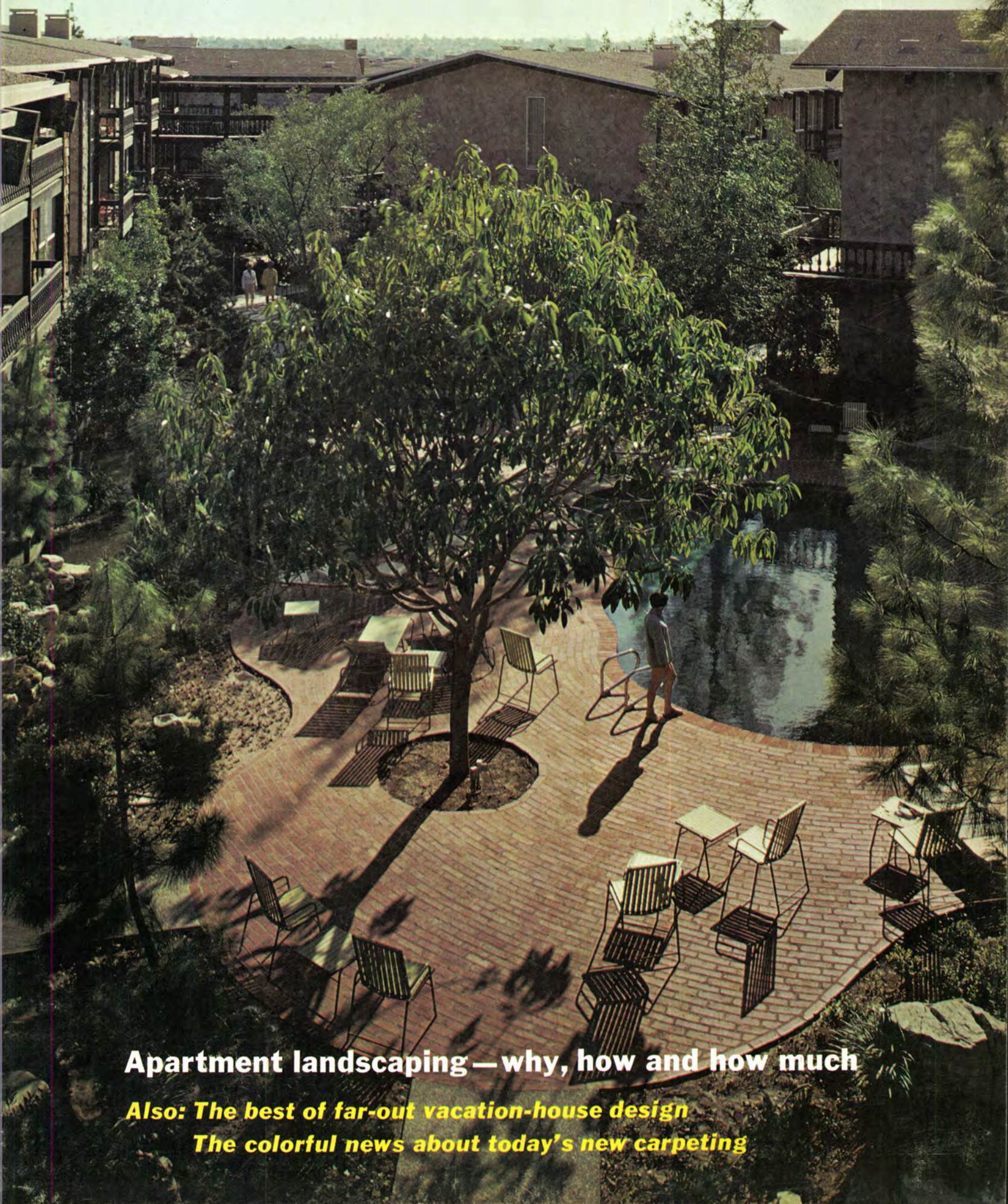


House & Home

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OCTOBER 1969



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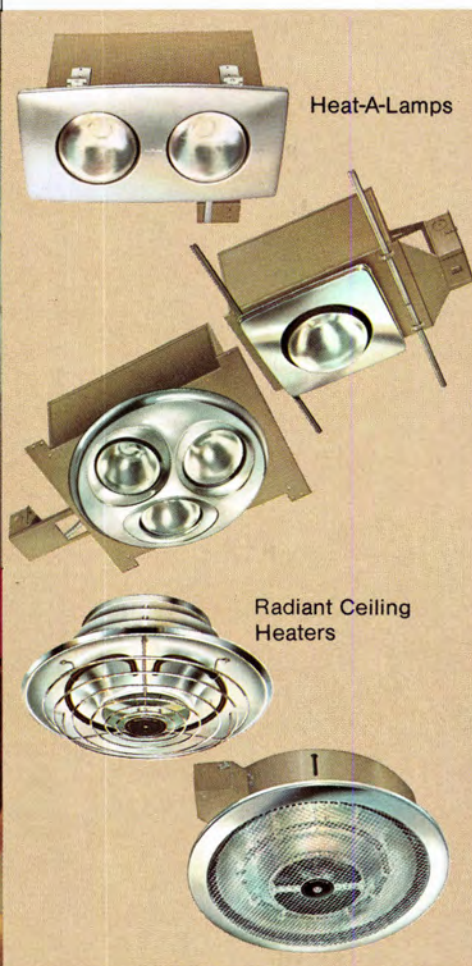
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Cover: Landscaped court in The Meadows, an apartment project in Los Angeles. Builder and owner: Ring Brothers. Landscape architect: Phil Shipley & Dudley Trudgett. Architect: Kamnitzer/Marks & Partners. Photo: Julius Shulman. *For Story, see page 68.*

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NEWEST PRODUCTS from Don Scholz are low-cost sectional apartments . . . **LUXURY APARTMENTS** with elevators and underground parking . . .

The new Scholz Homes charts a growth route for housing

The secret is product expansion—all homes priced for all men.

Three years of expansion have brought Scholz from a \$9-million luxury prefabricator to a \$70-million combine that is among the leaders in every segment of housing.

The publicly held company now ranks second among house prefabricators, fifth among apartment builders, twelfth among mobile home makers and possibly first among sectional house builders.

"When detached house sales slip the way they're doing now," says founder Don Scholz, "we can simply switch emphasis to mobiles and apartments."

Another GM? Company executives say Scholz can go on growing despite market conditions and can eventually become the General Motors of housing.

That is quite a goal. The million-dollar Toledo company (and all other homebuilders, for that matter) pale next to the \$22.7 billion Detroit giant, which produces 50% of the cars sold in the United States.

But the comparison with General Motors has validity in at least one important way. Like an auto maker, Scholz Homes is offering an expanded range of models from sporty to luxurious. Scholz's line is priced for all incomes and designed for all life styles.

Newest trend—and threat. Scholz is not the only company broadening its line. Indeed, product expansion is the newest trend among the giants. (*For who is building what, see facing page.*)

And this product trend, in turn, is the newest threat to small builders.

Until product expansion caught on in 1967, the giants (Kaufman & Broad, Levitt & Sons) boosted sales by simply bringing their moderately priced models into new cities.

Local builders who could not compete simply shifted to building luxury houses, small apartments or very cheap houses.

Now, through product expansion, Scholz and other multi-city giants threaten to compete for every sale in such major cities as Chicago, Detroit and Washington, D.C.

The Scholz line. Scholz relied on internal growth and a string of mergers to

develop this range of products:

1. *Mobiles from \$4,000 to \$12,000.* Scholt Mobile Homes of Middlebury, Ind., which merged with Scholz last year, will produce \$34 million in mobiles in fiscal '70 at prices from \$4,000 to \$8,000. In January its new Kansas plants will begin making 24-foot double wides, priced up from \$8,000.*

2. *Houses from \$12,000 to \$25,000.* All-state Homes, which Scholz has just acquired, is already building detached houses for this market in Michigan. And Scholz's Schult division has begun producing sectional houses for its prefabricators. By January, production at an Ohio factory will reach four sectional houses a day.

"I could sell five a day by phone right now," says Don Scholz. "The problem isn't selling; it's producing."

(The price range is approximate. Some sectional models may cost \$30,000 in some areas if land is included.)

3. *Houses from \$25,000 to \$80,000.* This is Scholz's traditional market. In fiscal '70, it plans to sell \$10 million in custom-house packages to its prefabricators.

4. *Houses from \$80,000 to \$150,000.* Scholz introduced the superluxury models 18 months ago. Annual sales: \$2 million.

5. *Apartments.* Scholz sells apartment packages to its prefabricators, and it plans to build 14,000 units in 12 cities for its own account. The company's apartments range from low-cost sectionals (\$8,500 for a one-bedroom unit) to two-story buildings with underground parking and elevators (\$30,000 for a three-bedroom unit).

6. *Government-aided housing.* Scholz's Public Facilities Associates of Madison, Wis., has built 700 public housing units, and it has 360 more under construction. The PFA, which Scholz acquired in August, develops urban renewal areas and builds college housing.

Scholz also wants to branch into commercial construction. Next year it plans to cap its new Toledo prefabricator—triple the size of its old plant—with a six-story office building.

* Scholt's four factories are operating at 100% of capacity. Three new plants will open in 1970.

"We want to prefabricate offices," says Don Scholz. "No one has done much of that yet."

The keys to growth. The original Scholz company, founded in 1952, was noted chiefly for superb design of prefabricated houses. The company went public in 1955 but did not really begin to expand until it mastered two techniques in 1967.

1. It discovered how to get the profit out of apartments.

2. It learned how to play the merger game.

Scholz had tried to broaden its base for years. In the early 1960s, the company offered sectional houses and custom-house and apartment packages to 350 prefabricators. (The builders, most of them east of the Rockies, bought the prefabricated packages and assembled the buildings on their own land. All of Scholz's profit came from the sale of the packages to the builders and from showcase tracts it developed in Toledo.)

Only the custom packages sold well, and even then Scholz's own 80-man sales force often drummed up the buyers for the builders. The sectionals were discontinued in 1962, when three states closed their roads to the 12-foot-wide modules. In all, the company lost \$1 million on sectionals.

But Don Scholz was certain there was a big market for his apartments. So he decided to build luxury projects in Toledo and Chicago to stir builder interest.

The projects, with rents 20% above prevailing rates, were immediately successful and orders accumulated. More important, the company realized that apartment building for its own account was the secret to a highly profitable operation.

But there was a problem.

Profit in apartments. All of Scholz's available capital—\$1.4 million—was locked into the first three apartments. And the company could not find a buyer for the buildings or borrow enough to build new apartments. (Investors even spurned company debentures at 7½% in 1965.)

Early in 1967, however, Scholz found Bertel T. Malmquist, president of McCormick & Co., a Chicago investment house.

Story continued on p. 8



... **LARGE SECTIONAL HOUSES** selling for \$30,000 including land ... **AND LOW-INCOME SECTIONALS** selling for less than \$18,000.

Product expansion: Who builds what

Three of the nation's traditional single-family house builders have just branched into apartments and other forms of shelter.

And one of the companies, Levitt & Sons, says its apartment production will almost equal its 6,000-unit house operation in a few years.

The moves by Levitt, Kaufman & Broad and the Larwin Group reflect a new industry trend—the emergence of the all-product builder (*see accompanying story*.)

Here is a rundown of five of housing's broadest companies:

Kaufman & Broad. Chairman Eli Broad said one year ago: "We are house builders, not apartment builders."

Today Broad thinks differently. This summer K&B formed a joint venture with Ring Brothers, a large California apartment builder, to develop 800 garden-apartment units and 1,200 townhouses in Chicago. Broad's company, based in Los Angeles, owns 75% of the deal.

Throughout the 1960s, K&B was content to build \$20,000 to \$30,000 houses and some low-income projects for the government. In 1968, the company purchased custom builder Kay Homes of San Jose and a recreational lot sales concern. This month, K&B will open a luxury subdivision in Los Angeles with models from \$50,000.

"We also want to get into industrialized housing," says a spokesman.

The \$72-million company has tracts in Los Angeles, San Jose, Detroit, Chicago, New Jersey, Staten Island and Long Island, N.Y. and Paris.

The company's shares trade on the New York Stock Exchange.

Levitt & Sons. Levitt, the builder who invented big-tract housing, stuck to the low end of the single-family market until about 1967.

That year it opened projects on both sides of its traditional \$17,000 to \$25,000 market: Philadelphia town-

houses from \$13,000 to \$17,000 and Long Island custom houses from \$50,000 to \$57,000.

Last summer it organized a recreational lot sales operation in Florida headed by Norman Young, the company's former marketing director.

And it has just formed an apartment division, Levitt Multihousing Corp., under Robert J. Gale. The division will begin 1,400 units in Washington, D.C., this fall.

Levitt owns United Homes Corp. of Seattle, a diversified West Coast house and apartment builder.

Levitt's president, Richard Wasserman, says the New York-based company has expansion plans "to put Levitt into a variety of housing fields."

The \$170 million company is building in Washington, D.C., New Jersey, Long Island, Baltimore, Chicago, Detroit, Seattle, Los Angeles and Paris, France.

Levitt is a subsidiary of International Telephone & Telegraph Corp.

The Larwin Group. The company, which recently merged into a billion-dollar Chicago holding company, CNA Financial, is just beginning to expand (NEWS, May.)

It builds detached houses and townhouses from \$21,000 to \$42,000 in southern California. Most of its homes sell for under \$30,000.

Larwin, too, has organized an apartment division, and it will develop recreational land, mobile home parks and government housing.

Next year the company will open subdivisions in northern California, San Diego and Chicago.

The \$51-million Larwin Group, based in Los Angeles, now deals in real estate, mortgages, advertising, home insurance, retail furniture sales and commercial development.

Larwin Mortgage Investors, a mortgage trust, sold \$50 million worth of its shares to the public in June.

Great Southwest. This company's

housing subsidiary, California's Macco Corp., broadened extensively last year under William Baker.

The reorganized Macco merged into Great Southwest, a diversified land company controlled by the Penn Central Co.

Today, Great Southwest and its Macco unit are building 1,500 houses priced from \$25,000 to \$45,000 and 3,000 apartments in Los Angeles, San Diego and Dallas.

The combine is developing a \$22-million amusement park in St. Louis, three second-home subdivisions in northeastern California, a 12,000-acre planned unit development in California and several commercial and industrial tracts.

Great Southwest posted 1968 sales of \$78.3 million. Its shares are traded over the counter.

Boise Cascade. This is the broadest—and biggest—of them all.

The company has moved from a one-factory producer of vacation homes to a \$300-million manufacturer of virtually every type of housing.

In 1968, Boise's shelter group companies produced 6,000 factory-built units, 3,000 conventional homes and 18,000 mobile homes.

The group's conventional house and apartment builder, the Boise Cascade Building Co. (formerly California's R.A. Watt Co.), has tracts in New Jersey, Chicago, Seattle and throughout California.

The prefabricator, Kingsberry Homes of Georgia, has six factories. And the mobile home maker, Divco Wayne of New York, has 15. Three more are under construction.

The company, which is based in Boise, Idaho, also sells recreational lots in 10 states, develops urban renewal areas in eight cities and builds mobile home parks, shopping centers and industrial parks.

Boise trades on the New York Stock Exchange. —F. L.



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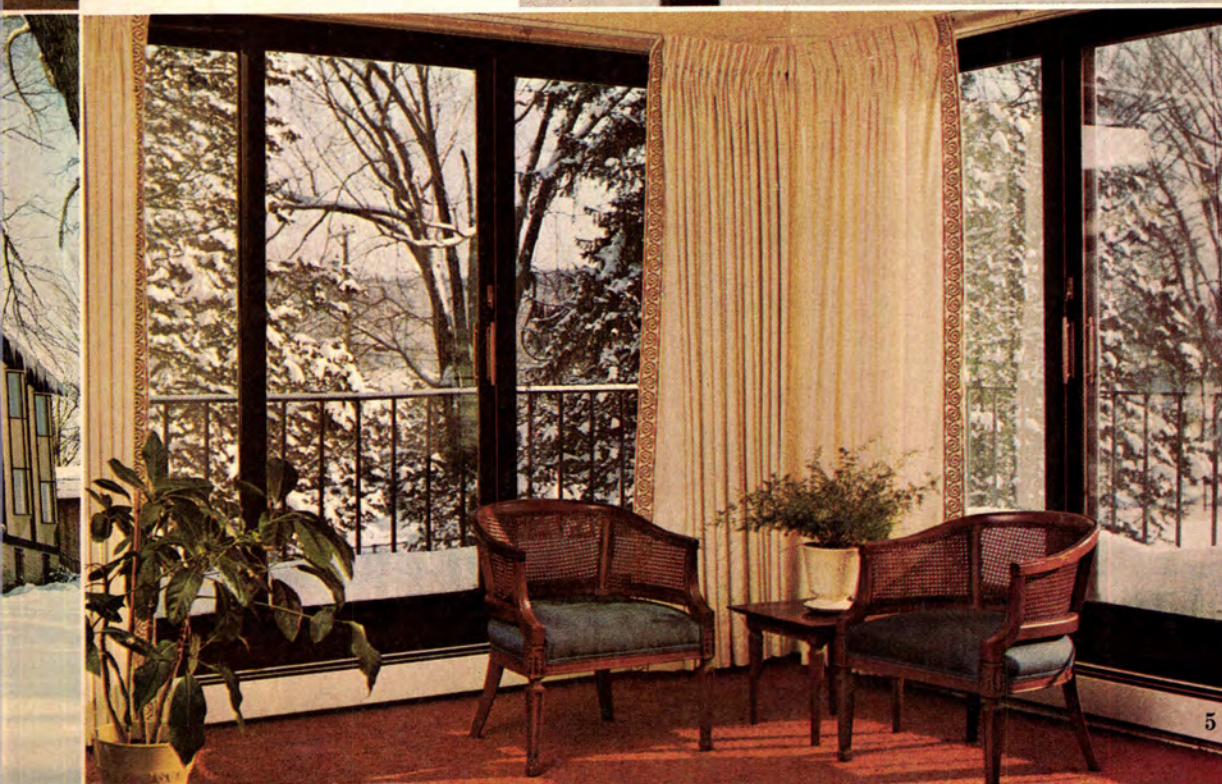


1. Casements blend well with natural materials.
2. Creative window detailing is in perfect harmony with original structure.
3. Gliding doors add light to old basement.
4. Windows and paint accentuate light.
5. Gliding doors are used to give light and dramatic element to lower rooms.
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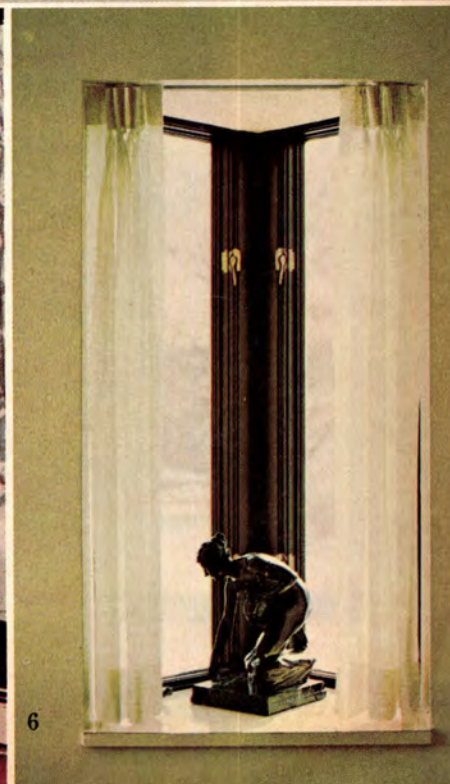
Residence: Robert F. Ackermann, Afton, Minn.
Architect: Robert F. Ackermann, A.I.A.



2



5



6

Wright Photography



Herring Studio



TOP EXECUTIVES of company's prefab division debate informally with President Don Scholz. The new board chairman at Scholz Homes is Walter Wells (at right), who prefers more formal management.

Scholz shows the way... (continued)

In a series of deals, Malmquist's group of investors paid millions for 49% to 66% interests in Scholz-built apartments in 1967 and 1968. The cash from the sales, in turn, freed Scholz to build \$11 million worth of apartments for its own investment in 1968. (In January, Scholz still owned \$3 million worth of those buildings.)

The investors were pleased with their apartment purchases. So this year, the company is selling 100% of its new apartments to investors under a highly sophisticated sale-leaseback arrangement. Scholz will build and sell \$20 million worth of apartments this year.

That \$20 million in sales will account for 28% of Scholz's total revenue in fiscal '70.

Foundation for mergers. The apartment breakthrough worked in three ways to facilitate the acquisition program Scholz began last summer:

- It made Scholz a multi-product builder rather than simply the nation's second-ranking prefabricator.

- It helped send the company's shares (OTC) from \$3.50 in mid-1967 to an attractive \$12 by early 1968.

- It brought Malmquist, a sage investment banker, close to the company. He now owns 109,450 shares—14,298 more than Scholz himself. And he sits on the executive committee and board of directors.

With guidance from Malmquist, Scholz Homes and Schult Mobile Homes merged late in 1968 in a \$15-million stock deal that greatly expanded the Scholz product line.

Inside a merger. Here is how Malmquist and the Scholz company made the all-important Schult deal.

Scholz executives had begun talking to Schult's Walter Wells in 1966, a year after launching a search for a mobile-home partner to develop a new line of sectionals.

Scholz executives were sold on Schult, but Wells was undecided. At one point, he wanted to sell out for cash and retire. At another, he debated whether to capitalize on the mobile home boom by going public.

A Scholz executive says: "Wells didn't get serious about us until our stock hit \$12 a share in 1968."

Even then, Wells wanted a guaranty that he could sell off a chunk of his Scholz stock for at least \$12 a share after the merger. No one can predict the stock market, so the deal seemed stalled.

But Malmquist, who was sitting in on the negotiations, offered to buy some stock from Wells at \$14 a share after 90 days. Wells agreed, and the merger was set.

"I thought Malmquist was crazy," says the Scholz executive.

But after the 90-day period, when Wells sold a chunk of his shares for \$14 each to Malmquist, Scholz was trading at \$30.

Wells still controls 1.3 million shares, or 47.9% of Scholz's outstanding stock. He is board chairman and the chief executive officer, and Don Scholz is president.

"I run Scholz Homes," says Wells.

Schult, which had higher sales and profit than Scholz, became the dominant company in the new Scholz Homes.

Three mergers in '69. This year Schult-Scholz executives and Malmquist have announced three acquisitions, all for company stock, and have done ground work for a dozen more.

1. Scholz acquired Public Facilities Associates, the public housing builder, in August. The subsidiary, which was formed only three years ago, earned \$762,986 on revenue of \$6.6 million in the year ended January 31. President David Carley, a former candidate for governor of Wisconsin, already wants to purchase 1,000 of Scholz's new sectional apartments.

(The PFA's Vincent Lombardi, the football coach, sits on Scholz's 14-man board. "He wants to participate," says Wells, "and we welcome him. His name may open some doors for us.")

2. Scholz has also acquired Allstate Homes, the Michigan builder of low-cost housing. Sales in 1968: about \$3 million.

3. Scholz signed a letter of intent in March to purchase Jewel Builders, a \$10-million apartment developer based in Columbus. Jewel offers Scholz both management and land. Its president, Julius Cohen, would head Scholz apartment construction. And a preliminary survey shows

that Scholz could earn \$23.6 million before taxes by developing Jewel's land.

Expansion unlimited. Those mergers are just the beginning.

Don Scholz is negotiating with prefabricators in three states. "We are looking for plant capacity," he says, "and for a trained work force and new markets."

He is also talking to major homebuilders in nearly every large city, including Chicago, Detroit and Washington, D.C. He wants to close a string of deals by January. The mergers would allow Scholz to sell its custom-house packages in bulk.

"Tract building is our one weakness," says Scholz. "The proposed merger of Ryan Homes and City Investing was a disappointment. Ryan is the kind of builder we want."

Schult executives, meanwhile, are talking to a manufacturer of camper vehicles and at least one mobile maker. But they have decided against a series of mobile mergers.

"It is far cheaper to expand internally," says Wells, "than to try to buy some high-flying mobile home company."

Company executives want to merge with at least two other types of concerns—a Chicago commercial bank and a wood-products company.

To facilitate mergers, Scholtz has increased its authorized common shares from 2.5 million to 10 million and has created a pool of 1 million preferred shares.

Management at Scholz. The company's management techniques are unorthodox but effective.

The company's two leaders—Walter Wells and Don Scholz—provide a study in contrasts. Says Wells: "I am a hard-headed old businessman, and Don is a dreamer. But we fit together."

Wells is a formal man who hesitates to address any man by his first name. This formality is reflected in his approach to management. He wants a clear chain of command in the new Scholz combine. And he worries lest the company's growth rate outstrip its managerial talent.

"We are growing fast enough," he says. "I don't want to go any faster."

Scholz operates in his prefab division with unrestrained informality. His view on company growth is simply: "We can do anything—right now. We could buy 10 companies tomorrow."

He shuns a clear chain of command and even job titles: "I want my men to know about the problems in the next office. It gives us management depth."

Scholz works with his door open, and employees of all rank drop in. He and his executives often lunch together.

"It is like a big family," says an executive. "Don is a boss and a social companion."

But Scholz is a demanding boss. Slowed by polio since 1942, he has made housing virtually his whole life. He demands—and gets—the same kind of dedication from employees. His top men—all 40 years and older—have been with him for years.

"You don't talk about football and girls with Don," says Wells. "You talk housing."

—FRANK LALLI

NEWS continued on p. 12

PRODUCTS '70

House & Home's Guide to New Products • 1970

a timesaving guide to the 1970 NAHB exhibits

Builders attending the big sprawling NAHB convention in Houston next January will face a bewildering array of products, new and old, spread out over a huge exhibit area. Products '70 has been created by House & Home and its advertisers to organize your shopping tour of this impressive display and copies will be available free at the show.



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HUD turns to mobile homes for the hurricane homeless

Mobile homes are rolling into storm-battered Mississippi, Louisiana and Virginia by the hundreds.

In all, HUD may lease more than 5,000 mobiles to shelter some of the 200,000 persons left homeless by Camille, the mightiest hurricane ever to hit the U.S.

A 200-mile-per-hour wind and 25-foot tidal waves destroyed 5,500 homes and severely damaged thousands more in Mississippi and Louisiana. Property damage reached \$1 billion and 300 persons died.

Government officials turned immediately to mobiles. Even before Camille's flooding rain reached Virginia, HUD had begun planning to bring in thousands of units as houses and offices.

Mobiles have been shipped into other disaster areas, but never on such a massive scale. So HUD's unhesitant reach for thousands is a breakthrough that underscores the growing acceptance of mobiles by both government and the nation.

A shaky start. Camille slammed into Louisiana and Mississippi Sunday, August 17, after dancing toward Florida. It caught government officials unprepared and left them in confusion.

Officials at HUD tripped over each other for days. Some mobile-home executives received phone calls from four different officials, each claiming to head HUD's hurricane effort. At the same time, a few major manufacturers called HUD to offer their mobiles and then waited in vain for return calls.

"Sure there was confusion," says one HUD official. "But we got things moving."

In those first days HUD drew up detailed specifications for the units it wanted, located some suitable land and learned that southern manufacturers had 1,600 mobiles ready to roll.

On Thursday, August 21, Housing Secretary George Romney returned from a disaster tour visibly shaken. He said: "It was sickening." The next day, the first 20 mobile homes were installed on the lawn of a Biloxi, Miss., public housing project.

By mid-September, HUD had leased 800 units at about \$2,500 each and had requested bids for 900 more. (The government is leasing all the units for one year.

FIRST TO THE RESCUE

The first suppliers to rush mobile homes to the hurricane coast were:

Brigadier Homes of Georgia
Mustang Homes of Florida
Rolling International of Texas
Mobile Home Leasing of Florida
Commodore Corporation of Nebraska
(which supplied 40% of the first 800 units to reach the area).

The makers must then repossess their units, regardless of their condition, and try to sell them.)

So far, HUD has spent \$3.3 million in the rehousing effort, and officials say they may commit another \$7 million. The money will be refunded by the government's Office of Emergency Preparedness.

Installation delays. Some problems seemed beyond HUD's control.

Many of the first mobiles sat vacant in Gulf Coast staging areas last month as undermanned crews struggled to open roads and repair sewer and power lines.

"We are moving as fast as possible," says a local housing official. "But it will take months to install the mobiles."

Meanwhile, thousands of families will continue to sleep in schools, gutted buildings and automobiles.

And a new problem threatened to slow shipments. Police in Mobile, Ala., and other towns began stopping mobile-bearing trailers for road permits. The permits, issued weeks in advance by each town along a route, cost about \$15 each.

"The town officials just wanted their \$15," said a HUD press agent in Atlanta. "They didn't seem to realize that this was an emergency."

Another HUD official in Washington, D.C., pointed out that most southern officials were cooperating. "Police are escorting trailers through some states," he said.

Five years to rebuild. The mobiles were part of government's overall effort to rebuild the storm-scarred Gulf Coast.

"The shipment of mobile homes is an excellent emergency measure," says Buford Yerger, who heads FHA's regional office in Jackson, Miss. But he adds:

"It is going to take real construction, and lots of it, to restore this Gulf Coast area. I think we will be working on it for five years at least."

The Small Business Administration, which opened a local office, had begun making loans to building contractors.

And Yerger had issued mortgage commitments for 110 houses to be built and sold under FHA's new Section 235, which reduces the homebuyer's interest payments to 1%.

"We want those units started in 90 days," says Yerger. If the builders do not deliver, he will reissue the commitments to others.

Some builders were already back in business without government aid. Most were repairing wind damage on houses covered by casualty insurance.

City planning. Government housing officials agreed that virtually every storm city on the Gulf Coast would have to be rezoned or even completely replanned.

One city official from Gulfport, Miss., said hopefully: "This storm provided an unusual form of urban renewal. Now we can rebuild some areas that were falling apart before Camille."

Mayor Daniel Guice of Biloxi predicted that his town's beach front was ruined for all time. "The historic homes are gone," he said, "and they can't be replaced. The beach will be covered by commercial buildings and apartments."

The storm suggested two guidelines about where and how to build.

First, nearly every hilltop house survived Camille. So builders throughout the area are expected to increase their bids for high land.

Second, only reinforced-concrete apartments and nursing homes survived on the beaches.

And the widespread damage to houses, including those newly built, is sure to spark a movement for more stringent building codes.

"Some people," says a local housing official, "are already urging us to build houses as if they were fortresses."

—NANCY DESANDERS

McGraw-Hill World News, Houston

NEWS continued on p. 16



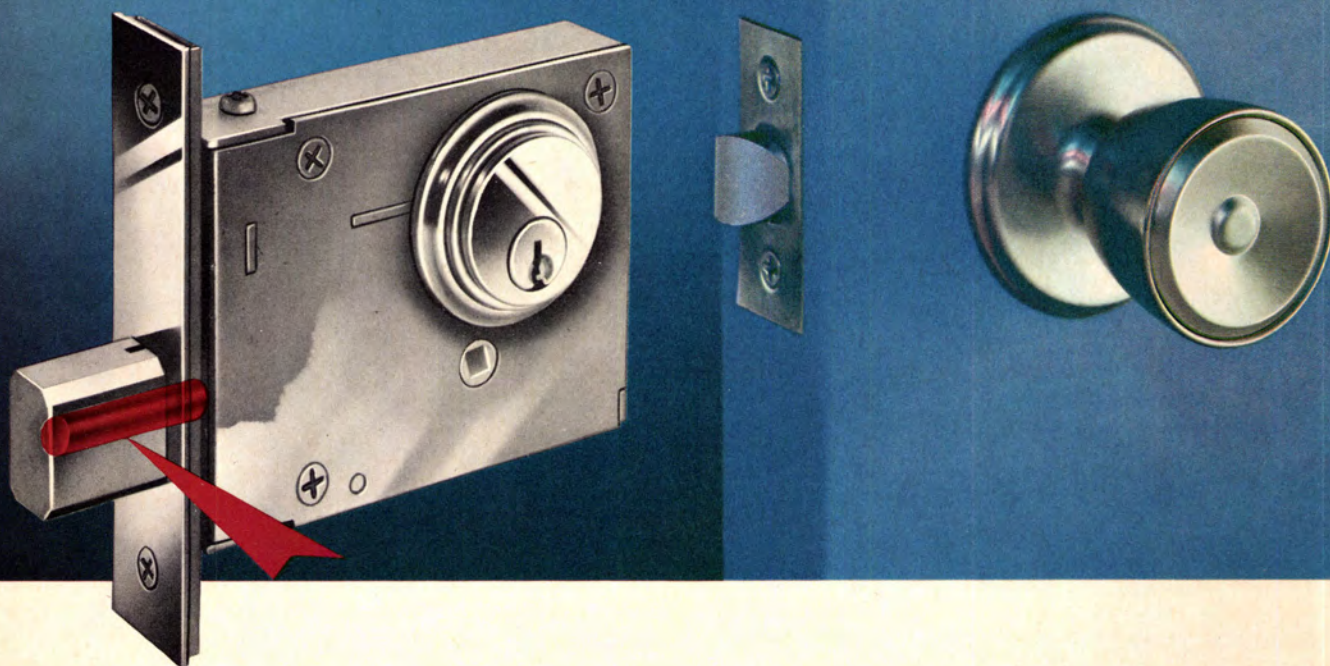
HURRICANE damaged thousands of homes, including these in Buras, La.



TOUR OF AREA prompted HUD's George Romney to bring in mobile homes.

Photos: Wide World

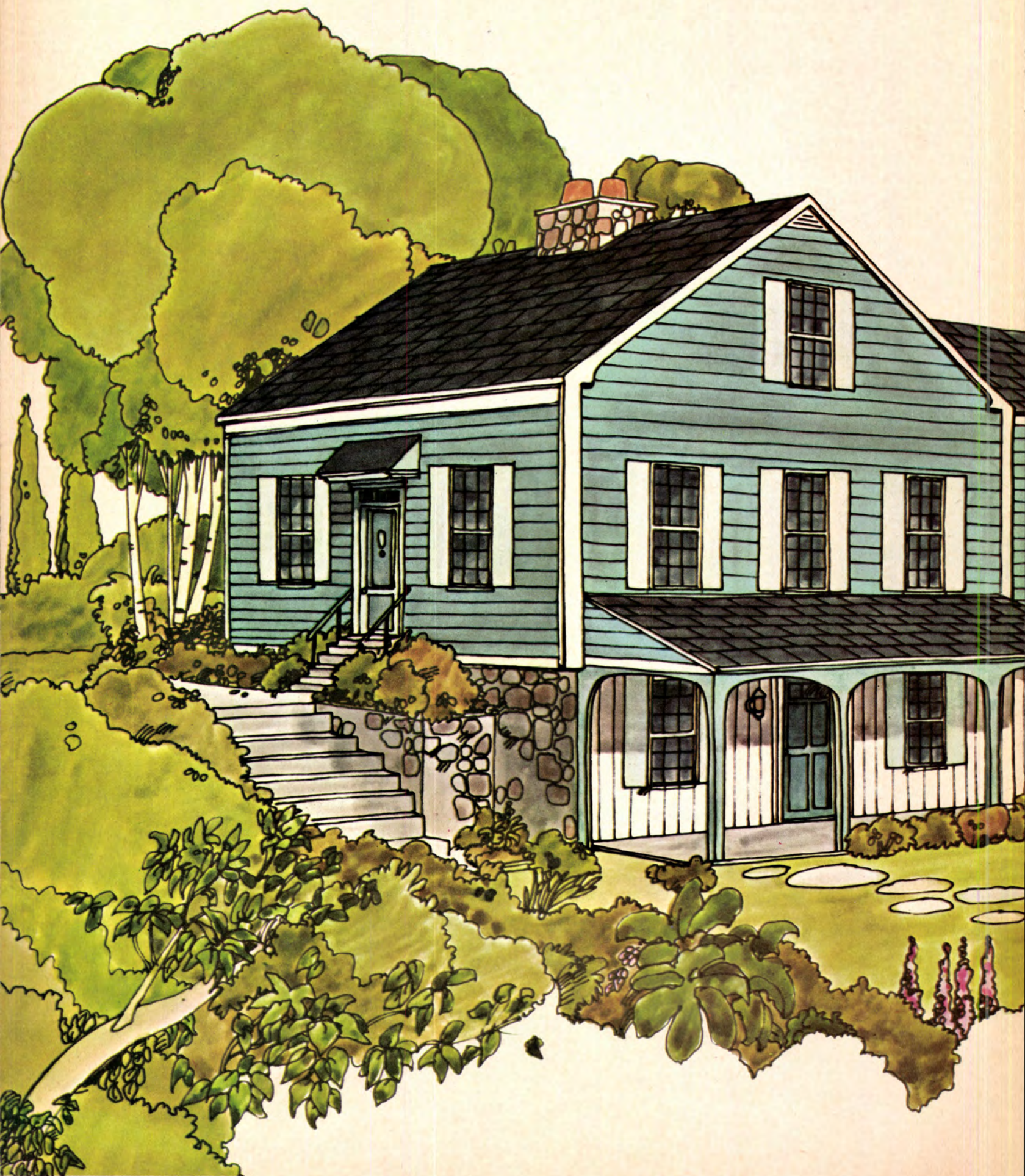
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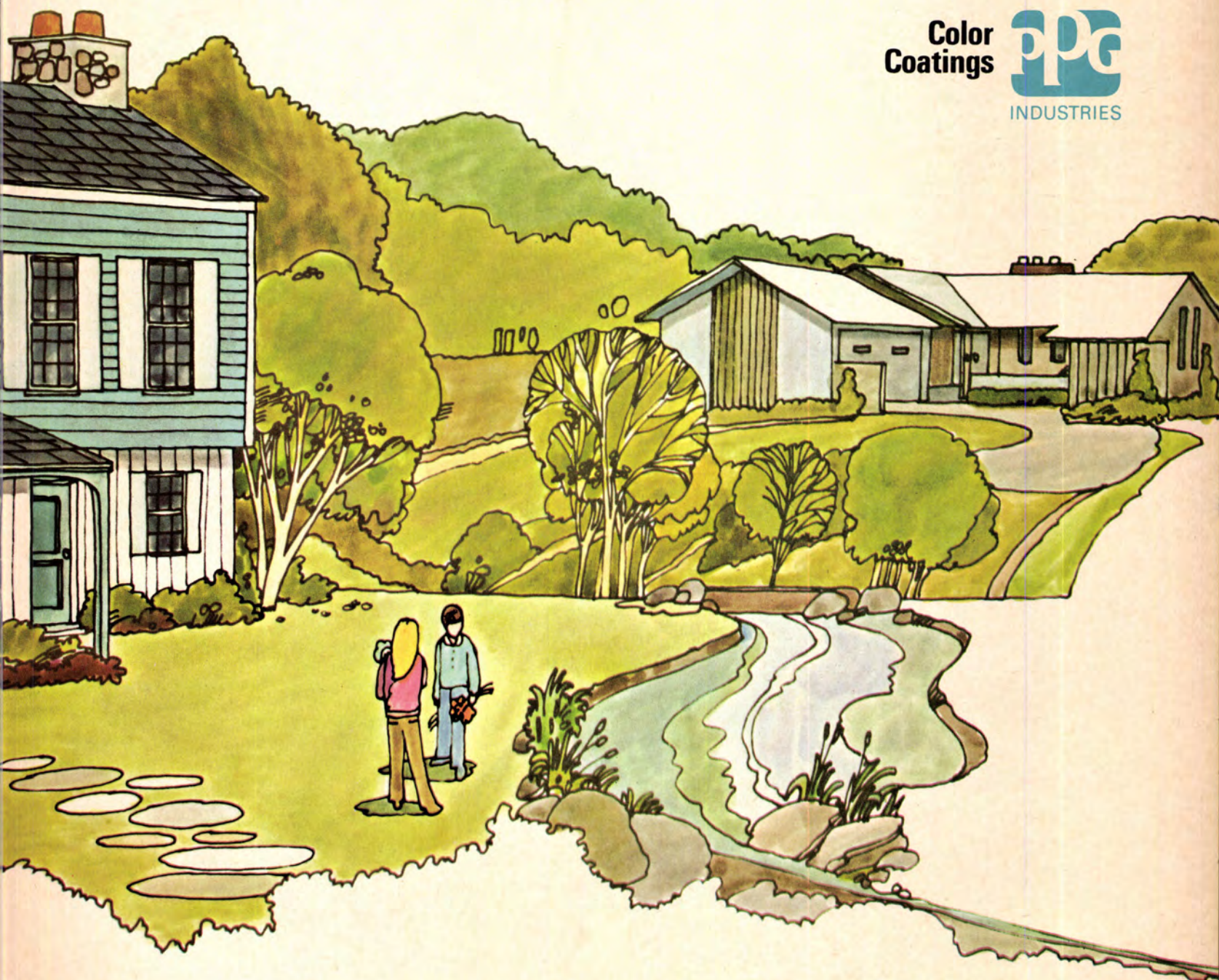
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Nixon tax bill seeks to ease House's blow at real estate

The President has taken two major steps against inflation and has sought to build support for the housing industry with each.

The administration has proposed broad new tax legislation with the aim of easing inflation and the interest rates that frustrate building. And it has ordered a 75% cutback in federal construction to divert both funds and labor into housing.

Nixon tax plan. The President's tax proposal differs from an earlier bill passed by the House in two ways highly significant for real estate.

- It strikes at the heart of inflation by transferring purchasing power from spender to investor. The plan reduces from \$7.3 billion to \$4.8 billion the tax relief for individuals and cuts back from \$4.9 billion to \$3.5 billion the House's increase in taxes on corporations.

- It eases up on real estate by allowing individuals and partnerships to offset against earned income the interest on money borrowed to carry real estate. The House had limited such relief to corporations.

The House provision would have gained the Treasury only \$20 million in revenue, and only part of that would have come from real estate. But the relief provided in the Nixon counter-proposal is psychologically significant. Individuals are among the heaviest investors in real estate, and \$2 to \$3 billion in sale-leaseback deals have been made in each of the last 10 years by partnerships and syndications.

House tax bill. The Nixon plan endorses the rest of the House bill's real estate provisions, and they are severe.

Of \$3.5 billion a year in new revenue due by 1979, real estate may contribute \$1 billion—or a whopping 30%.

Another \$3.3 billion a year would derive from repeal of the investment tax credit, raising the government's annual gain to \$6.85 billion by 1979. The tax-credit repeal would hit real estate along with all other industries.

Of all economic sectors, real estate would pay the biggest increase under the tax reform bill.

Depreciation cutback. The House package zeroes in on several areas of real estate depreciation. If the bill clears the Senate in the same form, these provisions will apply:

- New residential construction will still be eligible for 200% declining-balance depreciation, or for the sum-of-the-years digit method—but only if construction began or a binding construction contract was in force before July 25, 1969.

- New housing started after July 25, 1969, will qualify for double declining balance or the sum-of-the-digits methods only if 80% of the gross income from the building in the taxable year derives from residential-unit rents.

- All other new construction will be limited to the 150% declining balance, in the same way that used property is limited under present law.

- Existing commercial or industrial buildings acquired by other than the orig-

TAX TABLE FOR REAL ESTATE COMPANIES								
Company and Market	FY Ends	Current	Tax Treatment in Latest FY			Recent Price	Current Yield+	
		Distrib. Rate	Ord. Income	Return of Cap.	Capital Gains			
* Amer. Realty (OTC)	Sept.	\$0.48 ^a	14.8%		85.2%	10	4.8	
* First Un. Real. (OTC)	Oct.	0.84	41.5	58.5%		14	6.0	
* Franklin Realty (ASE)	June	0.64	64.0	36.0		11	5.8	
* Greenfield REIT (OTC)	Oct.	1.30	79.0	21.0		17	7.6	
* Kavanau RE Trust (ASE)	Dec.	0.60	9.0		91.0	14	4.3	
* Nat. Realty Inv. (ASE)	Dec.	0.80	13.0	87.0		22	3.6	
* Pennsylvania REIT (OTC)	Aug.	0.80	67.5	27.5	5.0	13	6.2	
* Pres. Real. B (ASE)	Oct.	0.80 ^b		100.0		16	5.0	
* Prudent Resources (ASE)	Nov.	0.60		100.0		24	2.5	
* Reit of Amer. (ASE)	Nov.	1.20 ^a	100.0		e	22	5.5	
* Tishman Realty (NYSE)	Sept.	0.36	100.0			28	1.3	
* United Nat. Inv. (ASE)	Feb.	Nil				8	Nil	
* Uris Buildings (NYSE)	Dec.	0.40	100.0			21	1.9	
* Washington REIT (OTC)	Dec.	0.80		100.0		12	6.7	
* U.S. Realty Inv. (ASE)	Dec.	0.88	33.0	67.0		23	3.8	

+ Calculated without regard to tax effect for recipients.
^a-Excludes \$0.15/sh. extras paid to date in fiscal 1969. ^b-Plus 2% stock in prior years.
^c-Excludes \$0.17 capital gains distribution paid in January, 1969.
^e A real estate investment trust not taxed on distributions to shareholders if 90% of trust income is so distributed.

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+ Calculated without regard to tax effect for recipients.

^a—Excludes \$0.15/sh. extras paid to date in fiscal 1969. ^b—Plus 2% stock in prior years.

^c—Excludes \$0.17 capital gains distribution paid in January, 1969.

* A real estate investment trust not taxed on distributions to shareholders if 90% of trust income is so distributed.

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inal owner after July 25 will be limited to straight-line depreciation. No more of the 150% writedowns that have been in use for 33 years.

- The gain on the sale of all buildings will be recaptured as ordinary income to the extent of any depreciation taken in excess of straight line. This means that if a building has been using the straightline method, all the gain would continue to be taxed at capital gains rates.

The proposals will not reduce the earnings of most major real estate corporations because, with the exception of Presidential Realty, virtually all use straight-line depreciation. Cash flow will suffer, however, to the degree that future construction of non-residential property or purchase of existing structures reduces income-tax deferrals that were based on accelerated depreciation (see table).

A boost for rehab. The only sweetener in the bill encourages rehabilitation. This provision would permit five-year accelerated depreciation of the costs of capital improvements on existing residential buildings.

The accelerated depreciation, however, would apply "only for low-cost rental housing where the dwelling units are held for occupancy by families and individuals of low or moderate income." It would not be available to hotels, motels or inns.

To qualify for the faster depreciation, the aggregate rehabilitation may not exceed \$15,000 per dwelling unit, and the total cost of the rehabilitation over two consecutive taxable years must exceed \$3,000 per rental unit. "These rules, in effect," says the committee, "place a ceiling and a floor on the amount of expenditures per rental unit which are to be taken into consideration for purposes of the special five-year write off."

Low-cost housing. The Ways and Means Committee is trying to promote new construction, particularly for low- and moderate-income housing.

The committee report complains that present law provides benefits which "are not focused on new construction, but are spread over repeated turnover of old properties. This may support the market and prices for older housing, but the beneficial feedback to new construction incentive is

not proportionate to the revenue cost."

Further, the committee charges, "the present treatment creates a tax environment favorable to frequent turnover, which tends to discourage long-range 'stewardship' and adequate maintenance.

A case of recapture. Don Dixon, head of the Washington Committee of the National Association of Real Estate Boards, offered an example of how the recapture proposal would work.

If a building has an acquisition cost of \$50,000, a tax basis of \$40,000, sold for \$55,000, and has taken depreciation under the 150% method of \$8,000 (although straight-line depreciation would have resulted in \$5,000 deductions), the gain taxed as ordinary income and as capital gains would be as follows:

1. Of the \$15,000 gain, the \$5,000 representing sales price over acquisition cost is, of course, capital gains.

2. The excess of deductions taken via the 150% method over that which would have been taken as straight-line is \$3,000.

3. Therefore, \$3,000 of the gain is taxed as ordinary income and \$12,000 as capital gains.

Opposition. The real estate industry, already heard in the House, was busy pleading its case in the Senate. The Mortgage Bankers Association's vice president, Robert H. Pease of Chicago, told the House that real estate investment is not all roses, and he will reiterate his point in the Senate. Pease told the Ways and Means Committee: "Somehow, a fallacious idea has grown up that every real estate investment leads to profits. . . . This is just not so.

"If you look into the history of multi-family housing in many cities around the country, you will find a record of failure. Several FHA projects in St. Louis, Kansas City, Dallas, Los Angeles and San Francisco, to name a few, have failed.

"The building of apartments is a risky business, and if you are going to attract capital into it you must have accelerated depreciation, which offsets some of the risk by providing a reasonable formula for the recapture of the investment."

—ANDREW R. MANDALA
Washington

NEWS continued on p. 20

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Little brother is fast. You can apply him in sheets (up to 10' long and 48 $\frac{3}{8}$ " wide) directly to studs. Because of its great dimensional stability and insulating properties, Redwood Plywood lets you forget about sheathing, building paper, and—in many cases—diagonal bracing.

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Versatile. Redwood Plywood can be used indoors or out, from soffits to garage doors to paneling, architectural continuity.

Mill Valley, Calif. residence. Architect: Seichi Kami



He's tough. Like redwood, Redwood Plywood has a resistance to weathering. Compared to other plywoods to take and hold a finish is unexcelled.
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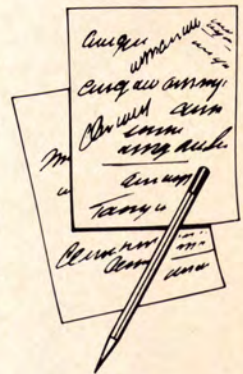
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Probers cry "danger" after viewing S&Ls' ties to builders

A three-year inquiry ordered by Congress into the soundness of the \$150-billion savings and loan industry says there are danger areas in the industry and criticizes the regulatory Home Loan Bank Board for sluggish response to problems.

The inquiry was authorized in 1966 at a cost of \$500,000 to the S&L business itself and was conducted by Professor Irwin Friend of the University of Pennsylvania's Wharton School of Finance.

Friend's study terms several industry practices "dangerous." It also suggests the Bank Board has been too inflexible in its policy toward the 5,000 associations that are members of the Bank Board system.

Conflict of interest. Especially dangerous, says the report, is the widespread conflict of interest present in the savings and loan business. It charges that conflict problems are "deeply imbedded" in the industry because of the "pervasive" activities of S&L managers and other personnel "who may also be realtors, attorneys, insurance agents, bankers, builders and developers doing business with the association or its customers."

"Conflicts involving builder-developers may be particularly dangerous," the four-volume study warns, "as they can lead to the acceptance of large and uncompensated risks by the associations in the interest of the affiliated group."

In addition, the report points out, mutual associations, whose depositors or "shareholders" usually are non-participating creditors, "excluded from information and power," tend more to nepotism and higher compensation for management than do stock associations.

Corrective action. Conflict of interest should be dealt with in these ways, the report says:

- Make full disclosure of all loans made by associations in which the management, including all officers and directors, has an interest.
- Disclose to supervisory authorities and "possibly to shareholders" the income of management from all related activities.
- Limit the number of family members serving as officers or directors of insured associations, "or at least . . . provide a full disclosure of such relationships."
- Give S&L directors stronger authority.
- Require better financial statements.

Basic reforms. While the study concedes the savings and loan industry is sound, Friend told a news conference that basic reforms over the long run would likely be required to keep it that way.

He calls for wide-ranging changes in the asset-liability structure of S&Ls, including broader investment authority in consumer credit and multifamily mortgages, a greater variety of long-term savings accounts, and non-interest checking accounts.

The Federal Home Loan Bank System should revise its liquidity policy to allow for a set liquidity requirement, and an "automatic reduction under appropriate circumstances (particularly to meet net withdrawals) until a relatively low minimum liquidity level is reached," the study says.

Liquidity and advances. The report is at times highly critical of the Home Loan Bank System. The study says, for instance, that liquidity policy should be revised to prevent another 1966 credit squeeze. The liquidity of the S&Ls could have been improved at that time with a more flexible liquidity policy, the report argues.

As for the advances the Bank System makes to S&Ls, the Friend study finds the system too cautious. The report contends that advances should be made primarily on the basis of the need for housing loans.

The system was also urged to make greater use of longer-term advances, which it is preparing to do.

Another recommendation, already in the works with the Bank Board, is a new merger policy that will stress economies of scale. The study goes a step further to recommend 1) widening geographic limits on branching and 2) relaxing the 100-mile mortgage lending limit that S&Ls must now observe.

Conversions. One of the more controversial proposals deals with conversion. The HLBB should lift the moratorium on conversions from mutual to stock associations, the study asserts, after proper guidelines have been established, "notably including guidelines for the allocation of conversion profits at interest." The report suggests that the Federal Savings and Loan Insurance Corp. or the federal government share in such profits, but S&L spokesmen have already expressed opposition.

The Bank Board is also urged to improve examining and supervisory procedures, making associations identified as "potential problem cases" subject to prompt and frequent examinations.

Mortgage reform. The Friend study also calls for these mortgaging changes:

- Elimination of discounts on both conventional and FHA/VA loans.
- Fully guaranteed mortgages for housing programs for the disadvantaged.
- Government agency experiments to "supplement the almost exclusive reliance on monthly equal payment amortized loans." The experiments would be directed to families with fluctuating income, families with expected rising income, and the aged.

The study says interest ceilings should "neither be immediately abolished nor retained indefinitely," but should be raised gradually in accord with free market rates, with the federal regulatory agencies retaining standby authority to set the rates.

The Friend report has not yet been hailed as a great work, nor has it been deplored. It is likely to be used, by industry and government alike, for new legislative and regulatory actions.

—A. M.

Housing Partnership Corp. putting its staff together

The National Corporation for Housing Partnerships has hung out its shingle, open for business even before tapping major industrial and financial corporations for its initial \$50 million capitalization. Howard R. Moskof, former executive director of the Kaiser Committee on Urban Housing, is the new NCHP vice president for operations.

The corporation is directed by Chairman Carter L. Burgess and President Ray A. Watt, former California homebuilder who sold out to Boise-Cascade before coming within an inch of being named FHA Commissioner. They have appointed Bruce S. Lane, former assistant general counsel for Comsat, as vice president and general counsel. Robert N. Jones, formerly FHA's "Mr. Multifamily," is project director.

Building editor dead; wrote 'Name of the Game Is Loving'

Senior Editor Walter A. Olson, 56, whose sprightly articles on sex in house merchandising enlivened the pages of *Professional Builder* magazine and enjoyed wide popularity in the industry, died Sept. 5 in Chicago of a cerebral hemorrhage.

Olson wrote "Sex and the Single Family House" for the magazine's August 1967 issue, and did a reprise of sorts, "The Name of the Game Is Loving," in August 1969. He had joined the magazine 10 years ago.

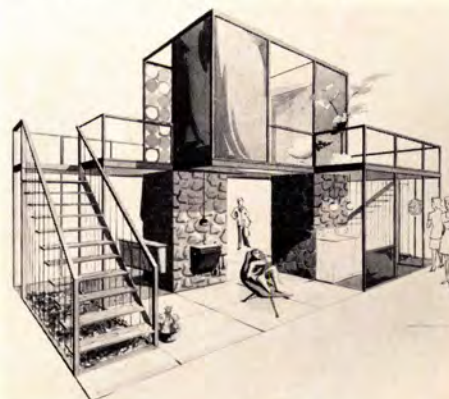
Olson was formerly secretary of the HBA of Chicagoland, and he produced a Chicago radio show advising how to buy homes.

The house that does everything with gas

Gas will cook and heat and light and cool this space-age house at the American Gas Association's Denver convention Oct. 19-22.

Hydrogen operates a fuel cell that generates on-site energy to replace conventional power. Using this energy, equipment located outdoors will provide total comfort control—cooling the house automatically, humidifying it and removing air impurities.

This energy fuels all appliances, including a clear range surface with catalytic burner and a portable warming tray.



NEWS continued on p. 22

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New rustic tones that don't shout from the rooftops.



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Sure, homeowners want color. But more and more prefer quiet, mellow colors. That's why we created new "3M" Brand Heavyweight Textured Granules in these new rustic tones.

New colors sell themselves.

Ask your prospect to compare colors. We did. And in 6 out of 7 cities across America, homeowners chose our new rustic tone granules over traditional blues, greens, maroons.

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Susan Landor

San Francisco saves the bay and the bright water but . . .

The city may have lost a lease on its future.

Rejoicing still rings round the Bay for the victory over those who would despoil her shore and blue tideline, but there is heard now an undertone of warning.

Amid the jubilation, San Francisco and the Bay Area may be heading toward a form of esthetic and financial strangulation.

Planners are quick to praise the new state law that permits the Bay Conservation and Development Commission to halt filling and supervise shore development. But the experts fear that the net effect may be disastrous for architectural and business growth.

"If we're not careful it could stymie all recreational and industrial development of our South Bay, perpetuating bedroom sprawl, and it could force San Francisco to become a highrise, glass-and-concrete Manhattan of the West," says environmental planner George Gatter. "That's not the purpose of the BCDC, but it could be its effect."

Architectural consultant Donald P. Reay adds: "No one uses the South Bay now because it's windy, unsightly and polluted—a boxed-in cesspool for the rest of the Bay. The BCDC is saving our Bay, but for what? Swamps and marsh?"

The real winners? There are even those who suggest that the people who actually pressured the legislators into approving BCDC were not the well-publicized conservationists but San Francisco money men—the bankers, Downtown Trade Association and corporate businessmen.

"After New York, San Francisco is the largest money market in the country," said a prominent mortgage banker. "To maintain that status the city must remain the

corporate headquarters of the West. That means centralization—and more highrises. There's no other place to go but up."

Such was the genesis of the Bay Area Rapid Transit. The billion-dollar system was pushed by local money men as the best way to bring white-collar workers to the city and let them sleep elsewhere.

"You can't imagine the Machiavellian pleasure the money interests of this city got by furthering their own synergistic plans through what they consider the naive aspirations of the conservationists," a local planner said. "But they're keeping their laughs to themselves. It serves their own interests so well to let the Sierra Club and the Open Spaces people think they own a grand victory."

The opening round. Nearly a decade ago, Berkeley residents learned of a city plan to fill much of the city's offshore waters. Berkeley owns 4,000 acres of the Bay, equal to the present area of that city, and it planned to double its size.

A Save the San Francisco Bay Association, organized under leadership of Mrs. Clark Kerr, wife of the ousted president of the University of California. It collected data showing that the 400-square-mile harbor—bordered by nine counties, scores of cities and 2,000 private landholdings—was threatened by uncoordinated land-fill operations, dumping and other activities that had nearly halved the water area over the last century. The Bay fill became a political issue and the city abandoned its project.

Flushed with success, the organization took to saving the entire Bay. A bill was passed in Sacramento in June, 1965, creating the Bay Conservation and Development

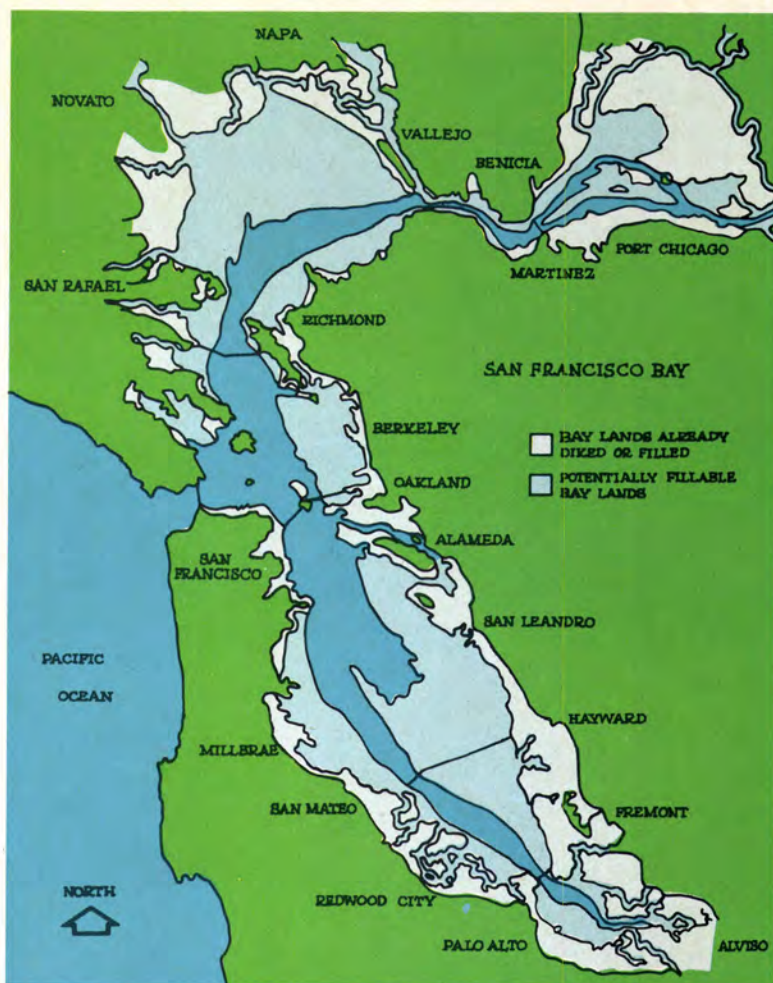
Commission as a temporary study body with power to suspend much of the indiscriminate land-filling.

This commission of 27 elected and appointed officials spent three years and three-quarters of a million dollars writing a 177-page Bay Plan, a report on what the great Bay is and what it should become in the next century. The plan and its implementation, through establishment of the BCDC as a regulatory agency, triggered seven months of political in-fighting in the California legislature this year.

The victory. Public opinion forced legislators identified with commercial interests to reverse field. Governor Ronald Reagan, originally noncommittal, took successively stronger positions until he was promising to keep the legislature in special session if necessary to get the save-the-Bay legislation.

Opponents wanted to let the BCDC expire this year, according to the statute that created it, or to let it survive with only advisory powers. But a strong measure—jointly applauded by the BCDC, the Sierra Club and Save the Bay Association—cleared the state senate by 24 to 9 and the assembly by 56 to 4.

Wide regulatory power. Assembly Bill 2057 assigns to BCDC the jurisdiction over "all areas subject to tidal action from the south end of the Bay to the Golden Gate (Point Bonita-Point Lobos) and the Sacramento River line (between Stake Point and Simmons Point, extended northeasterly to the mouth of Marshall Cut), including all sloughs, and specifically, the marshlands lying between mean high tide and five feet above mean sea level . . ."





Stanford Erickson

FILLING AND DUMPING have almost halved the water area of the Bay in the last century. This filling at Burlingame began before regulatory laws were passed by the legislature.

BAY OR RIVER was the issue raised by map (left) of Bay as it was, is and might have been without new law. Reclamation of remaining fillable land would have left only 187 square miles of deep water channel.



NEW REGULATOR is Joseph Bodovitz of the Bay Conservation and Development Commission. He warns that filling of the Bay will now be permitted only if it clearly benefits both the public and the community.

BCDC's Recreation Plan

Marinas—1,290 acres	now: 77 acres
Launching ramp facilities: 2,230 acres	now: about half that
Swimming beaches: 230 acres	now: about half that
Fishing Piers: 40,000 lineal acres	now: 39 lineal acres
Shoreline parks: 10,800 acres	now: 5,000 acres
Based on an estimated future population of 10.8 million by year 2020.	

A more controversial aspect of the bill extends the agency's rule to shoreline band running 100 feet landward from high tide.

The commission can exercise authority when a landholder wants to change the use of tidelands or shoreline or purchase lands from private holders. (The commission has no power of eminent domain.)

"Whether a landholder would be given a permit to change the present use of his holdings would depend on what he wished to do, and whether the land was considered priority or nonpriority," says Joseph Bodovitz, executive director of BCDC. About one-quarter of the Bay's 276-mile shore is considered priority; the remaining three-quarters are non-priority. Priority land is most accessible to and acceptable for industry and recreation.

"Justifiable filling of priority areas would be weighed in light of benefits accrued to the public in general," Bodovitz says. The Bay Plan specifies six justifiable uses:

- Port terminals and cargo facilities.
- Industry requiring access to shipping.
- New recreational opportunities—parks, marinas, fishing piers, beaches.
- Air terminals and runways.
- Freeways (on pilings, not solid fill).
- New public access to the Bay.

Housing. "Non-priority areas could include things like housing or agriculture and would be screened by the commission for provisions of public access," Bodovitz said.

The BCDC's housing study finds that even if the Bay Area's population of four million triples in this century—and demographers predict it will—"there will be plenty of land for housing for at least the next 50 years." The Army Engineers' report, *The*

Future Development of the San Francisco Bay Area, 1960-2020, estimated in 1959 that half of the 7,000 square miles of land in the nine-county area is suitable for urban development and that less than 15% of this land was in urban use in 1958.

"The main beneficiaries of housing on Bay fill are private," says Bodovitz, "the developer and builder, and the residents. But the costs of damage to the Bay are borne by the public of the Bay Area."

The Bay Plan encourages housing built on piles rather than land fill. "Piles permit a structure to be raised above its site with minimum disturbance of natural conditions," says Bodovitz, a former ecology journalist. "And the feasibility of housing on piles (or stilts) is increased by the fact that the cost of a residential unit on piles is now about the same, and often less, than the same unit on fill at the same site."

Another water-oriented type of housing that causes minimum damage to the environment, Bodovitz noted, is the houseboat. Most of the existing houseboats are located in the northern part of the Bay in Sausalito and the Corte Madera Creek.

The Bay's owners. Private owners claim approximately 22% of the Bay floor as a result of sales made by the state between 1853 and 1879. Buyers often paid \$1 an acre and, while many individuals initially bought tidelands, these properties have since come into the possession of relatively few interests.

Cities and counties own 23% under state grants. The state owns 50% and the federal government the remaining 5%. The BCDC estimates that less than 5% of the Bay's 276-mile shoreline is accessible to the public.

Along the waterfronts of San Francisco, Oakland and Richmond, and the Bay shores of Marin and San Mateo County, the filling of tidal and submerged lands reportedly has dried up 17 square miles that once were Bay. And the Bay is still vulnerable to further diminution. About 70% of its waters are less than 18 feet deep at low tide. This means that 248 square miles of tide and submerged lands are "susceptible of reclamation" for urban uses, according to Army Engineers' estimates. Such reclamation would leave only 187 square miles of Bay as deep water channels. It would shrink portions of the Bay to the dimensions of a river.

The developers. Not all moneymen wanted to "save the Bay." Tideland owners, including New York banker David Rockefeller, fought to the end.

Harry A. Jackson, secretary and counsel for the Leslie Salt Co., the largest private landowner with 50,000 acres bordering the Bay, calls the BCDC an "economic strait jacket" and "conservation overkill." Architect Reay, who presumably has no ax to grind, calls it "prohibitionary, with a head-in-the-sand attitude." Warren T. Linquist, who represents the Rockefellers' West Bay Community Associates, which owns 10,000 acres of Bay lands between San Francisco Airport and the Santa Clara County line, calls the BCDC "illogical and unrealistic." Last year Westbay proposed a \$3 billion industrial-commercial-recreational development of 4,800 acres of its land, with the remaining acreage set aside as open space and ecological preserve. The new BCDC would probably not permit much of that.

Linquist raises two points of criticism of

Story continued on p. 24



Stanford Erickson

REDWOOD SHORES development of Leslie Salt Co. in Redwood City is turning 4,200 acres of salt pond into these homes for 60,000 people. Developers insist that new regulations will halt many plans for such building.



Estimated Development Cost San Francisco Bay Plan

(Estimate by Westbay Community Associates)

INITIAL INVESTMENT

Land acquisition and compensation	\$240,000,000
Reclamation, land improvement, park facilities, and redevelopment	382,900,000
Total Investment Costs	\$622,900,000

ANNUAL COSTS

Regional agency	\$ 450,000
Recreational area operating maintenance	14,700,000
Bond interest	23,100,000 (6%)
Annual Costs	\$38,250,000
Loss of revenue from property taken off tax rolls	4,383,000
Total Annual Costs	\$42,633,000

San Francisco saves the Bay... (continued)

the Bay Plan that appear to deserve serious consideration: 1) The bureaucratic red tape would render any development too costly for private industry even if it were socially desirable. 2) Proposed BCDC development would be too costly for the public to handle. Net effect: no development at all.

"The BCDC is a cumbersome and potentially dangerous apparatus for shoreline development along the 'socially beneficial' lines that it desires," Linquist says. "The procedures recommended in the plan could delay—and in effect deny—action on applications for years. Justice delayed is justice denied; opportunity delayed is opportunity lost."

Stratospheric costs. The Bay Plan proposes the purchase of 5,800 waterfront acres for recreation and 1,600 acres for wildlife refuges. It puts the cost between \$30 and \$50 million in 1965 dollars, or an average of \$5,400 an acre. The BCDC quotes sale prices from a 1960-1967 scale at "\$150 to \$22,000 an acre," but Fibreboard Corp. sold 44 acres in April for \$65,900 an acre, or \$2.9 million.

Then there are development costs (reclamation, land improvement, park facilities and redevelopment). They have ranged from \$20,000 to \$90,000 an acre. And there are operational costs, which BCDC estimates at up to \$500,000 a year.

Linquist sums up the BCDC cost dilemma this way: "The plan makes no estimate of the total cost of accomplishing the reclamation, preservation and development it de-

mands. It recognizes the out-of-pocket expenses of land acquisition and control at \$335 million . . . and there ends any attempt at estimating. The cost of new roads, railroads and utilities is not even guessed. Nor is the cost of tax loss incident to property removed from the tax rolls considered."

Westbay's own "conservative" estimate of the cost of development of BCDC's Bay Plan is \$622.9 million. The annual cost in terms of operation and maintenance, bond interest and loss of tax revenues is estimated at \$42 million. (See breakdown, in box above.)

Paying the bill. What's the chance of getting the public to pay for this? "So long as there are starving Americans, so long as our cities are in such trouble that the nation's survival is threatened, and so long as other urgent and immediate human needs press upon us—when the priorities are set, our Bay is simply not going to command enough of the public wherewithal to pay to get the BCDC plan accomplished," Linquist says.

But Bodovitz disagrees. "I agree that public money may be hard to come by and that a bond issue today probably wouldn't pass," he says. "But there is no need to buy or develop all the land at one time. I am certain that once the private landholders study the Bay Plan, they'll recognize that there is money to be made developing along those lines."

The Bay of tomorrow? The Bay, under the supervision of BCDC, may not only lack money for development. It may lack the

necessary planning and creativity, too.

Reay, a professor of architecture, warns: "For too many years in this country we've let private property rights be almost the sole determinant of what is to be built. Now we are finally waking up to the immorality of that, and in self-righteous indignation are, in the case of the Bay, saying nothing is to be built."

Reay insists that some of the Bay must be extensively filled to be of use. He envisions a series of islands built in the mid and south bay sections.

"Esthetically these would give more variety to what is now little more than stagnant water," he says. "The islands would also make the waters less subject to wind and more navigable, as in the North Bay, and would encourage tidal circulation, improving the most polluted area."

Reay presented the idea to his graduate class in architecture at the University of California, which came up with several suggestions. The students foresaw a modern-day Venice to be built on either side of the San Mateo Bridge.

An ecology professor at San Francisco State, J.F. Gustafson, also proposes islands as part of a "tidal flushing system."

Such ideas stand very little chance of acceptance by the BCDC, both admit.

Inside the City. If growth is effectively stymied along the Bay, where does that leave San Francisco? Perhaps a good indication is the recent controversy over Transamerica Corp. constructing a pyramidal shaped world headquarters building.

The plans originally called for 55 stories plus a 260-ft. spire, for a total of 1,000 feet. After a strong fight from many of the same people and organizations who "saved the Bay," the building was whittled to 45 stories plus a 220-ft. spire, for a total of 840 feet—still leaving it the tallest in town.

Columnist Herb Caen, the city's cultural commentator, summed up this way:

"So the board of supervisors routinely, almost supinely, okays the highly controversial Transamerica pyramid, and now we know the New Philosophy at City Hall: Anything Goes—Anywhere. . . . What availeth it to Save Our Bay when nobody can see it?"

One answer. The American Institute of Architects' vice president, George T. Rockrise, a San Franciscan, has a solution. He calls for immediate decentralization.

"New, smaller satellite cities must be created which take care of all the needs of their inhabitants, including jobs," he says. "What are now San Francisco and Oakland bedrooms must be expanded into complete living quarters."

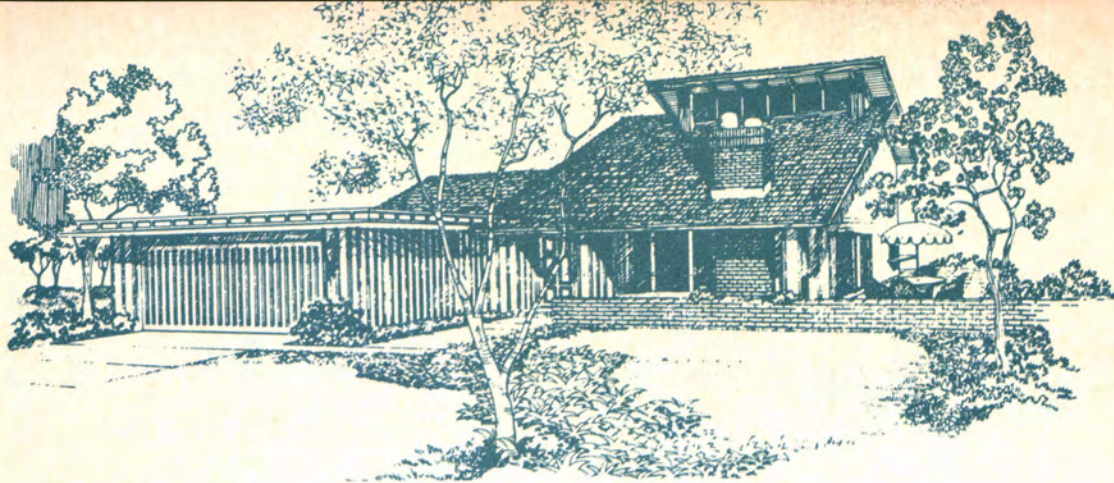
But can BCDC do this?

"No," says planner Gatter. "It separates and insulates the Bay from the surrounding land. To guarantee proper integration of water and land use we need an organization with jurisdiction over both."

And what happens in the meantime?

Architect Reay says: "We always seem to wait until nothing can be done about something, before we get motivated into doing something."

—STANFORD ERICKSON
McGraw-Hill World News, San Francisco



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B-6916



Two angry switchmen sidetracking mortgage reforms

After a year of almost constant wrangling about what should and should not be done, the Presidential commission on mortgage interest rates has been beaten to the punch by two of its own flock.

The result makes it extremely uncertain whether any of the commission's recommendations will become law.

The difficulty is not merely the refusal of two commission members to sign the report. It is the power of those two dissenters—the chairman and the ranking member of the House Banking and Currency Committee.

Chairman Wright Patman and Rep. Leonor Sullivan didn't even wait until the report was issued before they blasted its contents. The two charged the white paper did little more than endorse the recommendations of the mortgage industry.

Dual-rate plan. The report proposes to eliminate the present statutory ceiling of 6% on FHA-VA loans, and at the same time urges a compromise the majority hoped would placate everyone.

The commission asks a three-year trial of a dual-market system. It would allow lenders to make loans at a free interest rate with no discounts, or at an administered rate with discounts.

The commission's report also proposes:

- Greater direct federal support for housing and "more attention to the housing needs of very low-income families."

- Making regulation Q, the right to set rates that banks can pay for savings and time deposits, a permanent rather than standby authority.

- Several changes to strengthen the role of the Federal Home Loan Bank system as a backstop for savings and loans, including a new liquidity formula to provide for automatic reductions in liquidity requirements for S&Ls in good standing whenever they have net deposit withdrawals.

Objections. But Congressmen Patman and Sullivan complain that the report "steps on no toes, holds no one to account for rapacious conduct, perhaps waggles a hesitant and timid finger at the power centers of the economy and suggests they be a bit less acquisitive and a little more humane, makes no demands upon the administration to exercise strong leadership, ignores the Janus-like propensity of Congress to vote to authorize bold and vast new housing programs while refusing to fund them, and blandly accepts as inevitable and immutable the conditions in the mortgage market that are immoral and unconscionable."

The two dissenters are as critical of the commission as of its report. They said the panel wasted a year trying to solve problems beyond its responsibility, such as inflation, while ignoring the area it was created to study—housing finance needs.

Stronger medicine. The two critics have their own recommendations on how to make more money available for housing. They call for:

- Requiring the Federal Reserve's open market committee to "purchase a sufficient quantity of Federal Housing Administra-



FHA NOMINEE Eugene A. Gullledge (right) with HOUSE & HOME's Senior Editor James P. Gallagher.

NAHB President Gene Gullledge is nominated to head the FHA

President Nixon has sent Gullledge's name to the Senate, which must confirm.

The President of the 51,000-member NAHB would be assistant secretary of housing and urban development as well as federal housing commissioner. The post has been vacant since January.

Gullledge, 49, is a house and apartment builder from Greensboro, N.C. As is Housing Secretary George Romney, who would be his superior, Gullledge is a Mormon.

He is also an advocate of government credit controls as a means of channeling more money into housing. Both the administration and the Federal Reserve have opposed such controls.

tion, Veterans Administration and Farmers Home Administration insured mortgages to assure a steady flow of such funds."

- Utilizing tax and loan-account funds to encourage commercial banks to provide more mortgage money.

- Requiring that 50% of the net additions to all federal pension funds be invested solely in government-insured mortgages or special housing bonds affording a "fair but not necessarily competitive return."

- Requiring all pension and mutual funds and other financial sources benefiting from federal tax concessions to devote an additional 5% to 10% of their resources to home mortgages.

- Requiring the same degrees of investment in government-insured mortgages from the loan and investment portfolios of all thrift institutions and commercial banks whose deposits are federally insured, who have the right to borrow from the government, or use the credit of the government to borrow in the market at favorable rates.

Prognosis negative. According to Patman and Mrs. Sullivan, these proposals "would easily provide the additional \$9 billion—1% of the gross national product—needed to meet the national housing goals."

Both the commission report and the Patman-Sullivan proposals contain changes that would relieve the mortgage market.

The Senate Housing subcommittee was slated to hold hearings late last month on the commission's report, but any proposed legislation will eventually make its way to the House Banking and Currency Committee, where Patman and Mrs. Sullivan wait.

The commission's recommendations will be received in the House committee with less than ardor if not downright disdain. The result is likely to be lengthy debate over housing problems with little substantive relief.

—A. M.

HOMEBUILDERS' MORTGAGE MARKET QUOTATIONS

Reported to HOUSE & HOME in week ending Sept. 20.

FNMA Auction Prices Sept. 22. 7½%	City	FHA Sec. 203b— Min.-Down* 30-year immed. Discount paid by builder		Conventional Loan Interest Rates			Construction Loan Rates
		Private mkt. 7½%	Trend	Comm. banks, Ins. Cos. 75%	Savings banks, S&Ls 80%	Savings banks, S&Ls Over 80%	
90-day commitment Average 93.42 Accepted bid range 92.74-93.49	Atlanta	6-6½	Down 1	8¼-9	8½-8¾+1-2	a	9½-10+1-2
	Boston	4	Steady	8-8¼	8½	a	8+1
	Chicago	8-9	Steady	7.9+2	7.9+2½	a	9-9½+1½
	Cleveland	7	Steady	7¼-8	7½-8	a	9½+2-3½
	Dallas	7-8	Steady	8½-8¾	8½-9+1	9-9¼+2	9-10+2
	Denver	6-7	Steady	8¼+1	8½+1-1½	a	9+1½
	Detroit	5½-7	Up ¼	8¼-8½	8½	a	9½-10+2
	Honolulu	6½-8	Down ¼	9-9½	9-9½+2-3	b	10+1½-2
	Houston	6-8	Steady	a	8¼-9¼½	a	9-9½+1-1½
	Los Angeles	6½-8	Steady	a	8½-8¾+1	b	9-9½+1½-3
180-day commitment Average 93.43 Accepted bid range 92.49-93.49	Miami	7	Down 1	8¾	8¼-8¾+3	8¾+4	9½-10½+1-1½
	Minn.-St. Paul	7-9	Steady	8½	8½	a	10-12+1-2
	Newark	5-7	Steady	7½½	7½½	b	9½-10+1-2
	New York	4-6½	Steady	7½½	7½½	7½½	9-9½+1½-2
12-18 month commitment Average 94.66 Accepted bid range 94.84-94.99	Okla. City	5½-7	Steady	a	8-8½+1	8½-8¾+3	9½+2
	Philadelphia	7	Steady	7+3	7+3	a	9½+1½
	San Francisco	6-7	Steady	8½-9	8¾-9	b	8¾-9¾+1½-3
	St. Louis	5-8	Steady	7¼-8	7¾-8+1	8+1	8½-9½+1-2
	Seattle	6-7	Down 1	8½-9+1½-2	8½-8¾+1½-2	9-9½+2-3	9-9½+1½-2
	Wash., D.C.	5½-7½	Down ½	8½	8½	8½	9-9½+2-3

* Immediate covers loans for delivery up to three months, future covers loans for delivery in three to twelve months.

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

• Quotations refer to houses of average local quality.

• 3% down on first \$15,000; 10% of next \$5,000; 20% of balance. Footnotes: a—no activity. b—limited activity. c—Net yield to investor of 7½% mortgage plus extra fees. w—for comparable VA loans also.

Sources: Atlanta, Robert Tharpe, pres., Tharpe & Brooks Inc.; Boston, Robert Morgan, chairman, Boston 5¢ Savings Bank; Chicago, Robert H. Pease, senior vice pres., Draper & Kramer Inc.; Cleveland, David E. O'Neill, vice pres., Jay F. Zook, Inc.; Dallas, M.J. Greene, pres., Southern Trust & Mortgage Co.; Denver, Clair A. Bacon, sr.

vice pres., First National Bank; Detroit, Sherwin Vine, vice pres., Citizens Mortgage Co.; Honolulu, H. Howard Stephenson, vice pres., Bank of Hawaii; Houston, Everett Mattson, sr. vice pres., Lomas & Nettleton West; Los Angeles, Robert E. Morgan, senior vice pres., Colwell Co.; Miami, Lon Worth Crow Jr., pres., Lon Worth Crow Co.; Minneapolis-St. Paul, Walter C. Nelson, pres., Eberhardt Co.; Newark, William W. Curran, vice pres., Franklin Capital Corp.; New York, Sigfred L. Solem, sr. vice pres., Dime Savings Bank; Oklahoma City, B. B. Bass, pres., American Mortgage & Investment Co.; Philadelphia, Robert S. Irving, vice pres., First Pennsylvania Banking & Trust Co.; St. Louis, Charles A. Keller, vice pres., Mercantile Mortgage Co.; San Francisco, John Jensen, senior vice pres., Bankers Mortgage Co. of California; Seattle, Kirby D. Walker, vice pres., Continental, Inc.; Washington, George DeFranceaux, pres., the Berens Cos.

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John W. Mott

NEW CONSTRUCTION—Cleveland's first turnkey public housing (l.) and slum rehabilitation in Hough—is announced by Mayor Carl B. Stokes.

From Cleveland: Can a good housing record re-elect a mayor?

Maybe not.

Cleveland's Carl Stokes had a solid housing record, but he was an underdog in his bid for re-election.

This bitter message was taking shape in Cleveland as residents prepared to vote:

While virtually all politicians talk about eliminating the slums, an actual rebuilding effort sways few voters.

The compelling issue in Cleveland—and throughout the nation—is law and order. So Stokes' controversial handling of the city's police was expected to have greater impact on voters than his housing accomplishments.

Nevertheless, many observers still believed that the first Negro to run a major city could win his party's September primary and then upset the Republican candidate, Cuyahoga County auditor Ralph Perk, in November's general election.

A mayor's promises. Two years ago, as Stokes took office, he made these three housing promises:

- To recapture millions in federal funds that HUD had withheld from the city's previous administration (NEWS, AUG. & NOV. '66).
- To prevent large-scale land clearance that had marked the city's floundering urban renewal efforts.
- To alleviate the city's housing shortage, especially among the poor.

And he delivered on all three. In 1968, the city's construction volume hit a record \$154.6 million. This year \$200 million in new buildings are under construction in downtown Cleveland alone.

Stokes' record. Former HUD Secretary Robert Weaver froze all federal funds for Cleveland renewal in 1967. One reason: the city had suspended building code enforcement in renewal neighborhoods.

Stokes doubled the city's inspection staff to eight men and ordered strict code enforcement. The new mayor also reorganized the renewal department under Richard Green, from Boston. Says Green: "There was an overabundance of people, and they were political hacks."

Green is paid \$30,000 a year—\$5,000 more than Stokes himself.

Funds from HUD. The federal government responded to Stokes by pouring in \$100 million, including \$66 million for renewal and public housing.

Stokes put the first millions into Hough, a riot-torn slum that has acres of vacant renewal land. So far 713 units have been renovated and 36 new townhouses built.

In two years Stokes built 4,480 public housing units—half for the poor and half for the elderly. In the 30 previous years, the city built 8,500. Stokes plans another 5,100 units, including the city's first turnkey project.

Housing innovations. Stokes created a neighborhood building clinic, run by non-profit volunteers, to help homeowners improve their property.

"One family donated a furnace for an elderly homeowner," says a spokesman. "In all, we have collected 70,000 rolls of wallpaper and 500 gallons of paint."

Volunteers also drive a tool truck into the slums so residents can borrow home-repair tools without charge.

Other non-profit groups, banded together as the Community Housing Corp., have spent \$16,000 to move 40 suburban houses into the city. The houses, now being sold to the poor, were to be demolished by the State Highway Department.

Stokes lobbied for the law that permits such units to be saved.

Failure, too. Despite the mayor's successes, all has not gone smoothly. For ex-

John W. Mott



DEBATE of Mayor Carl Stokes' housing record flared between renewal chief Richard Green (l.) and Democratic primary candidate Robert Kelly.

ample, he failed to start a major public housing project in Lee-Seville, a middle-class Negro neighborhood.

City councilmen, led by the ward's representative, have blocked the 277 single-family units for a year.

Former city official, Robert Kelly, Stokes' opponent in the Democratic primary, claimed that the mayor pursued the project for publicity. Said Kelly: "The mayor was arrogant by charging that the people of Lee-Seville were black bigots. These people aren't bigots. When a man says: 'This is my land; get out of here,' I respect his feelings."

During the campaign, Kelly had also criticized the mayor for not helping the poor to escape the slums. Kelly said: "The mayor is trying to keep the ghetto people fenced in the ghetto."

The Stokes' administration denied it. Lee-Seville, aides noted, was an effort to move the poor into a better area.

A further charge. Kelly voiced even broader criticism—"Stokes talked himself into a housing crisis."

Entire neighborhoods were "under siege" by hoodlums, Kelly said, and he contended: "The only way a person can be safe is to move out. This causes a housing shortage. Beautiful apartments are left vacant."

Renewal director Green replied: "There is a real housing crisis because we have a lot of poverty in Cleveland."

The election. One other factor was working against Mayor Stokes—the flight of the Negro middle class from the city.

In 1967, Stokes defeated Republican Seth Taft by winning 95% of the black vote, while Taft was getting 80% of the white vote. Even so, Stokes won by only 1,679 ballots out of a total of 257,113.

This year, Stokes was again relying on the black vote. But a survey showed that registration had declined sharply in the black wards where Stokes had run strongest in 1967.

—RAE EVANS
McGraw-Hill World News, Cleveland
NEWS continued on p. 30



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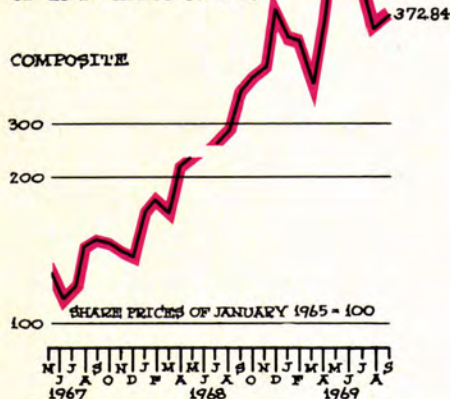
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Mobile home issues lead housing stocks out of slide

HOUSE & HOME's index of 25 housing stocks reversed a three-month decline and rose from 363.73 to 372.84 in the month ended Sept. 8. The mobile homes, which seem to thrive on tight money, led the way. Issues in the index are indicated by bullets (•) in table at right. Here's the composite:

HOUSE & HOME VALUE INDEX OF 25 BUILDING STOCKS



How the top five did in each category:

	Sept. '68	Aug. '69	Sept. '69
Builders	420.42	466.53	461.42
Land develop.	429.57	533.78	602.02
Mortgage cos.	430.52	492.14	495.59
Mobile homes	598.67	747.68	776.97
S&Ls	184.29	187.12	182.01

HOUSING'S STOCK PRICES

COMPANY	Sept. 8 Bid/ Close	Chng. Prev. Month	COMPANY	Sept. 8 Bid/ Close	Chng. Prev. Month	COMPANY	Sept. 8 Bid/ Close	Chng. Prev. Month
BUILDING			MORTGAGE BANKING			MOBILE HOMES & PREFAB		
Bramalea Cons. (Can.)	6	- 7/8	•Advance	15	- 1 1/2	City Invest. e	26 3/4	+ 2
Capital Bldg. (Can.)	\$4.35	-1.00	•Associated Mtg.	14	- 1 1/4	Cousins Props.	28 1/4	- 1 1/4
Christiana Oil b	14 1/2	- 3/8	Charter Co.	40	- 5	Forest City Entr. b	26 1/2	+ 1 1/2
Cons. Bldg. (Con.)	2.40	- .25	•Colwell	23 1/2	+ 2 1/2	Great Southwest Corp. a	25	-
Dev. Corp. Amer.	12 1/2	+ 1 1/4	•Cont. Mtg. Investors e	34	- 2 1/2	Investors Funding b	19 1/2	- 4 3/8
Edwards Indus.	12 1/2	- 1 1/2	Cont. Mtg. Insurance	22 1/2	+ 4	Midwestern Fin. b	10 1/4	+ 3/4
First Hartford Rlty.	9	+ 2 1/2	Excel Investment	4	+ 5/8	Rouse Co.	43	+ 9
First Nat. Rlty. b	6 1/4	- 1 1/8	FNMA	200	+ 5	Tishman Realty e	30 3/4	+ 2 1/4
Frouge	3 1/2	-	First Mtg. Inv.	19 1/4	+ 3/4			
•General Bldrs. b	8 1/2	- 1/8	Kissell Mtg. b	14 1/2	+ 5/8			
•Kaufman & Bd. e	36 1/4	+ 3/8	Lomas & Net. Fin.	9 1/4	+ 1 1/4	Con. Chem. Co. b	16 1/2	- 6 1/8
Key Co. b	14 1/4	- 3/8	•MGIC Invest. Corp. e	51 1/2	+ 4 1/2	•Champion Homes b	27 3/4	+ 3/8
(Kavanagh-Smith)			Mortg. Associates y	12 1/4	+ 3 1/4	Commodore Corp. b	27 1/4	+ 1 1/2
National Environment	13 1/2	-2 1/2	North Amer. Mtg. Inv. a	23	-	•DMH (Detroit) b	30	+ 1 1/4
(Sproul Homes)			Palomar Mtg.	8	+ 5/8	•Fleetwood b	52 1/2	- 6 1/4
Nationwide Homes	9 1/4	+ 2	•Southeast Mtg. Inv.	4 1/4	+ 7/8	•Guerdon b	36 1/2	- 2 1/8
•Presidential Realty b	15 1/4	- 1 1/4	United Imp. & Inv. b	7 1/4	-	Mobile Home		
Revenue Prop.	3.65	+ .15	Universal Investment			Industries b	22 1/4	- 3/8
Ryan Homes	25	- 3	Trust	4 1/4	+ 7/8	Monarch Ind. e	30 1/2	+ 1 1/8
Standard Pacific Corp.	10	- 3	(Southeast Mtg. Inv.)			Redman Indus. b	40 1/2	+ 3
U.S. Home & Dev. b	24 1/4	+ 1 1/2				Rex-Noreco	18 1/2	- 1 1/2
•Jim Walter e	33 1/2	-				•Skyline e	94 1/4	+ 4 3/8
•Del E. Webb e	17 1/2	- 5/8				Town & Country Mobile b	16 1/2	- 4 3/8
Western Orbis b	13 1/4	- 1/2				Zimmer Homes b	42 1/2	+ 5 1/4
S&Ls			LAND DEVELOPMENT					
American Fin.	32 1/4	+ 2 3/4	All-State Properties	1	- 1/2	Hodgson Houses	10 1/4	+ 1 1/4
Belmont S&L	34 1/2	+ 6 1/2	American Land	1	-	Natl. Homes A. e	18 1/2	- 3/4
Calif. Fin. e	10 1/2	- 1/8	•AMREP b	41 1/2	+ 4 1/2	Scholz Homes y	20 1/2	+ 3 1/4
Empire Fin. b	28	+ 5/8	Arvida	15 1/4	- 2 1/2	Swift Industries	6	+ 3/4
Far West Fin. e	16 1/2	- 3/8	Atlantic Imp.	16 1/2	+ 1 1/2			
•Fin. Fed. e	24 1/4	- 4 3/4	Canaveral Int. b	13 1/4	- 2 3/4			
•First Char. Fin. e	44	+ 1 1/4	Crawford	5	+ 1/2			
First Lincoln Fin.	8 1/4	- 1	•Deltana Corp. b	58	+12 1/2			
First S&L Shares a b	16 1/4	+ 5/8	Disc Inc.	5 1/2	- 1 1/2			
First Surety	8 1/2	+ 3/8	Don the Beachcomber					
First West Fin.	5 1/4	+ 5/8	Ent. (Garden Land)	12 1/2	-			
Gibraltar Fin. e	34 1/2	+ 5 1/4	Fla. Palm-Aire	21	+ 3 3/4			
•Great West Fin. e	24 1/4	- 2 1/4	•Gen. Devel. e	30 1/2	+ 2 1/4			
Hawthorne Fin.	11 1/2	+ 3/8	•Holly Corp. b	3 1/4	+ 3/8			
Huntington Savings	19 1/4	+ 1 1/4	Horizon Land	48 1/4	+ 4 1/4			
(First Fin. of West)			Laguna Niguel	6 1/2	- 1 1/4			
•Imperial Corp. e	15 1/4	+ 3/8	Major Realty	10 1/2	+ 1/4			
•LFC Financial (Lytton)	16	+ 1	•McCulloch Oil b	41 1/4	+ 4 1/4			
Trans-Cst. Inv.	5 1/4	+ 7/8	Scientific Resources e	12 1/2	-11 1/2			
Trans World Fin. e	16	+ 1 1/2	(Sunasco)					
Union Fin. b	13 1/4	+ 1/2	So. Rlty. & Util. b	8 1/2	+ 7/8			
United Fin. Cal. e	19	- 1/4						
Wesco Fin. e	29 1/2	- 1 1/2						
DIVERSIFIED COMPANIES			MOBILE HOMES & PREFAB					
Boise Cascade e	63 1/2	+ 5/8	Con. Chem. Co. b	16 1/2	- 6 1/8			
Citizens Financial b	17 1/2	+ 3/8	•Champion Homes b	27 3/4	+ 3/8			

a—stock newly added to table. b—closing price ASE. c—closing price NYSE. d—not traded on date quoted. g—closing price MSE. h—closing price PCSE. k—not available. —Computed in HOUSE & HOME's 25-stock value index. y—adjusted for 2-for-1 split. z—adjusted for 4-for-3 split. NA—not applicable.

Sources: New York Hanseatic Corp. Gairdner & Co., National Assn. of Securities Dealers, Philip Beer of Russell & Saxe, American Stock Exchange, New York Stock Exchange, Midwest Stock Exchange, Pacific Coast Stock Exchange. Listings include only companies which derive a major part of their income from housing activity and are actively traded.

NEWS continued on p. 32



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Apartment leaders mount assault on the tax reform bill

The weather couldn't have been nicer or the industry healthier as the National Apartment Assn. gathered for its convention and trade show in Dallas.

Multifamily occupancy was high throughout the country, and apartments topped 60% of total housing starts for the first time this year.

But the pending tax-reform bill cast a pall that wouldn't go away (see p. 16). Speakers repeatedly reflected the distress caused by the bill and its probable effect on the industry that is nearest and dearest to the hearts of the 3,000 members assembled in Memorial Auditorium.

"This issue is too important to let some theoretician in the Treasury Department wreck this industry," said John Williamson, the NAA's legislative consultant. Both he and Jennard Gross, legislative chairman, urged members to wire their Senators to protest the House-passed bill before the Senate considers it in November.

"You must be politically involved," said Arthur Pomponio, the outgoing NAA president. "The housing industry is the greatest pork barrel." (Gross succeeds Pomponio.)

Telegrams and visits. Gross urged that all members pick up a Western Union blank as they left the mall after the morning session, and offered the aid of NAA staff specialists in preparing the message.

Williamson told the members: "This bill will clobber your resale and new construction. It is important that you communicate with members of Congress to make sure they understand the problem."

He asked NAA members with Senators up for re-election in 1970 to go to Washington and see them.

What industry wants . . . The NAA was straightforward in its statement of position:

"Production of rental housing depends upon private investment. Under our present system, private investment in rental housing depends upon the existence of tax incentives, of accelerated depreciation and favorable capital-gain treatment on resale."

Applauding the stand of HUD and Secretary George Romney against the bill, the NAA also outlined its own proposal:

1. Retain the double declining balance method of computing depreciation for new residential construction.

2. Approve a tax incentive for the rehabilitation of older rental housing.

3. Pass the proposed reform to reduce tax-free distributions by real estate corporations by requiring that depreciation, for purposes of determining earnings and profits of corporations, be computed on a straight line.

And doesn't want. The industry opposes these proposals in the present bill:

1. To limit the maximum rate of depre-

ciation on used rental housing to straight line depreciation because it would restrict the resale market for rental housing, and make investment in new and used rental housing less attractive.

2. To change section 1250, to provide that if depreciation is taken in excess of straight line depreciation, all excess depreciation is to be recaptured as ordinary income to the extent of the capital gain occurring upon the sale of the property.

Taxes dominated much of the builders' talk off the main floor. Said Ernest Straub, Kansas City, Kan., builder of high-rent projects, "If you don't have a partner with some free money, you're sunk."

Said Donald Dawson, a former Pasadena, Tex., physician turned builder (82 units under construction): "When you add high interest rates, tight money and the cost of labor to this bill before Congress, you think they're trying to kill you off."

Kenneth Campbell, a New York housing stocks analyst, saw the tax problem as symptomatic of a greater financial crisis for builders. "Inflationary pressures are ingrained in the economy and the Nixon administration will not have near-term success in changing them. What this means for business is that mortgage lenders are going to demand more and more participation."

—RON LOVELL



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NEWS
San Antonio, Texas
Friday, July 25, 1980
4th Year—No. 218

FINAL LATE MARKETS

Housing Authority to Sell \$17,500 Houses to 'Poor'

Turnkey Housing Site Designations Pending

Housing Bids Discouraged In Edgewood

HOT LINE LOOKS AT... Alternatives To the SAHA

School Board Chairman Agrees

'Turnkey' Plan Means Problems

NEWSPAPER CAMPAIGN against Turnkey 3 in San Antonio stressed the cost of houses for the poor even though price had not been worked out. Housing authority's Richard G. Jones is shown in inset.

Homes for have-nots anger the haves

The government's latest plan to provide \$15,000-to-\$20,000 detached houses for the poor is bringing threats and bitter criticism from the not-so-poor.

Those just above the poverty level ask why they must work hard and pay dearly for housing while the poor get it on far more favorable terms.

These critics have found allies in the residents of neighborhoods in which the poor people's housing will be built. The groups present a formidable front against one of HUD's most hopeful new programs, Turnkey 3.*

Turnkey families earn from \$3,000 to \$6,000 a year. They can buy the new houses for 20% of income, with HUD paying the rest. Each family earns a sweat equity by maintaining the house, and this is applied to the purchase price. The family can pay off the house in 25 years or, if it makes more than the minimal sweat-equity contribution, in a shorter time.

The latest battleground is San Antonio, where the local housing authority announced 436 Turnkey 3 homes in May and invited builders' proposals in June.

Anger was fanned immediately by the newspapers, which played up the house prices from the start. The housing authority published only a price range because exact pricetags were not known, but the papers zeroed in on \$17,500 for emphasis.

Why beat our brains out? "My neighborhood consists of homes costing from \$14,000 to \$18,000 and their occupants earn from \$10,000 to \$15,000," one resident wrote to the city council. "Why should we beat our brains out being productive to furnish non-productive people a better or equal standard of living?"

The *Express* asked editorially: "Can all the \$3,000-\$6,000 families demand equal treatment under the law? If so, can that scale be forced upward? And, if so, can Uncle Sam manage to stay in business in a world of an economic Santa Claus?"

The sister paper, the *News*, listed proposed Turnkey sites even though no sites had been selected. This led people all over town to fear an onslaught of poor Negroes in all-white neighborhoods.

* Turnkey programs derive their name from the fact that private builders deliver completed houses for which the government's agent need only "turn the key" to take possession.

Amid the controversy, Richard G. Jones, the housing authority's executive director, proceeded with plans for the project.

Community effort. A Turnkey committee, composed of 34 community organizations representing the poor and other interested citizens, went ahead with site selection and evaluation of plans. The committee organized after Delta Sigma Theta, a Negro women's service club, surveyed the poor to determine their interest.

After meetings with builders and tours of sites, the committee was able to make one point: The poor do know what they want, and it is not necessarily the Taj Mahal.

"If you live in a house like that, you couldn't ask for free lunches for the children," objected Mrs. Lillie Reyes, as she surveyed one builder's elaborate plans.

Lessons for builders. Homebuilders could learn a lot from the committee.

Several San Antonio builders overdesigned their proposals. Houses included garbage disposals and doorbells, but neither are allowed in such housing. One builder designed one- and two-bedroom units when most families require four and five bedrooms.

The Turnkey 3 program was conceived by Dorothy Duke, a housing consultant for the National Council of Negro Women, and Joe Burstein, HUD's associate counsel.

Mrs. Duke developed the program in 1964 after encountering a Mississippi woman who had to wear raincoat and galoshes in her house because the roof leaked so badly.

Initial units were constructed in North Gulfport, Miss., and survived the recent hurricane. Others are planned or under construction in Raleigh, St. Louis, Dallas and Indianola, Miss.

Victory. And success is now in sight in San Antonio. Final builder selection is underway. Jones talked recently with critical newspaper editors, and coverage improved.

"It's funny, but people get more emotional about the price of a house than over billions in space and defense," he says.

He expects more criticism when sites are announced and houses built, but he is ready:

"I'll tell them I'd be happy to have developers come up with an \$8,000 home that would meet FHA specs, but you can't do it at today's prices."

—R.L.

Factory-built housing breaks code barriers in two states

California and Ohio have just established statewide building codes for factory-built houses, mobile homes and components.

Houses and components will be inspected at the factory by state officials. Once approved, the units are not subject to re-inspections by local building officials.

Local building inspections, under often conflicting codes, have been a major barrier to mass production of housing for years. Manufacturers have been forced to modify units on assembly lines.

Factory housing benefits. The author of the California legislation, Republican Assemblyman Pete Wilson of San Diego, says his law will reduce housing costs by increasing mass production. He says this will produce these four savings.

- Reduce the time needed to build.
- Cut down the number of craftsmen.
- Discourage on-site vandalism.
- Minimize construction delays caused by a lack of building materials.

Wilson says the law will open a new era in California housing. Wardell Connerly of the Assembly's committee on urban affairs and housing estimates that effects may be felt as early as 1970, and he notes that one Sacramento builder is already planning to switch to factory-built kitchen units that can be installed in his garden apartments by crane.

Little opposition. The executive vice president of the California Builders Council, Paul McCarron, points out that the state's craft unions did not oppose the law. Strong opposition from the unions, traditional foes of prefabrication, could possibly have killed the bill. Says McCarron:

"The high command in the union movement apparently is reconciled to the fact that more and more housing will be factory built."

The California law was first proposed by Russell Jones of the Boise Cascade Building Co. (formerly the R.A. Watt Co.), a subsidiary of Boise Cascade. The bill was actively supported by the California Real Estate Assn., the California Savings and Loan League, the American Institute of Architects and the state's Department of Housing and Community Development.

The bill was steered through debate in the Senate by Democrat Randolph Collier of Yreka, whose district includes the state's lumbering areas.

—TOM ARDEN

McGraw-Hill World News, Sacramento



CALIFORNIA CODE LAW was written by Assemblyman Pete Wilson and signed by Gov. Reagan.

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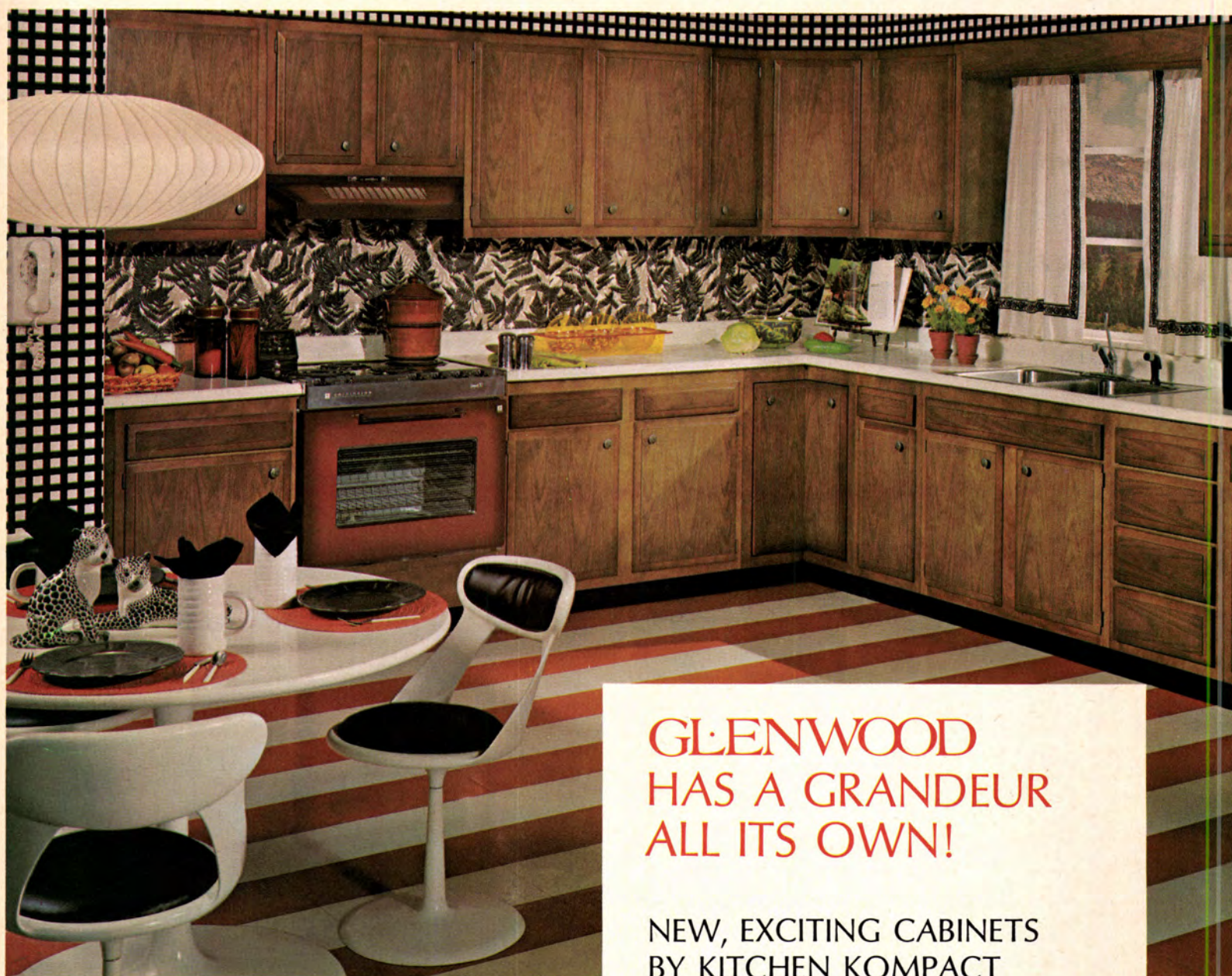
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The applied price of Alcoa Forecast siding hasn't changed since 1961.

Just as important, Alcoa * Forecast siding is installed easily. There's no need for both a carpenter and a painter. Carpenters are free for other work and painters don't have to be scheduled in after the siding is up. And because there are more trained applicators in the field, on-the-wall cost of our siding is more attractive than ever.

Today's Alcoa building products (siding, soffit and fascia, gutters and downspouts, shutters) are better than ever. Tougher coatings. Stronger metal. Consumer acceptance is at an all-time high, thanks to the good name of Alcoa and extensive advertising and promotion. They're products you and your customers can count on for value and long-lasting beauty.

For complete information on Alcoa building products—including application data and applied-on-the-wall costs in your area—just write to Jack W. Anderson, President, Alcoa Building Products, Inc., Grant Building, Pittsburgh, Pa. 15219.

*Trademarks of Aluminum Company of America



**Change for the better with
Alcoa Aluminum**

 **ALCOA**

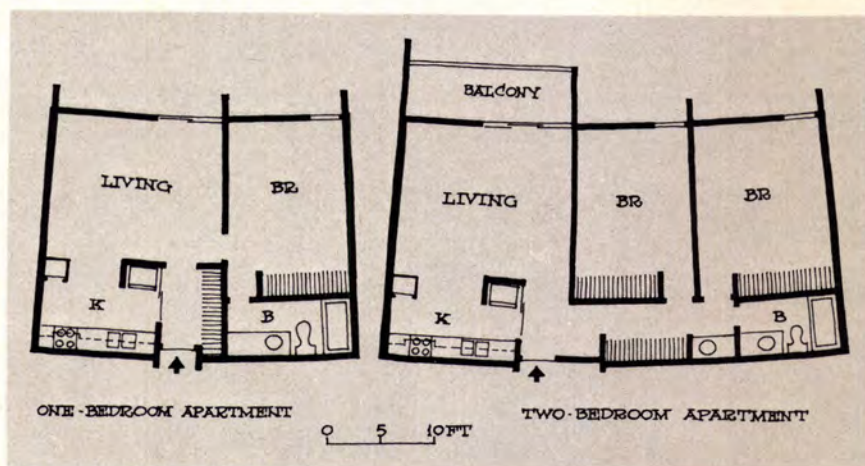


ROUND BUILDING creates a private community with a large interior area devoted to recreation facilities. They include swimming and hydrotherapy

pools, tennis courts, ice-skating rink and driving range, party pavilion, lecture and game rooms and a theater.



MAN-MADE LAGOON (above) occupies center of site. Plans (right) show typical one- and two-bedroom layouts.



A roundabout solution to an apartment marketing problem

The market is the so-called swinger market—young, single adults. The problem is location—9 acres in a partly commercial, not overly desirable section of San Diego. And the solution, shown in the picture above, was to put all 300 units in a single round building.

This unusual design offered two advantages. On the promotional side, the circular shape was novel enough to create both a strong talking point for the project and a sense of identity. And on the environmental side, the unbroken ring of apartments com-

pletely isolates the inner area of the project from its surrounding neighborhood. Within this three-acre area is a wide variety of recreational facilities, including swimming pools, tennis courts and a community building. All apartments have uniform access to these facilities.

Although the round construction of the project cost more than conventional straight-line building, the difference was comparatively small. The reason is that the size of the structure—422' in diameter—made it possible to construct the walls as a

series of flat planes, rather than as curves, without destroying the round effect.

The three living levels of the building are of frame construction. The poured-concrete foundation provides partially below grade parking, and there is additional guest parking outside the ring.

The project includes efficiencies and one- and two-bedroom apartments (plans, above right), with rentals from \$155 to \$275. Design is by Tucker, Sadler & Bennett. Mabie & Mintz built the project for the owners, William Starr Co.

Letters start on p. 48

Join the Heating Revolution!

Fight outmoded baseboard heaters. Insist on the Chromalox® Rebel.

The Rebel is here. It's the Chromalox Rebel—a new series of electric baseboard heaters that combines handsome appearance and outstanding performance at an attractive price. It's the trimmest baseboard you can find—only $6\frac{7}{8}$ " high, further slenderized by a maximum depth of a mere $2\frac{3}{4}$ ". And it's designed to appear even slimmer.

A lifetime of solid heating performance is assured by a rugged, exclusive .440" diameter heating element and high-mass rectangular fins. The Rebel is U.L. approved and meets new industry cleanliness standards.

Choose from seven standard lengths and from low watt or medium watt densities.

Get full information from your Chromalox distributor or by writing us direct. Then join the baseboard revolution. Help stamp out obsolete heating.

Insist on the Chromalox Rebel.



EDWIN L. WIEGAND DIVISION
EMERSON ELECTRIC CO.
7770 THOMAS BLVD. PITTSBURGH, PA. 15208



WR-123

Don't let your hidden assets just lie there.



Copper's got it—the confidence of your prospects. People know they can count on rust-free, clog-free plumbing, drainage and hydronic heating systems when they're made of copper.

That's why copper is a selling ace up your sleeve. But hidden sales assets never closed a deal. So talk up the fact that your houses—like the majority of new homes—feature copper, the sure

sign of quality.

And tell it the way it is: Copper plumbing *doesn't rust* (water runs pure and clear), it *doesn't clog* (inside, tubing is nearly as smooth as glass), it *doesn't leak* (soldered joints are virtually as strong as the tubing), it *fights corrosion* (copper piping has been known to last thousands of years), and it's *economical* (faster installation plus

longer life mean savings for you and your home buyer).

Remember: substitutes never match up to first-stringers. So don't disappoint home-buyers by hiding your best assets—copper plumbing, drainage and hydronic systems. A substitute for copper is exactly that—a substitute.

Copper Development Association Inc.
405 Lexington Avenue, New York, N.Y. 10017

 **COUNT ON COPPER**

Circle 78 on Reader Service card

HOUSE & HOME

**The new Roper self-cleaning gas range
does her dirty work—for 2 cents.***



**The new Roper Gas Range helps sell your
houses—for all they're worth.**



You know how it is where a woman's concerned. You've seen it happen. She often gets sold right there in the kitchen. That's why a new Roper self-cleaning gas range can help you do the selling job.

It gives her good gas cooking, all the most modern automatic features, *and* a self-cleaning oven. A fast self-cleaning oven that costs hardly

*Based on average U. S. Gas Utility rates.

anything extra for the cleaning cycle. With the special Roper "Clean/Screen" to trap and absorb all the smoke and odor. (No outside venting required.) All models come in avocado, antique gold, white or coppertone.

If you're in the business of selling homes, let Roper gas ranges help you. They're for builders who like to build sales. Period.

AMERICAN GAS ASSOCIATION, INC.

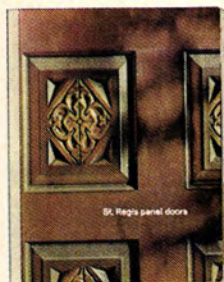
The mods have it these days. Mod fashions, mod
Kwikset Modernization Kits, a necessary ingre
with creaky old mortise locks. The result is
of course, all holes craftily conce
performance as v
doorways



KWIKSET SALES AND SERVICE COMPANY ANAHEIM.



Try these for openers. They close sales.

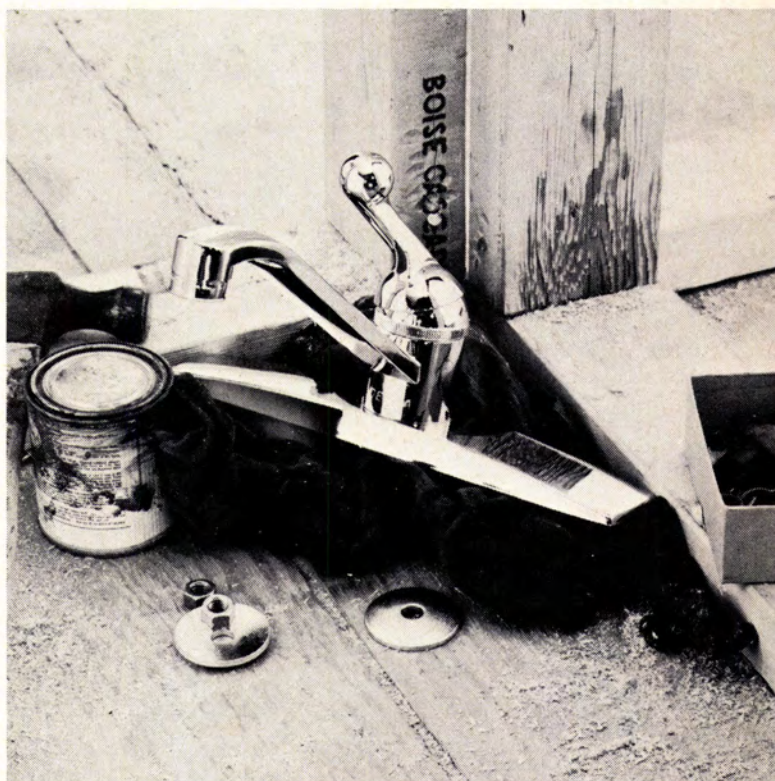


The extra quality of a carved, wood panel entrance door, like our Coronado above, makes a fine first impression that carries over to the entire house. It could be the plus feature that closes the sale. Whatever you select...an elegant carved panel, a conventional panel, a cross/buck...be sure to get solid quality as well as elegance. Old growth, vertical-grain Douglas Fir cut and assembled with craftsmanship and pride makes every St. Regis door part of the "sizzle" that sells the whole house. Send for our new catalog of interior and exterior wood panel doors—over a hundred styles.

Write St. Regis Paper Company, Forest Products Division, P.O. Box 1593, Tacoma, Washington 98401

ST REGIS
FOREST PRODUCTS

Our faucets are a great "for sale" sign.



They can actually help you sell a house. Because Delta faucets in a new house say something about the quality of your construction. Something good. That you've gone first class all the way.

You know which two rooms the housewife is interested in. So install Delta faucets. She can plainly see how good they look. And soon she'll know how well they work. Because

we're telling her about it in women's magazines. Telling her that with only one moving part, Delta single handle ball faucets hold up. For years.

When it's time to put up a for sale sign, put in Delta faucets. They're a for sale sign . . . of quality.



DELTA FAUCET

Div. of Masco Corp., Greensburg, Ind. 47240

A work of art made to be handled.



Carpet of HERCULON® keeps stains off even when soup's on.

A kitchen carpet of Herculon* olefin fiber can take anything anyone dishes out. Beautifully. It's easy as pie to clean. Doesn't absorb messy food stains or soil. What's more, it holds up under heaviest traffic. Use Herculon in the kitchen—office

—or anywhere in the house. It will give you long life at a low cost.

For more information, contact Fibers Merchandising, Hercules Incorporated, Wilmington, Delaware 19899.

*Hercules registered trademark.



HERCULES



Housing scandal: other views

H&H: Over the years, I have had great respect for HOUSE & HOME as a journal of important developments and happenings in the housing industry. However, that respect and the credibility of HOUSE & HOME as a responsible magazine have been eroded by the gossip, innuendo and political charges and counter-charges used by the magazine to attack what I believe to be a valid attempt to build homes for the low-income families of Chicago (NEWS, August).

I am well aware of your responsibility and your right to scrutinize every phase of the Chicago operation. Also, I am in complete agreement with your procedure, as described, of making any information developed through your investigation available to the Attorney General of Illinois.

But I am in complete disagreement with the procedures then followed by HOUSE & HOME. Instead of waiting for the due processes of law, also everyone's right under the Constitution, HOUSE & HOME prematurely published all this information, fact or fancy, under the prejudicial headline: "Scandal in Chicago—State Probes Fiasco in Housing the Poor."

That cast a shadow, unwarranted by the facts at hand, on a conscientious effort by the City of Chicago to solve its most pressing problem—housing for low-income families in the inner city.

Under the stress of solving the problem, it would not be unusual if mistakes were made. The pioneering aspects of the project created circumstances in which decisions had to be made without the benefit of reassuring precedents.

I know this was the case with National Homes Corp. To get the job done we invested much more in materials, labor, management, research and development than the immediate return we could expect from a single project. But we felt we had an obligation as a responsible member of the housing industry to demonstrate to Chicago and the nation our advanced technology and the skill of the art we possess in providing modern high-quality housing, good environment and attractive communities. Mass production must be used to eventually reduce costs. Between now and the year 2000, we must double our housing facilities. Modern computerization, planning, programs and mass production are the only ways to achieve that goal. Our decision was entirely consistent with the history of National Homes Corp. We have always plowed back the company's profits into the massive job of building better homes for American families—350,000 of them in fact.

Also, while I would not presume to speak for officials of the City of Chicago, I think it is only fair to say that not all the actions they had to take were clearly charted by precedent. They too must be credited with being pioneers in this first major attempt to provide the housing so desperately needed in our cities. To say their decisions must be faultless is to say there should be no learning curve at all.

That is asking a lot considering our present housing problem is unique in our country's history. And because the problem is new, we have no ready-made low-cost housing experts to handle the enormous undertaking. So the question of how long it will take to solve this staggering problem hinges not so much on technological development as it does on acquiring the expertise necessary to bring the development into full play.

What HOUSE & HOME apparently has overlooked is the fact that, whatever its faults, the Chicago project represents a substantial breakthrough in the use of industrialized housing to provide decent homes for low-income families in the nation's cities.

As a result of that breakthrough—accomplished with the full cooperation of federal, state and local governments and the labor unions—National Homes Corp. has increased its manufacturing capability to 9,000 industrialized housing units a year at its Lafayette, Ind., plant, and has established an additional capability of 3,000 units at Thomson, Ga. It will take this capability—and more—to satisfy the mushrooming demand from cities facing the same critical need as Chicago.

That is the kind of technological breakthrough called for by the Douglas Commission, by Secretary Romney, by members of Congress and by every responsible American.

I am surprised and shocked that HOUSE & HOME has not given due weight to this long-term result. Instead, the magazine has let its vision be obscured by short-term prejudices.

National Homes Corp is proud of its participation in the Chicago project. We have never regretted, in any way, our decision to demonstrate at 50th and Blackstone and elsewhere in Chicago our capability to solve the most troublesome problem facing U.S. cities today.

We intend to expand that capability until every American family can have a decent home, which is a National Policy established by the Congress of the United States.

JAMES R. PRICE,
chairman of the board and
chief executive director
National Homes Corporation
Lafayette, Ind.

H&H: Your August article on prefabricated housing in Chicago is very interesting. Even though I am close to the situation, the article contains many new angles and considerable new information. When you mix politics, expediency, personalities and inadequate evaluation of the problem, you frequently get the kind of results witnessed in Chicago.

We certainly have a lot of problems, but until we solve this inflation problem, I don't think we are going to solve the many lesser problems that plague us. I blame businessmen as much as or more than government. I see little evidence that management is willing to accept the primary role that it must assume in combating inflation, and I certainly see no evidence that labor is willing to declare a voluntary moratorium on spiraling wages. Each blames the other, but the only person who really gets stuck is the American citizen. Until these two groups are willing to get together, we are all in for some serious difficulties.

ROBERT H. PEASE,
senior vice president
Draper and Kramer Inc.
Real Estate Management
Chicago, Ill.

Correction

H&H: I would like to commend your article "New patterns for the old cluster" (H&H, Aug.). However, there are several inaccurate statements about the Greenview development shown on pages 54 and 55.

1. Greenview is located at Rancho La Costa, Calif., not Costa Mesa.

2. The price range is \$50,000-\$63,500.
3. The project is not quite sold out; there are two one-bedroom and den units left at \$53,000 each, and two larger units available at \$63,000.

We appreciate your correcting the few inaccuracies in what is otherwise an excellent article.

WILLIAM QUINN, director
Improved Properties Division
La Costa Sales Corp.
Rancho La Costa, Calif.

Hope for the money market

H&H: I am among the many who subscribe to and profit from HOUSE & HOME. I read your editorials with much interest, and August's was especially good.

The experience of 1966 taught several important lessons, although some of the events are still not understood by everyone concerned with the homebuilding and financing markets.

1. The Treasury is not so pressed to go to the market now as it was in 1966.

2. The differential in rates paid for savings by thrift institutions and banks, and, of course, agreed to by the Federal Reserve Board and FDIC, has made the task of the thrift industry much easier. The lack of such a differential—or perhaps I should say a differential in favor of the banks—resulted in most of the damage that thrift institutions experienced in 1966.

3. The great outflow of funds from S&L's to commercial banks accounts for the fact that even though the System raised more money than in any other year, it could not meet the demand for housing expansion, since it first had to meet withdrawals from the associations. By doing so, at least it prevented what could have been a most serious situation within the industry. And it also enabled the industry to meet at least part of its commitment with System funds, and to feed back into the Market its repayments on outstanding loans and accrued interest.

While the mortgage lending volume of the savings and loan industry was much less in 1966 than in post-1966 years, the fact remains that the industry lent more than \$17 billion, which was approximately 50% of all mortgage lending made by all sources.

Contrary to what some people believe, the Treasury Department did not veto the Board's going to the Market for necessary funds. There were occasions when we would have gone to the Market for larger issues. But, as indicated previously, the Treasury's demand was so great that on occasions the Board cut back on the size of its issues because preliminary feelers indicated that we could not sell as large an issue as we desired.

4. Even though System advances made to member associations were only on a yearly basis for several years, no member in good standing experienced any difficulty in renewing its loan, and most borrowers, for all practical purposes, had long-term loans.

5. The liquidity established within individual institutions and the System in 1967, and maintained through 1968, accounts in great part for the good housing record set in the first half of 1969.

FNMA and the Board are striving mightily to support the Market. I commend them, and I share your hope that they will succeed.

JOHN E. HORNE, president
Investors Mortgage Insurance Co.
Boston, Mass.



THE MANY FACES OF PALCO REDWOOD PLYWOOD

Combine the Beauty of Redwood with the Advantages of Plywood

And help you build in the sales appeal of quality—outside, inside, or both.

Available with faces that are clear—knot free—and without conspicuous patches.

Redwood has long been known for its superior ability to hold finishes. Now, we've added saw-texturing to further increase this ability. Result: PALCO redwood plywood holds finishes up to twice as long as other smooth surfaces. Or, may be used in its natural color; or leave it unfinished—it will weather beautifully.

Available in 3/8" & 5/8" thicknesses—8', 9' & 10' lengths, and in a variety of patterns.

Choose from the many faces of PALCO redwood plywood for the beauty and quality of redwood plus the economies of panel construction.

Write us for color brochure that describes application and various finishing recommendations.



PALCO

Architectural Quality Redwood

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1111 Columbus Avenue, San Francisco 94133 • 35 E. Wacker Drive, Chicago 60601
2540 Huntington Drive, San Marino, California 91108

The power of attraction



CARADCO Doorways

the Entrance with the
Insulated Door

The only traditional things about a CARADCO Doorway are its air of authenticity and its elegant good looks. No sense of counterfeit from these doors: High-rise panels, a full 1 $\frac{3}{4}$ " thick, produce shadow magic that re-creates the sculptured look of true colonials . . . the impression of hand craftsmanship. Entrance proportions are scaled with an eye to the past, so that the entrance has all the grace and charm of its prototype, with many design variations possible.

But jet-age technology takes it from there and adds: insulated construction—door panels with polyurethane foamed-in-place between fiberglass faces; insulating glass with glass area division bars sealed inside where they won't obstruct cleaning; factory priming; thermal barrier sill; and waterproof glue.

Result? A lot of thoughtful builders put CARADCO out in front.



E50-02-P

E50-11P

E50-01F

E61L-21

Caradco Windows and Patio Door products are further detailed in Sweets Light Construction $\frac{6B}{Ca}$, Arch. File $\frac{19c}{Ca}$ or write direct to factory



Ventilating sidelight swings easily and closes securely with top quality lever operator. The operating section of the sidelight has insulating glass, double weatherstripping and a screen for all-weather comfort. The non-operative panel portion is fully insulated. Thus, storm and screen doors, which add to cost and detract from appearance, are unnecessary.

CARADCO **SCOVILL**

DIVISION

DUBUQUE, IOWA 52001

EASTERN ASSEMBLY PLANT

Pemberton, New Jersey

How to hit it lucky with these 13 nails.

All nails available in plain, cement-coated or galvanized finishes.

6 penny common nail
8 penny common nail
8 penny cooler nail
8 penny box nail
6 penny screw nail

7 penny screw nail
8 penny screw nail
6 penny 1½ short nail
8 penny 1½ short nail

6 penny ring shank nail
7 penny ring shank nail
10 penny shear nail
8 penny 2¼ clinch truss nail



Drive them with a Bostitch Model N2 air-driven coil-fed nailer. It's almost

single-handedly revolutionizing nailing. Coils of any of the nails shown here turn the Model N2 into a high-capacity portable nailer with up to five times the capacity of any other.

And, driving all these different nails, it's the *all-purpose* nailer. Use it for roof decking, siding, underlayment, building forms. Dozens of other applications. However you use

nails, get lucky with one or all of 13 different nail choices.

Call THE MAN WITH THE FASTENING FACTS. He's listed under Bostitch in most phone books. Or write direct to Bostitch.

Build it better and faster with

BOSTITCH
STAPLERS AND NAILERS

A **textron** COMPANY

Bostitch can do something for you.

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I'm especially interested in power-nailing _____ (kind)
nails with a Bostitch N2 Coil Nailer.

Name _____

Company _____ Phone _____


Street _____

City _____ State _____ Zip _____

Genie[®]

AUTOMATIC GARAGE DOOR OPENER SYSTEM BY **ALLIANCE**

THE SALES CLOSER



The background of the advertisement is a stylized illustration of a house with a dark roof and a white garage door. A hand is shown in the foreground, holding a white remote control with the 'ALLIANCE GENIE' logo. The remote has a small display screen and several buttons. The overall style is that of a vintage print advertisement.

**THE EXTRA TOUCH THAT
CLOSES HOME SALES FASTER!**


GENIE! Instantly recognized for quality by new home prospects.

GENIE! Pre-sold through national advertising and local promotion.

GENIE! Backed by a nation-wide network of reliable dealer service outlets.

GENIE! Performance-proved by satisfied users everywhere.

Call your local dealer or write today and find out how the GENIE Automatic Garage Door Opener System by ALLIANCE merchandising program can help you sell more homes! GENIE—"The Garage Door Picker Upper!" Opens the garage door . . . turns on the light . . . closes the door . . . then locks up tight.

 The **ALLIANCE** Manufacturing Co., Inc. Alliance, Ohio 44601

Introducing the no squeak, no nail pop, no call-back floor.

It's the new field-glued plywood single floor.

The system consists simply of on-site gluing of 5/8 or 3/4-in. plywood to wood joists.

The assembly thus acts as a T-beam. Result: the entire floor's stiffness is increased—so much so that joist size can often be reduced.

Properly constructed, the system can eliminate squeaks and nail popping forever — because glue rather than nails carries the stress.

That means no call-back problems. Los Angeles builder Frank I. Tobin and Son knows. He keeps records. And he says the system saves him \$2,500 in a typical year — in call-backs he doesn't have to make.

And the glued floor goes down fast. Phil Hussey, Crest Builders, Lakewood, Wash., says his three-man crew lays a 24x42-ft. glued single-floor, including setting joists, in 45 minutes. Floor joists are 24-in.

o.c. (rather than the normal 16-in. o.c.). So he gets longer spans with 1/3 fewer joists.

Other advantages? Single-layer construction cuts cost because it's both subfloor and underlayment. Longer spans with the same size joists. Twenty-five percent fewer nails.

The new system is catching on all over the country. For homes. Townhouses. Apartments. Offices.

And we'd like to tell you a lot more about it. With photos. Diagrams. Case histories. Span tables. And gluing recommendations. Just send the coupon.

Or, if you want the facts explained in person, contact one of our 60 field men. Field offices: Atlanta, Chicago, Dallas, Los Angeles, New York City, San Francisco, Tacoma, Washington, D.C. (Look in the white pages under American Plywood Association.)

American Plywood Association, Dept. H
Tacoma, Washington 98401

☐ Certainly I want a no squeak, no nail pop, no call-back floor. Please send me all the facts.

☐ Please have a field man call.

Name _____

Firm _____

Address _____

City _____

State _____ Zip _____

(USA only)

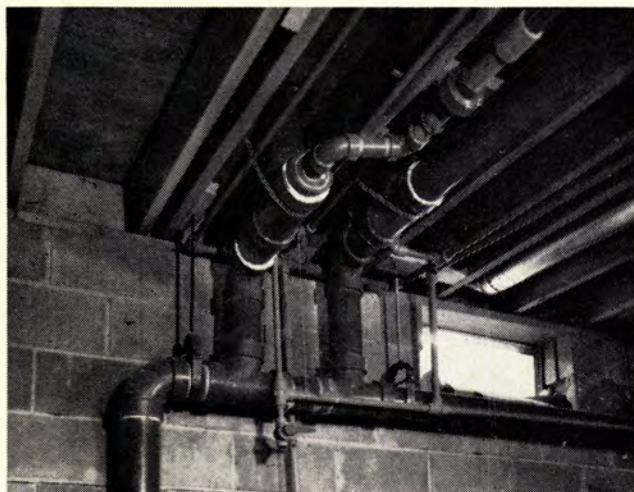


AMERICAN PLYWOOD ASSOCIATION

Plywood quality-tested by the Division for Product Approval.



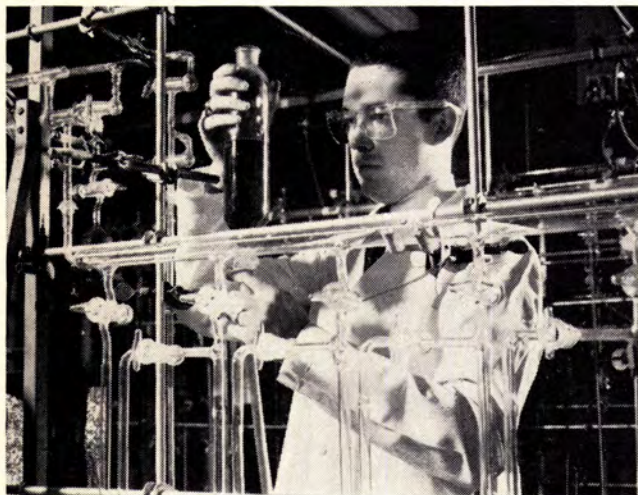
This could be the greatest single improvement in DWV systems since plumbing came indoors.



Now that PVC is fast growing in acceptance for drain/waste/vent systems in new construction as well as rehabilitation, the builder who hasn't looked into its advantages stands a chance of falling behind.

76%

Take costs. Drainage lines account for about 76% of the piping costs inside an average house. This alone is reason enough to consider DWV made of PVC (vinyl), which offers appreciable savings.



Take performance. Piping made of Geon vinyl (PVC) has proved itself in types of service far more severe than DWV systems; for example, chemical handling and acid drainage systems.



Installation is easy and fast. Joints are solvent welded, no threading. Stronger, too. PVC pipe weighs only a fraction as much as conventional materials, hence is easier to handle.



PVC pipe is self-extinguishing and thus prevents flame from spreading along pipes between walls. It also resists abuse and does not allow scale to build up inside pipe or fittings.

The people who started it all in PVC pipe

For more than 17 years, PVC pipe made of Geon vinyl has been working well. But pipe isn't all. There is more rigid Geon vinyl at work in different forms and compounds than any other kind. Whatever your need, ask us how PVC can help. Write B.F. Goodrich Chemical Company, Dept. H-18, 3135 Euclid Avenue, Cleveland, Ohio 44115.

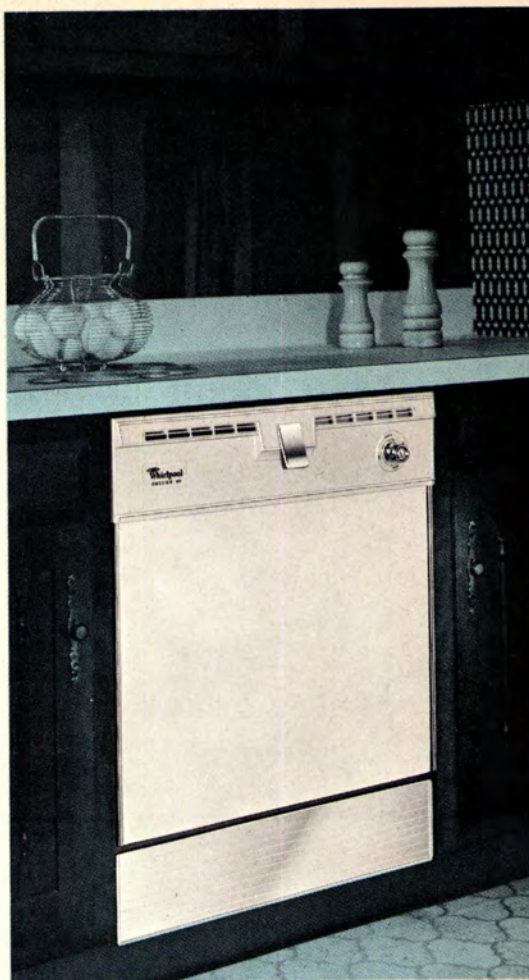
B.F. Goodrich Chemical Company

a division of The B.F. Goodrich Company





SVU-90 Imperial



SVU-60 Deluxe

There's more behind the door on a new Whirlpool dishwasher

The new Whirlpool Imperial has great styling outside and more "sell" inside with features like these:

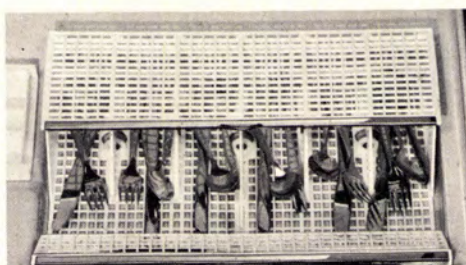
A new and exclusive in-the-door silver basket. Large capacity. Space saving. Convenient and removable.

A special cutlery basket to handle sharp knives, long forks, etc., the sharp objects that used to get in the way of loading and unloading.

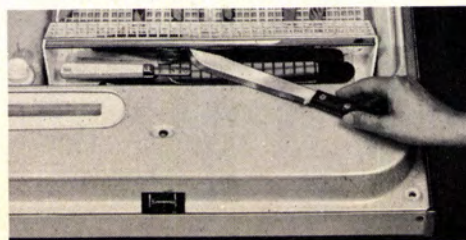
Two full-size spray arms and two-speed water action. Pushbutton, multi-cycle operation.

Even our new budget-priced deluxe 60 is loaded with extras like a self-cleaning filter, dual detergent cups and porcelain-enameled tub.

And you can match cabinets and decor, without costly trim kits, because replacing standard door



Exclusive in-the-door silver basket.



Exclusive in-the-door cutlery basket.

panels with any 1/4" thick material takes just minutes.

Most Whirlpool dishwashers have a pre-installation baseplate to save you time and money, too. Hook up of water, drain and electrical line is made before the dishwasher goes in. Later one man can slide it into place, attach two rubber hoses and plug in the electrical cord.

Whirlpool takes better care of your other needs too, with a full-line concept, one source supply, helpful builder management services, and warranty and product services you can depend on.

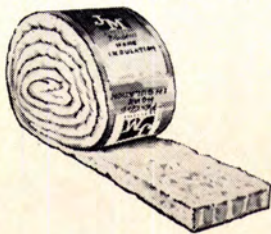
See the complete new line of Whirlpool dishwashers. Call your Whirlpool distributor today!


Whirlpool
CORPORATION
takes better care




Now! Cut your time and effort with the all-new J-M Snap/Pak.

What could be easier? Now you can get J-M Fiber Glass Building Insulations in perforated rolls. You simply snap off pre-measured batts without cutting. Or leave the batts in the roll for ceiling applications. Snap/Pak handles more quickly and permits new installation methods for big time/effort savings. Also available in the Quad/Pak in continuous roll lengths.



And these new J-M four-roll packages are no bigger than a package of J-M batts. You get 200 sq. ft. of material in about the same size package as 100 sq. ft. of other brands. So you need much less trucking and warehouse space. And you handle many fewer bags.

What's more, inside, you'll find new J-M insulations that—type for type, dollar for dollar—are thicker and have greater "R" values than ever before.

For more information on these better insulations write Johns-Manville, Box 290-BA, N.Y., N.Y. 10016. 

Johns-Manville



Mini-size, Maxi-warmth

Quietest between-the-studs heater
produces up to 8533 BTUs of comfortable heat

The Hunter Hide-Away is first. First to stay quiet at full power. First to give you a choice of three wattages (1500, 2000, 2500) in the same



unit size. First with a motor matched to wattage to give the right air movement automatically. First with a cool grille at high heat (30° cooler on the average than competitive heaters). No wonder it's a favorite coast to coast. Budget priced, easy to install, economical to operate. Unit or wall thermostat. Beige grille. Special bathroom model, 1250 watts, has chrome grille. Send coupon for further information.

HUNTER **HIDE-AWAY**® ELECTRIC HEATER

Hunter makes a complete line of portable and ventilating fans and electric heating equipment, including central electric heating and air conditioning.

Mail today for data:

**Hunter Division,
Robbins & Myers, Inc.**
2804 Frisco Avenue
Memphis, Tenn. 38114

Please send full information on
Hunter electric heat.

Name _____
Company _____
Street _____
City _____
State _____ Zip _____



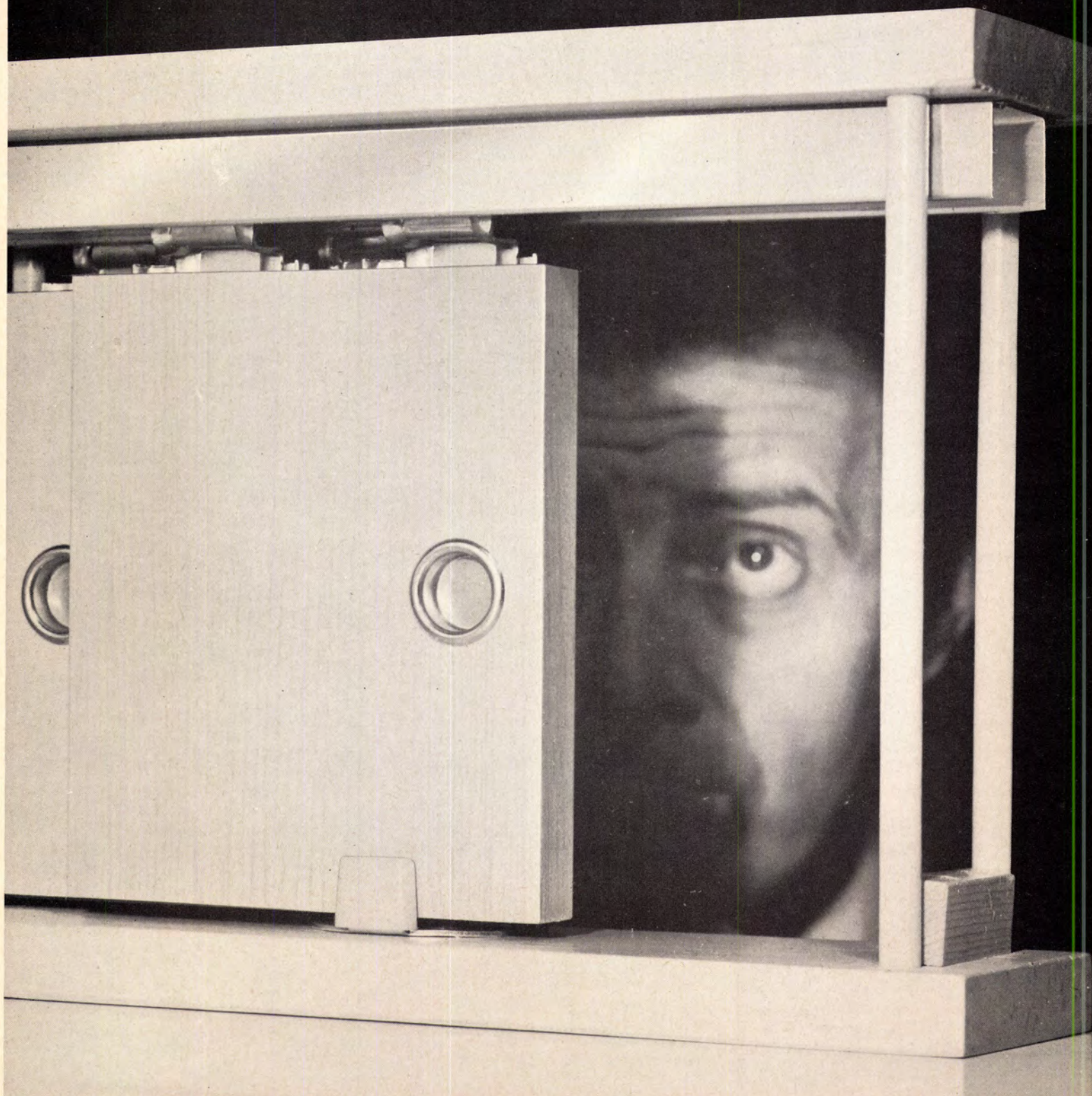
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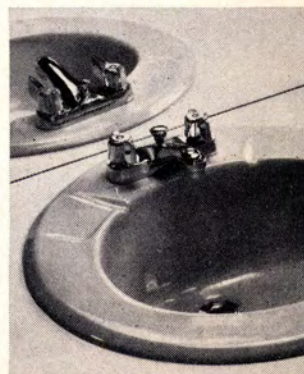
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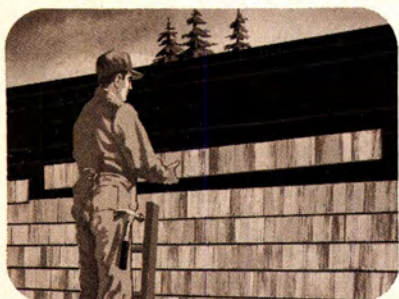
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EDITORIAL

Now hear this

Don't let all those would-be soothsayers scare you— the so-called giants are not going to take over

And there are any number of reasons why. Right off the bat, there springs to mind the fact that housing is a purely local business *by law*. The police powers of this nation are lodged in the states, by the Constitution, and the states, in turn, grant those powers to their municipalities. So zoning ordinances, subdivision regulations, building and fire codes are all in the province of the municipalities.

As we all know, the basic strength of a democracy is the voice of the people—*vox populi, vox Dei*. To take away power from the grass roots is to destroy the democratic process. Therefore, you can forget all the high-sounding messages you hear from time to time about taking codes and zoning power away from municipalities. It ain't gonna happen, and no sane politician would seriously advocate it because he has a constituency *at the local level* who voted him in.

Now, to operate successfully within the rules that surround newly-improved realty (and these rules also include a lot of financial and legal regulations) you have to know your locality, and the various players in the power structure, like the back of your hand. That's why it's so tough for a new boy in town to break into your business.

Allright, let's assume a giant sends a new boy to town to learn all about the rules and regulations, the power structure and the *best* opportunities in residential realty. By the time he learns them as well as you know them, assuming he can in the first place, he also knows that he has to operate autonomously. He can't afford to be second-guessed by someone back at headquarters because sooner or later his local competitors will steal a march on him while he's waiting for the second guess. If, in time, that new boy in town is operating successfully, he's a very sharp builder. So why does he need the giant as an employer? He could operate just as well on his own account and keep all of the profits instead of shipping 90% of them back to headquarters.

There's only *one* reason why a good builder like that needs the giant behind him: equity. He needs seed money for new deals and new lands, at least in the opening years of his successful operations in your town. But when he builds up a nest-egg, or when a new backer comes along—a limited partner, the local bank, a joint venturer, his rich uncle or anybody with money to lend—he's off on his own. He would be nuts not to go it alone, and he can't be nuts if he gets to be successful in your town.

Yeah, you say, but what about old whatshisname who built up that great organization and merged with that whadyacallit conglomerate. There, you say, is an example of a giant built at the local level who is going to spread his tentacles out over the land and take business away from smaller builders.

Ah, friend, there indeed is an example. Let's take a close look at that one. The conglomerate looked at the local builder and said to itself, "Look at the way that guy can leverage his dough. Why, he must be making up to 300% per year on his equity because most of his working capital is OPM [other people's money] like

construction money." So the conglomerate hungered for that kind of talent, and it gave the builder eighty zillion bucks in conglomerate stock in exchange for his *talent* and very little else. Oh, yes, the builder promised not to sell his fortune in conglomerate stock for five years and promised that if he quit suddenly, he wouldn't build until 1975 or thereabouts.

So the builder worked hard for the conglomerate, but the big corporate structure rankled. The finance committee was always bugging him. The board of directors didn't like the way he dressed. His wife thought he was worth twice the annual compensation of every other executive in the conglomerate, with the possible exception of the chief executive officer, who was a cold fish with a computer for a headbone.

At the end of the five-year marriage, the builder had had it up to here. He was tired of turning over the lion's share of his division's profits to the conglomerate. He was sick of always losing his good middle management to private builders because the conglomerate couldn't let him give them stock options. He missed those old subchapter S corporations.

And, what the hell, he'd diversified his portfolio, had cashed in his chips and now owned a huge fortune. Who needed old computer-head anyhow? There was plenty of seed money and land out there from joint venturers and limited partners just champing at the bit to back him in his very own private organization again.

So after he had met the terms of his contract and gotten his stock-on-the-come, he blew the joint. The conglomerate was left holding a big payroll that could not be stirred to much more than token action now that the leader had flown the coop.

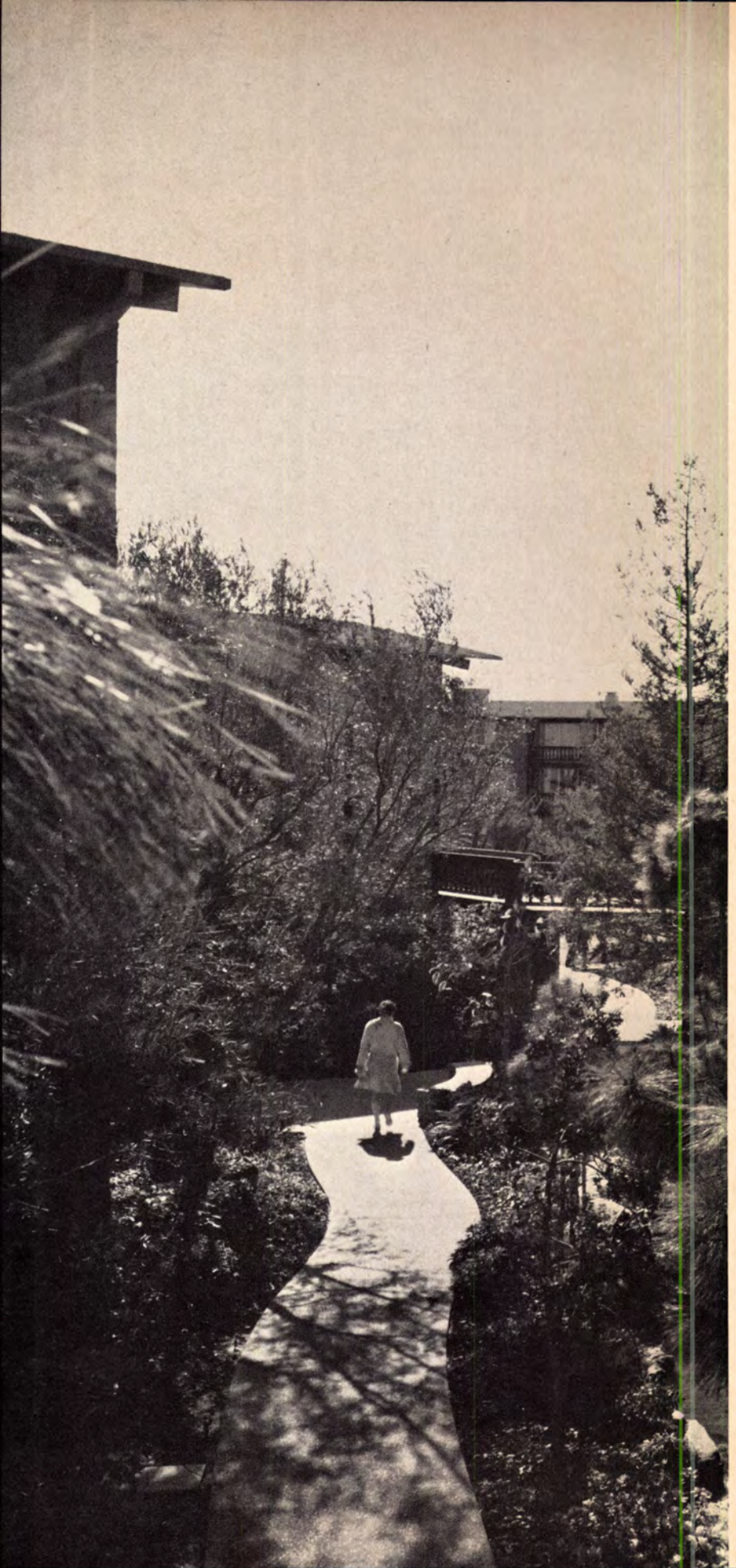
Yeah, you say again, but what about the chemical industry and those aerospace guys who have all kinds of capital and are going to put the whole dingaling on an assembly line?

Baloney! Let me ask you a few questions. Will that dingaling meet the building code? Will it last the life of the mortgage? Does the local power structure consider it adequate shelter for an American family? Does anybody want to live in one, other than those who have no choice, like the very poor, people in jail and such?

Most important: Inasmuch as 1) amortization of the first cost of construction (including land, improvements, financing and profit) is only 42% of the rent role; 2) cost of the dwelling unit alone, just labor and materials in place, is only 50% of the first cost of construction; 3) the shell of the unit (which is all that the aerospace guys are concentrating on) costs only 30% of that 50% (now we're working on 6.3% of the rent role); 4) with mass purchasing and production, they might cut shell costs 15% (reducing the rent role less than 1%) and 5) inflation jacks up the price of everything 3% to 5% a year—so what?

Don't worry—if you're doing a job in your town and you're successful now, nobody's going to knock you off.

—RICHARD W. O'NEILL



LANDSCAPING CAN HELP TO GIVE A NEW APARTMENT PROJECT AN OLD, ESTABLISHED FEELING

The project pictured at left (and also on the cover) was open only a matter of weeks when it was photographed, but you'd never know it. Mature trees tower over the three-story buildings, a thick carpet of green covers the ground, and the overall effect is that of a beautifully tended neighborhood that's been there for years.

Called The Meadows, this is one of nine apartment projects built in and around Los Angeles by the Ring Brothers. And it typifies both the Rings' approach to apartment environment and the key role landscaping plays in producing that environment.

"It started," says Dr. Ellis Ring, partner in charge of planning and construction, "with a trip to Southern Europe. I was struck by the atmosphere of the old Mediterranean towns with their series of open and closed spaces, and I decided this was the kind of feeling I wanted to create for our apartments."

Since the Old World atmosphere is the strongest merchandising feature of their apartments, the Rings obviously couldn't wait a couple of years for trees and shrubs to fill out and ground cover to spread. The effect had to be created immediately, which accounts in large part for the company's high landscaping budget—an estimated \$500-plus per unit at The Meadows. But it also accounts for much of the success of the apartments; all nine projects have been full practically since the day they opened, and waiting lists have become so long that names are no longer accepted. Furthermore, The Meadows has become a sort of Mecca, both for curious would-be tenants, and other apartment builders looking for successful ideas. "They won't find them," says Ring. "It's the whole concept that counts. You can't do it by bits and pieces."

The concept is Ellis Ring's, but the landscape architect who brings it to life is Phil Shipley of Phil Shipley & Dudley Trudgett. Until recently, this firm had no experience in apartment landscaping, having concentrated on large custom houses, model compounds and commercial and industrial buildings. Now, however, they have all nine Ring projects to their credit.

"We consider Shipley a real artist," says Ring. "He's wonderful with trees and plants, and he has a real touch with things like walls and the various textures that go into landscaping."

Perhaps most important of all, Shipley understands just what the Rings are trying to do.

"Landscaping," he says, "is not just a question of prettying things up. It's an integral part of the whole project, and it has to be studied and designed from that standpoint."

On the next two pages are a series of photos and sketches illustrating some of the most important principles behind Shipley's work. Bear in mind that while each idea is interesting in itself, its real significance lies in the way it contributes to the overall atmosphere of the project.

continued



USE WATER TO CREATE SERENITY . . .

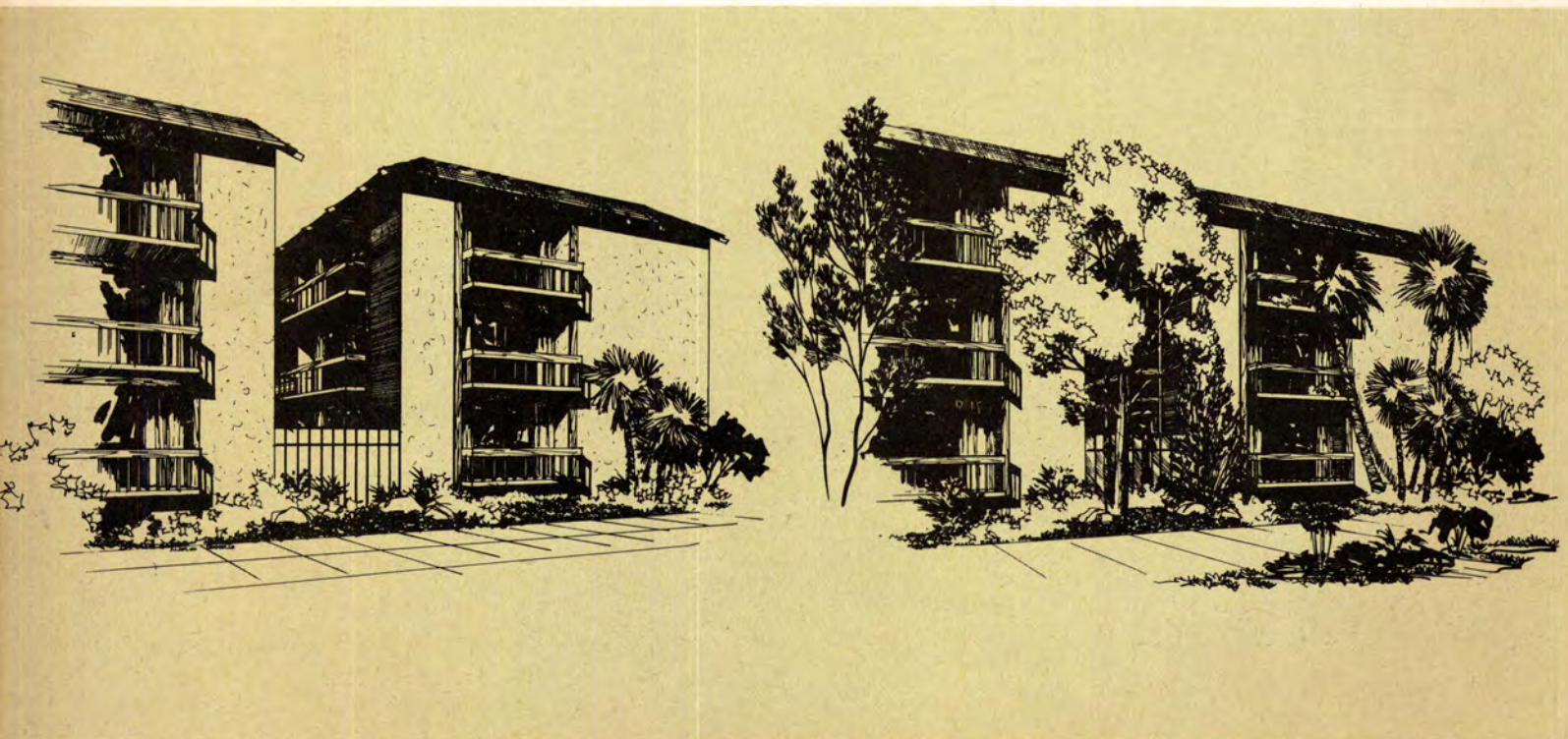
Shipley runs natural-looking streams through his projects. "The sound of water is peaceful," he says, "and it also masks out sound between apartments." This idea, a deck over a stream, was used in The Meadows.



Jordan Lagman

. . . AND TO DRAMATIZE AN ENTRANCE

Falling water has become almost a trademark for Ring-built, Shipley-landscaped apartment projects. Not only does it have curb appeal; it kills objectionable street noise. This project is called Rancho Los Feliz.



TOO LITTLE PLANTING IS ALMOST AS BAD AS NO PLANTING AT ALL

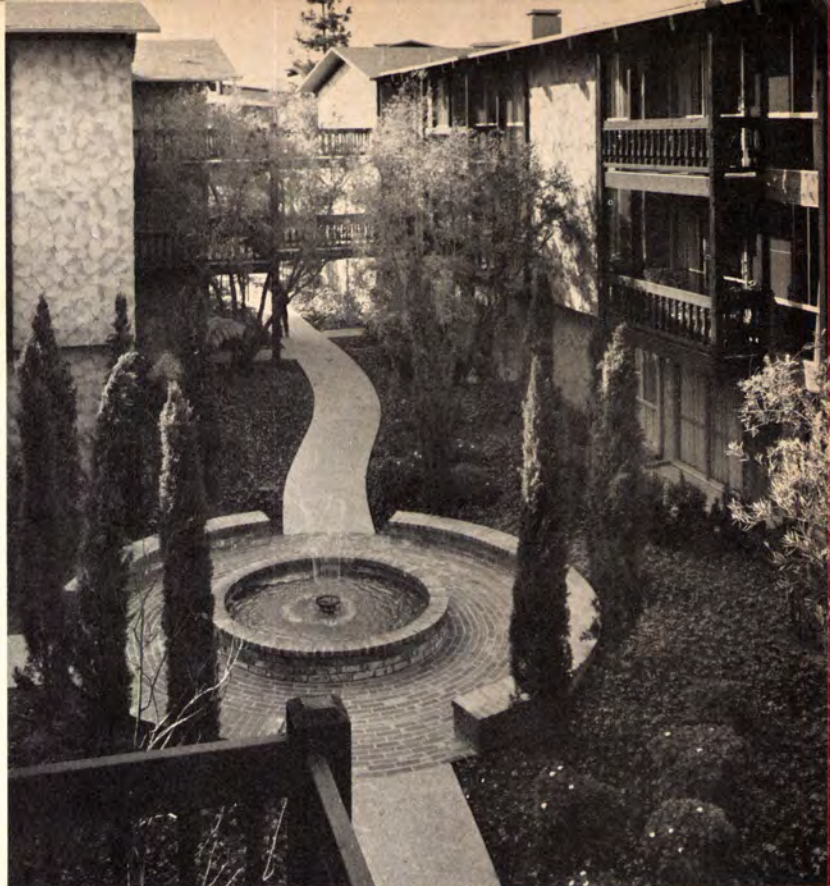
In the sketch at left, the area in front of and between the buildings has been treated with a bare minimum of planting. "This much landscaping is almost a minus," says Shipley. "It leaves blank walls and balconies staring at each other." The sketch at right shows the same buildings with large trees planted around them. "Paradoxically," says Shipley, "closing in the areas with trees makes them seem more open.

Looking at a building through foliage makes it seem further away."



SAVE BIG TREES AND DESIGN AROUND THEM

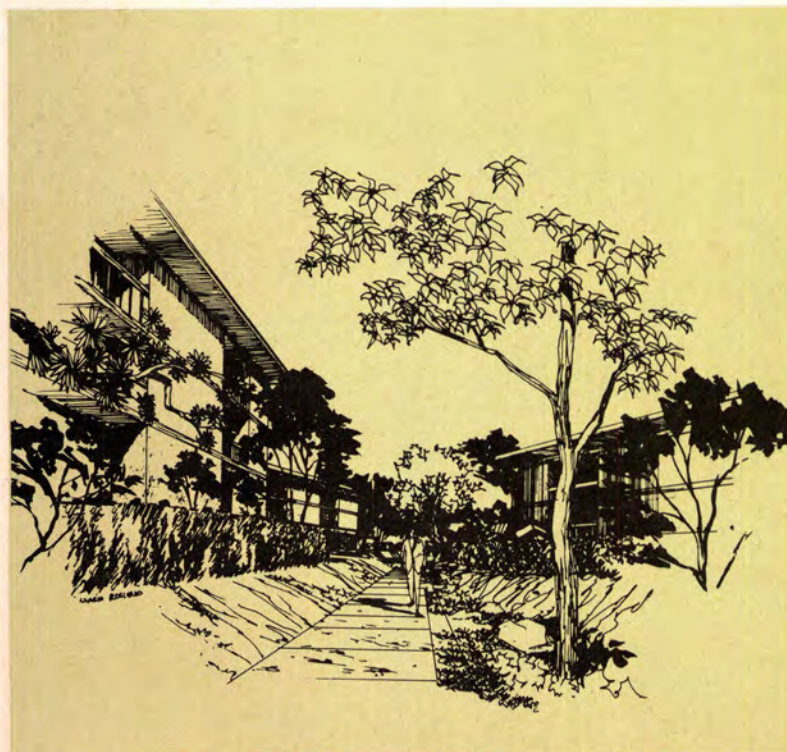
Trees like this one can make a project, says Shipley. Protecting them during construction can cost \$150 or so, but to move a tree like this would cost at least \$1,000. This patio is in Mediterranean Village.



Julius Shulman

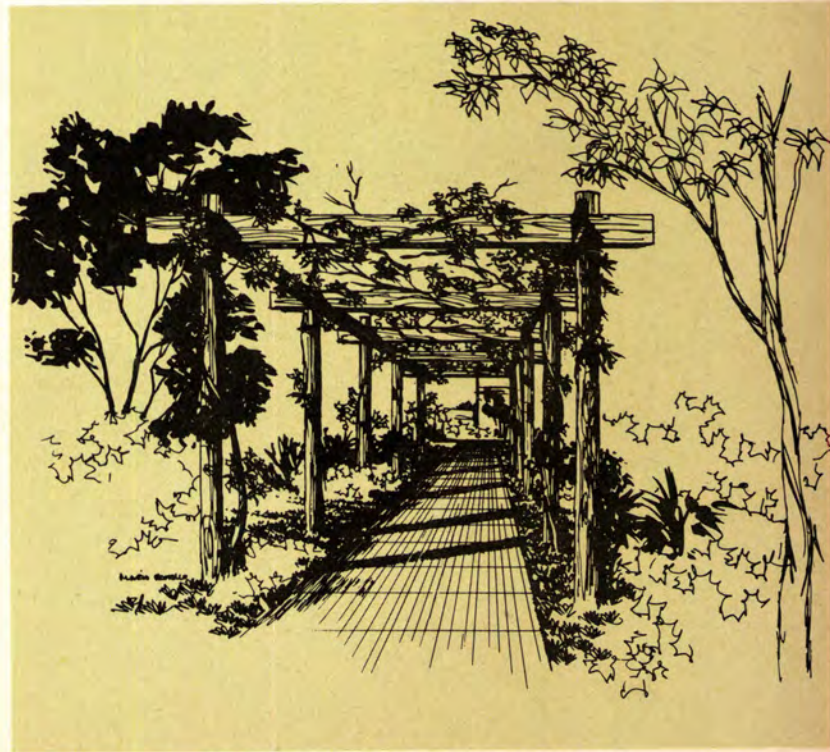
PLANT HEAVILY FOR LOW MAINTENANCE

In the court at The Meadows, ground ivy has been planted at 4" centers rather than the customary 12". "In three months," says Shipley, "there's complete coverage. No more cultivating or weeding—just sprinkling and occasional fertilizing."



CHANGE GRADES TO CREATE INTEREST

Flat sites, says Shipley, should be torn up and resculptured. "Opposite buildings should be set at different levels so they can't see into each other. And lowered walks allow lower fences around patios."



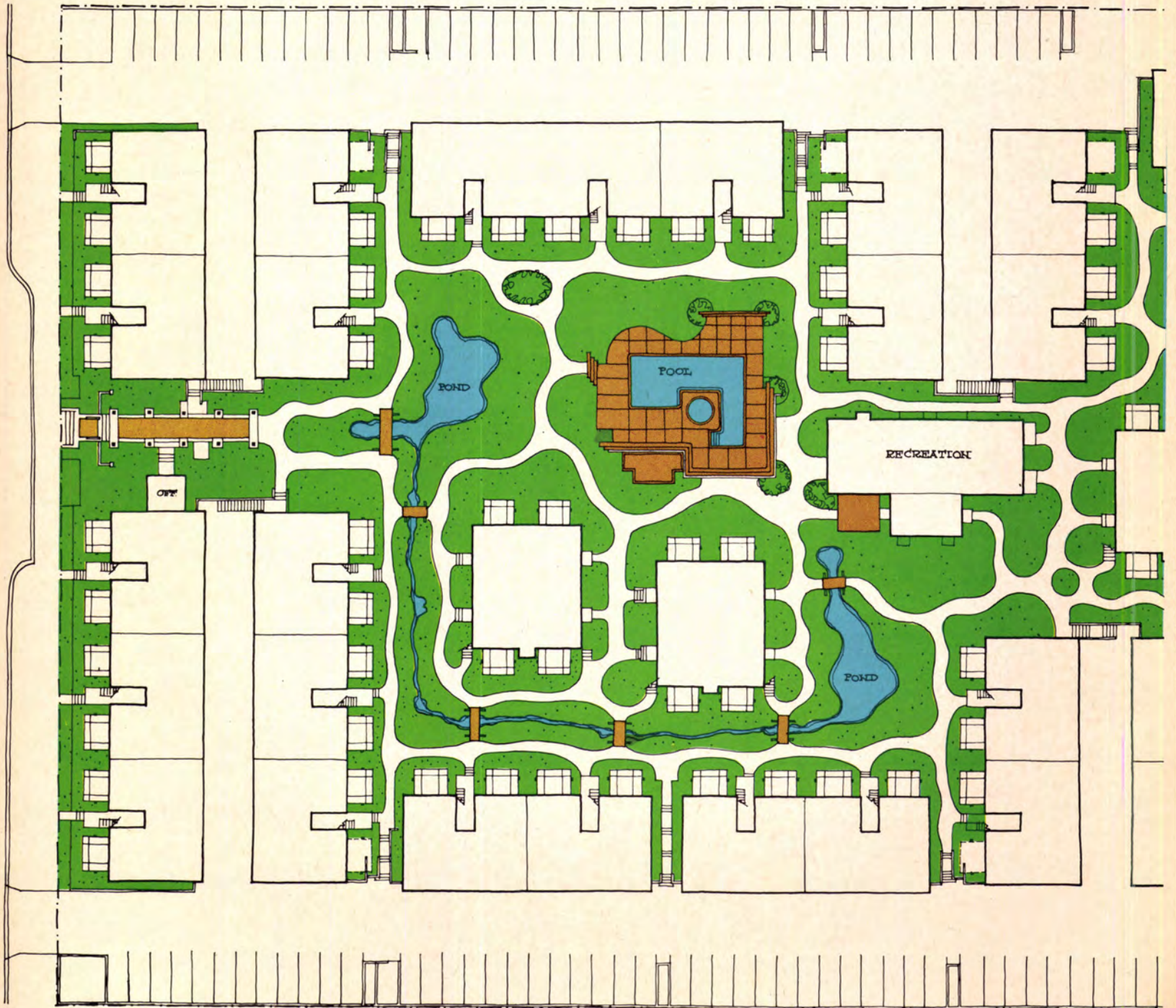
BREAK UP LONG RUNS OF WALKS

Shipley likes to use pole arbors and cover them with vines like wisteria, bougainvillea or trumpet vine. "They create shade and make pleasant walkways. And they can be used to break up and eliminate bad views."

continued



SCENIC AREA of Birchwood Creek features an artificial stream which starts at a pond beyond the footbridge. Site plan (*below*) shows course of stream.





Photos: Paul Kayfetz, The Berkeley Group

LANDSCAPING CAN HELP TO CREATE SEVERAL ENVIRONMENTS WITHIN ONE APARTMENT PROJECT

The project shown in the photos and plan at left is not particularly large—184 units on 6½ acres—yet it offers prospective tenants three distinctly different environments. And this marketing idea has proven so successful that the builder, L.B. Nelson Corp. of Palo Alto, Calif., is now incorporating it into all its projects.

Landscaping delineates the three environments, as the plan and photos at left show. Specifically:

Recreational living is centered around the swimming and hydrotherapy pools. Dubbed the "Swimming, Health and Games Complex," it is the noisiest area and generally draws the younger, more active residents of the project.

Scenic living revolves around a system of two artificial ponds connected by a flowing stream. This area attracts adults who want to be close to a more natural environment, and who like the sound of running water.

Quiet living is offered in two small, intimate courtyards, at right in the plan, at the opposite end of the project from the more active areas. Older and retired residents generally prefer this environment.

Says Clarke Wells, marketing manager, of L.B. Nelson, "People like having a choice of area and of rentals too. We've been able to create a series of \$5 to \$10 rent differentials that take advantage of the most popular areas." The recreation and scenic areas draw top rents.

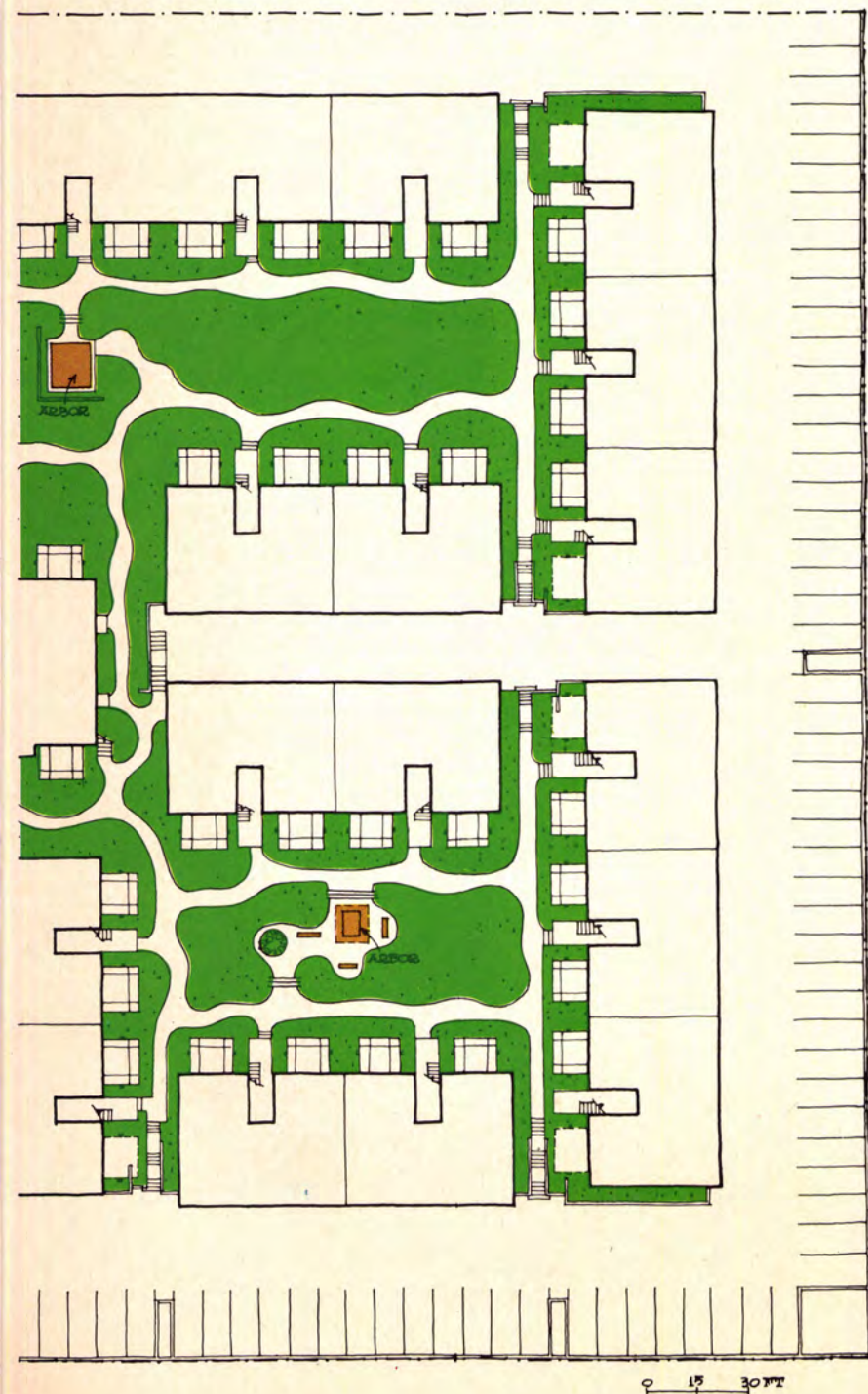
The landscaping required to create the three environments costs Nelson about \$300 per unit—considerably less than Ring Brothers' landscaping budget. This is not by choice, but of necessity: Nelson builds for a lower rental range than Ring—\$145 to \$245 vs. \$175 to \$350—where \$5 a month can make an enormous difference in both the speed of renting out and vacancies.

"We have to stretch our landscaping money as far as possible," says Wells, "so we can't plant for the full immediate effect. Instead, we plan to have our trees and shrubs fill in within two years. That way we get adequate initial impact, and by the time the newness has worn off the project—which takes a couple of years—we have a fully matured landscape as compensation."

When the original landscaping layout is done, landscape architect Casey Kawamoto makes what he considers the ideal plan. Working from this, the landscape contractor shops nurseries, making substitutions in size and species of plants where necessary to meet the budget.

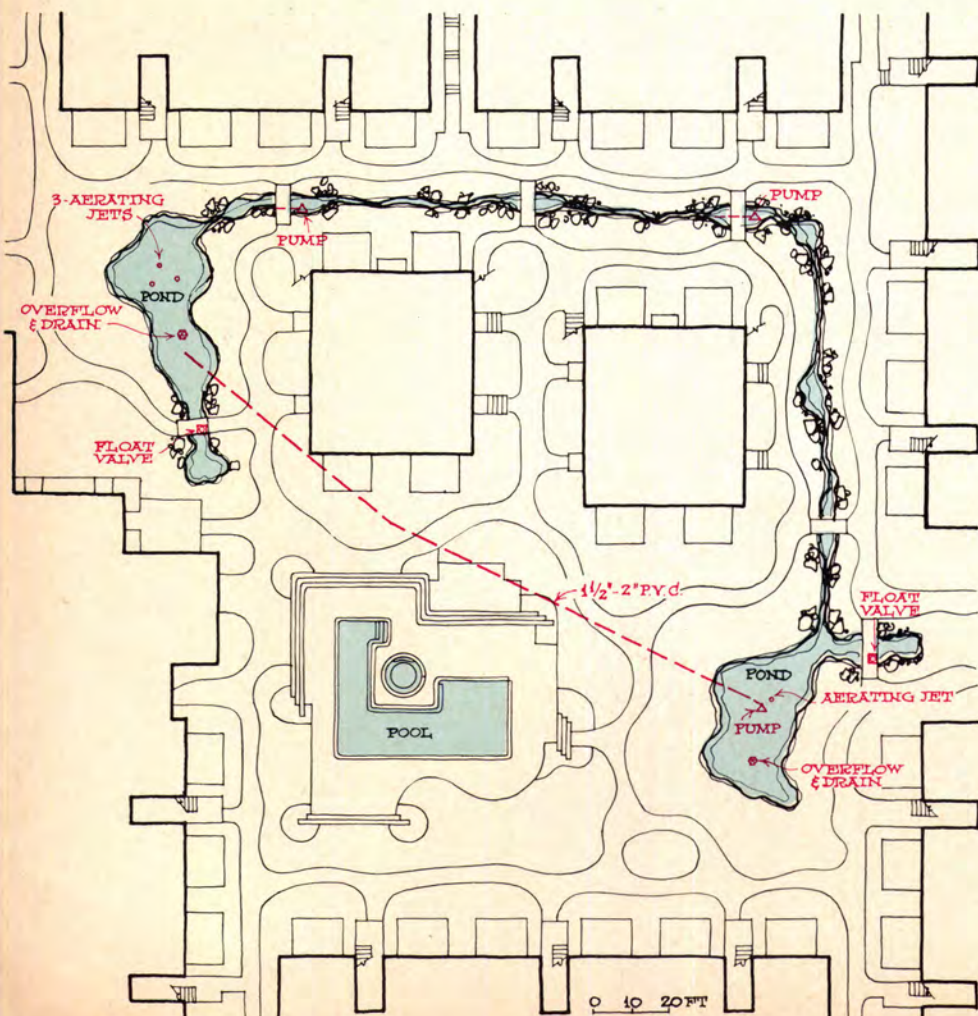
Despite budget limitations, a new L.B. Nelson project has great market appeal (the latest, a 208-unit project, was nearly half rented out three weeks after it opened). On the next two pages you'll see how the key areas of Birch Creek, the project shown at left, looked just six months after opening.

RECREATION AREA is focused on swimming pool and one-story rec building.





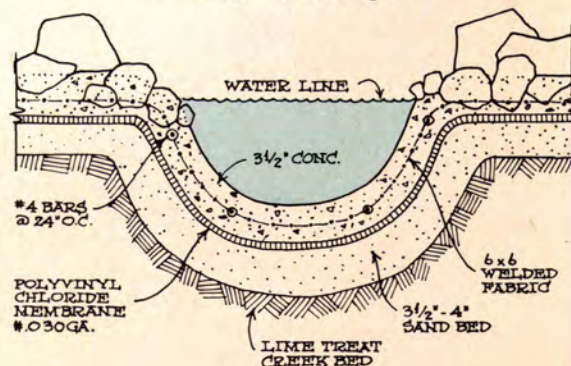
Photos: Paul Kayfeiz, The Berkeley Group



THE SCENIC AREA FOLLOWS A STREAM

As the plan at left shows, the 300' stream starts at one pond and flows to a second, then is pumped back to the first through an underground pipe. Booster pumps along the way help maintain sufficient head for a good flow, and aeration jets keep the water pure and sufficiently full of oxygen for fish.

The banks of the stream, shown in the photo above and the section below, are made of brown-colored gunnite at Birch Creek. But in future projects they will be of polyethylene covered with dirt and sand, allowing ground cover to run up right to the water's edge.





GAZEBOS HELP CREATE A RESTFUL ATMOSPHERE

This one is part of the concrete walk system in the quiet area of Birch Creek, and it has seats in it to further the feeling of rest. The smallish trees will fill out within a couple of years.



POOLS ARE THE CORE OF THE REC AREA

And while most of the project is planted in easy-to-maintain ground cover that won't fill in tight for a couple of years, the area immediately around the pools is sodded for comfortable lounging.



PARKING IS VITAL TO LANDSCAPING

It must be close to apartments, but if it intrudes into the site it can ruin the environment. So at Birch Creek, primary parking is provided underneath the perimeter buildings.



EARTH BERMS ARE A DOUBLE ASSET

Used in the quiet area, they add contour to the site, and help separate facing apartment buildings. And they also use excavated dirt that would otherwise have to be trucked out.

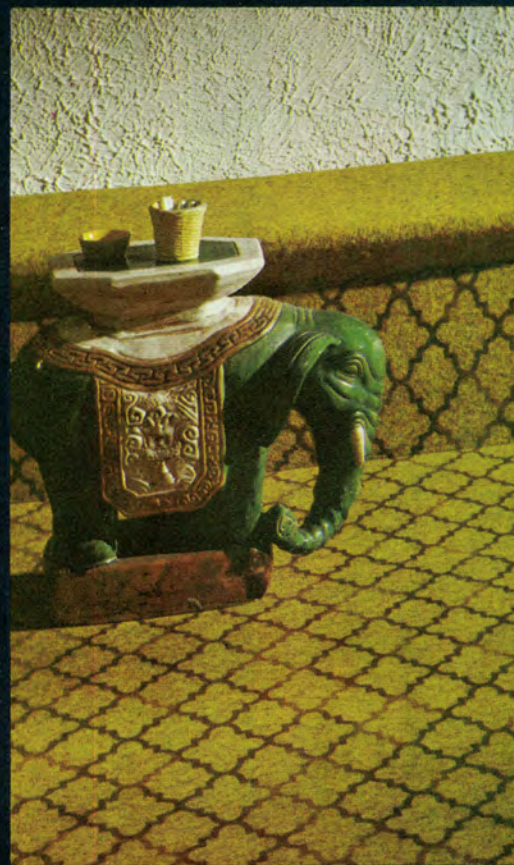
the soft floor is now a hard reality

Carpeting is such a permanent part of today's environment, that most of the resilient flooring manufacturers have become deeply involved in the carpeting industry. Along with long-established carpet manufacturers, they are producing such a vast array of fibers, weaves and colors that you may find it difficult to choose the right carpet. The information on these pages will help you to select the best carpet for a particular use in any part of the house or apartment. Photos show some current products, most of which come in 12' and 15' widths. Approximate retail prices are per sq. yd. For more information, circle the indicated number on the Reader Service card, p. 131.





1. Red plaid (opposite page) is Axminster-woven nylon. Bigelow-Sanford, \$15.95. Circle 250. 2. Coordinated floorings in hexagonal design are 12"x12" solid vinyl tiles and tufted acrylic carpet in multi-level loops. Six color combinations. Amtico, \$14.95. Circle 251. 3. Floral in five colorings is printed on needlepunched foam-backed olefin (polypropylene). Armstrong, \$5.50 to \$6.50. Circle 252. 4. Abstract pattern is printed in three colors, five combinations, on continuous filament nylon loop carpeting with high-density commercial rubber backing. Johns-Manville, \$9.95 to \$12.95. Circle 253. 5. Spanish tile pattern is magnetically printed on a heavy-gauge olefin needlepunched unbacked outdoor carpet, in four color choices. Monarch, \$6.95. Circle 254.



Pattern: At every price level it's bolder and more brightly colored

Strong designs and rich colors have been with us for centuries in luxury carpets and hand-woven antique rugs. Now, that same strength of design and depth of color is available in carpeting of every price range, from an expensive, woven Scotch plaid, like the one opposite, to an inexpensive outdoor carpet with a flocked Spanish tile design, like the one above.

This new availability of design and color

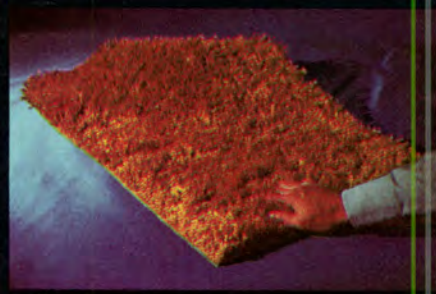
is entirely due to recent technological advances in the carpet industry. Where the patterns of yesteryear were woven right into the carpet itself, today they can be printed right on the finished product and on any pile height, from a low dense loop to a long shag. Dyes are rolled on, sponged on through steel, silk or Dacron screens, pulled into the pile by vacuums or projected on by a magnetic charge. The new processes permit a much wider variety of colors too, so manufacturers are following the lead of

fabric, wallpaper and poster designers and producing bolder, more daring patterns that reflect the contemporary and mod trends. Florals have become abstract, geometrics are larger, color combinations are more unusual; there are colors and patterns suitable for any and every part of the house, apartment or school. And all are improved in richness, clearness, permanence or subtlety of color and intricacy of design, because of new fibers and new methods of dyeing and construction (see p. 80).

continued



6. Two-inch shag, polyester, in ten golds, ten greens. Armstrong, \$9.95. *Circle 255.* **7.** High-pile shag of modacrylic (Dynel, the wig material), in ten colors including the apricot shown. Continental, \$13.00. *Circle 256.* **8.** Wool shag, 15 colors. Bigelow-Sanford, \$18.95. *Circle 257.* **9.** Nylon shag, 12 two-toned colors. Walter Carpet Mills, \$9.95. *Circle 258.* **10.** Deep nylon plush, 12 colors. Bigelow-Sanford, \$4.95. *Circle 259.* **11.** Acrylic three-level-loop pile, random-sheared in scroll pattern. Eight solid colors or five tweeds. Bigelow-Sanford, \$7.95. *Circle 260.* **12.** Polyester two-level loops random-sheared in bark pattern, 11 colors. Downs, \$7.95. *Circle 261.* **13.** Polyester cut-and-loop, 5 colors. Armstrong, \$7.95 to \$9.95. *Circle 262.* **14.** Nylon level loop, six colors. Hardwick & Magee, \$6.50. *Circle 263.* **15.** Wilton woven wool, cut-and-loop pile, ten colors. Hardwick & Magee, \$19.95. *Circle 264.* **16.** Continuous filament nylon is foam backed. Downs, \$9.50. *Circle 265.*



8



9



10



11



12

Texture: From carved to ankle deep, there's a wider variety than ever

The choice of carpet textures used to be between a flat woven rug and a plushy, cut pile broadloom that looked more luxurious, but showed footprints and vacuum strokes.

That has all changed. Today, there's a texture to suit every need, whether it's a sculptured, formal carpet like the one above, at right, a more durable, densely-packed low loop like those on the opposite

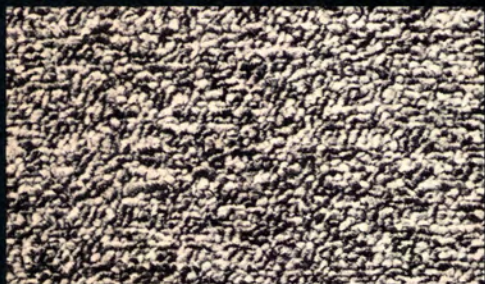
page, or even a luxurious 2" shag as in the large photo, above. The denser carpets, with fibers packed low and tight, are just the thing for the heavy traffic of hallways and for areas where there may be spillage of food or water, like kitchens and baths. Spills stay on top and wipe off easily. The long—and getting longer—shags are fine for living rooms and the master bedroom. They keep their good looks, hide the dry soil they tend to accumulate, and, in addition,

are very easy to vacuum.

The range between the low loop and the long shag includes: *a)* twisted fiber shags—sometimes two-toned or multicolored—that can hide a multitude of spills in a child's room, *b)* the cut piles in plush and velvet that are elegant in looks, fine for more formal living and dining rooms, but with a tendency to show footprints easily, and *c)* the pebbly high-and-low-loop piles and random-sheared carpets (created by clip-



13



14



15



16



21



17

17. Carpet tiles of needlepunched olefin (polypropylene) are foam backed, come in eight colors. Armstrong, 49¢ to 59¢ per 12"-sq. tile (\$4.41 to \$5.31 per sq. yd.). *Circle 266.* **18.** Needle-punched olefin in tile design, four colors. Barwick, \$6.95. *Circle 267.* **19.** Level loop olefin with geometric printed floral, high density rubber backing. Wellco, \$10.95. *Circle 268.* **20.** Olefin carpet tiles can be laid in stripes or checker-board patterns in two or more of 13 colors. Ozite, \$6.21 per sq. yd. for 12"-sq. tiles. *Circle 269.* **21.** Ozite tiles can be picked up, sponged or rinsed off and replaced without destroying adhesive bond.



18



19



20

ping some of the loops) that add a textured look and tend not to show traffic wear and dirt as easily. These last two types are fine for dining areas because they don't show the marks of chairs being pulled in and out.

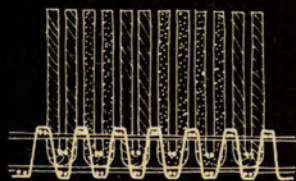
In fact, there can be a different texture in every room of the house, each suited to a specific type of traffic, look or use. And all of these textures come in all the available fibers (see p. 80), which promises an even wider choice of price and durability.

Performance: Used outdoors or in, the go-everywheres are moppable, durable

Their fibers are simply not porous and won't soak up water. So they can be sponged off, mopped up and hosed down. Their colors are a far cry from the old dull solids of a few years back, and are usually sun-proof. Their non-textile backings won't rot, can't mildew, don't discolor and are light in weight (although the foam backings are not recommended for outdoor use). Acrylics,

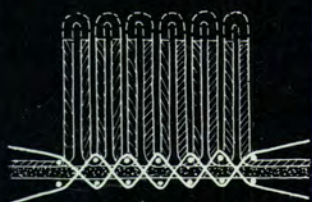
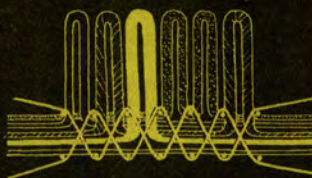
nylons and polyesters are moving into this market because they can be tufted for better textures. But they are more costly. So the low-priced olefins (polypropylenes), which have to be knitted or needlepunched to keep them low, dense and durable, still dominate the market, and will move to tap the really low-budget markets through hardware chains, lumber yards, paint and wallpaper outlets, five-and-dime stores and hard-surface flooring retailers.

continued



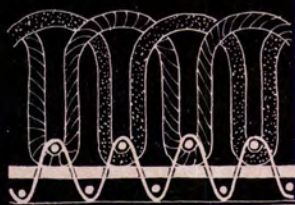
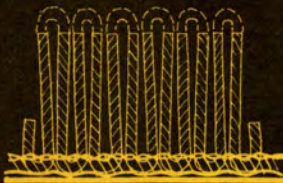
AXMINSTER comes closest to hand weaving. Tufts are inserted separately, so theoretically each could be a different color. Characteristically, it is the weave with the most intricate patterns, especially with more than six colors. Pile is usually cut to an even level, as in the plushes. The carpet's back is ribbed across its width so it cannot be rolled lengthwise.

WILTON uses only five or six yarn colors. Pattern colors are pulled up to the surface, burying the others in a long-wearing dense—and characteristically thick—underlayer. Yarns are fed into the loom through punched cards like those on a player piano. Pile can be cut or uncut or a combination; frequently it is embossed or sculptured.



VELVET is the simplest weave of all. Yarn is looped over razor-edged wires that are withdrawn as each row is finished, cutting the loops to form pile. It is similar to tufted (*below*), except that velvet tufts run the width of carpet rather than the length. Usually a solid color or tweed in smooth-surfaced cut pile effect called plush.

TUFTED carpets are made with thousands of sewing-machine-like needles. Yarns are threaded through the needles, then punched through a pre-woven backing. A latex coat anchors the tufts, then a second backing of jute, foam or sponge or high-density rubber or vinyl, is applied. Many textures are possible in solids or multi-color patterns.



KNITTED carpets are made in one operation like handknitting. Backing, pile and stitching yarns, on three separate needles, are looped together. Back is coated with latex, then a second backing may be applied for indoor or outdoor usage. It has a low, looped appearance. Also called needleloomed, not to be confused with needlepunched (*below*).

Construction: From woven to punched, there's one for every kind of traffic

The four ways to make carpets are weaving, tufting, knitting and needlepunching.

Woven carpets take heavy wear on the dense underlayer that is formed by one-step interweaving of pile and backing yarns.

Tufted carpets also take a lot of wear. The two-step method, weaving a backing and punching tufts through it, permits high tuft density and textures that hide wear.

Knitted carpets were an early way of

using polypropylene fiber and keeping it low and dense. In one step, the pile, backing and stitching yarns were looped together and tacked down.

Needlepunching (not shown) is now used for polypropylene fiber. Extruded fibers in an airy layer a foot or so thick are punched down by thousands of barbed needles into a flat, dense mass.

All four methods usually have a backing of jute, vinyl, foam or sponge or high-density rubber for indoor or outdoor use.

FIBER	BRAND NAME
WOOL	all established manufacturers
ACRYLIC	ACRILAN CRESLAN ORLON ZEFKROME ZEFRA WEATHERBRIGHT
MODACRYLIC	DYNEL VEREL
POLYESTER	AVLIN BLUE C DACRON ENCNOL FORTREL KODEL QUINTESS TREVIRA VYCRON (staple)
NYLON	CAPROLAN CUMULOF ENKALOF NYLON NYLON NYLON NYLON NYLON NYLON 66 NYLON 66 NYLON 6BCF
MODIFIED NYLON	ANSO ANTRON CADON
BI-CONSTITUENT	SOURCE
OLEFIN (POLYPROPYLENE)	DUREL HERCULON MARVSS POLYCREST POLYLOOM POLYPROPYLENE I VECTRA

Fiber: From the oldest to the newest, each one does its own thing

Wool, the traditional carpet fiber, is warm to the touch, wears well and takes deep, rich colors. The *acrylics* are very much like wool in look, feel and color. They also resist soil better, clean more easily and are more durable than wool. The *polyesters* are even more durable than the acrylics. They run in about the same price range. The fiber is thermo-plastic, so it can be permanently frizzed, crimped or twisted, takes dye well

MANUFACTURER	ADVANTAGES	DISADVANTAGES
all established manufacturers	Esthetics: warmth, traditional look, rich colors Strength: resists abrasion well Resilience: very good, deep pile wears well Soil: low luster hides it Cleaning: dry cleans well	Price: higher than synthetics Stains: absorbent, pulls liquids in Cleaning: must be dry cleaned
Monsanto American Cyanamid DuPont Dow Badische	Esthetics: looks and feels like wool, same warmth, same colors Strength: more durable than wool Resilience: very good, wears well in high piles Soils and stains: resists both Cleaning: wet cleans well, can be treated with stain-removing chemicals Price: \$6 to \$12*	Esthetics: tends to pill Strength: not as resistant to abrasion as polyester
Union Carbide Eastman	(same characteristics as acrylic) Additional feature: non-flammable	Resilience: not as high as acrylic
Avisco Monsanto DuPont American Enka Celanese Eastman Phillips Hystron Beaunit Dow Badische	Esthetics: takes contemporary colors well, holds permanent textures Strength: abrasion resistance better than acrylics Resilience: good Soil: good resistance Cleaning: wet cleans excellently Price: \$7 to \$13*	Strength: abrasion resistance not as high as nylon Crush resistance: not very good Soil and stains: medium resistance
Allied Chemical Monsanto American Enka DuPont Celanese Heplon Firestone Rohm & Haas Beaunit Phillips Dow Badische	Esthetics: takes contemporary colors and texture well, doesn't fuzz or pill Strength: the strongest of the fibers, excellent wear life Resilience: good Crush resistance: good Stains: won't absorb water soluble stains Flammability: melts before burning Price: \$4 to \$12*	Soil: soils and shows soil easily Colors: sometimes not sunproof in light colors
Allied Chemical DuPont Monsanto	(same characteristics as nylon) Additional feature: low luster hides soil	
Allied Chemical	Esthetics: like polyester, but refracts inner light, looks silky, more lustrous Strength: like nylon Additional feature: outstanding soil resistance	
Celanese Hercules Phillips Uniroyal Chevron Celanese Enjay	Strength: good, strong fiber, wears well Soil: high resistance Stain: exceptional resistance, totally non-absorbent Cleaning: sponges and mops up well in the right construction Price: the lowest of the synthetics, \$4 to \$7*	Esthetics: looks flat, not as luxurious as other fibers Resilience: not very good, does better in low dense construction
*Prices quoted are from one manufacturer's complete line		

and is colorfast. *Nylon* is the most rugged of the man-made fibers and is less expensive than the acrylics and polyesters. It doesn't stain easily because it won't absorb water readily, but it does tend to show soil. The *olefins*—polypropylene is the one used for carpet fibers—are totally nonabsorbent, so they simply cannot stain. They are also quite strong. However, they are not too resilient, so they do best when used in a low, tight construction. Olefins do well outdoors when they have the right backing.

They are the cheapest of the fibers.

So there is a fiber to meet every type of use and to suit any pocketbook. Each one must be weighed against the others for specific advantages. Then the construction must be considered carefully, because the best of the fibers will mean nothing if the carpet is not made well.

Here are two rules of thumb: The deeper and denser the fibers are woven, tufted or knitted, the better the product; and the more expensive the product, the more likely

it is to be well-made with the best materials.

Some major manufacturers, to reduce confusion on brand names of fibers, have taken to testing the fibers carefully and applying their own imprimature, e.g. "Brand-X-approved polyester." Such markings should prove reliable, but all the fibers today are better than ever and are constantly being improved. Perhaps tomorrow's fibers, and therefore carpets, will never crush, pill, fuzz, melt or burn, show soil, absorb stain.

VACATION HOUSES FAR-OUT DESIGN FINDS AN EAGER MARKET

For some reason, the vacation house has never been bogged down by the need for conformity and fear of neighbors' reactions that severely restrict fresh design in year-round houses. Even the most tradition-minded families are inclined to throw off their hang-ups and accept unfamiliar spaces and forms when they move into a vacation atmosphere—providing the primary purpose of making leisure activities more enjoyable is fulfilled.

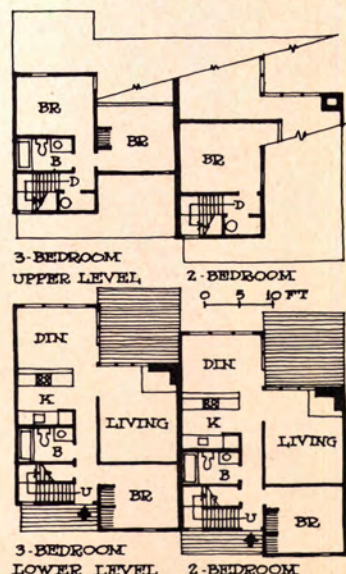
The eleven houses and apartments shown on the next 12 pages amply fulfill that requirement. All are in vacation areas—at beaches, or in the woods or mountains. All were cited for design awards by the jurors in the 1969 Homes For Better Living program, sponsored by The American Institute of Architects in co-operation with HOUSE & HOME and *American Home*.

Most of the houses are small in square footage, but large in utilization of space; second-house budgets tend to be tight, and demands for formal rooms and spaces are almost non-existent. Some of the designers are familiar names in the profession, but many are newcomers. The vacation house seems to gravitate to the imaginative new practitioner, perhaps because fees are small, locations are remote and cost strictures are severe.

These houses are important because they suggest what people want in a leisure environment. And they may hold clues to new designs that might be just as popular in year-round housing.



BEACH VIEW shows pairs of attached houses. Floor plans (below) are similar, but one of each pair has an extra bedroom on upper level.



HOUSE & HOME



Photos: Edmund Lee

AWARD OF MERIT

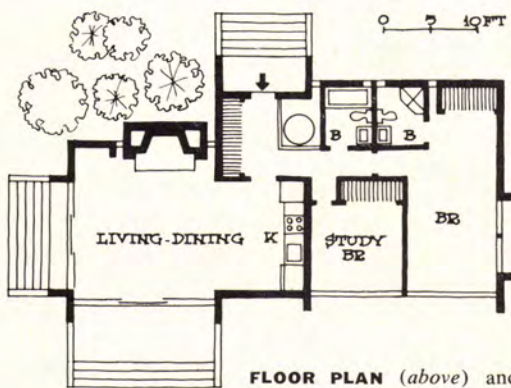
FIVE units, four of them facing the beach, with the fifth overlooking a small bay to the east, were sold as a small condominium in the Oregon coast resort community of Salishan. The five owners share a common laundry, storage buildings as well as two garages with six stalls. Boardwalks connect all units with the beach. The four largest units each have three bedrooms, two baths and sold for \$27,000. The other unit has two bedrooms with a single bath and sold for \$22,000. Architects were Church and Shiels, and Ralph Neubert was the builder. The resort property is being developed by Salishan Properties, Inc.

OCEAN VIEW (*below*) is seen from living room, dining area and a roofed porch visible beyond. In this model, the bedroom above opens to the living area.



BOARDWALKS link the adjacent buildings with each other and with the beach. Wood standards to left of walk are lighting fixtures designed by the architect.





BEDROOM (*above*) and living room (*below*) are finished in concrete block on all outside walls. Both rooms have glass walls on two sides.

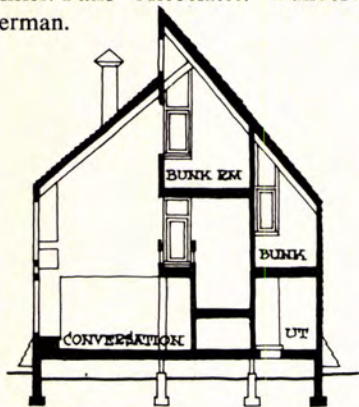
WITH this handsome utilization of an often misused material—concrete block—Oppenheimer, Brady & Associates met a client's demand for economy (\$25,000, not including land) and fireproofing (all wood is fire-retardent). The 1,500 sq.ft. lakeside house in Sharon, Conn. has two bedrooms and two baths, but a basement provides space for two additional future bedrooms. Access to the below-grade space is via outside steel cellar doors. A relatively blank facade is turned to the access road, but the other three sides of the house are open to the lake, woods and distant mountains. Oscar Schreiber & Sons was the builder.

Photos: Joseph Molitor



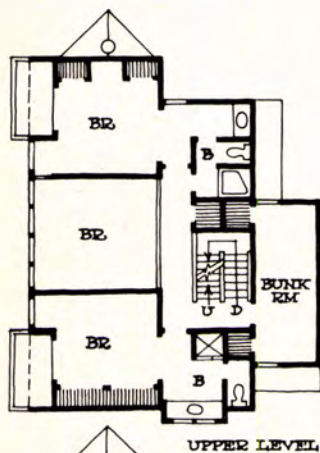
MERIT AWARD

LOCATED near Sun Valley, Idaho, this 1,800 sq.ft. ski house is of wood frame construction with a completely shingled exterior for minimum maintenance. A 2½-story living room, with adjacent inglenook and dining area, provides lounging space for crowds of skiers. Two large bunk rooms and a master bedroom on the upper levels provide sleeping accommodations. Architect: Whisler/Patri Associates. Builder: Ralph Sherman.

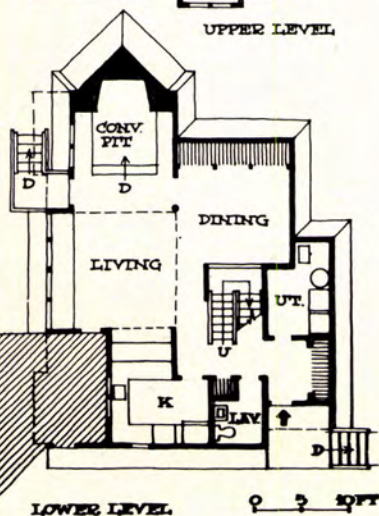


SECTION

SECTION (above) and end view of house (right) show how main bunk room under roof peak is lighted by clerestory windows.



UPPER LEVEL



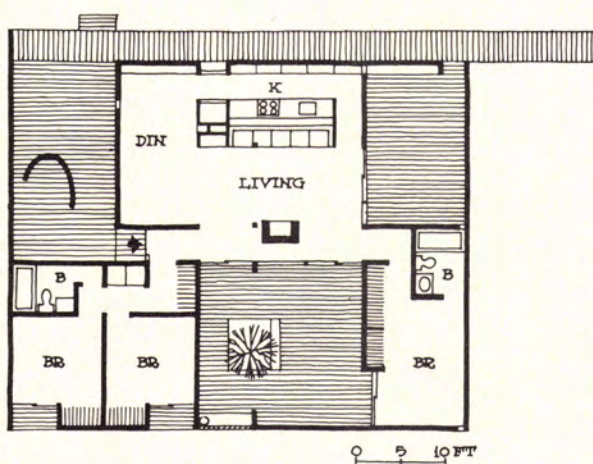
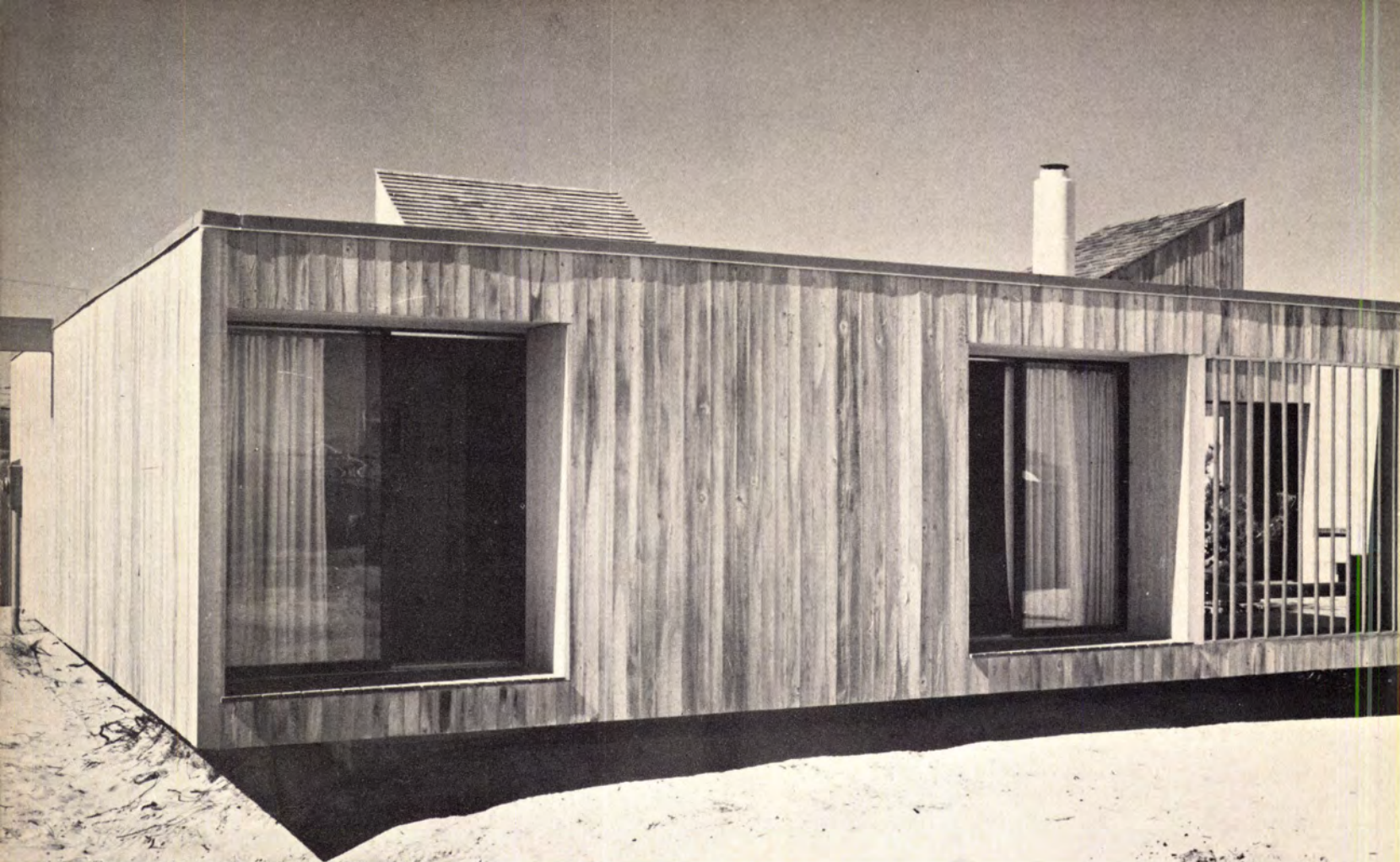
LOWER LEVEL

LIVING ROOM is open to the peak of the house, but a one-step-down fireplace corner, tucked under a second-floor bedroom, creates a conversation area.



Photos: Jeremiah Braegstad

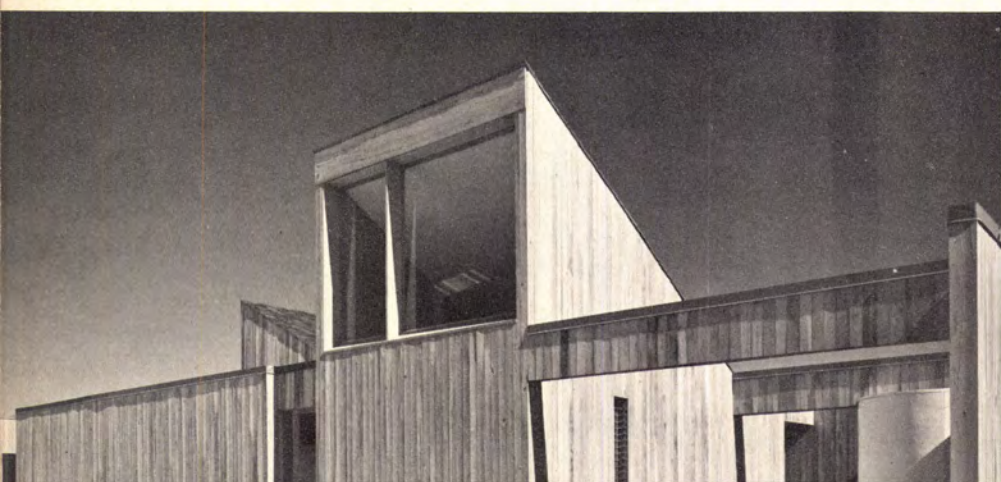




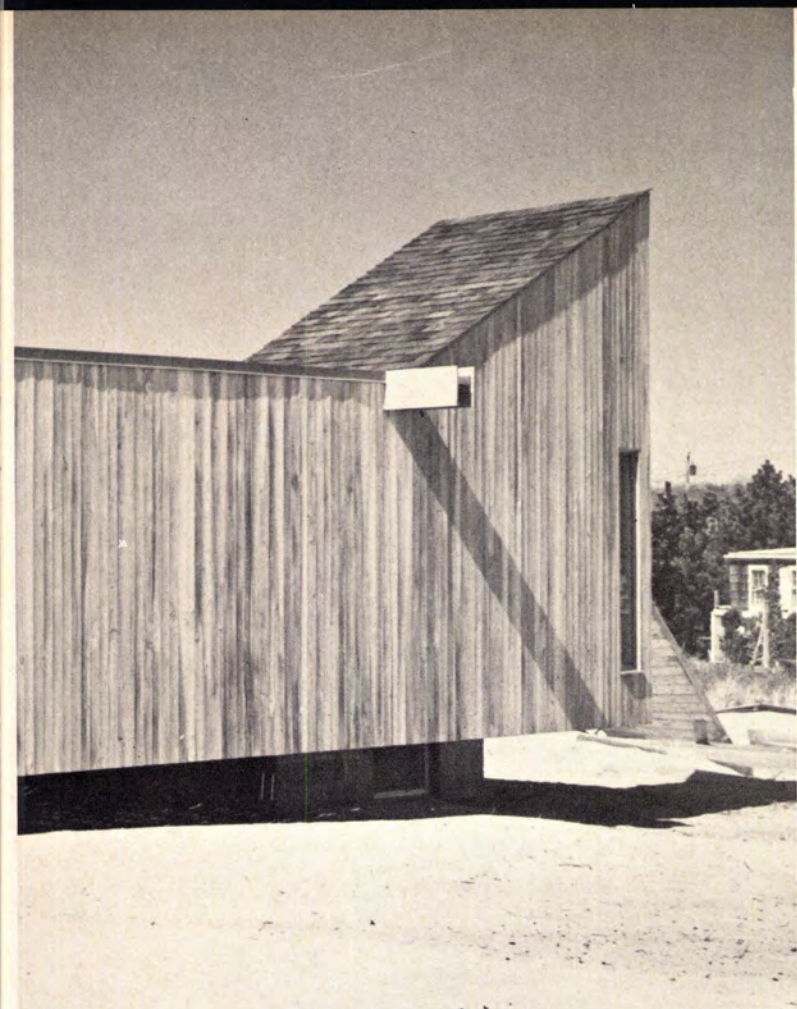
HONOR AWARD

MOST vacation houses are oriented toward an impressive view of water, woods or hills. But this small (1,262 sq.ft.) house at Amagansett, Long Island, is located in a new subdivision of $\frac{1}{4}$ -acre lots, surrounded by undistinguished houses and the usual suburban wirescape of poles and lines—with sand dunes forming the only breaks in the terrain. To provide privacy under such conditions, architects Julian and Barbara Neski turned the house inward, designing a series of sheltered outdoor living areas and using clerestories to bring light and sun into the interior rooms.

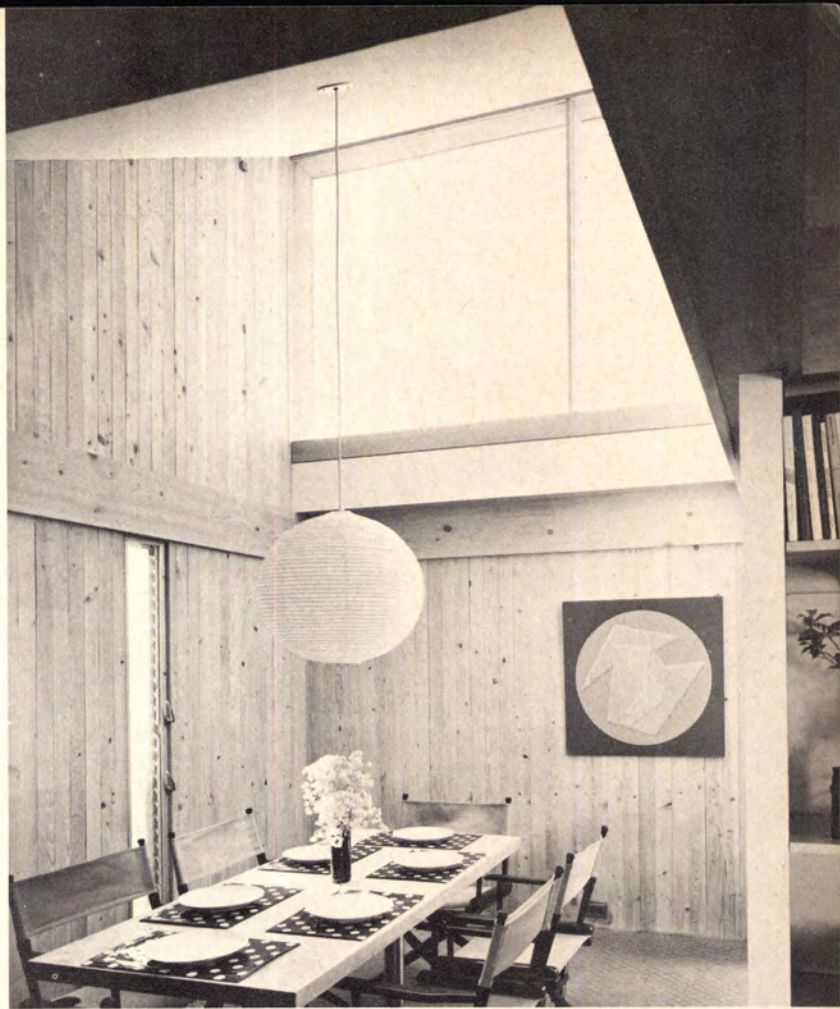
Easy maintenance was another requirement, so 1) exterior walls are cedar left unfinished to bleach out, 2) natural wood walls are used extensively throughout the interior, 3) living area floors are quarry tile and 4) moisture-proof carpeting is used in the bedrooms. Builder: John Weiss.



Photos: William Maris



WINDOW OPENINGS (photo, above) are deeply recessed for privacy and sun protection. Louvered area in center opens into courtyard (below), which is completely sheltered from neighbors.



DINING AREA (photo, above) is lighted by room-width clerestories and slit windows. Moorish-pattern quarry-tile floors are not harmed by pervasive beach sand. Living room (below) faces into center court.

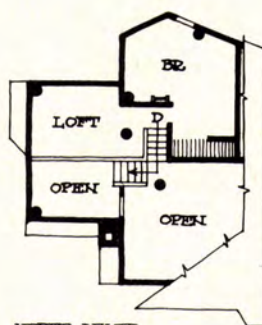




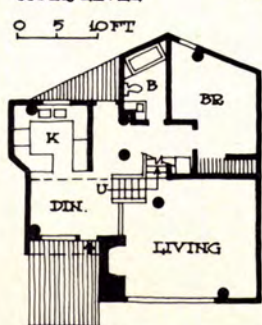
STEEP ROOF shelters large living room windows overlooking the ocean. Cedar shingles and siding will be left to weather naturally.



Photos: Edmund Lee



UPPER LEVEL



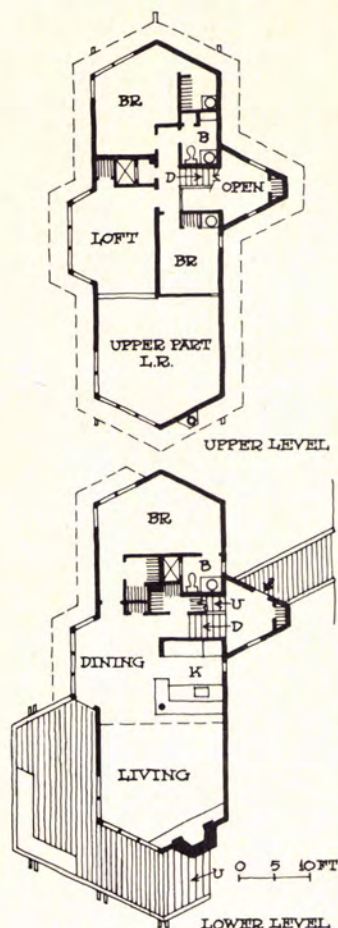
LOWER LEVEL

SPLIT-LEVEL PLAN (above) puts living room (photo, left) at mid-level between lower-level dining and kitchen areas and upper-level bedroom.

HONORABLE MENTION

THE apparently complex shape of this beach house is deceiving: it has conventional framing hung on six treated poles, and its 1,275 sq.ft. cost only \$14 per sq.ft. The pyramidal-shaped house is located on a sand spit between the Pacific Ocean and a bay in the Oregon resort community of Salishan (see p. 83 for a condominium in the same development). The living areas and one bedroom are on the ground floor, another bedroom is on the second level and a tiny reading loft is tucked under the peak of the roof, and is reached by a ladder from the upper bedroom.

Cedar shingles cover a roof of laminated 2x4s and exterior walls are rough-sawn cedar boards. Church & Shiels were the architects and Ralph Neubert was the builder.



HILLSIDE SITE permits a view of the creek valley below through two-story living room windows. Wide deck is used for summer sunning.

DINING AREA, with its low ceiling, contrasts with the living room height but has the same view. Sleeping loft above is open to the living area below.



Photos: Mortley Baer

HONORABLE MENTION

BUILT on a steep mountainside in the California Sierras, this ski house meets what seems to be the universal requirement for such vacation homes: maximum sleeping accommodations for guests plus spacious and informal living space. Three bedrooms and a dormitory-like loft provide the bed space and a two-story living room is completely open to the kitchen and dining area.

Architect Daniel G. Volkmann Jr. of the firm of Bull, Field, Volkmann and Stockwell, sited the house so its spacious deck overlooks the valley and a small stream to the south. Builder: Lundgren Construction Co.

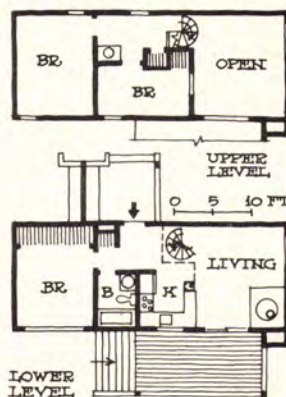


Photos: Robert G. Hadden

AWARD OF MERIT

Summer golf and winter skiing are twin attractions for this 28-unit condominium in Aspen, Colo. So the houses are sited to look south over the fairways to the ski runs and mountains, and are sheltered from the road to the north by sod-roofed carports. All roofs are built without valleys to prevent heavy snow buildup, and are designed to protect entrances and decks from snow slides. Sales prices of the one- to three-bedroom units: \$25,000-\$44,000. Architects: Henrik Bull and Ian MacKinlay. Builder/developer: Snowmass-at-Aspen.

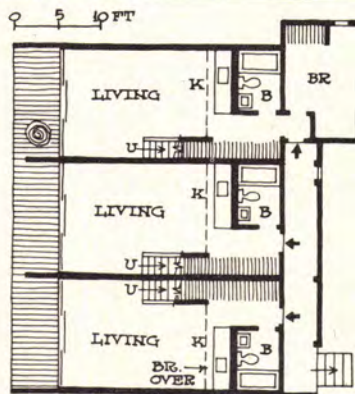
SHINGLED EXTERIORS will take on the weathered look of native regional buildings a few years. Plans (*below*) show layout of a three-bedroom house.



STAGGERED CLUSTERS give the privacy of detached houses with the advantages of less heat loss, easier snow removal and common recreation facilities.

AWARD OF MERIT

THESE ten apartments are rented to employees of Salishan (see p. 83 and p. 88) for \$75 and \$90 per month, and were built for \$11 per sq. ft., or, \$1,500 per unit. The sloping, wooded site faces a golf course and each of the two-story, one- and two-bedroom units faces a fairway. Carpeting, individual furnaces and sound retardant common walls are included. A separate laundry/storage building serves all ten apartments. Church & Shiels were the architects, and Ralph Neubert was the builder.



STREET ELEVATION (*below*) shows projecting section that holds second bedroom of two-bedroom models (*top unit, plan above*). Other bedroom is on second floor.



STEP-DOWN SITING follows hillside contours. Sliding glass doors open off living rooms onto decks facing golf course, while wood dividers provide privacy.



Photos: Edmund Lee

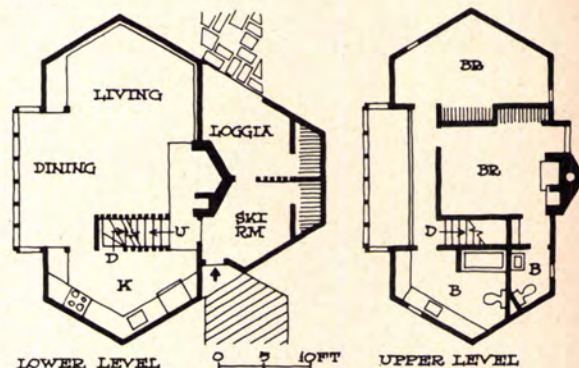


Photos: Lisanti

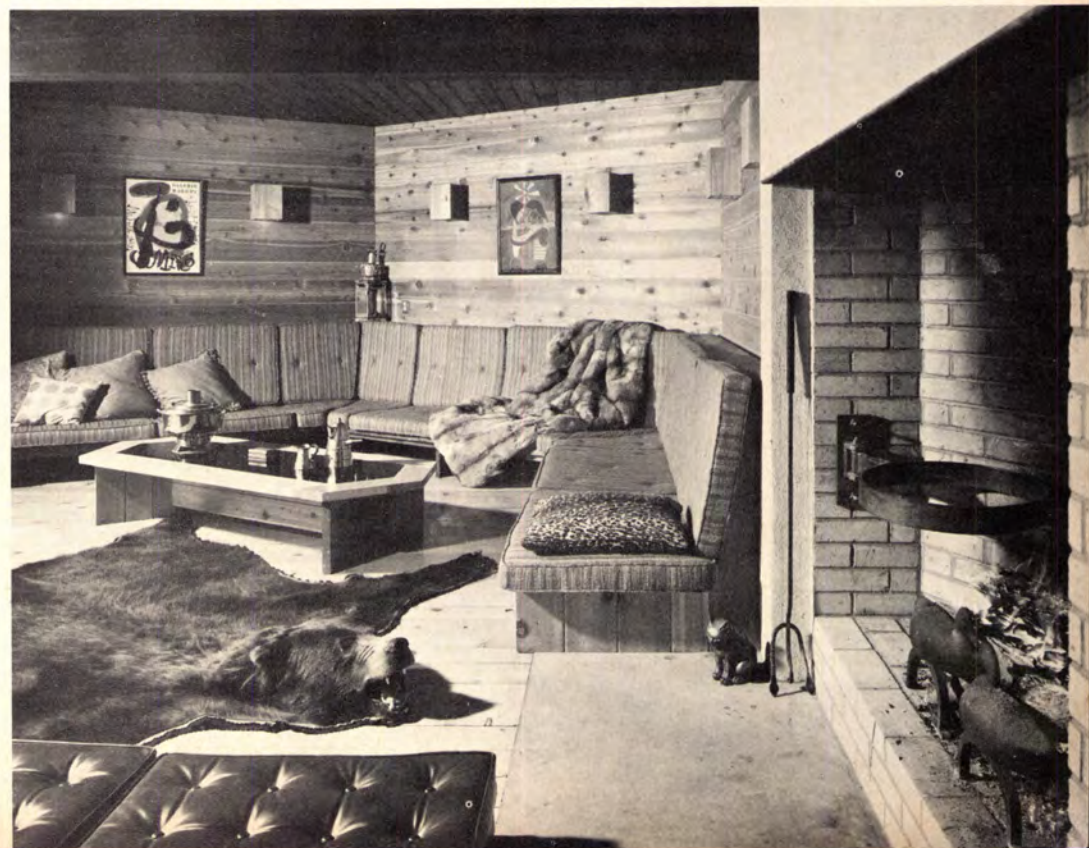
ANGLED WALLS (photo, above) create an interesting floor plan (below). Built-ins compensate for the furnishing problems of odd-shaped rooms.

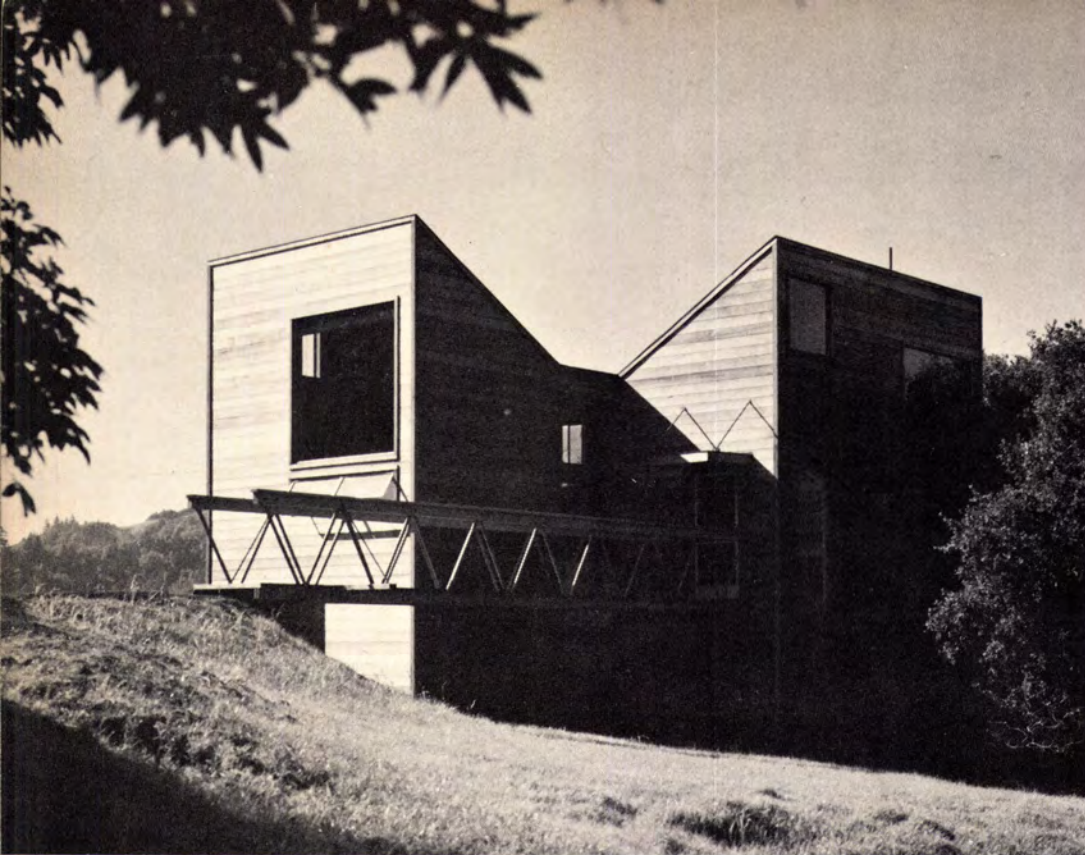
HONORABLE MENTION

BASED on the traditional design of the Vermont barn, this year-round vacation house in the heart of the New England ski area can accommodate its owner and as many as 16 guests. Living and dining rooms and kitchen are one big area focused on a huge fireplace (below) on one side and a two-story high bay window (above) on the other. Upper-floor bedrooms open off a balcony that overlooks the living area. All furniture and bunk beds are built-in, and interior walls are T&G cedar boards. Exterior siding is spruce clapboards, 3" to the weather. Architect: Huygens and Tappé. Builder: Robert G. Harris.



LIVING ROOM (below) has built-in seating around perimeter and a high fireplace as a focal point. Low ceiling and wood walls produce feeling of warmth.



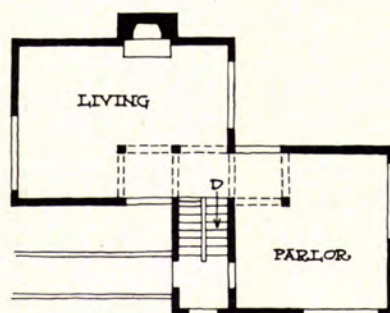


Photos: Merg Ross

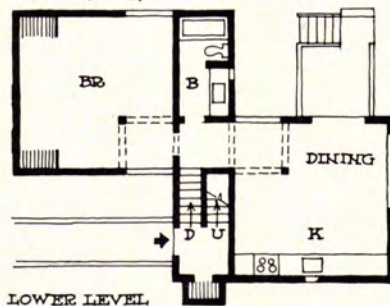
SHED-ROOFED BOXES, connected at one corner by circulation core, are reached by a wooden bridge from the high side of the sloping site.

AWARD OF MERIT

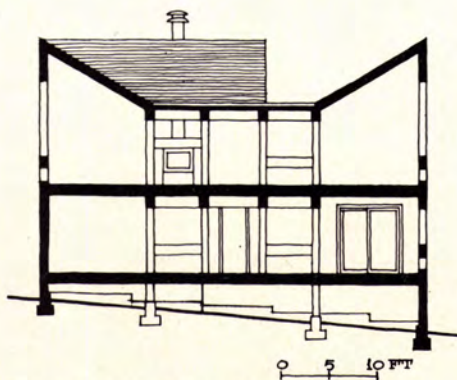
Two upward-flaring wings connected by a flat-roofed cruciform core make up this summer residence for a young couple in Marin County, Calif. The core contains the entry, stairs and bath. The two-story, 1,200 sq.ft. floor plan provides views over the trees from the upper-level living room and parlor. Natural-finished wood is used on both exterior and interior walls, and the underside of the roof decking is exposed. Backen, Arrigoni & Ross were architects, and Horst Hanf was the builder.



UPPER LEVEL



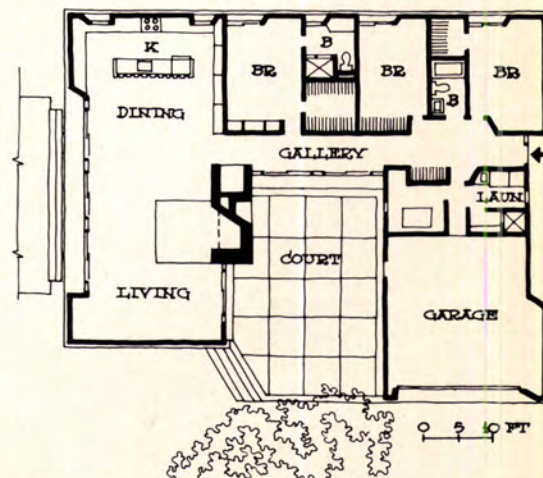
LOWER LEVEL



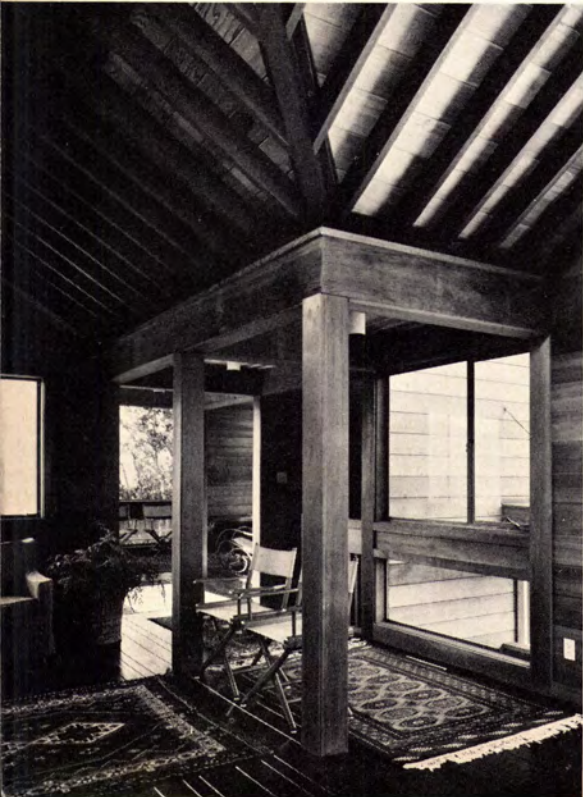
CIRCULATION CORE (left), seen from living room, shows how roof framing (section, above) is carried by posts and lintels.



SUNPOCKET is sheltered from ocean winds, can be used for outdoor entertaining.



FLOOR PLAN shows gallery opening onto sheltered patio. Deeply recessed window and door openings have 60°-angle sides that capture maximum light.





LIVING WING faces the beach across a spacious terrace. White plaster walls in living room (*below*) contrast with redwood ceiling and quarry-tile floor.

HONORABLE MENTION

INTENDED for year-round use, this U-shaped 2,965 sq.ft. house is designed for the extremes of Cape Cod weather. The low-pitched roof—set off by the traditional massive chimney—lets the silver-grey-shingled structure nestle in the shelter of the dunes, but keeps the living room wing wide open to the ocean view to the north and sun from the south. Window and door openings are deeply recessed against summer sun. A trellised front door is the only opening on the driveway side. The house was designed by Huygens & Tappé, and was built by the Sandwich Construction Co.

Photos: Phokion Karas





1965
147 MILLION

1966
116

1967
129

1968
150

1969
150
EST.

Photos: Babst Photography

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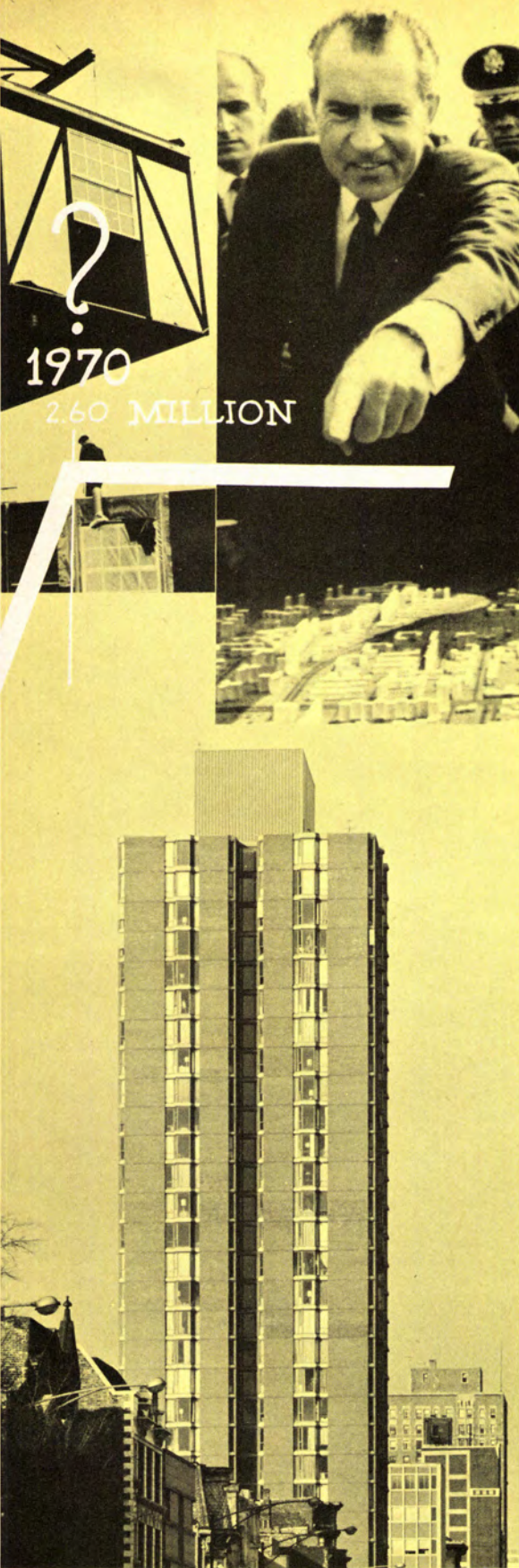
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ROUND TABLE

Can housing build 26 million units in the next decade?

That's the challenge the 1968 Housing Act threw down to the housing industry. What's more, the Act envisions that six million of those units would be for low- or moderate-income families.

But goals are not accomplishments, and hopes are not means. To meet this challenge, housing will have to produce an average of 2.6 million units for ten consecutive years—a full million more units each year than the most optimistic estimate for this year's production.

The capacity of the housing industry to attain such output was the subject of a recent HOUSE & HOME Round Table held in Cincinnati. Builders and developers were joined by financial experts, labor specialists, materials producers and mobile home manufacturers for a two-day discussion of the industry's capacities in five areas: labor, land, money, new Federal Programs and availability of materials. *On the following nine pages are highlights from the Round Table transcript.*

Jack Drake
Emerson Electric Co.
St. Louis, Mo.

William Evans
Philip Carey Mfg. Co.
Cincinnati, Ohio

Albert H. Fay
National Gypsum Co.
Buffalo, N.Y.

B.F. Leaman
Certain-Teed Corp.
Bala Cynwyd, Pa.

Donald R. Meckstroth
American-Standard Inc.
New York City

William T. Nolan
U.S. Plywood-Champion Papers
New York City

C.E. Peck
Owens-Corning Fiberglas Corp.
Toledo, Ohio

CONSULTANT

Milton P. Semer
Washington, D.C.

FOR HOUSE & HOME

Richard W. O'Neill, editor, moderator
James P. Gallagher, senior editor
Charles J. Harding, senior editor,
Engineering News-Record



FRANK



SLAYTER



EVANS



SCHMITT



O'NEILL

1 The skilled labor that housing needs to do the job doesn't exist today

Young people are not being attracted to the building trades, so labor now negotiates from a position of scarcity. Hopefully, the demand for housing will force an increase in the labor force, and builders will learn how to use this manpower more efficiently.

Richard O'Neill: As McGraw-Hill sees it, our nation's economic growth rate (including inflation) will be 4.3% for the years from 1967-1982. Household and family incomes will rise in inflated dollars. The labor force as a whole will increase a total of 23%. The work week will be down to 33 hours. And the largest proportional increase—112%—will be in housing.

The Housing Act of 1968 says 26 million new dwelling units are to be created. The big question is: Do we have anywhere near the skilled labor we need?

Charles Harding: To what extent does organized labor have the legal right to protect on-site jobs by refusing to allow the use of prefabricated items?

Mike Henderson: We will see a continuation of labor problems, but we will also see quite a number of changes and improvements in this labor situation because of the pure mathematics of trying to get a lot of units built.

O'Neill: Yes. But how does the government push a union if the labor department and NLRB effectively shut the job down?

Henderson: By going around them by using leased housing, and then by buying it after it's been leased for a couple of years, and using devious means instead of a direct approach.

Harding: That won't work either. The contractors don't have the ability or the courage to push the unions, and the government won't push them. If there is any solution it will come from the continuation of the present labor shortages we have on-site and the

development of a new work force in off-site prefabrication.

Frank P. Flynn Jr.: We have had a slight indication for the future of some of these so-called restrictive labor practices. The only answer is that public opinion will create a climate in which these practices will not be condoned.

James V. Rice: How do you arrive at wage rates? There have been some reports about new systems of negotiating wages.

Harrison M. Lasky: There are two basic problems that were discussed at the Council of Housing. One is the problem of wage disparity between field carpenters and factory carpenters. It is so great that the wage rate in the factories will have to go up. Second is who will erect the units, laborers or full-scale carpenters.

O'Neill: Even if we had the mortgage money and the sites available to do two million units this year, the industry could not really produce them.

Lasky: I agree. In all the cities we operate in, the labor shortage is the major problem.

Syd Carnine: We are losing about 40,000 carpenters a year. We as an industry have not trained the young men. And if we don't assure them of steady employment they are not going to stay in the trade. A lot of the carpenters and plumbers will come from technical schools if something is done about the seasonal employment problems.

O'Neill: Nobody wants their kids to become carpenters or

plumbers or masons. And no kids want to take up these trades. Industry must make these jobs attractive to young people.

Harding: In New York City, there is no coordination at all between vocational schools and on-site construction work. No matter how good a kid may be in one of the building trades in vocational school, he cannot work in New York City or any of the heavily unionized states or metropolitan areas. They will not take him as an apprentice.

James Gallagher: How much of the problem of seasonality and short work years is a management problem?

Robert Schmitt: Homebuilding is an industrial process, and residential building presumes it to be a trade concept. It's a process of buying land, developing land and putting it in place. And it will yield to industrial management the same as any other industry.

It is very easy for somebody that doesn't know how to build a house to draw upon the subcontract management system and consequently, the trade system. If we want to have that convenience, that lack of responsibility, then there's no use complaining.

The answer is very simple. If a management team is skilled in management and technology, they will see there are all kinds of people in this country that are employable in construction. The whole union problem will be simple as soon as the industrial managers take on their responsibility.

O'Neill: Bob Schmitt is one of the very few builders who has every trade on his payroll, subcontracts nothing, is non-union, assures his men, in effect, a guaranteed wage and produces more houses for less money. He operates in the highly unionized Cleveland suburbs area.

John Slayter: A mobile home is every bit as complicated to produce as a house. No mobile home manufacturer has ever looked to the trade groups for his labor

under any circumstances.

Schmitt: We have good relations with our employees. Communication is important. We don't have any group of men with more than four nonsupervisory people without having a supervisor. We take guys in all the time that are totally untrained and unskilled, and we make them productive in a very short length of time. It's important that our wage rates reflect their productivity. There are a lot of people that are employable at three, four, or five dollars an hour, and that is exactly how we pay. We can take a 19-year-old kid that doesn't know anything, or a 45-year-old man that doesn't know anything, and we can teach him a productive job and pay him a wage that is proportionate to his productive ability.

Flynn: Until it is no longer possible for unions to pose obstacles to necessary accomplishments, we are going to have problems with these labor practices. Twenty-six million houses have to be built, and if they aren't, and if the citizenry is aroused, nobody will be able to stand up against it. Only that kind of event can accomplish some reasonable compromise in restrictive building practices.

Herbert Solomon: The basic question is: How can the process be accelerated soon enough to achieve the goal of 26 million units over the next ten years? The way it can be accelerated is to satisfy labor leadership that these practices are in their best interest. The climate is ideal for the acceleration of the process; but it has to be a cooperative effort. It won't be accomplished if industry leaders meet in one room and labor leaders in another. If we try to bypass the unions or seek a solution outside of the unions, we may ultimately reach one, but not within sufficient time to achieve anywhere near the goal.

Harding: You cooperate with the unions, but you cooperate on their terms. The number and the extent



SOLOMON



MECKSTROTH



HARDING



NOLAN



LEAMAN

to which we hire minority people and the number of minority people going into apprenticeship in the construction industry today are on union terms. The proposed national labor agreement for model cities is on union terms. It's cooperation, but it is still capitulation.

Joseph H. Kanter: I could not agree more with Herb Solomon that the off-site manufacture of components is the answer to increased labor costs and the shortage of labor. But can it come soon enough, and how can it come about in an orderly fashion? And the interesting aspect of the thing is that the very unions and the very people who have failed to recognize the problems of manufactured components are the ones who need this housing.

Donald R. Meckstroth: Until we arrive at the conclusion that there is no such thing as a housing industry, we are going to have trouble with this problem. There is a multiplicity of industries. Operating problems—and that's what we are talking about—have to be applied against specific market segments. The low-income housing problem is probably going to be solved by high-cost housing, and that seems to be a segment of the market in which we need to attract specific, articulate government support to get the job done, because it is a cultural and a social problem as well.

Solomon: We ought to approach it from the other point of view, and say we should begin to act like an industry. There are tremendous resources that exist in the housing industry, and if we begin to mobilize those resources and focus them toward the accomplishment of a particular objective, the housing industry has within it the influence and the power and the resources to do this. If we can overcome our fragmented state, there is hardly any limit to what we can accomplish.

Carnine: The only trade union that we as builders have kept our finger on has been the Carpenters.

We have let the sub-trades take the other trades the way they wanted them to go, and they didn't have the strength to really battle the problem properly. You can probably get more out of the Carpenters today than you can anyone.

Bert Agin: The largest number of residential units that are produced in the U.S. are produced with nonunion labor. It seems that everybody is presupposing the whole labor force is going to be unionized, which I don't think is going to be the case.

Anthony Frank: I have been taking a survey of builders and they say, "We are going to give labor everything that they ask for, because we can pass it on." And if that is true, this industry is putting itself into a box from which it can never retreat.

Robert E. McDaniel: I was intrigued by the statement that low-income housing was going to be high-cost housing. We might look at the possibility that low-income, high-cost housing would also all be subsidized housing. If this is the case, much of the union influence would go into high-cost, low-income housing.

Stanley Herman: There are going to be a lot of technological advances in our industry regardless of what anyone says. There is a labor shortage. But there will have to be something done to produce a home by a better method than we have today, because we are still producing the way we did 100 years ago. It's up to the present manufacturers to come up with new skills in producing.

Richard Mitchell: With present labor costs in the mobile home or manufactured housing industry, our greatest improvement is going to be in new materials. If we cut labor costs two per cent, that's one thing. If we cut material costs two per cent, it makes a considerable difference.

Harding: With government intrusion into housing you are going

to get an extension of the Davis-Bacon Act, which means that whether you are building union or nonunion you will be building at union rates in most areas. Is the work we do here production work or construction work? Are you going to apply Davis-Bacon rates or are we going to do it under industrial rates?

Henderson: We are building several rent supplements where we are building components just off site—only a block away—to stay away from the Wage and Hour problems. Because we are using a lot of Negro help, we have had no interference at all. If we were using all white help we probably would have some.

Lasky: Don't you think that we are really on the dawn of a completely new era in the housing industry?

Up to now we have had companies building a lot of houses. But they are not big, well-financed companies with adequate capital and the acquisitions of some of the suppliers in this room. We are beginning to get a new type of executive talent in the industry and perhaps this will bring the kind of management Bob Schmitt

was just talking about.

O'Neill: The management ability of homebuilding firms improves every year. Yet thirty percent of all firms go out of business every year. And they go out of business because they go under. You have to be tougher and smarter to survive today than you did in 1947.

Gallagher: Is the subcontract system the best way to produce a product? Which part of the housing industry do you feel is best served by the subcontract system, and which part of the industry do you feel would be better served by Bob Schmitt's system?

Meckstroth: Low-cost, standardized housing is obviously the latter. Housing that is going to be put together piece-by-piece will take subcontractors.

Solomon: Management and expertise and concentration of resources is developing among certain very large home builders. But even if they get up to 5, 10 or 15% of the total industry, still the majority of building will be done by builders who build less than 25 houses a year.

2 The land is there, but local zoning won't let it be used as it should

The same restrictions that always barred low-income housing from many communities are now handicapping middle-income housing too. But a newcomer, the mobile home, is showing that cooperative industry effort can successfully ease zoning restrictions.

O'Neill: The rate of expansion of land use in the first half of this decade, urban expansion, was a million acres a year. But urban plant, counting all places with more than 1,000 people, still occupies less than two per cent of our land mass. We do have lots of land. Our only problem is access—the skyrocketing cost of land.

Peck: Isn't one of our major goals to get the speculators' profit out of land costs? Those costs go

up without adding any real value to the property. Taxing unused land very heavily and reducing the tax on the improved property, would force better land use.

O'Neill: People who pursue this land-tax issue think the way to begin is to first straighten out the land through equitable property taxes. That means assessments, which should be 100% of market value, would be reviewed every

continued



SEMER



RICE



HENDERSON



DeCOSTER

two years and then the tax would be related to the hundred per cent assessment.

Schmitt: Heavy land taxation would compound the problem of higher cost. Each developer must lead his building through the planning, financing and development processes. You have to invest a very large chunk of money before you turn over a dollar. If you up the cost of holding land you will only up the cost of housing. What you are really getting at is that private ownership of land stands in the way of orderly development. Whether or not the government should get into appropriation for residential growth is a very moot question.

Bill Underwood: We see a trend of professional land merchants now coming into the picture; planning large areas and holding them, utilizing land in an orderly way. This helps to develop beautiful communities and is healthy for our industry and for the welfare of the people. So land is being accumulated by professional merchants, some are builders, some are not even builders at all, but they make the land available for all uses, and it makes for a very attractive community.

Keyork Hovnanian: If small builders are to remain in business, land speculators or land merchants are necessary. It is beyond the reach of a small builder to hold the land and wait three years.

Schmitt: The land speculator is doing a real service to the community and the industry. Somebody has to go out in front far enough with the money to get land together in big pieces.

Lasky: Some of the new California towns have attracted industry to get decentralization, and have done a fine job of creating their own market that way. But don't tax us on the basis of land. We have 150,000 acres.

Joe Kanter: In about 1952, when I began to look around at

the housing picture, it seemed that the greatest opportunities were going to be in the resources of owning land. I had a vision of being able to specialize in 15, 20 or 30 different cities. But by and large we have consistently been the largest developer of lots only in Cincinnati. There are reasons why we are consistently successful. It is a question first of location, then of low overhead (and that includes carrying charges as well as management and merchandising) and finally the question of financial strength, of being able to hold onto land without having to panic.

Rice: We really seem to be concerned with land use over a long period of time. The urban responsibility could very definitely be to determine the use of the land. One of the big problems has been bad planning.

Schmitt: Someone suggested there should be a way to prevent one or a few landowners from standing in the way of orderly land development. The implication of that is land appropriation by some governmental body. Another method would be for the community or the government—this would have to be the federal government—to create land banks where land is bought and held in reserve. You still get into the problem of appropriation, and that's pretty hard. I'd have to think long and hard about it. When I am buying I like to appropriate everything. When I am selling I am not sure I want to be appropriated.

O'Neill: If the federal government had the power of eminent domain to acquire land for land banks, on the day of the announcement the price would go from \$3,200 an acre to \$50,000 an acre.

Schmitt: It doesn't matter. They have appraisers who appraise land based on its historical value, and that's what they pay.

Kanter: From your legal standpoint value starts at the time they

actually file condemnation proceedings, so if they made an announcement and it took them a year and a half before they filed a condemnation proceeding, that land would just go sky high. I am practically the only developer in Cincinnati that's selling any lots because it's been so frustrating; water, sewers, zoning. About the only people who are willing to tackle it are those who have to because they want their own lots.

Hovnanian: I think the homebuyer's and homebuilder's most serious problem is artificial zoning and municipal boundaries. Because of educational costs, most municipalities don't want any more housing. The only preventative they have is upgrading or zoning.

Unless bad zoning is corrected, the middle class will be completely eliminated from the market.

O'Neill: At one time fiscal zoning only worked against low-income people, but now it is working against the middle class. And in center cities, even when Federal money is available, one of the biggest problems in providing low-income housing is getting building sites because this group or that group doesn't want it in their neighborhood.

Albert H. Fay: In New York State, the Urban Development Corporation has been given probably the broadest powers any State organization has ever had. They can come in, obviate building codes, obviate land use, zoning restrictions or anything else. They have the legal power to do that.

O'Neill: If the city does not approve, and if the state legislators from that area do not approve, I rather doubt that UDC would come in and override them.

Gallagher: Maybe this is like the labor situation we talked about earlier. When the pressures become strong, a state legislature will pass decent legislation.

Milton P. Semer: Pressures will come from the middle class

—which has traditionally been hostile to subsidy—when they suddenly find they are part of the subsidy crowd. Then that kind of pressure will start to be brought to bear on even state legislatures. That's why George Romney is looking to governors to bring them into the act to see if he can build that kind of a power base. The other thing that Romney brings to the land policy is a relatively uncomplicated notion that the objective is to build houses and the rest will follow. It would take a very simple adjustment of the urban renewal law to turn urban land over to housing. I am not worried about whether or not that's going to pollute the downtown, because I think a good builder is a much better planner than any public bureaucrat I have ever run into.

O'Neill: Urban sprawl doesn't bother me either. We can undo anything we have done in the way of improvements to realty, and we can do it over again.

Schmitt: I have an idea that of all the inhibitions we have discussed and will discuss in respect to adequate housing, all or most have their origins in legislation, in local, state or federal government.

Semer: On the question of land, that part of the business activity that has the best curve, not the largest volume of shelter, is the mobile home industry. Do they have a land problem, and if not why not?

Kanter: The zoning is difficult sometimes.

Semer: Yes, it is difficult, but somehow they are more successful than most other people.

Solomon: The mobile home industry has a very serious land problem. Three hundred thousand units were manufactured in 1968; 100,000 were taken away and put on people's lots; 100,000 new mobile home park sites were created. That left a deficiency of 100,000 mobile home sites and



MURRAY



PECK



FRANK



UNDERWOOD



BAHR

the problem of where to place the mobile homes.

Mitchell: Maybe we solve it better because the mobile home industry has a very strong national association that spends the biggest share of its budget on land development. We get out and try to fight zoning problems as an association. We design more land developments than anybody else in the United States right in our own office.

Semer: There has to be something akin to what the mobile home industry has done in the whole shelter industry, or the bureaucrats will keep you divided.

O'Neill: Can we float a 40-year municipal bond for mobile homes in low-income housing?

Semer: Wall Street is taking the mobile home industry seriously in other respects, and if the Street got some analyst to tell them that

state legislatures and city councils have now taken in the mobile home industry as legit, sure, they will underwrite it.

Bill Nolan: As we design changes, we will see acceptances in communities that now wouldn't buy a mobile park.

Mitchell: We are by no means creating mobile slums. All of the parks that we are now designing have virtually all of the amenities of life that a well-developed apartment house complex would have. Our own records show that when we were involved in zoning problems and hearings five years ago we lost two out of three cases. We are now at the point where we are winning over 50 per cent of them. Industrial development is sort of a magic word. Everybody wants it because of its tax base, but if you are going to have industrial development you have to provide shelter for the people who are going to work in those plants.

the insurance industry by two or three basic factors. One, we are not getting our normal repayment. Two, insurance companies are lending money on policies at a ridiculously low interest rate, and a lot more people are borrowing along those lines. Three is the amount of insurance dollars going into the variable annuity approach, which means equities.

Flynn: By and large, the investments by pension funds, until the investment psychology took over, were in fixed return obligations. Trustees didn't invest in mortgages, because one man and a couple of girls could manage a \$10, \$20 or \$30 million portfolio of bonds, and he couldn't begin to manage a million dollars in mortgages because of the red tape and clerical work involved.

Tony Frank: About half of the funds this year are coming from S&L's, and I suspect that, as the fortunate institutions that have a choice drop out of the mortgage market, the proportion of S&L's is going to increase.

O'Neill: Tony, when you say escalator terms, do you mean by that extending the term of the mortgage?

Frank: Yes. That is about the only way to avoid the pickets out in the front that the industry has discovered so far; to increase interest rate and extend the term.

Kanter: The problem comes when you try to increase the mortgage rate. All of our mortgages have an escalator clause. The mechanics were that you could increase your rate if your deposit rate went up. There were two ways to do it. One, leave the term alone and increase the interest rate. Two, extend the term and you have an over-all balloon at the end. In either event we were met with great resistance when we attempted to make any change in their mortgage.

Murray: That's what the FHA system was supposed to have relieved. The idea of increasing the

rate or, as we say, trading the rate for amortization but still having a long term sufficient to amortize the mortgage itself, is a much better approach. We are going backwards instead of forwards if we adopt the short-term mortgage without writing for a sufficient term to reasonably amortize it.

Schmitt: There is a need for a technological revolution in the way of permanent financing of homes. Much money is wasted by the archaic practice of transferring title. Initially and each time the house changes title, there is an average value erosion of five per cent of the value of that house.

Herman: I would like to ask Jim Murray about this combined fund of the insurance companies. Was that a billion dollar fund?

Murray: Yes. We in the industry were quite pleased by the creation of the billion dollar program, which helped housing and job-creating enterprises in central cities. Virtually all of the first billion dollars has already been committed, and recently a second billion dollar program was announced. We have been quite pleased with the results.

Frank: From a lender's point of view a mortgage is highly undesirable. It has a fixed rate of return and no options from the point of view of the lender. And yet the borrower has many options.

Lasky: The pension fund trust is the pool we must tap if we are to make a really significant dent. In California, Arizona and several other states, the retirement pension funds of the state workers and unions are being channeled into the mortgage field right now, in quite significant amounts.

Allan Paul: We brainstormed all these things last week on the executive committee of NAHB. We asked the government to look into pension funds and see if they were really being invested in the

continued

3 Housing must find new ways to tap the overall pool of investment capital

Inflation is forcing lenders to turn away from fixed income mortgages and toward participation and equity investments. FNMA is taking up some of this burden, but there is still a shortfall between housing's money needs and the available capital.

Rice: The same number of dollars don't go as far this year as they did last year in the mortgage business. If we are going to hold at 1.6 million units where is the money coming from?

Flynn: Obviously it will have to come from a new source. Until the inflationary psychology is eliminated, investors who have an alternative will not be interested in investing in fixed return obligations. But we have seen a significant breakthrough and some imagination exhibited in the past 12 months, and that comes from FNMA's success in stimulating some activity. For three weeks, FNMA put out over a hundred million dollars in mortgages and

actually stopped the slide in increase in rising yields and the slide in prices for mortgages. No one is going to put all their money into equities. And if the Administration is successful in halting inflation, some investment managers, who have gotten themselves in equity positions to an excessive degree, may be a little embarrassed.

James B. Murray Jr.: There is a tendency on the part of lenders—and I am speaking principally of insurance companies—to get into apartment lending more and more than into single-family, because it offers a means of protection against inflation. The shortage of funds is brought about in



MITCHELL



CIPRIANO



FLYNN



CARNINE



FAY

best interests of the people. The other thing we came up with was possibly to make S&L deposits tax free like municipal bonds.

Flynn: History has taught us that a society or economy cannot exist with inflation. If we think that we can have controlled inflation, that is like controlled pregnancy. We have already taken the steps necessary to put our industry in a competitive position as far as raising money is concerned. We can't become so obsessed with the idea that there is going to be a complete turnover toward equity participations. FNMA, or private corporations who are approved by the GNMA, will be able to issue these instruments, which will be government bonds and which will compete with the corporate bonds. Pension funds is one area where a large volume of these obligations has been sold. The Federal Home Loan Bank should issue bond issue after bond issue and provide funds for the S&L's.

Rice: The thing that has been real rough, and why it has been hard for us to keep this business on an even keel, is the process of clamping down on housing and then opening her up wide.

Lasky: California S&L's have always had high rates, and their portfolio is at a much higher level. They would love to raise the rate, but unfortunately you can't have sectionalized rates for the investor. The real basic problem in this money market is thrift. People are not saving on an accelerated basis.

O'Neill: You can't say people don't save. They save a lot more contractually than they ever did in the past.

Semer: For all practical purposes, we now have a free rate. I'd rather see goals oriented to stabilization of money flow than to some contracyclical approach to who needs houses and how fast can this country get them.

Murray: Our real problem is how to get this solved for the cen-

tral-city, low-income, low-price house. The funds in our billion dollar program are very closely channeled into that specific field.

Ted Peck: It is clear that the insurance industry will continue to be an opportunistic lender. At this point, they are almost out of single-family home mortgages. Now, in 1969, there are 17 million people between the ages of 20 and 24. That is why we have an apartment boom. Five years from now the same surge of people will be 25 to 29 and moving out of apartments as they have babies. When that happens, the insurance industry is going to scramble to rebuild their former distribution system.

Semer: If there is no longer an arbitrary lid on yields, what would it take to get the insurance industry into the market?

Murray: There is no way I know of to make a loan on a single-family house and have a variable rate. I don't think it would ever be acceptable. But you can do it on apartments.

Kanter: We have to decide: Do we want a controlled money situation in this country, or do we want a free flow of money?

Schmitt: I believe, short of a total collapse of the economy, that inflation is a way of life. And I am not so sure it is undesirable. It is the most efficient form of taxation there is. It favors the productive segment of the economy which produces our wealth, but it is true that it hurts the long-term lender who has a fixed return in an inflating economy.

Underwood: Our industry is a major industry in the nation. Yet we are victims of feast and famine as far as the money managers are concerned. They turn the faucet on and off, and we can never solve our problem of accomplishing what we have been talking about. If we could just get the governmental programs stabilized, instead of the next Congress changing them all over again, that would

really solve the problem.

Rice: Milt Semer asked what are you going to do to stabilize the flow in the face of the monetary restraint that we have now. Let's give FNMA credit for being able to move on up to about four billion dollars more than they have done, up to seven billion dollars a year. Then it really boils down to a simple need to get five billion dollars this year into the savings and loan system, and Mr. Proxmire is leading the charge to see that that happens.

Flynn: I agree one hundred percent with that. I think we have the mechanics. There is a question in my mind as to whether or not certain people who dictate the economic policy of this country really want it.

O'Neill: Frank, how elastic is the bond market? If you started getting FNMA mortgage bonds out would you have to fight the corporate triple A's for money?

Flynn: We would have to compete. But at least we would be in a position to compete.

Hovnanian: Don't you think with the insurance companies participating in the gross income in apartments there will be more funds available than the seven billion dollars projected here?

Murray: There would be a tendency for more funds, but there is a limit to the amount available to take care of all the segments.

Gallagher: Can you offer incentives to encourage repayment of older loans?

Murray: I don't know what the incentive would be other than to discount the loan, and I don't think we would start that.

Frank: Many S&L's are pursuing such a program; not just waiving the prepayment penalty, which has worked, but also actually offering discounts. They offer two inducements: one, a discount, and

two, a higher conventional loan.

Peck: There is the relatively small organization called Home Capital Funds, which has been formed by some 15 building materials manufacturers. They make joint mortgage loans with banks, insurance companies and S&L's to piggyback on top of a typical 75% loan, enough to make it a 90% loan.

Semer: If freeing up the rate hasn't done the job, we still have this gap. And if Frank is correct that we now have some fairly sophisticated mechanisms in government, and I am inclined to think he is, then what we told government for years—free the rate and moneys will flow in the right direction—isn't working. You are going to have to lobby the Treasury, the Council of Economic Advisors and the White House, so that if these goals are correct, and you come up with a gap or shortage, you go ahead and lobby to close that gap.

Rice: I would like to have Milt describe what a massive industry lobbying effort would be, and what it would be like.

Semer: Well, it consists of two parts. Category one is known as the approach of right reason. The effectiveness of it is somewhere under 10%, and the 90% is the sort of thing that oil, gas and steel do when they have problems; see your Congressmen, give a political contribution, go to the big Congressional dinner.

Fay: Are there any available mechanisms pension funds can go to for investing in mortgages?

Harding: The labor unions have started a national investing process, and are asking their affiliated unions to kick their various pension fund moneys into a national fund.

Carnine: I am a management trustee on several trusts in Southern California. We use mortgage bankers to invest directly, and they do the collecting and servicing.



HOVNANIAN



DRAKE



KANTER



PAUL



McDANIEL

Solomon: Someone has suggested the advantageousness of stabilizing the supply of money available to the shelter industry. But as important as stabilization is, it must be at the proper level.

Flynn: We should eliminate this bugaboo of high interest from our thoughts. We should make up our minds to sell our product at what it takes to attract money.

Schmitt: We have been talking about permanent mortgages. One of our needs is a more sophisticated interim financing.

One of the reasons that builders' organizations are so unstable, one of the reasons they don't have permanent management staffs, one of the reasons they don't have an investment in capital equipment, is that the interim finance system for home building is related to in-place materials and labor. A sys-

tem of financial accounting is a sounder control on a lender's loan than just the mortgage. The large majority of houses are still built by builders who are financed in four ways: credit on the land, land development loans, construction loans and not paying their bills. So long as that's true, the forms of builders' organizations are going to remain just what they are.

Any two-bit manufacturing operation can get a better and more flexible line of credit than a very solid builder can get in a bank.

Mitchell: The builder doesn't think of himself as running a factory, so why should the banker?

Fay: Put a hundred-year mortgage on the land portion of it, a 50-year mortgage on the frame and a 10-year chattel mortgage on a' the mechanical equipment. How about that?

tem of financial accounting is a sounder control on a lender's loan than just the mortgage. The large majority of houses are still built by builders who are financed in four ways: credit on the land, land development loans, construction loans and not paying their bills. So long as that's true, the forms of builders' organizations are going to remain just what they are.

Meckstroth: We got our feet wet recently on an apartment in New York of about 66 units. It was \$18,200 a unit, conventional construction, no magic acts at all. We built an apartment by industrial management techniques at \$18,200 a unit, and it wasn't very fancy. We didn't have swimming pools or fountains in the lobby. But it is damn good housing. It is in New York City, and we made a very little money on it.

O'Neill: What made the difference between \$18,200 and \$22,000?

Meckstroth: Time control.

Kanter: These federally-assisted programs offer perhaps the best opportunity for the so-called industrial builder. I also see opportunities for a builder to reach two, three or four per cent of the entire housing market, because he becomes an expert in a certain type of a federal program and will have a steady flow of money.

Lasky: Milt, what will it cost to do the first-class job you are talking about?

Semer: Well, it's not so much money as it is blood. If it's important enough you can just pay double cost. Keep paying to the trade associations, and behind the scenes you can go ahead and organize your power base.

What has happened since 1950 is the emergence of three large institutional hurdles. Institutional problem number one is your labor union. Number two is inner city social problems, the tendency to stalemate. Number three is public bureaucracies.

O'Neill: Gentlemen, given everything you say, I don't think we could reach the 26-million-unit goal, because under the present programs the income limitations

are too high to reach most low-income families.

Kanter: The thing you are missing is this. 608 didn't start out at \$8,100. They started out originally at \$5,000. What's to say you shouldn't have a hundred-year mortgage or 80-year mortgage? The most important thing is this: If there is no profit in it, if some poor guy like myself is not going to make himself several million dollars, you will not get anybody with any brains to do the program.

McDaniel: Everybody is a bit discouraged, but this 236 program offers a lot of the potential that Joe is talking about. FHA is looking at 221d3 and 236 in a much different manner than they did a year ago. I think 236 will work in many places in the Midwest.

Semer: One of the things a lot of the Romney people would like to do is to have builders like yourselves go into a market, analyze it, find out the demand and convert that into effective demand through a set of programs—without prejudging whether or not it should be 236 or rent supplement.

Kanter: You have to have one program that a builder can understand and work in, because you can't be a specialist in 16 programs, and you can't get any real volume out of it.

Hovnanian: With those blue chip national companies coming into the housing picture, they should be able to get money from the market by issuing mortgage bonds to the public.

Cipriano: I am wondering if there isn't something a little more compelling that should guide this industry's thoughts in times like these. A kind of national purpose has been superimposed on a private industry, and it seems to me the monkey is on the back of the industry now and is coming up with a program that is likely to achieve this national purpose.

continued

4 New Federal programs must be funded before they make an appreciable impact

But even when and if they are, income limitations and construction costs will make it difficult—or impossible—for low-income housing programs to work in many big cities. Still, they may prove ideal for smaller communities.

O'Neill: What are the prospects of George Romney's really producing any housing?

Semer: Probably better than they have been in years. So far as money is concerned you have a predictable flow on which builders can make plans. So far as goals are concerned, it's going to be a lot easier to stabilize at a level below those targets.

Peck: What we are talking about in these federal programs is low-income housing. The power base for low-income housing is black power, and I think that's a pretty strong power base to move on, because those people do want and need housing.

Rice: Within this power center is a very powerful continuing infight which tends to neutralize the flow of funds into our industry; the constant battle between commercial banks and S&L's.

Flynn: I've had personal experience with getting some of these things done. The conflict is between the black community—particularly militants in the black community—and municipal governments, and that will be a big problem.

O'Neill: You are going to have another problem even if you could solve that one. The income and mortgage limitations on 235 and 236 will not work in big northern cities. Does anybody

5 The supply of building materials can expand to meet any predictable demand

But plant facilities cannot be expanded overnight, and if there is an unexpected explosion of housing production, some materials will be in short supply. But new and better building products are the goal of builder and manufacturer alike.

Rice: The supply of building materials will rise to the needs of the market. There are short-term problems, but no long-term problems.

Peck: One of the clear things is the lead time that's needed to expand capacity. Any manufacturer in the room can expand his capacity in ten years to double what is produced. On the other hand, we have already made our decisions on what capacity we will increase to in 1970 and '71. In a boom-and-bust atmosphere most manufacturers will be cautious.

Lasky: At the housing show in Houston this year, there really seemed to be a lack of something to really shake the lethargy out of people and encourage buying.

Gallagher: Manufacturers often bring out new materials, colors, textures and patterns, but you never see them in the model houses. Somewhere there is an awful breakdown between the creation of new design, new colors and their actual utilization.

James Boddorf: We just asked the builders in Southern California: "How aggressive are building product manufacturers in coming to you and trying to work with you?" And the answer is that they don't know these people. The builders seem to be seeking out the manufacturers, rather than the other way round.

Schmitt: I can give Harry some free advice on how to develop excitement and not depend on manufacturers at all, and that's in the design of the house, the design of the house on the lot; or with the lot, the design of the neighborhood. And it isn't necessarily a lot of money, but a little excitement.

Lasky: Apartments in Southern California leave a great deal to be desired, but the single-family houses are exciting. We build patios with the houses and are far advanced in land planning. But there have been some major breakthroughs in equipment.

Nolan: We would love to work with you guys. Unfortunately, a building company that shall be nameless went through this with us a couple of months ago, and when we did try to talk to them they said: "We really don't want to make any changes."

Slyater: There is not a mobile company around worth its salt

that does not have at least one full-time staff designer. So, a lot of these new products actually show up in the mobile home industry first. It is quite easy to do once you have a staff set up to do it. You are constantly evaluating products and ideas, and it provides a place for manufacturers to try out their concepts.

Fay: First, concerning our product lines, there is no doubt that we will be able to fill the needs of the market. The low-expansion rates you showed are based on the fact that our industry has been operating at a relatively low percentage of capacity. There is absolutely no point in building additional capacity at a time when you are operating at only 70 or 80% capacity, and this capacity can be built very rapidly.

Now, the second aspect. Building material manufacturers do a lousy job of contacting builders, and in the development of new products for the builders. But there are some very good reasons for this. Our products, by and large, are selling today at approximately the same prices they were ten years ago. Because of this cost-price squeeze, we have had to substantially reduce our input into promotion, advertising and research, which is certainly taking the industry backwards. But we have no alternative if we are to stay in business.

Cipriano: We go forth, samples in hand, full of zeal. And if we are lucky, we get in to see a purchasing agent, and his computer mind that calculates the cost of x cents extra times a thousand or three thousand homes. I am afraid that a lot of these ideas never percolate deep enough or high enough into the building or builder organization so that someone in authority can really appraise the worthwhileness. So I think this is something that smart builders should provide for. Don't close the door to ideas.

Bodorf: After we asked how aggressive manufacturers were, we asked: "How accessible are you as the top marketing guy to a good marketing idea?" And the gist of the answers was, "I will see anybody who says he has a good idea, and if he has a good idea then he and I can build some kind of a relationship." But they don't want to see your local salesman. The top dog wants to see your top dog. He wants to deal with a guy who can cut the red tape at the home office, who can

make the arrangements on distribution, the guy who can make decisions.

Meckstroth: The growth of the market will tend to be evolutionary, and if you are even remotely correct in the mix you are talking about here, going to two-thirds multi- and one-third single-family before it swings back into some other situation, has a profound effect on the capability of my particular segment of this industry in meeting the requirements.

I think your typical purchasing agent is a safety player, gentleman. You allocate to him the commodity purchasing, and he will buy just what he bought before because that pleased you. And he will buy it particularly if he can get a little better price.

We have 250 salesmen in the United States. I don't want them to call on the purchasing agent. I want them to go back to the people who are designing your houses.

We are still going to have standard products, and we are still going to have specialty and feature products. The standard products will go through your safety player, and my advantage there comes if I am the lowest cost producer. But basically I am betting on innovation, on our resourcefulness in being able to work with the people that really decide your product.

Evans: We were gratified by the enthusiastic interest in a new idea on an admittedly old product. It had to do with roofing colors and we never had so much interest in Houston. Before introducing this new concept, we had sold about 50% white, 30% black with the other 20% divided among umpteenth other colors. You know what the percentage is now? Still 50% white and 30% black.

Well, that's our problem to solve. But we had something we thought the builders wanted.

Leaman: How does a manufacturer guarantee to a builder that the public is, will be, or can be motivated sufficiently for him to take a chance on using the product?

The design of new materials in the last ten years and in the next ten years has out-stripped the design of the finished product. You just have to pick up the real estate section of any paper east of the Rocky Mountains on any Sunday and look at the finished product. If this is supposed to be an exciting, innovative industry, it is certainly not evident in what the average person sees.

Design is the one element that has been sadly missing in the housing industry; eye appeal, how the house is placed on the lot, how the houses relate to each other, the use of space and things like that.

Frank: In theoretical economics, what determines the upper limit on a raw material's price is the fact that, at a certain point, you can substitute another material.

Schmitt: Our company is the only builder in the town that really has any design innovation. But when you change, the people's immediate reaction is negative; not the people that buy the houses, but the public officials that control the houses. I make it a practice, and have for years, to send all the public officials I am doing business with all the new information. I make a Xerox, run every article off and take pictures out of *HOUSE & HOME* and other trade magazines, and send them to the officials. And I send them anything on land-use innovation. I am trying to create a mental attitude on the part of these people, so that when I come to them with a new idea, they will be conditioned to them.

Solomon: It is extremely difficult to develop excitement in housing. One reason is that there are tens of thousands of builders. It is logistically difficult for them all to be aware of the innovations that are taking place.

Another is, when a consumer buys a new product he will have for years, or when it comes to buying a home, all of a person's innate conservatism comes to the surface. Builders aren't in a position to take a chance on the public's accepting something that new and revolutionary when the resulting loss, if they are wrong, is so great.

Peck: A completely different attitude exists with a person moving into an apartment.

Innovations are easy to sell in apartments if you have the right proposition for a builder. The big apartment boom we are having will pave the way for many of the innovations of tomorrow.

Kanter: I have been waiting for 20 years for the great new technology, and I just don't believe there is going to be any great breakthrough. I am not going to wait around for it.

The housing boom is another great myth. I have been waiting for that for 10 years.

Meckstroth: Is your purchasing agent willing to look at installed costs?

Kanter: Yes, of course. Most purchasing agents have to. That much they know. We may not have gotten the purchasing agent to look at the marketing yet, but they know the installed costs.

Underwood: I heartily agree that the single-family homebuyer is not quite ready for new design. But it seems inevitable that five years from now the customers are going to be looking at it a little bit differently. I really would encourage the manufacturers to keep on, and not give up.

O'Neill: Just keep in mind that there is probably nobody who bought or rented a new dwelling unit just because of the brand name of the product there.



United States Steel

Is the tight mortgage money market hurting your business?

by **Norman Strunk**, Executive Vice President
United States Savings and Loan League

If you are in the home construction industry, you know by now that a housing "crunch" is here.

The demand for homes is strong. We are at least half a million units a year behind estimated need. Looking ahead, the need will keep growing as family formations rise through the 1970's and beyond.

Notwithstanding the strong demand, we are building single-family homes at about half the rate we built ten years ago. A lot of prospective buyers and willing builders have to stand pat right where they are. Construction workers, builders, real estate salesmen, contractors and the thousands of companies who supply the industry with everything from air conditioners to zinc flashing are feeling a gradual cooling of demand for their services and products.

What has happened, as you know, is that mortgage money has become scarce, and the cost of available money has climbed. This is because some people recently have not been putting their customary savings in mortgage-lending institutions. Instead, they have been seeking a higher rate of return, even though

it may also involve greater risks.

In most cases, the amount of interest or dividends these forms of investments pay is not controlled by Federal Government rulings as are the interest rates Savings and Loan Associations are allowed to pay.

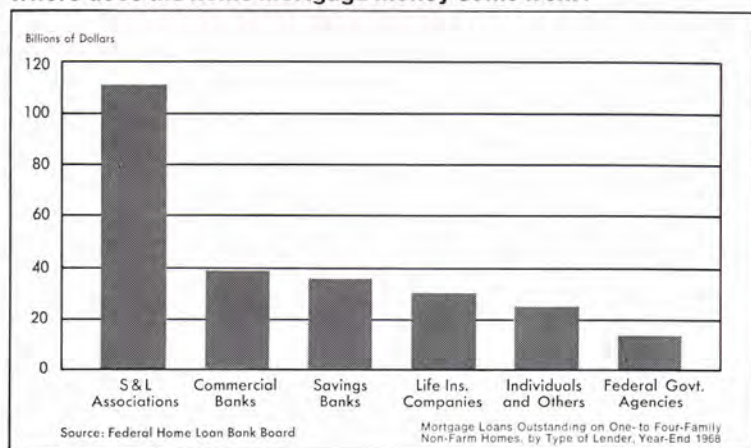
What can be done about the housing "crunch"?

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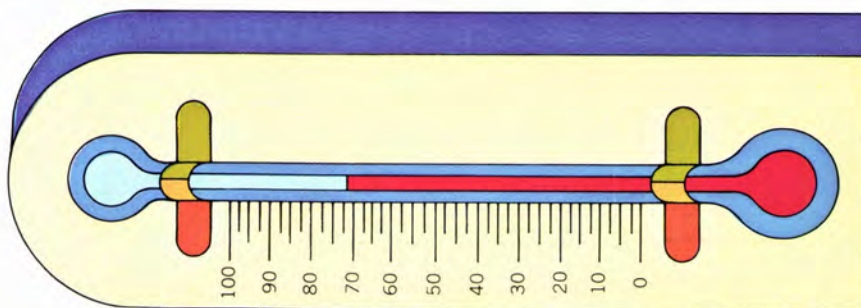
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Baths



Tile-scored hardboard has a deeply embossed pattern. The plastic-finished panels come 4' wide, can be applied with adhesive. Colors available are oatmeal and white. Marlite, Dover, Ohio. *Circle 203 on Reader Service card*



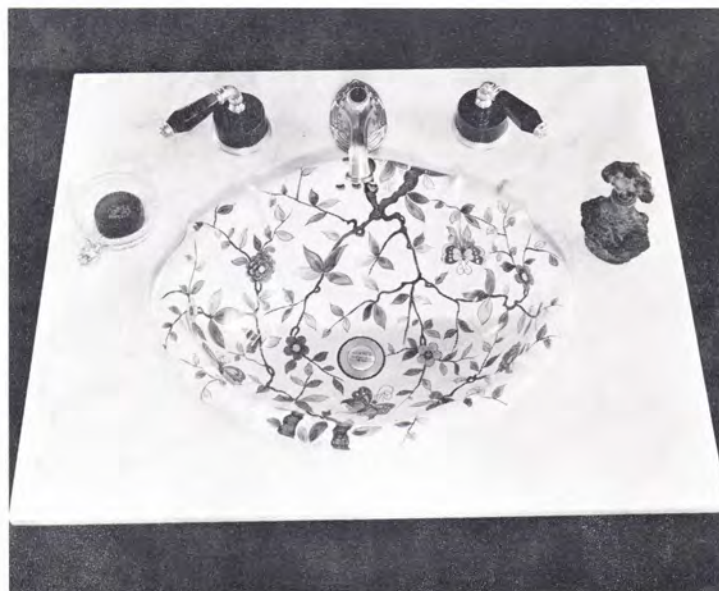
Pedestal basin is 20"x24", has an extra large bowl, an anti-splash rim, concealed front overflow, conveniently wide ledge and twin recessed soap dishes. White china lavatory is available with chrome-plated legs. Gerber Plumbing Fixtures, Chicago.

Circle 205 on Reader Service card

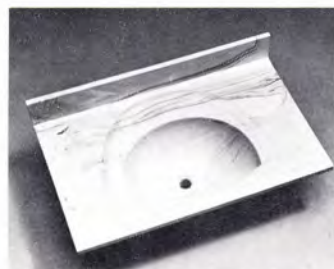


Nonscald faucet has just one moving part, balances pressure to maintain even water temperature despite drains on supply lines. Design features a single-handle control—either a dial, as shown, or a lever—in 14 styles. Delta, Taylor, Mich.

Circle 206 on Reader Service card



Elegant bowl, intricately painted and fired by hand, is one of a collection inspired by French, Dutch, German and Chinese designs. Even the overlapping edge is decorated. Jeweled faucets also available. Sherle Wagner, New York City. *Circle 207 on Reader Service card*



Marble-like lavatory has an integral slab, bowl and back splash—all molded into one piece of a newly developed plastic that won't stain or burn. Colors: bone or white. Sizes: 22" or 24" deep, 30" to 72" long. Briggs Mfg., Warren, Mich.

Circle 208 on Reader Service card




One-piece vanity top looks and feels like marble, but is molded plastic. The $\frac{3}{4}$ "-thick unit is 22" deep and 24", 31" or 37" long. Also in custom lengths up to 73". Features: twin soap dishes, a 4" backsplash. Borg-Warner, Mansfield, Ohio.

Circle 209 on Reader Service card



Shower unit, 34"x60", 34"x48" or 36" square, includes wall panels, glass enclosure and maintenance-free molded floor with attached drain. Nine wall patterns and ten floor colors. Leakproof joint system. Formica, Cincinnati, Ohio. *Circle 204 on Reader Service card*

New products continued on p. 126



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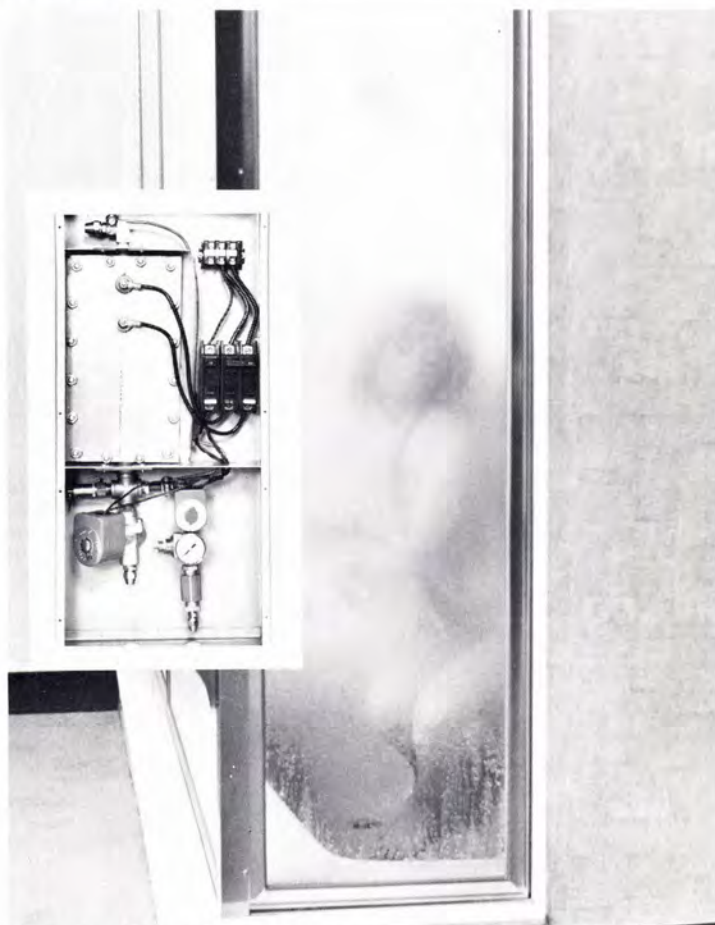
Circle 109 on Reader Service card

924

NEW PRODUCTS

start on p. 120

Baths



Steam bath equipment converts any shower area to a Turkish bath. Inset photo shows medicine-cabinet-size generator, installed in wall or nearby cabinet, which uses electrodes to produce steam. Home Steam Bath, Houston, Tex. Circle 214 on Reader Service card



Coordinated bath includes top lights, medicine cabinet with three-way viewing, cultured marble vanity top, oval basins, wood-grained vanity bases and decorator faucets. General Bathroom Products, Elk Grove Village, Ill. Circle 215 on Reader Service card

New products continued on p. 135

Circle 110 on Reader Service card ➤

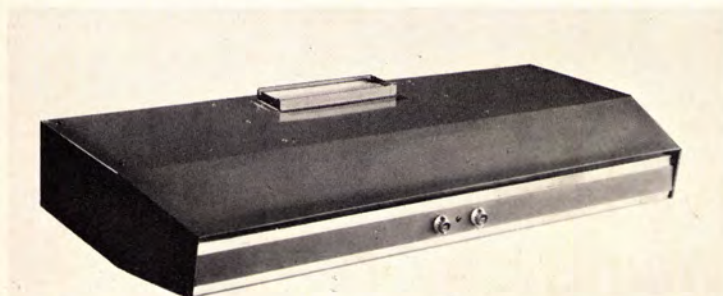
Kitchens



Side-by-side refrigerator with decorator front panels features adjustable glide-out rollers, snap-in adjustable shelves, separate temperature controls and provision for plugging in automatic icemaker. Westinghouse, New York City. *Circle 220 on Reader Service card*



Double-oven range is 30" wide, has an eye-level oven with see-through black glass door and a self-cleaning lower oven with a picture window. Pushbutton controls set five heat levels for surface cooking. General Electric, Louisville, Ky. *Circle 221 on Reader Service card*



Ventilating hood provides an infinite range of fan speeds instead of the standard three speeds. Enclosed motor, removable blade and large 240-sq.-in. aluminum mesh filter. Sizes: 30", 36" and 42" wide. Philip-Carey, Cincinnati, Ohio. *Circle 222 on Reader Service card*

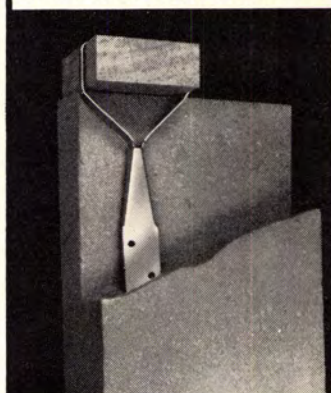
New products continued on p. 136

◀ *Circle 150 on Reader Service card*

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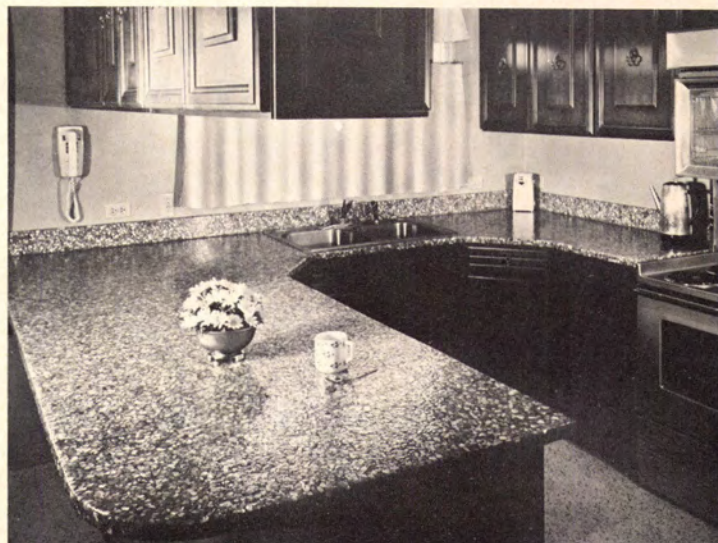
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NEW PRODUCTS

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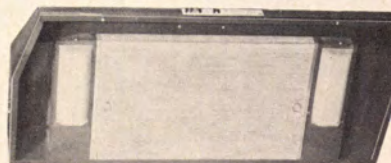
Kitchens



Unusual countertop has marble, mother-of-pearl and other stone chips in a clear—and durable—polyester. It can be fabricated, in many colors and textures, on the job or can be custom molded. Lusterock International, Houston, Tex. Circle 223 on Reader Service card



Canopy hood, for free-standing and built-in ranges, comes in many sizes, has an easy-to-remove extra large filter, recessed lights and optional free initials in gold script. One man can install it. O'Keefe & Merritt, Los Angeles. Circle 224 on Reader Service card



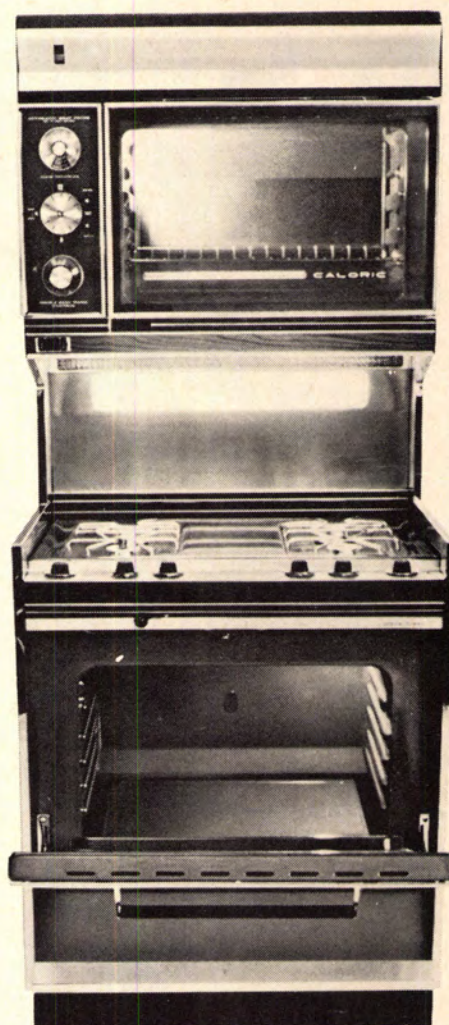
Vent hood has six-pushbutton eye-level control panel, powerful 19-blade turbine-type wheel, lower right, that exhausts smoke at 600 cfm, a 360-sq.-in. fine mesh filter, lower left, and twin recessed lights. Modern Maid, Chattanooga, Tenn. Circle 225 on Reader Service card

New products continued on p. 138

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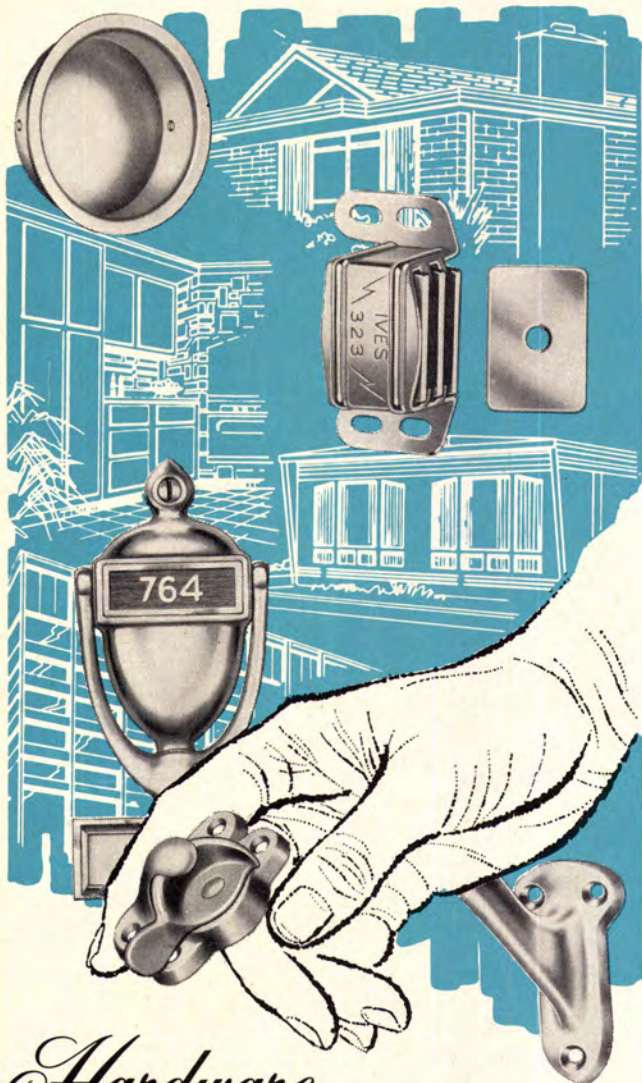
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NEW PRODUCTS

start on p. 120

Kitchens



Extra large washer takes up to 18 lbs. of heavy fabrics, washes delicate fabrics and small leftover loads of up to 2½ lbs. in a smaller basket. Companion dryer also has larger capacity. General Electric, Louisville, Ky. Circle 228 on Reader Service card

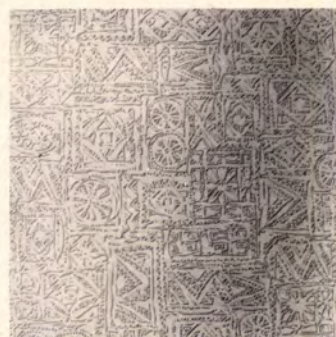


Indoor grill is teamed with range top and oven in a 30" drop-in unit. Features: rotisserie, shish kebab, french fryer, non-stick griddle and system that vents surface odors and smoke outdoors. Jenn-Air, Indianapolis, Ind. Circle 229 on Reader Service card



Incan design provides geometric pattern for plastic laminate countertopping that will resist scratches and stains. Available colors are avocado and gold that will go with most of the popular major appliance colors. Ralph Wilson Plastics, Temple, Tex.

Circle 231 on Reader Service card



Sculptured laminate for countertops has three-dimensional surface pattern of 3½"x1" rectangles in a herringbone design. The ¼" laminate comes in 4'x10' sheets in black or white and won't chip or break. Enjay Fibers and Laminates, Odenton, Md.

Circle 230 on Reader Service card

New products continued on p. 140



12 Maytags put in 3 rugged years with only 5 minor repairs at Summit Lake

"We have just replaced the rest of our other brand of washers with 12 new Maytags," writes Mr. Abe Garman, Resident Manager.

Opened for occupancy in late 1964, Summit Lake Apartments in Akron, Ohio, is a complex of 26 modern brick buildings with 283 living units. "We planned every detail specifically to meet the needs of young families," states Mr. Irving Botnick, the builder.

Three years ago the washers in several of Summit Lake's five laundry rooms were replaced with Maytags. "We had many service problems with the previous equipment," says Mr. Abe Garman, Resident Manager. "The 12 Maytags, however, are performing dependably and have needed only five very small repairs in the entire three years. As a result we have just added 12 new Maytags, so that all our laundry rooms are now Maytag-equipped."

Naturally, we don't say all Maytags will match the record of those at Summit Lake Apartments. But dependability is what we try to build into every Maytag. Find out what Maytag dependability can do for you. Contact your local Maytag Route Operator or fill in and mail the coupon now.



Mr. Garman in the Maytag-equipped facility that won a top award in the "Apartment Laundry Beautiful" Contest.

**The Maytag Company
Advertising Dept. HH-10, Newton, Iowa 50208**

Send me complete information about the dependable new Maytag Commercial Washers with exclusive Dial-A-Fabric.

Name

Address

City

State

Zip Code Phone

THE EJS CANTERBURY suitable for any setting!



...from an EJS Collection of Classics that reflect the natural richness of Wood with Weathered Brass. Learn more about EJS Woods from your Distributor, or write EJS for a full color brochure.

#4526: Spread 21", Length 25", O-A Drop 45", 6 Light. Finish: Walnut or Black with Weathered Brass. Premium: Avocado with Weathered Brass. Candelabra base sockets.



EJS LIGHTING CORPORATION
921 East Pico Boulevard, Los Angeles, California 90021

Circle 117 on Reader Service card

Move them up to the elegance of "Thai-Teak" Floors WITHOUT MOVING THEM OUT OF THEIR PRICE RANGE!

Thai-Teak (Botanical name, *Tectona Grandis*; imported from Thailand) is lustrous and luxurious... easy to maintain with just an occasional waxing... withstands the hardest wear... resists termites, rot, decay... is available at a cost that compares with medium-priced carpet and vinyl... and comes in 85 different patterns.

See our insert in *Sweet's Light Construction Catalog*. For complete details, attach coupon below to your firm's letterhead.

SHOWN: Basketweave Pattern in offices of Kenyon & Eckhardt Adv. Agency installed by Space Design Grp.

GENUINE IMPORTED
THAI-TEAK
PARQUETRY FLOORING



1019
BANGKOK INDUSTRIES, INC.
1545 W. Passyunk Ave., Phila., Pa. 19145

☐ Please send details on Thai-Teak Custom Flooring.
☐ Please have your representative call on me.

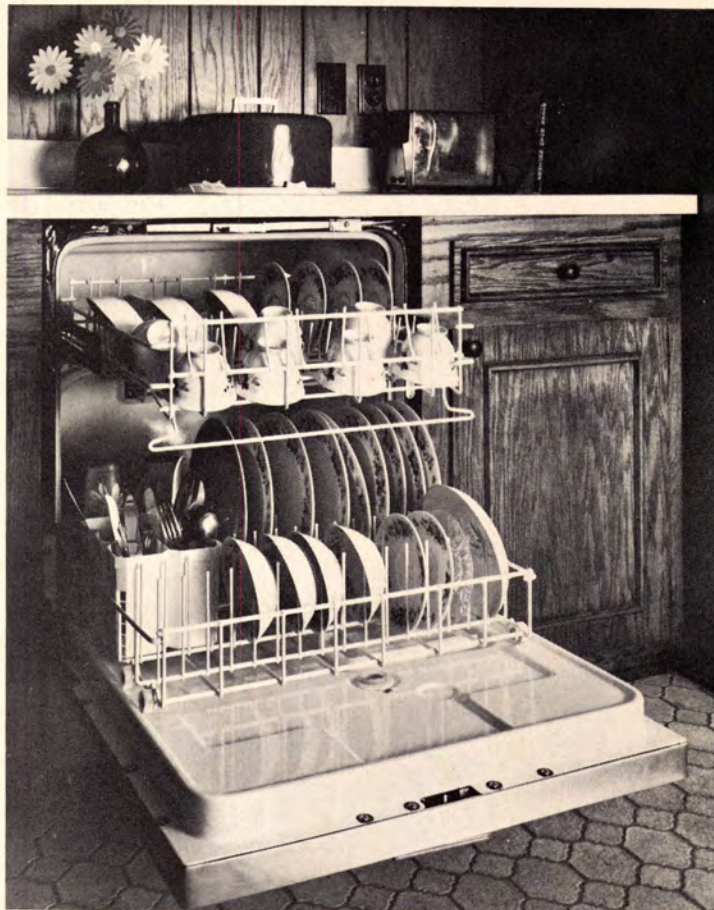
NAME _____

ADDRESS _____

NEW PRODUCTS

start on p. 120

Kitchens



Self-cleaning dishwasher requires no pre-rinsing. Stainless steel and cast aluminum blades whirling at 3600 rpm wash food waste down the drain. Features: roll-out racks, automatic dispensers. Chambers, Oxford, Miss. Circle 226 on Reader Service card



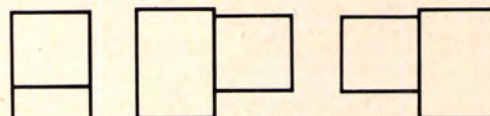
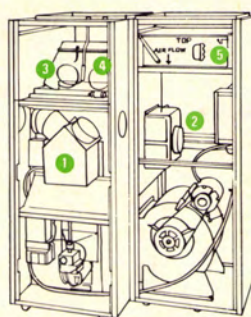
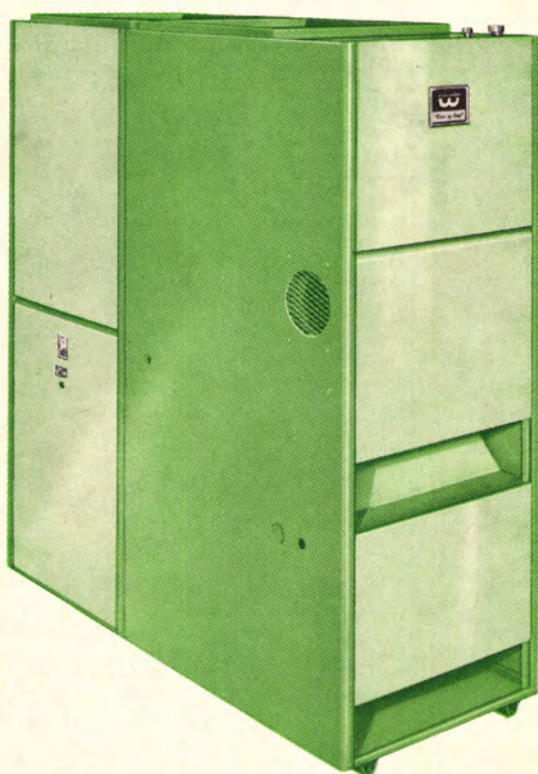
Self-cleaning wall oven has special controls for immediate cooking or delayed automatic starting. The 30"-wide electric model has lever to lock oven during high-heat cleaning operation. Frigidaire, Dayton, Ohio. Circle 227 on Reader Service card

New products continued on p. 142

What's new in residential environmental control?

Williamson's "Five-in-One"™

PAT. NO. 3,385,351



ALTERNATE
"SIDE" ASSEMBLIES

"IN-LINE" ASSEMBLY

- 1 Heating
- 2 Humidification
- 3 Air Conditioning
- 4 Dehumidification
- 5 Electronic Air Cleaning

Imagine creating a sparkling fresh residential environment where the home owner never worries about heat, cold, humidity, bacteria, pollen count, noise, etc. Impossible? You're wrong. The Williamson "Five-In-One" heats and humidifies in the winter, cools and dehumidifies in the summer; and electronically cleans the air all year long. Best of all it performs all these functions with just one self-contained unit—not a furnace with a number of added appendages.

Williamson's "Five-In-One" offers heating capacities from 100,000 to 180,000 B.T.U., and cooling capacities from 25,000 to 56,000 B.T.U.; humidification up to one gallon output per hour and removal of over 90% of all airborne contaminants. It is available for use with natural gas, L.P. gas and fuel oil.

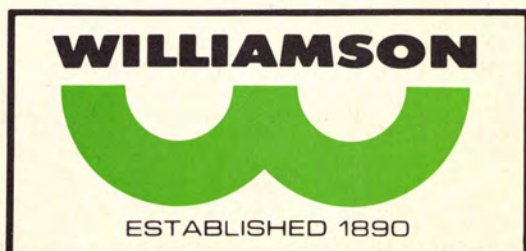
The gas fired units have a solid state modulating control system which proportions the flow of gas to the burner according to heat demand. A highly responsive thermistor sensing element allows temperature selection in increments of one degree.

Write for descriptive literature today.

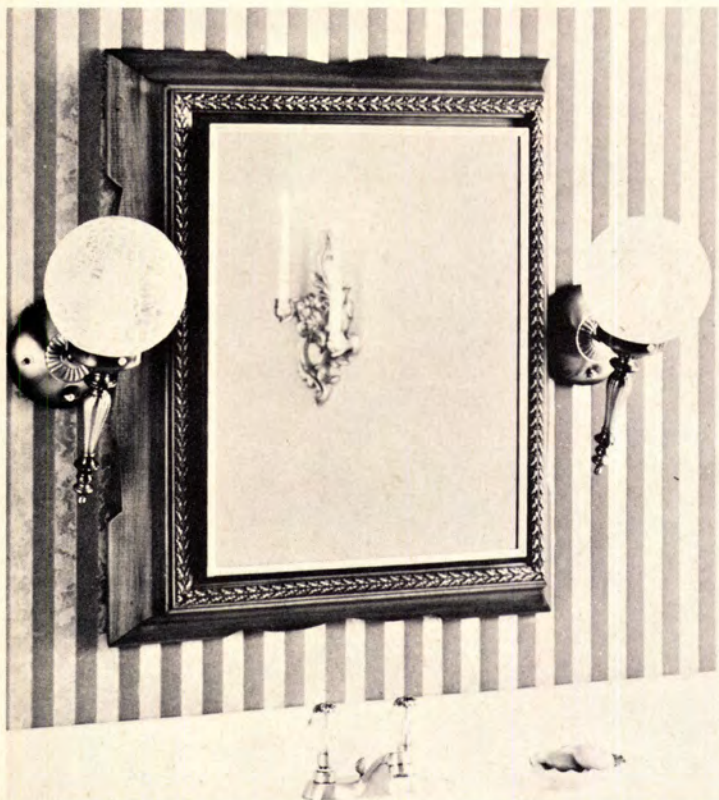
The Williamson Company, Dept. A-119

3334 Madison Road, Cincinnati, Ohio 45209

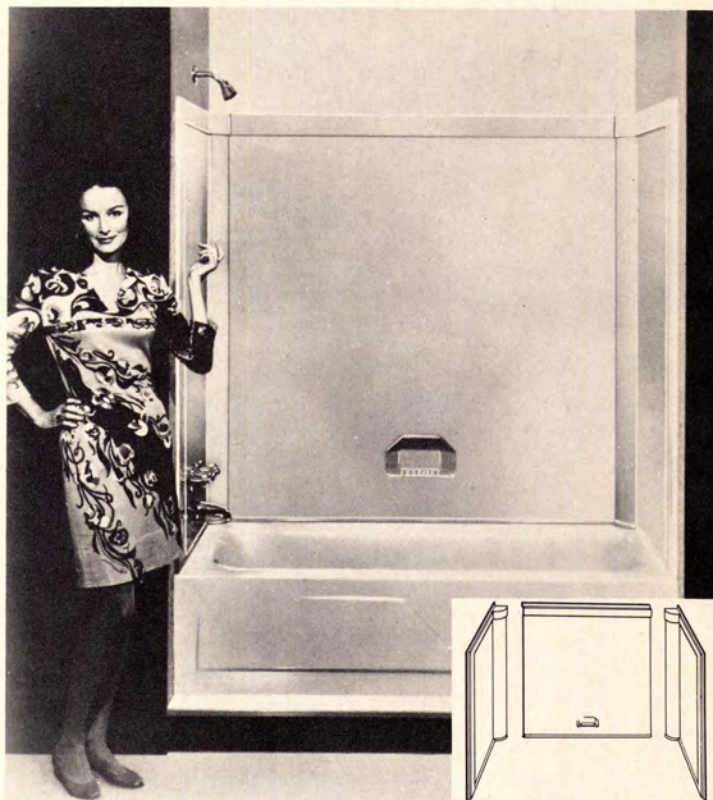
Phone: (513) 731-1343



Baths



Surface-mounted cabinet hangs as easily as a picture. Frame stays put while mirrored door swings open. Ivory and gold, silver or walnut wood frame with brass or chrome lighting fixtures. Monarch Metal Products, Elk Grove Village, Ill. Circle 216 on Reader Service card

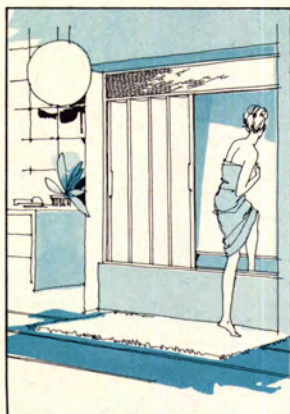


Fiberglass surround will fit any 30"x60" tub. Three 58"-high panels (*inset*) are glued to drywall, nailed to studs, then caulked at corners. Curved edges allow for some adjustments. Six colors. Swan, St. Louis, Mo. Circle 217 on Reader Service card

New products continued on p. 144

Showerfold®
gives you folding
green for the bathroom
you build...

... or harvest gold, blue, pink, white, beige, yellow. Showerfold tub and shower enclosures are made in many colors to please your home buyers and save you money. One man can install a Showerfold enclosure in about half an hour. And don't worry about breakage, the flexible panels can't chip, crack, or break. Think of the savings; low installation costs, no breakage problems, and a model to fit every budget.



the only complete line in the business

For more information,
write today.

SHOWERFOLD DIVISION
KINKEAD
INDUSTRIES
INCORPORATED
5860 N. Pulaski Road, Chicago, Illinois 60646
12601 Western Ave., Garden Grove, Cal. 92641

**Why the BLU-RAY 842
Table-Top Whiteprinter
saves your time
and money...**



If a speed of twelve feet per minute will handle your needs (up to 200 "D" size prints per hour — 42" throat), the 842 can save you a lot of time and money.

Just plug in the 842 anywhere. It's handy and makes copies from translucent originals at 1¢ per sq. ft. — all day long! This is a rugged performer, its dependability is backed by BLU-RAY's exclusive 1-year warranty.

And the 842 is always on GO... no waiting for warm-up, messing with liquids, or special wiring needed.

Fastest selling compact whiteprinter on the market, the 842 can be your time and money saver, too!

Send for brochure and
free demonstration by one
of our 600 dealers
coast to coast.

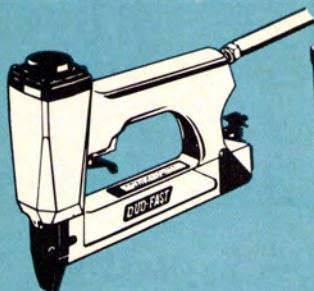
BLU-RAY

INCORPORATED

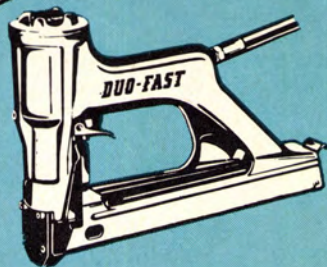
4924 Westbrook Road, Essex, Conn. 06426 • (203) 767-0141

DUO-FAST STAPLERS-TACKERS-NAILERS

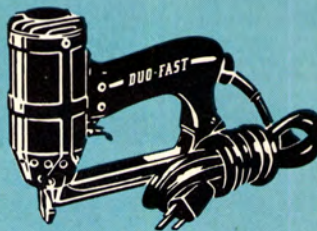
for components, sub-assemblies, millwork, home construction



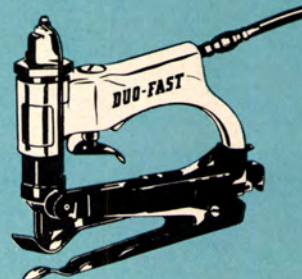
Air Tackers



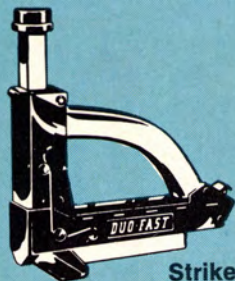
Larger Air Tackers



Electric Tackers



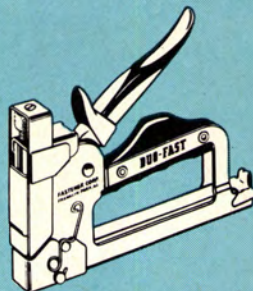
Air Pliers



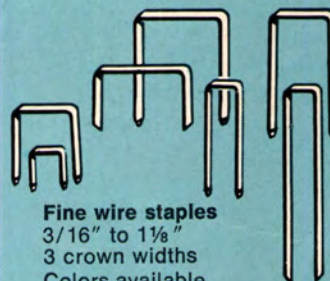
Strike Tackers



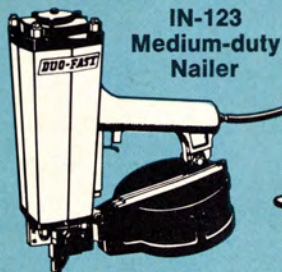
Hammer Tackers



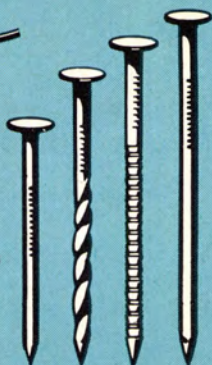
Gun Tackers



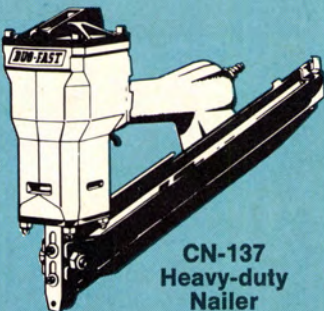
Fine wire staples
3/16" to 1 1/8"
3 crown widths
Colors available



IN-123
Medium-duty
Nailer

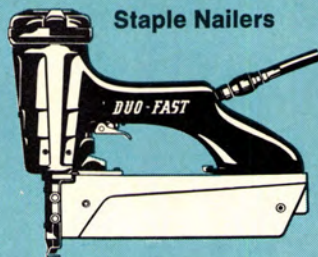


Small round-head nails
1 1/4", 1 1/2", 1 3/4", 1 7/8"
—plain, screw and ring
shanks. All coated.

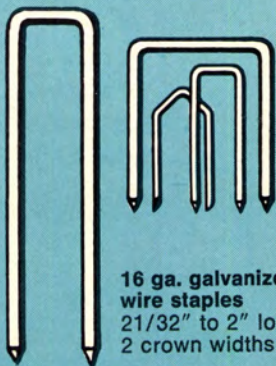


CN-137
Heavy-duty
Nailer

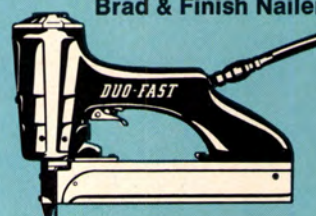
Round-head nails
6d thru 16d sinkers—
plain, screw & ring shanks
—23 different nails
All coated.



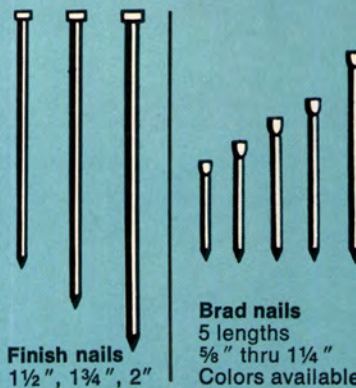
Staple Nailers



16 ga. galvanized
wire staples
2 1/32" to 2" long
2 crown widths



Brad & Finish Nailers



Finish nails
1 1/2", 1 3/4", 2"

Brad nails
5 lengths
5/8" thru 1 1/4"
Colors available

50 Duo-Fast Sales and Service Offices assure quick, courteous service.

SEND TODAY for complete Duo-Fast Catalog and Staple & Nail Guide.

DUO-FAST FASTENER CORPORATION Dept. HH
3702 River Rd., Franklin Park, Ill. 60131

DUO-FAST IN FAST
TO
HOLD FAST

Everything you need for tacking, stapling and nailing.

9248

Kitchens



Undercounter dishwasher has racks that can be moved up or down or removed entirely for odd-sized or large dishes. Top-of-the-line model has five cycles, keyboard controls, changeable front panel. General Electric, Louisville, Ky. Circle 218 on Reader Service card



No-vent dryer is the top half of a stacked pair of laundry appliances, 27" wide. Moisture removed from clothes drains through the washer plumbing system below. Washer door scale weighs laundry loads. Westinghouse, New York City. Circle 219 on Reader Service card
New literature starts on p. 146

*Every woman yearns for a secret interlude...
and her husband knows it.*

Who ever thought you'd sell a home that way.

Offering her that extra touch of luxury, sells him. Now Harbor Island offers that luxury with Interlude... the self-contained whirlpool bath that combines health and beauty with advanced decorator styling. Taking no more space than any conventional five-foot bath, an Interlude belongs in every home.

Find out about Interlude's extremely low cost... it makes an amazing profit story. Send for your copy of our Interlude literature today.



Another pleasure product from
HARBOR ISLAND SPA ENTERPRISES, INC.
701 Ocean Avenue, Long Branch, N.J. 07740
Area Code 201-222-5800



When you build a home you build it to last... right down to the fixtures.



Today's buyer looks for quality and value. You know it, we know it and they demand it.

That's why everything that is designed and built must carry through the feeling of beauty, quality and value.

We, at Artolier, take great pride in our Cast Aluminum line.

Pride in knowing that it was built out of a need by the building industry, not out of a convenience for Artolier.

Pride in knowing our fixtures will last as long as the house will stand, or even longer.

And, the pride in seeing more and more architects and builders using Artolier than ever before.

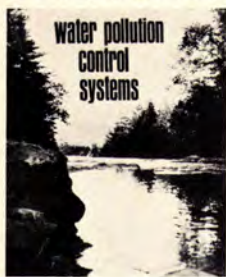
If you are interested in seeing our Cast Aluminum series as well as the complete line of Artolier Lighting, send one dollar to: Artolier Lighting, a division of Emerson Electric, Garfield, New Jersey 07026.



ARTOLIER LIGHTING DIVISION
EMERSON ELECTRIC CO.



SANITARY SEWAGE TREATMENT. Water pollution problems facing our country are stressed in a six-page brochure. How to combat pollution



effectively by the use of packaged sanitary sewage treatment systems is discussed, and the manufacturer's two types of systems are described and illustrated. Both types—one based on extended aeration, the other on contact stabilization—come in sizes to handle from 2,500 to 10,000 people. Units are suitable for mobile home parks, motels, restaurants, schools and housing projects. Schematic drawings illustrate the two systems and a typical installation. Full-color photos show various types of installations. Lyco Systems, Williamsport, Pa. *Circle 300 on Reader Service card*

PARTICLEBOARD. A movie entitled *Particleboard: Out of Sight and Underfoot* is now available. The film closely follows recently issued uniform installation instructions and is a practical guide to cutting costly callbacks and improving construction of finished floors. Step-by-step instructions cover everything from storage and handling of particleboard to application and maintenance of floor coverings. Included: construction and preparation of subfloors, arrangement of underlayment panels on various subfloors, fastening methods and the use of adhesives. To arrange for a showing of the film, write directly to: National Particleboard Assn., Film Div., 711 14 St., N.W. Washington, D.C. 20005

SIDING AND PANELING. Two four-color catalogs present a line of hardboard exterior siding and interior paneling. Shown are horizontal and vertical treatments, smooth and textured surfaces, plus prefinished moldings and accessories. Masonite, Chicago. *Circle 302 on Reader Service card*

ALUMINUM FINISHES. A 68-page full-color book describes the variety of contemporary architectural aluminum finishes available. Information is included on weathering under various conditions, the functions of finishes, processes for mechanical finishing, architectural colors and textures, and details on anodizing. Photographs of past and current landmark buildings show variety of uses. Aluminum Company of America, Pittsburgh, Pa. *Circle 303 on Reader Service card*

CENTRAL AIR CONDITIONING. The contents of a 24-page booklet will answer, in layman's language, almost any question about central heating and air conditioning.



The brochure is entitled "What the average American doesn't know about central air conditioning would fill a book." The colorfully illustrated brochure is easily understood and covers such topics as indoor pollution, dry air, measurement of cooling capacity, items to consider in building new homes, the relative advantages of gas or electric systems, things to look for in quality heating/cooling systems, how to get the most out of a central air conditioning system and sample installation and operating costs. A glossary of terms is included. The booklet would make an ideal giveaway to buyers or prospects, if your houses are centrally air-conditioned.

Whirlpool, Benton Harbor, Mich. *Circle 304 on Reader Service card*

SAW-TEXTURED REDWOOD. Eleven four-color photographs enliven a three ring folder describing the advantages of using redwood with a fourth dimension—depth—as exterior siding and interior paneling. Drawings show different ways boards can be laid up for added dimension and how bevel and t&g sidings should be nailed. Various finishes are described and compared, and specifications for widths and thicknesses in either of two grades are included. Pacific Lumber, San Francisco. *Circle 305 on Reader Service card*

ACRYLIC CRYSTAL FAUCETS. An eight-page brochure features new items in a line of high-fashion faucets for kitchens, bathrooms, laundries, and home refreshment centers, including mixing valves for showers and a concealed-ledge kitchen faucet. Harcraft Brass, Torrance, Calif. *Circle 306 on Reader Service card*

PLYWOOD GIRDER WALLS. A laboratory report is a guide to fabrication of sectionalized and transportable units. Girder walls of plywood were tested during handling and transportation, and step-by-step photos and drawings show the type of construction used. Charts and graphs depict maximum loads used and resultant wall deflections when plywood was nailed, nail-glued or supported each of three different ways. American Plywood Assn., Tacoma, Wash. *Circle 307 on Reader Service card*

SUSPENDED CEILING SYSTEM. Four-color and black-and-white photographs show typical installations of a concealed suspension ceiling system that meets design requirements for a tight-tile ceiling, but makes the same convenient access possible with a lay-in ceiling to hidden ductwork, pipes and electrical work. Photos show workmen using a special hook knife to remove individual tiles, and drawings show how each acoustical tile is supported mechanically. Complete specifications are included, as are closeup photos of the six surface patterns available. Armstrong Cork, Lancaster, Pa. *Circle 308 on Reader Service card*



and drawings show how each acoustical tile is supported mechanically. Complete specifications are included, as are closeup photos of the six surface patterns available. Armstrong Cork, Lancaster, Pa. *Circle 308 on Reader Service card*

DECORATIVE PRESSURE LAMINATE. A catalog shows several ways high-pressure decorative laminate may be used: on kitchen countertops and walls, on kitchen cabinet faces, on a bookcase wall, a closet door and on top of a desk. Four-color closeups reproduce 17 wood grains, 19 bold and pastel solid colors and 31 speckled, marbled and cloth-like patterns. Specifications are included, as are descriptions of smooth and textured finishes, recommended uses. Johns-Manville, Melamite Div., Lawrence, Mass. *Circle 309 on Reader Service card*

PLASTIC PLUMBING FITTINGS. The most frequently used drain, waste and vent pipe fittings are illustrated and described in a catalog that lists more than 40 varieties, all of which are available in either ABS or PVC plastic. Photographs show how easily a workman can saw plastic pipe, brush on adhesive and join pipe to fitting. Vistron, Cleveland, Ohio. *Circle 310 on Reader Service card*

SOUND CONTROL. A booklet reports results of tests conducted by an acoustical laboratory on hardboard and other wall partitions. Drawings with detailed instructions show twelve types of sound reducing applications for hardboard panels. American Hardboard Assn., Chicago. *Circle 311 on Reader Service card*

can Hardboard Assn., Chicago. *Circle 311 on Reader Service card*

CONCRETE FORMWORK. An up-to-date edition of a special publication tells how to save time and money—while following safety practices—in planning, building or using formwork for cast-in-place concrete. The profusely illustrated (there are more than 500 illustrations), 364-page hardbound book presents new data on cold weather forming, expands information on problems of camber and deflection and contains additions to material on horizontal slipforms that reflect current field practices in slope and channel paving. Detailed recommendations cover live-to-dead-load design ratios, shoring and reshoring multi-story structures, permanent shoring, changes in tolerances, safety factors in pre-tension members and in lifting inserts in tilt-up and precast panels, plus details on splicing and bracing, adjustments to formwork for settlement and improved stability for falsework assemblies. For your copy, send \$18.50 (\$11.50 for ACI members) to: Publications Dept. HH10, Michigan Concrete Institute, Box 4754, Detroit, Mich. 48219.

APARTMENT CARE. A handbook for tenants covers everything from air conditioners (their care, cleaning and service) to windows (how to get them unstuck) to how to store screens and stop condensation on window panes. In between are many interesting hints on cleaning ranges and refrigerators, changing fuses, setting thermostats, what to do if the elevator stops, what *not* to do when lighting a fire in the fireplace, how to care for various kinds of floors, control pests and insure property, what to check before leaving on vacation and what to check *before* calling the serviceman. In short, the booklet answers most questions that tenants might ask their landlords or managers, and would prove a useful handout to all new lessees. Copies are available to builders, apartment managers and investors through local homebuilders associations at very minimal costs. For further details or information on bulk order prices, write to: Home Builders Assn. of Metropolitan Dayton, 307 American Bldg., 4 S. Main St., Dayton, Ohio 45402.

Annual H&H indexes

Copies of House & Home's editorial indexes for 1965, 1966, 1967 and 1968 are still available. Each is an eight-page, cross-referenced listing of subjects covered that year by this magazine. To get copies (there's no charge) write to: Reader Service Dept., House & Home, 330 West 42nd St., New York, N.Y. 10036.

OUTDOOR LIGHTING. An 80-page book shows just how many interesting and imaginative ways there are to light up the landscape and enhance the individual model house, as well as adding to its security. Potential areas for lighting covered are the driveway, walk, steps, garage, entrance, garden, patio, activity areas, pools and fountains. More than 100 photos show actual installations, some by lighting designers. Drawings show various effective techniques such as uplighting, downlighting, silhouette and shadow lighting, and lighting for accent, perspective or diffusion. Safety factors, equipment and low-voltage systems are discussed. For a copy of "Outdoor Lighting," send \$1.95 to Sunset Books, Lane Magazine & Book Co., Willow and Middlefield Rds., Menlo Park, Calif. 94025.



Just
remember

SJTM stands for smooth joint, that it's the most trouble-free Gypsum Wallboard system ever developed, and that it's made by Flintkote[®] and you won't have to read the rest of this ad

1 Your troubles are reduced with new FLINTROCK[®] SJ (Smooth Joint) Gypsum Wallboard. So are ridging, beading and other joint deformities.



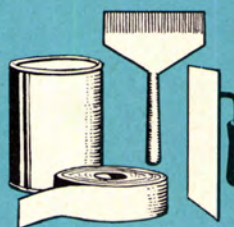
2 The secret of SJ is a special tapered/beveled edge. And if an edge is accidentally banged up, you can easily hide it.

3 Notice we said "special" tapered/beveled edge. The Flintkote design gives you benefits drywall systems just didn't have.

4 For instance. The special edge makes SJ Wallboard easier to handle. It's kind to the rocker's hands. It has an edge the rocker's T-square can anchor to without slipping off.



5 SJ is less likely to slip off a toe jack or foot lift too.



6 SJ works just great with regular joint system materials. Setting compounds may be used.

7 All these advantages at no extra cost.



Write now for more smooth talk about new Flintrock SJ (Smooth Joint) Gypsum Wallboard.

**GYPSUM PRODUCTS and
BUILDING MATERIALS DIVISION**



480 Central Avenue, East Rutherford, N.J. 07073

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Duo-Fast Fastener Corp.	143	Panel Clip Co.	135	(216) 781-7000	
		Pease Woodwork Co.	18, 19	DALLAS 75201	
EJS Lighting Corp.	140	Pella Rolscreen Co.	129, 130	Jerry Ambroze	
Edison Electric Institute	31	Potlatch Forests, Inc.	29	1800 Republic Natl. Bank Tower	
Eljer Plumbingware Div. (Wallace-Murray Corp.)	119	Price Pfister Brass Mfg. Co.	53	(214) 747-9721	
				DENVER 80202	
Flintkote Co.	147	Red Cedar Shingle & Handsplit Shake Bureau	106A	Richard W. Carpenter	
Floater-Away Door Co.	149	Republic Steel Corp.	132E5, N7	1700 Broadway,	
Florida Gas Transmission	132S2A, S2B	Richard Fife	132E2	(303) 266-3863	
Ford Motor Co. (Truck Div.)	106			DETROIT 48226	
Formica Corp.	107	St. Regis Paper Co.	45	Stuart G. McKenzie	
		Savings & Loan Foundation, Inc.	118	2600 Penobscot Bldg.	
General Electric	127	Seymour Kroll & Assoc., Inc.	132M2, N8	(313) 962-1793	
Georgia-Pacific Corp.	110-113, 125, 132E4A, E4B, N6A, N6B	Shakertown Corp.	66	LOS ANGELES 90017	
		Southern California Edison Co.	132W1	Donald Hanson,	
Gerber Plumbing Fixtures Corp.	64			1125 W. Sixth St.,	
Grant Pulley & Hardware Corp.	60	Tarter, Webster & Johnson Thermador (Div. of Norris Inds.)	136 61	(213) 482-5450	
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Harbor Island Spa Enterprises	144	United Cabinet Corp.	115	Charles M. Murtaugh	
Hercules, Inc.	47	United States Steel Corp.	116, 117	500 Fifth Ave.,	
Hunter Div. (Robbins & Myers, Inc.)	59	Urethane Fabricators (Am-Finn Sauna Div.)	128	(212) 971-3686	
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				Six Penn Center Plaza	
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				Linwood S. Williams	
				Mohawk Bldg.,	
				222 S.W. Morrison St.,	
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				SAN FRANCISCO 94111	
				Stephen D. Blacker	
				255 California St.,	
				(415) 362-4600	
				ADVERTISING PRODUCTION MANAGER	
				Vito De Stefano	
				McGraw Hill, Inc.	
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