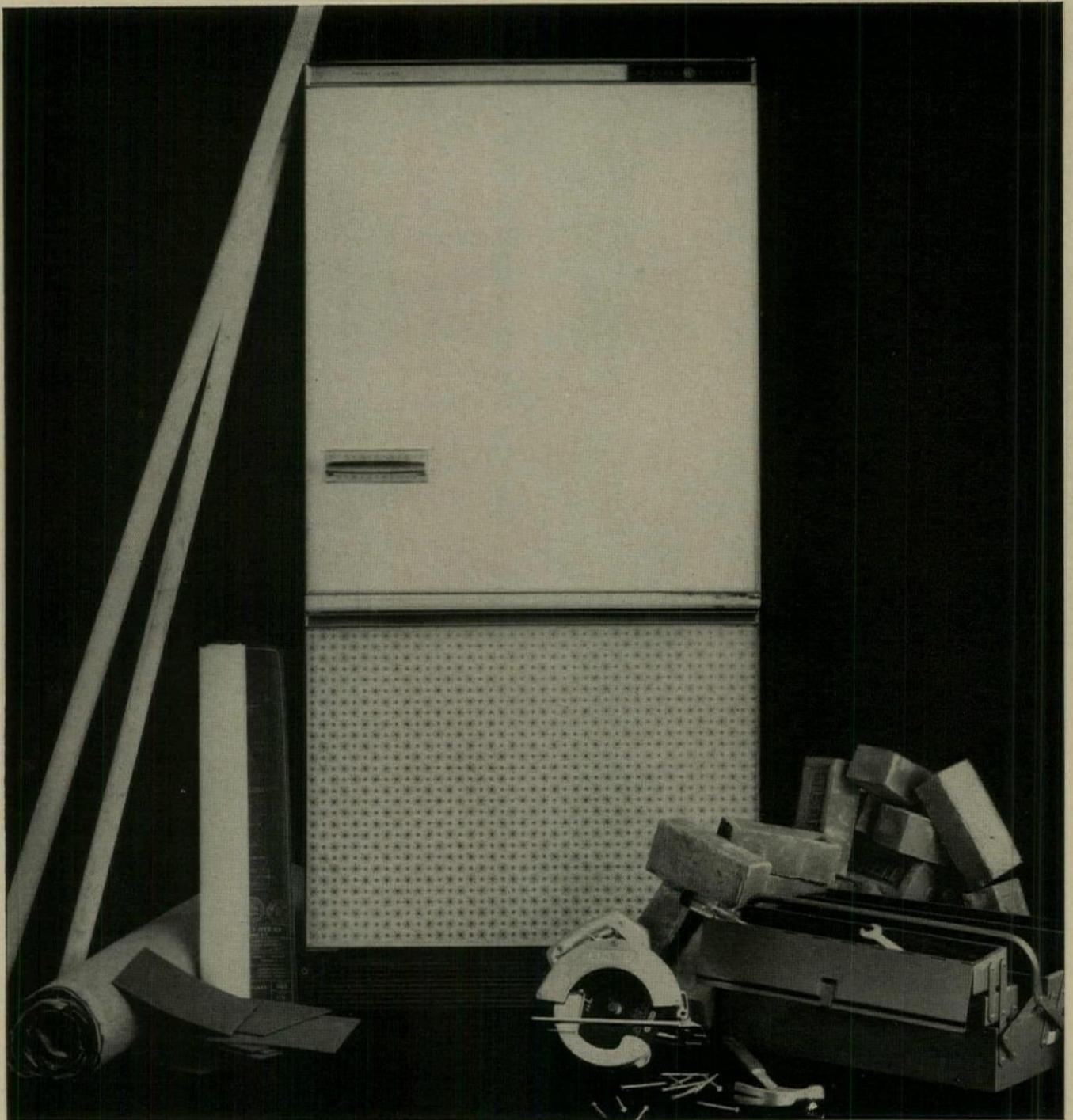
Like Bill Rowland, builders all across America are discovering how well it pays to build and promote electric heating in their homes. Already, more than a million homes are equipped with electric heat, and this year it is estimated that one out of five new homes will have it.

Why not find out how you can profit more by using one of the several systems of flameless electric heating in your homes? First chance you get, talk it over with your local electric utility company representative.

THE TOTAL ELECTRIC HOME that displays this Gold Medallion helps you to capitalize on the fast-growing customer preference for total electric living. And because a Gold Medallion Home uses a *single source of energy* for heating and cooling, light and power, you will profit more.



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Any idea how little it will cost to put a refrigerator in your homes?

(And do you realize how much General Electric can be worth to you?)

Forget it, you say. Nobody puts refrigerators in his homes. You're not going to be any different.

But why not be different? Especially when you can put in a top-quality, top-name General Electric refrigerator that will work overtime for you.

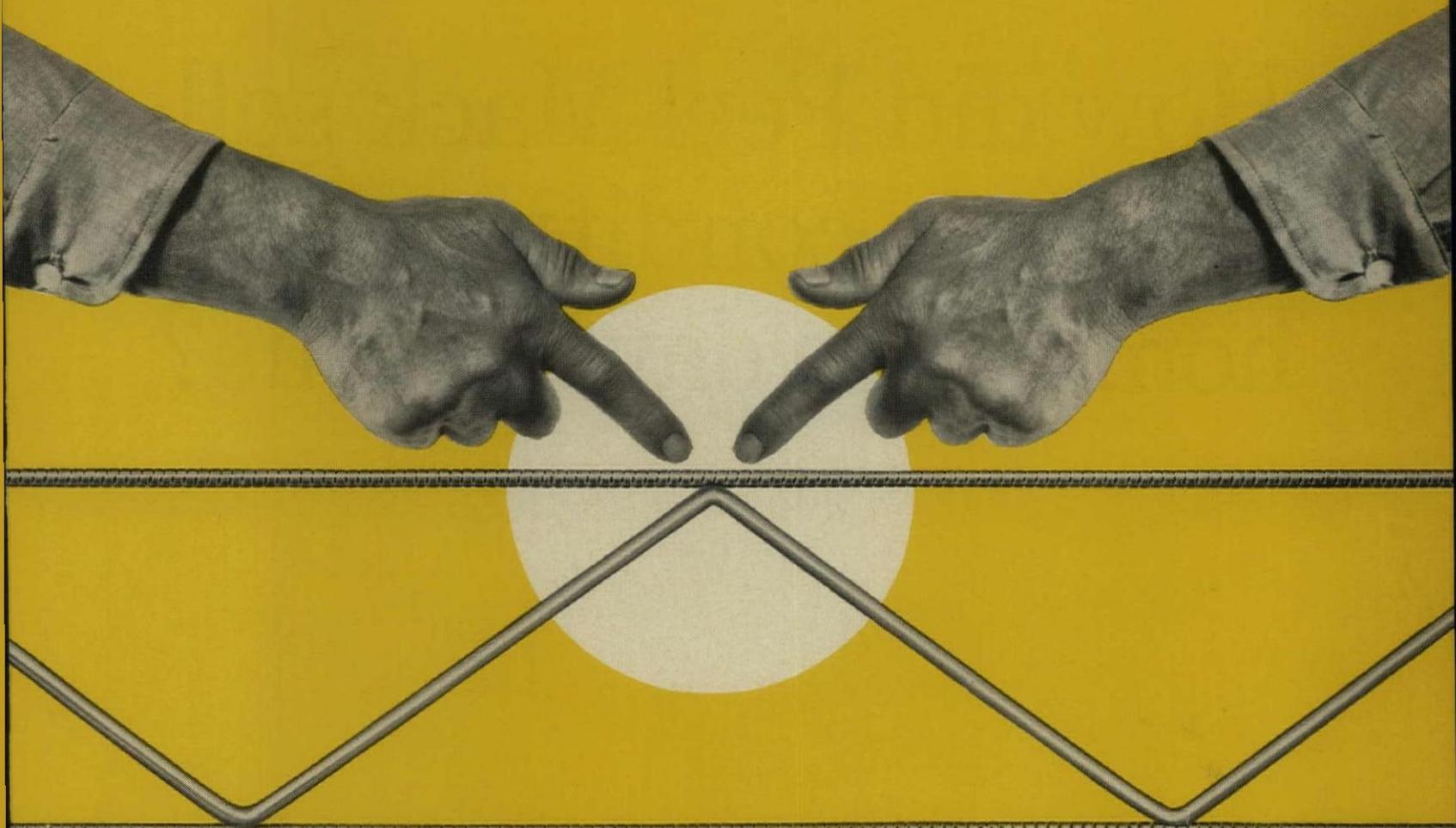
Most prospective homeowners can include the cost right in their mortgages. So they get the benefit of having a quality-built G-E refrigerator (instead of empty floor space), and, more important, they get the feeling that this must be a pretty darned

good home they're considering if it actually includes a dependable General Electric refrigerator.

We're talking the look and sense of quality. Isn't that what you're selling?

So get in touch with your General Electric distributor. Get the facts and prices. And you'll see how much the G-E refrigerator can be worth to you, every time a woman walks through the kitchen—which is really *where every woman shops for a home*.

GENERAL  ELECTRIC



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*the masonry wall reinforcement
with the trussed design*

Don't be misled by the common habit of calling all metal-rod reinforcement "durowal". Look for this trussed design. It distinguishes the real Dur-o-wal, insures maximum flexural strength, with all steel members effectively in tension and working together.

Impartial tests of 8" concrete block walls proved that truss-designed Dur-o-wal exceeds accepted standards—increases the horizontal flexural strength from 60 to 135 per cent, depending on the weight and spacing of Dur-o-wal used, and type of mortar.

An independent new research study shows that Dur-o-wal tied walls outfunction brick-header tied walls. Write to any Dur-o-wal address below for 44-page test report.

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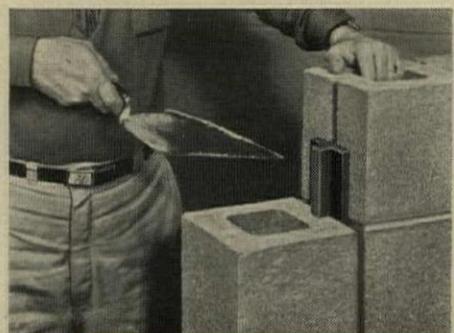
The Original Masonry Wall Reinforcement with the Truss Design

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STRENGTH WITH FLEXIBILITY—this basic masonry wall requirement is met for sure (and economically!) when Dur-o-wal, above, is used with the ready-made, self-flexing Rapid Control Joint, below.



How did Perl-Mack sell 58 air-conditioned homes on a day like this?



"We did it because central air conditioning helps sell homes in any kind of weather," answers Sam Primack, Perl-Mack Homes, Inc. This successful Denver, Colorado, company had a snowstorm the day they unveiled 10 model homes in their "Northglenn" development — but they went right ahead with their opening anyway. A Sunday newspaper ad drew 8,000 people to the site, and 58 air-conditioned homes were sold on the spot. During the five-month period following the opening, over 600 net home sales were made.

Point is: You, too, can boost sales by including central air conditioning as a standard feature in your homes. Besides Perl-Mack Homes, many other builders have done just this through promotions such as the "Crowning Touch." For complete facts on central air conditioning, **send the coupon for our free booklet.** Address to: Du Pont, FREON® Products Division, N-2420, HH7, Wilmington 98, Delaware.



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... through Chemistry

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Title _____

Company _____

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Du Pont makes FREON® refrigerants, not air-conditioning equipment.

Movers and makers of American real estate

THE LAND LORDS. By Eugene Rachlis and John E. Marqusee. Random House. 295 pp. \$5.95.

This biography of a dozen American real estate barons is notable chiefly for its new look at Bill Levitt and the mercurial William Zeckendorf, described by a competitor as "the greatest real estate brain that ever hit the country."

The Levitt portrait is done with a sympathetic brush, the Zeckendorf story with a rapier.

Author Marqusee is vice president and chief executive of United Improvement (a land developer and builder) and chairman of the mortgage finance committee



CO-AUTHOR MARQUESEE
Land leads to riches or bankruptcy

of the National Association of Home Builders. Rachlis is a magazine writer of wide experience and a co-author of *Peter Stuyvesant and His New York*.

Moody, modern-day sociologists have some stylishly unkind judgments of Levitt. But, the authors note, his success will surely stand for generations of builders as a testament to the vision of a man who adapted mass production to housing and got many a World War II veteran into a home of his own.

The authors add little fresh material to the Levitt chronicle, but they set the story down in one place along with the Levitt rationale. Listen to him: "Everything that's wrong with housing—high prices, slow production, labor troubles, archaic building codes—can be licked by size." Then watch him prove it in this jolly chapter that marches him from Levittown I through Levittown III and on into a giddy new world of apartment cities in France. There are, however, few answers to the questions of today's curious. For example: How much did Bill and brother Al actually take out in millions?

No less a personality than Zeckendorf himself now admits

that his \$400-million empire is in its worst trouble ever. His Webb & Knapp lost \$19.6 million in 1962, its long-term debt is a startling 83% of assets, and a softening real estate market has balked his plan to sell buildings to raise cash. "I think the odds are about 50-50 whether we'll make it," is his own best estimate.

A surprise? Not to the authors. They suggest that the danger flags were up in 1956. "In announcing the demise of the Palace of Progress and the birth of Atomic City (in New York), Zeckendorf seemed to be aware for the first time in his career that he had to overcome a certain amount of skepticism," they observe, then quote his defense: "We're dead serious in anything we propose."

By 1957, *Business Week* was implying that Zeckendorf's heroically complex schemes were generated primarily for publicity. A variation of Gresham's Law, say Rachlis and Marqusee, now resulted in incompleting projects driving out those completed. It was to operate inexorably on the grand plan for a 100-story building over Grand Central and then on "The Greatest Hotel Ever Built," a dream that shook down to New York City's most conspicuous hole in the ground. By 1959, Zeckendorf was selling Webb & Knapp properties wholesale and outright rather than on leaseback, and those lost included the Mile-High Center in Denver, the Graybar and Chrysler buildings in New York, and 12,000 acres of Los Angeles. The brutal balance sheet of 1962 was yet to come.

The authors' theme appears to be simply that land is the way to riches or bankruptcy. It's a theme that haunts the Zeckendorf chapter. And through preceding pages such big dealers as Jay Cook, the Van Sweringens, and Addison Mizner parade from riches to ultimate poverty.

Their feats read much as one long adventure story, from John Jacob Astor through Abraham Kazan and the slums, Fred French's Tudor City and Harry Black of the skyscrapers. The chapter on Florida ("Flagler, Florida and Fantasy") owes much to the celebrated Alva Johnson biography of the Mizners, but it will be a jaded reader indeed who won't take deep pleasure from the artful retelling of the saga of Henry Morrison Flagler, of the genteel piracy of Col. Edward R. Bradley and of the granddaddy of modern real estate publicity, Miami Beach's Carl Fisher. —NED ROCHON

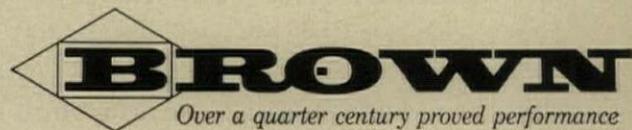
New products start on p. 141

the
Brown touch
adds
so much
prestige



THE LUXURY TOUCH SHE'LL BUY AT FIRST SIGHT

When a lady buys, she buys beauty. That's Brown — the luxury range available in six decorator finishes. When a lady buys, she wants convenience. That's Brown automagic gas and electric cooking. And she wants to know the name. That's Brown — guaranteed by Good Housekeeping — the range with over a quarter-century reputation of manufacturing know-how and reliability. When a builder buys — he wants economy. That's Brown. So put Brown into your kitchens. For prestige, for performance, for price — Brown slip-ins and built-ins will close more sales for you.



Write today for information and specifications!

BROWN STOVE WORKS, INC. • CLEVELAND, TENNESSEE



Revolutionary "HUBLESS"

Fits Within Standard 2 x 4 in. Framed Walls!

NOW you can offer home buyers the greater value of a *streamlined*, 100% cast iron soil pipe sanitary system—from roof vent to house sewer connection!

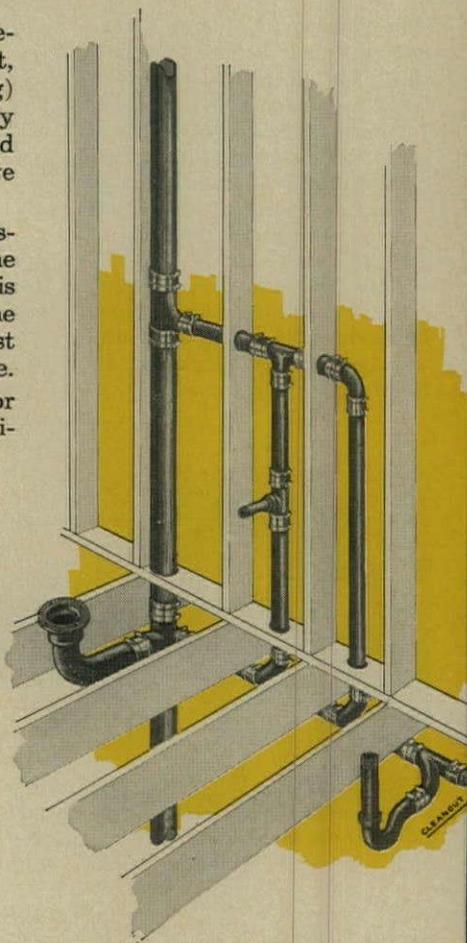
This system features 2- and 3-in.  hubless *service-weight* drain-waste-vent cast iron soil pipe and fittings. It cuts your construction costs (no furring). You don't have to compromise the quality of the plumbing drainage system by using thin-wall DWV copper tubing...or any other substitute for proven cast iron soil pipe!

The new "Hubless Cast Iron Sanitary System" (patent applied for) made up with  NO HUB pipe and fittings—sponsored by the Cast Iron Soil Pipe Insti-

tute—utilizes a rugged shock- and noise-absorbing neoprene sleeve gasket joint, protected by a corrugated (for gripping) stainless steel shield which is held firmly in place by stainless steel bands, and permanently fastened by worm-drive clamps.

And, not one bit of the watertight, gas-tight protection, lifetime strength and the efficiency of the oakum-and-lead joint is sacrificed. Above or below ground, the  NO HUB joint is designed to outlast the ordinary life of a residential structure.

Insist that your plumbing contractor install this new "Hubless Cast Iron Sanitary System" in your homes!



NEW NO HUB JOINT PERMITS FASTER INSTALLATIONS

1 3-in.  NO HUB cast iron soil pipe ready for joining. Note extreme simplicity of joint parts.



2 Sleeve gasket is placed on end of one pipe. Stainless steel shield and band clamps are placed on end of other pipe.



3 Pipe ends are butted against integrally-molded cushion inside of gasket. Joint is quickly assembled and permanently fastened.

4 Fittings are joined and fastened in the same way. Making up joints in close quarters is simplified and easily done.



Alabama Pipe Company
The American Brass & Iron Foundry
American Foundry
Anniston Foundry Company
The Buckeye Steel Castings Company

MEMBERS OF THE INSTITUTE

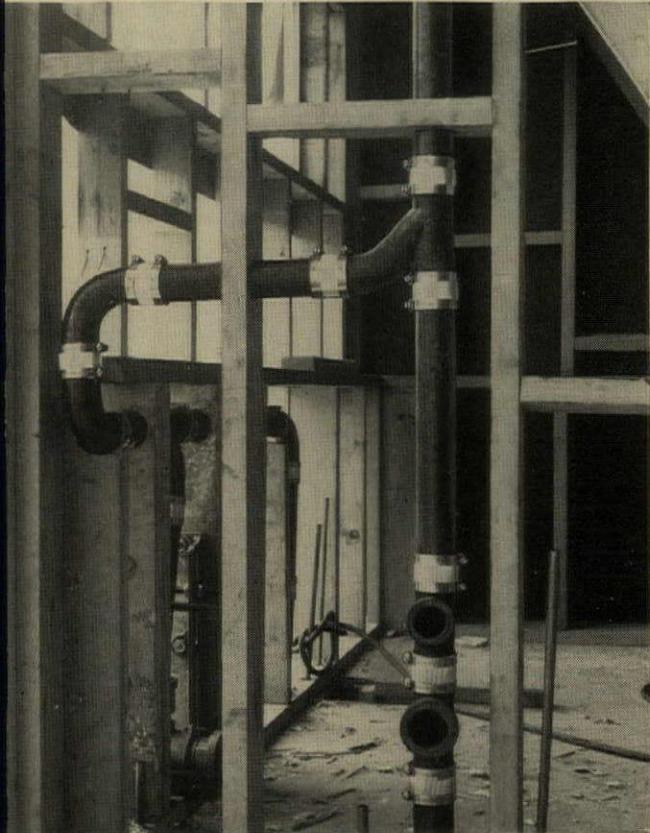
Buffalo Pipe & Foundry Corp.
Charlotte Pipe and Foundry Company
Glamorgan Pipe & Foundry Co.
Rich Manufacturing Company
Russell Pipe and Foundry Co., Inc.
Tyler Pipe and Foundry Company

United States Pipe and Foundry Company
Universal Cast Iron Manufacturing Company
Western Foundry Company
Williamstown Foundry Corporation

See...Feel...Hear the difference! Specify  — the way to buy modern...

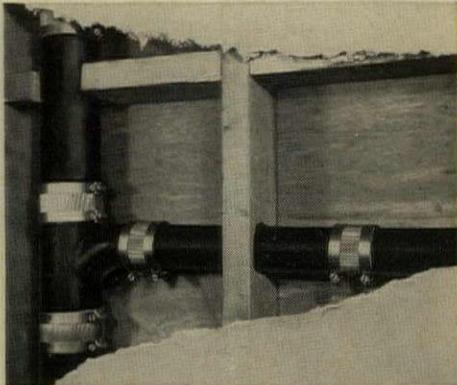
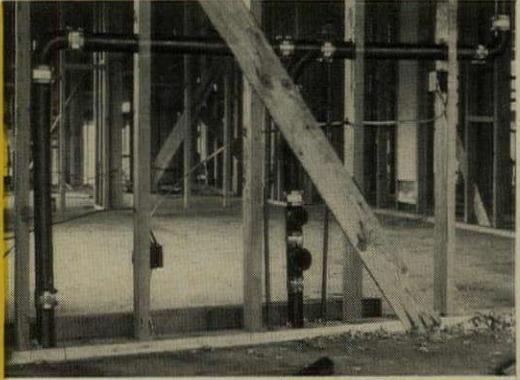
CAST IRON SOIL PIPE

Cast Iron Sanitary System™



☪ NO HUB piping in bathroom wall. Drain-waste-vent piping fits easily in 2 x 4 in. framing with space to spare. Note economical use of short lengths of hubless pipe.

☪ NO HUB kitchen plumbing wall. The 3-in. pipe and new joints make up quickly within the 2 x 4 in. studding. The tight neoprene sleeve gasketed joints can't leak. No need ever to break into wall for repairs!



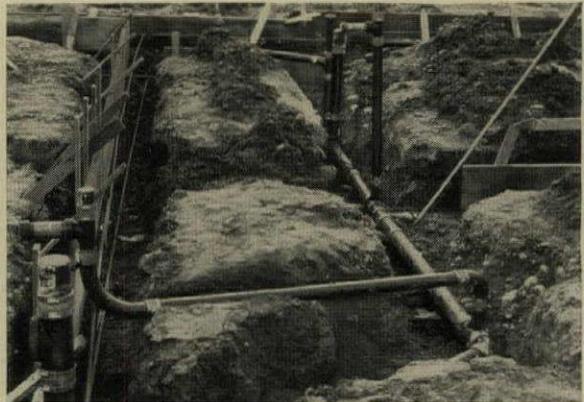
☪ NO HUB fittings permit the most compact installations within 2 x 4 in. framing. Working in close quarters presents no problem to the plumber. Making the joint requires minimum access.

NEW NEOPRENE-STAINLESS STEEL JOINT THOROUGHLY TESTED

This new "Hubless Cast Iron Sanitary System," made up with ☪ NO HUB pipe and fittings, is a *proven* advancement in plumbing drainage technology.

The joint materials—DuPont neoprene sleeve gasket, stainless steel shield, and the worm-drive locking bands have been thoroughly tested for tightness and durability by a nationally known, independent testing laboratory. The neoprene gasket has been made to a specific formula to meet the various conditions to which it will be subjected above and below ground.

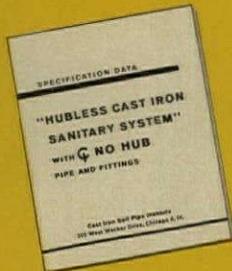
The new system has the unqualified backing of all members of the Cast Iron Soil Pipe Institute! Shown here are four roughing-in pictures of the new system in a California home.



☪ NO HUB piping goes underground! We recommend the new "Hubless Cast Iron Sanitary System" unqualifiedly for under-floor drains. The neoprene sleeve joint resists abrasion, is flexible and leakproof. Roots can't penetrate it. Heat and acidic soils don't affect it. The stainless steel shield and clamps are highly corrosion resistant to outlast the ordinary life of residential structure.

Send for FREE Specification Data!

You'll want this specification data on the new modern "Hubless Cast Iron Sanitary System." It will help you plan the most modern and durable plumbing drainage system for your new homes. Mail the coupon!



Cast Iron Soil Pipe Institute, Dept. K
205 W. Wacker Drive, Chicago 6, Ill.

Gentlemen: Please send specification data on the new modern "Hubless Cast Iron Sanitary System."

Your name _____
 Firm name _____
 Address _____
 City _____ Zone _____ State _____

GLIDE-A-MIRROR™

WARDROBE DOORS

PPG has combined all the most-wanted features of sliding mirror doors in a precision-engineered, completely finished by-pass closet door unit that can generally be installed in *less than one man-hour*. It's a unique new-home feature, with high style and elegant design . . . it adds luxury and spaciousness to any room.

GLIDE-A-MIRROR is complete and pre-assembled. You eliminate the problem of ordering tracks, doors, hardware and mirrors separately . . . no on-the-job assembly work.

Sizes to fit standard trimmed openings. Each GLIDE-A-MIRROR assembly includes two by-pass door units with track to fit standard 4', 5' or 6' wide by 6'8" high finished openings. In anodized gold-bronze, or anodized aluminum finish. Other finishes and custom sizes on order. Pocket Door models also available. Furnished with the finest quality PPG HIGH-FIDELITY® Plate Glass Mirrors, GLIDE-A-MIRROR doors meet the new FHA MPS 711-1.3 for glass. Available from PPG Branches everywhere.

1. Delivered completely assembled by your local PPG Branch when you specify. You can finish all trim and painting before installing the GLIDE-A-MIRROR assembled closet door unit. Because no threshold is required, floors can be finished, and fully carpeted prior to installation.

2. Install track. Track is simply screwed to head. Track and finished fascia (in anodized finish to match door) are a one-piece extrusion.



NEW specially-engineered sliding mirror doors...delivered pre-assembled...ready to install!

Installation savings can more than make up for the extra cost of this finished unit! There's no special framing or trim . . . no extra fascia . . . no threshold for normal openings . . . no furring . . . no doors to hang . . . no finishing costs . . . no extra labor or material cost. And, because they can be installed after *all* other trades have left the job, you avoid cleanup costs and risk of damage.

A merchandisable sales feature: PPG promotes GLIDE-A-MIRROR doors and HIGH-FIDELITY Mirrors on network TV and in full-color ads in leading magazines. Put this advertising to work for *you* . . . merchandise GLIDE-A-MIRROR units in your model home.



Pittsburgh Plate Glass Company

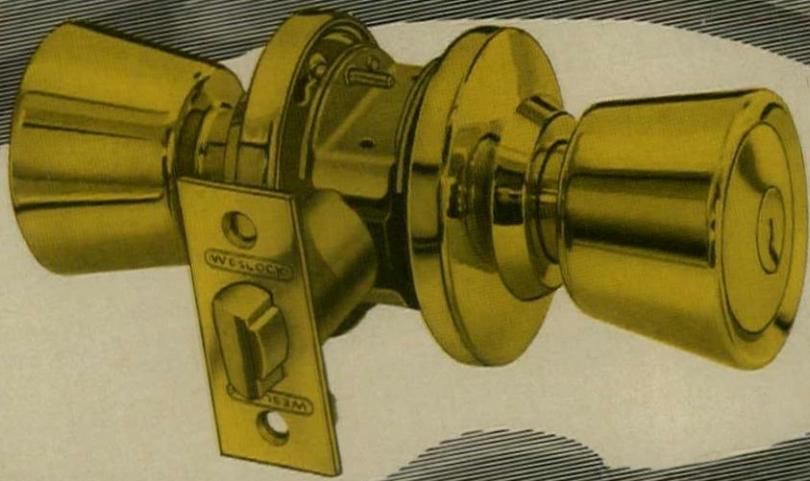
Paints • Glass • Chemicals • Fiber Glass In Canada: Canadian Pittsburgh Industries Limited

3. Suspend doors from track and adjust. The strong die-cast hangers contain positive adjusting screws for quick leveling.

PPG HIGH-FIDELITY Polished Plate Glass Mirrors are cushioned in a resilient vinyl strip. Note the full-length door handle, extruded in one piece with the swank, slim-line door frame.



prospect
holder!

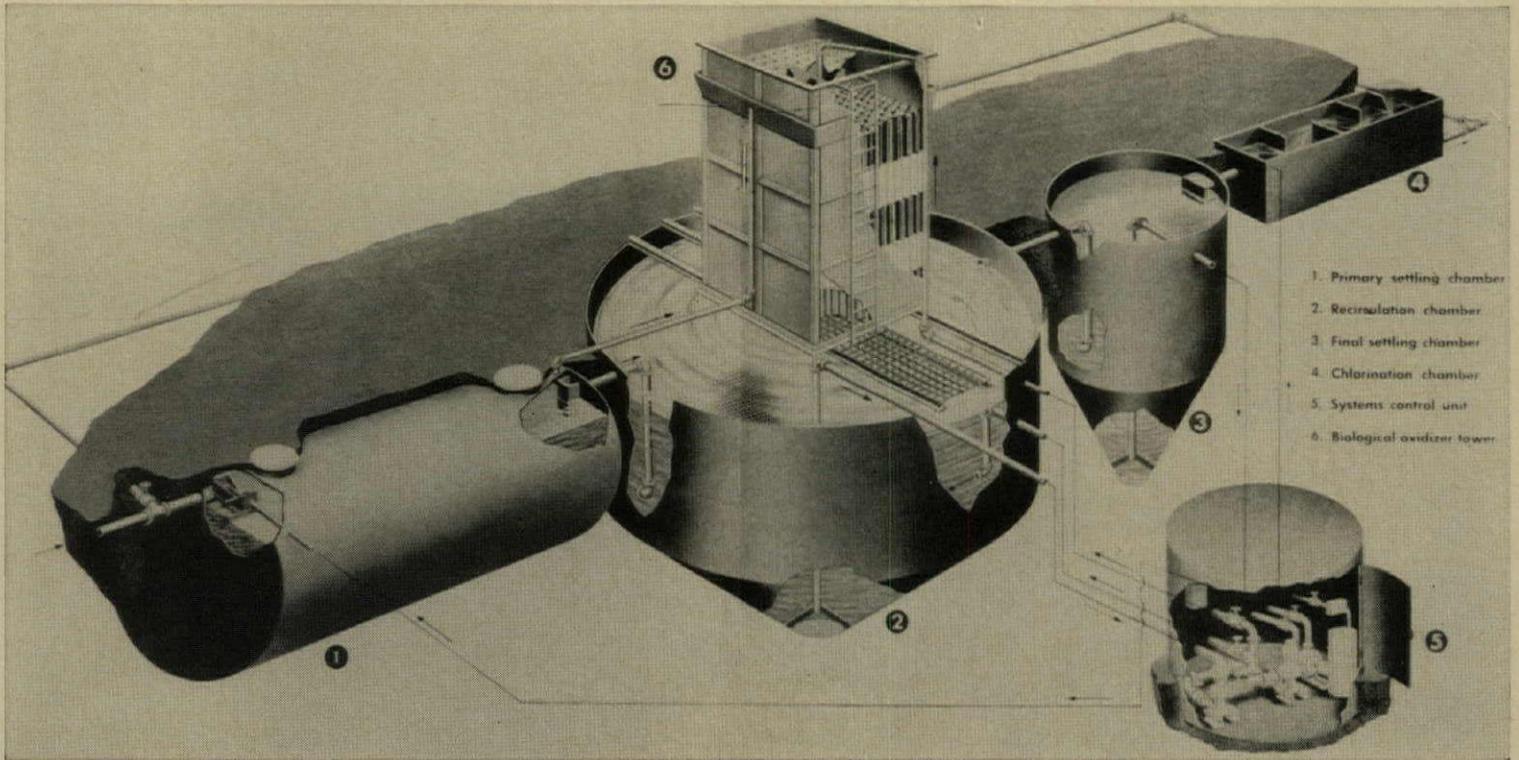


Nothing holds a prospect's interest like new **VANGUARD**.
This one starts selling the second you see it. Smart
style. A definite look of substance. Obviously
long-lasting. Firm . . . tight to the touch. Yet easy-turning.
VANGUARD is quality all the way. . . . the kind that
builds confidence in homebuyers. Let **VANGUARD** help
you sell prospects. Order today!

WESLOCK® *does more for every door!*
Huntington Park, California

HOUSE & HOME

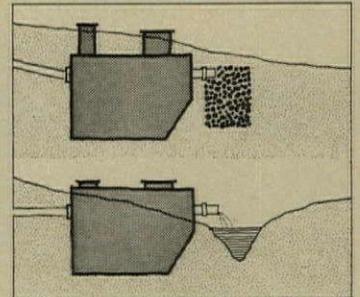
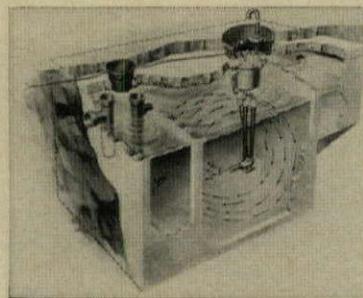
Sewage



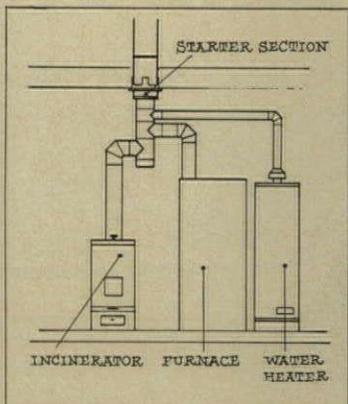
Sewage treatment systems—for single-house waste or for small developments and schools—have been introduced by Crane. Crane-Flo 3000 (above) comes in capacities to serve 8 to 350 families. Its new features: 1) No moving part is submerged in sewage; factory-installed pumps are its only mechanical equipment. 2) Filter is fed from the bottom of the recirculation chamber (2 in drawing); this has damping effect on

shock loads entering the system. The single-house unit (Crane-Flo 750, right) has a three-compartment tank: primary settling chamber, aeration chamber with aeration controls mounted above, and final settling chamber. Unit assumes family uses 360-gal. of water a day. Effluent can be discharged (drawings far right) into gravel bed or stream. Crane Co., Philadelphia.

For details, check No. 1 on p. 155

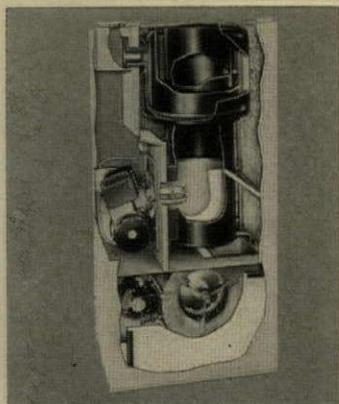


Heating



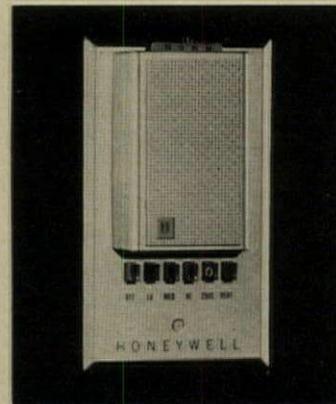
Chimney-vent system has separate Tee Tree connecting incinerator, furnace, and water heater to starter section of chimney. Use of one unit does not interfere with another. Each Tee Tree swivels independently. William Wallace Co., Belmont, Calif.

For details, check No. 2 on p. 155



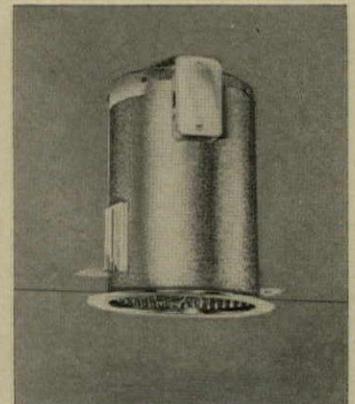
Oil-fired furnace is available in 110,000, 125,000, and 150,000 BTUH inputs. The new 217-1 line is 25% smaller, needs 41% less floor space, than the 217 line it replaces. Blower and motor slide out for easy maintenance. Mueller Climatrol, Milwaukee.

For details, check No. 3 on p. 155



Unitized control combines thermostat with fan-speed and heating-cooling selectors in one unit. It is designed for ceiling-mounted (or under-window) fan-coil units in apartments and motels. Control fits 4x4 electrical box. Honeywell, Minneapolis.

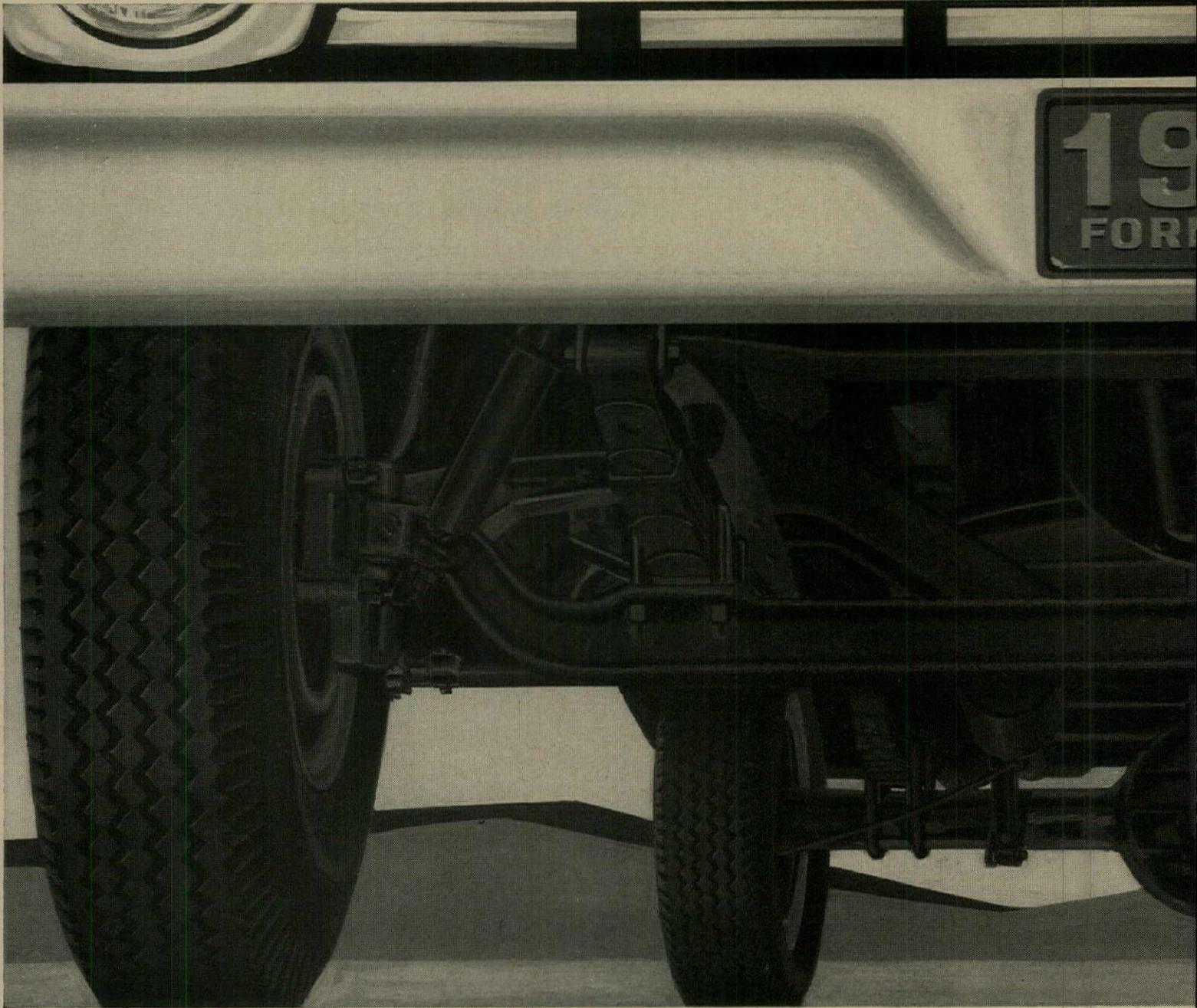
For details, check No. 4 on p. 155



Ceiling-mounted heater draws fresh air from attic, heats it to room temperature, and injects it into the living area. Tempered Air Inlet extends 10" into the attic, has 7" fan and 1400-w. heater. Retail price: \$69.95. Arvin, Columbus, Ind.

For details, check No. 5 on p. 155

New products continued on p. 144



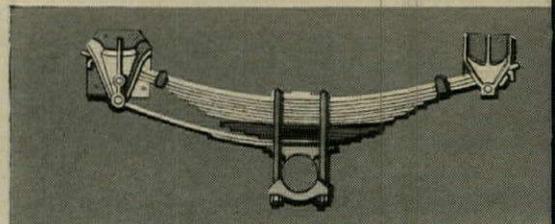
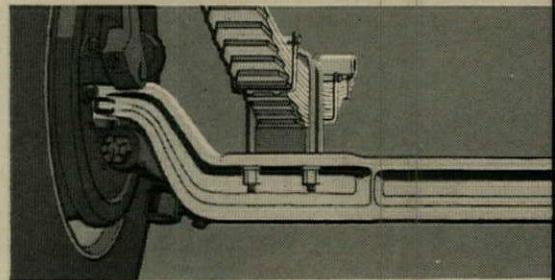
'63 FORD PICKUPS...BUILT

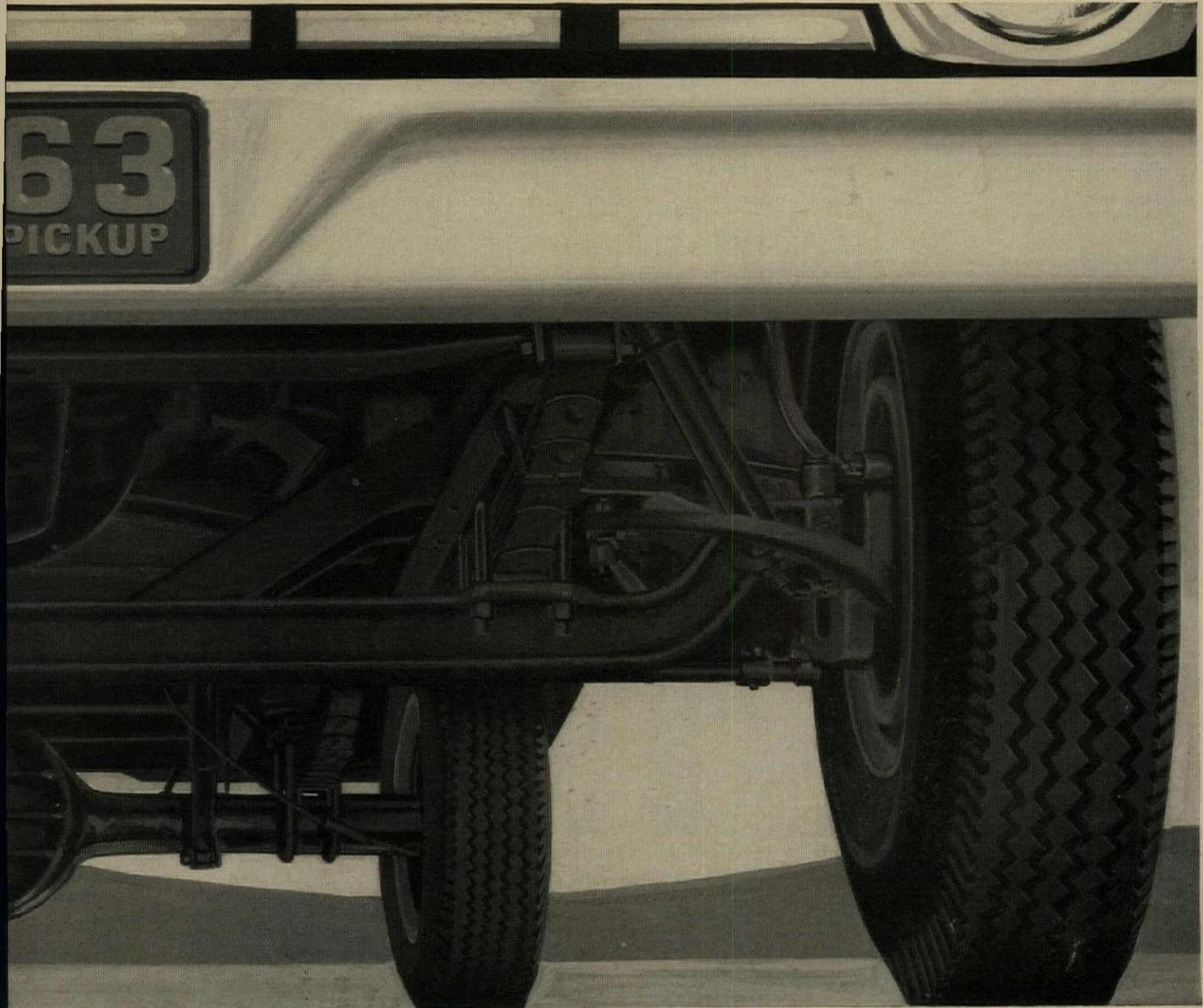
IN AXLES...SPRINGS...

If you put your pickups on jobs that make trucks old in a hurry, check the many big-truck features built into new '63 Ford pickups.

Consider axles, springs and frames! Big trucks use **I-beam front axles** and **leaf-type front springs** because they are strong, simple and more maintenance-free. Ford pickups use them, too. **Two-stage leaf-type rear springs** let big trucks handle light or heavy loads; Ford pickups are built the same. And like the big truck **frame** shown at the right, Ford pickup frames have sturdy parallel-rail design. Both depend on high-strength siderails and rigid crossmembers for extra durability.

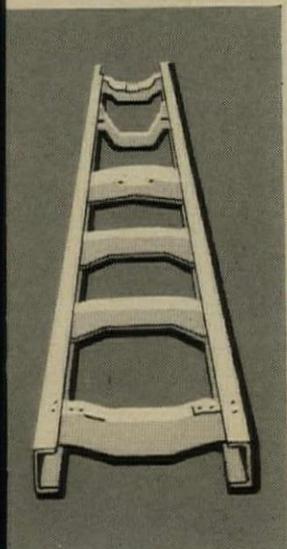
Yet for all their big-truck toughness where toughness counts, '63 Ford pickups give the ride, handling and comfort you'd expect only in a car! Try it at your Ford Dealer's!





LIKE THE BIG TRUCKS...

FRAMES!



Ford's new all-wheel-drive trucks provide rugged go-anywhere mobility and PTO versatility. F-100 4 x 4's are available as chassis-cab and with 8-ft. separate Styleside or Flareside pickup boxes; the F-250 Series as chassis-cab and with 8-ft. Styleside (shown right) or Flareside bodies and 7½-ft. stakes or platforms.



Ford's lowest-priced trucks with dual rear wheels! Dollar for dollar, you can't get better payload carrying ability! Ford's versatile F-350 with 9-ft. stake and dual rears (shown right) permits GVW's to 9,800 pounds—hauls over 2½ tons. Maximum GVW for pickups (single rears) is 7,800 pounds. And Ford's F-350 pickups offer a choice of 9-ft. Styleside or Flareside bodies.

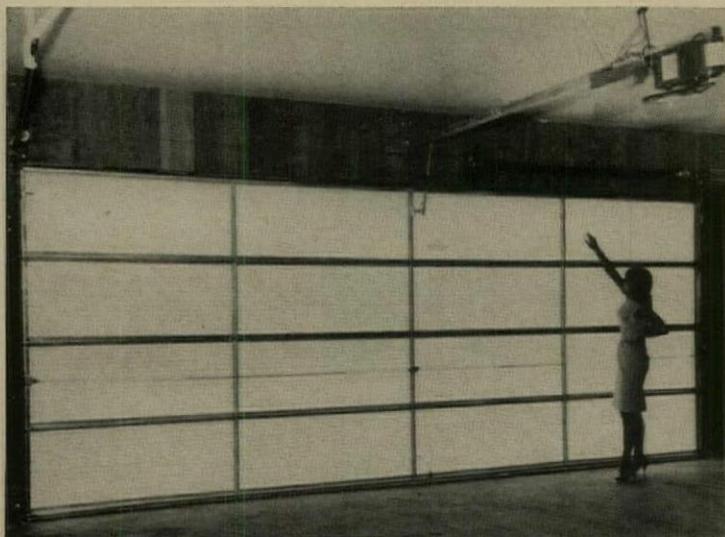


FOR 60 YEARS THE SYMBOL OF DEPENDABLE PRODUCTS  MOTOR COMPANY

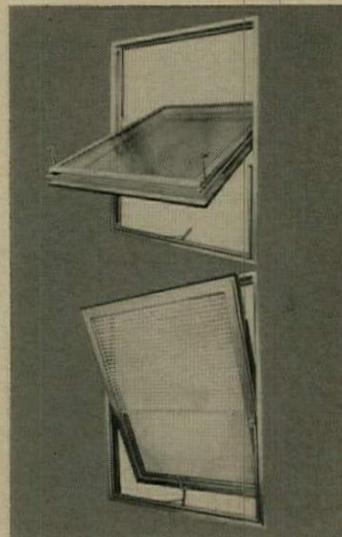
FORD TRUCKS!

For Outstanding Reliability & Durability

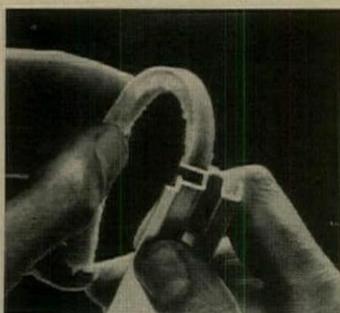
Windows and doors



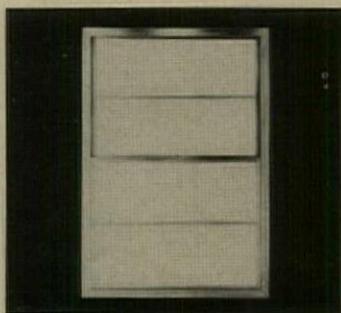
Lightweight garage door has aluminum frame and weather-resistant glass fiber panels. Translucent panels give good light diffusion inside the garage, and one or more can be replaced by screen inserts in warm weather. Berry Industries, Birmingham, Mich.
For details, check No. 6 on p. 155



Double-glazed window pivots for ventilation and cleaning, has sound transmission loss of 44 db. Optional tinted blind fits between panes, is adjustable for light control. Sash slips in and out without tools. Western Sky Industries, Hayward, Calif.
For details, check No. 7 on p. 155



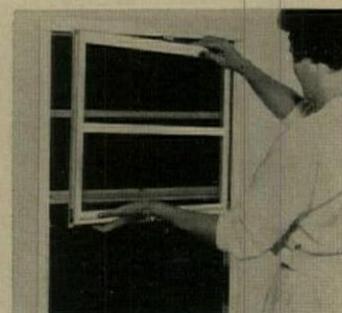
Weatherstripping with woven-pile polypropylene backing has added stability to reduce corner creepback. Poly-Bond has a smooth surface, is silicone-treated. Available in standard pile heights, .187" and .270" wide. Schlegel, Rochester, N. Y.
For details, check No. 8 on p. 155



Stainless-steel window has tubular frame that provides dead-air space for added insulation. Horizontal-slider, single-hung, and double-hung models have fold-back nailing fin, snap-in glazing bead, and reinforced corners. Republic Steel, Youngstown, Ohio.
For details, check No. 9 on p. 155



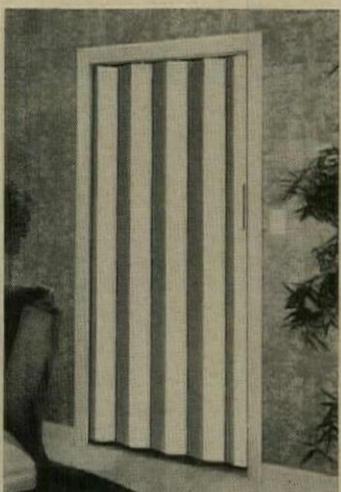
Aluminum patio doors come with 5/8" insulating glass or 3/4" crystal, have full perimeter weatherstripping. Doors slide on adjustable steel rollers. Sill is designed so moisture is drained away from the house. F. E. Schumacher Co., Hartville, Ohio.
For details, check No. 10 on p. 155



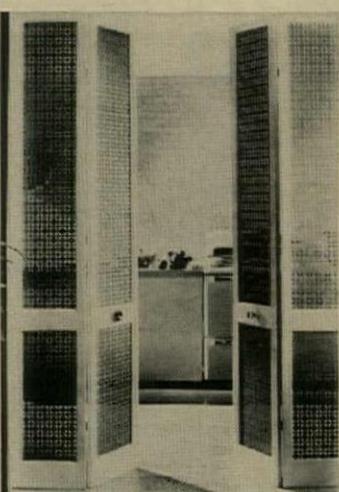
Single-hung window has take-out vent for easy cleaning. Aluminum frame has white-bronze cam-type lock, vinyl glazing bead, flashed integral fin trim, screen retainer channel, step sill, and wool-pile weatherstripping. Miami Window Corp., Miami.
For details, check No. 11 on p. 155



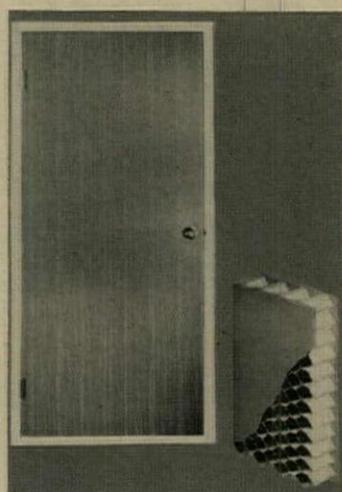
Prefinished interior door with Laminex surface is factory-sized, beveled and machined for hinges; and lockset to specification. Mohawk-Laminex doors are polyethylene-wrapped; wrapper stays on during installation. Plywall Products, Corona, Calif.
For details, check No. 12 on p. 155



Wood folding doors come in mahogany or maple; unfinished, with a clear lacquer finish, or in prime white. Stock sizes include 6'8 1/2" and 8' heights and widths up to 6'. Vinyl hinges assure panel alignment. Panelfold Products, Hialeah, Fla.
For details, check No. 13 on p. 155



Bi-fold wood doors with filigree inserts of silicon-treated hardboard provide ventilation, light diffusion, and visual privacy. Decora Doors 12" and 15" wide come in units of four, 18" and 24" wide in units of two. Panelboard Mfg., Newark, N. J.
For details, check No. 14 on p. 155



Prefinished steel door has one-piece honeycomb fiber core that is permanently bonded to flush seamless faces. Available in three woodgrain vinyl laminates, six epoxy-base enamel colors, or two stainless-steel finishes. Ceco Steel Products, Chicago.
For details, check No. 15 on p. 155

New products continued on p. 146

“WE’VE BEEN HAPPY WITH BIRD FOR 24 YEARS!”

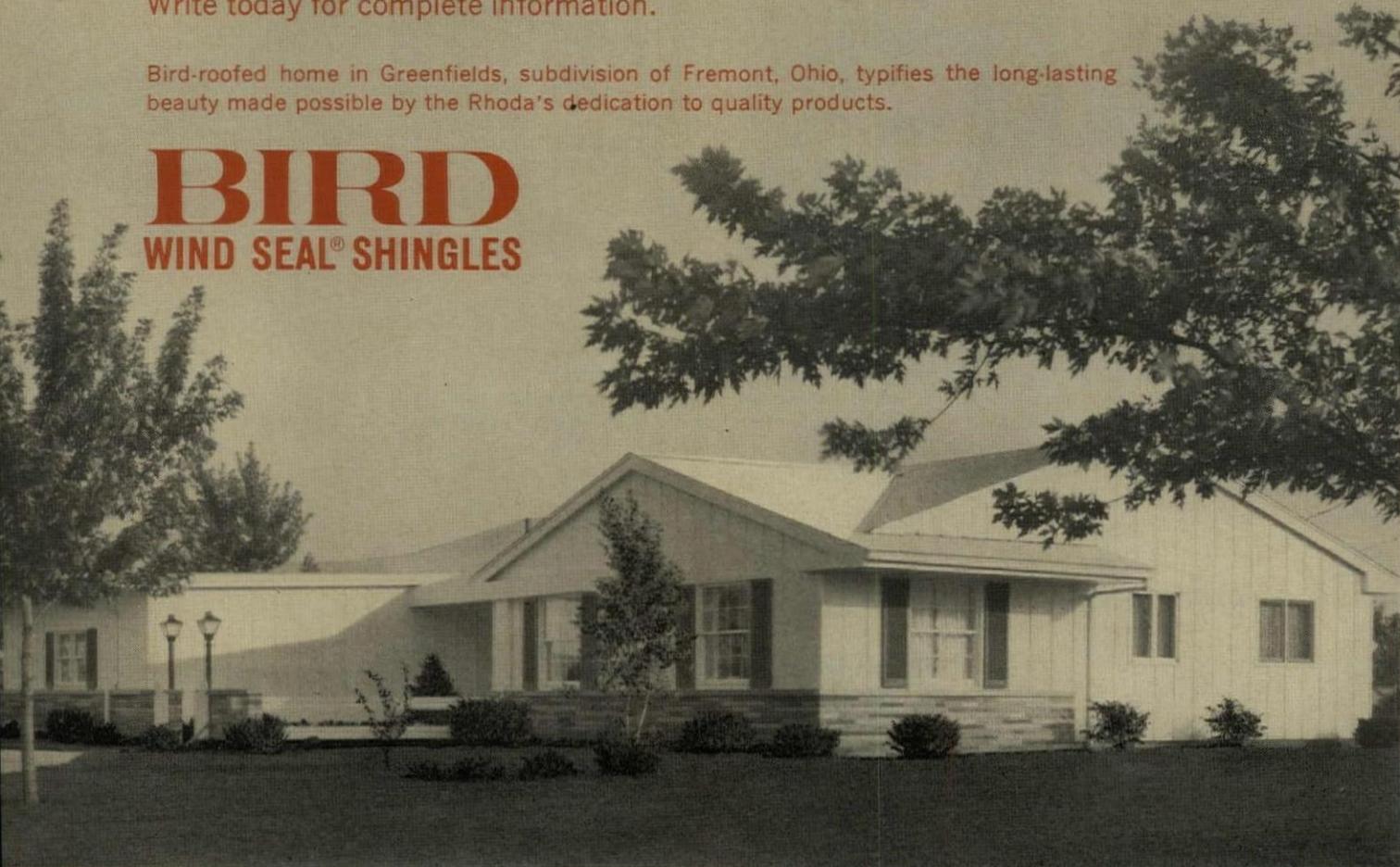


“My wife and I have sold Bird roofing with great success, ever since we started our business in 1939,” says Isaac G. Rhoda of the Rhoda Lumber and Millwork Co., Fremont, Ohio. “In all that time,” he continues, “we have never had to repair or replace a Bird roof because of wind damage. And that includes all

of Bird’s thick butt shingles as well as the Bird Wind Seal. They stay down when properly applied!” □ Mrs. Rhoda, who manages the company’s home planning department, adds: “Bird’s Architect® Vinyl floor coverings are also in great demand. We installed them recently in the baths, kitchen and dinette of one of our model homes, and we probably had more favorable comments on them than on anything in the house. Most people thought we had terrazzo floors, yet with the floor colors blending with the room decor, they were amazed.” □ With specific acknowledgments like these, it’s easy to understand the overwhelming appeal of Bird products. Write today for complete information.

Bird-roofed home in Greenfields, subdivision of Fremont, Ohio, typifies the long-lasting beauty made possible by the Rhoda’s dedication to quality products.

BIRD WIND SEAL® SHINGLES



7 REASONS WHY YOU’LL LIKE BIRD WIND SEAL SHINGLES

- Powerful seals spaced for drainage
- Proved to hold fast in hurricanes
- Bear the Underwriters’ Laboratory Wind Resistant label
- Install in the usual way . . . no pulling apart or turning
- Long lasting double-surfaced construction
- Guarantee bonded, with bonds backed by the Travelers’ Indemnity Company
- Advertised to your customers in consumer magazines



Kitchens



Free-standing cabinets have plastic-laminate surface inside and out. Supreme cabinets are suspended on extruded aluminum uprights that can provide many arrangements to fit large, small, square, or odd-shaped kitchens. Available in woodtones, pastels, and textured finish. Nevamar Carefree Kitchens, Odenton, Md. *For details, check No. 16 on p. 155*

Wall-hung gas range fits in 30", has 21½" oven-broiler with a built-in rotisserie. Cooktop has three front burners, fourth burner and space for extra pans behind, and fluorescent lamp above. Controls include automatic clock and oven thermostat. O'Keefe & Merritt, Los Angeles. *For details, check No. 17 on p. 155*



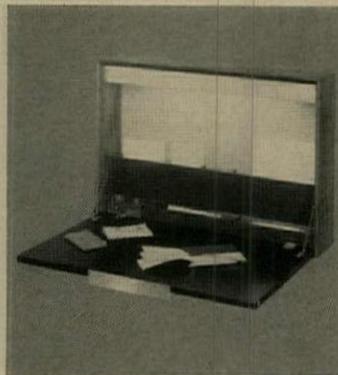
Stainless-steel sink in maker's low-cost line now has a factory-mounted rimming-locking device, needs neither separate frame nor rim. Spring clamps simply snap sink to retaining strips nailed along the inside edge of the counter cutout. Elkay, Broadview, Ill. *For details, check No. 18 on p. 155*



Disposer has 2½" sound-absorbent molded-polystyrene liner. An automatic reverse-action switch saves wear on the shredding ring. The new Saturn 707 is 2½" higher, 5 lb. heavier than the model it replaces. List price: \$99.50. In-Sink-Erator, Racine, Wis. *For details, check No. 19 on p. 155*

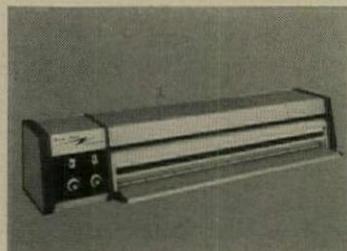


Refrigerator-freezer has new continuous-compressor temperature control. Constant Cold maintains minimum coil temperature, reduces compressor wear and noise level, and eliminates many small parts of Revco's no-frost control. Revco, Deerfield, Mich. *For details, check No. 20 on p. 155*

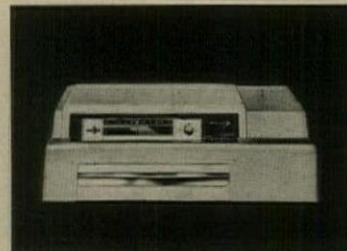


Wall-hung desk for compact kitchen or bedroom corner is 30"x20"x6½" when closed. Concealed fluorescent fixture lights working area. Walnut case can also be fitted as dressing room vanity. About \$130 retail. Howard Miller Clock Co., Zeeland, Mich. *For details, check No. 21 on p. 155*

Office equipment



Whiteprinter combines a developing chamber and exposure section to make blue- or black-line dry prints up to 42" wide. Any translucent copy will reproduce. Speed adjusts from 3" to 12' per minute. \$747. Reproduction Engineering Corp., Essex, Conn. *For details, check No. 22 on p. 155*



Photocopy unit combines one-step operation with a cartridge-pack that eliminates handling the developer solution. Transfer diffusion unit is 21"x13"x6", is priced at \$423.50. Solution comes in 1 qt. cartridges. American Photocopy Equipment, Evanston, Ill. *For details, check No. 23 on p. 155*



Micro-processing units for lenders and builders who use a data processing system. Drawings, contracts, etc., are copied on windows of film that are mounted in micro-processing cards (shown in file above). Micro-Copier uses ultra-violet light to copy image from the master card to the copy card.



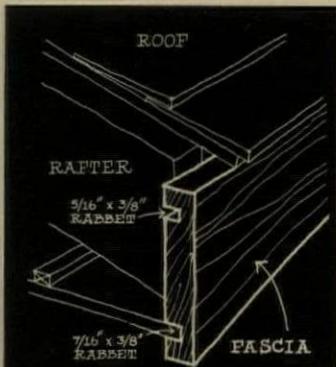
Master card can be returned to central file while copy card is inserted in a Micro-Viewer (right) which magnifies either 6.5 or 15 times. Mounting cards cost \$35 per 1,000. Micro-Copier costs \$875, Micro-Viewer is \$175. IBM, White Plains, N.Y. *For details, check No. 24 on p. 155*

Materials



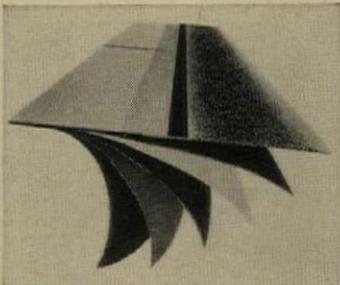
Stair nosing is made of flexible heavy-gauge vinyl which is attached to straight or contoured treads with contact cement. Bull-type nosing is available in seven colors, in 120' packages of 3' or 12' sections. Mercer Plastics Co., Newark, N.J.

For details, check No. 25 on p. 155



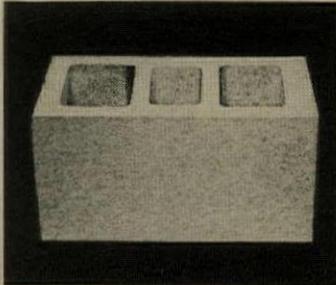
Double-plowed fascia fits $\frac{1}{4}$ " and $\frac{3}{8}$ " plywood soffits: one dado is $\frac{5}{16}$ " x $\frac{3}{8}$ ", the other is $\frac{7}{16}$ " x $\frac{3}{8}$ ". Redwood fascia comes prime-painted (in lengths to 20') or finished with clear sealer (in lengths to 24'). Pacific Lumber Co., San Francisco.

For details, check No. 26 on p. 155



Fiberglass shingle has a UL Class A fire rating. The shingle has six layers, one being a fire-retardant glass fiber mat. Its weight (325 lb. per square) and J-M's self sealing feature provide high wind resistance. Johns-Manville, New York City.

For details, check No. 27 on p. 155



Lightweight concrete block has a permanent glazed color finish, a sound transmission loss equal to untreated block. Acousti-glaze block comes in standard sizes and shapes in 12 color finishes. Eastern Glazed Products, Shoemakersville, Pa.

For details, check No. 28 on p. 155



Insulation strip, designed to cut labor cost of caulking around doors and windows, is simply pushed between studs or sills and door or window frame. Bonded cellulose fiber strip is $\frac{3}{4}$ " x $1\frac{1}{4}$ ", comes in 50' rolls. Wood Conversion Co., St. Louis.

For details, check No. 29 on p. 155

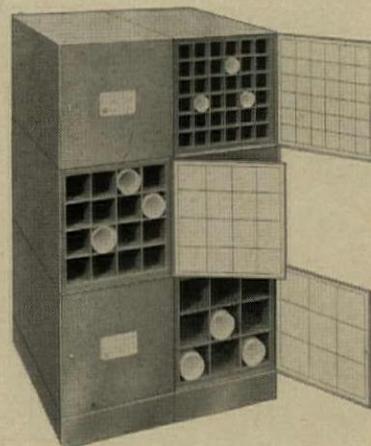


Mineral-wool insulation is made slightly oversize for fast fitting between studs. When blanket is pressed in place, the spring-back of the mineral fiber holds it without stapling. Sizes: 15" wide, 4' and 8' long, 2", 3", and $3\frac{5}{8}$ " thick. Celotex, Chicago.

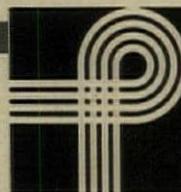
For details, check No. 30 on p. 155

Publications start on p. 149

Square Holes for Round Drawings



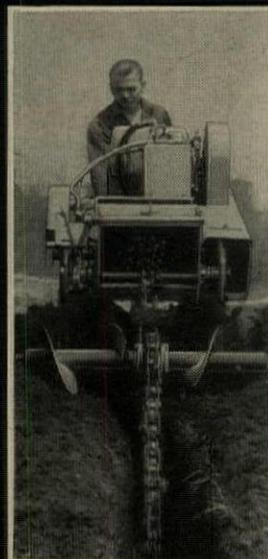
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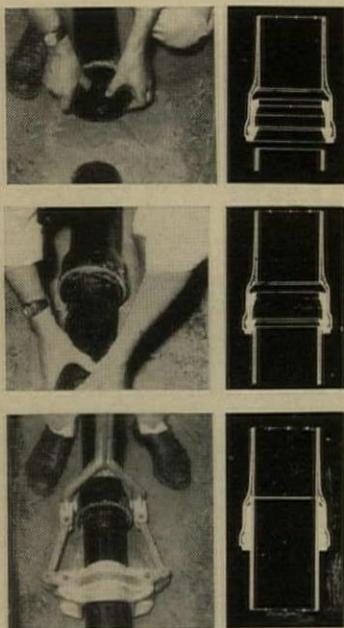
Homeshield pre-hung folding doors are another new product for the home from American Screen Products Company, now celebrating its 25th anniversary.

PUBLICATIONS

Folder on new joints for cast iron soil pipe

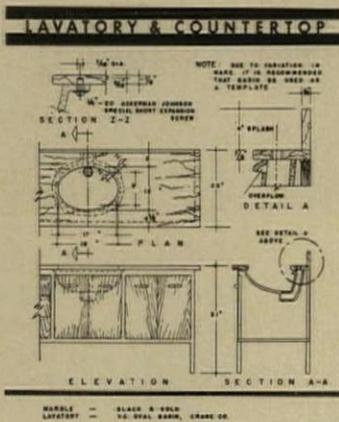
New folder describes parts and tools for forming Ty-Seal pipe and fitting joints and explains the procedure step-by-step. For pipe joint (photos and drawings right): Neoprene gasket is folded and inserted in the hub (top). It pops in place when released, is lubricated with gasket oil. Pipe ends (center) are placed for joining by putting the plain end of the spigot against the lip of the gasket. Ty-Tool (bottom) is positioned—stirrup behind hub, gripping jaws on barrel of spigot end. Ty-Tool handle is pulled to force spigot end into the hub, and the joint is tight. Ty-Tool is also used to form fitting joint. Tyler Pipe & Foundry, Tyler, Tex.

For copy, check No. P1 on p. 155



Marble for bathrooms and lavatories

New 18-page booklet contains photos and drawings of bath- and dressing-room installations using marble countertops. Drawings show a plywood-supported flat-rim basin with marble slab resting on top, two ways to hang a basin directly below a slab of marble (shown right), a flush-mounted basin supported by hudee-type frame, and standard rectangular pullman-type lavatories with butted marble counters and marble back-splashes. 25¢. For copy, write Marble Institute of America, 32 S. Fifth Av., Mount Vernon, N.Y.



Four other new and noteworthy booklets:

Planning meetings: a 30-page guide to more effective meetings and presentations. The booklet includes suggestions on speech preparation, site selection, and the use of audio-visual aids. Thermofax Products, Minnesota Mining & Mfg., St. Paul.

For copy, check No. P2 on p. 155

Ceiling catalog has sections on ventilating, fire-retardant, and acoustical ceilings. 48 pages. Technology, construction, and features of each type are explained. Room-to-room attenuation factors and sound-absorption coefficients are given. Also material selection chart and complete specs. Armstrong Cork, Lancaster, Pa.

For copy, check No. P3 on p. 155

Ideas in glass is a 12-page booklet of photos and brief de-

scriptions of new buildings using glass in the interior and exterior design. Houses and apartments by Fritz Woehle, Robert Martin Engelbrecht, Liebhardt & Weston, I. M. Pei & Associates, and A. Epstein & Sons are shown. Separate insert gives data on Supratex laminated safety glass. American Saint Gobain, Kingsport, Tenn.

For copy, check No. P4 on p. 155

Trowel-trades tools are illustrated and described in the new Goldblatt mail-order catalog. 54 pages. Included are blades, handles, floats, edgers, groovers, hammers, levels, mixers, brushes, masonry-finishing tools, tool bags and pouches, etc. Alphabetical index, sizes, prices, and order forms. Goldblatt Tool Co., Kansas City, Mo.

For copy, check No. P5 on p. 155

Publications continued on p. 153

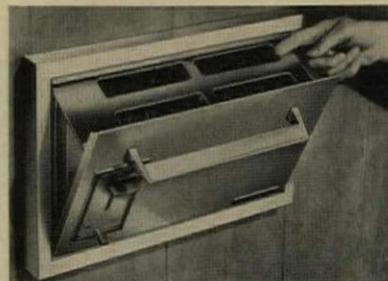
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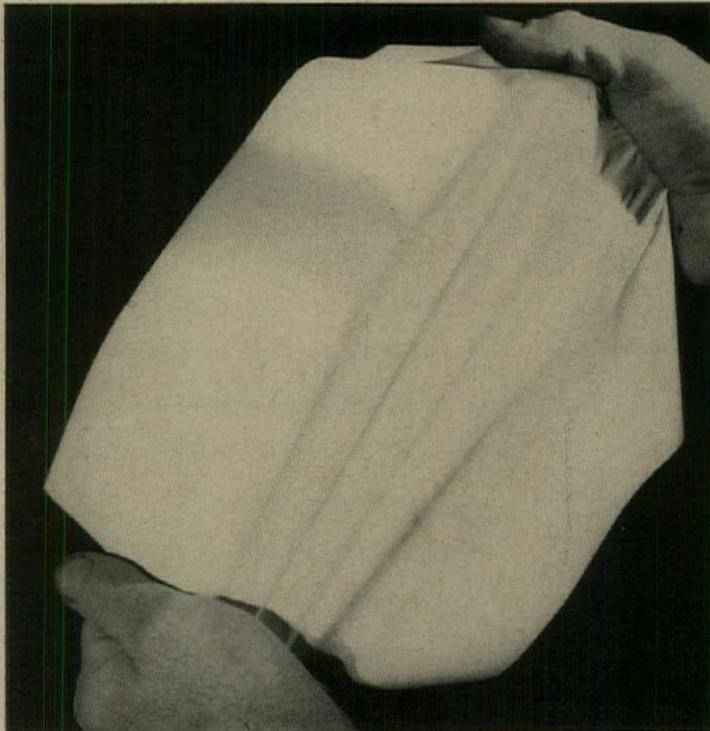


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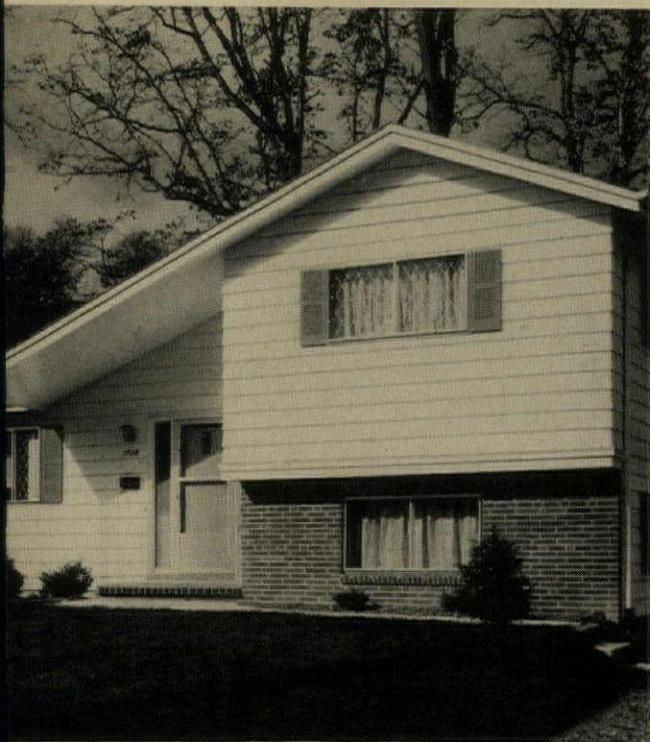
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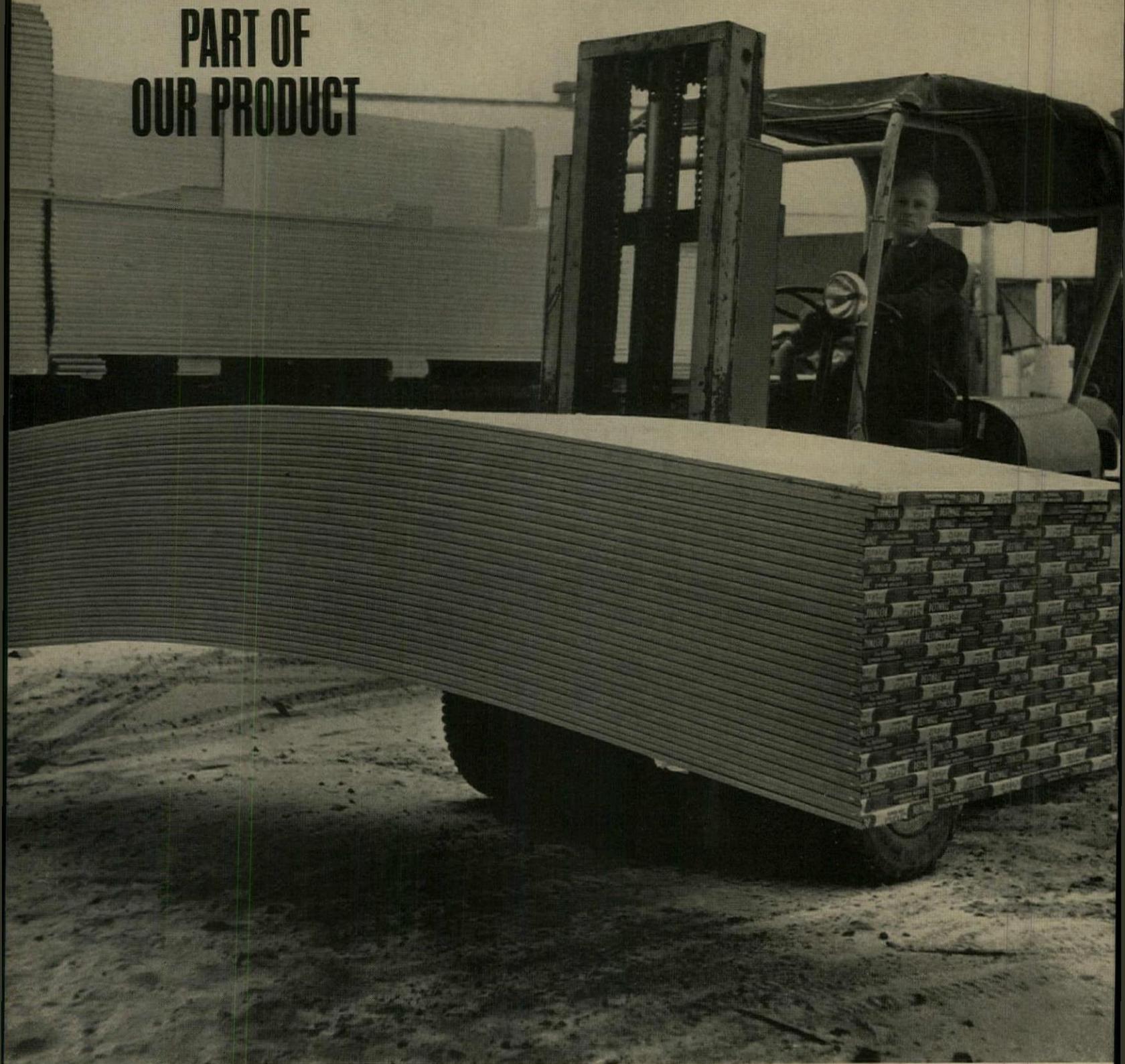
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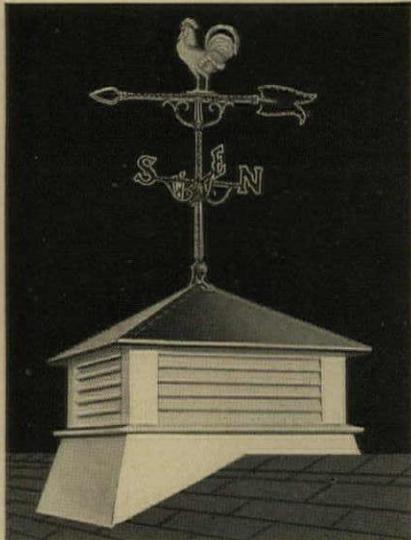


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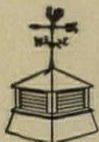
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PUBLICATIONS

start on p. 149

For copies of free literature, check the indicated number on the coupon, page 155.

Technical literature

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INSULATING CONCRETE. 8 pages. Specs and properties of lightweight cellular concrete. Graphs show percentage of ingredients, compressive strength, and thermal conductivity. Structural and semi-structural applications. Plus a 4-page folder on roof-deck application. Elastizell Corp., Alpena, Mich. (Check No. P7)

ARI STANDARD for application and ratings of centrifugal liquid-chilling packages. 6 pages. 75¢. For copy, write Air-Conditioning & Refrigeration Institute, 1815 North Myer Drive, Arlington, Va.

PANELS AND ROLLS OF PVC (polyvinyl chloride). 4 pages. Mechanical and physical properties, cutting and fastening methods, available forms, size, and colors. Kaykor Products, Yardville, N.J. (Check No. P8)

Catalogs

CURBING MACHINES. 8 pages. Photos, descriptions, specs. Power Curbers Inc., Salisbury, N.C. (Check No. P9)

STEEL DOORS. 28 pages. Door types and sizes, door construction details, information on frames, components, and hardware. Steelcraft Mfg., Cincinnati. (Check No. P10)

ADHESIVES, SEALERS, AND COATINGS. 16 pages. Where and how to apply each product. W. W. Henry Co., Huntington Park, Calif. (Check No. P11)

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PUMPS AND WATER SYSTEMS. Photos, features, cut-aways, and capacity tables in 12 sections. Barnes Mfg., Mansfield, Ohio. (Check No. P13)

LIGHTING. 72 pages. Photos of hanging and recessed fixtures, luminous ceiling with installation diagrams for the grid, bathroom fixtures, and outdoor lighting. John C. Virden Co., Cleveland, Ohio. (Check No. P14)

DOOR HARDWARE: locks, exit devices, closers, and holders. 16 pages. Photos, installation drawings, and specs. Sargent & Co., New Haven. (Check No. P15)

OUTDOOR LIGHTING. 48 pages. Incandescent and mercury vapor lighting, splice boxes, and accessories. Stonco Electric Products, Kenilworth, N.J. (Check No. P16)

Design aids

FLOOR BEAMS of hollow precast concrete. 16 pages. Photos, site plans, floor plans. Flexicore framing, cross-sections, and overhang or balcony details for six motel designs. Flexicore Co., Dayton. (Check No. P17)

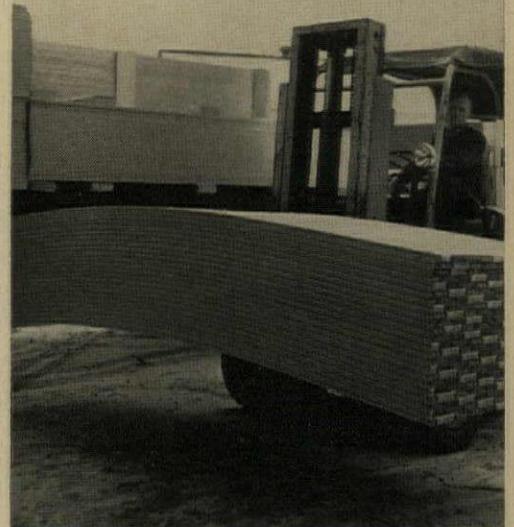
RESIDENTIAL DESIGNS. Photos and floor plans. Detailed application specs for red cedar shingles. Red Cedar Shingle Bureau, Seattle. (Check No. P18)

RIGID URETHANE FOAM. 16 pages. Description and sketches for six designs including a beach house, a motel, and a church based on the use of rigid urethane foam as a structural material. Mobay Chemical, Pittsburgh. (Check No. P19)

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Publications continued on p. 154

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Installation brochures

INCOMBUSTIBLE ROOF INSULATION. 4 pages. Installation specs and detail drawings. U-factor table. Celotex Corp., Chicago. (Check No. P22)

PARTITIONS. Slotted drop-in type metal tracks for solid and hollow plaster partitions constructed with metal lath. Detail drawings. Inland Steel Products Co., Milwaukee. (Check No. P23)

MOVABLE PARTITION SYSTEM for use with metal stud and track. 4 pages. Erection details of batten strip, inside and outside corners, ceiling and wall butts. Eastern Products Corp., Baltimore. (Check No. P24)

Product bulletins

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BATHROOM CABINETS styled for corner mounting. 4 pages. Design ideas for triangular units with specs. Triangle Products Inc., Chicago. (Check No. P26)

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POWER-LOADER CRANE. 4 pages. Charts show lifting capacity and boom-extension capacity. Photos and drawings, features and accessories. Ottawa Steel Div., Young Spring & Wire Co., Bowling Green, Ohio. (Check No. P30)

FASTENING TOOLS: air tackers, staplers, and staple nailers. 6 pages. Photos, specs, and options for each tool; 36 accessories shown. Senco Products, Cincinnati. (Check No. P31)

VENT HOODS. 3 data sheets, 6 models. Photos and specs. Robbins & Myers, Pico Rivera, Calif. (Check No. P32)

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PLASTIC ROOFS. Data sheet. Features, application, and specs. Permalume Plastics Corp., Vancouver, Wash. (Check No. P42)

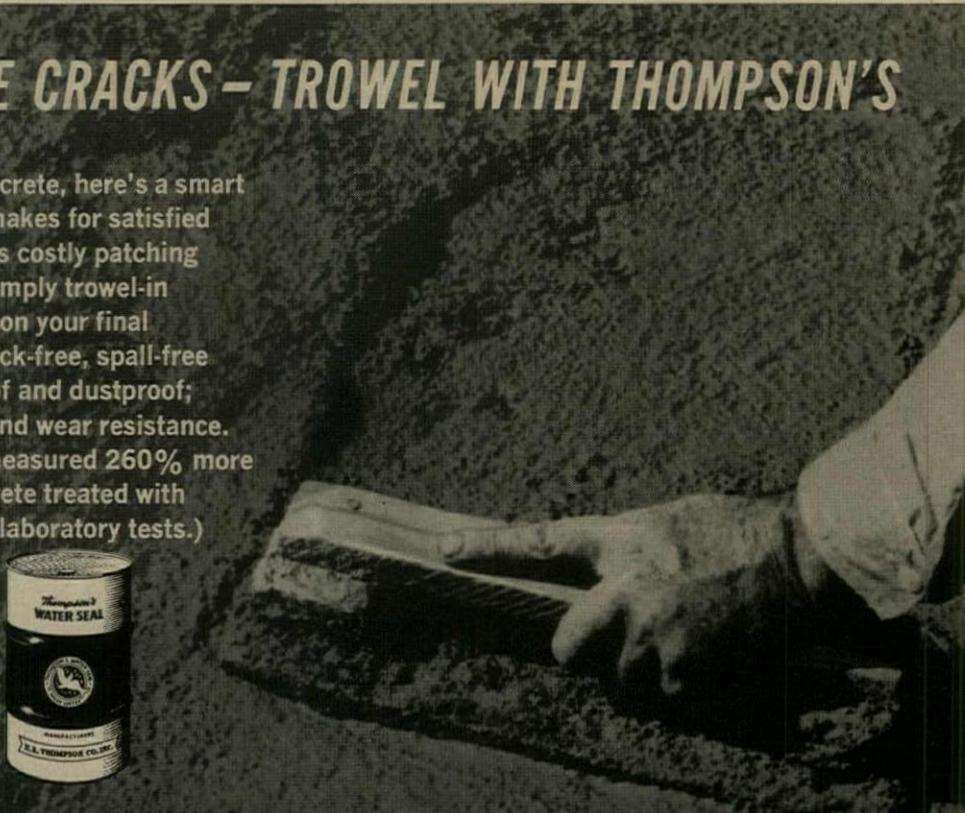
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ROOF FAN. 4 pages. Photos and diagrams of how the fan works. Installation instructions. Allen Ventilator, Rochester, Mich. (Check No. P47)

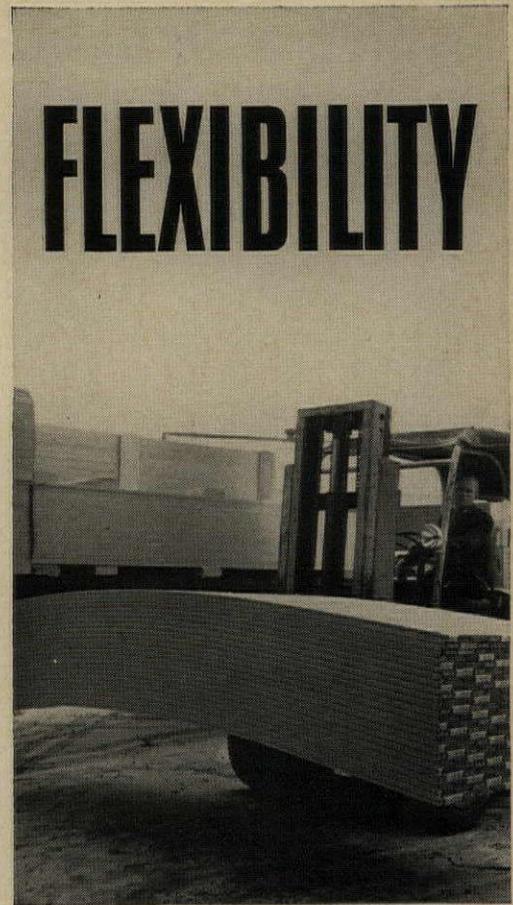
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VENTILATOR. Data sheet shows Orna-Vent models, dimension drawings, and specs. Reynolds Ventilator Mfg., Franklin Park, Ill. (Check No. P50)

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To help you enter this field, or to maximize profits if you are already engaged in it, Bestwall and Certain-teed provide the services of a staff of trained Systems Engineers. These men are experienced in many phases of remodeling, including design and construction, and offer guidance in finding the best markets, estimating remodeling jobs, preparing contracts, selecting appropriate financing, using proper materials and installation methods, and other services.

Gypsum Drywall Systems, Roofing Shingles, Roll Roofing, Siding, Building Insulation, Lath & Plaster are among the installations where our Systems Engineers can assist you. Contact your Bestwall Certain-teed Sales Corporation office.



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Publications

- P1. Tyler Pipe joint forming folder
- P2. Thermofax guide to planning meetings
- P3. Armstrong ceiling catalog
- P4. American St. Gobain ideas in glass
- P5. Goldblatt trowel catalog
- P6. Amerada Glass sound control
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COOLING GOES HERE WHEN OWNER IS READY

ADAPTOR PLENUM INSTALLED

PLATFORM POURED

BLOWER AND CONTROLS READY FOR ADD-ON COOLING ANYTIME

• READY FOR COOLING AT MINIMUM COST

THE ADD-ON IDEA

STANDARD-LENGTH PRE-CHARGED SEALED LINES READY FOR QUICK CONNECTIONS

• ALL HEATING AND COOLING COMPONENTS ENGINEERED TO GO-TOGETHER FOR COMPLETE COMFORT AS LOW AS \$500⁰⁰ INSTALLED

ADD COOLING TOP OR BOTTOM IN AS LITTLE AS 12" HT.

COUNTERFLOW STYLES FOR BASEMENTLESS MODELS

THE PACKAGE IDEA

HORIZONTAL FURNACE WITH COOLING COIL IN CRAWL SPACE

CONDENSING UNIT THRU FOUNDATION WALL

Another Idea!

THRU-THE-WALL CONDENSING UNIT TUCKED AWAY IN SOUND-PROOFED CABINET IN CLOSET

• SPACE-SAVING COMPONENTS GIVE MORE HOUSE PLUS MORE VALUE

THE TUCKAWAY IDEA

New Consumer Design Appeal

FLOATING-MOUNT QUIETNESS

COOLING GUARANTEED

HEATING GUARANTEED

ENGINEERED FOR QUIET, COMPACT ATTRACTIVE INSTALLATION

• USE HEATING/COOLING PLUS AIR-CLEANING TO ADD MAXIMUM LIVING COMFORT TO YOUR TOP HOMES

THE TOP-LUXURY IDEA

NEW PROBLEM-SOLVING CONDENSING UNIT PITCHES AIR-DISCHARGE AND SOUND UP-AND-AWAY FROM HOUSE, SHRUBS, NEIGHBORS!

EXCLUSIVE!

THE PROBLEM SITE IDEA

CENTRIFUGAL BLOWER OVERCOMES BRICK GRILLE RESISTANCE

THRU-THE-WALL CONDENSING UNIT IN CLOSET

FURNACE IN CLOSET

EXTERIOR BRICK GRILLE HIDES CONDENSING UNIT

• EXCLUSIVE FOR HOMES, APARTMENTS, TOWN-HOUSE PLANS

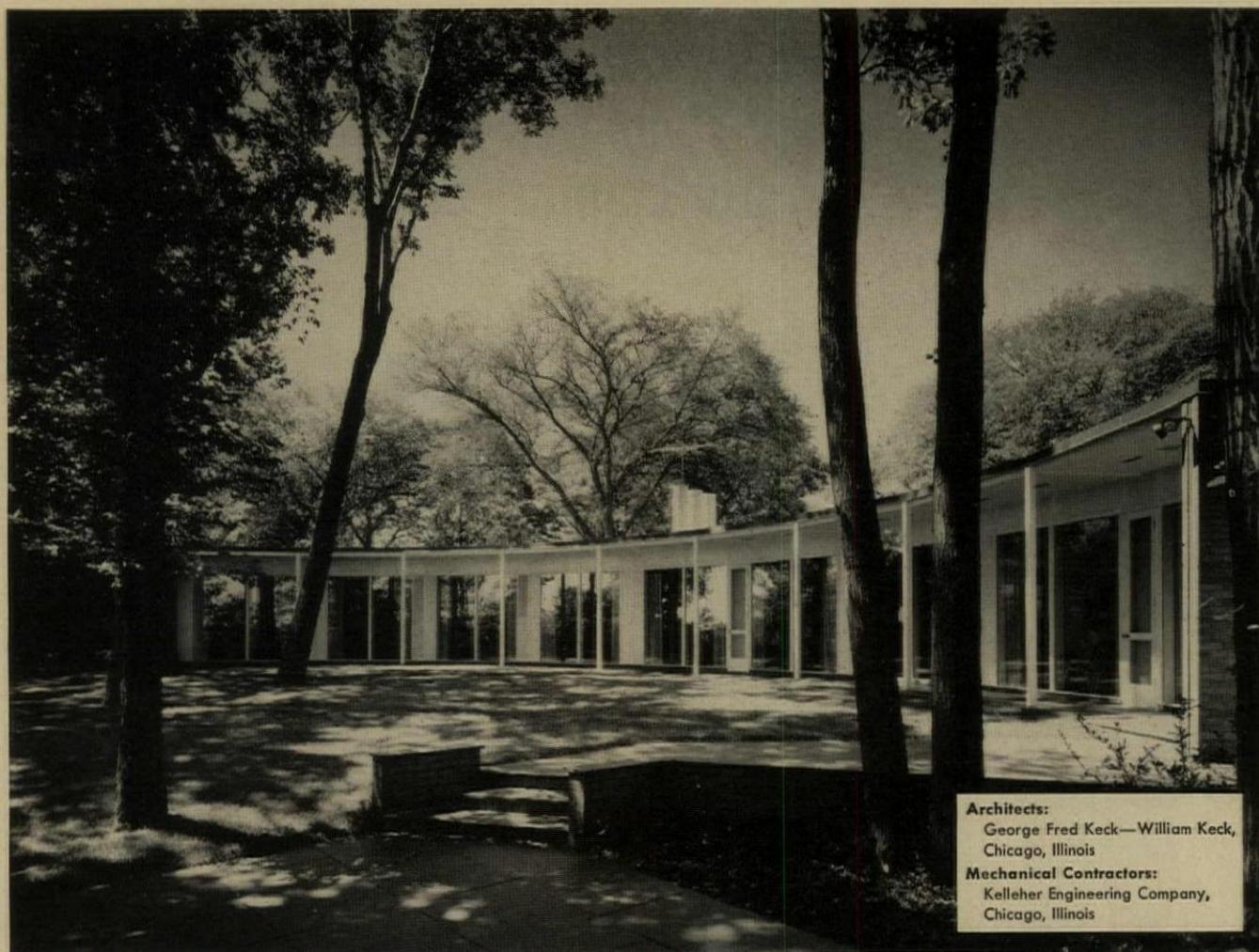
THE HIDDEN-SYSTEM IDEA

To give the educated home buyer more for his money... you've got to get the *most* for *yours*. You'll find the solution first with Luxaire, because Luxaire makes so many different components for home comfort. The easy way to get it is to contact your local Luxaire Distributor... and benefit from the local design, supervision, service and sales help he stands ready to give you. Ask him for the "Builder Brochure," or write direct. The C. A. Olsen Manufacturing Company, Elyria, Ohio.



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AWARD WINNING HOME DEPENDS ON ZONED HOT WATER HEAT FOR COMFORT



B&G BOOSTER

The sales record of B&G Boosters is ample evidence that their quality and performance have never been equalled. Over 4,000,000 are in operation today.

OTHER B&G EQUIPMENT IN THE "RECORD HOUSE" INCLUDES:

Two Motorized Valves • One No. 12 Pressure Reducing Valve • One Airtrol Boiler Fitting • One Compression Tank

Among the "Record Houses of 1962" is this residence in Highland Park, Illinois. The selection of a B&G Booster pump, motorized valves and auxiliary forced hot water equipment for this distinctive home is a tribute to their reputation for quality and performance.

B&G Boosters, for example, have for years given proof of complete dependability. Among many exclusive features of design *perhaps the most important is the fact that the Booster is oil lubricated!*

This means that the Booster is immune to trouble under all water conditions within the system, because:

1. Foreign material in the heating system water cannot affect the bearings.
2. Design temperatures over 200° are not injurious to the pump. B&G Boosters operate satisfactorily at today's higher design temperatures, which frequently reach 240°.
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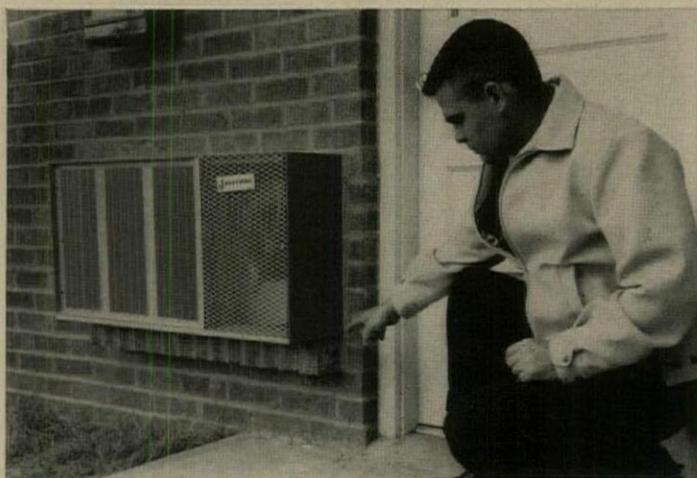
"Apartment heating and air conditioning is really simplified with the new Janitrol comfort package"

Robert E. Smith, Builder and President
Columbia Street Apartments, Newark, Ohio



Right: The 12-inch wide, 570 Series conditioner is installed in a central utility closet directly over the return air plenum.

Below: The through-wall condensing unit is flush with the inside wall, yet has only a slight exterior projection.



"Each apartment in this 12-unit project is individually year 'round conditioned by the new Janitrol 570 Series package, that has proved to be the most practical system we've found. Since we've built this plan before, we can appreciate the extra design features built into this equipment. We were most impressed with the ease of installation, flexibility of location and service accessibility of the 570 Series".

This all-new heating-cooling package is built and priced especially for apartments and small homes. Most models are only 12 inches wide to conserve floor space . . . cooling evaporator can install through-wall, on slab or on the roof . . . cooling is optional for either original installation or economical later addition. All units are completely factory-assembled, tested and feature a precharged cooling system with quick-connect couplings to speed installation.

Packages are available with nominal 1½, 2 and 3 tons of cooling and in heating capacities from 50,000 to 125,000 Btu./hr. for natural, mixed or LP gases, in either upflow or downflow models.

Free Application-Specification File. For complete information on all of the unusual features of the Janitrol 570 Series ask your Janitrol representative for Form J-379S, or mail coupon.

JANITROL DIVISION
Midland-Ross Corporation
Columbus 16, Ohio



Please send me your Application-Specification File on the Janitrol 570 Series Comfort Package.

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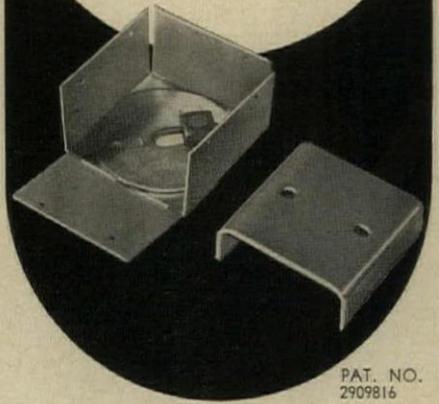
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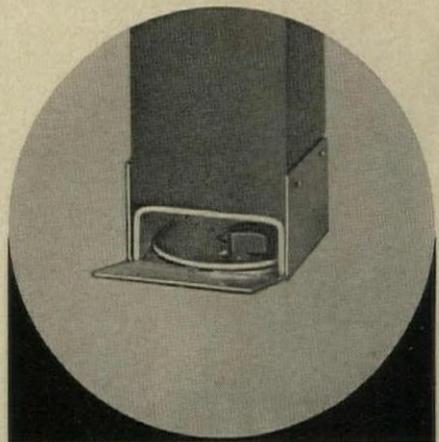


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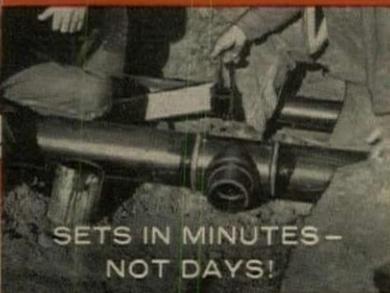
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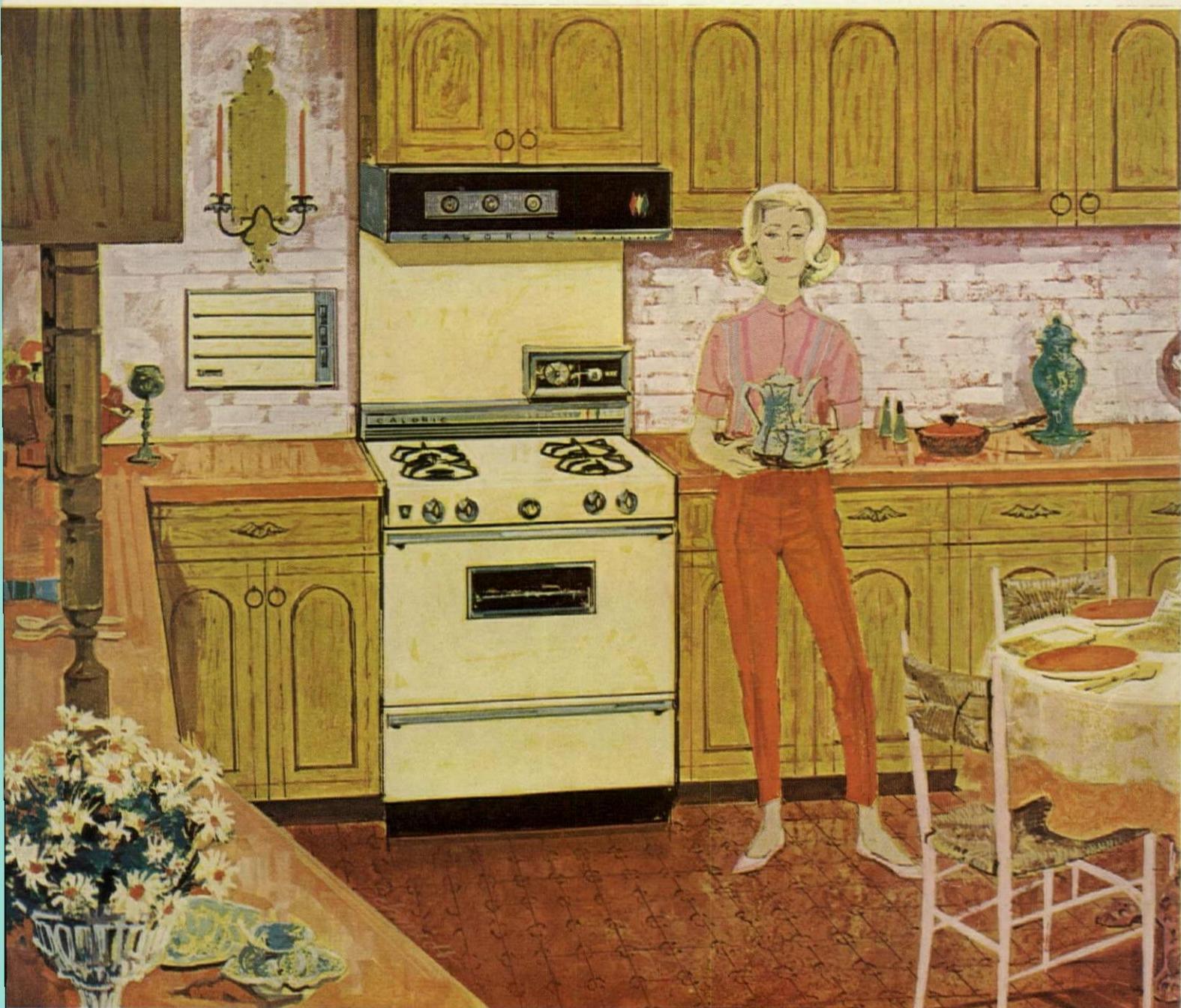
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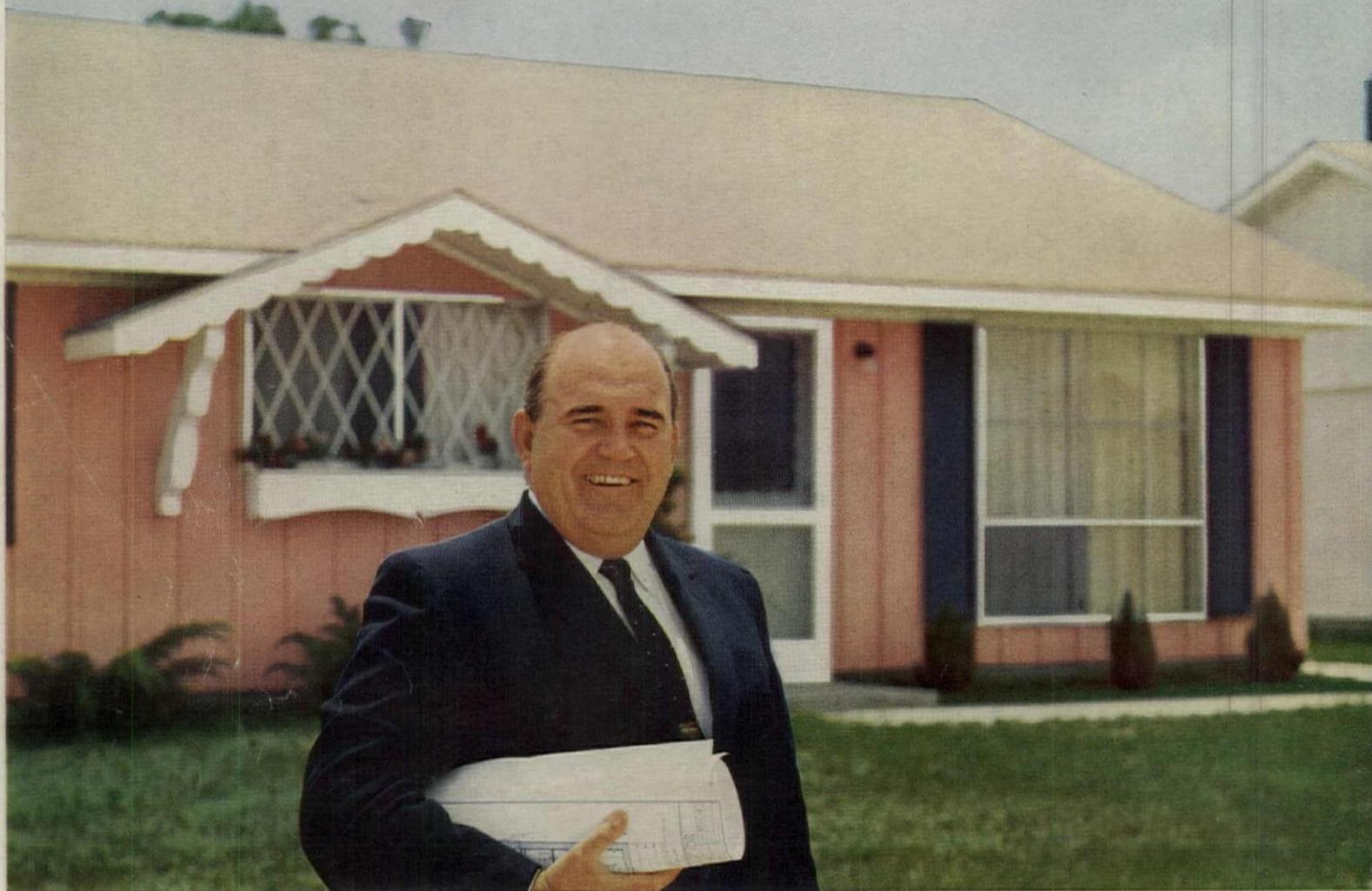
provides color themes that blend kitchen floor coverings, wallpapers, paints, counter tops with Caloric sinks, range hoods, and splashplates. All in color harmonies to complement Caloric Compacto ranges.

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