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VINYL KENTILE FLOORS
New problems, new potentials—but no flap

Builds are less worried about the economic outlook than they are about the anti-bias order, but their plans are hopeful anyway.

The President's anti-bias order was the chief concern at the 19th annual convention and exposition of the National Association of Home Builders, but there were less jitters this year than last year—apparently because builders were now dealing with a known rather than an unknown situation.

President Kennedy, unable to attend the convention in person, appeared on a 7½-minute film strip in which he acknowledged the problems confronting the housing industry in the wake of his Executive Order only by saying: "This will present you with special problems and special responsibilities."

Leading economists disagreed on the outlook for increased business in 1963, but two saw an opportunity for more starts (see p. 4). One S&L executive warned both builders and mortgage men to beware lest pressure to invest today's pile up of savings lead to overbuilding of apartments. Said Vice President Gregory Opelka of Fairfield S&L in Chicago: "Apartments are preceding single-family residential properties into some remote outlying suburban areas. It seems to be a move without sound economic support."

Profit-hungry builders thronged to panels covering new market opportunities (e.g. nursing homes, scattered-lot building). But a session on building under FHA's controversial limited-profit programs drew only a handful of convention-goers. NAHB directors decried the invasion of the housing industry by non-profit groups (see p. 2).

Directors also turned down—for the third time—a proposal for FHA loans to develop land. They voted general approval of commercial bankers' plans to ask Congress to authorize federal charters for private FHAs and a secondary mortgage trading facility.

Builders bombarded FHA Commissioner Neal Hardy with complaints about tightened credit analysis, won a few gains when he promised to take action against local FHA offices which have been downgrading appraisals in areas with high foreclosures.

A dominant mood of the convention was more work. Among other reasons this was because meetings were telescoped into one less day.

Many builders wanted to talk about better business management. Said Perry Willits, newly elected NAHB vice president and treasurer: "Business management will be one of your key programs for the next few years. If you need money to promote education in better business management, ask for the sound economic support."

The convention was only hours old when Topic A arose at the outgoing NAHB president's traditional press conference. confessor Leonard Frank: "Our builders really don't know what to do. They're very confused about it [President Kennedy's Executive Order prohibiting race bias in federally-aided housing]."

"We will try to keep builders producing FHA and VA houses," Frank continued. "There will be some cutback . . . but we don't know what the impact will be. We want to work with the Administration to get people to accept the idea of integration.

Meantime, Frank opposed suggestions such as the Mortgage Bankers' Association's plea that the edict be broadened to cover conventionally-financed housing.

Three and a half days later as convention sessions tapered off, Newscaster David Brinkley was telling applauding delegates: It's not entirely fair for building to be put in the front line of a battle it did not want and did not start. Nobody else has been asked to lay his own capital on the line and risk that it will be tied up who knows how long in a racial dispute. But I don't know what you can do about it."

Sops scorned. In between, the President's action was predictably defended by Administration housing spokesmen, predictably attacked by Sen. John J. Sparkman (D., Ala.), and unpredictably made the subject of a behind-the-scenes struggle by NAHB over whether to seek new federal subsidies to soften the blow.

Frank asked a committee led by Past President R. G. Hughes to suggest how builders caught with crippled sales because of Negro homebuying in white neighborhoods can be helped by the government, which created this problem. Hughes offered three ideas.

1. Give Federal National Mortgage Association $300 million to buy mortgages at par in FHA and VA open-occupancy subdivisions under special assistance.

2. Let FHA give firm instead of conditional commitments to builders putting up such tracts (which would have the effect of forcing FHA to bail out builders of unsaleable homes by taking them over in lieu of foreclosure).

3. Cut FHA and VA interest rates 1% (to 4½%) to give buyers in open-occupancy tracts a

continued on p. 2
Legal attack. Are state laws like New Jersey's which forbid racial bias in privately owned and financed housing unconstitutional? Builder Blase A. Raviko of Moorestown, N.J., raised this question in a talk to the convention's jam-packed panel discussion of equal opportunity in housing. Delegates interrupted him three times with applause as he declared:

"The majority of legislation on integration is what is politically expedient. Legislators are interested in a bloc of votes, not in what will solve the problem. It is an undue burden on the builder. He is carrying the load. We must take every action we can to resist enforcement . . ."

New Jersey builders, said Raviko, contend that anti-bias legislation violates the 13th Amendment to the U.S. Constitution and anti-peonage laws enacted under it, which shall be forced to labor against his own will. "These [anti-bias] laws force a builder to labor against his will, force a Realtor to render service against his will," cried Raviko. Delegates also applauded Builder Ernest Fritsche of Columbus, Ohio, who told the same panel:

"The homebuilding industry doesn't hesitate to be part of the solution [to segregation in housing]. But it doesn't particularly want to be the whole solution. How does the problem get solved without us paying the total bill?"

Shade of difference. As directors worked over NAHB's annual policy statement, the debate grew boisterous as they struggled with a stand on race bias. Their problem: weighing the semantic nuances of every word against 1) whether it represented how they really felt and 2) what effect it might have on the public image of builders. In their striving to walk a thin line between an angry blast and an accommodating endorsement.

Sample: They adopted, by an overwhelming margin, the suggestion of Morgan Earnest of New Orleans to strike out a pledge to "cooperate on every level in promoting educational programs that might help to eliminate those prejudices affecting the housing market." Why so? Such a sweeping promise might put builders in the stance of cooperating with groups which differ with them. But the language adopted was not much different.

"The homebuilders of America are ready and willing to use all their ingenuity and skill to provide homes for senior citizens. They cannot if federal programs are administered in a way which discourages their participation . . ."

"The original program aims [of Sec. 202] have not been achieved. We are disturbed by the increasing encouragement of non-profit-enterprise solutions for housing senior citizens. We oppose using the Sec. 202 direct-loan program of public housing agencies."

Builder William James of Myrtle Beach, S.C., added: "If Sec. 202 continues it will make public housing look like a piker. I want everybody to realize how much business we are losing to do-gooders."

"I don't believe we should oppose the non-profit organizations because they are a substitute for public housing," argued 1948 NAHB President Milton Brock of Los Angeles. But Brock's stand drew little support.

What rankles private builders especially is that Sec. 202 sponsors are required to take public bids on the construction work. Thus a builder can spend months helping a church group pick a building site, determine layout, room sizes, and number of units, only to lose the construction contract in the bidding.

Private FHAs supported. NAHB joined Realtors (see p. 18) in backing the American Bankers' Association plan for federally-chartered companies to insure mortgages despite a fight against the idea by Southerners. A resolution saying "We favor generally the purpose of the proposal advanced by the ABA" sparked the controversy. "The ABA plan depends on federal charters and the word 'federal' is becoming synonymous with legal enforcement. I move we strike this sentence," cried James W. Walker of Decatur, Ga.

"The reason this uses federal charters is because otherwise you have to go through this bean and change every state law," explained incoming NAHB President W. Evans (Bucky) Buchanan. "But it might be interpreted as meaning federally insured, and therefore under the executive order [barring racial bias]."

Buchanan pointed out that the plan could let builders offer buyers 10%-down, 30-year mortgages and perhaps lead to 5%-down conventional lending, which so far is unaffected by President Kennedy's anti-bias order.

With this assurance, directors backed the ABA plan.

Loans for land. Chairman Leon Weiner of the Community facilities committee again tried—and again failed—to win NAHB support for insurance on land-development loans.

The executive order [barring racial bias] threatens to make financing of land improvements more difficult, pleaded Weiner in asking directors to reverse a narrow two-vote defeat on the issue last May.

"This is another step in inviting the federal government into our business a lot like the farmers," argued N. V. (Bob) Bussmann of St. Louis.
TAMAP shows way to new management concepts

"TAMAP has uncovered fundamental opportunities for management improvement," said NAHB's Research Services Director John King. The TAMAP house, for example, contained over 45,000 separate pieces, parts, and fasteners—some 360 different kinds. All have to be delivered to the point of end use. Examples of materials-handling savings in the second house included: 1) A tower at the eaves of the house so a fork lift could put the roof sheathing up in the air and man-handling from ground to roof was no longer necessary. Savings: $2.86. 2) Use of palletized foundation blocks, palletized heating duct tile, delivery and site storage boxes for small specialized materials like electrical and plumbing parts. Units like these can be forklifted to the site. And savings through this kind of delivery came to $37.85.

Research house tests eleven major new ideas

A new all-weather foundation system—developed in cooperation with U.S. Steel—is the most revolutionary idea in the house. The foundation—essentially a steel frame—can be installed in minutes and cut total man-hours. But it takes the kind of data and planning that industrial engineering brings out—and the attitude it develops—to take advantage of it.

This new insight into how TAMAP—the NAHB Research Institute's time-and-methods analysis program—help builders manage their way to more profitable efficiency emerged from convention presentations of the two-year study of how Builder Robert Schmitt of Berea, Ohio, built two houses (H&H, Sept.). Materials loom much bigger than labor costs in homebuilding, despite widely held notions to the contrary. TAMAP disclosed that 80% of the direct cost of Schmitt's houses is in the materials, only 20% in labor. So a 5% reduction in the material costs can save as much as a 20% reduction in labor. Specifically:

- By design changes and by redesigning waste of concrete and sub-base material in foundations, slabs, walks, and drives, TAMAP engineers showed Schmitt how to reduce the cost of materials—"and that is twice the average materials handling cost in U.S. industry," said NAHB Research Services Director John King.

"An adequate supply would cut FHA insurance costs $162.77 (on a $16,700 house) even though he used much more labor for spreading, filling, and grading.

"With better management, it's possible to reduce material waste, cut costs, and cut total man-hours. But it takes the kind of data and planning that industrial engineering brings out—and the attitude it develops—to take advantage of it."
Economists predict gains in housing, remodeling

To predict for convention delegates what lies ahead for housing, NAHB put four highly regarded economists on the program: Saul K. Klaman of the National Association of Mutual Savings Banks, Gordon W. McKinley of E. W. Dodge Corp., A.C. Matamoros of Armstrong Cork Co., and Nat Rogg of Harvard, NAHB's own economist. But the most significant conclusion was drawn not from what the learned speakers said, but from the small size and disinterest of the audience: Builders are not particularly worried about the economic outlook.

In recent months, marketing and sales were not so confident about the future, the economists offered much encouragement.

"Roughly one order on open occupancy will have little effect on housing production. Only Rogg dissented. Basing his opinion on NAHB's poll of its membership (News, Aug. 62), he foresaw a marked cut-back in FHA and VA business, only about half of which will be offset by increased conventional financing. The apartment boom will continue through 1963. Commented Klaman: "The current large percentage of rental units being built (about 30% of total starts) is not out of line with normal prewar relationships and does not in itself suggest speculative overbuilding." But apartment overbuilding may well develop with toxic effects, he warned.

Total housing starts, according to Klaman, will slightly exceed last year's 1.4 million. McKinley agreed, assuming a federal tax cut early in the year—an event he confidently predicted. Although Matamoros looked for a 3% to 5% drop in starts, he said completions would continue at the 1962 rate, producing some 1.5 billion feet of floor area.

Inflation will not be an important issue in 1963. On this point all panelists agreed.

"A federal tax cut this year was anticipated only by McKinley, who saw it as "the only realistic way to accomplish a reduction in government spending ... The lack of revenue will exercise a salutary curb on schemes for new and increased government activities." Given the tax cut, he predicted that "the recovery which will set in will be a lasting one, and 1963 will witness the beginning of a great surge in homebuilding, carrying through all the remaining years of the Sixties."

"Mortgage funds", said Klaman, "will be in ample supply, but only a very modest easing of interest rates may be expected. All four economists agreed that there was an alarming deterioration in the quality of mortgage credit, resulting from the scramble to invest the record flow of savings into financial institutions. Klaman cautioned against the "willingness of lenders to qualify marginal borrowers, wink at overly liberal property appraisals, condone contact maturities, and reduce downpayment requirements."

"Remodeling of existing homes", according to Matamoros, will expand 2% to 4% in 1963 compared with the 5% gain of last year, and will involve expenditures for materials and outside (non-do-it-yourself) labor equal to about 80% of the cost of new-home construction.

Concluded Matamoros: "1963 will exhibit less thrust than did 1962, but it will be a year of opportunity for those builders who have quality to offer buyers."

Slomp, No. 2 staff man, leaves NAHB for lumber job

William H. Slomp, for the past year the No. 2 man on NAHB's staff, is leaving to become general manager of marketing and sales for the lumber divisions of Potlatch Forests Inc., Lewiston, Idaho, fourth largest publicly-owned lumber producer.

Slomp, 43, became assistant executive vice president of NAHB after three years as marketing manager of the building industry division of Kaiser Aluminum & Chemical Corp. in Oakland, Calif. Before that, he was sales director of NAHB's National Housing Council, born in Westmoreland, N.J. Slomp studied at Sinclair College, Dayton, Ohio, then spent 20 years with Frigidaire ending as manager of the building industry sales department. His post is likely to go unfilled at NAHB.

Lanky Frank W. Cortright, 64, who raised NAHB from a pup to a major trade group as its first executive vice president (1942-53), is taking a new job. He is quitting as vice president of Mason-McDuffie Investment Co., mortgage arm of the big Berkeley (Calif.) real estate company, to become senior vice president of Raymond Lapin's Bankers Mortgage Co. of California.

New Jersey-born, Cortright began his career as a salesman for his grandfather's Cortright Coal Co. in Philadelphia. He was a Philadelphia builder and realtor from 1927 to 1941. In his 11 years at the helm of NAHB, its membership grew from a start of 1,249 to more than 25,000—second largest association in the industry (parent NAREB remains first). "I promoted, finagled, created, begged money, sometimes even paid part of the payroll out of my own pocket," he recalls.

Since Cortright joined Mason-McDuffie in May 1958, its mortgage portfolio has grown from $110 million to $220 million.

G.F. (Pete) Ely, 32, director of creative services in the information division of NAHB is leaving to go into business for himself in the same field in Washington.

RESIGNED. Richard (Dick) E. Doyle, 52, general executive vice president of San Francisco's Associated Home Builders, Inc. since 1954; to become assistant director of Carpenter's Trust Fund of Northern California. The $20 million pension fund, $4 million health and welfare fund, and $4 million vacation fund invest heavily in residential mortgages.

Builder Philip M. Klutznick, 55, is giving up his post at the United Nations Economic & Social Council to return to private business in Chicago. Named as the developer of Park Forest, now grown to 30,000 population, Klutznick headed the U.S. Housing Authority (forerunner to the Public Housing Administration) from 1944 to 1946. When President Kennedy took office, he figured in speculation as a candidate for HHFA administrator, but took the U.N. job with rank of minister instead. While on the delegate, he resigned as general chairman of the United Jewish Appeal but retained his business connections with the Old Orchard shopping center and other companies in Chicago.

NAHB builders' show dryps at box office

Convention attendance reached the 30,000 mark NAHB was predicting on the eve of the meeting, down slightly from last year's 36,123. The total includes builders, manufacturers, wives, and other visitors.

The number of builders attending dropped 12.5%, and reports to directors showed that 7,226 builders (including non-NAHB members) had registered up until the final day compared to 8,264 for the full convention last year.
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HOUSE & HOME
Anti-bias rule jogs home barometers up and down

Commerce Dept. analysts are standpatters among the quick second-takes coming from uneasy economists. Commerce predicts 1,425,000 private non-farm housing starts this year, a 2% gain over 1962's estimated 1,400,000 starts. The Commerce men were warned in advance the order was coming, but stuck to their original estimate. Snaps Cost Analyst E. H. Boeckh: "To cover up the politics involved, Commerce is doing a fine case of hard selling to delay any fears of a decline in housing construction."

Economist Miles Colean is slicing 50,000 units off his earlier forecast of 1,400,000 starts (H&H Nov.) "In view of the great uncertainty . . . all estimates must be considered extremely tentative" he cautions.

National Association of Home Builders economists follow Colean's lead and trim their 1,390,000 estimate to 1,350,000.

The Value Line survey looks for little gain this year, forecasts the anti-bias order "may also cause temporary postponement of some residential projects." There is "not much hope of awakening from the competitive nightmare which has characterized 1962."

Gloomiest prophets are the 209 economists surveyed by the F. W. Dodge Corp. before the Kennedy ukase. Their prediction: 1,325,000 starts, down 4%. They see a slump in the first quarter followed by progressively better business. The Dodge economists cite "indications of overbuilding of apartments in some areas," but both NAHB and Commerce economists agree apartments will creep up from 30% to 32% of all starts this year. That means about 425,000 to 456,000 units. Commerce notes that an 8.1% vacancy rate in apartments in mid-1961 was cut to 7.3% in the third quarter of 1962.

Housing insiders also point to some new growth areas. The Cuban war scare and continuing tension in the Caribbean may boost retirement housing in Florida rivals like Arizona and California, says Consultant James C. Downs Jr. of Chicago. California has just passed New York as the largest state and the Census Bureau reports the Golden State is growing twice as fast as New York. But the biggest gainer, percentagewise, is a surprise: Nevada.

**Defense Dept. incubates new housing ideas**

White House advisers on science and technology are bypassing regular housing agencies in favor of the Defense Dept. to improve technology in housing. Reason: Defense has a $50 billion budget, and can test new ideas overseas to avoid static from building code and pressure groups. So far:

- Defense has drawn plans for a new relocatable house, 10' wide and 44' long, with a floor and roof that fold inside the house for shipment. It has a central bath-and-kitchen core. Last month National Homes was the only bidder who offered to build a prototype. The bid: $1. Perhaps 2,000 units may be sent to remote areas overseas if the plan works.
- Architect Karl Koch of Boston is developing designs and standards for prefabricated homes for military families in developed countries like West Germany.
- With Pratt Institute help, the Defense Dept. will build a 10-story high-rise apartment to pioneer new construction methods.

**WASHINGTON INSIDE: Proposals for an independent FHA could bring even more startling changes than their backers (including Realtors, see p. 18) imagine. Capitol Hill insiders are talking about a free FHA interest rate, more co-insurance of homes like the successful Title One formula.**

The House will do away with its housing subcommittee this session. Rep. Wright Patman (D., Tex.), chairman of the banking & currency committee, said as much at the NAREB convention. The move would ease Rep. Albert Rains (D., Ala.) off an embarrassing hanging hook with his Southern supporters now that the government is committed to end integration in housing.

**MARKET MURMURS: Mobile home makers are enjoying a hefty 26% sales increase in the face of a sharply competitive housing market. Shipments through August totaled 7.7% of all housing starts. And the mobile home makers are busily shining the image where they hope it counts; full page ads in Editor & Publisher are praising the benefits of community planning to newsmen and editors. Trading stamps are here: the Clinton Lumber Co. in Clinton, Iowa is offering stamps to buyers of houses it builds, and Niles, Ill. S&L is giving one stamp for each dollar saved. Builders of Foothill Knolls in Upland, Calif. and Harthaway Homes in St. Louis are promoting price cuts to buyers. And Builder Ralph Staggs of Phoenix gives buyers a choice: a 5% discount or eight extras, including fenced back yard, refrigerator, washing machine, garbage disposer, built-in range, clothes line pole, and evaporative cooler.**
Race bias ban: half of a controversial loaf

When President Kennedy finally issued his much advertised Executive Order against race bias in housing in mid-November, what the industry had feared and fought to postpone began to look, if not less troublesome, at least more definite.

In private housing, the order covers only FHA and VA, which account for only 24% of private non-farm starts. It leaves undisturbed about 70% of new housing (financed by S&Ls, banks, insurance companies, and individuals except when they make FHA or VA loans). It does apply to renewal and public housing, and may well cripple new building under these programs in the South.

The order leaves lots of question marks over the housing scene—notably how sternly it will be enforced—but these effects and prospects seem clear:

- It will be a shot-in-the-arm, perhaps only temporarily, for S&L conventional loans and especially for private mortgage insurance plans like that of Mortgage Guaranty Insurance Corp. Few S&Ls make the 90% loans the law allows and fewer still go this high without MGIC.

- Construction loans should be harder to get for almost everybody because so many lenders want FHA subdivision approval—and this will now require an anti-bias pledge. Some subdividers already are making builders agree not to use FHA before they will sell lots.

- Mortgage bankers will be hit first and worst because the bulk of their business is in FHA and VA loans. The Mortgage Bankers Assn. is demanding that the bias ban be widened to include conventional loans, too.

- Builders feel they were hoodwinked because Attorney General Robert Kennedy assured them the day before the order was issued that it was three weeks away and promised them a peek at the final draft to point out bugs. But NAHB President Leonard Frank clenched his teeth and, in effect, promised builders would try to make the best of it.

- Chances are the order may trim 50,000 starts from this year’s housing output—mostly from FHA and VA. This is a HOUSE & HOME estimate by Economist Miles L. Colean. It would cut FHA and VA to about 20% of starts (see p. 15).

- The order may be expanded if there is too much evasion or too much running away from FHA and VA. Not only do Administration insiders predict this, but HHFA Administrator Weaver says so bluntly. He told newsmen the edict may be “revised, changed, or expanded.” When? That is up to the President, says Weaver.

Why JFK gave housing men the jitters for 22 months

To Candidate John Kennedy, civil rights in housing seemed just the spot to needle the Eisenhower administration and court Negro voters at the same time. On August 8, 1960 he said an executive order could ban race bias in housing “by the stroke of a Presidential pen...

“A new Democratic administration will carry it out. But there is no need to wait another six months. I urge the President to act now.”

But President John Kennedy found the pen was covered with political prickles. Months elapsed. The housing industry came alive with an undertone of speculation about the order, and jittery professionals made it Topic A a year ago (NEWS, Dec. ’61).

The forces seeking an order turned the pen into a needle. Pens (even pencils) were mailed to the White House. Los Angeles’ militant congress of Racial Equality greeted the President’s visit last August with a placard: “Pick up the pen, Mr. President.”

Two days before Thanksgiving the Presidential pen finally stroked, exactly 22 months after President Kennedy’s inauguration.

The President created a cabinet-level committee on equal opportunity in housing. For housing exempt from the order (principally, existing homes sold by private owners), he asked federal officers to use persuasion to end bias. Came the inevitable press query: “Could you explain first why you have taken so long to sign the order?” “Well, I said I would issue it at the time when I thought it was in the public interest and now is the time,” Kennedy replied.

Why now? The timing is a blend of politics, the facts of life in Congress, and the serious question of what impact the order would have upon the economy. Although White House insiders consistently played up the practical problems in deciding legal language of the order—“I’ve seen at least six versions of it,” said one HHFA aide—this seemed the least important reason.

First the President held off signing the order a year ago, just after the Civil Rights Commission demanded an order for the second time (NEWS, Oct. ’61) because he thought he had a chance to win Congressional approval for his Department of Urban Affairs & Housing. But this failed, and Kennedy strategists then felt it would be unwise to arouse the Southerners in Congress. But Congress did not adjourn until October. Almost immediately the Cuban crisis and the election caused new postponements.

A second reason was the question of what impact the order would have upon the economy. Word leaked from the White House that the President’s Economic Advisers had specifically examined the economic effects, particularly studying NAHB’s survey asserting that housing starts might drop as much as 30%.

“There may be some adverse reaction, but I think that we will be able to proceed in the development of our housing industry, which is important to our economy,” the President explained to newsmen.

There are indications that builders have used the year’s delay to cut inventory of merchant built homes and otherwise make sure they are not caught with over-extended plans. In Baltimore, for example, the unsold backlog of new homes has fallen from about 600 a year ago to 75 now.

Where the order hits first: the suburbs and the South

Now that the order is out, HOUSE & HOME correspondents in 21 cities find very few builders saying they are planning to curtail 1963 building as a result, in contrast to NAHB’s survey last year predicting up to a 33% drop in residential starts (NEWS, Aug.)

Most builders are adopting a wait-and-see attitude, although they are surprised by the narrow scope of the order after so many predictions that it would cover all conventional lenders except insurance companies and banks. The order is “almost emancipated,” volunteers a Chicago builder. “It’s a dishonset treatment of the problem,” cries an economist. “It’s political as hell. It will clobber FHA and VA in the South, but it won’t clobber public housing.”

In the suburbs. Merchant builders operating in large subdivisions around the major metropolitan areas of the North and West feel the order can hit them hardest. “If they [Negroes] took one subdivision as a place to start, chances are the builder would have to close up,” says one of Chicago’s largest builders. “The brunt will be on a few builders.”

In the suburbs, of course are where merchant builders operate—and the areas where backers of anti-bias laws say discrimination is most evident. “Suburban housing is really frozen,” asserts Prof. Albert J. Mayer and Thomas F. Hoyt of Wayne State University after studying Detroit’s suburbs where only one of 88 census tracts has changed racial mix in 20 years. “This isn’t just true in Detroit suburbs; it is the character of suburbs elsewhere in this country.”

But Real Estate Analyst Sanford Godkin
of Los Angeles doubts there will be a flood of Negro buyers to suburban model homes. "Negroes want to be treated equally and with dignity," he says. "But only a very small number are willing to be pioneers, to move into a white neighborhood and be spat on or be subject to any other abuses which sometimes follow. And Negroes are not nearly so well organized as some people think."

Godkin's view is echoed by a recent survey in Manhattan's Harlem, where city and state anti-bias laws are stricter than the Kennedy order. The findings: four of five Negroes don't know the law exists, and the rest are skeptical of its use.

Many builders see the order's main effect as psychological in giving Negroes a feeling of freedom of housing choice. "It will depress home building in direct proportion to the publicity it receives," says one mortgage lender.

But if the order has its intended effect of taking the pressure off burgeoning Negro popula-

tion in the center cities* some builders see this as a boost to urban renewal. All new apartment and commercial building in renewal areas will now be subject to permanent land covenants banning discrimination, regardless of the type of financing used.

In the South. Here is where the order should hit hardest. Some builders say they are cutting back their 1963 plans. Builder Ray Ellison of San Antonio plans to increase his 300-home production of 1962 (all FHA-VA).

How strictly FHA and VA enforce the edict is the key to its impact on Southern builders—and officers of these agencies say candidly they will take a passive role in enforcement, acting only when complaints arise. This live-and-let-live attitude makes little practical difference to established segregation patterns. A gentleman's agreement among brokers appears to have kept the segregation pattern intact in resale of FHA and VA foreclosed homes in Miami and Atlanta, for example, with a notable exception in Miami (see below).

One VA director predicts no Negro applications for homes in white neighborhoods unless a neighborhood group sponsors the Negro. Another VA director sees "absolutely no effect" because subdivisions with deed restrictions on race have not been approved since 1950. Another FHA Director C. Neal Pickett predicts continued growth of FHA integration views.

Predicts Mortgage Banker Lon Worth Crow of Dallas: "The order could very well depress speculative land prices. Land prices went up because of builders buying wholesale and retailing through FHA and VA tracts."

In Washington, Southerners in Congress are denouncing the order in scathing terms "Absolutely unconstitutional" says Sen. A. Willis Robertson (D, Va.), "A grave dis-

dervice to the economic welfare of the United States," says Sen. Herman E. Talmadge (D, Ga.).

Several Southerners say they will seek legislation to nullify the order, and one Sena-
torial staffer began drafting such a resolution. Although chances for its passage are slim, expected the tremendous non-legislation to make Congress more receptive to oft-heard proposals for divorcing FHA from HHFA. The National Association of Real Estate Boards revised this plan last month (see p. 18). Southerners may be more willing to go along with the idea—although FHA under an independent Presidential board would have to conform to the new policy.

In the future. The political timing which President Kennedy showed in issuing the order persuades many analysts that it is just the first step. They foresee a bun on bias in most conventional lending in a year or two. This judgment springs from the nature of the intramural conflict among Administration officials over broad vs. narrow coverage for the order. A broad order for most conventional lenders would have needed the cooperation of two agencies: Federal Deposit Insurance Corp. for commercial banks and the Federal Savings & Loan Insurance Corp. for S&Ls and a few savings banks. The Home Loan Bank Board, which runs FSLIC, has already banned bias for federally-chartered S&Ls. But the three-man board which leads the FDIC remained uncooperative, and indeed Chairman Erle Cocke of FDIC objected to the Civil Rights Commission's urging that federal deposit insurance be used to enforce discrimination bans. Cocke's term expires next August and insiders freely predict his replacement with someone of the President's integration views. This in turn could pave the way to banning bias in conventional lending sometime after autumn, 1963, when the impact of the FHA-VA order can be assessed.

Mortgage bankers ask JFK to expand order's coverage

Mortgage bankers, who fear they will be hurt most by the anti-bias edict, are expecting urging President Kennedy to bring conventional lenders under its coverage.

With only FHA and VA loans, which ac-
count for about 24% of new house starts, cov-
ered, conventional loans offer a convenient escape hatch. And an estimated 75% of mort-

gage bankers' business comes from FHA-VA loans.

President Dale M. Thompson of the Mort-

gage Bankers Assn, pleads for broader cover-
age, in a letter in member to President Ken-

nedy. The order "promises to do widespread harm to all home borrowers, including those for whose special benefit the order has been issued," argues Thompson. It "can only lead to a further move away from this medium, again not because of a lack of available funds, but because of the exposure of builders and other sellers to vague requirements and severe penalties. ... If all forms of mortgage lending cannot be reached, then the result will be the withdrawal from those forms that are reached. The present order cannot be con-

sidered a 'first step,' since in this situation the move cannot effectively be made in stages."

Since lenders and approved mortgagees, like builders, may be found guilty of discrimina-
tion under FHA's rules (see box), many mort-
gage bankers say they just won't discriminate and run the risk of blacklisting. Thompson believes banks and insurance companies will take Negro loans—but the big question is whether there will be enough volume of them. Exempting existing homes from the anti-bias rule leaves business in spot loans in this cate-
gory untouched.

Housing trade associations accord the order a mixed reaction. "We'll do our best to fulfill our responsibilities and duties as citi-

zens," says outgoing President Leonard Frank of NAHB. "The order now places the burden of acceptance squarely up to the people in our communities across the buildin.

"We do not believe the blemishes of our society can be erased by the Executive Order. The government cannot forego its responsibilities because the tremendous need for its full resources must be used to lessen the impact on our nation's economy."

Frank notes that Presidential advisers had inspected the NAHB survey of last summer (News, Aug) and "The White House appar-
ently arrived at conclusions other than those
found in the survey. We fear the health of the homebuilding industry may be sapped by the order. For the economic and social welfare of the country, we would hope that the President's assumptions prove correct."

"As far as the brokers are concerned, it will be difficult for some time to determine whether it will affect us. The only reservation we have is whether it will result in a shortage of homes being built."

"If this is fruitless, the director may invoke the discrimination."

"The rules make it clear that the anti-bias clauses could lead to criminal prosecution of builders as well as blacklisting. In one recent case FHA won a conviction against a builder who falsified a buyer warrant for a blacklisting."

"Developers have problems aired publicly just because someone complains."

"Instead, each FHA district director will handle complaints like this: 1) builders will be invited to discuss the complaint at a private and informal hearing; 2) FHA will gather more evidence and hold any necessary hearings, again in private; 3) if FHA decides a violation did indeed take place, then and only then will the case become public and accessible to the press and public."

"After even the director has decided that a violation exists, he will not automatically blacklist a builder or mortgagee. Instead a second conference is to be held to eliminate the discrimination."

"Some persons are concerned that violating the anti-bias clauses could lead to criminal prosecution of builders as well as blacklisting. In one recent case FHA won a conviction against a builder who falsified a buyer warrant for a blacklisting."

"But housing lawyers in and out of government oppose such harsh procedures. They say it would be virtually impossible to apply the same penalty to a builder failing to live up to anti-bias intentions as to one who failed to follow specific engineering plans."

"Outstanding commitments. Both FHA and VA say they will not cancel commitments or certificates if they find the outstanding case of a violation. But the rules apply to new applications filed afterward."

"Housing lawyers point out any other course would have impaired the value of commitments and made it almost impossible for a builder to find construction financing."

"Rental housing. FHA's Hardy admits he has not yet come up with a solution to the special problems presented by the rental housing."

"Some developers fear that buildings already built and partially occupied (and therefore exempt from anti-bias intentions) could come under the edict if they had to return to FHA for additional help — such as the granting of a forebearance on repaying the loan because of rent-up problems."

"The new rules thus do little to disturb the housing authorities who have started planning 128 projects with 10,075 units will be the first to be asked to insert an anti-bias clause in their contracts. If they refuse, FHA officials will cancel preliminary loan contracts."

"However, if an agency signs the anti-bias pledge and FHA later finds that it has not been followed, FHA will step in and run the project itself without repaying the project's long-term bond loan."

"The new rules thus do little to disturb the pattern of segregation, especially in Southern cities, in existing public housing. Latest figures, as of last March, show 80% of the 2,858 public housing projects are segregated. House & Home correspondents find no movement in the South to sell existing public housing units as had been freely predicted (News, Dec. '61). But Gov. Ross Barnett is calling for repeal of Mississippi's renewal laws."

**Builders in 17 states now live with anti-bias laws**

"This was the major reason why the Kennedy Administration felt the Executive Order would not seriously cut housing starts. The classification states with low anti-bias discrimination dire predictions of housing cutbacks have not come to pass."

"Like all generalizations, this one has exceptions: for instance, Florida had its biggest housing boom after an anti-bias law applying to private housing was passed in 1959. But in Pennsylvania statistics show a mixed picture. State homebuilder President Herbert Packer says housing is 52% behind last year (a state law went into effect Sept. 1, 1961). In Philadelphia, one-family home permits through December are 6% below a year ago, while apartment units are 19% ahead of 1961."

"There are 23 other states with anti-bias laws applying to public housing. Some persons are concerned that the anti-bias clauses could lead to criminal prosecution of builders as well as blacklisting. In one recent case FHA won a conviction against a builder who falsified a buyer warrant for a blacklisting."

"Housing lawyers point out any other course would have impaired the value of commitments and made it almost impossible for a builder to find construction financing."

"A separate clause, which builders objecting to, states that a developer will have to agree to the following:

"1. To induce the Veterans Administration to agree that publicity—which integrationists have been clamming the anti-bias order on new housing, may live with FHA and VA will live with FHA and VA will live with FHA and VA will live with FHA and VA will live."

**FHA, VA take soft enforcement line**

The detailed regulations by which builders doing business with FHA and VA, will have to agree to the following:

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Builders’ dilemma: what if Negroes buy first from me?

The question dominates speculation over the impact of the President’s Executive Order. Builders are warily watching each other. With a few exceptions no one wants to be the first to sell to a Negro. Most are thinking along the lines of Builder Alex Bruscino of Cleveland:

“This is not a matter of prejudice. It’s just that no businessman knowingly will jeopardize his investment. It’s a question of how other people will take to it if some Negro families move into your subdivision. I own quite a bit of land. But if I start a subdivision I won’t go FHA or VA. We’ve worked hard 25 years and accumulated a little. All we need is one bad subdivision and it’s all down the drain.”

A Miami builder is bitter: a white real estate broker picked up the equity on a foreclosed home in his subdivision and moved a Negro family in, apparently breaking a gentleman’s agreement on segregation there. It cost the builder 15 sales. The builder has offered to buy the house back, but the Negro family wants another house free and clear. He refuses.

Swing to conventional. HOUSE & HOME'S 21-city survey of builders found many planning to do more conventional financing. Private insurance plans such as that of Mortgage Guaranty Insurance Corp. of Milwaukee are being eyed more and more by builders, and President Max Karl predicts the executive order will “step up the rebellion against government encroachment in housing.”

But a significant number of builders indicate they will stick with FHA. “You just can’t shift to conventional when you consider the high down payments, higher interest, and shorter notes,” says past NAHB President James Burke. Other builders who are heavily treated them just like everyone else,” says Builder Gene Glick of Indianapolis, who sold three Negroes into his 500 homes in the past three years but under one strict rule: abutting three Negroes into his 500 homes in the past three years but under one strict rule: abutting three Negro buyers. Morgan found his original buyers still wanted their homes, and whites continued to buy. He has now sold 24 houses, mostly to whites.

President Kennedy’s stroke of the pen is only half the story. The other half is the management decisions his edict against race bias in housing thrusts on builders and mortgage lenders. HOUSE & HOME correspondents in 21 big building areas found builders making these decisions:

1. They will wait and watch how toughly FHA enforces the order, how militantly Negro groups seize their new rights, how their competitors react.
2. They are not yet ordering wholesale cutbacks in starts.
3. They fear Negro tract-busters will hit large subdivisions first and with maximum publicity. Result: most builders will do more selling from model homes and cut unsold vacant houses to bare-cupboard levels.
4. They plan to borrow a whole new bag of selling methods from builders in states which already bar race bias.
5. They say the predicted swing to conventional loans (and second mortgages) may fizzle out quickly because many of them cannot keep up their high volume without FHA and VA low down payments.

PRIVATE clubs? Builders say they will meet the anti-bias order in a variety of other ways. But one — the private club — is gaining particularly wide favor.

In Connecticut, where there is a stiff anti-bias law, one builder tells model home visitors, “I’m not selling homes, I’m taking applications for a club.” Only the club members will get to buy houses. Builders in other areas are thinking of this device, offering a golf course or swimming pool with their homes. Other steps builders may take to cut the risks of open occupancy:

• Quit using FHA and VA in ads as a sales attraction. “Those abbreviations used to mean stability, but they could become dirty words,” says one Kansas City builder.
• Break up large subdivisions to spread the risk. “Instead of one builder taking the risk of 500 homes, why not let him split them up in 25-house units?” suggests a VA man.
• Use long application forms. Some apartment managers are already using long questionnaires which ask all manner of embarrassing questions to minority families. “By the time they get halfway through, they quit — they don’t want to live here,” chortled one manager at the recent NAREB convention.

Treat all buyers alike. Instead of trying to dodge the issue, some builders welcome Negro visitors at their model homes. “We’ve always had a few Negroes come out and we’ve treated them just like everyone else,” says Builder Gene Glick of Indianapolis, who sold 471 homes in 1962. “We have yet to have a Negro family actually buy in the area.”

In San Diego, Builder John Morgan sold the first homes in a 75-home tract (prices: $13,500 to $14,000) to whites. Then came three Negro buyers. Morgan found his original buyers still wanted their homes, and whites continued to buy. He has now sold 24 houses, mostly to whites.

The hood that thinks for itself!

The all-new Emerson-Pryne Thermomatic Range Hood, that is! A real smart operator.

Turns itself on when needed (after you turn the range on). Then—when you turn the range off it runs until “the air is cleared” and turns itself off!

Two colored lights tell you (1) when it's set for automatic operation and (2) when the fan is actually running. These signals are essential because this hood is so quiet it's next door to silence.

The Emerson-Pryne Thermomatic Hood! The first range hood with built-in brains! Everything about it is exclusive—except the price!

Emerson Electric's Exciting 7-for-11 Builder Bonus Plan

...is even more exclusive than “the hood with brains!”

It gives you a prestige promotional program you can really use! Every item is designed to sell homes for the builder—not products for a manufacturer. And it won’t cost you a penny more than you plan to spend next year!

What a deal! Heat-Light-Air-Sound (all the electrical comforts of home) PLUS the 7-for-11 Bonus...ALL IN ONE PACKAGE! There's nothing else like it ANYWHERE!

Ask for all the details. Write Dept. HH-1, 8100 Florissant, St. Louis 36, Missouri
Editors and columnists measure order’s import

In all but a few cities the President’s anti-discrimination order was front page news and a hot topic for editors and columnists. Most of them supported it. Excerpts:

“... A long overdue extension of the principles of equal rights and equal opportunity. Even though its provisions are more limited than his campaign pledges led many to expect, the order represents an important complement to the historic steps already taken...” —The New York Times.

“The real point is that once again we are offered a reminder that the Federal Government does not launch large, costly programs without, at one time or another, assuming a large role in control of those programs...” —Columnist David Lawrence.

“President Kennedy’s order will be praised in some quarters as an act in a good cause, but to us, and we imagine many others, it is an alarming action, marking the disposition in Washington to govern by extra-legal methods...” —New Orleans Times-Picayune.

“The principle behind the order is, of course, clear and indisputable. But none of this makes the uprooting of prejudices or the overturning of social systems easy and automatic... We look to the educational program as the heart of the order during its first years of application...” —Miami Herald.

LAUD

1963 issue: more rules for land sales

The model law which the National Association of Real Estate Boards drafted last spring to cripple land frauds (News, June) is turning into the hottest single issue facing state legislatures in 1963.

The National Association of Home Builders calls the proposed law “highly restrictive and worthless land in far-away states by mail.” NAHB lawyers say there are 20 specific instances of ambiguous language and conflicts in the model law. “The model law, if enacted in its present form, would be construed as unconstitutional for failing to provide even an elementary form of due process under the law for builders and subdividers,” they contend.

Sowing the wind? NAHB national staffers protested the law’s wording to NAREB. Instead of changing the wording to meet some of the objections, NAREB’s executive committee ordered the model law distributed to its state associations—with no recommendation.

“It’s like throwing feathers into the wind,” means one NAHB staffer. “Instead of talking to one national committee, we have to deal with 50 state associations.”

Already local and homebuilder associations say the proposed law clamps down hard on local land developers in their efforts to curb the operations of shady promoters peddling worthless land in far-away states by mail. The National Association of Home Builders calls the proposed law “highly restrictive and harmful to home builder operations.”

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Woe to the new federal aid program brings fresh inhibitions on individuals’ freedom of action and on local initiative and preferences... How many times does the lesson have to be presented to us before we learn it?” —Columbus (Ohio) Dispatch.

LAND

WE'RE REALLY LIVING, AND DON'T KNOW IT

The public outcry over the shady activity of some sun slingers is sparking outraged rebuttals. A Florida Committee of 100 lashed out at “irresponsible shotgun blasts” at Florida land developers and homebuilders. “The time has come for a halt to charges by these people who, in seeking to weed out nefarious land developers across the country, blacken the names and reputations of some of the finest construction firms in Florida,” said Chairman Fred Dickinson. Florida has passed stringent laws to protect land investors, he said, and organizations like Arvida and General Development have spent millions of dollars developing Florida land.

NAHB lawyers say there are 29 specific instances of ambiguous language and conflicts favorably upon the idea that land promoters should be forced to disclose facts that buckers of public securities are now required to furnish, such as 1) pro rata acquisition cost, 2) amounts expended for improvements, 3) current sales of adjacent similar land, and 4) tax assessment.

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FHA ponders new ways to overhaul its welfare and rental programs

The Pandora's box of welfare programs which FHA now administers—under Congressional order—is becoming an albatross which hampers the agency's public relations and usefulness to private housing, in the view of some agency brass.

Part of the concern stems from fears that the President's anti-bias order will selectively clothe FHA programs. But the concern is deeply rooted in the mounting criticism by private builders and lenders that FHA takes so much time promoting and processing its welfare programs that it causes intolerable delays in serving the private market it was originally set up to promote.

As a result, FHA officials are discussing behind closed doors a number of schemes designed to let FHA "play the same vital role" in the 1960s that it did in the 1930s, says Commissioner Neal Hardy. So far, Hardy has announced publicly that one of FHA's founding fathers, William D. Flanders of New York City, is being hired as special assistant commissioner to "effect general improvement of the efficiency of FHA's operations and to recommend and see to organizational and procedural reforms."

Junk risk-rating? Hardy says explicitly that Flanders, who served as senior deputy commissioner until 1938, will try to improve FHA's time-honored grid system of mortgage-underwriting risk rating, the heart of its underwriting approach (News, Oct.) Studies of rising foreclosure have convinced some agency veterans that the grid rating for today's housing market is not worth the paper it is written on.

As a first step Hardy has ordered two changes to speed processing: 1) FHA's step-by-step processing for sales contracts for new homes built without prior FHA approval is ended and FHA will now appraise a house (or inspect architectural plans for houses unbuilt or in construction) and determine the maximum mortgage at the same time as the mortgagee is obtaining a credit report; and 2) for existing FHA mortgagees, testing in Greensboro, Chicago, and Washington a plan to give 48-hour service on applications by doing appraisals at the same time as credit reports are being made.

Dump welfare programs? Some agency leaders also want FHA to:
- Shift the do-good programs like the subsidized 3 1/2% Sec. 221(d)3 rental housing program, Sec. 232 nursing homes, and Sec. 231 elderly housing (HHFA) Backers argue that HHFA knows better how to handle these welfare-type programs. (In 1959, FHA brass tried but failed to persuade Congress to give the nursing home plan to the Dept. of Health, Education, & Welfare when it was enacted.)
- Separate all rental housing from one-family operations. The plan would add a second deputy commissioner for rental housing responsible only to Hardy. Hardy opposes this scheme on the ground that it would in effect create two FHAs (with dual processing and underwriting procedures) in place of one. With apartments at 30% of total starts, Hardy feels it is more important than ever to keep them from running off alone.

LOCAL MARKETS

Fred Sherman

Miamis SORESPOT

In place of a lawn, a junior jungle

Walkaways leave an oversized community headache behind

Miami: Take the house pictured above, multiply it by 2,500, and you have a problem. Even though unsold inventory of new homes is at last shrinking (from 2,275 in August 1961 to 1,514 last September), this Mackel Co. three-bedroom, one-bath house, priced at $11,945, was sold in 1958 for $395 down and $74 monthly payments.

In December 1961 the mortgage company was notified the house had been sold. Payments stopped coming in, and the vacant house stood untended, its lawn sprouting into a near-jungle, until FHA took possession last September.

The story is all too common for the 2,500 homes FHA and VA have repossessed in Dade and Broward Counties. Swimming pools half-filled with rainwater are now hazards for children and breeding spots for mosquitoes. The homes are sitting targets for vandals; one house was stripped of gas furnace, sliding glass patio doors, sink, wall oven, counter range, all closet doors, and most light fixtures.

To deal with the mounting problem, Miami's Metro government has just passed an ordinance to clean up the abandoned homes in unincorporated parts of Dade County. After notice to property owners, county officers can cut weeds and clean up trash at abandoned homes and impose a lien on the property for the cost.

Builders are heartened by Aerojet-General's decision to put in roads, fill, and canals for a projected rocket plant northwest of Homestead. But the company still lacks a government contract.

Housing starts are heartening. In place of a lawn, a junior jungle

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If you put your pickups on jobs that make trucks old in a hurry, check the many big-truck features built into new '63 Ford pickups.

Consider axles, springs and frames! Big trucks use I-beam front axles and leaf-type front springs because they are strong, simple and more maintenance-free. Ford pickups use them, too. Two-stage leaf-type rear springs let big trucks handle light or heavy loads; Ford pickups are built the same. And like the big truck frame shown at the right, Ford pickup frames have sturdy parallel-rail design. Both depend on high-strength siderails and rigid crossmembers for extra durability.

Yet for all their big-truck toughness where toughness counts, '63 Ford pickups give the ride, handling and comfort you'd expect only in a car! Try it at your Ford Dealer's!
LIKE THE BIG TRUCKS...

Ford's new all-wheel-drive trucks provide rugged go-anywhere mobility and PTO versatility. F-100 4 x 4's are available as chassis-cab and with 8-ft. separate Styleside or Flareside pickup boxes; the F-250 Series as chassis-cab and with 8-ft. Styleside (shown right) or Flareside bodies and 7½-ft. stakes or platforms.

Ford's lowest-priced trucks with dual rear wheels! Dollar for dollar, you can't get better payload carrying ability! Ford's versatile F-350 with 9-ft. stake and dual rears (shown right) permits GVW's to 9,800 pounds—hauled over 2½ tons. Maximum GVW for pickups (single rears) is 7,800 pounds. And Ford's F-350 pickups offer a choice of 9-ft. Styleside or Flareside bodies.

PRODUCTS OF MOTOR COMPANY

FORD TRUCKS!
The 5,000 delegates to the National Association of Realtors' convention came away from Detroit last month as the first proud godfathers to a controversial plan that looked as though it might wind up a foundling when it was first pressed upon Congress last summer.

This is the American Bankers Association's plan for federal chartering of private mortgage insurance companies, and private companies to form a secondary market for such mortgages. A committee of industry experts put together by ABA fathered the plan (News, Aug.) and ABA endorsed it in September.

At Detroit, NAREB became the first outside organization to back the plan. Realtors called for its operation "without direct or indirect federal subsidy." But the Realtors' policy statement remained silent upon the touchy point of how much control the federal government would have over such private insurance rules and regulations.

The Realtors' stance drew strong encouragement from a source that counts heavily in Congress: Rep. Wright Patman (D., Tex.), who is due to become chairman of the House banking committee which molds housing legislation. FHA has revolutionized mortgage financing in its 27 years of life, explained Patman. But now "I believe time has come for FHA to turn the experience of FHA toward the development of private mortgage insurance companies completely free of federal regulation and control. You have your opportunity to show the world that a national experience of this magnitude can be drawn upon to prove that private enterprise can do the job and do it well."

**Rx for FHA: subsidies only.** As Patman sees it, FHA should henceforth confine itself to "subsidy programs to assist people who are unable to afford adequate shelter." He indicates that New Frontiersmen hoping to provide housing for upper- and middle-income people—does not require the intervention of the federal government," he said.

Mortgage bankers, who still hope to restore FHA to its pre-Weaver mold, can take some comfort from the fact that Patman omitted this sentence from his prepared text: "Don't ever admit—as some mortgage bankers like to believe—that the world will come to an end if FHA were to go out of business to­morrow."

Private mortgage insurance has been increasing in popularity since Mortgage Guarantee Insurance Company of Milwaukee started operating in 1957. Volume has grown phenomenally and two other companies are now operating (News, Sept.). In a wave of the President's executive order forbidding race bias in government-aided housing, conventional mortgages have been repeatedly cited as a promising substitute. FHA, the Treasury, and New Frontier HUD have taken the position that FHA's role is to "open the doors to private enterprise." (But it was the Treasury that approved the plan for a secondary market in FHA mortgages.)

On the run. The Realtors plainly believe that public housing, for the first time in years, is politically vulnerable. So they are aiming what they hope will be a mortal blow at the 25-year-old program. "For the first time in 10 years the regular FHA general mortgage insurance authority and the urban renewal capital grant authority programs have always supported will not be hospita­lized for the expansion of public housing," noted Chairman Edward E. Pogue of the Realtors' Washington committee. "In 1963, public housing will have to stand on its own merits and be exhausted by next June. This means FHA is likely to seek new subsidy allocations this year. Pogue charged that new public housing is being "directed to small communities in the South in an almost frantic effort to build a base for further Congressional support."

**TEXAS' PATMAN**

**Support for private FHAs**

"We hope Congress ... will bring the curtain down against its further expansion," shouted Pogue. Pogue predicted the Administration's most likely alternative for public housing is extending FHA's subsidized Sec. 221(d)3 below-market mortgage program with interest rates varying from zero to the current minimum of 3 1/2% (v. 5 1/2% for other FHA loans).

Outgoing President Arthur Wilcox of Bos­ton called for "complete restudy" of public housing. But how to go about it proved the most troublesome spot in drafting the Realtors' policy statement. Directors rejected the resolution committee's plan for readopting two paragraphs from last year's statement (which called for an end to public housing and pointed to direct assistance through local welfare agencies as the best solution for housing low income families). After lengthy closed-door debate, directors called for ending new authorizations for public housing and suggested the new idea that existing units be sold to their occupants. For other low income families the Realtors now favor "direct local rent assistance to families of proven need."

Outspoken guest. HHF Administrator Robert Weaver, who rejected invitations to address last year's NAREB convention, came and spoke this year—bitingly. He greeted his hosts as "my loyal opposition," and conclud­ed: "It seems to me that many of the spokesmen of your organization have been so vociferous in opposing what we have attempted to do that they have forgotten or ignored what has been done, either in its unique contribution." He has already started experiments to find alternate ways of sheltering low income families and charged Realtors with the fact that "one experiment is sponsored by the National Ass'n of Home Builders, which strongly opposes public housing." Weaver, a Negro, ripped into race bias in housing, which was the hottest unscheduled subject of the convention. He also predicted "a great degree of apathy to public housing (News, July)."

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New York Mayor Robert F. Kennedy, who is due to become chairman of the House committee on Urban Affairs and Housing, came to Detroit and chortled Pogue of the Washington Committee. "We are going to have more urban-oriented state legislatures," he adds. These new legislatures face a crucial decision: "I say they use their new power to revitalize state governments by assuming responsibility which the states have abdicated to the fed­eral government ... or will they pervert this new power by demanding more federal assist­ance?"

—KENNETH D. CAMPBELL

**Trade-in plans that work draw SRO crowds**

There is pressing reason: Realtors are looking for closer sales ties with builders. "The builder today must trade. And to trade successfully the builder must have some expert guidance or he is liable to get taken," says one Realtor-trade-off. "You must establish yourself as a trader," advised Thomas Bateman of Pontiac, Michigan. Bateman says he has pushed slogans like "Use your equity" or "Ask about our trade-in plan" so hard people ask him if he is still in the business of selling houses.

"The most important thing in trades is to have a realistic fair market price on any list­ing," said Bateman. "The second thing is get­ting the owner to accept the price on his house." Bateman manages this by using a sliding-scale method of listing his properties. He cited this example: he guarantees a price of $14,000 to the owner of the house and then takes listings as follows: $15,950 for the first 30 days; $14,900 for the next 30 days; $14,500 for the next 30 days.

To convince owners to accept this arrange­ment, Bateman offers two sweeteners.

1. **He will hold a minimum of two open houses during the first 30 days and at least one open house each of the second 30 days.**

2. **"We offer to sell the house back to the original owner at 2% less than we pay him as our guaranteed price."** This "proves 100% that we want the top dollar," says Bateman. He is able to make the 2% offer because he charges the owner of the home he is selling to the trader an extra 2% for using the trade-in route. **NEWS continued on p. 23**
URBAN RENEWAL

Tips on coping with the red tape

Some insights into bidding and sales strategies which have untangled some of urban renewal's fabled snarls have emerged from an NAHB regional conference in Chicago. Samples:

- "In order to find the value of this land [14 acres on Chicago's near-north side], we had to determine the type of unit that would best serve the demands of the area, the rent that would be safely expected for those units, the development costs, operating costs, the type of financing and service requirements, and the developer's objective for a return on the investment," related Developer Lou Solomon of the 1,160 unit Sandburg Village. "The only real unknown was the rent, and of course, the price of the land ... We just developed a straight line graph so far as rents and price of land is concerned, and there we found the proper level, and that was our bid ... One of the things we found was that the price of the land did not materially affect the rental structure." Solomon's bid was $6,296,625, or $5,400 a unit, with an initial target rent of $36.03 per room.

- "If you go into urban renewal in even a relatively small project, the cost of market analysis is very incidental to the total cost, and the best thing that might happen to you is that you ought not to bid it. In retrospect, it is a nice thing to have wasted several thousand dollars instead of building a million dollar project and find you have no market," said Developer Leonard Styche of Milwaukee's Plymouth Hill project.

- "My ultimate decision was to bid $1,500 per residential unit," recalled Developer Marvin Gilman of his bid for three acres in Baltimore's Mount Royal project. "Imagine my surprise to find that our closest competitor had bid barely half that amount. I believe this was the fastest quarter of a million dollars I have ever spent. But looking back now, I feel our original analysis was correct. We did not bid too high. Our competition bid too low. [The price brought] a completely new standard of values which we have forced Baltimore to apply to its downtown real estate market ... I chose the name 'Sutton Place' [after a posh New York City apartment neighborhood] on much the same philosophy as I decided on the price we bid for the land - to give Sutton Place distinction, snob appeal and class. I felt very strongly that the only way the Mount Royal Plaza area could be renewed successfully was to change its character - literally to take the stench of the former slums out of the noses of Baltimorians ... . Our entire theme is that we present 'elegant in-town living.' We do not discuss urban renewal or municipal revitalization or anything of the sort. We are renting luxury apartments in a luxury area with a 'new concept of total living.'"

- "Before you tie up with a project, take a good look at the agency," advised Gilman. "This is most important. Take a look at the commission - are they politicah packs? or will they toss out at the first opportunity? ... Is it a good staff: What does the staff know about the problems of the developer? Is the staff made up of competent professionals?" If the renewal organization is not of high quality, "Go to the next town. Don't waste your time. If the commission is no good, if the agency is no good, don't stay around to educate them. It will break you."

Auditors attack 'excessive' credits granted to cities

A stinging report by the General Accounting Office, Congress' watchdog over government spending, attacks the method of letting cities pay their required one-third share of renewal subsidies by building schools, parks, and similar public facilities instead of paying cash. Neatly 60% of all the money cities must provide comes from such non-cash credits. In 631 projects the total reaches $480 million. City officials have a practical reason for favoring non-cash payments: a bond issue for schools or parks is easier to sell to the public.

The GAO report says the federal government is experiencing "a gratifying increase" in the number of cities seeking its help. But the Urban Renewal Administration, which approves 85% of the projects, is being criticized for the "likelihood of substantial reduction or elimination." The GAO report also criticizes some of the urban renewal projects for being "too small" to serve their entire community. It suggests that cities and streets might be better off with a smaller number of larger projects.

PUBLIC HOUSING

Can massive social work aid public housing families?

The Public Housing Administration and Dept. of Health, Education, & Welfare, two sprawling federal agencies which have had little contact in the past, are seeking an answer.

In the 2,870-unit Pruitt-Igoe public housing complex in St. Louis they are starting the first "concerted service project" to see if concentrated efforts by public and private social agencies will help public housing families upgrade incomes. The two projects have a combined 15% vacancy ratio, compared to 0.6% vacancy in other city projects. Executive Director Charles Farris blames it on the poor tenant reputation as trouble-spots. The crime rate there now has been cut to 40% below the city average, he says.

At Pruitt-Igoe, government agencies have: 1) set up a special branch office of the Missouri welfare division, 2) created a city community services division, 3) assigned an HEW staffer to work with local officers. HEW already has helped local schools get $25,000 of surplus machine tools for vocational training.

The experiment, and the sign of the new welfare bent in public housing (NEWS, Dec.), is the brainchild of a joint HEW-HHFA task force which found 29 specific HEW programs (from accident prevention to venereal disease control) which could do more good if aimed especially at public housing families. A pilot program in Chicago found that extra disease control, accident prevention, and venereal disease control could do more good for families now paying an average $28.67 monthly rent for public housing units.

The society then said the figures showed the need for 580 new public units for "our elderly needy" and joined with the Nebraska AFL-CIO in sponsoring a city-wide vote on building 580 new units. A 1951 Nebraska law requires that proposed public housing be submitted to a referendum and Omaha had approved no new units since then.

The Medical Society first asked the United Community Services to survey housing available for aged persons in Omaha. The survey found 30,965 persons over 65 with average incomes of $1,900 in Omaha, including 488 now paying an average $28.67 monthly rent for public housing units.

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New public housing ally gives Omaha first units since 1951

The active role of the Omaha-Douglas County Medical Society in a fall election battle points to the new support public housing is drawing as housing of low-income elderly persons.

But the Urban Renewal Administration is letting cities get by with "ineligible and excessive" credits, cries GAO. Auditors studied five public schools in New York City and New Haven and urged URA to cancel $4,246,000 of the $4,735,800 credits it had granted. The new apartments in renewal areas contained so few children that three schools were completely ineligible, said GAO, and the number of pupils at 50% under estimates at a fourth. A fifth school had never been built.

URA Commissioner William Clayton re-plies that non-cash credits are never final until the books are closed on a project. He has told GAO he will notify the cities of "the likelihood of substantial reduction or elimination." GAO reports that this may only delay the day of financial reckoning and fears that cities "may find it difficult to obtain on short notice the funds for their share.

GAO also attacks URA for letting New York City claim $2,719,000 for a public plaza in Lincoln Center and $41,800 for street widening in the Seward Park project. GAO contends the plaza is ineligible because it serves the entire community. It calls the street costs excessive because streets are 100' wide while city standards call for only 80'.

URA plans second edition of renewal land for sale

The 10,000 copies of the first-ever listing of former slum land to be sold to private developers through June (NEWS, Oct.) vanished "like snow in July," report Urban Renewal Administration officials.

As a result, URA is getting out a second and larger edition, which can be ordered from URA in Washington. The new book will contain a subscription card so prospective developers may have future listings mailed directly to them.

Sales of renewal land are speeding up but the backlog of acquired-but-unsold former slum property is still rising. In the first six months of 1962 renewal agencies sold a record 29,965 acres while paying $27 million. New public housing is drawing the nation's big backlog of land (NEWS, Aug.) thus grew by 958 acres to 10,478 acres.

NEWS continued on p. 26

23
Offer her a kitchen

1. Save her extra shopping trips with the exclusive 14 cu. ft. Center Drawer Refrigerator. Convenient waist-high center drawer keeps meat fresh 7 days. Available in confection colors. Choose from a wide selection of other Frost-Free and non-Frost-Free refrigerators.

2. Offer her a top-loading dishwasher or the new front-loading model shown above. Choose from standard or deluxe versions with exclusive Sanitizer that assures 145° water for cleaner dishes and Clear Rinse Dispenser for spotless drying. Door panels come in a variety of confection colors.

3. Add excitement to your kitchens with the Terrace Top Electric Range. Built below standard counter height, its unique split-level design makes all cooking chores easier. Available with or without automatic timing center. Adjustable base assures perfect flange fit with counter top.

4. Get complete flexibility in designing the laundry area—with the Westinghouse Space-Mates Laundromat® Automatic Washer and Dryer. As a Vanity Pair (shown above), they're out of the way under a counter. Or you can stack them in 4 square feet of space to save costly floor area.

5. Give her plenty of storage space with easy-to-install Heirloom maple wood cabinets. They're made to custom fit and color blend with every Westinghouse appliance. Adjustable shelves provide complete flexibility.
she can't help loving...

Sell her on the kitchen and you'll sell her husband on the home. No one is better equipped to help you do just that than Westinghouse. Because only Westinghouse offers builders such an exciting line of appliances . . . guaranteed to tug at the heartstrings of every prospective female homeowner. And only Westinghouse offers such a wide variety of built-in and free standing appliances—in models to fit the needs of your individual markets — for homes and apartments of all prices. You can be sure...if it's Westinghouse

Westinghouse Electric Corporation
W. E. Slabaugh, Manager,
Contract Sales Dept., Mansfield, Ohio
Please send me catalogue and complete details on the dynamic new line of Westinghouse major appliances.

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Address: __________________________
City_________________________Zone________State________

These appliances plus Heirloom maple wood cabinets, Micarta® Counter Tops, Heating & Air Conditioning, Lighting, Wiring Devices, and Apartment Elevators are all available through one point of contact. See your Westinghouse residential sales manager, or write to the address above.

JANUARY 1963
NAREB elects Dan Sheehan

The election of Daniel Francis Sheehan, 59, to lead the conservative National Association of Real Estate Boards in 1963 drew private cheers from Kennedy Administration officials attending the NAREB convention (see p. 18). He is a Democrat.

Sheehan may be somewhat illusory. Sheehan refuses to discuss his political leanings beyond listing his political party. In accepting, he brought his largest burst of applause by pledging to "maintain the free enterprise every one of us believes in." Sheehan is president of the Dolan Company in St. Louis (1962 volume: $19 million on 1,000 residential and commercial sales). But he has branched out to manage all parts of his operation. He is a strong supporter of the Dolan Mortgage Co. (servicing: $352 million) to Financial Corp. of America (News, Feb.). Financial is the holding company for William Dolan, which around Security Title Insurance Co., fourth largest in the nation.

Reason: "Although the terms of the proposed acquisition were agreed to the management of both companies (McMillan would have received nearly $7 million of Federal stock), unforeseen personal problems on the part of Mr. McMillan made it impossible for him to conclude the deal," said a two paragraph announcement.

State suspends Miami's largest mortgage firm

But suspension of the state license of J. I. Kislak Corp. (servicing volume: $200 million) turned into a comedy of errors that points up the folly of automatic suspensions.

Last July, six Kislak officials (but not Kislak himself) were indicted on charges of falsifying papers in selling mortgages to Federal National Mortgage Assn. On Nov. 7, State Mortgage Commissioner Ray Green suspended Kislak's license, effective in 30 days, under a state law calling for automatic suspension after an indictment and before a trial.

But before the 30 days ran their course, all six indictments were dismissed because they did not specify that alleged falsification was a material fact in a federal crime. Federal attorneys called this a technicality and sought new indictments. The suspension order was then vacated.

Indicted for conspiracy to defraud the U.S. government are: ex-State FHA Administrator Charles B. Holliman, former State Republican Chairman Claude O. Vardaman, his wife, Sue, and Huntsville Real Estate Man Carl B. Thomas. The indictment: that Vardaman used his GOP political influence to get Holliman's approval of FHA commitments—which Holliman issued "in consideration of his appointment." The result, according to the indictment: the U.S. was deprived of the "loyal and faithful service" of Holliman.

Named as co-conspirators but not indicted are eight others, including Builders James Folmar and Henry Flinn Jr., whose mortgage was three years ago led House & Home to ask questions that set local newshounds on the trail of the scandal (News, Oct. 1959 et seq.). Single-handed, the firm seemingly had created a major glut in low- and middle-priced houses in some of the state's most active markets, was stuck with 1,438 units in Mobile, Birmingham, Gadsden, and Huntsville. More curiously, some 900 of these were FHA Sec. 221 low-cost units, eligible for Fannie May purchase at subsidized prices, and supposedly authorized only according to need. Cutting through a welter of explanations, including bad market estimates by FHA and labor troubles for the builders, H&H correspondents uncover a web of land deals in which prominent GOP political figures were involved. Carl B. Thomas, turned over tracts bought for $850,000 for a profit of well over $1 million in a two-year period.

Six of the eight sales involved were to subsidiaries of Folmar & Flinn, who also received better than half of the Sec. 221 commitments issued in Alabama in 1958.

Despite the falling smoke, FHA provers from Washington were, even after six months and with the help of the FBI and HHFA, unable to find fire. Said then-FHA Administrator Julian Zimmerman: "It must be stated that no evidence has been developed to support a conclusion of wrong doing. . . . Many actions taken, now subject to review. . . . may or may not be proved sound as time passes." Holliman requested, and was granted, a transfer from the state post to Washington, and subsequently resigned. Vardaman declined to seek re-election as state chairman in June of this year. With their co-defendants, they are free on bond, face trial sometime next spring. Possible penalties if convicted: up to five years in prison, fines of up to $10,000 apiece. Meanwhile, builders are still stuck with 1,160 units of their three-year-old unsold hang-over.
ALABAMA'S BOYKIN
Multi-million dollar land deal!

MARYLAND'S JOHNSON
Pay for a Congressional speech?

E. H. Boeckh & Associates, leading analysts of residential building costs, has merged with American Appraisal Co. of Milwaukee in a straight stock swap. Boeckh's report, issued for 80 cities, but some 200 are field-surveyed by his five-man Washington, D.C. staff, plus independent fee-researchers. American Appraisal specializes in inventory-type appraisals, has offices in 21 cities, with an annual gross over $4 million. It will maintain the operation as a wholly-owned subsidiary under Col. Boeckh, who joins the board of the parent company.

A company controlled by Boykin, Tensaw Land & Timber Co., sold 4,568 acres in Stafford County, Va., and a second large tract in Charles County, Md., to two Edlin-controlled companies after Edlin gave Boykin checks for $250,000. The indictment says Edlin paid $3 million for the Virginia tract but does not specify the price of the Maryland property. (A state audit of Edlin's two S&Ls disclosed payments totaling $822,081 to the two companies buying the land. The S&Ls are in permanent default and are now under court receivership.)

Both congressmen express shock at the indictment. "I am positive that I will be completely vindicated," said Boykin, the first time in history that I will be completely vindicated at a trial beginning Feb. 18," says Johnson. He notes the "curious timing" of the indictment just three weeks before he came up for re-election. Boykin, a flamboyant politician, said that in 1960, the S&L paid $3 million for the Virginia tract but does not specify how he was paid. The S&Ls are in permanent default and are now under court receivership. Boykin himself failed to win renomination to Congress in last May's primary.

So far, the Maryland investigations have brought 86 indictments against 23 individuals, Edlin himself finally pleaded no contest to his mail fraud charge and was just ending a six-month jail term when the new charges hit him.

Johnson at first appeared to be gaining from the indictment, as the deep-South character of his district caused voters to rally against the big federal government picking on their man. But in the elections Johnson lost to a Republican. He notes the "curious timing" of the indictment just three weeks before he came up for re-election. Boykin, a flamboyant politician, said that in 1960, the S&L paid $3 million for the Virginia tract but does not specify how he was paid. The S&Ls are in permanent default and are now under court receivership. Boykin himself failed to win renomination to Congress in last May's primary.

A federal grand jury charged that when Edlin, of Miami Beach, was indicted in November, 1959, for mail fraud in the operation of First Continental and First Colony S&Ls in Maryland, Edlin tried to induce Boykin to use his influence to seek dismissal of the charges. The jury charged that these events then followed:

- A company controlled by Boykin, Tensaw Land & Timber Co., sold 4,568 acres in Stafford County, Va., and a second large tract in Charles County, Md., to two Edlin-controlled companies after Edlin gave Boykin checks for $250,000. The indictment says Edlin paid $3 million for the Virginia tract but does not specify the price of the Maryland property. (A state audit of Edlin's two S&Ls disclosed payments totaling $822,081 to the two companies buying the land. The S&Ls are in permanent default and are now under court receivership.)

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COMPACT ELECTRIC BASEBOARD UNITS were chosen by Bill Rowland for his new homes to help him cut construction costs. Because they are quick and easy to install, they save on time and labor.

"LOCAL ELECTRIC UTILITY CO-OPERATION has been a big help closing sales," says Bill Rowland to Kansas Power and Light representatives Dale Whitaker (right) and Bill Brown (center).

"INDIVIDUAL ROOM TEMPERATURE CONTROL is certainly a popular sales feature with prospects," Bill Rowland comments. "Electric home heating really gives you positive benefits to sell."
"SALES HAVE REALLY GONE UP since I started using flameless electric home heating in my houses eighteen months ago," reports builder Bill Rowland. "And I'm discovering that more and more prospects are looking for the Gold Medallion when they go house-hunting."

"NOTHING ADDS AS MUCH SALES APPEAL TO MY HOUSES AS FLAMELESS ELECTRIC HOME HEATING"

Hutchinson, Kansas, builder Bill Rowland tells why he has switched to flameless electric home heating in his $11,950 to $26,000 houses

"I'm really sold on electric home heating," reports Bill Rowland. "It helps me build my homes faster, and because prospects are attracted to them, it helps me sell them faster. I sure don't know anything better I could say about it than that."

Another thing this builder likes about electric heating is the low number of complaints and call-backs after installation. "Used to be, if I built 25 homes, come winter I'd have to go out and light 25 furnaces and make sure they were working right. Something like that can run into a lot of time. Fortunately, electric heating is almost fool-proof to install and operate.

"Here in Kansas, it's pretty clear that electric home heating is gaining momentum all the time. And when something like that comes along that means more profit, I certainly want to be in on it."

Like Bill Rowland, builders all across America are discovering how well it pays to build and promote electric heating in their homes. Already, more than a million homes are being heated electrically, and over 400 more a day are being built.

Why not find out how you can profit more by using one of the several systems of flameless electric heating in your homes? First chance you get, talk it over with your local electric utility company representative.

THE TOTAL ELECTRIC HOME that displays this Gold Medallion helps you to capitalize on the fast-growing customer preference for total electric living. And because a Gold Medallion Home uses a single source of energy for heating and cooling, light and power, you will profit more.

LIVE BETTER ELECTRICALLY - Edison Electric Institute, 750 Third Avenue, New York 17, N. Y.

JANUARY 1963
Plan now to enter this exciting, sales-proven, national awards program

**1963 HORIZON HOMES Program**

Again in 1963, home builders and architects are offered this unique opportunity to share in a nationwide program developed expressly to showcase the newest ideas in concrete and actively promote the sale of new homes. Over 150 builder and architect teams already have participated. They have been enthusiastic over the effective publicity and promotional support as well as buyer interest accorded Horizon Homes. Because of this industry interest, the 1963 program will include individual houses and row or duplex, multiple-family dwellings.

Each year this continuing program has produced the most imaginative designs . . . the freshest merchandising approaches. Identify yourself in 1963 with this hard-hitting, sales-oriented national program, keyed directly to the home builders' promotional needs. Qualify for the Horizon Homes Award Program—2 major national awards and 7 regional awards for merchandising and design. A total of 16 prizes in all.

For complete details, contact your Portland Cement Association district office.
Yields poised for another plunge; building loans feel first bias pinch

"More money is chasing fewer mortgages than at any time since the late 1940s. We expect yields to drop another ¼ % by next summer," predicts President Irving Rose of Advance Mortgage Co. of Detroit.

Mortgage bankers in HOUSE & HOME's monthly survey of 18 cities give half-way support to Rose's theory. "I would have to say he is 100% correct," agrees President Robert Morgan of Colwell Co. in Los Angeles, where discounts on FHA See 203b, minimum down payment, 30-year loans shrank a full 1%, from 97½ to 98½, last month." "Yields will continue to fall throughout the year," adds William Curran of Franklin Capital Corp. in Newark.

"Interest rates have gone down and will in my opinion continue to drop through 1963," asserts Chairman Joseph McMurray of the Home Loan Bank Board. But HLBB Advisor Harry Schwartz dissents: overall interest rates will rise late in the year but not enough to affect mortgage rates, he forecasts. "At best, interest rates on mortgages might level off." Research Director Saul Klaman of the National Association of Mutual Savings Banks predicts "rates will continue to move within a narrow range."

President Robert Morgan of Boston's 5% Savings Bank ventures that any yield drop is likely to be only ¼ % rather than Rose's ¾ %. "I would guess that before the yield drops a full ¼ %, the money will go to other markets. At 98 you will lose some mortgage money," he says. Other mortgage bankers predict that pension funds will drop out of the market if yields drop ¼ %.

"But if Congress votes a tax cut and makes other investments more attractive," the trend toward lower yields may end, warns one mortgage banker.

The anti-bias order could dry up FHA and VA mortgages for a while.

Most mortgage bankers expect a temporary interruption of government-backed originations. Eastern mortgage men are expecting the biggest curtailment from brokers originating mortgages in the South, but one Southerner predicts the cutback will be nationwide.

The resulting pinch on supply could in turn shrink discounts on FHA and VA loans, say some. But one mortgage banker warns: "This may supply the kicker which will lift the price another ½ point, and on the surface look like the reason for smaller discounts. But the real reason would be oversupply of money."

Most expect tract mortgages to be hit first, and one broker says builders and lenders both will be watching how the first tract-busting efforts (likely to come at scattered locations in many cities) will turn out.

"We confidently expect the volume of spot loans will increase," says one broker. "In fact it could happen that spots might ultimately be favored over tracts as they automatically give diversification which is universally accepted as a basic ingredient in every sound investment program."

First and hardest hit will be construction loans for builders.

"I've got an application for a $250,000 construction loan on an FHA tract, and frankly I don't know what I'll recommend that our loan committee do with it," says one mortgage lender. His plaint is typical: many lenders insist on FHA subdivision approval before they will make building loans, and the anti-bias order indicates that subdividers will have to pledge to obey the anti-bias rule to get this approval, even if houses are sold conventionally.

In one Southern city a subdivider is forcing builders to sign a reverse pledge not to sell homes on FHA or VA financing before he sells them lots.

Mortgage brokers are also taking a long second look at how they handle Negro applications, especially if they are the first Negro buyer in an all-white neighborhood. The FHA rules make FHA-approved mortgages subject to the same penalties if they use race bias, and some brokers may tend to avoid any hint of bias by approving Negro applications—even if the credit rating is borderline.

"You won't find any lender admitting to such a thing; but this will be on their minds and they may have a tendency to lean toward making a loan to a Negro," observes one broker. "Rejection will be dangerous," adds another.  

* Other cities report changes of ¼-point; Miami is up from 96-97 to 96-97½; Houston goes from 97-97½ to 97-98; Oklahoma City advances from 96½-97½ to 97-97½; Atlanta is now 97½, compared to 97-97½ a month ago.
Some things are too big to handle alone!

When you need mortgage financing or seek mortgage investments—You need a Mortgage Banker

A mortgage banker specializes in finding the right money source for the right loan and vice versa. He knows each investor's requirements, not only as to amount but also to type, quality, yield and timing.

He knows the quality, desirability and merchandising potential of every property he represents.

This spells security and profit for both mortgagor and investor and is a boon to architects, builders, realtors, developers and attorneys in obtaining permanent or construction financing.

That's why when you need mortgage financing or seek mortgage investments... you need a mortgage banker.

Sponsored on behalf of the more than 2,000 MBA members from coast to coast.
MORTGAGE MARKET QUOTATIONS
(Sale by originating mortgagee who retains servicing.) As reported to HOUSE & HOME the week ending Dec. 7, 1962.

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FHA 5/4s spot loans (On homes of varying age and condition)

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FHA sets new guide lines for evaluating servicing

After months of prodding by the Mortgage Bankers Association, FHA has set standards by which the cost of servicing accounts bought by a mortgage banker can be recognized in figuring the minimum $100,000 net worth mortgage bankers must have to approve FHA mortgages.

Until now, FHA has taken up each case individually, so the rules have changed from decision to decision. Now, FHA has set these general standards for computing the value of bona fide, arms-length purchases:

1. The price must be in line with established market values and must be amortized within eight years. This assures that the required net worth will not be represented ultimately by intangible assets.
2. If the earnings from servicing are not enough to cover the amount written off in any one year, the principals in the mortgage banking firm must invest additional funds to cover the resulting depletion of net worth.
3. The unamortized purchase price of any contract bought cannot be cancelled, or transferred must be written off immediately.
4. After making a purchase, the mortgagee must still have a minimum $25,000 working capital and a satisfactory line of credit.

S&L holding company finds new route to leverage

Great Western Financial Corp. in Los Angeles is bringing new short-term money for construction loans into its seven S&Ls (assets: $1.2 billion) at rates much lower than the cost of long-term money from shareholding depositors.

Great Western sells to out-of-state corporations notes expiring in 270 days but payable on demand before that. The notes pay this sliding scale of interest: 3 1/2% if held less than 90 days; 4% if held from 91 to 180 days; 4 1/2% if held the full 270 days. Corporations must buy a minimum of $100,000.

President John Marten is enthusiastic because $12 million has been sold so far and no buyers have demanded early repayment. A maximum of $525 million will be outstanding at any one time.

FHA news

News (On homes of varying age and condition)
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National League asks greater S&L lending authority

It seemed as if there suddenly was little else to talk about. Apparently without prearrangement, almost every major speaker to address the National League of Insured Savings Assns. in San Francisco turned to a variation of the same theme: S&Ls need broadened lending powers. Not a negative note was sounded—significantly not by two guest speakers: Rep. Wright Patman, (D, Tex.), incoming chairman of the House banking committee, and Sen. John Sparkman, (D, Ala.), chairman of the Senate housing subcommittee.

Patman got the convention off to a headline-grabbing start with a talk that clearly aligned him with S&Ls and against commercial banks in any Congressional showdown over lending powers.

In a tartly worded attack on banks' hopes for easier mortgage lending authority, Patman said: "Commercial banks are demand institutions ... Long term investments such as home mortgage lending are a function of the thrift industry. Because of the peculiar nature of a long term real estate loan I question whether commercial banks should appreciably increase their mortgage loan investments."

"Commercial banks are a privileged group and still they want more privileges. A question arises in my own mind as to whether Congress should grant additional functions or liberalize present powers of commercial bankers."

What about S&Ls? Said Patman: "Savings and loans should not be limited almost exclusively to home mortgage lending. They should be able to meet a wide range of family financing needs. They should have other investment powers and I will be glad to work with your league officials on such a program."

Sen. Sparkman, speaking two days later, had no favorites: "I would like to see both savings and loans and banks given broader lending powers."

And as the convention program wore on, speakers talked of S&Ls financing everything all the way from schools to refrigerators.

"If you can't meet competition ..." mortgage loans, but also the average loan per unit is less than on single family houses.

Most important of all, S&Ls' cash intake from amortization of past loans is soaring from $8.5 billion in 1950 to $21 billion this year. That is "enough to satisfy all normal home-mortgage requirements," says Newcomb.

National League officials are well aware they're inviting a fight from commercial bankers. Bankers themselves are seeking legislation to let them make more generous conventional loans.

But no National League official made anything like the statement of the U.S. League's Met Dye who demanded a Congressional investigation of banks' efforts to grab a bigger share of the home mortgage business.

Incoming National League President Harold Halleen says privately that the league official-ly would oppose any greater lending authority for banks. But he added that if S&Ls get new lending authority for short-term loans, they would have little chance—Patman notwithstanding—to stop banks from getting wide lending powers too.

"I imagine that will be the compromise," says Halleen. If we get greater lending authority we have no right to ask that banks do not get it. We simply object to our being limited in what we can do while the banks encroach more and more into our area."

Other comments on the same points:

- HLBB Chairman Joseph McMurray: "Your authority to lend and invest must be greatly broadened. You should have the authority to invest in tax-exempt securities and to a limited extent in other types of securities. You should be able to service your shareholders in their consumer credit needs, especially those relating to the household."

- President John E. Stipp of the Home Loan Bank of Chicago: "In the decade ahead, the logical growth of the system is toward related consumer-type finance of such items as home appliances, furniture and probably even college educations."

- California S&L Commissioner Preston Silbaugh chided S&Ls for trying to keep banks out of home lending. "If ... you can't meet their competition you've got no economic justification for continuing in existence," he said. "The answer lies not in trying to make others give you the home finance field as a private feudal kingdom but in broadening your own investment and lending powers."

Logical areas, he suggested: are water, streets, sewers and probably appliances, furniture and probably even college education.

Silbaugh also called for changes in criteria for creating new associations and branches and for elimination of the 50-mile lending limit, both labeled as "feudal feudalism" systems, long since outdated by the changing growth patterns and needs of the community.

Federal charters for savings banks win a convert

"If the bill (permitting federal chartering of mutual savings banks) is adopted in its present form, the First Federal Savings & Loan Assn. of Peoria would convert to a savings bank form."

That announcement from First Federal's president, A. D. Theobald, brought cheers from members of the National Assn. of Mutual Savings Banks, who turned their mid-winter meeting in New York City last month into a pep rally for a big push in Congress this year for federal charters.

But Theobald's stand also offered a hint on the much larger question troubling savings bankers: Will S&L men join them in their quest for federal charters? S&L men are divided among themselves so far, say S&L leaders. Theobald's support is one key to the answer, for he has been an acknowledged leader in the S&L industry since 1931, when as a U.S. S&L League staffer he was active in the drive for federal charters.

Theobald bluntly recalled that savings bankers were asked if they wanted to be part of this federally-chartered thrift movement and "they were not interested."

Today, continued Theobald, "we are being swept along in fundamental changes in attitudes and banking systems" fully as exciting as the early 1930s. In this tide, mutual S&Ls and savings banks "can be partners in progress—but we can be partners in our liquidation, too," he warned. "We are confronted by the dynamics of an American Banking Assn. that is a dramatically different association than it was eight or 10 years ago. We see a comptroller of the currency [James Saxon] who is more active, it seems to me, than any other supervisory authority I have ever seen in developing the commercial banking system."

"My concept of commercial banking is that it is the deadly enemy of the thrift institutions. Some of these banks seek to eliminate your type of business and mine. And, more importantly, others are..." continued on p. 38.
Build-in a wonderful world of

COOKING WITHOUT WATCHING FRIGIDAIRE COOKING TOPS. Four models in every price range. Some with Heat-Minder that does the pot-watching. Speed-Heat unit gets red hot in seconds. In matching colors.

UP-CLOSE COOKING, EASY CLEANING FLAIR WALL OVEN. The jewel in any kitchen setting. And homemakers will visualize new facility in cooking and oven cleaning with the exclusive Glide-up glass door. Cook-Master Automatic Oven Control, of course.

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Appliances, alone, do not sell homes. Any more than nails and boards and bricks sell homes. What customers do want in a home is convenience, beauty, dependability, long life. Appliances are the means of giving them what they want, and if the appliances are Frigidaire, they join your best new home salesmen! These pages can reveal only a glimpse of the wonderful world of Frigidaire kitchen convenience and beauty. Your Frigidaire dealer or representative can open it wide for you.
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Looks—and cooks—as though it costs much more. Spacious 23" oven holds up to 6 pies at once. Easy (and inexpensive) to install in a cabinet, or between cabinets. No close tolerances required. Colors, brushed chrome or white.

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Does 14 place-settings in germ-killing temperatures up to 120 times longer than average hand washing. Once-a-day dishwashing, too, for average family of 5. Two under-counter models. Colors, brushed chrome and white.

THE WORLD’S EASIEST OVEN CLEANING FRIGIDAIRE WALL OVENS. Beautiful, too, in Kitchen Rainbow colors. Drop-leaf Door lowers all the way down, lets her step up close for easy cleaning. Pull 'N Clean lower oven. French Door model saves aisle space. Single and double oven models for every budget.
Housing issues begin a belated recovery

Led by a roving 24% jump in building issues, House & Home’s index of housing stocks climbed 7.2% to 8.90 between early November and early December. This improvement more than matches the 5% rise in the Dow-Jones industrial average over the same period (to 646.51); but lags behind the National Quotation Bureau’s index jump of 19.6% (to 110.70).

Only housing stocks to show a loss were real estate investment trusts (off 4%) and real estate investment (down 2.4%). S&Ls had the biggest gainers and losers: Financial Federalization rebounded 9% from its month-earlier 11-point drop, but Equitable S&L fell 9%.

STOCK MARKET

Syndicators in trouble: shakeup at Glickman

Whispers of trouble inside the houses of the nation’s biggest syndicators and publicly-held realty corporations swelled to a roar last month.

The big break came at Glickman Corp. Louis J. Glickman severed all ties with the company he founded in May 1960 because of personal financial difficulties which, said the company, were unrelated with its performance. His creditors met to discuss ways of collecting debts they said may exceed $10 million.

At the same time Attorney General Louis J. Lefkowitz of New York State ordered Glickman and two other company officers to return $500,000 they had collected on a syndication of a Manhattan apartment. Lefkowitz began a “general inquiry” into some activities of Glickman Corp. and some of its principal officers and directors, including a loan from the company to another company controlled by Glickman on which $137,000 is owed, according to a company prospectus. At this news Glickman stock tumbled to $5 a share bid (vs a 1962 high of $16).

The investigations have a bearing because, among other things, they have run out of high-yield properties to syndicate. The first syndications by publicly-owned companies in 1964. But an industry had become more popular with investors, competing syndicators bid up the price of properties. Yields tumbled to around 10%. And much of the public’s money went into marginal properties which produced barely enough income to pay expenses plus the high distributions promised shareholders.

Last year four syndicating realty companies cut their cash distributions: Futterman Corp. dropped from 8% to 5% monthly in April; Walter J. Schneider Corp. cut from 12% monthly to 15% for two months. Kaymar Corp. eliminated dividends altogether; and Frouge Corp. dropped dividends in July.

To give investors a more accurate picture of the syndicators’ operations, the Securities & Exchange Commission in mid-year began requiring companies to file quarterly statements of cash flow, showing operating income and non-recurring profits (principally from sale of properties) and cash actually paid out to stockholders in the same period. Tenney Corp., for example, has disclosed that only 32% of its $3.5 million net income came from its properties while 26% came from building operations, 26% from selling properties, and 13% from syndication.

HOUSE’S STOCK PRICES

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**NEW ISSUES**

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<tr>
<th>Date</th>
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<tr>
<td>Nov. 9</td>
<td>First Mortgage Inc.</td>
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<td>Marin County Fin.</td>
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<td>Nov. 20</td>
<td>Columbia Realty Trust</td>
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**REGISTRATIONS WITHDRAWN**

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<td>Nov. 12</td>
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<td>Nov. 19</td>
<td>Urban Redevelopment</td>
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**—maximum**
"Hello there, small fellow. I see you are about to make another delivery for kwikset—America's largest selling residential lockset—to some happy builder. How delighted he'll be to know that when he orders his kwikset locksets through his local distributor they'll be delivered precisely when and where he needs them, thanks to a kwikset policy of filling and shipping stock orders in 24 hours or less. This speedy delivery, plus the fact that these locksets give years of trouble-free service, should make that builder a truly jolly man."

"The delivery would be even speedier if you'd remove your body from that doorway, Charlie."
Why this sign will help you sell more homes!

When your homes are Blue Star Homes, things happen.

American Gas Association's million dollar-plus Blue Star promotion goes to work for you. Powerful advertising, both national and local, is beamed at potential home buyers. A complete kit of tested selling tools is placed at your disposal.

House hunters are told and sold on the extras found only in a Blue Star Home . . . they're made familiar with the Blue Star Home sign . . . they're reminded in ad after ad to "look for this sign of a quality home."

House hunters are pre-sold on the advantages of the modern Gas appliances they will find in a Blue Star Home.

Your local Gas company representative will give you full details about how the Blue Star Home promotion will help you sell more homes. Ask him.

AMERICAN GAS ASSOCIATION

BLUE STAR HOME

GO MODERN—GO GAS
**Home buyers’ favorite . . .**

**GAS HEAT!**

8 out of 10 new home buyers across the U.S. choose economical, quiet, efficient, clean, modern Gas heat . . . enjoy lower fuel bills, proved performance. More than 26½ million satisfied homeowners use Gas heat. Gas units can be planned to use the same ducts for both heating and cooling, so that Gas cooling easily can be added at any time.

**Home buyers’ favorite . . .**

**GAS COOKING!**

Gas ranges . . . built-in, wall hung, free standing, or slide-in . . . are far and away the most popular. Cost you less to install, too. And they feature modern advances like the Burner-with-a-Brain* that turns itself up and down automatically to hold the correct temperature. No finer ranges are made than those built to Gold Star standards.

**Home buyers’ favorite . . .**

**GAS WATER HEATING!**

With economical, dependable Gas, homeowners are sure of all the hot water they need, when they need it. No wonder a Gas water heater is preferred. And a Gas dryer is faster, more economical, leaves clothes soft and fluffy, white and bright.

**PLUS** these modern features that make your homes more appealing to prospects: Smokeless, odorless Gas incinerators eliminate daily garbage and trash carrying, place your home in a cleaner, quieter, more modern setting. Gas refrigerators cost less to run, have less moving parts to break down, give new convenience in ice making with no trays. Outdoor Gas Lights add beauty, warmth, distinction to your driveway, patio, yard, doorway . . . impress prospects coming and going.

**ONLY HOMES OFFERING BUYERS THE ADVANTAGES OF MODERN GAS APPLIANCES CAN BE CALLED BLUE STAR HOMES.**

---

*A.G.A. Mark ©Am. Gas Assoc., Inc.*
WELCOME SIGN on the highway near entry to Clovercrest cost $445. Double-faced sign has the same message on reverse side, can be re-used when repainted with a new community name.

SMALL DIRECTIONAL SIGN of die-cut cardboard cost 41¢ when bought in hundreds. United Homes had 60 painted for $57, saved unpainted boards to be painted with other names later.

COMMUNITY ENTRANCE cost $612 (including brickwork). Cost was allocated to community development rather than advertising because entrance is permanent feature of Clovercrest.

COMMUNITY MAP was kept simple since community size (86 lots) did not warrant big expense.

Want to cut the cost of signs and displays? Here's how one builder did it

The builder is Herman Sarkowsky whose United Homes sells 500 houses a year in ten Seattle, Tacoma, and Portland subdivisions. He has halved his costs by using signs and displays that, with minor changes (and sometimes with no changes at all), can be re-used in several locations.

The dollar saving? From $45 to $70 a house, according to Sarkowsky's estimates. Signs and displays which used to cost $70 to $100 a house now run $25 to $30.

Sarkowsky's ad agency — Kraft, Smith & Ehrig of Seattle — designed all signs and displays on fixed modules. Some of the small signs can be mass-produced; larger signs can be repainted for re-use in different subdivisions. Displays are demountable and designed for standardized garage display areas.

Design costs were $1,400. Producing the first batch of signs and displays — for Sarkowsky's Clovercrest subdivision — cost another $2,000, but, because they will be re-used, much of this outlay will be spread over a large volume of houses.
STANDARD DISPLAY AREA is in model-house garage. Prefinished plywood walls, textured ceiling, and tiled floor cost $650, most of which will be recovered because garage can be used as playroom when house is sold. Displays, mostly re-usable, cost $1,877. Big “welcome” display panel cost $300, can be re-used by simply painting in new subdivision name. Small wall displays are mounted on 1x2 strips to save paneling when they are removed.

NO FUTURE ASSESSMENTS

Look at the Built-in Advantages CLOVERCREST Offers Your Family

- ELECTRIC/TELEPHONE STUDIOS ON BACK 1/2 CT
- PARKWAY 14 FEET WIDE
- STONE CURBS AND GUTTERS
- CONCRETE DRIVEWAYS AND APARTMENTS
- WATER MAINS
- DRAIN STREETS
- SANITARY SEWERS
- HARDSEATED PATHS WITH BARRIER STREET
- STREET WITH 2 X 4 IN DRIVEWAY
- PARKWAY WITH SIDES

FACILITIES DISPLAY on 4'x5' wall-mounted panel cost $140 and, like most other displays, can be re-used by changing subdivision name.

PRODUCT DISPLAY is mounted on back of “welcome” panel shown in photo above. It can be re-used without changes in other subdivisions.

MARKETING ROUNDUP continued on p. 47
No counter cut-outs, no lifting, no built-up base with new Kelvinator Slide-In Ranges!

No cut-out saves 2½ feet of expensive countertop.

No built-up base saves cutting, nailing and fitting.

No lifting and juggling of heavy equipment saves installation time and personnel. One person can install a new Kelvinator Slide-In Range flush with counter in minutes!

And with three simple notches and one trim strip, it can also be installed with the range top overlapping the countertop.

Either way, you get the expensive built-in look. The counter backsplash extends across the back of the range. The bottom panel may match the cabinets—hardware is included for quick, easy installation.

(Or a porcelain panel or drawer is available as a low-cost option.)

With three models in the popular 30-inch size (20-inch model also available), new Kelvinator Slide-In Ranges have all the features women want, including a brand name they know and trust, plug-in surface units, lift-off oven door, choice of colors, porcelain or brushed chrome range top, and exclusive Kelvinator foil oven linings that end the dirtiest job in the kitchen—oven cleaning.

So why cut out, build up or drop in any more? Install new Kelvinator Slide-In Ranges and save! Write or wire for full information today.
MARKETING ROUNDUP

MARKETING ROUNDUP continues on p. 49

LIVING ROOM in standard model, left, is lit only by table and floor lamps. In test house, above, two recessed ceiling lights, a wall-length valance, and a wall-mounted bracket lamp give even brightness, more flexibility. Valance intensity is controlled by dimmer.

FAMILY ROOM gained in both quantity and quality of lighting. Two overhead fixtures and a 10' wall valance, lit by two 40-watt fluorescent tubes, were added. On the opposite wall, a bracket lamp was used to provide illumination for a specific small area.

KITCHEN lighting was improved in both overall illumination and in well diffused, high-intensity light at work areas. Two ceiling-mounted 6' fluorescent strip fixtures replaced the single round unit, and a higher quality pull-down lamp serves the dining area.

BEDROOMS received increased general lighting, including valances, ceiling fixtures, and wall-bracket lamps switched from doorways. Overhead lighting in walk-in closets and more wall outlets were added. Bedroom hall got two overhead fixtures.

House with planned lighting in every room outsells its "twin," 2 to 1

"HOUSE OF LIGHT" was identical to the standard model but visitors thought rooms were larger.

To find out whether buyers would really pay more for better lighting and quality fixtures, Robert Martin Associates (Ossining, N.Y.) built two model houses exactly alike. Every room was identical — even to the furnishings and the pictures on the wall — except for the lighting. One model had the standard layout of outlets and fixtures; the second had all the additional lighting recommended by the local utility. The basic house cost $22,900, but the one with the deluxe lighting was priced $600 higher (the actual cost of the improved installation).

From August to November, 35 houses were sold, and 24 of these buyers (a ratio of 2 to 1) paid the extra $600 for the planned lighting — even though this entire cost had to be added to the down payment, since mortgaging terms had already been set before the test began. Builder Martin Berger adds: "In a slow buying period, this [the 35 sales] is double what we could have expected without the customer appeal of the lighting."

The $600 extra cost breaks down this way:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Fixtures and bulbs</td>
<td>$329</td>
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<tr>
<td>Electrician labor</td>
<td>215</td>
</tr>
<tr>
<td>Lighting valance material</td>
<td>12</td>
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<tr>
<td>Carpentry labor</td>
<td>44</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$600</strong></td>
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</tbody>
</table>

The builders did not add the normal mark-up because advertising, promotion, and sales expenses were much lower than budgeted, thanks to the promotion value of the lighting.

Marketing roundup continued on p. 49
Quality Southern Pine is available in a variety of remarkable products for better buildings. Light framing with special advantages for engineered construction and components. Roof decking and laminated lumber with greater strength for design economy. Striking new patterns of paneling and siding that adapt beautifully to modern or traditional styles.

*Light framing from mills of the Southern Pine Association is "pre-shrunk" for full dimensional stability and greater nail holding power. Standard framing grades are "all-purpose, stress-rated"—well adapted to trussed rafters and other engineered components. This eliminates a need for more expensive special grades and is a source of substantial savings.

These quality products are available from retail dealers.

For information, write:
SOUTHERN PINE ASSOCIATION,
P. O. Box 52468, New Orleans 50, Louisiana.

★Trade-marked and officially grade-marked.
New plan promotes low-maintenance lawns and gardens

The plan is designed to promote new-house sales by showing prospects that maintenance of lawn and garden need not be a difficult, time-consuming chore. Some of the easy maintenance ideas included in the plan are shown here: curved edges on lawn areas to avoid "push-and-pull" mowing, brick or masonry edgings to avoid hand trimming around foundations, trees, and driveways. Sponsor of the new plan is Jacobson Mfg. Co. of Racine, Wis. It is making available to qualified builders plans for model-house areas designed by Landscape Architect Walter F. Bruning of Jamesville, N.Y. Sites designed by Bruning have been shown by New Jersey Builders Bier-Higgins and William Punch. Reception by prospective buyers was "enthusiastic," both builders report.

FLUSH PAVING around clothes pole and other obstructions eliminates grass trimming by hand.

GRANUL STRIP below roof drip line (where there are no gutters) reduces wash-out of plants.

BRICK EDGE along planting beds, gravel drives, or walks makes power mowing a faster job.

GENTLE CURVES speed grass cutting and eliminate difficult "push-and-pull" mowing.

Eye-catcher for underground wiring

In his Marin County (Calif.) subdivision, Builder Joseph Eichler goes to great lengths to save the trees, and he puts the power lines underground. Both points are made in this well designed ad that tells the story from the trees' point of view and concludes with this moral: "If you like trees instead of power poles, you'll be happy in an Eichler Home at Lucas Valley."

Cartoon fable cuts customer callbacks

To encourage more buyers to read their complete (17-page) new-home maintenance manual, Builders Fisher & Frichtel of St. Louis developed the cover shown above. With hand lettering on gold paper, it tells the story of a king who "did say to himself, I will read the instructions tomorrow"—and whose new castle finally crumbled because he never did "read the instructions."

Need help with water or with sewers?

Johns-Manville has just announced that, for qualified developers of 500 or more lots, it will create an organization to finance, build, own, and operate the water and sewer utility. In its first phase, the program will be limited to seven states: New Jersey, Wisconsin, Illinois, Texas, Oregon, California, and Florida. For information write, S. H. Painter, Johns-Manville, 22 E. 40 St., New York City 16.
22 square inches of bonding surface per block foot. One measure of the effectiveness of reinforcement is the amount of metal in surface contact with the mortar. Keywall compares very favorably with the other commonly used reinforcements. For example, a pair of 9 gauge trussed wires give you 11.2 square inches of bonding area per block foot. A pair of $\frac{3}{16}$ trussed rods, 14.2 square inches. Keywall gives you 22 square inches. That's approximately 96% more bonding surface than the 9 gauge, about 55% more than the $\frac{3}{16}$. More bonding surface . . . one more reason why the important jobs are going Keywall.

MORE BONDING SURFACE TO THE BLOCK WITH KEYWALL
NEW General Electric All-transistor
Built-In Sound System/Intercom

The fine touch of luxury and convenience to help sell your homes.

General Electric's New FM/AM Sound System/Intercom. Take advantage of one of the fastest growing home-owner demands in the built-in electrical industry, and let General Electric's handsome new Sound System/Intercom help sell your homes.

Designed and built by America's number ONE manufacturer of radios, this new system offers you a new level of reliability, a variety of functions, an entertainment capability and a home-selling appeal that is unique in the entire industry.

The new all-transistor design offers many advantages over conventional tube-type intercoms. There are no tubes to heat up, no ventilation is required and units can be flush-mounted. Also, long-life transistors and lower power consumption allow 24-hour operation without "resting” periods. Operates at a safe 16 volts (against up to 115 volts for tube types).

Low-cost operation. Here's a big selling point: General Electric's transistor-ized system may be run 24 hours a day. It uses only 6 watts of power on standby, only 12 watts when in use. (Some tube-types use as much as 59 watts.) Your customers enjoy all this convenience, all this luxury for a few cents a month.

Ease of installation. No metal rough-in box and junction box required at master unit. Simple wire nut connections. Low-voltage wiring from remote transformer to master unit.

Ease of use. Designed with the customer in mind. General Electric's system is always ready for instant use—no waiting for tubes to warm up. Stations are identified by room (not numbered to cause confusion). Push-to-talk bar is simple to use—no slide switch to hunt for. Exclusive call signal summons kids without shouting. Continuous volume control at master station allows adjustment of volume at master without affecting remote stations. Phono-jack mounted at baseboard for extra convenience and will accept a wide variety of sound sources. Precision vernier tuning on radio.

Appearance. Master and remote stations mount flush with wall (no ugly protrusion to catch dust, grease). Elegant wood frame surrounds master station, blends with décor. Choice of handsome die-cast or patterned fabric grilles on remote stations.

Performance. Features found only in the highest quality FM/AM radio receivers such as Automatic Frequency Control to keep FM stations from drifting. Tuned RF circuit on AM for pulling in distant stations. Huge 9” by 6” oval high-fidelity speaker. Engineered by General Electric, America's number ONE radio manufacturer. Install as many as ten remote stations on each system. (And General Electric's exclusive audio compensating circuit maintains constant volume at all remote stations.)

These are just highlights. For performance, for styling, for features, no competitive system can touch this new General Electric product. Why not write for complete details on the superiority of General Electric's FM/AM Sound System/Intercom? (Model W-330.)

Your General Electric built-in appliance distributor has complete information on the built-in sound system/intercom and radios. See him soon. (For the name of the distributor nearest you, write General Electric Company, Built-In Intercom Sales, Radio Receiver Department, 1001 Broad Street, Utica, N. Y.)
Build-in nationally known quality at the remarkable Admiral price!

The Admiral name immediately tells your prospects that you have taken the care to install only the finest equipment. It helps you close faster. Yet, because of remarkable Admiral prices, you make more profit, too!


3. Admiral Deluxe 11.1 cubic foot Refrigerator. 9.6 cubic foot refrigerator. 1.5 cubic foot freezer. 2 glide-out shelves. Automatic interior light, full width crisper, butter bin. 5 colors. Model CR212.


6. Admiral Imperial Double Wall Oven. 2 giant ovens, 3 shelves. 2 oven temperature controls. Deluxe Time Clock. Oven light. 6 decorator colors. Model OE231.

7. Admiral Deluxe 9.5 cubic foot Refrigerator. 8.3 cubic foot refrigerator. 1.2 cubic foot freezer. Automatic interior light. 2 glide-out shelves. 2 pantry door shelves. Temperature control. 5 colors. Model C1032.

January 1963

MGIC reaches a major milestone in the mortgage guaranty insurance field.

We Have Attained our

First

Billion Dollars

Of Insurance in Force!

Mortgage Guaranty Insurance Corporation

WRITE OR PHONE TODAY for complete information on the MGIC Plan of mortgage guaranty insurance.

Mortgage Guaranty
Guaranty Policy

600 MARINE PLAZA - MILWAUKEE 2, WISCONSIN - BROADWAY 2-8060

THE NATION'S LARGEST PRIVATE GUARANTOR OF MORTGAGES

MGIC is not licensed to do business in Alaska, Connecticut, Maine, Maryland, New Hampshire, New Jersey, New York, Rhode Island, Texas or Vermont (available through surplus line brokers).
Presidential suggestions

H&H: Your November editorial "What can the President do not to help us meet the still huge need for better houses?" deserves some condemnation. The title itself is frightening. Do not ask what the President can do for you, or he may tell you what you will do.

Why not try the free-enterprise system? Abandon those government bureaus that give you and me so much trouble and take prospective homebuyers' money away from them. No other system has ever produced so much prosperity, happiness, and elimination of poverty.

CHARLES W. JOHNSON
San Antonio

H&H: Congratulations on your 15-point suggestion to the President for getting the housing industry moving. You are performing a fine public service by bringing this matter to the attention of all interested parties.

JAMES J. WOLFSON, senior vice president
Tishman Construction Corp.
New York City

H&H: Your November editorial calling for among other things a higher tax on land has stimulated discussion in western Pennsylvania. Erie, McKeesport, and Corry are stirring with movements for land-value taxation, and in Pittsburgh, where land is already taxed at twice the rate of improvements, there is the beginning of a new movement to wipe out the tax on improvements entirely. Your editorial calling for a higher tax on land to get the economy moving has encouraged the hopeful in these communities.

JOHN J. MOTLEY
Graded Tax League of Pennsylvania
Pittsburgh

H&H: We agree that a program of action along the general lines you suggest would be less costly and more fruitful than the $5 billion housing bill, and you are to be strongly commended for your efforts.

We very much regret, however, that, in addition to attempting to revitalize FHA, you have given no attention to efforts now under way to foster homeownership outside the federal government through private mortgage insurance programs and new institutions to help create an active secondary mortgage market. I refer, of course, to the work the National Mortgage Market Committee or associate near you.

In view of the current discussion of the national catastrophe of the aluminum industry, I refer manufacturers to the work the National Mortgage Market Committee or associate near you.

H&H: We commend the attitude of W. Evans Buchanan of NAHB, as well as that of Don Proudfoot of Producer's Council concerning the need for "muddy shoe manufacturers." We have to be prepared to accept the burden of such responsibility.

JOHN M. ANDERSON, AIA
Albuquerque, N.M.

Low income housing

H&H: Housing financed under FHA's 221(d)3 program should be available only to those families on incomes of $4,000 or less a year.

Private industry can provide housing for families whose incomes are above the $4,000 figure. As a matter of fact, we provide housing for families whose incomes are $3,000 a year at Rose Park (FHA and VA) and those whose incomes are $4,000 a year at Park West Homes, and these are being done in a high land cost and improvement cost area.

What we need is complete cooperation from local and federal government and a sincere desire on the part of the builder to provide good housing.

JAMES B. McKEE
Brighton-Bilt Homes
Beverly Hills, Calif.

Muddy shoes

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JOHN M. ANDERSON, AIA
Albuquerque, N.M.

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JOHN M. ANDERSON, AIA
Albuquerque, N.M.

Open occupancy

H&H: Your discussion of open occupancy [Nov.] rendered a great service. Had space permitted, I am sure you'd have reported that open occupancy—with the vast majority white and a minority Negro—hasn't prevented Joseph and Edward Eichler in the San Francisco area, Ford Kramer in Chicago, or Levitt in Levittown, N.J., from selling vast numbers of houses.

Negro housing is just as wrong as white housing. Housing should be aimed at the entire market.

MORRIS MILGROM, president
Modern Community Developers Inc.
Princeton, N.J.

H&H: I commend you on the article on integrated housing. We can only hope to resolve today's housing problems by such direct and accurate reports. I hope you continue to publish articles on such important issues.

ROBERT W. JONES
Raymond & May Assoc., planning consultants
Pleasantville, N.Y.

H&H: Your objective and thorough treatment of this subject is most refreshing, and the article, interesting and thought-provoking.

I am pleased to see your influential publication devote a major effort to bringing understanding and information to which so much misunderstanding still exists.

NEAL J. HARDY, commissioner
FHA
Washington
Introducing an eight-part profile:

THE NEW HOUSING INDUSTRY

The housing industry—an industry that reaches into every part of the economy and into the lives of every family—is rumbling like a volcano.

Everyone in and around the industry senses the rumble. But few seem to know just what is going on and why. Sales are tough—but industry volume is holding up. New faces are cropping up—but they always have. There is less emphasis on Buck-Rogers technology—or is there? The market is changing—but how? In fact, where is the market?

Ever since the housing industry was born—rough, noisy, and almost 6' tall at birth—it has undergone changes. But today the changes have a different character—they are greater in number, more varied in scope, more fundamental in significance. And they are more complex. Only one thing seems clear—the changes causing today’s rumble will affect the operations of almost everyone in the housing industry.

Without stopping to analyze their importance, consider a few of the changes that, standing by themselves, are plainly visible:

- One sixth of all houses are now manufactured in factories, vs. 1/16 a decade ago.
- Many big manufacturers of building products are now actually building houses or apartments—Alcoa, Certain-teed, Reynolds, National Gypsum, U.S. Plywood, U.S. Steel, to name a few.
- FHA is finally facing real competition from a privately financed enterprise: the Mortgage Guaranty Insurance Co.
- Builders now have available for use prefinished materials guaranteed for as long as 30 years.
- The recent Presidential edict on open occupancy has broadened or narrowed the housing market—depending on how you look at it.
- Apartments, formerly no more than 10% of the industry’s output, now account for 29%.
Savings and loan associations, once neighborhood lenders, have become big businesses, often controlling the builders who borrow.

Although small and medium-size builders still far outnumber the big ones, the big ones are getting an ever-larger slice of the market—a recent 12-city survey shows that the ten biggest builders in each city usually account for 30% to 50% of total production in their areas, even though many of these big builders produce less than 100 houses each a year.

This list of changes could go on and on, covering every aspect of homebuilding—from land and design to finance and merchandising—and affecting the business of every housing professional. But a simple listing of changes serves little purpose. What is needed is a probing analysis of them and an interpretation of their significance.

This challenge has been accepted by HOUSE & HOME. The results will be published during 1963 in a series of eight penetrating articles on "The New Housing Industry."

An outline of the series appears below; Part I—"The Emerging Giants"—begins on page 66.

—The Editors

The series in outline:

The emerging giants  The builder of 2,000 single-family homes a year on a single site has vanished with the boom of the mid-'50s. But new kinds of giants, some of them from outside the traditional housing industry, are appearing—for instance, Sunset International Petroleum, The Irvine Co., and Lou Perini's multiple operations. This article examines their interests, their potential, and their impact on traditionally organized builders and on other housing professionals. It also covers the big land developer-builders like General Development; the trend to public ownership; new alliances between builders and manufacturers, and between builders and lenders; and the changes that are taking place in the relative importance of the big-volume builders, the medium-size builders, and the small builders. In brief, this is a story about the managerial revolution in homebuilding, and it ranges over all segments of the industry from the giants to the midgets.

Upheaval in the market place  This article will analyze such basic market phenomena as changes in the population mix, public needs and tastes, disposable income, etc.; the outlook for the apartment boom; the future of the industry's staple, the one-family house; the shell-house boomlet; the scramble for profit and the consequent turn to remodeling, light commercial construction, and such specialized markets as retirement housing, vacation cabins, and urban renewal; the tapering off of inflation and its effect on the investment buying of housing; the switch from order taking to merchandising; and other changes in the market for the homebuilder's services and products.
Fresh pools of capital  Along with the managerial revolution (or perhaps it is an integral part of it) have come much better financed building operations, much better financed land development and mortgage lending operations, and some wholly new kinds of equity or loan capital like real estate trusts and small business investment corporations. (Syndicates also have been pouring new capital into real estate—perhaps to the detriment of sound operations.) The number of publicly-owned building companies has mushroomed during the last few years (19 building companies, eight shell-house companies, and 13 home manufacturers are now listed in HOUSE & HOME's monthly stock table). These infusions of capital into a notoriously thinly-financed business seem to be raising the capital requirements for everybody. Where will this trend level and what is its competitive significance?

Washington: the many-fingered puppeteer  The increasing federal “aids” to housing are actually strings controlling the destiny of the industry—and perhaps leading to more subsidies for a bigger segment of the nation's urban population. Which strings are working for the common good? Which ones should be cut? This article will include an inventory of government influences on housing and a thoughtful editorial analysis of each.

Architecture—for better or worse  The alarming decline of the independent architect (by default or otherwise) and the emergence of specialized industrial designers—some captive, some free. A discussion of how this change is affecting the quality of builder-house design—and an appraisal of the present state of the art. An exploration of some new ideas for marrying the design and planning skills of architects with the cost and market knowledge of builders. Added subject: What is the validity of the long-held theory that design innovation and new product use “trickle down” from custom-built houses to built-for-sale houses?

The distribution dilemma  To what extent is dealer dealing giving way to direct selling? And what are the resultant problems for builders and product manufacturers? Are the old channels of distribution adequate to meet the industry's new needs? What changes are taking place in the role of the materials dealer in new-house building and remodeling? What has been the impact of the 1962 Trade Act?

Technology's break-downs and break-throughs  A review of the most significant developments of recent years; an analysis of the failures as well as the successes; an appraisal of where the industry's technology stands today; and a cool-headed look into the future.

The albatross of localism  A discussion of the most needed changes in housing—all close to the building site, all far from realization: the acceptance of modern land planning doctrine; the revision and standardization of codes; the reform of real estate taxes; the liberalization of zoning ordinances; the enlightenment of planning boards; and the enlistment of labor cooperation.
The emerging giants

Today's revolution in housing is managerial, not technological. It is taking many forms, but the common denominator is new combines to do the old things in new and bigger ways.
housing (Webb & Knapp, All-State Properties, and General Development).

3. Some builders solved the problem by a variety of joint ventures with or financial aids from capital-rich materials makers.

4. A few all-purpose combines are developing from inside the industry—like the Berens Companies of Washington, D.C., a mortgage company with $200 million servicing, which is also an industry—like the Berens Companies of Washington, D.C., a mortgage company with $200 million servicing, which is also an insurance agency, home-improvement loan company, small-business investment company, real estate investment company (land development and several joint ventures in urban renewal construction as far afield as Huntsville, Ala.), and a real estate company that manages 4,000 apartments, shopping centers, office buildings (but stopped selling homes in 1961). Says President George DeFranceaux: "We find diversification feeds everything backwards and forwards very nicely." Or like Realtor Jack Havens' Equitable Investment Corp., which owns a savings & loan association, develops subdivisions for builders, builds shopping centers, and builds and manages apartments and office buildings.

The significance, the drama, the impact of all these interacting changes lies in the details, which are explored on the following pages.

Land and community developers: rich and patient

In the Fifties, builders learned how to put up a good house. But it often went into a neighborhood so monotonous that "development" and "tract" became ugly words to a lot of Americans. A whole hate-the-product literature sprang up. Take, for instance, The Crack in the Picture Window (NEWS, Mar. 1957) in which ex-newspaper John Keats attacked the "split-level purgatories" he said were ruining the suburban countryside. "Whole square miles of identical boxes are spreading like gangrene," he wrote. "—developments conceived in error, nurtured by greed, corroding everything they touch."

Keats' diatribe was overdrawn and burdened with factual errors. But there was a germ of truth in it, too. Happily, the planning that goes with land development is getting better nowadays. As often as not, today's stumbling block to better land use is nitwit local officialdom (reflecting constituents' ignorance) that keeps builder-developers from doing as well as they know how.

Nowhere is the trend toward much better and much more carefully drawn community plans more evident than among the new giants in land development. For one thing, big-scale land development usually means unincorporated territory. Thus most of the limiting web of local restrictions (zoning, planning, traffic) can be avoided.

Most of the new breed of land developers are heavily capitalized—a sharp break from the traditionally capital-shy homebuilder. And they typically sink astronomical sums of cash into their jumbo-sized developments before they even attempt to get some of it back via lot or house sales. Outside San Diego, for instance, W. R. Hawn and Harry Summers, who are developing 5,400 acres into a complete community (from industrial park to golf courses), are investing more than $5 million in community services and recreation facilities before selling their first home.

Sums up Big Builder Larry Weinberg of Los Angeles: "More and more the builder-developer will have to realize that building homes alone is not enough. He must recognize the social and economical requirements of those who are eventually to occupy the homes. Only companies with a staff of specialists will be equipped to do a first-rate job in this complex business. That's why I'm sure there will be fewer and fewer builders."

Focus on growth areas

Up to now, the new breed of community developers are concentrated in fast-growth states like California, Arizona, Hawaii, Texas, Florida, or the exurban fringes of Washington, D.C. (Some of the Florida companies are losing money this year, too.) These growth regions account for 36% of the nation's new private housing.

Florida land developers came first. Arvida Corp., one of the state's Big Four in land development, was created in 1957 from the land holdings of the late Arthur Vining Davis, the aluminum tycoon (see obituaries). Arvida now has some 100,000 acres in Dade, Broward, Palm Beach and Sarasota counties. The company also operates the Boca Raton Hotel & Club, two golf courses, and an insurance agency. Arvida's profits hinge on rising land values plus big enough sales volume to cover realty taxes and interest costs that aggregated more than $2.9 million last year. The values, according to recent appraisals, are rising. Arvida's real estate holdings, carried on its books at cost, total $88 million; appraisers now value them at $109 million. But even with sales of more than $8 million last fiscal year, Arvida lost $598,000. And this came on top of a year-earlier loss of $1.2 million.

To a company with less cash in the sock—that is, a typical builder-developer—losses of this magnitude might mean bankruptcy. But Arvida still has a comfortable $5.3 million in cash and Treasury bills. Such staying power, despite Florida's economic downturn, suggests that a new kind of stability is creeping into real estate operations. "We purposely withheld a lot of property from the market last year for better gains later or to avoid losses if we had sold it then," says President Brown Whately. Whately, who is also chairman of one of the nation's largest mortgage banking concerns, Stockton, Whately, Davin & Co. of Jacksonville ($508 million servicing) and a past president of the Mortgage Bankers Assn., keeps Arvida in firm control of what builders do with subdivisions it sells them. Arvida insists on an architectural veto of the design of every house, hires consulting architects for the job. It also imposes rigid land improvement specifications. Moreover, says Whately, Arvida works only with "substantial" dealers, requires builders to put at least 25% down on lots before commencing operations.

What Arvida is to wholesaling developed land in Florida, General Development Corp. is to retailing it. Since General Development started nationwide promotion of its $10-down, $10-a-month lots in October 1957, it has sold some 130,000 home sites, built and sold some 6,124 houses. Today some 8,500 families live in General Development's four major communities, Port Charlotte, Port St. Lucie, Port Malabar, and Pompano Beach Highlands. Now, under the presidency of Harry A. Yours, former mortgage vice president of First National City Bank of New York, GDC has stepped up to $15-down and $15-a-month to improve its cash flow. "The less time it takes a buyer to pay for a lot, the less likely he is to cancel," observes Yours. "There's a lot of justification for what was done in the past, but we've got to keep up with the times."

The Mickle Bros., the big Florida builders who started General Development but sold their stake in it to Gardner Cowles for almost $6 million, have just gone back into the land development
business with a 15,000-acre city 30 miles from Cape Canaveral. So good is the Mackle Bros. image of Florida that some 11,000 people turned up for their first showing of model homes last month—including one couple who rode the bus 200 miles from Miami, bought a house, then took the bus back. Prices range from $6,960 for a one-bedroom, one-bath model to $15,450 for a three-bedroom, two-bath model. Mackles' homes are frankly priced to undersell comparable Florida housing. And the Mackles have added a $10,000 personal liability and a $2,000 contents-insurance policy to the price of the house and the monthly payments. Instead of selling lots scattered all over their holdings as at Port Charlotte, the Mackles this time are concentrating first buyers in the core of the development. They plan to wrap layers of further building around it, hoping for pay-out rings of three, four and six years. Next: a $1 million dollar advertising campaign in Florida and the North, a network of franchised sales agents and perhaps even a public stock issue. At General Development, the Mackles stuck to one-family houses. This time they are thinking about high-rise apartments, both rental and condominium, and office buildings as well.

Gulf American Land Corp., first of the Florida land developers to break away from the $10-down, $10-a-month pattern, has in four years turned Cape Coral, across the river from Fort Myers, from raw land into a canal-laced community with 700 homes, shopping centers, factories, restaurants, apartments, motels and a golf course and yacht club. Sales and earnings of the four-year-old company set records in fiscal 1962, which ended Aug. 31. Earnings went up 76% to $10.8 million and sales rose 86% to $73 million. But Gulf American's cash position is not this plush. It sells land on installment contracts and, like most Florida land developers, attributes to current sales the full purchase price of a lot after the first installment is paid. Under such accounting, the cost of the land and its selling cost far exceeds the cash the developer gets at first. The excess of costs over income is covered by loans backed by installment sale contracts.

California's leap from ranch to ranch house

If the land development statistics are staggering in Florida, they are doubly so in California where the hazards of over-optimistic promotion are heavily offset by the state's continuing influx of 1,000 people per day.

The giant among giants in California, The Irvine Co., is just beginning to transform the 193,000-acre Irvine Ranch in Orange County from what was once a sleepy Spanish land grant into what its officers call "a total urban complex"—one-family homes at various prices, apartments for different income brackets, shopping centers, recreational facilities, an industrial area, a research park and a 1,000-acre new campus for the University of California. Development plans, by Architect-Planner William Pereira, break the ranch up into three parts of about 30,000 acres each. Beginning along the Pacific Ocean, Irvine is starting off with 1,400 acres for industrial development along the border of the campus, which is to be the focal point of a 11,000-acre city with an ultimate population of 100,000. Two ocean-front tracts of lots for lease are to open soon, and early this year Irvine will start developing its prime land, 550 acres near Newport, which it expects to turn into a vast spread of garden and high-rise apartments and commercial buildings.

Are Irvine's plans too colossal even for southern California? Perhaps not. For President Charles S. Thomas, the former Navy secretary, can point to an exhaustive economic study which projects Orange County growth from 756 persons per square mile in 1960 to 3,214 per square mile in 1980. Irvine, with its giant land holding under single ownership, has an opportunity unparalleled in recent U.S. history to avoid the postwar pattern of disorganized development and conflicting land use. The way the company is getting started should comfort even the skeptics.

Southern California's second total community covers a mere 10,000 acres. But whereas the Irvine Ranch is just emerging from plans to earth-moving, Conejo Village (just west of the San Fernando Valley) is already home to 15,000 people. The developing Janss Corp. has three major builders—Harlan Lee, Triangle Subdivisions, and Paul Pace—at work building homes priced from $16,000 to $28,950. Janss Corp., which is also the realty-sales agent, began with land use plans by big name planners: a master plan by Architect Welton Becket, a plan for a Conejo Valley center and commercial areas by Architect Victor Gruen, and Rancho Conejo airport planned by Lee Fischer Associates. After the planning came sewer and water systems (now one of the largest private utility networks in the state), then a country club. The 1,000 acre light-manufacturing-and-research area, buffered from the rest of Conejo Valley by a gorge, already houses such enterprises as Packard Bell Electronics, Beryllium Technology, and Semtech Corp. More are under construction.

Sacramento's coming battle of giant developers

The Los Angeles-San Bernardino metropolitan areas now account for upwards of 100,000 housing units a year. But two giant community builders are getting set to scrap over the much smaller (but due to grow) Sacramento market (6,459 units in 1961, 8,969 in 1960).

Sunset International Petroleum, which has converted itself in three years from a medium-sized oil and gas producer into a giant community developer with 75% of its revenue from real estate, has poured $5.9 million into developing a 12,000-acre site 25 miles north-east of the state capital—but so far has acquired only 400 building permits. Sunset expects to build 200 houses this year, sell 250 lots to other builders while pouring another $14 million into the development of Sunset City.

Twenty-five miles east of the capitol, the model homes are already up in Sunset City's giant rival, El Dorado Hills, which lies on 9,800 acres of Sierra Nevada foothills beside Folsom Lake. Like Sunset International, the backers of El Dorado Hills (notably Prentice Hale, San Francisco department store mogul) can afford to spend big money and wait—maybe years—before getting it back. El Dorado Hills has a whole galaxy of big name planners, architects and engineers at work. Victor Gruen is site planner; Anshen & Allen are house architects; Douglas Bayliss is landscape architect; Larry Smith & Co. are economic consultants; Robert Trent Jones is golf course architect.

As Daniel Burnham's hoary planning maxim* foresaw, huge plans like El Dorado Hills are generating excitement even amongst state officials. "Formerly," says State Real Estate Commissioner W. A. Savage, "it wasn't economically feasible for a developer to undertake the really large-scale planned community. Now these kinds of communities are beginning to set the pattern for future growth in California. I see every evidence that our newer communities will develop into excellent cities."

When Sunset City and El Dorado Hills get moving this year or next, they may well provide the first large scale test of whether complete communities planned right can take over a housing market from its traditional holders. Both giants will need to grab something close to 10% of Sacramento's new-house sales (if these stay at present levels) to produce an attractive return on their capital investment. Whether they can, and if so, at whose expense, should be one of the top market dramas of housing's next few years.

*"Make no little plans . . . they have no magic to stir men's blood."
Sunset International is not betting all its chips on Sacramento. At San Carlos, near San Diego, it is developing a 5,000-acre site for 8,000 homes, over 2,000 of which are already built. Planned for fiscal 1963 (ending Aug. 31) are 200 houses, 356 apartments, completion of a golf course around Lake Murray, a $35,000 family club house including tennis and handball courts and a big swimming pool, a bowling alley, and a medical center.

At Sunset Hills, a 1,050-acre planned community above Los Angeles' San Gabriel Valley, some 450 of a planned 2,000 homes are built or under way. Planned for this fiscal year: 500 homes, an 18-hole golf course, a club house, and a separate $350,000 club for the owners of houses priced under $25,000. Before completion, Sunset International expects to put $12 million worth of improvements into this community exclusive of homes.

At San Marin, 28 miles north of San Francisco, the oil company is developing 2,000 acres for 4,000 homes in partnership with National General Corp., the nation's largest theater operator and a big real estate developer. Planned for this fiscal year: development of 500 lots. Housing will mix one-family units ($20,000 to $25,000) with apartments and a senior citizen project, including 400 acres for recreation.

And Sunset International has just set up a new division for high-rise apartment and office building in key metropolitan areas in the West.

Know-how via merger

For Sunset International, converting from oil to real estate is a return to where Chairman J. D. Sterling began. Years ago, he developed parts of Cheviot Hills, Compton, and Signal Hill. When they found oil on Signal Hill, Sterling bought a refinery, operated his own outlets as Eagle Oil. In the early 1950's Sterling and his son, Morton, now Sunset's president, decided to get out of retail oil in favor of pumping and selling only crude. They also decided to go back into real estate. The big move into housing came in April 1960 through merger with Tavares Development Co. In this deal, Sunset got Carlos Tavares' know-how as a vice president plus his 4,600 acres in San Carlos. Sunset acquired the 12,000 Sacramento acres in the following month and in December of that year bought out Bob Walter's Sungold Co. Since then, says Walter, "we have been building an industrial manufacturing and distribution business—in real estate." And has been a profitable venture too: a record net income of $3.2 million (or 53c a share) on a sales volume of $16 million in fiscal 1962.

Oil companies are top prospects to veer into land development just now: Their 27% depletion allowance gives some of them more cash after taxes than they can profitably invest in the oil business. Christiansen Oil Corp. (president: Lewis W. Douglas Jr., son of President Roosevelt's one-time director of the budget) has spread out since 1952 to include title insurance, investments, and realty. Currently it is developing an 860-acre marine city, Huntington Harbour, near Los Angeles to a master plan by Architect William Pereira.

But money of all origins is getting into the act. Millionaire Entrepreneur Robert E. Simon, whose family owned and operated New York's famed Carnegie Hall, is behind the $500 million project to build a satellite city, Reston, ten miles square, some 18 miles from Washington, D.C. in northern Virginia. By the time work began in November on a 36-acre lake, Simon had invested $1.5 million. The long-range plan covers nearly 20 years, envisions a city of 75,000 residents (30,000 by 1970). Only about 10% will be conventional one-family homes. Nearly half is to be apartments; the rest townhouses and clusters.

In Hawaii, cash-rich Castle & Cooke, the sugar-pineapple- shipping combine, has formed a new division to develop some of the 156,000 acres it owns.

On 2,600 acres of meadowland on the marshy western shore of San Francisco Bay, self-made millionaire Oklahoman T. Jack Foster is developing a Venice-like satellite city for 35,000 resi- dents. Before the first houses went up, planning was this com- plete: 5,000 one-family homes, 1,600 townhouses, 2,000 garden- apartments, 1,400 high-rise apartments, nine elementary schools, two high schools, 228 acres of parks and lagoons, a 130-acre shopping center, 310-acre industrial park, a heliport, a civic center, and a 60-acre lake. And George C. Shannon, former city manager of Anchorage, was hired to manage Foster's city.

Orange County, Calif. has already incorporated into its county master plan Victor Gruen's scheme for the 7.102-acre Laguna Niguel community development, which follows the emerging self-contained pattern. Cabot, Cabot & Forbes, the Boston realty company, is the developer. And a Laguna Niguel subsidiary will build many of the homes ($45,000-up). There are many more. Lou Perini, for instance, and Hawaiian Financier Chinn Ho, Edwards Engineering Corp. of Long Island, American Realty & Petroleum, and Canaverel International. At least 23 are now publicly held. Most of them are growing—and profitable,

Materials producers: edging closer toward actual building

Some have taken the plunge. Four years ago, not one major manufacturer of building products was directly involved in home-building. Today, at least nine are heavily involved, and others are scouting the possibilities.

Each has taken a different path into building. But their basic reasons are remarkably similar. They boil down to these:

1. The profit squeeze of the last few years—accentuated by premature plant expansion in anticipation of the much touted "soaring sixties"—has led many materials makers to seek diversification as a way out. It is hard for product makers to get out of their profit squeeze by bringing out lines of high-profit specialty items, or by developing revolutionary new products—which are often expensive to get into production and to market.

2. Most materials manufacturers have a good cash position and can borrow money (via commercial loans or institutional financ- ing) cheaper than most builders can. This gives them an edge in gaining the leverage (i.e., making money with borrowed money) that is the fundamental basis of profit in most reality operations.

3. Construction projects not only offer an outlet for quantities of a manufacturer's product, but (and this is often more important) provide a showcase for it which may boost its wide acceptance throughout the whole construction industry. It cuts down the notorious time lag between product innovation and wide use when manufacturers provide field testing under their own control. And if the construction is urban renewal, it can yield rich dividends in promoting the corporate image for public service—because renewal projects get page-one play in local newspapers.

Why this snap-over? Says Economist James Gillies, assistant dean
of the school of business administration at UCLA: Builders have be­
come much better managers—"men who very often never even see
the houses they’re building.” As a result, materials producers at long
last have construction company executives they can deal with on
a business-like level. "You couldn’t have people from the indus­
trial side of housing involved in the actual building operation as
long as management was so poor on the building end," says Gillies.
"How could an Alcoa joint venture with a guy who spent
major of his time on a construction site?" He adds:
"The building business is still made up of thousands of smaller
firms. But even among the smaller companies the trend is man­
erial. We always assumed that they were poorly managed but
it’s not true any more. In the last ten years, these men have
acquired a good deal of sophistication. Even small builders tend
to be coordinators now."

**Double-barrelled profit opportunity**

The biggest joint ventures are the aluminum companies, notably
**Alcoa** and **Reynolds Metals**. In the last two years, Alcoa has
bought into 11 big urban renewal projects in partnership with a
major builder or land developer. Altogether, the projects will in­
volve an outlay of $966 million. Most of this will come from
mortgage financing, of course, but Alcoa has already laid out $29
million equity money, has guaranteed debt repayment totaling $22
million more and is committed to an undisclosed additional
amount. The projects:

<table>
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<th>Project</th>
<th>Final cost (in millions)</th>
<th>Alcoa share</th>
<th>Partner</th>
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<tr>
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<td>Lewis Kitchen</td>
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<tr>
<td>Golden Gateway</td>
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<td>NA</td>
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<td>$300</td>
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<td>Alcoa Urban Dev. Corp.</td>
</tr>
</tbody>
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NA: not available

Alcoa should reap at least two major benefits from its huge
real estate investments:

1. Sales of aluminum to construction, which already account
for the largest (25.1%) share of the nation's aluminum output,
will get a further shot in the arm and the showcase nature of the
renewal projects, weighted as they are with civic interest, should
create more market acceptance for aluminum housing.

2. Alcoa can consolidate its realty operations into the parent
company's income tax return and get a substantial boost to cash
flow. Why? The real estate depreciation is an allowable deduction
against the 52% corporate tax. Ultimately, assuming full occu­
pancy, Alcoa would have the leverage of major ownership of $1
billion worth of real estate for a cash investment of something
over $50 million.

The lion's share of the building alliances by Alcoa, one of the most
sedate of U.S. corporations, is with a spectacularly unsedate
developer, William Zeckendorf, cash-shy but rich in ideas. It
began when Alcoa in 1960 bankrolled Zeckendorf's plan for Cen­
tury City in Beverly Hills, a huge project involving 88 apartment
houses, stores, and office buildings. Alcoa put up about $5 million
cash and pledged its ample credit to buy the land—the 260 acre
former 20th Century Fox motion picture lot where Theda Bara
made "The Vampire" and Will Rogers twirled his lariat before the
cameras. Century City is planned as a self-contained community
for 30,000 people. It will take years to complete, but Alcoa can
sell a little or a lot of the 260 acres any time it wants to.

Even more spectacular was Alcoa's mid-November announce­
ment that it was acquiring five more renewal projects from Zeck­
endorf Property Corp., and was putting them into a new company,
Alcoa Urban Development Corp., in which Alcoa would hold 90% of
the stock, Zeckendorf 10%. The deal requires government ap­
proval. If this is forthcoming, Alcoa's $10 million investment will
give it five prestige properties likely to rise in value, and Zecken­
dorf will again scramble out from under a pressing load of short
term debt with interest rates as high as 24%.

Besides promotion and prestige, Alcoa is also motivated by the
search for profits. The company has come through a profit meat­
grinder. Net on sales dropped from a peak of 10.4% in 1956 to
only 5% in 1961. And the price of Alcoa stock fell nearly 66%.

Besides its investments chronicled above, Alcoa has loaned $1
million to the Kratter Corp. for the air-right apartments Kratter
is building over the New York approach to the George Washington
Bridge. The apartments will have an aluminum skin. Moreover,
Kratter has given Alcoa the largest order in history for aluminum
windows: 14,000 of them for an apartment development on Ebb­
ets Field in Brooklyn, former home of the Dodgers.

Alcoa is following the basic rule that each venture must be a
sound real estate proposition as well as a promising outlet for
aluminum. Says Vice President Leon Hickman: "If we are going
to invest a dollar for every 10¢ of aluminum sold, the real estate
itself must be attractive."

Alcoa's arch competitor, Reynolds Metals, got into the renewal
business first—after it hired former HIF Administrator Albert M.
Cole to head up Reynolds Aluminum Corp. But its operations are
smaller: Its projects will total 7,502 housing units when they are
completed and will involve outlays of only $189 million. So far it has completed 1,253 units; last year it started only 253.

Reynolds is joint venturing with local builders and developers in
seven cities: Philadelphia, Cincinnati, Baltimore, Kansas City,
Louisville, Washington, and Richmond, Va. The builders' shares
range from "nominal to 49%," says Cole. The partnership puts
up front money for the land, hires architects and engineers, gets
construction money from banks, and places long-term mortgages
with institutional lenders. Most of Reynolds' building ventures in­
volve renewal, including the 5,000-unit Eastwick project in Phila­
delphia (nation's largest). But the company has also built 58
condominium units and three experimental rehabilitation units.

**Kaiser: a uniquely personal involvement**

The third major aluminum producer, **Kaiser**, has so far stayed
out of building. But while his son, Edgar, runs the $1.7 million
worldwide Kaiser empire from its executive offices in Oakland,
Calif., 80-year-old Henry J. Kaiser is enthusiastically embarked
on the most ambitious project of his crowded career: building a
whole city in the Honolulu suburbs. Hundreds of homes priced
from $17,000 to $60,000 have gone up at Hawaii Kai and Henry
J. fondly watches every one of them. In his modest pink alu­
mum office building stands a motto: "Don't bring me anything
but trouble. Good news weakens me."

**Libby-Owens-Ford Glass Co.** is aiming at both the alumi­
num and home manufacturing field. It will invest $10 million in
Alside Inc., Akron, aluminum siding manufacturer which has
announced plans to produce a $12,000 (plus land) house with
aluminum and glass curtain walls at the rate of 6,000 a year.


continued on p 113
For the past few years, homebuilders have been waging a cold war with local officials in thousands of small communities on the outer fringe of suburban growth. The issue: new subdivision building.

In most major market areas, the supply of close-in land that can be bought at low enough price for detached housing is getting short. So more and more builders have to move out to the rural towns beyond. But these towns want no part of development building: They are totally unprepared to handle sudden growth. Their planning is sketchy, their utilities minimal, and their financial structures inadequate to deal with an explosive need for schools. They want to stay small and rural. And they have dreary suburban examples on all sides to show what uncontrolled developing can do to a community.

This is the story of a small but significant battle in this cold war...
A land plan so good the town threw it out

The cluster subdivision at left was approved by Hillsborough Township, N.J., in the summer of 1961. Planned for a part of town that had been rezoned to permit clusters only months before, it had the almost unanimous approval of the town planning board and the town government. Hillsborough is a small (pop. 8,000) rural community 40 miles from New York City that had only recently begun to feel the pressure of housing growth, and it seemed that the community had started on a commendable program to balance this growth with large areas of greenbelt.

Then the issue of cluster planning exploded. Elections were coming up. The incumbent party (Republican) charged that cluster zoning had been rammed down the township's throat, and that it was expensive and dangerous to the community. The challenging Democrats backed cluster zoning, but were beaten after a bitter campaign. The victorious Republicans restaffed the planning board, and the ordinance permitting cluster plans was immediately repealed. Village Green, the project shown, went ahead only because it was already approved and the township had no legal way to stop it.

Today, with Village Green completely sold out, tempers have cooled, but the issue has not. “Cluster” is still a fighting word, and the township has budged not an inch in its opposition. But the issue is no longer so tangled with politics, and facts are more easily seen:

First there is Village Green itself. It has sold better (at prices ranging from $19,000 to $21,000) than any other project in Hillsborough. Its 72 houses are on 35 acres, surrounded by another 40-odd acres of open greenbelt deeded to the township. Its overall density is only slightly greater than it would have been with the township's prevailing one-acre zoning. It has sanitary sewers, instead of the septic tanks that the economics of a conventional plan would have dictated, and public water instead of individual wells. It is an attractive development.

Village Green's builder likes cluster zoning because it lets him build less costly houses. His realty man likes cluster zoning because it makes new houses more saleable, and because he sees it as a way of creating a more attractive neighborhood and higher resale values. But . . .

The town does not like cluster zoning for just the reasons that the builder and real estate man do like it. A more attractive community that can be built at less cost means more sales, more developers moving into town, and a faster growing town. And Hillsborough feels strongly that it is already growing at a faster rate than it can afford. (In 1958, Hillsborough saved itself from a probable influx of low-priced housing by a hasty upgrading of the whole township from 1/2-acre to one-acre; and that "narrow escape" is still fresh in many minds.)

More or less in the middle of the controversy, but strongly favoring the cluster, stand the township's professional planners. They believe that cluster planning would ultimately result in a better town. And they do not like to see good planning jeopardized as a means of delaying a growth that is, in the final analysis, inevitable.

The detailed arguments on both sides show the complexities of the situation:

Builder Mel Konwiser points out that cluster developments mean a more efficient way to build. "The potential savings with clusters instead of conventional planning is somewhere between $2,000 and $3,000 a house," says Konwiser. "And I can pass this saving on to the town in the form of recreation facilities, and to my buyers in the form of a lower price."

"Water and sewer lines are shorter; there is less road to build; and because the houses are closer together my logistics problem is much easier. Finally, because
the houses in a cluster subdivision sell much faster, I can get in and get out faster and my overhead goes way down.”

The developer of Village Green, Realtor Sid Halpern, favors cluster planning because it creates a more attractive, hence a more saleable, property. Halpern and his partner, Seymour Tuschak, believed so strongly in this that it was they who introduced the original rezoning ordinance to Hillsborough, and obtained the approval for Village Green.

“It has sold better than any project we’ve handled in this area,” says Halpern. “It’s going to be a wonderful place to live, and it’s a new, exciting concept.”

Both Halpern and Konwiser feel strongly that, with Village Green, they have given the township something of real value. “First, we’ve given the town over 40 acres of land that it can do with as it pleases,” says Halpern. “Konwiser gave them two baseball diamonds and a basketball area. He agreed to build bus shelters. He’s built an additional length of road to accommodate the town. He ran water lines into the open land, and offered to put in drinking fountains. He gave them a recreation area everyone in town can use.

“We have deeded the township this land with no strings attached. If they need a site for a school or a firehouse or a library, there it is, free. Think of how much money this could save them.”

On the subject of maintaining the public land, one of the major issues in the cluster controversy, Konwiser has this to say: “A lot of the land is woods, and won’t need any maintenance. The open area can be kept cut by a tractor and brush hook two or three times a year. Really, there won’t be any maintenance at all.”

Milo Somerville, the just-retired mayor of Hillsborough, agrees that “there are lots of very nice things about Village Green—and that’s the trouble. It would make building too attractive to outside developers. We simply can’t afford to grow any faster than we are now.”

Money is at the heart of Hillsborough’s growing pains—and its objections to cluster planning. And as always, the tax dollars for schools are the number one money problem. It costs a little over $500 a year to put a child through school: against this stands the hard fact that the average new house in Hillsborough means 2½ more children of school age, but brings in only $400 in tax money. This unhappy arithmetic has pushed the tax rate up from $11 in 1956 to $17 today.

“We’ve built three new schools and an addition to a fourth in the last five years,” says Somerville, “and it looks as though we’ll have to have a high school soon. I don’t see where it will all end.”

Another money problem which Hillsborough must face up to soon is sanitary sewers. Most of the township uses septic tanks (Village Green’s sanitary system is processed by the neighboring town of Manville) and septic tanks are becoming increasingly undesirable as Hillsborough grows.

“Again,” says Somerville, “it’s a question of money. We’ve had estimates of $180,000 just for surveying and planning a sewer system. Our legal debt limit won’t let us even think about actually constructing it.”

Most of the township’s officials see the gift of Village Green’s open land more as a Trojan horse than a Christmas present. The issue: maintenance of the public land, an issue on which most cluster proposals have foundered.

“We don’t have any parks now,” says Township Committeeman William Jamison, “so we have no facilities for maintaining parkland. Regardless of how little it would cost, it would be an additional load on the community. And we’re talking now about just one park. What happens if we have dozens of cluster plans, each with its open areas to keep up?”

“Yet, I know the builder says that there would be almost no maintenance beyond a couple of cuttings a year. But the first thing you know, residents will start calling the town to keep it picked up. Then they’ll want picnic facilities. There’s no telling where it would end.”

Jamison also feels that it is unfair for the whole township to support a park area for a single community. “I know that in theory the whole town can use the area. But families aren’t going to drive all the
way from the other side of town just to use this park. For all practical purposes, it will be Village Green's park."

And finally, Jamison is not at all sure that deeding the land to the township is good for the residents of Village Green itself. "They don't know what the town will build on that land," he says. "If I lived in Village Green, I wouldn't be at all happy about that."

The town's professional planners come closest to a middle position. They are aware of the township's financial plight, but believe that from a long range point of view cluster planning will result in a more attractive, better planned community.

"Aside from aesthetics, there's the problem of health," says William Roach, director of the Somerset County Planning Board and until recently a member of the Hillsborough Planning Board. "With conventional one-acre lots, the developer would have had to use septic tanks; the cluster made sanitary sewers economically feasible."

On the subject of maintaining public open spaces, Roach agrees with Konwiser and Halpern that the cost would be minimal. "And remember," he adds, "cluster plans have less road that the township must maintain and police."

The planners feel that prohibiting cluster plans to ease the town's financial plight is mixing two unrelated subjects:

"Our real problem," says Dr. Mark Singley, planning board chairman, "is that we don't have a broad enough tax base. Right now, farms produce 40% of Hillsborough's taxes. Every time a new family moves in, and taxes go up, our income-producing farmers are in effect subsidizing the new family's school children. It's an unequal burden, and it's absolutely unfair, but under state law there's nothing that can be done about it.

"We need more industry in town. But industry won't come in unless we offer an attractive community, so ruling out clusters hurts as much as it helps."

And in fact, it is at this point—the need for a broader tax base—that all parties to Hillsborough's cluster controversy come together. "What we need," says Committeeman Jamison, "is 'instant community.' You just add water, and there it is—industry and all."

Says Realtor Halpern: "If I had to do it all over again, I'd make it a point to work much more closely with the municipality in trying to attract industry. And I'd press for a much more active industrial commission in the township."

But in the meantime Hillsborough is in an unfortunate position: It has had to sacrifice good planning to obtain emergency financial relief, and it has done so with the full knowledge that growth is inevitable, and the sacrifice will have been in vain.

What, if anything, can be done for Hillsborough, and other communities in the same position, to avoid the same problems? There is general agreement on three points:

1. More emphasis at the municipal level on bringing in industry (as previously noted).

2. More planning at the county level. The functions of present County Planning Board are largely advisory, and there is pressure to take away some of its already limited powers.

3. Some action on the state level either to reappropriate tax loads or to make money available to the community to develop its critical periods of financial growth.

If the last two points are to have any chance of success, the municipality is going to have to take a step that up to now it has bitterly resisted: It will have to give up some of its treasured home rule sovereignty.

The most hopeful note in the controversy is Village Green itself. Now that it is almost finished and largely occupied, even the severest opponents of the cluster concede that it is an attractive project. "It looks like a very nice place to live," says Mayor Somerville. "It certainly offers good value," says Committeeman Jamison. And Planning Director Roach, already a proponent of clusters, has made the ultimate gesture of approval: He has bought a house there.

Jamison sums up: "I've been against clusters, but I'm glad Village Green was built. In a couple of years we'll find out for sure if this kind of planning is good for Hillsborough." —MAX HUNTOON
Bucky Buchanan, NAHB's 1963 president

W. (for Wesley, his father's name), Evans (his mother's surname) Buchanan is Bucky or Buck to everyone who knows him. He isn't one for formalities, and he doesn't stand on ceremony—he simply doesn't have time for it. He's too busy, too concerned about all that must be done that is important to his business, his customers, his industry, and his nation.

At this point in time, Bucky has invested nine years of active work in his local and national homebuilders associations. But, in a sense, he has spent nearly all his adult life preparing for the post he was elected to last month: 22nd president of the National Association of Home Builders.

Bucky sees the word "urgent" stamped all over his new post

His main problem is how to make NAHB more effective. Political scientists sometimes say that nobody could possibly be a good mayor of New York City because it's an impossible job, and the same might be said about being president of the NAHB.

Consider the budget problem, to begin with. The association takes in a little less than $2 million a year, half of it in $25 membership dues and the remainder squeezed out from the annual exposition in Chicago, exhibit rentals at NAHB's Housing Center, and minor sources. This $2 million equals only 1/10,000 of the industry's dollar volume of new construction. That could hardly be considered adequate for an industry whose volume—$21 billion in new construction and $14 billion in remodeling—represents at least 6% of the nation's $550 billion-plus gross national production.

And consider the diverse interests represented by the membership. There are giant builders and pygmy builders, housebuilders and apartment builders, tract builders and scattered-lot builders and custom builders, FHA-VA builders and builders who couldn't care less about VA or FHA, builders who make their money off their land and builders who make it off their construction, builders who only want to make a fortune and builders who only want to create better communities without going broke in the attempt, and so on ad infinitum.

"NAHB will have to change to meet industry changes," Bucky says

"We must really leap forward in the next ten years," he insists. "Somehow we must provide better leadership, not just for our industry's sake but because the industry is becoming more and more important in the health of our national economy. Homebuilding may be mostly a local business, made up chiefly of small businessmen, but it is second to none in importance to the economy."
Just what Bucky can do remains to be seen. Past presidents have voiced important goals they hoped to achieve during their terms, only to find that their year in office was too short a time to make much of a dent in the pile-up of problems. Bucky is well aware of this. Says he:

"I'm not about to revolutionize NAHB. But some things can be done, some choices in new directions can be made, and made to stick. We have got to find new ways of pulling together various segments of the homebuilding industry around NAHB. "Our industry is incredibly fragmented. There are something like 122 trade associations in housing, all going their own way—or no way at all. I want to create a Conference of National Associations in the Building Business, and bring representatives of them together for off-the-record meetings twice a year or so. We can discuss our mutual problems, take a broader look at our industry, find ways to work together toward common purposes."

There will be closer work with manufacturers

"We will just have to do more to help the manufacturers to help us," Bucky believes. "They don't really know what we need. We need new products, new tools, new methods. Our time and motion studies have opened our eyes to this. Manufacturers don't know what happens to their material after it's dumped off the tailgates at the builder's site. They are crying for the kind of research done for us in the TAMAP study [H&H, Sept. 1962]. While in college, he also played the drums in a dance band—a skill he still keeps up. On July 4 every year, members of the Hawick Marching & Chowder Society get together at the Buchanan home on Hawick Lane in Kensington, Md., and their slightly rusty combo knocks out some rousing Dixieland numbers. At the drums, of course, is host Bucky.

During the war Bucky was barred from military service by a limp that is the result of a bout with polio early in childhood. So he went back to work for his father, who by the early 1940s was a prominent builder and real estate broker, owner of apartment buildings, and an apartment managing agent. Mr. Buchanan also helped to organize NAHB in 1942.

Bucky took charge of his father's construction activities in 1946, and in 1951 he broke there. Then Mr. Buchanan brought the family back to his home city of Washington. He became sales manager for Shannon & Lusk, the big real estate brokerage firm, later went into business for himself. In 1933 he started building houses. Bucky was then 16, and got his first building experience working for his father.

"I worked on those houses for several summers," he recalls, "and I did everything from whitewashing to keeping the payroll to helping carpenters to being a strawboss. I got so I could do everything except plaster. I could never get plaster to stick on the ceiling."

From 1936 to 1940 Bucky went to the University of Pennsylvania and its Wharton School of Finance, where he got a B.S. degree in economics (his major thesis was on townhouses). While in college, Bucky was well aware of this. Says he:

"Our industry is incredibly fragmented. There are something like 122 trade associations in housing, all going their own way—or no way at all. I want to create a Conference of National Associations in the Building Business, and bring representatives of them together for off-the-record meetings twice a year or so. We can discuss our mutual problems, take a broader look at our industry, find ways to work together toward common purposes."

Bucky grew up in homebuilding and real estate in Washington

His father, J. Wesley Buchanan, a one-time chemistry teacher at Clemson College in South Carolina, got into real estate in Florida in the early 1920s—and promptly lost money when the famous land boom
experience began during the war when he and his wife, the former Mary Clifton of Kansas City, Mo., bought their first home—a two-bedroom, semi-detached house in a group his father had built. The house cost $5,500. Bucky paid $550 down on a 10% FHA loan. A few years later he sold the house for $8,900, bought a second and later doubled his money on that one.

"Part of the equity in that first house is in our present home," Bucky points out. It's an impressive point, judging by the Buchanan's big rambling home in the Rock Creek Hills community developed by Bucky some years ago. The house has been expanded several times, now has a big rear patio with a pool, a golf putting green at one side plus a spot to pitch from onto the green.

Bucky likes to swim, and his family and guests keep the big pool filled with people most of the summer. He has always loved boating and deep-sea fishing, now has a Flying Dutchman sailboat and owned a 40' power cruiser until a couple of years ago when NAHB duties started taking up nearly all his spare time. Last fall when Bucky went to Florida for NAHB'S directors meeting, he and Mary Clif took a week off, hired a boat and "with our old Cuban captain" spent a week fishing in Bahaman waters.

He is active in the Presbyterian Church (he built its new manse at cost), is also on the governing board of the Cathedral School, which his daughters attend. He is member of the University Club, Town Club, and Temporary Coast Guard Reserves. His politics? Democratic.

Bucky plans 1,200 units in 1963, six times more than last year

No other NAHB chief has ever contemplated such a business expansion during his year in office. Asked why he is expanding now, he quips: "I've got to, so I can afford being president." (The president gets expense money amounting to $40,000 but, like the U.S. ambassador to the Court of St. James, spends it all plus much of his own.)

As the chart opposite shows, Buchanan's expansion will be in different types of housing and in several markets. And by 1964 he expects an even greater volume, some of it overseas. The chart also indicates that his business is now highly diversified for responsible jobs—while various projects are being built. Besides Siegel, there are these key aides: James Dayhoff, an ex-homebuilder, who handles all the apartment projects. David Griffin, an 18-year employee, who is in charge of production of houses. Boris Lang, formerly sales manager of a Long Island real estate firm, who joined Buchanan last August as sales manager. Jerry Mason, formerly a building materials salesman, who heads the Buchanan Renovating Service. Ruthe Emler, Buck's and Nat's "Girl Friday," who processes all mortgages. Steve Clayton, recently named head of accounting and cost control.

Another key man in the organization, though not on the payroll, is Bucky's neighbor and money partner, Cortland Townsend.

"It's a small staff," Bucky observes, "but I don't need a big staff if everyone knows his job and does it. You can get a lot farther with a few people who have imagination and don't just 'yes' you when you make decisions. Most builders don't get good enough people because good people don't come cheap, and most builders wouldn't use them anyway because they are afraid to delegate responsibility;"

Why did Buchanan want to expand and diversify?

You can discount his quip that he had to do so he could afford heading NAHB. But the reasons are not much more compli-

cated, as he explains them.

First, he saw the opportunity to expand fast: "It's the nature of the building business to be able to grow quickly if you want to. There's no need to build a big plant for production, no need to develop new products or patent new methods or set up a distribution system."

Second, he saw that many strong markets were ready to be tapped either for sales or rental units: "There's a real need for imaginative housing, not hackneyed projects."

Third, the opportunity not only promised good profits but could protect him from future difficulties: "If I am in a lot of varied markets, doing many kinds of building, I'll be less vulnerable if the bottom falls out of any one market."

And here are six good reasons why Buchanan can expand so fast

1. He hires outside consultants. Among them are Stanley Edge & Associates for merchandising. Attorneys Herbert Conlon, Tax Lawyer Leonard Silverstein for tax advice, Auditors Bond, Beebe, Bond & Roberts, NAHB's former public information chief, for public relations. But, Executive Vice President Siegel points out, "We don't make the mistake of letting them run our business. We decide what we want to do, and we ask them to tell us the best ways to do it or to evaluate what we're doing."

2. He uses market research. Here again Buchanan and Siegel make the basic decisions. Says Nat: "We don't believe in blind research—letting a research firm tell us what we should build. We ask for specifics. For example, we felt that there might be some demand in satellite markets near Washington for the kind of rental units we know how to provide. So we asked the market researchers to survey ten cities within a 150-mile radius to find out if a rental demand existed for so many units at so much per month, if this would be a permanent demand, if there might be a psychological resistance to renting, and the like. The research later showed Cumberland, Md. was a good bet. Then we did the other work—looked at specific properties, decided how many units to build and what kind they would be. We worked out designs with Crawford Corp., which will supply the components for the townhouses and garden apartments. When we went to mortgage bankers with our completed plans, we had enough facts to get enthusiastic reception and the money we wanted."

3. He keeps track of costs on each item in each house. Says Bucky: "It doesn't do us any good to know only that a particular house is over the budget. So we don't worry about the over-all cost of a house. We do worry about, when a house is
Buchanan builds everything from detached houses to high-rise apartments

<table>
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VARIETY OF HOUSING planned by Buchanan includes 11 projects in Washington area and Florida, others in Delaware and France in 1964.

GARDEN APARTMENTS in Bladensburg, Md. are three-story 20-unit buildings. Stairwells to upstairs units are open to the outside.

TWO-STORY MODEL at new Colony North tract has upstairs front porch, large rear sundeck (p. 8I). This 2,306 sq. ft. house sells for $38,500.

HIGH-RISE APARTMENT will have 103 units, each with 8'x12' balcony. Designed by Architect Robert Calhoun Smith, it will be started in May.
over budget, is each item that costs more than expected."

4. He builds whatever way suits the situation. The way to build varies with such factors as design, rent levels, financing, timing, and so forth. So one group of garden apartments is frame construction in which Bucky's crews supply wall components but trusses are bought elsewhere. Another garden apartment is masonry, a third is built with prefabricated components. Some houses are National Homes or Crawford prefabs, some are prefabbed locally by Kern Distributing Co. to meet Buchanan designs.

5. He searches relentlessly for new construction methods and materials. If the methods or product aren't available, Bucky asks manufacturers to invent them (examples: an economical floor joist, a combination deck and lintel, a decorative mesh for suspended ceilings and balcony rails and screens). He makes use of much that has come out of NAHB’s Research Institute and other industry research projects. He has watched NAHB’s 1963 Experimental House go up—at his own Colony North site—and expects to use the steel pier foundation to make a breakthrough in building vacation houses cheaper on rough wooded sites.

6. He keeps in front of competition with his designs and floor plans. At least this is his intention. As Bucky says: "We won't offer a standard plan unless our house is far under the market price. We won't use a design or plan used by anyone else. This pays off. Our colorful Mattapony garden apartments are all rented in an area of nothing but garden apartments, many half vacant. We're going to be the first in that area with high-rise. Some people prefer the prestige, services, and city-like atmosphere of high-rise living in the suburbs. We'll give it to them first—for almost the same rentals as in a garden apartment and at no sacrifice in exterior design." (Says Buchanan's apartment architect, Robert Calhoun Smith: "Buck wants to try everything. I have to hold him down. Some clients depend 100% on me for everything, but not Buck. It's give-and-take with him. I prefer this. It's more stimulating and it produces a better design.")

Bucky's sales strategy starts with his basic product

His houses and apartments are designed with the merchandising in mind. Floor plans are worked and re-worked with the architect. Non-essential features intended as lures are usually ruled out. The intent is to offer a house that is completely livable without need for extras at additional cost. Says Nat: "Some builders offer almost anything as an extra, and they mark up the extras for handsome profits. There's something wrong with that. We'll make changes, but we try to discourage them."

Bucky and Nat get many ideas for their tract houses by visiting custom houses priced much higher. Bucky explains why: "Most people we sell to are homeowners. They know quality construction. They also are aware of what big custom houses are like. They want the same, but either can't afford it or don't want to take the responsibility for decisions in having one built. So we offer features those houses have. That's one reason we've been willing to go a little beyond the colonial eagles and brick in Washington and offer fairly contemporary elevations."

At Bucky's Colony North development (photos opposite), standard features in each of the $33,500 to $39,500 models include two separate central heating and air-conditioning systems, two ovens, shampoo sprays, built-in kitchen blenders, 150-amp electric service, and other things usually offered as optional extras elsewhere. So far, Bucky says, no one has asked for one of the houses without these features.

Furnished, landscaped models are considered a 'must'

A good share of Bucky's advertising and sales budget—4% of his sales volume—goes to create strong curb appeal and strong inside appeal in the model house area. At Colony North, four of the five models are furnished by Interior Designer Maurice Blanco, who rents the furnishings to Buchanan at $150 a month per house. This amounts to $7,200 a year, but it's worth the cost to Bucky. Otherwise, he would have to invest about $24,000 in furnishings, which he doubts he could recover or use again as suitably in later models. (He also has $2,000 invested in carpets, drapes, linens, and the like in each model, and spends $1,500 a year per model for maid service, electricity, etc.)

Most of the ad budget is for advertising in newspapers, so this is checked closely every month. When a community is opened, Bucky spends $2,000 to $8,000 in a splurge. Theretofore, ads must more or less pay for themselves in specific numbers of sales. Explains Siegel: "Say we plan to spend $150 a month per house for ads. If we spend $1,500 in a month but sell only eight or nine houses, it probably means the media selection is wrong, or the ads are weak, or our models are not right."

Ads run week in and week out, regardless of the weather. The theory is that, while bad weather may keep away prospects who are not in a hurry to buy, if they don't see ads every week they won't remember to come out when weather is good.

Parents are never discouraged from bringing their children into the models. No ropes block off furniture, no paper runners cover the carpets, and no pressure is put on prospects. Says Sales Manager Lang: "We don't rush them. They know what to look for, so we let them take plenty of time. We can't sell them the first time out in any case. The more at ease they feel, the more likely they'll return."

To help put visitors at ease, Lang hires bright, attractive graduate students (photo opposite) from local colleges as demonstrators. They have been trained primarily not to exaggerate and to say they don't know when they can't answer a question. They simply welcome visitors and are there to be helpful hosts and hostesses. If a visitor expresses interest in buying, the demonstrator introduces him to the tract's sales manager.

Since prospects for the higher-priced Colony North houses are presumed to know quality construction, no emphasis is put on the basic construction. Instead, the emphasis is on the reputation Bucky has gained in his many years of building. The new slogan: "The background of your builder is your Guarantee of Confidence."

NAHB's affairs and his own will allow Bucky to do some traveling

The word "business" comes from "busy-ness", and this year Businessman Buchanan will live the word to the hilt. With so much to do, he and the industry are both fortunate that his GHO is close to NAHB's National Housing Center.

But, though he won't "ride the circuit" in time-honored fashion, Bucky will travel quite a bit. With his penchant for travel, this could be predicted. He has visited Europe several times and traveled this hemisphere from Alaska to South America. He learns wherever he goes, asking questions of everybody—and challenging the reasoning behind any it's-always-done-that-way thinking.

Some of his travel will be to regional NAHB conferences he hopes to hold, at which industry leaders will be helped to see how they fit into the national industry picture and how they can explain the importance of the industry to local audiences.

Last month, on the eve of his election, Bucky's mind was open to suggestions about new directions NAHB might take. He was convinced only that it must be directed toward more ambitious goals commensurate with the big growth the housing industry faces. He will move cautiously—but with willingness to step on a few toes if need be.

As one NAHB director said last month, "Bucky listens real good and learns fast. He'll get advice and ideas from everyone. Then he'll move."

—ROBERT MURRAY
Merchandising and design ideas like these help Buchanan increase his sales

PLAYROOM is uniquely furnished so people will remember it. Two big dolls, one with ear set, “watch” TV sets tuned to different shows.

MASTER BEDROOM SUITE in model shown on page 79 has about 500 sq. ft. of floor space on two levels, includes bath, dressing, sitting areas.

SPACIOUS FOYER (110 sq. ft.) of $36,500 split-entry model is outside rectangle of house, thus borrows no space from other living areas.

ENTRANCE of Buchanan’s Colony North subdivision has a low white-bricked and landscaped divider strip in the center of the street.

SMALL JAPANESE GARDEN, seen from rear sundeck of model on page 79, is suggested in landscaping plans provided for every buyer.

DEMONSTRATORS, meeting with Sales Manager Boris Lang, right, are college graduate students. They get $15 a day plus sales bonus.
How to build a $3 million business in 3 1/2 years

The phenomenal growth of Homesmith Inc., a repair, remodeling, and construction firm in Redwood City, Calif., is fresh evidence of the huge add-on and fix-up market lying largely untapped by the housing industry. Started in mid-1959, the company rolled up almost $3 million in sales last year.

Homesmith was started by two young Harvard Business School graduates—William R. Schulz and David N. Muirhead, both 29—who believed that home repair and maintenance offered a big business opportunity. They soon found an even bigger opportunity in remodeling. Today their company is doing 12% of all remodeling business on the San Francisco peninsula. From its home service center (above), Homesmith is now operating a network of residential and commercial remodeling services—85% of its business—that includes everything from modernizing kitchens and baths to enlarging plants and offices. The other 15% of the company's volume is in repairs and maintenance; and Homesmith has just started some custom-house building.

"Despite our swift growth, this is not a 'glory' business," says Schulz, who is Homesmith's president (Muirhead is on leave to the Air Force). "The highest possible net profit after taxes is probably no more than 7% or 8%. It took us about three years to break the profit barrier. By the end of 1962, we were making..."
Homesmith's president sees eight basic reasons for the rapid growth of the company

1. "We organized the company around a basic market need." Intense research while he was still a graduate student at Harvard convinced Schulz that homeowners needed—and would pay for—a one-stop repair and maintenance service.

2. "We studied different market areas before selecting one." The San Francisco Bay region looked like a potentially strong market because it has a relatively high proportion of homeowners in the professions and the upper-income brackets. These people, Schulz reasoned, have little time for odd jobs and can afford to have someone else do them, "so we wouldn't be bucking a do-it-yourself trend with potential customers."

3. "We organized to manage repair and maintenance services—not to perform them." Homesmith's role, as Schulz saw it, was to market the services, coordinate them, see that customers were satisfied, and handle all accounting, billing, and other paperwork. To do the jobs, Homesmith assembled a variety of building-trade subcontractors and artisans. Advantage to subs: freedom from overhead and sales costs. Advantage to customers: low prices based on high volume, plus the confidence of dealing with a large, well-financed company.

4. "We invited local business leaders to serve on our board of directors." This helped establish the company in the community (the prestige of the businessmen rubbed off on Homesmith) and gave it the added benefit of advice by mature, experienced, and successful businessmen. Today Homesmith's board includes Melvin B. Lane, president of Sunset magazine; Charles A. Anderson, financial vice president of the giant Kern County Land Co.; and Herbert R. Smith of J. Barth & Co., big San Francisco underwriters and securities brokers.

5. "We got favorable newspaper publicity because we were able to convince business writers and editors that we were pioneering a new service sorely needed by homeowners." Wrote San Francisco Chronicle Financial Editor Sidney P. Allen a few days after Homesmith's formation was announced: "They [the company's partners] appear to be men of ideals as well as purpose—backed up by a board made up of men of high standing in the community."

6. "We trained business-school students to sell our service subscriptions." More than 7,000 homeowners subscribed at a $10 annual fee (dropped in 1961 because it was a barrier to getting remodeling business). Subscribers were entitled to call Homesmith at any time, day or night, for prompt, reasonably priced repairs and maintenance by carefully selected tradesmen. Homesmith offered 300 different services ranging from fixing leaking faucets to hanging doors and kitchen cabinets.

7. "We introduced a call-back service to the repair and maintenance business." After each job was completed, Homesmith called the customer to find out if it was satisfactory: "Our subs were amazed that we dared to invite criticism, but our customers were highly complimentary, and the calls often led to additional business." Homesmith also offered emergency service at any time: "It costs us a mint, but paid off in good word-of-mouth advertising."

8. "We used our repair and maintenance service as a springboard to launch ourselves into remodeling." By the time Homesmith expanded into remodeling, it had the loyalty of scores of subcontractors plus the confidence of thousands of homeowners. Their reputation was so well established that a leading homebuilder, Eichler Homes, gave Homesmith gift subscriptions to new-home buyers ("Homesmith . . . will assure you of quick service, a reliable contractor, and a fair price whenever you call on them."). This favorable reputation was a big asset in a business which, though growing in stature, still feels the lack of public confidence.

Homesmith's basic operating concept is to improve efficiency by putting all trades under one management—and one roof

The subcontractors who work out of the Homesmith service center are all independent businessmen, although they work almost exclusively on Homesmith jobs. They pay Homesmith a percentage on each job (5% if the company simply sells the job, up to 15% if the company handles all management details), but earn more money because they have no overhead and do a larger volume of business. The subcontractors are free to spend their time supervising productive tasks, leaving business management and selling to Homesmith. The company does all advertising, job scheduling, billing, and administrative work. Further, Schulz points out: "None of the trades can afford the equipment and services—office machines, radio-dispatched trucks, elaborate control systems, topnotch management and sales personnel—needed to achieve overhead economies and more attractive prices."

The physical layout of Homesmith's home-service center reflects the company's management and operating set-up. The 19,000-sq. ft. building—located at a busy crossroads—is divided into three major sections: a display room, shops for the various subcontractors, and administrative offices.

The 2,500-sq. ft. display room is the sales center of the operation. It includes full-scale mockups of two kitchens, two bathrooms, and a combination dining area and snack bar; six kitchen cabinet displays; a materials and product display; and an "idea library" of color slides and catalogs. The full-scale mockups, explains Schulz, "not only serve to give prospects remodeling ideas, but show the public the kind and quality of work Homesmith can do."

The materials and product displays—flooring, tile, counter-top laminates, and color chips—help homeowners decide from a wide range of optional colors and materials.

The idea library helps prospects stimulate their thinking about remodeling. This is a place where husband and wife can, at their

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continued
leisure, go over hundreds of ideas on how they can make their home more attractive and livable.

"And," Schulz adds, "the display room—along with the shops and offices—serves as a sort of institutional advertisement for the whole idea of remodeling. It is, in effect, an exhibition of what the remodeling industry can be like and what the public should know about it. We encourage individual families and groups to tour the whole facility, and we talk to them about remodeling as an integral part of home economics."

**Strong management personnel and competent subcontractors are essential to the success of this kind of operation.** And Schulz points out that because of Homesmith's volume—and the economies it enjoys in overhead and operating costs—it can afford to hire top-notch managers for each of the six divisions. "When we were first organized," says Schulz, "we were probably top-heavy on people who, though they were strong on theory of management, lacked actual experience. But they had enthusiasm, and sound training—plus a lot of new ideas and the courage to test them. We had many eager minds trying to make the service concept work."

The other key members of the Homesmith team are the independent subcontractors who perform much of the work. "Under our system, we are developing the principle of subcontracting on a more sophisticated basis than is usually found in the housing industry," says Schulz. "But the subcontractors retain their own identity, so they retain the individual initiative and incentive to produce more efficiently and generate better profits."

Early in the game, Homesmith had to drop some subcontractors who didn't fit the company concept—"they had no sense of responsibility for work performed or lacked the competence our program requires." But today many of the subcontractors in the service center have bought an interest in Homesmith, and in turn Homesmith has bought into their businesses.

Homesmith has an elaborate and formal system to assure fast and thorough performance on every job. "Speed and follow-up are the toughest problems to lick in the whole business," says Schulz. "Every job—whether repair or modernization—must be consistently the same in performance. We've built checks into our system (see chart opposite) to alert us for the unexpected and to keep us from overlooking anything. Our system must be so well organized, so well controlled, and so well administered that problems are solved by the systems—and not by chance. In brief the home maintenance, repair, and modernization business requires standard operating procedures on the same level of dependability and performance as an efficient manufacturing plant."

Here is an example of how the system works: When a homeowner calls after seeing a Homesmith ad (or after visiting the service center), he is visited by a Homesmith salesman-estimator, who looks over the job, notes the customer's ideas, and promises to call back with a sketch and proposal. For big jobs (like adding a room, or remodeling a kitchen) Homesmith's designer will draft a plan. Sketches may show alternate and optional arrangements—all carefully costed by the estimating department, reviewed by the division manager, and submitted to the customer for approval. If the job is approved, it is turned over to the necessary trades for performance. A field superintendent schedules the job and makes progress reports. When completed, the job is inspected by a division manager who always checks to see if the customer is satisfied.

"We hardly ever bid a job on the spot," says Schulz. "Except for one-trade jobs like flooring and roofing, we'd be more likely to

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**A well organized administrative and sales setup helps Homesmith manage its unique business**

The company is organized into six major divisions:

1. A construction division employing 40 carpenters, which performs all non-licensed-trades work on jobs costing over $1,000. It accounts for 65% of company sales.
2. A special services division for single-trade jobs (like paving, landscaping, carpentry, painting, tiling, roofing, glazing, flooring, wiring, plumbing, concrete, appliance repair, and (shown above) television repair.
3. A mechanical division employing licensed trade subcontractors and carpentry jobs under $1,000 performed by ten men on Homesmith's payroll. It accounts for 17% of company sales.
5. A marketing division of four people charged with the responsibility for creating sales opportunities for the four operating divisions.
6. A general administrative division which handles all billing, credit checking, financing, and accounting.
lose a job with a quick estimate." Consumer financing has, to date, been no problem for Homesmith. Most customers need no financing, but salesmen are armed with information about Title I and bank-financing arrangements.

Schulz does not believe his systems are as efficient and economical as they must be: "We’re now setting up standard bookkeeping techniques to pull standard unit costs on every job. If we can get all the costs involved in any job broken down on a standard basis, we can estimate jobs more quickly and accurately, and bill them more economically. We’re six months away from using data-processing equipment to handle the whole job from costing to billing. We want to be able to cost out any remodeling job as quickly as an efficient merchant builder can cost out a new house."

To broaden its market to owners of fairly new houses, the company advertises in a quarterly house organ published by Eichler Homes, one of the biggest homebuilders in the Bay area. The company also advertises in several business papers to get commercial and industrial remodeling jobs. And recently it began to advertise in the directory of the Central Coast Claims Assn. to get more fire reconstruction and other insurance business.

The biggest part (44%) of Homesmith’s advertising budget goes into newspaper advertising. Homesmith ads usually show photos of completed jobs—an extra bedroom, a remodeled kitchen or bath.

Another 26% of the ad budget goes into the yellow pages of area phone books. The balance of the budget: 26% for sales brochures, envelope stuffers, and expenses incurred in setting up showroom lunches, and 4% for showroom displays.

Homesmith has recently cut down its advertising budget (except for yellow-page advertising), plans to spend the money instead on calling back every customer a few days after each job is complete, and calling every customer who has not used Homesmith for six months. "We believe," says Schulz, "that this technique will be very effective in building repeat business and referral sales."

The company makes frequent market surveys, found in one study that 50% of the people contracting remodeling services selected their contractors on the basis of recommendations by friends and that 55% of the respondents did not award their jobs to the lowest bidder. So Homesmith puts great emphasis on customer satisfaction and prefers to be known as the company that will do the best job, not the cheapest job—though you must be competitive."

Homesmith has established training programs for repairmen and building-trades mechanics to help assure the high performance that builds volume. The company’s 25 appliance and tv repairmen are trained by factory representatives of all the major manufacturers. Homesmith also holds regular evening training course for plumbers, heating men, electricians, subcontractors, and tradesmen. In addition to refresher training in their trades the men are shown how to talk to customers to get more business and how to handle such administrative details as filling out reports and invoices.

Homesmith sees a bright future for the home-service center concept

Says Bill Schulz: "There is virtually no limit to the construction, modernization, and repair and maintenance business that we can reach through a service center operation." When he has polished the system for running his business, Schulz plans to expand by opening other service centers in the San Francisco Bay Area. Ultimately he hopes to expand nationally.

"But this won’t be easy, and will certainly take a good many years. We have two more years to go before this first prototype center is fully developed. Others will go faster, but the big problem will be finding and training people. Only one thing is sure—the market is everywhere."
Four ways to capitalize on a hillside site

Taken separately, each solution shows a different approach to the problems of building on a sloping site—and most particularly shows a different foundation system adaptable to many different designs. Taken together, the four houses make a still more important point: They show the opportunity offered by hillside sites. In every case the architect took advantage of the site to create something special—something that makes living in these houses out of the ordinary. On both counts, these houses are worth study, because—in the years ahead—more and more hillside land must be pressed into use. The four houses are all award-winners in the custom-built class of the 1962 Homes For Better Living Program, sponsored by AIA, HOUSE & HOME, and LIFE.
Solution 1: Raise the whole house above the site and its problems

The essential structure of this house is a grid of chemically treated poles (18 in all, on a 15' module) set in holes drilled in the ground. The big roof and the floor of the 1,800 sq. ft. living area are supported by long beams through-bolted to the poles. This structural system eliminates the costly problem of pouring foundations on such a steep site. And the poles are, in both form and color, an important element of the design. The character of the house, which begins with the clearly exposed structure, is everywhere suited to the rugged, wooded site.


Structure of posts and beams is clearly expressed. Walls are set behind posts to avoid complicated (and hard to waterproof) connections.

Circular stairway winds around one of the structural poles, leads from entry door on main level to entry area and car shelter on grade below.

In living area, strong textured ceiling (laminated of alternate 2x3s and 2x4s) and wood paneling create a feeling of warmth and shelter.

Plan zones adult and children's living areas. Living-dining room and its deck open to best view.
Solution 2: Cantilever the main level above a small core

The lower level of this house and the foundation beneath it is essentially a 12' x 36' rectangle. The main living level of the house, which cantilevers 12' from this structural base, is more than three times as big: 1,444 sq. ft.

Floor of the upper level is a stressed-skin plywood platform. To carry this load, the lower-level framing is steel. Extensive use of glass carries the eye to the trees outside, but there is a special point of interest in the center of the house: a 12' x 12' section of vaulted ceiling focuses light on the central stairwell.


Plan of upper level is essentially a 36' square. Lower level terraces are sheltered under house.
Solution 3: Notch the hillside to create a daylighted lower level

With a minimum of excavation, this long and narrow house was nestled into its sloping site—and a bonus of over 1,000 sq. ft. of lower-level living space was added.

In this house, the lower-level space is a workshop and study, though it could be extra bedrooms or recreation. The blank back wall of the area is devoted mostly to storage; the living areas are open through glass walls to the view and the patio. Outdoor living is provided on the upper level by a spacious wooden deck opening off the kitchen and living room.


On downhill side, all-glass walls open both levels to the view. The deck (foreground) and a big patio beyond the house provide outdoor living space.

Two-level plan offers a total of 2,800 sq. ft. of living space. The upper level is well zoned by the central entry and stairwell.

Main living area has high beamed ceilings, massive brick divider walls, and a long vista down the gallery from the dining area to the master bedroom.

continued
Solution 4: Let the slope establish the levels of the house

Although this three-level house is under a single roof plane, it follows the hillside site so closely that only the driveway, carport, and patio areas needed grading. The changing floor levels create constant changes in vertical scale—and this gives interest and character to what is essentially a square, compact (1,596 sq. ft.) house. Ceilings are low in the upper-level bedrooms, 10' in the mid-level kitchen, dining room, entry hall, and utility room, and a full two-stories high in the lower-level living room.


Three-level plan puts kitchen and dining room on middle level, bedrooms four steps up on top level, and living room nine steps down on bottom level. Privacy fence encloses partly paved family patio.

Entry hall on middle level (front door is in background) overlooks the lower-level living room.

Dining room has two outdoor views—one of patio in foreground, the other of woods beyond glass wall of the living room. One of two stairways to bedrooms is at left.
New housing in the Old World

European architects and planners have learned to live with a problem that this country is just beginning to face: an acute land shortage. The European solution—imaginative treatment of high-density housing—is well worth study by U.S. housing professionals.

That is the consensus of a group of leading American builders, architects, land planners, and other professionals who recently toured new housing in six European countries—England, France, Holland, Denmark, Sweden, and West Germany.

The visiting Americans saw a burgeoning housing industry. In an area about one-seventh the size of this country the Common Market countries and the United Kingdom are now producing as many dwelling units as the U.S. housing industry.

To pack so much housing into such a small area (population density in England is 18 times U.S. density), European planners and architects have come up with ideas that could well prove profitable in U.S. homebuilding. From European projects, this country can learn a lot about how to mix different building types, how to capitalize on the natural attributes of the land, how to integrate stores and other facilities into a community, and how to bring big projects down to human scale.

European planning also teaches lessons in how to avoid urban sprawl, but these lessons are not so applicable in the U.S. because European success in blocking sprawl hinges on tough governmental controls that would hardly be popular here. U.S. observers point out, for example, that Europe’s national and regional planning controls have fostered public housing at the expense of private homebuilding (in post-war England, it was not until 1959 that more houses were built by private enterprise than by public authorities).

What about European construction techniques? They offer little to American architects and builders, observers say, because they are based on a masonry vocabulary whereas in this country most housing is built with wood.

So the big ideas that U.S. housing can borrow from Europe are ideas that create an inviting environment in densely populated communities. For a look at these ideas, turn the page.
NEW HOUSING IN THE OLD WORLD continued

2. Townhouses in London.

3. Apartments in London.


5. Apartments; townhouses in Holland.

6. High-rise housing in London.

Mixtures of building types, varied facades, and artful siting enliven communities

Unlike many U. S. housing developments, West Europe's better communities are designed and planned to avoid monotony and to surprise the eye with constantly changing facades and vistas (7). Although many building types—detached houses, townhouses, and garden and high-rise apartments—may be mixed in a relatively small area (densities are as high as 40 dwelling units per acre), the overall effect is unified and pleasant (5). Open spaces flow through a community—breaking up its building masses and, at the same time, unifying its elements (6, 7, 8). Buildings of the same type are arranged in clusters (1), but planners are careful not to put big buildings too close together—in some projects high-rise apartments are placed so the shadow of one never falls on another. Townhouses are stepped back from each other to get variety in depth and avoid long flat facades (7, 9).

Surface materials are selected from what one architect calls "the same palette." A community may mix brick, stone, and unfinished concrete facades, but only one color of each material is used, and the colors of different materials complement each other.

This visual quality of European projects stems partly from the relative absence of rigid zoning regulations and partly from necessity: In high-density housing, it takes changing views and flowing exterior space to make living cheek-by-jowl tolerable. Says one British planner: "Barracks life is never tolerable no matter how nice it is inside the barracks. So to us the most important aspect of housing design is the outside environment" (3).
The natural attributes of precious land are preserved—and often enhanced

In land-short West Europe land planning is a little like diamond cutting—it is approached with the same careful intent to capitalize on the quality of the raw material. Trees (1, 2), rock outcroppings (3), and natural contours of the land (1, 3) are saved. But, more important, efforts are made to check urban sprawl—the catch-as-catch-can development that typifies the outskirts of many U.S. cities—before it starts.

Prime examples of these efforts: the Green Belt and New Towns of metropolitan London. Established by Parliament in 1935, the Green Belt is a 28,000-acre strip of land which rings London and on which building is prohibited. The eight New Towns, established by the New Towns Act of 1946, were built to cope with the outward push of London's growing population. Located around the outside of the Green Belt, each is limited in size and surrounded by its own green belt, so here, too, urban sprawl is checked before it starts. Critics have cited one weakness in the Green Belt idea: Speculation in privately-owned land adjoining the green belts is greater and potentially more destructive than land speculation in the U.S.

Land planning in the rest of West Europe is not as tightly controlled as in the London area. But, unlike the U.S., every country has some form of national planning control—a national planning board coordinates the activities of regional boards; regional boards coordinate municipal boards.
The planning of neighborhood facilities is integrated with the design of housing

In West Europe’s new housing projects the street facade or, for that matter, the over-all aspect of a community is rarely shattered by the addition of a shopping center, just because people need shops, or by rows of utility poles, just because they need power. These and other community necessities are designed into the projects so that their elevations, their materials, and their very dimensions will not clash with the housing or with each other.

Neighborhood stores—along with schools, churches, theatres, and pubs—are built of the same materials used in the housing, or at least of complementary materials. In fact, they often occupy the ground floors of apartment buildings (2, 4). Shopping malls are paved and landscaped parts of over-all plans (1, 3). And power lines are frequently buried underground—in some English projects they are easily accessible beneath removable precast sidewalk slabs.

A particular strong point of Europe’s community planning is that it provides plenty of parks for strolling and puts everything within walking distance. But this pedestrian-oriented planning ignores one current phenomenon: the proliferating numbers of automobiles in the Common Market countries. As recently as 1960, planners were designing new projects for an average of one car per household by 1980—about three times as many cars as there were in 1959. But the cars have out-paced the planners. And it now looks as if the parking and traffic problems expected no sooner than 1980 will materialize in a few years.

continued
Texture, pattern, and street furniture bring big projects down to human scale

And because of careful attention to human scale, even high-rise projects like those in the heart of Rotterdam (bombed out in World War 2) and on the outskirts of Paris are neither cold nor overpowering.

Part of this human-scale design is in the buildings themselves—in their materials and fenestration, for example. But, as the photos on these pages show, much of it is in the paving, landscaping, and furnishing of streets, sidewalks, and open areas. Textured pavements are brick, cobblestone, and pebbled concrete—often arranged and combined in interesting patterns and sometimes, as in the Scottish streetscape at left, separated by planting strips between roadways and walkways. Benches and bollards, the small concrete pillars that mark the line between parking and pedestrian areas, also give projects a human scale because their proportions are closely related to people. And, along with spots of landscaping and adroitly placed planters, they help to organize outdoor space in the same way that furniture helps to organize space in a room. Street-lighting standards, far from being eyesores, are slim, unobtrusive, and, at their best, graceful additions to streetscapes.

Small details? Yes—but they help create an atmosphere of intimacy and repose in plazas and streets that would give the eye no resting point if the strong horizontal lines of curbs and pavement were not interrupted by varied textures and patterns, and by landscaping and outdoor furniture. —RICHARD O’NEILL
3. Lighting, play areas, planters, bollards, bike stand, pavements and walkways in England, Scotland, and Denmark.
THE PANEL

FEDERAL HOUSING ADMINISTRATION
Richard J. Conavan, assistant commissioner for technical standards

ARCHITECTS
James T. Landrum, FAIA, dean of architecture
University of Florida
Harmon H. York, AIA, NAHB Research Institute

BUILDERS
Alan Brockbank, past president, NAHB
vice chairman, NAHB Research Institute
Thomas P. Coogan, past president, NAHB
Richard J. Fox, president, Fox-Built Homes

COLOR CONSULTANTS
Howard Keicham, president, Ketcham Inc.

INDUSTRIAL DESIGNERS
William Smith, president
Raymond Loewy/William Smith Inc.

INTERIOR DESIGNERS
Robert E. Sherman, president, Model Interiors

LUMBER DEALERS
Thomas T. Snedden, executive vice president
National Retail Lumber Dealers Assn.

HOME MANUFACTURERS
John Odegard, director of research & development
Kingsbury Homes

MORTGAGE LENDERS
Samuel Howley, past president, National Association
of Mutual Savings Banks; president, People's Savings
Bank, Bridgeport, Conn.
Dale Wright, architect
Metropolitan Life Insurance Co.
Richard V. Baker, vice president, Mortgages & Real Estate
N.Y. Life Insurance Co.
Augur Towns, architect, N.Y. Life Insurance Co.

PAINT MANUFACTURERS
William E. Hood, president
National Paint, Varnish & Lacquer Assn.;
president, Industrial Paint Manufacturing Co.

PAINTING CONTRACTORS
S. W. Kooperman, president
Painting & Decorating Contractors of America:
president, S. W. Kooperman Inc.

REAL ESTATE APPRAISERS
James V. Morgan, executive vice president
Society of Residential Appraisers

OTHER MANUFACTURERS
William H. Hunt, vice president
Georgia-Pacific Corp.
Gerry Prange, vice president, technical services,
National Lumber Manufacturers Assn.
William Van Beckum, chairman, NLMA Paint
Committee; vice president, Pacific Lumber Co.

MODERATOR
Perry Pilotta, assistant manager
jobber sales, De Vilbiss Co.
Because the communications breakdown between the paint industry and the housing industry has been so costly for all concerned, the National Paint, Varnish & Lacquer Association joined HOUSE & HOME and its sister magazines, TIME, LIFE, FORTUNE, and ARCHITECTURAL FORUM to sponsor a two-day inter-industry Round Table on the use of paint in tomorrow's house.

Representing the paint industry on the panel were the association's president and executive vice president and the chairman, president, or sales vice president of nine of the ten biggest paint manufacturers.

Representing the wood industries were the chairman of the Lumber Manufacturers Special Committee on Paint and Finishes, the president or sales vice president of three of the biggest lumber manufacturers, and the vice president for technical services of the National Lumber Manufacturers Association.

Representing the homebuilders were the chairman and the founder of the NAHB Research Institute, the research director of NAHB, and five of the most research-minded builders.

Also included on the panel were the assistant FHA commissioner for technical standards; the executive vice president of the National Retail Lumber Dealers Association; the president and executive vice president of the Painting & Decorating Contractors of America; the executive vice president of the Society of Residential Appraisers; the homebuilding industry's No. 1 construction expert; the No. 1 industrial designer; a famous color consultant; a prefabrication expert; and five representatives for the biggest mortgage lenders. The consensus of the Round Table follows:

**The use of paint in tomorrow's house**

The paint industry has made more progress since World War 2 than in all previous time. The paint equipment makers have developed new sprays and rollers that can cut the applied cost of a better surface at least in half. The paint manufacturers have developed a whole new paint chemistry of alkyds, acrylics, polyesters, epoxies, vinyls, latex, and titanium dioxide that has almost obsoleted yesterday's linseed oil and lead, and their new coatings promise much longer protection and much better color retention.

Cornerstone of this paint progress is a multi-million dollar program of product research, much of it by the paint manufacturers, much of it by the big chemical manufacturers who supply the paint manufacturers. The nine paint makers present on the round table panel alone spend well over $20 million a year for research to improve their products.

But, alas!

Communications between the paint industry and the housing industry have been almost non-existent, so too little of this paint progress has been translated into lower painting costs or longer-lasting paint finishes on today's new house. On the contrary: Too few in the homebuilding industry know how much better the new paints can be; too few know how to use the right new paints the right way; and too few know how to make these better new paints a talking point and a selling point for the new houses they build. Equally important, too few in the paint industry recognize today's equally revolutionary progress in how houses are built, too few know how the builders' paint needs are changing, too few understand why even the best builders still have serious paint failures, too few have been aware of the builders' troubles getting good paint applied economically.

This communication failure is bad for the homebuilding industry and bad for the paint industry. It is just as bad for the wood and millwork industry, because most exterior paint and much interior paint is applied to wood surfaces, so paint failure and too-high painting costs often discourage the use of wood.

As a first step towards correcting this communications failure, we urge the National Paint, Varnish & Lacquer Association to set up a joint committee with the Research Institute of the National Association of Home Builders, like its joint committee with the National Lumber Manufacturers' Association set up two years ago largely as a result of the lumber manufacturers' increased concern with the paint problem after HOUSE & HOME's Round Table on the use of wood in tomorrow's house.

This joint committee would have the two-way function of 1) getting the paint makers on target of the builders' needs and 2) helping the builders get the best possible paints and the best systems for applying them on properly prepared substrates.

But just appointing a joint committee will not assure good communications. The manufacturers can no longer rely on painting contractors and paint dealers to do the whole job of educating their market, for these contractors and dealers often have as much trouble as the builders understanding all the new paint formulations and their uses. Says Painting Contractor Brodsky: "It's getting to be almost a full-time job for us to keep up with all the new paints, and the contractor almost has to be a chemical engineer to understand what is going on."

So the manufacturers themselves should assume a much more direct and primary responsibility for explaining today's better paints and how to use them to all the housing professionals—architects, builders, contractors, dealers, mortgage lenders, and residential realtors—whose understanding is important to the sale of paint in the new house market (where five new houses out of six are now built for sale to an unknown buyer).

This new house market is more important to the paint manufacturers than they seem to realize, because 1) if less surfaces get painted in this year's new houses, there will be less surfaces to repaint five years from now, and 2) the new house sets the style

*continued*
and standard for fixing up existing homes. Modernization means, by definition, making old homes look and live like new ones.

Furthermore, a bad paint job when the house is built makes an equally bad base for a good job of repainting.

Here are some of the important forward steps the paint makers have reported since 1945

They have developed new outdoor paints that can be site-applied to last twice as long as previous paints. ("But even the best paint is no good if it is not applied right," warns Paint Maker Herzog.) They have developed new paints that can last even longer if shop-applied under controlled conditions that allow adequate time for drying.

They have developed new baked-on coatings for aluminum siding whose long life some manufacturers will now guarantee.

They have developed new outdoor paints that help solve the blister problem because they "breathe" and let the moisture out.

They have developed new white paints that will not turn yellow as linseed oil paints do (because the new paints use synthetic resins instead).

They have achieved color permanence in many colors where lasting color retention was impossible 15 years ago, including specifically pinks and clear yellows.

They have developed color-blending systems that offer a choice of up to 2,000 colors just by combining a white base with predetermined proportions of ten to twelve color additives.

They have developed new paints that lend themselves much better to the great economy of spray or roller application.

They have developed new paints that make clean-up a minor problem because they can be wiped off with a wet rag while drying.

They have developed new paints that dry so fast that they can be ready for the second coat within 30 minutes.

The paint brush is now an obsolete tool for anything except small detail work

Sometimes the best way to apply paint is with a roller, sometimes with a spray, preferably one of the new airless sprays. Except for small work like window mullions and trim in a different color, there is no good reason why any painter should waste his high-paid time with a brush. Builder Bob Schmitt saves $200 a house by spraying his interiors, almost as much more by spraying his exteriors.

Said Painting Contractor Kooperman: "You will get more proper mil thickness of paint with a spray than with a brush." Said Paint Manufacturer Baldwin: "In one respect you can get a really superior job with a spray, because you can get a more uniform deposit of film without the peaks and valleys you get with a brush." Said Contractor Spokesman Torrence: "It's perfectly possible to get a first rate job with a spray, because you can make a really superior job with a spray, because you can get a more uniform deposit of film without the peaks and valleys you get with a brush." Said Contractor Spokesman Torrence: "A home with a lot of gingerbread is not practical to spray, but the average built-for-sale house can be sprayed very satisfactorily. We recommend spraying for all shake material, and certainly no painting contractor would brush concrete block if he could spray it. It's high time more paint on new construction was applied by means other than a brush. Unfortunately, many areas are still backward about accepting the more efficient new painting tools."

Only caution against sprays was voiced by Paint Chemist Scofield. Said he: "It's perfectly possible to get a first rate job with spraying, but a spray gun lends itself gregariously to cheating on the job; it's harder to apply a too-thin coat with a brush."

There is no excuse for union or other rules that obstruct the wise use of both roller and sprays. Such restrictions are just featherbedding. The National Association of Painting & Decorating Contractors is fighting them and the National Convention of the Painters, Decorators & Paper Hangers International Union voted not to approve any local contract that does not provide for
cost problem is the cost of paint on the wall—and paint on the wall costs us much too much." Added Builder Place: "That's the crux of the cost problem. Most builders would gladly pay a lot more per gallon for a good one-coat paint that would cut our labor bill for painting; but we don't want to pay more per gallon until we can get the paint applied economically."

Said Builder Schmitt: "The paint manufacturers can't abdicate responsibility for the high cost of getting the product applied."

Said Industrial Designer Snaith: "If the manufacturers want to sell more paint they must give more thought to how it is to go on the wall."

Buying cheap paint is today's one worst way to hold down the too-high cost of painting

All the good paint needed to paint a 1,500 sq. ft. house inside and out costs the painter less than $150.

So only a pound-foolish builder would spend good money for cheap paint because: 1) Better paints cut the applied cost by better coverage and easier application. Many builders find they can get a better job with two coats of good paint than with three coats of cheaper paint. 2) The much higher cost of getting paint applied offers a much bigger and easier target for cost-cutting. 3) Bad paint, indoors or out, is the hardest fault to hide for more than a few weeks. Other faults can lie hidden and undetected in the walls for years, but a bad paint job is right out where every passerby can see it; a bad outside paint job can be seen a long way off, giving the builder's whole tract a bad name. Bad paint jobs are the No. 2 cause of complaint to FHA; even the best builders get more costly call-backs for paint failure than for any other cause.

Smart builders like Andy Place, Alan Brockbank, and Bob Schmitt not only insist on top quality paint; they buy the paint themselves to be doubly sure they are getting the best, and Place spot checks the paint pails on the job with a hydrometer to guard against dilution.

With a dozen national manufacturers and 1,800 local and regional manufacturers fighting for the painters' business, it is always easy enough to buy cheaper paint; but the cheaper paint is likely to cost many times more in the long run.

Says Builder Brockbank: "Any builder who buys anything but the best in paint just plain doesn't know his costs."

If this were the best of all possible worlds this is what the builders would wish from paint:

Homebuilders use between 15 and 20 million gallons of paint each year to paint new houses. Rightly or wrongly, they believe the paint makers have been so preoccupied with the re-paint market that they have given too little study to the quite different needs of the new house market. Protested Builder Place: "The merchant builders can't afford to be told to use paints made to be sold off a shelf to a woman who wants to try a do-it-yourself touch-up job with a brush."

The paint makers thereupon asked the builders to list what they need, and Research Director Johnson answered:

"1. A good blister-resistant primer for high-speed, fast-drying factory application to serve as the base for a 10- to 20-year maintenance-free exterior top coat applied at the site;"

2. A 20-year maintenance-free opaque exterior finish for field application on wood products, preferably for one-coat applications;

3. An opaque, 20-year, maintenance-free textured coating that...
will hide the grain of Douglas Fir Plywood. This is a great building material in many respects, but it has a terrible finish problem;

4. An opaque, 20-year, maintenance-free finish for such products as carbon steel, aluminum, asbestos, and cement-clay products;

5. A 20-year, maintenance-free, textured opaque coating for flat surfaces such as hardboards;

6. A reliable short-term test method to predict the durability or weathering life of the combination of paint and substrate, in both typical and special climates;

7. A paint-product information service where builders can get more and better technical information on paint and paint products.”

The wood industry spokesmen agreed, and Paint-maker Baldwin answered: “We are devoting much time and research into achieving these objectives, and we aren’t too far from certain of them right now.”

The builders also need and want new paints that can be applied in winter weather

When homes were built one at a time nobody worried much about cold-weather paints, because so few houses were built between October and April. But today more and more merchant builders are building twelve months a year and the need of a good cold-weather paint is becoming urgent.

“Building in winter costs a lot more money,” said Builder Bob Schmitt, “but it costs a lot less than letting your good crews go in the fall and hiring green crews in the spring, and it costs less than carrying your overhead all winter with no production to show for it. So today one of my most serious problems is that

I have to wait for spring before I can paint the houses I build in winter.”

“Last spring I had a whole neighborhood of 60 unpainted houses on my hands,” added Builder Andy Place, “all drab and dull-looking with nothing but the primer on. Houses are hard to sell when they look like that, and it took me half the summer to catch up with my painting.”

None of today’s paints behave well in cold weather and the latex paints (which are the most durable, the most sun-fast, and the most blister-free) behave worst of all, because their vehicle does not coalesce to dry and form a continuous crackless paint film at temperatures below 40 F. “So,” said Builder Schmitt, “I was told that all I could do was put on an oil primer, let it dry slowly, and wait for spring before I could apply the latex finish coat.”

For want of a good winter paint, too many painters are unemployed four months of the year.

And the builders need better clear finishes to show the texture of redwood and cedar

Today 70% of all redwood and cedar siding is hidden under paint because the clear finishes that would show off the texture while protecting the surface are still (despite recent improvements) too expensive and too short-lived. They cost twice as much as paint; even the best of them peel and chip badly within three years; and then what is left of the film must be scraped and sanded off before fresh varnish can be applied.

Basic problem is that the sun’s ultra-violet light can shine right through a clear finish to 1) destroy the bonding agent and 2) start unattractive chemical changes in the wood itself. Since 1959 the paint manufacturers have been trying to meet this problem by including ultra-violet filters in their varnish formulations, but
they have yet to find a filter that is good enough and cheap enough.

Without some surface protection redwood shows discolored patches for five or six years before it weathers silvery grey. Because today's clears are not yet good enough, the siding producers recommend stains (optionally a stain pigmented the same grey to which the wood will naturally weather) as an alternate. Stains do not show off the wood quite as well as clears, but 1) they are cheaper and 2) a fresh stain is easy to apply when the first coat wears off.

**Homebuyers want their houses maintenance-free and homebuilders want that added sales appeal**

Homebuyers today are so maintenance conscious that in many areas they won't buy a house unless it is brick, because they forget about trim and think a brick house will never cost a penny to repaint. They are so maintenance conscious that aluminum siding sales are zooming, because its finish carries a long-time guarantee.

That's why sales-conscious builders are so interested in getting an exterior coating that will outlast their warranty by many years; and that's why the wood siding and mill work manufacturers are so concerned with paint, and working so closely with the paint makers to get better painting systems for wood products. For exteriors homebuyers aren't much interested in repainting to change colors; they just plain don't want to repaint at all. Most houses are painted white and stay white through many repaintings. Most non-white houses likewise get repainted the original color.

Inside the house permanence is less important because 1) women often want to change colors to harmonize with new draperies, rugs, or furniture, and 2) interiors usually get repainted one room at a time, which is much less of a project and much less of a cost than repainting the whole exterior. But said Architect Lendrum: "Fewer homeowners would repaint their rooms if the first colors lasted better and fewer women would repaint their rooms if the original colors had been chosen by a good color consultant." And Industrial Designer Snaith added: "Even if they are going to change colors, women don't like to feel they will have to keep repainting whether they want to or not."

**Today's spray equipment is much better:**

**Paint for spraying is better formulated**

Paints are better because the paint makers grind them finer for atomization, and use faster-drying vehicles when they know the paints are to be sprayed.

Sprays are better because: 1) Compressors are smaller and lighter and therefore easier to move around. 2) New nozzles atomize paint with half as much air pressure, thereby lessening over-spray. 3) New nozzles permit spraying paint ribbons as narrow as 1" or as wide as 4". 4) Pole guns make it easy to spray ceilings and gable ends without scaffolding, easier to spray floors and roofs without stopping. 5) Heated sprays, new eight years ago; use more concentrated, faster-drying paints, and 6) Airless sprays are the biggest advance of all, spray a gallon a minute with minimum over-spray.

Some of the time saved by spraying is lost masking surfaces that are not to be sprayed. The NAHB-Stanley Works time-and-motion study showed Builder Bob Schmitt how to cut this masking time in half by 1) installing kitchen cabinets after the kitchen was painted, 2) throwing standard masks over the bathroom fixtures, 3) hanging doors after the walls were sprayed, and 4) screening the millwork instead of masking it.

Today's rollers are also better than yesterday's best, partly because synthetic fibres like dacron and dynel have replaced lamb's wool, partly because special rollers are now available in many sizes for use on different surfaces, including even contour rollers for pipe.

**Here are the ABC's of today's new paints and where and how they can best be used**

In the past ten years more and more of the new house market, both interior and exterior, has switched to latex paints, first the styrene butadienes, later the acrylics and polyvinyl acetates. Advantages shared by all three are: 1) they are water-thinned, so they dry very quickly by evaporation and the second coat can be applied within an hour; 2) they are almost blister-free, because they "breathe" and let moisture escape; 3) they are very easy to brush on. Their disadvantages are: 1) they are all flat; so far no one has been able to give latex paint a gloss or semi-gloss finish; 2) they cannot be applied in cold weather to form a good film.

Indoors they all have two further advantages; 1) they are almost odorless, 2) they work better than other paints over sheet-rock because they lay the nap instead of raising it, so the spackle spots don't show up differently. But they are not as easy to clean as semi-gloss paints and should seldom be used in bathrooms or kitchens where children are likely to mark them up.

Outdoors the vinyls and acrylics are being used on more and more new wood houses because they are much more durable than the older coatings, and because 1) they are almost blister-free, 2) they dry so fast that there is little time for sudden dust or insects to soil them, and 3) they are more permanent; once they dry they show no further chemical change. They should be applied...
only over a solvent-thinned oil or alkyd primer to keep them from reacting with the water soluble stains in the wood.

The styrene butadienes are seldom used outdoors because they chalk too fast.

Latex paints are capturing a large share of the market held ten years ago by alkyds. Alkyd advantages still include 1) they are more scrubbable than latex, 2) they come flat, high-gloss, or semigloss. But they are less durable, they dry slower; they blister less than oil paints, but more than latex.

Linseed oil paints are still widely used outdoors because of their gloss and because they can carry certain pigments like zinc oxide that are important where mildew is a problem. They are slow drying and average about five years. They blister unless care is taken to be sure the substrate is dry before painting, that the wall behind it has a good vapor barrier, and the airspace behind it is ventilated.

By far the best time and place to apply paint is in a well-equipped factory, because

1. Painting costs much less with big sprays to float the paint on and by dryers to cure it. "Priming costs us only a quarter as much in our plant as it costs at the job site," said Prefabricator Odegard.

2. Painting can be done much better under factory-controlled conditions. "As long as you have to worry about has the rain had time to dry or is there dew on the wall or is the wind blowing up dust or is the sun too hot, there is no way to be sure what kind of painted result you will get," said Construction Expert Lendrum. "The minute you take painting into the factory you can control the ventilation, the temperature, the curing time, the formulation, and the application and get a finish comparable to the industrial finish on an automobile."

"Factory application offers a real opportunity to combine paint and wood better and more economically," said Lumberman Van Beckum. "We can do things in the plant that can't be done in the field. We can utilize the newest technology faster, and eliminate variables. We can use high temperatures and fast-acting catalysts to cure the paint and improve its application. That in turn will open the door to new types of paint and finishes."

"There are plenty of paints right now that would put a lasting finish on lumber if the lumber industry would allow adequate time for curing paint films at a temperature wood could stand (150°F vs. 350°F used to bake enamel on metal)," said Paint Maker Baldwin. "This curing time is a problem we'll have to work out cooperatively with the wood industries." "Already," reported Lumberman Van Beckum, "We are getting much better fast-drying primers for factory application than a year ago."

"Before long we hope to have a whole prefinished system of exterior siding," reported Lumberman Aram. And Plywood Manufacturer Brewer added: "Prefinished paneling won its wide public acceptance because the prefinishing let us control its color and quality and reduce its in-place cost."

Some mills believe prefinished components can be shipped without wrapping; others say paper wrapping is well worth its cost.

Most builders want to build with factory-finished components to minimize on-site labor costs, so what is best for paint is also better for the builders. One main objective of NAHB's latest research house was to explore and demonstrate how good a home can be assembled from prefinished components that require no on-site painting at all.

As an alternate to complete prefinishing, some builders would prefer components just factory-primed, so as to retain color flexibility. But in that case they consider it most important to get a 3-mil primer so that only one mil would have to be site-applied.

Where wood is preprimed the primer formulation should be clearly indicated so the builder can choose a compatible finish coat.
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All the award winners will be published in HOUSE & HOME
A selection of the winning entries will be considered by LIFE and TIME
All the winning entries will be displayed at the AIA convention in Miami and at the Octagon in Washington, D.C.

Houses and apartments must be designed by a registered architect and built and completed since January 1, 1960 in any of the 50 states. Outstanding architects, housing industry leaders, and the editors of LIFE and HOUSE & HOME will judge the entries.

Awards will be made on the basis of outstanding contributions to better living through residential design, site planning, and construction. Winners will be announced at the AIA Convention May 5 to 9, 1963. Awards will be made in three categories:

1. CUSTOM HOUSES designed specifically for an individual owner, in three classes according to size:
   a) Under 1,600 sq. ft. of living space  b) 1,600 sq. ft. to 2,800 sq. ft.  c) Over 2,800 sq. ft.

2. MERCHANT-BUILT HOUSES designed for a merchant builder and sold speculatively, in three classes according to sales price, including land:
   d) Under $15,000  e) $15,000 to $25,000  f) Over $25,000

3. GARDEN APARTMENTS (walk-up) built for rent or sale. Buildings shall not be over three stories in height from grade, must comprise four or more living units, and may be single buildings or one of a group:
   g) Single buildings (or townhouse blocks)  h) Multi-building groups

Pertinent information shall be submitted on the registration blank below by January 13, 1963, accompanied by a payment of $10 for each house or apartment entered. Any number may be entered. A separate registration blank must be submitted for each. Upon receipt of registration blank and fee, each entrant will be sent, for each house or apartment entered, an 8½" x 11" binder and full instructions for preparation. It must be completed and postmarked no later than March 10, 1963. It is imperative that the appropriate category be correctly designated on your original registration slip.

This registration slip and entry fee must be submitted by January 13, 1963. Make checks payable to: Homes for Better Living Awards. HOUSE & HOME, Time & Life Building, New York 20, N.Y.

Enclosed is check □ money order □ in the amount of $10 covering the entry below.
category: □ CUSTOM BUILT HOUSE □ MERCHANT-BUILT HOUSE □ GARDEN APARTMENT

location

owner address

architect address

builder address

submitted by address
Go together... fast, low-cost construction and Wolmanized pressure-treated lumber. Hammer it. Saw it. Glue it. Paint it. It's clean, odorless, fiber-fixed, non-corrosive to metal. Works like ordinary wood... prevents termite and decay destruction. Protection lasts a lifetime, cost is only pennies more per board foot. Just what homeowners like to hear. Tell them, too, that behind each board foot branded “Wolmanized” are the vast technical resources of Koppers... resources with research in depth that has made the name “Wolmanized” synonymous with “leader.” Specify Wolmanized lumber wherever vital wood members are subject to ground, water or masonry contact, or within reach of termites. Write for brochure “Safeguard Building Dollars.” Wolman Preservative Dept., Koppers Company, Inc., 795 Koppers Building, Pittsburgh 19, Pa.
$385,150 in sales in 8 days by Atlanta builder King-Williams again proves Kingsberry Values sell in tough markets

KINGSBERRY VALUE launched King-Williams' new "Hickory Acres" subdivision in Atlanta, Sunday, November 4, 1962. Eight days later 19 firm sales were tallied totaling $385,150 (with deposits averaging $500 each).

Star performer of King-Williams' sales program was the Kingsberry "Stratford", a split foyer design with five bedrooms, two baths, den, recreation room and workshop. In all, it's 2477 square feet of appeal-packed livability, completely finished, selling in Atlanta for $20,000 (excluding lot)!

That's a real value in any market—$8.07 per sq. ft. with a good sound profit to the builder.

Kingsberry means VALUE... and value means BUSINESS!

This is just one of the sales successes King-Williams has experienced since joining with Kingsberry, three years and 150 Kingsberry homes ago. And King-Williams is just one of the many building firms discovering the sales power of KINGSBERRY VALUE... sound profits at less than $10 per sq. ft.

Jerry Nowak, General Sales Manager
KINGSBERRY HOMES CORPORATION—Dept. HH-1
5096 Peachtree Rd., Chamblee, Georgia

Please have your sales representative analyze my market and show me how Kingsberry Homes can help me offer EXTRA VALUE, increase my sales, I have lots ready to build on. I have lots being developed, I am interested in model home furnishings financing.

Your Name

Firm Name

Address

City, Zone, State

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Continued from p. 71

LOF has agreed to buy $3.5 million worth of Alside treasury common stock, make up to a $3.5 million 15-year loan, and buy $3.5 million more of convertible debentures. If LOF exercises all its conversion options it would wind up owning 16% of Alside.

"We think this is a sound investment opportunity," says an LOF spokesman. "I have never heard of a factory where computer controlling has been used as much as it is in the Alside plant. The labor content of Alside's house will be very low."

Johns-Manville has just set up a separate section to build, own, and operate private utilities anywhere in the nation to help builders put up subdivisions of 300 or more houses. The plan, only four months old, is proving to be a big hit. "Many developers lack the capital and engineering skills to handle their own utilities in addition to their subdividing problems, and this is retarding many housing developments," says Stephen H. Painter Jr., head of the J-M program.

A year ago, Koppers bought a 50% interest in General Homes, the Fort Wayne, Ind., home manufacturer, and announced plans to expand operations into 15 new major markets. Koppers, of course, hoped the new utilities would help give it a system to deliver more houses and materials to its customers.

"We're only one of the guys," replies company President John D. Meara, "We're the only one that has been successful. The others have all gone out of business." That's because Koppers goes where the money is. It now operates 15 regional centers for delivering materials from Coast to Coast.

"The sale of homebuilding plants has been declining since 1955. The real estate market is 'lacking a little bit,'" says John C. Bost, president of REH, a homebuilder.

"We think this is a sound investment opportunity," says an LOF spokesman. "I have never heard of a factory where computer controlling has been used as much as it is in the Alside plant. The labor content of Alside's house will be very low."

Continued on p. 115

Home-grown housing giants: reaching for profit via diversification

The idea that homebuilding has become a separate industry from general contracting and owner-building gained wide acceptance in the housing boom of the early Fifties. Professor Sherman Maisel of the University of California, for one, espoused this view in his celebrated 1953 book, Housebuilding in Transition. "The overlap between house-building and other activities is not great," he wrote.

That was yesterday. Professors James Gillies and Frank Mittelbach of U.C.L.A. say in their just completed study of southern California builders that "a detailed appraisal of the industry during 1955-1959 shows that builders of homes no longer build only homes, but move in and out of other types of buildings as market opportunities arise. Say the authors: "A questionnaire submitted to builders in 1956 indicated that 50% were exclusively in homebuilding in 1955. However, in 1957 and 1958, when the same group was again studied, it was found that as a result of a decline in the demand for single-family housing, builders had switched over to public, commercial and industrial construction as well as the building of apartments. More persuasive evidence comes from 50 firms studied in detail. While 58% reported that their operations were diversified among different types of construction, only 42% reported that they concentrated their construction activity on one type of construction. In addition, of the 42% who were not diversified, more than half reported that sometime in the past they had a variety of other types of construction.

"A number of the very large builders studied had undertaken nothing except homebuilding prior to 1955. However, as housebuilding declined from a peak in 1955, many of these firms began operating in other markets, whereas few merely reduced their output of homes. In a short period of time a large proportion of builders found opportunities in apartment building or other building on a speculative basis. Others began to bid on commercial and industrial jobs. Clearly, firms have a much greater degree of flexibility than has been commonly attributed to them." Why? The same technology is involved.

"It appears that in the 1960's continued growth and stability for individual firms will come primarily from diversification of construction and the improvement of activities related to, but not part of, the actual process of construction."

Cases in point
- The Larwin Group companies (brothers Lawrence J., 36, and William Weinberg, 34, owners) of Beverly Hills, in 1961 built and sold more than 1,400 homes in southern California. They also built and leased 200,000 sq. ft. of shopping center space, leased another 40,000 sq. ft. of future shopping centers, originated $38 million in FHA and VA loans (servicing $31 million), wrote $16 million of homeowner insurance policies as agents, sold $150,000 of building materials to builders. Last year Larwin started 1,343 homes ($18 million volume.)
- Louis Lesser, 44, one time builders' agent, in nine years has built a business controlling $60 million in real estate equities. Ingredients: 16 office buildings, 10 shopping centers, about 4,000 rental units including the just finished 750-unit Barrington Plaza apartment complex in Los Angeles, land for 5,000 houses, 20,000 acres to be subdivided and wholesaled to other builders and about 3.5 million sq. ft. of industrial property. Last October, despite the soggy performance of realty stocks, Louis Lesser Enterprises Inc. floated a $500,000 share issue of Class A common stock at $10 a share.
- Equitable Investment Corp. of Columbus, Ohio, is a diversified $125 million holding company headed by John F. Havens, 35 year old realtor, one time house remodeler, and past chairman of NAREB's Build America Better committee. Equitable, started in 1956 with $50,000, netted $666,000 after taxes in 1961 and may have doubled that in 1962. It owns a $104 million savings & loan in Akron, a $22 million Canadian company which sells savings certificates on the Investors Diversified Services pattern. Another subsidiary, Equitable Development Corp., is developing some 40 midwestern subdivisions plus land in the Bahamas, Equitable Properties Corp. deals in multi-family construction, rehabilitation, and management, is a joint venturer with Reynolds Metals in its renewal projects in Kansas City and Cincinnati and co-venturer with Builders Bollinger and Martin for their pacesetting urban renewal townhouses in Louisville (Jan, Mar, 1961). Another Equitable division develops industrial parks, is currently finishing two shopping centers, and is about to start on another one. Its mortgage banking company, Preferred Mortgage, helps originate for the Akron savings & loan, is not trying to build up servicing volume. Last June, Equitable acquired a title agency so it could pick up the profit of writing the title insurance on its own realty transactions. Havens does a little homebuilding—"as little as possible," he says.

"In the next ten years, lots of people are going to do the kind of thing we have done." Havens predicts, "There should be a lot more big combines in the real estate business."

- California Financial Corp. (president: John F. Peters), San Francisco-based holding company (listed on the New York and Pacific Coast Stock Exchanges), owns the Securities Savings & Loan Assn. (with nine Bay Area offices and assets of $115 million), two title in-
Broan’s Workhorse Dual Blower Range Hood is so effective she hardly knows it’s there!

The Broan Dual Blower is a workhorse all right. Two powerful squirrel-cage blowers tackle cooking odors, grease and smoke with a vengeance.

But the beauty of Broan is its value in overall kitchen design. The Broan Dual Blower comes in 10 colors and finishes to insure complete harmony with appliances and cabinets. Its handsome lines are not obvious for their own sake. They help to bring out the style of other kitchen design elements. The beauty of Broan’s Dual Blower is that it does a king-size job without interrupting your design.

It’s a quiet worker, too, so Mrs. Homeowner finds it a pleasure to use. Push-button controls, too, and spring-loaded damper to prevent draft and flutter; heliarc welded seams prevent grease traps under hood.

surance companies (Marin County and Walnut Creek), Security Underwriters, Corporate Agency, and Cal-Surety Insurance Agency, plus Pan-Pacific Investment Capital Co., a small business investment company. On The Wall Street, Credit Commercial International Finance Co. assisted with capital from $32 million to $122 million, revenues rose 43% to $4.7 million and earnings before appropriations to reserves rose 46% to $1.2 million.

- **Midwestern Financial Corp.** (president: H. Sanford Weaver) of Boulder, Col., is a holding company with these subsidiaries: four savings & loans, two mortgage companies, one custom sectionized home manufacturing company, a small business investment company (an acceptance company for shell-home loan purchase), one national bank.

- **United Improvement & Investing Corp.** (president: Edwin Katz) is a diversified New York City real estate company which has just announced plans to acquire All-Star Title Insurance of Milwaukee. United is in just about everything: land development, mortgage origination and servicing, property management, apartment construction (225 starts last year). In 1961 United earned $520,000 or 30¢ a share on a gross income of $5.1 million.

The list could go on and on. Big Builder John F. Long of Phoenix has just diversified into commercial construction, will build anything from a shopping center to an office building. Why? Says Long: "The only thing to do was get smaller or diversify." Temple Lumber Co., the Texas giant, has just started making roof trusses at the rate of 200 per day in Houston. Builders Fisher & Fritchel of St. Louis have diversified into prefabs, motels, commercial work, and even a nursery.

### Stock market: capital for growth, at a price

Back in the spring of 1961, before Blue Monday in the stock market, a topical wisecrack in profit-pinched homebuilding circles used to be: "Go broke, or go public.

Housing's rush to Wall Street started in 1959 with such early comers as Eichler Homes and Laguna Niguel. Even though securities underwriters usually took about 10% off the top of a public issue, the infusion of capital has helped many of the early comers to tighten their grip on their markets, or expand into more profitable fields.

The collective impact of publicly held building companies on housing starts is still small. A *House & Home* survey indicates that they began some 25,000 units last year, or about 5% of the U.S. total. That is no more than National Homes, the No. 1 home manufacturer, produces in a good year. But their slice of the market seems likely to grow quickly. Prefab volume has swelled from 6% to 16% of private nonfarm housing since 1950.

Many builders go public to pay off debt, to boost working capital, or to raise money (or even to cash in their equity). But publicly owned companies like Eichler, Levitt, Kavanagh-Smith, and Kaufman & Broad look upon public ownership as a necessity for survival. Says Roger Kavanagh of Kavanagh-Smith which went public two years ago and now builds in 16 subdivisions in nine cities: "Going public is not a cheap way to raise money, but it does provide a base for more economic financing in the future."

Add Kavanagh: "The building business still has the highest rate of return of any business in the world on invested capital even if its return on sales is low. All of us in publicly held companies have a tough row to hoe, but most of us believe that public ownership is the only sound basis on which the building industry can grow. A builder who needs large sums of money, say, for urban renewal can't raise what he needs unless he takes in partners and gives up 50% or more of his equity. But a publicly owned company has a base to do big things at lower costs.

At the moment, housing stocks are in low esteem in the financial community. *House & Home's* two-year old index of 11 housing and real estate stocks (see p. 38) sank to a record low in November, for instance. Part of the trouble is the shakeout in shell housing, which has been plagued by overcompetition and recourse financing arrangements (in which the commercial loan company keeps the good loans and dumps the defaulted ones back on the unhappy shell producer). But a bigger part of the problem is probably the tarnish all real estate and housing is getting from the operations of some realty syndicators, of which something over 35 have now become publicly held companies. Even while vacancy rates in rental housing and office buildings were on the rise and real estate prices showed signs of topping out, syndicators have been ploughing ahead. As Baron's has noted: "Under the pressure of sliding values and mounting competition, safe, high-yielding deals became nearly impossible to find. Much of the public's money wound up in marginal properties, which generated barely enough cash after expenses to cover projected distributions."

Now, some of the syndicate-based tax-sheltered public realty companies--are facing real trouble (see p. 38).

Among publicly held building companies, the scene is brighter. Eichler Homes, for instance, which went public with a $300,000 issue in 1959, now has 12 projects underway in northern California, expects to start 1,052 units this year including a first venture into high-rise renewal apartments in San Francisco. Eichler netted $493,097 on sales of $18,700,000 in 1961. Builder Bill Levitt, who went public with an $6 million issue in 1960, has since branched out to Puerto Rico and is eying the Common Market as well as several new U.S. cities.

### Who will build tomorrow's housing—giants or midgets?

Where will today's interacting skein of changes in the size and scope of homebuilding and community development leave the traditional merchant builder? Does he face a shrinking demand for his product? Must he adopt new ways of working to survive?

It is too soon to be sure, but the indications are strong that giants will dominate the market—probably more than they already do. Small custom builders should survive, but they will account for only a tiny fraction of the nation's housing output. Predicts Economist Trestrail of Stanford Research Institute: "Only builders who are large enough to plan the most efficient use of land available for development will be able to survive. The future of the industry is a future where large producing units will dominate. Like the retail grocery industry, there will be many small units in housing but they will be a small fringe, not the dominant element."

Says NAHB Economist Nat Rogg: "The trend seems to be towards larger volume per builder but a decrease in the total number of firms in the industry. But the statistics are so weak they don't give us even a reasonable figure."

Such statistically-reliable surveys as there are show an ever-rising concentration of housing volume in the hands of the bigger operators. Back in 1949, the Bureau of Labor Statistics made the widest count yet of builder operations: 12,000 people who built houses. Of these only 6,500 were building professionals (others were owners, do-it-yourselfers, part-time builders.) The professionals accounted for two-thirds of all houses built. But even among the professionals, 42% built only one unit, said 14%, and 19% of the professional builders put up 79% of the nation's housing.

As studied the situation again in 1956 and suggested that owner-builders had shrunk to only 15% of housing output, that professionals accounted for 85% of volume vs. 66% only seven years earlier.

The last big count was made in 1959 by the National Association of Home Builders, and covered 7,000 of its builder members—professionals all. It showed that builders of more than ten units accounted for 97.3% of housing starts; builders of more than 50 had 79.2%, and builders of over 100 units had 61% of the total market. The 13.5% of professional builders who started five or fewer homes in 1959 accounted for only 0.5% of the total volume. And the six-to-ten house builder did only 2.2% of the total.

A just completed *House & Home* survey of its builder-subscribers (a sample of 927 builders) suggests the trend continues. Builders of one to three homes did 97.4% of the volume, and builders of 200 or more 78% of it), although 43% of the builders reported starting nine or fewer units. The 100-plus ranks that do three-fourths of the business account for only 14.2% of the building companies. Who will build? Everybody but mostly companies big enough to afford solid management—Gurney Breckenfield.

**Who will build tomorrow's housing—giants or midgets?**

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Creative Window Planning

from an architect's sketch pad

"The window is a dominant design element for both interior and exterior planning. It is primarily responsible for valuable first impressions your prospective home buyer receives; it is equally responsible for effective furniture placement, privacy, light and ventilation within the home.

"In the example above, the conventional placement of windows for two bedrooms has been avoided by the centering of a single element that services both rooms. Drama has been added with glass to the roof line. Inside, there is ample space for all bedroom furniture, excellent ventilation and privacy."

MALTA wood windows... focal point of good design!

For new and original sales appeal, Malta Wood Windows offer the greatest bargain any builder could want: the warmth of wood, quality Ponderosa Pine, a quality appeal for home buyers. Malta has the line and the design to help you convert the ordinary into exciting new areas of interest. Score better appearance points on the outside — new heights of good taste within each room.

And the Malta Quality Label expresses your good judgment. Use Malta Windows with confidence; recommend them with pride. Your prospects will sense the difference. Send for Malta's Idea Kit and Catalog of window types and ask about the Vinaline — newest concept in windows!

THE MALTA MANUFACTURING COMPANY

120 MILL STREET, GAHANNA, OHIO • PLANT FACILITIES: MALTA, OHIO

M630
These easy-to-erect wall panels are prefabricated with concrete block

Using 11 of the new wall panels, plus 40 new precast concrete roof panels (below, right), Knoxville Builder Howard Cockrum closed in a 1,600 sq. ft. house in seven hours and completed it in two weeks.

The wall panels of concrete blocks, each scored to look like a stack bond, and the roof panels, precast concrete channels, were prefabricated by Southern Cast Stone Co. of Knoxville, which has found that masons worked twice as fast in a plant as they do in the field.

In the plant (left), wall panels were laid up on concrete grade beams, with holes in the ends to simplify handling and leveling (below, center), and reinforced with 3/4" bars over doors and windows and down the sides and centers. At the site, 3/4" plywood spacers were placed between panels to leave a joint for caulking. Block cavities in outside walls were filled with vermiculite for insulation.

Technology continued on p. 119

SPECIAL TRAILER carries finished wall panels, stacked like plate glass, from plant to site. Biggest panel weighs 3 tons and is 11'4" high.

LEVELING DEVICE—a bolt-and-rod jack—is inserted in holes in grade beam to adjust panel in final position. Dry concrete is packed under beam.

ROOF PANELS—16' or 20' long, 2'8" wide, and 8" deep—are positioned, then topped by 2x4s, 24" o.c., insulating batts, sheathing, and shingles.

TECHNOLOGY
Many of the materials used in the spectacular Century 21 "House of Living Light" at the recent Seattle World's Fair are still in the "dream" stage. But, its trouble-free drain, waste and vent system is not! Constructed of ABS pipe and fittings, it's available today in homes approved for FHA financing. A two-year test of an ABS system made of CYCOLAC brand polymers proved the pipe's low-cost installation, durability and resistance to clogging, household acids, detergents, rust and corrosion. To discover how this system can save you up to $100 per average six-room house, contact your local pipe supplier . . . or write to us today!

New illustrated manual describes the advantages of ABS pipe and fittings in residential D.W.V. systems. Free copy on request!
This house is a cost study in easy-to-finish materials

It was built by Bob Schmitt of Berea, Ohio, to test the in-place cost and market appeal of prefinished materials and materials that need minimum finishing.

Outside, all siding and fencing is roughsawn redwood requiring just one coat of stain that can be applied quickly in any weather. Inside, all walls are prefinished plywood, ceilings are acoustic tile, and floors are tiled or carpeted wall to wall. Trim is prefinished, and sashless windows have grooved redwood frames with ground-edge sliding glass. Only one quart of paint—outside white for the fascia strip at the eave and gable rake—was used.

Results? Schmitt, who uses the house as a combination office and model, says direct costs were equal to or slightly higher than those of comparable houses with interior drywall and painted siding (i.e., lower labor costs were offset by higher materials costs). But, he adds, there were two other results: 1) Scheduling problems involved in repeated taping, spackling, and painting were eliminated; 2) buyers liked the prefinished (and low-maintenance) materials so much that Schmitt is now using more redwood and prefinished paneling in his other houses.

Schmitt says visitors also like the way the house was planned for lots no more than 60' wide. The almost-square plan has four bedrooms and two baths, provides private indoor-outdoor living, and, of course, permits the sideyard setbacks required by local zoning. The front patio, formed by the front garage and redwood fencing, has proved so popular, Schmitt says, that he is using more fencing like this with his other models. He has also built six houses with the same plan and exterior but not the same interior finish.
Beautiful and workable are the words for the Western Pines and Engelmann Spruce produced by Western Pine Region mills. These appearance woods are without equal in their working qualities... ideal for finish and paneling uses. Their soft, even texture cuts smoothly, accepts nails and screws easily, takes any paint or finish readily and beautifully. Western Pine member mills pre-season these woods for stability, and carefully grade them. Your search for satisfaction is rewarded when you see the WPA grade and species marks.

PRE-SEASONED IDAHO WHITE PINE
PONDEROSA PINE • LODGEPOLE PINE
SUGAR PINE • ENGELMANN SPRUCE
Foamed-concrete walls help cut house costs to $7 a sq. ft.

The brick-patterned concrete walls, demonstrated in a Des Moines house, were poured in forms made of brick-patterned aluminum panels like the one held by the worker above. Both loadbearing and insulating, they are 8" thick, were poured 12' high atop the footings (detail, above), and were finished inside and out with a coat of paint. The 864 sq. ft. house (below) cost $6,000 without land.

Pax-Products of Des Moines developed the new wall system. The concrete—a mixture of sand, cement, and a foaming agent called Pax-Cell—can be poured by chute or pump and hose. Aluminum forms, made in basic 2'x2' panels, are bolted into 2'x8' or 2'x12' sections at the factory (they also come in widths down to 2" for filler and corner strips). Spreaders permit wall thicknesses from 6" to 10" (insulating value, not strength, determines the thickness needed).

Other labor-saving features of the demonstration house are a truss roof, floor-to-ceiling doors, and partitions of spiral-core, drywall-faced sandwich panels.

New way to cut wood: vaporize it with a hopped-up light ray

Judging from a report by the U.S. Forest Products Laboratory, the death-dealing rays of science fiction may have nothing on woodworking tools of the future. FPL says its scientists are working with a ruby-red light ray that strikes a piece of maple with enough force to vaporize the wood fibers and leave a 1/16" deep hole.

Secret of the process is a "laser"—"light amplification by stimulated emission of radiation." The laser is a pencil-shaped synthetic ruby rod encased in a special flash tube. Intense light in the tube excites chromium atoms in the rod. Simulated electrons in the atoms emit photons of light which are reflected back and forth in the rod. The whole process builds up until a lightning-fast flash of red light bursts from the end of the rod.

Says an FPL spokesman: "If we could get a continuous beam of this light, we could put a hole through a 30" log in one-twentieth of a second.

Plastic waste systems saves 40% of plumber's time in custom house

It took Plumber Daniel Conn and his helper 30 hours to install 300' of plastic drain, waste, and vent pipe, plus 127 plastic fittings for three bathrooms, two half baths, a kitchen, laundry, and utility room in a $50,000 house in Lewistown, Pa. With conventional pipe and fittings, Conn figures the job would have taken 50 hours (materials costs were roughly equal).

Waste and vent assemblies like the one above were put together on a work table at the site and then installed. Pipe was cut with a carpenter's hand saw, and joints were solvent-welded. Solvent was brushed on the male end of the pipe and the female end of the fitting, and pipe and fitting were shoved together. The solvent set hard in a few seconds.

Conn used Republic Steel's SRK plastic which meets the FHA standard (Bulletin UM 33) for plastic waste pipe inside a structure.

Pipe diameters were 1 1/4", 1 1/8", 2", and 3".
So easy to make your homes faster selling at a better price!

A zoned Hydro-Flo System keeps bedrooms at a cooler temperature.

Year 'round hot faucet water can be heated by the house heating boiler.

No more chilly mornings—the home is warm upon arising.

No opening windows—the Hydro-Flo System adjusts the heat to the weather.

B&G Hydro-Flo heating blankets each room with radiant, sunny warmth, controlled to match the weather.

To attract today's critical home buyer takes visible extra value...demonstrable extra quality!

A B&G Hydro-Flo Heating System does just that...adds a genuine quality touch...assures the buyer of more value for his money. It's a matter of record that in thousands of installations, this forced hot water heating system has proved a sales clincher!

No other equipment can offer so much immediate comfort or so many possibilities for more gracious living in the future. The B&G Hydro-Flo System endows a home with all the essentials of good heating...the right quality of heat...operating economy...and long-life of equipment.

It's cleaner heat—doesn't soil walls and draperies. It's quiet heat—no fan hum. If desired, the same boiler that heats the house can be equipped to furnish year 'round hot faucet water. And the B&G Hydro-Flo System can be easily zoned—a particularly important advantage in heating split-level homes!

B&G Hydro-Flo Heating really gives you something to talk about!

SEND FOR YOUR FREE COPY

"Hydronic Homes" sales promotion for builders is a comprehensive program of ideas and sales helps for utilizing the outstanding and exclusive advantages of hydronic heating. There's no obligation in getting all the facts—write today.

B&G BOOSTER

B&G Hydro-Flo Heating really gives you something to talk about!

Hydro-Flo System
Bell & Gossett Company
Dept. HK-10, Morton Grove, Illinois

Canadian Licensee: S. A. Armstrong, Ltd., 1400 O'Connor Drive, Toronto 16, Ontario
New lab has removable walls and roof

The new building-products laboratory at left, built by Homebuilders Fischer & Frichtel for Emerson Electric Co. of St. Louis, is suspended from steel roof bents that rest on piers. So the walls, partitions, and roof can be replaced at will to permit testing of different construction systems and of products under different conditions. Inside the lab (below) is equipment for measuring heat loss, heat build-up, humidity, odor removal, and noise levels. The new testing center (Emerson calls it a “Living Effects” laboratory) is also being used to check the effect of a variety of electrical equipment on the general climate of a house—for instance, how ceiling-mounted spotlights affect the heat-loss characteristics of exterior walls.

ODOR REMOVAL by range hood is checked visually with photo sequence showing smoke patterns.

HEAT LOSS can be checked in summer by producing “winter weather” in lab’s refrigerated room.

LIGHT from fluorescent tubes sandwiched between plastic wall panels is measured on mannequin.

HEAT produced by electric system (plus lights) is checked on mannequin wired with thermocouples.

HEATING EFFECT of cooking and lighting is recorded, foreground, by use of thermocouples suspended over kitchen counter and range.

JANUARY 1963
An unusual advantage of Westborough Homes is "Bonus Living Space"—an unfinished first-floor area, ready when a family decides to expand its living space. The home also features three bedrooms with two baths on the second floor, plus a recreation room with fireplace at ground level.

In San Francisco, this home sells for $28,700

("... and features like concealed telephone wiring help sell it," says Frank B. Perkins)

"We've featured concealed telephone wiring ever since we started our community," says Mr. Frank B. Perkins, General Manager of Westborough Homes, Inc.

"We consider concealed telephone wiring a 'years-ahead' feature. And this is how our salesmen present it as part of our 'Outlook '70' promotion theme. With features like this, customers feel they are investing in a thoughtfully designed, well-planned home and community.

"Color phones are on display in various rooms of our homes. These underscore the value of concealed wiring by showing how convenient it is and how it protects interior beauty."

For more information on concealed telephone wiring and other telephone-planning ideas for builders, just call your Bell Telephone Company and ask for the Architects' and Builders' Service. And see Sweet's Light Construction File, 11c/Be. For commercial installations, Sweet's Architectural File, S3a/Be.

BELL TELEPHONE SYSTEM
Air conditioning

**NEW PRODUCTS**

**Gas fireplace** is fully prefabricated, including built-in logs and fireplace screen. It has an automatic pilot light and Minneapolis-Honeywell safety controls. It is UL and ICBO approved for installation with a 4" vent. Available with three styles of hoods. Dyna Mfg. Co., Los Angeles.

For details, check No. 3 on coupon, p. 141

**Modular fireplace unit** is available with or without matching wood box and cherry tabletop sections. Model 5500 is easy to install: Fireplace is positioned, refractory liners inserted in firebox, and the chimney attached. Expanded aluminum sleeve surrounds smokepipe. Vega Industries, Syracuse, N. Y.

For details, check No. 4 on coupon, p. 141

**Low-cost fireplace** was designed for vacation houses, recreation rooms, and patios. Lists for $99 without smokepipe. The Woodsman is made of 14-gauge steel with a 12-gauge floor and has a one-piece smoke shelf and rear wall baffle to assure efficient operation. Space-Planner Co., Tucson.

For details, check No. 5 on coupon, p. 141

**High-capacity room air conditioner**, NEMA-rated at 28,000 BTUH, is biggest unit in a new line of 39 models with capacities ranging from 6,500 BTUH. Heat-pump models, top-discharge units, a casement window unit, thru-the-wall and curtain-wall models are included. Amana Refrigeration, Amana, Iowa.

For details, check No. 1 on coupon, p. 141

**Furniture fronts for air conditioners** are available in four styles (left and below). They fit snugly over most standard Westinghouse 1963 models, muffle operating sounds, eliminate direct drafts. Air is channeled to room through cabinet top. Doors open only to set controls. Westinghouse, Pittsburgh.

For details, check No. 2 on coupon, p. 141

New products continued on p 127
NEW GM-DELCO 2- & 3-hp REMOTE AIR CONDITIONERS GIVE YOU BUILT-IN QUALITY 3 WAYS!

1 BUILT-IN COST SAVINGS
One example: electrical controls are in compact cluster, completely enclosed and inside casing.

2 BUILT-IN INSTALLATION SAVINGS
Examples: variety of cooling coils enables you to "custom-design" each installation. Optional quick-connect fittings lower installation costs.

3 BUILT-IN SPACE SAVINGS
One example: new slender silhouette lets you install unit close to the house.

Built by GM-Delco, these new 2- and 3-hp remote units offer built-in quality from initial purchase to long after the installation. They save in COST, save in INSTALLATION, save in actual OPERATION. They meet cooling needs up to 34,000 Btu/hr—General Motors Certified Ratings. End result: these GM-Delco remote air conditioners assure your customers of peak engineering efficiency, in-use satisfaction—make your jobs as simple and profitable as possible! FOR ALL THE FACTS write Delco Appliance Division, Dept. XB-4, General Motors Corporation, Rochester 1, N. Y.
Tools

Truss machine turns out a finished truss every two minutes. Called the Roll-A-Master, it squeezes toothed metal truss plates into both sides of the truss members simultaneously (the connectors do not need to be nailed down). In this new unit, instead of the truss moving through fixed rollers, a roller press moves over the wood members on 40' tracks. A two man crew can fabricate 240 trusses a day with this set-up. And by adding extra track, a single press can produce 1,800 trusses a day. Sanford Truss, Pompano Beach, Fla.

For details, check No. 6 on p. 141

Telescoping rule, for vertical or horizontal measurements up to 16' (and for laying out circles up to 24' in diameter) can be used by one man. Rule is only 50" long when closed. It lists for $27.75 complete Tele-Scale Inc., Buffalo.

For details, check No. 7 on p. 141

Metal corner pole, developed by Structural Clay Products Research Foundation, is said to increase bricklayers' production 35%. Poles are marked with brick, inch, and modular rules; retail for $1.59. Masonry Specialty Co., New Kensington, Pa.

For details, check No. 8 on p. 141

Carry-all scraper for earth-moving and ground leveling has 3 1/2-cu. yd. capacity. It is designed to make full use of power and hydraulic systems of wheel tractors; has hydraulic dumping control, front apron, and gate. Soil Mover Co., Columbus, Neb.

For details, check No. 9 on p. 141

Panel router reduces time needed to dado and rabbet sheet materials, and it needs only one-third the floor space of a flat bench. Router is counterbalanced, can be locked in position for lengthwise routing. Herrmann & Safranek, Atascadero, Calif.

For details, check No. 10 on p. 141

Hardware

Ventilating louvers, in 1" to 6" diameter sizes, is especially useful for ventilating walls where dust is a problem—for example in house trailer walls and in dust bowl areas. It has a dynel filter set between two screens. Midget Louver Co., Norwalk, Conn.

For details, check No. 11 on p. 141

Closet pole bracket for drywall construction has stamped metal teeth which hold it firmly in place. Teeth are designed to use the structural strength of wallboard, need not be fastened to studs. Hammer blow sets bracket. Evon Industries, Newark.

For details, check No. 12 on p. 141

Olive hinge, similar to expensive solid brass models, is priced to compete with standard butts. 3" hinge has round or square corners and nylon bushings for quiet operation. In brass, chrome, and dull bronze. C. Hager & Sons, St. Louis.

For details, check No. 13 on p. 141

Dual magnetic catch holds two cabinet doors at once. Cuts installation time since only four screws are needed to mount parts. Also works as a single heavy-duty catch. Aluminum or wood-grain finish. Ajax Hardware Corp., City of Industry, Calif.

For details, check No. 14 on p. 141

New products continued on p. 129
NAIL DOWN PROFITS

... WITH SPOTNAILERS Every time a carpenter fumbles in his apron for a nail and drives it with a hammer you lose money. Efficient builders on the jobsite and home manufacturers in the factory are driving fasteners up to 2½" long with the touch of a trigger or pushbutton. They are cutting costs, reducing worker fatigue and erecting homes in all weather with automatic Spotnailers—how about you? Compare the cost savings below and estimate how much you can save.

An eastern contractor’s crew applied sheathing 4-5 times faster with a Spotnailer.

A contractor found he could Spotnail plywood at 25% of his hand nailing costs.

A Pennsylvania contractor saved $125 per house by Spotnailing sub-floors, interior walls and the roof.

An Ohio builder doubled production of roof trusses just by giving the same crew a Spotnailer and box of staples.

A California builder found he could consistently Spotnail 3 times faster on 4 different rough sheathing jobs and on other finishing work.

An Oregon builder applied roof shingles 6 times faster with a Spotnailer.

Send for our “Builder Brochure” with F.H.A. Standards and 14 Illustrations of Spotnailers cutting costs.

Write or call today,
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BRANCH PLANTS: CLARK, NEW JERSEY • LOS ANGELES, CALIFORNIA • AGENTS IN PRINCIPAL CITIES
Spotstaples meet F.H.A. Standards for subfloors • wall sheathing • roof sheathing • gypsum lath • floor underlayment • asphalt shingles
**Wiring**

Low-voltage wiring tape is 11/16" wide, only .015" thick. It has copper conductors sealed between two layers of Mylar plastic, and a pressure sensitive backing. It is used to surfacewire intercoms and remote-control switches. Koiled Kords, New Haven. For details, check No. 15 on p. 141

Compact intercom is designed so the master station (above), any substation, and the amplifier-power supply each fit in a standard 3-gang switchbranch. System is powered by standard bell transformer, uses ordinary intercom cable. Touchmaster, Hollywood. For details, check No. 16 on p. 141

Automatic timer has 24-hour dial that can be set to turn lights on or off at any predetermined time. Toggle switch on a flush-mounted cover permits manual control without affecting the settings. List price: $21.95. International Register, Chicago. For details, check No. 17 on p. 141

**Lighting**

Lighting fixtures for indoor and outdoor installation have satin opal glass cubes for diffusers. Cubes are 4 3/4" square. For ceiling unit, mount is 4 3/4" wide, for wall unit it is 4 1/2" wide by 6" high. Prescolite Mfg., San Leandro, Calif. For details, check No. 18 on p. 141

Wall lighting strip is open at top and bottom to flood wall and ceiling with light. Unit is 8" high, only 5" deep. Made in 2', 3', and 4' lengths for one or two fluorescent bulbs. Walnut finished frame. Fiberglass diffuser. Silvray, New York City. For details, check No. 19 on p. 141

Low-voltage lighting units draw only 12 volts, are small size for inconspicuous installation. Low-voltage units can be wired without conduit in most code areas. Six styles available. All use 20-watt R-12 reflector lamps. Halo Lighting, Chicago. For details, check No. 20 on p. 141

**Other products**

Prefinished soffit system is made of aluminum, includes drip cap, fascia cover, gutter hangers and gutter, and ventilated self-supporting soffit. Parts interlock, snap together, or are held in place with fold-over tabs. Metal Engineering, Easton, Md. For details, check No. 21 on p. 141

Vertical blueprint file has tubular steel frame on ball bearing casters. It holds 12 Plan Hold Type "S" Binders for filing up to 1,200 sheets in sizes up to 36"x48". Rack sells for $19.95; binders from $4.40 up each. Plan Hold Corp., South Gate, Calif. For details, check No. 22 on p. 141

Flexible metal connector can be used to replace multiple elbows in plumbing and hydronics. Comes in 1/2" to 1 1/4" diameter sizes with 8" to 16" flexible sections (total length varies). For 35- to 75-psi working pressure. Cobra Metal Hose, Chicago. For details, check No. 23 on p. 141

Smoke and fire alarm is designed for home use. Unit is 4"x7 1/2", 2" thick, operates on 120-volt current. It emits a loud howling noise when smoke or temperature reaches dangerous levels. Fire Alarm Thermostat Corp., New York City. For details, check No. 24 on p. 141

New products continued on p. 131
Doors you can paint and forget

Weldwood Duraply® Exterior Doors end call-backs for adjustment—make a good paint job last up to five years

An exterior door is a showpiece as well as a utility. Used and seen constantly, it is a source of either pride or exasperation. If sun, rain, snow or sleet make it stick or warp, you are called back for adjustments. If the paint fails prematurely, your reputation and pocketbook suffer further.

Weldwood Duraply Exterior Doors are specifically designed to remain a source of pride. For extra protection from the elements, they have a special resin-fiber overlay. This is the same "skin" used for painted boat hulls. Two coats of quality paint can last up to 5 years. In addition, Duraply doors have edges of factory-sealed cedar heartwood, which has outstanding resistance to rot and decay.

These special construction features give Duraply doors the great dimensional stability that prevents the need for adjustments. Properly maintained, these doors are guaranteed for the life of the installation. You simply hang them, paint them, and forget them.

There's a Weldwood door for every opening—interior as well as exterior; wood and high-pressure laminate faces, acoustical, and fire doors for commercial and public construction as well as residences. Each has a construction engineered to fit its function. Each is backed by United States Plywood. Get the full information today.

Weldwood Duraply Exterior Doors are ideal for commercial and institutional use. They stand up under heavy traffic and heavy weather—keep maintenance costs low. They are shown in the Connecticut Yankee Inn, Niantic, Connecticut.
Materials

Epoxy-based coating (left) can be sprayed, brushed, or rolled over almost any surface including masonry, wood, metal, ceramic tile, etc. The tough glossy finish, which resembles tile, costs about 30¢ per sq. ft. Solid colors can be decorated (as shown) with second-color splatter. O’Brien Corp., South Bend, Ind.
For details, check No. 25 on p. 141

Concrete bonding agent assures strong connection between new and old concrete. Called Univeld, it has an epoxy base. Permagle Corp., Plainview, N.J.
For details, check No. 26 on p. 141

Polyurethane floor enamel, a one-package synthetic finish, is highly resistant to abrasion, oils, acids, and chemicals. For wood or concrete, indoors or out. It comes in clear and seven colors. Breinig Brothers, Newark.
For details, check No. 27 on p. 141

Solid-vinyl floor tile has chips of colored vinyl suspended in a field of clear vinyl. Applause is ⅛" thick, is available in 19 colors, and is made in 9"x9", 12"x12", and 36"x36" squares. Robbins Floor Products, Tuscalbua, Ala.
For details, check No. 28 on p. 141

Soffit board, made of resin-bonded hardwood fibers, is check- and splitproof, comes in 5' lengths, 16" or 24" wide, and is 5/16" thick. It is factory primed, easy to install, has high dimensional stability. Armstrong Cork., Lancaster, Pa.
For details, check No. 29 on p. 141

Prefinished hardboard comes in six woodgrain reproductions: two shades each of cherry, walnut, and oak. 4'x8' panels are ⅛" thick and retail for about 25¢ per sq. ft. Called Weldwood Hearthside, it is stain and fade resistant. U.S. Plywood, New York City.
For details, check No. 30 on p. 141

Thin brick veneer costs less than conventional masonry and requires no special footings. Each brick has guide pins which rest in sockets formed in the wire mesh. The mesh, in turn, is nailed to the substrate. Vesta Mfg., San Jose, Calif.
For details, check No. 31 on p. 141
New products continued on p. 132
Materials

Asphalt tile offers the appearance of terrazzo at the lowest possible price. Called Tapestry, the new tile is available in six pastel shades. It is non-absorbent and easy to clean. Tiles are 9"x9"x1/4". Johns-Manville, New York City.
For details, check No. 32 on p. 144

Wood-chip flooring is made in t&g strips 3-1/2" wide, 3/8" thick, 8' long. Will not split or dent, even under impact of women's spike heels. Called Forrest Wood-Strip, it is factory-sealed, needs no sanding. Forrest Industries, Dallas, Tex.
For details, check No. 33 on p. 144

Ceramic wall tiles are 3" square, 1/4" thick, and are mounted 24 tiles to the sheet for fast installation. They come in eight basic two-tone color patterns. Trim shapes and angles are available in all base colors. U.S. Ceramic Tile, Canton, Ohio.
For details, check No. 34 on p. 144

Brick coating, sprayed or air-blasted onto brick before firing, permits brickmakers to color brick to any shade on order. The final vitreous surface is weather-proof and non-fading. The treatment costs as little as $1.50 per thousand bricks. International Minerals & Chemicals, Skokie, Ill.
For details, check No. 36 on p. 144

Vinyl-coated wall cloth, for both consumer and commercial uses, comes with embossed surfaces (as well as flat printed ones) which look like Shantung or Moire silk. Many of the 130 patterns available are also made in drapery and slipcover materials. Standard Coated Products, Buchanan, N.Y.
For details, check No. 37 on p. 144

Polyester laminate panel for door, wall, ceiling, and cabinet surfacing is available with a gold-flake pattern on white, turquoise, and pink backgrounds; as well as in solid colors and wood grained. Substrates include hardboard and flakeboard ranging from 3/4" to 1" thick. Called Superlite, the material is surfaced with Videne polyester film. Goodyear Tire & Rubber, Akron.
For details, check No. 39 on p. 141
Ten more Tedlar film coated products reach the market

Tedlar, Dupont’s tough new exterior film coating, was first announced in House & Home last August. It is now available as a surface coating on a growing number of exterior materials. Two of these products have been announced previously in House & Home: A 30-year built-up roof offered by Ruberoid (see Oct.), and a 15-year prefinished siding from U.S. Plywood (Dec.). These additional products are now commercially available with Tedlar surfacing:

Residential aluminum siding which carries a 30-year written guarantee. In white, green, and grey. Alsco Inc., Akron.
For details, check No. 40 on coupon, p. 141

Sheet or coil steel for use as commercial siding, roofing, gutters, ducts, etc. In sheets up to 60" wide, or coils up to 50" wide on cold rolled steel, galvanized steel, or aluminum. Arvin Industries, Columbus, Ind.
For details, check No. 41 on coupon, p. 141

For details, check No. 42 on coupon, p. 141

For details, check No. 43 on coupon, p. 141

Adhesive-backed Tedlar for bonding to metals, wood, plastics, and painted materials. Fasson Products, Painesville, Ohio.
For details, check No. 44 on coupon, p. 141

For details, check No. 45 on coupon, p. 141

Coil metal stocks of all kinds. This company applies Tedlar as a prefinished coating to other maker’s coils up to 48" wide. Pre Finish Metals, Elk Grove Village, Ill.
For details, check No. 46 on coupon, p. 141

Insulating jacketing for interior or exterior use over glass fiber, urethane, styrene foam, etc. Ruberoid Co., New York City.
For details, check No. 47 on coupon, p. 141

Glass fiber reinforced plastic in continuous rolls of both flat and corrugated stock. Widths to 60" and lengths to 100’. Fiber Glass Plastic Inc., Miami.
For details, check No. 48 on coupon, p. 141

For details, check No. 49 on coupon, p. 141

Publications start on p. 135
New Hunter Radiant Electric Wall Heater

First on the market to combine safely enclosed element and economy price

Hunter presents the industry's first radiant wall heater (above) to combine fully-enclosed element with an economy price. Also the first fan-forced type (left) to feature open wire coils for fast warm-up, grille-concealed for safety. Radiant unit has wattages 1500 to 3000; fan-forced, 1500 to 4000. Both install fast, feature built-in precision thermostats, distinctive picture-frame styling and attractive heat-resistant beige finish. Backed by Hunter's 80-year experience in making quality equipment. Send coupon for full details.

Hunter also makes convection baseboard, forced air baseboard, radiant ceiling cable, bathroom, portable, infrared and unit blower heaters.

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Please send your new... ☐ Catalog sheet on new Hunter Wall Heaters.
☐ 16-page catalog on other Hunter Electric Heat products.

Name
Company
Address
City

HOUSE & HOME
New booklets offer building and remodeling ideas

The drawings at right, from an eight-page booklet on carports, are typical of the ideas shown in this continuously expanding series. Other booklets cover basements, sun decks, attics, built-ins, and storage. Additional publications from the same source describe grading; technical properties; sizes and characteristics of various types of framing, paneling, molding, sheathing, and siding. Although these booklets were originally designed as consumer literature for lumber-yard distribution, they would be valuable to new-home builders and remodeling contractors both as idea sources and as explanatory illustrations to show prospective customers. For example: The carport brochure shown at right also contains suggestions and drawings about the location of the carport, its relation to the house, and its landscaping.

Complete plans for each of the six carports, available for $4.50 a set. (Architects Donald Blair, AIA and Saul Zaik, AIA designed them.) All booklets in the series are available in quantity with or without an imprint at a moderate price. Western Pine Assn., Portland, Ore.

For price list, check No. P1 on coupon, p 141

Handbook covers planning needs for community well being

It tells why community planning is needed and describes the major plans that various agencies develop. It explains what a comprehensive plan must cover: land use, transportation, public facilities and utilities. It also explains how the plan covers these aspects in typical policy statements, maps, standards, and programs. The influence of zoning ordinances, subdivision regulations, and other codes and controls is also discussed together with the planning responsibilities of the governor, mayor (or city manager), legislative bodies, planning commissions and departments, and city operating departments. Another section lists aids for communities to call on for planning help; state and federal agencies, universities, various private non-profit organizations. The 32-page booklet ends with a check list to help evaluate existing community planning and an up-to-date bibliography. Single copies no charge; additional copies 25¢ each from Community Planning Div., Dept. 703, Sears Roebuck & Co., 925 South Holman Ave., Chicago 7.

Brochure shows five ways to cut sound transmission

It shows cutaway isometric drawings of three types of walls and two types of floors (see examples at right)—all of which use a layer “Soundike Fiberboard” to cut the transmission of sound from room to room. The system works two ways: 1) It eliminates sound leaks by blocking air flow through the construction. 2) It reduces sound transmission with double-layer construction (the surface layer is not nailed to the framing—it is glued to the fiberboard). Each system is rated on a sound transmission loss curve (as shown). Wall costs are compared to a standard 2x4 stud wall covered with ½" gypsum. Johns-Manville, New York City.

For copy, check No. P2 on coupon, p. 141

Publications continued on p. 136
20 FEET LONG ... WITHOUT A SINGLE SPLICE!

THE MOST ATTRACTIVE HYDRONIC BASEBOARD ON THE MARKET!

Edwards "wall to wall" baseboard radiation is available up to 20 feet in length. Long length baseboard, introduced by Edwards, improves the appearance of the job, reduces expensive labor and eliminates the cost of splices. Available in five attractive finishes — chrome, woodgrain, coppertone, beige and white. Easy snap-on front cover. Made by the manufacturer of Edwards packaged hydronic boilers, motorized zone valves, chillers and cooling equipment.

WRITE FOR CATALOG R104

EDWARDS ENGINEERING CORPORATION (Dept. HH1) Pompton Plains, New Jersey Phone: (201) 835-2808

For copies of free literature, check the indicated number on the coupon, page 141!

Technical literature

VINYL PANELS for roofing, siding, skylights, partitions. 12 pages. Installation details for sloping roofs, sidewalls, arched roofs, and accessories. Barrett Div., Allied Chemical, New York City. (Check No. P5)

HOME INTERCOMS. 18 pages. Systems description, equipment and accessories, wiring plans, installation techniques. Executone Inc., Long Island City, N.Y. (Check No. P6)

RECESSED FLUORESCENT LIGHTING. 24 pages. Cross sections and features, candle power distribution charts, installation diagrams, shielding specs, and ordering data. Lightolier, Jersey City, N.J. (Check No. P7)


HEAT GAIN CALCULATING METHOD for all industry use. $2.50. For copy, write Publications Dept., National Warm Air Heating & Air Conditioning Assn., 640 Engineers Bldg., Cleveland 14.

FASTENERS. 4 pages. FHA standards for use of power driven nails and staples. Spotnails Inc., Rolling Meadows, Ill. (Check No. P8)

WOODWORK. Suggested specs in three grades: premium, custom, economy. Simplified or detailed checklists. Architectural Woodwork Institute, Chicago. (Check No. P9)

ELECTRIC HEAT STANDARDS. 10 pages. Chapter on baseboard heaters is completely revised. Wall heaters and heating cable also covered. 50¢. For copy, write National Electrical Manufacturers' Assn., 155 E. 44 St., New York City 17.

Installation brochures

PREFINISHED HARDWOOD PANELING PACKAGE. 6-page folder. Application of 7/16" Craftwall for new construction or remodeling, directly on studs or over plaster, gypsum board, or masonry walls. Weyerhaeuser, Tacoma. (Check No. P10)

CONCRETE FORMS with steel inside corners. Photo sequence shows the Simplex System for complete foundations. Lists engineering and financing services offered to users. Simplex Forms System, Rockford, Ill. (Check No. P11)

ALUMINUM RAILINGS AND COLUMNS. 4 pages. Diagrams show how to install, step by step. Four colors. Parts and price list. Seasonall Industries, Indianapolis, Ind. (Check No. P12)

WALL AND CEILING INSULATION. 4 pages. Application instructions. Friction Fit batt features. Owens-Corning Fiberglas Corp., Toledo. (Check No. P13)

LUMINOUS CEILINGS. 4 pages. Five-step installation procedure. Graph and instructions show how to measure for Alsynite panels. Reichhold Chemicals, San Diego. (Check No. P14)
TERNE ROOFING. 12 pages. How to install a standing-seam roof, a batten-seam roof, a Bermuda-seam roof, a flat-lock deck; flashing and guttering details; weathering data. Follansbee Steel, Follansbee, W. Va. (Check No. P15)

RED CEDAR SHINGLES AND SIDEWALL SHAKES. 4 pages. How to figure coverage, application steps and specs with diagrams, summary of grades and sizes. Red Cedar Shingle Bureau, Seattle. (Check No. P16)


CERAMIC TILE ADHESIVES. 16 pages. New tile installation products and procedures. 10c. For copy, write Tile Council of America, 800 Second Ave., New York City 17.

MODULAR KITCHEN CABINET SYSTEM. 8 pages. Shows how to assemble simple aluminum framework, then add drawers, countertops, shelves, and doors. Fibersin finish, adjustable hinges, nylon bearings. Modulux Inc., Chicago. (Check No. P18)

Catalogs

SAFETY RAILING, SHORING, AND ACCESSORIES of tubular steel. 8 pages. Tie-in and assembly methods, safety rules, and chart to figure frame size and diagonal bracing needs. Deal Products, Easton, Pa. (Check No. P19)


GUIDE TO TECHNICAL PUBLICATIONS. 24 pages. Describes books on engineering, construction and maintenance, estimating forms for cost control and design, testing equipment. Technical Guide Publications, Miami. (Check No. P22)


Publications continued on p. 140

JANUARY 1963

Wont to stop call-backs and cut expense without cutting corners? Take a tip from R. Corwin Pauly. Pease Ever-Strait* exterior doors helped him put a stop to call-backs, saved him the expense of replacing warped doors at nearly double the cost of initial installation. That's why he says:

"We searched a long time for an exterior door that wouldn't warp . . . a door that would end the need for call-back repairs or replacement. Now, with Pease Ever-Strait Door Assemblies, our problems are over—we've had no call-backs at all. Best of all, we've been able to do this at no increase in cost!"

Pease Ever-Strait Doors are designed to enhance any architectural style. The 24 striking designs range from a flush model to styles with molded trim and glazed light inserts. And every model is your lowest cost guarantee of quality and warp-free service. Yes, Pease exclusive Ever-Strait design gives top strength and insulation, because it's engineered with a rigid Koppers Dylite** foam core between two steel panels. Results? . . . the substantial sound and "feel" of conventional doors, yet with one-third less weight. Pease Ever-Strait Doors save on installation time, too, because they come complete as Pease-fit units—primed and pre-hung in a weather-stripped frame. For straight savings from beginning to end, use Pease Ever-Strait Doors. For more information, write:

Pease
Ever-Strait Doors
Pease Woodwork Company • Hamilton, Ohio

*Patents Pending
**Reg. Tm.

Note: Distributor inquiries invited
Look how appliances give homes

NEW RCA WHIRLPOOL

Connoisseur RANGE

Here's the kind of extra value that's easy for home buyers to measure. It's a complete cooking center with eye-level oven and broiler, hand-high cooktop and huge low oven. So modern, so attractive, yet so practical in saving space, steps and time. Gives your kitchens that built-in look, yet slips into place as easily as a free-standing model. Gas, electric models.

Or offer your prospects a choice of gas or electric RCA WHIRLPOOL built-in ovens and drop-in tops, because they both have identical cutouts and are designed for fast, easy installation. Choice of brushed chrome or decorator colors. Models RKE155 and RKE867.
A complete selection of single-door refrigerators or double-door refrigerator-freezers to fit your homes and market needs. Gas or electric models. Model EKT-12F.

Only an RCA WHIRLPOOL washer lets you offer giant 12-lb. washing capacity plus exclusive Surgilator® agitator washing action. 24" or 29" width washers. Matching 29" dryers in choice of gas or electric. Models LJA-44 and LJD-42.

Specify 30", 36" or 40" gas free-standing ranges . . . or 30" or 36" electric models. Exclusive Cabinet-Mate® design fits flush with cabinets, gives ranges a built-in look. Model JU310.

Exclusive Select-A-Door® panels on built-in dishwashers permit you to finish door and service panel with any material up to ¾" thick. Huge washing capacity, too, with sparkling clean results. Model SKU-70.

RCA WHIRLPOOL food disposers install quickly and easily. Model SHD-31 has automatic reversing system to help clear food jams fast.

Your greatest asset is our quality performance!
Are you still hunting for plans?

Or have you caught on to the PLAN HOLD system?

Solve your big sheet filing problems

Plan Hold vertical and roll filing systems provide accessibility, protection and space-saving storage for drawings, tracings, blue prints, maps and charts. You get 4 positive benefits with Plan Hold files:

1. Reduced overhead: less clerical time spent in filing or withdrawing materials; less space used; no damage or loss of filed materials.

2. Operating efficiency: accessibility of files, both fixed position and mobile; quick identification; and crisp, clean condition of sheets.

3. Adaptability not only to the filing system you prefer but to severe space limitations, with ready expandability in line with need.

4. Just the file capacity you need because Plan Hold offers 20 models, each engineered to meet a practical big sheet filing problem, whether you work with single sheets or bulky sets.

To solve your big sheet filing problems, ask your engineering supply or office equipment dealer to show you the Plan Hold system. Or write direct for specification literature.

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17. • International Register automatic timer
18. • Prescolite light fixtures
19. • Security wall lighting strip
20. • Halo low-voltage lights
21. • Metals Engineering softt system
22. • Plan Hold blueprint file
23. • Cobra Metal connector
24. • Fire Alarm Thermostat unit
25. • O'Brien epoxy-based coating
26. • Permagro concrete bonding agent
27. • Breinig floor enamel
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29. • Armstrong softt board
30. • U.S. Plywood hardboard
31. • Festa thin brick veneer
32. • Johns Manville asphalt tile
33. • Dillard wood-chip flooring
34. • Masonite hardboard
35. • International Minerals & Chemicals
36. • Standard Coated wall cloth
37. • Edward Hines Lumber studs
38. • Plan Hold blueprint file
39. • O'Keefe laminate panels
40. • Alsco aluminum siding
41. • Avignon sheet or coil steel
42. • Butler siding and roofing
43. • National Steel coil steel
44. • Fason adhesion-backed Teflar
45. • YM pressure sensitive Teflar tape
46. • Pre Finish coil metal stocks
47. • Rubenoid insulating jacket
48. • Fiber Glass Plastic reinforced rolls
49. • Reynolds coil and sheet aluminum

Publications

P1. • Western Pine idea booklets
P2. • Johns Manville Soundlike Fiberboard
P3. • Barnet vinyl panels
P4. • Executone home intercoms
P5. • Lightolier recessed fluorescent lights
P6. • Spotnails fasteners
P7. • Architectural Woodwork: Institute package
P8. • Weyerhaeuser paneling package
P9. • Simplex concrete forms
P10. • Seasonall aluminum railings
P11. • Fiberglass Friction Fit insulation
P12. • Remington luminous ceiling
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