OCTAGON

A Journal of The American Institute of Architects



The President's Message

The Board's Report

The Greasurer's Report

Notice of By-law Amendments and Convention Resolutions

The National Defense Construction Program

Volume 13

JUNE

Number 6

ELECTIONS ANNOUNCED AT THE 73rd CONVENTION

OFFICERS, 1941-1942

PRESIDENT-R. H. Shreve	New York, New York
VICE-PRESIDENT-Walter R. MacCornack	Cambridge, Massachusetts
SECRETARY—Charles T. Ingham	Pittsburgh, Pennsylvania
TREASURER-John R. Fugard	Chicago, Illinois

DIRECTORS

For Three Years (1941-1944)

GREAT LAKES DISTRICT—C. Julian Oberwarth	Frankfort, Kentucky
WESTERN MOUNTAIN DISTRICT—Harlan Thomas	Seattle, Washington
MIDDLE ATLANTIC DISTRICT—Frederic A. Fletcher	Baltimore, Maryland
STATE ASSOCIATION-Matthew W. Del Gaudio	New York, New York

(Does not include names of seven Directors whose terms did not expire)

FELLOWS

Elected by The Jury of Fellows and Announced at the Convention

Name	Chapter	Name	Chapter
Gordon Allen	Boston	H. Roy Kelley	Southern California
Raymond J. Ashton	Utah	Roy F. Larson	Philadelphia
Leonard Henry Bailey	Oklahoma	Arthur Lamont Love	elessWashington State
Frank Nelson Emerson	Central Illinois	Loring H. Provine	Central Illinois
Robert K. Fuller	Colorado	Winsor Soule	Santa Barbara
Albert Harkness	Rhode Island	George Spearl	St. Louis
Lewis P. HobartNorth	ern California	Ernest Wilby	Detroit

EDWARD LANGLEY SCHOLARSHIP AWARDS FOR 1941

R. S. Johnson	Long Island City, New York
Henry Darbee	New Preston, Connecticut
Donald Monson	Chicago, Illinois
Marion Dean Ross	New Orleans, Louisiana
Roland Clyde Terry	Seattle, Washington
Herschel Anderson Elarth	Norman, Oklahoma

THE OCTAGON, A Journal of The American Institute of Architects. Published Monthly by The American Institute of Architects. Executive and Publication Offices, The Octagon, 1741 New York Avenue, N. W., Washington, D. C. Twenty-five Cents the Copp. \$1 per year. (Foreign \$2.) Checks or Money Orders should be made payable to The American Institute of Architects. All communications should be sent to The Secretary. Entered as second-class matter, February 9, 1929, at the Post Office at Washington, D. C.

THE OCTAGON

A Journal of The American Institute of Architects

PUBLISHED MONTHLY BY

THE AMERICAN INSTITUTE OF ARCHITECTS

Executive and Publication Offices, The Octagon, 1741 New York Avenue, N. W., Washington, D. C.

The Seventy-third Convention of The Institute

*Address of President Edwin Bergstrom

THE Seventy-third Annual Convention of The American Institute of Architects is convened in one of the loveliest valleys in America. You who have come from afar will not be disappointed in what you find here, even though on your journey you have seen this western country in other aspects and other moods.

It is well for the architects of America to meet and tarry a while within the influence of this valley. We need this return to nature to realign our perspective of living and of life. We need the seclusion of this chasm of the Yosemite and the protection of its rocks, to escape for a moment from the disturbances that have been our daily portion, and to which we will return after four short days. Petty thoughts and a troubled mind have no place in this environment, and the struggle for power and glory is of no moment whatsoever. We need the influence of this valley to help us keep our sanity through the days to come.

The world continues in increasing turmoil. Nations are engaged in war for aggrandizement and for protection from aggrandizement; to establish one ideology of government and to maintain another ideology. Cities are being destroyed; men, women, and children are being harassed and killed in increasing numbers every day. Our life savings and our energies are being lavished on the production of powder and arms and the means of using them effectively. Within the security and serenity of this valley all such things seem unworthy and very futile.

The architects are vitally affected by these dis-

turbances. The normal tenor of their practices is completely upset and they are engaged almost entirely in the planning of buildings for war. They realize fully the necessity of doing the things which the defense program calls for and it affords them a field wherein they can, and do, render a notably patriotic service. But they find it difficult to adjust themselves to the loss of all sense of values in a program in which everything must be sacrificed to speed. They also find it difficult to adjust themselves quickly to the magnitude of a program that comprises somewhat more than 200,000 structures and wherein the simplest element of planning multiplies into an astonishing volume, and an unused area of ten square feet in one of the army cantonment buildings causes a waste of more than \$250,000 in the construction program, for instance.

The architectural profession has responded freely and wholly to the demands of the defense program. Architects have given a deal of money and personal service for the development of the questionnaires which are proving so useful in the selection of architects for the defense projects. Architects are planning the far-flung Atlantic bases and the Pacific bases which guard our continental area. They have planned many structures for the navy and the army. They have planned factories to produce the facilities of war, warehouses in which the facilities will be stored, shops in which they will be repaired, housing for the Army and the Navy personnel and for the workers in the defense factories and the scores of other buildings comprised in the defense program. They have moved their offices into the field and expanded their facilities to keep their performances

^{*} In the absence of President Bergstrom the address was read by Clair W. Ditchy, Chairman of the Convention.

ahead of the contractors who produced the 200,000 buildings within a period of a few months. The architects and the other planning professions have done a fine service for their country under extremely unusual and difficult circumstances.

It has been unfortunate that there have not been enough defense jobs so that every architect might plan at least one of them. It has been equally unfortunate that all of the federal agencies have not seen eye to eye on the policy of employing architects and others of the planning professions to develop their planning programs.

The major endeavors of The Institute and its Officers during the last eighteen months have been directed to solidifying the interests of Government and our profession, to make Government increasingly conscious of the importance of the services that architects can render it, and to impress the profession with the necessity of rendering its services competently.

There is not the slightest question that much of this objective has been achieved, and that government is relying more and more on the services that architects can give it. The constant and untiring efforts of your representatives in Washington have achieved a result for the profession hitherto not approached in Government Service, an achievement worth far more than all the time and money lavished on it.

You have been kept advised of the progress of the construction program from month to month, and it would be of no interest now to recount that which you have read. The correctness of the prognostication that the 1941 defense building program would be as great as, if not greater than that of 1940 is becoming more and more apparent every day. Under the army program many commissions already have been given to architects and engineers. As the new program gains momentum, the planning professions will find their services increasingly engaged, and there are even indications that they may be permitted to function in some of the fields that were denied to them under the program just finishing. The new program will be more satisfactory than the old one, for it is not being so hastily drawn, and many of the mistakes that were inevitable because of the urgency and speed of the last program are being corrected.

Early this year, your President, with the President of the American Society of Civil Engineers, the immediate Past-President of the American Society of Mechanical Engineers, and the President of the American Society of Landscape Architects, were selected by the War Department to assist it in the selection and planning of the sites for new camps and plants, and in the planning of its buildings. These men were asked to do this because the department became convinced that the planning professions they represented had something to contribute to the 1941 program that had been lacking in the previous program. They have worked every day and long into the nights in the discharge of their responsibilities. They have built up competent staffs of consultants and departmental heads, calling in architects, engineers and landscape architects from private practice. All of them are there for the period of the emergency, and have agreed to remain so long as their services are useful to the government during that period. This coalition of a Governmental department with the professions is a notable achievement.

This coalition would not have come about if the professions jointly had not done preliminary work to bring about a closer liaison among themselves. More than a year ago, before the defense program came into being, The Institute set up a committee to prepare ways in which the architectural profession could become an active participant in the defense program. Almost immediately thereafter The Institute and the other planning professions collaborated in a joint effort to forward a similar objective for all the professions. A joint committee of fifteen representatives of those societies has held many daylong meetings to accomplish that objective. The societies have seen eye to eye in the work of this program, and there has been no attempt of any of them to out-general the others. They stand solidly together today on that program.

The societies have not achieved everything they desired, but they have not lost anything entirely. At the present time they are engaged in an effort to reach an agreement with the Federal Works Agency as to what constitutes a proper service and a proper compensation for architects and engineers employed by that agency. The differences between the agency and the joint committee should not be irreconcilable, although they seem to be founded on different philosphies of service and compensation. The professions have asked no compensation beyond what they

have long considered to be fair and just to themseleves and to the public.

A notable and useful instrument developed by the joint committee is the statement concerning the division of responsibilities among the planning professions, to be used as a guide for prescribing the services which each profession should perform in collaborative efforts. The statement is confined to defense projects, but is equally applicable to all work. It has already proved its usefulness in many instances, and it will be more and more useful as it becomes familiar. It points the way not only to a proper allocation of planning activities, but also lays the basis for a proper division of costs and fees.

Other useful instruments developed by the joint committee are a form of agreement for cost-plus-fixed-fee contracts and schedules of fees, based on the agreement, for the various defense projects. The war department has been using these documents, and they are before the administrator of the Federal Works Agency for his consideration.

All of these instruments are the results of profound and prolonged discussions by the representatives of the societies.

There is no evidence that we can expect to revert soon to our normal functioning and ways of life, and the profession should prepare itself to accept the long struggle that seems ahead. It may mean a permanent rather than a temporary readjustment for us, and certainly our normal practices will continue to be disarranged for a long time and we must adjust ourselves for that eventuality. We will remain dependent mainly on Government commissions and employment for our subsistence, and we must accept those commissions and perform them with complete competence.

There is another defense activity which architects can forward during the days to come. That is in the field of civilian and material protection. The Institute, with the other planning societies, has a growing interest in the endeavor, and its representative, with those of the other societies, is working in conjunction with technical, civilian, and governmental boards to correlate information concerning such protection, and to disseminate it throughout the country. The Government is taking an increasing interest in this endeavor and the committee has been given official recognition by appointment of the Secretary of War. The architects should be par-

ticularly interested in the phases of the program which lie within their sphere of service.

The Institute has not been completely engrossed in defense measures. Cordial relations have been maintained with the Department of State, and on the latter's invitation, The Institute has welcomed many gifted visitors from the Pan-American nations and has guided them in their travels and studies throughout the States. Two distinguished gentlemen who are the guests of this government are with you today and will be introduced to you shortly. To welcome these and other visitors from our neighboring nations and to be of assistance to them, is one of the pleasant duties of the officers in Washington.

Nor has The Institute lessened its interest in its own affairs, or in the development of the profession generally. It has been growing rapidly in influence. Its corporate membership has held its own well. The associates of chapters have almost tripled in number. The state association members which were five in number two years ago, now number twenty-one, with a combined membership of more than 5,400 members, of whom at least 4,000 are non-Institute members. More than half of the architects of the United States are now under the aegis of The Institute.

Later you will discuss some of the subjects that the committees of The Institute have developed. The programs which they ask you to consider deserve your earnest consideration. They are broadly conceived, public-spirited measures and you will find, if you review the work of the committees over the last two years, that the materials they have gathered and the conclusions they have reached are notable and should be correllated into two or three programs which The Institute can pursue with interest for the betterment of the profession. Good ground work has been done, which future administrations can build on, if that is your will

Another accomplishment is the building of the administration and library building. It is two stories and a basement in height, and built around the perimeter of the old Octagon garden. Its entire area will be occupied for administration purposes. The erection of this building was made possible by bequests from Dan Everett Waid and by contributions from other Institute members.

Another accomplishment has been the publication

of The Institute By-laws. For the first time since the By-laws were adopted in 1932, every member has a copy of this fundamental document. The Annuary also has been published and for the first time contains, in addition to the usual lists of members, the list of the committees and their duties, a roll of the past officers, a roll of awardees of The Institute medals and honors, a roll of the Fellows and the Members Emeriti, and a list of The Institute representatives on other organizations.

Other documents of primary importance have been prepared. The statement concerning the practice of architecture forms the basis for architectural services and fees, describes methods of selecting architects, and sets up standards of practice for the profession. This is a fundamental statement for general issuance to the public. The Standards of Practice of The Institute, adopted at the last two conventions, replaces the old principles of practice, and becomes the document which governs the relations of members to each other, to society, and the profession. It is for distribution to Institute members.

A National Architectural Accrediting Board has been established in collaboration with the Association of Collegiate Schools of Architecture and the National Council of Architectural Registration Boards. Unfortunately, the accrediting Board has been without funds, and its serious and important work has not been started.

So I report to you that The Institute has progressed, and is a greater force for the profession now than it ever has been before. This is not due to my efforts, but to the far-sighted members of The Board who so ably kept The Institute on its course to a greater position in society and in the hearts of the profession.

This convention is bringing to a close for me a period of more than twenty-years' close association with The Institute's official affairs. It has been a long, arduous duty, for I cannot undertake a thing half-heartedly, yet it has been a pleasant service, working with so many others who likewise gave and are giving of themselves to The Institute and the profession. I am grateful for the opportunity I have had to serve it. I am particularly glad that it has been possible for me to give all of my time to The Institute during almost my entire term of office as President. I have been in California only twice since I took my present office, a week at New Year's a year ago, and a week in July last year. Many of the things it seems should have been accomplished have not been done; some have been begun and not finished; some have been left in status quo because the time did not seem opportune to press them; some have not been begun, but always the things that have been accomplished have strengthened The Institute and the profession—we have moved forward.

I am glad, too, of this opportunity to express my gratitude and appreciation to the hundreds of members and non-members who have written me in commendation. They have been helpful in many ways and I thank them one and all for standing by.

I am soon to turn the office over to a successor. I greet him affectionately and wish him every success. I congratulate you on your choice, for he will ably carry on the traditions as well as the constructive work of The Institute. The Institute will go on always.

Dedication

By DAVID J. WITMER, F.A.I.A.

WAS it not Horace Greeley who said, "Go West, young man, go West?" Today it may be difficult to judge whether he was thinking only of newly presented opportunities for material gain, or whether perhaps he was thinking of the beauty and marvels of nature, the creations of the Great Designer, which forever inspire, enrich and ennoble the spirit.

Somewhat before the founding of The Institute in 1857, the Spanish and Mexican possession of California, originally taken from the Indians by Portola and the Conquistidores, developed and nurtured by the padres and long protected by them from grasping hands, had passed from a feudal society of dons and great hospitable ranchos, when material possessions were valued in numbers of cowhides, to a land overrun by greedy bands rushing to bask in the glow of the golden fleece.

In 1857 California was already one of the wonder states of the Union and still rang with the sturdy deeds of Larkin, the exploits of Fremont and the daring of Kit Carson. This state, early known for its abundant riches, may be better appreciated for the appeal to the spirit of its native grandeur. Perhaps the glowing warmth of the sunshine and the spiritual lift that nature's wonders give are responsible for the cooperative efforts which have resulted in great material achievements. Perhaps, instead, the need of reaching out long distances for daily human necessities has been responsible. Whatever the reason, the fact remains that communities have reached out and in tremendous cooperation somehow accomplished the seemingly impossible, thereby perhaps becoming great. But always and ever consciously in the minds of those who live here are the great unchanging, ever-changing stimulants to the re-creation of beauty-goads to a deeper realization of the need of greater service, wider-reaching service to mankind, and the beauty of that service-stimulants such as this wonderful Valley of the Yosemite.

What more fitting site for its discussions could be chosen by an organization dedicated to beauty and to the beauty of an ever-increasing service to society, than this? We, in California, for many years have looked forward to a meeting of The Institute in California. We have said, "Come West!"—and now our good friends have come.

We are in the midst of a fast-changing world. We are faced with the complications, strife and turmoil of finding the means and methods of meeting the pounding impact of revolutionary changes in society, changes which are accentuated, twisted and battered by the overtones and crashes of international calamities.

This cherished profession of ours, in its accepted and long honored methods of making its services available, in its failure heretofore to make those services truly and fully effective and available for all levels of society, seems somehow still groping in a transition from a feudal age, or at least a bygone age. We realize, perhaps not thoroughly, the benefit that we in our professional life can be to mankind. Whether or not our desire to be of benefit to all men has been sufficiently strong, we have yet been unable to bring this desire to reality. Certainly so far we have failed to make our fellow humans generally conscious of the degree to which they need what we are so well fitted to give. That fact alone is the challenge which must have our constant and tireless attention. With the pressure of the world's social changes crowding in upon us, we are more fully aware of the need of a re-appraisal of our abilities to command the methods and channels through which we can and shall be of ever increasing usefulness to society.

May we not, therefore, dedicate this meeting—not to what has been done in the past, nor to the joy of past achievements but rather to the great fellowship of a united determination, perhaps a deep and silent determination, but certainly an irrevocable determination, to so construct—reconstruct if need be—our conception of service that this beloved profession of ours shall actually and vitally be of increasing service to all levels of society. May we so consecrate our professional life toward this ideal that this meeting shall not be unworthy of the nobility of the setting in which we meet today.



Report of The Board of Directors

(To the Seventy-third Convention of The American Institute of Architects, Yosemite Valley and Los Angeles, California, May 17, 18, 19 and 21, 1941.)

(1) Introduction

The Board of Directors submits to the Seventy-third Convention this annual report of the activities of The Institute since the convention in Louisville one year ago. At that time we were observing with growing concern the progress of the war that had broken out in Europe. We were alarmed at the prospect of damage to those cherished architectural monuments which have been the inspiration of architects for centuries. We were not unaware of the possibility of our involvement in the conflict, and pledged our talents and services to the Government in its plans for meeting the emergency. We recognized the necessity of continuing, with as little disarrangement as possible, the normal functioning of industry.

Today we are privileged to bring to your attention a record gleaned from reports of officers, directors, committees, chapters and state association members which indicates a remarkable continuance of usual activities, in addition to an intensive program of preparation for national defense.

The extent to which the Government has utilized the talents and services of the architectural profession in the defense program is not as general as it should be, despite repeated efforts to keep before the departments of Government the capacity of architects to serve in the present emergency.

It is our hope that from the deliberations of the representatives of the profession here assembled will evolve actions expressive of the national thought of the profession on the problems affecting its usefulness to that democratic society which we are pledged to serve and to defend.

(2) The Committees

The high standing of The Institute in the professional world and in public opinion is due in large part to the able and devoted services rendered year in and year out by the committees which carry on so much important work.

The committees make their reports to The Board—not to the convention. The Board at its recent meeting in Washington had before it a series of committee reports which are remarkably good in fact-finding, and in exposition of their subjects. Some deal with matters of interest to the entire profession; others relate to internal affairs of The Institute.

The Board decided that some of the reports should be made available in full to the delegates at this convention.

Each of those reports bears a notice to the effect that The Board has not approved or adopted the report in its entirety and that statements and recommendations contained therein should not be quoted for publicity purposes or recorded as reflecting policies of The Institute—unless action of the convention so indicates.

To complete a deserved tribute, The Board places before the convention the titles of all Administrative and Board committees with the names of their chairmen. It is not feasible to include the complete personnels of all committees. They were published in the October, 1940, number of The Octagon. The titles of the committees and the names of their chairmen are as follows:

ADMINISTRATIVE COMMITTEES

Committees	Chairmen
The Investment and Property Com	mitteeEdwin Bergstrom
The Board of Examiners	
The Jury of Fellows	Frederick H. Meyer
The Committee on Professional	
Practices	John P. B. Sinkler
The Judiciary Committee	
The Committee on Architectural	
Competitions	Eric Gugler

STANDING BOARD COMMITTEES

Committees	Chairmen
Committee on By-laws	Clair W. Ditchy
Committee on Awards and Scholarsh	ipsEdwin Bergstrom
Committee on Endowments	
Committee on Membership	
Committee on Education	John Bakewell, Ir.
Committee on Registration	
Committee on Technical Services	Charles W. Killam
Committee on Architectural ServicesFrederick	
Committee on Industrial Relations	Travis Gower Walsh
Committee on Contract	
Documents W	illiam Stanley Parker
Committee on Public Information	
Committee on Foreign Relations	
Committee on Allied Arts	
Committee on Federal Public Works.	
Committee on State and Municipal	
Public Works	Raymond J. Ashton

SPECIAL BOARD COMMITTEES

Committees Committee on Fields of Practice	Chairmen Arthur B. Holmes
Committee on the Profession and Society	Frederick G. Frost
Committee on Interprofessional Relations	
Committee on Component Organiz	ationsWinsor Soule
Committee on Urban Land Use	
Committee on Multiple Unit Housi	ngFrederick Mathesius
Committee on Civic Design	
Committee on National Capital	
Committee on Building Costs	M. H. Furbringer
Committee on Preservation of Hist	toric
Buildings	
Committee on Unification	Frederic A. Fletcher
Committee on Subscriptions for Oc	
Historic Monument	

(3) Membership

The report of the Committee on Membership indicates that corporate membership in The Institute has increased .6 of 1% since September 15, 1940

The Board agrees with the committee that this small increase is disappointing, in view of the fact that the present cost to new members, including the admission fee and the first year's dues, has been reduced from \$25.00 to \$10.00. It is probable that some of the chapters are not aware of this reduction of costs to new members and are neglecting the opportunity which it affords.

During the depression years a considerable number of corporate memberships were terminated for non-payment of Institute dues. Many of the chapters are now concerned in bringing about the readmission of those former members. The Board wishes to announce its full cooperation in this connection. It should not be overlooked that dues in arrears of former members may be remitted by The Board when conditions justify, when such action is recommended by the chapters, and provided the chapters likewise remit outstanding chapter dues.

The report shows an intelligent grasp of the membership problem which today confronts The Institute. It outlines certain procedures which, if followed, should strengthen the chapters and lead to a substantial increase in corporate membership.

The Board recommends to the chapters that the report of the Committee on Membership be carefully studied, and that each chapter adopt a program of activities directed to serve the entire profession within its territory. Active chapters operating under well directed programs of benefit to the community and the profession thereby enlist the responsive effort of all architects. The Institute ultimately gains in membership, and in influence.

(4) Architectural Education

The Board considered the recommendations made by the Committee on Education with respect to the terms and conditions of the Henry Adams Fund. It is questionable if the proposals for changing the terms of this fund are consistent with the purposes of the fund as set out in the by-laws. The proposals will be referred to counsel, and given further consideration in conference with the Committee on Education.

The recommendations to the effect that the reports of the holders of the fellowships under the Henry Adams Fund be published can be carried out through the office of the Publicist.

The Board notes with gratification, in the section of the report devoted to the Waid Education Fund, that three hundred ten essays have been submitted in the Atlantic Monthly competition for the best papers on an art appreciation subject. The hope is expressed that many papers will be found among those submitted which will be worthy of publication, and valuable in advancing the appreciation of the fine arts.

With reference to the second resolution proposed in the report, The Board offers it for adoption in amended form, as follows:

Resolved, That the chapters of The Institute be urged to appoint committees to study local conditions; the desirability of courses for aspirants for registration; and that investigations be made of local means available for conducting such courses, and if the need is apparent and the means are available that such courses be established under chapter sponsorship.

(5) Registration

The report of this committee deals at length with many phases of registration of architects and is a valuable reference document for those concerned with state laws governing architectural practice.

The Board commends the continued efforts of the committee to bring about greater uniformity of registration laws in the various states.

The report calls attention to the fact that architects' registration laws are primarily for the protection of life, health and property and the promotion of public welfare. Incidentally, they limit architectural practice to those who have qualified by registration.

The Board is of the opinion that reciprocity between states as now conducted through the National Council of Architectural Registration Boards is a valuable safeguard to the public and should be maintained, and recommends that the committee continue its studies looking toward improvement in interstate registrations to insure the greatest possible uniformity of standards of qualification.

(6) Technical Services

The Board commends the report of this committee as a comprehensive statement of the advances made in determining the relative merits of various materials used in present-day building.

The report records many advances in methods of presenting information on the relative value of various materials and processes for use in the building industry.

It also points out that a large amount of additional information can and should be supplied by governmental agencies that are organized to furnish such information to the various departments of government, but are withholding it from the building industry.

The report indicates that the Bureau of Stand-

ards and similar agencies can be of great value if a way can be found to make the results of their investigations generally available.

The Board is of the opinion that the various chapters of The Institute should take up this matter with the local groups of The Producers' Council in each state, and solicit their cooperation in an effort to attain the ends sought by the Committee on Technical Services.

(7) Architectural Services

It is recommended to the incoming Board that it direct the Committee on Architectural Services to continue its studies, so that standards of uniformity in practice may be developed. To arrive at an equitable method of supplying blue prints to bidding contractors, it is suggested that the committee survey the customary practice in architects' offices throughout the country.

With reference to the resolution of the Seventy-second Convention concerning the use of complete architectural service for projects insured by the Federal Housing Administration—as mentioned in the third paragraph of the committee's report—The Board suggests that the chapters of The Institute directly urge their local lending agencies, whose loans are insured, to recognize the value of architectural services, inducing them to require those services as an intrinsic part of the building operation.

The report discusses the status of the architect engaged in the business of construction contracting as a part of his practice. In the case cited The Board calls attention to the fact that the proper procedure is set forth in the contract documents of The Institute, particularly in that paragraph in the form of agreement between owner and architect which provides for additional compensation to the architect for work let by him under separate contracts.

(8) Industrial Relations

The activities of the Committee on Industrial Relations include a comprehensive study of many important phases of the building industry. It is heartening to learn that organized labor, under the stress of increasing building construction during the year covered by this study showed a marked intention to eliminate stoppage of work due to

jurisdictional disputes within its own ranks.

The report points out the extensive encroachment of large contractual firms into the architectural field—a condition which causes grave concern to The Board and to the profession.

This committee might well take active steps in gathering case histories to prove that the owner in dealing with the contractor-engineer-architect as one firm seldom obtains the quality of architectural services or the economies of expenditures that he is led to expect.

The recommendations of this committee with regard to building costs and the defense program are the subjects of reports by other committees.

(9) Public Information

The report of the Committee on Public Information emphasizes the growing appreciation of the need for publicity of the architectural profession.

It mentions in particular the success of the State Association of California Architects, Southern Section, with radio programs; and the invaluable services of the Publicist, James T. Grady, in publicizing nationally the activities of The Institute and the profession.

The committee has assembled material for a manual which will outline the best procedures for securing and writing news items for the public press. The need for such a manual, which will greatly simplify the task of developing newspaper publicity, has been generally felt. The Board has directed the preparation of this manual for ultimate adoption by The Institute, and for subsequent use by the chapters and state association members.

Architectural exhibits and lectures are also commended by the committee as valuable sources of public information. The report closes with a significant reference to the present critical situation in our civilization, and the necessity of giving the public reliable information concerning the architect's function in this changing world.

(10) Federal Public Works

The report of the Committee on Federal Public Works reviews the recent growth or entrenchment of Government bureaus engaged in the practice of architecture and comments upon their effect on the practice of the private architect.

It sets forth the disadvantages which result from

bureaucratic practice in contrast with the service of the architect in private practice.

In offering suggestions for combatting this condition, the committee mentions (a) the necessity of educating public officials; (b) the need of legislation requiring the employment of architects for federal public works; (c) scrutiny of the talents and abilities of those private architects to whom federal projects are entrusted; (d) evolving a method for selecting architects for federal work which will insure competency and integrity; and (e) collaborating with other planning professions.

The report deals in a convincing manner with one of the most important problems of the profession.

(11) Fields of Practice

The Board particularly commends to the attention of the membership the latter half of the report of the Committee on Fields of Practice under the heading of "Lateral Extension of Service."

In it there is outlined an idea of great importance, indicating how the architect, by the "acceptance of concentric collateral responsibility," may widen the scope of his usefulness to his client and can, by bringing imagination and study to his chosen field, protect himself against lowering fees and excessive non-professional competition.

The Board recommends that the committee search for and explore specific fields in which the architect may broaden his own practice and make the profession of ever-increasing service to society.

(12) The Profession and Society

The well studied report of this committee outlines in detail a number-of ways in which the architect may, by engaging in interests beyond the immediate demands of his profession, enlarge and strengthen his own position by bringing to his community a knowledge and appreciation of the architect as a man of character, vision, judgment and practicability.

This report should be studied with the report of the Committee on Fields of Practice, which it supplements and amplifies.

(13) Component Organizations

The report of the Committee on Component Organizations presents an outline of various methods which are suggested as appropriate procedures for the component bodies of The Institute. A study of the report would aid the chapters and the state associations in formulating programs of service and in extending their influence in the profession and in the community.

By way of comparison, it is noted that the suggestions of this committee with respect to the abolishment of the associateship class of membership in the chapters is contrary to the opinion of the Committee on Membership, which recommends in its report a greater recognition of chapter associates by granting them increased Institute representation.

To The Board it is apparent that conditions in the chapters vary greatly throughout the forty-eight states. What is favored in one locality is not acceptable in another. In fairness to our chapters, we should recognize the right of self-determination in local matters so far as Institutes policies will permit.

(14) Urban Land Use

This committee was formed following a roundtable discussion on regional depreciation and enhancement at the Seventy-second Convention.

Its report constitutes a clear and comprehensive statement of the difficult problems involved, and offers constructive suggestions toward solving them.

The report should serve as a guide and incentive to the architect, either individually or in groups, to apply himself to the serious conditions existing in most of our cities. It makes definite suggestions by which the profession can render an invaluable service to communities and thereby serve the public welfare while maintaining the prestige of the architect.

The committee points out that architects should take the initiative in cooperating with experts in allied fields to rehabilitate blighted areas, and in replanning our cities in part or in whole to the end that property which frequently cannot even earn its taxes may again become productive by paying taxes and a return to its owners.

The Board feels that this subject is of such importance that again it should be made the subject of a round-table discussion at the convention.

The Board recommends that this committee work toward the objectives set forth in the recommendations by Vice-President Walter R. MacCornack in the statement entitled, "Proposal to Correlate the Work of all Committees in any Way Related to the Building Industry and to Formulate a Long-range Policy with Respect to the Rehabilitation of Cities."

(15) Multiple Unit Housing

The report of the Committee on Multiple Unit Housing indicates complete action by the committee under the schedule of duties assigned to it.

The committee recommends the creation of a National Housing Council for the purpose of establishing a long-range program for housing of various types. Such a council could coordinate the many local and state agencies and serve as a general informative and fact-finding agency in this important field.

Four resolutions are proposed by the Committee for adoption by the convention.

Three of them, with minor amendments are offered by The Board, as follows:

(1) Whereas, It appears desirable that the location, construction and management of all multiple unit housing in which government has an interest be determined according to a long-range program, therefore be it

Resolved, That this convention encourage the creation of a National Housing Council by Government; or by private auspices with government approval and cooperation.

(2) Whereas, Competent, trained management of government owned or controlled multiple unit housing is essential to creating and maintaining a cooperative, satisfied tenancy, and for effecting maintenance and operation savings to reduce tenant rentals, therefore be it

Resolved, That this convention urges upon government and local housing authorities the importance of employing thoroughly trained and competent management for all government owned or controlled multiple unit housing.

(3) Whereas, The majority of building codes throughout the United States do not permit the use of new building materials or construction methods without prior local approval, and

Whereas, Such local approvals of new building materials or construction methods do not promptly make their use available throughout the United States, therefore be it

Resolved, That this convention encourage the United States Bureau of Standards to collate, prepare, and promulgate minimum requirements for building codes, amended by it from time to time as new building materials or construction methods are made available and are approved for use by the Bureau.

It appears to The Board that the substance of the second resolution proposed by the committee urging a requirement that each applicant for a loan insured by the Federal Housing Administration shall establish a substantial, real and continuing investment in his project is somewhat in conflict with certain defense housing financing recently undertaken by the Federal Housing Administration.

It might be confusing to have such a resolution on record at this time.

When the need for defense housing and its financing has ceased to exist the provisions contained in the second resolution might well be given further consideration.

The Board recommends that this committee, together with the Committee on Urban Land Use, work toward the objectives set forth in the recommendations contained in the statement by Vice-President Walter R. MacCornack.

(16) Program for Rehabilitation of Cities

At the recent meeting of The Board consideration was given to a proposal offered by Vice-President Walter R. MacCornack, the purpose of which is to bring about a correlation of the work of all committees of The Institute related to the building industry, and to formulate a long-range policy with respect to the rehabilitation of cities. The statement is available to the delegates in separate form.

This program is one for action and does not create new surveys or detailed plans but makes it possible to formulate a policy in which The Institute may take the lead in reconstruction.

Its purpose is to create an informed public opinion regarding all the elements inherent in such a long-range undertaking and cooperate with Government agencies in securing direct action for a rebuilding program in the public interest.

It should be understood that this work, when undertaken, must be considered as a continuing effort over a long period of years and that it is entirely within the realm of possibility that large depreciated city areas which have lost their economic value over a period of time can be brought back to a sound economic condition.

The Board offers the following resolution:

Whereas, The Defense Program is likely to be followed by a chaotic condition in the construction industry unless some long-range program of construction is undertaken, preceded by intelligent long-range planning, and

Whereas, The American Institute of Architects by reason of the position it holds in relation to all the elements in the industry is qualified for leadership in such a program, therefore be it Resolved, That The American Institute of Architects undertake this program, and that the various committees of The Institute and the chapters be organized to function in developing it, and be it further

Resolved, That a committee be appointed by The Board to coordinate and direct the program.

(17) Unification

The annual report of the Committee on Unification indicates that the important work entrusted to this committee is being forwarded in conformity with the policies outlined by The Board in 1940. The report is comprehensive and concise in the presentation of the factual data relating to the unification program and the work done by this committee.

Members and chapters of The Institute should study this document. It will prove informative as to conditions which exist with respect to the solidarity of our profession and will inspire a broader vision of our continuing responsibilities in extending the national leadership of The Institute.

The committee is commended for its diligent service in forwarding this work, which should be continued in the interest of the profession.

With reference to the recommendations of the committee, beginning on page 11 of the report, the following comments are made:

The Board is in agreement with the recommendations outlined in item 1, sub-paragraph (a) and (b) with respect to the formation and affiliation of the state associations mentioned therein.

The Board is in agreement with the recommendation as outlined in item 2, sub-paragraph (a) with respect to placing greater emphasis on the securing of corporate members, if local conditions make that desirable.

The Board is not in agreement with the recommendation outlined in item 2, sub-paragraph (b), a restriction which would tend to affect the status of the associate members of the chapters. It has become clear that all localities cannot be served through a single method of organization. Local autonomy must be recognized, and it would seem wise that the chapters be not restricted in their right of self-determination in these matters.

Where state associations do not exist and there is no evident need of them, the chapters in those states should not be restricted in their efforts to

accomplish unification by fostering the associateship class as now provided for in the by-laws of The Institute.

The recommendations of the report set forth in item 3, sub-paragraphs (a) and (b) pertain to responsibilities which now belong to the regional directors.

The recommendations made in item 4, subparagraphs (a) and (b), relating to the inauguration of a membership drive, are matters which come under the jurisdiction of the Committee on Membership.

The committee reports in effect that when all of the twenty-eight existing state-wide associations become affiliated with The Institute (twenty-one are now) approximately 90% of all the architects residing in the forty-eight states will have representation in The Institute.

(18) Admission of State Association Members

The Board asks that the convention join with it in extending a cordial greeting to the state association members elected since the convention of 1940. The Institute now has the affiliation and support of twenty-one state association members.

The new members are as follows:
The Alabama Association of Architects
Illinois Society of Architects
The Missouri Association of Architects
New York State Association of Architects
The North Carolina Association of Architects
Pennsylvania Association of Architects
The Virginia Society of Architects

(19) The Producers' Council

It is gratifying to report that the long established affiliation with The Producers' Council has been renewed, and that cooperation between The Institute and the Council is being maintained on the same satisfactory basis as heretofore.

Reports of the Committees

The preceding report of The Board to the Seventy-third Convention makes reference to the reports of various committees.

Copies of those reports, and of others not specifically mentioned in The Board's report, were distributed at the Convention.

Last year the committee reports were distributed in printed form. This year, as a matter of necessary economy, they were duplicated by the process known as offset printing. Enough copies were left, after distribution at the Convention, to supply reasonable demands.

Any of the reports desired will be sent to chapters or corporate members to the extent of one or several of each report—if so requested.

It is not feasible to supply the reports in large quantities.

Excerpts from The Treasurer's Report

TO THE SEVENTY-THIRD CONVENTION, THE AMERICAN INSTITUTE OF ARCHITECTS, YOSEMITE VALLEY, CALIFORNIA, MAY 18, 1941

THE Treasurer submits his report of the financial operations of The Institute during 1940 and of its financial condition at the close of that year. The regular audit of The Treasurer's books and records has been made by Price, Waterhouse & Co. and is on file at The Octagon.

The report is in its customary form, comprising the Balance Sheet, (Table 1), with its supporting schedules*; the statement of the General Fund operations, setting out income received and expenditures made during the year (Tables 2 and 3), and the statement of changes in the Special Funds and their condition. (*Table 4).

The Treasurer has deviated from customary pattern and procedure in the presentation of his report by the addition of an auditor's statement (Exhibit I) which sets forth in simple and direct terms the summary of assets, liabilities, income and expenditures for the operation of the General and the Special funds during the past year.

The information contained therein has been summarized from the details of the succeeding balance sheet and operating statements.

As heretofore, The Treasurer calls to your attention that the income of the Special Funds can be used only for the purposes prescribed by the creators of the funds, designated in (Table 3) as "Prescribed Purposes." These funds are grouped in three general classes:

- the Reserve Funds, which protect the solvency of The Institute;
- the Endowment Funds, which are, (a), for purposes to do with the general activities of The Institute, or (b), for educational purposes:
- the Temporary Funds, which are donated for current or special purposes.

THE GENERAL FUND

The condition of the General Fund of The Institute at the close of December 31, 1940, is shown in columns 3 and 9 of the Balance Sheet (Table 1);

of the Special Funds, in columns 4, 10, and 11; of the combined funds, in columns 5 and 12. For comparison, the condition of the combined funds for 1939 is shown in columns 6 and 13.

THE GENERAL FUND-FINANCIAL CONDITION (Table 1, columns 3 and 9)

	The General Fund Assets were	
	Current Assets: Cash	
\$ 24,037.80	Accounts receivable 29.13 Fixed Assets: Real Property, Improve-	
140,962.45	ments, Furniture, etc	
67,579.33	Expenses of The Octagon as an Historic	
210.87	Monument	
\$232,790.45	Total General Fund Assets	
	The General Fund Liabilities were	
\$ 5,766.95 17,500.00 6,101.89	Accounts payable Notes payable Deferred credits and special reserves	
\$ 29,368.84 203,421.61	Surplus: net worth	
\$232,790.45	Total General Fund Liabilities	

THE GENERAL FUND-GENERAL OPERATIONS (Table 2)

The General Fund Income was

Dues \$49,168.34; Documents \$22,407.57; The Department of Technical Services \$6,400.00; Special dues \$57.00; Defense Program—contributions \$3,447.-50; other items \$14,213.59. Total income.

\$ 95,694.00

The General Fund Outgo was for

Meetings \$22,603.50; general administration \$39,201.71; property maintenance (partial) \$2,857.23; publishing \$15,-555.49; The department of technical services \$9,014.06; public information department \$5,180.13; committees \$5,-884.78; Defense program \$10,666.89; other items \$1,863.04; appropriations forwarded \$1,760.00. Total outgo... General Fund Operating Loss....

114,586.83 18,892.83

\$ 95,694.00

Attention is called to the final item of the foregoing table, "General Fund Operating Loss—\$18,-892.83", which is the excess of expenses over income of the General Fund for 1940, as compared with a like excess for the year 1939 in the amount of \$1,496.73.

This loss, in general, may be attributed to emergency expenditures in connection with the Defense

Not included herein. Printed copies of The Treasurer's report as distributed at the convention may be had on request.

Program, suddenly developed after the declaration of a national emergency, and comprises costs of the nation-wide census of architects, the negotiations with Federal agencies on employment of architects, and expenses in connection therewith, such as additional office personnel, travel and subsistence for Officers, Directors, and committees, printing, and equipment.

A rather sharp decline in the sale of printed documents during 1940, below budget estimates, has further contributed to this loss.

For comparison, the income and expenditures, for general purposes, for the year 1940 and the four preceding years are shown in Table A which follows:

General Fund For		TABI			
General Purposes	1940	1939	1938	1937	1936
Income Expenditures. Gross Gain or	114,586.83	\$88,683.51 ² 90,180.24	\$78,984.781 76,851.23	\$78,714.801 76,787.47	\$87,435.06 77,314.97
Loss (1	L)\$18,892.83	(L)\$1,496.73(ior years.	G)\$2,133.55	(G)\$1,927.33(G)\$10,120.0

A synopsis of the principal items of income for 1940 and the four previous years is shown in Table B which follows:

TABLE B

Year	Members	Sale of Documents	Department of Technical Services	Other Sources	Total Income
1936	\$49,792.59	\$28,551.57	\$ 300.00	\$8,790.894	\$87,435.05
1937	44.756.311	28,111.03	600.00	5,247.464	78,714.80
1938	45,740.171	21,558.93	2,000.00	9.685.684	78,984.78
1939	54,758.491	7 21,799.67	3,499.94	8,625,414	88,683.51
1940	49,225,341	22,407.57	6,400.00	17.661.09	95,694.00

stions to Defense Program \$3,447.50 Nos. 4 and 5

The principal items of expenditures for 1940 and the four preceding years are shown in Table C which follows:

TABLE C

Year	Meetings	Documents ¹	Department of Technical Services		Committees
1936	\$16,683.90	\$17,126,46	\$1.039.96	\$2,331,13	\$1,788.95
1937	13.017.19	17,395.99	3.555.53	3.885.36	3.268.88
1938	14.010.93	13.527.29	5,088,80	6.561.49	6,006.84
1939	20,323.724	12,992.95	6,216.78	6.110.91	8,492.12
1940	22,603.504	15,555.49	9,014.06	5,180.13	5,884.78
1 Inches	des expense of	nublishing 7	THE OCTAGON	er shows \$4.5	00 per west.

The principal items of income and expenditures on account of the Defense Program for 1940 are shown in Table D which follows:

TABLE D Defense Program

\$ 1,999.00 1,448.50
\$3,447.50
\$ 9,334.74
175.05
1,157.10
10,666.89
7,219.39
\$ 3,447.50

THE GENERAL FUND-PRESCRIBED OPERATIONS (Table 3)

The total money used for prescribed purposes in 1940 was \$85,048.13, as compared with \$37,119.17 during the previous year. This sum was made up of transfers of \$5,212.18 from the General Fund to the Reserve and other Endowment Funds, and of \$79,835.95 from the Special Funds income for purposes of the Special Funds.

THE SPECIAL FUNDS

THE SPECIAL FUNDS-FINANCIAL CONDITION (Table 1, columns 4, 10, 11)

.,,	
The Special Funds Assets were	
Cash and Accumulated Income	\$ 74,930.41
Temporary Funds Cash	8,522.63
Receivables	39,554.30
Securities (at cost)	469,650.52
Real estate	28,500.00
Mortgages and notes	26,592.52
Temporary Funds-Securities (at cost)	119,205.12
Libraries (appraised)	29,102.20
Total Special Funds Assets	\$796,057.70
The Special Funds Liabilities were	

The Special Funds Liabilities were	
Capital of funds	\$624,028.69
Items of accumulated income	11,061.75
Temporary Funds Capital and accumulated	
income	160,896.20
Reserved for expenses of Waid Property	71.06
_	

Total Special Funds Liabilities..... \$796,057.70

THE SPECIAL FUNDS-OPERATIONS (*Table 4)

The total income earned during the year by the Special Funds capital and royalties received was \$50,324.77, and the amount of income and capital donated and transferred to the Special Funds, including the gifts from Waid Trust Funds and Estate, was \$173,733.33, as compared with \$162,273.16 transferred in 1939. Of these sums, \$18,976.64 was used for the purposes of the funds; \$2,078.24 was used to pay for administering the funds; \$3,-485.37 was transferred to the accumulated incomes,

[·] Not included herein.

and \$199,526.70 was transferred to the capitals of Gifts

The subscriptions to the Administration Building and Endowment Fund are carried as one of the temporary funds. The total subscriptions to this fund, including additional amount of \$7,798.55 received from the Waid Estate, total \$187,125.64. The cash paid on all subscriptions during the year was \$2,525.81, plus the balance received from the Waid Estate, making a total of cash received to December 31, 1940 of \$152,853.75.

The total disbursements for expenses and the construction of the new building amounted to \$67,790.20 on December 31, 1940.

The accumulated capital of the General Reserve and Endowment Funds is compared with the four previous years in Table E which follows:

TABLE E (Exclusive of Temporary Funds)

CAPTIAL	At Dec. 31, 1940	At Dec. 31, 1939	At Dec. 31, 1938	At Dec. 31, 1937	At Dec. 31, 1936
Cash and Notes Securities	.\$ 80,558.13	\$ 14,555.40	\$ 18,292.54	\$ 27,487.55	\$ 30,148.26
at cost	. 420,010.53	386,768.51	390,856.71	401,272.59	370,919.06
Totals	\$500,568.65	\$401,323.91	\$409,149.25	\$428,710.14	\$401,067.32
income		\$24,832.72	\$23,655.01	\$22,515.98	\$17,800.56
* Interest and transf	and dividend	s only (exclu	sive of tempe	orary funds,	royalties, gifts

COMBINED GENERAL AND SPECIAL FUNDS

The current assets of the General Funds, and the cash and receivables of the Special Funds, combined, was \$147,045.14 at the close of the year, as compared with \$204,017.10 at the close of the previous year; the cost of the securities was \$588,855.64, as compared with \$455,588.77, and the total assets were \$1,028,848.15, as compared with \$839,283.47.

The net worth was \$203,421.61, as compared with \$154,501.64 a year ago, which increase was made up by an investment of \$67,790.20 in the new building under construction, and the net deficit for the year of \$18,870.23. The total capital of the Special Funds was \$753,387.31, as compared with the capital of \$612,435.26 in 1939. This marked increase in the Special Funds was due to the receipt of \$154,684.57, residuary interest in the Estate of Dan Everett Waid and other gifts of \$13,336.58. The total income earned by the Special Funds in 1940 was \$11,748.82 more than in 1939. This increase was due to the investment of the Temporary Funds.

The statements show The Institute to be in a sound financial condition.

The following gifts to The Institute have been received during the year 1940:

1.	The Waid Trust Estate No. 1 For building operations of The Institute, and to the maintenance of its buildings	\$ 7,798.55
2.	The Waid Trust Estate No. 2 For General purposes of The Insti- tute	2,612.22
3.	Estate of Dan Everett Waid For purposes of The Waid Education Fund	154,684.57
4.	Estate of E. B. Brunner For General Education Fund	400.00
5.	Contributions on New Building sub- scriptions	2,325.81
6.	Contribution to restoration of The Oc- tagon as an Historic Monument	200.00
7	1,093 contributions received for The In-	\$168,021.15
1.	stitute's Defense Program	3,447.50
		\$171.468.65

Defaults in Dues

Special attention is called to the fact that 2,670 members, 91% of the membership of The Institute, paid their dues in full in 1940, which was a gain of 2.4% over the percentage of members who paid their dues in 1939.

TERMINATIONS AND SUSPENSIONS

Memberships terminated on December 31, 1940:

43 Members owing	\$1,594.00
Memberships suspended on December 31, 1940: 86 Members owing The status of these suspended members	1,592.00 on April
30, 1940 was as follows:	
10 Members paid their defaults and restored their memberships	172.00 6.00 30.00 1,384.00
	\$1,592.00

SALES OF DOCUMENTS DURING 1940

	Total Sales	Total Expendi- tures	Net Sales over Ex- penditures
The Octagon	261.49	\$ 6,585.57	\$ -)6,324.08
The Annuary number of The			
Octagon	75.00	441.00	-) 366.00
Standard Contract Documents	20,097.53	3,710.82	16,386,71
Professional Contract Docu-			
ments	892.08	506.71	385.37
Miscellaneous Documents	132.37	3.064.29	-12.931.92
Handbook		403.45	-) 403.45
Reprints	23.25	78.39	-) 55.14
Standard Filing System and	20.20	10.09	-/ 00.15
Index	457.70	247.92	209.78
Place Filing System	55.03	73.40	-) 18.37
Standard Accounting	204.57	337.25	-) 132.68
Press Books	208.55	106.69	101.86
Totals	999 407 87	. 15 555 40	

THE GENERAL FUND-OPERATING RESULTS

FIRST QUAR	TER OF 1941	
	First quarter 1940	First quarter 1941
GENERAL PURPOSES-Income		
Cash forwarded	\$ 1,700.00 29,103.17	\$ 1,760.00 31,771.33
gram. Special dues for Intl. Congress	60.00	6,772.00
Printing and Publishing	4,989.22	6,081.35
Dept. of Technical Services Other sources	1,599.99 4,444.46	1,182.31
	\$41,896.84	\$47,566.99
GENERAL PURPOSES Outgo		
Meetings	\$ 1,218.02	\$ 841.21
Property Maintenance	1,306.92	*******
General Administration	12,929.78	8,395.39
Recruiting	82.63	331.34
Printing and Publishing	2,812.76	3,374.53
Dept. of Technical Services Public Information Department.	2,407.71 1,359.08	2,181.47 1,253.77
Committees	1,536.66	672.65
Defense Program		2,096.84
Contingent Fund	1,694.29	205.08
Repayment of loan and interest.	1,004.20	200.00
Other purposes	367.45	255.41
	\$25,715.30	\$19,607.69

Both the normal income and outgo for general purposes are about the same as last year. The income in 1941 was increased by special dues received for the defense program and the expenditures were reduced by appropriations not required for estate and bequest settlements.

THE GENERAL FUND-OPERATING RESULTS FIRST QUARTER OF 1941

PRESCRIBED PURPOSES	First quarter 1940	First quarter 1941
Cash forwarded	\$ 50.00	8
Dues, fees and defaulted dues	2,545.65	3,155.93
Special Fund Purposes	11,819.95	2,498.79
Building	126.40	53,928.56
Octagon-Historic Monument	******	
	\$14,542.00	\$59,583.28
PRESCRIBED PURPOSES Outgo		
Transfers to General Reserve		2
and Recruiting Funds	2,545.65	3,155.93
Purposes of Special Funds	11,794.06	1,469.72
Administration and Library		
Building	121.40	53,928.56
Octagon-Historic Monument	*******	******
	\$14,461.11	\$58,554.21

The income and outgo for prescribed purposes has been increased by the cost of constructing the new building. The appropriation from the Carnegie grant for educational purposes has not been spent during the first three months of 1941 and is not included in Special Fund Purposes for this quarter.

Change in Membership

The changes in membership during the year are shown in the following Table.

		CHANG	ES IN MEN	MBERSHIP				
CHANGES IN MEMBERSHIP	Total on January 1, 1940	Number Deceased	Number Resigned	Number terminated for default or for cause	Number re-admitted	Number admitted	Number Members advanced to Fellowship	Total on January 1, 1941
Corporate Memberships: Fellows	310 2,624	14 27	2 23		14	156	26** (-)28	320 2,667x
Totals	12,934	41	25	50	14	156		2,987
State Association Members	8	****	****			10		15
Totale	2,939	41	25	50	14	166		3,002
Institute Honorary Members Honorary Members Honorary Corresponding Members	80 47	12	****	::::	::::		****	68 43
Totals	127	16					****	111
• Juniore	6			6		****		0
Associates of Chapters	935xx				****	****		1,156xx
Non-Institute Members of State Association Members	712w					****		1,236w
Grand Totals	4,719		****					5,505

This class abolished May 9, 1936.
x That includes 86 members in suspension for default.
† Includes 87 members in suspension for default.
x As reported by chapters—includes junior associates.

W Non-Institute voting—members as reported by the State Association Members.
 12 Advancements to Fellowship announced at 1940 Convention.
 14 Advancements to Fellowship announced at 1941 Convention.

Conclusion

While the assets of The Institute have increased quite materially during the year 1940, principally due to gifts received and all of which have been designated for special purposes, yet the General Fund expenditures have exceeded income to that Fund by a considerable amount. While this excess spending for 1940 has been covered through borrowing from the Emergency Loan Fund reserves, it has substantially depleted this Fund.

The Treasurer wishes to again point out the difficulties involved when appropriations are made for expenditures without having a balancing income in sight.

In the first quarter of 1941, reports indicate that expenditures are being kept within current income,

and providing no further appropriations are made unless funds are available and forthcoming, the operations for 1941 will be kept within the budget.

However, in view of the present disturbing political and economic factors throughout the world, and uncertainties of the future, it can hardly be anticipated that the finances of The Institute may be continued on a normal basis. As private construction decreases in volume and more of our members are called into military service, we may anticipate a decided drop in income; therefore it becomes the duty of the Officers and Directors to consider well the possibilities of all sources of income and measure expenditures in accordance therewith.

JOHN R. FUGARD
Treasurer.

EXHIBIT 1

as of December 31, 1940

Summary of Assets, Liabilities, Income and Expenditures of the General and the Special Funds

The assets of The Institute at December the General Fund and the Special Funds,	amo	unted	to
\$1,011,348.15 as compared with \$838,010.26		e end	of
the preceding year, summarized as follows:			

		December 31, 1940	December 31, 1939
Cash in banks and on hand Securities, at cost	•	93,309.61 588,855.64	\$175,871.30 455,588.77
Mortgages, notes and accounts receivable		48,675.95	12,402.80
documents		14,152.10	14,469.79
and held for sale		28,500.00	
The Octagon Library Real estate and other fixed		29,102.20	29,102.20
assets		208,752.65	150,575.40
Total assets	\$1	,011,348.15	\$838,010.26

These assets were held for special, restricted or general purposes or to meet liabilities as indicated below:

Capital of The Special Funds:

The General Reserve Fund	\$ 48,723.47	\$ 43,132.39
The Endowment Funds	570,367.79	410,934.62
The Temporary Funds	129,358.62	170,110.62
Surplus (or deficit) in the Gen-		
eral Investment Account-		
Fluctuation Reserve Fund	4.937.43	(11,742,37)

Unexpe	nae	a l	ncor	ne	or	T De
Spe	ecia	l Fu	nds:			
	-			-		

Total liabilities, capital	•	
deficit) of The General Fund	(5,331.04)	13,561.79
(invested in fixed assets) Unappropriated Surplus (or	208,752.65	150,575.40
Reserves for expenses, etc Capital of The General Fund	11,939.90	12,838.85
The Endowment Funds The Temporary Funds	11,061.75 31,537.58	7,986.02 40,612.94
opeciai runus.		

The increase in assets of \$173,337.89 during the year is accounted for as follows:

and surplus...... \$1,011,348.15 \$838,010.26

accounted for as follows: Gifts received for The Endowment Funds	
and The Temporary Funds, including	****
gifts for construction of new building Gain on sale of securities	\$168,021.15 12,336.90
Income restricted as to use and not avail- able for expenditure through The Gen-	
eral Fund in 1940 (net)	12,771.62

\$193,129.67

Deduct:

Excess of expenses over income of The General Fund for the year 1940 Decrease in reserves for expenses, etc	\$ 18,892.83 898.95
	\$ 19,791.78
Net increase	\$ 173,337.89

The gifts received include \$165,095.34 for cash, securities, mortgages and real estate received from the Estate of Dan Everett Waid and the Waid Trusts.

Expenditures for construction of the new building amounted to \$67,790.20 to December 31, 1940. Cash and securities of \$97,497.93 were held in the Temporary Funds at that date to complete the building program.

Although the market values of the investment securities have continued to be somewhat below their cost, there was improvement during the year. The appreciation in market prices, including the gain realized on sales, amounted to \$18,151.99 for the year. The income from interest and dividends was equivalent to approximately 6.1% for 1940 (6.0% for 1939) of the average amount invested and available for investment in the general investment account. After setting aside a portion of the income as required by the By-laws, the interest and dividend income available for the purposes of the various funds was equivalent to approximately 5.2% for 1940 (5.1% for 1939) of the capital of the funds.

The income from all sources (other than gain on sale of securities and gifts received for capital purposes) amounted to \$127,821.30 for 1940 as compared with \$121,660.89 for 1939. Of these amounts \$115,049.68 for 1940 and \$112,501.99 for 1939 were available for general and specific purposes by appropriation through The General Fund. Expenses amounted to \$133,942.51 for 1940 as compared with \$113,998.72 for 1939. The following summary of the income and expenses (inter-fund transactions and transfers eliminated) shows the nature of the more important items.

Income	1940	1939
		-
Dues-regular Special dues, fees and contribu-		\$ 52,317.65
Sale of documents, magazine sub-	7,670.50	15,990.05
scriptions, etc	22,407.57	21,799.67
ers' Council, Inc.)	6,400.00	3,499.94
Interest and dividends on secur-	36,681.13	24,597.01
Rent, royalties and miscellaneous	2,062.07	3,456.57
Total income for year	\$127,821.30	\$121,660.89
Portion of income restricted as to use and not available for expenditure through The General Fund (net)	12,771.62	9,158.90
Balance of income available through The General Fund, including amounts appro- priated for special purposes other than construction of new building	\$115,049.68	\$112,501.99
Expenses		
General and administrative: Salaries and wages	\$ 38,787.39	\$ 35,548.61

Expenses—(Continued) Office supplies and expenses Officers' expenses Fees and legal expense	1940 9,081.02 10,471.65 6,922.03	1939 8,088.35 4,534.34 2,193.77
	\$ 65,262.09	\$ 50,365.07
Convention, Board and Commit- tee meetings-travel, suste-		
nance, printing, etc	21,298.57	22,129.09
Property taxes, light, heat and repairs	4,371.64	7,210.15
Printing and publishing, The Oc- tagon, documents and forms.	11,948.65	9,845.46
Scholarships, lectures and educa-		
tional awards	15,292.43	18,087.25
Publicity services Defense program, including cen-	5,000.00	5,000.00
sus of architects	9,349.64	
Miscellaneous	1,419.49	1,361.70
Total expenses	\$133,942.51	\$113,998.72
Excess of expenses over income of The General Fund		\$ 1,496.73

The income for 1940 of \$115,049.68 available through The General Fund, as above, includes \$32,798.65 for income restricted as to use which was appropriated for specific purposes, and a corresponding expenditure for these specific purposes is included in the expenses of \$133,942.51. The item for specific purposes are segregated in the following table so as to show the balance of income and the expenses for general purposes.

Incoma:	Total	Restricted to specific purposes	Balance for general purposes
Dues—regular	\$ 52,600.08	\$ 4.127.18	1 48,472.85
Special dues, fees and con-		• 4,121,120	* 10,112.00
tributions	7,670.50	7,670.50	
Sale of documents, etc			22,407.57
Technical services			6,400.00
Interest and dividends Rent, royalties and miscel-		32,180.64	4,500.49
laneous	2,062.07	941.88	1,120.74
Total	\$127,821.30	\$44,919.65	\$ 82,901.65
Deduct-Portion not available (net)		12,121.00	650.62
Balance available for expenses		\$32,798.65	\$ 82,251.08
Expenses:			
General and administra-			
tive	\$ 65,262.09		\$ 58,887.48
Convention and meetings	21,298.57	3,138.00	
Property maintenance	4,371.64	8,777.76	593.88
printing Scholarships, lecturers	11,948.65		11,948.65
and awards	15.292.43	15,292,48	
Publicity		10,232.40	5,000.00
Defense program		3,447,50	5,902.14
Miscellaneous		718.30	701.19
Total expenses	\$133,942.51	\$32,798.65	\$101.143.86
Excess of expenses over income	\$ 18,892.83	_	\$ 18,892.83

TABLE 1
BALANCE SHEET
as of December 31, 1940
Totals of Consolidated Funds for 1939

Schule use	1 2:	General	:		1			i	Special Funds Accumulated	Accumulated		
School Control	++	Fund	Special				-		-	- Treesman		
	_		Funds	Consolidated Funds	anna a	LIABILITIES AND FUNDS	Sched-	Fund	Income	Capital	Consolida	Consolidated Funds
	١	As of December 31, I	As of December 31, I 1940	As of December 31, 1940	As of December 31, 1939			As of December 31, 1940	December 31, December 31,	As of December 31, 1940	As of As of December 31, 1940 1939	As of December 31, 1939
1 1 1 1		9,856.57	8 83,453.04	19.906.61	\$175,871.30	ACCOUNTS PAYABLE		\$ 5,766.95			\$ 5,766.95	\$ 7,833.60
O, less install-			•		:	NOTES PAYABLE to Emergency Loan fund		17,500.00			17,500.00	none
0, less install-		20.13	21,654.30	21,683.43	13,276.01	SPECIAL RESERVE		643.41	71.06	:	714.47	10,338.26
ments due			17,900.00	17,900.00	00.00	Unexpended appropriation for New Building Purposes.		135.41	:		:	
			00.00	:		Reserve for expenses Re:		308.00	90 20	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		:
From General Fund.			17,500.00			DEFERRED CREDITS		5.458.48			5.458.48	8.575.75
INVENTORY	-	14,152.10		14,152,10	14,400.79	Applications Pending.		2,431.01				
Documents, Books and Insignia,		12,693.44				Other Items in advance		246.07	:	:	:	:
Supplies.	-	1,458.66	:	:	:	formarded		1,760.00	:::::::::::::::::::::::::::::::::::::::	:	:	:
Scurdies, et cost	-		615,448.16	615,448.16	455,588.77	NET WORTH.		203,421.61			203,421.61	154,501.64
General Investment Account	_		(30.757.05)	:::		Expenditures on building under		67,790.30		:	:	:
Special Investment Account No. 2 Waid Education Fund.	_		(40,640.00)			Gain or Loss Jen. 1 to Dec. 31, 1940	Table	(1)18,870.23	:	:	:	:
Morgages and notes—17 and Fund		:	26,502.52	:	:	TOTAL LIABILITIES AND	4	300 700 48				
FIXED ASSETS.	64	208,752.65	67,602.20	266,354.85	170,042.05	NEI WOKIM		262,000.40				:
Red Estate Waid Fund		80,500.50	38,500.00	::	::							
improvement"—The Octagon (as appealised) Furniture and Fixtures		25,000.00	:	:	:	FUNDS						
Press Photographs and Negatives		\$0.020.04	:	:	:			:	:::::::::::::::::::::::::::::::::::::::	48,723.47	48,723.47	43,132.30
	1-	140,962.45					-			13,723.47	:::	
building allocated to new A6		67,579.33	:	:	:	Life Membership Reserve Fund		:	:	15,000.00	-	
ar proposed Historic Monumens .		250.87	:	:		(For amortizing securities at par)				4,937.43	4,967.43	(-)11,742.31
FIXED CHARGES	_	:	•	:	9,635.55	OTHER SPECIAL FUNDS		:	42,599.33	600,726.41	742,325.74	629,644.20
Building under construction.				:	:	The Endorment Funds		:	11,061.75	570,367.79	:	•
struction of Administration and	_					were building)		:	31,537.58	31,860.69	:	:
Octagon Library. A5	_		39,102.30			Weid Trust Fund No. 1)			:	97.497.03	:	:
FOTAL ASSETS	1 2	1232,790.45	1	81,028,848.15 \$830,283.47	1830,283.47	TOTAL LIABILITIES AND		232,790.45	8 42,670.39	\$733,387.31	81,028,548.15,8830,263.47	\$530,263.4

* Available for specific purposes only. ** Not included herein.

TABLE 2-THE GENERAL FUND

For the administration and maintenance of The Institute and its property.

OPERATING STATEMENT Period from January I, 1939 to December 31, 1940

OUTGO

INCOME

1	69	89		1		64	80
FOR GENERAL PURPOSES	1940	1939		FOR GENERAL PURPOSES		1940	1930
CASH FORWARDED. MEMBERS. Life Members, from Life Membership Reserve. Corporate Members. Juniors	\$ 1,700.00 49,225.34 695.40 47,607.82	54.7.6	54,738.49 54,738.49 46,496.33 40.00	MEETINGS Consention Board and Ensentier Committee Regional Meetings State Association Director.		\$ 22,603.50 12,380.81 8,838.40 1,143.38 240.91	\$ 20,323.72 10,770.60 7,003.13 771.02
Special Duer-Incl. Congress	57.00	0, -	6,908.00	PROPERTY MAINTENANCE	3,414.76	2,857.23	2,939.90
PAYMENTS ON DEFAULTED DUES				GENERAL ADMINISTRATION Gross General Administration Distributed General Administration	\$65,262.09		
SALES Printing and Publishing Printing and Publishing The Department of Technical Services Instigute	28,812.57 22,407.57 6,400.00 5.00	8 7 7	25,314.61 3,409.94 15.00	NET GENERAL ADMINISTRATION RECRUITING Less poid by Recruiting Fund.	\$ 937.66	345.80	28,845.92
Z Z	812.30	1,1	,710.00	PRINTING AND PUBLISHING		15,555.49	12,902.95
INTEREST FROM TEMPORARY FUNDS	1,846.24		470.67	THE DEPARTMENT OF TECHNICAL SERVICES	:	9,014.06	6,216.78
GIFTS TO MEET CURRENT INSTITUTE	10.00		12.00	EDUCATIONAL PURPOSES.	**	160.80	•
WAID EDUCATION FUND—FOR ESTATE AND BEQUEST SETTLEMENTS.	4,811.85		75.00	PUBLIC INFORMATION DEPART.	:	5,180.13	6,110.91
CONVENTION	3,081.00	64	2,958.05	SPECIAL BOARD REPRESENTATIVES.		98.70	
Magooda asnaaag of snorthataraco	3.447.50			COMMITTEES	:	5,884.78	9,164.17
OTHER SOURCES.	47.00		127.20	OCTAGON LIBRARY AND COLLEC-	:	800.00	200.00
TOTALS	\$ 95,694.00	88	88,683.51	SPECIAL FUNDS.	\$ 2,500.28	343.68	72.78
Operasing Gain or Loss	(L) 18,892.83 (L)		1,496.73	INTEREST, NOTES REPAID		150.62	
			1	DEFENSE PROGRAM		10,666.80	
	(T) \$8.893.83 (T)		1,406.73	APPROPRIATIONS FORWARDED		1,760.00	1,700.00
Transferred from Table 3	22.60	100	39.83	OTHER GENERAL PURPOSES		263.35	595.92
The old of the way and and the contract of the	11 10 070 09	2	1 476 90	TOTALS		\$114.586.83	\$ 90.180.24

TABLE 3—THE GENERAL FUND—PRESCRIBED PURPOSES For the administration of the special funds and the carrying on of the special activities prescribed by the donors of the special funds or the By-laws.

OPERATING STATEMENT Period from January 1, 1939 to December 31, 1940

INCOME

OUTGO

1	63	69	-		64	80
FOR PRESCRIBED PURPOSES	1940	1939	FOR PRESCRIBED PURPOSES	URPOSES	1940	1939
CASH FORWARDED FOR SPECIAL FUND PURPOSES.	8 30.00	\$ 1,987.66	SPECIAL FUNDS. Recruiting—dominion Fees General Reserve—dunnal Dues		\$ 5,212.18 1,085.00	\$ 6,332.42 1,034 00 5,208.42
			FOR PURFOSES OF SPECIAL FUNDS General of Maintention Let and be General Fund	NDS	64	27,552.14
MEMBERS	5,212.18	6,332.42	Property Mantenance.	*	_	6,173.24
Defaulted Dues	1,576.50	2,825.83	Recruiting	•		826.50
	a. Carl	20:45014	Educational Purposes	\$18		17,633.83
			Waid Education Fund-Lectures Waid Education Fund-National Archi-	,		
SPECIAL FUNDS.	21,631.30	27,723.58	Herenal Accrediting Board.	130.27		
The Reserve Fund (except Life Membership Reserve to Dues)	85.00	85.00	Detano and Aldrich Fund-Scholarskip. Milton B. Medary Scholarskip Fund		: :	
Engovernes fund! (except teneral Endovement)	9,485.00	14,189.50	Scholarship. Sales Langley Scholarship Fund-	Fund		
			Scholarship Gifts for Special Purposes of Committee	4,200.00		
ADMINISTRATION and LIBRARY BUILDING.	58,008.86	1,016.68	On Education Onverte Foundation—Art Courses General Education Committee The Significance of The Fine Arts	9,485.00		
OCTAGON—HISTORIC MONUMENT	145.79	58.83	Fred Octagon Library and Collections. Appropriation balances forward.		88.82	98.82
			ADMINISTRATION AND LIBRARY BUILDING	RY	58,008.86	1,010.43
			OCTAGON—HISTORIC MONUMENT	ENT	145.79	65.08
TOTAL INCOME FOR PRESCRIBED PURPOSES.	\$85,048.13	\$37,119.17	APPROPRIATIONS FORWARDED OTHER PRESCRIBED PURFOSES	S		2,150.10
	\$85,048.13	\$37,119.17	TOTAL OUTGO FOR PRESCRIBED PURPOSES	9	\$85,048.13	\$37,119.17

Notice of Amendments—Resolutions

Adopted by the Seventy-third Convention of The American Institute of Architects

Amendments of the By-laws, and resolutions adopted by the seventy-third convention held in Yosemite Valley and Los Angeles, California, May 17, 18, 19, and 21, 1941, are recorded as follows. Motions of a routine or parliamentary nature are not included. The complete transcript of the proceedings of the convention is available at The Octagon to any corporate member of The Institute who may desire to inspect it.

This publication of the amendments of the By-laws, said amendments being incorporated herein by references to the April 1941 Octagon, constitutes legal notice of their adoption.

Charles T. Ingham, Secretary.

AMENDMENTS OF BY-LAWS

Relating to Annual Dues of Members in Military Service.

Resolved, That the seventy-third convention of The American Institute of Architects hereby adopts the amendment of chapter 1, article 2, section 5, of the by-laws of The Institute as the said amendment appears in The Secretary's Notice of Amendments dated April 16, 1941, and the said by-laws hereby are declared amended accordingly.

Relating to Termination of Corporate Membership After Conviction of a Felony.

Resolved, That the seventy-third convention of The American Institute of Architects hereby adopts the amendment of chapter II, article 1, section 11 of the by-laws of The Institute, as the said amendment appears in The Secretary's Notice of Amendments dated April 16, 1941, and the said by-laws hereby are declared amended accordingly.

3. Relating to Delinquent Chapters.

Resolved, That the seventy-third convention of The American Institute of Architects hereby adopts the amendments of chapter V, article 1, section 1, of the by-laws of The Institute, as the said amendments appear in The Secretary's Notice of Amendments dated April 16, 1941, and the said by-laws hereby are declared amended accordingly.

4. Relating to State Association Director.

Resolved, That the seventy-third convention of The American Institute of Architects hereby adopts the amendment of chapter VII, article 2, section 1(b), of the by-laws of The Institute, as the said amendment appears in The Secretary's Notice of Amendments dated April 16, 1941, and the said by-laws hereby are declared amended.

Relating to Applications for State Association Membership.

Resolved, That the seventy-third convention of The American Institute of Architects, hereby adopts the amendments of chapter II, article 2, section 2, of the by-laws of

The Institute, as the said amendments appear in The Secretary's Notice of Amendments dated April 16, 1941, and the said by-laws hereby are declared amended accordingly.

6. Relating to Editing of By-laws.

Resolved, That the seventy-third convention of The American Institute of Architects hereby authorizes and directs The Secretary of The Institute to edit the by-laws of The Institute for the purpose of making the form and text thereof consistent in principle and in detail with the amendments of the said by-laws adopted by the seventy-third convention of The Institute.

MISCELLANEOUS RESOLUTIONS

7. Committee of Five.

Whereas, The Treasurer, in submitting his report, recommended a special study of the financial problems of The Institute, and

Whereas, The Treasurer's report indicates clearly that the general financial condition of The Institute is sound but that the current income of The Institute in the past year (1940) proved insufficient to meet the increased demands for administrative activity for national defense and other purposes and

Whereas, The post-emergency conditions appear likely to involve similar special activities on behalf of the profession by the officers and staff of The Institute, and

Whereas, The annual income of The Institute is being and probably will continue for some years to be impaired by the remission of dues to members in the armed services, therefore be it

Resolved, That the report of The Treasurer be received and referred to a special Committee of five (5) corporate members of The Institute, not members of The Board of Directors, to be appointed by the incoming President and confirmed by The Board of Directors, for the purpose of studying the present and future financial problems of The Institute and reporting thereon to The Board of Directors.

8, 9, 10. Multiple Unit Housing.

(8) Whereas, It appears desirable that the location, construction and management of all multiple unit housing in which government has an interest be determined according to a long-range program, therefore be it

Resolved, That this convention encourage the creation of a National Housing Institute by Government; or by private auspices with government approval and cooperation.

(9) Whereas, Competent, trained management of government owned or controlled multiple unit housing is essential to creating and maintaining a cooperative, satisfied tenancy, and for effecting maintenance and operation savings to reduce tenant rentals, therefore be it

Resolved, That this convention urges upon government and local housing authorities the importance of employing thoroughly trained and competent management for all government owned or controlled multiple unit housing.

(10) Whereas, The majority of building codes throughout the United States do not permit the use of new building materials or construction methods without prior local approval, and

Whereas, Such local approvals of new building materials or construction methods do not promptly make their use available throughout the United States, therefore be it

Resolved, That this convention encourage the United States Bureau of Standards to collate, prepare, and promulgate minimum requirements for building codes, amended by it from time to time as new building materials or construction methods are made available and are approved for use by the Bureau.

11, 12. Rehabilitation of Cities.

(11) Whereas, The Defense Program is likely to be followed by a chaotic condition in the construction industry unless some long-range program of construction is undertaken, preceded by intelligent long-range planning, and

Whereas, The American Institute of Architects by reason of the position it holds in relation to all the elements in the industry is qualified for leadership in such a program, therefore be it

Resolved, That The American Institute of Architects undertake this program, and that the various committees of The Institute and the chapters be organized to function in developing it, and be it further

(12) Resolved, That a committee be appointed by The Board to coordinate and direct the program.

13. Study of State Association Affiliation.

Whereas, The number of state association members of The Institute has increased from four to twenty-one during the last three years, and

Whereas, This increase has created many new problems, and

Whereas, There have been revisions in the by-laws of The Institute to accommodate this rapid growth, therefore be it

Resolved, That The Board of The Institute be instructed to make a thorough study of state association affiliation

and to consider further revision and simplification of the by-laws so as to promote more effective relationship.

14. Proposed Institute Associateship Class.

Whereas, It is essential to the objects, functions, and welfare of The American Institute of Architects that it be completely representative of the entire profession of architecture, and

Whereas, It is desirable to induce young, responsible and able architects to seek membership in The Institute,

Whereas, It is necessary to give these men the recognition and representation to which they are justly entitled, and

Whereas, The present form of affiliation known as chapter associateship has been given a trial and has been found inadequate and unsatisfactory, therefore be it

Resolved, That The Board of Directors be requested to consider, for the submission to the 1942 convention, changes in the by-laws which will provide for the establishment of an Institute associateship class in accordance with the following provisions:

- 1. That the present Junior Associate Class of the chapters be retained.
- That qualifications for Institute associates be the same as now prescribed in the by-laws for the chapter associates.
- That election to Institute associateship shall follow a procedure similar to that required for admission to corporate membership.
- 4. That after a three-year period of Institute associateship, such members shall make application for corporate membership or be dropped as an associate unless extended by action of the chapter.
- 5. That a portion of the annual dues of each Institute associate shall be paid to The Institute, for which each such associate member shall receive THE OCTAGON, and shall have his name listed in the rolls of The Institute as an Institute associate.

15. Use of Planning Professions in National Defense.

Whereas, Franklin Delano Roosevelt, President of these United States and Commander in Chief of the Military and Naval Forces of the Nation, has recommended to the Office of Production Management and other governmental agencies that all activities in connection with the National Defense Program be expedited, and

Whereas, The trend on Federal projects has been to invoke the cooperation of the planning professions of the Nation, and

Whereas, The architects have participated effectively with governmental agencies in the forwarding of this program, therefore be it

Resolved, That The American Institute of Architects in a national convention assembled in Yosemite Valley in the year 1941, recognized the trend toward the increasing use of the planning professions and strongly urges that this use be further extended in the development of national defense.

State Associations and Employment of Architects in Private Practice.

Whereas, There is an urgent and economic need for the recognition of the advantage and importance of employing the architect in private practice in the National Defense Program, and

Whereas, There has been no organized effort by states to bring this important matter before the Congress of the United States, therefore, be it

Resolved, That the convention assembled endorses an organized effort by each state association member of The Institute working in cooperation with all other elements of the construction industry to the end that their representatives endeavor to direct architectural services on the National Defense Program to architects in private practice.

17, 18. Encroachments on Professional Field of the Architect and Engineer.

Whereas, A trend has developed in the Construction Industry wherein various agencies have assumed the professional functions of architect and engineer, and

Whereas, This condition is detrimental to the best interests of the entire construction industry, and to the public which it serves, therefore be it

(17) Resolved, That The American Institute of Architects in a convention assembled in Yosemite Valley in the year 1941 recommends that the architects, engineers, contractors, and producers of building materials cooperate to the fullest extent for the purpose of correcting the aforementioned unsatisfactory condition in the construction industry, and be it further

(18) Resolved, That a copy of this resolution be transmitted to each of the national organizations representing the agencies above referred to and that the Committee on Industrial Relations be instructed to contact the national offices and local sections of these agencies in order to achieve the desired results stated in this resolution.

Courses for Preparation for Examination for Registration.

As proposed in the report of The Board of Directors. It was-

Resolved, That the chapters of The Institute be urged to appoint committees to study local conditions, and the desirability of courses for aspirants for registration; and that investigation be made of local means available for conducting such courses, and if the need is apparent and the means are available that such courses be established under chapter sponsorship.

20. Post Graduate Education for Architects.

Whereas, It is the function of the Committee on Education to "formulate and recommend plans whereby the scientific qualifications of the profession will be forwarded",

Therefore Be It Resolved, That this Committee has the endorsement of the Seventy-third Convention to the fol-

lowing proposed actions in furtherance of a policy of post graduate education for architects:

 By the earnest solicitation of the entire profession to cooperation with the colleges in giving summer experience to candidates for a degree and later employing these graduates in a manner that ensures their getting an allaround training. The solicitations shall take the form of a printed document prepared by the Education Committee of The Institute and to be sent out over the signatures of the president of the local Chapters.

2. By taking counsel with the Collegiate Schools of Architecture to come to definite recommendations on a technique for expanded courses for post graduate students and the preparation of a type of text book covering the fields of contemporary design, construction, and materials which would be adapted both to the needs of the young man and those of his senior confreres who want to study to keep abreast of the times.

21. Architectural Clinics.

Whereas, Today the conditions of architectural practice are in a state of transition, and

Whereas, The practicing architect, to maintain his position as the leader of the building industry, must constantly strive to keep himself informed and up-to-date, and

Whereas, Other professions are today keeping their members enlightened as to new forms and new methods by means of clinical demonstrations and instruction, therefore be it

Resolved, That The Board of Directors of The American Institute of Architects be requested to give thoughtful consideration to the sponsoring of architectural clinics or forums to the end that the members of The Institute may be encouraged to improve their professional status by advanced education-for-practice.

22. Coordination of Civil Protection Agencies.

Whereas, It is the duty of the architectural profession to organize itself in collaboration with other technicians so that its talents may be of immediate use to civil and military authorities in the present emergency, and

Whereas, It is in the public interest that the profession devote its training and experience to coordinating the ramifications of planning and in applying its vision to reduce the waste and disruption that follow war, and

Whereas, The architectural profession cannot do its greatest service if unprepared for leadership, therefore be it

Resolved, That The President of The American Institute of Architects be requested to appoint a National Chairman for Civilian Protection with power to coordinate existing agencies of the profession and to set up a nationwide organization for immediate service to the country.

23, 24. Appreciation of Hospitality.

(23) Whereas, With fear and trepidation a large company of members and guests of The American Institute of Architects from the land generally known as the East embarked upon a long journey into the unknown wildernesses beyond the high mountains, ostensibly and publicly for the purpose of attending a convention, so called, but more truthfully for the enjoyment of the wonders of nature and the pleasant company of the native architects; and

Whereas, Upon arriving in the land of wonders and large scale details, they found themselves the objects of a hospitality as expansive as the scenery; now therefore be it

Resolved, By the visiting firemen, their consorts and guests in convention assembled, that expressions of gratitude as warm as the climate are due to those who have collaborated to make this the most memorable occasion in the history of The Institute, to wit:

To the architects of New Mexico and Arizona for a refreshment by no means as arid as the landscape at Santa Fe and Grand Canyon; and

To the members of the Chapters, State Societies, and the Producers' Council of Southern California for their tireless labors as hosts, guides, lecturers, and taxi drivers, and particularly to their committees for the excellence in design, specifications, and construction of the arrangements for work and play; and further

To the members of the Oregon and Washington Chapters for their invitations to be their guests on the journey home.

(24) Whereas, The Seventy-third Convention of The American Institute of Architects has been made notable by the generous hospitality and the special consideration shown to the delegates, members and guests of the Convention by friends of the profession in California, therefore be it

Resolved, That the Seventy-third Convention of The American Institute of Architects extends to the California Institute of Technology, the Huntington Library and Art Gallery, the College of Architecture of the University of Southern California, the Yosemite Park and Curry Company, and the National Park Service—its appreciation of the cordial hospitality and thoughtful consideration which they have so generously extended with traditional California spirit to the delegates, members and guests of the Convention on the occasion of their memorable visit to California in May, 1941.

Citations of Members Advanced to Fellowship

THE American Institute of Architects, at its seventy-third convention on May 17, 1941, advanced fourteen of its members to the distinguished honor of fellowship.

Our profession has been well served by these men. Their contributions to design, research, literature, education and public service fulfill the exacting criteria of a vital architecture.

GORDON ALLEN-Boston Chapter.

Admitted to The Institute in 1921. A thoughtful student, proficient draftsman and ardent worker in the field of Arts; held in genuine affection and high esteem by his colleagues. Has been advanced to Fellowship in The American Institute of Architects in recognition of his helpful influence made possible by effective judgment in the furtherance of our common profession and for service to the Boston Society of Architects as secretary and valued member of committees. Former holder of traveling scholarships, author of distinguished executed work in Greece. He served as overseas officer during the World War and has since continued without interruption to maintain an eager and fine architectural appreciation combined with like literary attainments. RAYMOND J. ASHTON-Utah Chapter.

Admitted to The Institute in 1927. Has been advanced to Fellowship in The American Institute of Architects for his consistent, thoughtful and constructive interest in public service, his high ethical standard, his long and continued activity in the interest of his profession as a member and officer of his chapter and for his distinguished service as a member of The Board of Directors of The American Institute of Architects.

LEONARD HENRY BAILEY-Oklahoma Chapter.

Admitted to The Institute in 1920. A charter member of the Oklahoma Chapter, and honored as its secretary and president. Has consistently and unsparingly contributed to the advancement of the profession and the development of improved standards in the practice of architecture. His faithful and useful service to the public and to the profession has proved an inspiration to all about him. In recognition of this merited distinction as a citizen and an architect, Mr. Bailey is awarded the honor and responsibility of Fellowship.

FRANK NELSON EMERSON—Central Illinois Chapter.

Admitted to The Institute in 1921. Held in high esteem by his colleagues for his great ability and pleasing personality. Has been advanced to Fellowship in The American Institute of Architects in recognition of his talent and good taste as a designer, his skill in the science of construction and for his helpful influence in developing a better understanding and appreciation of good architecture in his community and throughout central Illinois.

ROBERT K. FULLER-Colorado Chapter.

Admitted to The Institute in 1921. Has been advanced to Fellowship in The American Institute of Architects in recognition of his unusual and continued contribution in the interests of the profession, his inspiring leadership as president of the Colorado Chapter, his service as a member and president of the Colorado State Architectural Board, his able leadership as a member and president of the Colorado Engineering Council and his long and continued activity in the interests of the profession as a member and officer of his Chapter and as Regional Director of the Western Mountain District of The American Institute of Architects.

ALBERT HARKNESS-Rhode Island Chapter.

Admitted to The Institute in 1921. Has been advanced to Fellowship in The American Institute of Architects for the intelligent and successful employment of his native talent in his chosen field, together with recognition of distinctive service to the Chapter, The Institute and the community in various capacities with which he has been associated. Possessing to an unusual degree the active interest of a student with concern in the Modern trend of design and the employment of machine-made products, he has combined these in such a way with the Romantic that, guided by a sensitive feeling of application, his executed work has achieved a purely individual character distinctly pleasing and highly regarded by both those to whom he has rendered service and his architectural associates.

LEWIS P. HOBART-Northern California Chapter.

Admitted to The Institute in 1916. Has been advanced to Fellowship in The American Institute of Architects for the distinguished and thoughtful

character of his design, for his constructive interest in public service, his loyalty to The Institute and rigid adherence to the high professional principles for which it stands. Honored by being appointed president of the San Francisco Art Commission of the City of San Francisco 1932-34.

H. Roy Kelley-Southern California Chapter.

Admitted to The Institute in 1922. Has been advanced to Fellowship in The American Institute of Architects for his distinctive contribution in the field of domestic architecture, coupled with his rare ability in design, judgment in the use of material, excellence of executed work and his sustained interest in the affairs of his chapter and The Institute. Recognized by the Southern California Chapter for his contribution to domestic architecture in southern California and as the winner of many national competitions in the small house field.

Roy F. LARSON-Philadelphia Chapter.

Admitted to The Institute in 1929. A designer of rare ability, generous of service rendered his Chapter as secretary, vice-president and president. The sustained interest he has shown in public affairs related to design and for the excellence of his executed work, Mr. Larson is awarded Fellowship in The American Institute of Architects.

ARTHUR LAMONT LOVELESS-Washington State Chapter.

Admitted to The Institute in 1913. Has been advanced to Fellowship in The American Institute of Architects for his contribution to the advancement of the profession in the field of domestic architecture, for the uniform excellence of his design and executed work and for his long years of devoted service in the interest of the profession, the chapter, and The Institute.

LORING H. PROVINE-Central Illinois Chapter.

Admitted to The Institute in 1924. He has been advanced to Fellowship in The American Institute of Architects for his unusual achievements in the science of construction during the period from 1909 to 1914 and for his accomplishments in the field of architectural education as head of the Department of Architecture at the University of Illinois. He is

acknowledged to have attained a very high standard, receiving in 1929 the University Medal of the Society of Architects awarded the title of Architect by the French Government, for the best record of accomplishment in the teaching of Architecture.

WINSOR SOULE-Santa Barbara Chapter.

Admitted to The Institute in 1917. Has been advanced to Fellowship in The American Institute of Architects in recognition of his enviable record as a practicing architect and for his generous service to the Santa Barbara Chapter, The American Institute of Architects, the State Association of California Architects and for his unusual contribution in public service to Santa Barbara, the community in which he lives, during the trying time following the disastrous earthquake of 1925.

GEORGE SPEARL-St. Louis Chapter.

Admitted to The Institute in 1921. In recognition of a long and enviable record in the practice of Architecture, for accomplishment in design and the excellence of executed work, for constructive effort in civic affairs and inspiring leadership in the Chapter and Institute, Mr. Spearl is awarded the honor of Fellowship.

ERNEST WILBY-Detroit Chapter.

Admitted to The Institute in 1916. Has been advanced to Fellowship for his achievement in design, science of construction, education and literature. His successful efforts to obtain originality and avoid the commonplace, where opportunity offered in the use of modern materials and modern methods of construction, have been notable in their resultant beauty of form and proportion. From 1924 to 1929 he was successively Teacher and Professor of Architecture, University of Michigan. Upon his retirement from teaching, he was honored by the University by appointment as Lecturer. In 1936, he was appointed a Fellow of the Royal Society of Arts and Science, London, England.

The National Defense Construction Program

PARTICULARLY AS RELATED TO PREPARATION FOR POST-EMERGENCY BUILDING
By Thomas S. Holden

I CANNOT tell you how happy it has made me to be your guest here at the convention, to have viewed the sights that those of us who took the convention tour have seen, and to have enjoyed the pleasant intimacy of the convention train. You have been good enough to let me be your guest before, but I think that this occasion has been rather special. Not the least of my gratifications in being present this time is the fact that I could be here when my good friend, Harold Shreve, was elected President of The Institute.

When President Bergstrom asked me to talk to you, I told him that I did not feel that I could give you very much on the architect's relationship to the defense program as it is now going on. He, the other officers of The Institute, and your committee chairmen have been in very close touch with the defense construction program and have reported to you the essential facts about it. It would be a waste of your time if I tried to give you a second hand review of the things they have done so ably.

I am going to talk to you as very important members of the building industry. The professional aspects are in better hands among other speakers whom you have heard who are members of The Institute.

We are entering the eighth consecutive year of construction volume increases. Increases in total volume have been continuous since 1933. In the first four months of this year total construction contracts, as we recorded them for the territory east of the Rockies, increased 51 per cent over the first four months of last year. That, of course, was very largely due to the enormous defense projects that have been going on.

Private work has been on the increase for the last few years and continues in that upward direction at the present time. From February, 1940, up to the present time, each month has shown a larger dollar volume of private contracts than the corresponding month a year previous. Private residential building last year was 12 per cent over 1939,

and in the first quarter of this year 30 per cent over the first quarter of 1940. Records from the first of this year to date on the FHA's show a similar upward trend. The figures on mortgages, selected for appraisal, for instance, representing the preliminary processes of FHA financing, were 20 per cent ahead of last year during the period from January 1 through April 26. (I brought this latter figure away with me some months or years ago when I left New York.) Mortgages accepted for insurance were 16½ per cent ahead, to date. Therefore, there is a specific statistical indication of a continued private demand.

Defense Program Authorizations.

The defense program as authorized by Congress last year, containing all appropriations through December, provided for nearly two billion dollars worth of construction in continental United States. That two billion dollar figure was arrived at by eliminating monies to be expended for land acquisition, for the processing of machinery and other non-construction items. There have been some supplemental appropriations since the first of this year of a minor character in proportion to the total program.

This first program of defense construction, plus Federal-aided industrial plant expansion projects is tending to taper off shortly. Without additional appropriations, the volume of that kind of work in the latter part of this year will be very small. There are supplemental programs now under serious consideration in Washington and there is likely to be a sizeable new program of cantonment building with \$800,000,000 as the figure that has been mentioned. Furthermore, there are more Federal loans and the like in prospect for industrial plant expansions.

Defense housing is also continuing and is likely to continue for some time to come. The needs have not been met. As we get more and more industrial plant expansion, the need for defense housing is likely to increase so that a supplemental program is likely to start almost any time and it is going to carry a large volume of construction activity over into 1942.

I do not think anyone can say today whether that will give the country all the defense construction and defense housing that it will need. No one knows what the needs are likely to be twelve months hence. It is entirely possible that another supplementary program of construction might be called for next year. Nobody can now make any predictions as to whether or not that will happen.

The construction industry has been and is doing its part in the defense program. Its obvious first job is the creation of facilities to be used for the training program, the production program and the necessary supplemental housing program. When we reach the point of creating all the facilities that can be used, then the construction industry will fall back upon the private construction market, if there is any such market at that time. That, again, is something about which I cannot make any dogmatic statement.

Defense Program vs. Private Market.

It think it is well to consider the impact of the defense program and the private market, particularly to be able to have some judgment as to whether the private market will be maintained: also, for the purpose of gauging the extent of the problems that will be created for adjustment in the post-emergency period. There are several impacts of the defense program on the private building market. The first is the tendency toward rising building costs. You will recall the sudden dumping of orders for lumber on the market last September. That created a price rise in that material that was rather alarming because people thought it might be the beginning of inflated building costs. Fortunately, that situation was put under control. After the peak of the buying was passed the price of lumber was stabilized. For the new program, the Quartermaster General's Department already has a large stock pile of lumber so that in that particular we do not need to expect any serious dislocation.

The cost of the small frame house has risen from nine to ten per cent. In view of the fact that the demand is continuing, I think we may say that costs have not yet risen to the point of discouraging private building and that thus far we have nothing to fear from that score.

Another important factor that will affect the demand for private building will be taxes. The impact of increased income taxes and excess profits taxes will naturally tend to discourage private building projects of high valuations. Normally, in a year when industrial production is the greatest in history, and when the national income may quite probably

exceed that of 1929, there would be an enormous demand for higher class buildings, larger ones of the more expensive type. I think that demand is being held in check by high taxes and the prospect of even higher ones, so we must consider these as important checks on an increasing private market.

Effect of Priorities.

A third factor, which may become the most important one, is the matter of priorities. I think there are four considerations with regard to priorities which I would like to point out to you. The first one is the attitude that has been shown so far by the priority section of the OPM. Priority action has been applied only to critical materials, some of which are used in building. A number are now under some form of restriction, whether it is a priority or an allocation or what-have-you. This has principally affected metals and to date that is the sector where the only trouble has been experienced. In the securing of an adequate supply of metal products we are likely to have more trouble. That is a condition that we will have to check very carefully from time to time to be sure that any metal products needed for building purposes will be available.

I do not know about any ideas current in the priorities section to the effect that there will need to be a repetition of the type of priority order that was put into effect in late 1917 which said that you should not undertake any private building project over \$25,000 without a certificate of necessity. Because that order was put in effect in 1917, I think a great many people think a similar order will be inevitable this time. I seriously question whether that priority order of December 1917 had any particular effect on the market. By the time the priority ruling was made, building costs had risen to such a point that the private market was almost non-existent. The principal people who could go ahead with private projects were those with war orders and it was no trick at all for them to get a certificate of necessity. So I think that there is a very strong chance that that type of priority order will be avoided. Again, I do not speak dogmatically. Something may happen within the next thirty days that might change the situation. I am just trying to analyze the situation on the basis of what we know at this moment.

Shall Private Building Be Curtailed?

There have been proposals for curtailment of private building activities. Such proposals have been made by economists outside of the Government on the theory that by curtailing demands now you would be building up a backlog of demand for the post-emergency period. I have taken issue with some of those people on that point because I do not believe private building demand is something you turn on and off with a faucet. It is sometimes easy to stop, but much harder to start in a period of depression, which may be the condition we will be in later on. Furthermore, there seems to be a real need, even outside of the defense areas, for new low-priced houses and for moderate sized commercial developments.

The only person in Government who has made any such proposal is Mr. Eccles, the Chairman of the Federal Reserve Board. Mr. Eccles based his proposal on the idea that there should be special excise taxes on certain types of consumer goods in order to discourage spending. If we produce eightyfive billion dollars worth of income this year and seventeen billion dollars of its represents defense material which cannot be used by consumers, then the eighty-five billion dollars of purchasing power in the market will be bidding for, say, sixty-eight billion dollars worth of goods, thus creating a strong tendency toward price inflation. For that reason Mr. Eccles felt that, among a list of other things, private house building should be curtailed. Again, I think that has not been quite thought through. It seems to me that a house is in a somewhat different category from an automobile or a washing machine. The automobile or the washing machine uses materials which are definitely needed for defense production and, furthermore, their manufacturing facilities will be needed, at least in part. The manufacturing facilities for houses are of a different order and cannot be turned into making shells or airplanes. Furthermore, the people in the private building industry need to eat three times a day and I think they would also be very glad to earn enough to pay some taxes to carry on a defense program. It seems to me that any unnecessary curtailment of private activities beyond the point of what is essential for carrying on of the defense program would be economically bad.

I think that among the factors affecting this situation there is a fourth element of great encouragement and that is this. Mr. Leon Henderson is in charge of an agency with a big, long name that I cannot remember. This agency has charge of price control and it also has as its function the allocation of materials for civilian uses. The functioning of this particular section of his will be about as follows. When the Army and the Navy and the Priority Section of the OPM have determined that there is a potential shortage of any critical material and have stated what the needs of the armed forces are for such material and the needs of the essential industries are for the materials, the job of allocation of the remaining material for civilian uses goes over to Mr. Henderson's bureau. He will not issue orders but will make recommendations. I have become fairly well acquainted with Mr. Henderson in the past year. I started out feeling that he might be just another New Deal theorist. I found out that Mr. Henderson has about as comprehensive a grasp of prices and of the needs of our civilian economy as any man in Washington. I feel that he is entirely realistic in his approach, and that he has in the past year gained a great deal of practical, realistic knowledge from his association with important industrial executives on the defense committee. I question whether anyone in Washington can handle those particular jobs as well as Mr. Henderson.

Mr. Henderson's apparent conviction, which seems to reflect the attitude of a number of others in the administration, is that we shall maintain the maximum of civilian activities which are possible consistent with defense; so, in that factor there is hope that the dislocation of this industry, which may be great, may not be quite as extreme as it was the other time.

I think that it is important for us to know these things and to watch them, even if it serves no other purpose than to give us a consciousness of the extent of the problems that we may face hereafter. It may even be possible—if we can analyze a given situation when the industry seems to be pushed around more than it likes to be, and if we can make representations to the authorities in Washington—that we can avoid some of the worst dislocations and difficulties that many of us seem to consider inevitable. Naturally, avoidance of general price inflation, if it can be avoided, is tremendously important. I think

there is a better chance of doing it this time than ever before. The avoidance of an extreme dislocation in the building industry will tend to minimize potential post-emergency problems.

Avoid Post-War Surpluses.

There is another way in which those problems may be minimized and that is by the avoidance of planning mistakes, of mistakes in location of defense housing and other defense construction. It is obvious that when there is a tapering off of those defense activities, you may have unemployment in defense centers, as well as housing surpluses, industrial plant surpluses and the like. So far as meeting that situation is concerned, the best thing I can suggest is that all of you get Mr. Leland of your Boston Chapter to make available to you the report that he read vesterday afternoon at the round table conference on civilian defense and protection. In it he described how a special committee is working with the State Defense Commission so that at the very least an effort can be made to guide the planning of defense construction to minimize local problems that may arise thereafter. I certainly commend Mr. Leland's exhaustive and thoughtful report to all of you. I hope to have the opportunity of making a careful study of this document.

There is another factor of importance in regard to the problems we may later face. Many people are going on the assumption that peace may come all of a sudden and that we may do as we did last time. Just because some German may sign a piece of paper and promise to be good, that may not mean that we can afford to scrap our Navy and our Army and our air force and wreck our munitions industry. I question if we are going to do that again. I question if, after we get our two-ocean Navy, we are going to scap half of it. I question if we are going to let ourselves go on with a very rudimentary air force when there is a policing job to be done in this world. I question if we are going to go back to a standing army as small as we had before; consequently, it seems to me that the probability is that the defense program will taper off rather than come to a sudden stop. I think it is a great mistake to believe that this time we are going to follow, in every detail and inevitably, the pattern of the last war. There are many differences in the war itself, in the type of the things needed, the amount of war

that goes on in the factory as compared to that which goes on in the field. The fact that there is much more information about our economic system and our current business activities available to us now than there was the last time creates the possibility of more efficient controls and procedures.

We do not need to accept without question the notion that the building industry must have an extended period of comparative idleness. It may have—I do not know; but I do not think that there is any guarantee that such a course will be followed. I do not think that there is any guarantee that the post-war emergency problem will be of the same order as it was in 1919 and 1920.

Long-Range Planning for Post-War Building.

I have tried to sketch some of the things that are going on now and some of the things of which we need to be aware in order to have ourselves oriented to the post-emergency period. Now I want to indicate some of the things that people can plan in order to meet the situation as it may then occur. There are business groups, economists outside of the Government, and people in the Government, who are giving serious thought to meeting the post-emergency situation.

First, I think I will tell you about a movement in government planning. You may already know about this. A comprehensive statement of the ideas of the Government was contained in the report of the National Resources Planning Board. This report was transmitted to the President on December 31, 1940. This program was summarized in a short memorandum as follows:

"In order to provide a 'shelf' or 'reservoir' of public construction projects of tested value, the Board recommends:

- 1. Continued and invigorated efforts to secure the preparation of six-year programs or capital budgets by Federal agencies, State governments, local governments, and other agencies, public and private, anticipating a large volume of construction activity.
- 2. Development of alternative lists of projects included in six-year programs according to size of the project, types and locations of skilled and unskilled labor involved, materials needed, rapidity of beginning, and flexibility of termination—all in relation to employment stabilization.

3. Immediate inauguration of surveys, investigations, and preparation of engineering plans and specifications for selected projects through allocation of aids to Federal and non-Federal agencies from a revolving fund to be administered by the President through his Executive Office; and reimbursed to the revolving fund as part of the cost of construction of the project.

"To permit rapid inauguration of work on projects in times of need:

- 4. Advance authorization by the Congress of procedures for grants, loans, guaranties of loans, leasing arrangements, or other devices for aids to State and local governments for non-Federal projects for employment stabilization effective upon appropriation of funds by the Congress.
- Advance authorization by the Congress of construction of Federal projects in six-year program of "A" priorities. Such authorization should be effective upon appropriation of funds by the Congress, and not in itself involve any commitment for the immediate construction of the project.
- Appropriation for advance purchase of sites of projects by appropriate governmental agencies.
- 7. Development of method of financing public works projects and studies of related problems of investment, taxation, and the Federal, State, and local shares of responsibility for costs of various types of public works and related activities.
- 8. Coordination of public works construction at all levels of government, with other public policies which affect the level of business activity and employment, such as fiscal policy, social security policy, and policies of aid to private enterprise."

While that report has been transmitted to Congress, I do not think any legislation has yet been passed to put it into effect. It certainly seems to me that The Institute and all other building industry organizations should study that report carefully, develop its ideas and policies and see how the members of the industry can function in this broad planning program that the Resources Planning Board has laid out.

I think one of these recommendations is particularly important. That one is number seven: "De-

velopment of methods of financing public works projects and studies of the related problems of investment, taxation and the Federal, state and local share of the responsibility, for costs of the various types of public works and related activities." We had no sound method for financing new public improvement projects at the time of the unemployment crisis in 1933. The Government adopted a system of public works, financed out of deficits, and then when cumbersome PWA procedure kept contracts from moving fast enough, went over to the WPA method for a lot of the work. To date there has been no real effort to develop a long-range policy for financing Federal and non-Federal public works.

I do not think any of us really know whether the potential tax and credit resources of state and local governments will be adequate to finance without Federal aid the public improvements hereafter needed. If we need Federal aid, how much? What

will be a fair basis?

A Sound Tax Structure Needed.

Another program has been suggested which would tie in with recommendation number seven of the Resources Planning Board. About three weeks ago in Washington there was a meeting of a group called the National Conference of Real Estate Taxpayers. It presented a petition to Congress urging that the Congress set up a National Tax Commission of experts to study the whole patch work structure of taxes levied by all the many different governmental jurisdictions that we have. The most confusing thing you can imagine is to try to understand the incidence of the complicated tax structure upon private enterprise, whether the taxes tend to curtail private enterprise, to curtail needed local improvement, or to be unduly oppressive in particular sectors of economic activity. The idea of a National Tax Commission is that such a body of experts may arrive at a simplification of the general tax pattern; and may, perhaps, make recommendations as to how to taper off the taxes, if we are able to do so after the emergency period, in such a manner that we can get the maximum benefit to enterprise. That petition to Congress ought to meet with a favorable reception. President Roosevelt has on a number of occasions recommended the formation of such a commission. Mr. Willkie also recommended it in his campaign. It is a piece of public business that is long overdue. I think that the Real Estate Tax Payers were mainly looking for some relief from burdensome real estate taxes. I think it is much better not to confine such a study to the problem of real estate taxes, but to include among other agenda the question of how can we finance public improvements that are needed here, there and everywhere in the country without creating an intolerable tax burden.

I think that proposal deserves the consideration of every organized group in the building industry. My personal belief is that it should be supported and urged. Now is the best possible time to do the job. It may be that the studies and recommendations of such a commission of experts might come into play just at the time when our problems are greatest and when a sound reform of our tax structure would help most.

Large-Scale Planning Necessary.

That all has to do with the Government. Unfortunately, through recent years and through force of circumstances, we have had to leave most of the large-scale planning to Government. There are plenty of people in private building industry and in private enterprise generally who can make big plans. The private market has not recently encouraged the making of many big plans, but I think that we can do some large-scale planning of important private projects to be executed in the post-emergency period, if not before. Your own Board of Directors' report, which The Secretary read this morning, recommended action on the problem of rebuilding of

We have talked about that a lot in the past eight years. I can remember when people were full of ideas for promoting large construction projects that would replace slum properties. Slum clearance was the big thing. It still is. We tried to effect this purpose with Federal subsidy for low-cost housing, which is essentially a program to take care of people who cannot pay rent for decent quarters. That is all right, but it does not fully meet the requirements of actual rehabilitation of all the blighted areas of our cities.

New York Law Encourages Private Enterprise.

There has been a lot of discussion and, fortunately, we have gotten some action in New York. A Committee of the Merchants' Association of New York, of which I had the honor to be Chairman, got to work a little over two years ago to prepare a bill for introduction in the legislature, a bill to encourage private enterprise to go into the job of large-scale slum rehabilitation. Our first bill passed the legislature last year but it was vetoed by the Governor. This year the bill was considerably revised, and I think constructively. It passed the legislature, it was signed by the Governor and it has been a law since the first day of May. Under this Act, (The Urban Redevelopment Corporations Law) a specially chartered redevelopment corporation may, after it has acquired 51 per cent by the assessed valuation and 51 per cent by area of the property that it plans to redevelop, condemn the rest. The corporation may condemn the property or the city may condemn and sell the property to the corporation. Obviously, that is for the purpose of plotassembly and principally for the purpose of controlling the hold-out fellow or the hold-up fellow. Most private corporations will prefer to get 99 percent of the property by private negotiation, rather than having to condemn 49 per cent, but that provision in the law should be a great help toward insuring large-scale operations.

Another inducement is the remission of taxes, for a period up to a maximum of ten years, on increments of value created by the assembly and improvements. That tax exemption feature is optional with a particular city; there must be an enabling local law or ordinance passed to put it into effect. A particular city may grant it for a term of five, six or seven years rather than ten; ten years being the maximum. People in some other states contemplating similar legislation have opposed this, feeling the tax exemption generally has been abused and overdone. I think in this particular instance you have to look upon a city as the preferred creditor of bankrupt enterprises. The city has an interest, as any intelligent creditor would have, in giving the debtor enterprise a break so that by reorganization and mergers it could get on a good earning basis. It was considered by the people experienced in largescale operations in New York that the tax exemption feature was essential. Under this bill the municipality may also agree to take over open spaces and maintain them as parks: and, as it chooses, close streets or change street levels and do other things

to assist in the development of proper planning. Such development projects could consist entirely of rehabilitation, they could provide for gradual rebuilding instead of immediate demolition and reconstruction, or they might contemplate immediate reconstruction of a whole area.

Another encouraging new financing inducement is that institutions holding mortages on property in the area, such as state-regulated insurance companies and savings banks, may exchange their mortgages for debentures or common stock of a redevelopment corporation. This means that you can subordinate existing mortgages to a new mortgage and thus facilitate the financing. The institution may not invest new capital in equities.

This Act has a significance beyond New York. It has been watched by a great many people all over the country. Your Committee on Urban Land Use reports that bills are pending in Illinois, Mississippi and Utah. Another one has been introduced in Massachusetts. Mr. Scarff, of your Baltimore Chapter tells me that he hopes to interest certain groups in Baltimore in trying to get similar legislation in Maryland. Mr. Alexander, of your Los Angeles Chapter, has written to me previously for a copy of the bill for study to see whether there was an application of the principles of the law that could be made in California.

Obviously, such plans take time. For those of you who have not yet done anything about this, legislation is your first job. The next job, of course, is getting people to make plans and surveys for projects which may have to wait for an opportune time to do the actual building. Such plans and surveys will take time, because it is an economic rehabilitation that must be done as well as a job of large-scale planning.

Governor Lehmann, in his memorandum approving the Urban Redevelopment Corporations Law, said, "Furthermore, the rebuilding of our cities affords a great opportunity of cushioning the effect of any slump which may follow the defense emergency. This bill may prove to be a proper vehicle to accomplish this purpose." Those of us who have been working on it are going to do our best to see that it does have concrete results in New York, if that is possible.

I have indicated some of the things that can be done. We have had to first realize they could be done before we could make a start. We have had the tremendous job in the last eight years of conquering the spirit of defeatism that has been so prevelant throughout the country. We have been coming out of it.

War a Challenge to the Building Industry.

These tremendous new problems of the war situation—what we can do about them and what they may do to us raise questions so vast that at times they seem to take the courage out of all of us. But we cannot meet the present situation or plan for the future in any spirit of defeatism or with any thought that disaster is inevitable. It is not.

I am going to read to you a paragraph from a recent article by Mr. Wendell Willkie; it appeared in Collier's Magazine a couple of weeks ago. Mr. Willkie said:

"The capital of the world of tomorrow will be either Berlin or Washington. I prefer Washington. The totalitarian method of government, of production, of economics and of trade will dominate the world of tomorrow, or else the democratic method of free men, free enterprise, enlarged trade areas and higher standards of living is going to rule. We cannot escape this struggle by locking ourselves within our boundaries, living on defeatism, negation and isolation. We shall not have prosperity and well-being by wishing for it. We cannot control our destiny by running away from it. We cannot have freedom by default. But we can have all of these and more if we have the courage and imagination to reach and work for them."

I, for one, subscribe to every word of Mr. Willkie's statement.

I think that we of the United States are now having our second chance. Twenty-two years ago circumstances made us the most powerful nation in the world. We did not wish to assume that responsibility. We said, "Let's go back to normalcy." We tried to achieve our destiny by running away from it. The postman is ringing twice; this time I think we have to meet our responsibility.

I was very happy to hear Mr. Witmer in his keynote talk the other day speak about The Institute in this convention fixing its eyes upon the future. The past is only prologue. It impressed me, in my first trip to this Western country, to see in actuality some of the things that I have previously tried to understand sight-unseen. Before anyone could build the Boulder Dam somebody, our grandfathers, had to build the Santa Fe Railroad and the Union Pacific. They built those railroads so that we could have Boulder Dam now. There could have been no California unless pioneers had crossed the desert in covered wagons, braving hunger and thirst and the possibility of being scalped. They spent some toil and sweat and blood and tears. We have tried to live on the capital that they invested, but now we find we have to invest some of our own. I think that we have learned that it is the spirit and not the pattern or the physical remains of the past that is truly valuable to us. A civilization does not die until it becomes too tired and confused to go on living. A vital civilization, such as we are making in this country, must achieve new things if it is to fulfill its destiny. It requires today the creation of new things, new standards of living; and, above all else, it will demand a great architecture-an architecture which, like the Santa Fe Railroad, the Union Pacific, the Boulder Dam, the Golden Gate Bridge, Rockefeller Center, Parkchester, Chatham Village and the Westchester County Park System, will express the very living guts of America.

I think that is in the great tradition of American architecture. Wasn't it one of your greatest men who said, "Make no little plans."?

Closing of The Convention

REMARKS OF PRESIDENT SHREVE AT THE ANNUAL DINNER

AM not sure what has impressed me most in this visit to Southern California. We have been very much touched by the cordiality of the welcome, the friendliness of those of you who represent The Institute here today, and for whatever of it has been

directed to me this evening I want to thank you very much.

I have been amazed at the bigness of all that has been presented to us. We have had a laugh now and then about it—as in coming through Nevadawhen we heard two of the folk of the country talking over a law suit which had been brought by one of them against the community in which he lived. He explained that he left his automobile on the street overnight. The next morning it was buried under fifteen feet of snow. The tractors in clearing the street had run over the top of his automobile and he was suing the community for damages.

I tried to find here in Los Angeles something that would match that, but heard no story nearly so effective as one which, some years ago, came to us as we sailed on an NYK steamer from San Francisco to Yokohama. On board was a loyal Southern Californian who told of the wonders of his community, and particularly of this city. He drew the fire of a man who wasn't entirely sympathetic and who provoked him with a story of the wonderful apartments that were then being built in Los Angeles, apartments up to sixteen and twenty stories high, and the amazing thing about them was that there were no stairs and no elevators. The question was immediately asked how the tenants got to their apartments, and the answer was, "It's the climate."

I leave that from an architect's thought as perhaps the best that has come to us among the wonders of your city.

But I must not keep you. Those of us who came across this long journey of which Mr. Larson's resolution spoke have enjoyed the hospitality of those of you here, under Dave Witmer's leadership, and through Bob Alexander's efficient direction.

We have enjoyed too the suave facility of your

presiding officer. I have learned that in view of his success in placing over a dynamitic situation a blanket of bubbles, shall I say, that he has now an offer from the Foamite Corporation to represent their product. The combination should provide safe protection against fire in any inflammable assembly.

Because of Mr. Ditchy's leadership and good will, and because of the requests which have come to The Board, The Board has decided that Mr. Ditchy may take back to Detroit the announcement that the next convention will be held in his city.

You take it home personally, Clair, because it is yours.

Now for The Board and for the officers, let me say more seriously that we appreciate the responsibility which you have placed in our hands. The Board met on Monday evening at Yosemite at eight o'clock and sat until half past one of the next morning. The Board met today at two o'clock and adjourned at half past seven to meet again tomorrow morning, actually this morning, at eight. I hope The Board will be on time.

You may be assured that the energy and devotion which The Board has already shown among its qualifications will be continued. And with the utmost seriousness let me say to you that in these days of trial not alone outside The Institute, anything that we can do to be of service, will be freely and loyally given. I trust that pledge from us to you will mean something to the members as we take our adjournment from this convention.

Thank you very much.

Convention Attendance Statistics

SEVENTY-THIRD CONVENTION Yosemite Valley and Los Angeles, Calilfornia May, 1941	SEVENTY-SECOND CONVENTION Louisville, Ky., May, 1940	SEVENTY-FIRST CONVENTION Washington, D. C. Sept., 1939	SEVENTIETH CONVENTION New Orleans, La. April, 1938
Delegates	Delegates	Delegates	Delegates
Total 302	Total 594	Total 752	Total 726

Delegates Attending the Seventy-third Convention

Some delegates represented more than one group.

DELEGATES AT LARGE

(Officers, Directors and Past-Presidents)

Charles T. Ingham
John R. Fugard
Peter Brust
Clair W. Ditchy
H. Daland Chandler
Robert K. Fuller
Leight Hunt
Gordon B. Kaufmann
Clement R. Newkirk
Edmund R. Purves
J. Frazer Smith
Rudolph Weaver

MEMBER DELEGATES REPRESENT-ING STATE ASSOCIATION MEMBERS

The Alabama Association of Architects

William T. Warren

State Association of California Architects

Frederick H. Reimers Harry M. Michelsen Winsor Soule

Florida Association of Architects Miss Marion I. Manley

Indiana Society of Architects Ralph O. Yeager

Maryland Society of Architects James R. Edmunds, Jr.

Michigan Society of Architects
Branson Van Leer Gamber
Clair W. Ditchy
Alvin E. Harley
Talmage C. Hughes
William E. Kapp

New Hampshire Society of Architects

H. Daland Chandler

The New York State Association of Architects

Matthew W. Del Gaudio Frederick G. Frost Franklyn J. Kidd Julian Clarence Levi Clement R. Newkirk Robert F. Schirmer Kenneth Reid R. H. Shreve Miss Olive Tjaden

Architects Society of Ohio Charles Frederick Cellarius George Charles Walters

Pennsylvania Association of Architects

William Pope Barney

The State Association of Wisconsin Architects Leigh Hunt

MEMBER DELEGATES REPRESENTING CORPORATE MEMBERS ASSIGNED TO CHAPTERS.

Alabama

William T. Warren

Albany

Clement R. Newkirk

Arizona

Frederick W. Whittlesey

Baltimore

John Henry Scarff James R. Edmunds, Jr.

Boston

Joseph D. Leland William Stanley Parker H. Daland Chandler

Brooklyn

Robert F. Schirmer Miss Olive Tiaden

Buffalo

R. H. Shreve Franklyn J. Kidd

Central Illinois

Leo H. Pleins

Central New York
Clement R. Newkirk

Central Texas

Walter Thomas Rolfe

Chicago

Robert J. McLaren Jerrold Loebl Dwight H. Perkins

Cincinnati

Charles Frederick Cellarius

Cleveland

Travis Gower Walsh George Charles Walters

Colorado

Robert K. Fuller

Connecticut

Lawrence Moore

Delaware

Samuel E. Homsey

Detroit

Branson, Van Leer Gamber Clair W. Ditchy Malcolm R. Stirton William E. Kapp Talmage C. Hughes Alvin E. Harley

Florida North Mellen C. Greeley Rudolph Weaver

Florida South
Miss Marion I. Manley

Georgia

Roy E. Hitchcock John Cobe Dennis

Hawaii

Vladimir N. Ossipoff

Indiana

Ralph O. Yeager Joe H. Wildermuth

Iowa

William L. Perkins

Kansas City Albert S. Owen

Kentucky

Clair W. Ditchy

DELEGATES ATTENDING THE SEVENTY-THIRD CONVENTION-Continued

isiana	

Douglass Vincent Freret Henri Mortimer Favrot

Maine

H. Daland Chandler

Minnesota

Frederick M. Mann

New Jersey

Eli Benedict Clement W. Fairweather

New York

Harvey Stevenson
R. H. Shreve
Kenneth Reid
Matthew W. Del Gaudio
Frederick G. Frost
Julian Clarence Levi

North Carolina Rudolph Weaver

Northern California
Mark Daniels
Ernest E. Weihe
James H. Mitchell
E. Geoffrey Bangs
Lester W. Hurd
Frederick H. Meyer

Oklahoma

Joseph Edgar Smay Leonard H. Bailey

Oregon

William H. Crowell Roi L. Morin

Philadelphia

Roy F. Larson William Pope Barney Paul A. Davis III Edmund R. Purves

Pittsburgh

Allan H. Neal

Rhode Island

Ellis F. Jackson Philip Douglas Creer Albert Harkness

San Diego

William P. Lodge

Santa Barbara

Miss Lutah Maria Riggs

South Texas

Frederick J. MacKie, Jr. Claude E. Hooton Arthur Osborne Willauer Milton B. McGinty

Southern California

Robert H. Ainsworth Charles O. Matcham Donald Beach Kirby Sylvanus B. Marston Heath Scott Gerity Palmer Sabin

Spokane

Edwin John Peterson

St. Louis

William B. Ittner, Jr. Fred R. Hammond

St. Paul

Thomas F. Ellerbe

Tennessee

Austin K. Hall B. F. Hunt H. M. Burnham Anker F. Hansen

Utah

Raymond J. Ashton

Washington, D. C.

Robert F. Beresford

Washington State

Harlan Thomas William J. Bain Victor N. J. Jones John T. Jacobsen

Westchester

Frederick G. Frost

Wisconsin

Gerrit J. de Gelleke Peter Brust Carl F. Eschweiler

Corporate Members Elected, Effective June 7, 1941

Chapter	Name
Boston	Thomas F. McDonough
COLORADO	Paul Atchison
	James Roger Musick
	Donald O. Weese
DETROIT	*Donald William Hunter
FLORIDA CENTRAL	Laurance W. Hitt
GRAND RAPIDS	Emil Gustave Zillmer
Iowa	Reuben S. Lantz
New York	Henry Boak
ORRCON	Robert Burke Morden

Chapter	Name
PITTSBURGH	Bernard E. Rowan
SAINT LOUIS	Arthur deGrendon
SOUTHERN CALIFORNIA	Robert Vincent Derrah
	(George) Vincent Palmer
	Allen George Siple
Tolebo	Orville F. Bollinger
	John Joseph Hayes
WASHINGTON, D. C	Joseph Henry Abel

[·] Readmission.



