

THE MANAGEMENT MAGAZINE OF AMERICA'S BIGGEST INDUSTRY

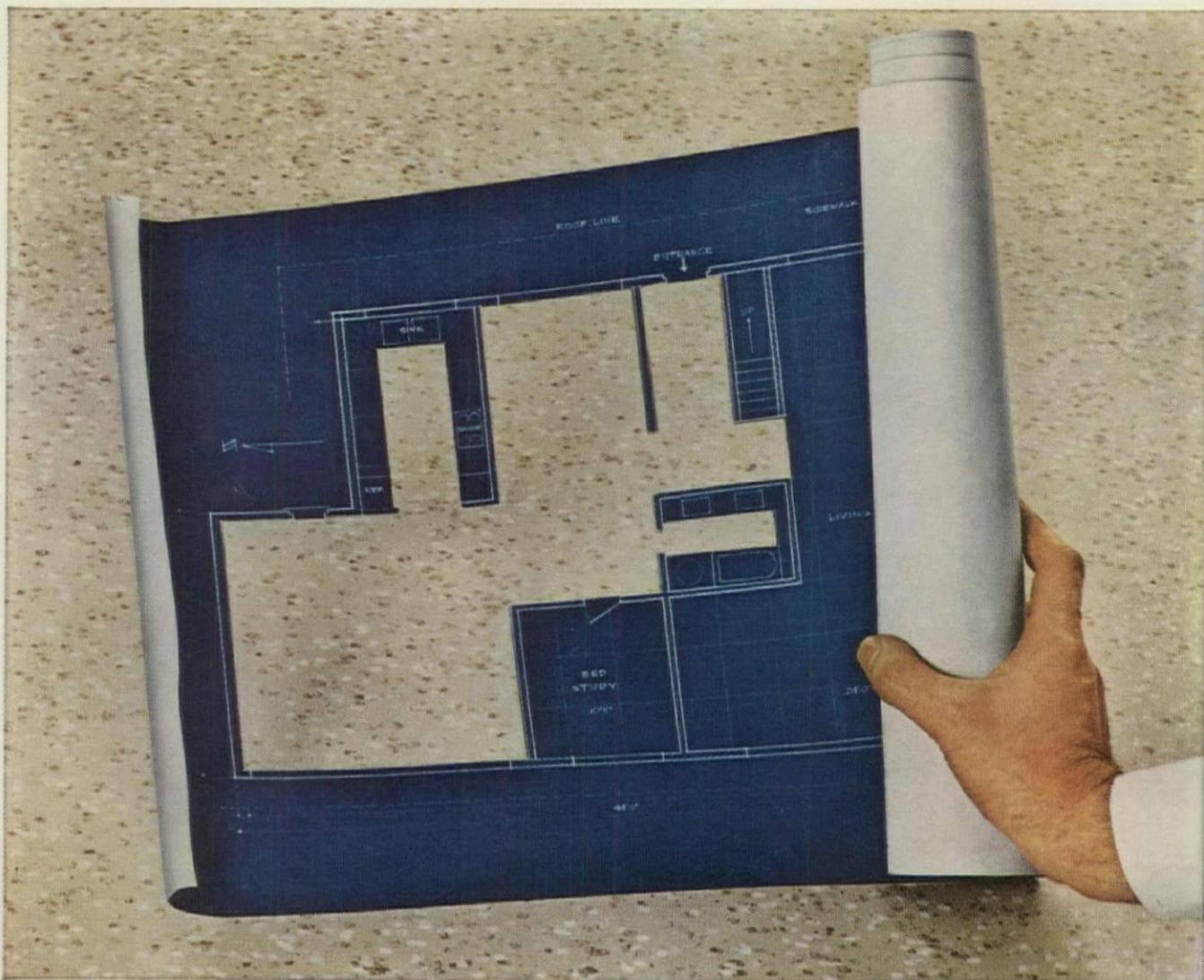
APRIL 1962 SIX DOLLARS A YEAR—ONE DOLLAR A COPY

# House & Home



DESIGN: Top talent team develops all-new houses for an all-new community  
High density land use: A round up and look ahead at housing for an exploding population

NEWS BEGINS ON PAGE 51 / COMPLETE CONTENTS, PAGE 101



Congoleum-Nairn "spacemaker" width vinyl flooring flows from wall to wall as seamless as broadloom. The uninterrupted pattern carries the eye from room to room to emphasize the open expanse of your house . . . to make it look roomier. Shown here is Westenaire Inlaid Vinyl.

## "Spacemaker" width vinyl floors dramatize the spacious look



**. . . accent the extra living space you've designed into your houses.** Congoleum-Nairn "spacemaker" width vinyl flooring comes in rolls 6' wide. Wall to wall, room to room, it seems to "push back the walls"—helps you score another point with your prospects.

The heavy consumer demand for inlaid vinyl sheet-goods can help you sell houses. Take Westenaire® vinyl

flooring, for instance—it gives you the extra sales magic of inlaid vinyl for only pennies a square foot more than vinyl asbestos tile. And Congoleum-Nairn "spacemaker" width vinyl floor coverings are F.H.A. approved.

For samples of Westenaire, contact your local flooring contractor or write to Congoleum-Nairn, Inc., 195 Belgrove Drive, Kearny, New Jersey.

Heavy national advertising is preselling your prospects on the Congoleum-Nairn "spacemaker" concept with room settings like this . . . to help make your sales easier.

**Congoleum-Nairn**  
FINE FLOORS

# Which NuTone Hood Fans are BEST for Your Kitchens?

## DO YOU WANT FLEXIBILITY?

NuTone's "Select-A-Matic" Hood-Fan has it. Your choice of 6 finishes, 4 Hood sizes and 3 Power Units, offers more than 140 Hood-Fan combinations . . . for the best ventilation in any type of kitchen. Non-glare light too!

## IF YOU DON'T WANT DUCTWORK . . .

In such cases — our Non-Ducted Hood-Fan is for you! No ductwork, no cutting, no loss of cabinet space. Hood, Motor and THREE Filters come in one complete unit that installs under a cabinet, or on a wall . . . in minutes!



↑ NUTONE 3000 SERIES    ↓ NUTONE 6000 SERIES



↑ NUTONE 3400 SERIES    ↓ NUTONE 7000 SERIES



## WANT TO MATCH APPLIANCES?

. . . Or walls? Or cabinets? Our "Fold-Away" Hood-Fan lets you do this, with whatever color Insert-Panel you want. NuTone has 11 different beautiful ones, or you can use your own. Hood folds flush with cabinets when it's not in use!

## DO YOU USE HIGH-OVEN-RANGES?

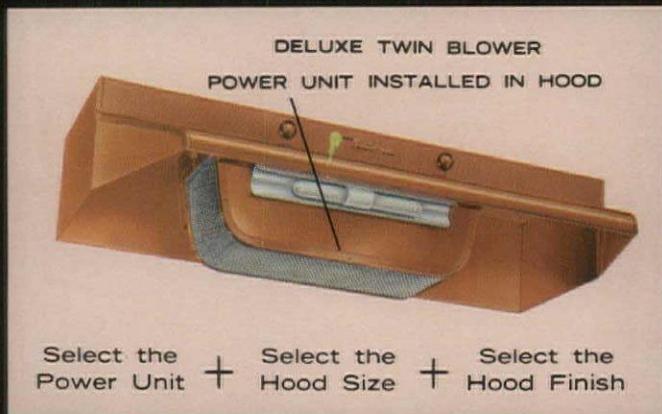
If so . . . don't settle for less than NuTone's "Roll-Out" Hood-fan, especially engineered to do a really efficient ventilating job for both range and the oven. Ducted or Non-Ducted Models fasten easily to a cabinet or to a wall!

*A Style for Every Need  
A Price for Any Budget*

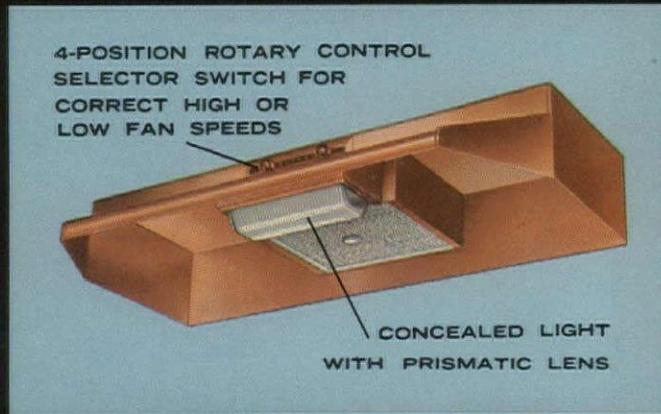


SEE NEXT PAGE →

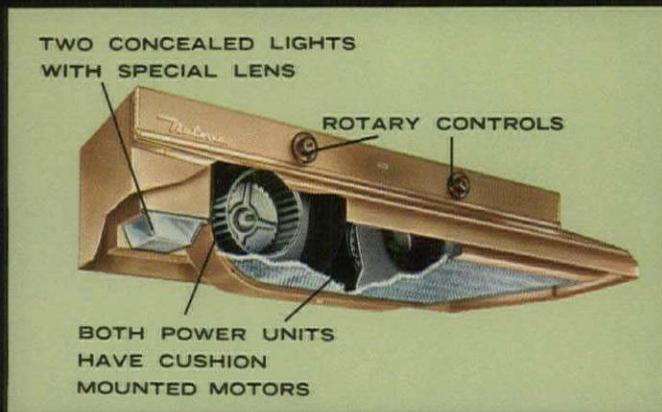
# You Pay No More for NuTone Dependability



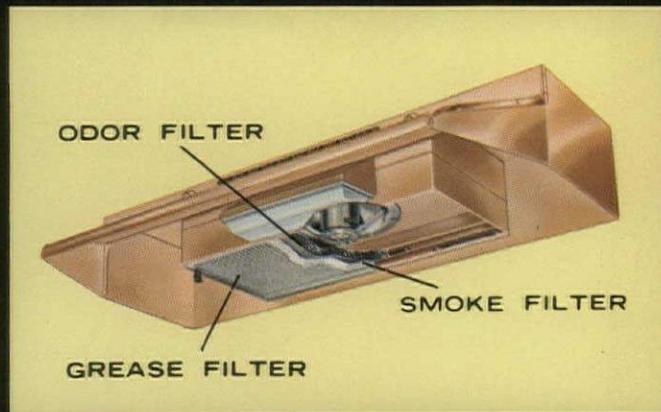
↑ 3000 SERIES SELECT-A-MATIC HOOD-FAN



↑ 1100-N SERIES "JET-FLO" HOODFAN



↑ 5000 SERIES HEAVY DUTY HOODFAN



↑ 3400 SERIES NON-DUCTED HOODFAN

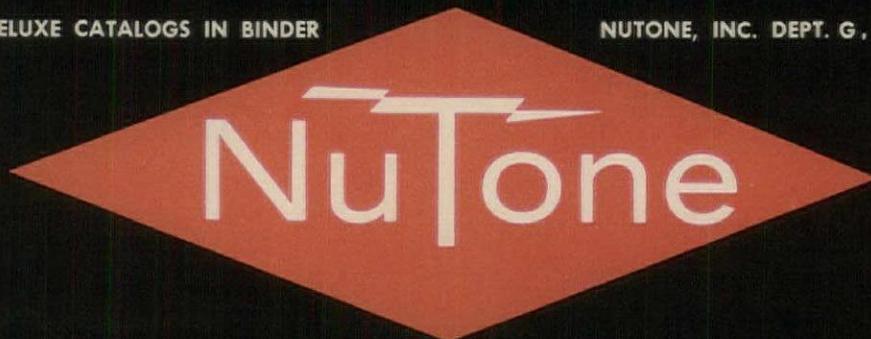
## Powerful and Quiet

Every time you buy NuTone Hood-Fans, you're getting solid quality . . . not just in outward appearance . . . but through and through . . . right down to the last part. You can see for yourself in the four illustrations above.

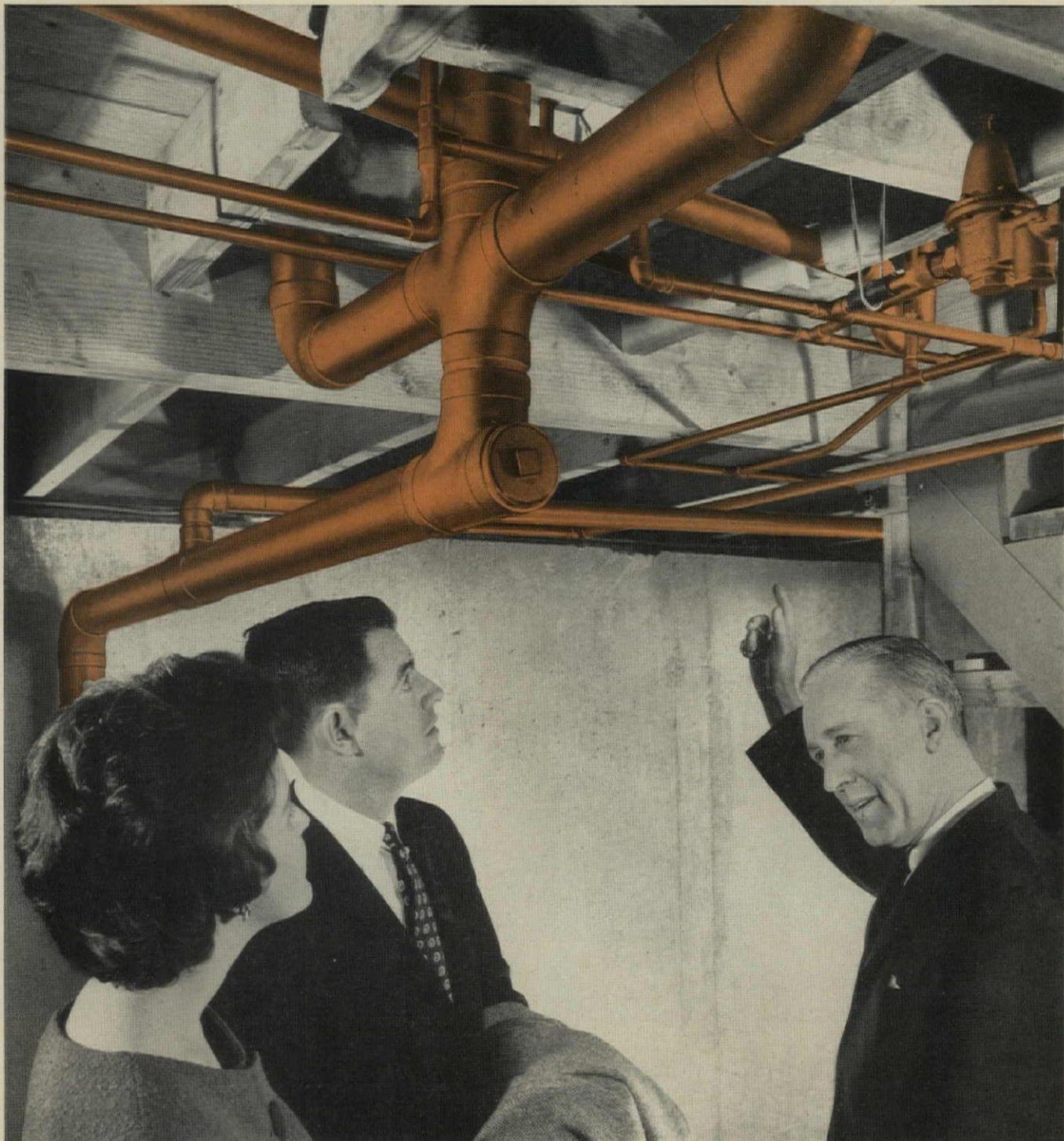
Here are features you just don't get in other Hood-Fans. That's why NuTone is more trouble-free . . . and blessed with longer life. Best of all . . . it doesn't cost you any more to get NuTone's dependable customer-satisfaction.

WRITE FOR NEW DELUXE CATALOGS IN BINDER

NUTONE, INC. DEPT. G, CINCINNATI 27, OHIO



See Previous Page



## “What’s more, your plumbing is all copper...Anaconda Copper!”

When a real estate salesman says, “All-copper plumbing,” he upgrades the entire house. “All-copper” is a quality feature that prospective home buyers understand! They know it means extra-long service life . . . no costly trouble due to rust.

This impact on buyers is the main reason why so many home builders specify copper tube for water lines and sanitary drainage. Builders also know it costs no more—often less—than rustable piping.

For complete information about Copper Tube for plumbing, write for Publication B-1, Anaconda American Brass Company, Waterbury 20, Connecticut. In Canada: Anaconda American Brass Ltd., New Toronto, Ont.

61-1753

**ANACONDA**<sup>®</sup>  
AMERICAN BRASS COMPANY

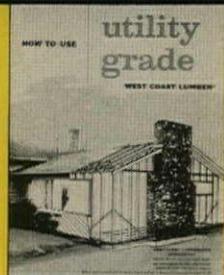


**FREE TECHNICAL BUILDING FACTS**

Utility grade uses are illustrated . . . contains easy to understand span tables. For FREE copy, write:

Room 44

WEST COAST LUMBERMEN'S ASSOCIATION  
1410 S. W. Morrison Street • Portland 5, Oregon



**WEST  
COAST  
LUMBER**

MADE IN U.S.A.



WEST COAST DOUGLAS FIR  
WEST COAST HEMLOCK  
WESTERN RED CEDAR  
SITKA SPRUCE  
WHITE FIR

**"We specified  
UTILITY  
GRADE**

**WEST COAST LUMBER  
for framing our new  
home,"**

say  
Mr. and Mrs.  
Rosario J. Piazza,  
West Linn, Oregon



"Like all homeowners, we wanted the most for our money. We built a house several years ago and learned that framing lumber doesn't need to be pretty to be strong. We talked to several builders and retail lumber dealers when we heard about Utility grade. They all told us we would have a strongly framed house with Utility grade\* and would save at least \$300.00. Such a saving made good sense to us, so every piece of wall framing lumber in our home is Utility grade West Coast Lumber."

You can use Utility grade in quality construction\* ... residential or commercial. Although studding is the most popular use, this grade is also used for joists, rafters, sub-flooring, laminated decks and plank roofs\*.

Ask your local retail lumber dealer about "Coast Region" West Coast Lumber ... he's your local supply source.

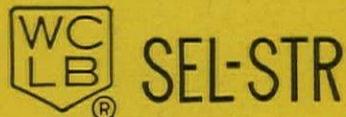
*\*When used in accordance with FHA Minimum Property Standards for One and Two Living Units, FHA Bulletin No. 300.*

Designer: Ralph Olson



THESE GRADE  
STAMPS ARE USED  
ONLY ON  
**COAST  
REGION**  
WEST COAST  
LUMBER

MILL 725



MILL 10



MILL 10



MILL 10



MILL 10



MILL 725



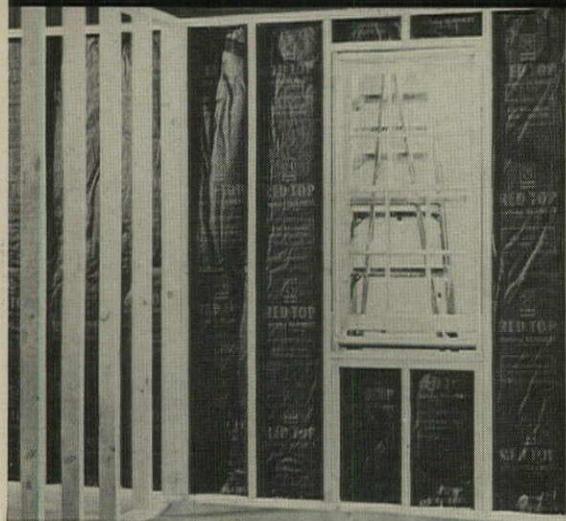
For WCLB Lumber grading  
information, write:

West Coast Lumber Inspection  
Bureau, 1410 S.W. Morrison St.,  
Portland 5, Oregon

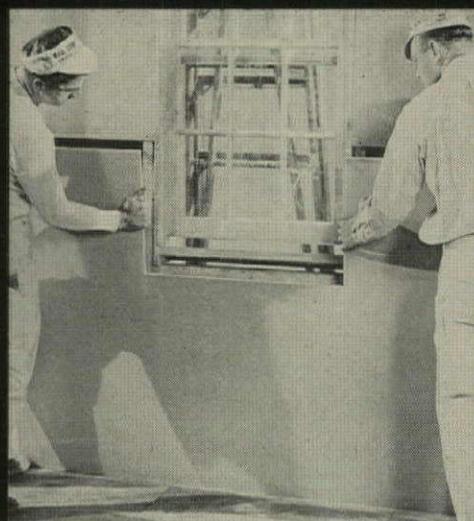
**Save 3 to 9  
construction days  
with NEW**

# TUFCON

**THE GYPSUM ONE-DAY WONDER WALL**



Once your framing is up, you're ready to go... fast... with TUFCON wonder wall.



Special, durable TUFCON Base is quickly, easily nailed to studs and joists.



Specially formulated glass fiber tape is quickly stapled in place over joints.

New TUFCON Finish from United States Gypsum is a specially formulated compound, spray-applied on a TUFCON Base. Application is so fast, so simple that a crew can complete an average six-room home in a single day —you can save up to nine days on your building schedule!

TUFCON Finish dries overnight to a remarkable hardness—25% harder than concrete paving. Its super-toughness resists cracking due to flexure, and assures virtually trouble-free performance, thereby minimizing call-backs.

To find how you can build more value and greater satisfaction into your homes at less cost with new TUFCON, see your U.S.G. representative; or mail the coupon.



Scrape new TUFCON with a coin—the coin wears away, not the wall!

\*T.M. of Plastering Development Center, Inc.

# ON\*

**YOUR WALLS  
ALL SET BY SUNSET!**



Thin coat of TUFCON Finish is sprayed over tape and wall, ceiling surfaces.



Troweling can be done right after spraying. In less than a day, the job is done.



By end of day you're all set to decorate—your house is ready to sell sooner!

**UNITED  
STATES  
GYPSUM**  
the greatest name in building



UNITED STATES GYPSUM, Dept. HH-21  
300 W. Adams St., Chicago 6, Ill.

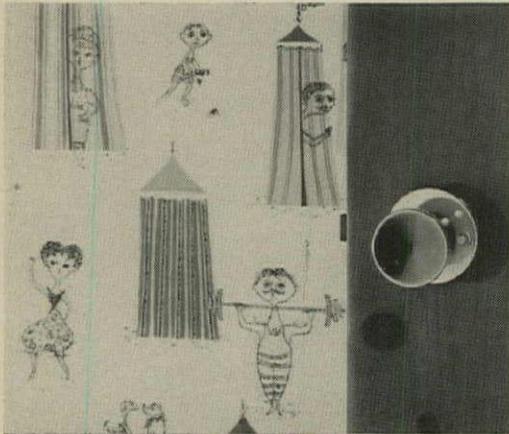
RUSH full information on new TUFCON, the gypsum one-day wonder wall, and name nearest licensed TUFCON contractor.

NAME \_\_\_\_\_

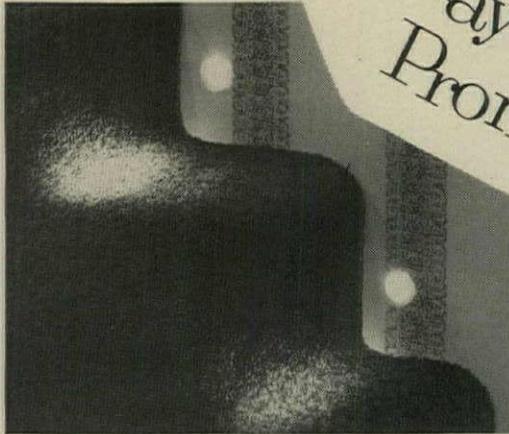
COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ ZONE \_\_\_\_\_ STATE \_\_\_\_\_



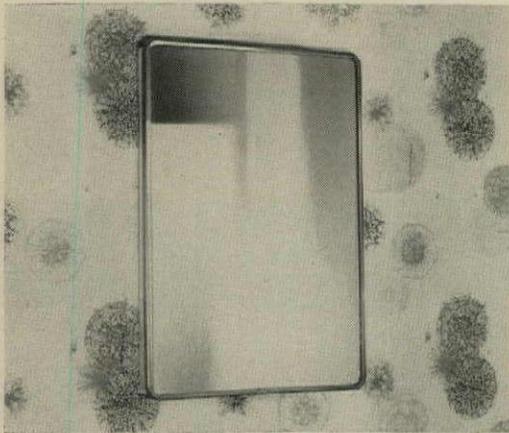
2-WAY BATHROOM LOCK



SAFETY LIGHTED STAIRWAY



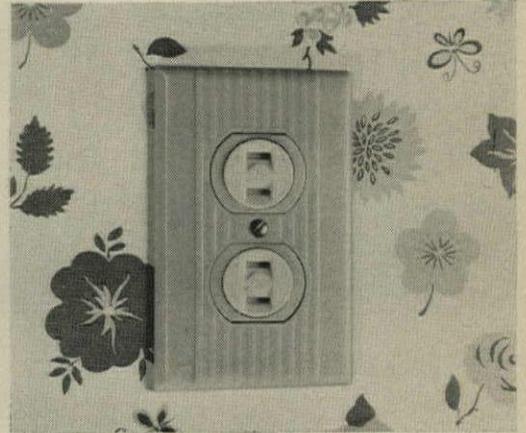
SKID-PROOF FLOORS



SNAP-LOCK MEDICINE CABINET



OUT-OF-REACH CONTROLS



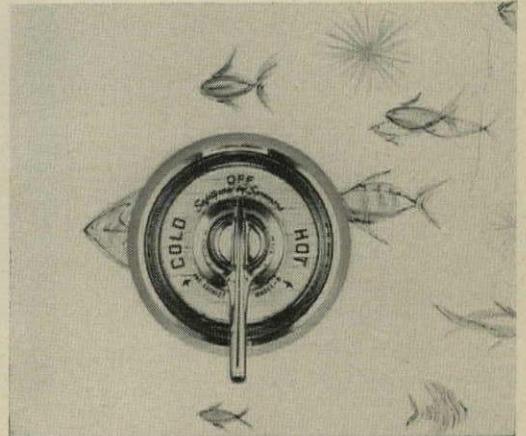
WALL OUTLET SAFETY COVERS



SKID-PROOF BATH TUB



LOCKED FUSE BOX



SCALD-PROOF SHOWER CONTROLS

## Put them all in a package and call it "Playproof"

Wrap up the many extras you now put in your homes to make them safer and more carefree for growing families . . . the 72% of home buyers with children under 18. Merchandise this basic appeal with one strong-selling "playproof" package. The Wall-Tex Playproof Promotion gives you a chance to get extra mileage out of the kind of features shown above, and any others you'd like to highlight. Plus, of course, Wonderful, Washable Wall-Tex. The promotion includes everything from banners and stickers to colorful folders.

Wall-Tex is both childproof and carefree. It is durable and washable, can be sponged quickly when you open your model home for showing, and again

when you ready it for sale. Economical, Wall-Tex goes on in one easy application . . . helps save building costs and eliminates call-backs because it hides cracks and minor surface flaws.

Best of all, the decorative beauty of Wall-Tex and its lasting quality are powerful selling factors. With more than 300 patterns and styles to choose from, you can provide the distinctive individuality that impresses home buyers. Each home can be "custom-decorated" to avoid look-alikes.

The visible values of Wall-Tex and the Playproof Promotion complement your selling to attract and speed up sales to home-seeking families.

Write or call at once for the whole story.

COLUMBUS COATED FABRICS COMPANY

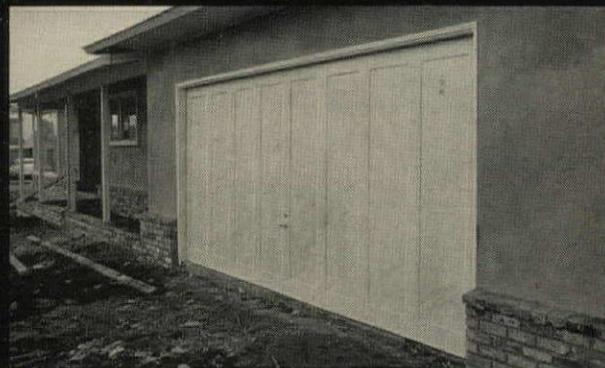
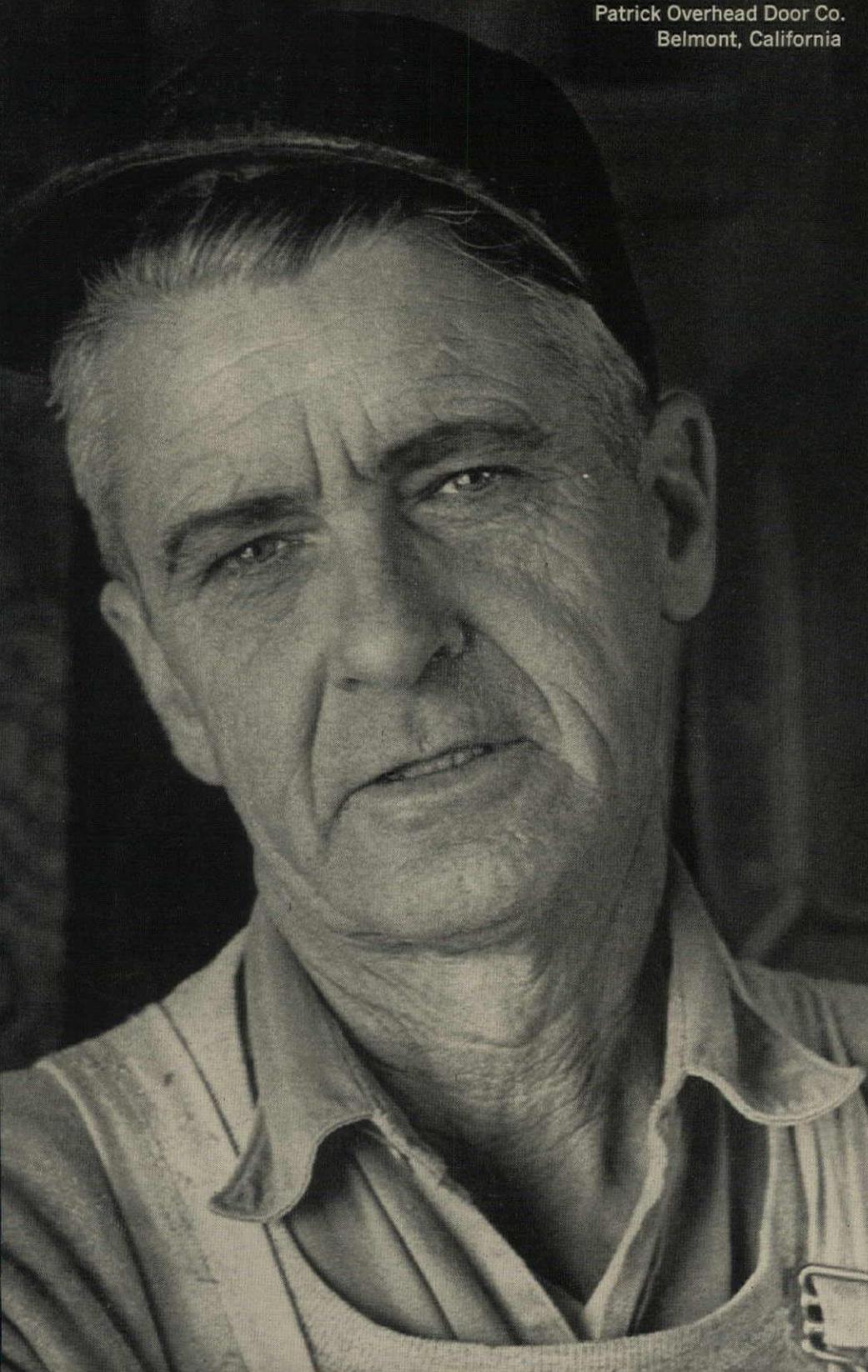
Division of the  
Borden Chemical Company  
COLUMBUS 16, OHIO  
Wall Covering Division  
Call AXminster 9-2112



**"CreZon overlaid plywood pays for itself**

**-I'm sold on it"**

—Lawrence Patrick, co-owner  
Patrick Overhead Door Co.  
Belmont, California



Here's a man who specializes in the manufacture of overhead garage doors for new housing developments. He uses CreZon overlaid plywood exclusively. Here's why:

"CreZon's overlaid surface holds paint better and there's no checking, splitting or grain rise. We've used it consistently for 4 or 5 years. It's about as weatherproof a wood product as you can find. We've given it many tests ourselves—soaked it in tubs of water, left it in the sun—nothing fazes it. I'd say it pays for itself in the trouble you save."

Whether you use CreZon overlaid plywood for doors, siding, soffits or dozens of other applications, you'll find it works easily, leaves no splintered edges, takes paint beautifully. It helps you keep your construction costs way down.

These leading manufacturers use CreZon to produce the highest quality overlaid plywood:

ANACORTES VENEER, INC.  
Armorite

DIAMOND LUMBER COMPANY  
Super Siding  
CreZon Overlaid Plywood

EVANS PRODUCTS COMPANY  
Evanite CreZon Overlaid Plywood

GEORGIA-PACIFIC CORPORATION  
GPX Yellow Panels  
GPX Green Panels  
GPX Yellow  
Bevelled Siding

ROSEBURG LUMBER COMPANY  
CreZon Overlaid Plywood

SIMPSON TIMBER COMPANY  
Medium Density Overlaid Plywood

ST. PAUL & TACOMA LUMBER CO.  
Plyaloy

UNITED STATES PLYWOOD CORP.  
Duraply

  
**CROWN  
ZELLERBACH**

**CREZON SALES**

One Bush Street • San Francisco





Videne, a Polyester film—T. M. The Goodyear Tire & Rubber Company, Akron, Ohio

## VIDENE gives a real wood look at a composition board price!

VIDENE—new polyester surfacing film by Goodyear—transforms ordinary composition board into beautiful paneling for kitchen cabinets or walls • VIDENE offers beauty and protection — not on a short-term basis, but for keeps. • VIDENE doesn't stain from ink, water, alcohol, greases, lipstick. Wipes clean with a damp cloth. Never needs waxing. • Doesn't yellow, craze or crack. • You can buy clear VIDENE on fine woods where it protects their natural warmth and beauty. Or

you can buy it on lower-cost plywood, particle board or other materials, in solid colors or reverse prints of any wood grain or design a camera can capture. • Panels laminated with VIDENE can be sawed, drilled, nailed or otherwise fabricated. And, of course, they don't have to be finished on the job. • For complete information on VIDENE wood panels — and where to get them—write Goodyear, Videne Surfacing Films Dept. P-8736, Akron 16, Ohio.

**GOODYEAR**  
VIDENE SURFACING FILMS

## KINGSBERRY ANNOUNCES

# SOMETHING ABSOLUTELY NEW IN SERVICE FOR YOU

How has Kingsberry, in a few short years, become one of the nation's "top five" volume home producers, as well as "Number One" in the south?

Why are Kingsberry builders reporting greater sales and bigger profits than ever before?

We believe you'll know the reason the moment you meet one of Kingsberry's five Regional Merchandising Managers—men who back-stop Kingsberry's professionally trained sales representatives—and who bring you something absolutely new in service to home builders! As specialists in selling homes for you, they're expert marketing counselors with a thousand and one *working* abilities that help make your sales strategy pay off. And they come right to you, uniquely qualified to help plan and execute your individual, local marketing program.

Your Regional Merchandising Manager is the man who has made intensive marketing surveys for Kingsberry builders. He's the man who's chopped construction costs in the most unlikely places by showing just *where* and *how* you can save with proper budgeting, scheduling, expediting and cost control.

He's the man who's Johnny-on-the-spot at model home presentations, the man who's squeezed more power and

mileage out of advertising money, even made suggestions on how to process traffic and handle a signed customer!

*He's a man whose value is inestimable, yet comes to you at no extra cost, simply because Kingsberry wants to pitch in and help you with your program.*

There are five of these men—trained, experienced marketing men who are at

your *personal* service. One of them is ready to roll up his sleeves and get to work for you on a fast, effective, expert approach to your problems . . . *with a program that from site finding to final house sale is unequalled in the manufactured home industry!*

To meet your Kingsberry Regional Merchandising Manager, write:  
**J. B. Nowak, General Sales Manager,**  
Dept. S4,  
**Kingsberry Homes, Ft. Payne, Ala.**

**Wiley Jones**, 436 Frank Nelson Building, Birmingham 3, Alabama, serving builders in Mississippi, Alabama, and Louisiana.

**R. G. (Dick) Koehler**, 906 Third National Bank Building, Nashville 3, Tennessee, serving builders in Tennessee, Arkansas, and Kentucky.

**Chester Kingsman**, 1077 Spring Street North West, Atlanta, Georgia, serving builders in Georgia and South Carolina.

**Robert C. (Bob) Smith**, P. O. Box 706, Atlantic Beach, Florida, serving builders in Florida, Alabama Coast, Mississippi Coast, Georgia Coast and New Orleans.

**Lewis Bazemore**, 1822 Pembroke Road, Greensboro, North Carolina, serving builders in North Carolina, Virginia, and West Virginia.



**KINGSBERRY  
HOMES**

PROGRESS IN HOUSING THROUGH  
ENGINEERING AND RESEARCH  
Fort Payne, Alabama  
Phone Fort Payne  
(area code 205) 845 3550

Kingsberry services builders in Alabama, Arkansas, District of Columbia\*, northern Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia\*, West Virginia\*.

\*Now, builders in District of Columbia, Virginia, and West Virginia can enjoy Kingsberry's complete service too.



# Build in an elegant "extra" at a practical price

Touches of luxury in a house often clinch its sale. One elegant "extra" that can help you clinch sales . . . Fenestra metal folding closet doors. Classic-inspired Fenestra folding doors add a decorator's touch to kitchen, entry hall and linen closets, and other storage areas . . . all at a very modest cost to you.

They cost you less to buy and less to install because each door comes as a packaged unit—complete with hardware, fittings, track. They install easily in minutes. There are no extra parts for you to buy or store.

Available in 8 standard sizes and two heights (6'8" and 8'), Fenestra closet doors come in 3 styles—Louvered, Flush, and Classic (shown at left).

To put Fenestra metal folding closet doors to work selling your homes, just call your local Fenestra representative (he's in the Yellow Pages).

**MR. BUILDING MATERIALS  
DEALER:**

*If you're interested in brightening your profit picture by selling Fenestra folding doors, write us today. Department HH-42, 4040 W. 20th St., Erie, Pa. Choice distributorships are still available.*

## Fenestra

INCORPORATED

STEEL CURTAINWALL SYSTEMS • CELLULAR STEEL ROOFS  
FLOORS, WALLS • METAL DOORS • GUARD SCREENS



# "Our nine Ford Econolines cut operating costs \$200 a month"

says William Dunnagan, Vice President and General Manager of Dunnagan's, Inc., Leesburg, Florida

"Last year we traded 12 conventional trucks for 9 Ford Econolines—7 pickups and 2 vans. Our books show that the switch to Econolines cut our truck operating costs by \$2,000 during the first ten months. And this saving, based on reduced gas, oil, tire and maintenance expenses, occurred during a period in which we nearly doubled our business volume. Our good reputation for high quality, on-schedule roofing, heating and air conditioning installation didn't suffer, either.

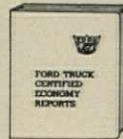
"Econoline Pickups are especially well suited for our installation hauling needs. Their big cargo area and easy loading are ideal for bulky loads of insulation, ductwork, sheet metal and heating and

air conditioning units. Our Econoline Vans are workshops on wheels. They are custom-fitted with bins for repair parts, welding equipment, piping and tools. Repairmen just open the wide side doors to a full-sized workbench and parts crib.

"We've owned Fords since the Model T, and they've never let us down. Although our nine Econolines have been going for a total of about 120,000 miles they've been virtually free of repair bills . . . and we've only had to put in oil during routine changes. Econolines have even inspired improvements in our methods that enabled us to get more work done without adding more trucks . . . and without impairing customer service."

Solid testimony that Ford's full-time economy only starts with low price!

## FORD TRUCKS COST LESS



PRODUCTS OF  MOTOR COMPANY





# The textured siding that never needs paint

**New Gold Bond Classic-Shake is** colored deep down. And there's color in the exclusive Plasticrylic® coating that protects the siding against weather and wear.

Top layers of this quality asbestos-cement siding are impregnated with color. Possible only through Gold Bond's wet-laminating process. And, as the felt is drawn out of the colored slurry, all fibers are in one plane, with interlocking fibers supporting each other. This adds strength and dimensional stability.

Gold Bond Classic-Shake gives you a wonderful selling story. "Can't rot, or dent. Fireproof and termite-proof. Never needs painting. Yet it costs very little money."

And when you install this nationally advertised product, you'll find it goes on easier and faster. Gives you a better job with fewer complaints. For sample and technical information, write Dept. HH-42.



## Gold Bond

BUILDING PRODUCTS

NATIONAL GYPSUM COMPANY

BUFFALO 13, NEW YORK

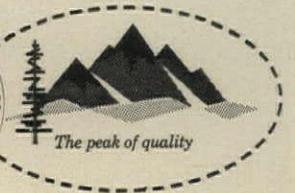
It's  
Opening  
Doors  
to Kitchen  
Sales!



STEP <sup>UP</sup> TO *Trade-Wind* CANOELECTRIC® BUILT-IN CAN OPENER

This *built-in* can opener is demonstrating its ability to stimulate the sale of homes. Not just another gadget to sit on a counter — the Trade-Wind Canoelectric mounts flush in a wall or cabinet — out-of-the-way...yet always convenient as a necessary accessory to modern living.

Priced right — performs right — and gives you the plus you need to sell the kitchen. Available in stainless steel or antique copper. Ask for complete information.



*Trade-Wind*

DIVISION OF ROBBINS & MYERS, INC., 7755 Paramount Place, Pico Rivera, California • Dept. HH



**the trend is up...**

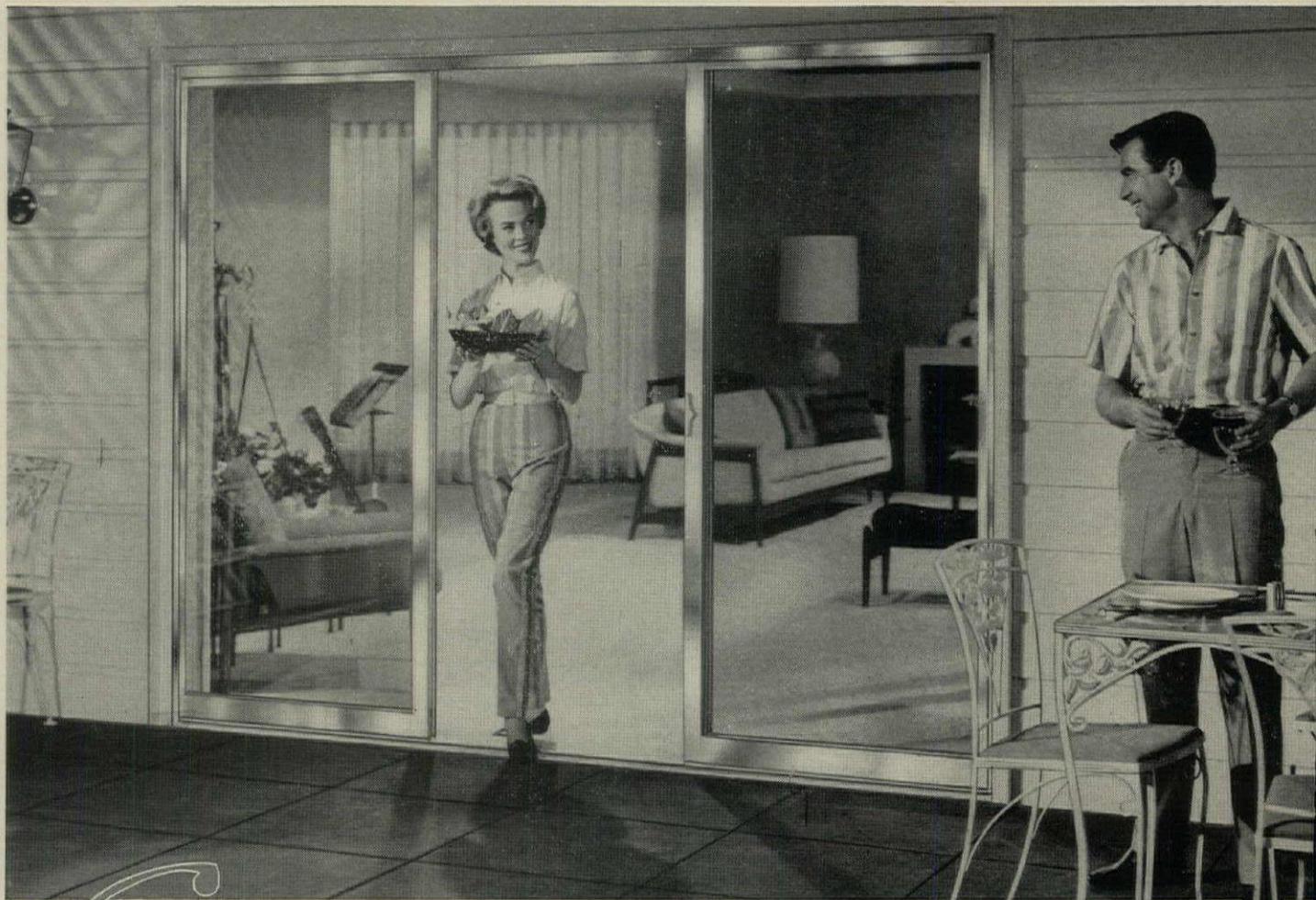


## ...in aluminum siding

Home builders all over the nation are switching to aluminum siding. The reason: it works better, looks better, goes up faster, pleases home buyers because of its low maintenance. *New* Kaiser Aluminum House Siding will help you profit from this trend. Available in clapboard, V-rustic and board-and-batten, in white and popular colors. See what it can do for your sales. Write: Kaiser Aluminum, Room 665, Kaiser Center, Oakland 12, California.

**KAISER**  **ALUMINUM**  
**HOUSE SIDING**

Watch *Follow the Sun* weekly on the ABC-TV Network



## Gateway™ Sliding Glass Doors

The GATEWAY Door has a unique threshold, specifically designed with the sliding door unit on the outside to minimize sill area exposed. This provides maximum protection against water seepage. Twelve standard sizes, in 2, 3 or 4-panel units, single or double glazed, with clear or tinted glass.

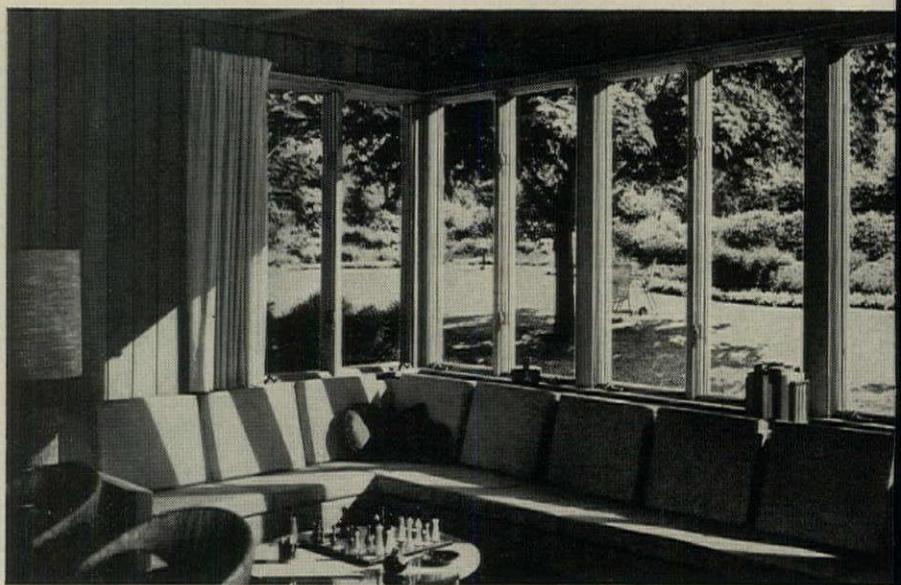
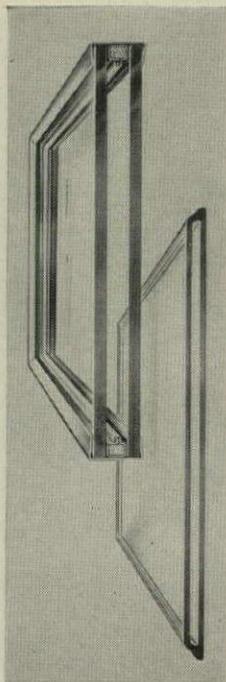
### Two kinds of TWINDOW Insulating Glass:

#### Metal Edge

... framed in stainless steel, ideal for picture windows and sliding glass doors.

#### Glass Edge

... for operating sash, such as double-hung, casement, awning and other style windows.



TWINDOW®—the ideal insulating glass for all types of windows. Keeps house cooler in summer—warmer in winter—cuts cooling and heating costs—helps to control temperature and humidity levels. Minimizes downdrafts.

# PPG quality helps you sell homes

PPG products give your homes the built-in quality, the spacious indoor-outdoor feeling home buyers are looking for

QUALITY often makes the difference between a near or completed sale. Glass gives your homes built-in quality—features that add to gracious living—that contribute to comfort summer and winter—that add a spacious indoor-outdoor feeling. You'll find homes sell faster, easier when you include nationally recognized PPG home building products.

Successful home builders are using more glass for making homes attractive, economical, comfortable and easy to maintain. For more information on GATEWAY™ Sliding Glass Doors, write for your free copy of the new GATEWAY brochure, Pittsburgh Plate Glass Co., Room 2038, 632 Fort Duquesne Blvd., Pittsburgh 22, Pa.



## PITTSBURGH PLATE GLASS COMPANY

Paints—Glass—Chemicals—Fiber Glass

In Canada: Canadian Pittsburgh Industries Limited



PENNVERNON® GRAYLITE™—the neutral-gray tinted window glass that filters out the harsh glare of the sun's rays while admitting required light for comfortable viewing.



HIGH-FIDELITY® MIRRORS—on sliding wardrobe doors offer built-in convenience for the housewife. Rooms look and feel larger. Doors are easy to install and are reasonably priced.

# THERE'S STILL TIME TO GET IN ON THE BIG WESTINGHOUSE SWEEPSTAKES!!!

**Prediction:** Westinghouse-equipped Homes are going to sell like hot cakes this spring. Why? Because they'll be promoted nation-wide by the most powerful type of backing known to the building industry. A regionally organized Sweepstakes designed to send qualified traffic to participating developments. If you can have a Westinghouse-equipped model home ready by June 1, your Westinghouse Residential Sales Manager wants to hear from you. Call him now. Ask him to tell you all about . . .

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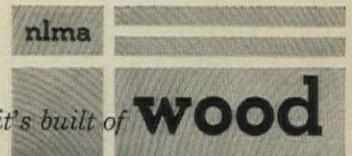
Like the *specialty* of the house, the dining area of the house can be the builder's special pride. Its recipe clearly calls for wood . . . to make the room as appetizing as the meal. Whether the plans specify a formal dining room or an informal corner of the living room, you can establish its character by the proper choice of wood paneling, flooring, and trim. In each, the variety of tones and grain patterns is as bountiful as it is beautiful. The price range is equally wide.

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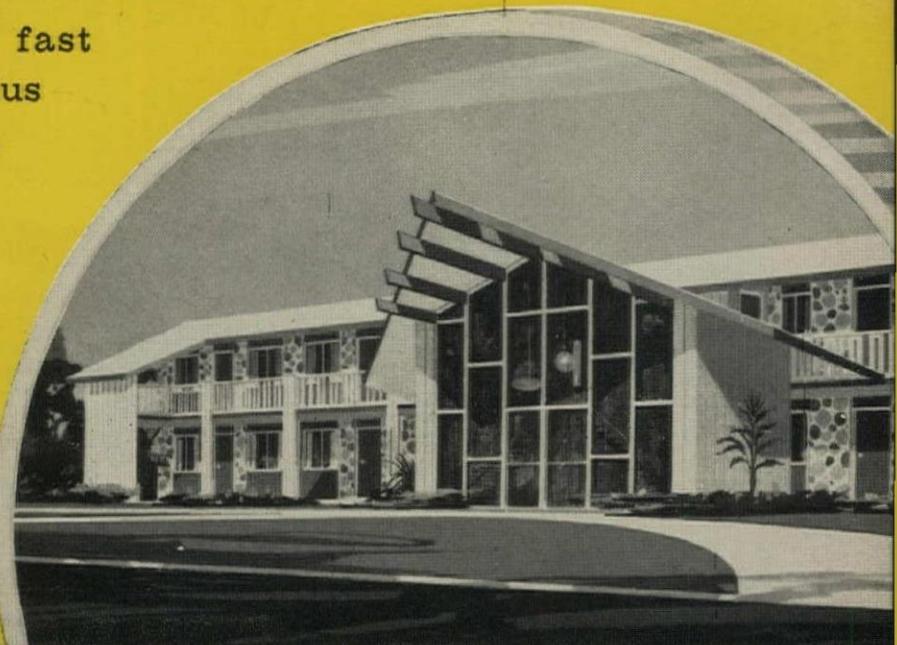


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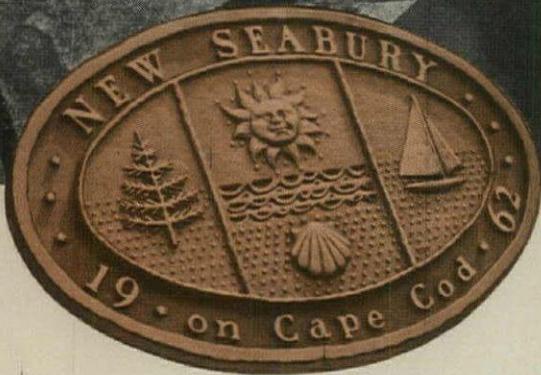
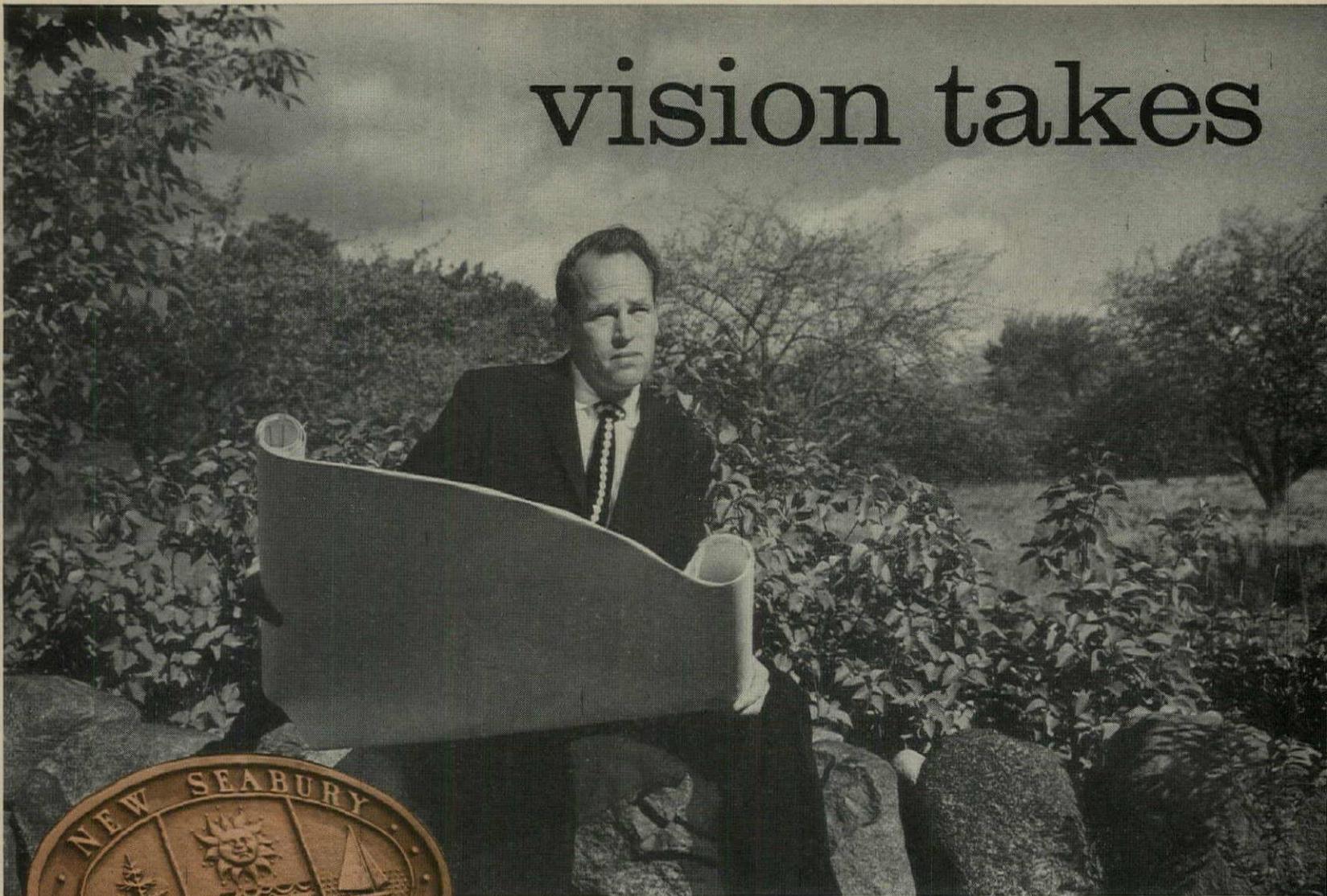
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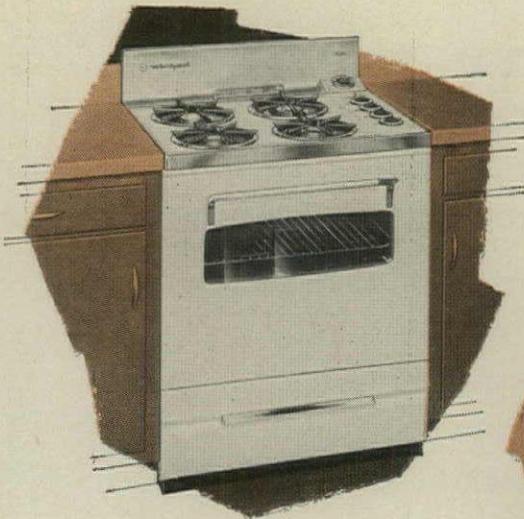


Emil Hanslin, developer of New Seabury, scans a plat of his revolutionary development. Associated with Hanslin in the architecture of New Seabury project are Pietro Belluschi, Dean of Architecture, M.I.T.; Bedar and Alpers; Robert Damora; Robert Woods Kennedy; Wm. Diaz Warner; Royal Barry Wills Associates.

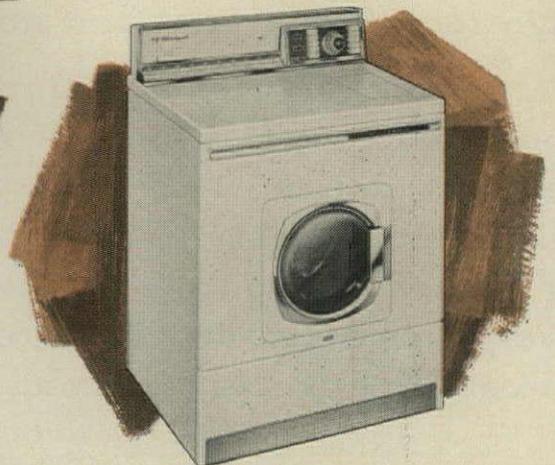
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# shape in daring new community on Cape Cod!

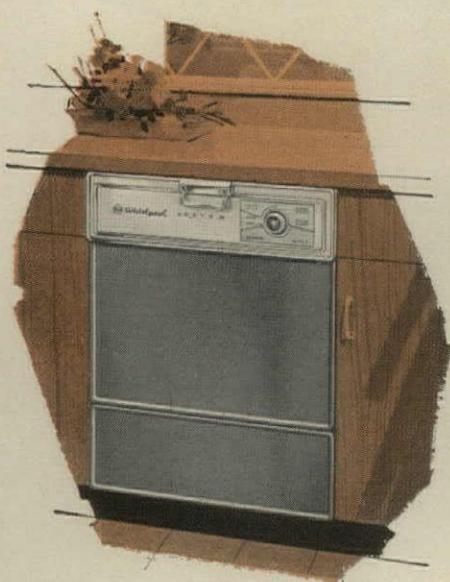
## 4000-home plan utilizes "cluster-zoning" principle

Original both in concept and execution, the group of eleven planned villages comprising New Seabury on Cape Cod represents a radical new attempt to integrate homes with land resources more effectively. Starting with the raw material of some 3000 acres of wooded hills, waterfront, beaches and pond-studded marsh, Hanslin Associates have evolved a plan that makes the natural charm of the area readily available to the entire group of future home owners, and maintains privacy without requiring extensive land ownership on the part of the individual.

Actually, the principle of cluster zoning is a sophisticated adaptation of the "common land" idea, dating back to earliest colonial days, but instead of grazing cows, natural beauty is encouraged. Another benefit of the New Seabury plan is the architectural variety it allows without confusion. Owners can pick and choose, confident that the home they choose will blend into the landscape and "fit" with its neighbors.

According to Emil Hanslin, developer of New Seabury, his group is dedicated to creation of a "new mode of life" rather than construction of a town or development, and to that end the plan includes extensive outdoor recreational facilities, including four beach clubs, yacht clubs, tennis courts, bridle paths, woodland walkways and golf courses.

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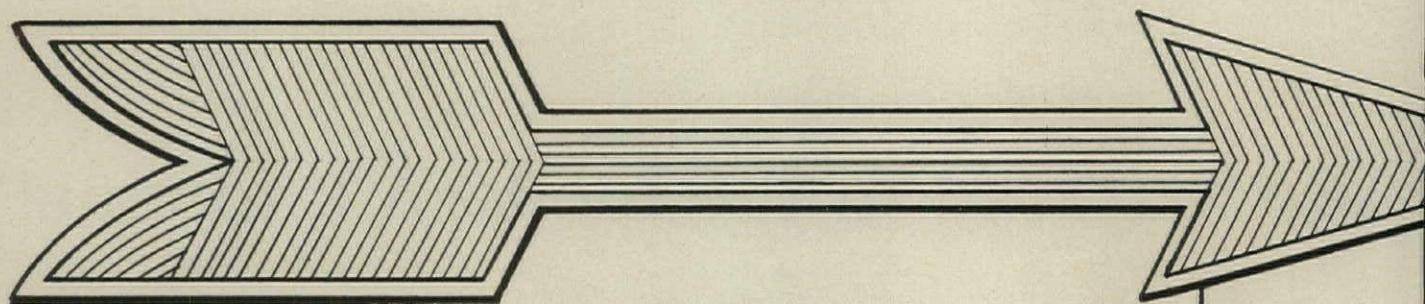
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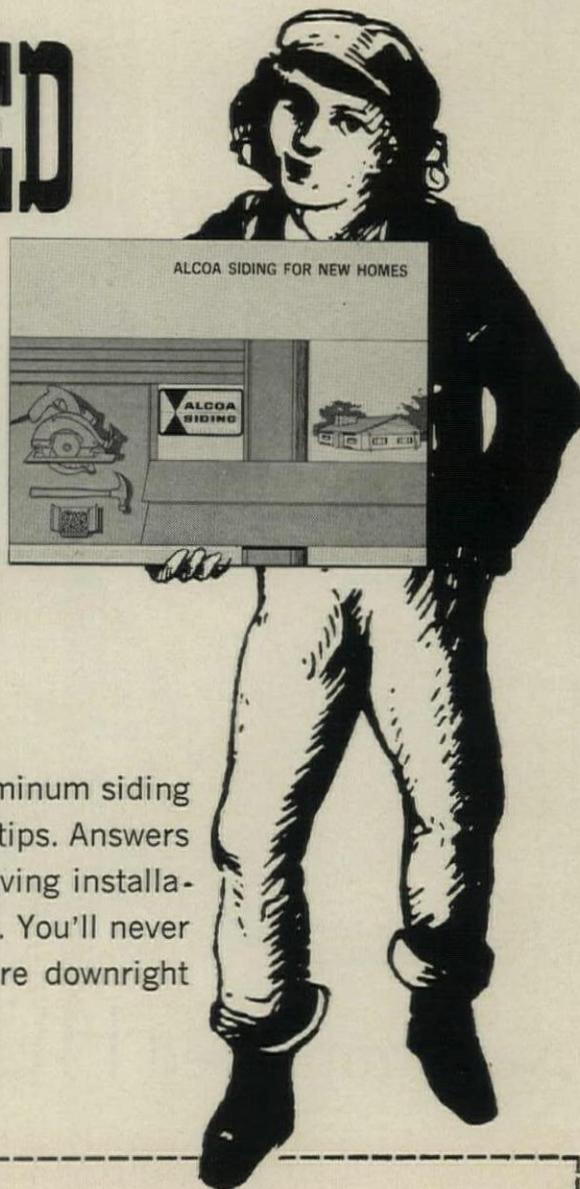
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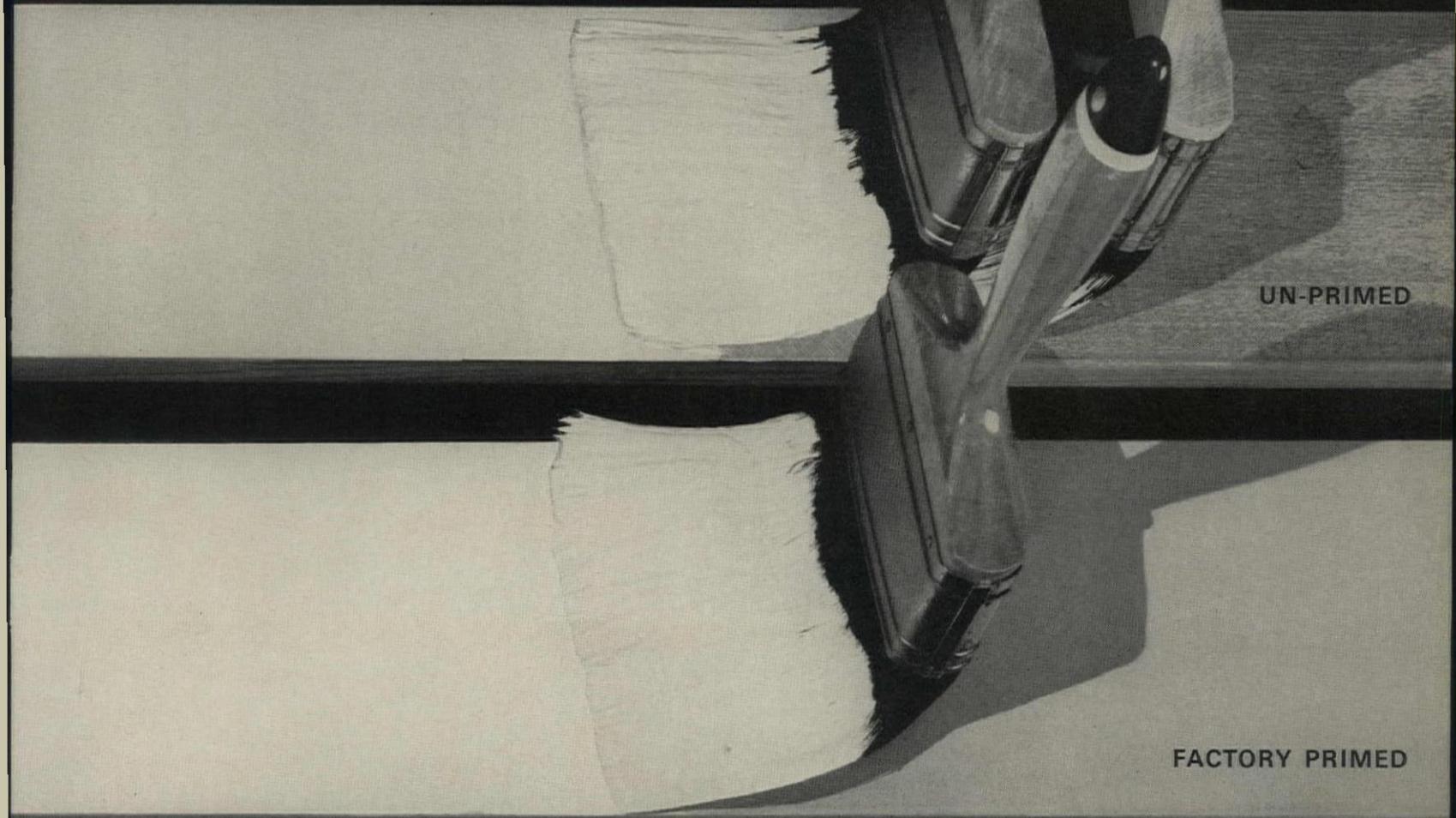


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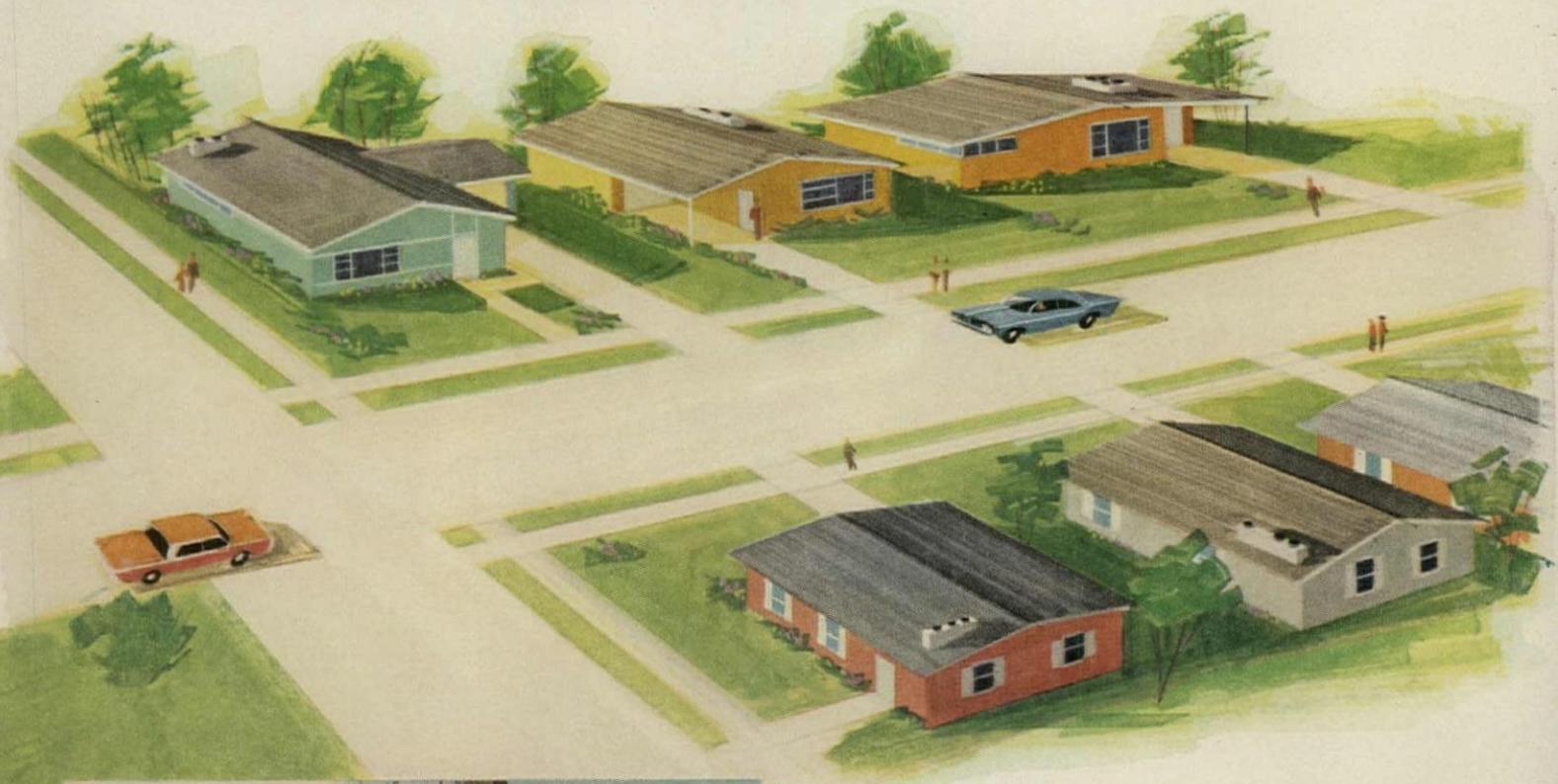
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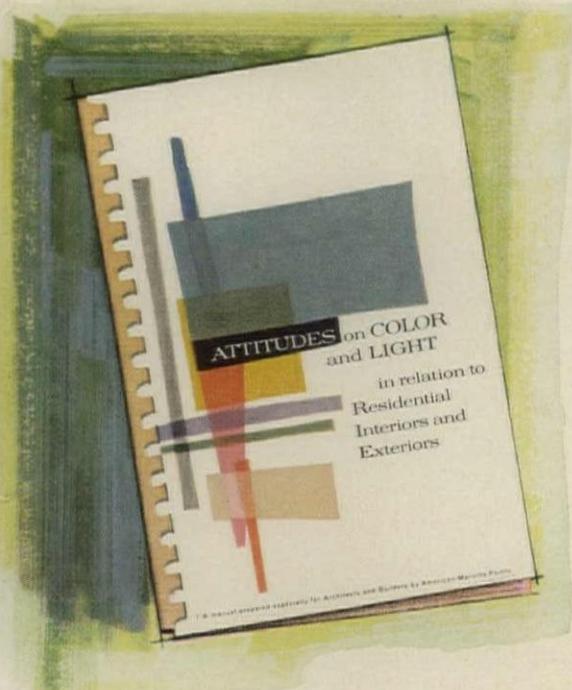
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## S&Ls fight federal threat of dividend control

No sooner had savings & loans wiggled out of the tax noose commercial bankers had been fashioning for them (*see p 65*) than they ran into fresh trouble: threats of dividend control by Chairman Joseph P. McMurray of the Home Loan Bank Board (*see p 57*).

McMurray is the first chairman of the HLBB who has screwed up his courage enough even to mention this touchy subject in public. He spoke up after West Coast S&Ls, spurning his warnings to hold dividends to shareholders down, boosted them from a prevailing 4.6% to 4.75% (maverick Bart Lytton went to 4.8%). The higher dividends, said McMurray in a Boston speech, may lead S&Ls either to 1) cut their reserves or 2) to reach out for "marginal loans of dubious value."

It is noteworthy that McMurray used diplomatic language in airing his personal views. "We are considering and studying the possibility of going to Congress and obtaining legislation . . .," he said. Actually, the board cannot go to Congress without Presidential approval. And S&L objections to the whole idea look strong enough to kill such legislation even if the Administration does seek it. (A few S&L men favor controls.)

But note, too, that McMurray also mentions the possibility that the bank board might change its rules to let insured S&Ls lend throughout the US. (They are now confined to a 100-mi radius of their home offices.) This could bring a lot of new mortgage loan competition to the fast-growth West. So it might accomplish the same Administration aim: keeping home loan rates low.

## Truth-in-interest bill gets Presidential nudge

Sen Paul Douglas' (D, Ill.) bill to require lenders to disclose to borrowers the true annual interest cost of loans has been meandering its way through Senate hearings for a year amid indications it wouldn't get too far. But now that President Kennedy has thrown the weight of Administration endorsement behind it, its chances for passage look a lot brighter.

Kennedy's proposal was part of his catch-all program to protect consumers. In housing, it would cover mortgage loans (but not affect them much), home repair loans, and shell house installment sales. The latter two might be hurt if customers find out how much they really pay before they sign on the dotted line.

In his message to Congress, the President said testimony before Douglas' subcommittee on truth-in-interest shows "a clear need for protection of consumers against charges of interest rates and fees far higher than apparent without any real

need on the part of borrowers of the true amounts they are being charged . . . Excessive and untimely use of credit arising out of ignorance of its true cost is harmful both to the stability of the economy and the welfare of the public."

## Drive to impose anti-bias rules on housing takes new tack

When President Kennedy shelved plans to keep a campaign promise by issuing an Executive Order barring race bias in federally aided housing, word began circulating in Washington that the housing agencies might act in subtler ways to try to accomplish much the same thing. Now, a new FHA pact with Pennsylvania's Human Rights Commission (*see p 55*) makes such prophets look clairvoyant. FHA says it will bar any builder or lender from future FHA commitments if he violates the stiff Pennsylvania anti-bias law. The language of a letter FHA Chief Hardy wrote the commission leads builders to cry that FHA may act before they can exercise their right of appeal to Pennsylvania courts. Not true, says Hardy. But a lively rhubarb is underway, and some Congressmen are muttering privately.

**WASHINGTON INSIDE:** The giant East Coast storms revive talk of federal flood insurance. The 1956 flood insurance law result of the major New England floods of 1955, is still on the books, but Congress never appropriated any money to carry it out. Most of the beach property wrecked by high winds and tides was not covered by insurance—because almost all policies carry a water-damage exclusion clause. Lack of flood insurance inhibits construction of vacation homes on the seashore and also makes mortgage money more costly where it is available at all. President Kennedy told a press conference he would look into the problem.

**MARKET MURMURS:** Builder Bill Levitt has turned away from FHA and VA loans. For his newest tract at Matawan, N.J. (55 minutes commute from New York), Levitt has arranged a \$30 million commitment for 30-year conventional loans at 5¼% or 6% from Dime Savings Bank of Brooklyn. Down

payments will go as low as 5%, with a small second mortgage. This will mean only \$100 or \$200 more down than under FHA for a 30-year loan—and monthly payments will be about the same, says the bank. Levitt has announced plans to build 1,310 homes priced from \$17,000 to \$26,000.

The government has started to gather figures to fill a big gap in housing statistics: sales and unsold inventory. But it will be early summer, says Census, before first returns will be divulged. The government will ask from 500 to 800 builders monthly not only about sales and unsold homes on hand, but also about such items as prices of new houses and these characteristics: area in square feet, number of stories, baths, bedrooms, built-in equipment, and whether there is a basement. Some of the data will be announced monthly, some quarterly. HHFA is paying Census \$125,000 for the work with its research funds from the '61 housing law. It asks Congress for \$225,000 to continue next fiscal year. *NEWS continued on p 52*

# Sales spurt hints housing may be poised for a moderate upturn

You won't find any indication of it in February housing starts (*see below*). The seasonally adjusted annual rate of private nonfarm starts sank 10.3% to 1.11 million in February. But starts look more and more unreliable as a housing barometer.

Builders across the nation report sales spurted during February—even in such soggy markets as Florida where FHA and VA have just banned new commitments on speculative homes until the unsold inventory drops. Bullish reports come from builders in such cities as St. Louis, Dayton, Indianapolis, Denver, San Francisco, Seattle, and Tacoma. One reason: builders expect costs to rise only about 1½% this year; incomes may well go up more than this. In Dallas, unsold inventory shrank nearly 50% (from 853 to 435 units) in the single week of Feb 23-March 5, according to home builder researchers. Predicts President Otto L. Preisler of Home Federal S&L, Chicago: "With sales running ahead of starts for some builders, spring could see an encouraging upturn in one-family homes."

FHA Commissioner Neal Hardy, using fiscal years (July 1-June 30) as his yardstick, predicts 1.35 million private nonfarm starts for the current year, and 1.5 million in fiscal 1963. (He expects FHA's share of the market to rise from 20% in '61 to 25% by '63, too.)

And HOUSE & HOME's sister magazine, FORTUNE, forecasts that outlays for housing will rise 10% this year (calendar 1962) to about \$25 billion. This includes motels, hotels, and college dormitories. But housing starts should climb to an annual rate of 1,450,000 units in the second half of the year, compared to only 1,344,000 in the last quarter of 1961. Most of the strength comes from apartments. Last year, builders started 290,000 multi-family units (22% of all starts) for the best apartment year since the 1920s. This year, says FORTUNE, they expect to push this to 335,000 units.

"The important and encouraging news is now coming from the builders of single-family units," says the magazine. Output of one-family homes has declined for the last two years. But the 260 builders surveyed in its annual housing forecast expect a 9% rise this year, or 70,000 more starts than in 1961.

Shell and prefab makers are expected to produce more units in '62, too. Prefabbers expect to boost output from 140,000 units to 165,000. Shell makers, upgrading their product into more finished units, appear to have doubled their market last year to around 75,000 units. Together, prefabbers and shell producers may sell 250,000 houses in 1962 (vs 215,000 last year) says the forecast.

You can look for major market growth, too, in urban renewal—perhaps to 100,000 units a year in a couple of years. And FHA expects important gains in its rainbow of special purpose apartment programs.

## FHA ponders insuring loans on shell homes

After years of off-again, on-again peeks at the shell home market, FHA seems on the brink of serving up houses on the half-shell to buyers of FHA mortgages.

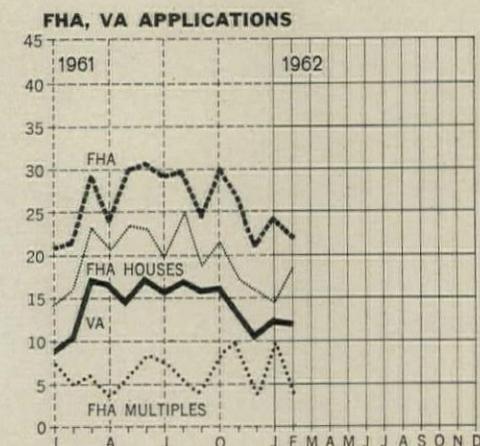
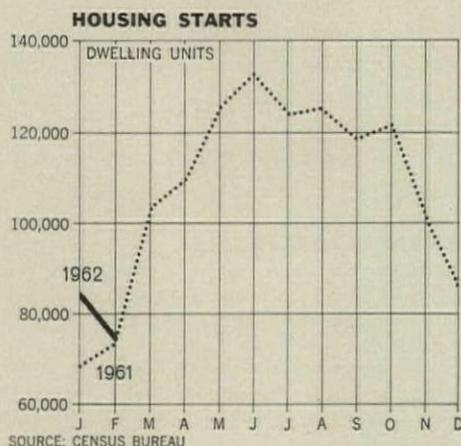
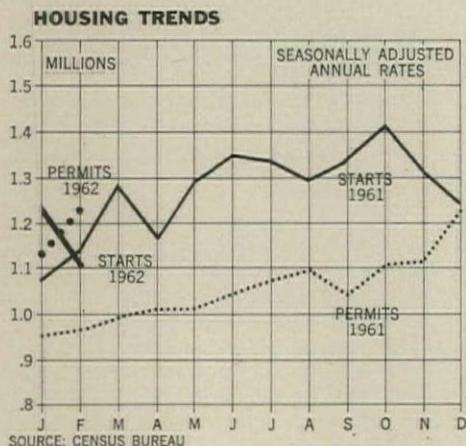
One key tip: FHA Commissioner Neal Hardy is talking more and more about shell homes in his public speeches, and trial balloons hinting the move is impending are coming from key Administration sources. Most likely course: FHA will lower its Sec 203i (under \$9,000 mortgages) standards to insure "livable" shells (vs shells lacking bath, kitchen, and heating facilities). Sec 203i has been little used since FHA cut off a ½% service fee last August (NEWS, Sept).

Hardy and his staffers contend that FHA has never come to grips with the housing problem in smaller communities—where most shells are built. Moreover, they argue that most shell buyers really buy monthly payments—but that the instalment-type financing used by most shell financing companies sometimes mounts up to 18% simple interest.

Hardy and Asst FHA Commissioner Richard Canavan recently sent an appraiser, architect, and sanitary engineer to look at shell homes near Tampa, Atlanta, Columbia, S. C., and Paterson, N. J. They reported that some of the houses did not meet FHA minimums (green lumber, for instance), lacked or had poor water, sewer and other facilities, and did not hew to FHA's concept that homes should be livable. But the technicians also reported the shells were sometimes mansions compared to the old homes (such as an abandoned street car) occupied by the families.

Canavan is willing to let shell buyers do some of the finishing work, but he wants to restrict this to items (such as interior painting now permitted under Sec 203i) which won't ruin a house if the owner botches the job.

Utilities and services seem to pose the knottiest problem. FHA now does not rule out wells but insists on water samples and percolation tests of the soil. Since the tempo of shell house construction is faster than conventional building, some way to speed such tests would be needed.



Is the seasonally adjusted annual rate of private nonfarm starts charted by the Census Bureau out of step with reality? The February figures add new doubt to this suspicion (NEWS, Oct). The seasonal rate of starts dropped 10.3% to 1,106,000 units in February while the seasonally-adjusted rate of building permits (based on actual permits in cities representing 85% of US housing) climbed 9.2% to 1,239,000 units. Even more puzzling: since October starts have declined for four consecutive months while permits registered three gains and one loss. The rate of starts is now 21% below October but the permit rate is 12% above.

Private nonfarm starts counted by the Census Bureau fell 6.8% in February from January levels. The 73,100 starts in February is only 0.8% above the 72,500 private starts of February 1961 when housing was beginning to recover from the 1960 slump. Total starts of 74,100 units (including 1,000 publicly-owned units) were off 8.3% from January and 4.6% below February 1961.

Starts in the Western states slumped 29% from January. Officials blame part of the decline on heavy rains near Los Angeles. Northeastern states fell 27% but the Midwest increased 12% and the South climbed 3%.

FHA's changeover to automatic data processing continues to cloud trends in applications for FHA new homes. FHA received 18,730 new home applications in February, 29.4% ahead of a January total that was admittedly low because of delay in making the changeover. The February total is 10.9% over year-earlier figures. February multi-family applications nosedived 4,019 units, 58.7% below January and 26.7% under February, 1961.

VA appraisal requests tailed off slightly in February. The 12,034 total was 6.9% below January and 0.4% ahead of a year earlier.

Canavan also rejects giving shell buyers 18 months (instead of 12 months for sweat-equity builders) to finish their homes. Some shell makers frankly admit they don't want FHA financing they like their present free-wheeling operation. But the fact most shell contracts are recourse paper (ie, unpaid notes bounce back to the builder or shell house company) may make them friendly to FHA insurance. Too much recourse already has landed some shell makers in financial hot water.

FHA's tilt toward shells is producing opposition from organized building labor which, having priced itself out of the market for people who make less per hour than construction craftsmen, now wants to keep the government from helping such people to house themselves.

Says a curiously contradictory AFL-CIO resolution: "While there can be no objection to individuals doing work on their own homes, the encouragement of 'contracting yourself' practices often results in the hiring of non-union contractors and in installations that are far below . . . acceptable standards."

## FHA pulls the plug in south Florida

The move, almost unprecedented, has stopped all conditional and dual commitments in seven of the state's biggest building counties. VA quickly followed FHA's lead. Only commitments excluded from the ban are presold new homes, existing houses and apartments.

The seven affected counties (see map) are Dade, Broward, and Palm Beach on the east coast; Hillsborough and Pinellas on the Gulf coast; and Orange and Seminole. Together, they have 50% of Florida's population.

The shutdown is temporary, FHA notes its duration will depend on findings of FHA market analysts due to report by early April.

**Behind the ban lies a big rise in foreclosures and unsold homes.**

FHA has 650 foreclosed homes in Miami and Dade County (pop. 935,047) and builders have another 1,756 unsold models and speculative homes on hand. This amounts to 27% of the 6,451 dwellings built last year. Most recent count shows 3,000 homes have been abandoned by their owners (NEWS, Oct). Broward and Palm Beach counties have another 616 foreclosed homes.

Tampa's FHA office reports 2,078 re-acquired homes on Jan 16 in its 21-county area—including 228 in the Tampa area, 355 near St Petersburg, and 354 around Orlando. Last year FHA insured 7,572 new homes here.

More homes may soon be added to this list. Director A. Donald Fielding of Tampa says foreclosure has been started on another 995 homes and is imminent on 668 more. Commissioner Neal Hardy says the total for the Tampa office may hit 2,500 by June 30 but Fielding hopes the backlog will not rise. In the Miami district another 600 homes are in the foreclosure pipeline.

Nationally, FHA's foreclosure rate is up: the ratio of foreclosures to mortgages in force went from 0.18 in June 1960 to 0.58 in June 1961. But FHA says only Wichita and Midland, Tex. have Florida-size troubles.

**FHA slammed on the brakes from Washington and builders say timing was poor.**

Local offices normally slow down on commitments when unsold inventory starts rising. Both the Tampa and Miami offices did this.

## FHA REGULATIONS:

### 35 year loans for old homes

A new ruling stretches the 35-year amortization ceiling given new homes by the 1961 housing act as far as FHA can stretch it. Only property built under FHA or VA inspection is eligible. Up to now, existing properties could qualify only for 30-year loans. Mortgagees must prove the old house is eligible for the 35-year term by producing either 1) a copy of the original FHA commitment or VA CRV, plus a copy of the final inspection report or 2) VA certification that the property had prior approval and was built under VA inspection. FHA says it won't furnish copies of old commitments or inspection reports nor check to establish eligibility.

### Crackdown on trade-in gyms

To move slow selling houses, some builders around the country have been using a new dodge: they persuade a homeowner to trade in his present house on a new one, using the equity in the old houses as down payment. But the builders don't really take title to the old house. If they find they can't sell it, they settle

for the profit on the new house and simply abandon the old one, leaving the homeowner saddled with the mortgages on both his new and old house.

FHA has stepped in to cut off what it euphemistically calls "speculative abuse" of trade-ins. FHA now requires evidence of transfer of title in a trade-in deal or else acceptance by the agency on an escrow agreement (covering the difference between what a builder can get and the higher loan the buyer can get) under its official trade-in plan. But the new rules don't apply where the homeowner has an equity of 25% or more in the house trades in. FHA doesn't figure anyone would walk out on a house with that much equity.

### Guide to interest costs

FHA is getting in step with Sen. Paul Douglas' (D, Ill.) campaign to publicize the true cost of installment buying.

The agency has just issued a pamphlet (FHA 230, available free from FHA's public information office, Washington 25) setting forth the dollars and cents cost of borrowing under the principal FHA programs.

"The cumulative interest costs become very  
*continued on p 54*

One- and two-family starts dropped 45% in 1961 (from 11,727 units in 1959) in Dade County; they fell 40% (from 12,404 units in 1959) in Pinellas County.

But Washington's abrupt move is meeting both praise and criticism. One St Petersburg lender says FHA should have acted a year ago. "What the government did, it should have done last summer," says Vice President Fred S. Smith of the Keyes Co in Miami. President Herbert Lee Simon of the Miami Board of Realtors says the "government has finally taken a common sense businessman's approach to the problem of too many homes and too few buyers."

Builders say the directive hits them just as they were turning the corner. Sales have been on the rebound since November, say St Petersburg builders. Economist John Gibson says Miami sales in the last four months have been twice their year-earlier pace. Gibson's latest count shows 1,756 unsold new homes compared to 2,531 last June.

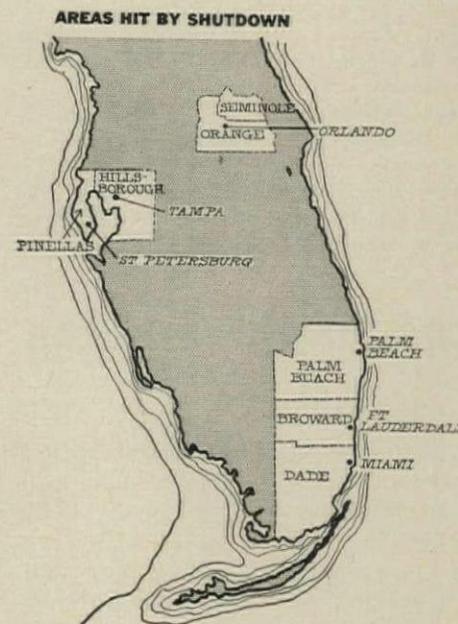
Builders and mortgage bankers also charge:

1. *All of Miami is being penalized for the ills of 1% or no-down, 40-year Sec 213 cops.* Some 400 of Dade county's 650 foreclosures are in two Sec 213 subdivisions. In earlier times these no-down sales would stand up, but now the market is so competitive that people who bought no-down two years ago find they can do as well or better by abandoning their housing and moving.

2. *Builders cannot dump unsold new homes on FHA, anyway.* The FHA order bans firm commitments (which allow this) but Miami has not issued such commitments for 10 years.

3. *The slowdown in building is itself hurting the housing market.* In boom areas like Miami the building trades are an abnormally big part of the work force, and building trade workers are a sizable market for their own product. Says one Miami labor leader: "We just got three months relief after a 16-month recession. Now I'm afraid we'll go into a real depression."

4. *FHA red tape slows reselling foreclosed homes.* President Bernard Janis of South Florida home builders complains FHA is so slow



spinning its red tape on resales that only 100 of the 650 foreclosed homes can be marketed right now. It sometimes takes four to six months to get a foreclosed home back on the market. Director Billy Wilcox of Miami retorts that his office is adding personnel to speed resales. And Director Fielding of Tampa says his office now has a resale capacity of 200 homes a month, enough to hold its own with foreclosures.

5. *Second mortgages help to push some homeowners into default.* Several companies lend second mortgages at 10% interest to consolidate furniture, auto, and other installment debts of homeowners. Asks one mortgage banker: "How many owners were forced into default when they couldn't pay these seconds?"

Part of the answer may come as a court-appointed receiver goes over books of one of the biggest such companies, Public Mortgage of Miami. The company was forced to close its six offices last month and investors may lose as much as \$500,000. The company had some 900 mortgages outstanding.

high [on long term financing]," says Commissioner Neal J. Hardy. "We feel persons should be aware of the savings in interest costs which result from higher down-payments and financing over a shorter period." As a sample, Hardy notes that the monthly payment on a \$10,000 loan is only 20% more when it is paid off in 20 years

than when it is paid off in 30 years. But the total interest and FHA insurance is about 60%, or \$4,000, higher than on a 20-year loan.

The pamphlet covers not only mortgage loans under Sec 203b but also Title I repair loans and home improvement loans under Secs 203k and 220h.

discounts, at first prohibited, are now permitted provided that FHA gets a certification that the homeowner-borrower is not paying the discount.

*Outside urban renewal areas*, Sec 203k applies. It covers only one- to four-family units. Minimum loan: \$2,500. When added to other debt on the house, the loan must stay inside the limits of regular section 203 mortgages (ie, 97% of the first \$15,000 value). Payoff on defaults is in ten-year debentures. Loans must be economically sound. And Fanny May won't buy them under its special assistance program.

*For urban renewal areas*, Sec 220h covers one- to 11-family properties. Minimum loan: \$1,000 and local FHA directors may approve smaller loans if they will upgrade a house to local rehabilitation standards. The same loan limits apply but FHA pays off defaults in cash. Loans are eligible for Fanny May special assistance. FHA will waive economic soundness in processing applications.

**Lenders have suggested two ways FHA could sweeten the pot to attract money into the program:**

1. Allow a ½% service fee as FHA did on mortgage loans under \$9,000 under most FHA programs up to last July. Since then, FHA Sec 203i, the principal program involved, has shrunk to half its previous size—from 500 to 250 applications a month.

2. Boost the ceiling on originating fees from 1% to 2½%. FHA already lets lenders charge 2½ points under Sec 203 when they make partial disbursements during construction in addition to progress inspections.

Of the two alternatives, FHA seems more likely to adopt the second. A ½% service charge is too close to a boost in the basic interest rate for an administration politically committed to keeping interest rates for housing low.

## Flop of the year: FHA fixup plan

When FHA's new program of 20-year, 6% improvement and rehabilitation loans up to \$10,000 went on the books last July, HHF Administrator Weaver called it "more sure-fire than anything else" in the Housing Act of 1961. FHA Commissioner Hardy confidently told Congress his agency expected to write 65,000 loans under the new program in the fiscal year ending next June 30.

Today, these look like two of the worst forecasts of 1961. Both inside and outside urban renewal areas (the program has different ground rules for each) the new fixup loans have proved a resounding flop. The box score through January 31:

Program	Applications (units)	Loans insured	Dollar volume
Sec 203k	467	15	\$54,800
Sec 220h	3	0	0

New FHA programs always start like a turtle. But this brainchild of the Kennedy Administration is so sick that FHA officials are plainly worried. They sent a special team to Baltimore to work with local officials, and they have called in lenders and other housing groups to ask what is wrong.

The bankers answer is predictable but in this case it seems to be the simple truth:

**The 6% interest ceiling Congress imposed on the new program is much too low to attract lending money.**

After all, banks have grown used to netting about 9½% on FHA Title I repair loans (this program was unchanged by the 1961 housing law). And those banks venturesome enough to start their own fixup loan programs (after they saw that losses under FHA Title I were less than the insurance premium they were paying) are charging even more than that—in some cases 12% to 14%.

Of course, Sec 203k and 220h loans should run a good deal larger than Title I repair loans (which have a \$3,500 ceiling) and so should not command consumer-loan interest rates. But they aren't big enough, either, to attract money at the same rate a \$15,000 first mortgage does.

**In case you've forgotten, here's how the twin fixup programs work:**

FHA for the first time will insure second mortgages. It will not even insist on a mortgage lien at all in every case. The law requires only security "satisfactory to the commissioner." Only houses at least ten years old are eligible except for houses struck by casualty or where loans are used for major structural improvements to correct defects not known when the house was built. Dealer-originated applications for equipment items are discouraged; loans must be used to improve or rehabilitate "the basic livability or utility of an existing structure" or expand it to change the number of dwelling units. Loan

## Los Angeles votes for the status quo in land planning

By John Senning

Does Los Angeles want imaginative tract planning or does it prefer the humdrum monotony which has typified most of its postwar subdivisions?

If the unfortunate experience of Builder Joseph L. Eichler is any guide, the nation's third largest city will settle for hum-drum.

In a precedent-setting decision which went publicly unnoticed, the city council over-ruled the city planning commission and rejected a tract plan developed for Eichler by Architect A. Quincy Jones and Planning Consultant Don Cunningham.

The plan was really not revolutionary—except for Los Angeles. Eichler owns 138 acres in the west San Fernando Valley, once the Robert Taylor-Barbara Stanwyck ranch. The land has long been zoned A-1—rural 2½ acres. But the master plan would let it be RA—two lots to the acre with streets.

Eichler asked that 7.6 acres be zoned commercial. He asked also that 123 acres be zoned not RA but RE—11,000 sq ft (vs the 17,000 to 18,000 net in RA zones).

But he did not want to increase density. He proposed to take the difference between RA and RE lots, lump it into a 22 acre park plus greenbelts.

The park, for the exclusive use of the tract residents, would have taken in land around the old estate home. The home would have been a club house. Stables would have been refurbished for the residents. Eichler planned a new swimming pool, already had a swim school lined up to maintain it.

Every homeowner would have had to sign a covenant agreeing to pay his share of park operating costs—estimated at \$100 a year.



**BUILDER EICHLER**  
After many a trouble, swan songs

If residents didn't maintain it, then the park would have reverted to the city at no cost. If the city did not want the land, it would have gone back to Eichler.

**The plan was not new, even for Eichler.**

He did something similar in the prize-winning Green Meadow tract in Palo Alto (H&H July '55) where the residents are operating a park at a profit.

Eichler had five house plans for the tract—two by Jones & Emmons, two by Claude

Oakland and one by Anshen and Allen. All, of course, were good contemporary plans—an Eichler tradition. Projected price range: \$30,000 to \$35,000.

Based only on a small story about the plan in Sunday real estate sections, one-third of the 260 homes had been tentatively reserved by prospective buyers—many of them college professors from nearby San Fernando State College and four of them associates in the Jones & Emmons office.

Eichler submitted the proposed zoning to the planning commission last September. An examiner approved it. But then:

**Obstacle No. 1: Planning Director John Roberts didn't like it and recommended disapproval.**

His main argument: lots would be too small, out of keeping with the surrounding neighborhood (which includes some 2½ to 5-acre ranches). But he also doubted whether the park should be allowed. "I believe the permanence of such open space is subject to some question," he said. "The best way to provide open space is under public ownership."

He noted there is a 20-acre public park adjoining the Eichler land (though it is still unimproved). Other complaints: access roads to the park would not be adequate for horse trailers which would probably be using them; a projected freeway route, one of three alternatives, goes through the land—though the freeway is still several years away.

Roberts had support of some property owners who wrote protesting the RE zoning. But

## SEGREGATION:

## Builders say FHA rule puts fangs in Pennsylvania anti-bias law

the largest group of property owners—those owning the acreage to the northeast, withdrew opposition on the assurance of the park buffer. And Eichler drew unsolicited support from several citizens—including 26 professors from San Fernando State College.

**Over Roberts' objection, the commission approved Eichler's request 3 to 1 (with one member absent).**

It made one significant change. Instead of the covenant for park care, it would have required that Eichler either 1) deed the land to the city for lease to the property owners for their use as long as maintained or 2) grant a development easement to the city to limit the use of the park solely to recreation with an option to the city to take over the land if the homeowners failed to maintain it.

"Either way," says Roberts, "would have been a good way to develop it." Eichler agreed.

Next step for the case: the planning committee of the city council, usually a formality, but not this time. Just as the committee seemed about to rubber stamp the planning commission action a citizen protested from the floor. He owns a five-acre parcel adjoining another A-1 area near Eichler's. He feared if Eichler's land were rezoned RE, it would set a precedent for the land next to his.

The planning committee delayed action, looked at the land, waited two months because of the illness of one of the three members. Finally it recommended disapproval of RE with park but approval of straight RA. The city council adopted the recommendation without comment. The council cited all of Roberts' reasons in its recommendation, though Roberts never appeared before it.

**It was obvious that the private park was the real trouble.**

Councilman Emmett Burkhalter, who was outspoken in his opposition, explains: "We've had experience with private parks (dating back to depression days). They never work out. We had to take them over eventually. Anyway I'm against private parks. Parks should be for all the people. I think we've made a smart decision."

Roberts, who admits he still does not think much of the plan, even with amendments, was unperturbed over the committee reversal of planning commission action: "When the council acts, isn't that really the people speaking?"

Quincy Jones was frankly incensed: "The one builder who has this kind of interest in what he builds gets kicked in the pants. Next time he'll buy zoned land, build lot for lot. This is a big setback for halfway decent planning in this city."

Jones considers it an even greater tragedy for the 260 families deprived of the chance to live in the Eichler community. "These people probably would like even *smaller* lots," he insists. "They can afford the house but they can't afford to maintain half-acre lots."

**Why not subdivide in half-acres with the park?**

Says Jones: "We would lose about 30 percent of our lots if we did that, and push up the price of every home that much more. We'd have a luxury community and that's not what Eichler wants to build."

Both Joe and son Edward (Ned) Eichler are reluctant to talk about the case—though they concede they may just sell the land to another builder.

One associate predicts the Eichlers, who have built only one other tract in the area (in Orange County), may quit the Los Angeles market entirely.

Los Angeles takes too dim a view of new ways to use land better.

Pennsylvania passed a law prohibiting race bias in housing effective last Sept 1 and builders and realtors say it is even tougher in practice than they had feared.

One point galls real estate brokers: the law lets owner-occupants of one- and two-family homes discriminate in selling their houses. But owners who move and leave their homes vacant find they lose this exemption because all vacant units are "commercial" housing under the law.

Still the state's Human Relations Commission wanted tougher enforcement. Members talked to Commissioner Neal J. Hardy of FHA and last month Hardy signed the most detailed agreement yet\* pledging FHA to help a state enforce its law against bias.

### Highlights of the four-page agreement:

- FHA will give the state lists of approvals of proposed projects.

- FHA will attach a rider to its forms warning applicants "you are expected to conduct your operations in conformity with the . . . law."

- Applicants for subdivision analysis must certify they are obeying the law.

- Penalty: FHA will warn offenders to correct state law violations; if they do not comply FHA will quit processing applications. FHA will withdraw approval of mortgagees if they violate the law.

**Builders charge they will be blacklisted before they can appeal to court.**

Complaints of discrimination are heard by the Human Relations Commission, which tries to settle the case. Failing that, the complaint is sustained or rejected. Offenders may then appeal to court.

Builders angrily point out the Hardy agreement fails to mention court appeals and thus indicates FHA will act after a ruling by the commission.

"The Human Relations Commission has the right to instruct the FHA not to do business with someone in violation while [the law] gives the defendant the right to appeal to court," cried President Frank J. Smith in telegrams to the Sen Hugh Scott (R, Pa.), Sen John Sparkman (D, Ala.), and Rep Albert Rains (D, Ala.).

"This agreement makes the federal housing agency a police force for the Pennsylvania Human Relations Commission. This agreement goes beyond the authority given by FHA by Congress and is not in accordance with the framework of the federal law. The regulations are also not in accordance with the wishes of the General Assembly of the State of Pennsylvania."

Smith followed with letters to Pennsylvania congressmen saying builders "would like to know how this inequitable, deceptive, and vicious set of regulations was issued, who was consulted . . . and why representatives of private interests such as home builders, realtors, and mortgage bankers were not consulted. . . . It seems fantastic that this agreement was made with a state in which the law had never before been in effect, lived with or tested in court, when other states such as New York have had them on the archives for some time."

\* In 1958, FHA signed a general agreement with New York State to back up the state's anti-bias law.

One special sore point: the agreement was revealed only days before Philadelphia builders were scheduled to meet with the commission to talk about steps they could take to implement the law.

**FHA will act only after a "valid determination" of an offender's guilt, and this includes court action, Hardy told House & Home.**

(His agreement, however, pledges FHA to act after "administrative procedure" is completed).

"Builders' main complaint is that FHA should not help Pennsylvania enforce its law," he says testily. "We require builders to meet local zoning and building codes, so why shouldn't we expect them to obey this law too? This is exactly the same thing we're doing in New York—the only difference is the certification for subdividers."

Chairman Harry Boyer of the Human Relations Commission said he was surprised at the homebuilders' stand. He said FHA will act only after an "allegation is sustained through regular procedures." Boyer did not identify court appeals as part of this procedure. "The agreement places no new obligations on firms doing business in Pennsylvania," he insists.

But Smith's telegrams stirred Capitol Hill. Some Congressmen cried FHA was going further than it should. Others recalled that former FHA Commissioner Norman Mason explained the FHA's relation with New York by saying FHA would not do business with persons "convicted of violating a state law." And this was a far cry from Hardy's determination to act against offenders after "administrative procedure" by the state commission had been completed.

**Builders hint they may boycott FHA, but the FHA move strengthens anti-bias drives in other cities and states.**

Volume of new homes and apartments processed in FHA's eastern Pennsylvania office in Philadelphia is declining from year-ago levels.

**Backers of anti-bias legislation continue pressing for new laws and tougher versions of existing laws. The pressure points:**

**New York State:** A bill seeks to ban bias in all housing except an owner-occupied duplex and rooms rented in private homes. Present law covers initial sale in developments of 10 or more homes and multiple dwellings but excludes owner-occupied triplexes.

**New Jersey:** The state passed a law modeled after New York's last year; this year backers want to give it the same coverage as is sought in New York.

**Rhode Island:** Gov John A. Notte Jr (D) proposes banning bias in selling or renting all buildings with three or more units, except owner-occupied triplexes.

**Michigan:** Gov John B. Swainson (D) urged legislators to bar race discrimination in buildings with four or more units.

Backers are pressing for a city law in San Francisco and for more stringent rules in New York City. Seattle councilmen turned down a proposed measure 9-0. New Haven voted 19-13 against a housing bias ordinance. Iowa's attorney general ruled Des Moines does not have power to pass an ordinance on race bias in housing.

NEWS continued on p 57

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## MORTGAGE MONEY:

## FHA, VA discounts keep shrinking despite boost in S&L dividend rates

Did the Federal Reserve's unexpected December move letting commercial banks pay up to 4% on savings deposits make a whole new ballgame of the mortgage market?

Since then, like a row of dominos falling because the one at the head of the line has toppled, the US mortgage picture has been one upset after another. Savings have flowed away from S&Ls and mutual savings banks in New York State (which have 60% of savings bank assets) and into commercial banks. The latter, with a flood of funds to invest, have rushed into a mortgage market already amply supplied with funds. So just after most financial forecasters agreed the price of mortgage money would soon tighten, it went the other way. This trend continues. But S&Ls are fighting back so hard their federal boss is threatening dividend controls.

Nine more of the 17 cities in House & Home's monthly survey report lower FHA and/or VA discounts. As investors pound on the door for mortgages decreases run from 1/2 to a full 1 point. Conventional loan rates show a similar pattern. The interest rate for homebuyers is edging down in some areas.

Prices of FHA minimum-down 30-year immediate are up thus: in Philadelphia, from 98 to 98 1/2, in Atlanta, from 95 1/2-96 to 96-97; in Chicago, from 95 1/2-96 1/2 to 95 1/2-97 1/2; in Oklahoma City, from 95 1/2-96 to 96-96 1/2; in San Francisco, from 96 1/2 to 96 1/2-97; in Newark, from 97-98 to a flat 98; in Washington, from 97 to 97 1/2; in Detroit, from 95 1/2-96 to 96-96 1/2. In Houston, VAs moved up from 96 1/2 to 96 1/2-97.

Conventional loan rates dipped in Philadelphia from 5 1/2-6% to 5 1/4-5 3/4% for commercial banks

and insurance companies. Some insurance companies in northern California dropped their lower edge from 6% to 5 3/4%. Detroit and Chicago report more S&L money at the bottom of quoted spreads. The Home Loan Bank reports that in February, average S&L rates for new-houses buyers tapered off to 6.01% from January's 6.04%. But fees averaged 0.96% compared to 0.93% the month before, and construction loans averaged 6.21% (vs 6.15%) and construction loan fees, 2.23% (vs 1.85%).

The strong demand for mortgages is producing gradual if grudging acceptance of 35-year FHAs, generally at 1/2 point to a point under 30-year prices.

Mortgage analysts are wary of long range predictions. Most of them expect money to be plentiful into the summer. Some see prospects of further slight shrinkage in discounts. But President Robert M. Morgan of Boston's 5¢ Savings Bank notes a general pickup in house sales that could ease the pressure on mortgage yields by boosting the supply of mortgages. And until business generates this year's expected head of steam, it isn't clear if commercial banks will stay in the mortgage market in force. Many insist they will, but Economist Roy Reiersen of Bankers Trust Co., New York, predicts that commercial bank mortgage investments will wind up 10% below the 1961 total this year (at \$1.8 billion).

### S&Ls are hiking dividends in their savings war with commercial banks.

The most spectacular boosts have come in California, where most S&Ls have moved from 4.6 to 4.75%—and Lytton S&L is paying 4.8%.

The increase is the second since January 1 when the West Coast associations reacted to 4% banks rates by going from 4.5% to 4.6%. Says Los Angeles S&L Holding Company Chief George A. Thatcher (United Financial Corp, First Surety Corp) who was the first to advertise the 4.75% rate: "The 4.6% rate never had too much appeal. It was a stopping point. All associations knew a higher rate would be voted." Thatcher, an ex-builder, blames the boost on competition.

Will California set off an S&L rate spiral around the country, stepping up pressure for higher lending rates? Chairman Joseph P. McMurray of the Home Loan Bank Board, fears it will. The big West Coast associations have nationwide impact since they solicit out-of-state mail deposits with aggressive advertising (one Sunday New York Times last month carried ads by 31 California associations).

How will S&Ls pay 4 3/4% dividends if they don't boost loan rates to homebuyers? McMurray warns that some associations may be lured into unsound high-yielding loans. S&L men pooh-pooh this. Some say they can break even because they no longer have to pay out expensive premiums (which have been banned by the state). But, says J. K. Baille Jr of Los Angeles Federal: "When your product (ie, money) costs more you have to charge more for it." S&L men insist mortgage rates won't go up, but there is talk of boosting construction loan fees up to 4.5%.

### Federal ceilings on S&L dividends are threatened by HLBB Chief McMurray.

Miffed because California associations have snubbed his pleas to hold down dividends, McMurray says the board is "considering and studying" whether to ask Congress next month for the power to slap on a dividend lid. S&L leaders are cool to the idea, and privately they doubt if McMurray will get support from the Administration. Even if he does, it's considered doubtful that Congress would adopt the necessary law if the industry fights it.

## MORTGAGE BRIEFS

### FHA ends individual sales

The agency tried in July, 1960 to lure more money into the mortgage by changing its regulations to let approved mortgagees sell mortgages to individual investors. Now (effective March 15), FHA has called a halt to such sales.

The idea didn't work. FHA estimates individuals bought less than \$10 million worth of loans. Moreover, many mortgage men weren't interested in selling because of the high cost of servicing of small, individual accounts.

### S&L mopup in Maryland

The binge of freewheeling finance by state-chartered uninsured savings and loan associations in Maryland is finally being brought under control. But the effects will be felt for a long time.

Harried state investigators face a sticky job of untangling a maze of blue sky ventures, paper corporations, flagrant speculations, jiggered books, and vanished assets. Federal agents are moving in to investigate mail frauds. The scandals have become a big political issue in the state race for governor and US senator. And other states now are taking a closer look at their S&L laws.

So far, 13 associations have been put into receivership, leaving 40,000 depositors wondering about their \$30 million in savings. How many more associations will go under no one can say yet.

The mess began in 1957 when fast-buck operators discovered that Maryland was the only state with no regulations for S&Ls (in 1960 alone, as the word got around, 174 new state-chartered associations were formed). Among the sharpshooters moving in were such luminaries as J. Kenneth Edlin, Miami realty operator who served four years for mail fraud; James G. Sorce, Jr, New Jersey man sentenced to three years for mail fraud; and C. Oran Mensik, Chicago S&L operator who has been indicted for fraud.

Using B-B-B tactics—Big premiums (television sets, outboard motors, mink coats), Big interest rates (5 1/2%) and Big advertisements—the blue sky S&Ls raked in millions from gullible depositors, a lot of it by mail.

Alarms were sounded. Reputable S&L men—representing the vast majority of the associations in the state—expressed concern. Sen. J. Glenn Beall (R, Md.) asked for an investigation back in 1958. The Better Business Bureau found that fly-by-night S&Ls were its No. 2 source of complaints\*.

Finally, last year, after two tries, Maryland adopted a law clamping controls on state-chartered associations. The law was bitterly opposed by the shady operators and their political henchmen—and also by the state's many small, legitimate uninsured S&Ls who have long feared the bigger federal institutions (of the state's 474 associations, only 84 have FSLIC insurance).

How could such a situation have developed? President Harry E. Karr Jr of the Southeastern Conference of the US S&L League says the blame must be "shared by the entire Maryland Legislature over the years and by the uninsured businesses in our state which opposed regulation for far too long a time." Editorially, the Washington Post adds that investors who let themselves be swayed by high dividends and lavish premiums must take some blame, too.

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\* No. 1 source: home improvement gyms, many of whom worked hand-in-glove with shady S&Ls.

## Will fresh tax problems stymie mergers of mortgage companies?

"We should all be alert to what's happening. Somebody's going to get hit between the eyes."

This blunt warning by a mortgage banker expresses the industry's growing concern over the tack that federal tax agents are taking in cases involving the purchase of servicing contracts for mortgage portfolios.

Agents in some Internal Revenue field offices are now refusing to let a mortgage company amortize on its income tax return the cost of buying a servicing portfolio.

This is a complete about face. Up to now, IRS men have not seriously questioned the right of a portfolio buyer to write off the cost. Mortgage men have figured (and a 1959 ruling by IRS Washington headquarters agreed) that servicing contracts for portfolios were depreciable as intangible assets with a definite limited life. Example: a company buys a \$10 million portfolio for \$100,000 (1% of the portfolio balance is a common standard for arriving at the purchase price, although some deals are made at 1½% and 2%). If the life of the loans average out to ten years, the company takes \$10,000 depreciation annually for the ten years.

"Until now," says Mortgage Banker Cliff Cameron of Cameron-Brown Co., Raleigh, N.C., "the only question raised by the tax agents has been how long the life of a portfolio is. We figure the average life of FHA loans at eight to nine years. The tax men wanted the depreciation spread out over a longer period, say ten to 12 years. Now they're going just the other way."

### Amortization has been challenged in three IRS field offices.

The areas: North Carolina, Tennessee and Pennsylvania (two others, Detroit and Seattle, have recently upheld amortization). So far, IRS headquarters has not reversed its 1959 position, but the recent trend in the field offices makes tax lawyers wary. Mortgage bankers are being counseled to fight for the right to amortize, taking their case to Washington if necessary.

Cameron-Brown is a key case. In the past few years, Cameron-Brown has taken over portfolios from some ten servicers by buying the stock of another company, buying a portfolio from a commercial bank, buying a portfolio from another company that remains in business independently, buying a company and merging its operation into the Cameron-Brown organization. The acquisition costs were amortized. Its servicing has reached \$260 million, making it one of the 15 largest in the US.

Now, Cameron-Brown has been hit with a big assessment for back taxes. "The tax agents tell us we can't take any depreciation no matter on what basis we acquired the portfolios," says Cliff Cameron. "We were flabbergasted."

Tax men are insisting that Cameron-Brown set up the acquired portfolios on its books as fixed capital assets. They are contending that in addition to a servicing contract, C-B acquired in each case other assets that can't be depreciated, including: good will, the right to represent certain investors, a going business with personnel, a trade name, or business contacts (eg, with builders). The "package" can't be divided easily to allocate a definite amount of the purchase price to the servicing contract alone, say the tax men, so no depreciation will be allowed.

"The way the tax agents want us to handle it," says Cameron, "the portfolio would be

standing on the books at the original cost even after all the loans were paid off and it had no value. If we can't get a reasonable settlement with IRS, we'll go to court."

### If the tax trend persists, many mortgage bankers may be afraid to merge.

In the Nelson Weaver Mortgage Co case (NEWS, July), mortgage portfolio sellers received a jolt when the US Tax Court held that a servicing contract for a portfolio was not a capital asset but only a contingent right to earn future income. So, ruled the court,

the seller's proceeds were taxable as ordinary income instead of at lower-rate capital gains. (The decision is being appealed.) Now tax agents are threatening the principle of amortization by the buyer.

The result, say mortgage men and lawyers, is that tax disadvantages may outweigh advantages in many mergers or portfolio sales. Says Cameron: "We've shelved plans for any more mergers until this thing is settled." He predicts that many other companies will think twice now too. Mortgage Banker Bundy Colwell of Los Angeles (who is in the throes of mergers) agrees.

## MORTGAGE MARKET QUOTATIONS

(Sale by originating mortgagee who retains servicing.) As reported to HOUSE & HOME the week ending Mar 16, 1962.

City	Conventional Loans		Construction Loans <sup>W</sup>		FHA 207 Firm Commitment	FHA 220 Firm Commitment 35 years	FHA 203 <sup>b</sup> Min. Down 35 year futures
	Comm. banks, Insurance Cos.	Savings banks, S & Ls	Banks, Ins Cos. & Mtg. Cos.	Interest + fees Savings banks, S & Ls			
Atlanta	5½-6	6-6½	6-6½+2-2½	6-6½+2-2½	a	a	a
Boston local	5½	5½	5½	5½	a	a	a
out-of-st.	—	—	—	—	96-97	a	94-95½
Chicago	5½-6	5½-6	5½-6+1-1½	5½-6+1½	97-98	97-99	94-95½
Cleveland	5½-5¾	5½-6	5½-6+1	6+1	96-98	a	a
Denver	5½-6	6-6½	6+1½-2½	6+1½-2½	97-98	a	a
Detroit	5½-6	5½-6	6+½	6+½	97	a	a
Honolulu	6¾-7	6¾-7	6+1½	6+1½	a	a	a
Houston	5½-6	5½-6	6½+1	6½+1	a	a	a
Los Angeles	6	6-7	6+1½	6½-7+2½-4	97-97½	e	95½-96½
Miami	5½-6	5½-6	6+1	5½-6+0-½	a	a	a
Newark	5½-6	5½-6	6+1	6+1	97-98	par <sup>c</sup>	a
New York	5½-6	5½-6	6+1	6+1	96¼-97	96¼-97	97 <sup>b</sup>
Okla. City	5½-6	6-6½	6+1-2	6+1-2	a	a	a
Philadelphia	5½-5¾	5½-6	5½+1	5½+1	97½-98	97½-98	98 <sup>b</sup>
San Fran.	5½-6¼	6-6½	6+1½	6.6+2-3	95½ <sup>b</sup>	e	95-96
St. Louis	5½-6	5½-6.6	6-6½+1-2	6-6½+1-2	a	a	a
Wash. D.C.	5½	5½	5½+1-1½	6+1-1½	97	97	96½ <sup>b</sup>

### FHA 5½s (Sec 203) (b)

FNMA Sedry Mkt <sup>W</sup>	New Construction Only				Existing <sup>W</sup> Min Down 25 year Immed
	Minimum Down* 30 year	10% or more down 30 year			
	Immed	Fut	Immed	Fut	
96½	96-97	96-96½	97	a	96-97
97½	par-101	par-101	par-101	par-101	par-101
—	95-96½	95-96½	a	a	94½-95½
96½	95½-97½	95½-97	97-98	96-97½	97-98
96½	96-97	96-96½	97½-98	97½	97-98
96	95½-97	95½-97	95½-97	95½-97	95½-97
96	96-96½	96	96½-97	96½	95½-96½
96	96	96	96½	96½	96-96½
96½	96½-97	96½-97	97-98	a	96½-97
96	96-97	96-96½	a	a	96-96½
96½	95½-96	95½-96 <sup>b</sup>	96-97 <sup>b</sup>	a	95-96
97	98	97	98	97½	98
97½	97	97	97	97	97
96	96-96½	96 <sup>b</sup>	96½	a	95½-96½
97	98½	98½	98½	98½	96-97
96	96½-97	96-96½	97-98	96-97	96-97
96½	95-97	94½-97	95-97	95-97	94-97
97	97½	96½	97½	96½	97½

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

Sources: Atlanta, Robert Tharpe, pres, Tharpe & Brooks Inc; Boston, Robert M. Morgan, pres, Boston Five Cents Savings Bank; Chicago, Harry N. Gottlieb Jr, vice pres, Draper & Kramer Inc; Cleveland, David O'Neill, vice pres, Jay F. Zook Inc; Denver, C.A. Bacon, vice pres, Mortgage Investment Co; Detroit, Harold Finney, exec vice pres, Citizens Mortgage Corp; Honolulu, Gordon Pattison, vice pres, Bank of Hawaii; Houston, John R. Butler, vice pres, T. J. Bettes Co; Los Angeles, Robert E. Morgan, first vice pres, The Colwell Co; Miami, Lon Worth Crow Jr, pres, Lon Worth Co; Newark, William W. Curran, Franklin Capital Corp; New York, John Halperin, pres, J. Halperin & Co; Oklahoma City, M. F. Haight, first vice pres, American Mortgage & Investment Co; Philadelphia, Robert S. Irving, vice pres, First Pennsylvania Banking & Trust Co; St. Louis, Sidney L. Aubrey, vice pres, Mercantile Mortgage Co; San Francisco, A. L. Buchner, exec vice pres, Bankers Mortgage Co of Calif; Washington, D.C., Hector Hollister, exec vice pres, Frederick W. Berens Inc.

### NEW YORK WHOLESALE MORTGAGE MARKET

FHA 5½s	FHA, VA 5½s	FHA 5¼ spot loans
Immediates: 97½-98½	Immediates: 96-97½	(On homes of varying age and condition)
Futures: 97-98½	Futures: 96-97	Immediates: 94-96½

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

### VA 5½s

City	New Construction Only		
	FNMA Sedry Mkt <sup>W</sup>	No down 30 year	
	Immed	Fut	
Atlanta	96½	96-97	96-96½
Boston local	97½	par-101	par-101
out-of-st.	—	95-96½	a
Chicago	96½	95½-97½	95½-97
Cleveland	96½	96-97	96
Denver	96	95½-97	95½-97
Detroit	96	96-96½	a
Honolulu	96	a	a
Houston	96½	96½-97	a
Los Angeles	96	96-97	96-96½
Miami	96½	95½-96 <sup>b</sup>	95½-96 <sup>b</sup>
Newark	97	97	96
New York	97½	97	97
Okla. City	96	96-96½	96 <sup>b</sup>
Philadelphia	97	97½ <sup>b</sup>	97½-98 <sup>b</sup>
San Fran.	96	96½-97	96-96½
St. Louis	96½	a	a
Wash. D.C.	97	97½	96½

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

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

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

Footnotes: a—no activity, b—limited activity, c—FNMA is only purchaser, h—with 1½ points origination, x—FNMA pays ½ point more for loans with 10% or more down, y—FNMA net price after ½ point purchase and marketing fee, plus 2% stock purchase figured at sale for 75¢ on the \$1, z—on houses no more than 30 years old of average quality in a good neighborhood.

Prices for out-of-state loans, as reported the week ending Mar 16 by Thomas P. Coogan, president, Housing Securities Inc.

## CLOSE-UP:

## Irving Rose: mortgage banking's man on the move

Robert H. Johnson

Nine years ago, First Mortgage Corp of Detroit was an unspectacular, medium-sized company with a loan portfolio of \$59 million and yearly originations of some \$6 million. Today, the company—now known as Advance Mortgage Corp—is a giant: its portfolio of \$350 million and its annual originations of \$82 million rank it among the industry's top seven.

Advance's spectacular rise has evoked wide interest among mortgage bankers. Many see in the company's development symptoms of how the whole industry is heading. Some of Advance's growth is attributable to the housing boom after the Korean War. But a big share of the credit goes to Advance's astute young (36) president, Irving Rose, who took over in 1953.

**Rose wasn't a mortgage man at all. He was a builder.**

His father, Edward, 66, has long been one of Detroit's big home builders (the family building company puts up some 400 houses a year). The senior Rose held the controlling interest in First Mortgage since its creation in 1939—"the people who started it had everything but the \$100,000 capital needed to get approval as an FHA mortgagee," explains Irv—but the family was not active in its management. (Among the company's early presidents was Stanley Earp who left in 1945 to start the highly successful Citizen's Mortgage Co, Detroit, now eighth largest.) After college (University of Michigan, 1945; law degree, Detroit University, 1949), Irv went into the family building business. As he recalls: "One day Dad said, 'You go down and be president of First Mortgage.' I went reluctantly. I was born and raised in the building business. It has a lot of compensations the mortgage business doesn't have. The house builder, if he's willing to sell at reasonable prices, can tell everybody to go to hell."

Under Rose's guidance, the portfolio increased 600%, the staff increased from 35 to 250, and the company spread out.

Rose—who likes to say he is not directly involved in any phase of the business (ie, selling, soliciting, servicing) but is primarily concerned with the *business* of running a mortgage company—credits Advance's strides to, among other things, "more rapport between ownership and management" (the Rose family owns 95% of Advance). Adds he: "I wish I had a glib answer to why we grew so successfully. I guess there's no answer except in combination with other things."

**Here are some of the things that Rose says contributed to Advance's fast growth.**

- **Planned diversification of area.** Initially, First Mortgage was strictly a Detroit operation. By opening new offices and acquiring other companies, Advance moved into six other midwestern markets (Dayton, Chicago, Milwaukee, Grand Rapids, Cincinnati, Cleveland). Recently, it bought a small company in Pittsburgh and opened an office (for project loans only) in Los Angeles (NEWS, Mar). The key acquisition was Chicago's Irvin Jacobs & Co, which had two subsidiaries and a \$90 million portfolio, in 1956. One of the subsidiaries was Advance Mortgage Corp whence the company's present name. (The First Mortgage name was already in use in Illinois.)

- **Diversification of portfolio.** In 1953, the company was dealing almost exclusively in one-family housing (the Rose building company was a major source of loans) of which 99% was FHA and VA. Conventional lending was only a trickle. Now Rose says that



ADVANCE'S ROSE

"You go down and be president"

multifamily housing, both FHA (Sec 207, 213, nursing homes, mobile home parks) and conventional, will account for almost 50% of the possible \$100 million in originations this fiscal year. FHA and VA single-family housing will account for close to \$50 million, conventional single-family housing, \$3 million. The balance will include commercial loans. Advance sells loans to 33 insurance companies and to some commercial banks, little to savings banks.

- **Emphasis on good personnel.** "Advance is a paperwork factory," he says. "It is dependent on the caliber of its personnel for success and growth." Among key Advance men: Executive Vice President Sidney Kaye, Vice President Leslie Rose, 32, one of the four Rose brothers (two, Sheldon and Jack, are in the family building concern with the senior Rose who is also chairman of Advance).

- **Automation.** An electronic computer handles servicing; an IBM machine combines stamping checks for deposit with making microfilm records. Rose, who stresses speed ("Send it to FHA the day you get it"), says: "We've made some progress at automation but not enough."

One unique bit of public relations was started three years ago: the company's quart-

erly report on ten Midwestern housing markets. The report is now probably the best of its kind.

**Is Advance spreading itself too far too fast?**

Some mortgage men feel that it may be. Says one cautiously: "Only time will tell if such territorial expansion is the answer. It costs a lot more to operate that way." Rose concedes that costs are higher but he adds: "We gain important advantages. Adverse economic conditions in one locality are not crippling, and we are able to do more business than we could do in only one city."

Some big lenders seem to agree. Three life insurance companies recently loaned Advance \$2 million on a ten-year subordinated basis, which Rose believes to be among the largest such long-term issues extended to a mortgage banker. The loans will let him do \$20 million-a-year more business, he estimates. And Rose feels that this is a cheaper way of raising money than going public and paying stiff underwriting commissions. Some mortgage men disagree, contend stock issues offer other advantages besides raising capital.

**Here are some Rose views on running a mortgage company.**

In lectures to Advance staffers, he says:

"Our cost per loan to service (in 1960) was about \$24. That is a 50% increase from the \$16 per loan five years ago. The major reason for the increase lies in the large upturn in the expense of handling delinquencies. I don't believe that servicing expenses will rise any more for the next few years . . ."

"We figure break-even is \$5,000, because income is \$25 a year and expenses about the same. Every loan we service with a balance of less than \$5,000 is a losing proposition . . ."

"Where there is a tossup [in income] we favor taking the servicing rather than selling the loan outright, and taking the larger servicing rate and a lower price . . ."

"Small house loans are slightly more profitable than large commercial loans. The cornerstone of our business is the small house FHA or VA loan. We should bend every effort to expand our conventional loan department. We may have seen the peak of small FHA and VA loans because there will be more apartment building and less single-family construction in the next few years. We also feel that the FHA-VA field requires less skill, is easier to get into and is therefore more competitive . . ."

"We welcome diversification *within* the mortgage business. We have no related activities such as real estate sales, property management and the like (Advance, however, does own an insurance agency in Illinois) because we believe you can only do a good job in one business at a time. From what few examples we've seen, those companies which engage in other businesses as well as the mortgage business are not as successful in the mortgage business as they might otherwise be . . ."

"Our ideal would be to have home builders who erect about 50 houses a year. These are large enough to be good customers in terms of volume yet small enough so they are likely to rely on us and to maintain a steady relationship. Smaller builders tend to require more help since their degree of sophistication is often not as great, and larger builders often think that we are unsophisticated. In addition, reliance on big builders can be damaging. When one is lost a lot of business is lost all at one time. We do not want to be at the mercy of a few large builders."

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## A LOOK AT THE BOOKS

Advance Mortgage Corp furnishes an unusual glimpse into the finances of a privately-held company in this statement of consolidated income and earned surplus:

	Year Ended April 30	
	1960	1959
<b>Income:</b>		
Interest income .....	\$1,094,034	\$1,134,966
Interest expense .....	975,134	882,471
Net .....	\$ 118,900	\$ 252,495
Service income .....	1,258,961	1,070,236
Processing income .....	999,350	892,829
Other income .....	180,149	159,984
Total .....	\$2,557,360	\$2,375,544
<b>Deduct:</b>		
Operating expenses .....	\$1,824,619	\$1,566,230
Contributions to profit-sharing plan .....	30,325	34,425
Total .....	\$1,854,944	\$1,600,655
Income before amortizing servicing and federal income taxes .....	\$ 702,416	\$ 774,889
<b>Deduct:</b>		
Amortization of servicing contracts .....	\$ 126,240	\$ 123,480
Provision for federal income taxes .....	282,000	343,000
Total .....	\$ 408,240	\$ 466,480
<b>Net income .....</b>	<b>\$ 294,176</b>	<b>\$ 308,409</b>
Earned surplus at beginning of year .....	1,235,040	926,631
Earned surplus at end of year .....	\$1,529,216	\$1,235,040



**"I'M SOLD ON ELECTRIC HEATING** and have it in my own home," builder Rorabacher says. "It gives us a new kind of comfort and cleanliness. And the fact that it's flameless means a lot to all of us."



"HELP FROM MY UTILITY PEOPLE IS AS CLOSE AS THE PHONE," says Rorabacher as he checks out service specs with heating specialist Jim Culp and builder representative Floyd Frey of Detroit Edison.



"BUYERS REALLY GO FOR INDIVIDUAL ROOM CONTROL," explains Rorabacher to Mrs. Rorabacher and builder representative Floyd Frey of Detroit Edison.

## ***"I'm installing flameless electric home heating because it's modern and trouble-free"***

**Custom builder Bob Rorabacher of Whitmore Lake, Michigan, shows why electric home heating adds competitive selling appeal to his \$17-40,000 homes**

"Our family has been in the building business over 45 years," Bob Rorabacher says. "And we like electric heating better than any system we've ever installed."

Home buyers seem to agree. As a matter of fact one customer even bought the electrically heated home that Rorabacher built for himself!

Customers and prospects come to Rorabacher already sold on the extra cleanliness, comfort and low maintenance of electric home heating. It's the modernity of electric heating that gives Rorabacher's homes the preference over keen competition, and the fact that winter temperatures that drop to 15° below zero present no heating problems to his customers.

And Rorabacher can put the dollars he saves on installation costs into a more attractive value for his home buyers. He offers a superior insulation job with tight construction and a complete set of storm windows and doors.

In construction itself, builder Rorabacher finds that electric home heating is simple for him to schedule and follow up. His electrical contractor puts in the heating along with the rest of his wiring job. Rorabacher also saves himself the headaches involved in cutting flues, vents and ductwork.

It's no wonder that progressive builders in every state of the nation are capitalizing on the profitable

trend to flameless electric home heating. The number of electrically heated homes in the U. S. has grown to over one million in remarkably few years. And over 5 million homes with electric heating are predicted by 1970.

What about your plans? See how you can profit by installing and promoting flameless electric home heating to your prospects. Your local electric utility representative has all the facts. Call him soon.



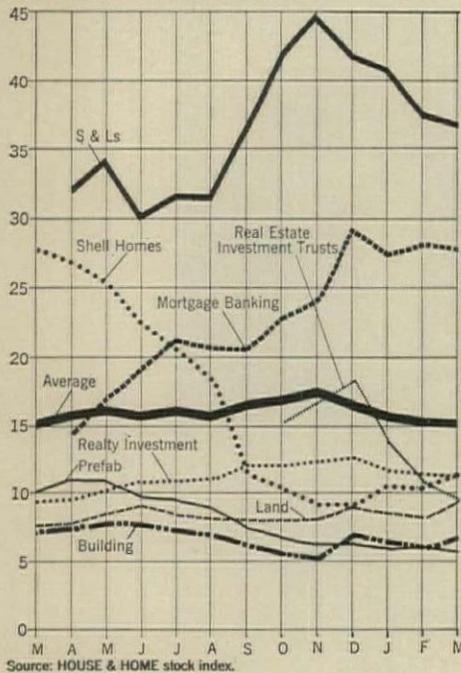
**THE TOTAL ELECTRIC HOME** that displays this Gold Medallion helps you profit from the fast-growing consumer acceptance of total electric living. Prospects know that the Gold Medallion Homes you build offer a single source of energy for light, heat and power—electricity.

**LIVE BETTER ELECTRICALLY**

Edison Electric Institute, 750 Third Avenue, New York 17

# STOCK MARKET:

## HOUSING STOCK AVERAGES



Source: HOUSE & HOME stock index.

## Housing stock prices stay where they were

The pattern was mixed last month.

Shell houses toted up their sharpest gain—15%—in over a year as the group average moved from 10.04 to 11.56, largely on three-point rallies by Albee Homes and US Shell. Building company issues gained 6% (from 6.35 to 6.73) and land development companies, 6.5% (from 8.66 to 9.22).

But savings & loan stocks fell off 3.2% as a group after investors learned that the big West Coast holding companies were boosting their dividends to 4.75% (see p 57). Other housing categories also were on the down side: mortgage banking companies dipped a trifling 0.7%; real estate investment companies dropped 1.8%; prefabricated house manufacturers 2.7%. The new real estate investment trusts, which have been on the downgrade since December, skidded 7%.

But the month added up to a near-standoff, with HOUSE & HOME's index of all issues at 15.41, a bare 0.1% under March's 15.43. Dow-Jones industrials posted a weak .05% gain (from 714.32 to 714.68) and Natl Quotation Bureau industrials went up 2% (from 141.13 to 144.02).

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

	Jan 15	Feb 13	Mar 12
Building	6.57	6.35	6.73
Land development	8.81x	8.66	9.22
S&Ls	41.14	37.88	36.67
Mortgage banking	27.45	28.10	27.90
Realty investment	11.98	11.83	11.62
Realty trusts	13.63	10.21	9.50
Prefabrication	6.33	6.61	6.43
Shell homes	10.50	10.04	11.56
AVERAGE	16.24	15.43	15.41

## NEW ISSUES

Date	Company	Net Proceeds <sup>a</sup>	Offering price of Securities
Feb 16	Kissell Co	\$1,475,000 <sup>b</sup>	\$19.00 <sup>c</sup>
Mar 8	US Shell Homes	5,475,000	a
Mar 13	National Rlty Inv	13,800,000	15.00

<sup>a</sup> after underwriting commission and expenses.  
<sup>b</sup> proceeds to company, excluding \$950,000 proceeds to Howard B. Noonan, chairman and president, from sale of 50,000 additional class A shares @ \$19.00.  
<sup>c</sup> for class A common. Also issued was \$1 million of 6% sinking fund debentures at par. These securities for sale to residents of Ohio only.  
<sup>d</sup> offered as various privately sold long term notes with warrants to purchase common @ \$18.00.

# Realty securities sales hit peak

"Residential and commercial real estate, one of the last great divisions of privately-held wealth, is going public."

So notes Attorney General Louis Lefkowitz of New York in reporting that last year the securities offerings cleared by his office totalled a record \$1.3 billion.

Through 400 offerings, investors bought into \$4.5 billion in properties ranging from apartment buildings and co-ops to land, shopping centers, hotels, motels, marinas, golf courses, and bowling alleys. The securities included stocks, bonds, syndicate participations, trust certificates, and mortgage participations.

About half of the properties were in New York State. The rest were located throughout the country and in Canada, Israel, Puerto Rico, and the West Indies.

## More promoters are turning to new construction now.

Traditionally, syndicators and other realty investment entrepreneurs have dealt with existing buildings. Now, notes the attorney general's office, promoters can't find enough good existing buildings. So many are putting up their own structures now which is funneling more money into the housing and construction market.

The New York Attorney General's office scrutinized almost every major realty securities offering in the entire country, says Special Assistant Attorney General David Clurman, head of the real estate syndication section. Reason: New York is the No. 1 source of public realty financing. Under the state's stringent new law, which went into effect last year, all public realty offerings must be cleared by the Attorney General before they can be advertised or sold in New York.

Co-op housing is gaining, says Clurman. Last year, co-ops totalling \$500 million were sold, and, adds Clurman: "There's no question but that co-operative apartment investments will gain even greater momentum in the coming years."

## Fraudulent promoters are being weeded out, contends Clurman.

Last year 25% of the offerings were turned down, which Clurman estimates saved investors the possible loss of \$20 million. Best indication of a shaky offering: a skimpy prospectus that ducks vital statistics. Co-op offerings in the past have been especially inclined to be misleading and to cover up "hidden profiteering by promoters," he adds.

The Attorney General's office also obtained

## HOUSING'S STOCK PRICES

Company	Offering Price	Jan. 15		Feb. 13		Mar. 12	
		Bid	Ask	Bid	Ask	Bid	Ask
<b>BUILDING</b>							
Adler-Built Ind. *	2%	3 1/4	2 1/4	2 1/4	2	2 1/4	
Cons Bldg (Can) *	15 1/2	16	13 1/4	14	14 1/4	14 1/2	
Edwards Inds. *	4 1/2	1 1/2	2 1/4	2 1/4	2 1/4	3	
Eichler Homes. *	9	9 1/2	9 1/2	10	10 1/2	10 1/2	
First Natl Rlty & Const. *	2	4 1/2 <sup>b</sup>	6 1/2 <sup>b</sup>	6 1/2 <sup>b</sup>	6 1/2 <sup>b</sup>		
Frouge. *	10	12	12 1/2	12	12	12 1/2	
General Bldrs. *		7 <sup>b</sup>	7 <sup>b</sup>	6 1/2 <sup>b</sup>	6 1/2 <sup>b</sup>		
Hawaiian Pac Ind 10 Kaufman & Broad. *	10 1/2	a	a	14	14 1/2	17 1/2	18 1/2
Kavanagh-Smith. *	5	8 1/2	9	8 1/2	8 1/2	7 1/2	8
Levitt. *	10	5 1/2	6 1/2	7	7 1/2	6 1/2	7
Lusk Corp. *	d	6 1/2	6 1/2	6 1/2	7 1/2	7 1/2	7 1/2
US Home & Dev. *	2	2 1/2	2 1/2	2 1/2	1 1/2	2 1/2	
Del Webb. *	e	13 1/2	13 1/2	15	15 1/2	14 1/2	15 1/2
Webb & Knapp. *	e	2 <sup>b</sup>	2 1/2	2 1/2	2 <sup>b</sup>	2 <sup>b</sup>	
Wenwood. *	e	3/4	3/16	%	%	5/16	3/8
<b>LAND DEVELOPMENT</b>							
All-State Prop. *	e	7 1/2 <sup>b</sup>	8 1/4 <sup>b</sup>	8 1/4 <sup>b</sup>	7 1/2 <sup>b</sup>	7 1/2 <sup>b</sup>	
Amer Rlty & Pet. *	e	6 1/2	7	6 1/2	7 1/2	6 1/4	6 1/2
Arvida. *	e	11	11 1/2	10 1/2	11 1/4	9 1/2	10 1/2
Canaveral Intl. *	5	13 <sup>b</sup>	25 1/2 <sup>b</sup>	29 <sup>b</sup>	29 <sup>b</sup>		
Cons Dev (Fla) *	5	9 1/2	10 1/2	9 1/2	10 1/2	9 1/2	10 1/2
Coral Ridge Prop. *	e	7 1/2	8 1/4	8	8 1/4	2	2 1/2
Fla Palm-Alre. *	e	2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Forest City Ent. 10		11 1/2 <sup>b</sup>	11 1/2 <sup>b</sup>	11 1/2 <sup>b</sup>	11 1/2 <sup>b</sup>		
Garden Land. *	e	6 1/4	3 1/4	4 1/4	5 1/4	3 1/4	4 1/4
Gen Dev. *	e	14 <sup>b</sup>	13 1/2 <sup>b</sup>	14 <sup>b</sup>	14 <sup>b</sup>		
Get Southwest. *	18	24	24 1/2	23	24	22	22 1/2
Horizon Land. *	e	18 1/2	19 1/4	19 1/2	20 1/2	18 1/4	18 1/2
Laguna Niguel. *	e	9 1/2	10	10 1/2	11 1/4	10 1/2	11 1/4
Lake Arrowhead. *	10	7 1/4	8	7	7 1/2	6 1/4	7 1/2
Lefcourt. *	e	2 1/2 <sup>b</sup>	1 1/2 <sup>b</sup>	1 1/2 <sup>b</sup>	1 1/2 <sup>b</sup>		
Major Rlty. *	e	2 1/2	2 1/2	2	2 1/2	1 1/2	2 1/2
Pac Cst Prop. *	10	8 1/4	8 1/4	8 1/4	8 1/4	8	8 1/2
Realsite Inc. *	e	1 1/2	2 1/2	1 1/2	1 1/2	1 1/2	2 1/2
Southern Rlty & Util. *	d	8 <sup>b</sup>	10 <sup>b</sup>	9 1/2 <sup>b</sup>	9 1/2 <sup>b</sup>		
United Imp & Inv. *	e	8 1/2 <sup>b</sup>	8 <sup>b</sup>	8 <sup>b</sup>	8 <sup>b</sup>		
<b>S&amp;Ls</b>							
Calif Fin. *	e	46 1/2	48	43 1/2	45	48 1/2	49 1/2
Emp Fin. *	e	25 1/2	26 1/2	23 1/2	24 1/2	22 1/2	23
Equitable S&L. *	23	43	45	44	46	45 1/2	47
Fin Fed. *	e	133 1/2 <sup>c</sup>	27 <sup>c</sup>	100 <sup>c</sup>	100 <sup>c</sup>		
First Chtr Fin. *	e	47 <sup>c</sup>	43 <sup>c</sup>	43 <sup>c</sup>	43 <sup>c</sup>		
First Fin West. *	e	20 1/2	21	16 1/2	17 1/2	17	17 1/2
Gibraltar Fin. *	e	46 1/2	48	45	47	47 <sup>c</sup>	
Grt Western Fin. *	e	38 1/4 <sup>c</sup>	34 1/4 <sup>c</sup>	34 1/4 <sup>c</sup>	31 1/4 <sup>c</sup>		
Hawthorne Fin. *	e	18 1/2	19 1/4	16 1/2	17 1/2	15	15 1/2
Lytton Fin. *	e	33 1/2	34 1/2	34 1/2	35 1/2	34	35
Mdwstrn Fin. *	e	4 1/2	28 1/2 <sup>b</sup>	28 1/2 <sup>b</sup>	24 <sup>b</sup>		
San Diego Imp. *	e	14 1/4	14 1/4	14 1/4	13 1/4	13 1/4	13 1/4
Trans Cst Inv. *	15	36 1/4	37 1/4	32 1/2	33 1/2	29	30
Trans World Fin. *	8 1/2	33 1/2	34 1/2	31 1/2	32 1/2	30 1/2	31 1/2
Union Fin. *	15	14 1/4	15	12 1/2	13 1/2	13	13 1/2
United Fin of Cal. *	10	51 <sup>c</sup>	48 1/2 <sup>c</sup>	50 1/2 <sup>c</sup>	50 1/2 <sup>c</sup>		
Wesco Fin. *	e	49	50 1/2	45	46 1/2	42 1/2	43 1/2

Company	Offering Price	Jan. 15		Feb. 13		Mar. 12	
		Bid	Ask	Bid	Ask	Bid	Ask
<b>MORTGAGE BANKING</b>							
Colonial. *	9	14 1/2	15 1/2	16	16 1/2	14 1/2	15 1/2
Colwell. *	10	29	31	30	31 1/2	28	30
FNMA. *	e	78	79 1/2	79	80 1/2	83 1/2	85
MGIC. *	27 1/2	46 1/2	48	42	43 1/2	46	47
Palomar. *	e	15 1/2	15 1/2	17 1/2	17 1/2	16	16 1/2
Stockton Whately. *	e	16 1/2	17 1/2	18	19	19	19 1/2
<b>REAL ESTATE INVESTMENT TRUSTS</b>							
First Mtg Inv. *	15	20 1/2	21 1/2	20	20 1/2	18 1/2	18 1/2
First Natl. *	10	9 1/4	9 1/4	r	10	r	10
Liberty. *	10	a	a	8 1/2	9 1/2	8 1/2	8 1/2
US Realty Inv. *	10	10 1/2	11 1/2	10 1/2	11 1/2	10 1/2	11 1/2
<b>REALTY INVESTMENT</b>							
Brookbridge Dev. *	e	1 1/2	1 1/2	1 1/2	2	%	%
Gt Amer Rlty. *	e	%	%	%	%	7/16	%
Income Props. *	9 1/2	11 1/2	12 1/2	11 1/2	11 1/2	11	11 1/2
Kratter A. *	e	27 1/2 <sup>b</sup>	28 <sup>b</sup>	27 <sup>b</sup>	27 <sup>b</sup>		
Mensh Inv & Dev. *	d	15	16	15 1/2	16	16 1/2	r
Presidential Rlty. *	6 1/2	13 1/2 <sup>b</sup>	13 1/2 <sup>b</sup>	14 1/2 <sup>b</sup>	14 1/2 <sup>b</sup>	14 1/2 <sup>b</sup>	
Rlty Equities. *	5 1/2	6 1/2 <sup>b</sup>					
Wallace Inv. *	10	20	20 1/2	18 1/2	19 1/2	16 1/2	17
<b>PREFABRICATION</b>							
Admiral Homes. *	e	2 1/2	3	2 1/2	2 1/2	2 1/2	3
Crawford. *	13	7	7 1/2	6 1/2	7 1/2	6 1/2	7 1/2
Harnischfeger. *	e	22 1/2 <sup>b</sup>	23 1/2 <sup>b</sup>				
Hilco Homes. *	3	2 1/2	2 1/2	-2	2 1/2	2	2 1/2
Inland Homes. *	e	14 <sup>b</sup>	13 1/2 <sup>b</sup>	12 1/2 <sup>b</sup>	12 1/2 <sup>b</sup>		
Natl Homes A. *	e	8 1/2	9	9 1/2	10	9 1/2	9 1/2
Natl Homes B. *	e	8 1/2	8 1/2	8 1/2	9 1/2	8 1/2	9 1/2
Richmond Homes. *	e	1 1/2	2 1/2	2	2 1/2	2	2 1/2
Scholz Homes. *	e	2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Seaboard Homes. *	e	1 1/2	2 1/2	2 1/2	3 1/2	2 1/2	2 1/2
Steel Crest Homes. *	2	4 1/2	5 1/2	5 1/2	6	4 1/2	5 1/2
Swift Homes. *	9	a	a	6 1/2	7 1/2	7 1/2	7 1/2
Teehbilt Homes. *	e	3/4	3/4	3/4	3/4	%	%
<b>SHELL HOMES</b>							
Albee Homes. *	16	22 1/2	24 1/2	24	26	27	29
Bevis. *	d	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Morris. *	d	3 1/2	4	3 1/2	3 1/2	3 1/2	3 1/2
US Shell. *	e	19	20 1/2	16	17 1/2	19	20 1/2
Jim Walter. *	e	17 1/2	18 1/2	16 1/2	17 1/2	17 1/2	18 1/2
Western Shell. *	2 1/2	3/4	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Wise Homes. *	e	1 1/2	3 1/2	2	2 1/2	2 1/2	2 1/2

<sup>a</sup> stock not yet marketed  
<sup>b</sup> closing price (ASE)  
<sup>c</sup> closing price (NYSE)  
<sup>d</sup> issued in units  
<sup>e</sup> stock issued before Jan 1, 1960  
<sup>f</sup> no bid  
<sup>g</sup> no sellers available

Sources: New York Hanseatic Corp; C. F. Childs Co; American Stock Exchange; New York Stock Exchange.

Listings include only companies which derive a major part of their income from housing activity and whose stocks are either listed or actively traded.

restitution of more than \$10 million for investors in connection with new offerings. Several operators were hit with criminal charges. Says Clurman: "Groups of sharpsters have flocked into the real estate securities field."

**Is going public driving the price of real estate too high?**

Many veteran realty men contend that it is. As the demand for buildings by syndicators and other realty securities promoters keeps growing, prices keep going up, often to risky heights, they say. New York realty man Daniel M. Friedenberg has charged that syndicators are doubling real estate prices (NEWS, July). Adds a mutual savings banker: "Why should the promoters care? It isn't their money they're spending." The scarcity of such syndicate staples as apartment buildings is forcing some promoters into more speculative ventures which conservative realty men warn could be disastrous. Some bowling alley syndications, for example, have lately collapsed—syndications reviewed by Lefkowitz' office, by the way.

**PROFITS & LOSSES**

*Recent reports on how publicly held companies in the housing industry are faring:*

GIBRALTAR FINANCIAL CORPORATION earnings rose 39% to \$2.8 million last year. Net per share climbed from \$2 in 1960 to \$2.76. The S&L holding company attributes its record growth chiefly to a 29% gain in savings in its Gibraltar S&L in plush Beverly Hills.

President Herbert J. Young predicts the growth rate will continue despite stiffer competition for savings from commercial banks. Best evidence, he told New York security analysts, is that 1) only 7% of Gibraltar Savings & Loan's savings is out-of-California money and 2) savings increased twice as fast the first two months of this year as they did in January and February '61 (\$7 million versus \$3.6 million).

Gibraltar Financial bought Beverly Hills National Bank in July '61 and opened an S&L branch, its first, in September. By stressing loans on apartments and commercial property, Gibraltar S&L has pushed average yield on its loan portfolio to 6.6%. During January, new loans returned an average 6 3/4% yield.

On its \$2.8 million earnings last year, Gibraltar estimates it will pay federal income taxes of only \$1,503.

THE KISSELL COMPANY, giant Ohio mortgage firm, had the biggest year in its 77-year history in 1961, reports Howard B. Noonan, chairman and president. Besides increasing volume and earnings, the company also acquired two large mortgage banking firms during the year (Guarantee Title and Trust, Columbus, and Realty Mortgage, Lexington), and had its first public offering of securities, to Ohio residents only. Kissell closed \$72.4 million in 1961 loans to boost its servicing volume to \$435 million.

	1961	1960
Income from fees	\$2,715,263	\$2,381,049
Net income	372,385	219,149

FIRST MORTGAGE INVESTORS, Boston, first of the real estate investment trusts to invest solely in residential mortgages and first such trust to go public, now owns more than 600 first mortgages in Florida, California, Nevada, Maryland, Virginia and Washington, D. C. The trust has established working arrangements with ten mortgage bankers in these areas. Edmond F. Dagnino, managing trustee, and Jack R. Courshon, secretary and trustee, report a net income of \$25,289 from inception of the trust in October through December 31, 1961.

FINANCIAL FEDERATION earnings rose 43.5% over the previous years, reports Edward L. Johnson, president. During 1961, the second full calendar year of operations for the S&L holding company, assets increased 38.2% to \$475.5 million.

	1961	1960
Income	\$30,230,627	\$22,794,963
Net bef taxes	8,422,367	5,909,783
Federal income taxes	71,504	91,328
Net bef res approp	8,350,863	5,818,455
Earnings per share	5.59	3.95

FIRST CHARTER FINANCIAL enjoyed record earnings in 1961, announces Chairman S. Mark Taper. Consolidated net earnings leaped 30% and assets reached a peak of \$985.5 million by year end, an increase of 28% over the previous year.

	1961	1960
Net bef res approp	\$16,859,798	\$12,990,399
Earnings per share	2.46	1.89

INVESTORS FUNDING CORP'S President Jerome Dansker reports record earnings for 1961. The New York real estate investment company now has a portfolio worth over \$60 million.

	1961	1960
Earnings before depreciation & tax	\$953,282	\$902,444
Net earnings	464,131	444,489
Earnings per share	3.34	4.14

UNITED FINANCIAL CORP reports a 59% increase in net earnings for 1961. Income jumped 39%. At year's end, the California S&L holding company had total assets of \$185 million.

	1961	1960
Total Income	\$12,152,986	\$8,768,585
Net bef income taxes	4,356,413	2,792,478
Federal income taxes	30,144	65,000
Net bef res approp	4,326,269	2,727,478
Earnings per share	2.93	1.84

THE COLWELL COMPANY reports a 40% increase in servicing volume and a jump of 36% in originations for 1961. Bundy Colwell, president of the Los Angeles mortgage banking firm, announced that \$10.5 million in loans were originated in October, making it the best month in the company's history.

	1961	1960
Originations	\$87,500	\$57,000
Servicing portfolio	427,000	305,000

SAN DIEGO IMPERIAL CORP net earnings during 1961 were the highest in this S&L holding company's five-year history, and 80% higher than in 1960, announces President Franklin P. Schneider. Gross income climber 20% last year.

	1961	1960
Total assets	\$510,961,670	\$419,563,908
Net income*	5,130,436	2,852,495
Earnings per share	86 1/2¢	54¢

\* before appropriations to general reserves.

**LABOR:**

**Federal law change may boost costs**

Labor-backed amendments to the federal Davis-Bacon prevailing wage law have become a top worry on builders' list of pending legislation.

If Congress buys the package proposed by the AFL-CIO, labor costs under FHA sections subject to Davis-Bacon would rise anywhere from 15 to 25%, NAHB estimates. This would drive up costs of FHA rentals enough so many builders would switch to conventional financing, some experts predict.

The 30-year-old Davis-Bacon Act, under which the Labor Dept fixes the "prevailing wage" for each trade on an area-by-area basis, now applies to multifamily projects and military housing (eg Sec 207, 213, 220). But it doesn't now cover fringe benefits. Labor wants these included. And it wants the existing law requiring time and a half after eight hours plus a new law requiring time and a half after a 40-hour week extended to FHA multi-family construction. (The eight-hour day limit covers federal construction, but not work covered by government loan insurance.)

Contractors have long objected that the Labor Dept uses the Davis-Bacon law to set "prevailing wage rates" higher than they actually are. How? "Wage determinations are invariably based upon the wages rates reputed to be prevailing or in effect in the major cities and metropolitan centers nearest to the site of the proposed project," charges Lee E. Knack, labor relations chief for Morrison-Knudsen, in testimony to a House labor subcommittee. If no single rate is paid to a majority of craftsmen, Labor Dept officials pick a rate paid to the greatest number pro-

REAL ESTATE INVESTMENT TRUST OF AMERICA reports a 110% increase in net earnings for the six months ended Nov 30. Main reason: converting to a realty trust cut its income taxes.

	6 mos ending Nov 30, 1961	6 mos ending Nov 30, 1960
Net before taxes	\$564,179	\$519,743
Federal income taxes	.....	250,600
Net income	564,179	269,143
Earnings per share	44¢	36¢

MORRIS SHELL HOMES reports a whopping 219% rise in sales and an 84% jump in net earnings for its entire fiscal year. President Morris L. Shagan attributes this showing to creation of subsidiary financing and materials companies, which increase profits per deal. Morris built 1,255 shell and repossessed 137 but resold 80% of them during the year.

	Year ending Sept 30, 1961	Year ending Sept 30, 1960
Sales	\$3,780,062	\$1,184,998
Net earnings	159,353	86,678

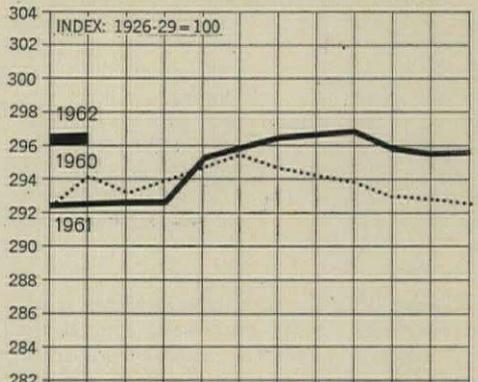
PRESIDENTIAL REALTY CORP net before depreciation rose 26% during 1961, and income after depreciation and taxes climbed 56%. The company, which owns and manages properties around the country, plans to acquire apartment houses in Columbus, Ohio; St Louis; Stamford, Conn.; and New York City.

	1961	1960
Net before depreciation	\$1,441,622	\$1,142,675
Net income	836,440	535,761
Earnings per share	\$1.38	\$1.02

INTERNATIONAL HOUSING CORP, Minneapolis maker of pre-cut homes, reports a substantial profit after only six months of operation. Its sales force has grown from two to 42 since June. The company now operates in Minnesota, Wisconsin, Iowa, Northern South Dakota, Nebraska and parts of Montana and Kansas.

	June 12 to Dec 31 1961
Sales	\$304,712
Financial income	10,483
Net profit	23,389

**RESIDENTIAL CONSTRUCTION COSTS**



The cost of building a house remained almost static during February, according to data gathered by Col E. H. Boeckh. His index of residential costs advanced 0.1 from 296.2 to 296.3. Costs are 1.3% above last year. Col Boeckh attributes the February rise to wage raises for plasterers, common laborers, and brick masons. Materials prices remain weak.

# Producers wary of predicting upturn from profit-squeezed '61

A year ago makers of building materials were hopefully looking for improved business in 1961 to rescue them from the painful 1960 slump in sales and profits.

But 1961 annual reports now reaching stockholders tell a somber story about the year of hope:

**Total sales for 51 companies surveyed by H&H climbed 0.7% to \$19.3 billion but net income dropped 4.7% to \$1 billion.\***

This record contrasts with the estimate of the President's Council of Economic Advisers that corporate after-tax earnings hit \$23.3 billion for 1961, up 2.6% from 1960 but still \$0.4 billion behind 1959's all-time record.

For 1962 President Kennedy and Treasury Secretary Douglas Dillon predict a whopping 23% rise in before-tax corporate earnings.

But top executives of leading producers are not optimistic that any such rise in profits will spill into the housing industry. The cautious view of Chairman C. H. Shaver of U S GYPSUM is typical: "The outlook for various segments of the construction industry appears to justify the expectation that there will be an improved potential for sales of company products in 1962."

The outlook varies from product group to product group. Some prophecies for 1962:

**Cement:** MEDUSA PORTLAND CEMENT started 1962 "with firm orders for contract business at more than double the bookings of a year ago," says President Ellery Sedgwick Jr. But Sedgwick forecasts "no important increase in volume."

**Plumbing:** "We expect further modest improvement," says President Joseph A. Grazier of AMERICAN-STANDARD. "CRANE should benefit from this upturn (in general business conditions)," says Chairman T. M. Evans.

**Lumber:** "Recovery from the abnormally low prices and profit margins that have plagued all lines of forest products in 1961 may be slow in coming," observes President Norton Clapp of WEYERHAEUSER.

**Appliances:** "A moderate increase in sales volume with slightly larger earnings . . . The outlook beyond midyear is less clear," say Chairman Cloud Wampler and President William Byrum of CARRIER. "The general business climate is expected to be slightly more favorable for the sale of home laundry equipment . . . we expect competition to be as keen as ever and the upward pressure on costs to continue," say Chairman Fred Maytag II and President G. M. Umbreit of MAYTAG.

NUTONE is pegging hopes for a better 1962 on an "important new kitchen product" still unannounced. Air conditioner makers are especially optimistic: FEDDERS says its pre-assembled units are being installed in 9,900 homes in developments near Washington, San Antonio, and Oklahoma City; Carrier expects its share of a market that saw air conditioning included in 50% of all new apartments last year.

**Glass:** "We look for predicted higher levels of industrial activity throughout at least the first half of 1962 to bring about better operating results," says President David G. Hill of PITTSBURGH PLATE GLASS.

**Aluminum:** "The fourth quarter [was] the best quarter of the year in both sales and earnings," reports President D. A. Rhoades of KAISER ALUMINUM & CHEMICAL. He sees "the likelihood of generally higher sales."

\* Fiscal years for seven companies do not coincide with 1961 calendar year; nine-month totals for 2 companies are included.

**Wallboard, roofing, tile, and insulation:** "Our optimism [for 1962] is based on excellent—and self-perpetuating—cost reductions installed during the past year, [and] on the elimination from our product lines of low profit, low volume items," explains President C. B. Burnett of JOHNS-MANSVILLE. "Better profit margins can be expected from greater volume and more labor-saving equipment," says Chairman Melvin H. Baker of NATL GYPSUM. MASONITE earnings for six months ending Feb 28 will be over \$1/sh, up from 28¢.

**Last year 26 of 51 companies increased sales but only 22 reported more earnings.**

Each product group (see table) had strong sales-and-income gainers and equally heavy losers. It was a hotly competitive year. Companies that made money generally did so with a combination of ingenious marketing approaches, cost-cutting methods, and timely introduction of new products. Highlights:

1. CERTAIN-TEED turned in the year's outstanding performance with its Institute for Essential Living marketing program.

Sales jumped 53% and net income soared 151%. Reports President Malcolm Meyer: almost \$40 million of its \$49.4 million sales gain came from IEH sales of shell-homes—a field Certain-teed got into only a year ago. (Spurred by this success, CELOTEX and US GYPSUM have announced (NEWS, Feb) they are starting to sell shells.)

2. CARRIER and STANLEY WORKS cut overhead costs to increase profits substantially.

"A number of profit improvement programs," helped Carrier increase profits 48.4% on a modest 3.7% sales gain of its air conditioning and furnace units. Uninterrupted production following two costly strikes in 1960 also helped.

Yet Chairman Wampler and President Byrum say that their company, like many ap-

pliance makers, is caught in a severe cost-price squeeze. Since 1955 materials or components have gone up 25% and wages and fringes 32%. Meanwhile, Carrier's prices have dropped. "Improved profitability will have to come from largely from better operating efficiency," say Wampler and Byrum. "Carrier is striving . . . to reduce costs by making more of the components that go into the products."

Stanley Works, under new President Howard L. Richardson (NEWS, May) lifted profits 26.5% on a sales gain of only 5.2%. The company's net dropped to a 10-year low in 1960. Richardson credits operating economies with improving matters. Foreign operations, consolidated into the company report for the first time, accounted for about 10% of the company's \$4.3 million profit. The hand-and-power-tool maker starts 1962 with 15% more orders on hand than a year earlier.

3. BESTWALL GYPSUM benefited from higher prices, while US PLYWOOD increased speciality sales by expanding its distribution network.

Bestwall (spun off from Certain-teed in 1956) sales volume climbed 8% even though the company boosted prices on its gypsum board last summer. High production cut production costs and the company turned in a 30.5% increase in earnings. The \$4.4 million net was below the 1959 record \$4.8 million.

US Plywood (reporting for nine months ending Jan 31, 1962) shows a heady 56.6% profit jump in an industry beset with weak prices and unused manufacturing capacity. How did US Plywood do it? The company pushed an expanded line of speciality items, getting a substantial rise in sales from exterior decorative sidings and prefinished hardwood paneling. These items were handled through 20 new distribution outlets added the year before (to a total of 145) both through 1) purchase of Western Plywood and eight out-

## LAST YEAR'S PROFIT PICTURE

Sales and earnings for some of the biggest building materials' producers in 1961, compared with the same periods in 1960:

Company	'61 sales (millions)	% change sales	'61 net (millions)	% change net				
Stanley Works	110.9	+5.2	4.3	+26.5				
Yale & Towne	130.6	-5.3	4.0	-10.6				
<b>Group total</b>	<b>251.9</b>	<b>-0.4</b>	<b>10.4</b>	<b>+9.5</b>				
<b>Lumber</b>								
Georgia-Pacific	\$238.3	+7.3	\$13.8	-0.0				
US Plywood <sup>a</sup>	220.6	+15.2	7.5	+56.6				
Weyerhaeuser	491.6	+7.4	36.6	-23.3				
<b>Group total</b>	<b>950.6</b>	<b>+9.1</b>	<b>57.9</b>	<b>-14.4</b>				
<b>Wallboard, roofing, tile, insulation</b>								
Allied Chemical	746.0	-2.5	47.2	-8.0				
Armstrong Cork	302.7	+3.8	18.5	+14.1				
Bestwall	43.1	+8.0	4.4	+30.5				
Phillip Carey	70.0	+0.6	2.8	+16.7				
Celotex <sup>b</sup>	61.8	-9.0	1.4	-34.7				
Certain-Teed	142.6	+53.0	5.9	+151.9				
Congoleum-Nairn	41.2	+0.3						
Plinkote	248.8	-1.4	11.5	-11.5				
Goodyear	1,473.4	-5.0	76.2	+7.3				
Johns-Manville	377.8	+3.5	23.9	-10.0				
Masonite <sup>c</sup>	71.3	+3.7	3.6	-17.5				
National Gypsum	218.2	-3.9	21.1	-10.1				
Owens-Corning	226.9	+4.0	14.3	-2.3				
Ruberoid	119.1	-0.8	4.5	-3.7				
US Gypsum	272.7	-0.3	36.7	-4.4				
<b>Group total</b>	<b>4,416.2</b>	<b>-0.6</b>	<b>271.7</b>	<b>-0.6</b>				
<b>Heating &amp; plumbing</b>								
American Standard	468.9	-2.4	13.9	+5.6				
Crane	319.6	+11.9	5.7	+17.7				
Trane	96.3	-6.0	5.1	-23.8				
<b>Group total</b>	<b>884.8</b>	<b>+1.9</b>	<b>24.7</b>	<b>-0.01</b>				
<b>Cement</b>								
Alpha Portland	41.1	-5.8	3.7	-23.2				
General Portland	57.8	-1.6	8.5	-14.1				
Ideal	121.1 <sup>d</sup>	+9.6	16.7	+21.5				
Lehigh Portland	84.3	-11.4	4.6	-40.7				
Lone Star	127.2	+3.6	13.0	+10.2				
Marquette	78.0	+41.4	10.6	+12.6				
Medusa	38.7	+2.0	4.3 <sup>e</sup>	+17.7				
Ronn-Dixie	53.6	-5.1	5.3	-16.0				
Permanente	74.4	+3.7	6.8	+5.7				
<b>Group total</b>	<b>676.2</b>	<b>+3.6</b>	<b>73.4</b>	<b>-0.4</b>				
<b>Hardware</b>								
Schlage	10.4	+8.9	2.1	+31.8				
<b>Appliances</b>								
American Motors <sup>f</sup>	875.7	-17.2	23.6	-51.1				
Borg Warner	584.7	-0.4	23.4	-13.9				
Carrier <sup>g</sup>	266.3	+3.7	7.4	+48.4				
Emerson <sup>h</sup>	157.6	+25.6	7.2	+19.5				
Fedders <sup>i</sup>	59.3	-13.8	3.5	-22.7				
General Electric	4,456.8	+6.2	242.1	+21.0				
Maytag	107.4	-2.0	12.1	+13.2				
Minn-Honeywell	470.2	+10.3	24.9	-4.8				
Nutone <sup>j</sup>	25.4	+7.2	1.7	+22.7				
Westinghouse	1,913.8	-2.1	45.4	-42.5				
Whirlpool	436.9	-2.1	13.5	-14.0				
Worthington	189.0	-2.8	6.0	-22.2				
<b>Group total</b>	<b>9,543.1</b>	<b>+1.0</b>	<b>410.9</b>	<b>-4.8</b>				
<b>Glass</b>								
American St Gobain	24.9	-0.8	ε	..				
Libbey-Owens-Ford	222.2	-24.4	34.8	-20.6				
Pittsburgh Plate	602.7	-4.0	34.6	-27.3				
<b>Group total</b>	<b>849.8</b>	<b>-10.3</b>	<b>68.6</b>	<b>-24.4</b>				
<b>Aluminum</b>								
Alcoa	853.3	-0.9	43.0	+7.5				
Kaiser	424.0	+4.3	24.0	+5.6				
Reynolds <sup>k</sup>	478.3	+9.0	25.1	-2.2				
<b>Group total</b>	<b>1,755.7</b>	<b>+2.9</b>	<b>92.2</b>	<b>+4.2</b>				

<sup>a</sup> for the nine months ending January 31, 1962. Fiscal year ends April 30.  
<sup>b</sup> for fiscal year ending October 31, 1961.  
<sup>c</sup> for fiscal year ending August 31, 1961.  
<sup>d</sup> data reflects billings rather than net sales.  
<sup>e</sup> includes special credit of \$542,528, an adjustment of prior years' depreciation and other items to conform to income-tax bases.  
<sup>f</sup> for fiscal year ending September 30, 1961.  
<sup>g</sup> net loss of \$768,630.  
<sup>h</sup> includes for the first time the non-aluminum sales of two subsidiaries and sales of Tilo Roofing, Inc, amounting to \$24,181.00. Tilo merged with Reynolds in August 1961.  
<sup>i</sup> net loss \$220,000, which does not reflect refund of prior year's federal excess profit tax and interest thereon equal to \$332,234. This amount credited directly to earned surplus.

## HOUSING POLICY:

## Compromise formula lets S&Ls pay 20% income taxes

"We were lucky to get this much of a break," says one of the S&L industry's men closest to the legislative scene.

After proposing a much stiffer increase in federal income taxes for mutual thrift institutions (NEWS, Mar), the House ways & means committee reversed itself just before it sent the bill to the House floor. It dropped a plan to cut their tax free reserves from 12% of shareholding accounts to 3½% of their annual increase in loan portfolio. It substituted a formula giving the nation's 6,200 S&Ls and 513 mutual savings banks three alternatives for paying federal income taxes starting next year:

1. Set aside 60% of annual income for tax free reserves, pay regular corporate income taxes (52%) on the other 40%. Most S&Ls will use this set-up if it becomes law. Net tax: about 20% of income.
2. Set aside as tax-free reserve 3% of the annual increase in loans outstanding (including FHA and VA loans). This will be used by S&Ls with fast growing portfolios.
3. Set aside "whatever amount experience indicates is necessary to assure an adequate reserve against losses."

The new formula scales down the income tax load on mutual institutions by 40%.

The Treasury figures it would get \$200 million the first year in income taxes under the revised plan compared to \$365 million under the 3½% tax-free reserves formula. Of this, experts figure about \$160 million would come from S&Ls and about \$60 million from mutual banks. Under existing law, mutual thrift

institutions pay less than \$9 million a year in income taxes.

**Thrift institutions mounted on all out three-week campaign to bring about the compromise.**

From all corners of the country they wrote, telephoned, or visited their congressmen. At one point there was even talk of a plan to urge depositors to write their congressmen. The Nat'l League of Insured Savings Associations took a sampling of 200 member S&Ls, figured out the effective tax rates for each under the committee's original 3½% formula. Rates ranged from 2% for the fastest growing S&Ls to 36% for some slower growing S&Ls. This, it was argued, was inequitable taxation. S&L men pointed to the possibility that deposits might dwindle as associations would be forced to cut dividend rates, thus reducing the supply of mortgage money for housing.

**Commercial bankers are unhappy with the new tax formula.**

President Sam M. Fleming of the American Bankers Association calls it "woefully inadequate . . . an unjustifiably low rate for a prosperous, rapidly growing \$120 billion industry." (Commercial banks pay about 33% of their income in taxes, but commercial banks can buy tax-exempt bonds as S&Ls cannot.)

The attitude of S&L men seems typified by the comment by one of the West Coast's top S&L executives: "This is a fair tax formula that I think the industry can live with. We've got to pay some taxes to make the public happy."

The ways & means committee also voted two other changes in S&L taxation.

- Stockholder-owned S&Ls must first use tax-free reserves for paying out dividends to stockholders before using taxable income.

- S&Ls would lose their present exemption on paying federal taxes on communications and transportation.

**Despite the S&L compromise, the Administration's 1962 tax bill faces more trouble in Congress.**

Pressure was mounting in the House in mid-March to kill the provision calling for 20% tax withholding on corporation dividends and interest paid on savings and S&L accounts. On this point, commercial banks and mutual thrift institutions see eye to eye (they don't like the idea of tax withholding), but the plan is expected to raise \$650 million a year in taxes that now go uncollected and the Administration says it needs the money to offset other tax cuts.

If the tax bill gets through the House relatively unscathed it still faces hurdles in the Senate. S&L men on balance expect to come out no better in the Senate than in the House. For one thing, Sen Harry Byrd (D, Va), chairman of the Senate Finance Committee may insist on raising instead of reducing other taxes.

**Left untouched: capital gains taxation on the sale of real property.**

The Treasury had indicated it might seek to close a loophole used by some speculators by making the profit on sale of real estate taxable at ordinary income tax rates to the extent of depreciation taken. But ways & means left this out of the '62 tax bill.

## HHFA future: fast growth, new and bigger subsidy schemes

**Q.** Where does Congressional veto of President Kennedy's plan to create a cabinet-rank Department of Urban Affairs & Housing leave HHFA?

**A.** Right where it was before: the fastest growing agency in the federal government and one of the biggest dispensers of federal subsidies.

Budgeted HHFA expenses for next fiscal year (\$1.38 billion) are 47% higher than for the fiscal year ending next June 30. And this fiscal year's outlays are 85% above those of fiscal 1961. How the chief programs are due to grow in fiscal '62-3—unless Congress cuts Kennedy's budget:

- **Slum clearance grants** will be up more than 50% to \$335 million. The money goes to write-down the price of cleared slum land so that new entrepreneurs can use it for something better without suffering a loss. The federal government pays 66% of the write-down. In the process, slumlords and some land speculators often make a killing.

- **Community facilities loans** will rise 70% from \$23 to \$39 million. HHFA lends directly to localities (at ridiculously low rates) to build sewer, water, and other public facilities.

- **Mass transportation** will cost \$35 million compared to only \$5 million this fiscal year. And Kennedy expects to ask Congress to authorize another \$100 million for new—and as yet unspecified—federal aid to mass transportation.

- **Open space grants** to localities are to shoot up from \$8 million to \$42 million.

- **Direct loans for housing for the elderly** (as usual at subsidized interest rates) are due to rise from \$13 million to \$20 million—and the New Frontier will ask Congress to approve \$100 million more of them.

- **Public housing subsidies** will creep up from \$174 million to \$193 million. That is cash outlay. Federal public housing has opened its 500,000th dwelling unit. It now houses more than 2 million persons—just over 1% of US population.

As HHFA Administrator Robert C. Weaver, who was the President's announced choice to head the new department, says: "Today, the HHFA is no longer an agency concerned pri-

marily with housing and home finance. Whether we call it an agency or a department, it is the arm of the government which administers programs of urban affairs and housing."

In almost the same breath, Weaver paints a stark picture of white-dominated suburbs draining US cities of almost everybody but the young, the old, and the non-white population. During the 1950-60 decade, the proportion of non-whites living in American cities rose from 39 to 51%; the proportion of whites in the suburbs climbed from 15 to 23%. "If these trends continue," warns Weaver, "We may see in some of the urban areas the emergence of non-white majorities in central cities and the solidifying of white majorities in surrounding suburbs. Should this come about, racial cleavages will be added to the jurisdictional cleavages that now divide our metropolitan areas, and the problems of urban development will become even more complex."

These words bear pondering by the housing industry. For they reinforce the growing conviction that HHFA may more and more become the federal instrument to fight such change.

**Weaver still calls creation of a Dept of Urban Affairs "inevitable."**

Talking to Los Angeles newsmen last month, he even ventured that it would happen during the Kennedy Administration. (At the same time, he flatly predicted that a Presidential Order will wipe out racial bias in federally-aided housing within the next three years.)

To Congressional analysts, the urban department looks dead for this year—but not necessarily for next. Their reasoning goes: Secre-

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### INNOCENT BYSTANDER



Crockett—Washington Star

tary Abe Ribicoff of Health-Education-Welfare has already indicated he will resign to run for the Senate from Connecticut this fall (a publicly proclaimed Kennedy policy will require him to quit the cabinet if he does run). Then, after Congress goes home, Kennedy might appoint Weaver secretary of H-E-W, and name a popular mayor to head HHFA. If so, this would grease the way for Congressional passage of the urban affairs bill next year.

#### Urban affairs gave President Kennedy his worst tactical defeat yet in Congress.

The coup de grace was administered by the House, which, on February 21, swamped the President's reorganization plan to upgrade HHFA to cabinet rank by a lopsided 264-150 margin (News, March). But the outcome had been foreshadowed the day before when the Senate angrily refused to take up the issue to a vote before the House could act. Eight non-Southern Democrats and all but

## New York proposes rent supplements to end 'folly' of public housing

The proposal comes among a rash of plans and counter plans with which the state's top Republicans and Democrats are courting the potent middle- and low-income voters.

Housing has become—so the political analysts say—one of the top vote-getting issues in New York. Even so, chances of the plan going anywhere this year are slim.

Gov Nelson Rockefeller (R) is staking some of his political future on a plan to supplant public housing with a modern-Republican version of the old idea of rent certificates.\* The plan is risky because state voters would have to approve it in November—the same time they decide whether they want Rocky to be governor for four more years.

Rockefeller wants to move low income families into middle-income apartments this way: builders of \$29/month middle-income apartments (with state-subsidized 4.4% loans under the Mitchell-Lama Act) would set one-fifth of their units aside for families who qualify for public housing. These families would move in and pay \$18-a-room per month rent, the average paid by public housing tenants.

The \$11 difference would be made up this way: apartment owners would have monthly payments on their Mitchell-Lama loans cut by the number of low-income families in their buildings.

Rockefeller's housing commissioner, James Gaynor, gives three reasons for favoring the plan: 1) the units would pay real estate taxes; 2) "the folly of financing slum clearance under public housing with long term loans would be eliminated;" and 3) costs would be reduced. (Mid-income units cost about \$2,000 less than public housing units in New York City; the state subsidy for rent supplements would be \$600 a year for each family vs \$900 for the same family in public units.)

Rockefeller also wants to let middle-income families buy \$18,000 Mitchell-Lama co-ops if they can produce a \$200 down payment. Normally buyers would have to pay about 10% of cost (the rate varies with location of an apartment), or about \$1,800 for an \$18,000 apartment, near the upper price for a mid-

\* Proposed (but sidetracked) in the mid-1930s as a substitute for public ownership of housing for low-income families. Rent allowances would be paid to families (or their landlords) to let them continue living in privately-owned units. Now, former Deputy Public Housing Commissioner Warren Vinton is a leading advocate of the idea.

four Republicans joined to defeat a petition to discharge the urban affairs bill from Sen John McClellan's (D, Ark.) committee on government operations. The 58-42 margin of Administration defeat in the Senate demoralized the House leadership. It put up no fight.

Who won, who lost? One lesson from the fight, as Columnist Rowland Evans Jr, observed in the New York *Herald-Tribune*, is that "the Kennedy Administration is prepared to use the legislative procedures of Congress to the hilt to pry out political gains."

Democrats hope they made some political hay with the pivotal Negro vote. For, as secretary-designate Weaver observed in a television interview shortly before Congress rejected the plan; "a large segment of the population" will interpret a vote against this department as a vote against having a Negro in the cabinet.

But the Republicans have written off the Negro vote, anyway. And they correctly note that in view of the margin of defeat, the Administration cannot pin the blame exclusively on the GOP.

income co-op.

The state would lend the apartment buyer the \$1,600 he needs for the full down payment, expecting payment over 10 years at 4½% or 5% interest. A \$1,600 loan would thus cost from \$16.65 to \$16.98 monthly.

Mayor Robert F. Wagner of New York City—mentioned as the chief contender to battle Rockefeller for the governorship—is ready with his own housing plans. He is setting up a policy-making Rent & Rehabilitation Administration to take over (or undercut) the middle income loan and tax abatement duties which New York co-ordinated under a supposedly policy-making Housing & Redevelopment Board less than two years ago. The agency will also administer rent control over city apartments, which state Republicans are passing back to city Democrats because they fear its political liabilities.

In Pennsylvania, a much-publicized plan (NEWS, May) to ape the Mitchell-Lama scheme for middle-income apartments is still leaderless. Enabling laws were passed in 1959 and early in 1961 the state got a \$300,000 federal grant to demonstrate how well the loan program would work. But Gov David Lawrence (D) has never appointed members of a board to guide the program, although sources close to the governor's office say appointments will be made soon. Others excuse the delay by arguing that low-interest state loans are unnecessary, now that FHA itself is insuring Treasury-subsidized 3½% loans under Sec 221d3.

### Farm home loan program could sweep rural market

The 1961 Housing Act contained so much for so many that one provision slid by without fanfare. It lets the Agriculture Dept's Farmers Home Administration (FHA) make 100% home purchase and fixup loans directly to residents of rural areas and towns of 2,500 or less people at 4% interest.

Eligibility rules are liberal. Applicants don't have to be farmers; they can be in any occupation. There are no income limits (but applicants must show they are now "without decent, safe and sanitary housing" which would exclude higher income groups). There are no loan limits, but FHA imposes a limit and FHA has 1,400 sq ft of living area (not counting garages, or storage areas). Applicants must show that 1) they can't get regular

financing at reasonable rates (often not hard to show), 2) are citizens and 3) own the tract of farm or non-farm land where the house is to be built.

The housing industry paid little heed to the provision, but rural residents did. Applicants poured in through FHA's 1,450 county agents. The Federal Housing Administration, which wants to crack the rural market, and the Voluntary Home Mortgage Credit Program, which was set up in 1955 specifically to funnel mortgage money into small credit-shy communities, find themselves out-subsidized by the liberal farm loan terms.

Only one thing has kept the rush from becoming a stampede. Congress authorized \$430 million for the program but the Budget Bureau, apprehensive over federal finances, has allowed only \$75 million to be used so far. From October, when the program started, through January the FHA closed 8,186 loans totalling more than \$67 million (average loan: \$10,630); then it ran out of money.

FHA is now asking for \$50 million more. Congressmen, with an eye on the rural vote, are putting pressure on the Budget Bureau to loosen up the purse strings. If more money is forthcoming, the other FHA and VHMCP may have to wait to serve small towns. The farm loan program runs until June 30, 1965.

## Producers hope profits will begin comeback

*continued from page 64*

lets in May and 2) opening of 12 new distribution centers.

#### Some companies see 1962 as pay-off time for heavy plant investments in recent years.

Many manufacturers have been tooling up for the over-predicted boom of the '60s. So far: no boom. The result is over capacity: makers are ready with plants that can turn out far more goods and products than were sold last year. This, more than doldrums in housing starts, has caused low prices and price-cutting. Lumber prices toppled to a post-war low in 1961; appliances and some flooring were afflicted; aluminum producers cut prices to meet Canadian producer competition.

Over-capacity even caught up with some of the industry's canniest executives last year. Chairman Owen R. Cheatham says GEORGIA-PACIFIC ended its six-year record of consecutive profit increases by making a bad guess. The company committed itself to substantial timber purchases at relatively high prices. But demand turned weak and sales and profits fell.

FLINTKOTE sustained heavy start-up charges from portland cement and asbestos-cement pipe plants last year. But Chairman I. J. Harvey Jr and President George J. Pecaro say: "1962 could well be the turning point in the company's program to provide greater sales and earnings through planned expansion obtained by capital expenditures."

President Joseph S. Young of LEHIGH PORTLAND CEMENT tells how over-capacity plagues his industry: "Since 1956 annual consumption of cement has remained fairly static [from 300 to 320 million barrels] while capacity has increased from 315 million to 440 million barrels, or 39%." Result: Lehigh Portland operated at about 81% of capacity last year, and plants in the Northeast section dropped as low as 65%.

Says Sedgwick of Medusa: "Cement is an extraordinary product that will gain an increasingly larger position in a dynamically expanded construction industry."

*NEWS continued on p 71*

# The puzzling revolt against housing codes

Federal officials can't condemn one outhouse—

yet five cities have given up their right to do so

Last month the seven councilmen (six Republicans and one Democrat) of Logansport, Ind. (pop: 21,106) found themselves in a fight.

First 3,000 persons (including many non-city dwellers) signed a petition demanding they kill a minimum housing code passed only two months before. Then 1,000 noisy, placard-carrying citizens packed a council meeting to emphasize that they meant business.

Such a showing gives pause to small town politicians, and the Logansport officers reacted predictably: they voted unanimously to toss out the housing code because "it was misrepresented to the council and passed without sufficient study."

The vote made Logansport the fifth US city to dump minimum housing codes into the municipal ashcan after similar and equally bitter outbursts from conservative elements in the community. The others: Spokane; Springfield, Ore.; Phoenix; and Lima, Ohio.

Even five robins don't make a spring, but the frequency of anti-code drives has all the makings of an incipient revolt. HHFA code experts will not comment publicly on how widespread the code revolt has become, but some concede privately that the drive is strong enough to concern them.

And the drive poses some vital questions: where is the push against codes really coming from? Why are anti-code drives (which often are twisted into anti-urban renewal campaigns as well) finding popular favor?

H&H correspondents probed into the situation in the five codeless cities. Some answers:

## Housing codes are difficult to dramatize and are widely misunderstood.

"What is a minimum housing code anyway?" is asked many times. And housing codes are often confused with building codes (which set structural and a safety standards for new buildings) or health codes (which deal with items from communicable diseases to septic tanks). Some housing codes draw from each of these others.

But the complete housing code typically sets minimum standards for all homes in three categories:

**1. Facilities**, so all homes will have bath fixtures, hot and cold running water, a heating unit, electrical connections where available, and a kitchen sink.

**2. Maintenance**, so homes must have a protective coating for exterior walls, rat-proof screens for cellar windows, and waterproof roofs.

**3. Occupancy**, so rooms are ventilated, bath private, and the number of persons sleeping in a room is related to its size.

Veteran slum fighters have long championed housing codes. The conservative Nat'l Association of Real Estate Boards was one of the first groups to demand that cities enforce minimum standards as the only alternative to massive federal spending for slum clearance. "Our federal government has some vast powers—to coin money, wage war, and explore outer space—but it cannot outlaw a single outdoor toilet," says chairman F. Law-

rence Dow of NAREB's Build America Better Committee. "Only local government can do this, and it needs to be done."

But what the US cannot do directly, it does indirectly. HHFA regulations stemming from the 1954 Housing Act demand that cities set up and enforce local housing codes before they can get federal subsidies for renewal and public housing. Since then 495 cities have put housing codes into force, says NAHRO.

## Code revolts have been sparked by ministers, editors, and John Birchers.

Code opponents show amazing variety from city to city. Here are the personalities who led fights to kill codes:

**Phoenix (pop. 439,170):** When city councilmen wanted to change a touchy section of their 1959-vintage code, Mayor Sam Mardian recalls "to our surprise we were met by a militant group of religious fundamentalists and two fundamentalist preachers." Most outspoken minister was Rev Aubrey L. Moore who says he is member of no group except his own West Van Buren Southern Baptist church. Moore regards codes and urban renewal as "part of a gigantic Communist conspiracy."

He was joined by Sam Levitin, secretary for the Property Owners Association. Levitin claimed 1,600 members but now implies his group is inactive. Knowledgeable insiders say some of the members were men who owned considerable slum property—and whose profits would have been cut by a housing code.

The Moore-Levitin forces got 10,477 names (about 25% of those voting at the last city election) on a petition demanding repeal of the code. Councilmen killed the code in February 1961, saying they wanted to head off a civic imbroglio in face of an upcoming election. Mayor Mardian has appointed a citizens committee to draft a new code. Result to date: hearings have been held.

**Springfield, Ore. (pop. 19,616):** Anti-code forces are closely identified with Leslie Fleming, who says he is Oregon organizer for the ultra-conservative John Birchers.

Anti-code petitions began circulating in the spring of 1961. The six councilmen (elected on a non-partisan basis) forced the issue to a city-wide special election in July rather than give up the code adopted in 1958. The antis called housing inspectors a "local Gestapo" and won repeal of the code by a two to one margin (even though registration is heavily Democratic).

In November, Fleming ran for mayor—but lost to incumbent Billy J. Rogers, a home-builder and developer. Then the anti-code forces turned against all urban renewal and sponsored recall elections against Mayor Rogers and one councilman for their pro-renewal stand. The recall failed, now Rogers says: "Our side has a clear majority and there is an entirely different complexion on our work."

**Lima, Ohio (pop. 51,037):** After the council passed a new housing code in April 1961, the Lima News (circulation 26,956) opened fire. The News is owned by Publisher R. C. (for Raymond Cyrus) Hoiles who also fights income taxes, public libraries, and public schools with tart reasoning: "A house of

prostitution is voluntary, grade school is not."

The prodding produced a Why Committee, which persuaded 1,417 voters (compared to the 1,311 required by law) to force the code to a vote last November. "The ordinance would even force us to allow city officials to enter and 'inspect' our homes without a search warrant," trumpeted the Why group. Television commercials showed a cartoon character kicking in the front door of a home, or an "inspector" holding a gun to the head of a "good citizen" putting screens on his windows. Result: 9,000 voted to kill the code, 4,400 to keep it.

**Spokane (pop. 181,608):** When Certified Public Accountant Frederick Phelps heard a chance remark that the city's 1957 housing code was being revised because it left something to be desired, he got a copy and began reading. Phelps says he is an old-fashioned Republican who never got involved in a public fight before. But the code incensed him. He contends people should be allowed to live like pigs if they want to.

Phelps fought the new version of the code through every public meeting but the city council passed the changes in November after hearing local realtors, the AIA chapter, and building owners and managers endorse it. Phelps organized a Fed Up Committee. It crusaded against his interpretation that buildings now could be declared "substandard" although they were not structurally "dangerous or a nuisance." The committee also claimed inspectors could enter homes without a warrant. (Actually, the old code permitted this but the new code forced inspectors to get a warrant if an owner or tenant refused admission.)

In 28 days the Fed Ups dredged up 20,180 (vs 6,000 required) signatures seeking repeal of the code. "This was amazing. It never happened before," says Mayor Neal R. Fosswean. "The clerk just stopped counting." The council repealed the code in December. Fosswean believes most petitioners "were simply misinformed. The new code was weaker. But to pick out one part—one minor part of a large program—and say, 'This is all bad'—that doesn't make sense." The old code remains in force.

**Logansport (pop. 21,106):** No one protested when the city council passed a housing code to qualify for a \$1.6 million renewal program in December. But in January the influential *Pharos-Tribune* (circulation 12,040) editorialized against the right of city officials to enter homes. The paper, published by conservative Justin R. Druck, called only for amendments because "we recognize the fact that a sensible housing code is necessary and desirable from a standpoint of health and safety."

But an anti-code committee quickly gathered the 3,000 signatures which prompted the council to rescind the code in toto.

## The issue of inspectors violating a man's castle is exaggerated, code experts say.

Only in Springfield have inspectors had trouble entering homes—and city officials had not forced the issue on eight balky owners.

"Rarely does this become an actual problem," says one national expert. "But the Su-

continued on p 74

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preme Court decision (NEWS, JUNE '59) in this point says an inspector can enter a house any hour of the day or night. It's unfortunate, because this is twisted by opponents." Example from Lima: Codes are "fixup by force." "Why can't people look at the benefits?" asks David Clarke, HHFA staffer assigned to persuade cities to enforce housing codes. "No one really knows the full benefits of a code

## The next struggle: how to use land

Urban Renewal Commissioner William Slayton has handed an implied rebuke to cities (and some federal officials) who favor preempting renewal sites for low- and middle-income housing because of its political sex appeal.

Slayton thinks this is wrong: "If the highest locational use is for high rental, high density properties, then the community should be permitted to redevelop for this purpose," he says. "It would be the height of foolishness indeed to warp sound land use planning principles to force the use of such sites for other purposes, such as housing for low-income families or commercial enterprises."

Quality rental housing has provoked some of renewal's stormiest episodes: when high-rent quarters began going up on the first renewal sites, officials like former URA Commissioner David Walker bemoaned the fact that cities were becoming homes for only the very rich and very poor. That touched off a revolt which led to a clause in the 1961 Housing Act letting cities sell renewal land at below-market prices for mid-income units.

Slayton's remarks drew sparks from Milton Mollen, new chairman of New York City's Housing & Redevelopment Board (NEWS, Mar). Mollen's first policy decision bans luxury-only projects (which pay the highest property taxes) because, says Mollen, he "does not believe in rigid adherence to the principle of the highest and best use of land." Revolt against luxury high-rises has been especially strong in New York, where they became almost synonymous with Robert Moses' neighborhood-blasting tactics (NEWS, April '60). One result: the choice Cadman Plaza site next to Brooklyn's \$250 million civic center has been switched from fully tax-paying units with estimated rents of \$53/rm in 1959 to 980 co-operative apartments, 40% paying

administered with discretion and an appeals board. Why don't code opponents walk through slums room by room?"

"The few cities that have turned their backs on housing code enforcement have taken an action something like turning their backs on a local fire department," says Realtor Dow of BAB. "It is just as important to prevent fires as to put out fires when they occur."

full property taxes and 60% getting these assorted aids:

TYPE	UNITS		MONTHLY CHARGES	TAX ABATEMENT
	No	%	PER ROOM	
FHA Sec 213	390	40	\$39-45	None
Privately-financed redevelopment co.	340	35	33-35	50% for 25 years
City-subsidized loan to limited-dividend company	250	25	26-28	40% for 30 years

Another 175 public housing units are planned within a block of the project.

## RENEWAL BRIEFS

### One-stop remodelers organize

The group, called General Improvement Contractors Association, is the brainchild of John H. Haas, Washington's persistent promoter\* of Sec 221 home rehabilitation.

"This is for the one-stop remodeler who works in the mid-city areas," explains Haas. "There's practically no competition in the older areas—it's a terrific potential." Most highly-publicized remodeling operators, says Haas, work in suburbs where selling remodeling is easier—and competition rougher.

GICA has opened a processing center for all FHA-financed rehabilitation and plans a training program. Haas, executive vice president, says GICA has 15 charter members. Most of them were members of another organization (Metropolitan Association of General Improvement Contractors) headed by Haas. MAGIC was absorbed into the Washington home builders chapter last year.

### Land offerings up five-fold

URA estimates between 10,000 and 12,000 acres of cleared slum land will be up for sale to residential renewal builders in the next three years. Cities with 575 projects will sell the land and URA will soon list it for the first time.

The total is five to six times the 1,500 to 2,000 acres URA reports have been cleared and sold in all US renewal projects since federal subsidies began in 1949.

Commissioner William Slayton says this is only part of an eventual 30,000 to 35,000 acres (about the size of the Bronx in New York City) going on the market for new renewal housing before the US spends its present \$2 billion renewal subsidies.

"This will generate construction of 300,000 dwelling units," predicts Slayton. Judges FHA Commissioner Neal Hardy: "Excellent housing sites for newlyweds and the elderly."

### Official kisses critics

It's almost like the old saw about man biting dog: Commissioner William Slayton of URA wants radio and television broadcasters to discuss renewal more—and editorialize upon their findings.

In a few short years renewal has blossomed into a foremost news topic because it cuts across so many different community interests, he told the Nat'l Association of Broadcasters. "Not all news stories are complimentary, to be sure," he notes. "But I welcome the lively discussion these activities arouse. Only by discussing urban renewal openly can citizens arrive at the sound decisions necessary for their present and future welfare."

### West Village embargo dies

When New York City's Planning Commission branded 14 blocks in West Greenwich Village a blighted neighborhood (NEWS, Dec), residents complained the lingering blight tag would choke off mortgage loans for improvements. Last month the planners bowed to a nudge from Mayor Robert Wagner and dropped the blight designation from city records.

\*And author of 221—The Program Nobody Knows (NEWS, Jan '60).

## PUBLIC HOUSING:

## Public housers show off their close ties to Administration

The 500 members of the Nat'l Housing Conference attending its 31st annual convention in Washington last month were treated to a sight for tired bureaucratic eyes:

Gathered on stage were the top brass of HHFA Administrator Bob Weaver's HHFA team (see photo). Never before had they performed en masse at a public meeting. For the public housing lobby group, they did.

For an hour they held an unprecedented "open" staff meeting. Then for another hour they answered questions from men thoroughly versed in the buck passing ways of bureaucracy. "This kind of show is wonderful," chortled veteran public houser Ernest Bohn of Cleveland. "It's like bearding all the lions in one big den."

The lions went through their paces neatly, answering all questions unflinchingly and dropping some unguarded morsels of information. At the end, former NHC Executive Vice President Lee Johnson (and director of Denver Housing Authority until he quit in a tiff last year (NEWS, AUG) glowed: It's the first time we have had everyone talking the

same language." Samples:

- Weaver: "I think we have something unique—all the commissioners now speak to each other . . . We also discovered we have a lot of market analysts in this agency—and they haven't even spoken to each other. We're trying to get them to work together. It just doesn't make much sense for different agencies to operate on different data."

- Public Housing Commissioner Marie McGuire: "A total of 144 new cities and towns organized public housing authorities in 1961. Many did this so they could serve the aged. We have over 40,000 units of public housing for the aged in the pipeline—and 359 localities are building them."

- FHA Commissioner Neal Hardy: "Sec 221d3 (insuring 3 1/8% subsidized loans for middle-income housing) has surpassed our best expectations. We have committed on units costing about \$50 million, and have approved another \$150 million worth. Costs are running around \$8,000 a unit. This is a substantial program—about 25,000 units. My

only disappointment is that there have been only two applications from local housing agencies [eligible for loans by federal law]."

- General Counsel Milt Semer of HHFA (when asked if the Administration was drafting any state laws to let housing authorities take advantage of this federal law): "We have the language if you have the votes in your legislature."

- Weaver (defending Sec 221d3 to a New Yorker): "To put it bluntly, this program will not build 20-story elevator apartments in Manhattan. But it will increase the Mitchell-Lama (state-subsidized) loans available in Manhattan by letting more mid-income units to be built outside New York City."

- Hardy (justifying income limits in Sec 221d3): "Under the 1961 Housing Act this housing was for low-and middle-income families. We do not intend to make annual reviews of incomes [of tenants]. But we feel we reserve the right to do something where incomes vary considerably over a period of



**HHFA HIGH COMMAND** is welcomed to Natl Housing Conference by President Nathaniel Keith (third from left). Present are (l to r) CFA Commissioner Sidney Woolner; URA Commissioner William Slayton; Keith; HHFA Administrator Bob Weaver; PHA Commissioner Marie C. McGuire; Deputy HHFA Administrator Jack Conway; FHA Commissioner Neal Hardy; Asst HHFA Administrator for Program Policy Morton Schussheim. Also on hand but not pictured: President J. Stanley Baughman of FNMA; General Counsel Milton Semer of HHFA.

time [through rising salaries or other items]."

• Urban Renewal Commissioner William Slayton: "The demand for luxury units [in renewal areas] just isn't there."

• President J. Stanley Baughman of FNMA: "Neal (Hardy) and I have instructed that no Sec 221 applicant whose credit has been approved by FHA can be turned down in our field office. It must be sent to Washington and will be reviewed jointly."

• Weaver: "I am concerned to do two things: to provide a sufficient volume of housing, and, second, to provide a greater choice between rental and sales housing, between city and suburb."

NHC listened to a lively debate on public housing and renewal.

"The mail I get is one long whine," reported Author-Critic Jane Jacobs of reaction to her book, *The Death and Life of Great American Cities* (NEWS, Nov). "Why all the

lip service [to good housing and planning] and yet we go on doing it the same way? I think you would get so bored with yourselves that you couldn't stand it. There's too much wishful thinking. In another culture public housers would be rain dancers. Take vest pocket projects—we've talked about them for years. Yet just last month Chicago opened the nation's biggest public housing project (4,415 apartments on 95 acres)."

"When one builds the abattoir for sacred cows," retorted Housing Consultant Charles Abrams of New York City, "one shouldn't be surprised at a little beefing." Programs like public housing keep to their tired ways, he said, because "after you go through all this [lobbying for laws, fighting court cases, and pushing to get funds] it's too hard to start over again with something that represents common sense. Changes will be shaped by "defunct state government and rising federal government."

Snapped Development Co-ordinator Edward Logue of Boston: "I'm appalled at the Chicago project. Someone should be dismissed from public service for it. I think a lot of them [public housers] think they can forget all this [criticism] because they're back in business again (with a huge new authorization in the 1961 Housing Act)."

Housing Lecturer Catherine Bauer Wurster of Berkeley deplored the "class warfare" between city and suburbs and paraphrased Weaver's housing goal as an answer to over-planning: "Give a variety of housing and let the people sort themselves out."

**NHC is seeking back-door financing via the federal Treasury for four costly programs.**

The conferees approved without debate a resolution calling for the four programs "to provide orderly growth of metropolitan areas." The quartet:

1) \$250 million a year for three years to pay two-thirds of the cost of mass transit facilities; 2) federal loans for acquiring land needed for "a wide variety of planned uses, and eventually sell or lease (the land) for development by private enterprise;" 3) \$100 million a year to buy open space compared to \$35 million now (NEWS, Feb); 4) more assistance to metropolitan planning.

"All these programs should be covered through Treasury financing rather than through annual appropriations so as to permit the long term commitment necessary in such programs," contend the public housers. And Executive Vice President Laurence Henderson of NHC expects this to be the toughest Congressional fight of the year.

## Miami ousts \$90-a-month tenants for \$29-a-month elderly

This curious displacing of families paying full rent in a private development came when the Miami Housing Authority bought 288 existing apartments and converted them into homes for aged persons.

The switchover posed a big relocation job for the authority. Only 24 (less than 10%) of the one-bedroom units were vacant when the authority bought them. Tenants paid \$90 a month rent. Normally, public housing is supposed to help re-house low-income people displaced by government-sponsored building.

Executive Director Haley Sofge of the authority asked the Apartment House Owners' Association to help relocate the occupants. This worked so well in vacancy-plagued Miami that within five months all but 124 tenants had moved. During the changeover the authority acted as landlord for the private tenants and collected \$35,000 in rent.

Sofge says his biggest problem has been keeping elderly tenants from moving into the apartments before they are readied for aged residents by installing special furnishings like grab bars in baths and handrails on stairs. All units are also being painted and fitted with new gas space heaters and refrigerators. Even so, thanks to federal subsidies, the new residents pay an average of only \$29 a month rent (figured at one-fifth of family income). The minimum is \$25/mo.

**The changeover came about after Cuban owners offered to sell at a bargain price.**

Armando M. Menocal of Key West, member of a distinguished family which fled Cuba many years before Fidel Castro came to power, offered the apartments to the authority. The location impressed Sofge. The apartments



**THESE FORTRESS-LIKE APARTMENTS GAVE MIAMI CHEAP PUBLIC HOUSING FOR THE ELDERLY**

were scattered in five groups (of 96, 96, 48, 32, and 16 units) in a near-downtown neighborhood—nearly ideal for elderly residents, who need walk no more than two to eight blocks to mass transit and shopping. And Sofge had a backlog of 700 low-income elderly waiting to move into public housing as soon as two new projects were finished.

So Sofge assigned appraisers to inspect the apartments. They reported the units, built in 1949, were so solidly constructed they had an estimated life of a fantastic 100 years—and might last longer. Some uncommon plus items: bronze casement windows and screens, marble window sills, stainless steel kitchens, brass striped terrazzo floors, copper downspouts, and Cuban tile porches and staircases.

When Menocal agreed to sell for the appraised price—\$1,738,000, or \$6,035 a unit—Sofge bought. So far he has received only one

complaint on the purchase—from a neighborhood property owner who wanted the authority to buy his building, too.

**Officials contend the deal saved taxpayers 21% over cost of building new public housing.**

Sofge's arithmetic goes like this: the units cost \$6,035; new equipment (grab bars, heaters, refrigerators) and painting add another \$800 a unit; the \$35,000 collected in rent covers half the interest on notes to buy the apartments.

The total of \$6,835 is still \$1,765 less than the \$8,600 cost to build another 55-unit, two-story development for elderly in a different neighborhood. And that neighborhood doesn't have one-tenth the appeal and amenities of the converted apartments.

NEWS continued on p 78

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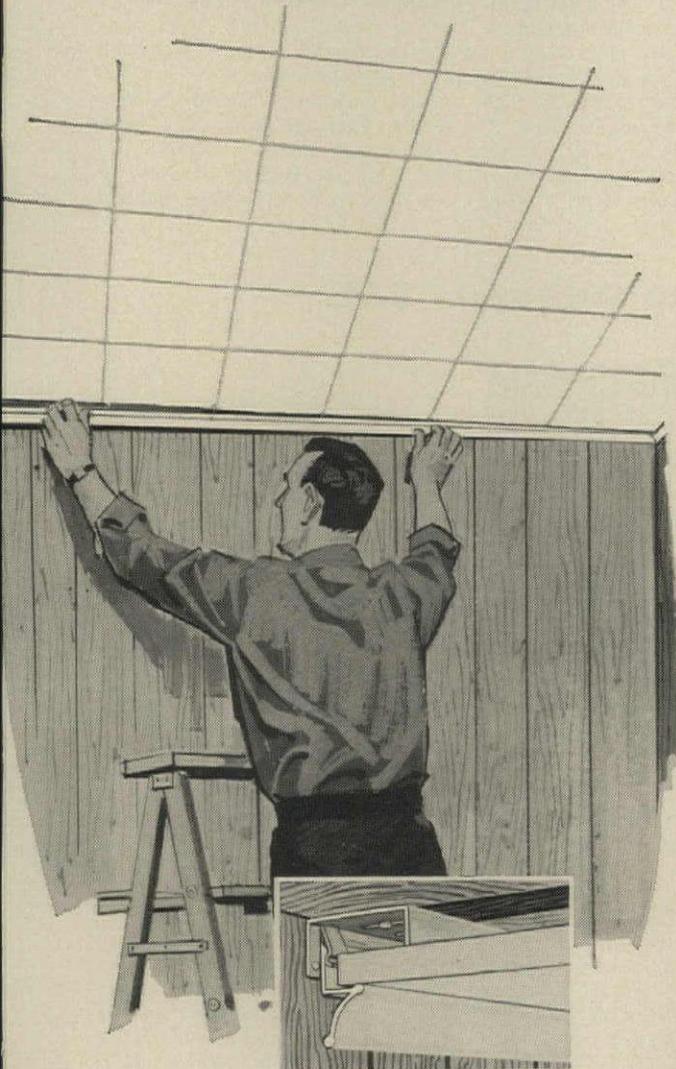
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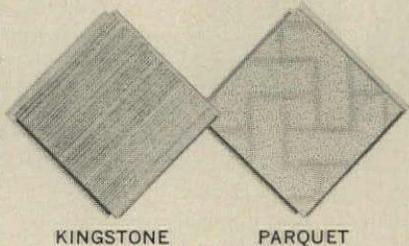
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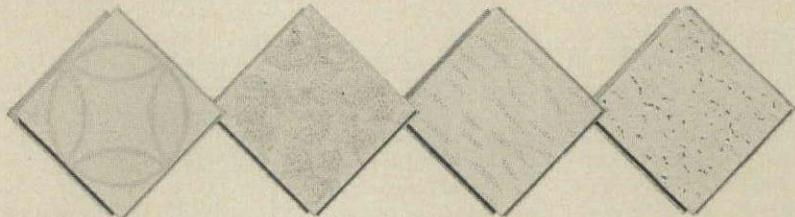
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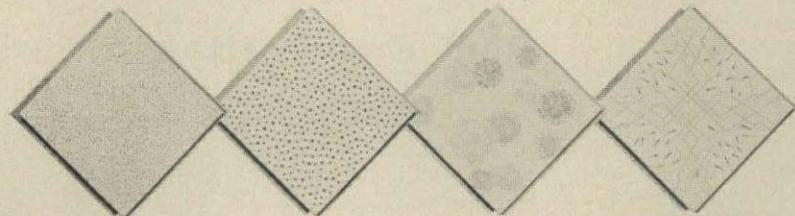


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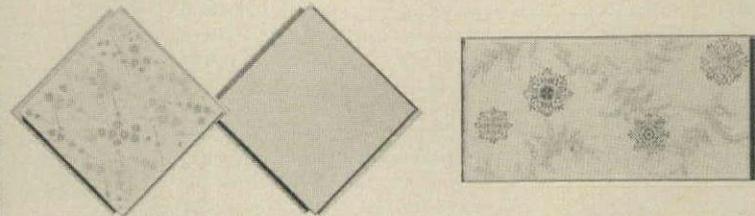


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## New boss for Simpson Timber

Succeeding **Thomas F. Gleed**, 62, as chief executive and No. 2 man of the Seattle-based lumber and building products giant: **C.** (for **Cecil**) **Henry Bacon Jr.**, 53. Gleed moves into the chairmanship of the finance committee. Still No. 1 man of the company which has been family-held since its founding in 1895: Chairman **William G. Reed**.

Ruddy-faced, energetic Hank Bacon, a classmate of Reed's at the University of Washington, joined Simpson as administrative assistant to Reed, then president, in 1945. Although Simpson was one of the

dent of Douglas Fir Plywood Association and vice president of the West Coast Lumbermens Association.

**BUILDERS:** Past NAHB President (1943) **Fritz B. Burns**, 62, of Los Angeles has been elected a director of Hilton Hotels Corp. Burns, who recently helped Industrialist **Henry J. Kaiser** develop Hawaiian Village, Honolulu resort, is now building apartments near Los Angeles Intl Airport, developing industrial parks near San Jose and San Fernando Air port.

**John H. Tolan Jr.**, 51, Richmond (Calif.) renewal expert and treasurer of Barrett Homes Inc, was named to a four-year term on the California Real Estate Commission, as was Realtor **Milton Gordon**, 39, of Los Angeles.

### Colling retires early from code group post

At the annual meeting of the Intl Conference of Building Officials last fall (NEWS, Nov) officials began preparing for the retirement of Managing Director **Hal B. Colling** when he reached the mandatory retirement age of 70 in April 1963. President **Philip Roberts** of Boise, Idaho named a three-man committee to ease the transition between Colling and his successor, ICBO technical director **T. H. (Nick) Carter**.

But, says Roberts, this arrangement "got pretty complicated. It's just the same if you had two men doing your job—you'd wonder who was boss." Several suggested solutions were rejected.

"Then Hal made a proposal that he would retire early on Feb 15—and we were able to work out the



ICBO'S COLLING

*Silent exit*

financial arrangements. That's all there was to it. Hal seemed happy and the executive board was unanimous in taking the action."

Actually, the departure of the man whose name was synonymous with that of the West Coast proprietary code group seemed less peaceful than that. One board member says Colling ran afoul of "policy differences" with the board and that one difference centered on Colling's poor public relations. Says Roberts: "Public relations kind of did enter into it—Hal never did have good public relations."

Roberts refuses to explain the trust fund ICBO set up for Colling and his wife, Ruth, who had published the group's magazine since 1929 and was ICBO's salaried director of publications since 1955. "We set up the trust fund because many years ago they procured funds on their own to keep the conference going," explains Roberts. The ICBO financial report of June 30, 1961 says ICBO agreed to put \$20,000 apiece in trust for Colling and his wife, and that the fund then contained \$26,179.

In their long years with ICBO (Colling started doing publications and promotion work in 1933 when

it was known as the Pacific Coast Building Officials Conference), the Collings were perennially controversial. Many charged they personally profited from publishing ICBO's official magazine and building code, but the code group solved this by making Mrs Colling a paid employee in 1955, rather than an independent contractor.

Others criticized ICBO's practice of charging \$150 for approving new products, and \$120 a year to renew this approval. One nationally known code expert defends this practice vigorously: "No other code group has such an efficient, rapid, and competent program of new product qualification," he says. "This amounts to communicating this eligibility to each member building officials [ICBO claims its code is used by 1,330 cities] for about 10¢ a year—it is impossible to take even a bus ride to a building official's office for 10¢ to explain to him that you do have conference eligibility."

Colling was criticized, too, for coolness toward the other regional code groups, the Southern Building Code Conference and Building Officials Conference of America. Says his defenders: "He does, with credit to himself and his organization, make very sure that his policies and objectives are not confused or comingled with code activities elsewhere."

The departure of Colling and the death of **Marion Clement** of the SBCC (NEWS, Feb) remove two of the most vocal advocates of regional codes whose existence has been the biggest built-in barrier to a single national code. Says Roberts on this score: "Things will be a lot better now."

One symptom: Roberts and new ICBO Managing Director Carter pow-wowed early in March with new Director **Hubert Caraway** of SBCC and Director **Paul Baseler**



SIMPSON'S BACON

*New chief for forest giant*

nation's largest timber companies, it was in trouble: it was running out of timber land. After Reed's decision to expand rather than liquidate the company, a broad diversification program began. Bacon moved up to general manager in 1949, and Reed brought in Gleed, then president of the Seattle-First National Bank, as president in 1951. The company boosted its timber holdings to 500,000 acres, spread out into many fields: plywood, doors, insulating board, hardboard, acoustical products and wood tanks and pipes. During its time of greatest growth from 1951 to 1956, Simpson boosted its number of plants from six to 20 (in Washington, Oregon, California) and the number of employees from 2,500 to 6,000. Insiders give a big share of the credit to Bacon, an extrovert with a keen mind for new analyzing ideas, for the company's rejuvenated diversification and sales promotion activities which have skyrocketed sales from the pre-1951 figure of \$25 million a year to \$100 million now. In 1951, Bacon became a "kind of shopper for the company," scouting and appraising possible acquisitions. He moved up to vice president and general manager in 1954 and to executive vice president in 1958.

When the lumber industry hit hard times because of over-production in 1960, Bacon laid out a blueprint for streamlining the company's operations that kept Simpson in the black, brought it out of the slump a little leaner but a lot fitter.

The eighth president in Simpson's history, Bacon is a past presi-

## Bank Board settles row with California S&L

For more than 16 years, **Thomas A.** (for **Audrey**) **Gregory**, 57, has feuded with the Home Loan Bank Board over the operation of his Long Beach Federal S&L. Twice the HLBB took the unusual step of seizing the association and ousting Gregory—the first time in 1946—(Gregory got back in as president after a two-year fight) and then again in 1960. The HLBB contended that Gregory ran the S&L in an unsafe and unsound manner.

The dispute, which touched off a Congressional investigation of the HLBB and also demands for curbing its seizure powers, has just ended in a compromise agreement that will put Gregory back behind the president's desk and irons out past differences. Settlement terms haven't been disclosed pending approval by US District Court and an accounting of the association's assets for the 20 months it has been under government control. When it was seized, the association had assets of \$110 million and deposits of almost \$97 million. At the be-



LONG BEACH'S GREGORY

*Back at his old stand*

ginning of this year, deposits were down to \$28 million.

Gregory, who still has the twang of his native Arkansas when he talks, has been in the California S&L business since 1928 when he and his father, John, moved out of homebuilding to found the Bellflower Federal S&L with \$27,500 in capital. They founded Long Beach Federal in 1934 with \$7,500 in

capital and the son as president.

After the senior Gregory died in 1959, a daughter, **Mrs. Carolyn Stanland**, became president of Bellflower. After Gregory's ouster in 1960 from Long Beach Federal, he moved into Bellflower as vice president. Subsequently, Bellflower switched to a state charter and merged with Equitable S&L, Long Beach, headed by **Charles Berry**. Mrs Stanland became vice president. The merged association has \$63 million in assets.

When Long Beach Federal was seized two years ago, Gregory was trying to convert it to a state chartered association with a view to merging with Equitable. When he officially gets back in control, Gregory says he still has the same plans. Although he is not a lawyer, he is regarded as an expert in S&L law (he negotiated most of the Long Beach settlement with the government attorneys) and he doubts that the California ban on S&L mergers will stymie him since his merger started first.

of BOCA. Such a meeting before would have produced nothing but sparks, says Roberts. "Now I am surprised at the warmth and friendliness. All are good codes and good men. We're all agreeable that we want the three to speak as one on housing codes."

Carter, 40, ICBO's new managing director, is a Los Angeles native who joined ICBO in 1954 after spending 12 years as research engineer and senior structural engineer for Los Angeles. He is a graduate of California Institute of Technology.

### General Development picks ad man as No 2

**F. Kenneth Beirn**, 51, former boss of three major advertising agencies, is the new executive vice president of the Florida building and land development giant.

He teams with President **Harry A. Yoars**, a financial and mortgage expert (NEWS, July), to give GD an unusual executive combination.

Yale-alumnus Beirn started as



GD'S BEIRN

From Madison Avenue to Florida

a \$26/month merchant seaman, switched to advertising and worked up to presidency of Biow Co (later renamed Biow-Beirn-Toigo) in 1953. Three years later the firm (\$46 million billings) lost its big Pepsi-Cola account, supervised by Executive Vice President **John Toigo**, and Beirn quit in the uproar. He moved to executive vice president (later president) of Ruthrauff & Ryan, where he helped shape General Development's first \$10-down, \$10/month national ad campaign and became a "good friend" of GD Chairman **Gardner Cowles**, publisher of *Look*. When Ruthrauff & Ryan merged with Erwin Wasey agency in 1958, Beirn switched to president of C. J. LaRoche & Co, where he handled 14 cosmetic products for Revlon. In 1959 he became vice president for advertising of Revlon, but quit 10 months later. "If I weren't so emotionally and intellectually caught up in the plans of General Development Corp (with an interest that goes back several years to my first involvement with their first big national advertising push), I'd have wanted very much to work with you," he wrote in resigning.

Next month he joined General as a marketing consultant in New York City, switching to assistant to

the president based in Florida last August.

Other executive changes followed on the exit of GD founders **Robert, Frank, and Elliott Mackle** last month (NEWS, Mar) and the ascension of Cowles to power. Midwest Industrialist **Emile L. Dumas**, former vice president of Twin Coach Co and financial executive of US Steel Corp, becomes secretary-treasurer. **Herbert R. Savage**, chief architect and director of GD's 60-man engineering, architecture, and land planning staff, becomes a vice president.

**POLITICS:** Builder **Frank J. Barbera**, 58, has been endorsed as the Republican candidate for Congress from a newly-created district in northeast Philadelphia. Parts of three suburban towns are also included. Barbera probably will face Democratic Congressman **Herman Toll**, whose old district did not contain any of northeast Philadelphia. Barbera, a graduate of the University of Pennsylvania's Wharton School of Finance, is also active in real estate.

California S&L Tycoon **Bart Lytton** has stepped out as finance chairman for Democrats in southern California. His successor: his nephew, **Louis J. Galen**, 36, of Beverly Hills, who is president of World S&L.

**MARRIED:** FHA Commissioner **Neal J. Hardy** and **Sallee Woodward**, onetime NAHB aide who more recently edited *Housing and Urban Affairs Daily*, a newsletter sponsored by public housing interests. She now works on Capitol Hill.

### Stockton-Whatley buys Florida mortgage firm

President **J. J. Daniel** of Stockton, Whatley, Davin & Co, Jacksonville, has announced the purchase of the \$85 million mortgage servicing of Knight, Orr & Co, Jacksonville. Acquisition of K-O's business boosts S-W's portfolio to more than \$500 million, third largest in the country (first two: T. J. Bettes, Western Mortgage). The purchase price was kept secret.

Daniel says the deal was made to: 1) expand S-W's mortgage activities 2) acquire key personnel. Chairman **Brown Whatley** now spends most of his time running Arvida Corp; Vice Presidents **Jack Yates** and **George Dickerson** quit in recent months, leaving Stockton-Whatley shy on mortgage executives.

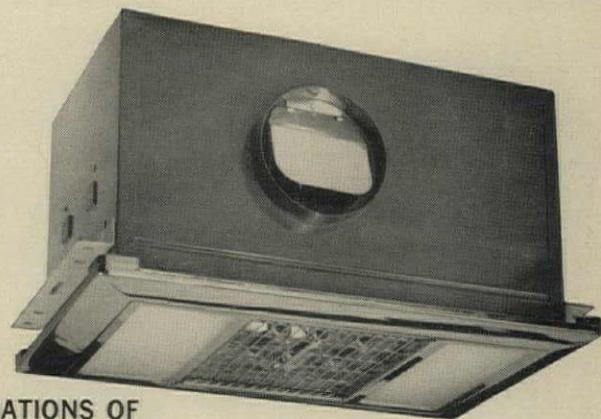
Among a dozen K-O people moving over to S-W is Executive Vice President **John Gilliland**, 50, former president of the Florida Mortgage Bankers Association. Gilliland is now vice president in charge of all of S-W's mortgage operations.

K-O servicing offices in Orlando and St Petersburg will be merged with S-W's offices there. S-W did not take over K-O's insurance and real estate operations.

NEWS continued on p 81



EVEN LITTLE BATHROOMS NEED . . .



FIVE COMBINATIONS OF HEAT, LIGHT, VENTILATION

# Emerson-Pryne Heater-Fan-Light

Just pick the "comfort combination" you want—then DIAL IT! A six position switch gives you a choice of (1) Light (2) Fan (3) Fan and Light (4) Fan and Heat (5) Fan, Light and Heater. Number six is "off" . . . that's essential, too!

The Emerson-Pryne 5010 installs easily. Fits between ceiling joists on adjustable mounting brackets that eliminate framing in. Needs only 7½" headroom. UL listed.

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# HEAT

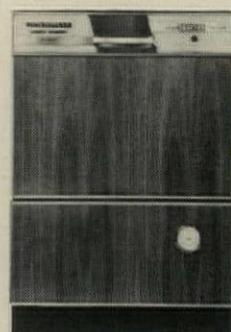


## KitchenAid Owner.

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'... A pin for every balloon'

Local AIA bulletin throws away the book

Most local trade association journals range from stodgy to boring. Writing is often tedious, editing almost non-existent. The worst are put together in slapdash fashion. Significant material, if any, is lost in the trivia.

There are exceptions. And perhaps most delightful among these few is the bulletin of the Southern California chapter of AIA (Los Angeles-Long Beach). Its editor: **Allen G. Siple** AIA, a sometimes-caustic, sometimes-whimsical architect-journalist whose editorial credo is simply "no compromise."

Siple edits the magazine single-handedly without pay, has made it a journal of solid comment about architectural practice plus sophisticated entertainment.

In his three years as editor, he has thrown out all puffs for advertisers. Even throws out ads if they aren't esthetically pleasing. He persuaded an exterminating company to replace its "junked-up ad" with one showing a single large picture of a forest. He even turned down a 16-page pre-printed insert on the contention "it would make our bulletin look like their catalog."

He has virtually eliminated half-tone engravings. ("Too expensive," he explains.) For illustrations he uses drawings contributed by architects (eg **A. Quincy Jones**, **Richard Neutra**, and **Howard Morgridge**.)

For pictures of people he uses steel engravings lifted from 19th century books, picking portraits for their resemblance to the architects they represent.

Siple rules out death notices, births and other statistics, explains: "I suppose it's great stuff but I find it a crushing bore." Neither does he try to publish architectural work. "We can't compete with the professional architectural magazines, so why try," says he.

Siple writes his own editorials, has been given complete freedom to comment as he pleases about everything from parking space at

UCLA to the design of the Roosevelt Memorial.

But he obviously finds greatest pleasure in the letters, each of which he answers in print. Examples:

• A San Diego public relations man, representing an architectural firm there, wrote to suggest the bulletin might like to feature the firm's work editorially and offered "specific information."

Replied Siple: "We also have 'specific information' on 'some outstanding design concepts' of 763



ARCHITECT SIPLE

(As sketched by Quincy Jones) members of the Southern California chapter of the AIA. How about a swap?"

• *Sunset* magazine sent Siple a release announcing winners of the AIA-*Sunset* western home competition. Editors must have been astonished to get a reply which said in part "... your expression 'custom-designed house' would be religiously deleted, and after deletion would be air-dried, incinerated, and pulverized with a view toward reducing it to a useful aid to agriculture ... Why do we persist in keeping such dying cliches alive? Why not encourage natural death, or sudden death and violent, if necessary."

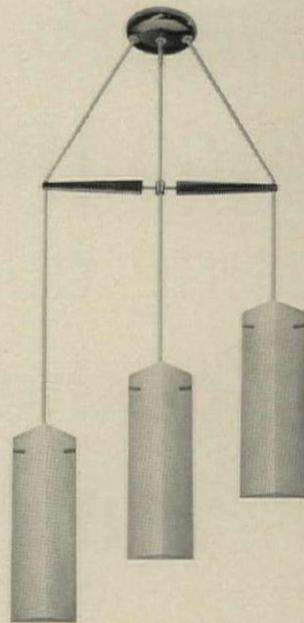
Other architects have caught the spirit of the game, now send Siple chiding, even critical, letters—each of which he answers in print.

Editor Siple has a pin for every balloon—including the lofty Los Angeles *Times*. The *Times* publishes a house-plan feature each Sunday called "We like this plan because." Siple has started a feature under the same name (see cut). His first plan was a labyrinth of which he wrote: "Too long have we indulged in the open plan, eliminating halls ... living rooms merging with dining rooms, family rooms merging with kitchens and libraries merging with laundries. In this plan the hall is used with conviction."

When Siple took over the magazine it was a monthly. He had trouble meeting deadlines, fell so far behind he put out one issue for two months. Over the vain protests of advertising agencies he has con-

continued on p 83

TRADITIONAL ...



OR MODERN



# Emerson-Imperial Trendlighting

A lot of builders are mighty enthusiastic about the Trendlighting Line.

Good reasons! From one source—one catalog ... a complete collection of fixtures for every style of home, every room (outdoors, too). Exciting new ideas in cased-opal glass, ceramics and plastics ... all reflecting major home decorating trends. Attractive, fashionable, effective. "Trend Setting"—that's for sure.

ASK FOR YOUR FULL-COLOR TRENDLIGHTING CATALOG ... do all your "light shopping" the easy way!

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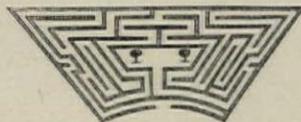
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# LIGHT

WE LIKE THIS PLAN BECAUSE ...

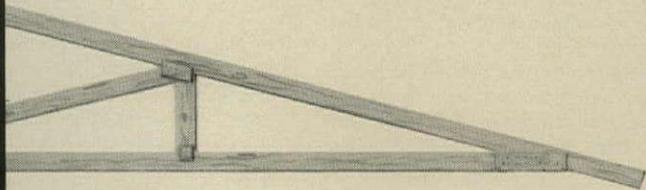
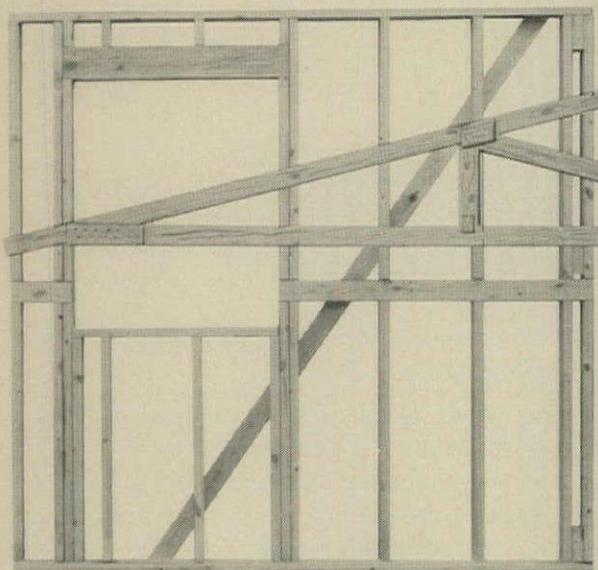
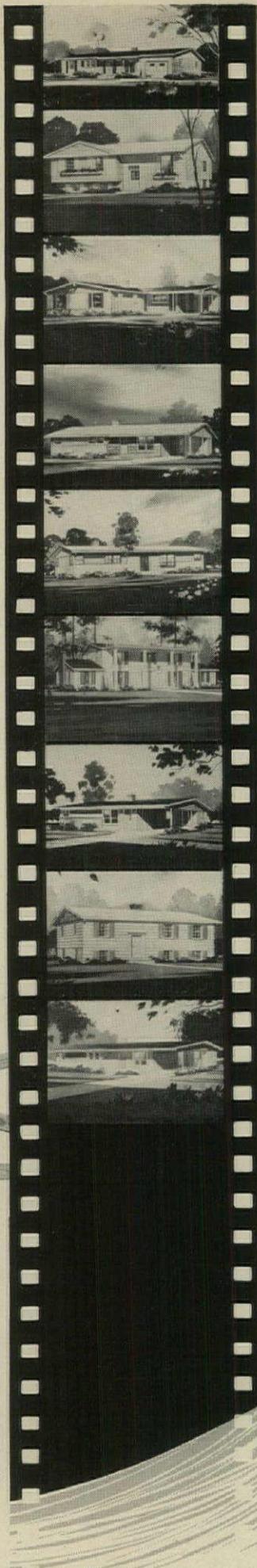


This compact arrangement emphasizes the value of circulation. Here the corridor regains an historic importance somewhat forgotten in recent years. Too long have we indulged in the open plan eliminating "halls,"—living rooms merging with dining rooms, family rooms merging with kitchens, and libraries merging with laundries. In this plan, the hall is used with conviction. It will be observed that there are no doors or windows—and no plumbing. After all, we must mind the budget.

The whole plan leads interestingly, though not without entertaining difficulties, to the central patio, thus bringing the outdoors indoors and keeping it there! And what a place to chase somebody around on a hot night knee-deep in summer with interesting frustrations functionally built-in!

(First of a series of house plans, published with no apologies to anyone, in general or in particular.)

“We’ve  
built  
over 16,300  
**Lesco Homes**  
using quality  
**Southern  
Pine”**



says **L. L. LESTER, Jr.**, *President*  
**LESCO HOMES, MARTINSVILLE, VIRGINIA**

*“And for good reason, too. Check these facts:*

- Our framing lumber must be uniform in size and stability, must insure tight, accurate fit at every joint.
- Trussed rafters and other components must meet exacting strength and load requirements. Southern Pine, uniformly graded through its entire length, is best suited for simple beam, cantilever, continuous or tension loading design.
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- Southern Pine meets all the requirements of the FHA Minimum Property Standards, the Southern Standard Building Code, and other regulatory agencies. The Federal H&HFA says that the requirement for an all purpose, full-length stress-rated grade for use in trusses and other light framing is ‘most nearly approached today in Southern Pine’.”

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Please send the following technical bulletins:

- Stress Grade Guide       Trussed Rafter Data  
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**SOUTHERN PINE ASSOCIATION**

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verted the magazine to a quarterly. (It is supplemented by a monthly chapter newsletter.) Says Siple: "I gave up events. I could never get the magazine out before the event."

Siple, 62, looks more like a small town journalist than an architect. White-maned, given to wearing rumpled tweedy suits, he runs a one-man office in Beverly Hills. But he has a well-earned reputation for good design. Most of his past work has been residential (including ex-Vice President **Richard Nixon's** new home). But he has done much other work, including the Claremont College for girls in suburban Claremont.

He is also teaching now at his alma mater—the USC school of architecture. His subject: English usage for architects. "Every architect should at least know how to write a good letter," he cracks.

### AIA will advance 34 to rank of Fellow

The list of celebrated architects to be honored at the May 7-11 convention in Dallas contains many with distinguished work in housing. **Douglas Haskell**, former editorial chairman of *HOUSE & HOME* and now editor of its sister magazine, *ARCHITECTURAL FORUM*, is honored for literature. **S. Robert Anshen** of San Francisco (design) has designed many homes for Eichler Homes. **Theodore C. Bernardi** of Sausalito, Calif., (design) is known for his land planning work. **Alexander Smith Cochran** of Baltimore, (design, service to AIA) achieved fame as a Baltimore planning commission member. **Charles R. Colbert** of New York City (design) was an AIA award winner in 1961 and **Nathaniel Cortlandt Curtis Jr.** (design) won one in 1954. **Raphael S. Soriano** of Tiburon, Calif. (design), is noted for steel frame homes, and **John Carl Warnecke** of San Francisco (design) is famed for custom homes.

New Fellows and the achievement for which they are cited:

For design: Anshen; Bernardi; William Wayne Caudill, Houston (also education); Frederick W. Dunn, St. Louis; George Foster Harrell, Dallas; Herbert Howard Johnson, Miami; Harlan Ewart McClure, Pendleton, S.C. (also education); Robert W. Noble, Philadelphia; Linn Charles Smith, Birmingham, Mich. (also service to AIA); Soriano; Warnecke; Maynard Winthrop Woodward, Studio City, Calif.

For public service: Cecil Abraham Alexander, Atlanta; Edwin Winford Carroll, El Paso, (also service to AIA); B. Kenneth Johnstone, Pittsburgh, (also service to AIA); Seth Irwin Morris Jr., Houston; Joseph Julian Patterson, Fort Worth; Donald J. Stewart, Portland, Ore.; Sidney Lloyd Stolte, St. Paul.

For service to the institute; Romolo Bottelli Jr., Maplewood, N.J.; William Glenn Balch, La Canada, Calif.; Carroll; Cochran; Paul Woodhull Drake, Summit, N.J.; Carl Feiss, Washington, D.C.; Clinton Gamble, Fort Lauderdale; Johnstone; Ralph H. Kloppenburg, Milwaukee; Hereen S. E. Kruse, Miami; Clarence Joseph Paderewski, San Diego; Lisle Frederick Richards, Santa Clara, Calif.; Smith.

For education; Caudill; Howard

Hamilton Mackey, Washington; Singleton Peabody Moorehead, Williamsburg, Va. (also literature).

For literature: Haskell; Moorehead.

### Two S&L men convicted in Arizona fraud trial

The two, **James R. Heron**, 61, and **Chuck O. Lee**, 31, were found guilty of finagling with the books and filing false reports in the free-wheeling operations of the state-chartered Arizona S&L, Phoenix.

Superior Judge **Warren L. McCarthy** accused Heron, who was president of the S&L until 1958, of "flagrant disregard of state laws and laws relating to savings and loan associations. There was evidence of wild gyrations, of withdrawals and activities which were not in keeping with the letter of the law. There were shenanigans of the worst type." However, the jury did not convict the pair on a number of embezzlement counts.

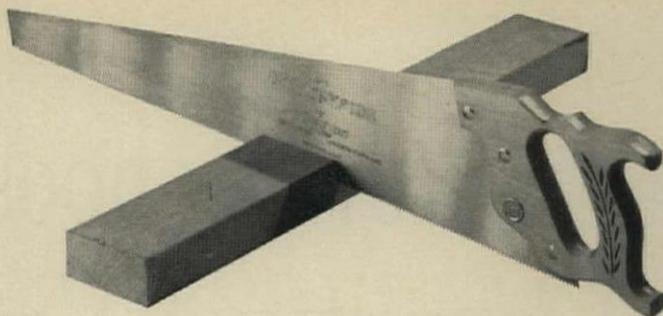
Heron drew a three-to-five year prison term which he is appealing. Lee, secretary of the S&L, got one-to-three-years suspended.

Heron was succeeded as S&L president in 1958 by **V. Frank Kanan**. The S&L, an uninsured stock company, was thrown into receivership in 1959 in a scandal involving \$9 million in loans to freespending builder **Don Elbel** of Kansas City, a longtime crony of Kanan (*NEWS*, Aug '59). Elbel went bankrupt and so did the S&L. Kanan and Elbel and six others have been indicted for fraud. Heron, in his defense, contended that the irregularities occurred after he left and Kanan took over.

The founder S&L has been rescued under a plan submitted by three Southern Californians, realty mogul **Ben Weingart**, lawyer **Maxwell Greenberg** and restaurateur **Morris Shapiro** (*NEWS*, June '60). It has been reorganized as the Greater Arizona S&L, federally insured, with assets of some \$18 million (in its heyday, assets were up to \$41 million, fourth highest in the state). Mulcted depositors stand to get 50% of their money back.

**DIED:** **Frank L. Whitelock**, 74, past president of the California Real Estate Association and the Southern California Mortgage & Loan Associations and a former member of the California Real Estate Board, Feb. 28, at Los Angeles; **Edward Keeler**, 82, former Albany (N.Y.) builder, Mar 1, at New Rochelle, N.Y.; **William C. Ambrose**, 73, prominent architect in the San Francisco Bay area, twice (1944, 1948) president of the State Board of Architectural Examiners and former president of the Northern California chapter of AIA, Mar 4, in Berkeley; **Allan S. Harrison**, 70, architect and former (1938-41) executive secretary of the New York City Housing Authority, Mar 5, at Dobbs Ferry, N.Y.; **Mrs. Anna L. Crail**, 51, founder with her husband, Joseph, of the Coast Federal S&L, Los Angeles, and former board chairman, Mar 5, at San Marino, Calif.

*NEWS continued on p 85*



YOU DON'T NEED THIS . . .

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# AIR

# Levitt chooses the extra quality of Vinyl Polymerite!

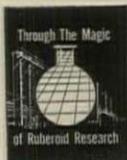
## *Ruberoid/Matico's Fabulous New Floor Tile With Extra Eye Appeal and Value*

Vinyl Polymerite *really* sells for the builder: first, because it gives him so much to talk about in floor tile performance characteristics and second, because its beauty and quality are so apparent to the prospect.

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9 x 9, standard gauge.

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## Big new public housing program set in Ontario

Only four months in office, Ontario Premier John Robarts has announced a 12-point subsidized housing plan that could become Canada's most sweeping foray into welfare housing.

Some of his ideas are frankly experimental, but Robarts should have no trouble putting them through the provincial legislature. Robarts inherited a lopsided majority of 70 Conservatives against 23 Liberals and five New Democratic Party members when he took over as premier (and Progressive Conservative Party head) from retiring Premier Leslie Frost.

Part of Robarts' program will have to be worked out in co-operation with the federal government and its Central Mortgage & Housing Corp (CMHC) which designs developments, sells lots, and pays 75% of land costs for public housing. The rest of Robarts' program remains with Ontario province, which acquires land (in suburban areas as well as slum areas) for public housing at the request of a municipality. The municipality installs services. Robarts' 12 points:

1. *Speed the existing federal-provincial housing program*, mainly assembling land for lower income homes. Builders in the Toronto area fear that this could disrupt the local market by dumping 500 acres of government land onto the market this year. CMHC says the 500 acres includes land for schools, parks, and roads, but won't discuss other details of the project.

2. *Let the province buy existing homes for public housing*. At present this is allowed only in redevelopment areas. Officials want to do it everywhere, hope it will be both faster and cheaper than building new projects (some of which now cost up to \$28,000 per unit!), on land costing about \$560,000 an acre (vs \$170,000 in 1955).

3. *Increase the power of the Metropolitan Toronto Housing Authority* to let it negotiate, secure approvals, call for bids, and let contracts for projects. US housing authorities take such powers for granted, but in Toronto the housing authority can only administer public housing built for it by the provincial-CMHC partnership.

4. *Let Toronto experiment with a rent certificate plan* (for a US version, see p 66). The Authority would lease existing privately owned units (both single and multiple) at going rents and then fill these units with tenants of their own choosing at rents in line with standard public housing scales. Other municipalities may try this.

5. *Study ways to encourage preventive maintenance of housing in borderline areas* which could slip into slums. The US has made such efforts a basic point of its anti-slum

efforts since 1954, but the message is only now reaching Canada.

6. *Help individuals and municipalities buy and rehabilitate housing in borderline neighborhoods*. This may be done with long-term loans guaranteed under Ontario's existing Housing Development Act.

7. *Set a new schedule of grants for limited-dividend companies* building units for family housing or housing for physically handicapped persons. Such grants to private companies (limiting profits to 5%) are now available only to housing for aged persons.

8. *Encourage housing co-operatives* producing one-family homes for ultimate individual ownership. Aids being considered include guaranteed loans for interim financing and technical advice.

9. *Study public housing needs of smaller municipalities* which cannot now take advantage of present programs aimed for large cities.

10. *Form a permanent housing advisory committee* to help draft a long-run program for Ontario.

11. *Foster research into public housing* by giving grants to interested bodies or individuals.

12. *Establish fellowships or grants for individuals* connected with the housing industry itself.

Builders, who murmur little about such expansions of public housing because construction and land costs are so high in Toronto they take almost half of the cost of a \$13,500 house, are critical only of points seven and eight (limited-dividend and co-ops).

Co-op housing is not the same as US co-op housing and consists mainly of people banding together to build groups of homes under sweat-equity plans, the houses winding up under individual ownership. Builders complain 1) they lose work, 2) the jobs aren't done right anyway, and 3) materials cost the owners too much. Co-op housing is dwindling and builders flay Robarts for trying to revive it.

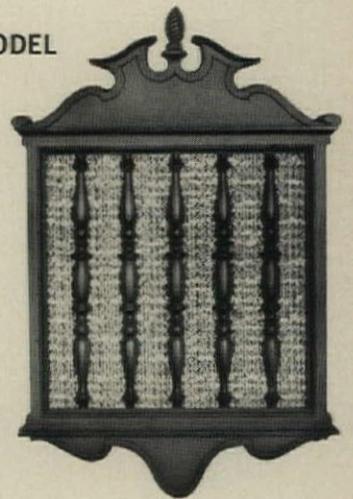
They say they can provide housing under the limited-dividend plan more cheaply than public bodies. But income-ceilings balk them. A family must earn no more than \$4,150 to enter a limited dividend unit and must leave when its income reaches \$4,850. The Metro Toronto Housing Authority says it admits tenants for public housing earning up to \$5,000 yearly.

Public housing is by US standards still small scale. Last year Ontario municipalities completed and occupied 419 units, and another 232 units were under construction. The province has built 5,534 units since 1952, less than 1% of all Ontario new housing.



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# Emerson-Rittenhouse Chimes

Here's a design that proves you don't need a lot of fancy gew-gaws and bric-a-brac to capture the spirit and charm of Colonial America. **Simplicity**—that's the beauty of this new Emerson-Rittenhouse chime! It's mighty timely for you, too! Because today—so many people are turning to traditional themes in home decor.

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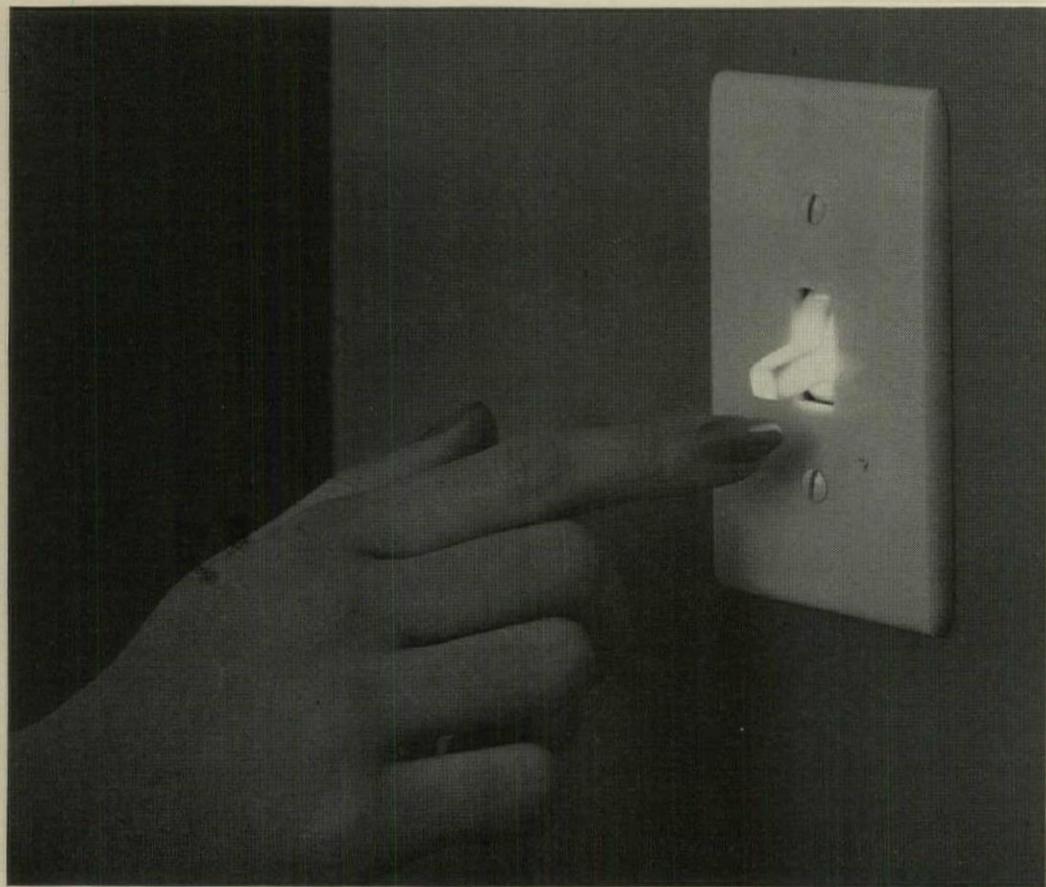
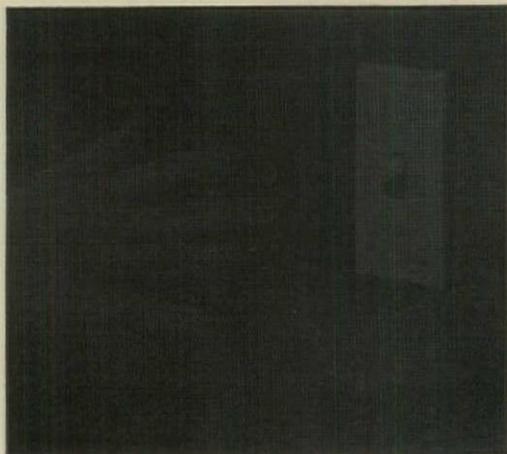
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## Letters

### New Zealand letter

You have become a powerful influence even so far away as Hamilton, New Zealand. About two years ago I happened on one or two issues of *HOUSE & HOME* and became so obsessed with the ideas that I determined to put them into practice. Len Gerrand, a builder from a nearby town, and I got together and worked out a new homebuilding company. I am the designer. Our two largest competitors copied our first model and features of the house are copied by builders all over the district. We build about one house a week. Gerrand's building methods are also being copied.

BRUCE SUCKLING, *architectural designer*  
Hamilton, New Zealand.

### Canadian letter

In three years we have grown from building ten houses a year to building 500 a year. Much of our success in merchandising is due to *HOUSE & HOME*. We are now considering the erection of a plant to manufacture parts of our houses like roof trusses and wall sections.

DAVID ZUNENSHINE,  
*Belcourt Construction Co*  
Montreal, Canada.

### The new face of NAHB

Your January article on NAHB and its development over the last decade was exceptionally well done.

JOHN M. DICKERMAN, *exec vice president*  
*National Association of Homebuilders*

### Hit-the-road report

I've never had in my hands at one time such an interesting, factual lineup of information on the existing builder market as in your December Leaders.

KENNETH R. VAUGHN, *sales promotion*  
*Carrier Air Conditioning Co.*

### Royal Barry Wills

I read your excellent article on Royal Barry Wills [Feb] with very deep feeling. He certainly was deserving of the tribute, for his death creates an irreplaceable loss to the field of home design.

CLAUDE H. MIQUELLE, *architect*  
Melrose, Mass.

### Split-entry houses

I just built a split-entry house. It is laid out so it can be used as a one- or two-family house. The idea being, a person can live in one half and rent the other for a number of years to help pay for same. As the buyer's family demands more space he takes over the full house until his family grows up and leaves home. Then it becomes a two-family house again.

HOWARD B. TOME, *building contractor*  
*Rising Sun, Md.*

### Changing industry

*HOUSE & HOME* has done an excellent job. Over the years it has helped transform a rather disorganized group of builders into a highly specialized team.

ROBERT B. McLAIN  
*Volk-McLain Communities Inc*  
Los Angeles.



*How do Armstrong national ads work for you in your selling area? They work for you by getting to your best prospects and creating real interest in new homes. During April, May, and June, there'll be 31 full-color Armstrong ads in your prospects' favorite magazines. The magazines they reach for when they want new home ideas: New Homes Guide, American Home, Better Homes and Gardens, Good Housekeeping, House Beautiful, House and Garden... and Sunset, if you build in the West... and general interest magazines like Saturday Evening Post, Ladies' Home Journal, and New Yorker. Fourteen magazines in all, plus commercials on Armstrong Circle Theatre, CBS-TV. This powerful Armstrong advertising goes on all year long. By using Armstrong floors in your homes and by tying in the Armstrong brand name with your displays, you put all this advertising to work for you.*

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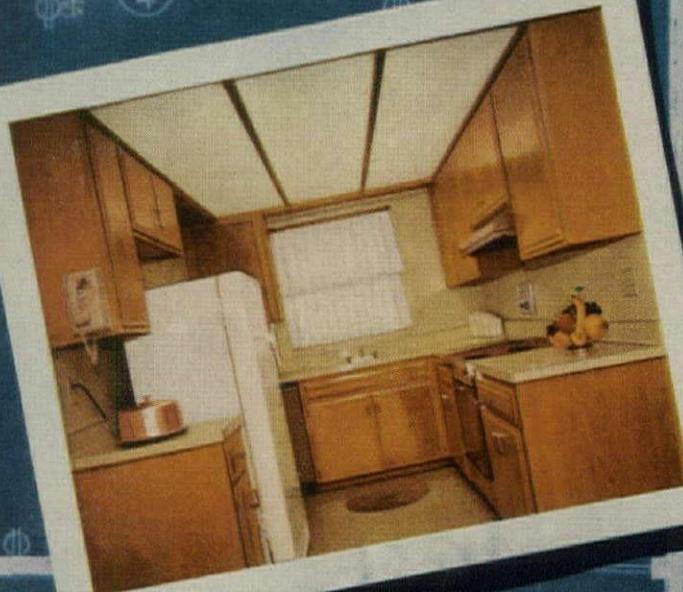
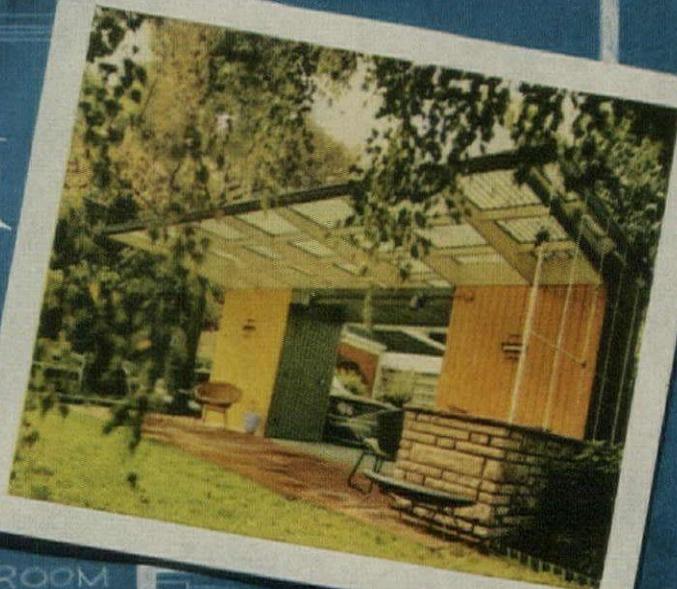


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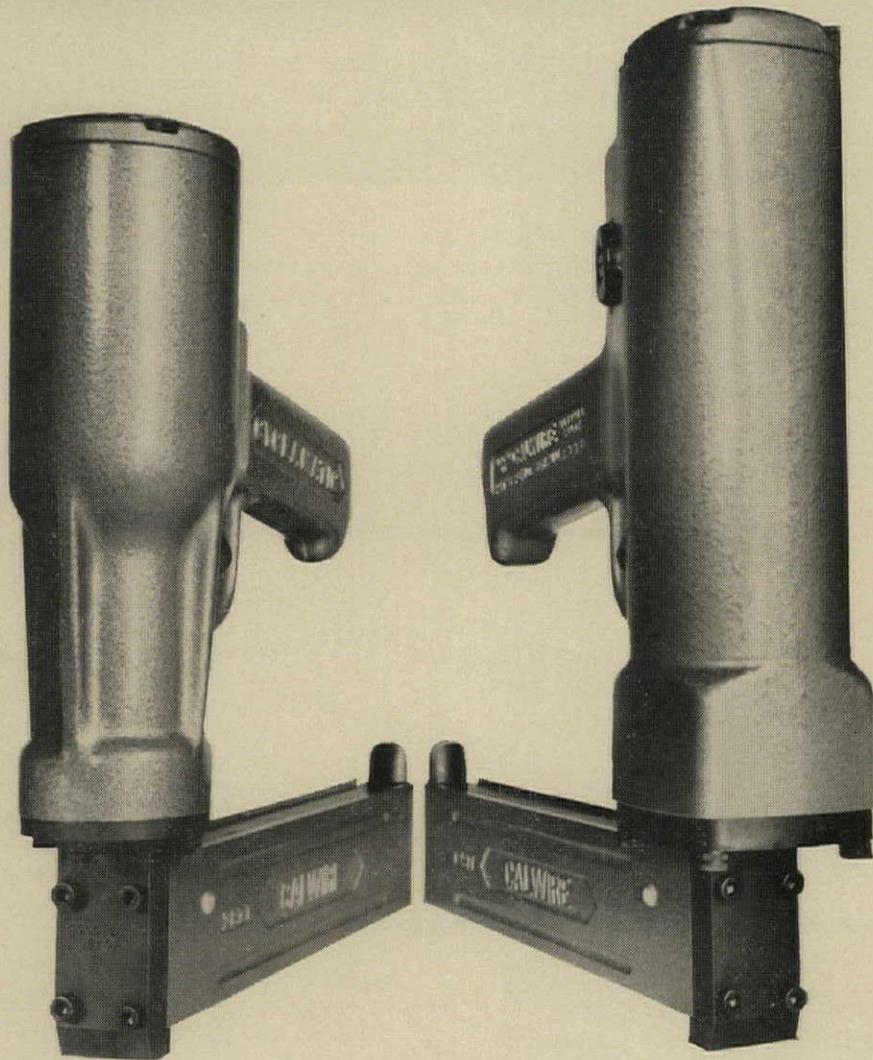
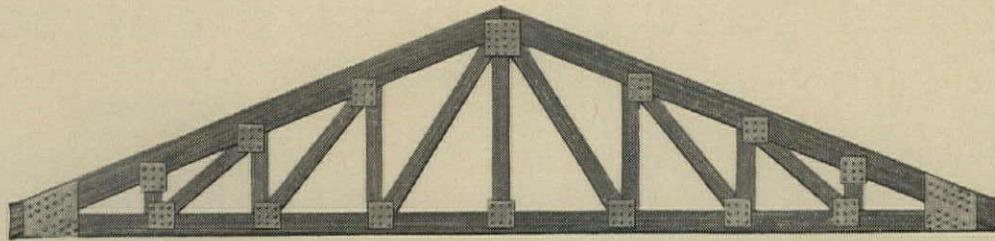
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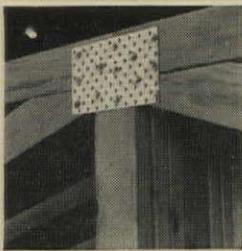
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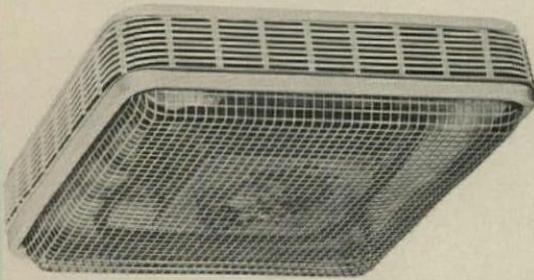
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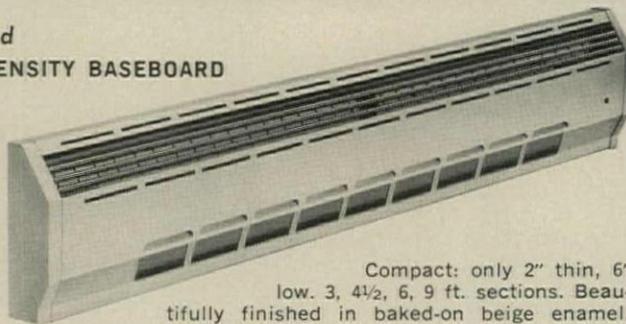


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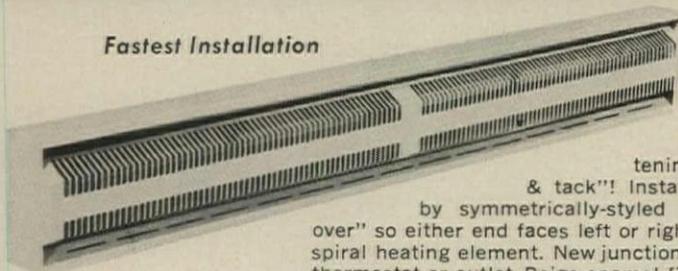
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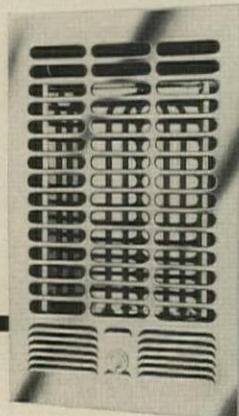
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APRIL 1962

# House & Home

Published by TIME Incorporated

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- House in New Seabury, Mass. Architect: Bedar & Alpers, AIA.  
Developer: Emil Hanslin & Assoc. Photo: Lisanti. See p 110*

COMING NEXT MONTH

HOUSE & HOME's annual merchandising issue

PREVIEW



LOOK WHAT HAPPENS



*When a top talent team goes to work  
on all-new houses in an all-new community.....*

**NEW SEABURY** is conceived as both a year-round and a vacation community where "living will always be vacation-like."

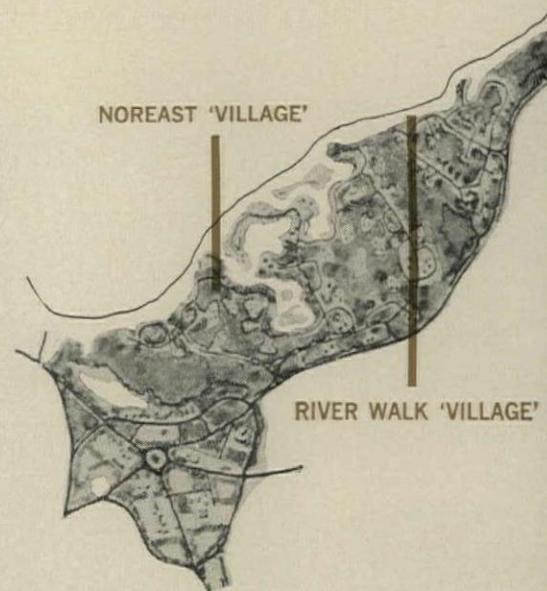
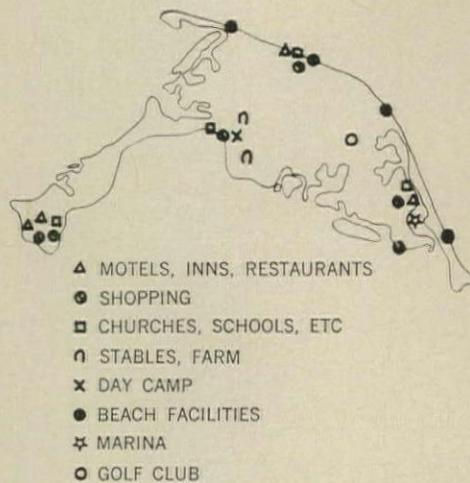
Its 3,000 acres on the south shore of Cape Cod include sandy beaches, cranberry bogs, salt marshes, woods, bluffs, streams, and ponds—many of which will be preserved in their natural state. The ocean shore, inland waterways and bays around the community add up to 16 miles of waterfront.

New Seabury will be developed as a complex of 11 different "villages"—each designed to fit its own topography, orientation, and view. The first village, Bright Coves, is scheduled to open late this month. Four model houses will be presented (for a preview see pp 107-117). These models were designed and decorated by top talent teams (p 118).

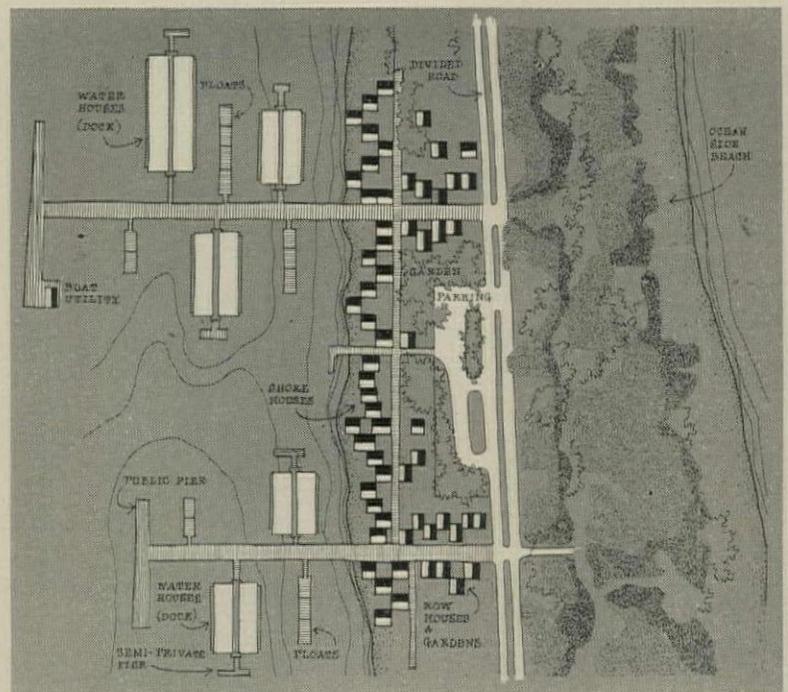
New Seabury's villages will be separated from each other by greenbelts of open or wooded land, or by expanses of water. The focal point of every village except one will be some form of water—an inland pond, a bay, a lagoon or the open ocean. Although New Seabury is planned to house an eventual 16,000 population, total density on the 3,000 acres will be only 1¼ houses per acre. And only 30% of the land will be used for residential sites with 59% left for recreational or conservation purposes. Land-use patterns include: cluster layouts, estates, high-density schemes, greenbelts, and curvilinear plans. Only 3% of the area is reserved for commercial buildings. Roads will use the remaining 8%.

New Seabury was planned to attract the widest possible market by providing something for everyone's leisure-time: boating, swimming, fishing, bicycling, horseback riding, golfing, and gardening. (One inland waterway even has a gas-lighted section for nighttime sailors.) Part of the concept is minimum maintenance: all houses are designed for low upkeep and community facilities will include a children's day camp, several restaurants and clubs.

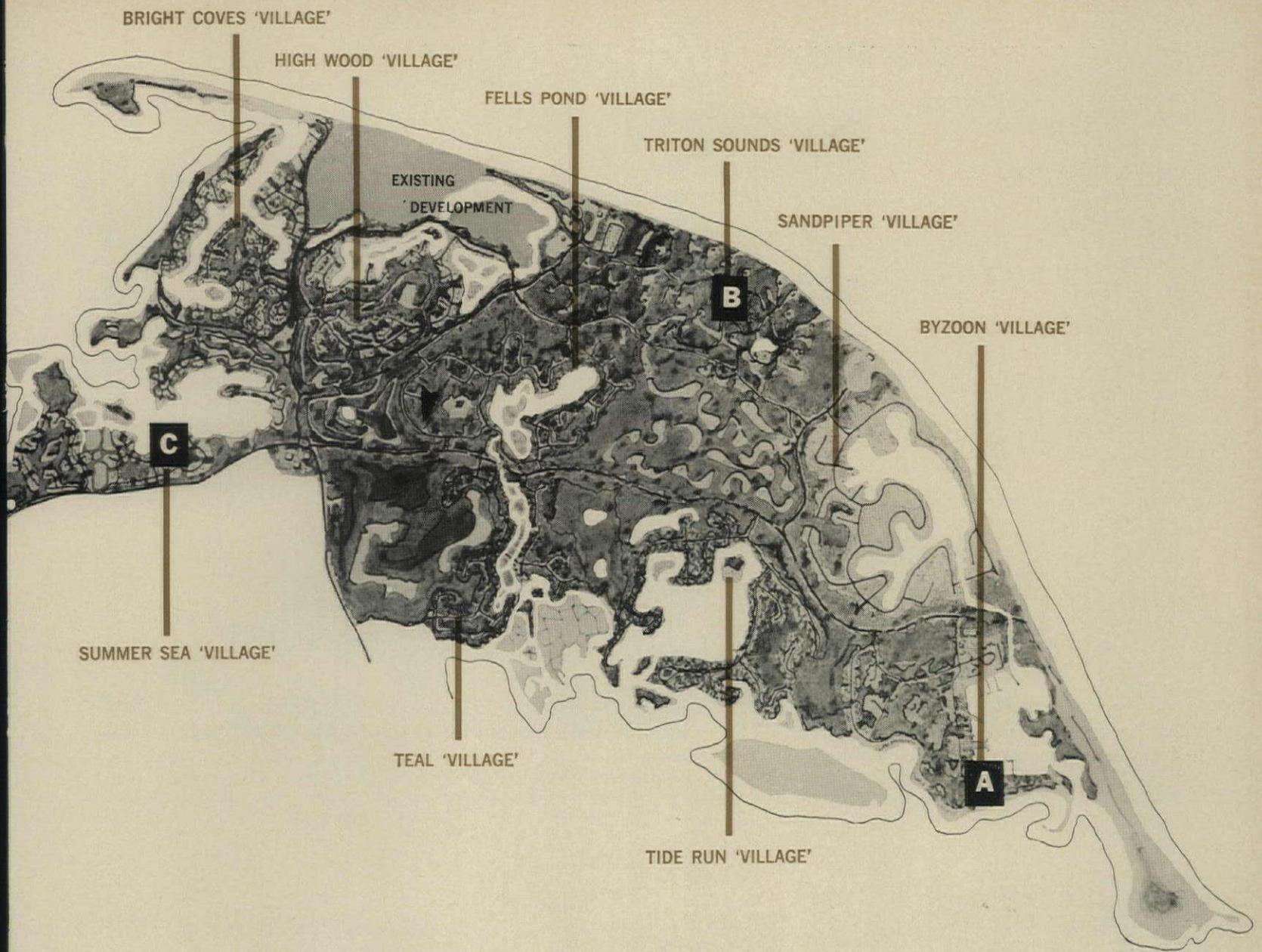
Houses will range in price from \$15,000 to \$35,000, lots from \$3,000 to \$10,000. Developers are Emil Hanslin & Assoc, Melrose, Mass.



## New Seabury's 3000 acres



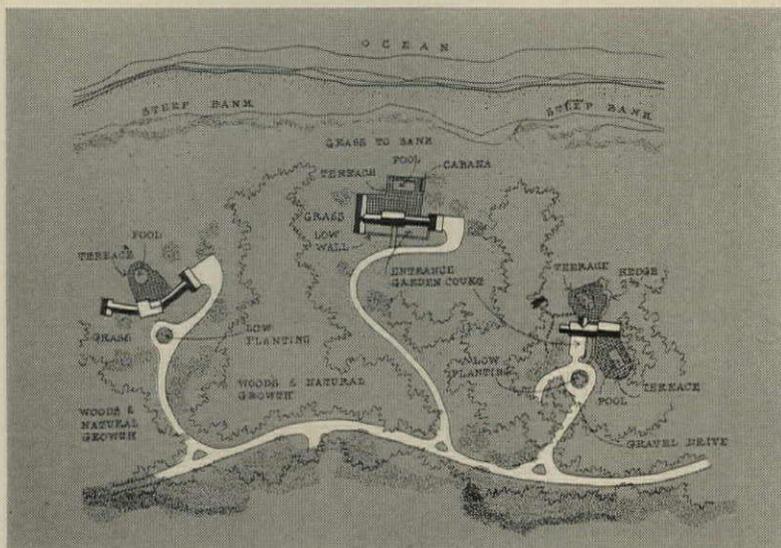
**A** Small rental and co-op housing units for summer residents of Byzoon village will be built in a sheltered cove, terraced back from water's edge.



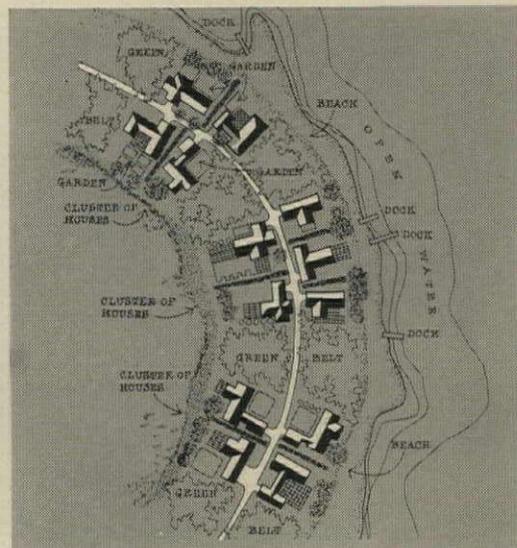
## will contain 11 'villages' with land patterns like these

The project map, above, shows how each New Seabury village is to be separated from the others by open landscaped areas or naturally wooded terrain. Typical patterns of land use are shown below for lettered villages A, B, C. These three ex-

amples from the 11 planned (see p 106) indicate the variety of different patterns to be used. The smaller map (opposite, above left) shows community facilities to be shared by the residents of all New Seabury villages.



**B** Big, widely spaced year-round houses on four-acre plots will be the rule in Triton Sounds village. Virgin woods shield houses from each other.



**C** Medium-sized houses planned in clusters will be typical of Summer Sea, designed for retirees.

*continued*

Each 'village'  
in New Seabury  
will have its  
own character ▶

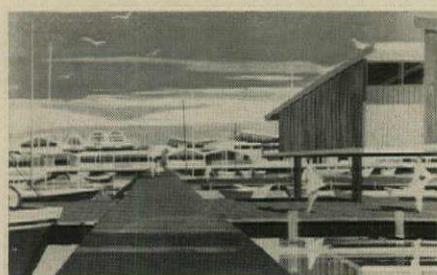
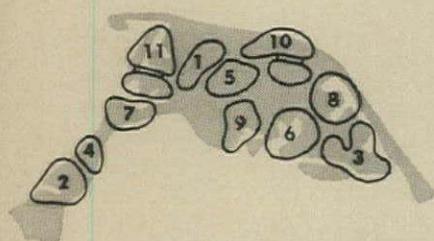


**HIGH WOOD (1)** is planned to appeal to year-round residents who like riding and want wide open space around them. Houses will be built with barns and corrals.



Photos: Lisanti

**NOR'EAST (2)** with high-density rental and co-op units is designed for permanent residents who like boating.



**BYZOOK (3)** is planned to echo Cape Cod's Provincetown. It will consist of rental and co-op apartments for summer residents and year-round fishermen.



**RIVER WALK (4)** is conceived as a middle-priced suburban village along a river. It is expected to attract permanent residents rather than summer vacationers.



**FELLS POND (5)** is intended for seasonal residents who like to hunt and fish and would enjoy undisturbed natural surroundings away from the sea.



**TIDE RUN (6)** on a cove facing the mainland is planned for fledgling sailors, less adventuresome swimmers, and vacationing families with small children.

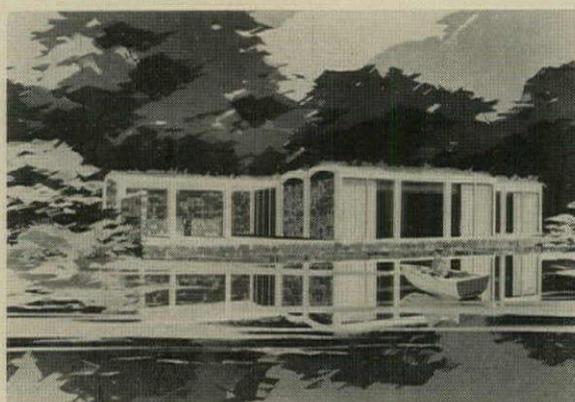


**SUMMER SEA (7)** will be a cluster-planned neighborhood for retirees and year-round residents who like near neighbors, who want peace and quiet without solitude.

On the following pages  
you can see  
four houses from  
'Bright Coves' village ▶



**SANDPIPER (8)** will have modest-priced houses planned for summer-resident families with small children.



**TEAL (9)** will feature houses of sophisticated design. It is planned for seasonal residents who want secluded surroundings. Expected buyers: artists, writers, and teachers.



**TRITON SOUNDS (10)** is planned for luxury houses on estate-size plots with private pools, broad lawns, and heavily landscaped grounds. Village No. 11 is Bright Coves, the first to be developed. It is shown on pp 102-103 and opposite.

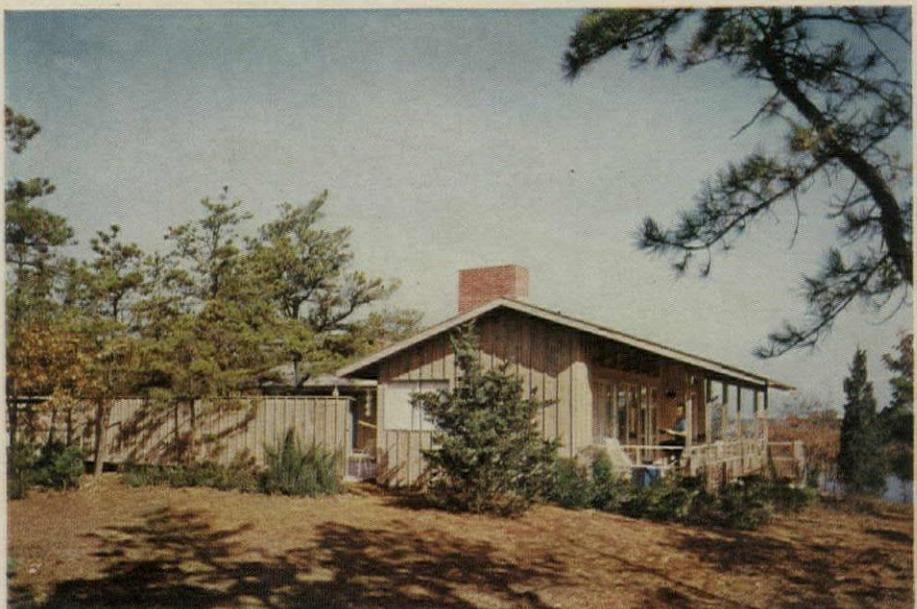


**PRIVATE COURT** is formed by the L of the house and the sheltering fence. Breezeway joins dormitory wing, background, to main part of house, left. See plan overleaf.

## Model 1: a house in the woods for family living

Robert Woods Kennedy designed this model to work with its site and create an ideal environment for a relaxed, family holiday. The emphasis is on outdoor living: Almost half the space under roof is outdoor space—a big front porch, a breezeway, and deep overhangs on two sides of the court. The court itself contains almost 500 sq ft. There are several dining areas—particularly important in a vacation house—one on the porch, one under the covered breezeway, one in the court, and also an interior dining space. The house consists of two wings but encloses only 840 sq ft, about as much space as a vacationing family might like to maintain. The two-wing plan (see overleaf) separates a dormitory wing (photo, above) from the main part of the house, so noise need not disturb sleeping children. Price (without lot): \$14,900.

See overleaf for color photographs of the interior.



**OPEN PORCH** faces ocean view and is a second outdoor living area. Exterior bleached

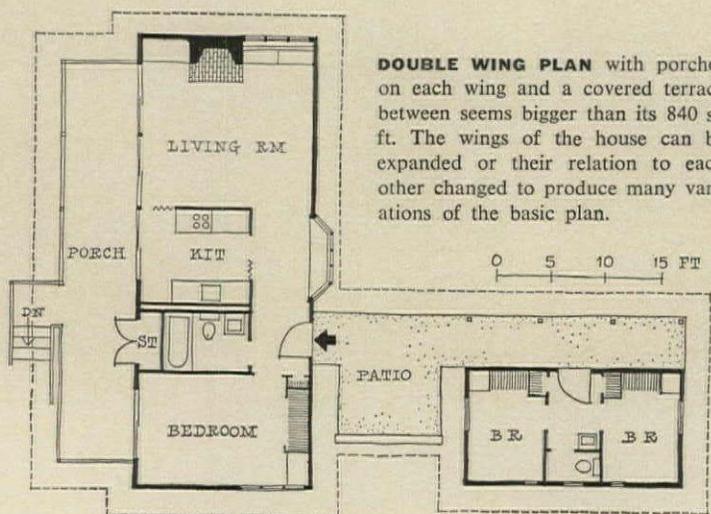
pine boards and battens need little maintenance and help harmonize the house and site.

*continued*



**FIREPLACE**, bookshelves, window seats, wood interior, and striped shades on the sliding glass doors give the living room informal simplicity.

## Model 1: the interior is as native as the site



Most interior walls are of bleached pine boards nailed to 4 x 4 posts and girts. Floors are dark-stained fir. The natural colored 2" t&g hemlock roof planks add to the snug, woodsy spirit of the house where everything was planned for easy maintenance.

The absence of a central ridge beam and collar ties on the folded plate roofs of both wings helps create a sense of space in the relatively small quarters.

Striped window shades and seat coverings and comfortable, simple furniture (all American made) carry a warm, fuss-free feeling throughout.



**BUNK HOUSE WING**, right, has two bedrooms flanking bathroom. Stacked beds have storage beneath them. Small ski-house windows light the head of each bed. Bathroom walls are red ceramic-faced block.

**DINING AREA**, below, adjoining kitchen gets added seating space between the chair-height bow window. Kitchen can be closed off by sliding door. Horizontal 4x4s behind the single-wall exterior are shelves.



Photos: Lisanti



**ARCHITECT:**  
*Robert Woods Kennedy, AIA*

**INTERIOR DESIGNER:**  
*Michael Greer, AID, NSID*

*continued*



**HOUSE**, set into a hillside, focuses on the sea view through glass walls and from a big deck.

## Model 2: a party house for fun at the beach—indoors and out

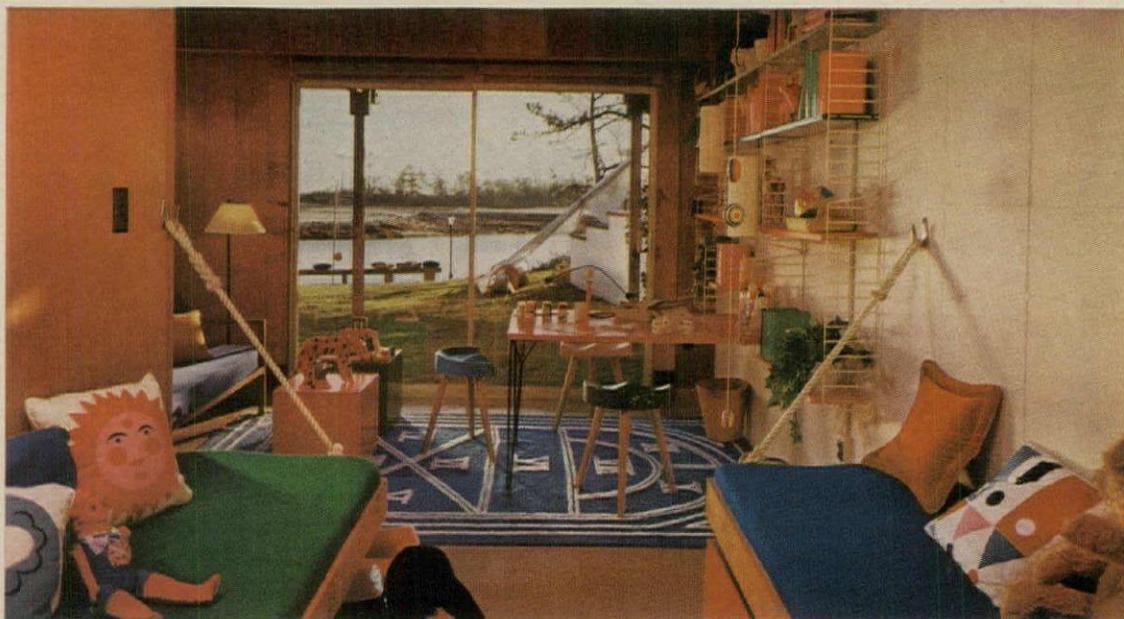
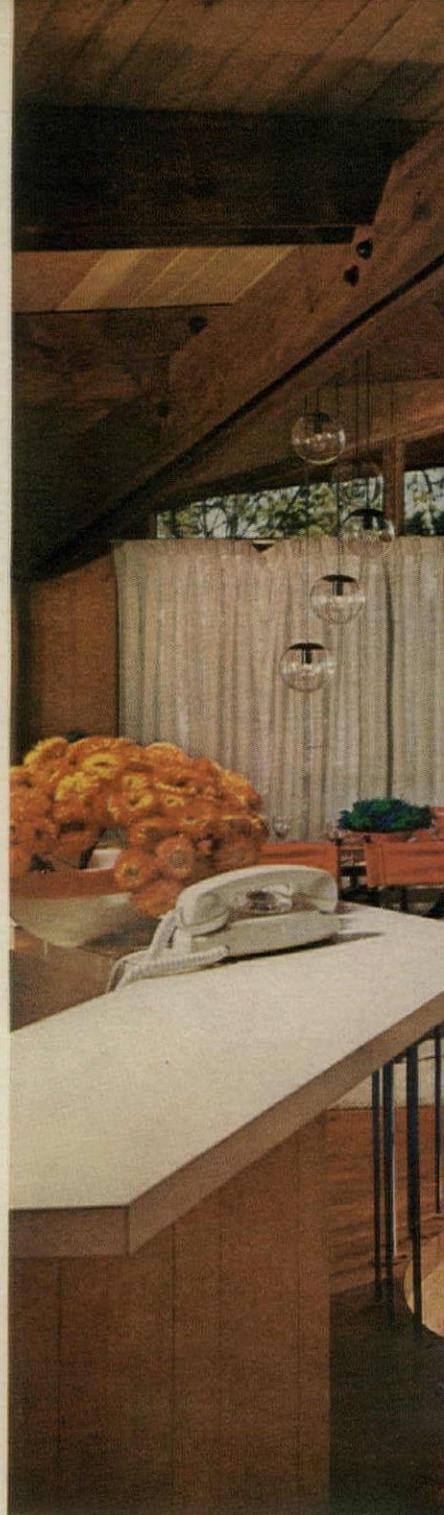
Everything about this house is calculated to add to the pleasure of a vacationing family and its guests. The house was placed diagonally on the lot to face its two glass walls and long L-shaped deck toward the water view, and its two almost solid walls to the road. The living, dining, lounging, sleeping, and all-purpose rooms all share the glass walls and view but baths and kitchen were compacted into the corner

formed by the two almost solid walls.

The kitchen opens to the living room but is kept out of sight by a 50"-high serving counter.

A diamond-shaped roof, supported by rafters placed diagonally on the walls, rises highest where the glass walls join. This helps give the house its gay, jaunty air.

Price (without lot): \$18,900. See also cover photo.



**SLEEPING ALCOVE** opens onto an outdoor play area through sliding glass doors that face the water view.

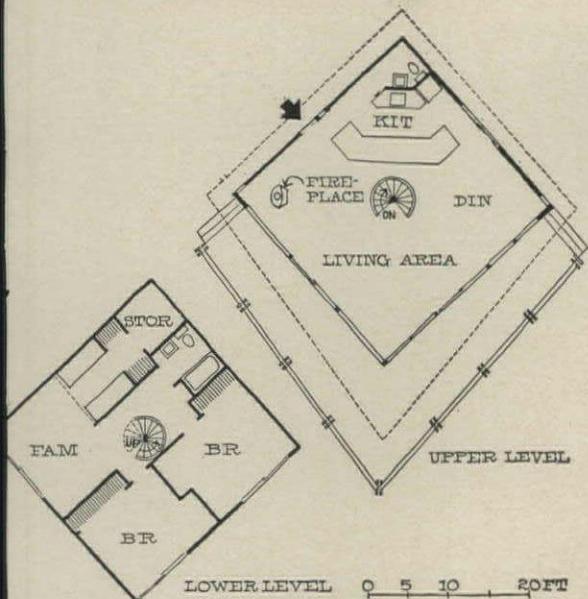
ARCHITECTS:  
*Bedar & Alpers, AIA*

INTERIOR DESIGNER:  
*Emily Malino, AID*



**GAY INTERIOR** of living-dining areas is brightened by high glass walls which open to the deck. Open kitchen, left, is unobtrusive behind its high counter.

Photos: Lisanti

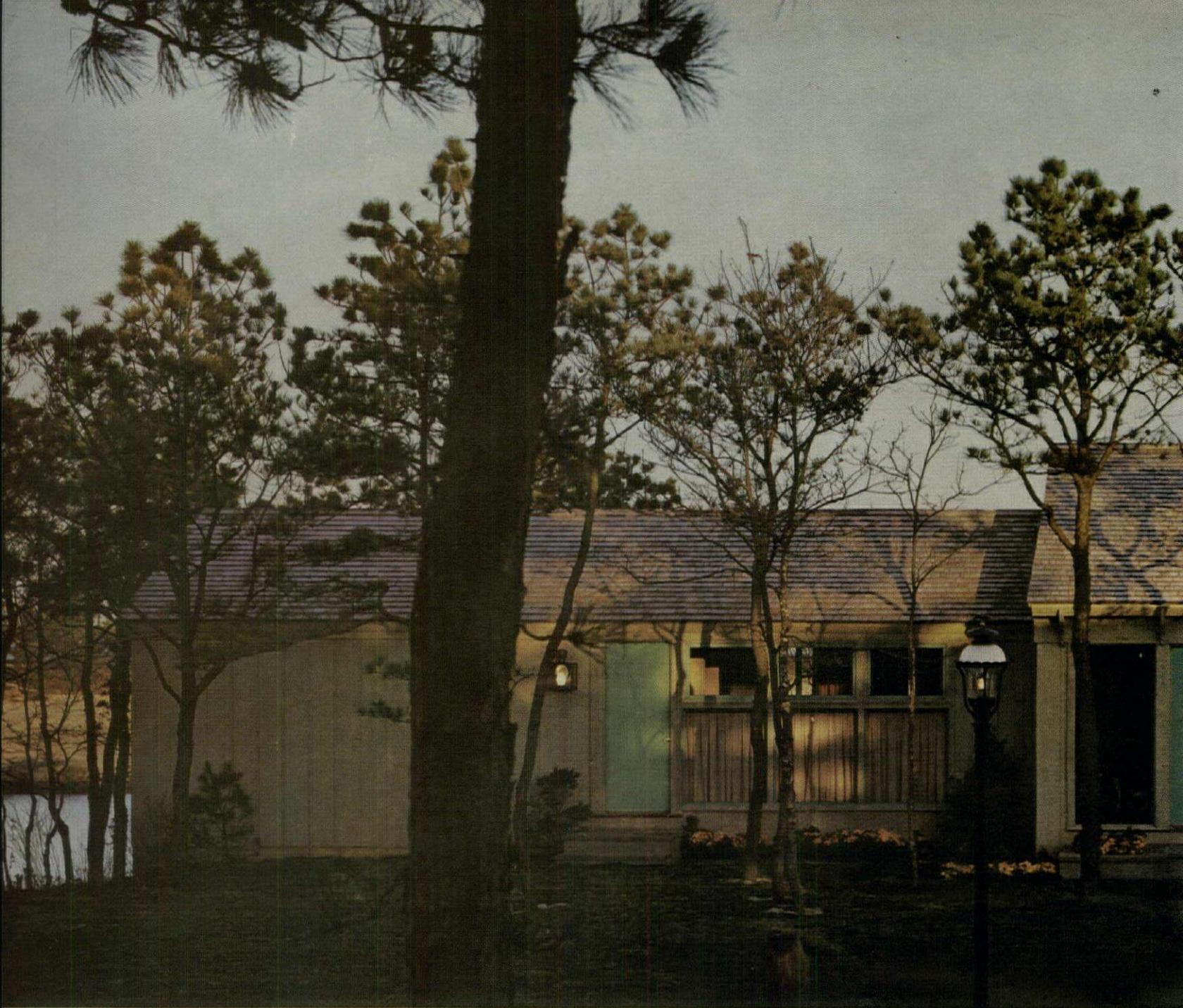


**PLAN** puts bath and kitchen in one corner of upper level with center staircase to lower-level bedrooms.

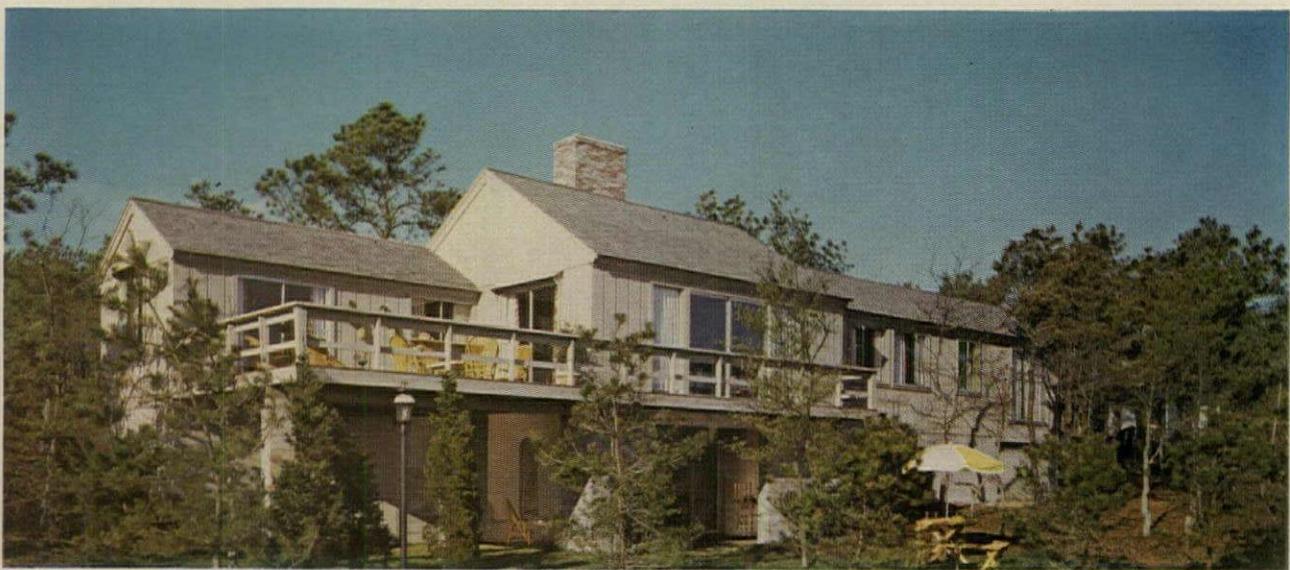
**LIVING ROOM** is furnished in a playful, informal mood with a gymnasium mat, bolsters, and pillows.



*continued*



## Model 3: a Cape Cod cottage with a fresh, new face



**REAR ELEVATION** has a huge deck that opens both the main wing and the master bedroom wing to a water view.



**FRONT ELEVATION** has the familiar silhouette of a Cape Cod cottage but the siding is unpainted rough-sawn cedar with reverse battens.

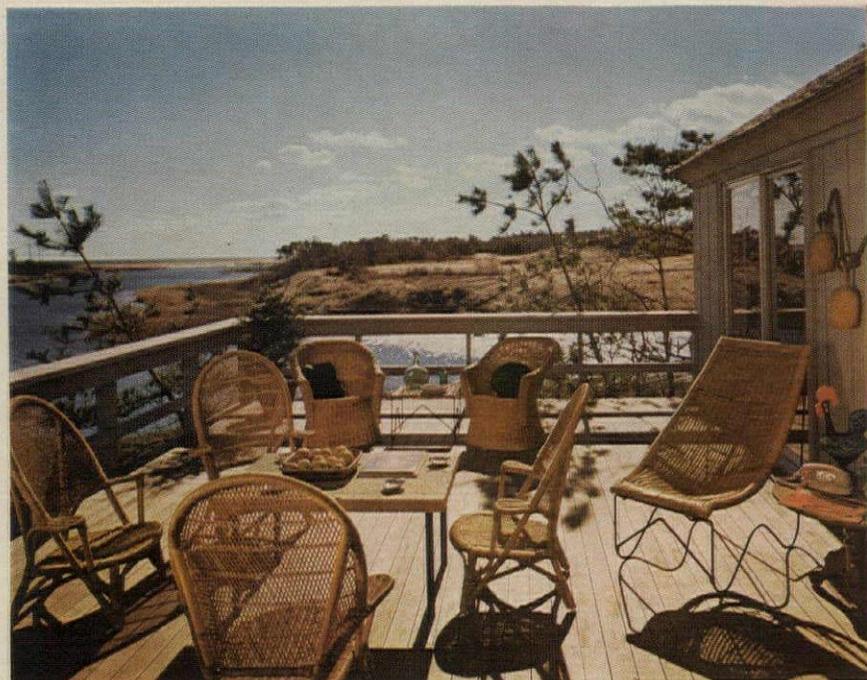
Photos: Lisanti

Like a traditional Cape Cod cottage, it has a big central chimney in the living area, is divided into several "add-on" wings, and has a high (7-in-12) roof pitch with little overhang. But it does not wear the dress of a Cape Cod cottage: It has no divided-light windows, no shutters, no fanlights over the front door, no clapboards, and no corner boards.

And yet this house has the authentic Cape Cod spirit. It hugs the ground in front, its windows and doors are in scale with their walls, and its cedar roof shingles are pleasantly natural to a wooded surrounding near the sea.

This model is a prototype and can be used either as a vacation or year-round dwelling. The wings of the house are flexible and can be moved easily for many different sites and many different family requirements. Price (without lot): \$20,500.

*See overleaf for photographs of the interior.*



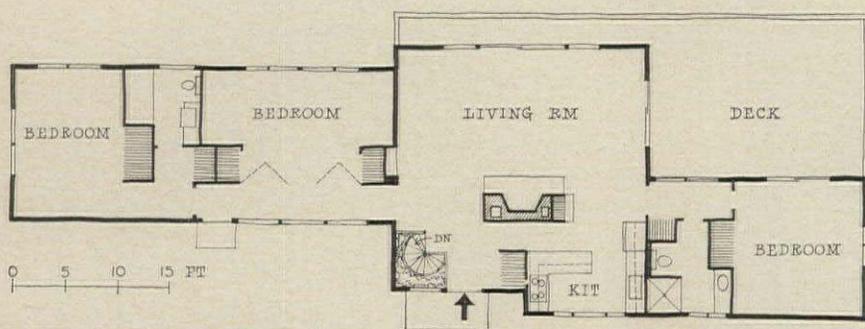
**DECK** outside master bedroom overlooks the sea (see plan overleaf).

*continued*



**FIREPLACE** in the studio-ceilinged living room has a rough-hewn oak lintel topped by herringbone-pattern brick. Wood figure came from a country inn.

## Model 3: the interior is a blend of old and new ideas



**THREE-WING PLAN** separates children's bedrooms from the master bedroom suite.

A combination of plank ceilings, exposed rafters and collar ties, and dark-stained fir floors makes the interior reminiscent of early colonial structures. But the dual-purpose children's play-bedroom, the spiral staircase, sliding glass doors, and the plywood paneled interior are very up-to-date ideas. Random grooves in the pre-finished plywood are matched on lapping sheets of plywood at the plate line. Sloping ceilings in the three wings make the house seem larger than its 1,096 sq. ft.

Traditional furniture, figured drapes, and woven rugs help make the house snugly inviting.



ARCHITECT:  
Royal Barry Wills, FAIA  
INTERIOR DESIGNER:  
William Pahlmann, FAID

**DUAL BEDROOMS** can be opened to each other and to the gallery by folding and sliding doors. Big windows, right, brighten the area and turn it into a playroom.

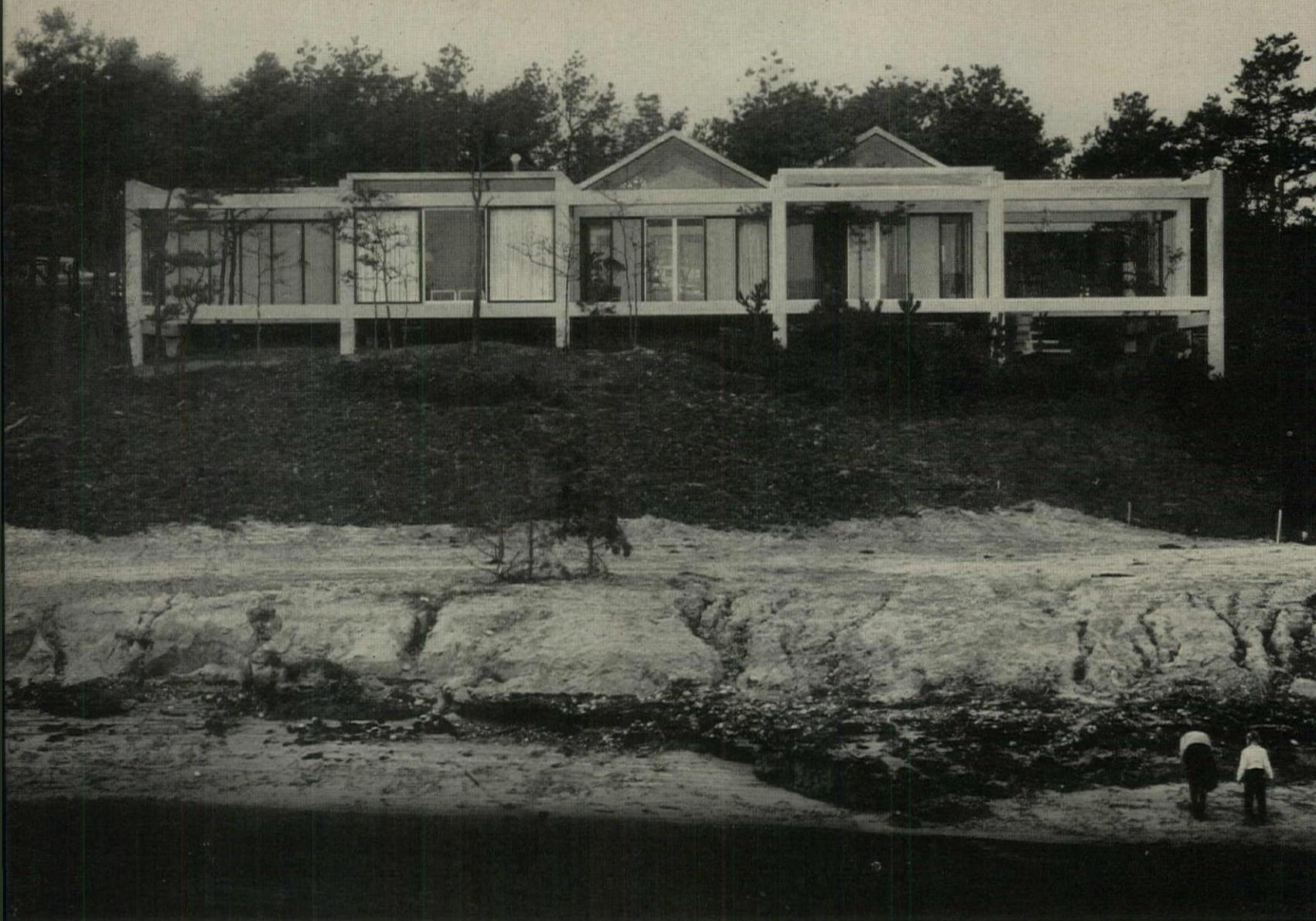
Photos: Lisanti



**STUDIO BEDROOM** is furnished for sitting and sleeping. Double hexagonal window has fixed glass above, moveable sash below. Old ship's lantern lights the room.

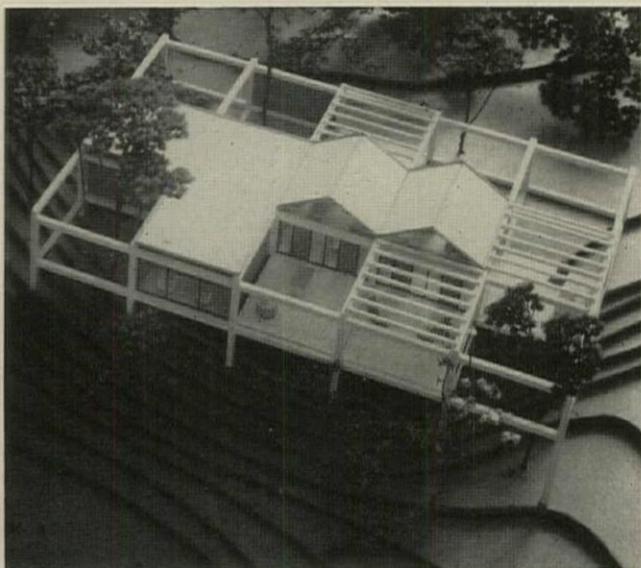
**KITCHEN** (right) was made small to de-emphasize housework. Barbecue, right in photo, is close to dining area. Stairwell, background, leads to the lower level.



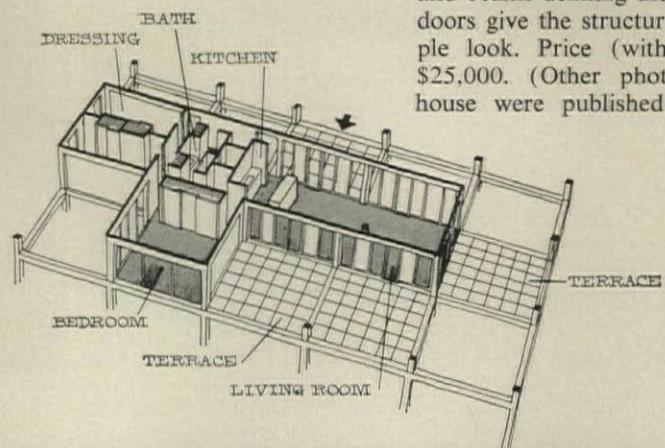


**CONCRETE HOUSE**, topped by two glass gables, peers boldly over the water's edge. Varying length columns fit house to its irregular site.

## Model 4: a contemporary to fit the Cape Cod terrain



**SCALE MODEL** shows how the space grid adapts to the terrain. Floor plan is seen in isometric at right.



This dramatic house is made of precast concrete beams that form 15 space grids or bays, each 16' square, 9' high. Five bays are enclosed to form the house, four are floored with precast concrete for terraces, and five are open. The opaque walls inside and outside are identical insulated cement asbestos panels, framed in aluminum and hung as curtain walls from 12"x12" beams. Floors and roofs are concrete. Columns and beams defining the space grids outdoors give the structure a classically simple look. Price (without lot): about \$25,000. (Other photographs of this house were published in H&H, Feb).

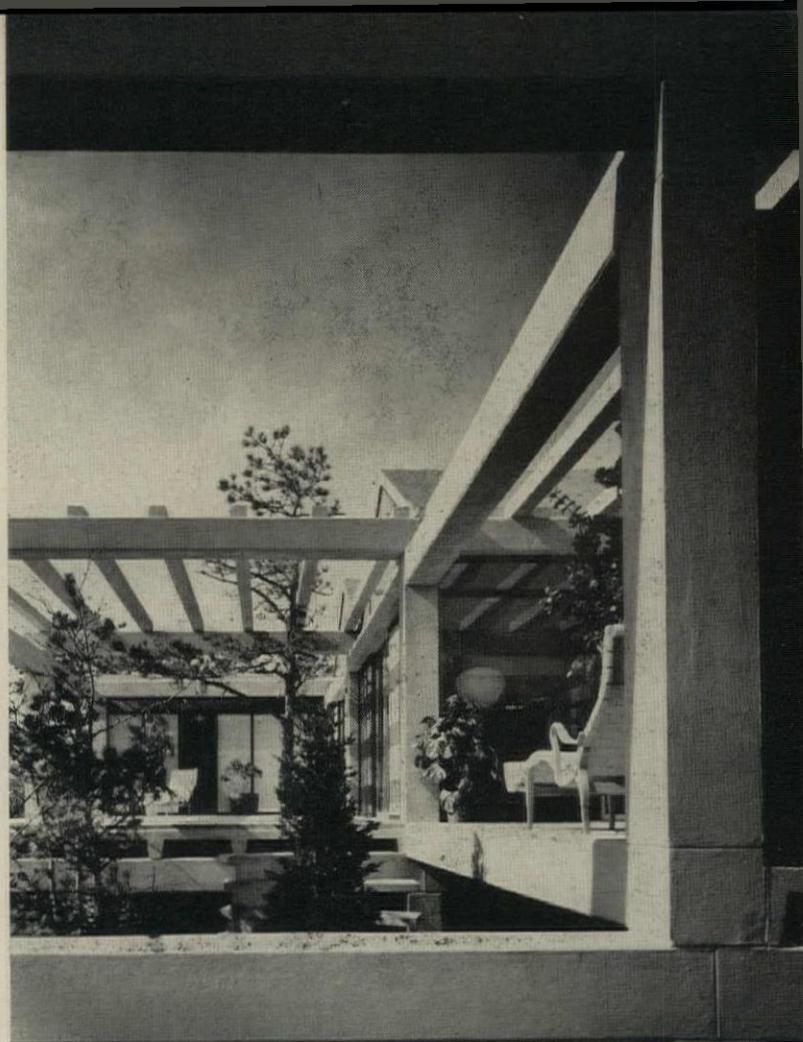


**SUN TERRACE** (above) adjoins the living room and master bedroom, is furnished with coarsely woven mats. Closeup of the concrete beams (right) shows simplicity of the structure.

ARCHITECT:  
*Robert Damora, AIA*

INTERIOR DESIGNER:  
*Melanie Kahane, AID*

**INTERIOR** (below) consists of kitchen, dining area, and living room, and flows through the glass wall out onto a second terrace. The outdoor space grids extend the house beyond into the site.





DEVELOPER HANSLIN stands beside the New Seabury seal a bronze plaque mounted on a huge stone at the community entrance.

## Top professionals helped create New Seabury



PIETRO BELLUSCHI, FAIA

Developer Emil Hanslin brought together a news-worthy team of professionals to plan the project and design and decorate its first four prototype houses.

Consulting architect for the team was MIT Dean of Architecture Pietro Belluschi (above). Says Hanslin: "I wanted a consultant who could command the respect of everyone regardless of his own great talents."

Most of the other architects and the interior designers in the group (see opposite) are nationally known figures.

The New Seabury team also included a land planner (George E. Hayes Assoc), a landscape designer (Suzanne Sisson), consulting engineers on water and sanitary problems (Whitman & Howard), and Architect William Diaz Warner who designed a beach club.

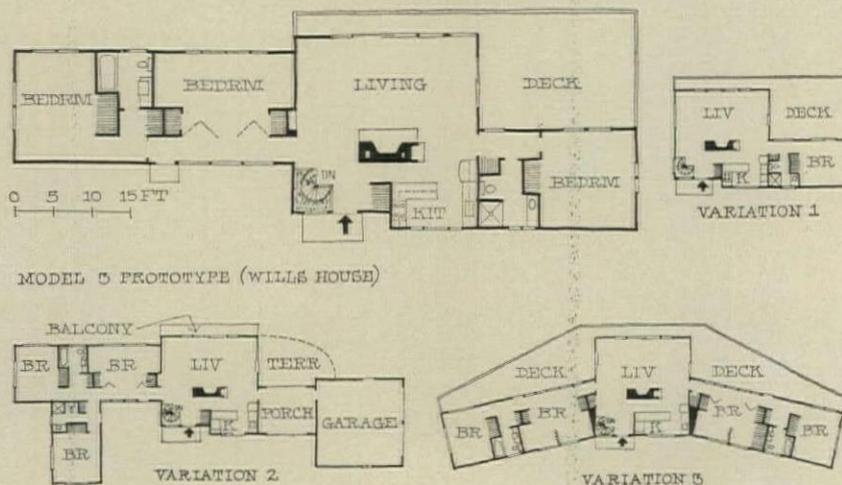
"To get everyone on the team working on the same track," says Hanslin, "we held several group discussions at the outset to suggest schemes and probable solutions, and to establish our over-all goal. After these discussions,

each architect and interior designer was left to find his own way to the goals."

The team concept worked smoothly, according to Hanslin: "Each designer felt compelled to come up to the high standards of the rest of the team. I was particularly elated to find the interior designers working closely with the architects, discussing architectural concepts, the sites, and even the hypothetical clients for whom they were working."

Hanslin concludes: "I think we are bound to have much more design collaboration like this in the future. And I think it will help produce better houses and better communities."

### HOW WILL BUYERS BENEFIT FROM THE WORK OF THESE PROFESSIONALS?



Every New Seabury buyer will be able to get an architect-designed house without paying individual custom-design prices. That's because each prototype model can be varied to fit varying size and orientation conditions and different family requirements.

The three variations of the Wills' house shown at left are just a few of many that can be made from this model. Other houses can be varied similarly.

Says Hanslin: "The hundreds of variations possible on these four houses will allow us to capitalize the high first costs of developing these four prototypes."

## MODEL 1 DESIGN TEAM



**ROBERT WOODS KENNEDY** AIA, (left) has designed both custom and merchant built houses as well as public buildings. A former MIT professor, he is also the author of several books including *The House and the Art of Its Design*.



**MICHAEL GREER**, AID, NSID (right), has created all kinds of interiors ranging from formal drawing rooms to executive offices. He is a design consultant for a hotel chain and for a building products manufacturer.

## MODEL 2 DESIGN TEAM

Hookailo Studio



**BEDAR & ALPERS**, AIA, (left) are young architects who taught design before starting their own practice. Their work includes land planning, hospitals, libraries, houses, hotels, and apartments.



**EMILY MALINO**, AID, (right) does contract work for hospitals, hotels, and built-to-sell houses. She is particularly interested in the use of bright colors, spends much of her time on low-budget work.

## MODEL 3 DESIGN TEAM

Ken Duprey



**ROYAL BARRY WILLS**, FAIA, (left) 1895-1962, was the acknowledged master of the New England style of house. His son, Richard, center, and his associates are continuing his practice as Royal Barry Wills Assoc.



**WILLIAM PAHLMANN**, FAID, (right) is an interior designer whose work includes stores, restaurants, hotels, and houses all over the world. His industrial design work includes furniture, fabrics, and floor coverings.

## MODEL 4 DESIGN TEAM

Donald Miller



**ROBERT DAMORA**, AIA, (left) is a well known architectural photographer and a practicing architect. As an architect he is concerned with the problem of using today's new technology to meet basic human needs.



**MELANIE KAHANE**, AID, (right) has created interiors for homes, offices, showrooms, hotels, and restaurants for 25 years. Her industrial design work includes color lighting for a major electrical appliance producer.

Walter Daran

/END

*A six-year revolution in the ranks of the nation's architects is developing a militant new leadership and*

# Brave new goals for the architects and their AIA

Nothing less than a new definition of the architect and his profession is at issue.

Center of the revolution is within the 105-year-old, tradition-laden American Institute of Architects. The institute—a “gentlemen’s club” for many of its days—is being forged into an instrument to achieve ambitious new goals.

The revolution thus far has been in the nature of a coup d’etat, in which a determined band of business-minded, socially-conscious leaders has taken over. The new men at the helm—led by Phil Will of Chicago, president for the past two years—have until now only consolidated their initial position and laid the groundwork for the big changes to come.

Whether the revolution will achieve its goals, no one can yet be sure. There are some within AIA who scoff at the new program and believe it will lead to nothing. But if the revolution bears all the fruits which its leaders hope for, the change in the practice of architecture—and indeed in the whole building industry—will be enormous. So, too, will be the repercussions on the economy and on our society.

So now is a good time to take a good look at what has been going on in the architectural profession and what its new leadership aims to do.

## **The new goals posit a broad new definition of architecture**

As Phil Will says: “The generally accepted definition of architecture is the science, art, or profession of de-

signing and constructing buildings. I suggest the time has come when we need either a new definition or a new name for the profession we practice.”

And the new leadership has come up with such a definition (below)—one that puts the architect in the busi-

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## **ar'-chi-tec'-ture: redefined**

AIA’s Committee on the Profession this month suggests (in the *Journal of the AIA*) the following new definition of architecture to fit the institute’s new thinking:

“The practice of architecture consists of the professional activities of architects required for the creation and construction of buildings and their environment. These activities include the consultation, analysis, and design necessary for the creation of buildings and their environment, the preparation of graphic and written documents that clearly show the intent of the design, and supervision of the construction to insure that the intent of the design is fulfilled. The architect is responsible for the selection of the materials, equipment, and systems of buildings and their environment. The architect’s services include the direction or coordination of the other professions and disciplines necessary for the accomplishment of the intended result—buildings and their environment that fulfill the needs they are intended to fulfill and contribute to health, welfare, safety, order, and beauty in the community of men.”

ness of creating a whole environment rather than individual structures and that greatly expands the arena in which the architect works.

This new definition is implicit in the two basic new goals Will is setting for AIA and the profession:

1. To expand the services of the architect so he can regain his ancient role of the “master builder” who coordinates all phases—or at least is deeply involved in all phases—of planning and building.

2. To fulfill the profession’s responsibility to the public by taking the lead in saving America from ugliness, from urban blight, and from suburban sprawl.

These two goals add up, in Will’s words, to this: “The profession must assume responsibility for nothing less than shaping our total physical environment in harmony with the aspirations of man.”

## **One basic idea is to stop erosion of the architect’s practice**

Many services once the exclusive province of the architectural profession have been lost to land planners, interior designers, product designers, landscape architects, engineers, and other specialists. Biggest loss of all has been to “the package dealer”—the company that offers clients a “turn-key” package of everything from land and financing to design and construction.

To regain some of these functions,



James R. Dunlop Jr.

**TOP EXECUTIVES** (from left): Henry Wright, 1st vice president; Phil Will, president; Roy Carroll, secretary, James Hunter, 2nd vice president.

AIA's new leaders want to create a new image of the architect in the mind of the public and of the industry. Thus they want to position the architect as the key member of the building team, as a practical man instead of just an artist, and as a packager himself who can team up to offer all the services required on any large job.

#### Another basic idea is to "fill a vacuum in public service"

Says Will: "There is a void in leadership that has permitted an appalling debauchery of our land and a spawning of new slums faster than we tear down old ones. The question is not whether the void will be filled, but by whom. Will he be the banker? The realtor? The developer? The politician? Rightfully, he should be none of these, for physical environment is the product of design, and design is the province of the architect.

"Our profession has an obligation for that part of the public welfare for which it is trained, just as the medical profession bears responsibility for the nation's health and as lawyers are responsible for justice and the rule of law."

#### To speed the revolution, the face of AIA has been changed

In just the past two years these important changes have been made:

1. Some of the revered standards of practice have been altered to free architects from restrictions on their

business activities without compromising their professional standing.

2. Top control remains with a 17-man board of directors, but many powers have been delegated to a new and smaller executive committee that can work closer with AIA's staff.

3. A new executive director—Architect William Scheick—has been named and given the go-ahead to make major changes and additions to the staff.

4. About \$100,000 more dues are being collected to expand AIA activities, particularly activities aimed at advancing professional competence.

5. AIA committees have been realigned, and more care is being taken to recruit capable committee members.

6. A start has been made on changing the methods of training students in architectural schools.

7. Most important change of all, perhaps, many architects who wholeheartedly support the new concepts have risen to AIA leadership.

When Phil Will became 2nd vice-president six years ago, many top men in AIA were unconcerned with the big problems or felt helpless to do anything about them. Today, however, few men active in AIA are cool to the new directions the institute is taking. Among the strongest supporters of the new goals are Henry Lyman Wright of Los Angeles, who is expected to advance from 1st vice president to

president at AIA's annual meeting in Dallas next month; J. Roy Carroll Jr. of Philadelphia, now 2nd vice president, and James M. Hunter of Boulder, Col., now secretary—both of whom are vying for 1st vice president.

#### To understand the changes, you need to know AIA's history

The American Institute of Architects was organized during the panic of 1857 when some architects were doing well to earn \$2 for a day's drafting. The 25 New York architects who formed AIA were held together by disdain for the "gingerbread carpenter-classics" then being built without their services, by an educational level uncommon in their day, and by a desire to stop the practice of fee cutting. (One of AIA's first accomplishments was to put an end to competitive bidding on fees.)

From the start, AIA was a rather exclusive gentlemen's club. Its leaders were all schooled in Europe, for there were no architectural schools in the US until about 1870. Even after the turn of the century, AIA's powerful committee on education insisted that a young architect should complete a year or more of Beaux-Arts study and travel in Europe before beginning practice.

So it was inevitable that architects assumed a lofty role for their calling, paid much attention to "standards of ethics," and earned an ivory-tower reputation. They considered it just as important for every member of the

*continued*

profession to be a gentleman as to be a good designer. (Both qualities helped an architect's practice, for most clients until early in this century were either wealthy gentry or the new-rich trying to buy the trappings of the gentry.)

Architects were not licensed professionals until comparatively recently. In fact, when protective state licensing laws were first proposed at the turn of the century, many AIA members frowned on them. But in 1919 there was a wave of licensing legislation and AIA formally gave in to the idea. One reason: a threat of unionizing draftsmen about that time convinced many architects that official professional status would be a good thing.

AIA continued as an exclusive club up to World War 2. Membership rose slowly—to about 1,000 in 1900 and to only about 3,000 in 1940. During World War 2, however, the profession felt the need for a stronger voice in Washington, so membership bars were lowered to let almost any "ethical" architect join. Since then membership has climbed steadily by about 3,000 every five years. Today there are 14,500 architects who can sign AIA after their names. (About 550

can sign FAIA, as highly honored "fellows" who have contributed importantly in the practice, in education, in public service, or in AIA work.)

### The postwar building boom brought new opportunities

In the late 1940s the profession started to enjoy the brightest business years in its history.

Large firms grew larger. Older AIA members found new and usually bigger clients—and comfortably watched AIA grow in membership and chapter strength. More and more students flocked to the growing number of architectural schools, and graduates were quick to "hang out their shingles" after spending the minimum time getting experience at a drafting table in an architectural firm.

AIA began to expand its services in Washington. Architect Edmund (Ned) Purves, who had joined the staff in 1940 to set up liaison with government agencies, took over as executive director in 1949. (His predecessor, Edward C. Kemper, had headed the staff since 1914.) Under Purves, the staff grew from 26 to 50 people, and AIA increased its activities

and started working with other building-industry associations.

But the direction of leadership was unchanged. Once in a while there would be a flurry of activity, as in 1949-51 when President Ralph Walker got an \$80,000 Carnegie grant for a study of the profession's problems. But thereafter interest lagged, and several years even passed before the valuable findings of the study were released to the membership.

### Few busy architects could find time for AIA work

As with other professional people, architects' time is worth money to them, and the busier they get the less time they can spare for institute work.

Another problem, says Will, is the architect's personality. "It's hard to get outstanding architects to do organizational chores. They are first of all creative people. An architect wants to do the whole work himself, as a painter would do. I have been most interested and most active at Perkins & Will on the design end. But I went into AIA work because I felt that for a period of time I might do more for the cause of design there than in my own office. So for six years I have neglected my practice. Many of us in AIA are doing the same thing because we feel we must."

Now the labor is paying off. Gradually, the AIA committees have been strengthened with new blood, and more members have become interested in trying to solve the profession's bigger new problem.

### New activity culminated in a shibboleth-shattering report

The report, by the Committee on the Profession, was immediately nicknamed the "Blue Blast" from the color of the paper it was printed on in the June 1960 *Journal of the AIA*. The name was apt, for it did indeed blast out new paths for architects to follow.

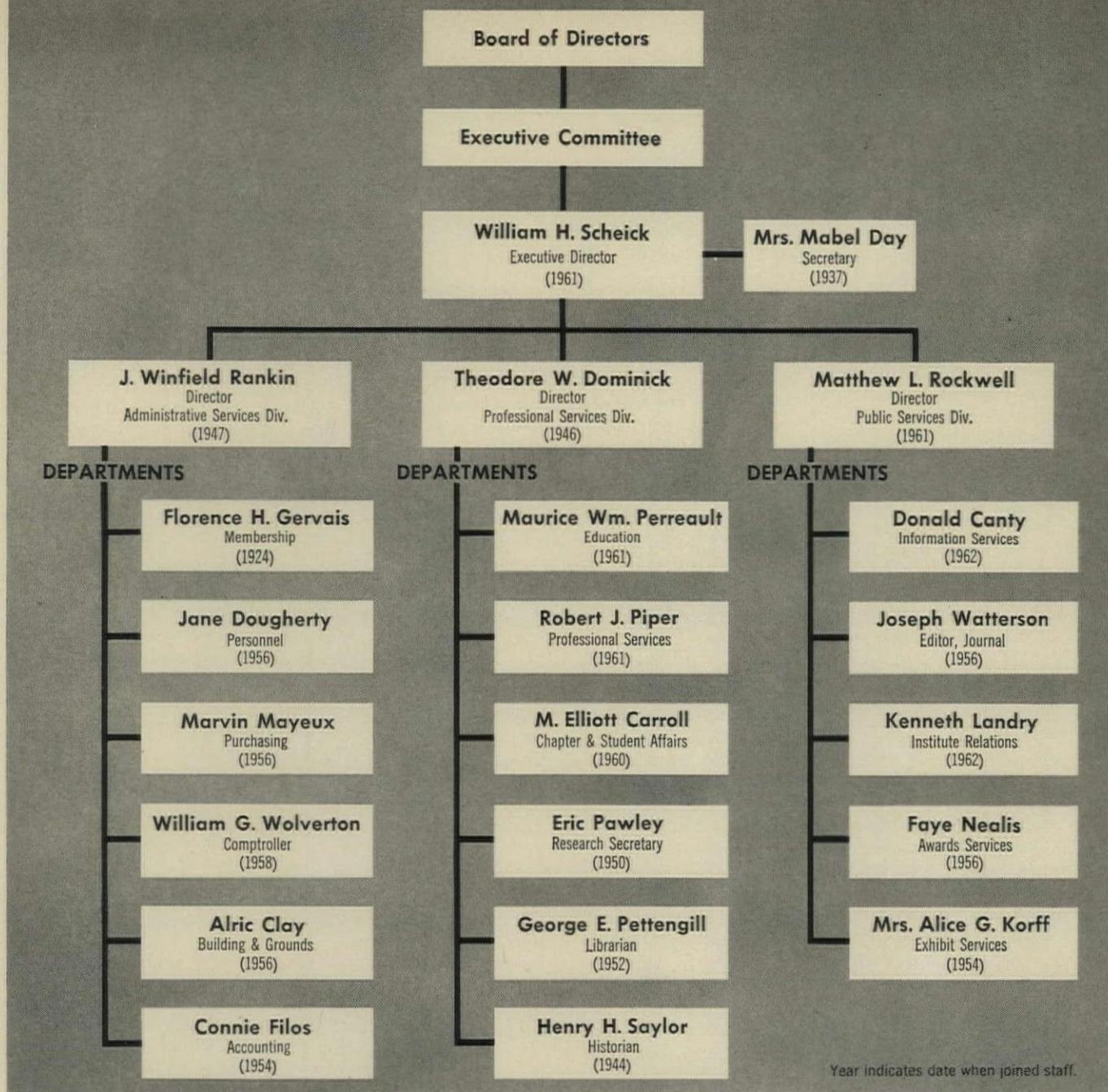
The committee, headed by Jim Hunter, called for action in ringing terms:

"We believe that never before has such a challenge faced the profession. The total environment produced by architecture in the next 40 years can become greater than the golden age

**THE OCTAGON**, once the home of President James Madison, has long been the revered symbol of the AIA, which has owned it for 60 years. It also symbolizes the "gentleman's club" days of the institute. Today it is used for receptions and state occasions. Other nearby buildings serve as AIA's working offices.

Davis Studio





**AIA ORGANIZATION CHART** shows division and department heads under Executive Director Scheick. The staff numbers 60 people.

of Greece, surpass the glory of Rome, and outshine the magnificence of the Renaissance.

"Such an era is possible, *provided the architect assumes again his historic role as the master builder.* In such a role he must retain the basic control of design, not only of individual buildings but of *all* design involved with man-made environment.

"We believe that today the architect, while enjoying the highest professional status in history, may be losing rather than gaining ground. In our opinion, we must re-define the objectives and responsibilities of the profession of architecture to embrace control of the design of the total 'man-made physical environment'; re-orienting the profession so as to expand its horizons and its standards and methods of practice and we must urge every archi-

tect to assume community leadership in all matters which influence or determine the planning and development of his community, in close cooperation with his fellow architects."

### The report posed many questions for architects to consider

Among them:

"Will government take over architectural functions—land planning, design of housing, schools, federal and state buildings, urban renewal developments?"

"Are we as a profession qualified to cope with such broad-gauge planning problems?"

"Are we actually qualified as designers to cope with technical advances?"

The report pointed out that construc-

tion today has become vastly more complicated. Architects must work with more and more specialists. They must work under new kinds of arrangements and with new contract terms.

Clients have changed, too, it was observed. Corporate clients have largely replaced individual owners, so few architects are asked to design for the needs and tastes of the individual. "Today the client is a committee, a board, or an agency."

And the report took special note of the problem posed by the "package deal," asking whether architects might become "captive to the promoter." In essence, this problem involves the profession's ethics—specifically, the AIA standard of practice requiring that an architect (as agent for his client) must not make a profit as distinct from a fee.

*continued*

### Proposed: expand services to compete with package dealers

The report came to grips with the problem of professional ethics and how far an architect can go acting as agent for his clients. Its conclusion: the architect can broaden his services — by accepting as his teammates the banker, the realtor, and “perhaps even the builder”—to produce a “package” in competition with other promoters. This would involve an unprecedented willingness by the architect “to guarantee his estimates” of costs or “negotiate costs ‘free of charge’ should the actual costs vary by more than a prearranged percentage of the architect’s estimates.” Added the report: “This guaranteed price . . . is the only real [sales] advantage the package dealer has over the architect in the competition for services.”

The Blue Blast spared few traditions of the profession.

It called for broader training in architectural schools to include courses in economics, land use, taxation, and finance. It called on the educators to graduate specialists in technical aspects of construction rather than only “glorify the designer.”

The report also recommended opening AIA membership to professionals in related fields; proposed increasing AIA’s revenue by collecting supplemental dues from architectural firms; and even suggested that a new headquarters building should be built.

### Now a second Blue Blast spells out “expanded services”

The second report, also by the Committee on the Profession and published in the April *AIA Journal*, outlines these 25 services which large architectural firms can offer in full or smaller firms offer if they employ consultants:

- Feasibility studies
- Financial analysis
- Location and site analysis
- Operation programing
- Building programing
- Real estate and land assembly
- Financing of projects
- Promotion design and planning
- Public relations
- Communications
- Operational design and planning
- Building design and planning
- Bids and construction contracts
- Supervision and demonstration
- Job cost accounting
- Construction management
- Post-construction services
- Supporting design services
- Special consultation
- Architectural education
- Industry consultation

- Research and testing
- Product design
- Architectural graphics
- Prefabricated buildings

Some of the services are explained in detail. For example, a breakdown of “supporting design services” includes engineering, urban and regional planning, landscape architecture, site planning, fine arts and crafts, interiors and furnishings, sanitary and utility planning, roads and traffic design, acoustics, lighting, etc.

### Even before the Blue Blasts, AIA started to reorganize

In 1959 the institute hired a management firm to study its organizational needs. As a result, the staff was realigned into three divisions under the executive director. These three are: Professional Services, headed by Architect Ted Dominick; Public Services, headed by Architect Matt Rockwell; and Administrative Services, headed by Lawyer Win Rankin.

Last year AIA reorganized its board of directors and set up an executive committee of the board.

For many years the institute had suffered for lack of strong direction by its board members. So the staff was pretty free to go in any direction it chose—which sometimes was not what the membership wanted. The board was made up of five national officers and 12 directors representing the 12 AIA regions. This 17-man board was too large and unwieldy for the mass of business it had to handle.

Under the new set-up, the number of regions has been increased to 17 and the number of board members to 22. The job of running AIA between meetings of the board has been handed

over to the executive committee, which consists of the five national officers and the five (or six) most experienced directors—those serving the third year of their three-year terms. The committee has been given broad powers and meets at least four times a year.

To head up the AIA staff, the board named Architect Bill Scheick to succeed Ned Purves as executive director (Purves retired Jan. 1, 1961 but served last year as a consultant).

“Scheick has a remarkably good background for the job,” says Phil Will. “It’s ideal for him.”

Scheick taught architecture for 15 years at the University of Illinois and in 1944 set up its famed Small Homes Council. He left in 1949 to become executive director of the Building Research Advisory Board in Washington. He organized the Building Research Institute as a supporting arm of BRAB. In 1958 he became president of Timber Engineering Co, research wing of the National Lumber Manufacturers Association. (Scheick has served on many H&H Round Table panels, including the first in 1952.)

### AIA now offers its members a long list of services

Ted Dominick’s Professional Services Division, staffed by architects for architects, turns out a wide variety of materials to help the practitioner, the educator, and the student.

Perhaps the division’s most valuable single service is its *Handbook of Architectural Practice*. Many an architect over the past 30 years “has started with nothing but the handbook.” Now a thick tome, the work includes just about all the contract forms, business methods advice, interpretations of legal and ethical problems, and other information that most architects need in everyday practice.

Other division services include technical research, educational programs, publication of building cost studies and materials data, and assistance for state and local AIA chapters.

New staff executives—brought in to direct the division’s expanding activities — include Architect Bob Piper, head of the Professional Practice Department, and Architect Bill Perreault, head of the Education Department.

### AIA is stepping up its activity in urban planning

As Scheick puts it: “This institute is putting increased emphasis on the architect’s participation in urban planning and closer cooperation with the other design professions. We of AIA consider President Kennedy’s federal



AIA EXECUTIVE DIRECTOR Bill Scheick: “a remarkable background for the job.”

housing and urban affairs proposals of profound significance and have endorsed them. Urban design problems are the core of the President's proposals."

Matt Rockwell's Public Services Division and the AIA Urban Design Committee—headed by Carl Feiss, Washington architect and land planner—have plenty of work ahead of them. Says Rockwell: "Absolutely nothing has been published on urban design. Until recently urban renewal has meant largely apartment projects or other buildings within a small area, and one architect would design them. Now we are beginning to get large renewal areas involving many buildings designed by many architects for many clients." So Rockwell and the committee have started research on an urban design book to be used by AIA members and local chapters. Rockwell points out: "As a planning consultant, I have had to learn the language of city politicians, of real estate men, of bankers—and we have got to tell architects something about these things."

This month the Public Services Division will get a new department head when Architect Kenneth Landry of Baton Rouge becomes head of Institute Relations, with the duty of mapping out a program for AIA activity in state legislative matters. Says Bill Scheick: "We expect to go much deeper into this area than ever before, and one tool we will give Landry is HOUSE & HOME's Round Table report [Dec '61] on better state legislation."

### Most AIA activity is still handled by the membership

This year 339 institute members are serving on 52 national committees, which range in size from one to 17 persons. Each committee meets several times a year, usually in Washington, and every session is attended by one of AIA's professional staff and by a member of the board of directors.

Committeemen rarely miss a meeting. One reason: each member is paid traveling and per diem expenses. The cost—\$87,000 last year—is "well worth it" says Scheick, "because of the real amount of work the committees do."

To pay for increased committee work and for the institute's expanded services, AIA is collecting an extra \$100,000 in dues through a new levy on architectural firms. The levy is based on what each firm pays in social security taxes.

Until this year, AIA has received 60% of its \$1.3 million annual income from the \$50-a-year dues paid by individual members. Most of the remainder has come from sales of

documents, from renting space for exhibits at the institute's annual conventions, and from the *AIA Journal*.

### The Housing Committee "is starting from scratch"

Those are the words of its new chairman, Washington Architect Don Lethbridge. And they apparently reflect the thinking of ex-chairman Ed Fickett of Los Angeles and the other four committeemen (Carl Koch of Cambridge, Mass.; Alfred Parker, Miami; Paul Hayden Kirk, Seattle; and Clifford N. Wright, Detroit).

Says Lethbridge: "Ed Fickett and I agree our committee must start from the beginning as far as homebuilding in suburban developments is concerned."

Part of the problem, he suggests, is in the fees: "My own firm [Keyes, Lethbridge & Condon] loses money if we charge only a 2% fee—say, \$600 on a \$30,000 house, built in some numbers. But hardly a homebuilder in the country is willing to pay that much."

"Perhaps we can encourage FHA and lenders to give homebuilders a better incentive to use architects, in the form of better commitments. We should also try to define why a total design service is needed in the suburbs. It can certainly be established that a better job must be done in suburban housing and community design. If it must be done and if this costs more, someone will have to pay for it."

But Lethbridge is somewhat more hopeful than he sounds. With a little luck, he estimates, the number of builder-architect teams might be increased "from perhaps the present 5% of cases today to 10%—and after all that is a 100% improvement."

### AIA is also taking a critical look at the architect's education

Leading educators agree the educational process must change to meet changing needs. The question is *how*.

Says Dean Henry Kampheufner of North Carolina State College's School of Design: "Today most educators tend to play with the student genius, to strengthen his strengths but to do nothing about his weaknesses. And our state colleges have to accept too many poor candidates, who fail to earn degrees. For example, this year our enrollment is 280, but in June we will graduate only 14."

Last year, 69 US architectural schools had 12,563 students working toward bachelor degrees (usually five-year courses), but graduated only 1,739, plus 331 who took masters' degrees.

Says Bill Scheick: "Most graduates are design-oriented. But many gravi-

tate into technical jobs — materials specification, acoustics, mechanical systems, business management, and so on. These men should receive the kind of schooling that will help them specialize. The problem is how to do this with the understanding and cooperation of the educators, who at first were afraid we wanted trade schools. And we also feel the schools should broaden their curriculum so students get much more liberal arts education. The trend is, and must be, toward six- or seven-year schooling."

To study the problems of architectural education—and to recommend solutions—AIA has set up a new Education Commission. Members are Dean Holmes Perkins of Pennsylvania University, Architect Robert Hastings of Detroit, and Engineer S. C. Hollister, emeritus dean of Cornell.

Reports Bill Perreault of AIA's Education Department: "The commission has learned its first job is to find some definitions. Everyone talks about 'land planning,' 'design,' and the like, but these mean different things to different people. But the committee and the educators are not too far apart. The educators want a clear-cut explanation from the practitioners of what kind of training they think students should get. Our committee is working toward that."

### Are AIA's goals feasible? So far, no one can be sure

Some architects like Ned Purves are convinced the goals are unrealistic. Many architects are too busy or too unconcerned to try to guess. Even Phil Will admits he doesn't really know the answer. Says Will:

"The architectural statesman we are looking for will not appear automatically. The evident vacuum can readily be filled by others of lesser competence but greater affinity for quick profits. There are, of course, experts in the field. There are the social planners and economists and those who devote years to study of behavioral sciences. But these experts alone can never have the comprehensive view to bring all the needed areas of knowledge together into one satisfying overall solution and design."

"Design is the word. A human environment can never be achieved by only engineering, or only sociology, or only traffic management. Design means coordination. This coordination should be done by the architect."

"Nothing less than these high-flying aims can bring us closer to our ideals of a more orderly and more beautiful human environment. And thank God we architects are idealists by the very nature of our mission." /END

# Could houses cost **LESS?**

In our search for the reasons behind the seemingly unreasonable cost of houses, we at Better Homes and Gardens went looking for an outstanding builder to tell us his side of the story. Ed Ryan represents the builders of this country who are dedicated to giving the home buyer his money's worth. Here's what Mr. Ryan has to say about the problems he faces in his everyday struggle to keep costs down.

"Our company tries to build the best houses it can for the money, and we have been successful in reducing costs by using mass production and other methods. But, from here on out, to cut costs much more, we'll have to get out from under some problems we can't solve for ourselves.

"For instance, some of the building codes in the townships in suburban Pittsburgh where our company builds are over 25 years old. Besides this, each township has a different code, which often conflicts with the others, even though topography, drainage, fire hazards, and all the other conditions which affect codes are virtually identical.

"As a result, the cost of a given house can vary as much as \$800 from one town to the next. Furthermore, these codes make it impossible for me to use such simple cost-cutting methods as plywood subfloors or prefabricated roof trusses in some places. To really cut costs, we should be able to use wiring harnesses, plumbing cores, or even components such as complete bathroom units, but we can't even think of using such products with our building codes.

"Besides improving codes, local governments must improve the zoning and land regulations. Now, when a builder plans a development, he runs a big risk of getting caught by an overnight unpredictable change in zoning. For instance, over a year ago, we bought a large tract in an unzoned township. When we presented our plans to the Allegheny County Zoning Board

(as we must when a township has no code) they were promptly approved. But then, town commissioners suddenly demanded that we pay not only for installation of a sewage system and treatment plant—which we had planned to do—but that we also indirectly finance a sewer in another area by paying a \$250 sewage tapping charge on each of our houses.

"I don't object to sensible changes in land usage regulations, and I don't object when towns have very tough rules and enforce them vigorously. On the contrary, I like to know where I stand at all times. All the applicable regulations should be available to the builder for his examination before he buys the land.

"I'd like to see all communities draw up long-range plans for land use. Only when a town has such plans and sticks to them can a builder feel safe about investing in land to develop for lower-cost housing.

"Another bit of red tape that loses us an average of two days on every house is the time taken for the various inspections by the FHA man, the plumbing man, the electrical man, and the building man. We certainly encourage inspections as a second check in quality control, but why should our customers have to pay for the extra time taken by so many inspectors? Why not let one man do the work of all four?

"Now let's have a look at the building industry itself. First of all, if we are ever to have lower cost houses, union featherbedding must stop. It is no secret in the building industry that restrictive practices, such as limiting the number of bricks a mason can lay in a day, drive home costs up.

"But it isn't all a matter of featherbedding. In our own case, our ability to produce homes at reasonable prices is partly due to the fact that we have an incentive bonus system for our best and fastest crews and we see to it that people in our organization get ahead on ability. Everyone—from carpenter to management—identifies himself with the job, instead of merely putting in a day's work.

## This builder says

**Ed Ryan, Pittsburgh home builder  
cut the price of this house from  
\$23,500 in 1957 to \$20,300 today**

# YES!



To: The Managing Editor

From: Max Huntoon

Subject: The Ryan Story

I spent the better part of three days in Pittsburgh looking over the Ryan operation. I think there's a lot that will interest our readers, both in Ryan Homes and in Ed Ryan, the president.

Ryan's prices have been coming down steadily for five or six years. The house shown in the B H & G story (which you sent me) is a good example because Ryan has been building it since 1957 with only minor plan changes: In 1957 it was priced at \$22,900; today it is priced at \$20,300, and it now includes \$600 more in kitchen appliances, so its total increase in value is \$3,200.

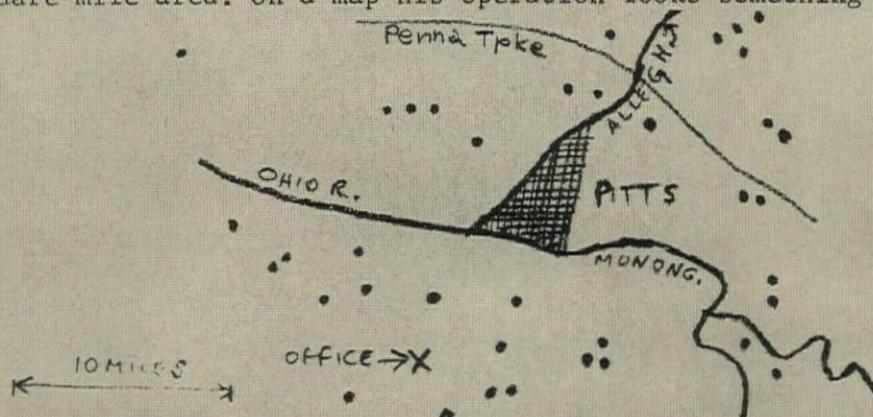
There are a lot of reasons why Ed Ryan has been able to cut his costs and his prices this much. Most of them lie in the realm of management, and I think the one you'd find most interesting is Ryan's approach to this problem: How to be an efficient 1,000-house-a-year builder when you don't build more than 50 houses a year in any one place.

The efficiency starts with Ed Ryan himself. He's young (38), quiet, and all business. He reluctantly gave me 30 minutes of his time ("I'm sorry, but I've got to build houses."), and gave me carte blanche to talk to his key people only on the condition that I keep it brief. ("They're all busy," he said. They were, too.)

Ryan has been in homebuilding all his life. His father was a builder, and Ed worked for him as a carpenter. After the war, Ed started out on his own with one house; by last year he was up to 893 houses a year, and this year he'll probably go over 1,000. That's about 20% of all the houses in Allegheny County.

Ryan Homes is a reflection of Ed Ryan. No frills, no fancy offices, no unnecessary personnel. It's a tight, efficient organization. It's also a highly interesting organization because he is running a highly interesting operation.

Briefly, Ed Ryan is what I would call a "scattered subdivision" builder. He buys small, close-in parcels of land--much of it bypassed by other builders--and builds on as many as 41 of them at a time. His typical small subdivision has about 40 houses, and he has these subdivisions in about 18 townships and boroughs in a 500-square-mile area. On a map his operation looks something like this:

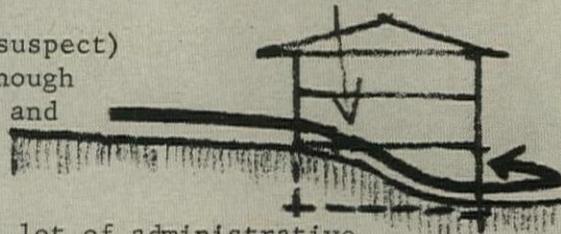


Ryan told me he didn't choose this scattered operation; it was forced on him by land conditions around Pittsburgh. For example:

1. Big pieces of land just aren't available. Ryan would need about 500 acres a year; the biggest single pieces near Pittsburgh are farms that are seldom more than 100 acres, and other tract builders have long since used up most of these.
2. Pittsburgh is coal country. One of the first things Ryan's engineers do when they find a likely parcel of land is take the map to the Bureau of Mines and check it against a mining map. If the land is over a mine, out it goes. The reason: Overburden can shift, make houses settle and crack. (I was told about one builder who was starting to skin off for a basement when his bulldozer dropped into an abandoned mine.)

- 3. Pittsburgh is nothing but hills (literally every house you see is a hillside model) and much of the land is too steep to build on. A big tract is almost sure to include a high percentage of this unusable land. But if a builder buys small tracts, he can be selective and take just the ones with the lowest percentage of unusable land. "Even then, we sometimes get less than an 80% lot yield," George Gullick, head of Ryan's land department, told me. (Ryan takes advantage of hilly sites by tucking his garages under the house like this.)

So in Pittsburgh (and in many other cities, I suspect) the only way a big and growing builder can get enough land in desirable areas is to buy smaller tracts and learn how to build on them efficiently.



Ryan knows he could cut his costs and get rid of a lot of administrative headaches by building all his houses in one big subdivision. But, he says, even if he could find enough land to do this, he'd still keep some small subdivisions going. His reason: They give him advantages he simply couldn't get if he built in just one place. I think that these advantages are important enough so that other builders might consider building in scattered tracts, even though they aren't forced to:

1. You don't have to sell buyers on the neighborhood. The big one-tract builder has to create a new community. But Ryan is building in or close to established communities. "So all we have to do," he says, "is sell the houses." Adds Jim Ryan (Ed's younger brother who handles all merchandising and design): "A buyer who lives in, say, Mt. Lebanon, and wants to stay there doesn't have to move thirty miles away to Monroeville to buy our new bi-level. He can buy it right in Mt. Lebanon, or in a dozen other towns around Pittsburgh." Also, since Ryan is building in established communities, he seldom has to put in sewage plants or other utilities.
2. You can build in a wider price range and thus appeal to a bigger market. Ryan's houses range from \$14,000 to \$32,000, or even higher on some high-priced lots. His average price is up around \$19,400 (compared with about \$13,000 for other big builders in Pittsburgh) and this, he says, gives him another advantage: his mortgage loans are split 50 - 50 between conventionals and FHA, so ups and downs in the cost of money affect him less than builders who sell all VA and FHA.
3. You don't get hurt as badly by market fluctuations. "We have a balanced business," says Ryan. "When one price range or one area hits a slump, we take up the slack in other price ranges and other areas." Consequently Ryan never has to build spec houses ahead of sales. And by the same token, he seldom has to lay off anyone; he merely shifts some personnel from slow areas to more active ones.
4. You don't have to tie up as much money in land. Ryan buys just enough of his small parcels to stay comfortably ahead of production, and he's found that a six- to eight-month inventory gives him a big enough safety margin. (Most of the big single-tract builders I've seen buy the whole tract before they start a single house, so they have to carry at least one year's supply in inventory, and sometimes two or three to protect themselves against price rises that their own new community causes in adjacent land.)

Ryan does something else I've never seen a really big builder do: He buys about half his land in the form of developed lots. He'll buy three or four lots for his models, take options on the other lots in the subdivision, and pay for them as he gets firm contracts. It costs him more per lot than if he developed his own; but, he says, the extra cost is more than offset by the savings on interest and the smaller risk.

(But I don't think every builder could get this kind of a deal from a land developer. Ryan gets it because he has a solid reputation as both a builder and a businessman, and because he stages good promotions. Developers say they have nothing to lose and everything to gain by having Ryan's houses in their subdivisions.)

That's the plus side of Ryan's scattered-subdivision operation. Now here are some of the areas where it creates problems, and in most cases, pushes up the overhead:

1. Land purchasing. It's a continuous, year-round job, and it requires a permanent department with a staff of seven, including a registered engineer and four surveyors.
2. Field supervision. Ryan has found he needs a super in every subdivision, except where two subdivisions are so close that one man can oversee both. This means that a super may handle less than 50 houses a year; I've seen lots of one-tract operations where one man supervises a couple of hundred a year.
3. Transportation. Some of Ryan's subdivisions are more than 30 miles from his central yard, so lots of time goes into moving materials and equipment. And Ryan and his top executives can--and sometimes do--use up a whole day just making quick visits to a dozen subdivisions.
4. Local codes. As you'd expect, the 18 municipalities where Ryan builds have widely differing codes. Ryan completely standardizes his houses (I'll tell you more about this later) so they have to comply with the local codes in every town where they might be built. "As a result," he says, "we can't use many of the technical advances that could cut our costs. Take trusses, for example. We've always known what they could do for us, but we've only just been able to start using them."

(I talked with Ryan on the phone this morning, and he told me that the code situation looks much better. Two or three towns have adopted the BOCA code with only very minor modifications, and most of the others are considering it. The next time you plan a story on codes, we might go back to Pittsburgh and see how an enlightened program like this affects prices. Ryan thinks he could save at least \$800 a house if he could work with uniform code requirements.)

5. Sales costs. This will surprise you. Ryan has about 60 model houses open right now. The reason is that every major subdivision has at least three models, and sometimes as many as five. Also, 18 of his models are always furnished. (Jim Ryan thinks that it costs at least \$3,000 to do a good furnishing job, so Ryan has a lot of money tied up in his furnishings.) Naturally Ryan needs lots more signs than a one-tract builder, some of his big signs cost over \$150. And, of course, he needs many more salesmen--at least one in every major subdivision, or, says one of his sales managers, "about three times as many as we'd need in a one-tract operation."

None of these problems can be eliminated, says Ryan. They're inherent in a scattered operation. But they can be minimized.

"Four years ago," Ryan told me, "we saw that the company just couldn't be run efficiently from one central office. So we decentralized."

Ryan has set up four division offices, one in each of Pittsburgh's principal suburban areas. Each office has a sales manager and a production manager, one of whom doubles as overall division manager. All field supervisors in the area report to the production manager, and all salesmen to the sales manager. And each division office has its own clerical personnel.

Ryan's idea is to put as much decision-making power as possible in the hands of people close to the scene of actual production and sales. And division managers have been given so much responsibility and authority that you'd think they were independent builders. Here are the things they do:

1. Division managers pick the houses to be built in their subdivisions. They have a choice of 25 models--split-levels, split-entrys, one-storys, 1½-storys, and two-storys--in five price lines. Usual practice is to offer no more than two or three price lines in each subdivision. ("Sometimes we let a customer order

a house that's overpriced for the subdivision," says Jim Williams. "But in this case, we protect ourselves against the possibility that the buyer can't close at the last moment by insisting on a conventional mortgage and more than the usual down payment.")

2. Division managers decide which houses to build as models and which to furnish. In making this decision, they are influenced by overall company promotions which usually push a different model every couple of weeks. They try to make sure that the promoted model is displayed and furnished in as many of their subdivisions as possible.
3. Division managers are responsible for all phases of selling, including a post-sales program that's one of the best I've seen. They not only service complaints, they go out of their way to look for them. Just before the closing, a supervisor goes through the house with the buyer, shows him how everything works, and makes a note of anything that needs fixing. After repairs are made, the buyer goes through the house again, and if he's satisfied, he signs an acceptance agreement. Six months later--whether the buyer has squawked about anything or not--the superintendent drops by, makes another inspection, and sees that all faults are corrected. Again, the buyer signs an acceptance. In addition, Ryan often goes well beyond the standard one-year guarantee and has been known to make repairs two and three years after the buyer moved in.
4. Division managers hire many of their salesmen. Ryan himself also hires salesmen, and in one case went to considerable length to get the best. Late in 1960, he bought out a big realty company that had been handling about half his sales, and brought the salesmen into Ryan Homes. The haul: two of his four sales managers, and 11 of his 26 salesmen.
5. Division managers direct on-site construction, schedule starts, and make sure that both crews and subs start and finish each part of the job on time. Incidentally, there's nothing casual about "on time." It means sticking to an exact day-by-day timetable established by Ryan for each model. To set up this timetable, one of Ryan's best crews builds the prototype of each new design. At the same time, the crew debugs the new model--that is, recommends changes to make the house easier and faster to build. And these changes are incorporated into a revised plan.
6. Division managers locate land for future development. If the land is in the form of developed lots and can be optioned-up with a small cash outlay, they may go ahead and buy it without consulting Ryan. But if it is raw land, or if it involves a lot of money, they get okays from both Ryan and the land purchasing department.

But Ryan didn't decentralize everything. As in any spread-out company in any industry, Ryan Homes' central office still handles functions not closely tied to the site or too costly to duplicate in each of the four areas. Examples: bookkeeping and accounting, purchasing, pre-cutting and packaging, design, land engineering, and merchandising.

Land purchasing is so important in Ryan's small-tract operation that it has a department all its own. This department handles everything from preliminary surveys to earthmoving. Before a raw tract is purchased, the department estimates the cost of developing it and makes a report to Ryan. If the tract is bought, the department lays out contours, plats building sites, gives the division manager the average lot price for the subdivision, and supervises the actual earthmoving.

(The land department has invented a gadget for estimating the volume of cut and fill in a hillside terracing operation. It's a slide rule that takes data from a contour map and converts it directly into cubic yards. I tried to get it for Technology, but they wouldn't let it out of the office.)

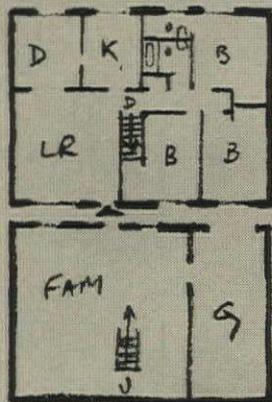
Advertising a lot of small subdivisions calls for a special technique. Instead of promoting both the house and its community, Ryan's ads talk chiefly about the house and include a map showing the subdivisions where the house can be bought. Ryan promotes a different model every couple of weeks, so each of his 25 houses gets at least one "opening" a year.

Finally, overall administration of the company remains firmly in Ryan's own office. While he gives his division managers and his other executives a very free hand, he still maintains tight control. "You never know when he's going to turn up," a supervisor told me. "And when he does, if you've got a couple of houses behind schedule, you'd better start looking for a hole to hide in."

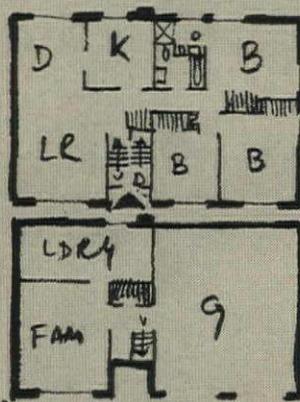
Ryan checks for quality as much as for efficiency. I went through perhaps a dozen houses in various stages of construction, and while his plans are pretty standard ("We don't want to do any pioneering in design," he told me, "we just want to keep improving year by year"), I don't think I've ever seen better workmanship in merchant-built houses--or in many custom houses, for that matter. His plumbing and his wiring are neatly and carefully installed, showing that he's getting top quality work out of his subs as well as his own crews. And he's constantly using better materials: this year he's changing his flooring from white oak to red oak, he's putting in silent switches, and he's adding plastic wallpaper to his baths and kitchens. His aluminum windows are the heaviest I've ever come across. And his cabinet work is of unusually high quality.

Ryan's standard exteriors are brick with some clapboard. His floor plans are not unusual. Here are three typical examples:

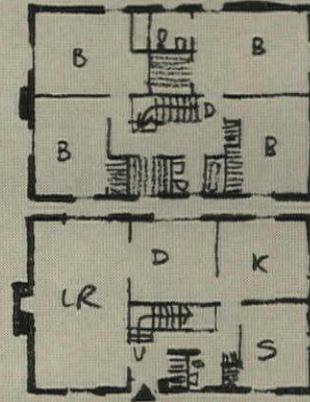
1,200-sq ft one-story:  
\$15,200



2,000-sq ft split entry:  
\$20,600



2,000 sq ft two-story:  
\$26,300



And as I said before, decentralization is just one way Ryan has cut his costs. The others?

"Hard work," he told me, and added, "We've learned how to buy better, build better, and sell better. Of course, as our volume has gone up, our unit costs have come down. And more and more, we've found that standardization is a key to cutting costs."

Ryan standardizes his models down to the last nail. Buyers are given a choice of colors, cabinet finishes, appliances, etc., but they are not permitted a single structural change, no matter what they are willing to pay for it. They take the house as is or not at all. (Compare this with the Wilmington builder I wrote you about the other day who urges his buyers to make custom changes.)

"A few buyers balk at this," says Jim Williams. "We tell them, 'Changing a door location may seem like a simple thing to you. But to us it means new drawings, extra carpentry, changes in wiring, plumbing, and heating, and extra supervision for everything. We couldn't possibly charge you all it would cost us to make that one change.' Then we point out that rigid standardization is a big reason why our houses are such a good value. And we suggest that they go out and try to find a comparable value in another house. Most of the time they come back to us."

M. H.



# The case for **Higher Density Housing**

If higher-density housing is really well planned—if the buildings, the individual units within them, and most especially the site plan of the land around them are well conceived—then:

1. Even at the same number of units per acre, the cost per unit can be lower than in the traditional subdivision—because less land needs to be developed, and streets and utility lines can be much shorter.
2. There can be more privacy indoors and outdoors (in walled gardens) than there is in the average house with its narrow side lawns.
3. There can be more usable green space—for the land saved by eliminating side yards and reducing the size of back yards can be put into community green space big enough for playfields, swimming pools, and other recreation facilities.
4. Stores and other community services can be provided within easy walking distance of more of the houses.
5. There can be much more design variety and interest than there is in the average evenly (and monotonously) spaced subdivision.

And there are other advantages:

Higher-density housing is ideal for the growing percentage of our population which is under 30 or over 55 years, and which does not need or does not want a single-family house on a suburban lot.

Higher-density housing is ideal for the renewal of our cities—and can provide the answer for the growing number of families who prefer urban living but now commute long distances to exurban towns.

Higher-density housing may be the only answer to housing our rapidly growing population, which—Census predicts—will increase 20% by 1970, over 50% by 1980, and more than 100% before the year 2,000.

Despite the delaying action by local officials who often seem concerned only with the maintenance of the status quo, the growth of high-density housing is impressive. According to Economist Miles Colean, 22.9% of the private non-farm housing units built in 1961 were in buildings with three or more units—and in 1960 the percentage was only 17.4%. (This year, he predicts, 315,000 of 1,325,000 private units—or 23.8%—will be in buildings of three or more units.) NAHB reports a 34% rise in multi-family construction from 1960 to 1961.

And this growth of higher-density housing seems sure to accelerate, for almost everyone in housing (except the entrenched local officials) agrees that:

1. We cannot afford to continue to waste land at the rate we have been wasting it in unplanned sprawl.
2. We cannot afford to waste money in more streets, more utilities, and more development work than is necessary.
3. We must change the outmoded zoning laws that enforce this waste.

Higher-density housing means different things in different market areas. On the next 22 pages you will see 26 case examples—diverse solutions to diverse problems. They may suggest ideas that will shape your thinking—whatever your role in homebuilding and whatever your stand on higher-density housing.



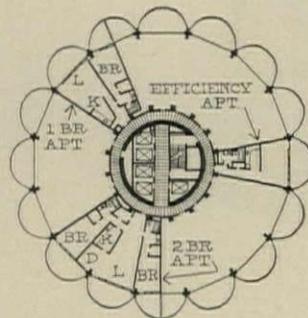
**You can get densities of ten families/acre with low-rise units like these**

Some 400 one- and two-story apartments are being built as part of a huge (1,800-house, 560-acre) retirement community in Palm

Springs, Calif. Both types of unit, designed by Los Angeles Architect William Bray, have two bedrooms and two baths, patios or balconies,

over 1,200 sq ft of living area. Prices under condominium financing start at \$19,500. Palm City will offer extensive recreation facilities

including an 18-hole golf course. The builder: Marnel Development Corp, headed by NAHB Past President Nels Severin.



**... or 300 units/acre in the highest of high rise**

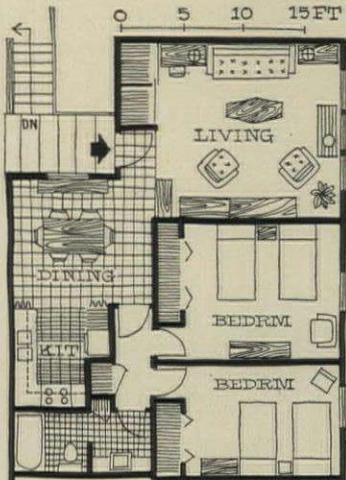
The twin towers of Chicago's Marina City will be the tallest (60-story) apartment buildings in the world. The photo shows the reinforced-concrete core (a 35' cylinder 580' high, housing elevators and utility lines) and parking ramps of one tower, right, virtually complete.

The 896 apartments in the two towers will be on floors 20 to 60—above 19 stories of parking. Each apartment will have at least one 10'x20' elliptical balcony with a 210° view of Lake Michigan or the downtown skyline. Because of the round shape of the buildings, each balcony—except at its outermost edge—is private from its neighbors "around the curve."

The \$36 million project, sponsored by the Building Service Employees' International Union, is scheduled for completion late this year. Architect: Bertrand Goldberg. For more details, see H&H July '61.



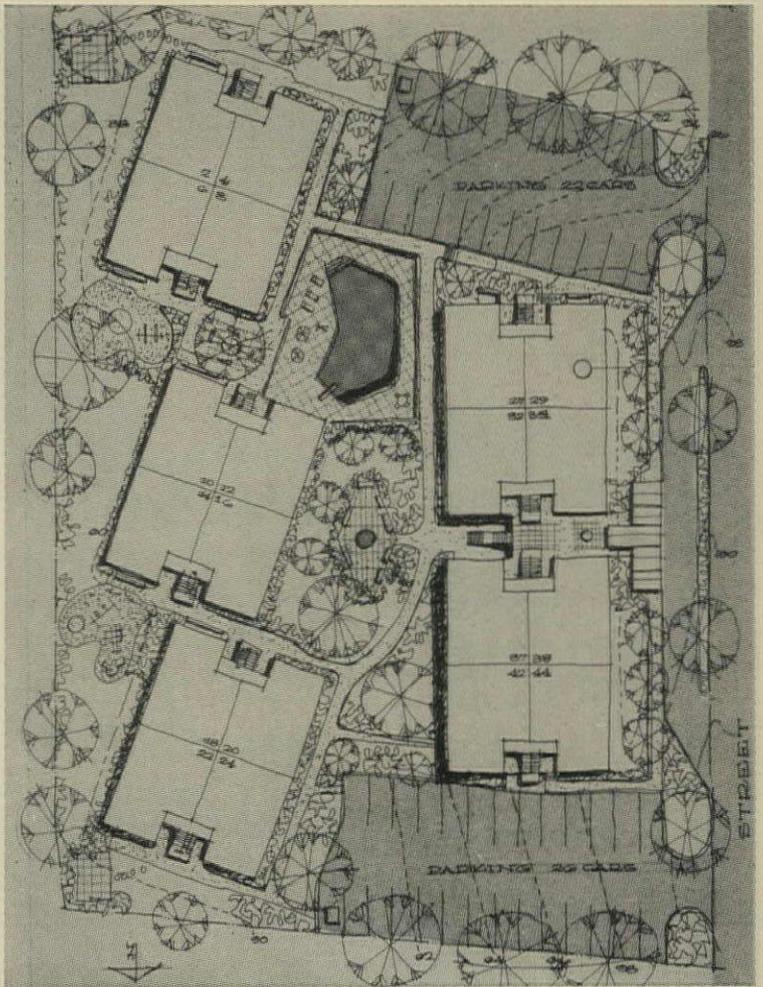
**You can create pleasant living on a small site**



There are 44 two-bedroom apartments on 1½ acres shown in the plan, right. Architect Earl Swenson placed five 2-story buildings so they enclose a garden area and swimming pool in the center of the project. He kept a narrow landscaped area and parking for 60 cars around the perimeter.

The floor plan, left, shows good circulation—no cross traffic in any room and minimum hall space. Also worth study: the considerable storage space, the compartmented bath, and the compact plumbing core.

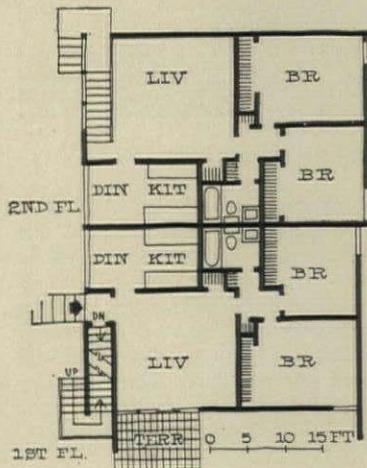
The Nashville project was developed by Schatten & Cypress, realtors. Rents: \$130 to \$150.



Piaquet



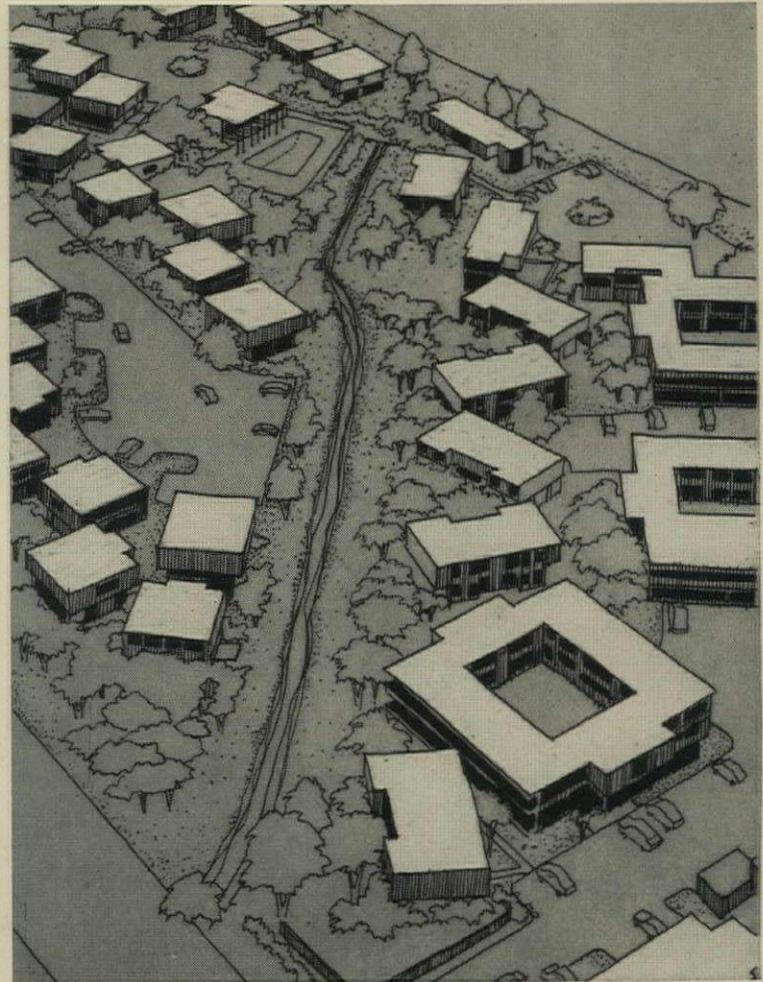
**... and maintain human scale on a big site**



Careful landscaping and swimming pools set off these clusters of contemporary garden apartments on a 22-acre site in St Louis. The project, called Park Towne, has 383 apartments in 56 separate buildings. Density: 18 units/acre.

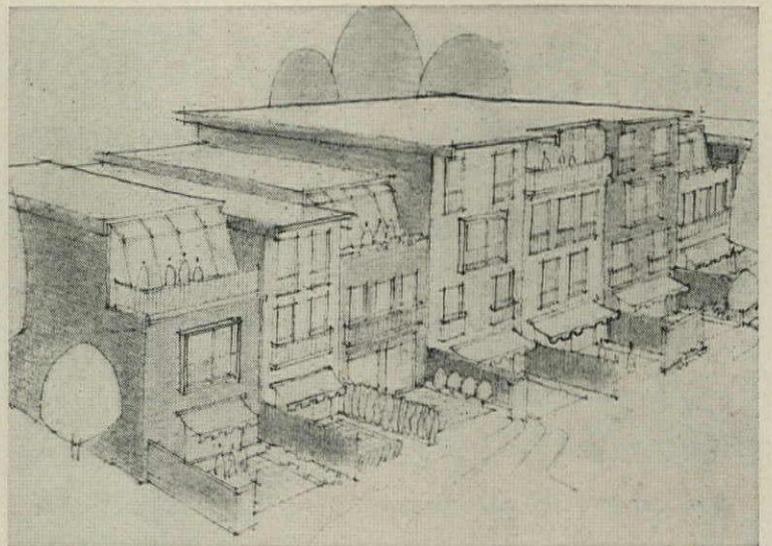
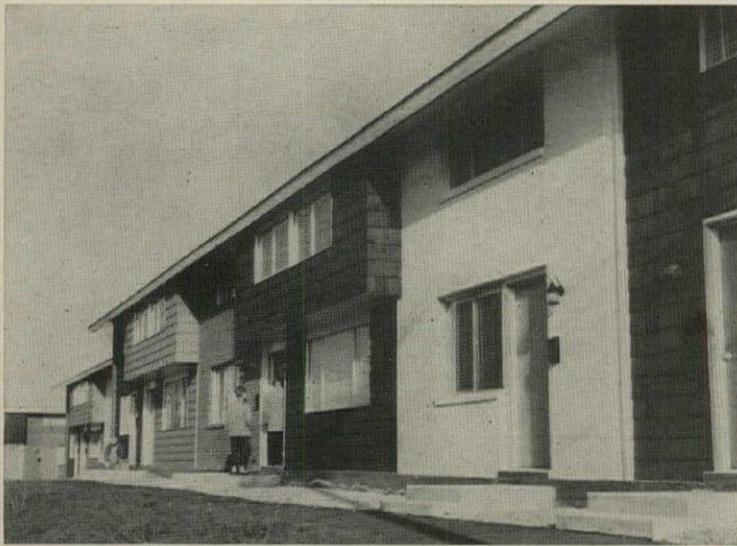
The buildings and outdoor living spaces, designed by California Architect J. Richard Shelley, bring a West Coast flavor to the project.

Family patterns are divided within the project: the south section has 175 units for couples without children; the north section, 208 units for larger families. Builder Wilbur R. Rosenblum finished the job in November '61.



*continued*

Burton Street



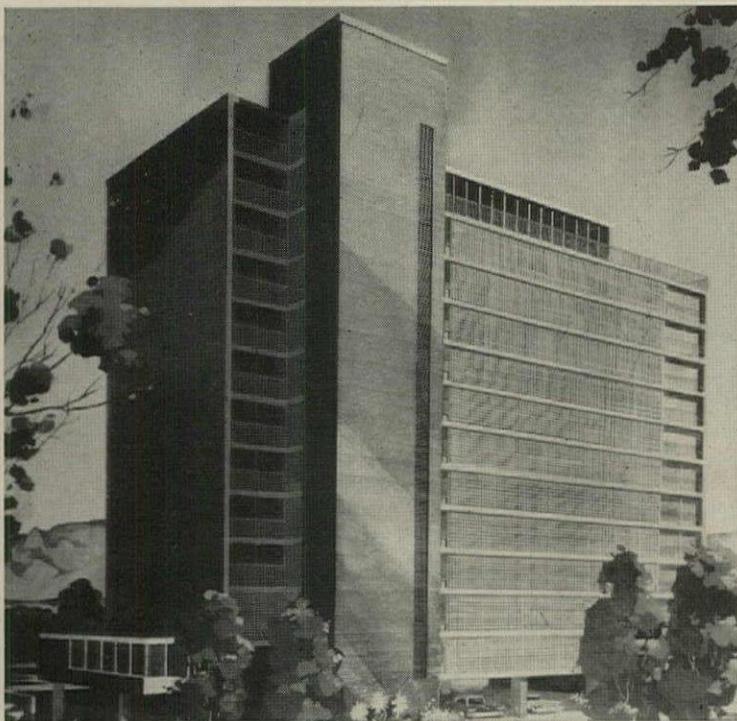
**Higher density works equally well for lower-income families and well-to-do families**

The two-story townhouses above are the first completed under FHA's Sec 221d3 for low-middle income housing (H&H News, Aug '61). Architect Carl Koch designed

them for Urban Associates of New Haven. There are 104 units on 5.4 acres; all were rented within two weeks of opening at \$87.50 for two bedrooms, \$99 for three bedrooms.

The three-story townhouses in the drawing above were designed by Architects Satterlee & Smith for Washington's Capitol Park redevelopment. Says Architect Clothiel

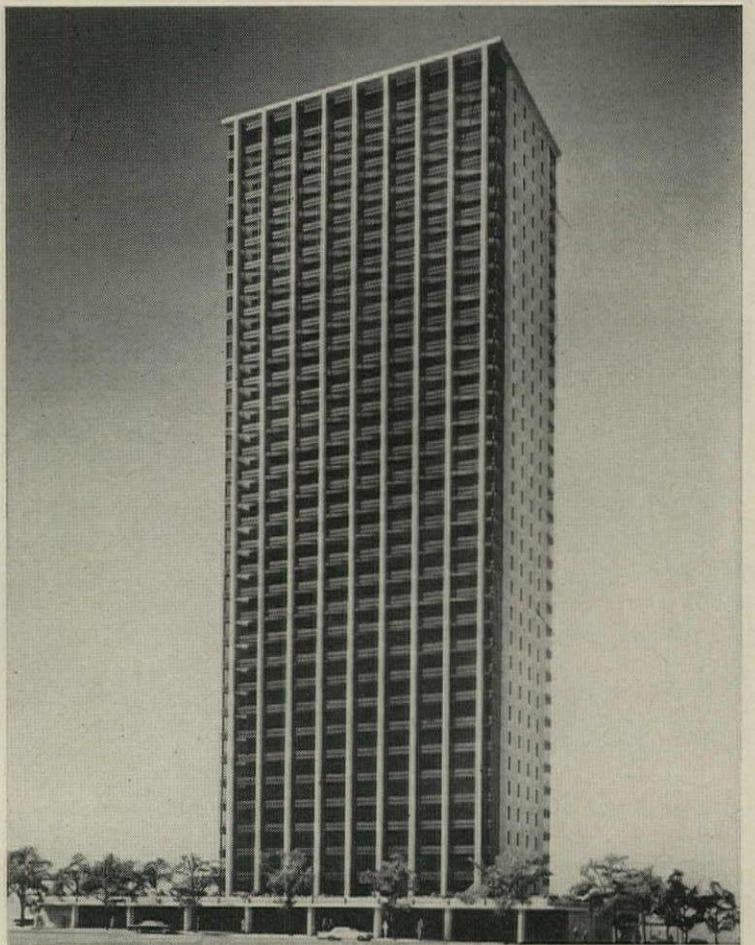
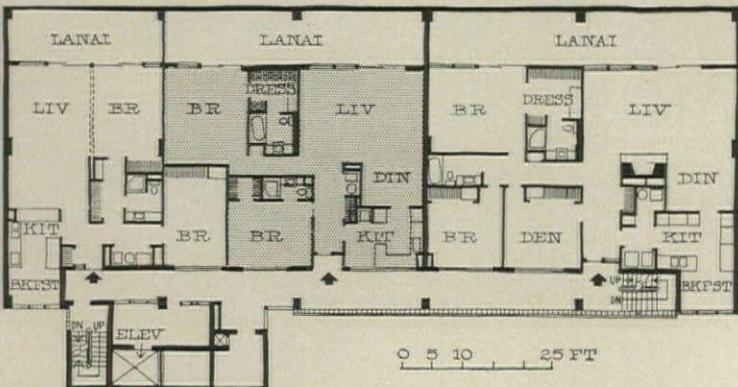
Smith: "This is our attempt to get away from townhouses that look like chopped off sausage." Rents will run from \$120 for efficiencies to \$240 for four-bedroom triplexes.



**You can use high-rise for "vertical subdivisions"**

Most of the 29 units in this ten-story Albuquerque high rise are more like a ranch house (see floor plan below) than an apartment unit, and have house-size balconies opening off the living and master

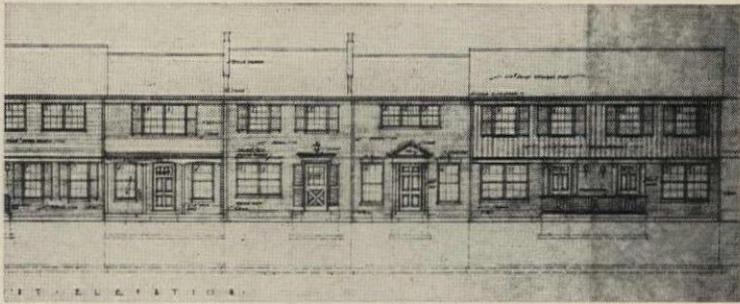
bedrooms. They sell (with condominium financing) for \$16,500 to \$46,000. The sun screen on the front of the building, above, shades open-air corridors. Designer-BUILDER: Bruce Hebenstreit.



**... or for big-city skyscraper housing**

This 35-story cooperative apartment is Manhattan's first sheer tower apartment—the kind of building encouraged by New York's new zoning (which lets you build straight up if you take a big set-back at the first or second-floor level). The old zoning rules required a series of set-backs that made most city high-rise look like

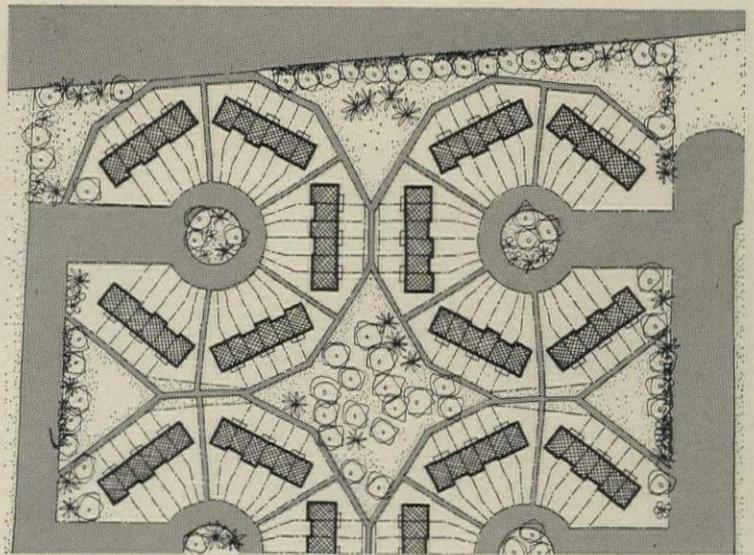
a pyramid of blocks. Architects Emery Roth & Sons designed this building for Tishman Realty under the old rules—they simply gave up much of the allowable building space in the interest of design. Because of the smaller-than-usual area of each floor, there are only four apartments on each floor (and each is a corner apartment).



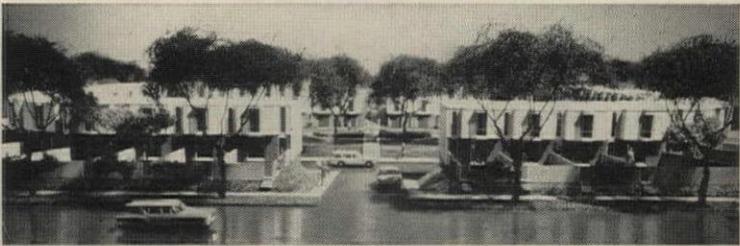
**You can plan high density around cul-de-sacs**

On a 19-acre site in Indianapolis, the Perine Development Corp is building 180 townhouse units in the fresh pattern shown at right. The units, arranged around six cul-de-sacs, each have narrow gardens opening to landscaped parks. The

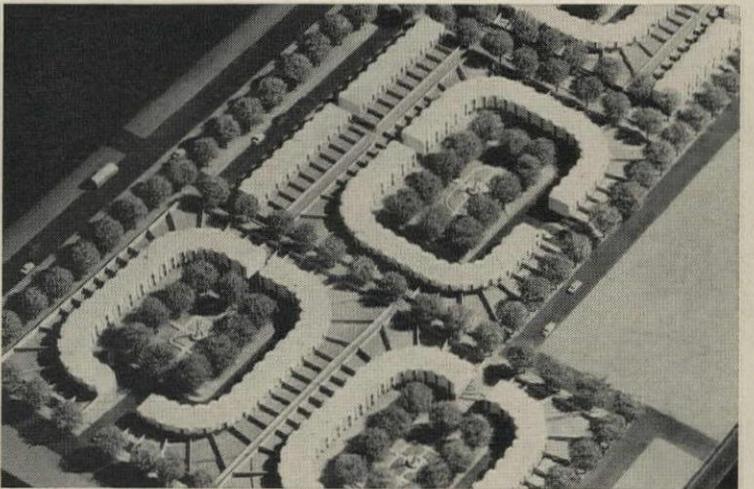
two- to four-bedroom units are priced from \$11,000 to \$15,000. They are adaptations, by the same architects—E. W. Augustus and John Doumas—of Bollinger-Martin's much talked about townhouses in Louisville (H&H Mar '61).



L. W. Ackerman



L. W. Ackerman



**... you can plan around village greens**

This new plan was designed by Architect Don Hisaka for a 12½-acre, 156-unit urban renewal project in Milwaukee. The houses are built around landscaped courts with a circular drive leading to the garage on the lowest floor of each

three-story unit. Outside the ring of houses, opening to the living-dining area, are private, fenced-in patios. Each unit has 1,000 sq ft of living space. The developer—Horizon Renewal Corp—plans to sell them FHA for \$12,000.

Martin Linsey



**... or you can let the terrain dictate your siting**

Cleveland's Allstate Construction Co handled a steep site by building split-level apartment buildings with two stories on the uphill side, three stories on the downhill side.

Architects Grosel & Jencen, Cleveland, put 166 one- and two-bedroom units into ten buildings, and renting agents Bates & Springer

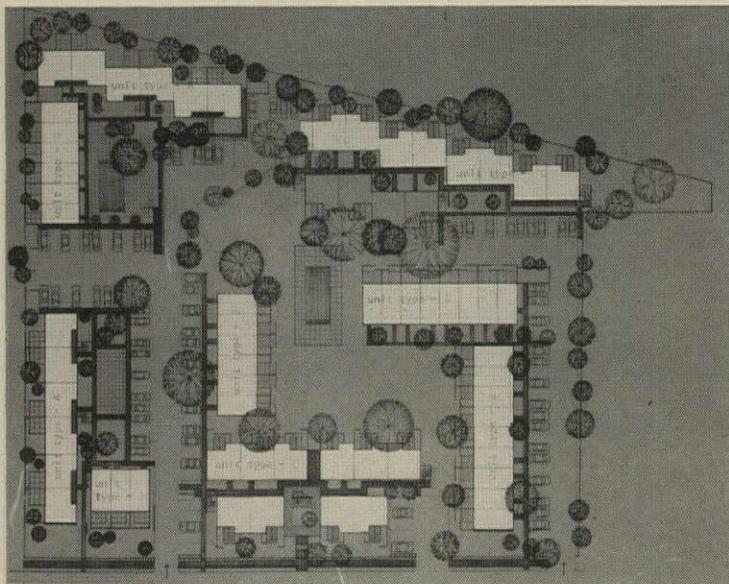
had rented 160 of them, at \$120 to \$140 a month, less than seven weeks after opening. Over 80% of the units have a balcony or a patio, and the patios are recessed from the building line for privacy.

The project includes a swimming pool and a glass-walled octagonal recreation building.

*continued*



**In higher-density low-rise units, community and private outdoor space is a must**

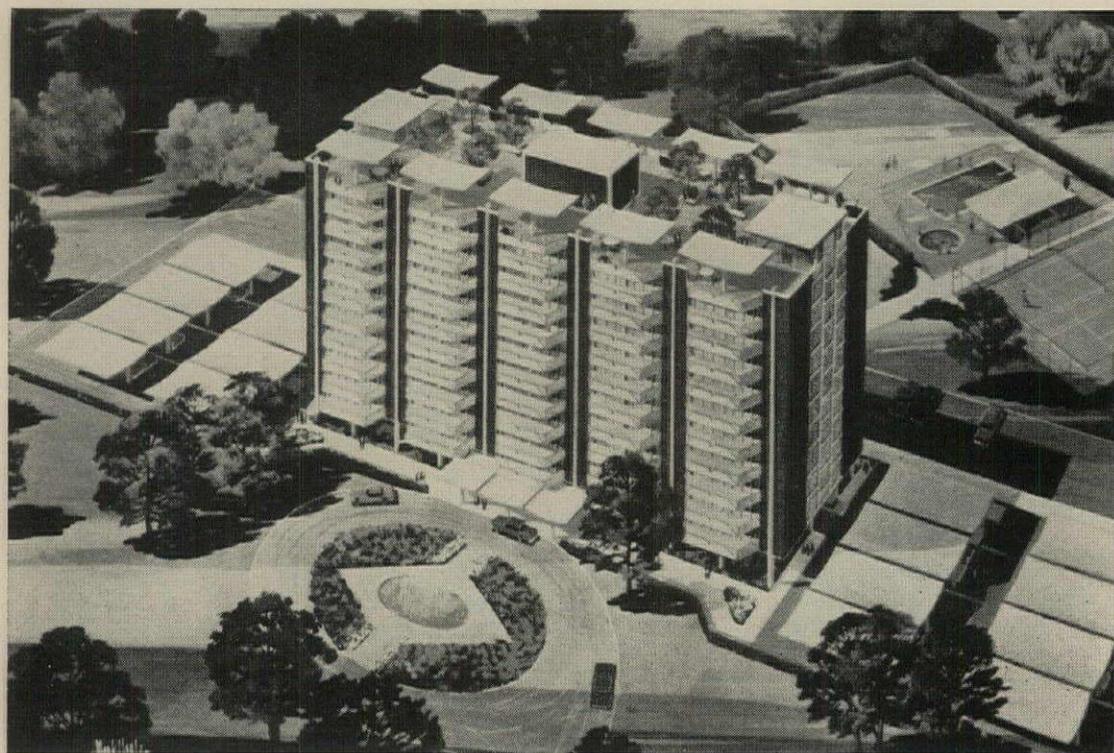
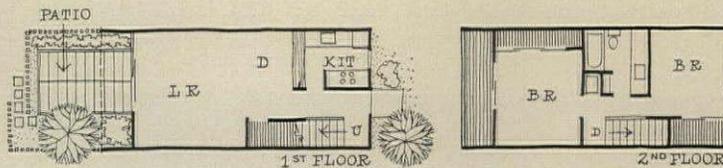


Each of these 99 contemporary two-story units has a private fenced-in patio (photo, above) or a balcony set in behind the building line. And beyond the patios are broad green lawns and swimming pools, a pleasant view and community recreation space. Entries and parking face landscaped streets set in off the main traffic arteries.

The project, on a 3½-acre site in Walnut Creek, Calif., was planned in three stages, because sufficient financing was not available for the whole job at once. Architects Larry

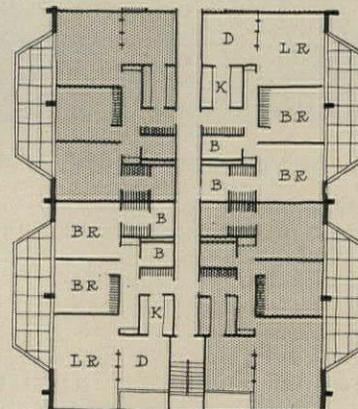
Freels and Walter Lucas designed each stage so it would provide pleasant living within itself—then fit well into the composite plan shown at left.

The entire first stage was rented (for \$105 to \$170) before completion, so financing for stages two and three was immediately made available. All units were rented within a month of completion; and the owner now has an additional 95 units under construction on adjacent land (not shown on site plan). Builder: Joe B. Smoot Inc.



**... and it is a big asset in high-rise buildings**

Every apartment in this 11-story, 118-unit high-rise in Nashville has a deep, wide balcony; and there is community outdoor space on the roof, in a recreation area behind the building, and in the parklike setting. Architects: Swensson & Kott. Builders: Bloomfield Building Industries.



**You can build your units around recreation**

For these New Orleans apartments, Architect Louis Clement made effective use of the city's traditional courtyard—all apartments overlook this private terrace with its lighted swimming pool, pavilion, and tropical plantings.

This building is one of two similar 72-unit clusters on a four-acre plot. Each of the 800 sq ft, two-bedroom units has its own 26'x6' balcony, is air conditioned, and rents for \$175 a month. The builders, Dominion Construction Corp, report that all units were rented within a month of completion in November '61.



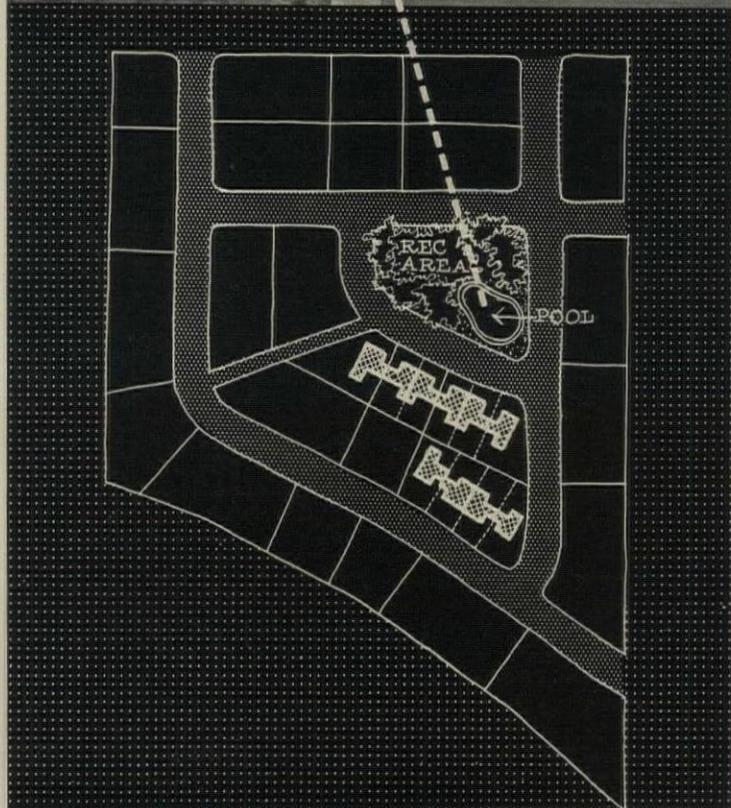
Photos: Joey Starr



**... you can put recreation "next door"**

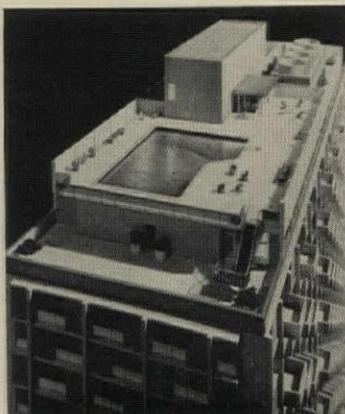
These townhouses—priced at \$13,750 to \$18,950—are in the first 17-acre section of Villa Monterey, a project of one- and two-story units built by Butler Homes in Scottsdale, Ariz. One full block of the section (site plan and photo, right) is a landscaped pool and recreation area. Nearby is a golf

course that will serve these and other townhouses in the development, as well as a subdivision of detached houses by the same builder. The townhouse idea and recreation facilities were obviously attractive to buyers—Butler is now opening a second section of townhouses with its own recreation area.

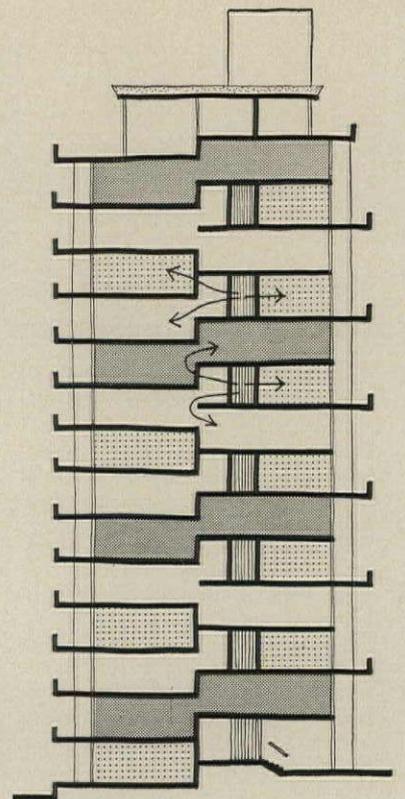


**... you can even put recreation on the roof**

The 35-story apartment at right has a swimming pool, dressing rooms, and sun deck on its roof. Called Hopkinson House, it is now under construction on Philadelphia's Society Hill. Rents will begin at \$95 for efficiencies. All 536 apartments are air conditioned, have disposers, dishwashers, and washer-dryers. Architects Stonorov & Haws designed the building for Major Realty of Rosemont, Pa. Builder: R. M. Shoemaker Co.



continued



**You can design to take advantage of a view**

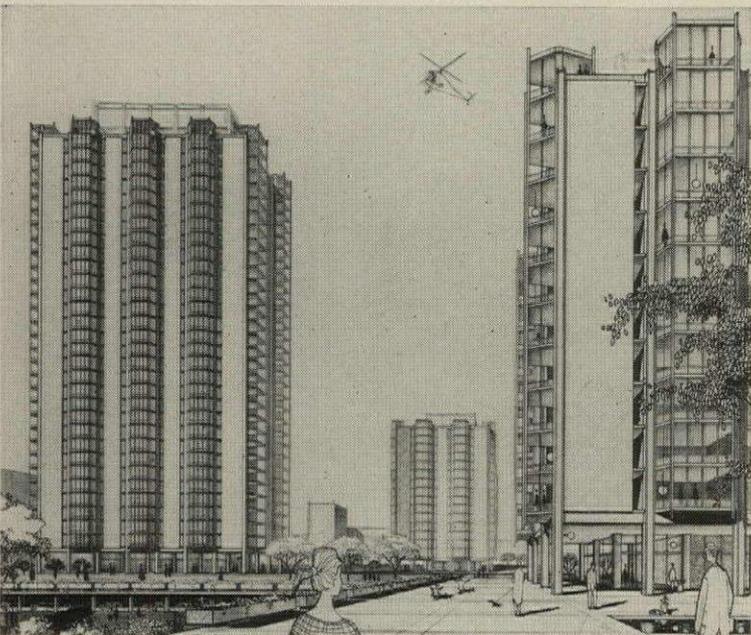
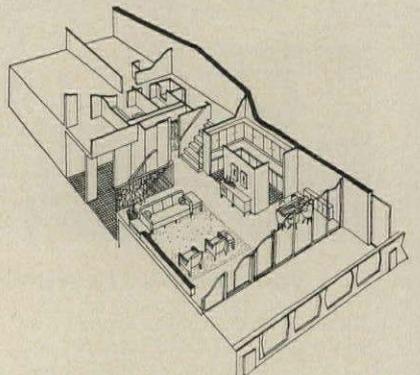
Over 80% of the 180 units in each of these buildings overlook the Hudson River and George Washington bridge (photo left) and the New York City skyline to the south.

To accomplish this, Architects Kelly & Gruzen used the split-level design shown in section above, with a skip-stop elevator system that saves corridors and creates space for stairways between levels. As the shading on the section shows, many of the apartments run through the building—so they have views in two directions. There are also all-on-one-level units (mostly efficiencies) on both sides of the building.

As the sketch at right shows, the split-level design provides separation of living and sleeping areas.

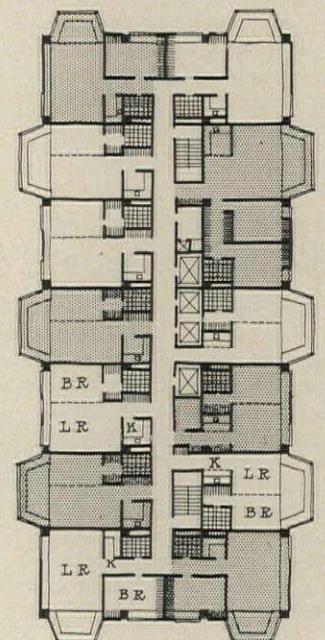
Floor slabs and dividing walls are over 8" thick, providing good soundproofing.

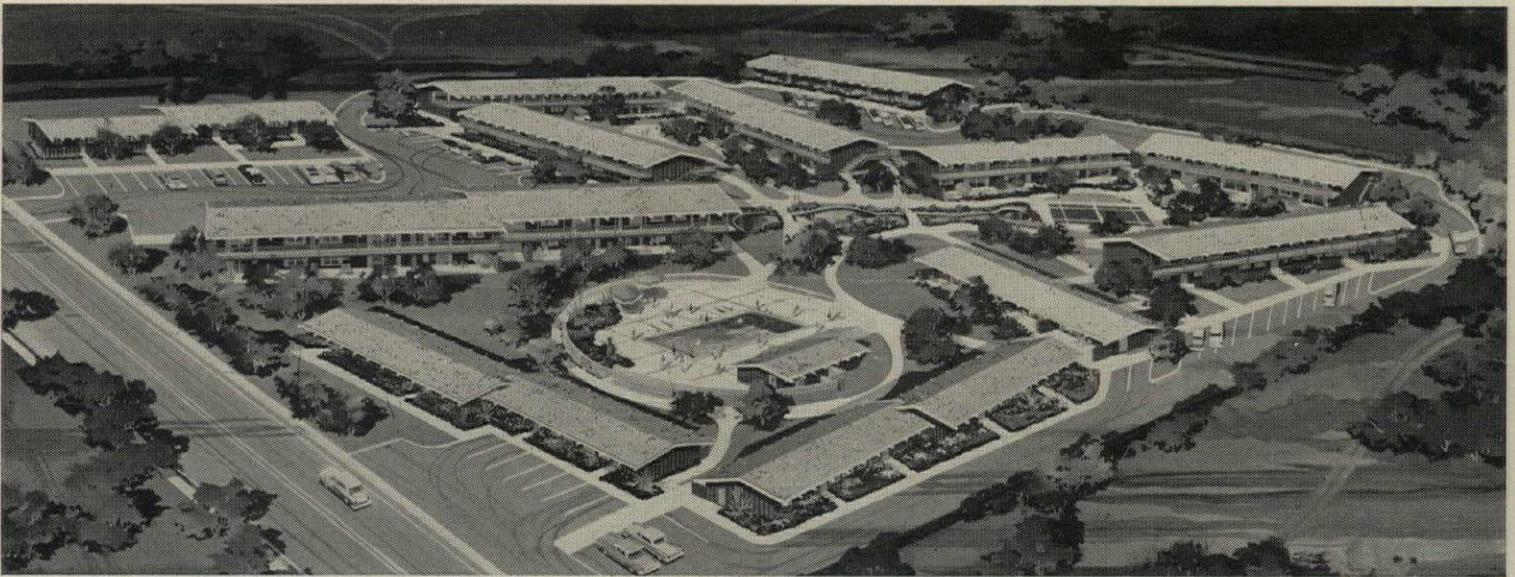
The two buildings of Horizon House occupy only 8% of a 32-acre site in Fort Lee, N.J. Builder-Developer: Tishman Realty & Construction.



**... or "design-in" a man-made view**

Almost all of the 680 units in this three-building complex will have striking half-hexagonal balconies. The balconies, which are glassed-in on the sides, have sliding-glass doors at the outer edge—so they can be used both in summer and winter. From the balconies, residents will overlook a raised pedestrian mall, with garden, fountains, a swimming pool, tennis and handball courts. All auto parking will be under the mall. Architects Begrow & Brown and Stickel & Moody of Birmingham designed the Detroit project (called Beaumont Towers) for Beaumont Co.

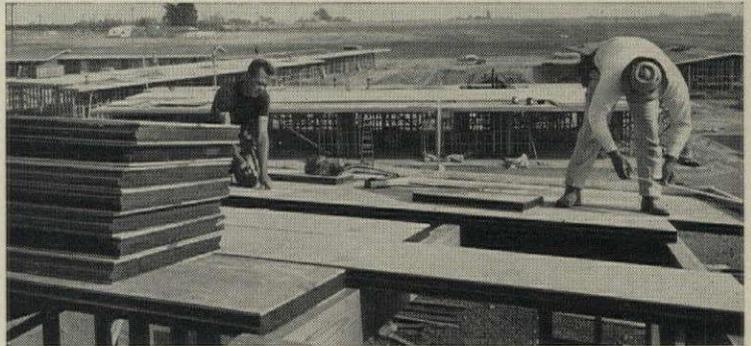




**You can use house-construction methods**

The drawing above shows the first 72-unit, five-acre section of a garden apartment project which eventually will put 1,200 units on 88 acres. And for the one- and two-story units, Builder Richard Price is using standard house-construction methods—tilt-up wood frame walls with striated, tempered hardboard siding; exposed roof beams with Simpson roof deck

under a built-up roof (see photo). Each cluster of buildings in Rosemont Garden will be built around a garden courtyard area, with a swimming pool and community cabana, and children's play areas, barbecues, and other recreation facilities. The project is six miles south of downtown Sacramento. Architects: Rickey & Brooks.



Vano-Wells-Fagliano

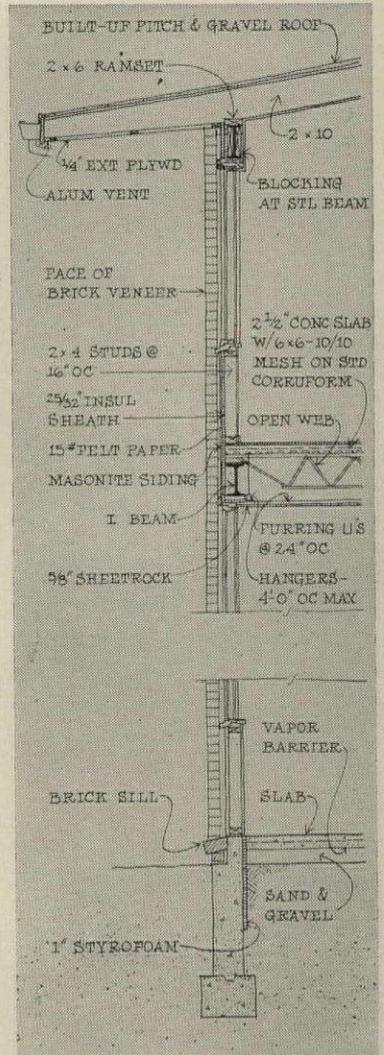
Photos: Edholm & Blumgren



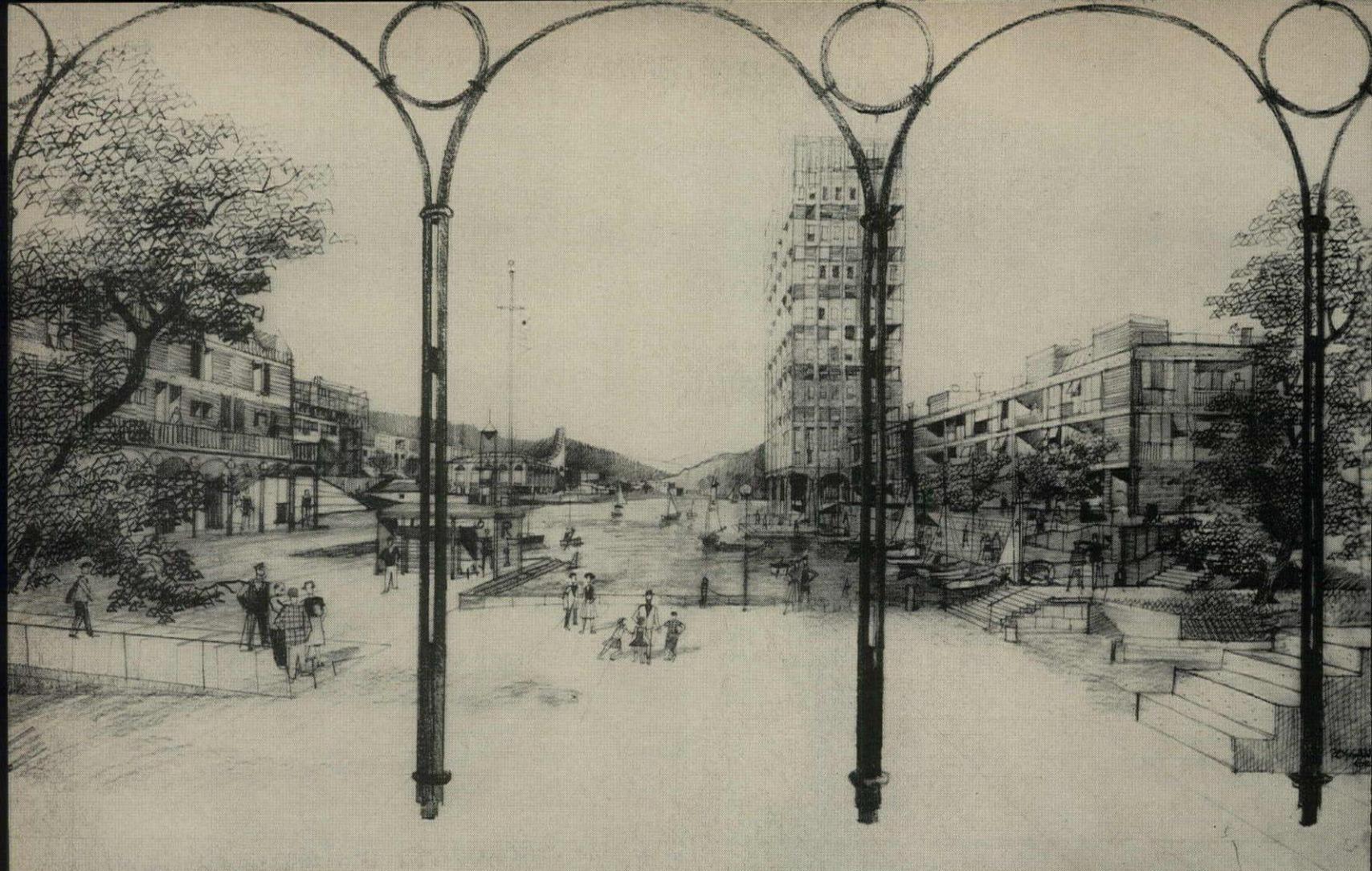
**... or you can borrow light-industrial building techniques**



For example: the second and third floors of this wood-frame, brick-veneer building are 2½" concrete slabs poured on steel decking, which in turn is supported by a frame of light I-beams and open-web steel joists. Trenridge apartments in Lincoln, Neb. will have seven buildings, a total of 126 one- and two-bedroom units—each with air conditioning and a balcony set-in behind the building line "for privacy and a sense of security." Owner-Builder: Strauss Bros. Construction. Architects: Sidney N. Campbell, Reginald E. Davis.



*continued*



**Some of the freshest ideas for high-density housing  
are now being designed into . . .**

## **Today's new cities within cities**

"The large-scale planned community gives us the best opportunity for good over-all design," says Architect Wilmont Vickrey of Perkins & Will who heads the design team for Riley Center, a 25-acre project in Indianapolis shown on *p 146*.

"Big projects give imaginative designers a lot of room for new solutions to the old problems," Vickrey continues. "In a big project, you can use high-rise and low-rise together in such a way that you can have your cake and eat it too: You can have very high densities and still have open space; you can have standardization of design but still have a varied and flowing landscape; you can have rambling pedestrian walkways and still have plenty of vehicular access and parking space; and you can fit shops, offices, theaters, and playgrounds into the plan so that it would look bare and incomplete without them."

Adds Martin Seligson, president of the corporation which is developing Breezy Point, a huge higher-density project in New York City (see *p 156*): "Large-scale projects offer great advantages in livability—and make great economic sense—as long as they are a natural outgrowth of the market. Our project is an outgrowth of the great shortage of middle-income housing in New York City. We expect it to be a profitable venture for our investors—and we estimate the city will net \$2.8 million a year from the project after paying for schools, police and fire protection, street maintenance, and utilities."

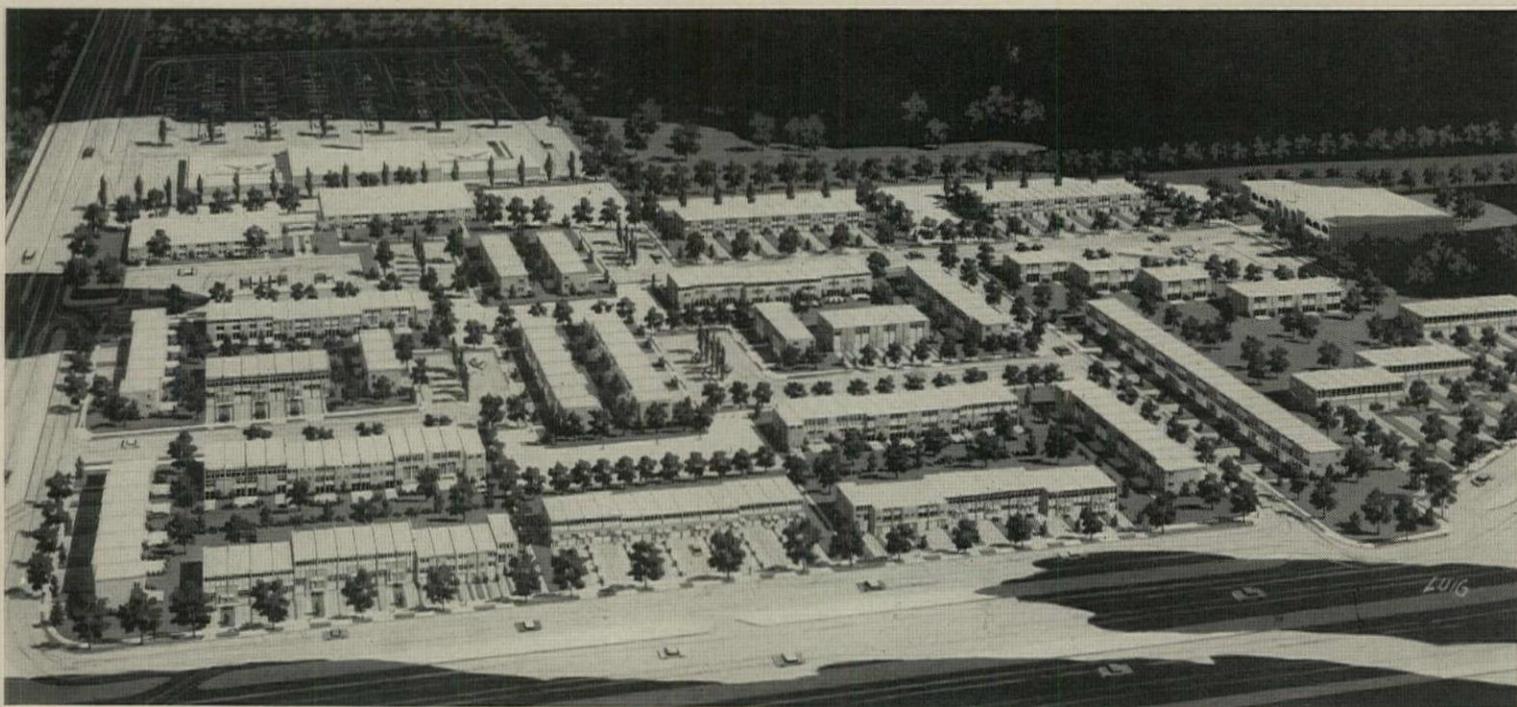
*There is a clear need for the large-scale planned community in rebuilding rundown parts of our cities.* Urban Renewal Commissioner Bill Slayton points out that almost 500 cities are slated to take part in 900 federally aided renewal projects. And other downtown projects—like Riley Center—are being planned and built entirely with private financing.

*There is also a market for large-scale planned communities—with their convenient community services and recreation facilities—in many areas just outside the big metropolitan centers.* In many of these areas a single apartment building or small-scale project might be out of place among single-family homes, but a self-contained large-scale community can offer enough appeal (and enough tax revenue) to overcome zoning problems.

There are, of course, immense management problems in designing, financing, and building this kind of project. But, today, housing professionals are beginning to work together to make the complexities easier to grasp and work with. And NAHB's Urban, Renewal Advisory Council has started a series of regional meetings (see *H&H News*, Mar) which put the experts who have built such projects in contact with other professionals who want to find out more about the opportunity in large-scale development.

*Now, for a look at six new cities within cities, begin on the next page.*

This 11-square-mile community at Reston, Va.—18 miles from Washington—will be a self-contained community of homes, recreation facilities, industrial plants, and offices. It will be developed over a 15-year period by Simon Enterprises, will have an ultimate population of 75,000. The view at top, opposite, is from the central business district, looking out over a small boat basin. Architects and planners: Harland Bartholomew & Assoc.



**TYPICAL NEIGHBORHOOD** in Eastwick has cul-de-sac street layout with 2½- and 3-story townhouses laid out with varied spacing and setbacks.

## These townhouses are a small part of the largest urban renewal project in the US

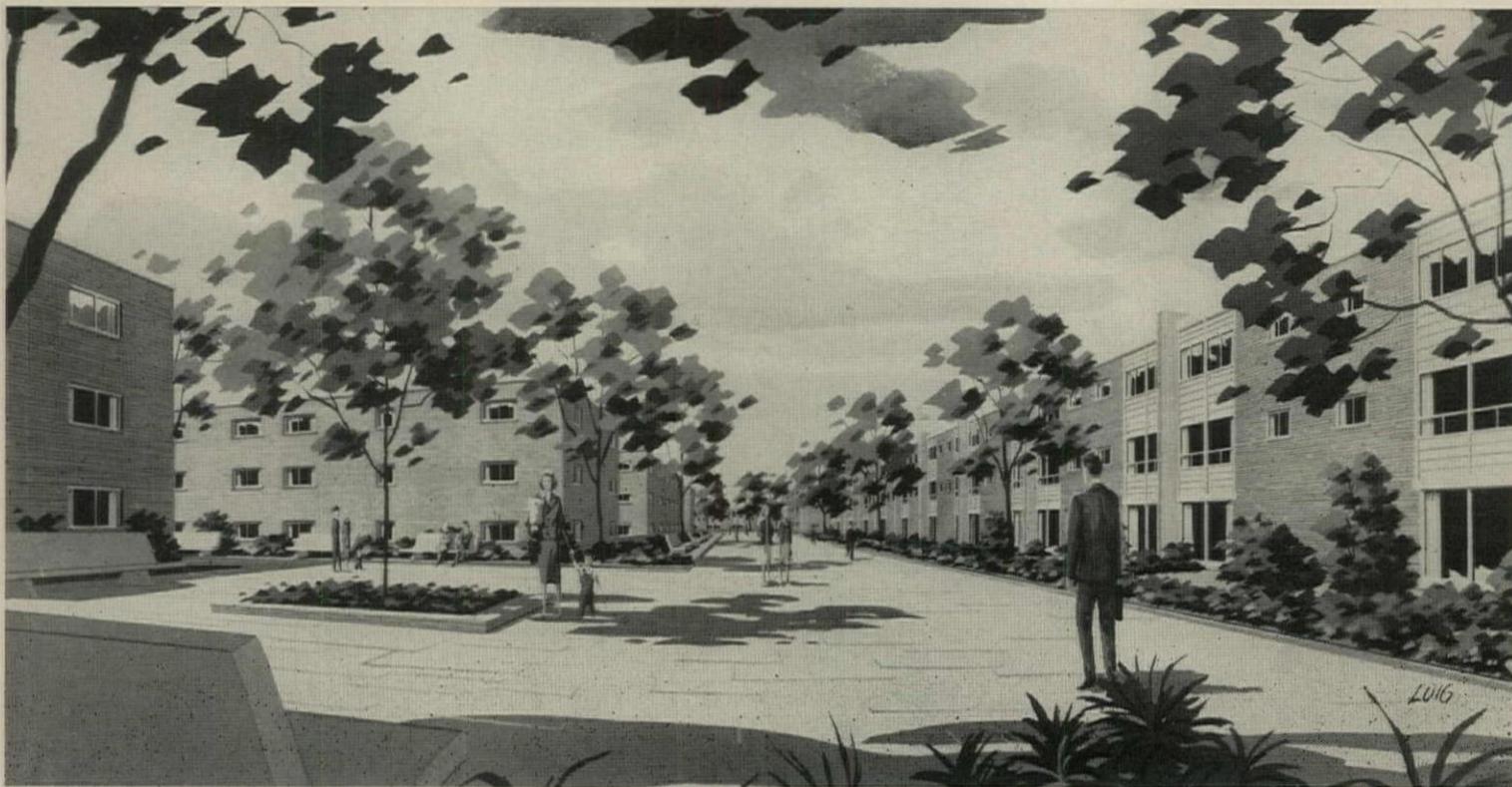
The Eastwick Redevelopment area in Philadelphia covers four square miles, will eventually house 60,000 people, have 10,000 new homes, over 1,000 acres of industrial plants, 14 major parks and dozens of children's playgrounds, nine new schools (added to 13 schools already there), 18 new churches, and five shopping centers (the largest will cover 40 acres and have parking for 2,000 cars).

"In Eastwick, the rhythm of the city as expressed in its traditional gridiron system is preserved," says Dr Constantine Doxiadis, the community planner. But, he points out, unlike most city patterns this plan "provides a definite and complete separation of pedestrians and traffic"—for there is a network of esplanades like the one shown below running throughout the residential areas. The plan allows a

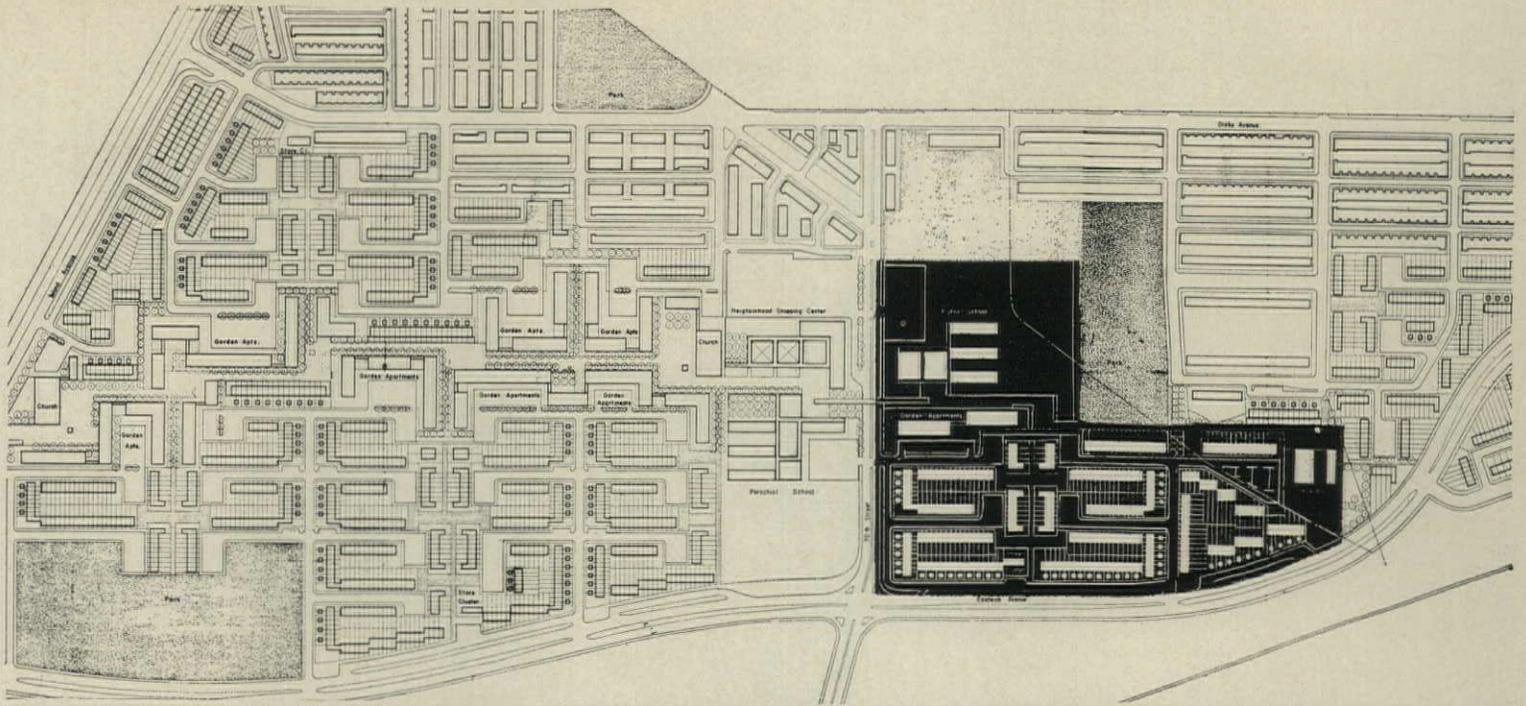
consistent development from small neighborhoods to entire sectors.

Eastwick is the result of ten years of "team planning" and, say its developers, will take ten years to build. The planners: Doxiadis Assoc of Washington and the architectural firm of Wright, Addrade, Amenta & Gane, Philadelphia. Principal sponsors are Reynolds Metals and Samuel A. and Henry A. Berger, Philadelphia builders.

Developers are the New Eastwick Corp and—coming in at the second and third stages—the Philadelphia Builders Eastwick Corp, a combine of local builders. Franklin Assoc of Wilmington is the construction contractor on the first stage residential work shown on these pages. All construction financing for the first section of Eastwick is being handled by the First Pennsylvania Banking & Trust Co.

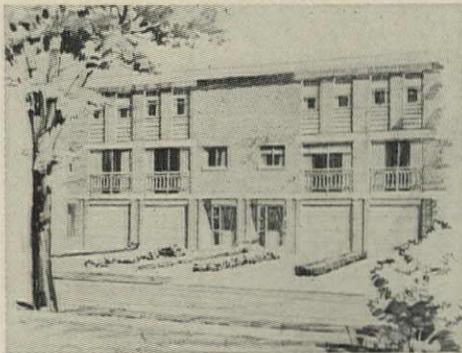
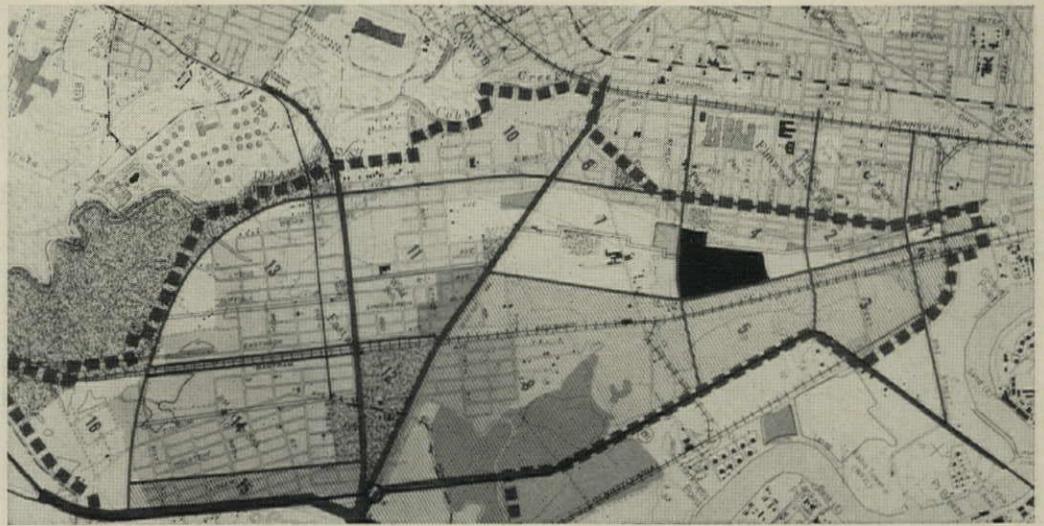


**LANDSCAPED ESPLANADES** for pedestrians will run behind the houses. All electric power lines will be underground—a first in Philadelphia.

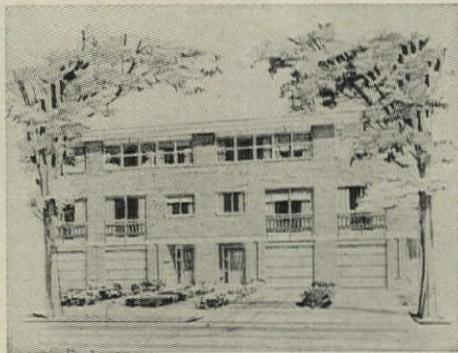


**LAND PLAN** of first residential section shows location (black block) of houses in drawing opposite. The plan creates a pattern of separate neighborhoods of 30 to 40 homes each, grouped around cul-de-sac streets. Through traffic is confined to collector streets and perimeter thoroughfares.

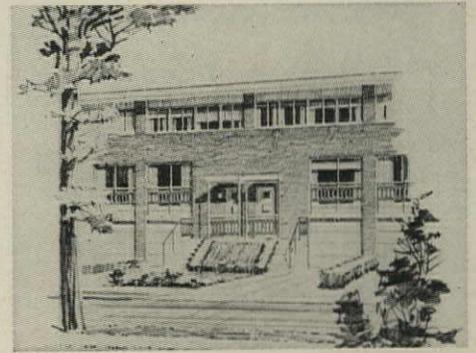
**OVERALL PLAN**, right, of Eastwick fits within a city plan prepared by the Philadelphia Planning Commission. The residential section shown above is only a small part of the total project. Major arteries define residential, commercial, and industrial sectors of Eastwick.



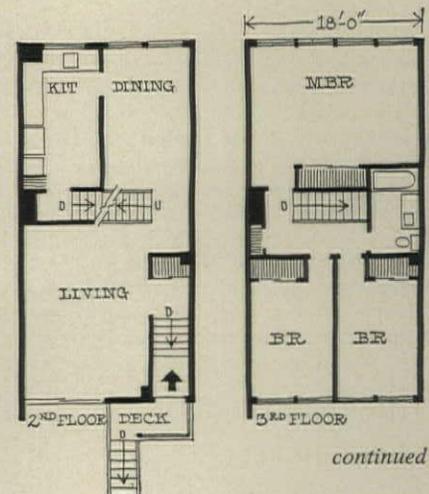
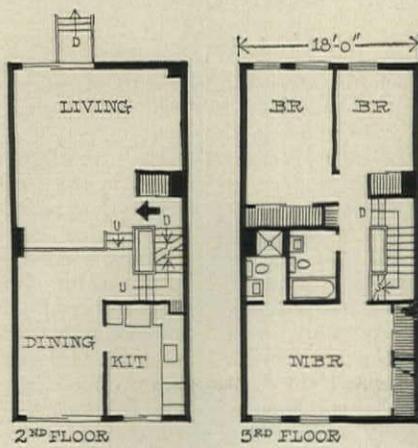
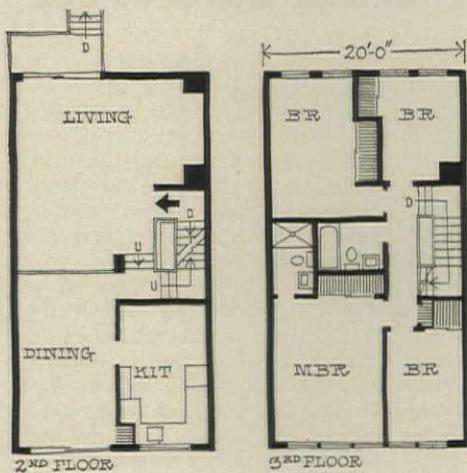
**\$14,490 MODELS** are 20' wide, have four bedrooms, 1,480 sq ft of living space. Exteriors are brick with aluminum trim.



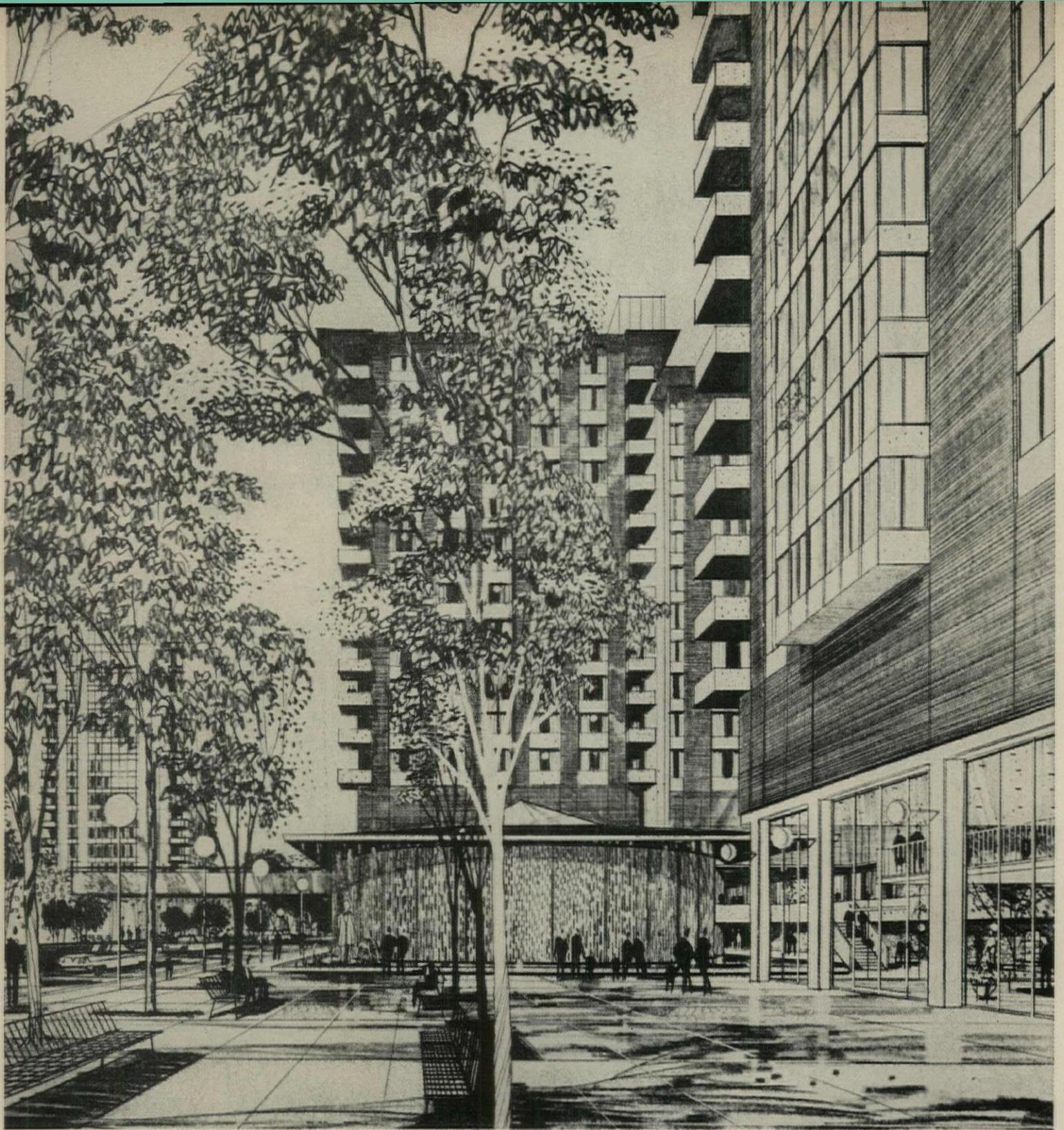
**\$13,250 MODELS** are 18' wide, three-stories high counting grade-level garage and entry. Plan (below) has three bedrooms, two baths.



**\$12,750 MODELS** have three bedrooms, just one bath, a split-entry plan. All models have shading overhangs and front and rear entries.



*continued*



**RAISED PLAZA**—one story above the street with two levels of parking beneath—is typical of landscaped open spaces planned for Riley Center.

## This architect-sponsored renewal combines all types of housing and services

The 25 acres of Riley Center in downtown Indianapolis will house 2,416 families, who will have available within the project restaurants, shops, a skating rink, a theater, a library, churches, a school, an outdoor concert area, art and recreation club rooms, swimming pools and tennis courts. Three types of building—24- and 12-story towers, and three-story townhouses—will provide a density of 97 units per acre with only 18% of the land built on.

This is the first major urban re-

newal job in which the architects (Perkins & Will) have participated as a sponsor as well as designer. Says senior partner (and AIA president) Phil Will: "We invested in this project because we believe architects must take a managing role in rebuilding the US—and not leave the job entirely to package-deal developers [see also the AIA profile, p 120]." There are seven other sponsors, including Klein & Kuhn, a realty management firm. The project will be privately financed (Indianapolis is one of a

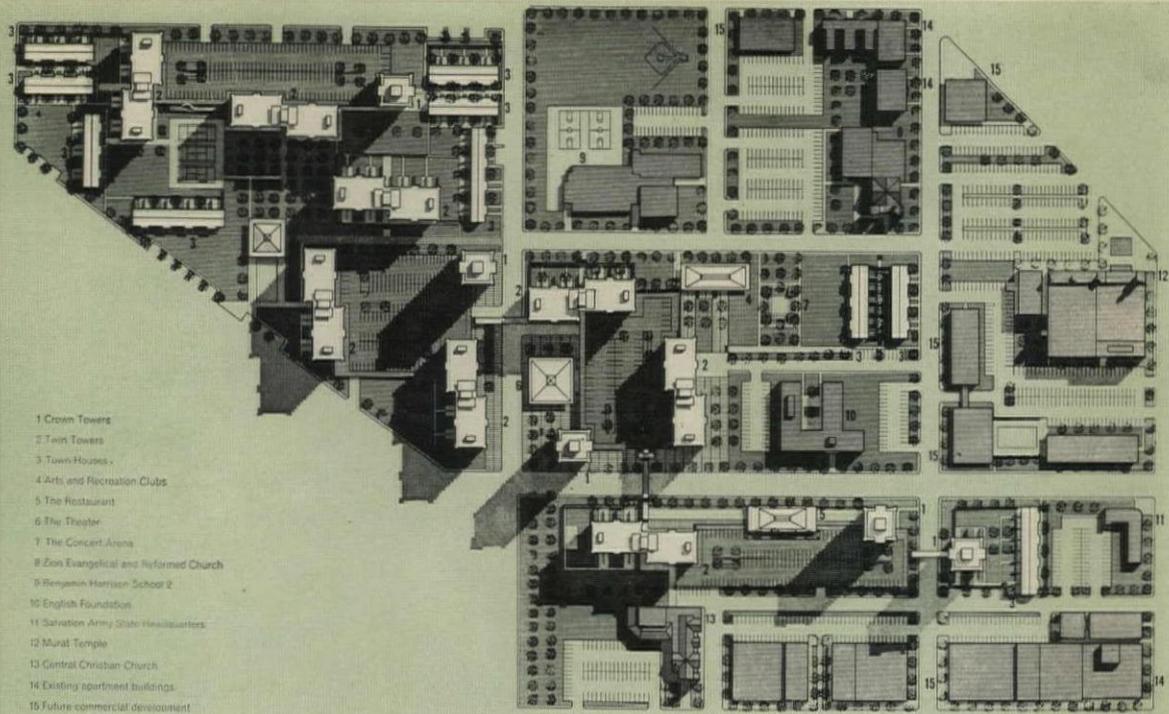
handful of cities which have refused federal subsidies for redevelopment).

Two **design** concepts—both shown in the section drawing opposite—deserve special attention:

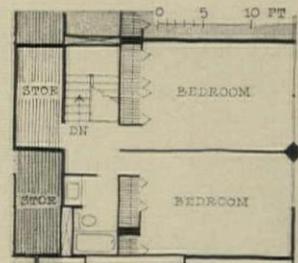
1. Parking for the high-rise buildings is provided in three-level garages at the center of each cluster. Cars enter from side streets, can park at that level, below-grade, or on landscaped terraces (see above) one level above grade. Says Wilmont **Vickrey**, Perkins & Will partner in charge of the proj-

ect: "The raised terrace levels separate pedestrian traffic from the bulk of auto traffic, create vertical variety in an otherwise flat plane, and also save money—above-ground parking is cheaper than all-underground parking."

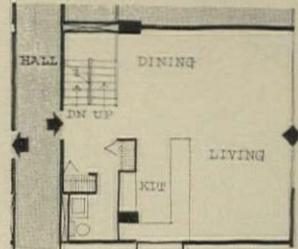
2. Since the lower floors of a high-rise building are traditionally hard to rent, all apartments are at least four stories above grade—over two floors used for building services, laundries, and tenant storage and two floors of shops and offices or three-story townhouses,



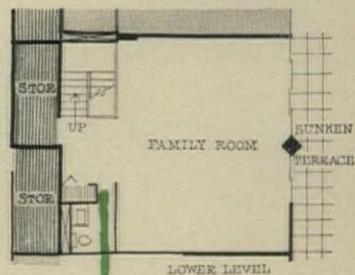
**SITE PLAN** puts high-rise clusters around the plazas. Low-rise townhouses are set in landscaped courts.



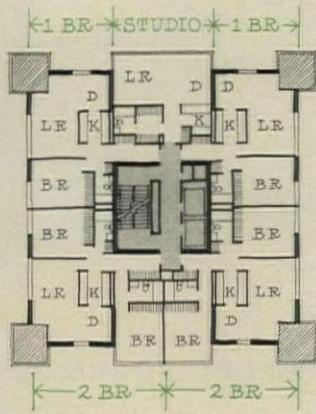
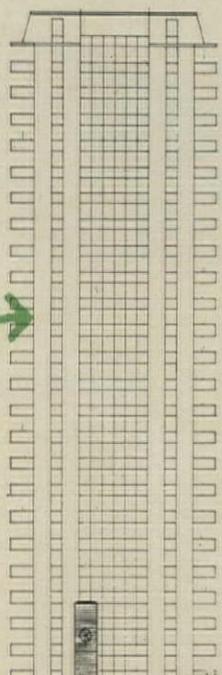
UPPER LEVEL



MIDDLE LEVEL

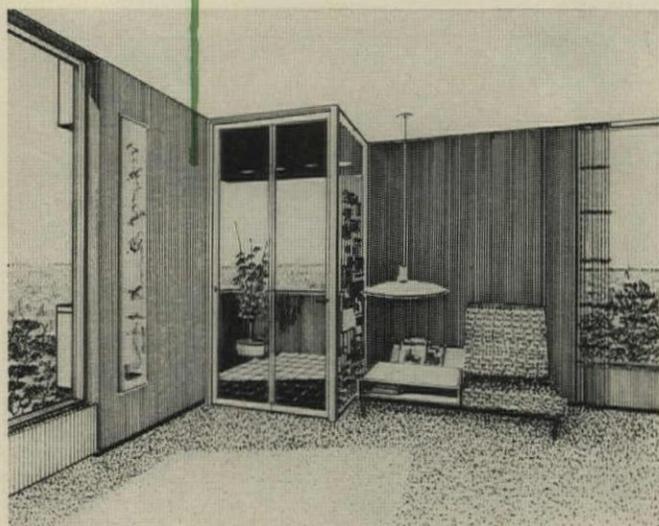
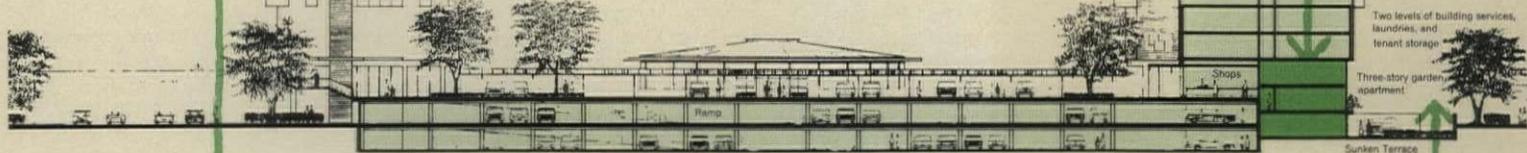
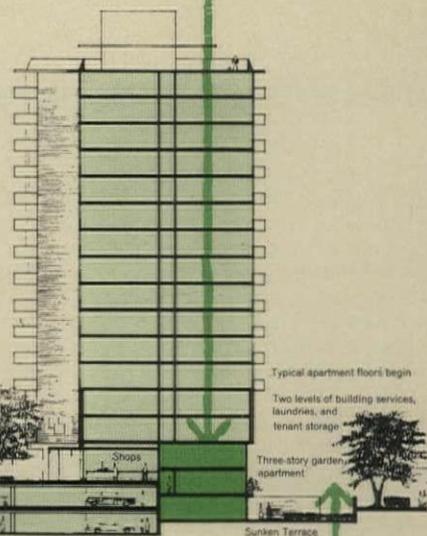


LOWER LEVEL



**TYPICAL FLOOR** in tower building has two 2-bedroom units, two 1-bedroom units, and an efficiency apartment, clustered around elevator core.

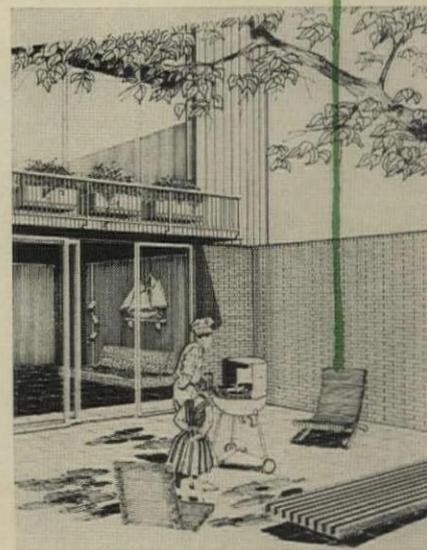
**TOWNHOUSE PLAN**, right, shows three-level layout of units tucked into lower floors of 13-story high-rise (see section below). These units are all either duplexes or triplexes—with two and three bedrooms. Each has its own private garden patio (see drawing, bottom right).



**SECTION** shows how parking is handled on three levels—one below grade, one on grade, and one above—with direct access on each level to apartment lobbies and shops. You can also see, at far right, how townhouses and their terraces, and the building service floors, are set in under the apartment floors of the high-rise.

**IN TOWER BUILDINGS**, left, every apartment (except the efficiencies) has corner balcony and two-way view from the living-dining area.

**TERRACE OF TOWNHOUSE**, right, has high wall for privacy from street—offers a suburban form of life in the heart of the city.





Photos: Seymour Green

**AT ENTRANCE TO TOWNHOUSE CLUSTER** ramp leads to garage beneath central mall. Residents park beneath their own house.

## Underground parking leaves plenty of green space at 20 townhouses per acre

"If the parking at Flemingdon Park were not chiefly underground," says Architect Irving Grossman, "most of the green spaces where children play would have to be paved parking lots."

North York township, where the 600-acre project is located (just five miles from the center of Toronto) requires 1.12 parking spaces per unit in multi-family developments. Parking is wholly

underground in the townhouse sections of the project—located beneath malls that separate clusters of houses. (About half the parking for eight-story high-rise units spotted through the development is underground). Cars entering the townhouse areas are immediately shunted below grade. Residents drive beneath the malls to a parking stall in the basement of their own house, enter stairs to their

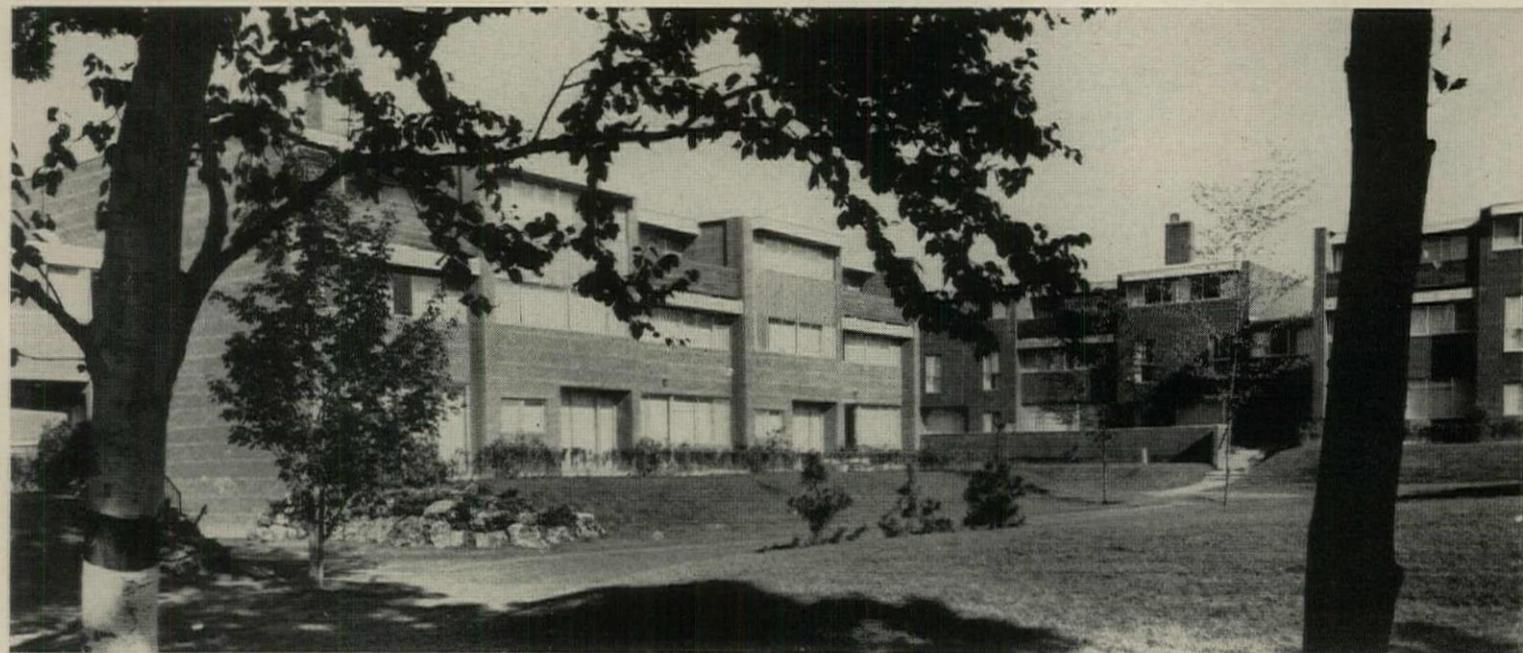
house through double fire doors. The added cost of underground parking has not been disclosed, but is estimated at about \$500 per unit.

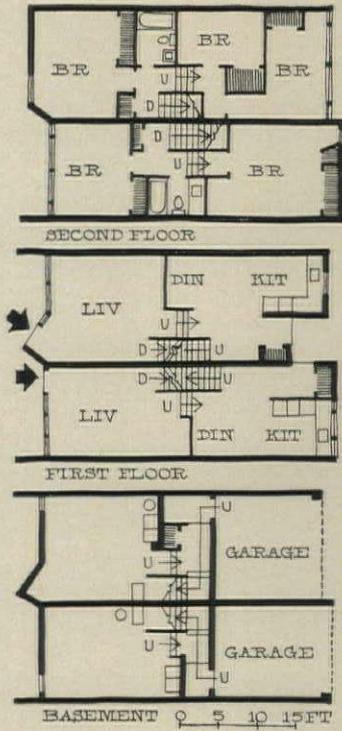
Flemingdon Park will be roughly one third residential (6,200 units) a third industrial and commercial, a third parkland and greenbelt (including a nine-hole golf course, tennis courts, and swimming pools). About 500 units are now complete (mostly townhouses). Monthly

rentals range from \$110 for one-bedroom units in high-rise buildings to \$175 for 1,200 sq ft, three-bedroom townhouse units.

Flemingdon Park is a project of Webb & Knapp (Canada) Ltd, Canada's largest real-estate developer, and is being developed by Webin Communities. Project Planning Assoc Ltd did the master plan. Architect Grossman did the residential design and site layout.

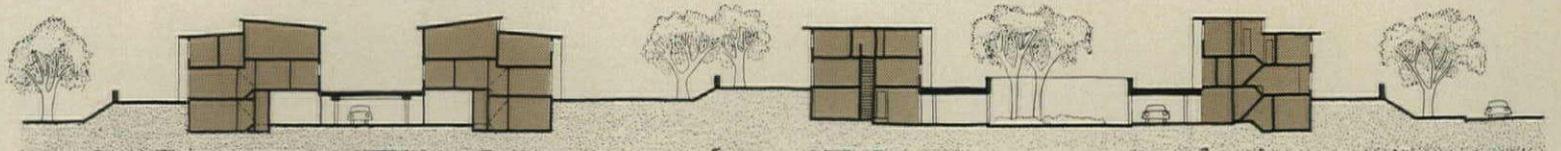
**TRAFFIC-FREE GREENSPACE**, on land saved by underground parking, is a safe playfield and offers pleasant view for these three-story units.



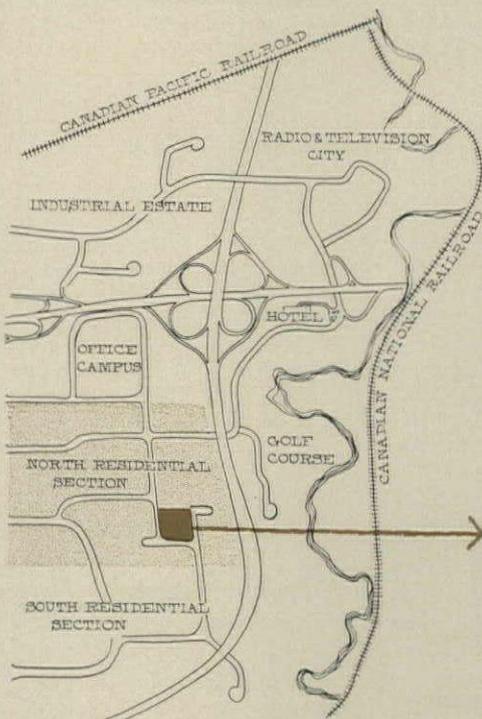


**TOWNHOUSE PLAN**, left, shows stairs leading from basement garage to main living area on grade. Wide glass wall opens to rear garden. Bedrooms are on the second floor.

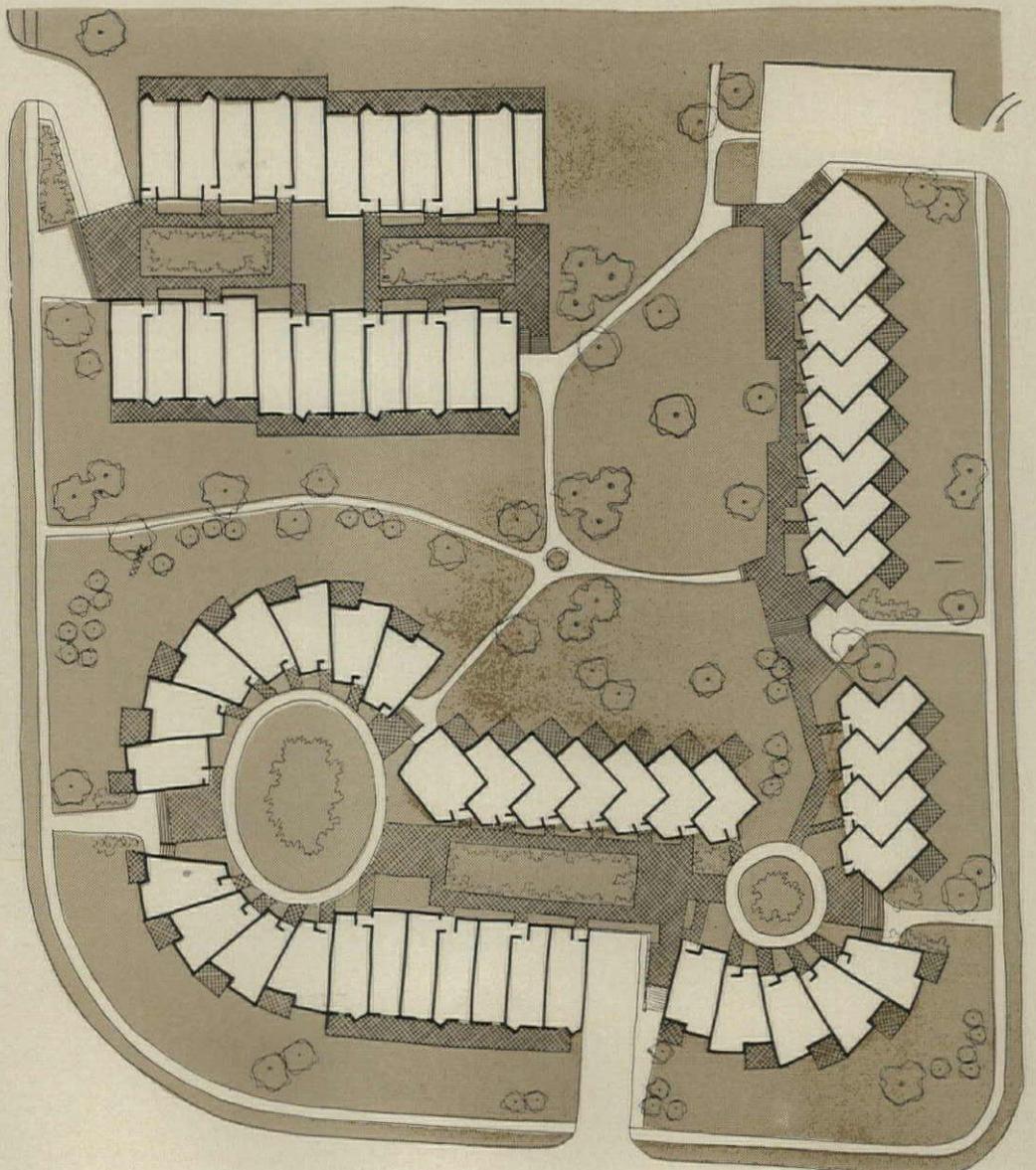
**CENTRAL MALL** between rows of houses is trimly landscaped, reminiscent of Georgian squares in London. Varied setback and orientation of houses helps avoid monotony.



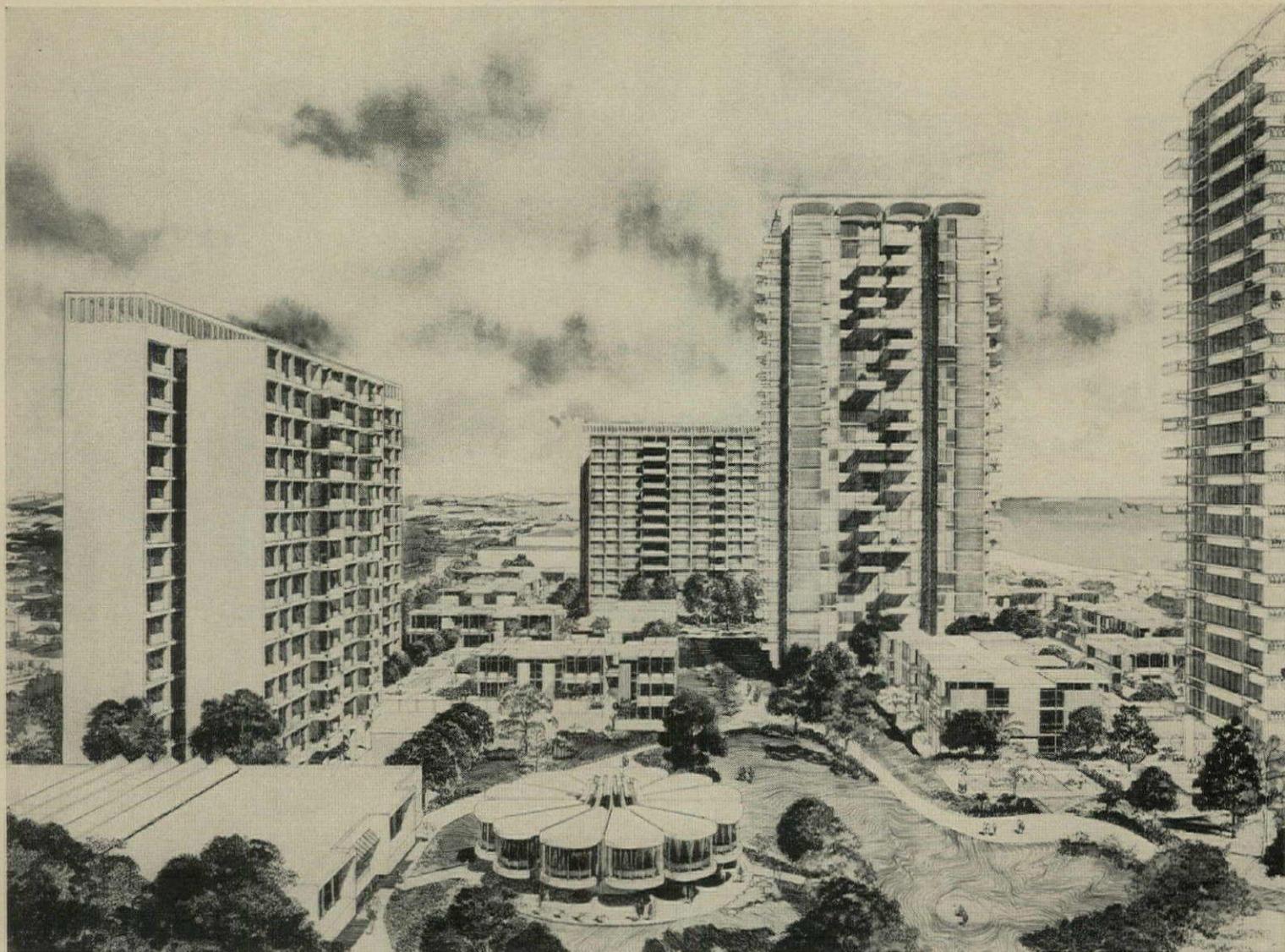
**SECTION** shows garages under house, parking driveway beneath mall, garden space between clusters. Some garages are vented by open wells.



**SITE PLAN** puts residential section next to recreation area. Both will be buffered from industrial zone at top — by office building complex and hotel area.



**TYPICAL BLOCK LAYOUT**, right, shows varied orientation and setback of buildings. Setting houses at angles (see far right, for example) creates private patios for each unit.



**OCEAN PARK**, Santa Monica's new redevelopment, mixes high and low rise around landscaped central park and, left foreground, shopping center.

## This community has an open, spacious feeling—at 111 families per acre

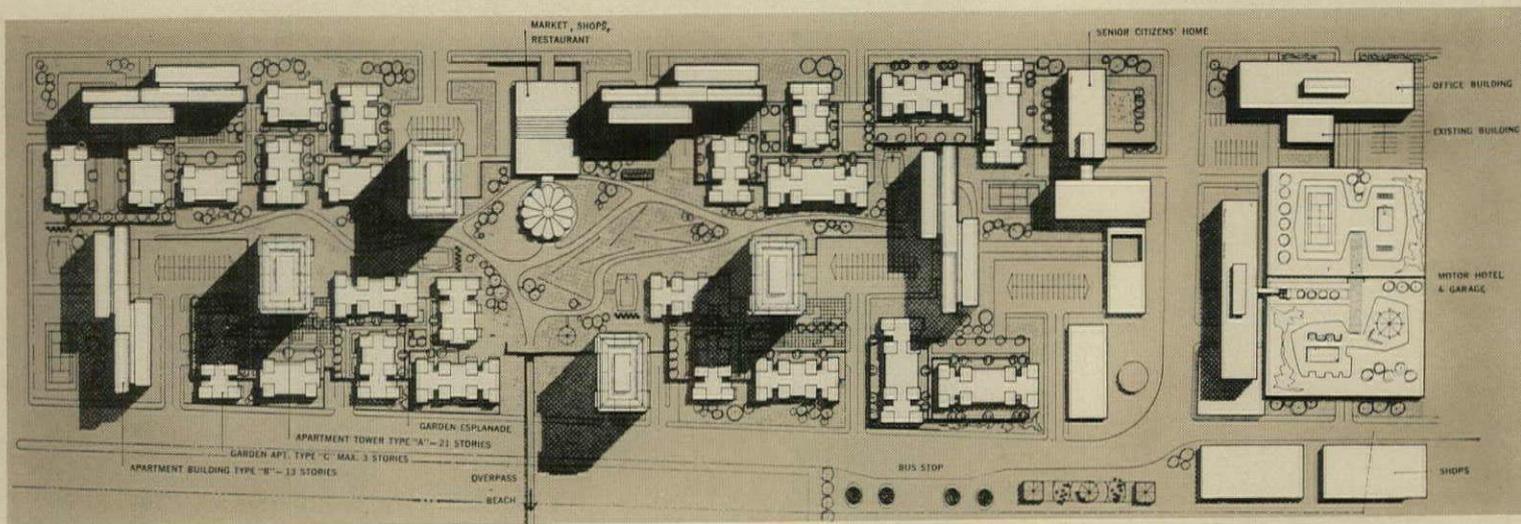
The architects (Welton Becket & Assoc) created the high density by putting most of the 2,000 units into four 21-story and four 13-story high-rise units. They created the openness by spacing the high rise amidst low-lying clusters of garden apartments, and by opening

up the center of the 18-acre site with a park overlooking the beach and Pacific Ocean. Landscaped walkways lead from the apartment clusters to the park. A minimum of land is wasted on parking—most residents' cars will be garaged under the garden apartments.

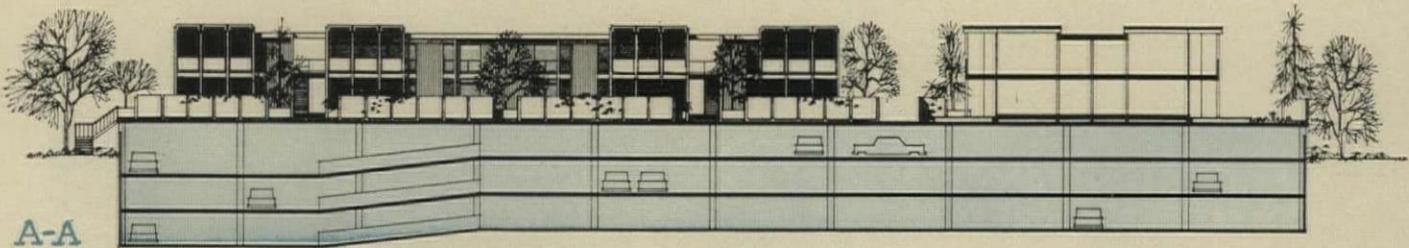
This urban renewal project will be built in downtown Santa Monica by Del E. Webb Corp (it was a joint-venture proposal by Webb and Kern County Land Co). Community facilities in the \$55-million project include swimming pools, tennis courts, a library, a nursery, a shop-

ping center, a restaurant (round building center, in drawing above) and a small-boat marina. Average rentals will be \$36 a room.

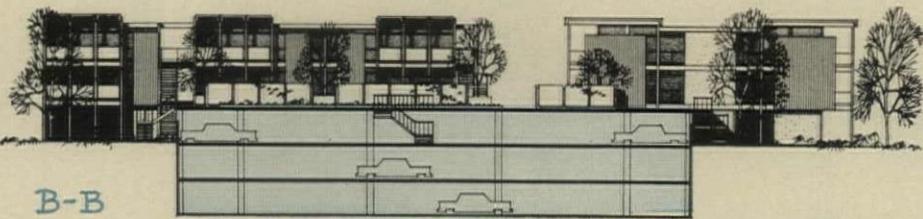
An adjoining 18 acres will have apartments for the elderly, a general office and professional building, a motel, and a huge garage.



**LAND PLAN** has small green spaces amidst housing units. Surface parking is minimized—and there are no through roads. Commercial zone is at right.

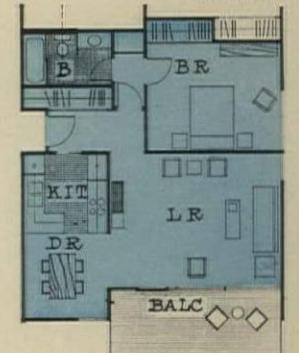
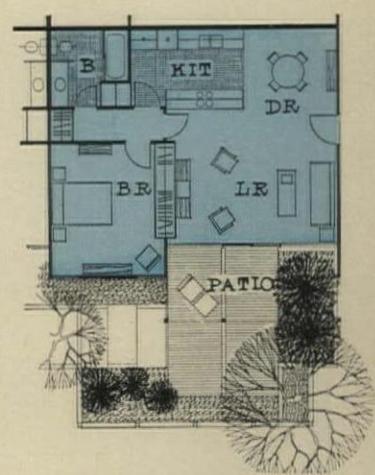
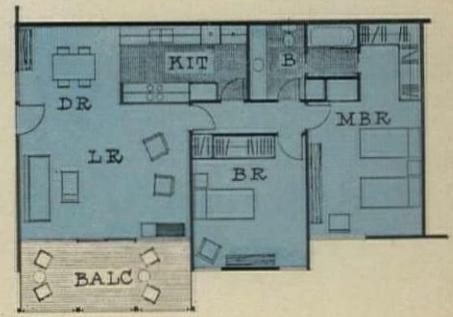
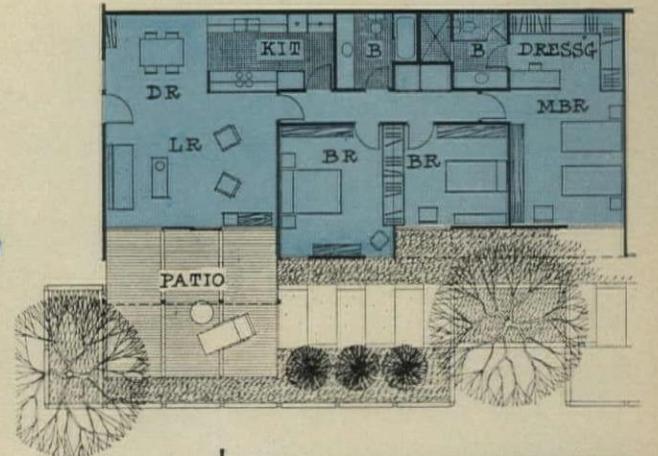
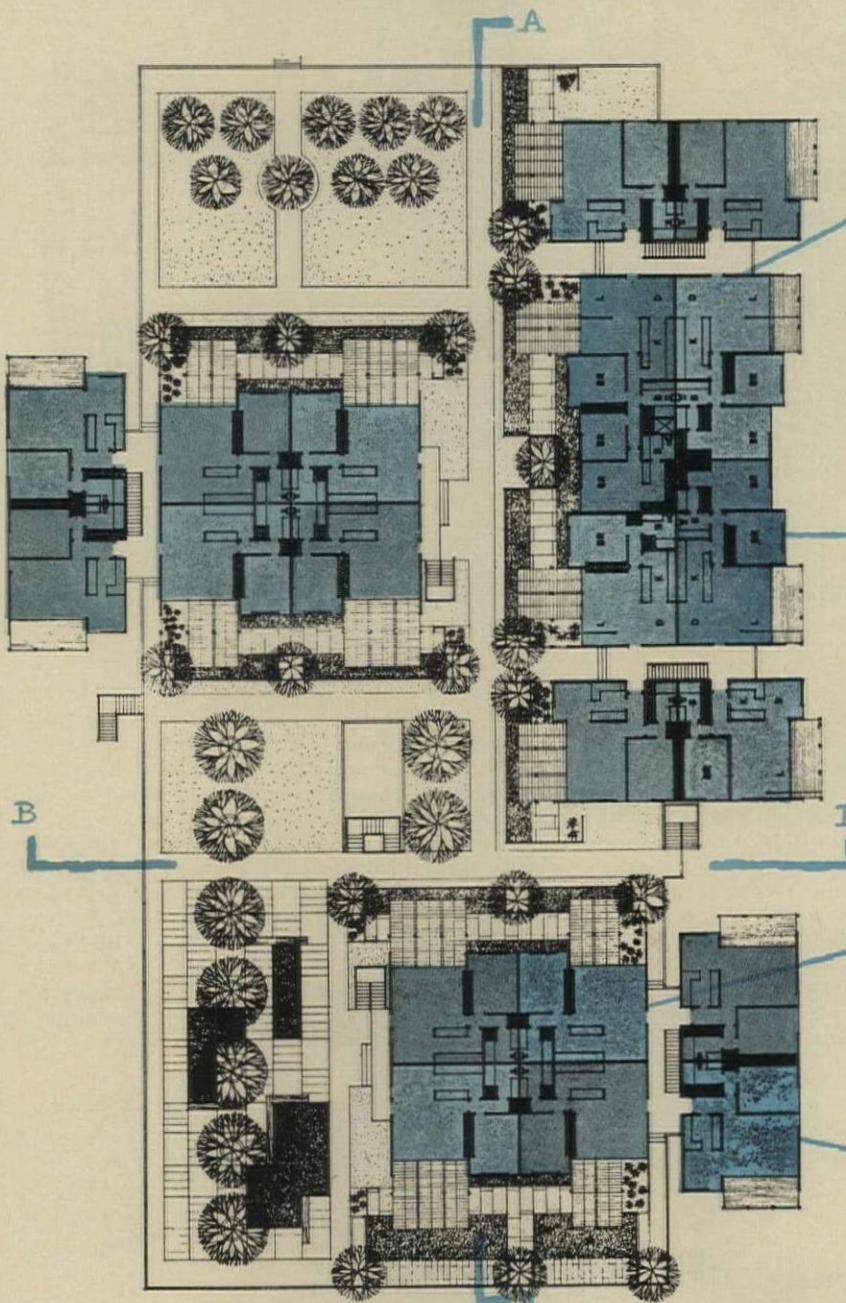


A-A



B-B

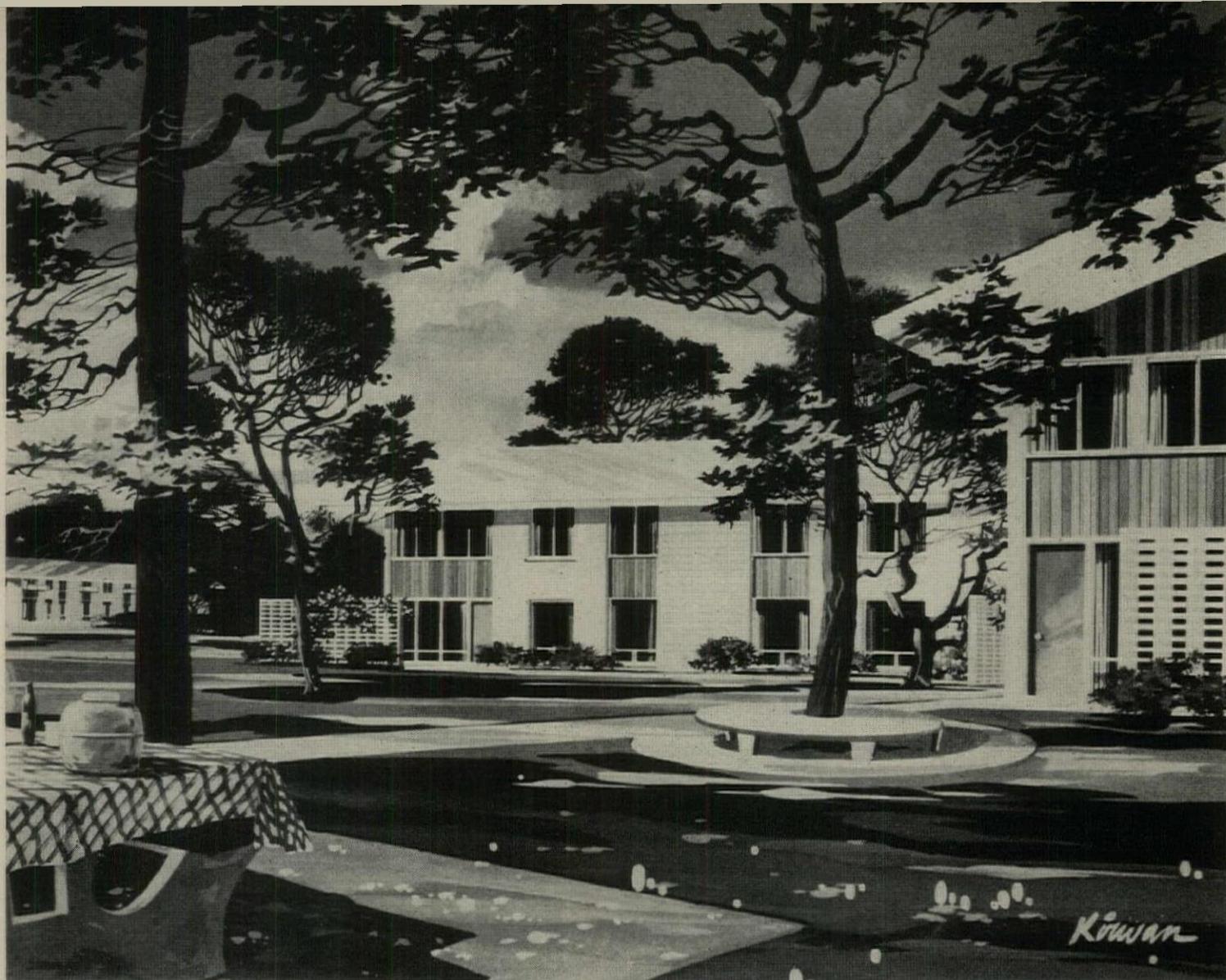
**TRI-LEVEL PARKING** under the landscaped terraces and clusters of garden apartments saves space for parks. Cars reach garage by underground drives from the perimeter of the project. There are convenient access stairways.



**GARDEN APARTMENTS** are arranged in groups like this around walkways and planted courts. This group can be seen behind the round restaurant in the rendering on facing page. Section lines refer to the drawings at the top of this page.

**FLOOR PLANS** of garden apartments range from two-bath, three-bedroom units to one-bath, one-bedroom. Note the ample closet space, minimum halls, and good traffic patterns. Every apartment has either a screened patio or balcony.

*continued*



**BROAD LAWNS** will separate clusters of townhouses (above) and two- and three-story garden apartments. Each unit has patio or balcony.

## This community will offer a village atmosphere at 16 families per acre

There will be broad lawns around each of the garden apartment and townhouse buildings of Springhill Lake. Clusters of buildings (see site plan opposite) will be separated by wooded buffer strips. There is only one through road in the 311-acre site—and cul-de-sac “parking fingers” are set away from the houses “instead of just in front of the living room window.” In the first 195-acre section now fully planned (see drawing opposite), 32 acres are set aside for recreation.

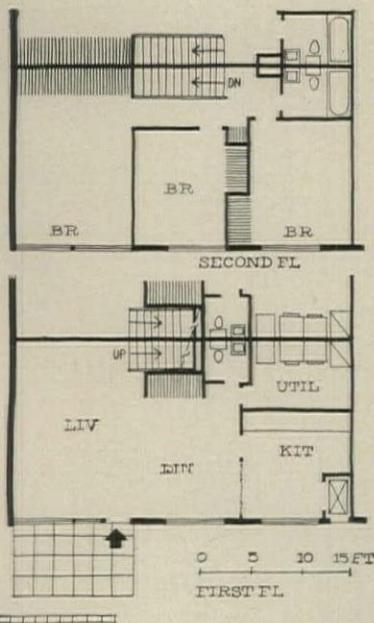
According to Community Builders of Washington, D.C., before the project is complete, over \$½ million will be spent on developing a lakefront recreation area as well as a nine-hole golf course, several swimming pools, playgrounds, ball fields, tennis courts, and woodland walkways. Ten acres of land zoned for apartments is being donated by the developers for an elementary school.

The new community is located in Greenbelt, Md.—an area of

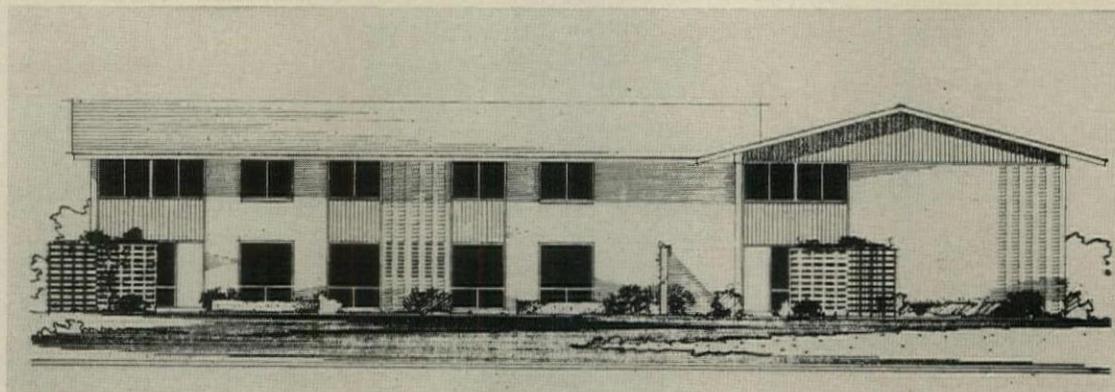
booming apartment construction. The site is just off the main Washington-Baltimore Parkway—about a 30-minute rush-hour drive to the downtown area of either city.

Grading for buildings with 338 units is now underway, and building will start within 60 days. Proposed rentals: from \$102.50 for one-bedroom units to \$162 for three-bedroom townhouses.

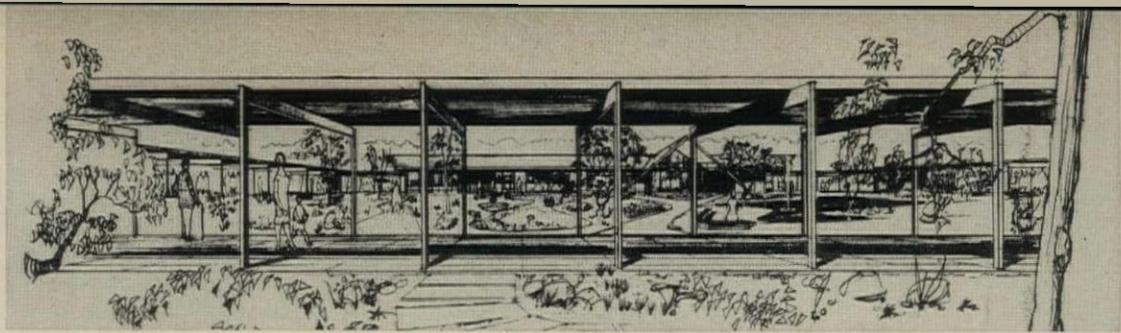
Architects and land planners: Cohen, Haft Assoc. Landscape architect: Thurmond Donovan.



**TOWNHOUSE PLAN** has big window area opening to patio with privacy screen. This is typical 3-bedroom unit.



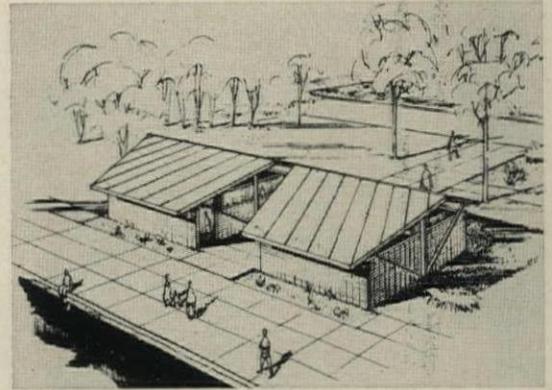
**DESIGN** is contemporary. Brick exterior walls are set off by colorful panels and screens that give the patios privacy.



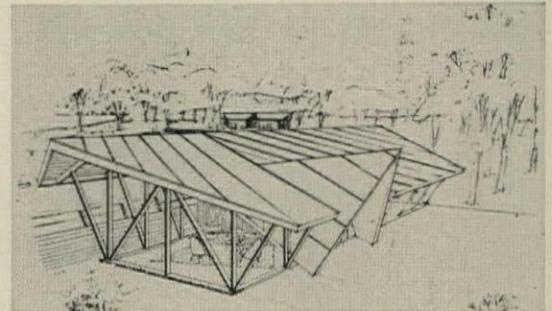
**REGIONAL SHOPPING CENTER** now under construction will be near the entrance of the development.



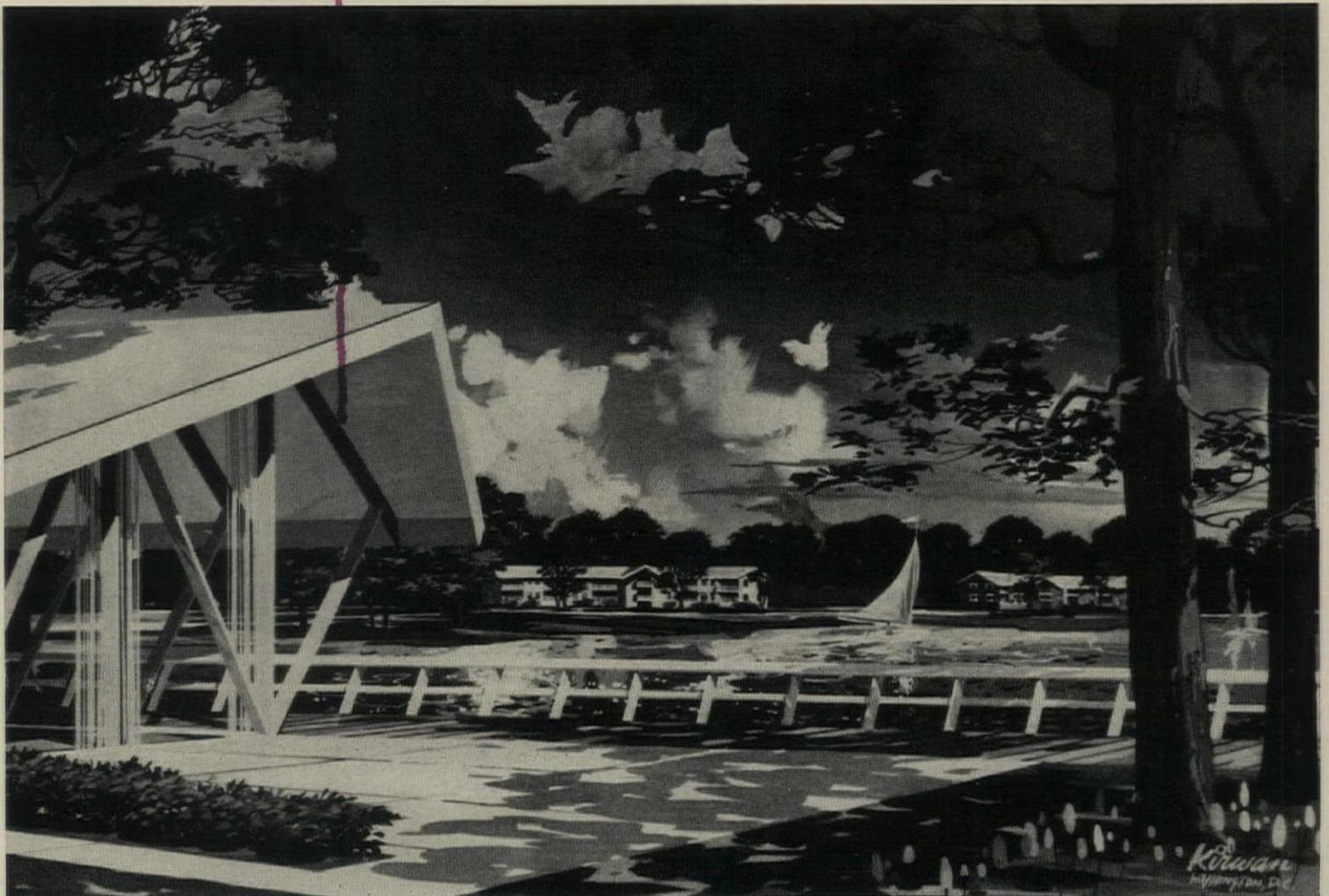
**SITE PLAN** for first 195-acre section shows how buildings are laid out. A minimum of roads and cul-de-sac parking fingers cut traffic—and traffic speed. Plans call for 2,751 units in this first section and a total of 5,000 in the whole project.



**BATH HOUSES** like this will be located at each of the several swimming pools in the community.



**COMMUNITY HOUSE** overlooking lake and surrounded by playfields will be used for adult and children's recreation.



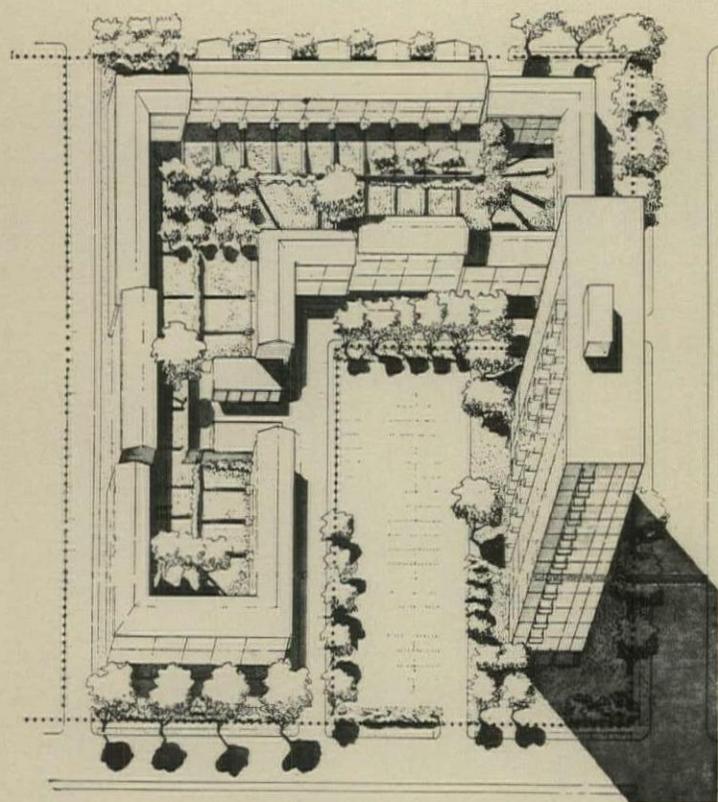
**MAN-MADE BOATING LAKE** will be center of community recreation, though pools and playgrounds will be spotted throughout the site.

*continued*

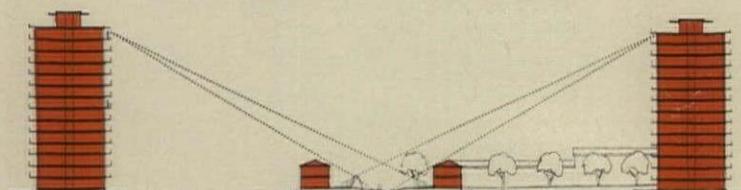


**MIXTURE OF LOW-AND HIGH-RISE** creates 32-unit/acre density without monotony or crowding. About 90% of units are in elevator buildings.

## This project will offer vacation-area living for 28,000 New Yorkers



**BLOCK LAYOUT** clusters townhouses around high-rise. Lower buildings give human scale and provide open space around the apartment towers.



**BUILDING SPACING** and planting creates privacy for rear gardens of townhouses, even from top-floor balconies in high-rise apartments.

Residents will be within easy walking distance of beaches for ocean bathing and marinas for boating in the sheltered waters of Rockaway Inlet. Yet they will be only 13 miles (or about an hour by bus and subway) from midtown Manhattan.

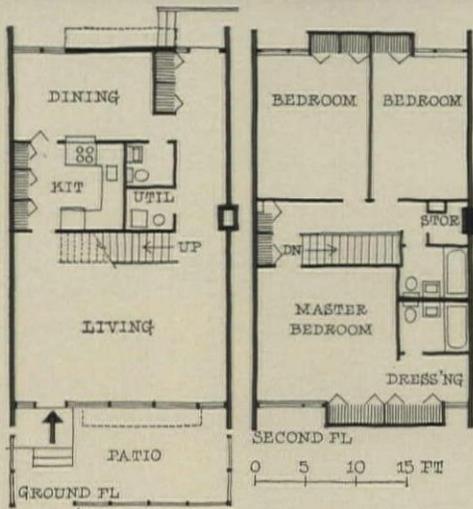
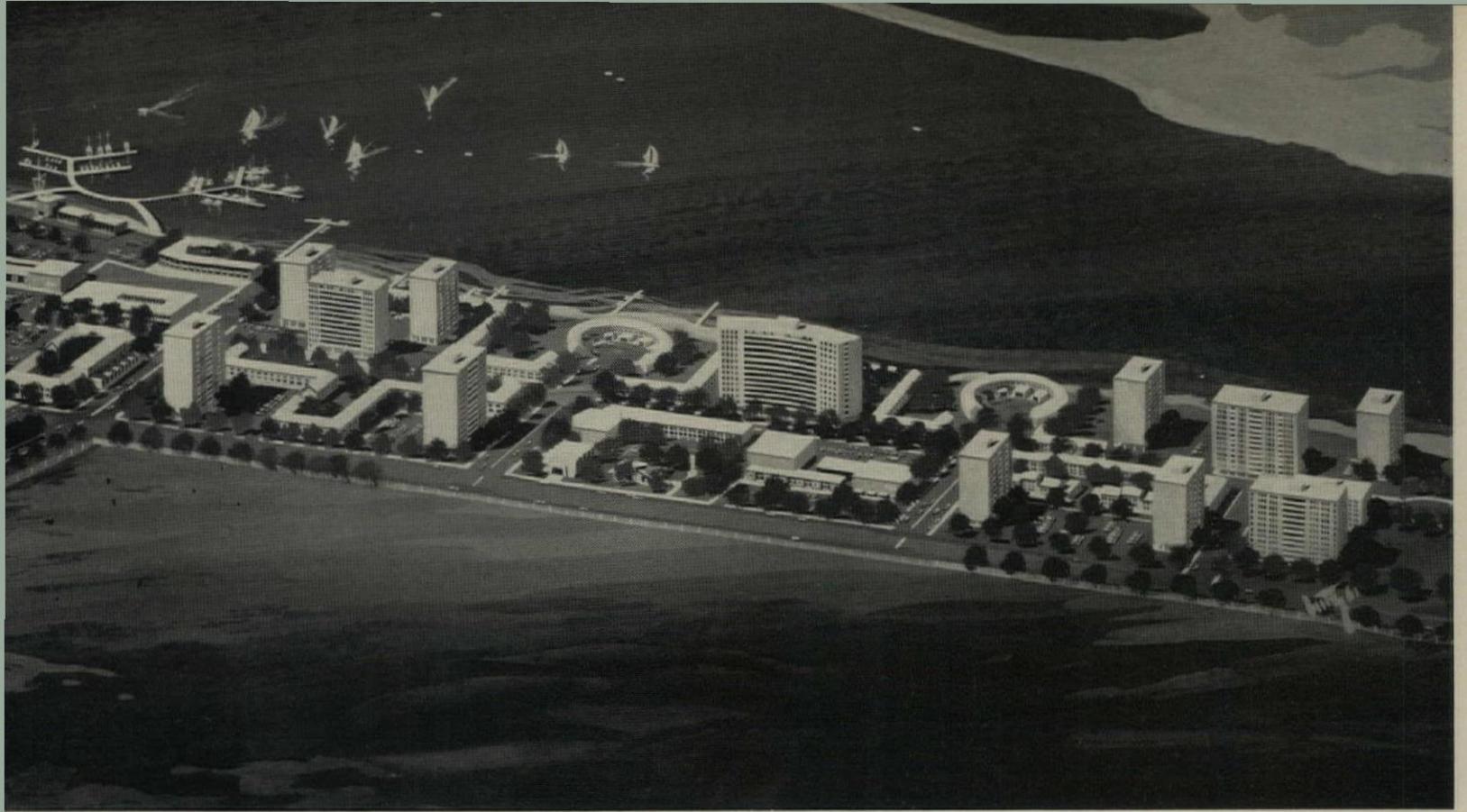
The drawing above shows only the first section of the Breezy Point development planned by the Atlantic Improvement Corp. This section, to be completed in five years, is on a 217-acre section of Rockaway Peninsula. Atlantic Improvement owns an additional 250 acres on the tip of the peninsula, which within ten years will house another 40,000 people, for a total population of nearly 70,000.

No government subsidy or tax abatement is involved—sponsors and stockholders of the publicly owned company include United Improvement & Investing Co, one of the largest real estate firms in the country; several major insurance companies including Sears-Roebuck's Allstate; and several members of the New York Stock Exchange.

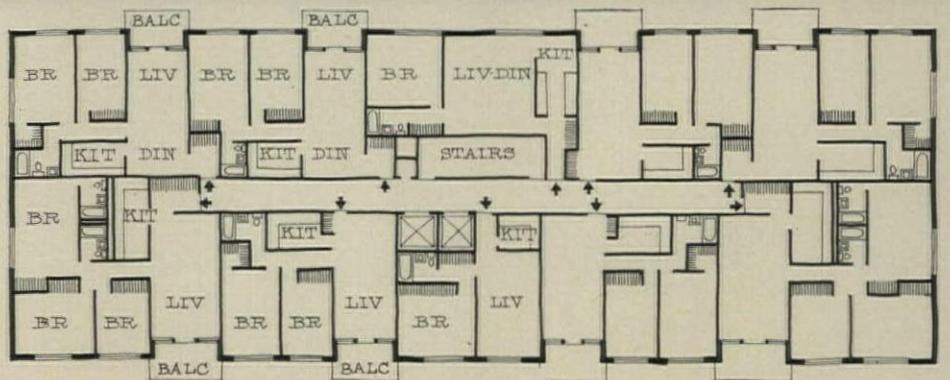
Breezy Point is one of the biggest building projects in the country, and the largest private urban development. The sale of the peninsula was the largest in the history of New York City in terms of both dollars and acreage, reports John Marqusee, who is chairman of Atlantic Improvement's executive committee (as well as the chief executive officer of United Improvement, and president of the New York State NAHB).

In the section shown above, about 54% of the land is for residential use. Of the remainder, about 20% is for streets, 14% for waterfront recreational facilities, 5% for schools (the present plan calls for two elementary and a junior high school—each with playfields), 5% for three neighborhood commercial centers, 2% for churches, library, police, and other community services.

Martin Seligson, president of Atlantic Improvement, reports that well over half a million dollars will have been spent on planning before the first construction begins early this summer. The basic study of the site and its development was made by Tippetts-Abbett-McCarthy-Stratton, engineers and architects. Atlantic is now awaiting final approval on street and utility plans; has architects (Kelly & Gruzen, Richard Baringer, and Paul & Jarmul) working on final plans for apartments with 3,400 units, the first of three shopping centers (already 75% leased), and a \$2-million beach club; will soon begin construction of two 15-story buildings, five 6-story buildings, a garden apartment complex, a shopping center, the beach club, a beach-front community park with an elevated restaurant, and an administration building. First moves will be in the Spring of 1963. Anticipated rentals: "about \$45 a room." Despite its size, Breezy Point will absorb less than 1½% per year of the middle-income families who will be looking for housing in the metropolitan area.

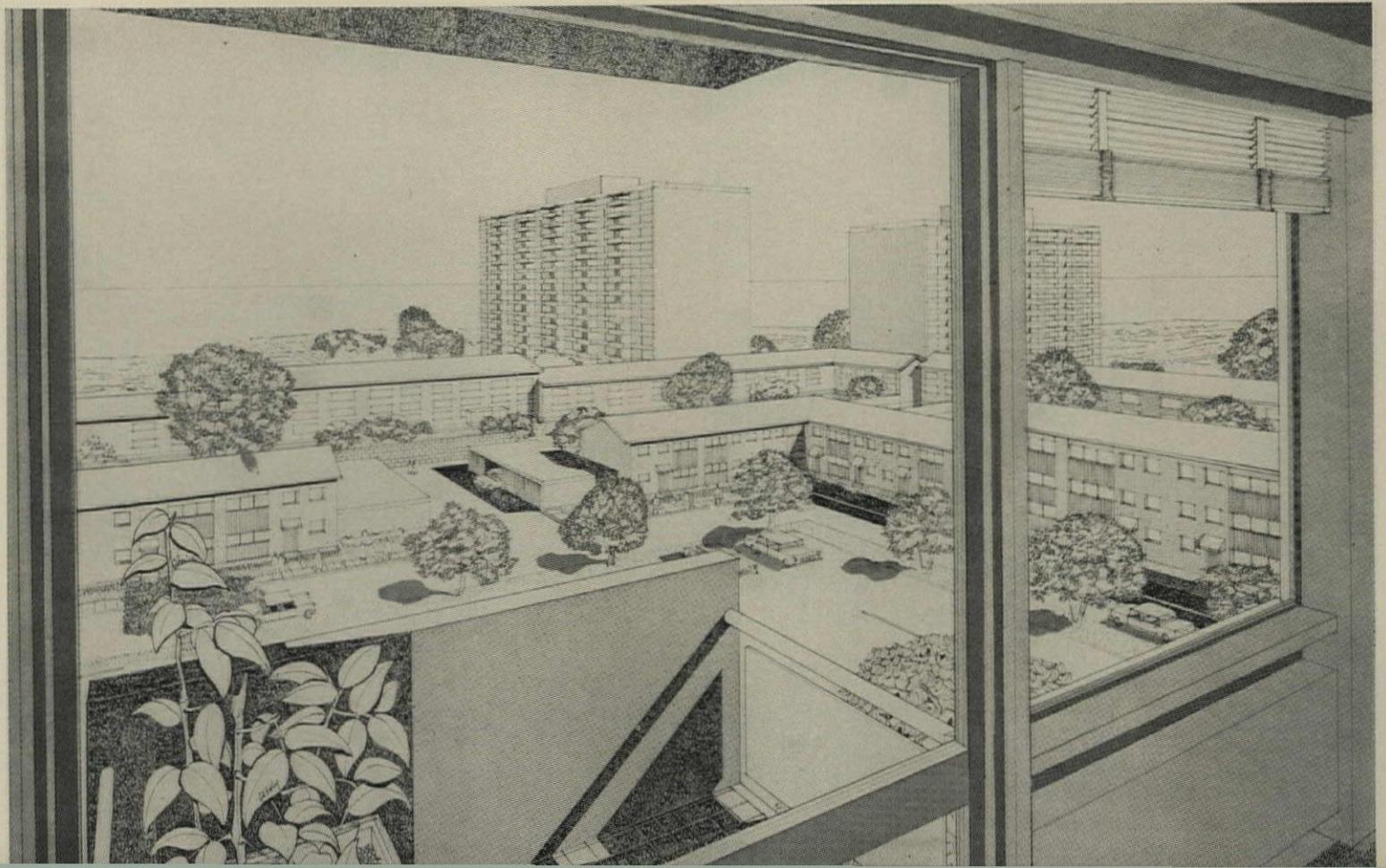


**TOWNHOUSE PLAN**, left, has fenced entry patio open to living room through glass wall. Dining room overlooks rear garden.



**TYPICAL HIGH-RISE PLAN** puts ten apartments—one, two, and three-bedroom—on each floor. Many will have balconies.

**VIEW FROM THE NINTH FLOOR** shows spacious character of Breezy Point. Most units will have water view. /END

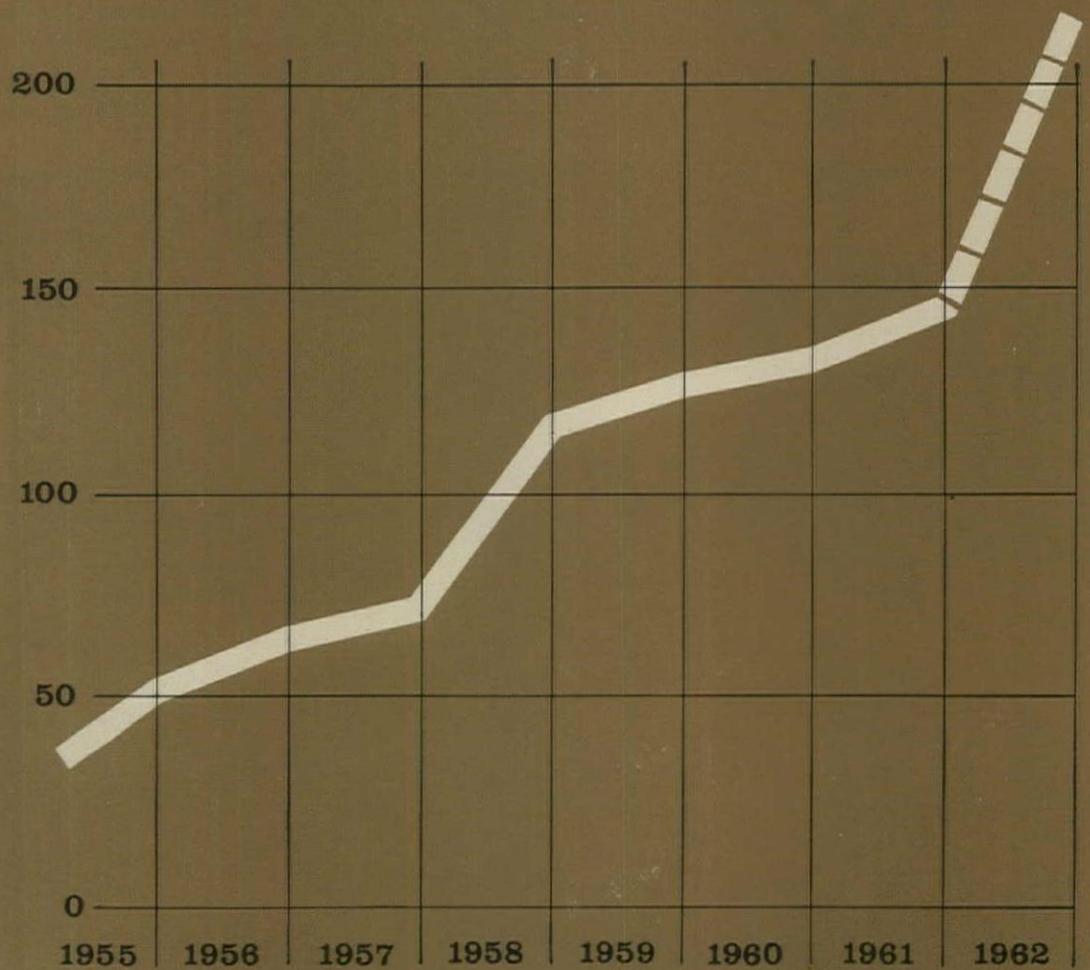




1962: Achenbach at meeting of key staff members. Vice President (and Achenbach's chief assistant) Curt Sykora is second from left.



1954: Achenbach at work on his first house.



*Many profit-minded builders—looking for bigger markets—  
move their operations to the country's fast-growth areas—California, Arizona, Florida.*

*But, says one builder who stayed home in Connecticut . . .*

## **If you make growth your No. 1 job, you can create a good business in your own backyard**

And as the production chart opposite shows, George Achenbach of Lifetime Homes has created a very good business in an area that many housing professionals label as backward.

Eight years ago, Achenbach was 25 years old, a heavy-equipment salesman just four years out of RPI, "intrigued" by the prospects of becoming a home-builder.

Today he is one of the two or three biggest builders in Connecticut with a record of growth each year since he built his first houses in 1954.

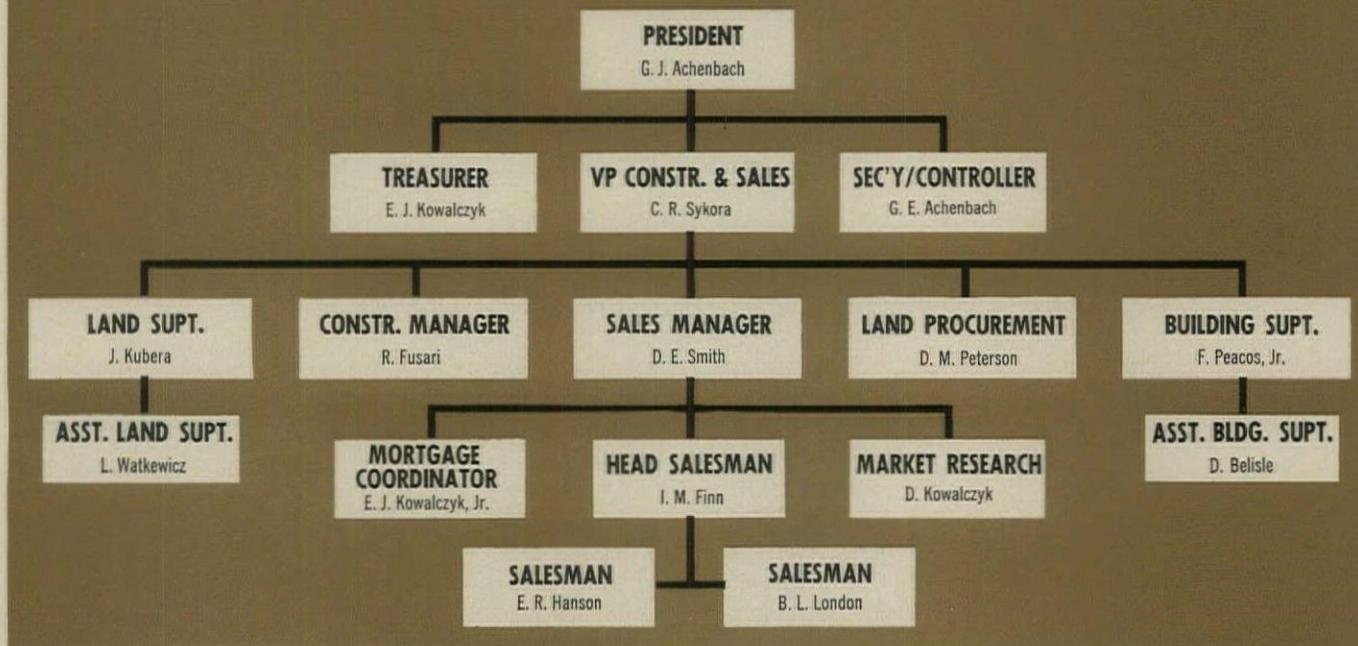
Why did Achenbach (a native of New Britain, Conn.) "stay at home" when he started his business? "Partly just because I like this part of the country. Partly because—though there are plenty of problems finding good buildable land, and more problems developing land in this rocky, rolling terrain—there is a heavy population to draw on as a market. And partly because I would rather be in competition with the average New England builder than builders like Long and Eichler." [Achenbach is in a market area with four other over-100-house builders selling in about the same price range, a dozen smaller builders selling mostly in a lower price range.]

His choice of location within Connecticut was, however, no whim. With characteristic thoroughness, before he set up his business Achenbach talked with every Chamber of Commerce in eastern Connecticut. He checked reports of new industrial plants in the area, asked managers of existing plants about their expansion plans. He compared inventories of unsold houses. From the State Highway Commission, he learned the proposed route of the New England Thruway. And he tied up land in the then-sleepy town of Saybrook—which is now only 25 minutes from bustling New London (submarine base, General Dynamics, Coast Guard Academy) and 30 minutes from New Haven on the 60-mph highway.

When Achenbach started, he started fast. He built 50 houses the first year, 65 the second—all prefabs (to see why, see *p 160*). In 1957, he started a new 120-house subdivision and switched to conventional building. And the sales record kept growing. "Our basic aim is steady growth," says Achenbach. "We do not try to be the 'biggest' anything, yet we are hungry and aggressive. We simply try to operate this company as a business so that at the end of the year we can look back to steady expansion and solid profits; and look ahead to a steadily improving position.

"We are first businessmen—and then builders, and we think the greatest hazard to our business is builders who do not act like businessmen and go broke. They not only hurt our sales effort by throwing distress merchandise onto the market, but cast a shadow of distrust across the whole industry."

*To see how Achenbach manages his company's growth, turn the page.*



ORGANIZATION CHART shows functional delegation of authority, and flow of management information to Achenbach and Sykora.

## To keep his company growing, Achenbach spends his time as a manager —controlling today's operations and planning tomorrow's

It is significant that Achenbach—who carefully schedules his own time (see box below)—spends just one afternoon a week in the field.

"You cannot grow in any business if you try to be your own doctor—if you try to be your own land expert, your own market research expert, your own architect, and your own salesman," says Achenbach.

"As long as you try to do everything yourself, your growth is limited by how much you can do. And trying to do everything yourself—even if you think you do it better than anyone you can hire—almost guarantees you will stay small.

"What you need is time—time to make the decisions that will assure the growth of your company."

From the very start of his business, Achenbach made time for decision-making. Though he had no staff (originally he was in partnership with his father-in-law, now treasurer of the company), he freed himself of much detail by operating as a home manufacturer's builder-dealer. As a builder-dealer he had no design problem except to choose the right models from the manufacturer's line, and he got a lot of help in merchandising. "Even though I still had to handle selling, mortgage processing, and job supervision, National Homes freed me of enough detail to give me time to manage and

plan ahead. And I learned a lot from National's experts."

In 1957, when Achenbach turned to conventional building, and set much higher goals for production (from 70 houses in 1957 to 115 in 1958), he began hiring men to take over jobs that he had handled himself or that were part of the prefab package. First a salesman. Then a building superintendent. Then a full-time staff architect (though Lifetime Homes now retains an outside firm).

In 1959, he hired a vice-president for construction and sales, Curt Sykora. Sykora, now 32 years old, a graduate of Bowling Green and Harvard Business School, handles much of the administrative operation and is, says Achenbach, "a genius at looking ahead."

Today, there are 17 people in the Lifetime Homes organization, most with managerial responsibility. Besides his top management—Vice-President Sykora, Treasurer Edward Kowalczyk, and Secretary-Controller (and wife) Geraldine Achenbach—there are seven key figures in Achenbach's organization: The construction manager, who is in overall charge of the construction operation; the building superintendent, who is responsible for house construction; the land superintendent, who is responsible for setting up land-development budgets and getting the work done within the budget; the land procurement manager, whose full-time job is finding buildable land; the sales manager, who has three full-time and three part-time salesmen on his staff; the mortgage coordinator, who receives applications, prepares FHA and VA papers, makes the submissions, and follows through on mortgage processing; and the market researcher, who is responsible for knowing what prospects want.

Talking of his staff, Achenbach talks of group effort: "We are trying to build an organization with depth . . . an organization that would continue on without me. . . . We take our time to pick the right people—and then we give them full responsibility and we will sink or swim with them. When they know you have faith in them 99 times out of 100 the decisions they make are probably as good or better than decisions you would make yourself."

It is clear from the way Achenbach spends his time that a major responsibility of the staff (aside from handling the day-to-day administration of their part of the business) is to supply him with the information needed to make control and planning decisions. Significantly, though Lifetime Homes is a much smaller corporation than many industrial manufacturing firms, Achenbach collects information and uses it to manage his operation much as presidents of big corporations manage theirs. Since he cannot watch everything. . . .

Weekly work schedule	G. J. Achenbach	(Monday-Saturday 7 am-6 pm)
Every morning:	expedite closings, check houses under construction totals, discuss day's work with each manager.	
Special projects (weekly basis):		
Monday am:	money flow analysis (with vice president), analysis of weekly reports.	
pm:	analysis of weekly cost control figures (with vice president), discussion with insurance agent.	
Tuesday am:	scheduling meeting—coordinate target dates (with vice president, sales manager, mortgage coordinator, construction manager).	
pm:	discussion with attorney.	
Wednesday am:	sales promotion and analysis (with vice president, sales manager), managing money—profit analysis.	
pm:	discussion with accountant (with secretary-controller).	
Thursday am:	sales meeting (with entire sales dept).	
pm:	discussion with mortgage broker.	
Friday am:	field trip (with vice president).	
pm:	open	
Saturday am:	strategy for next week (with vice president).	
pm:	future business (with vice president).	
Monthly:	executive committee (with all key people), banker meeting—discussion of past month's results and next month's projections.	

## In the day-to-day operation of his business, Achenbach "manages by exception" —he concerns himself with operations only when they get out of line

And he has set up a system that tells him almost at a glance when operations are out of line. Reports feeding to him from his managers are set up so any variation from established goals (and only those variations) are called to his attention. "If everything is running smoothly," says Achenbach, "I need not concern myself with daily operations—that's what the staff is for. But I want to know right away if anything is going wrong—so we can start doing something about it." Here, for example, is how he keeps control of land costs:

Before Lifetime Homes buys land, careful studies are made of projected development costs. Once the land is purchased, budgets based on these studies are developed for the whole project, and—in more detail—for "blocks" of land (about 10 to 12 lots). The budgets are broken down into costs for clearing, stripping, rock raking, excavation, rough grading, cut-and-fill, etc.

Every day, the land superintendent posts labor and equipment costs for each operation (eg cut-and-fill), for each block under development; and these costs are totalled weekly. Every two weeks, the land superintendent and Sykora check the work and estimate its stage of completion. Suppose the cut-and-fill operation for block A, budgeted at \$5,000, is estimated to be 50% complete. On that basis, \$2,500 should have been spent so far on cut-and-fill.

The biweekly reports reaching Achenbach show, for each block, budgets and actual cost figures—so he can tell at a glance what operations on what blocks of land are running off budget. If the variations from budget are big enough or constant enough, Achenbach and Sykora know they have a problem—and Sykora checks to find why.

What can you do if land costs run ahead of budget, and there are no inefficiencies you can take out of the operation? "We hate to do it, but as a last resort we have to increase prices to cover the unexpected costs," says Sykora. To make sure they can raise prices without disturbing the current sales effort, land is developed well ahead of sales. "We now have over 2½ miles of road and water in—enough for about 112 lots. And to minimize the chances that we'll have to raise prices as we go, we usually build on the worst land first."

Is this too detailed a check on land costs? "No," says Sykora. "Developed lots—at least in this part of the country—represent as much as 35% of the sales price. Raw land is cheap (Lifetime Homes' latest 450-acre parcel cost only \$350 an acre); but it costs about \$5,000 per 100' x 150' lot for earth moving, removing trees, for streets, curbs, gutters, water, sewage system, landscaping, and allotment of school and park sites. Land development costs can make or break your profit—so you can't afford to work out of a big pot."

To free himself of time-consuming detail, Achenbach has set up an even simpler system of controlling building costs. Lifetime Homes subcontracts all labor, and since it builds relatively few standard models (currently, three different houses—a ranch, a split-entry, and a two-story) has negotiated standard bids with each subcontractor. The subcontractors bill Lifetime for their work on one of two forms: a white form if the price is the standard unit price, a red form if there are any discrepancies or extras in the price. All red forms go to vice-president Sykora, who determines the reason for the "variation from standard." Achenbach, in turn, need concern himself only with those red forms which point up a serious or recurring problem. Says Achenbach: "This system is cut-and-dried—so it requires almost no attention."

Similarly, Achenbach concerns himself about overhead costs only under special circumstances. Each year, an overhead budget is established, and pro-rated by a production volume that Achenbach is quite sure he can meet. (For example, this year's Lifetime's budget calls for 216 closings, but the overhead budget is divided into 150 houses.) So Achenbach knows that as long as sales are running at a rate of 150-per-year or better (and as long as he does not add to

overhead) his overhead costs will be within budget—and he need not worry about them. If sales run ahead of 150 (as he expects they will) the charge for overhead will be extra profit.

Achenbach has also established a routine system that shows him at a glance whether sales, production and money flow are "on schedule." Here's how this system works:

Once Achenbach and his managers establish a goal for the year (eg, this year's 216 closings), they set up a sales budget for each month and, as the year progresses, for each week. This budget for house sales and construction is set up on "target sheets" (see below). The column headings show:

1. The date each house should be started and the day it should be sold (Lifetime does not build ahead of sales).
2. The day the mortgage papers should be submitted to FHA. This is scheduled for three weeks after the selling date, to give Lifetime the necessary lead time to process the mortgage paper.
3. The move-in date—that is, the day the house should be completed. Lifetime allows buyers to move into their house ahead of the closing in return for a rental fee (\$3/day on a \$15,000 house).
4. The closing date.

SCHEDULE		TARGET SHEET WEEK OF _____					COMMENTS
actual		STARTING DATE	SOLD DATE	SUBMITTED DATE	MOVE IN DATE	CLOSING DATE	

Each column is divided into two sections: schedule date and the actual date each step takes place.

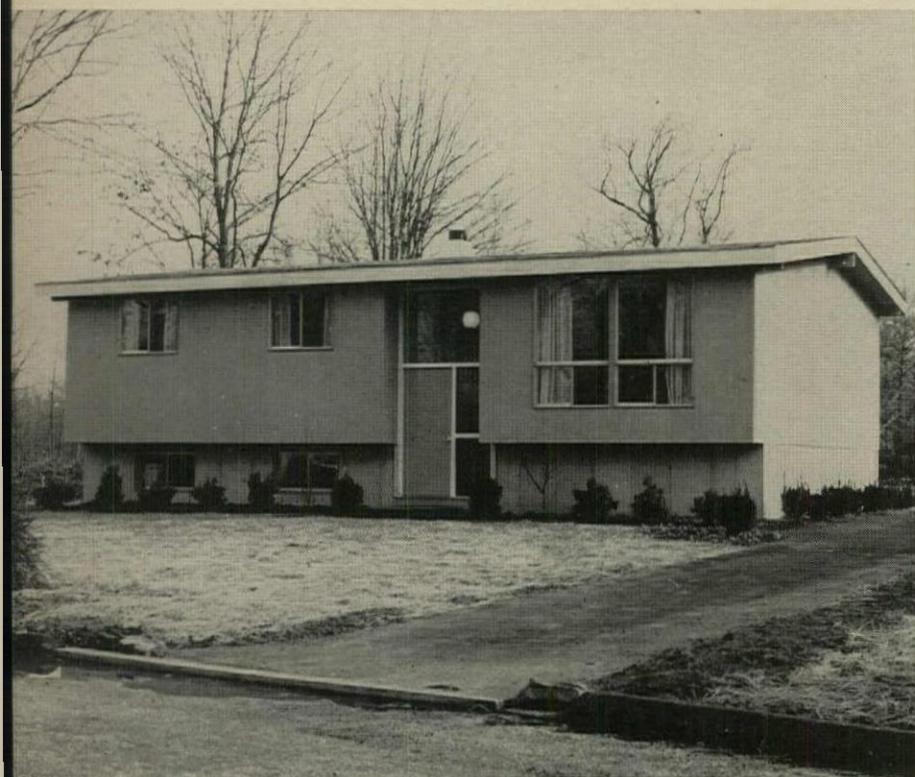
The "actual" dates are filled in on the basis of reports from Sykora (on starts and sales) and from the mortgage coordinator (on submissions and closings). Achenbach reviews these target sheets each week, can tell at a glance whether sales, production, and mortgage processing are on schedule, ahead of schedule, or behind schedule. And thus he knows at a glance whether money coming in (in deposits and mortgage money) is enough to cover money going out (money being paid to subcontractors, etc). And again, he need concern himself only if sales and production are falling behind schedule, or are running way ahead of schedule. "Since all our costs are based on a budgeted production figure," says Sykora, "we produce houses on a schedule basis unless there is a really terrific demand. If we revise our targets upwards, we have to refigure all our budgets."

As a final check on progress, Achenbach keeps a running check on his financial position. On a monthly basis, Lifetime's accountant reports to Achenbach on:

1. Ratio of current assets to current liabilities. "I like to keep a 2-to-1 ratio—keep our money in the bank, in inventory, and in accounts receivable at twice the level of our current liabilities."
2. Net profit on sales. Lifetime's goal: 10%.
3. Net profit on net worth. "This is an indication of how hard our total investment in the business—our money tied up in land, in machinery and other equipment, and in inventory—is working. We shoot for 25%—and up till now, we've always done better than that.

"As long as these ratios are in line, I know that our money position is sound. If they ever get out of line, I'll know it fast, and we'll go to work to find out where the trouble is."

continued



\$16,500 SPLIT-ENTRY accounts for 50% of Lifetime's sales.



THREE-BEDROOM RANCH at \$15,500 is second in popularity.



TWO-STORY COLONIAL, a must in New England, rounds out line.

### **Achenbach makes the crucial decisions that could make or break his business without getting enmeshed in the day-to-day details**

"You need an enormous amount of information before you can make decisions like deciding what land to buy, or what kind of houses to build next year," says Achenbach. "If you are trying to build a growing business, you cannot operate on instinct. Even if you dropped everything else, you could not find the time to make the studies you should have before you commit your company (and its profits) to a major program. And even if you did have time, if you got involved in all the details, you would lose perspective."

To get the facts he needs to make the best decision, Achenbach delegates fact-finding to his staff (and when he needs more help than his staff has the time or the technical skill to give him, he hires outside consultants).

Sykora explains: "The decision to purchase land in Ledyard (the location of Lifetime's new subdivision) was made after four months of study"—study by many staff members and consultants. Before the decision was made:

Lifetime's market researcher visited the housing department of the submarine base in New London to determine its needs; studied and reported on the Rotival report, a local government-sponsored survey of the area which predicted a ¼-million population expansion for the next ten years; studied FHA reports on the housing inventory (which predicted the area could absorb another 1,000 houses per year); visited the managers of industrial plants in the area (and found, for example, that Electric Boat Co planned to hire some 3,000 people by the end of 1963). He also hired interviewers who called 220 people in a new subdivision on one side of the Thames River (which divides the New London area market), another 160 people in another subdivision on the other side of the river. This survey showed, for example, that most people worked on the east side of the river, that people on the west side of the river were unhappy about the tolls and traffic problem at the bridges and complained about driving to work with the sun in their eyes both coming and going.

"From information like this," says Sykora, "we were able to decide with some assurance 1) that we had a market that would support a good-sized new subdivision, and 2) that it

would be better to build on the east side of the river."

With this information, Achenbach and Sykora turned to their land-procurement man. One site he had found (and the one ultimately chosen) seemed to fit the market and location specifications. And the study of the site began: Engineers (Radcliffe & Ross of Essex, Conn.) made a topographical survey and soil analysis. Lifetime's site planner (James Frost of New Haven) began studying the development possibilities. Stephen Porter of the Geology Dept at Yale was called in to study the location and supply of water (the new subdivision is served by four 400-gpm wells). Also called in for consultation (and later development work) were Halet & Aldrich, a Boston firm specializing in soil engineering and drainage analysis; Camp, Dresser & McKee, Boston sanitation engineers, and Joseph Keegan, a specialist in water systems.

"From these experts," says Sykora, "we found we would need a million yards of gravel for roads on the 450-acre site. But we also found that there was a huge supply of gravel underlying part of the site along a fast-flowing stream. We were able to relate these facts to something we found in our market survey: people in this area do not especially want a community swimming pool—most prefer to go to the salt water only a few miles away—but they do want a lake for boating and picnicking. We found that by digging a burrow pit we could get the gravel needed for the lake and also help replenish the wells supplying water for the subdivision."

In short, before Achenbach made the final decision to buy the Ledyard property, his staff and consultants had supplied him with the information—including detailed estimates of development costs—he needed to make a management decision.

"The 'problem of land' is a part of homebuilding that needs major management direction," says Achenbach. "The lack of such direction has been the principle reason for a number of big developers in this area failing. If we are to continue to surge ahead we cannot be haphazard or sloppy in our treatment of land. The location of the right piece of property and its subsequent development are the real key to profit and loss."

Similarly, says Achenbach: "You need facts to decide what kind of a community and what kind of houses to build." The market survey of buyers in other new subdivisions in the area turned up facts like these: Buyers wanted an extra half bath and a garage, but didn't care about a basement. They wanted a school site on the property and safe walkways from the houses to the school. "And surprisingly," says Sykora, "they said they thought contemporary design was a better value than Colonial. In an area where everyone has been building Colonial since way back when, this is important market information."

Working with this information, Lifetime's architect, Robert Wendler of Simeone & Wendler, New Haven, developed the basic three-house line shown opposite (variations of each are available). Though sales are just getting underway (Lifetime had deposits on 80 houses on Mar 19, two weeks before opening day), the \$16,500 split-entry has so far accounted for 50% of sales; the \$15,500 ranch for 35%, and the \$17,500 two-story garrison—"the style most builders depend on in this part of the country"—only 15%.

To broaden its price range and market coverage, Lifetime has commissioned Architect Wendler to design a fourth model—an A-frame contemporary to sell for up to \$21,500.

## Besides his management responsibilities, there are just two jobs Achenbach does not delegate: community relations, and long-range planning

"Both are critically important to your growth," says Achenbach. "Take community relations. Whenever a builder comes to a new town, he is a villain. To overcome this, we work 100% with local officials. We visit with the selectmen [the governing body in most small New England towns] well before we buy land. We tell them our plans. We invite them to check with town officials in the places we've operated before. We assure them that we'll do all we can to create the kind of community they want—and often change our plans to do that. In Ledyard, for example, we enlarged our lot size at their request. And, since they were concerned that our land work would create a drainage problem, we put in a \$15,000 drainage system on neighboring land. I guess if the inspector wanted 2x8 studs we'd give them to him. Right now, at the request of the town government we're looking for an industrial park site we can develop." (In an earlier subdivision, at the selectmen's request, Lifetime developed a 20-acre industrial park. "The expansion of existing plants in the area has cut the mil rate from 27 to 19, and the town was anxious to have a developed industrial area to attract more new industry. It's too early to tell, but our park should cut the mil rate still further," says Sykora.)

"If you are going to grow, to establish a good business, you cannot 'build and run,'" says Achenbach. "You've got a responsibility to a town you move into. As a company, we try to be good citizens, and we think its good business."

In response to the survey information, Lifetime's new subdivision will have a school site (eight-acres in the center of the tract, see below) and meetings are underway on the mechanics of turning over the land to the town. The land plan provides walkways from the houses to the school site with a minimum of street crossings. Some 40 acres (including a 10-acre site at the edge of the 10-acre lake now being dredged for gravel) have been set aside for a recreation area and parks. "When the community is half to two-thirds complete," says Sykora, "we will meet with the homeowners and find out how they would like this recreation area developed. We have plans now for a 4,000 sq ft clubhouse and other recreation facilities, and are setting aside \$100 at each closing to cover the costs of developing the area."

"I'm convinced," says Achenbach, "that the most important reason this company has continued to grow is that we try to do everything in a business-like way. We try to find out what product people want. We employ the best men we can—on our staff or as consultants—to create what people want at a minimum cost. And we take the time to study all the alternates before we commit the company. The only job I can't delegate is deciding—on the basis of facts supplied to me—which is the best of the alternates. And that's a full-time job."

*Achenbach and his vice president, Curt Sykora, spend a great deal of time planning five years ahead.* "It's been obvious for some time that there is going to have to be a major shift in our operations—and within five years," says Achenbach. The reason: "We're running out of buildable land. The answer, almost inevitably, is to shift to higher-density housing. And right now we're feeling our way in—educating ourselves."

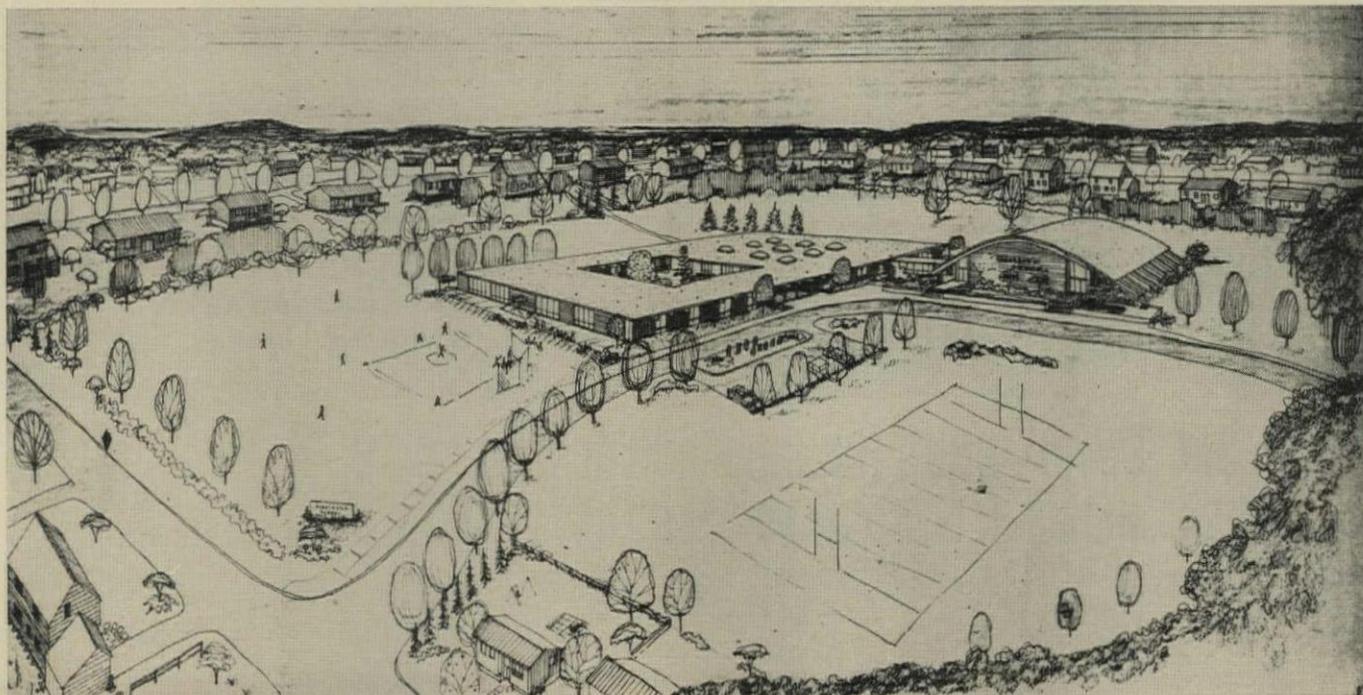
Last year, Lifetime Homes bought 85 acres of land in New London area to build row houses. Architect Wendler is now working on designs. And Sykora and Achenbach plan a trip around the country within the next few months to study high-density projects. Their present plan is to start building on this land later this year.

They are also negotiating for high-density-housing land in New Haven, the other urban market within easy reach of their operation. "But if we get the land, we wouldn't build anything until 1963 at the earliest, when we've digested the Ledyard project."

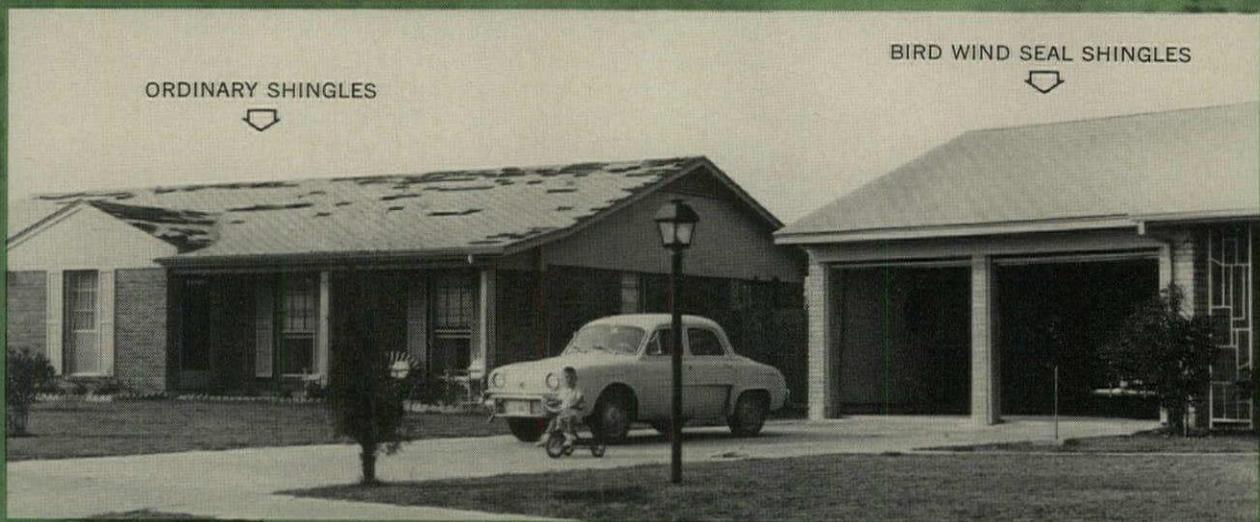
Lifetime Homes has one more finger in the urban pie. With eight other area businessmen (including a state senator, several contractors, an attorney, and a banker), Lifetime Homes is an equal partner in a group preparing a submission for a \$25-million redevelopment project for New London.

"It seems clear," says Achenbach, "that the big market for housing is changing. We want to get off to a good start in the new market, and keep this company growing." /END

**EIGHT-ACRE SCHOOL SITE** is set aside in center of Lifetime's new subdivision. This drawing is from proposal to town officials.



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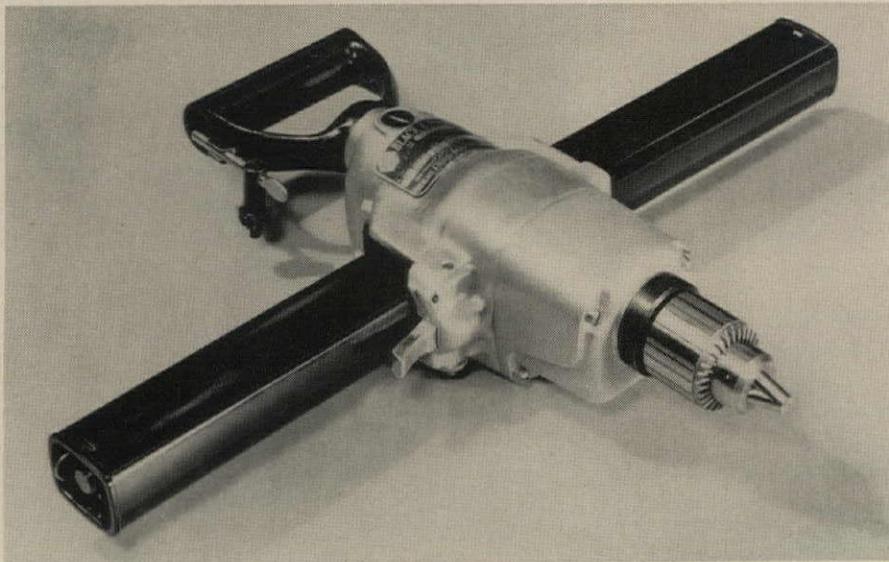
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**And on the following pages**

**Technology**

Two research houses from the Seattle World's Fair. . . . New residential steel building components. . . . Low-cost garage header . . . New jig for making trusses. *see p 168*

**What the leaders are doing**

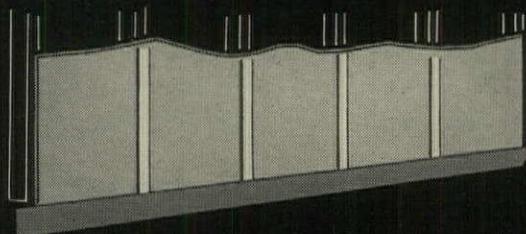
Fast-renting apartment project for high-income families . . . How market surveys boost sales for two builders . . . How to help your buyers solve their move-in problems. *see p 175*

**Publications**

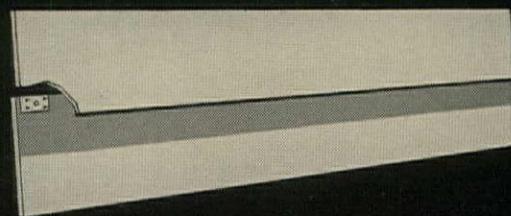
How to make and install ductwork . . . New technical literature, catalogs, installation brochures, and product bulletins. *see p 220*

**More New Products**

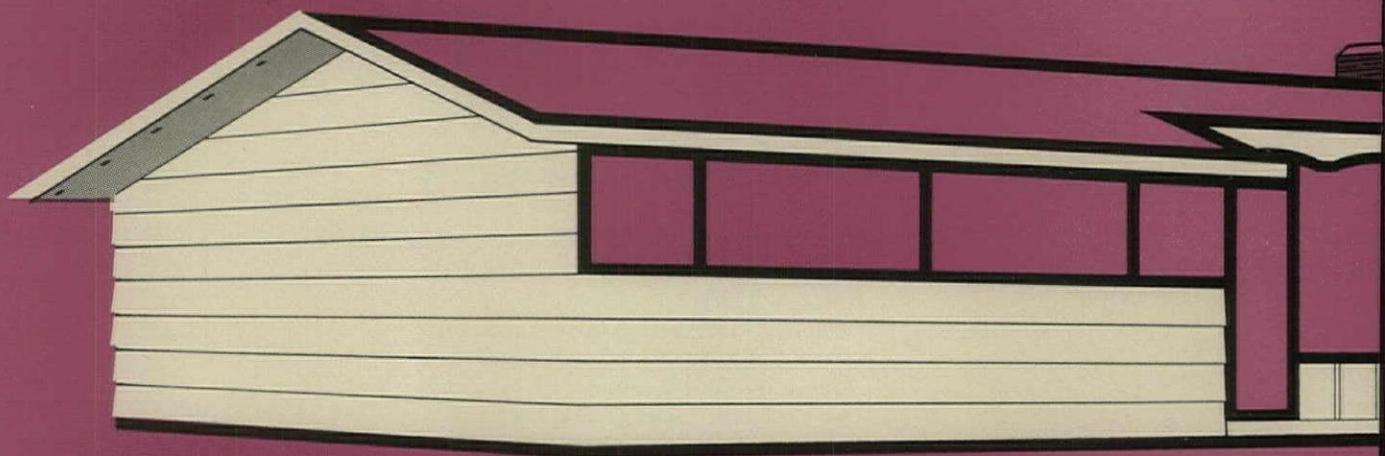
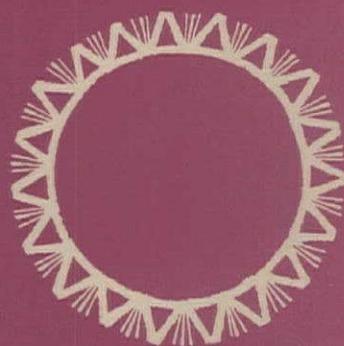
Steel components for apartments. . . . Kitchen built-ins, disposers, sinks, and dishwashers. . . . Earth-moving equipment, acoustical materials, tools, bathroom fixtures. *see p 192*



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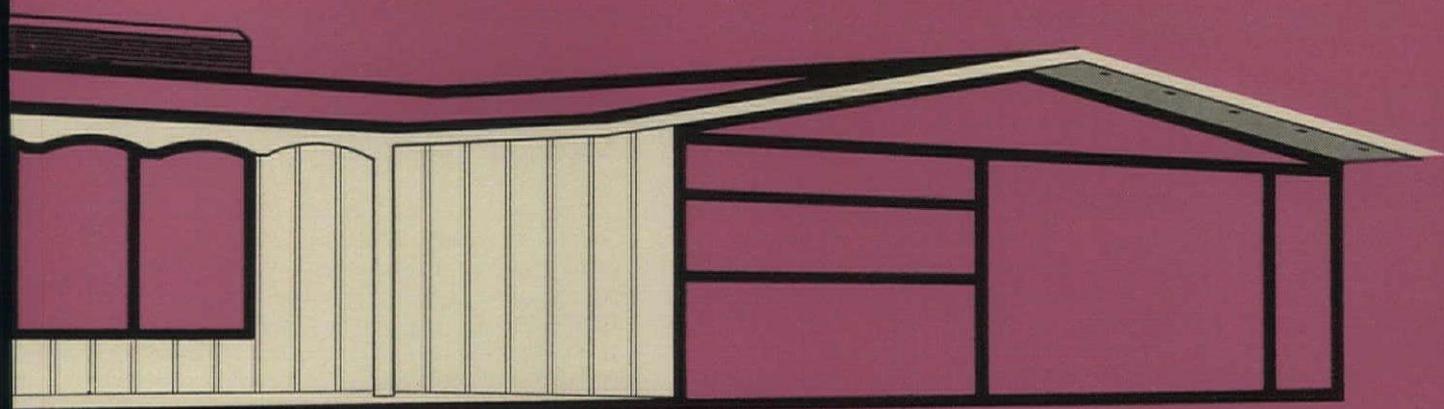
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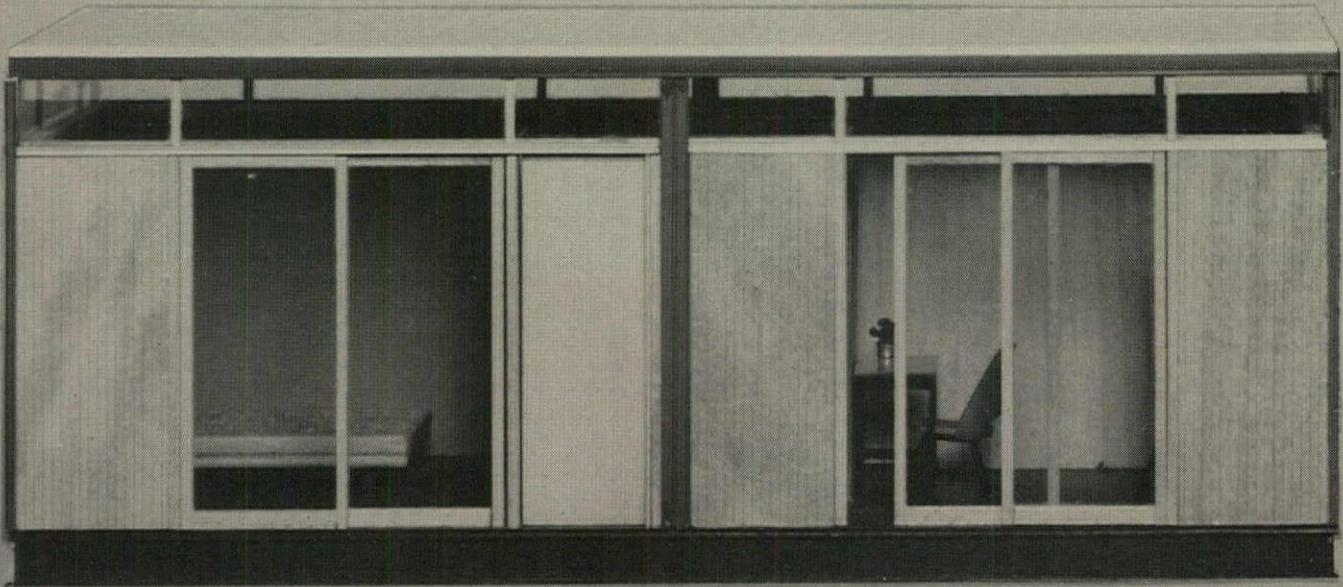
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**BASIC UNIT** of US Plywood exhibit house is 12'x24'. It can be used for construction of houses of any size, motels, and schools.

At the Seattle World's Fair millions of people will see . . .

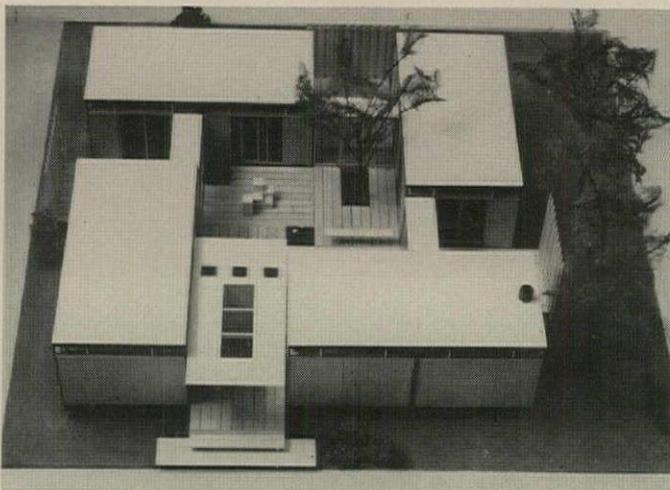
## 1. A new approach to the all-factory-built house . . .

Four 12' x 24' modular units like the one above form the easily movable and/or demountable "Century 21" research house shown in the model and floor plan below.

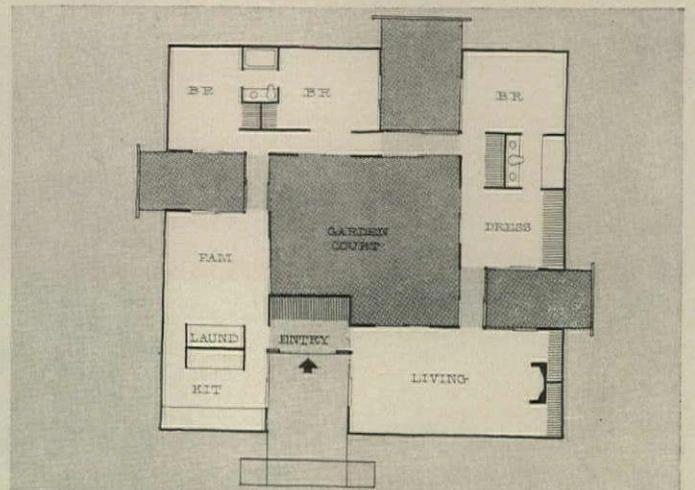
The house—to be opened to the public when the Seattle Fair opens April 21—demonstrates a new building system with four important advantages: 1) Each module—built on a steel frame—can be finished in the factory and moved by truck or rail to the site. 2) Each module is mechanically independent—has its own plumbing, wiring, heat pump (for year-round heating and cooling); is insulated on all four sides and delivered to the site ready to "plug in" to service lines. 3) Each module can be combined like a building block with

any number of similar modules to form an endless variety of houses with an endless variety of plans—units can be butted side to side, end to end, and end to side or set apart and connected by covered walkways as in the model below. 4) Though all the modules are mass-produced and have identical framing, walls, doors, windows, floors, and roofs, they can be factory-finished to serve as any kind of living area by adding partitions, storage, appliances, fixtures, etc.

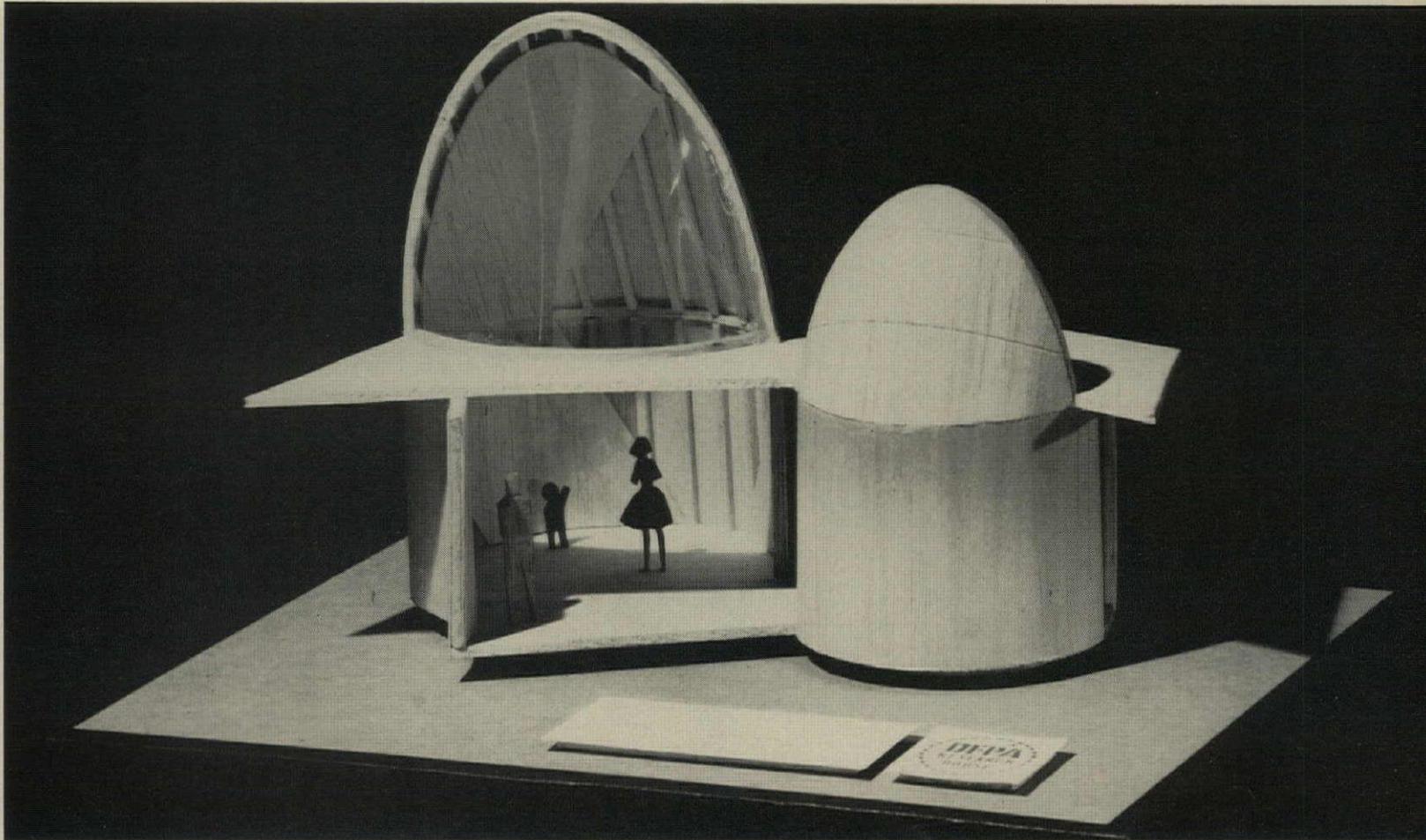
Architect Robert Martin Englebrecht designed the new system, which is copyrighted and patented. The "Century 21" house is sponsored by US Plywood with the cooperation of other building-product manufacturers.



**SCALE MODEL** shows how four factory-built modules are set around court and connected by bridges and decks to form US Plywood house.



**FLOOR PLAN** of three-bedroom house shows how each module, though structurally identical, is modified for different uses.



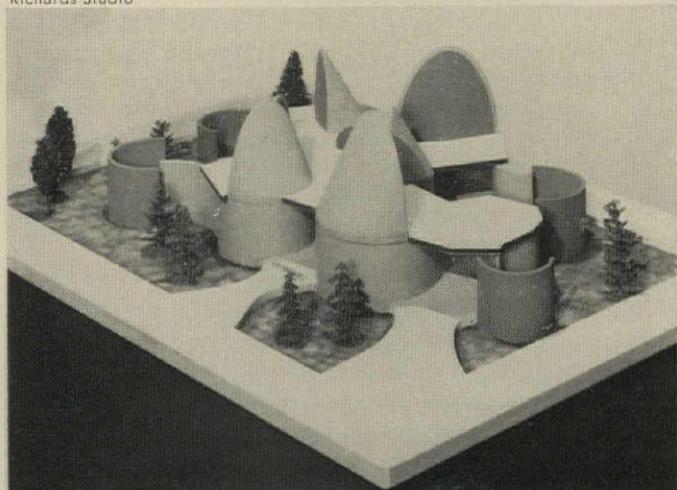
TYPICAL UNIT of the DFPA exhibit house is shown with skin cut away to reveal framing. Roof cone brings light into windowless rooms.

## And 2. A proposal for a totally new kind of house

The proposal is dramatized by a World's Fair exhibit house sponsored by the Douglas Fir Plywood Association in cooperation with *Practical Builder* magazine and 27 co-sponsors and designed by Architects Liddle & Jones.

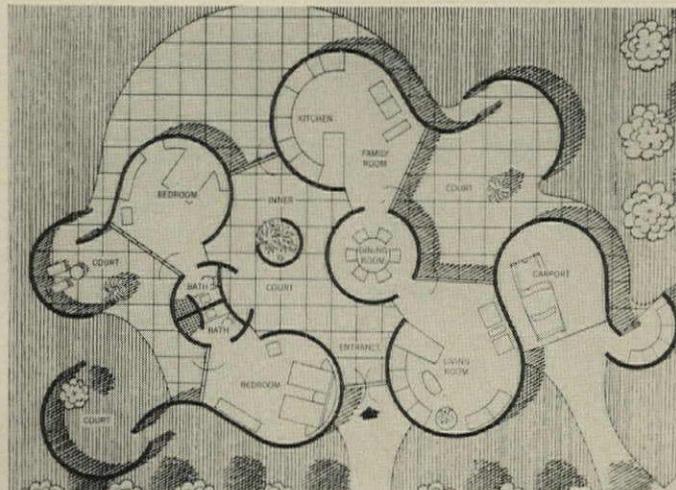
The house demonstrates two radical design ideas: 1) curving walls that create great architectural interest even though the overall shape simply results from arranging the living areas in a logical relationship around the plan; 2) glazed roof cones that produce new interior lighting effects.

Although the house was built on the site with conventional materials—a 2x4 framework covered with plywood sheets—its radical design ideas offer a challenge to tomorrow's build-Richards Studio



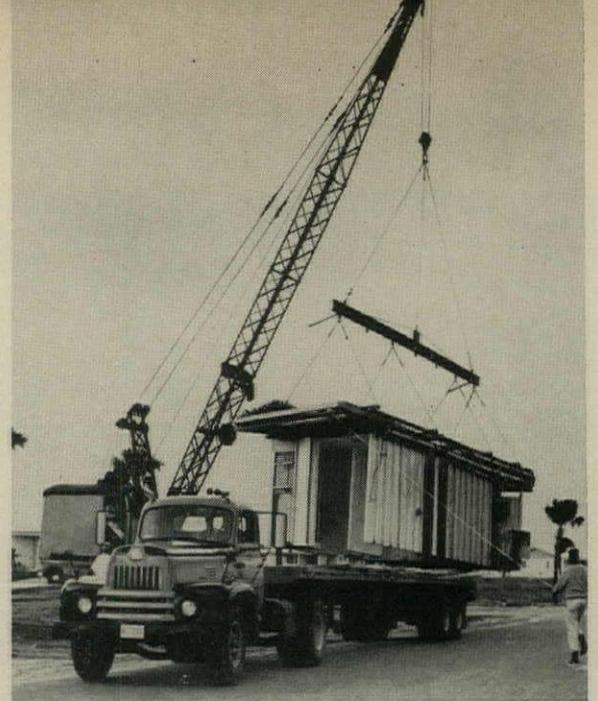
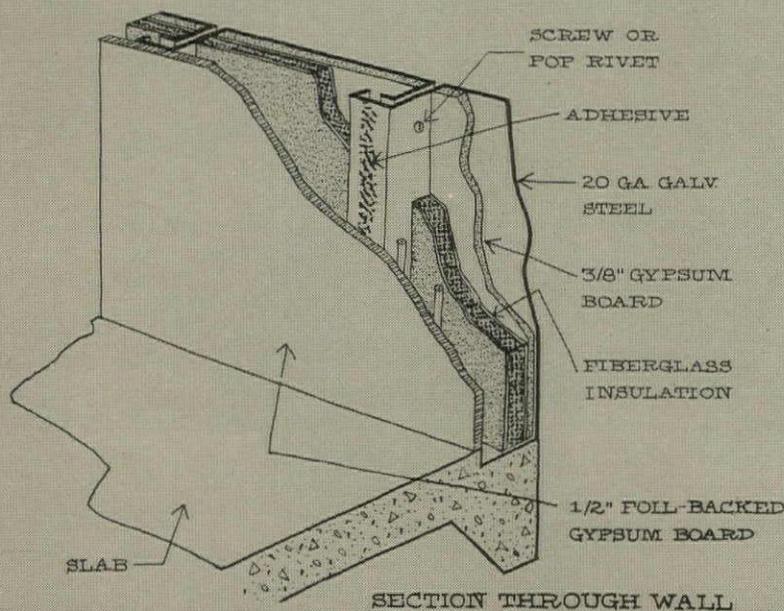
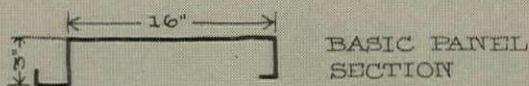
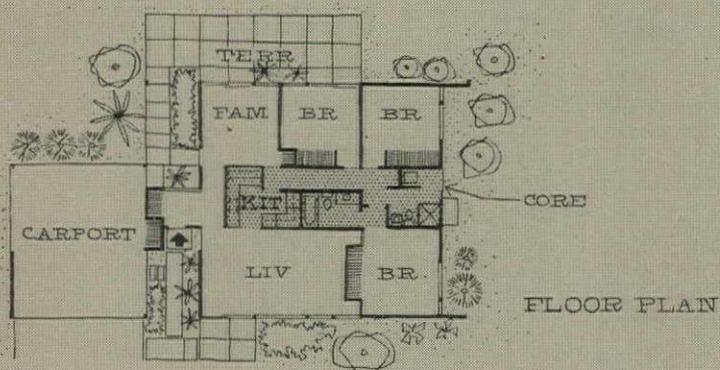
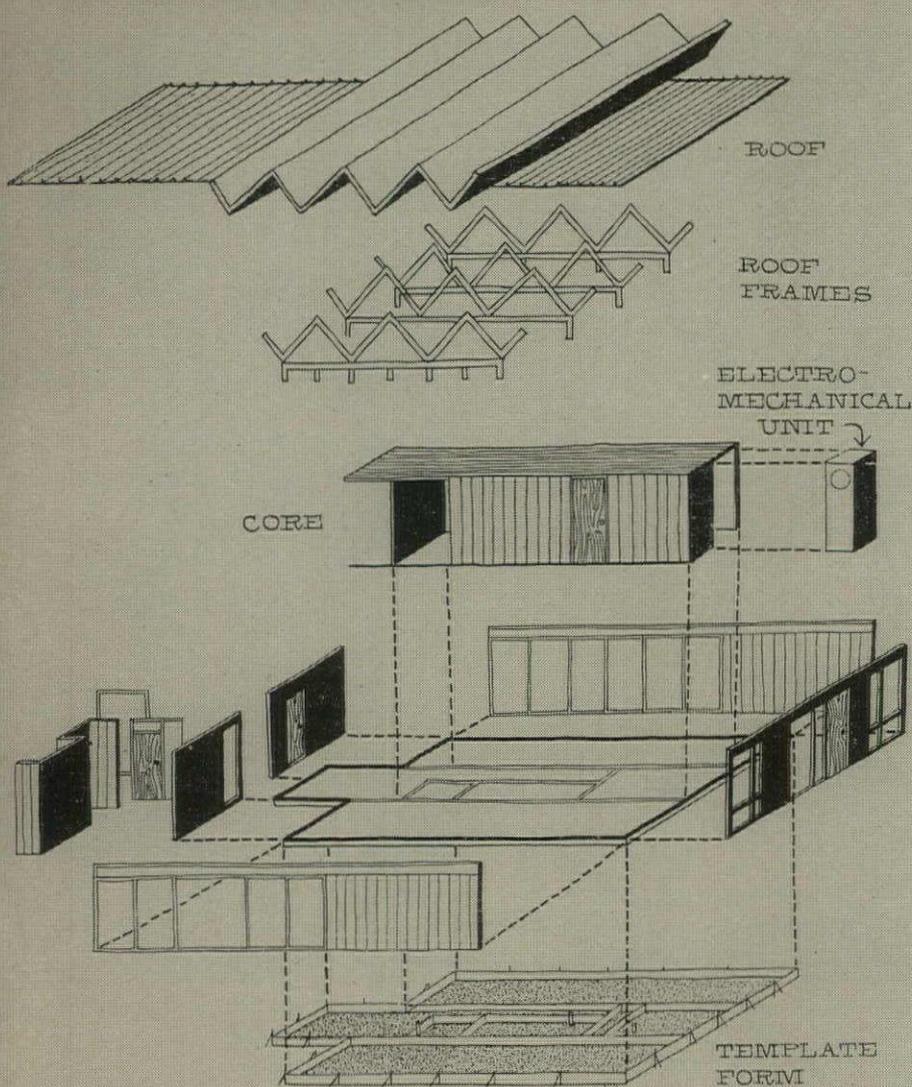
SCALE MODEL of DFPA house shows how curved and conical forms create a dramatic new kind of architecture.

ing technology. One example: Ideally, the curving walls should be made from a composite skin-to-skin component that is vertically rigid to support the roof load and horizontally flexible to permit bending to fit the plan. Says W. E. Difford, DFPA's executive vice president: "Components of this type are quite feasible . . . by combining known plastic structural elements such as plastic cores and possibly honeycombs with plywood skins. These sandwich walls might be delivered to the site on a big reel so that the builder could simply cut off sections at will." Another example: Cones could be designed to rotate to follow the sun on cold days and to catch the wind on warm days.



FLOOR PLAN shows how separate living spaces are created from curved wall sections connected by flat walls containing doors.

Technology continued on p 170



FIRST DELIVERY TO SITE includes preassembled center core and side walls. Roof sections follow on second load.

## New steel components let you bolt together a \$9/sq ft house

These components—used for several years in schools and commercial buildings—have now been adapted to homebuilding. The house shown in the drawings at left and the construction photos opposite is one of three prototype models just completed in Palm Springs, Calif.

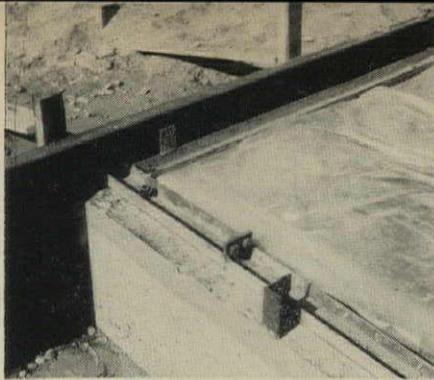
Now available only in California, the components are made by Rheemetal Div of Rheem Mfg Co. Their basic element—a 16"-wide galvanized steel panel (section, lower left)—is used in the following parts of the house:

*Exterior walls* are made of 9' lengths of panel fastened together as shown at lower left. Behind the steel skin is a layer of gypsum board (for rigidity) and a layer of fiberglass insulation. The panels' folded edges form the structural "studs," and also the faces for attaching the inner skin. The skin—any conventional material—is field applied, so wiring and plumbing are easy to install, and open-wall inspections can be made. Exterior finish is sprayed asbestos perlite.

*Roofs* are formed in two ways: 1) The flat roof over the bedroom wing and carport is made of panels laid open-side-up with standing seams. Tabs, inserted along every third panel joint, hold a dropped ceiling topped by 3" of fiberglass insulation. 2) The folded-plate roof over the living area is structurally the same as the flat roof. But because the inner skin is to be a finished ceiling, insulation is laid above it, and a layer of 20-gauge steel forms the outer skin. Both roofs are finished with sprayed aluminum asbestos.

*Center core*—containing baths, kitchen, and hall—can be delivered as flat panels, as a shell (photo, above), or as finished unit with wall-hung bathroom fixtures and kitchen cabinets in place. It has a 7' 6" ceiling above which warm air is distributed.

The warm-air furnace, cooling unit, water heater, and electric service panel are in a plug-in mechanical package that is mounted on the rear wall. Rheem may market this package separately.



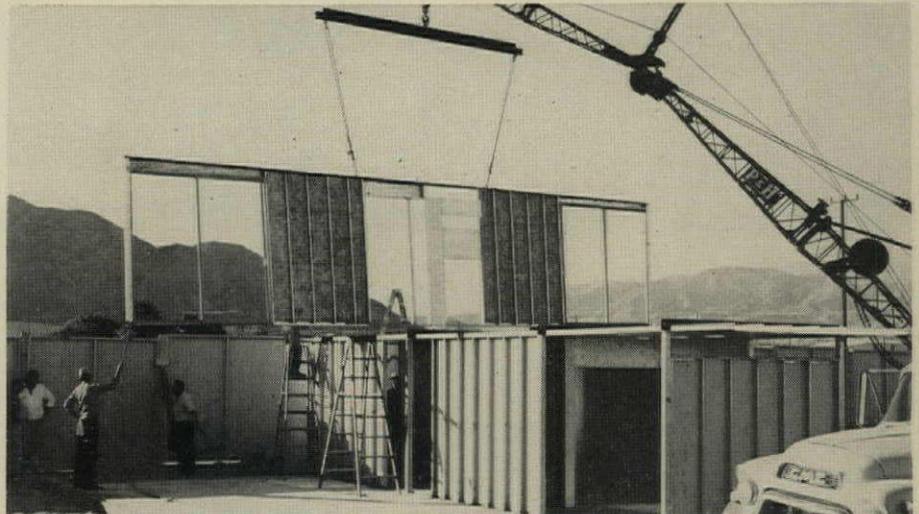
1 Steel template positions wall and partition bolts accurately in slab.



2 Slab is poured with template in place; template will be removed when concrete sets up. Area at left, with rough plumbing, will be under the center core.



3 Pre-assembled center core is dropped onto slab by crane with special yoke.



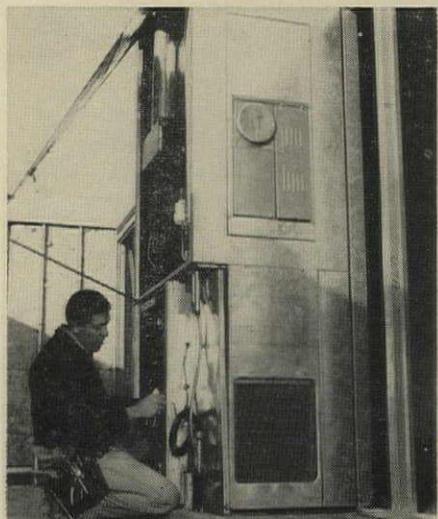
4 End wall is dropped in place. Solid panels are ready for spray finish outside, conventional wall finishes inside. Sliding glass doors are ready for glazing.



5 Roof frames to carry folded-plate roof are bolted to side of center core.



6 Folded-plate roof is assembled over living area. Insulation will be laid in channels between folded panel edges. Steel skin goes over insulation, gets spray finish.

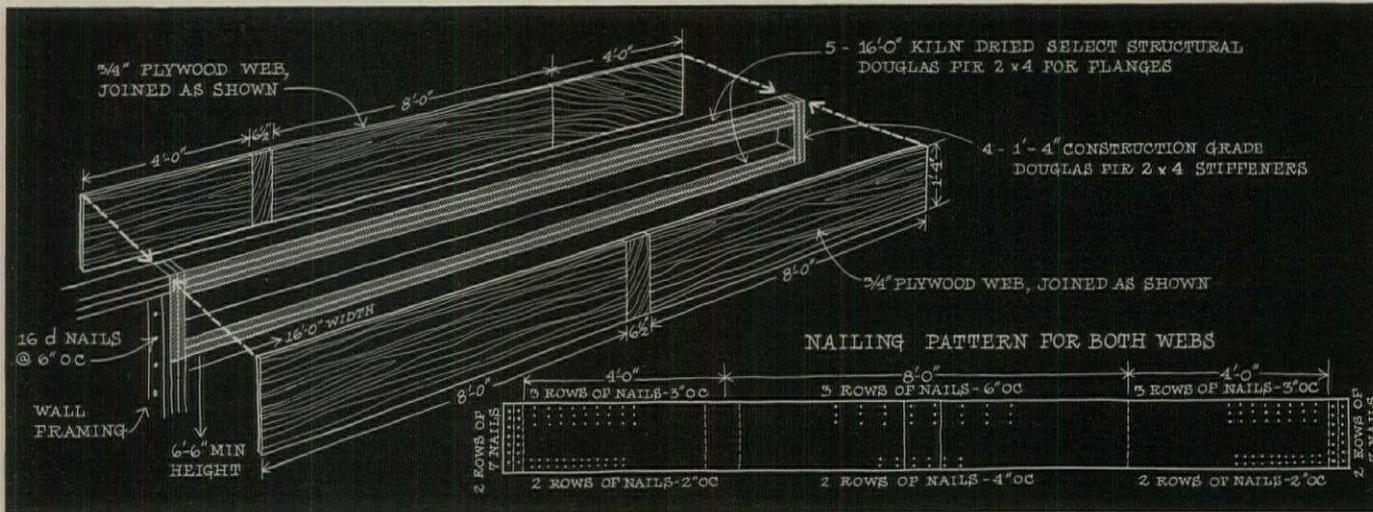


7 Mechanical core has electric service, machinery for heating, cooling, hot water.



8 Completed house is one of three built by Alexander Construction Co in Palm Springs, Calif. Architects: Wexler & Harrison. Base price, minus land, is \$13,000.

Technology continued on p 172



### New low-cost garage header is nailed together without glue

So the new plywood box beam can be assembled on the site or in the shop without the temperature and humidity control problems faced in glue-nail beam fabrication.

Designed to span 16' garage door openings, the new beam uses readily

available materials: select structural Douglas Fir 2x4s for flanges; construction-grade Douglas fir for end stiffeners; 3/4" Douglas fir Plyscord for webs; and 3" galvanized spiral thread nails, 0.148" in diameter, with 7/16" heads.

DFPA, which developed the beam,

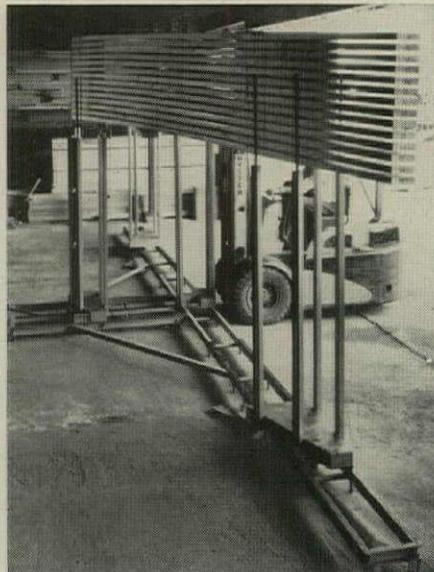
estimates material and labor costs at under \$25—about \$8 less than a pair of 2x12s with a 3/8" steel flitch plate and about \$17 less than a 12" steel junior I-beam. The beam is designed for a 40 psf roof-and-ceiling load on 30' trusses.



**PLYWOOD GUSSETS**—in pairs with unglued sides back to back—are laid in jig between truss framing members. Parts are simply stacked up until jig is full.



**BELL JACKS** apply pressure to load-spreader plates over each gusset location.



**FORKLIFT** unloads finished trusses. Thirty trusses can be made at once.

### New truss jig cuts fabricating costs by eliminating nails in plywood gussets

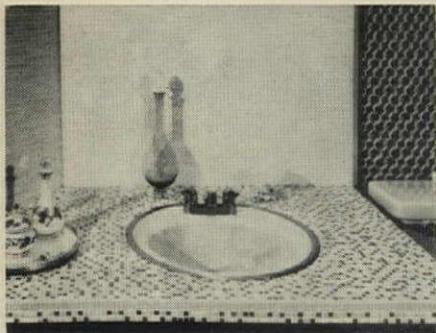
Truss members are simply stacked in the new jig between pairs of gussets, which are placed back to back and glue-coated on the sides facing the truss members (photo left). When the jig is full, bell jacks apply a minimum pressure of 125 psi (lower left). After the glue has set, the entire load of trusses is removed from the jig (lower right).

Because there is no nailing, turning or handling of trusses during assembly, labor costs are substantially reduced. For example: Totem Lumber Co of Seattle used the new jig to produce king-post trusses for about 100 houses at 25% below the cost of similar glue-nail trusses (and about \$1 less per truss than for metal-gusset types).

Since truss strength depends on accurate clamping pressure, uniform glue spread, and even glue squeeze-out, FHA accepts the design and pressure-glued fabrication only if the maker uses rigid quality controls like those specified by Plywood Fabricator Service Inc. The patented jig was developed for PFS by Ernest P. Pischel. /END

## New products

start on p 192



**Round lavatory** for countertop installation is made of porcelain-enameled cast iron. New April model has front overflow, 18" diameter. Other new Crane models: Tiara, a 19" x 16" vitreous china oval lavatory for mounting flush with laminate tops or below marble slab tops; Celeste, a rectangular counter-top unit with semi-concealed twin soap dishes at front; Stephanie, an 18" x 20" porcelain-enameled steel unit with shelf back, front overflow.

Crane Co, Johnstown, Pa.

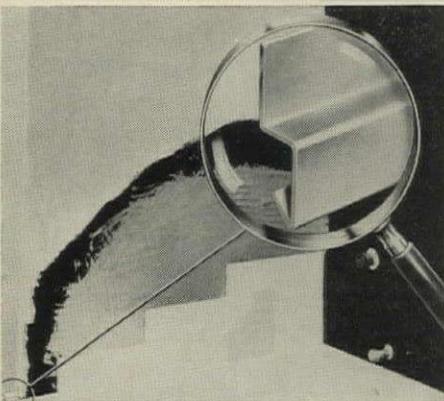
For details, check No. 33 on coupon, p 225



**Reverse-trap siphon-action toilet** is 1½" lower than previous models, has bowl rim blended into body for a modern look and a delayed action valve for more complete emptying of the tank. New Cadet is popularly priced, comes for three standard roughing dimensions (10", 12", or 14"), and is available in white or colors.

American Standard, New York City.

For details, check No. 34 on coupon, p 225

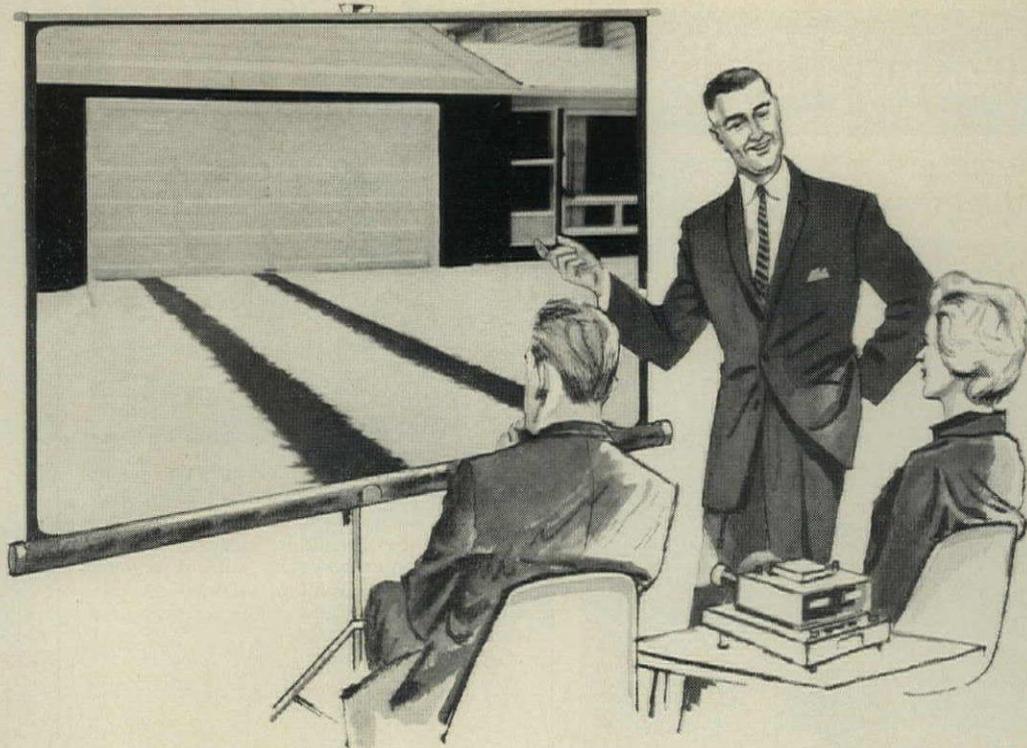


**Positive water stop** is designed to eliminate water problems by keeping the bottom edge of wall-board 1" above the top of sinks, tubs, or shower receptors. Made of rust-proof metal, it is nailed to the studs before gypsum board is applied.

Casings Inc, Milwaukee.

For details, check No. 35 on coupon, p 225

New Products continued on p 214



Now you can demonstrate the drama of "No snow to shovel, no ice to chop!" with free sales-maker slides from *Sno-Melter*

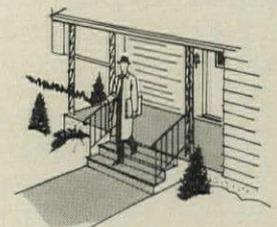
Sno-Melter helps sell more homes when you demonstrate that a simple flip of a switch will melt snow off walks, drives, concrete steps *electrically*.

Even in mid-summer, you can make this demonstration—with dramatic, winter-scene slides which are now available *free* to every architect, builder and contractor who appreciates the salesmanship of photographic presentations.

Cost-wise, Sno-Melter is designed for fast installation, economical operation. Pre-assembled wire units roll out like a rug, are embedded in concrete as it is poured. Units are available in dozens of standard sizes, rated at 42 or 60 watts per square foot. (Heat is evenly distributed.) In most areas, homeowners pay only pennies an hour to operate, depending on sizes and local kw rate.



Melts snow off walks...



ice off concrete steps...



clears entire drive, or tire tracks only.



Leading "Shelter" Books Will Echo Your Sno-Melter Recommendations!

The power of national advertising in prestige magazines—HOUSE BEAUTIFUL, HOUSE & GARDEN, and BH & G HOME BUILDING IDEAS—is putting Sno-Melter on the "want" list of great numbers of home-buyer prospects. Add the influence of these publications to your personal recommendations, and you will get quick and eager acceptance of Sno-Melter in your specs!

Write today for design and operational data, specifications, and facts on the free sales-maker slides.



Sno-Melter rolls out like a rug!

**EASY-HEAT, Inc., "Electric Snow Removal Equipment"**

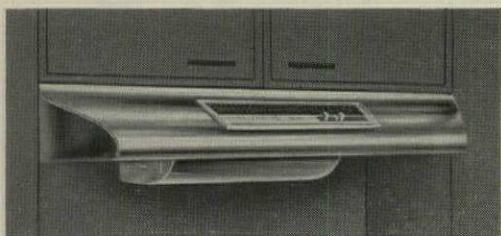
Dept. 2-H, New Carlisle, Indiana

## products of progress

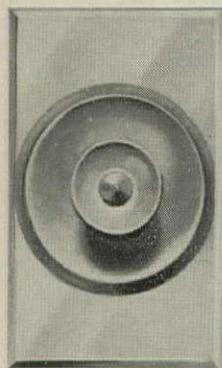
Here are just a few of over 1000 products made by Progress.



**EARLY AMERICAN**—All the charm of the past is reflected in this handsome pulley fixture. Available in polished brass or antiqued copper and ideal for dining room, hall or foyer.



**AIRSWEEP**—amazing new Airsweep Range Hood removes smoke and cooking odors electronically. Prewired and easy to install. Needs no ducts or replacement filters.



**DRAMATIC LIGHT CONTROL** with Progress Dimmer. Permits continuous selection of light intensity. Merely push for on or off—without disturbing light setting, and enjoy the exact level for any activity. Controls both incandescent and fluorescent. 300 and 600 watt capacity.

**PROGRESS MANUFACTURING CO., INC.**  
Philadelphia 34, Pa.

Please send me complete information on:

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 LIGHT CONTROL DIMMER

Name \_\_\_\_\_

Firm \_\_\_\_\_

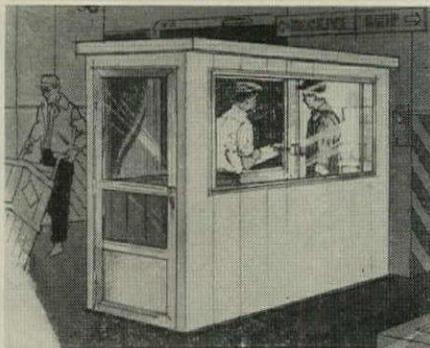
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City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

HH4

## New products

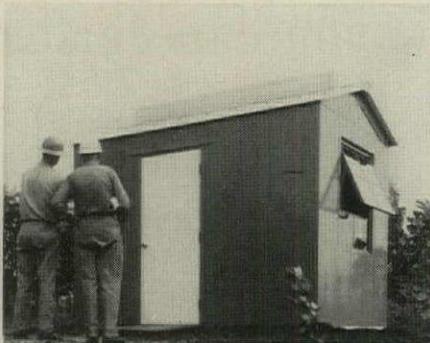
start on p 192



**Modular aluminum structure** can be assembled in about an hour from panels that lock together without tools. Minimum basic Addabuild building measures 6' x 3', 7' high, comes complete with aluminum door. Sliding aluminum windows are optional and accessories like shelves and heater can be included.

Burcon Sales, Chicago.

For details, check No. 36 on coupon, p 225



**Prefab steel buildings** can have clear-span widths of 4' to 32' and height of 7' to 14', can be made up in any length from 16"-wide panels. Panels are finished with a tough thermo-setting acrylic resin in four colors. All parts interlock to withstand live and wind loads without additional support.

Parkersburg Building Div, Parkersburg, W. Va.

For details, check No. 37 on coupon, p 225



**Reinforced plastic building** is made up of sections bolted together on site. Assembled building is 10' wide, 8' high, and can be made of any number of 4' sections. It can be used as a temporary field office or as a permanent structure. Unit is designed to withstand 35-lb snow load and 100-mph winds and is offered in a variety of molded-in colors.

Sealview Plastics, W Coshohoken, Pa.

For details, check No. 38 on coupon, p 225

# FREE!

## TV SYSTEM LAYOUT FOR ARCHITECTS CONSULTING ENGINEERS & BUILDERS

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2. Provides a system that combines top performance with sensible price — avoids costly overdesign.
3. Provides a system with provision for future expansion.
4. Provides a system that is easy to install, easy to maintain.

Blonder-Tongue provides all the assistance you need plus the world's only integrated and matched line of master TV, closed circuit TV, community TV and educational TV equipment. Each product is designed to do a specific job — each matched and integrated to bring out the best in each other. Further, there's an approved Blonder-Tongue installer in your locality to assure you of a professional installation and keep your system in top operating condition.

If you're planning a TV system, contact us today. Write for free 28-page catalog and architect's specifications.

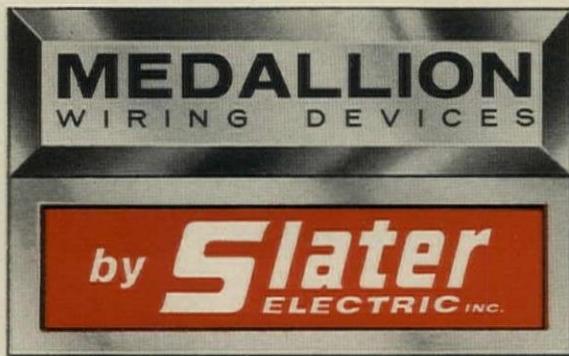
## ANOTHER BLONDER-TONGUE SERVICE



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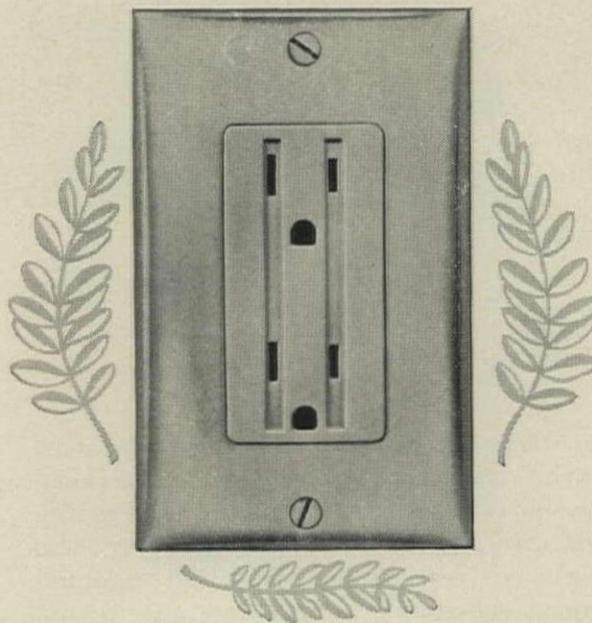
Canadian Div.: Benco Television Assoc., Toronto  
Export: Rocke Int'l. Corp., N. Y. —CABLES: ARLAB

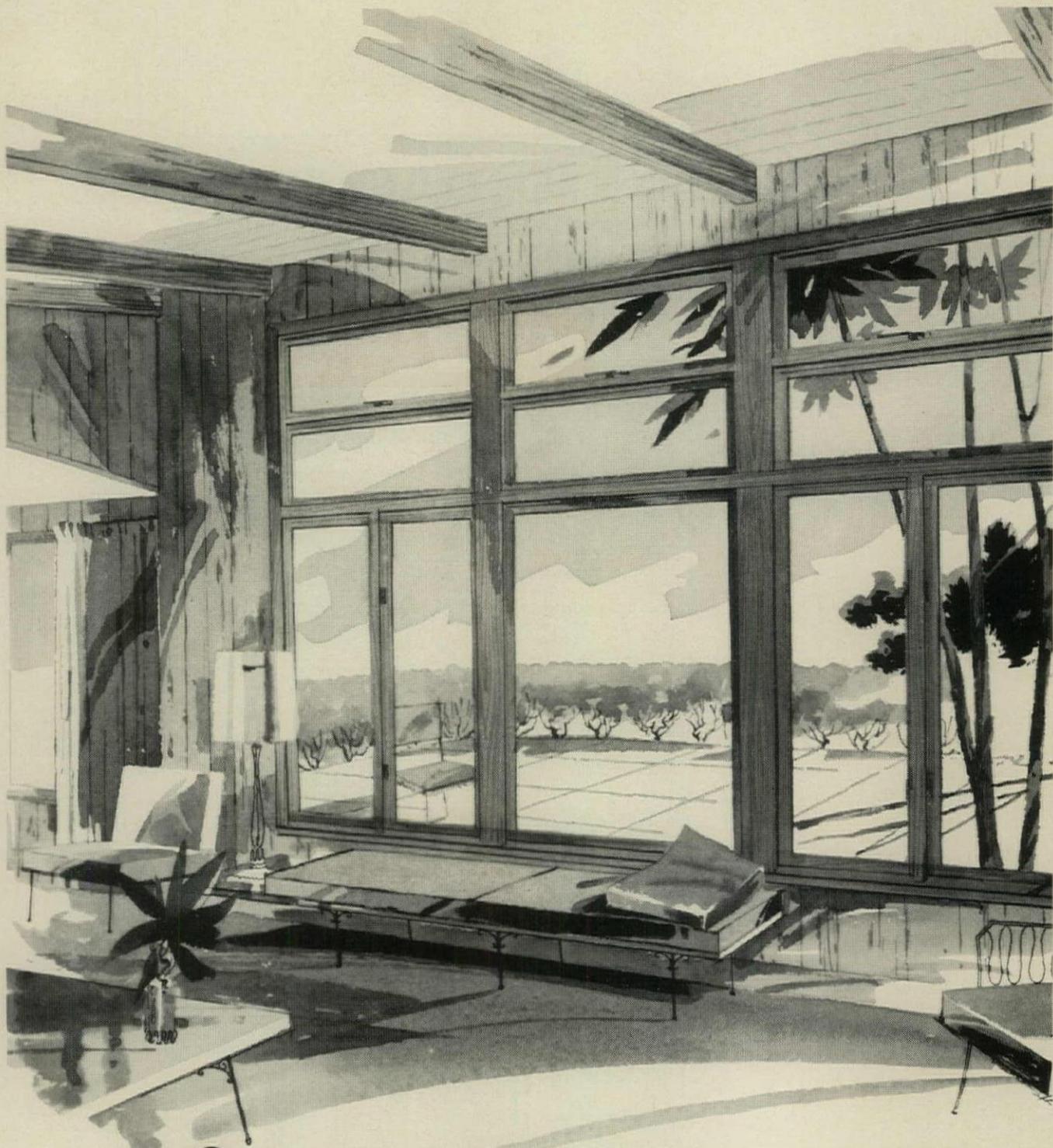
New Products continued on p 217



For service above and beyond the ordinary . . . Medallion wiring devices provide a new design accent for contemporary interiors. To match these modern specification grade grounding outlets, four switch models are available including quiet switches and rocker switches. Medallion wiring devices may be ordered in any of five colors. Write today, for full information

**Slater**  
ELECTRIC INC.  
GLEN COVE, NEW YORK





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Prospective homeowners are quick to recognize the home with the "just right" appeal. To satisfy these individual desires, RIMCO windows offer design flexibility with a wide range of styles and sizes. For the discriminating buyer there are built-in convenience features in each unit. Custom-engineered operators, self-storing storms and screens and removable grille inserts simplify operation and cleaning. To find out more about these units and how they can accent the *character, comfort and convenience* of the homes you build, send for new ideaful booklets by

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Rock Island Millwork Company

Manufacturing Division • Box 97, Rock Island, Ill.

Please send me your FREE illustrated booklet,

"Accent on Windows"  Sweets insert

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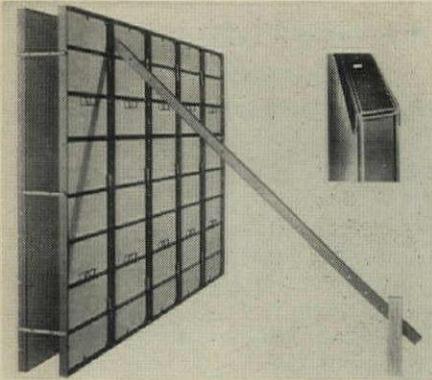
City \_\_\_\_\_

Zone \_\_\_\_\_

State \_\_\_\_\_

## New products

start on p 192



**Foundation forms** have high-strength ties set 3' oc. Only two ties instead of the usual three are needed for a 6' panel; or three ties instead of four for an 8' panel. Second improved feature of these light-construction forms is a new steel waler. It fits rigidly over the top of the steel-ply forms and can also be used as a brace because it interlocks with standard form hardware.

Symons Mfg, Des Plaines, Ill.  
For details, check No. 42 on coupon, p 225



**Fiber glass electrical tape** is designed for insulating, splicing, and sealing components that will be exposed to heat. Thermosetting adhesive backing is pressure sensitive, forms even more secure bond when subjected to heat.

Permacel, New Brunswick, N.J.  
For details, check No. 43 on coupon, p 225

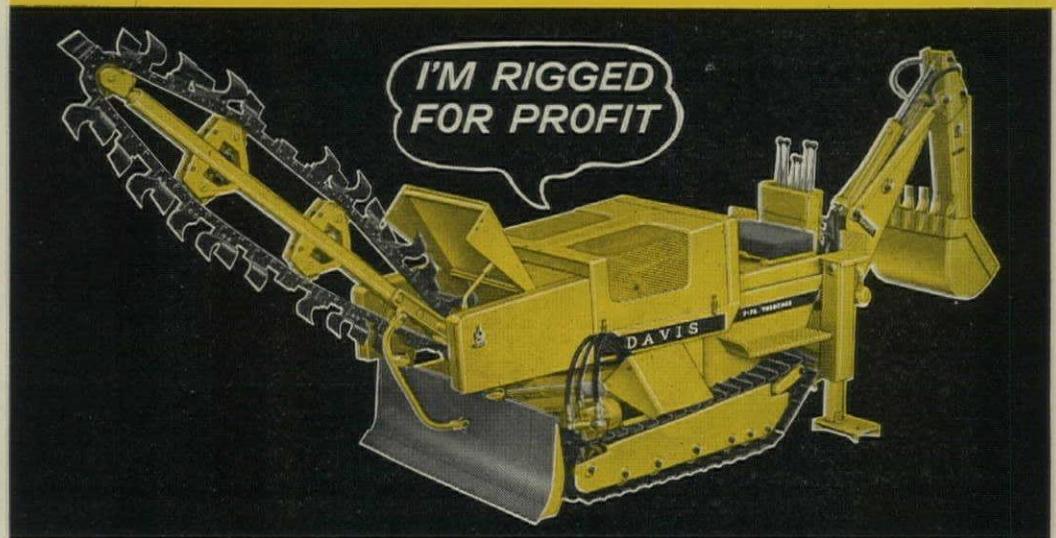


**Roll-out hood fan**, designed for wall-hung ranges, recesses into cabinet when not in use. Available in 30" and 40" widths to fit all ranges of this type, it is also offered in either ducted or non-ducted types. List prices start at \$79.95.

Nutone, Cincinnati.  
For details, check No. 44 on coupon, p 225

Publications start on p 220

# Gives you a new sense of mastery over digging time and costs!



## New DAVIS T-78 Trencher and Dozer with D-100 Backhoe

This revolutionary, all-purpose rig handles all of your trenching, digging, and ditching jobs from 4" to 36" wide to 8' 4" deep. It adds the finishing touch by backfilling and leveling up to the final grade. The new 18-h. p. Davis T-78 trenches smooth and clean 18" wide, 26" deep to 4 1/6" wide, 78" deep and at varying widths and depths in between. The power-packed Davis D-100 Backhoe, designed as quick-detachable attachment for the T-78, takes over on bell holes, laterals, septic tanks, and other excavations to 8' 4" deep, or for trenching in extremely rocky areas which no trencher can touch. Performance and quality are built in. Efficiency, compactness to work in areas inaccessible to conventional equipment, unusual versatility and digging ability, and low investment will make you "rigged for profit"! Special Davis Hustler Trailers are available for transporting.

### Other Profit-Rigged Davis Trenchers

#### DAVIS T-66 TRENCHER



Digs where others can't because of its compact design, ground-gripping traction and high flotation. Trenches from 18" wide to 24" deep, to 4" wide, 66" deep.

**DAVIS W-36 TRENCHER** is a trenching man's trencher. Positively self-propelled by 6-speed winch drive. Digs from 3" to 6" wide, 36" deep. Has 6-h. p. Briggs & Stratton engine.



THE T-78 has ground-gripping (track) traction, high flotation (3.6 lbs. psi ground pressure), and is only 37" wide. Spoil can be delivered to left or right. Trenches up to 840 feet per hour.



THE D-100 BACKHOE has in access of 10,000 lbs. pryout pressure and a full 180° operating arc at constant speed. It's compact, and power-packed with no compromise in quality. Also available for most utility tractors.

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Please send me free literature on the T-78   
D-100 Backhoe , T-66 Trencher , W-36  
Trencher , Davis Hustler Trailers .

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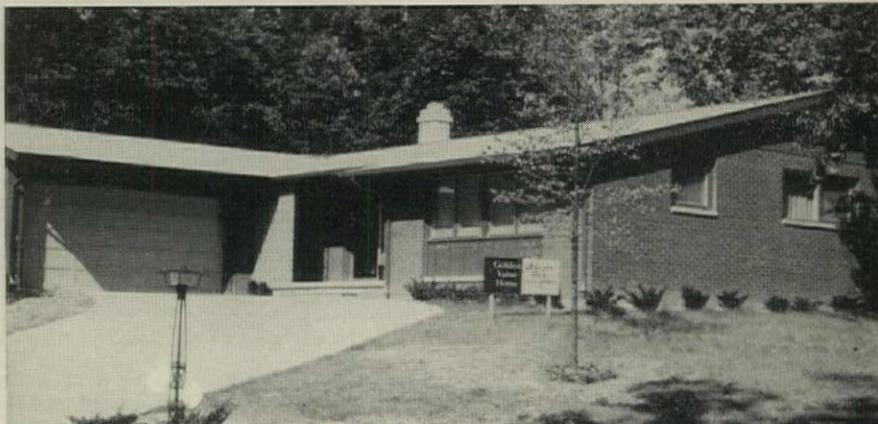
### 170-unit co-op apartment features total-electric living

ATLANTIC TOWERS, Ft. Lauderdale, Fla. 170 cooperative apartments—156 units sold before opening. From efficiencies to 3-bedroom, 3-bath apartments, all feature complete General Electric kitchen appliances, wiring and lighting. Heating and cooling by through-the-wall General Electric heat pumps. Florida Power & Light Company award. Built by General Builders Corporation of Ft. Lauderdale, Inc.

### Total-electric living boosts sales in Huntington, W. Va.

ARLINGTON PARK  
Huntington, W. Va.

80 Gold Medallion homes, of 180 planned, sold—21 contracts signed before public announcement, 16 sales during opening weekend. General Electric Weathertron® heat pumps, complete kitchens. From \$23,000 to \$60,000. Appalachian Power Co. award. Builder, Mel Wright.



### Gold Medallion Home sales lead to new development

EL DORADO HOMES, Dallas, Texas  
Builder Bill Page's 17 Gold Medallion homes sold faster than expected. 119 new Medallion homes to be built nearby in 1962. General Electric built-in range, oven, Disposall®, Weathertron® heat pumps, dishwashers. From \$19,500 to \$25,000. Dallas Power & Light Company award.

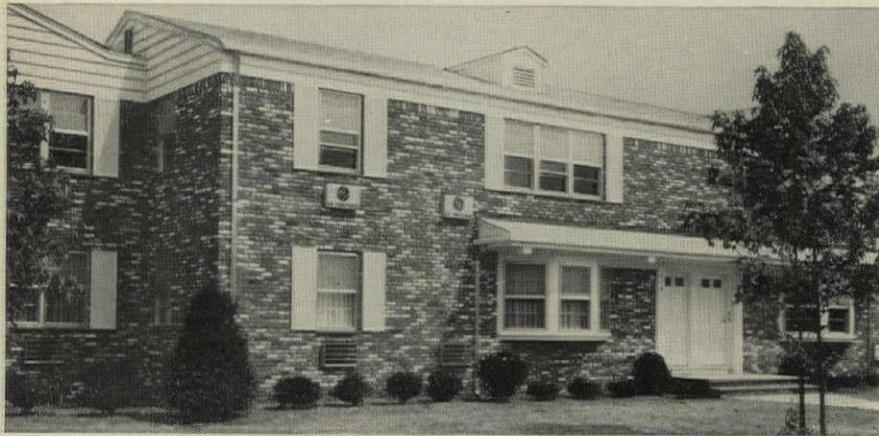


### Pre-opening sales take over half of 48-unit Gold Medallion Apartments

MARSONNE APARTMENTS  
Memphis, Tenn.

Half of first 48 units rented before opening day. Second 48 units under construction ahead of schedule. General Electric Weathertron® heat pumps, quick-recovery water heaters, complete kitchens. Memphis Light, Gas & Water Division award. Builder, Dattel Realty.





### First Gold Medallion Garden Apartments in East score fast rental record

EATON CREST CLUB and APARTMENTS  
Eatontown, N.J.

Half of first unit of 56 apartments rented in less than 30 days—second 124-unit section started ahead of schedule. General Electric radiant-ceiling electric heat, through-the-wall air conditioners, color-matched kitchens, individual quick-recovery water heaters. Jersey Central Power & Light Co. award. Builder Mark D. Handler.

### Gold Medallion Homes lead sales in Connecticut

MEDALLION GROVE  
East Haven, Conn.

56 of 98-home total already sold—53 Gold Medallion with General Electric baseboard heating, range, dishwasher, Disposall®, quick-recovery water heater; 3 Bronze Medallion with appliances, Light for Living, Full Housepower. The United Illuminating Co. award. From \$15,990 to \$21,500. Builder, C & C Construction Co.



# Easier building...faster selling for your projects—large or small

Whether you're building towering apartments or trim ranches, General Electric's program for Medallion Homes can mean more sales for you, as it did for the builders listed above. Here are five good reasons why:

**Advertising and promotional support**—Experts from General Electric will help you plan an advertising and promotional program that takes full advantage of General Electric's merchandising tools and know-how—a program designed specifically for your market and your project.

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**GENERAL  ELECTRIC**

**Residential Market Development Operation  
Appliance Park, AP 6-230 - General Electric Co.  
Louisville 1, Kentucky**

I'm interested in General Electric's program for Medallion Homes. Please send me more information.

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HE-11-4



**JOINTS** between duct sections are coated with adhesive, held together with tape.

## New manual shows how to make and install ductwork

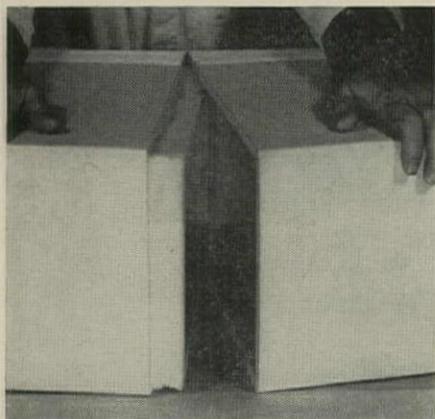
With over 150 how-to pictures (like those above and below) the 52-page manual explains every step in fabricating and assembling ducts for any residential or commercial air distribution system. Included are sections on how to work with both round and rectangular ducts and how to make special fittings from flat sheet material.

Fiberglas duct type 90-B, the material described in the manual, combines air duct, thermal insulation, acoustical

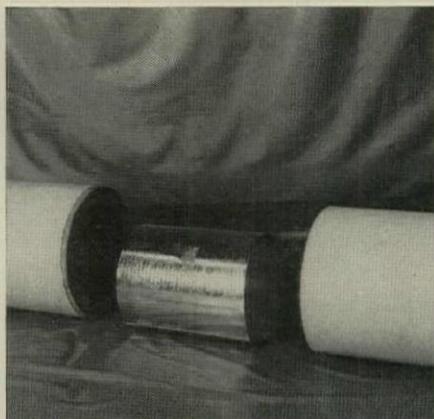
liner, and vapor barrier into one product. Lightweight duct sections are easy to cut and join, need no further insulation or wrapping, and require minimum suspension. Dallas Builder Ike Jacobs, who has used the new duct, says it requires less on-the-job preparation, can be installed faster than conventional metal ducts, and reduces overall labor costs.

Owens-Corning Fiberglas, Toledo.

*For copy, check No. P1 on coupon, p 225*



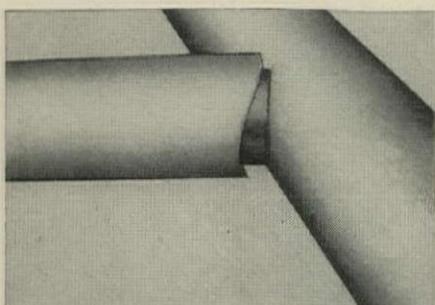
**RECTANGULAR DUCTS** have ship-lap male and female ends to strengthen joints.



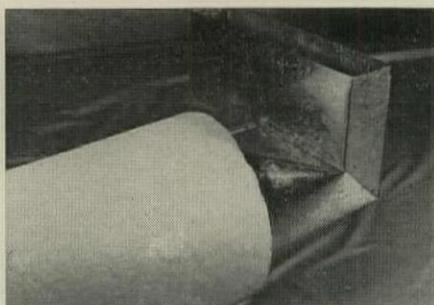
**ROUND DUCTS** are joined with a 6"-long sheet metal connector before taping.



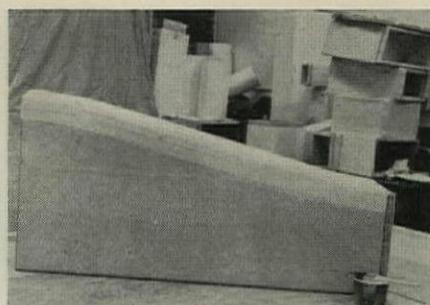
**ELBOWS** are made by joining miter-cut sections of round or straight duct.



**TAKE-OFFS** in round ducts have sheet-metal thimble to reinforce the joint.



**BOOTS AND OUTLETS** have regular metal fittings, are then wrapped with insulation.



**TRANSITIONS** are fabricated from flat duct board, then cut, folded, and taped.

*Publications continued on p 222*



ARCHITECT: H. W. FRIDLUND BUILDER: KRAUS-ANDERSON, INC.



# WOOD CASEMENT WINDOWS

PELLA ALSO MAKES QUALITY WOOD  
TWINLITE® AND M-P WINDOWS,  
WOOD FOLDING DOORS AND PARTITIONS,  
SLIDING GLASS DOORS  
AND ROLSCREENS

## Care-free windows for care-free living

Until someone invents a self-cleaning window, PELLA WOOD CASEMENT WINDOWS require the least maintenance. Occupants can operate each ROLSCREEN®—the “instant screen” that rolls down in spring, rolls up in fall. “Storms” stay in place the year ’round, saving on seasonal labor and storage space. Stainless steel, spring-type weatherstripping combines with wood frames to increase the efficiency of heating and air-conditioning systems. PELLA offers 18 ventilating sizes up to 24" x 68" and 48 fixed sizes. Call your PELLA distributor listed in the Yellow Pages or mail coupon.

THIS COUPON ANSWERED WITHIN 24 HOURS

MAIL THIS COUPON TODAY ROLSCREEN COMPANY, Dept. NB-31, Pella, Iowa

Please send illustrated details on PELLA WOOD CASEMENT WINDOWS with exclusive ROLSCREEN feature.

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Firm Name \_\_\_\_\_

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City & Zone \_\_\_\_\_ State \_\_\_\_\_

# 1

of a series

## Publications

start on p 220

For copies of free literature check the indicated number on the coupon, p 225.

### Technical literature

**FIBERGLASS COATINGS.** Folder includes 4 data sheets, 3-page set of specs, chart of comparative chemical resistances, illustration of recent applications. Ply-O-Glas, Great Neck, N. Y. (Check No. P2)

**LUMBER TECHNICAL MANUAL.** 28 pages. Detailed information on lumber sizes, grades, and special products. Western Pine Association, Portland, Ore. (Check No. P3)

**JOIST HANGERS.** 4 pages. Specs, application details, and safe working values. Timber Engineering Co, Washington, D.C. (Check No. P4)

**ROOM AIR CONDITIONERS.** 28 pages list NEMA-certified Btuh ratings. National Electrical Manufacturers Association, New York City. (Check No. P5)

**SMALL SEWAGE TREATMENT PLANT.** 3,000 to 18,000 gal/day. 4-page bulletin. Yoemans Bros, Melrose Park, Ill. (Check No. P6)

**HUMIDIFICATION.** 16 pages. Specs, application data, survey form, calculations, selection information. Walton Laboratories, Irvington, N. J. (Check No. P7)

**HEATING THE HOME,** revised. 12 pages show how heating systems work. 15¢. Small Homes Council-Building Research Council, University of Illinois, Urbana.

**ELECTRONIC AIR CLEANERS.** 28 pages. Types, selection, capacity, specs, accessories. Minneapolis-Honeywell Regulator Co, Minneapolis. (Check No. P8)

### Catalogs

**FOAMGLAS INSULATION.** 20 pages. Applications for roofs, walls, ceilings, perimeters, etc. Technical data included. Pittsburgh Corning Corp, Pittsburgh. (Check No. P9)

**LIGHTING.** 64 pages. Complete line grouped by fixture type. Progress Mfg Co, Philadelphia. (Check No. P10)

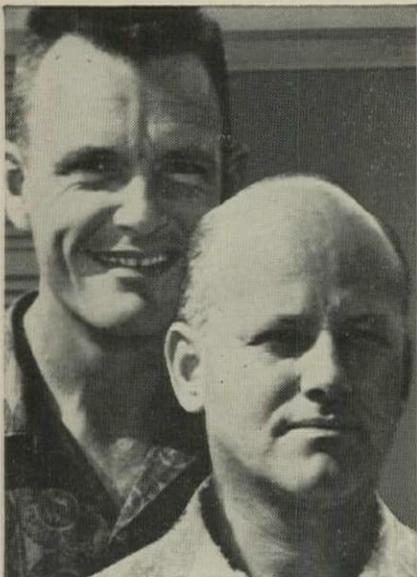
**FOLDING DOORS AND ROOM DIVIDERS.** 16 pages including specs, construction, and style details. Clopay Corp, Cincinnati. (Check No. P11)

**ELECTRIC HEAT.** 16 pages. Heaters, radiant heating cable, and control equipment. Emerson Electric Co, St Louis. (Check No. P12)

**ARCHITECTURAL METALS,** screens, railings, trellises. 28 pages. Julius Blum & Co, Carlstadt, N. J. (Check No. P13)

**CONCRETE SAWS AND ACCESSORIES.** 4-page price catalog. Everyready Briksaw Co, Kansas City, Mo. (Check No. P14)

**FLOORING.** 12 pages. Color charts of vinyl asbestos and asphalt tile, cove base and feature strip. Azrock Floor Products, San Antonio. (Check No. P15)



## "Chromalox electric heating helped sell this model home the first day!"

say Harold Koob and Tom Wykoff, Builders, Clearwater, Florida



"In the Clearwater Home Parade, and out of 17 builders' model homes on display, our all-electric model was the first to be sold on opening day. We're selling customer benefits in our homes which means the future looks bright for electric heating." That's Harold Koob's reaction to his Florida homes that feature Chromalox electric baseboard heating. "More than 7,000 people visited the Clearwater Home Parade on opening day, and most of them visited our 'Home-Sweet-Home' 3-bedroom model. With electric heating helping us sell, we have an active prospect list."

## You too can profit with CHROMALOX Electric Heat

From coast to coast, electric heating is answering home-buyers demands for something extra or modern in new home construction. Chromalox new style baseboards actually compliment any style home, install easily, save hundreds of dollars in building cost.

Join the swing to Chromalox electric comfort heating. Send now for Bulletin 975 and name of nearest Sales Engineering Representative.



WR-27



**CHROMALOX ELECTRIC HEAT**  
EDWIN L. WIEGAND COMPANY  
7770 Thomas Boulevard, Pittsburgh 8, Pa.



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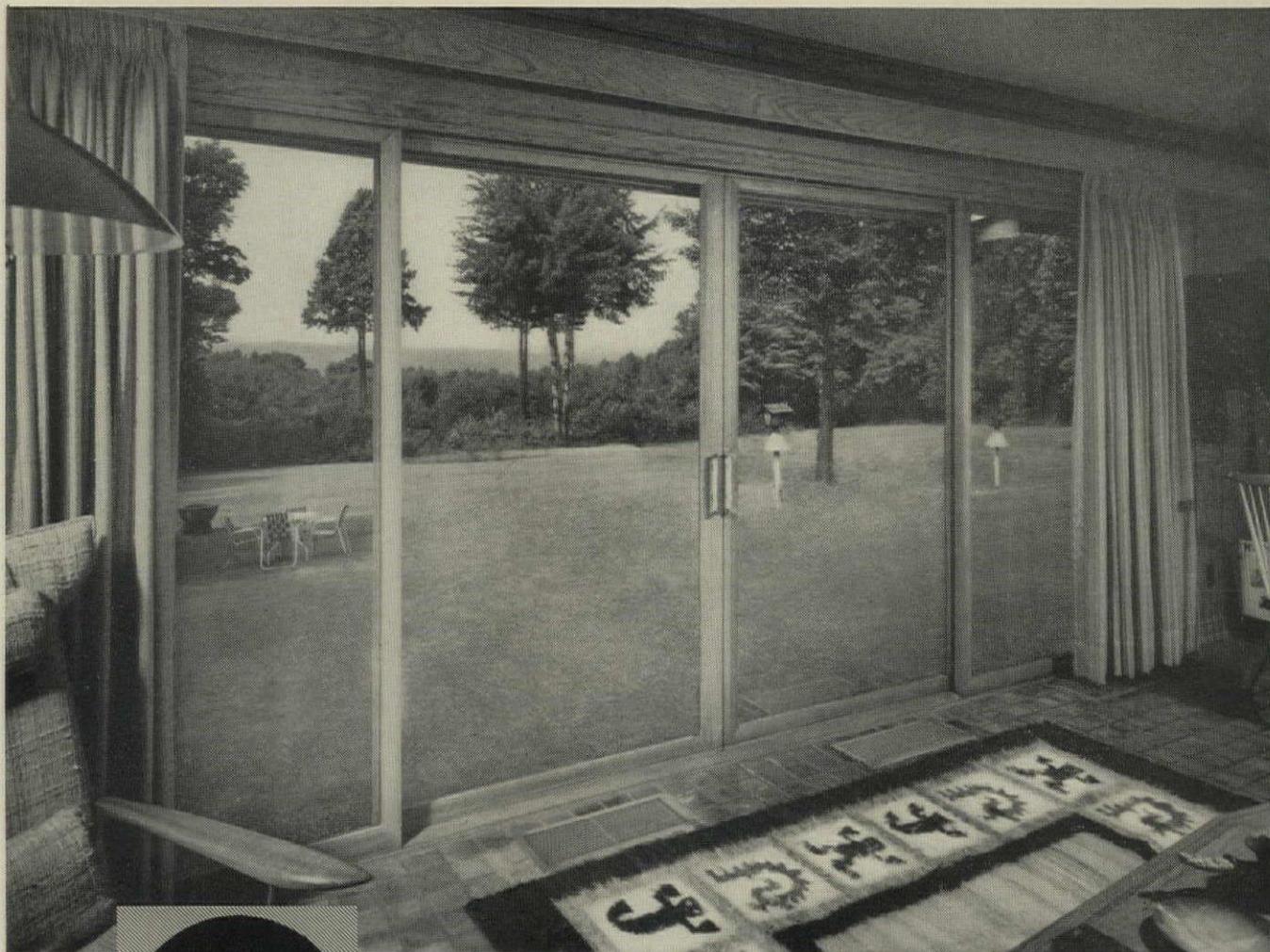
Hydrotherm's complete line of boilers includes capacities from 50,000 to 3,600,000 BTU/Hr. input for domestic, commercial, industrial use.



## **HYDROTHERM**

Dept. 13-HH Northvale, N. J.

Publications continued on p 224



ARCHITECT: GILBERT SCHOFFER BUILDER: HUMNEL CONSTRUCTION



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PELLA ALSO MAKES QUALITY WOOD  
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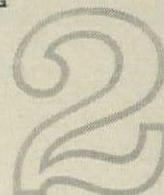
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**Publications**

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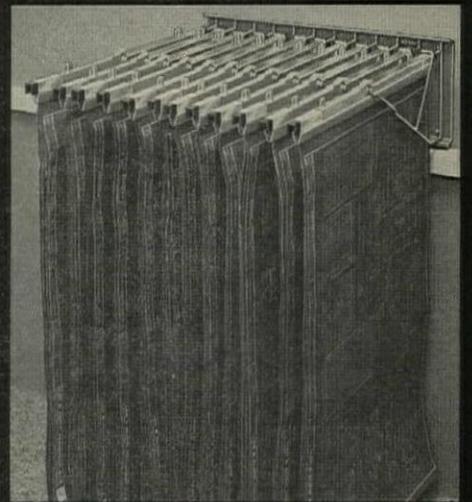
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- P2.  Ply-O-Glas fiberglass coating
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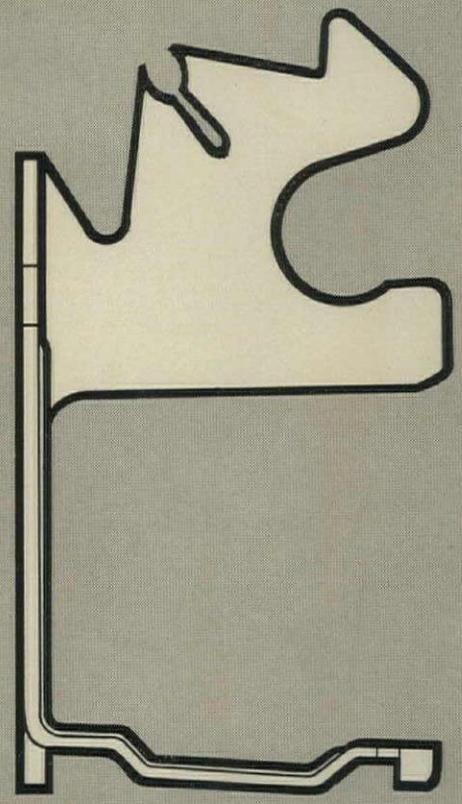
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like this?**



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**ONE** DeVilbiss airless gun  
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Order Redwood Siding that's "Rough 'n Ready" from your Union Lumber Company source today. Or write us for further information.

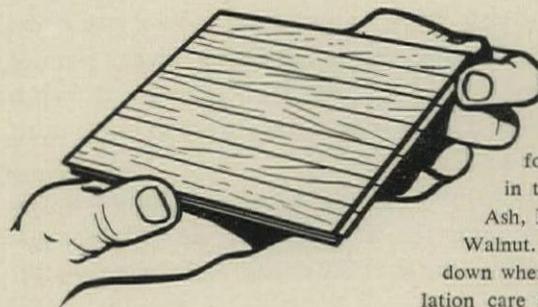
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chrome-plated  
fittings...

## Kohler sells what's underneath: ALL-BRASS

Why fret about what's underneath? Well, some fittings just don't hold water—literally. Underneath a fancy chrome finish the metal is soft. It tires easily. And then the trouble starts: leaks and drips; complaints and service calls.

Kohler fittings are All-Brass. Every part of every fitting. (Correction: there's a nylon washer in the Valvet—the anti-drip valve unit. The *rest* is brass.)

Ask a plumber, he'll tell you brass is the best metal for fittings. For several reasons. Brass resists alkalinity and salinity in water.

Brass works like new long after others call it quits. And brass is the ideal base for holding on to a bright chromium finish.

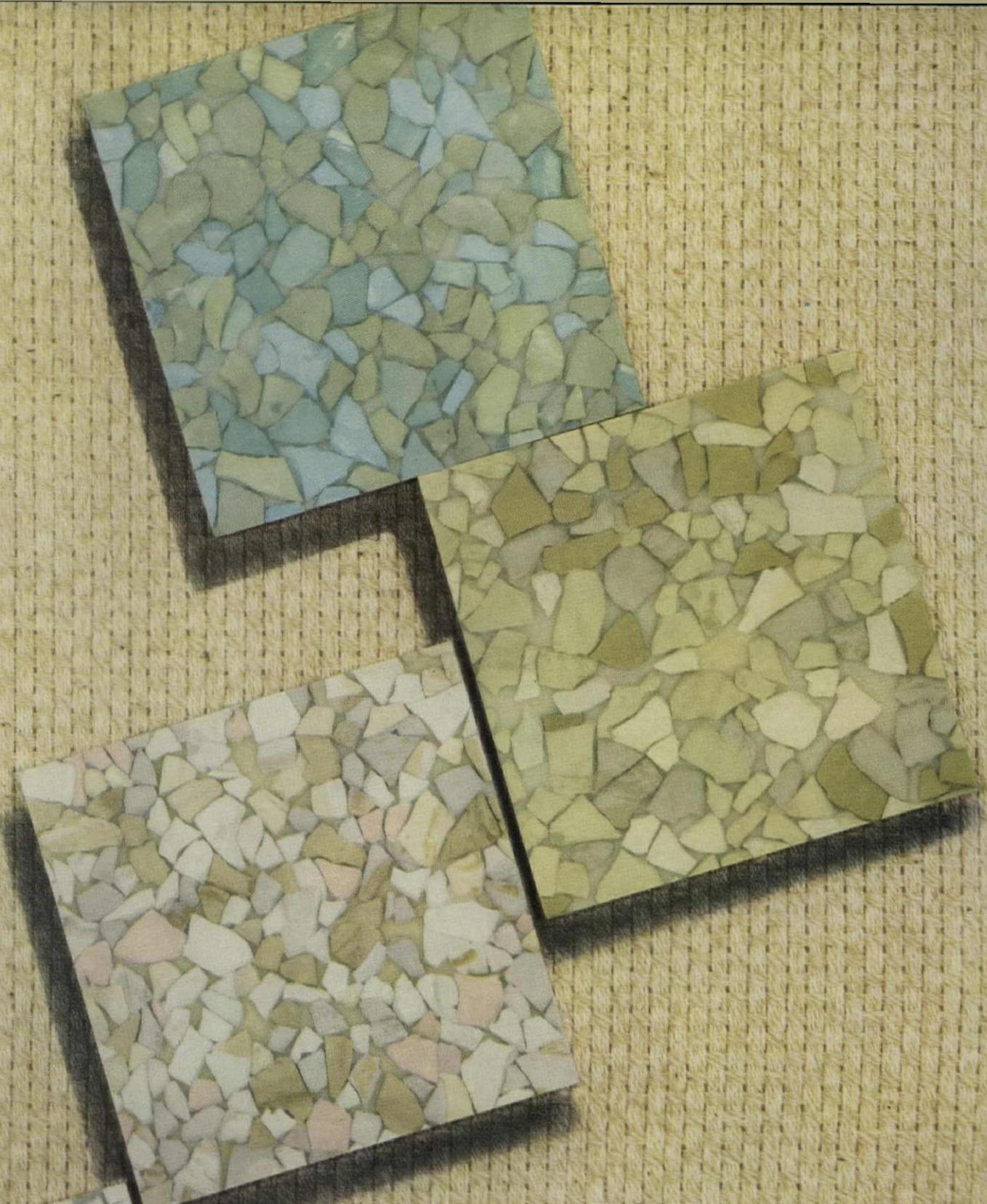
Above is the "Centaur" fitting. All-Brass, of course. It's from the Kohler Aquaric line—priced to prove you don't have to pay a premium for quality brass fittings.

Remember, all that glitters is not brass. Install Kohler fittings and you know they're All-Brass. That's the only kind we make. (And be sure to include the All-Brass feature when you're *selling* the home.)

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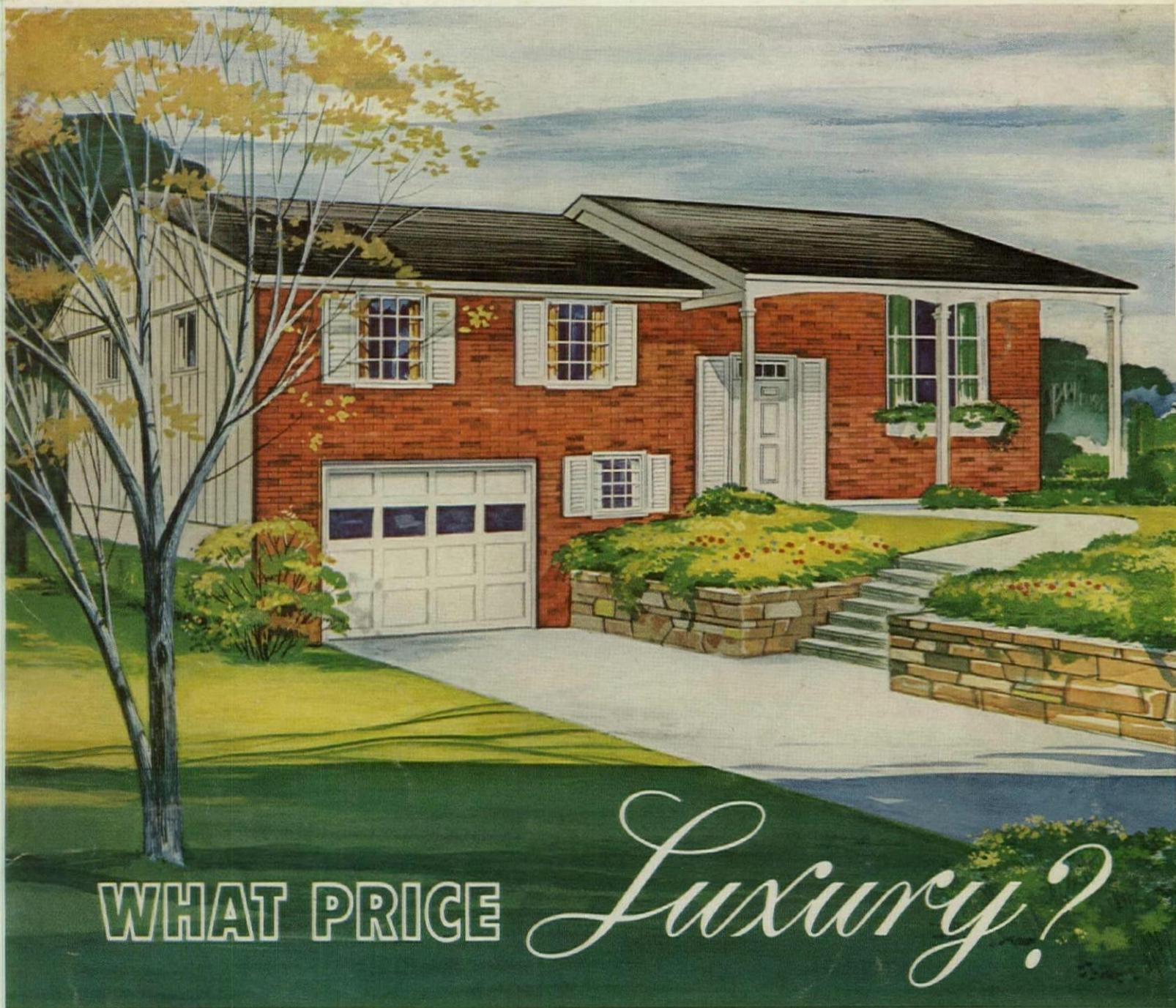
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**WHAT PRICE**

*Luxury?*

## Only \$15,950 in Pittsburgh for this big National

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**75 DEPOSITS IN 10 DAYS!** 7,000 people on opening day snapped the Pittsburgh housing market to life for builder Roger B. Stephenson when he offered this luxurious 3-bedroom National splitfoyer at \$15,950.

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