Doors used to stick out like a sore thumb...  

Never again will you have to settle for a hinged closet door that doesn't match the room it's going in. Not if you use Varidoor™.

New Varidoor is our adjustable, sliding closet hardware system that fits standard by-pass closet openings. And it's designed to accommodate any of our over 100 faces, with a selection as varied as low-cost hardboard and rich Brazilian rosewood. Whatever you use on the walls, you can match or complement it with Varidoor.

But even more important to you, the Varidoor unit comes knocked down and packaged for easy on-site or in-plant storage... until you're ready for it. And its adjustability means you're not limited by a tight tolerance. Varidoor will work, even if your opening is out of square.

Of course, the expert on Varidoor is our "know-it-all." Our Builder Service Representative. He knows Varidoor inside and out. In fact, it was one of his many suggestions on what you need in a low-cost, sliding closet door that led us to it.

But remember, this man of ours is not only up on your product problems, he can also be helpful in the areas of research, merchandising, advertising, you name it. And if he doesn't know the answer, you can bet he'll know where to find it.

Give him a call at your local U.S. Plywood Branch Office. He really knows it all.

CIRCLE 62 ON READER SERVICE CARD
Now you can feature convenience, entertainment and safety at real savings during

**NuTone's Radio-Intercom Rough-In Offer**

Rough-in package **FREE** (of extra cost) with the purchase of any NuTone Radio-Intercom Master

That's right, now you can include this safety and convenience feature and do it for less. When you purchase any NuTone Radio-Intercom Master you will receive the appropriate rough-in package FREE of extra cost. Package includes Master Frame, three inside speaker frames, door speaker housing plus supply of wire.

**Save up to $2693**

*Manufacturer's suggested dealer list price for items included in rough-in package.

Radio-Intercom Model 2561-62 — 8-wire decentralized system, solid state FM/AM radio is extra powerful and sensitive. "All call" paging and "hands-free" answering from remote speakers. FREE rough-in package IK-60 lists at $26.93 (dealer price).

Radio-Intercom Model 2540-41 — 6-wire centralized system includes FM/AM radio. Intercom silences radio when in use ... answer door from any remote station. Page all speakers with "all call." FREE rough-in package IK-40 lists at $22.88 (dealer price).

Radio-Intercom Model 2090-91 — Crystal-clear intercom, FM/AM radio in a 3-wire centralized system that includes features rarely found in budget price range. FREE rough-in package IK-90 normally $16.28 dealer list price.

Contact your participating NuTone Distributor today... offer expires November 20, 1970.
Make a ‘nice kitchen’ an Outstanding Kitchen

One simple change transforms this "nice kitchen" into a memorable, saleable, outstanding kitchen.

This graphic demonstration points out the outstanding decorative opportunities possible through the use of NuTone Heritage Hoods. One simple change and the kitchen is transformed from 'nice' to outstanding. Heritage series hoods provide that decorative spark home buying prospects remember. And, best of all, chances are that the cost of this great hood is offset by the savings made by eliminating the cabinets needed above normal hood installations. See your NuTone Distributor or our Representative today. They've got a great 'deal' more to say about this outstanding Heritage series.

Heritage Hoods... make 'nice kitchens' Outstanding.

Nutone

Madison and Red Bank Rds., Cincinnati, O. 45227
Printed in U.S.A.
FEATURES
41 Government and housing
The federal role has become larger, but there may be trouble ahead—an editorial

42 California-style marketing hits New York
Staten Island gets its first taste of top-drawer merchandising—and buys big

50 The high cost of mergers
Many builders who sold out to big companies have become disenchanted dropouts

58 Three townhouse projects that sell environment
Good land use makes the most of a waterfront, a superb view, and a wilderness

64 How to live with permanent inflation
A HOUSE & HOME Round Table on a problem that could change the face of housing

NEWS
4 Operation Breakthrough struggles to avoid a breakdown
8 The mortgage market is taking the big turnaround
12 Uncle Sam's plan to reform the S&Ls meets opposition
16 Builders' latest problem—lack of sewer facilities
18 A child's game, "Land Use," helps solve land developer's problems
24 Life insurers will have more money for mortgages
28 Ford slams brakes on its modular division
32 Courtyards and contemporary styling add up to fast sales for these condominiums
34 Precast concrete panels cut condominium construction time in half
36 High buildings set into steep slopes make use of an unusable site

DEPARTMENTS
8 Mortgage-market quotations
10 Housing stock prices
38 The apartment scene
75 Personal business
84 Products
99 Reader service card
104 Literature

Cover Interior of a townhouse model at Village Greens, Staten Island, N.Y. Builder and developer: Locew's/Snyder. Architect: Norman Jaffe. Photo: Cal and Don Young. For story, see page 42.
Operation Breakthrough struggles to avoid becoming Operation Breakdown

"After completion of final nego­tiation with the housing-sys­tem producers, announced to­day, we will move rapidly to design, testing, and construc­tion of prototype units on the 10 prototype sites previously an­nounced. Construction is ex­pected to start by early summer."

That statement was made by Housing Secretary George Rom­ney at a news conference on Feb. 26, when he announced selection of 22 housing system producers for the Nixon adminis­tration's Operation Break­through.

In early September, those ten prototype sites—many plagued by local political problems—had been reduced to eight, and con­struction "expected to start by early summer" had not yet begun.

The program ran into yet other major setback from Con­gress, which voted to reduce the Department of Housing and Urban Development's funding for research programs from a requested $55 million to $30 million. And then, because of budget problems in other parts of the HUD money bill, Presi­dent Nixon vetoed the whole package.

What now? Today, HUD policy planners are trying to work out options on Operation Break­through based on a hoped-for Congressional appropriation of $30 million for research—of which $20 million may be fun­nelled to Breakthrough. That $20 million is $15 million less than the sum originally pro­grammed by HUD for the much-publicized experimental housing program.

Officials at HUD insist the pro­gram is not lagging, but they readily concede the funding cut was a serious setback. Bert Greenglass, director of the office of program planning and control, says the department has been relying on a continuing resolution by Congress that permits HUD to spend one-twelfth of the $30 million.

"We're spoon feeding our contractors today," Greenglass says, "but obviously we are try­ing to cut corners wherever pos­sible. We're at the razor's edge right now."

Cutbacks. Greenglass notes that prototype sites at Wilming­ton, Del., and Houston, Texas, have already been dropped and he does not deny there may be further site cutbacks because of the sparse Congressional funding. "We didn't have any fat in our $35 million request for funds," he says. "We need the $35 million for Breakthrough and the cut has hurt us. It may hurt us some more."

The director says, however, that the continuing resolution has permitted work to continue at all sites, and, he adds, "we're not behind our schedule of pro­duction."

The 22 producers are today operating under so-called Phase I contracts, for design and test­ing. "The work," says Green­glass, "is well under way."

No Phase II contracts—which call for construction of the pro­totype units—had been signed in early September, but Green­glass noted that "within the next six weeks" site preparation should begin at some of the eight locations.

He estimated it would be January or February before actual construction of the prototype units got under way at any of the sites.

Fewer units. What HUD is try­ing to do is to keep all 22 hous­ing producers in the program, even though two major sites have been dropped. One HUD spokesman noted this would require a "rearranging of alloca­tion," but Greenglass said this was no problem.

"We're going to have to make some contractual modifications of allocation in the work for the eight sites," he said. But he ex­plained that this plan has cre­ated no special difficulties.

There has been a cutback in prototype units as well as in sites. Assistant Secretary Harold Finger of HUD had increased the projected units some 2,000 to 3,180 before the reduction. Wil­mington's program contemplated 200 units and Houston programmed 130. The loss of these sites takes the total back down to 2,850, and officials at HUD say that that figure is not firm.

Local opposition. Break­through has also run into stiff opposition at many of the se­lected sites. Although Houston and Wilmington were dropped after the cut in funding, both areas were embroiled in political conflict before the Conгрessional action.

Congressman Bob Casey of Macon, Kala­mazoo, St. Louis, Seattle, Jersey City, Indianapolis, Memphis, Sacramento, and a Seattle sub­site for 80 units.

And HUD has signed contracts with developers for all these sites. It is these developers who will prepare the sites for event­ual construction.

Politics. Democrats in Con­gress have been critical of Break­through, and Democratic aides on Capitol Hill are quick to charge HUD with buying publicity with the experimental hous­ing program.

One aide termed the scheme "a bunch of eyewash," noting that the overwhelming problem with this kind of program is that local government building codes and zoning ordinances are painfully slow to change.

Romney has, however, con­ceded this all along. He has pro­ceeded with Breakthrough on the assumption that local code problems will disappear as modular housing proves its worth. It is the old saw of crawling before you walk. Clearly, Breakthrough is crawling today. Yet HUD officials believe that it will soon walk, or even run.

ANDREW R. MANDALA
Washington
In these days of increased burglaries, more and more people are insisting on greater security for their homes, apartments and places of business. Kwikset provides this important supplementary safety with all new cylinder deadlocks. And the beautiful new variety of adapter trim rosettes now makes it possible to combine a deadlock and lockset into a single unit for new entryway beauty.

Outstanding deadlock product features offer greater security than ever before...All brass cylinder rings that will turn free if anyone tries to forcibly remove them. A 5-pin tumblers solid brass cylinder and plug for maximum resistance to corrosion. An extra large heavy-duty pry-proof deadbolt for additional safety. And for the first time Kwikset deadlocks can be installed in either a standard 2½" hole or by the easy removal of the adapter rose, a smaller 1½" hole. Both deadlocks and adapter trim rosettes are available in a wide range of finishes, including etched and antique finishes to complement any decor.

Write Kwikset for a new complete illustrated catalog.
Building for 1970's lifestyle with PPG glass:
Rooms that are alive with light.

Glass can make it all happen. Clerestory windows, sliding glass doors and wall-to-wall mirrors all open things up to the wide-open spaces. Let the sunlight in. But not the weather.

And smart, aggressive high-density developers let glass make things happen for them. Not only does glass open up their units, it also opens up the potential for sales, rentals and profits.

To see what we mean, take a look at these great glass ideas for high-density building and planning. If you'd like more, send for PPG's
new 48-page, full-color brochure—"PPG Lifestyle/70s."

A. PPG Twindow® insulating glass, in window walls and sliding patio doors, lets in the light and the view, but not the wind and the cold. Twindow units are two panes of glass with a blanket of dry air in between. It cuts heat loss through the glass by as much as 50%. PPG backs it up. And that backs your reputation.

B. High-Fidelity® wall-to-wall mirrors, made with the finest PPG glass, can double the apparent square footage in any room, at reasonable cost. That’s an especially big selling point in owners’ suites these days.

C. A total window wall, incorporating sliding glass doors that open onto a private balcony, is a great way to merchandise a waterfront view. And if the glass is PPG Herculite® K tempered safety glass, your residents will be a lot safer.

D. Glass walls are one of the best answers for avoiding dull corners in any room. And in large floor-to-ceiling installations such as this, PPG Herculite K tempered safety glass makes it all the safer.

E. Sliding glass doors leading to a private balcony off the bedroom is a popular indoor-outdoor feature that puts your residents in the middle of their environment. If it’s a waterfront view or a sunny exposure, consider glazing the doors with PPG Solarbronze® tinted plate glass. Solarbronze glass lets in the light and the view, but keeps out the harsh glare of the sun.

PPG Industries, Inc., One Gateway Center, Pittsburgh, Pa. 15222.

PPG is Chemicals, Minerals, Fiber Glass, Paints and Glass. So far.
With more money in sight, home mortgage rates are making the big turnaround

In Florida, the Dade Federal Savings and Loan Assn. reduces from 8½ per cent to 8 per cent its prime lending rate on home mortgages.

In Washington, the Federal National Mortgage Assn. sells $200 million in long-term mortgage-backed bonds on the heels of a $400 million shorter-term issue—aimed at pumping money into housing.

In New York, savings banks and life insurance companies show a new interest in the home mortgages.

The mortgage market is slowly turning around.

**Pressure on yields.** With consumer psychology resulting in a sharply increased level of savings, and with loan commitments of thrift institutions beginning to jump significantly, the experts now expect a significant drop in yields later this year or early next year.

None of these observers believe basic rates will fall anytime soon, but an easing of fees and other mortgage conditions is anticipated.

An economist for the Home Loan Bank Board, R. Bruce Ricks, says flatly: "Mortgage interest rates have topped out."

Ricks says that Bank Board data shows that the major changes now are "in the reduction of fees, the lengthening of average maturity, and an increase in loan-value ratios."

Ricks looks for new increases in savings flows to thrift institutions "to first increase the supply of mortgages, and then to decrease the interest rates on mortgages."

**Rise in lending.** The higher savings flows have already brought an increase in sat lending commitments. Inflows for six consecutive months—with a big, and unexpected, $567 million net gain in July—raised commitments by the thrift institutions to nearly $4.4 billion, the highest level since June 1969.

The commitments are turning into loan closings, too. The Bank Board has reported that mortgage loans made at sales in July topped $1 billion for the second consecutive month. During the first quarter, sat loan closing barely averaged $500 million per month.

---

**HOMEBUILDERS' MORTGAGE MARKET QUOTATIONS**

Reported to HOUSE & HOME in week ending Sept. 4.

<table>
<thead>
<tr>
<th>FHA Sec. 203b</th>
<th>Conventional Loan Interest Rates</th>
<th>Construction Loan Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>NMA Action</td>
<td>FHA Sec. 203b</td>
<td>City</td>
</tr>
<tr>
<td>Average</td>
<td>Price</td>
<td>&amp; Date</td>
</tr>
<tr>
<td>90-day</td>
<td>Average</td>
<td>Accepted</td>
</tr>
<tr>
<td>96.24</td>
<td>96.25-96.74</td>
<td>93.90-96.90</td>
</tr>
<tr>
<td>96.82</td>
<td>96.25-96.74</td>
<td></td>
</tr>
<tr>
<td>96.56</td>
<td>96.50-96.99</td>
<td></td>
</tr>
<tr>
<td>Rate of interest - fees</td>
<td>All lenders</td>
<td></td>
</tr>
</tbody>
</table>

---

**BANK BOARD'S RICKS**

"Mortgages have topped out"" What happened at banks and thrift institutions is that families began to spend less and save more. Savings in the second quarter totaled 7.6 per cent of disposable income compared with just 5.3 per cent in the second quarter of 1969.

**Housing prospects.** Adding to the thinking that housing is about to turn around is the mounting demand. The nationwide vacancy rates in the second quarter was just under 5 per cent (2.7 per cent in the Northeast). The owner vacancy rate was only 0.9 per cent at the end of June.

An imminent increase in family formations fuels the pent-up demand for homes. The National Association of Home Builders says family formations, which averaged about 200,000 net additions a year in the decade just ended, will jump to 800,000 net additions annually in three to four years and may go as high as one million in the last years of the 1970s.

**Help from bonds.** The mortgage market is getting help from the bond market. The Federal Reserve Board has eased credit, and bond prices have jumped. Some experts say the increase will exceed 100 basis points before the end of 1970.

The bond rally has been reflected in mortgage prices in the regular auctions of the Federal National Mortgage Assn. Sellers have asked for—and received—several increases in price. And, in early September, prices for six-month commitments from Fanny May stood at about 96.70 cents on the dollar.

Top FNMA officials, who have become used to taking the big share of the total FHA-VA market, are now looking to be less active during 1971. While commitments continue to be heavy, agency executives expect other investors will be picking up some of the slack.

If so, homebuilding activity will doubtless follow this market improvement to a higher level of starts in the months ahead and into next year.

**U.S. Home will acquire Florida land developer**

The U.S. Home & Development Corp. of East Orange, N.J., plans to acquire First Development Corp., a privately held land developer in Sarasota, Fla.

The buyer has contracted to make a downpayment of more than $3 million in stock. The balance will be determined by First Development earnings.

The purchase will take U.S. Home into the modular-mobile home park field.

In August, U.S. Home announced an agreement to acquire East Construction Co. of Cincinnati, a builder of garden apartments. If completed, the acquisitions will give U.S. Home nine divisions.

**MBA to convene**

The Mortgage Bankers Assn. of America expects some 5,000 participants at its 57th annual convention in Miami Beach.

Apartments will be one of the subjects at the Oct. 26-28 meeting in the Fontainebleau Hotel.
The only part of a wiring job that your customer sees are the devices installed on the wall. The Slater decorative line of specification grade touch switches (770) and receptacles plus combinations lets you break-away from the commonplace and step up your profits with distinctive styling and by the elimination of stocking headaches...because one wallplate fits both switches and receptacles...and the switch rocker arm has snap-on color caps that can be changed whenever other colors are desired. You can carry a full range of colors with minimum inventory. Ivory, white, brown and gray are available immediately—other colors upon request from the factory only. See your local Slater distributor or write for complete specifications about all the...
Battle royal opens on Uncle Sam's effort to curb conflict of interest in S&Ls

The savings and loan industry and its regulatory agency, the Federal Home Loan Bank Board, have squared off in a toe-to-toe brawl over the board's proposed regulations on the sensitive subject of conflict of interest.

The rules, spurred by the just-published Study of the Savings and Loan Industry, a four-volume compendium of 1,822 pages, come down hard on managers and directors of savings and loans who may be in conflict because of ancillary business activities. The regulations, as written, would severely limit many of these activities.

The report that prompted the Bank Board rulings was only one of twenty in the study, written by a team headed by Prof. Irwin Friend of the University of Pennsylvania. Edward Herman, another Pennsylvania University educator, wrote the section on conflicts, which, he says, "are deeply imbedded in the savings and loan industry.''

"Industry's stand. While most of the Friend study of S&Ls stresses broadening of association authority through greater diversification of assets, it is the conflict-of-interest section that has raised the industry's hackles. The board's regulations closely follow Prof. Herman's recommendations for limiting conflicts and the industry has let him know it isn't happy about the proposal.

The regulation was put out for 45-day comment, and both the U.S. Savings and Loan League and the National League of Insured Savings Associations have urged the board to extend this period.

In early September, however, the board had not done so.

Shareholder power. While the board regulations do strike hard at outside activities for savings and loan officers, the board also tied into the conflict proposals a set of rules related to shareholder power at associations.

The regulation would give depositors—or shareholders—a greater say in the running of S&Ls. Provision is made to have the depositors take a more active part in electing directors and in policy-making for the association.

Directors themselves would have broader authority.

The Herman paper charged the industry with "extensive nepotism" and "extreme shareholder exclusion from information and power." It also scored S&Ls for what it termed "frequent diversion" of association income to officer- or director-owned businesses.

Public meetings. The new regulation, if issued by the board, would require associations to give public notice of annual meetings well in advance to major newspapers, to mail notices to shareholders, and to post notices in the association's offices. Today most S&Ls advertise annual meetings in low key, with the result that they are seldom attended by other than officers, staff members, and directors.

The new rules also require the associations to give notice of what issues are to be considered at the meetings.

Still another hornet's nest in the conflict regulation concerns proxies. A current practice is to have a saver opening an account sign a proxy in favor of the manager. The new regulation would eliminate this practice.

Counterattack. The savings and loans, for their part, have criticized the findings of the Friend study in this area and the board's proposed regulation.

The U.S. League, in a bitter attack on the Herman paper, said the proposed changes..."in the name of 'corporate democracy,' would encourage proxy contests for the control of mutual associations, open the door to takeover by speculators, and make mutual associations vulnerable to assaults for reasons unrelated to business operations...threaten continuity of association management...create disorder."

Housing stocks up again

House & Home's index of 25 housing issues rose for the second straight month, moving from 262.10 to 295.12 in the period ending Sept. 2. Stocks on the index are indicated by bullets (•) in the tables at right. Here's the composite.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>BUYING</th>
<th>Sept. 2</th>
<th>Chg.</th>
<th>Bid/</th>
<th>Prev.</th>
<th>Close</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRANESO</td>
<td>Cones (Can.)</td>
<td>3.12</td>
<td>+ .52</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPITAL</td>
<td>Dividend (Can.)</td>
<td>1.15</td>
<td>+ .25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CELEST</td>
<td>Corp.</td>
<td>2.24</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHRISTIANA</td>
<td>Oil</td>
<td>8.95</td>
<td>+ .50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEV.</td>
<td>Corp.</td>
<td>2.09</td>
<td>+ .25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEW.</td>
<td>Corp.</td>
<td>7.95</td>
<td>+ .75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDWARDS</td>
<td>Indus.</td>
<td>7.75</td>
<td>+ .50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST</td>
<td>Mortg Rly</td>
<td>3.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAT.</td>
<td>Rly</td>
<td>2.85</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FROST</td>
<td></td>
<td>1.55</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GENERAL</td>
<td>Bldgs</td>
<td>6.15</td>
<td>+ 1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HALLS &amp;</td>
<td></td>
<td>3.75</td>
<td>+ 1.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KEY</td>
<td>Co.</td>
<td>2.15</td>
<td>+ 1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KEITH</td>
<td>Smith Technology Corp.</td>
<td>3.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H.</td>
<td>MILLER</td>
<td>Corps</td>
<td>4.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIDWEST</td>
<td>Corp.</td>
<td>1.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MORTG</td>
<td>National Environment</td>
<td>1.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MORTG</td>
<td>Owners (Cur)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NATIONAL</td>
<td>Utility (Nat)</td>
<td>5.95</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOWN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PREZ</td>
<td>Realty Corp</td>
<td>1.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PREZ</td>
<td>Development</td>
<td>1.45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PULS</td>
<td>Homes</td>
<td>6.25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAY</td>
<td>Homes</td>
<td>4.35</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STANDARD</td>
<td>Pacific Corp (U.S. Home &amp; Dev)</td>
<td>2.50</td>
<td>+ 1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAN</td>
<td>Corp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H.</td>
<td>DEL</td>
<td>Webb</td>
<td>6.55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEST</td>
<td>Bldg &amp; Loan</td>
<td>4.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WESTERN</td>
<td>Bldg</td>
<td>4.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;Ls</td>
<td>American Fin</td>
<td>14%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CALIF</td>
<td>Fin</td>
<td>8.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CANT</td>
<td>Empire Fin</td>
<td>11%</td>
<td>+ 3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Far West</td>
<td>Fin</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Far West</td>
<td>Fin</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FINE</td>
<td>Fin</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST</td>
<td>First City, Fin</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST</td>
<td>Lincoln, Fin</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST</td>
<td>S&amp;L Shares</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST</td>
<td>SunCity, Fin</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST</td>
<td>SunCity, Min</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GILF</td>
<td>Garfield, Min</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GILF</td>
<td>Garfield, Min</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GILF</td>
<td>Garfield, Min</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GILF</td>
<td>Garfield, Min</td>
<td>4.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HAUW</td>
<td>Hauworth, Fin</td>
<td>8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPERIAL</td>
<td>Corp</td>
<td>12%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.F.C</td>
<td>Financial (Lyon)</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Potlatch invented Lock-Deck laminated decking, and the UAW's spectacular Walter and May Reuther Family Education Center at Black Lake, Michigan, takes full advantage of this unique building material. The beauty and the ecology of the setting are preserved and complemented by the natural charm of inland red cedar Lock-Deck walls and ceilings. The architectural drama of soaring wall surfaces and wide-span structures relies on the integrity and strength of exclusive long-length laminated decking. Nearly three-quarters of a million board feet of Potlatch cedar Lock-Deck helped create this unique achievement. We can do the same for you. Write for information.

Lock-Deck is available in 4 thicknesses and 2 face widths. Electro-Lam® beams in all sections up to 182 sq. in., lengths to 60 ft.

Architecture: Stonorov and Haws
Engineering: David R. Witter
Construction: Henderson Brothers

For details see Sweet's Architectural File 1c/Po.
Piece-of-the-action mortgaging: It's now a way of life for the life companies

In the good old days Mr. Developer showed his proposition to Mr. Lender and, if the arithmetic and underlying properties proved satisfactory, there it was—a straight-interest loan, typically for 75% of the fair market value.

Forget it! In the good old days Mr. Developer showed his proposition to Mr. Lender and, if the arithmetic and underlying properties proved satisfactory, there it was—a straight-interest loan, typically for 75% of the fair market value.

Forget it! Just as the depression left memories that some survivors could never erase, the tight-money and high-inflation experiences of recent years have made a permanent impression.

Life insurance lending officers are overwhelmingly convinced that participation, either in the income or ownership of properties they finance, is necessary to protect them against loss from inflation.

In reply to a survey conducted by John C. Tibbs, vice president of the Chicago mortgage banking concern of McElvain-Reynolds Co., the larger life companies make clear a major shift in lender thinking.

**Overcaution.** "Money can be too safely invested—to the point that it is not properly rewarded."

"High credit leases are still desirable, but yield and inflation protection are important factors in investment analysis now. Mere credit alone, no matter how good, is no longer enough."

These two comments show how lenders have changed their philosophy. They no longer look for what one called "the completely carefree investment."

**The big question.** Tibbs had asked lenders: "In the past, the most desirable lease appeared to be the high credit, and it was able to command the lowest possible price in the market. Has this situation changed? Do lessees have to revise their thinking?"

The answers made the case explicit: high-credit lessees must revise their thinking, and as one respondent said, "many seem to be doing so."

There was a minority view. "High credit remains a primary consideration," it held, and most investors are "yield mad and will one day have to pay the piper." The thesis was modified, however.

**The new language.** The replies abounded in the new language of participations:

- "Equity kicker . . . inflation hedge . . . percentage clause . . . competitive yields . . . escalated rents . . . percentage of sales."

- One respondent put into focus a development that appears to be a basic change in mortgage lending: "There are institutions that finance real estate and there are those that finance credit," he said. "The more sophisticated and less likely to be involved in real estate values for their safety, and most often they get higher yields for their expertise."

**Close to 100%.** The inflation experience of lenders cannot be overstated.

Sample replies: "Inflation must be accounted for, either by an adequate fixed rate or participation."

"Inflation appears to be with us to stay, and therefore must be considered in any investment."

The minority that said no to sale-leaseback said: "We would commit subject participation loans get prefer- ence."

The minority that said no to sale-leaseback said: "We would commit subject participation loans get preference."

We will commit long-term (10 year) capital on a fixed return. Yes 62% No 38%

Given the proper credit and legal ability, we would grant 100% financing on a straight mortgage with no residual benefit to us. Yes 23% No 77%

All long-term investments must have some participation feature. Yes 43% No 57%

Traditional sale-leaseback with return of, and on, capital via the primary lease term is a desirable investment for our portfolio. Yes 51% No 49%

Looking at a 20-year mortgage request on an excellent industrial-warehouse type property, minimum acceptable lease term would be 5 yr 25% 10 yr 21% 15 yr 43% 20 yr 11%

As a factor of input, long-term capital has received less return than it should have (pre-1967). Yes 89% No 11%

Inflation must be considered on all long-term investments, just as are such criteria as risk, security, etc. Yes 95% No 5%

"And the participation must be meaningful. In some cases we even get an ownership participation of 10%-15% for making our standard maximum 75% loan," one respondent said.

The 100% loan. Tibbs asked about making 100% loans with no residual benefit.

The 23% minority (see box) that would consider such financing made it clear that these loans would be costly.

"Note must be a high rate," said one reply.

"At a sufficiently attractive rate," said another.

The negative view was summed up by: "No, risk is worth something," and "No, not unless it is a joint venture."

**Sale-leaseback.** Tibbs found the traditional sale-leaseback still attractive to half the lenders (figures above), but many place participation hurdles in front of such deals.

**Typical comments:**

"Yes, if chances of appreciation are excellent, and no repurchase option is required."

"Yes, if we like the real estate well enough, and renewal option includes escalated rents."

"Provided there is inflation protection via a percentage clause, price-index tie, etc."

Those saying no to sale-leaseback also stressed the damage inflation could do. Comments: "Not interested unless some inflationary hedge, such as re-setting of rents, is provided."

"Not unless there is a short reversion period, or cost-of-living adjustment."

**Term of lease.** The question on what lease term lenders would consider elicited a few replies of "no minimum."

Most were interested in the land value and its appreciation potential. Said one: "If area were static or in downward trend, lease would have to cover amortization. If upward, we might consider 5-year or 10-year term."

Tibbs' question on whether capital was properly paid back when investors were pushing their funds after loans was called "hindsight" wisdom that has taught lenders a lesson.

Said one: "Long-term rates must be flexible, which will work for creditor and debtor." —T.M.
Three tough mils of Korad A put the color there to stay.

This acrylic film barrier stops things that make outdoor wood ugly and costly. Ugly things like fading, chalking, cracking, yellowing. Costly things like painting and repainting.

Korad A acrylic film surfacing—a solid 3-mil thick, completely uniform protective barrier—is three times thicker than most high-quality liquid finishes.

On wood, it outperforms the best regular outdoor finishes two ways.

Korad A film resists degradation by sunlight—better.
Korad A film resists damage by weather—better.
But Korad A film doesn't cost any more than factory finishes that do less.
Korad A film molds and conforms to the wood textures. There's no artificiality.
Or, if you want a smooth surface, you can have it with any smooth substrate. Plywood, hardboard, chipboard, particle board; the choice is yours.
If you'd like to see the end of ugly wood, write for Korad film color samples and descriptive literature.
These are the houses that Jim Ryan, the Kennedy Brothers, and Fox and Jacobs built.

These are the Andersen windows that helped them sell about 1400 of them last year.

The men who built and sold these houses live in three different parts of the country. But they all share one thing in common. A preference for Andersen windows.

Jim Ryan in Columbia, Maryland, builds many traditional homes in the $22,900 to $50,000 range. His favorite Andersen window is the Perma-Shield® Narroline.” (That’s our new double hung—with a unique combination of rigid vinyl and new polyeura factory finish. Doesn’t need painting for at least 10 years.) Customers love them. So does Jim Ryan . . . “We never have service problems with Andersen.”

The Kennedy Brothers in Chicago specialize in period homes (French Colonial, American Colonial, and Italian) in the $75,000 bracket. They like the fact that Andersen windows come in 6 styles and hundreds of sizes—which gives them the freedom to use our windows as “architectural design pieces . . . almost as conversation pieces.”

Fox and Jacobs (down Dallas way) specify Andersen windows in all their homes from $25,000 and up. As far as they’re concerned, every “quality customer” deserves the finest windows in America.

To learn more about why the best builders prefer Andersen, check your Sweet’s Catalog. Or see your nearest Andersen dealer or distributor.
Lack of sewer facilities balks builders—the problem is widespread and costly

And it threatens to get worse. Public concern over clean water has now reached a point at which a state board will not hesitate to override a local water control board and freeze all construction in an area, both residential and commercial.

That's what happened in California. The law there is probably the toughest in the nation, but other areas are beginning to feel pressure for similarly effective solutions to sewage problems.

The need is for better treatment of sewage and larger, more efficient plants. These needs were stressed in Environmental Quality, the first annual report of the Council on Environmental Quality, the group that President Nixon has charged with giving “unified direction to our war on pollution.”

California confrontation. The problem of raw sewage in San Francisco Bay during periods of heavy rain moved the State Water Resources Control Board to take unprecedented action.

The state board held a local meeting, called the Bay Area Water Quality Control Board guilty of “too much talk and not enough action,” and preempted the regional groups authority.

The state board slapped a ban on sewer connections in a large part of the San Francisco area. This effectively halted most homebuilding because the city was unwilling to issue permits. It reasoned that a permit implied the right to a sewer connection, and feared suits by builders whose permits resulted in sewerless buildings.

The drastic move against San Francisco and Bay Area cities worked like a charm. Within two months the city had pumped $100,000 into improving treatment plants, and had begun to prepare seriously for a $500-million investment in sanitary facilities.

Cleveland impasse. On the local level, as many builders can testify, more coordination is needed.

Cleveland and 33 suburbs were told to stop issuing building permits last May, but the city has ignored the State Water Resources Control Board and freeze all construction in an area, both residential and commercial.

Says Robert B. Holt of the water board: “If the big one gets away with it, all the little ones will, so we are going to push enforcement.”

Florida's problems. The sins of septic tank subdivisions and rinky-dink sewage treatment plants have been visited on South Florida builders.

One of the areas afflicted with a building ban was Miami's Key Biscayne, winter home of President Nixon. Dade County (Miami) and Broward County (Fort Lauderdale) have both suffered. The Builders Assn. of South Florida sent out a bulletin warning members against buying land without checking on the availability of adequate utility service.

Trouble on the Gold Coast. The troubles of Hallandale, just north of Miami, aroused wide interest.

Broward County health officers threatened to get an injunction to ban building permits because Hallandale was overloading the 36-inch line that carries sewage to the treatment plant in adjoining Hollywood.

When raw sewage began pushing the covers off manholes in the streets of Hollywood, officials acted. The ban lasted two weeks, which is how long it took engineers of the two municipalities to lay an auxiliary 9-inch line. A 48-inch line is scheduled for autumn.

Ocean damage. But, as in other sections of the country, South Florida's problems are large, and larger mains are a stop-gap measure.

Hollywood and most coastal cities have been treating sewage but just barely meeting between 30% and 40% of modern health standards, and then pumping it into ocean outfalls. The current emphasis on reducing pollution has state officials talking about a ban on oceanfalls and requirements for tertiary treatment plants.

A really stringent regulation, local observers say, would halt all building along the Gold Coast.

St. Louis dispute. St. Louis presents a textbook example of sewer problems. About 25 builders are caught between sewer operators and the officials who have authority over sewer use.

The sewer operators include two private companies, two municipalities, and the metropolitan sewer district, which serves both the city and St. Louis County communities.

The Missouri Water Pollution Board is the regulator. Because of a lack of long-range planning, the board banned sewer connections and extensions last May.

The ban will continue until comprehensive plans, showing construction, financing, and dates for pollution abatement are filed.

Costs. What the board wants, and is in a good position to get, will cost a lot of money.

The board conceded that it is asking for a lot, but says it rebelled at foot-dragging by the municipalities and private sewer companies.

The outlook is for a long standoff affecting a 25 square mile area that accounts for much of the new house construction and about a third of all building in St. Louis County. Work is shut down to about 50% its normal volume, and will be 90% shut down by year end if the ban is not lifted, says William S. Cassilly, chairman of the HBA committee on political matters.

Cassilly is pessimistic on the possibility of an early resolution of the problem.

A windfall. Such a costly plan, Cassilly says, would necessitate a federal grant, and that would force the metropolitan sewer district to become a monopoly in sewage treatment.

To do that, it would have to buy out the two independent companies.

Cassilly estimates that builders have constructed and deeded to the companies some $10 million worth of sewer lines in the last 10 years.

Loss to builders. There are no figures on what inadequate sewer facilities are costing builders on a nationwide basis, and local estimates appear suspect.

Cassilly declines to speculate on the loss in St. Louis.

In the Washington area, where the sewer problem has affected Fairfax County, Va., and Montgomery and Prince George's Counties in Maryland, a study for the Metropolitan HBA places direct construction losses at a $366 million annual rate with another $38 million indirect loss.

Nationally the losses must run into enormous sums.

The President's council on environment, in its 326-page report, presents a chapter on water pollution. The findings are not encouraging.

There appears to be no way of handling the sewage problem
Burlap surfaced paneling economically provides decorative, tackable, noise-deadening walls in classroom, hall and office areas. The natural burlap was spray-colored blue with oil base paint. Panels were applied with adhesive. For more data, write to Homasote, or use the reader service form.
Land Use is the name of the game for both children and the President's council

from the book ENVIRONMENTAL QUALITY, the first annual report of the President's Council on Environmental Quality

The first men upon this land, the American Indians, treated it with reverence, blended with it, used it, but left hardly a trace upon it. Misuse of the land is now one of the most serious and difficult challenges to environmental quality, because it is the most out-of-hand, and irreversible.

Many individuals cite selfish profit seekers for environmental degradation, rather than laying much of the blame—where it belongs—on misplaced incentives in the economic system.

As a consequence (of the automobile), thousands of acres of undeveloped land fall prey each year to the bulldozer. More single-family, detached homes shoulder out the open spaces. Many of these developments are drab in design and wasteful of land. They denude the metropolitan area of trees and thus affect climate; they cause erosion, muddy rivers and increase the cost of public services.

The combination of open space with cluster zoning or planned unit development lowers the initial community service costs because of smaller networks of roads and utilities, and it makes a more livable environment for the long term.

"There is a critical need for more effective land use planning." —President Nixon

And they find the challenge fascinating.

Land Use is the tentative name of a game developed by Education Ventures Inc. for Hill Development Corp. of Middletown, Conn.

Hill, a real estate subsidiary of Wesleyan University, was seeking a means of explaining the concept of Wesleyan Hills, a planned unit development it began in mid-1968. (See Small cities: Will they be the next big market for housing? HAH, March)

Before playing Land Use, children learn that there are many desirable—and conflicting—ways to use land. They and the teacher use a book, Mike's World—Your World, which elaborates on these conflicts and the basic conflict of an expanding population (which needs housing) and increasing pollution (which calls for conservation of natural resources).

Clash of interests. The book tells of an imaginary city that is considering how to use a piece of land called Denton Acres. A clash develops, involving conservationists, businessmen, social workers, householders, sports enthusiasts, shopping center developers, homebuilders, and the city administration.

Each group advances its plan for the area. The validity of each viewpoint is explained.

With the knowledge that land problems seldom find perfect solutions, but only optimum compromises, the children play Land Use.

The object is to preserve as much of the land's natural quality as possible, while housing a maximum number of people—in developer's terms, high density housing with a maximum of open space.

The lineup. Players divide into groups, three or four to a team, and take such roles as developer, architect, contractor, chief planner, and treasurer.

The teams have 20 minutes to plan a community of 20 houses complete with ponds, recreational areas, and landscaping. Markers, symbolizing houses, trees, ponds, and recreational areas are placed on a board that is divided into marsh, meadow, and forest areas, with a brook running through them.

Each team has 100 points, the value of the land in natural state. It costs one point to build a house in a meadow, two for forest location and three for a marsh. Bonus points are: two for planted trees, five for building a pond, and seven for a recreation area.

The teacher can give 10 bonus points to a team that is imaginative in planning its community. Two teams play at a time, and high score wins.

Enthusiasm. Some 1,200 Connecticut school children played Land Use during test marketing last spring and their response delighted Hill Development.

James E. Lash, president of Hill, says the results were better than expected.

Hill had gone to Education Ventures seeking some means of identifying itself with the growing movement for a better environment, and the game was what evolved.

Land Use is an effective promotional device for telling the community about the benefits of planned unit development. According to Lash:

"Apparently the kids get the message and carry it home."

Youngsters who have played Land Use are stimulated by the discovery that many land problems have no perfect solution.

For instance, a great desire for privacy leads many of them to put houses in the forest before they realize that the costs are high (in points during the game and in natural resources in real life).

Market version. Education Ventures has received inquiries and even a few orders for Land Use, even though it is not yet on the market.

Only a few prototype models have been made, and the board and pieces have yet to be designed with an eye to production costs.

Several publishers of educational material are negotiating for Land Use, and David G. Sparks, president of Education Ventures, hopes that it can be marketed for about $5.

Connecticut's department of education has listed Land Use as a suitable resource for teaching about pollution, so more children may soon be learning about cluster housing and cul-de-sac.

—TREVETT MATTHEWS
What many of you don’t know about women.

60 out of 100 women would rather cook with gas.

It’s worth knowing — but many builders don’t. Women prefer gas cooking. We have a detailed, impartial report that proves it. Based on a national survey made by Oxtoby-Smith, the well-known independent research firm. So when you’re equipping the kitchen, remember — all other things being equal, more women prefer the home with a gas range.

Gas gives you a better deal.
In 1971-72 life insurance companies will have a little more cash for mortgages

But their terms will be strong medicine for borrowers.

That's the picture presented by respondents to the last question in John C. Tibbs' survey of the industry.

Tibbs, vice president of McElvain-Reynolds Co., Chicago-based mortgage bankers, asked loan officers for:

"Personal observations on availability and broad general terms under which long-term capital will be committed for loans in 1971-72."

Cost. No really meaningful lowering of long term rates, replied one lender. Others said:

We will make money available for 1972 funding in 10%-12% range... We will negotiate for high rates... Investments will be made on very select basis... Minimum 10%/yield with opportunity to share in venture... Our rate is 9½% plus 2%/of gross income.

Availability. It is also clear that the life companies expect to have more money to lend. Not much more, admittedly, but at least the trend is in that direction. There is not a single Jeremiah crying woe, and the few lenders who do expect a decline in funds strike a moderate tone:

Funds will be less readily available... Poor outlook for any sizeable volume... Funds will be limited as liquidity is rebuilt (assuming a diminution of policy-loan activity).

More typical of the insurance industry attitude on availability is this reply: "Capital in 1971-72 will be less available than pre-1969 (excluding 1966), but it will be more readily available than in 1969-70."

This respondent added that terms will stress some form of equity participation.

Outlook. The attitude of many lenders was summed up in the answer:

"We will have funds, but they will demand a high return."

The 1970s have been labeled a capital-short decade. Although there is mild encouragement in the Tibbs survey of availability, and the decline in life company policy loans, the modest increase expected by these firms does not appear to herald an end to the capital shortage.

Be a distributor of the world's most complete line of pre-cut cedar homes... for year 'round profits!

One of Lindal's Display Villages, Oakland, Calif.

If you're a sound businessman we'll train you to operate your own Lindal Cedar Village. Previous home sales experience not necessary; real estate license not required. Highest profits for your low investment. Leads and sales aids furnished. Pre-sold with huge national ad program. Year 'round sales. Patented designs for unlimited flexibility. Backed by experience gained in selling hundreds of thousands of homes in past 25 years. Regional warehouses for fast shipping. Every home precision pre-cut for fast assembly.

A marvelous opportunity for the man willing to devote the time necessary for successful operation. Take a minute today and mail this coupon.

LINDAL CEDAR HOMES
18601 Pacific Highway South
Seattle, Wa. 98188 / (206) 246-7800

Plants in U.S., Canada, England, Ireland and Japan

See us at Booth 2648 at NAHB Show.
Imagine an exterior wall cladding with all the beauty and durability of stone. Plus the low cost, easy installation and maintenance freedom of plywood. And you're into Sanspray®. A natural stone aggregate bonded to plywood. The most exciting thing to happen to exteriors in a long, long time.

That's Sanspray's large aggregate pictured above. There's also a small aggregate (equally distinctive). And a range of colors you have to see to appreciate; like Tangerine, Pearl Gray, Gaelic Green, Monterey Sand . . . and others.

But the hidden beauty of Sanspray lies in its low cost—far less than most stone and masonry wall claddings. Far lighter, too, and much easier to install. Saw it. Drill it. Glue it. Nail it directly to framing members. Then forget it. Because Sanspray is virtually maintenance-free, in all climates.

Sanspray. The beauty treatment for all residential, light commercial and industrial buildings. Find out more about it at your local U.S. Plywood Branch Office.

U.S. Plywood
A Division of U.S. Plywood-Champion Papers Inc.
777 Third Avenue, New York, N.Y. 10017

CIRCLE 74 ON READER SERVICE CARD

H&H October 1970 25
Even if you are short of space, here’s proof you don’t need to skimp on the refrigerator. Look at all the good things Whirlpool packs into 30 thrifty inches.

Take the model at the left. It’s just 29¾” wide but it’s 14.0 cu. ft. big, with 11.73 cu. ft. for fresh food storage and a 79-lb. freezer section and slide-out chiller tray.

The 2-door beauty on the right boasts a separate, 131-lb. freezer with its own door and storage shelf. It’s 13.2 cu. ft. overall, with automatic defrosting refrigerator section and measures 29¾” against the wall.

Or, depending on your needs, you may want to specify one of our other “13’s” — with step-up features like No-Frost for no defrosting, a “zero degree” freezer section, glide-out refrigerator shelf, removable egg bin and more. One even has the IceMagic® automatic ice maker. Three other models (not shown) are a full 15.0 cu. ft. inside but no wider outside.

When the lady is looking for value — and she will be — any one of these Whirlpool Cool Ideas will fill the bill and fit your space, beautifully!
a timesaving
guide
to the 1971
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 '71
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.

see the best, newest, most exciting

This pocket sized guide to the ex­
hibits is a collection of building
products, materials, tools and equip­
ment . . . in each case especially
selected by the exhibitors them­
selves as being the best, the newest,
the most exciting they will be offer­
ing in 1971. Each product will be
handsomely illustrated in full color,
described in detail and identified by
company and booth number.

save time and steps

The order of presentation in Prod­
ucts '71 will be by booth sequence
enabling you to move quickly and
efficiently through the aisles pin­
pointing just the specific products
of interest to you.

The booth numbers will also be
color coded to match the carpeting
and banners that identify the differ­
ent sections of the exhibit area. This
means you can start your Products
'71 tour at any exhibit and still save
hours of time and thousands of
footsteps.

can't make the show?

If you can't make the show this year
you can use Products '71 to see for
yourself just what the participating
exhibitors are displaying as their
best, their newest, their most excit­
ing. Every copy of Products '71, in­
cluding those distributed at the
show, will have two reader service
cards so that you and your associ­
ates can request catalog informa­
tion by mail.

reserve your copy now

If you can't make the show, you can
reserve a copy now by sending one
dollar along with your name and
address to Products '71, House &
Home, 330 West 42nd St., New York,
New York 10036. Your copy will be
mailed immediately on publication
in early January.
White House holds up Unger's FCC job pending 'routine' audit of his taxes

Sherman Unger, the former general counsel of HUD, has run into a roadblock on his way to joining the Federal Communications Commission.

An audit of Unger's 1968 tax returns by the Internal Revenue Service has caused the White House to delay sending his FCC nomination to the Senate for confirmation.

The President's press secretary, Ron Ziegler, confirmed that an agreement on the delay had been reached with Unger.

**Battle over FNMA.** President Nixon had named Unger to the FCC when he resigned abruptly from HUD after losing a bitter behind-the-scenes fight for control of the Federal National Mortgage Assn. [News, Aug. 2, 1970].

**The tax audit.** The audit of Unger's 1968 return began after he left HUD in late July, although IRS had told him last March that a "routine" audit would be made.

The FCC has about 10 months remaining. Some Washington sources have reported that the White House now has another choice.

For Ray Lapin — back to mortgage biz

Ray Lapin has returned to private enterprise after three years in Washington. For the better part of two years the self-made millionaire with a master's degree was head of Fanny May.

Lapin has hung out a mortgage banking shingle that says R. H. Lapin & Co. at 155 Sansome St. in San Francisco.

Whether Lapin can repeat his record and build another giant mortgage company is a question, but his enthusiasm at the starting gate is certain.

"Our company is not going to be content with the way of doing business," says Lapin.

Using the old ways, Lapin built Bankers Mortgage Co. from zero in 1956, when mortgage banking was begun, into one of the nation's top dozen firms in 1966, when its sale to Transamerica Corp. was completed.

The price was variously estimated from $3.5 to $5 million.

Lapin says his new company will become a partner of large corporations in issuing housing securities.

Ford steering out of modular housing after a year

A year ago Ford Motor bought 30 percent of Concept Environment of Laguna Beach, Calif.

In August, six weeks after completing the purchase of the rest of the company, Ford disclosed plans for selling Concept, a modular producer.

The Detroit giant paid about $1 million for its ride into and out of modular housing. That was the admitted loss in August.

Negotiations were under way with several large companies and Ford expected to sign and seal the deal this month.

A Ford spokesman emphasized that the sums involved were miniscule for the motor company, which last year reported a gross of $14.75 billion, and a net of $546.5 million.

The apparent wrong turn in modular construction will not deter Ford's real estate operations, carried on by Ford Motor Land Development Corp. under President Wayne S. Doran.

---

**NEWS/PEOPLE**

**Mortgage Man Lapin**

*New start in San Francisco*

Available from the following distributors:

**ALASKA**

- Anchorage: Arrow Lumber Company Inc.
- Anchorage: Spenard Builders Supply, Inc.

**COLORADO**

- Colorado Springs: Waltrip Lumber Co.

**CONNECTICUT**

- New Haven: Atwater Lumber Company, Inc.

**FLORIDA**

- Miami: Miami Lumber Company
- Miami: Southeastern Lumber Company
- Hollywood: Imperial International Industries

**GEORGIA**

- Atlanta: Peachtree Doors, Inc.

**ILLINOIS**

- Chicago: Morgan Sash & Door Company
- Chicago: Edward Missis Lumber Company
- Decatur: Morgan Sash & Door Company
- Rock Island Millwork Co.

**KANSAS**

- Kansas City: J. E. Stewart & Co.
- Kansas City: Rock Island Millwork Co.

**MARYLAND**

- Baltimore: Arrowhead Lumber Company
- Baltimore: Exing Lumber & Millwork Co.
- Baltimore: Anderson Lumber Co., Inc.

**MASSACHUSETTS**

- Boston: A. G. Company, Inc.
- Westfield: O'Donnell Lumber Company, Inc.

**MICHIGAN**

- Detroit: Certain Distribution Company
- Grand Rapids: Burton Aluminum Products
- Kalamazoo: Miller Sash & Door Company, Inc.
- Saginaw: Mac Distribution Co., Inc.
- Detroit: Grass & Lumber Co., Inc.

**MINNESOTA**

- Minneapolis: Independent Millwork, Inc.
- Minneapolis: Kullberg Mfg., Inc.
- St. Paul, Minn.: Minnesota Wood Specialties, Inc.

**MISSOURI**

- St. Louis: Heach-McMillan Company

**MONTANA**

- Billings: E.R. Young Co., Inc.

**NEBRASKA**

- Lincoln: SealRite Manufacturing Company

**NEW JERSEY**

- Bound Brook: Siler Door Corp., Corporation
- Camden: Valley Iron, Inc.
- Newark: The Levy Lumber Co., Inc.
- Binghamton: J. L. Lumber Co.
- Middletown: Middletown Millwork Co., Inc.
- New York: Black Millwork Co., Inc.
- Ridgewood: Middle Atlantic Millwork Co., Inc.

**NEW YORK**

- Albany: Century, Inc.
- Hudson Falls: Northern Homes, Inc.
- Kingston: Miron Building Products Co., Inc.
- Lackawanna: S. S. Oak Wood Products Co., Inc.
- Rochester: Horn Sash & Door Co. of N.Y.

**NORTH DAKOTA**

- Fargo: Structural Products, Inc.

**OHIO**

- Cleveland: Pomeroy Industries, Inc.
- Hamilton: Postle Company
- Massillon: Horn City Sash & Door Co. of Ohio
- Toledo: McKinney & Elliott Distributing Co.

**OREGON**

- Portland: Cal-Roof Wholesalers, Inc.

**PENNSYLVANIA**

- Johnstown: John City Sash & Door Co. of Johnstown
- Lancaster: Keystone Aluminum Window Co.
- Pittsburgh: Horn City Sash & Door Co.

**PENNSYLVANIA**

- Altoona: Horn City Sash & Door Co. of Altoona
- Altoona: McKinney & Elliott Distributing Co.
- Johnstown: Horn City Sash & Door Co. of Johnstown

**SOUTH DAKOTA**

- Sioux Falls: Jordan Millwork Co.

**TENNESSEE**

- Chattanooga: Gribbons Lumber Co.

**TEXAS**

- Beaumont: Slidell Company
- Arlington: Waco Millwork Co.

**UTAH**

- Salt Lake City: Oscar E. Chyrn's, Inc.

**VIRGINIA**

- Falls Church: Building Specialty Products
- Petersburg: Morgan Millwork Co.
- Richmond: Timbertown Company
- Springfield: Rose Cascade Bldg. Mfrs. & Services

**WASHINGTON**

- Seattle: Brunn-Brenner, Inc.
- Seattle: Drywall Distributors, Inc.

**WISCONSIN**

- Milwaukee: Wausau Millwork Corp.

---

*CIRCLE 76 ON READER SERVICE CARD*
The Ever-Strait Door by Pease.
Never a problem. Door after door after door.

It's proven.
In installations like Chicago's famous Marina Towers. Where you'll find 1,600 Ever-Strait Doors.
All functioning beautifully after seven years of tough Lake Michigan wind and weather.
Because an Ever-Strait can't warp, twist, shrink, swell, crack or peel.
It's been designed to cut maintenance, noise, heating and air conditioning costs. And it does.
Inside and out, there are features to upgrade any investment, and property.
There are 30 door designs in the Ever-Strait collection. Each a beautiful way to end all your door problems.
Now you have a choice. There's an Ever-Strait Door for every doorway.

Pease Ever-Strait Doors
900 Forest Ave., Hamilton, Ohio 45012

© Pease Company 1970.
Day & Night’s line of Cool Cube remote air conditioners has been expanded to include cooling capacities of 1 1/2, 2, 2 1/2, 3, 3 1/2, 4 and 5 tons. Those seven sizes are a natural! And a natural for you to use and specify. The Cool Cube installs simply, with no hard-to-reach service areas, no installation space wasted. All electrical controls are easily accessible, while fittings are conveniently located to eliminate overexposed refrigerant lines. And check these other features: fully efficient heat removal... top discharge... L-shaped condenser coils... weather-conditioned casing... control panel sealed against dust and weather... heavy grille guards... fully hermetic, top-quality compressors... factory-lubed condenser fan motor... plus Day & Night’s experience and manufacturing dependability. These are some of the reasons it pays you to specify the Cool Cube line, now expanded to seven sizes. Naturally.

DAY & NIGHT MANUFACTURING COMPANY
La Puente, California • Collierville, Tennessee

These cubes have come up a cool seven for better air conditioning.
If you want thresholds that are easy to install and give a perfect seal then look for the famous M-D label next time you buy. And if you have an unusual installation, M-D still has the answer with over 60 designs from which to choose.

More builders go for the AP 3½” Threshold with the tough, long-lasting vinyl insert that stays put, than any other manufactured by M-D. It’s a winner! M-D has thought of the high-pile rug problem too. Three of the most popular thresholds in this line are the AFHL 3½” one inch high, the AP 118 and AP 375H both 1½” high. The AP 375H has the popular easy-to-install snap-in vinyl insert.

M-D hasn’t forgotten your heavy traffic threshold problems. Among the large selections are the AFXX 4” - 5” - 6” and the AFFL 3½” which is also available without the center leg.

Forget about costly call backs and high labor cost by specifying quality M-D thresholds on your next project.

And thresholds are just a few of the many reliable quality building products bearing the famous yellow and black M-D “house.” Look for it at your nearest HARDWARE AND BUILDING SUPPLY dealer. If you need additional information, write direct. We’ll be glad to assist you.

MACKLANBURG-DUNCAN CO.
Box 2518
Oklahoma City, Okla. 73125 USA

CIRCLE 78 ON READER SERVICE CARD
Exterior is uniform in texture, but wall height varies with units and courtyards. Clapboard siding is brown, doors and window-louver elements are red.

Courtyards and contemporary styling add up to fast sales for these condominiums

Plan (left) shows relationship of rooms to courtyard—living room and one bedroom open onto it. All buildings are made up of six units (above).

There are 92 units in the project and 70% of them were sold from plans and a model before construction even began. Now it has been completed for two months, and only five units remain unsold.

Veggo Larsen Co., of Hamden, Conn., who designed, built, and sold them, attributes the good sales record to one-level plans and courtyards with unusually good privacy.

Buildings have six units (plan, left). Density is 8 per acre, and some of what would normally have been common land is put into courtyards. All are landscaped by their owners, some are paved with stone or brick, and one has an Oriental garden.

Prices at Charlton Hills are about $34,000 (with appliances). Amenities include several fountains and a swimming pool.

Private courtyard in each unit is 18' x 24'. End wall allows view out, but retains owner privacy—it is 4½' high inside, 6' high outside (photo, above).

Living room looks out on courtyard through sliding glass doors. Identical units have 1,400 sq. ft. Door at rear leads to private full basement.
One thing's for sure in this business. You can't sell a woman somebody else's warmed-over kitchen.

That's why Tappan makes it easy to add the custom touch.

Example: Tappan Allure cabinets. They have no standard hardware, so your customer can choose from dozens of different styles — and create her own YOU-SHAPED KITCHEN.

And while she's picking, you can let her look at our selection of ranges, refrigerators, dishwashers, disposers, vent hoods and vanities. Probably the most complete line you could offer. The Tappan Package. May we show it to you?

The Custom Touch.

It's part of the Tappan Package.

Send for your free copy of our new full-color book, "THE YOU-SHAPED KITCHEN." Tappan, 250 Wayne Street, Mansfield, Ohio 44902.
Precast concrete panel system cuts condominium construction time in half

Using the panels pictured at left, Seattle contractor Ken Gruol erected the eight-story apartment shown below at the rate of a story a week. This is exactly half the time it takes with cast-in-place construction.

The panels, product of the Longview Concrete Co., Longview, Wash., have been used to build another apartment project—this one for the Seattle Housing Authority. Both projects were designed by architect John Y. Sato & Assoc., also of Seattle.

Continental House (below), first of the two projects, uses precast panels 16' long, 9' high and 8” thick. Each panel weighs six tons, and 400 of them were required for the Continental House job.

Replacing the usual steel-and-concrete construction for buildings of this size, the precast panel system uses post-tensioning rods and grout at the joints. The panels are hoisted into position (top photo), and grout is pumped into the panel voids (bottom photo). No special joints other than vertical tie-rods with a 30” overlap are needed. The panels simply butt against one another, while the grouted tie-rods form a monolithic key between floors and walls.

For the Continental House floor, 24” hollow core pumice block was laid on top of steel joists 28” on center. The pumice block provides sound-proofing between floors.

Cost studies of precast concrete panel construction in the Seattle area vary from project to project and depend upon the number of openings per panel and other factors. But at $2.25 per sq. ft., the system does appear to have a future.
You are looking at some of the finest crafted fittings in the world. Design ideas that go beyond beauty, solid brass luxury, and the precise response to the touch.

Every model is color coded for easy temperature control.

Each one uses Speakman's interchangeable cartridge for minimum maintenance.

Lavatory and kitchen models have threaded brass shanks for ease of installation.

**Speakman Colortemp:** An eloquent expression of your ideas.
High buildings are set into steep slopes to make an unusable site usable

The 50-acre site is in an excellent location, but it had been bypassed by builders for years because it was too steep. Even the city of Kirkwood, Mo., turned it down as a park.

Developers Tom Biggs and Adolph Hansen and architect Rudolph Beuc Jr. came up with the buildings shown here. On the steepest slopes there are two types of four-story buildings. One holds townhouses (above) with entries at the front for lower units and at the back for upper units. The other holds apartments (below) with entries at the front, side, and rear as the slope rises. And for less steep areas, there are three-story townhouses with entry at garage level (bottom).

The first phase of Timberlake has 164 units on 16 acres (plan, below). Rents are from $200 to $300. Nearly half the units had been rented after the project was open two months.
New from Caradco...  
a revolutionary Colonial Door

The Molded Door  
with the deep-carved look.

The style is from a period known for graceful forms. You get authentic six-panel colonial door beauty and elegance. Only now it's molded by a new Caradco process into one-piece faces that can't split, check or shrink—all factory primed. And you get it for less than the cost of conventional panel doors. Feature these doors as a major interior design extra. Show homebuyers the steeply beveled panels that yield deep shadow lines like handcrafted doors of colonial days. Let them feel the wood-textured surface. You'll find tremendous buyer appeal in Caradco molded doors. Write us for full details.

CARADCO®  
Dubuque, Iowa 52001  
Eastern Assembly Plant, Pemberton, New Jersey  
Ohio Assembly Plant, Columbus, Ohio
"Landlords in court: will they always be cast as the guys with the black moustaches?"

The popular image of the greedy landlord fleecing the defenseless tenant is never stronger than when the two face each other in court. If the judge catches the full spirit of the mythical landlord-tenant relationship, it's a safe bet the landlord's case is a loser.

The best place for a landlord to sense the futility of some of his legal stances is in Small Claims Court. Arguments that would ordinarily be given objective hearings in Municipal Court may be passed over with disdain by Small Claims judges. Take this recent exchange:

Judge: "Isn't it true that in Whatsis County a prospective apartment tenant has no alternative but to accept the terms of your rental agreement because you have a virtual monopoly on the apartment market there?"

Landlord: "No, sir, that's not true. Our company owns less than two per cent of the apartments in Whatsis County. Furthermore, vacant apartments in Whatsis County stood at almost 7% when Mr. Jones rented at our complex, which gave him a few thousand apartments to choose from."

Judge: "Well, even so, you people do all right."

**Taken to the cleaners.** The issue involved was return of a cleaning deposit which the tenant had forfeited according to the terms of his signed rental agreement. He had agreed that, upon vacating his apartment, half of the deposit would be refunded and half retained to defray refurbishing costs. But after vacating, he decided to try getting back the whole deposit in Small Claims Court. The judge asked for invoices to establish the cost of cleaning this tenant's apartment, but even though the cleaning expenses did indeed exceed the amount of the deposit, the judge decided to overrule the agreement and make the landlord give back the money.

Small Claims actions by tenants are generally lost causes for landlords. The main purpose of Small Claims Court is to give individuals a chance to sue companies for limited amounts, usually under $300, without need for a lawyer. In the absence of lawyers, the sole legal assistance is the judge, whose help naturally goes to those who appear least able to help themselves. More stress is placed on fairness than on legal rights. So regardless of signed agreements, a landlord is forced to defend the fairness of his policies rather than his right to exercise them after they are subscribed to by tenants.

Another issue landlords have trouble with in Small Claims Court is negligence. Agreements and leases generally specify that landlords are not responsible for tenants' property kept either in apartments or storerooms. But try defending that before a Small Claims judge.

**Security leak?** Consider the case of a tenant who left his apartment unoccupied for several weeks while he went on vacation. Upon returning, he put in a claim for a few hundred dollars' worth of personal belongings that had allegedly disappeared from the apartment during his absence. He held the landlord responsible after learning that during his absence a roof leak had occurred and maintenance personnel had entered his apartment to move some of his belongings to avoid water damage. The owner was not accused of the theft, but was held responsible for it because his personnel had interrupted the apartment's security for about an hour during the several weeks that the occupant was absent.

No records were produced to prove that the missing belongings had ever existed. The staff people involved were acknowledged professionals in entering and re-sealing apartments. And the tenant had agreed in writing that the landlord was not responsible. Nevertheless, a Small Claims judge decided the landlord was obligated to pay.

More and more tenants are learning that virtually any kind of apartment deposit can be retrieved in a Small Claims suit regardless of signed agreements. Also, provided their story is believable, tenants have found they can win most landlord negligence claims in Small Claims suits. The landlord's professional maintenance men must enter his apartments routinely for repairs and whose resident managers carry keys to all common storerooms — is a sitting duck in Small Claims negligence cases.

**Is it a bum rap?** Is the landlord really a dyed-in-the-wool bad guy who needs to be knocked down whenever possible to even up the score with his defenseless tenants? In actual fact, how defenseless is the tenant compared with the landlord?

When a tenant gets low on money and decides to skip his rent, a landlord can't do a great deal about it. He can serve the tenant with a notice to vacate in the minimum amount of time permitted by local law. But the tenant doesn't have to vacate. He can stay right in his apartment and the landlord can't touch him. If the landlord does touch him — like locking him out or entering his apartment and packing up his belongings — the landlord can be sued.

If a non-paying tenant decides to stick it out, he can enjoy several weeks of rent-free living while the landlord applies for a court order to get his apartment back and then waits for local authorities to execute it after it is served. And any judgment against an evicted tenant for unpaid rent is really worth no more than his ability and willingness to pay, both of which are, in most instances, nil.

Another tactic open to hard-pressed tenants is the intentional bad check which provides a week or two of rent-free living. And for impoverished tenants who are too sensitive to play out the full course of an eviction proceeding, there is the alternative of simply skipping out. Skips don't have to sneak out at night. They can — and do — leave in broad daylight, over the protests of the apartment manager who has no legal recourse until the matter has gone through court.

With all these tenuous legal positions, how can you, as a landlord, hope to defend yourself in courts designed primarily for tenants?

**You don't have to take it.** First, if you can afford it, appeal every Small Claims judgment that you feel you have lost unfairly. If the tenant honestly believes he has a just case, let him go to Municipal Court with you where lawyers can present the facts, where signed agreements are taken more seriously, and where judges listen with a more objective ear. Most tenants won't follow you above the level of Small Claims Court. And even though it costs money to file appeals, you'll find that appeals will keep new suits at a minimum because your tenants learn that you really aren't a soft touch.

Second, take advantage of Small Claims Court yourself to win unpaid-rent claims that judges are obligated to award you. Instead of absorbing rent losses from skips, delinquents, and bad-check writers, file them in Small Claims Court. The advantages-speed and no legal costs—can work for landlords as well as tenants. And perhaps as landlords begin appearing in Small Claims Court more often as plaintiffs rather than as defendants, judges may shed some of their preconceptions about them.

H. CLARKE WELLS, MARKETING MANAGER, L.B. NELSON CORP., PALO ALTO, CALIF.
Government and housing

The federal role has gotten much bigger, but there may be problems ahead

You may not have noticed yet, but about 25% of all housing starts this year will come under one or another government subsidy program. And if you add in other FHA and VA programs that don't involve any subsidy, a whopping 43% of all starts this year will be under some sort of federal program.

Apart from whatever feelings you may have about that much involvement by the federal government in housing, you should understand the key factors which have pushed the government deeper and deeper into this industry.

The median U.S. family income is now about $9000 a year. Based on the rate of 20% of gross income traditionally allocated to monthly housing, this means that at least 30 million families in this country can afford no more than $150 a month for shelter. (Slum dwellers may have to spend up to 40% of their incomes on housing. But 20% is the figure lenders use; they won't qualify anyone for a mortgage who has to spend more than that proportion of his gross income for housing.)

That $150 includes utilities, maintenance and repair, insurance, property tax, and contingencies. Amortization and interest on the mortgage can only be about $80 a month; at today's interest rates that will only buy a mortgage of $10,000 to $12,000—enough to cover the cost of a one-bedroom apartment in a low-rise frame building in most metropolitan areas. And if it's a rental unit, only $60 to $70 can be allocated to the owner's mortgage; this means an even smaller unit.

To put it another way, if the housing industry is to provide new housing of the quality most of us are used to, then nearly half the families who buy or rent this new housing must have some form of subsidy. The subsidy can cover interest rates, as in FHA section 235 and 236, abatement of property taxes, or perhaps land donated by various levels of government.

Interest rate subsidies have so far made the greatest sense because the biggest single component of current monthly housing expense is interest. But the good sense which created sections 235 and 236 may become an embarrassment for the Nixon administration: they create an on-going and ever-growing commitment in the federal budget, a commitment handed on, still growing, to future administrations. Other types of interest rate subsidies like Title Five of the Emergency Housing Finance Act of 1970 may come to make more budgetary sense because they represent a commitment only in the year of appropriation.

Another possible subsidy area is the property tax which in many cities can be equivalent to a 35% sales tax on a family's housing. In the judgment of many, the property tax is an anachronism. In most communities, it taxes realty on a phony assessment basis instead of on a cost-benefit basis for municipal services rendered.

But even if the property tax were to be changed to a cost-benefit basis, it still would have to carry the municipal cost of health, education, and welfare. Those three things now take up about 70% of all municipal revenues. So at the moment, very few municipalities can abate property taxes at all. The only adequate and fair tax base in our society rests with the federal government via the income tax. If health, education, and welfare were made federal concerns, municipal governments could afford to abate a lot more property taxes, whether levied equitably or inequitably.

In any event, the present decade will certainly see the government playing a mammoth role in the creation of residential realty, particularly in the major metropolitan areas where at least 90% of the action is going to take place. It behooves all of us in the industry to be keenly aware of this development and to watch carefully for signs of erosion of the action of the private sector in the free market place.

RICHARD W. O'NEILL
What happens when a California-style package like this hits a market that's used to housing like this?

What happens is the most spectacular sales record ever run up on staid old Staten Island, N.Y. Loew's/Snyder of Los Angeles opened Village Greens on August 2; by the end of August nearly 150 townhouses had been sold at prices from $32,900 to $43,900. Local builders had warned president Jerry Snyder that Staten Island was used to detached houses and densities of no more than eight per acre; Village Greens' townhouses, built 12 to the acre, would miss the market. They failed to take into account the power of California merchandising, nurtured in the country's toughest competition. Snyder brought in 1) a California-trained architect, who produced a handsome townhouse PUD, 2) a California landscape architect, who turned the PUD into a well-planted park, and 3) a California decorator, who produced some of the most exciting, colorful interiors ever seen in the New York area. What this team accomplished, and why it jolted Staten Island, is the subject of the next six pages.
Staten Island is like a lot of suburbs around the country's bigger cities: no one knows what its potential as a housing market really is.

Theoretically, it should be a booming market. It is the last relatively unspoiled part of New York City; it has lowish taxes; it is a short drive to Manhattan via the new Verrazano Narrows Bridge; it still has thousands of acres of undeveloped land; and it is right next door to a huge pool of potential buyers.

Yet, despite these seeming advantages, only about 2000 houses were built in Staten Island last year. This is far below even the most pessimistic estimates made after the Verrazano Bridge was finished in 1964 (see "Bridge to a problem-ridden housing boom," H&H, Nov. '64), to give the island its first direct road link to New York City.

Why wasn't the market bigger?

To California builder Jerry Snyder the most likely reason was the island's uninspired housing—and the uninspired way most builders merchandised it. Snyder is a Brooklyn boy who moved to California and, over a 20-year span, produced more than 18,000 houses. His knowledge of merchandising has been honed in the tough California market, and his ability to put it to work is backed by a recent joint venture with Loew's, Inc. (H&H, July '69).

What Snyder saw on the Staten Island market was row on row of single-family detached boxes (and some duplex boxes) jammed eight to the acre on 40'-wide lots. Few builders had seen fit to change from the prevailing grid plan—a relic of the '20s. Houses were lined up with no attempt made to break up the streetscape with setbacks; such relief as there was came in the form of tacked-on facades ranging from English half-timbering to a nondescript mixture of brick, stone, and shingles, with occasionally a half-hearted attempt at Southern Plantation Portico styling.

Merchandising almost didn't exist: a few road signs, a sketchily-furnished model or two—in most projects this was the extent of it.

Snyder studied the figures and decided the Staten Island market was better than they showed.

So Loew's/Snyder bought 165 beautifully wooded acres and gave them the full California treatment. Specifically:

Snyder had architect Norman Jaffe (California-trained and now living on Long Island) design a townhouse PUD with a gross density of 12 per acre. This cut the per-unit land costs (prime land is around $50,000 an acre on Staten Island), and also left room for 80 acres of greenbelt and recreation area woven through the 2,025 units.

He had a California landscape architecture firm, Courtland Paul/Arthur Beggs & Assoc., plan the landscaping for the entire Village Greens site was originally a conventional Staten Island grid (above). As laid out by architect Norman Jaffe, new plan (right) arranges 2,025 townhouse units in nine clustered villages, with plenty of open green area woven among them. Roads are excluded from greenbelt, and serpentine walks connect one village with another. Plan shows future sites of shopping center, schools, recreational facilities.
project, with particular attention to the model areas.

He had a California interior designer, Carol Eichen, decorate and furnish the project's six models, using all the color excitement and imagination that has become the hallmark of California marketing [H&H, May '68].

Local builders did not seem impressed. One told Snyder that Staten Island wasn't ready for that kind of housing. "People here wouldn't be caught dead in an attached house," he said. Others pointed out that at from $32,990 to $43,990, Snyder's houses were above the norm for the island.

Snyder went right ahead.

Village Greens' opening, on August 2, was announced in a full-page ad in the New York Times, 12,000 people went through the models that day. The last weekend of the month was still seeing heavy traffic—more than 7,000 visitors.

And during the month, 150 people put down deposits of $500 or more.

Both prospects and buyers turned out to be pretty much as Snyder had figured them to be: chiefly apartment dwellers from Brooklyn [the closest borough to Staten Island], the Bronx, Staten Island itself, and a few from New Jersey. Many were apprehensive about taking on the responsibilities of home ownership; but the question of owning an attached house rather than a detached house appears not to have been a problem.

Surprisingly, money also turned out not to be a problem. Even with FHA financing, downpayments ranged from $3,000 to almost $11,000. "Yet," says William Oeste, vice president of the eastern division of Loews/Snyder, "it's amazing how many of them had that much cash available." Nor were many deterred by monthly payments amounting to nearly $400, including taxes, insurance, and homeowners' association payments of at least $12.

Finally, it's worth noting that Village Greens' sales record was made under what has been in some projects a serious and even fatal handicap: the recreational and community facilities could not be finished in time and had to be suggested by signs. Traditionally, people believe in such amenities only when they see them.

The key to the Village Greens' surprising sales rate seems to be that it is bringing fresh ideas into an area where housing has changed little in the last 20 years. For example:

Instead of an environment consisting chiefly of streets and sidewalks, tiny setback alleys between houses, and postage-stamp backyards, Village Greens offers neat clusters that open onto green areas both within and between the clusters. Despite its higher-than-usual density, it looks and feels infinitely more open than the typical Staten Island project.
Village Greens apart on Staten Island

Three-dimensional displays [three photos above] help prospects visualize final form of project. Plywood relief map [far left] places Village Greens in relation to principal areas of Staten Island, while scale models [center] show layout of typical village cluster. Enlarged floor plans [above] show room layouts and arrangement of levels. Samples of various optional finishing materials are also on display.
Instead of one or two houses with standardized floor plans, Village Greens offers a broad range of models out of which almost any family can find a home to fit its lifestyle. And the models are exciting—levels change, ceilings are high, and facades are broken up—yet at the same time entirely sound from both a planning and a design point of view.

Instead of casually furnished—or completely unfurnished—models, Village Greens offers a presentation job that would be outstanding even in California. Every room in every house gets the full treatment. And decorator Carol Eichen has given each model a distinct theme. Examples: a bright yellow and lime house with complementary earth tones, a so-called “California orange juice” house with brilliant oranges, yellows, golds, and deep wood tones; and a white model (see cover), which is decorated in seven different shades of white with green and gold accents.

Instead of sales offices set up in the corner of a model garage, Village Greens has a large sales pavilion, set in the middle of what will later be a townhouse cluster so that it looks out onto the model area. In the pavilion are closing rooms, a display room, and a three-wall stretch of glass that gives prospects a panorama view of the models.

Despite the showiness of the merchandising, there will be nothing garish about Village Greens when it is completed. The facades are broken up, but the materials—white clapboard and fieldstone—are reserved and part of the region’s tradition. And while roofs vary with the setbacks, their slopes are always the same, so the profiles hold together visually.

Snyder instituted one change. He saw that in one model (floor plan, second from left) the family room was too small and prospects were shying away from it. So he told Jaffe to change it, and Jaffe pushed out the family room wall at the rear and shortened the garage to enlarge the living-dining area. Result: the unit picked up in sales and has done well ever since.

“Snyder has a terrific eye for design,” says Jaffe, “but he didn’t look over my shoulder. He told me what he wanted and let me figure out how to do it.”

Jaffe is also very complimentary about the local FHA office. “This is just about the first PUD on the Island,” he says, “and they bent over backwards to keep things moving and coming out right.”

Snyder admits that at the beginning having the first PUD on the Island looked like quite a risk. “Now,” he says, “I’m convinced that no matter where you build and no matter what the local market is used to, doing the best possible project and giving it the best possible merchandising is the only way.”
not just to Staten Island, but to all of New York

Interiors of typical kitchen (photo, far left), dining room (center) and bedroom (above), reveal lengths to which decorator Carol Eichen went to get lived-in look in models. Use of floor-to-ceiling mirrors is favorite California device for adding space illusion to rooms. Stone fireplace (photo below) is New England-inspired, while conversation pit with black shag carpeting is popular with California builders.
We're losing our best men. One by one, builders who have merged into giant corporations have either quit or been fired:

The high cost of mergers

The tumult and the shouting dies;
The captains and the kings depart

Rudyard Kipling, Recessional

Big homebuilders are merging into huge corporations with a fanfare of trumpets—and then departing to the roll of a muffled drum. The trend is clear:
The U.S. is losing its best builders.

For these men were the pacesetters who built the best of the nation's mass-produced houses while leading the construction boom of yesteryear. Their premature departures should frighten anyone who values livable housing for the working man and longs for the return of a healthy construction market.

A thorough review of 20 key mergers, which date to 1964, failed to unearth a single builder who has worked out the standard five-year employment contract with a major corporation. Only six men lasted more than two years, seven left in less than a year.

Two more leading builders have just joined the Lost Generation: Jack Bertoglio and Don Scholz.

Redman Industries forced Bertoglio's resignation a year after buying his $18 million company. Says Bertoglio, a top apartment builder at age 35:
"You won't be hearing much from me for a few years. The merger contract says I can't build without Redman's permission."

And Toledo prefabbrer Scholz, whose trademark is superb house design, walked out seven months after the $58 million Scholz Homes merged into Inland Steel.

The merger splurge, with its heavy cost in manpower, is sure to continue. Homebuilders want big-company borrowing power to expand in the promising '70s, so many more will surrender control of their companies to munificent parents. "A merger," says Bertoglio, "is the only long-term answer to cash needs. If I had it to do over, I'd sell out again."

Perhaps. But Jack's own case shows that the traditionally headstrong builder has...
great difficulty finding happiness in the corporate mold.

"The last great day of a builder's career," says consultant Stanley Edge, "is the day he sells out to a giant."

**Twilight of the pioneers**

Merger failure because of breakdowns in communication. Neither party deserves all the blame. The corporations don't realize what they are buying, and the builders don't understand what is expected of them. Here's the pattern:

Many of today's established builders first excelled in the booming '50s on the strength of their house designs and marketing skills. [In those days the big question was: Do your houses have curb appeal?] Even after those flush years, builders tended to compensate for erratic management by working harder than their competitors. Ray Watt began work at 5 A.M. and toured all his southern California subdivisions to resolve any problems.

So the corporations bought gifted, hard-working pioneers—but not managers. That became apparent when the corporations asked their builders to branch to other cities. But he quit for the management role. Ray Watt was adamant. So Hansberger fired him—three months after the merger."

"Ego is the key," says Edge. "You have to convince them that they are bigger powers in housing than ever before."

Insiders say Steve Yeonas, Don Bren, and Bill Lyon, to name a few, have that kind of motivation and are performing well. Others, notably Larwin's Larry Weinberg and Levitt's Dick Wasserman, are said to be working for promotions to key posts with their parent corporations.

**Behind the departures**

Each merger's story is a variation on the basic pattern. Some specifics:

- Noted homebuilding expert Al Hildebrandt got the job of planning Boise Cascade's expansion into housing after the timber company bought his Georgia prefab company, Kingsberry Homes. Hildebrandt advised against buying builders who would compete with Boise's customers. President Robert Hansberger overruled him. Hildebrandt was adamant. So Hansberger fired him—three months after the merger.

- Boise tried to motivate its first builder, Ray Watt, with high pay and the challenge of branching nationwide. But he quit for a government job after a year. Ken Campbell of Audit Publications says, "Ray is altruistic. He wanted to do something more with his life." Another friend puts it more sharply: "He was bored."

- The man who created the garden kitchen—the indoor-outdoor concept that revolutionized kitchen planning—lasted three years under Occidental Petroleum. The corporation bought Ben Deane to manage its housing division, and then saddled him with the impossible task of unloading S. V. Hunsacker & Son's inventory of raw land and unsold houses. Occidental had bought the troubled Hunsacker operation two years earlier. Despite some effort, Deane couldn't clean up the mess. And as his frustration mounted, he spent fewer days in the office. An insider insists that Occidental urged Deane to take days off, rather than resign—"we need the Deane name." Deane will say little beyond "It's good to be on my own again." He is building with his son. But it's doubtful that he can soon recapture a major role in housing.

- Nine months after Boise bought his land company, Tom Perine quit to form another—this time outside housing. A friend says: "No corporation can hold Tom. He's too creative."

- Jack Bertoglio hoped to expand his apartment business 40% a year after joining Redman, a big mobile home maker. But when some projects soured last year, Redman decided to tighten its rein and move Bertoglio's company from Kansas City to corporate headquarters in Dallas. He refused to go. Redman then moved the company without him. "That left me without much to do," says Bertoglio.

**The loss**

When these men bow out, no one benefits. The corporations lose inventive minds. The housing industry loses trend setters. And the public loses men who lifted the quality of American housing.

The latest to depart is Don Scholz, and his loss stands for all the rest. For the story of his talents and weaknesses, his vision and failure, is a larger-than-life example of the high cost of mergers. **TO NEXT PAGE**
The fall of Don Scholz

On the brink of becoming the biggest of them all he merged into obscurity

Don Scholz in 1946, when he began designing this parade of quality houses...

1952: The house that made Scholz Homes famous
Don Scholz is a dreamer, who is possessed by a bedrock determination to succeed

Flying home from New York, Don Scholz thought he could touch the stars. Nothing was beyond his reach.

Men at Lehman Brothers, the prestigious Wall Street investment house, had just spent the day encouraging him to make Scholz Homes Inc. an overnight giant by acquiring nine building companies.

Such a creation—a $220 million General Motors of Housing—would fulfill the promise of Scholz's 25-year career in housing.

The next day a Scholz Homes board member phoned—and shot him from the sky:

"We have a merger with Inland Steel. The deal is all set."

So instead of Scholz being the acquirer, he was acquired. There would be no General Motors for him. No crowning achievement. Within months he would resign from the company he founded in 1946, and say:

"I have no incentive to stay."

To grasp the larger meaning of his story, one must first understand Scholz—a complex individual, whose personality was forged by a childhood attack of polio and a lifelong passion to excel.

Scholz is racked by ingrained contradictions: he is an artist by temperament and an engineer by training; an informal man, who demands rigid loyalty; a dreamer, possessed by a bedrock determination to succeed; and an unrepentant optimist, who can be surprisingly practical.

The conflicts make Scholz difficult to characterize. Yet, perhaps the image of him behind the wheel of his car comes close to reflecting his many sides—his optimism and determination, his flair and penchant for training.

His feet stay on the floorboards as he jabs the gas and brake pedals with a cane held in his right hand. He steers with his left.

The car is a ghostly grey Cadillac convertible, and he drives it fast, with the top down.

When Scholz goes out with business friends, he always drives. He likes being in the driver's seat.

If there is a key to Scholz, that is it—he likes being in the driver's seat.

The artistic engineer

Scholz's talent for house design made his company exceptional from the beginning.

After World War II, Scholz and thousands of other young men bet their life savings on the country's demand for houses. His $15,000, earned doing government engineering, got him land in his home town of Toledo, a set of models, and a builder's headaches. "Every other Friday," says Scholz with a smile, "I'd hock my car."

By the early 1950s, his land-bugging contemporary houses were attracting national attention (H&H, Jan. 1953: Look what's selling in Ohio—California-style houses). Builders wrote for his designs, and soon Scholz was selling precut houses from his Toledo factory to builders in 31 states.

As business increased, Scholz recruited dozens of hard-working, home-town boys, like himself. Most came straight from college and high school, and stayed on to prosper with the company.

Today these men, the middle-class leaders of middle-class Toledo, have an old-fashioned loyalty to Scholz. For some, pushing 50, he is the only employer they have ever known—the boss and a friend.

The loyalty and fellowship give Scholz Homes an atmosphere of geniality. All decisions are debated, often at dinner, where the boss gets the final word and the check. There is little second guessing and no backbiting.

Yet, outsiders describe the Scholz men more often as willing workers, rather than truly effective administrators. A Wall Street analyst says: "They aren't yes men, but they aren't no men either."

Perhaps the critics have a point. The company has had its share of lean years. But Scholz never let bad times or criticism get him down. He had what he wanted—loyalty, a national reputation, and plans for a brighter tomorrow.

The determined dreamer

By the mid-'60s, Scholz Homes was a solid $11 million company that dominated the luxury prefab market.

Scholz could have stood pat. After all, he was approaching 50, an age when many successful men choose to slow down. But not Scholz.

He re-evaluated his life and decided in 1966 to expand his goals. A friend says, "He wanted another hurdle." And he picked a dandy—the creation of a General Motors that would build houses nationwide for every pocketbook.

Scholz began by shifting into apartment construction and by exploring mergers with a range of builders. The twin aims led him in 1967 to Chicago investment banker Bertel Malmquist, an apartment and merger expert.

As Scholz's stock began climbing that summer from $3.75 (on its way to $44 in 1969), Malmquist and his McCormick & Co. bought in heavily and profitably. Soon the dapper financier—who affects pinched-waist jackets and bell bottom slacks—became the power broker within Scholz Homes.

This alliance formed with the shrewd Malmquist, which seemed so promising, would signal a critical turning point in the Scholz story. Malmquist would close several deals that would dilute Scholz's control. And, at the crucial moment, he would

1953: A volume prefab for the mass market
1956: Scholz pioneers sectional housing
1957: Scholz Homes's all-time best seller

H&H October 1970 53
A dapper financier—with bell bottom slacks—became the power broker within Scholz Homes

take a decisive step—without Scholz's knowledge.

Malmquist always acted for the good of Scholz Homes, rather than only Don Scholz. And in that context, his moves seem to have benefited the company and all its shareholders. Including himself. For services in 1967 to 1969, Malmquist and close associates received $713,250, plus 50,000 shares of Scholz common ultimately valued at more than $2 million.

Surrender of control. The first target of Scholz's acquisition program was a mobile home manufacturer. His staff found two likely candidates: Monarch Industries, formed through the merger of three young companies; and Schult Mobile Homes, an original mobile maker that had a modest growth record but a reputation for quality. Scholz chose Schult in 1967, and then spent a year convincing its executives to merge.

During that time, Schult's sales and profits soared 50%. So when Malmquist finally closed the deal late in 1968, Schult was the

Blueprint for Don Scholz's General Motors of Housing

<table>
<thead>
<tr>
<th>New Entity Operating Divisions</th>
<th>Sales 12 Months Ending 12-31-69 ($ Million)</th>
<th>Estimated Sales 12 Months Ending 12-31-70 ($ Million)</th>
<th>Earnings 12 Months Ending 12-31-69 ($ Million)</th>
<th>Estimated Earnings 12 Months Ending 12-31-70 ($ Million)</th>
<th>NET WORTH 12-31-69 ($ Million)</th>
<th>1970 Initial Shares</th>
<th>1971 Contingent Shares</th>
<th>Shares to be Cashed Out*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholz Group:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Schult Mobile Homes</td>
<td>30.0</td>
<td>45.0</td>
<td>1.20</td>
<td>1.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) W. Wells</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>500,000</td>
</tr>
<tr>
<td>(b) Other Officers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. PFA</td>
<td>6.5</td>
<td>8.0</td>
<td>0.30</td>
<td>0.6</td>
<td></td>
<td>440,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Allstate Homes</td>
<td>3.0</td>
<td>4.0</td>
<td>0.13</td>
<td>0.2</td>
<td></td>
<td>116,354</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Schult Homes</td>
<td>20.0</td>
<td>45.0</td>
<td>0.75</td>
<td>2.0</td>
<td></td>
<td>1,413,815</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) B. Malmquist</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>220,450</td>
</tr>
<tr>
<td>Jewel Builders of Columbus</td>
<td>7.0</td>
<td>10.0</td>
<td>1.00</td>
<td>1.0</td>
<td>4.0</td>
<td>600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stiles-Harton of Grand Rapids, Mich.</td>
<td>1.0</td>
<td>9.5</td>
<td>0.18</td>
<td>0.5</td>
<td>0.3</td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Republic Development Corp. of Detroit</td>
<td>14.6</td>
<td>20.0</td>
<td>1.80</td>
<td>1.3</td>
<td>7.0</td>
<td>850,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fine-Bilt Homes of Lansing, Mich.</td>
<td>2.7</td>
<td>3.0</td>
<td>0.14</td>
<td>0.2</td>
<td>3.8</td>
<td>87,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L. B. Nelson Co. of Palo Alto</td>
<td>15.0</td>
<td>20.0</td>
<td>1.90</td>
<td>1.3</td>
<td>5.0</td>
<td>500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Betker-Fredericks Co. of Los Angeles</td>
<td>10.0</td>
<td>12.0</td>
<td>0.50</td>
<td>1.5</td>
<td>3.0</td>
<td>350,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ramer Manufacturing Co. of Oregon</td>
<td>13.8</td>
<td>18.0</td>
<td>0.60</td>
<td>1.2</td>
<td>3.4</td>
<td>318,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imperial Components of Chicago</td>
<td>6.8</td>
<td>10.0</td>
<td>0.20</td>
<td>0.4</td>
<td>0.6</td>
<td>120,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitchell Corp. of Mobile</td>
<td>14.3</td>
<td>18.0</td>
<td>0.80</td>
<td>1.1</td>
<td>3.0</td>
<td>350,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$143.1</strong></td>
<td><strong>$222.5</strong></td>
<td><strong>$7.72</strong></td>
<td><strong>$13.1</strong></td>
<td><strong>$39.1</strong></td>
<td><strong>5,675,169</strong></td>
<td><strong>2,257,454</strong></td>
<td><strong>1,038,650</strong></td>
</tr>
</tbody>
</table>

1958: Scholz taps luxury prefab market
1962: Nation's first mass-produced atrium
1965: "The best house I ever designed"
dominant partner. Schult's Walter O. Wells became board chairman and chief executive of the combined operation. Scholz, as president, continued to run his prefab business.

Some observers have asked whether Scholz realized that he was surrendering so much control. He says he did, but merged into Scholz Homes. They inherited a power to help shape Scholz Homes' future.

Those details never seemed to bother Scholz. The company still carried his name, and that was good enough for him. He continued to line up acquisitions. And by the fall of 1969, nine candidates, ranging from a $1 million sectional house manufacturer to a $15 million apartment developer, seemed more or less willing to join his General Motors.

But while Scholz pressed his patient search for the right collection of builders, his new partners were busy with an entirely different plan. They decided among themselves to sell out Scholz Homes to a giant industrial corporation—for two reasons that made good sense to them:

1. Scholz Homes was short on cash and its short-term debt was a building. But Scholz himself still wanted $100 million for land and new apartments. So the company would need the amounts of capital that giant corporations could guarantee.

2. Scholz's partners wanted to cash in their shares for blue chips. Wells, and others, feared the Scholz stock was overpriced at $22 a share, or about 25 times earnings, and would soon level off.

The Inland deal. Some giants (General Development, Gulf & Western et al.) were looking at Scholz Homes in August, when a banker steered PFA's Carley to Inland Steel (1969 revenues: $1.2 billion). The Scholz executive committee, including Don Scholz, met the top executives at Inland's Chicago headquarters on September 12. The informal discussion lasted less than two hours. And Scholz thought that might be the end of it.

Not quite. Two days later, Inland's board chairman phoned Wells. Wells then asked Malmquist to begin merger negotiations. And only a week later, Wells signed over his proxy to Malmquist, giving the financier authority to close the deal. Wells promptly left for a month's vacation in Europe. Scholz maintains to this day that he had no idea of how truly serious the talks had become. Says Scholz: "Malmquist knew how I felt about selling out. So he didn't want me around to gum up the works."

Malmquist concedes that Scholz didn't learn of the deal "until it was well in hand." But Carley, who attended the negotiation sessions, adds: "I don't think Don wanted to know anything."

On Friday, September 26, while Scholz was busy on Wall Street planning his nine acquisitions and Wells was relaxing in Switzerland, Malmquist quietly signed a letter of intent to merge Scholz Homes into Inland Steel.

On Saturday, Malmquist phoned Scholz. On Sunday, Scholz hastened by jet to Malmquist's palatial home outside Chicago for his first look at the signed papers. Scholz agreed to the merger, in principle, that Sunday. Then, he rushed back to Wall Street and started a month-long effort to scuttle the deal.

A losing fight. A Wall Street executive, who saw Scholz during those hectic October days, says: "I felt sorry for him. He was like a fish out of water, just floundering around."

One investment house told Scholz Inland's offer of dividend-paying stock valued at $22 a share, or about 25 times earnings, was too low. Scholz's fellow board members merely shrugged. So did Inland, which refused to add a nickel to its $87 million offer. Then Lehman Brothers tried to preserve Scholz's original acquisition plan by adding a twist—Scholz's partners could sell out to the public. Here's the plan: Scholz Homes would first acquire the nine companies to expand from a $58 million concern to a $220 million colossus. The new corporation would then float stock, allowing Wells, Malmquist, and others to sell their shares at $32 each, or $10 above Inland's price. (Inland's stock deal, however, was tax free.)
The unrepentant optimist

Scholz decided to join Inland in November. "It was the saddest day in Don's life," says his wife. Scholz disagrees:

"I looked at the positive side and said: Why shoot Santa Claus? Inland was giving me $2 million worth of dividend-paying stock. Furthermore, I became convinced the merger could work."

Part of his optimism was based on his belief that Inland had consented to 1) create a mortgage system to finance Scholz Homes' expansion, 2) buy land for future development, and 3) acquire those nine companies. Says Scholz, flushing his old optimism: "With that kind of action, we could have knocked Levitt off the map."

Inland wanted Scholz. Company executives, however, deny making any such promises to keep him happy. That basic misunderstanding alone made discontent on both sides all but inevitable.

Scholz's hopes began fading even before shareholders ratified the merger in January. Rather than building, Scholz found himself in meetings or writing reports for Inland. In one bizarre incident, Scholz executives had to explain why the company had not purchased a certain land parcel early in 1969, months before the Inland deal. And oddly enough the question was raised by the landowner himself. When the Inland-Scholz merger was announced, he asked his friend, Philip Block Jr., Inland's board chairman. The chairman asked the president who in turn queried Rothfelder, who then sent a memo to Scholz. Scholz executives then invested 200 man-hours preparing a detailed apologia that built to this thundering conclusion: the man wanted too much money for the land.

"In the old days," says Scholz, "I would have handled the question with a two-minute phone call. I would have told the landowner to -----

To make matters worse, Scholz broke a leg on the way to Inland's annual shareholders meeting in January. That kept him under wraps for three months. In his place, lieutenants argued for various projects during weekly Inland meetings. "That added to his frustration," says Rothfelder. "His men didn't get every cent he wanted, so Don felt he was losing the fights without ever getting his trunks on."

Embarrassing decision. The clincher for Scholz was Inland's rejection of a merger with the Ranier Manufacturing Co. of Oregon, one of his nine companies. "We didn't see the fit with the lumber company," says Rothfelder.

As for Scholz, he calls Inland's 40-page report on Ranier a "masterpiece of asininity." But more to the point, the decision embarrassed Scholz, for he had assured Ranier executives that a deal could be made. Says Scholz: "I don't know what their reaction was. I can't bring myself to call them."

Inland did buy Jewel Builders Inc. of Columbus in June. But Inland won't buy any of the others Scholz wanted.

"We paid a high price for Scholz Homes," says Rothfelder. "Now we want to sit back and enjoy the movie." He also says: "If we err this year, it will be on the side of conservatism. We already know that earnings will be flat. But we don't want any big boners that will scare off our top men. By the way, none of our other housing executives has complained about our decisions. Only Don."

Scholz knows Inland must be cautious. "The executives are making the right moves for their shareholders," he says. "But I had to decide whether to become a guardian of the public trust, or return to being a builder."
He left Inland on September 15. His successor is Julie Cohen of Jewel Builders, who sounds something like a young Scholz:

"This merger has to work. I could have retired. But this is the next logical step in my life. If it fails, I'll consider my career a tragedy."

**Back in the driver's seat**

Inland tried to convince Scholz to stay—"You haven't given this enough time," said President Fred Jaicks.

But Scholz got his freedom, or at least the freedom allowed him under terms of the merger. Scholz can't manufacture housing for two years; nor can he build under the Scholz Homes name.

So he will develop land that he already owns in Toledo, Chicago, Washington, D.C., and Charlotte, N.C. He will become one of Scholz Homes' 300 builders—with a difference. He expects to design the units the company will manufacture for him.

Scholz will break ground for an 1,800-unit development in Toledo this year. A friend says the new enterprise will be "small potatoes" compared to what Scholz had, but adds:

"He'll be back in the driver's seat."

• • •

Outsiders who visited Scholz in 1969 and again today can see a difference in the man. He still works long hours. ("Don will always work," says his wife.) And he has a new burden—a nagging sense of guilt about deserting his loyal employees.

But he is more relaxed. The days of struggle and hard decisions are behind him. And he has a fortune in Inland stock, which yields him a dividend of $150,000 a year.

Yet, something is missing.

Don Scholz has peace of mind, but he wanted something more.

—F.L.
Clustered units leave open much of a wooded resort site

A wilderness atmosphere is the prime sales feature of this year-round resort project. It lies three hours over the mountains east of Portland, Ore., and to compete with shore areas and ski resorts closer to the city, it offers land that is less developed looking and houses that are designed for vacation use all year round.

Houses are built in two-, three-, and four-unit groups around the perimeter of the oval, four-acre site. Result: a feeling of natural openness and excellent privacy for a seven-per-acre density. The buildings, designed for year-round use, have double roofs — with air spaces between — that ventilate the houses in the hot dry summers, keep heavy snow loads from melting during the cold winters.

These 27 units (plan above) are the first phase of a 77-unit project within the 7,700-acre Sun River resort area. Units range from one bedroom with a loft to four bedrooms, are priced from $30,000 to $42,000. Architect: Zaik/Miller. Builder: Vik Const.
Two-story living room has precast concrete fireplace. Stairs lead to sleeping loft above dining room (plan below).

陆价格继续飙升；度假区——特别是那些在水边的——显示出越来越大的市场吸引力；而整个更好的环境概念也越来越重要。将所有这些因素加在一起，你就得到了为什么创新的土地规划比以往任何时候都更重要。如果一个项目要实现其全部获利潜力，这是一个原因。

上面的城镇项目和接下来的4页都是这样的土地规划的好例子，以及这种设计——在积极的意义上——可以充分利用它的例子——一个小的度假项目，它需要开放性，一个沙漠项目，其景观是主要资产，以及一个水边项目，它必须在非常昂贵的水边土地上尽可能多地挤入单位，同时不失去购房者期望的更昂贵的住宅的设施。

这两个项目在接下来的4页中获得了1970年更好居住家园奖的荣誉奖，由美国建筑师协会联合主办的HOUSE & HOME和American Home主办。
Angled units capitalize on the view from a mesa's edge

By day the panorama encompasses a low-lying plain that runs down to the Rio Grande, downtown Albuquerque across the river, and mile-high mountains in the distance. And by night, the lights of the city are clearly visible. To take advantage of all this splendor, these 31 townhouses are angled so that 1) all have glass walls facing the view and 2) no house blocks its neighbor's view. To preserve the view itself the development is ranged along the mesa, leaving the 200-acre flood plain part of the 500-acre community completely undisturbed ecologically. The angled siting also presents solid walls to western sun and desert winds. Large patios (photo, above), sunken so their high walls don't block the view, trap the winter sun. The walls also provide privacy from adjoining pedestrian plazas (site plan, right). All walls are made of 16"-thick adobe brick, made locally and laid up by unskilled local labor. Three plans range from 1,500 to 2,150 sq. ft. and from $30,000 to $43,000. Another 18 out of a planned 300 are underway. Architect: Antoine Predock, Builder: Ovenwest Corp.
Angled sites put large patios towards the view (top of page). Garage courts are at back.
Blocks of units make the most of costly waterfront land

To squeeze as many units as possible along the expensive frontage, blocks of eight units like the one above are set close together along the waterfront (plan, right). But the 26'-wide townhouses retain some measure of privacy from their neighbors because: 1) their front and rear facades are varied in setback, 2) their balconies have blank side walls, and 3) their rear garages hide private courts (plans, far right). Also at the rear on the upper level are bedroom balconies and large windows looking away from the marina towards San Francisco. To give owners direct access to the deep-water boat channel, each house is set on two concrete front-to-back beams, laid across concrete piers, and cantilevered 17' out over the water. And each has gangways down to its own 30' concrete boat slip. The units are 80' or 90' long, sell for $56,000 to $72,000. They are part of a 44-unit group that is the first part of a 50-acre, 800-unit project around a yacht harbor in Alameda, Calif. Architect: Fisher-Friedman. Builder: Williams & Burrows. Owner: Pan Pacific.
That is the single most important challenge for today's homebuilding industry.

For inflation now threatens to become a permanent feature of the economy, and it raises chilling prospects. It could dislocate mortgage markets, force tremendous increases in prices, dictate a shift to apartment living, and
housing can cope with permanent inflation

even doom the single-family house. Inflation might well bring an end to the housing market as builders know it.

So HOUSE & HOME assembled 38 leading figures in the fields of homebuilding, lending, and government to determine ways in which the housing industry can cope with permanent inflation. The Round Table, entitled "Inflation

1

The brighter side—just suppose that inflation could be controlled

The panel assumes, purely for purposes of analysis, that inflation could be contained. Mortgage flows would improve and housing would attain a new and lasting stability. The single-family house would be saved.

Leslie Goldstein: Let's be optimistic and assume that the annual rate of inflation will be diminished to 2½% or 3%. We can then see corporate bond rates down at 6½%. Suddenly the 5% rate paid to savers becomes competitive again, and you might see a shift in flows of money back toward mortgages.

Norman Strunk: The single-family house market has suffered unusually as a result of inflation because it is a long-term thing and there is no equity protection. If the investor becomes convinced that a long-term commitment is desirable, I would think some of the reverse psychology would obtain and the single-family mortgage would become an attractive investment. If you take care of the inflation problem, you get a lot of things going for you in terms of the availability of money.

August M. Strung: There is no doubt that, if we could control inflation, we could attract funds.

Morgan G. Earnest: If it does occur, then I do think we are going to have more money come back, available for mortgages at lower prices.

Paul J. O'Brien: The degree of inflation is important. If we can control it and bring it down to something like 2½%, something we could probably live with, the fixed return might become more attractive again. I think we will start to get our savers back if they are shown encouragement by some reports of inflation coming under control.

Edwin W. Rochon: Does anyone else believe that inflation can be contained and price equilibrium can be established?

Sherman J. Maisel: History shows that, except for war periods, we have had price equilibrium a great majority of the time. The argument for inflation is primarily that it is more desirable on political grounds and therefore will continue. I doubt that inflation is as good politics as many assume.

Strunk: Perhaps even with the termination of the war, there are so many demands that it is almost fair to assume that we are not going to have any real change in the forces that create this inflation. Am I right on that?

Maisel: If you assume that for the coming decade CNI will average at least $1½ trillion a year, then the question of getting sufficient resources into housing doesn't look too difficult. The resources that would have to be shifted to meet our housing goals are really rather minor—on the order of $5 or $10 billion a year. Just talking as an economist, there is no technical problem here. This is why I think you are saying we don't have the political desire really to do something about housing. If we can't face difficult political problems of setting priorities within our existing resources, then obviously inflation is a major problem.

Goldstein: The initial reaction to inflation was a buyers' panic. From talks we have with retail merchants and industrial companies, we are going through a buyers' strike likely to last for some time. I would expect the rate of inflation to decline. In the 1950s and 1960s money supply grew at an 8% rate. Milton Friedman has suggested that the money supply should be permitted to grow at only 4% or 5% a year. The CNI might then grow at only 3% to 4%. This would reduce the expectations of businessmen, result in some decline in their capital expenditures, and permit corporate cash flow to go from deficit to surplus.

Jenard M. Gross: It would appear that we are hoping for a cessation of inflation without having any of the framework for getting it accomplished. How do we halt inflation by stimulating the economy?

Max Karl: To contain inflation in the mortgage market, we must consider some non-traditional techniques. If we are to have an ample supply of mortgage money, it must have an anti-inflationary impact on housing. I suggest subsidy on the one hand, but no subsidy in the usual way. I would recommend a tax incentive for institutional investors who, because of the additional yield, would show a greater interest in a secondary marketing operation.

The tax credit could be as much as 50% for institutional investors of $100,000 or more. If the effect of bringing a billion dollars into housing from non-traditional sources is to create a billion dollars of new housing or more through tax legislation, then certainly the CNI must benefit to the extent of twice that amount. When it is all over, I think a closer analysis will reveal that there really is no revenue loss by the federal government. The taxes on the increase in the CNI would compensate.

Frank M. Crossen: The subsidy would have to be changed and our complete tax picture changed in order to do it. We should forget about interest and forget about subsidies. Once you have freed the market, you free everything. You can't just take it spot by spot because if you do, you are going to have subsidies that direct money into certain sources.

Maisel: Getting back to the subsidy question. If resources are already fully allocated, and the demand for goods is too high, any subsidy tends to increase your problems two- or three-fold.

Karl: I realize it creates some problems, but it also involves a priority to which housing is certainly entitled.

John Lynch: A group talk at the Harvard Club last year was split significantly. Out of eleven, four said inflation was terrible, the other seven said it was fine. It seems to me that the cure for inflation is much worse than the inflation—creating more of a problem now than the small amount of inflation we had each year.

Edmond C. Tonti: Why can't the federal government get just a little bit of flexibility in the system?

I can borrow money from John Hancock or Metropolitan for 5½% interest and 2% of the action, and if it is good enough for them, it is good enough for a homestead. But I am not allowed to compete for that dollar at all here on a local basis. I have a feeling that the same situation prevails around the country.

O'Brien: The shortage of money in many instances has been overemphasized. Today a builder in California with a good, rapidly selling product can get

H&H OCTOBER 1970 65
all the money he needs from some source. There is no real shortage for a fast-selling tract that I know of.

The things that really upset the applecart are predictions of lowering the mortgage rates in the immediate future. In one tract we had 13 cancellations and the builder said they would come back when the rate dropped. The expectation of a lower rate is a real deterrent to new home sales.

Alan S. Borstein: A good many of the inflationary problems have been caused by the builders themselves. The psychology over the past 20 years in the building industry has been that the buyer will continue to be willing to pay an ever-increasing price for the product he buys. The tendency of most builders has been to go along.

Woodward Kingman: The important priority that the administration definitely is pushing is the effort to stop inflation. We have to stop inflation if we are going to do something about non-subsidized housing.

But inflation is here to stay...

This judgment by Chrysler’s Edwin Homer summarizes a key session of the New Orleans Round Table. Only the degree of inflation remains in dispute. The conference finds that wage settlements intensify inflation.

Rochon: Are we truly getting anywhere in controlling inflation, particularly in the housing and mortgage markets? Do you feel that inflation is under control or that it will be?

C. W. Ford: I think some progress is being made, but we have a long way to go. The rate of inflation is a very significant factor. There has been a decline in the rate, but there is still enough there to be a serious problem. I don’t think there will be complete control or elimination of inflation. I don’t think the people are willing to pay the price.

Earnest: I think the inflation psychosis we are dealing with is a very important factor. I question that we are going to stop inflation. We may slow down the rate, but with the commitments that we have around the country, I don’t see any real reduction in inflation.

William C. Gow: The inflation problem is psychological as well as financial, and until you beat the psychological aspect of it, I don’t think you can solve the problem. You have to strike at the basic roots, and one of them is fear; nobody is going to starve to death.

C. W. Smith: There is no question but what inflation will be eased somewhat. We have a lower rate of inflation ahead than we have had during the last year or two. Business volume in most lines, as it is in housing, has fallen to the point where prices will soon rise at a slower rate, at least, than they have risen in the past.

As for housing, the answer is for us to try to live with the economy we have and to come up with answers that will enable home buyers to compete for funds rather than to hope the government is going to do something to make more money available to housing. If home buyers and the home-building industry cannot compete, then I see no reason why the government should single out this industry and say it is more important than national defense or pollution or crime in the streets or other equally important items. There have to be other answers.

Raymond H. Lapin: Everybody expects prices to keep going up at a rate that’s high enough but that won’t be troublesome for years and years to come. I see no real strong signs that there is any reason for anyone to think differently. I think we will have this problem with us for years.

David G. Zellner: I believe we will continue to have inflation.

The direct construction cost in a $30,000 house in Southern California is about 50% or $15,000. About $7,500 of that is material and $7,500 is labor. We have labor contracts that will take us through the year 1972. The average increase is 8%. We can assume that 8% will apply to nearly all the labor that goes into houses in the next few years. That’s $600 per house on a $30,000 house, or 2%. We can assume therefore that for three years running, houses will increase at $600 a year and for five years, that’s $3,000.

So we have built-in inflation.

There is also inflation in the other $7,500 of materials not included in the $600 increase.

Strunk: The statistics say the economy has been cooled somewhat. But so far as inflation in housing is concerned, I can’t see any evidence that this is slowing. Wage settlements and everything else seem to be just as galloping as last year.

L.B. Nelson: I don’t think the statistics that inflation is cooling are true. It is cooling temporarily, but basic demand is not cooling. I don’t understand why we try to restrict the money supply in this country and thereby stop production because basically production must keep pace with demand if you want to cool inflation.

Gross: The recession, while probably temporarily producing some declines in subcontractors’ bidding, in fact sets the stage for a much more rapid inflation in the future in the housing industry, because we are in an unusual situation.

Every time we have a slowdown in housing starts, two things occur: a lot of marginal lumber mills go out of business; a lot of plumbers or carpenters go to work in other areas.

When housing picks up, these lumber mills don’t come back into production, the workmen don’t return to the industry. Therefore, on the next round, the lumber prices and the wage increases go sky-high. The next time we reach the same level in housing that we had in early 1969, prices will be much higher than they were then, and labor, which is not flowing into our industry, will demand greater wages and get them.

Recession merely represents accelerating inflation in the future.

Richard O’Neill: The chairman of the Council of Economic Advisers said to me in November or December that, because of the wage increase rate in 1969—a level of about 15% as opposed to only 4% to 6% in prior years—the housing industry couldn’t handle any more starts because it didn’t have the labor and that’s why the wages were bid up 15% or 16%. A corollary is that nobody wants his kids to be plumbers except a plumber and nobody wants his kids to be carpenters except a carpenter, so wages are bid up and they will go higher and higher.

Tonti: I agree. I just can’t see any feed into the labor market at all, skilled or unskilled.
Edwin N. Homer: My company feels that inflation is here to stay, and it is just a matter of the degree of control. We can all live through it, but this labor market is a strange situation.

We have thousands of people that have been laid off in the Detroit area, and it is a very serious situation. But we are facing a new round of labor contract negotiations in September and as sure as we are sitting here, there are going to be increased manufacturing costs and cars are going to cost more money. Even if Detroit made only a million dollars, 1971 cars are going to cost more. So, you will be buying new cars and they will cost more and building less houses and they will cost more.

Wayne S. Doran: In comparing the auto industry to the home-building industry, there is quite a difference that may not be recognized in dealing with labor. The auto industries are dealing with labor in the form of one union and one location. Labor in the home-building industry has many unions in many locations. The economy may put pressure on the auto industry that affects the labor industry, but in the building industry the economy may change and not reflect itself in wages.

The makeup of the building business has changed drastically in the last few years, not because of land prices or labor increases or material increases; it was real estate taxes that the buyers found they had to pay. With the increased tax burden on the single-family dweller, there has been pressure in the market to change the type of unit being built and with that demand comes a change in the demands for money.

Preston Martin: I think that, underlying all this inflation talk, there is the reality that national housing goals are still going to be met. I am not talking about the specific goals in the 1968 HUD Act. But we know that during this decade the housing demand of the country has to be satisfied. We are not sure what the product is going to be except that it is not going to be the detached single-family residence of the 1950s. We don’t know how we are going to finance it except that it is not going to be the 4%/5% rate of the 1940s.

Lewis Cenker: Housing for low-income users depends on federal subsidy. Inflation of costs and prices retards production of low-income housing because subsidy dollars [always in short supply] are used up by fewer units. In the absence of some major shift in national priorities generally, price stability might prove short-lived under pressure of higher goals for production. The demand would develop further shortages of manpower and material and . . . up go prices. Stability is not possible under such demand.

You might see a bad situation develop in this narrow segment of the market. It is a market resting on federal funds; it is politically important; and it is socially important. If production is to be made THE goal we may need political courage to temper or move aside for a while and other goals and priorities expected in this market.

Rochon: Are you saying that the over-ambitious statement of goals is making the goals themselves self-defeating? Time to de-escalate the rhetoric?

Cenker: Perhaps it is time. It seems to me that an oversupply of rhetoric on housing the disadvantaged and producing the so-called “modest” home is available at all levels. It is safe to say that every candidate for public office at the federal and the state and the local level will have something to say this year about poor families and high costs of housing. Yet who will say that the goals of economic mix, employment quotas, racial mix, higher wage and job standards, regulated builder fees, or other socially desirable ends should in many cases yield to the pressing goal of production?

Carmen Pasquale: The President indicated that he was going to control inflation by sound monetary and fiscal policy. I realize he does not have control of the monetary policy, but he does control the fiscal policy of the government. A sound fiscal policy should provide, as part of the budget, adequate funds to meet housing goals. At the present time it would appear that the Economic Council, which meets with him, does not establish a high priority for low-cost housing. Therefore, money appropriated for housing to date has been insignificant. To alleviate the housing problems it will be necessary to place pressure on the White House to change its priorities and change its thinking in order to provide funds.

The causes of permanent inflation
-the war, wages, a rising money supply

The panelists examine the reasons for permanent inflation, among them the Federal Reserve’s monetary policy. Governor Sherman Maisel of the Fed leads a lively debate on the theories of the economist Milton Friedman. The panel discusses the kicker mortgage and the youth rebellion.

Ford: As long as we continually raise wages and do not increase productivity, we will have inflation. I anticipate that we will have inflation as a way of life.

But there is another problem contributing to inflation and that is our list of desires. Unless we take a different look at what we can afford and cannot afford, and then establish plans and priorities, it will be impossible to control inflation within any reasonable limits.

Housing is basic and it is the number one domestic problem in this country. If we solve it, there are a lot of social ills that will be solved by virtue of the fact you can give a decent home to every family. There are a lot of other problems and commitments we now have that won’t be nearly so serious if we first solve the problem of housing.

Bundy Colwell: If people are thinking inflation, there will be inflation and, if they think contrary, there will be something to the contrary.
not inflation. That's an attempt to disinflate that's causing that.

**Strung:** John Lynch said that high interest rates are a result of trying to contain inflation. It seems to me that high interest rates are a result of inflation.

**Maisel:** You are right, it's the easiest way to say it.

**Henry J. Paparazzo:** As to how bad inflation is—it affects the lower-income level the most and the higher income bracket is more in a position to cope with it or keep pace with it.

**Rochon:** Milton Friedman's position is precisely that of Mr. Strung. If we decrease the money supply, we cause a temporary rise in rates; but the rates rise only temporarily and then demand is contained. The push on the economy will have the effect of lowering rates, so that by Dr. Friedman's definition, the control of the money supply is within tolerable limits and should control rates.

**Maisel:** But not in housing. It could well mean mortgage rates of 25%. Friedman's theory is basically an anti-housing theory. In 1966 the monetarists thought it would be a very good thing if mortgage rates went up, but as we know, it's the housing industry that gets hurt. If interest rates have to absorb all unusual increases in demands for expenditures and credit such as those brought on by war, the height to which rates may rise could be such as to wipe out all thrift institutions.

**Strung:** Is that the result then of your policies in the last year or so?

**Maisel:** Yes. I think that everybody should be very leery of assuming that the present system guarantees that housing will suffer more than under a Friedmann-type system. Under current policies, some types of investors have to give up investments, some consumers have to give up consuming, some government projects are postponed, etc. But if the monetarists' theory worked, it would call for virtually all the deferred expenditures to be centered in housing.

**Lapin:** I think we can try to get a fair share of savings for housing, but I don't see how we can get a fair share and also have higher rates. That means that we have to pay the freight, that the homeowners have to pay the freight. The only exception to that I feel is that we should conserve all the appropriated funds of the government for low-income families and subsidies should only be for low-income families.

**O'Brien:** The reason we are in this situation today may be apparent if we talk about kickers. The insurance companies thought up kickers when inflation got to a rate of, say, 6%, and they were paying a dividend of 4½% They were forced into some situation to protect their industry. I think the difference between 1965 and 1970 is the increase in the rate of inflation. If we hadn't applied tougher monetary and fiscal policies in '68-'69, where would we be now? Would it have gone to 8%?

**Robert W. Hayes:** We seem to have two basic groups in the country: the main payers and the demanders or non-payers. The young people are demanding education, are anti-Vietnam, even anti-space. Are the payers really willing to pay? I think the serious question is that once the young people do start burning down the cities and we start reacting, we are going to have to pay whether we like it or not, and that, in a way, is going to mean some changes.

**Milton E. Kettler:** That is one of the more important issues that is in front of us, and we are going to have to write it into all of our thinking. I think that we are going to have changing values and our interest as businessmen is to create a customer. To create a customer you have to figure out what his values are and satisfy them.

**Lynch:** All the studies I have seen would indicate that the young people are not savers, that they are inclined to take what they want now, reject what they don't want, not think in terms of ten years from now. If you displace 10% of our older population with 10% of the younger population, I think you lose a lot of saving potential.

**Strung:** How long are we going to keep the depositors from dealing this way? How long can we keep that money coming in the window? How long is it going to be before it falls to such a degree that we won't be able to supply housing? Is this not then a real function or need on the part of the federal government?

**William Collins:** Housing may be at the bottom of the list now, but traditionally all investments run in cycles. Sometimes municipal bonds are favored, then corporate bonds, then mortgages and all of this relates to sections of the economy.

I don't think the mortgages are always going to be at the bottom of the list. We can't keep making shopping centers, and office buildings and plants can't keep expanding if people don't have anywhere to live. Eventually these people will quit building shopping centers because there will be no houses available. So, they won't be borrowing the money for these purposes and residential mortgages will come back in favor.

### 4 Inflation could dislocate mortgage flows and perhaps doom the single-family house

“It will be a whole new ball game”—Panel examines inflation's threats to the building industry. Experts discuss the federalization of mortgage markets, a topic even more timely today than at the time of the Round Table in March, and debate the future of the single-family dwelling.

**Rochon:** Mortgage money now flows outside its normal pipelines, using new conduits—the Home Loan Bank Board and Fanny May.

Any number of sales now fear that they will become mere adjuncts or fingertips of an expanded Bank Board, that they will be nothing more than agencies that pay out government money with one hand and take in mortgages with the other, that they will lose the savings function entirely.

And the mortgage bankers, at their last New York convention, feared that they might become mere Fanny May traders.

So—could we talk about the reconstitution of this dislocated mortgage market?

**Karl:** I don't think that running money through government agencies is a complete answer. It is a substantial contribution, but you can't overlook the private approach. If HUD is going to control Fanny May offerings, and if the Federal Home Loan Bank system is going to be controlled by administration policy, and if perchance that administration policy were to be charged with something less than a benevolent attitude toward housing, maybe what we
really fear is benign neglect.

Turning to techniques, if you look at the last half of last year, the fact that more than half the mortgage money came out of the money market (through Home Loan Bank issues and the FNMA) indicates that you are not going to get much further by merely using techniques. You must tackle the basic problem. At $11 billion on an annual basis, I think you have done about as much as can be done with new borrowing techniques, even though introducing some new ones might stave off problems for another six months or so. But eventually, you will run out of techniques and have to get back to basics. That's why I am skeptical of the impact which a secondary conventional mortgage market and the GNMA mortgage-backed bond might have. They may help a bit, but not much.

Robert J. Gale: Our company experienced a slight leveling earlier this year in sub-contractors' prices and material costs. But this has been offset by rising land costs, interest charges, and other overhead factors. Thus, it has been impossible to maintain prices of our single-family homes within the range of many of the home buyers for whom our suburban communities have been planned.

We don't think that the single-family home is on its way out, however, or that it will be available only to the very affluent. We're now expanding into other areas of the shelter field including planned unit developments—which will contain single-family homes, townhouses, and garden apartments—and our modular housing plants will soon be turning out units that can be used in our own communities or sold to other builders.

Nelson: We have to change our methods of design for the so-called single-family home. After World War II, when we had a lot of subdividable land available for single-family houses, builders were able to produce living units at a reasonable price and on a large scale. Now most of that land is used up, and people are forced to go into multiple-family housing. This will be a continuing trend in areas that are substantially built up.

Also, you have to get a rapid form of transit so you can move people to the outlying areas where there is land. Until the time comes when we use our transportation facilities to outlying areas, a great percentage of the people will be forced to live in multi-family units. But as soon as we solve our transportation problems, then I think we can reach these outlying areas where there is land available at more reasonable prices.

Tenti: I think it is going to be an entirely new ball game. I would be amazed if we were sitting here in 1980 and could make any comparison whatsoever of this decade or 1950 or 1960. I think the housing industry is going to have to find some way to get its fair share of money. I think if you try to find the answers back in the prior decade, they aren't going to be there.

Hayes: The stereotype single-family house is a house put down in the middle of a lot with five-foot side yards. It is this single-family house that is dead. It is a very poor utilization of the land—when you have alternatives that are also single-family. Townhouses can be designed and sold at 40 units to the acre, although normally we are building garden townhouses at about 8 per acre in the San Jose area.

Nelson: With the proper planning, as you pointed out, you are still going to have to go to the outskirts because, from what studies we have done—and I'm talking about housing families with children—it is pretty difficult to get much more than 15 or 20 units per acre and be effective, especially if you have the requirements of parking and play areas. I do agree with you that there is a change in the architectural content, but I don't think you can achieve that unless you have rapid transportation.

John Rahenkamp: There is going to be a need for single-family living for people with children, but as long as the birth rate is going down, we are going to house them in a different way. The utility cost is far too high to justify spreading out any further.

In addition, there is an imbalance in ratio that relates environmental concerns and the economic status of the country. Maybe national resources have to be looked at a lot more closely than in the past. It may very well work out that the users of the environment are going to be taxed at a much higher rate. For instance, if you wish to put down a square foot of pavement, you are going to have to justify every square foot of pavement you put down and if you put down an excessive amount, you are going to be back-charged for it.

The trade-offs between what we give up in terms of environmental quality against what we are getting back in economic return have to be equitably balanced. They are not now.

Hayes: We have access to a very sophisticated report that was done for a city in California by Arthur D. Little. It demonstrates that the single-family house as we know it today on a 6,000 sq.ft. lot costs the city $100 per acre per year. Contrasted to that, multiple family earns the city $3,500 per acre per year. Now on the face of that kind of economics, how can the typical single-family house stay alive?

Rochon: How high will housing costs go? And won't we, if inflation persists, become a nation of renters instead of home owners?

Borstein: Labor rates will accelerate next year and the year after. You are going to have a constantly spiraling cost of land. When production picks up, you are going to have higher costs of materials. All this says to me that the cost of housing must increase.

To assume it is to be 2% or 3% is going to be completely unrealistic. It is going to be a minimum of 5% per year and maybe even more.

There are a number of ways to attack the results of that inevitable increase. One way is an earnings-potential mortgage. Most people in an inflationary economy are pretty well convinced that their earnings will increase tomorrow over that which they make today and they are not willing to buy housing that they are not satisfied with.

Thomas McComb: I think we are going to see the picture in real estate change drastically. We are still thinking in terms of the small builder who, as I see it, can no longer keep up with the market realities that are going to confront us in the 1970s. This does not mean that he will not have a useful role, but he simply will not have the tools at his disposal which will enable him to keep up with the market conditions that we have to today. If you look at the opportunities in housing and real estate, we say we are on the threshold of something unlimited. The only question is, do we have the manpower?

To Next Page

H&H October 1970 69
**J.P. Taravella:** Too much emphasis is placed on innovative engineering and production-line techniques as cure-alls for our housing problems. Innovation in housing systems will come normally during the course of active production in a free market without government edict.

The current shallow analogy is that assembly-line techniques gave the American public the automobile, and now we demand that industry turn to production of houses by industrialization of building techniques. What they overlook is the innovative automobile financing and monthly payment plans which put the car within the range of the average family.

The same approach must be taken in solving the housing demand. Why not consider a 40- to 50-year mortgage on a brand new quality built home? Obviously, this would bring more homes within the financial means of more people.

With all the talk about the necessity for building a second America over the next 20 years, let's not forget who built the "first America." It wasn't the large volume builders, who accounted for less than 3% of construction. Instead, it was the small, independent builders—some 50,000 members of the NAHB, who build anywhere from 20 to 200 homes a year, and these smaller builders, in my opinion, will build most of the second America.

**Rahenkamp:** We are doing studies in the relatively urban areas simply to balance out water requirements. The water level is constantly going down and we can't support the population growth that we have with the water levels we have now. So, it is totally ridiculous to think we can keep sprawling out without getting some repercussions.

**Ford:** With the way the size and the mix of the population is going we are going to have to learn to live closer together. I am not agreeing with our architectural friend that the single-family house will disappear, but I do agree that we need better land utilization. We must put that 10 ft. or 15 ft. space alongside the house into a better environmental area.

To a greater degree, we will become a nation of renters, considering the population we are dealing with. We will have perhaps a 50% increase in the under-thirty age group. These people have not earned or saved enough money to make a downpayment. So, we will have to accommodate them in the rental shelter.

This situation will be aggravated by the increasing cost of housing because for every increment in the cost of that shelter, we are postponing the day when the 25-year old, who may want to buy a home at age 27, has to wait until he is perhaps 29 or 30.

**Strunk:** Do they buy this concept or do they resist this kind of housing versus the single-family home?

**Ford:** Our experience has been that the young couple that wishes to start a family still wants wide open spaces. Lately the condominium and cluster housing concepts with the environmental recreation area, are becoming more popular. But this is still with an older group and not the younger people who still have small children and need larger areas. I think we will find that they will become accustomed to smaller areas with common recreation facilities provided for the children in the residence.

**Strunk:** How about the lenders?

**Ford:** We have a slight hang-up in most condominium concepts. What we have found is that they are highly successful in areas where land is extremely scarce. They are successful in Hawaii and Puerto Rico. As land becomes more and more scarce and people are educated to it, I think the condominium is going to be a very important method of housing people.

**Maisel:** I visited a condominium development in Phoenix recently. Only two families had children, and the others considered them a great nuisance and were wondering how to get rid of them because, while there was a common swimming pool and recreation area for the children to play in, they preferred to play in the street.

The thing I would stress is that if the system is left to itself, the system will adjust. It may take a little time, and there may be a little trauma during the period that it is adjusting, but some of us here are really saying that we don't think the system can or should adjust.

**John Long:** I think we ought to take another long-range look at high density, too. Some of the present social problems exist because of high density. A lot of the unrest in minority groups has been in the high density areas and invariably they have a lot of children. Now if these areas could be built up without children, then probably they wouldn't have the same impact. But maybe what we save today on land development costs may be spent 15 or 20 years from now on social problems.

---

**5 So builders must cope with inflation via loan reform, equity deals, new ideas**

Lending methods may change almost beyond recognition. The experts propose new mortgaging methods, equity participations, a private secondary market for conventional loans. One of the more startling suggestions: dweller may buy merely the use of house and land, leaving actual ownership to investor.

**Rochon:** Let us then suppose that inflation will not be contained but will become a permanent feature of American life. Oliver Jones of the Mortgage Bankers Assn. suggested the parameters for this discussion: "How will the building industry and the mortgage industry contend with permanent inflation?"

**Goldstein:** The fixed-income, long-term investment has become increasingly unpopular with many institutions in re-
marketing of conventional mortgages is mortgage insurance, because the investor will be looking for some protection. But that kind of financing can be done for less than what we see in the FHA market.

Edward H. Dreher: Perhaps the housing industry should direct some attention to the development of new methods to make the mortgage instrument more palatable and competitive with other investment opportunities. Investors have been attracted to mortgages on income-type properties because they can participate in the equity, rental income and other benefits, but single-family dwelling financing does lend itself to these techniques.

In the area of making the single-family mortgage more attractive and competitive, some thought might be given to such changes as increasing the principal indebtedness periodically based upon some fairly reliable formula that would correspond with the changes in the purchasing power of the dollar, amending the usury laws of the various states or having a single usury law for the entire country, developing a mortgage instrument that can be used country-wide, eliminating the problems of making investments under the various state laws, and simplifying foreclosure.

O'Brien: I think one of the greatest savings factors is that of forced savings. The pension fund is probably the greatest, fastest growing industry in the United States. For the first time we have a concrete way of tapping this pool of funds with the new mortgage-backed security. I would think the real estate industry could tap that multi-billion dollar reservoir and will tap it in the future.

If we have a secondary market in conventional, I think they will tap it via conventional. If we have the GNMA certificate, I think it is a perfect beginning, and when mortgages resurface their yield differential, the pension funds may be big buyers.

Clarke C. Stayman: I am probably the most unwelcome human being in our trust department. We have no assets in our pension trust that are in as bad shape as the excellent mortgages I bought from these gentlemen. We thought a 5½% return was great. It is going to take our trust investment boys a long time to forget the millions and millions of dollars that we, Chase, Citibank, etc. have poured into mortgages.

I oppose forcing trusts to do this. I can make eloquent arguments to the contrary for the simple reason that when you start saying you are going to put X% into it, and the next year, when we have a student loan problem Congress says, "Well, I think maybe the pension is going to put 5% in student loans this year," you have destroyed the purpose of the trust. If you can develop an instrument that will be attractive to the trust, then the trust will come in.

Cencer: Should inflation remain continuing and predictable, undesirable changes in housing will accelerate. Some of the Yankee ingenuity mentioned earlier is already at work. Equity participation, joint ventures, variable rate mortgages, are all likely to blur the lines separating lender from borrower. Expanded use would bring lenders into the role of institutional developer-builders selling a home to a user an "estate for years" with payments and prices fixed by skilled actuaries. Ownership may become a minor consideration.

The user may be willing to leave ownership of land and building to the investor, pay him for wear and tear, and buy only the use, the convenience to school or shop, the environment, both cultural and physical. The user may barter, sell, or bequeath his estate, and the investor will adjust for inflation when next selling the use. I don't like it. Private institutions must find a better response.

borstein: The investment banker or the traditional lending institutions that want to convert into institutions that look more like investment bankers, and who can go out and secure long-term permanent locked-in capital and combine the advantages of short-term construction lending with long-term mortgage lending and partial equity participation (possibly to the public), such as the insurance companies are now beginning to do, could bring us a combination, one-stop system that makes a lot more sense than everybody doing his little thing. It doesn't make sense to have part of our structure, like the mortgage investment trust, demanding a minimum yield of 13% or more so they have no desire to lend at 8% or 9% for permanent mortgages.

Earnest: As a builder-developer, primarily interested in this type of financing, I would like to say that I do not believe the people in this country are going to let the single-family mortgage die even though some of the investment bankers, insurance companies, and mutual savings banks are beginning to think in that direction.

The mortgage we are now using, with the refinements that are beginning to be adopted, is the mortgage-backed security we will use in the future.

Rahenkamp: People using housing over the last 20 years have been coming from rural areas; therefore, requiring larger areas. They are still reacting to the...
Depression. They depend on the single-family house as an island. They depend on the community to establish value rather than on their individual house.

The whole marketing aspect is changing and I don't think you can base any mortgage financing on the single-family house. It is dead and it will never come back again because it will cost us too much.

Roblee B. Martin: What about speculation as a cause of inflation?

Maisel: There's another problem here. We appear to believe that Americans have a fundamental right to speculate on their homes. If you try to do away with that speculation you are removing a basic right from every person. It seems to me that this idea is in conflict with the concept that housing is a necessity. If housing is a necessity, then you worry about getting a better house, and you don't say, "Yes, he has a house and he also has a good speculative investment."

Fed's Sherman Maisel on prices and inflation

To go to specifics: from 1955 to 1965 the wholesale price index went up at 1% a year. If the economy can increase its production of goods and services at 4% a year, then there is no logical reason why prices can't stay fairly stable in such a period; this is what happened between 1955 and 1965. Why did prices go up? Basically, because we went to war in Vietnam. We increased our military budget by $30 billion at a time when the economy was almost fully employed. Since taxes weren't raised initially, we had a period in which we were demanding more than could be produced. The available output was then rationed among the demanders by inflation. Prices went up. Those whose incomes failed to rise as fast as prices had to buy less. This is the way inflation works.

We really have two questions. In the first case, must we assume that we are going to have excess demand during the next 10 years, or do we think that the government will use its tax and expenditure policies so that we won't have a condition of excess demand? Unless we have a fair amount of excess demand, we are not going to have rapid price increases.

The second question is more difficult. If we are in an economy where the demand for goods and services increases at 4% a year, and productive capacity grows at roughly the same rate, and resources are fully employed, can we have prices going up at 2% or 3% a year as a result of price and wage policies, high interest rates, rising land prices, and so on? If this comes about, will the public take as a whole want the government to increase the cost of money, or to increase unemployment in an attempt to halt the upward drift in prices?

Housing itself is a somewhat different problem. In the past five or six years we have gone from easy to tight money. The question is, has the institutional structure of the housing industry, and its financial sector in particular, adapted itself to living with a 2% or 3% yearly inflation, or does such a condition mean that we won't get the sort of housing we want? Can the present structure handle a 3% increase in prices if the norm is going to be 5%? I think probably everybody would have to say, "No."

Aside from a government subsidy, there just isn't any way in which you can both reduce the cost of financing to home buyers below the competitive price of money and still attract investment.

Ralph H. Gallagher: Could you give us your view of subsidies?

Maisel: There is the critical question of whether or not a person who lives in a house is going to pay the going rate for it. If you assume that he is not going to pay the going rate, then I think you can handle the problem for a short period. You can do it when you have a large existing stock, since the stock will be large compared to any yearly increment to it. But as time goes on, the required investment will become larger and larger, and the harder it will be to obtain the necessary investment if artificially low rates prevail on the existing stock.

The best and most efficient policy is to introduce government subsidies into the market mechanism. I think that's far more efficient than controlling credit or forcing investment.

Trevett Matthews: Have private lenders done their part?

Maisel: The housing financing institutions have been inflexible in terms of short-run adjustments. I have been very critical of the lending institutions in the past because I don't think they paid enough attention to their portfolio policies, and this has resulted in their inflexibility. If they had had decently balanced portfolios, then they would have been in a position to adjust to the market as it varied. The risky nature of their portfolios didn't show on the books, but eventually it became evident.

John H. Randolph Jr.: There is a new Presidential commission and it appears to me that one of its significant jobs is to take a look at the mortgage picture and the thrift institutions and come up with something that will fundamentally improve the portfolio policy. I think it's far beyond the scope of this meeting to discuss the matter, but I think that a new Presidential commission might be a good idea.

O'Neil: I don't think that in any discussion now or in the future it would be wise to get hung-up on single-family versus multifamily or their demise. Any smart developer today will do anything—mobile homes, single-family, multifamily, townhouses, high rises, parking lots, shopping centers, motels, department stores. All he wants is an opportunity in the real estate market.

Goldstein: Milton Friedman has suggested that a steady 4% growth rate in money supply will ultimately succeed in dampening inflation and smooth the very wide fluctuations in demand for money. I believe the future will bear out his theories and result in more orderly growth of the economy. As a result, perhaps the housing market will get toward the kind of quarter of cash flow and away from the tail a bit.
To make it on the docks you've gotta be tough.

Tough enough to stand alone against the elements.
Tough enough to bear up under almost any weight.
Tough enough to be stepped on by 2000 people a day.

Grid Pattern Permaply® is that tough. Or it wouldn't be on the Governors Island ferry docks. And it's been there for more than 3 years. So think how long it could last on a patio, a balcony or beside a pool.

Grid Pattern Permaply combines the strength of plywood with a resin-fiber surface that withstands wear and tear. The embossed grid pattern makes it skid-resistant. It needs no painting or finishing and is easily handled with regular carpentry tools. It comes in standard panels of 48'' x 96''; special sizes to 60'' x 120''; and in thicknesses from 5/16'' to 3/4''.

Grid Pattern Permaply is tough all right. Tough enough to last where other materials won't. Let's face it. Once you've made it on the docks, anything else has gotta be easy.
Stone siding that compares in cost to conventional sidings

Though the stone-on-plywood panels on the house above may cost more initially, enough labor costs are cut to make them compare favorably with other sidings. They don’t need any finishing coat, for instance, and may even be applied directly to studs without sheathing. Panels are light in weight, come in standard 4’ x 8’, 4’ x 9’, and 4’ x 10’ sizes, may be sawn, nailed, or glued. Large or small crushed stones (inset) are applied to a wet film of an epoxy. Sanspray panels now available nationally through U.S. Plywood, New York City.

CIRCLE 250 ON READER SERVICE CARD

Locking device has binary coded key (lower right) which is inserted in outside key receptacle (left), and compared to factory-programmed code in inside control panel (upper right). If codes are identical, a signal activates door opener. If not, door won’t open. Security Electro, Burbank, Calif.

CIRCLE 252 ON READER SERVICE CARD

One-piece lighting spheres are only one third the weight of glass and are less likely to break. Outer surface is smooth, easy to clean. Inner surface is textured with light diffusing particles. Available in six colors and eight sizes from 8” to 24” in diameter. Plastics Inc., St. Paul, Minn.

CIRCLE 253 ON READER SERVICE CARD

This seamless flooring has a water base

So it adheres to almost any surface, including a damp one. A base coat is rolled, sprayed, or brushed (upper left) onto wood, concrete, linoleum, vinyl tile, Formica, or metal. Color flakes are strewn over the sticky surface (upper right), marked into one of many optional designs (large photo), and left to dry four hours. Finally, a sealer and three coats of glaze are applied. Result after 24 hours: a durable, economical flooring. American Chemex, Decatur, Ga.

CIRCLE 254 ON READER SERVICE CARD

Anti-pollution products are very much in the news this year. Some companies have tried to capitalize on the public’s interest—and gullibility—by changing their corporate or brand names to include the word “environment." Many either have nothing whatever to do with environment as we now think of it or are, in fact, contributors to pollution problems. We will not knowingly publish any of these products in these columns. Instead we will try to present any new products designed to prevent or help to clean up pollution of any kind. Some of these appear on page 92—ED.
Malt-a-tilt, the window that's on your side

Outside
Malt-A-Tilt windows slash installation costs because they require no painting. Exterior frame parts are vinyl clad and weather strip is rigid P.V.C. Vinyl. Sash is factory finished by a special process that insures paint won't wrinkle or crack. Windows are virtually maintenance free.

Inside
Malt-A-Tilt windows save time and effort during cleaning and routine maintenance with the exclusive Malta Tilt-in/Take-out feature. Both sash tilt inward and are removable with a minimum of effort. Outside screens can be installed from roomside and need not be removed during cleaning.

MALT-A-TILT wood windows are the most versatile on the market today with time and cost saving features that will appeal to both you and your customers. Circle reader service number below for complete details.

MALTA MANUFACTURING COMPANY, Inc.
261 Johnstown Road, Gahanna (Columbus) Ohio 43230

CIRCLE 91 ON READER SERVICE CARD
**Wood structural system** combines glue-laminated arches and beams of southern pine with laminated red cedar decking. Framing members form an A-frame-like shape over which decking is applied. Saw-textured surface is visible both outside and inside this two-story Florida recreation center by Architect Harvey Erlich. Potlatch Forests, San Francisco.

CIRCLE 200 ON READER SERVICE CARD

---

**Hook-on partitions** speed installation. After ceiling and floor runners are installed, the first steel stud is twisted in place. Workman bends up hooks on the edge strip 90° (left), lifts the vinyl-faced gypsum panel into place, and engages hooks in the stud. The next stud is then put in place and the hooks on the other edge engaged. Panels on the other side of the wall are simply lifted into place (right). Kaiser Gypsum, Oakland, Calif.

CIRCLE 204 ON READER SERVICE CARD

---

**Clamp-up fastener** is a machine screw with a slotted sleeve and sealing washer. Turning the fastener head draws up the sleeve to clinch sheet material such as insulated building panels, fiberglass, stainless steel, aluminum, or flash- ing. Driving time: three seconds. Clamp-up capacity: 900 lbs. Fabco Div., Townsend, West Newton, Pa.

CIRCLE 202 ON READER SERVICE CARD

---

**Framing anchor** for joining 2" members, can be bent into six different configurations, eliminates toe nailing, shimming, or special fitting. The right-angle anchor is 1½" wide and 4¾" long, has six nailing holes in each leg. Timber Engineering, Washington, D.C.

CIRCLE 205 ON READER SERVICE CARD

---

**Structural ceramic tile**, once installed, looks like a conventional 5" x 12" unit but is really 10½" x 12". Tested on the job, it produced up to 30% savings in labor and time. It comes in standard colors with one or both sides glazed. Arketex Ceramic, Brazil, Ind.

CIRCLE 206 ON READER SERVICE CARD

---

**Roof framing system** uses galvanized metal saddle braces with side anchor brackets. The saddle brace is placed over the ridge pole, and a pair of uncut rafters are placed in the side brackets and nailed. Manufacturer claims three men can frame an average roof in less time than it usually takes five men, since all plumb and plate cuts are eliminated and square end lumber is used. Bostitch, East Greenwich, R.I.

CIRCLE 201 ON READER SERVICE CARD

---

**Insulated jacketing** now comes in a kit of precut shapes that snap on around pipe elbows, need no cutting or fitting. The jacket snaps in place and is sealed with plastic tape. Jacketing never needs painting, can be wiped or hosed clean, fits standard piping. Accessible Products, Los Angeles.

CIRCLE 203 ON READER SERVICE CARD
For the first time a standard exists for thermoplastic tubing for hot water!

Tubing manufactured from our hi-temp Geon CPVC is now covered by a standard. This standard permits code bodies to include thermoplastic systems for hot water distribution in building codes. It is the first thermoplastic pressure pipe to be approved for service conditions above 73 degrees F.

ASTM Designation D 2846-69T states in part: "These components comprise pipe and tubing, socket-type fittings, plastic-to-metal transition fittings, solvent cements, and adhesives. Requirements and methods of test are included for materials, workmanship, dimensions and tolerances, hydrostatic sustained pressure strength, thermocycling resistance, and solvent cement viscosity, joint strength, and shelf stability. The components covered by this specification are intended for use in residential and commercial, hot and cold, potable water distribution systems."

Now plumbing code officials can refer to a recognized standard for a CPVC hot water distribution system. And not a minute too soon. Because piping made from our hi-temp Geon CPVC material is light in weight. It is easily fabricated. It is ideal for the booming industrialized housing market.

The standard, ten years of testing and 350,000 installations proved the maturity of the product. So if you’ve been waiting for this, or if you want to know more about hi-temp Geon vinyl, or if you want to know who makes the pipe, write B.F.Goodrich Chemical Company, Dept. H-20, 3135 Euclid Avenue, Cleveland, Ohio 44115.

B.F.Goodrich Chemical Company
a division of The B.F.Goodrich Company
No. 1 quality
No. 1 guarantee

We put our guarantee where our quality is: We stand behind our feather-touch control—*positive shutoff—hydroseal action—tri-plate finish and our *solid brass* base. We concentrate on quality! The result is a single-lever faucet that is both attractive and *durable*. So durable, in fact, that it is backed by our $10 no-call-back guarantee.

Your customer deserves Valley's beauty and outstanding quality features. You deserve Valley because of its ease of installation and no-call-back guarantee. Try the Valley single-lever faucet today.

$10 bucks says you won't have to disconnect a Valley faucet for a year after proper installation.*

"Full warranty and guarantee detailed in package.

---

Oil-fired furnace comes in this compact model, suitable for installing in a closet-sized space, plus 18 other upflow, downflow, and horizontal models. They range from 80,000 to 250,000 in Btu capacity. All can be equipped to cool and totally condition the whole house. Chrysler, Dayton, Ohio.

CIRCLE 210 ON READER SERVICE CARD

---

One-ton condenser teams up with a one-ton indoor air handler to centrally air condition an efficiency garden apartment. It draws air in from four sides, discharges it along with noise upwards, so won't damage plantings or annoy neighbors. General Electric, Louisville, Ky.

CIRCLE 207 ON READER SERVICE CARD

---

Humidifier is 10" wide, 11" high, and 6" deep, will fit all warm air furnaces. It can humidify a house of ten to 14 rooms. Its polyurethane foam evaporator pad rotates slowly through the reservoir, and warm air is forced through it twice. Capacity is more than one gal./hr. Thermal Specialties, Pine Brook, N.J.

CIRCLE 208 ON READER SERVICE CARD

---

Air cleaner may be ducted or, since it is self-contained, used on casters as shown. It weighs 80 lbs., is 30" x 22½" x 10¾" deep. A charcoal filter and 6,000 sq. in. of electrostatic collecting plates remove up to 95% of smoke, dust, and pollen particles, plus fumes, bacteria, and viruses. Air Control, Nashville, Tenn.

CIRCLE 209 ON READER SERVICE CARD

---

PRODUCTS/HEATING & AIR CONDITIONING

---

EASTMAN CENTRAL D
UNITED STATES BRASS CORPORATION
SUBSIDIARY OF HYDROMETALS, INC.
HOLTEN STREET, RANDOLPH, TEXAS 78067

VALLEY TINKWAI-R-SPEEDFLEX SUPPLIES-DURO FITTINGS-CONNECTORS
LOOK FOR THESE MARKS FOR SUPERIOR PLUMBING QUALITY

BRASS makes it better
"I build what people want. What they want is Total Electric."

Georgia builder-developer Jim Bible rented his first electrically heated apartments before the roof was up. Since then, he has built over a thousand more.

"As a builder," Jim Bible tells you, "I have a very simple philosophy: When people see what they want, they buy it."

"Which is exactly why I've been building Total Electric apartments since 1963. Total Electric units have the quality features that people like, the features that mean quick rentals.

"The big benefit, of course, is the pure comfort of electric heat: flameless, draft-free and clean, with temperature controls you can set separately in each apartment. And there's no fuss and bother with maintenance and repairs—which I like as much as my tenants do.

"Another big selling plus with Total Electric is convenience—with kitchen, laundry and appliances all planned for good household organization and maximum efficiency.

"Together with electric heat, it gives you quite a selling package. It's what people want."

Jim Bible knows what he's talking about. To date, he has put up 1,500 Total Electric apartments in four Georgia cities, with plans underway for 750 more. (His own apartment is Total Electric, too.)

Find out how Total Electric construction and flameless electric heat can give you better-quality, faster-selling apartments and homes. Start now by getting all the facts from your electric utility company. They'll be glad to work closely with you.

Live Better Electrically
Edison Electric Institute, 750 Third Ave., New York, N.Y. 10017

...where everything's electric, including the heat.

CIRCLE 94 ON READER SERVICE CARD
2 coat lasting beauty

1 coat cost
with Rez Double-Tones

REZ Double-Tones can help you save money on new construction or remodeling. One coat of these extra-heavily pigmented stains beautifies and protects like two coats of ordinary semi-transparent stains. Yet REZ Double-Tones cost no more than conventional stains. So, time and material costs are cut in half.

REZ Double-Tones are ideal for rough-sawn or saw-textured exterior siding, shakes, shingles or rustic trim. Available in a wide range of decorator colors, including new Avocado and Tawny Gold. For more information on REZ Double-Tones and all the other popular REZ Interior and Exterior semi-transparent stains, write to The REZ Company, One Gateway Center, Pittsburgh, Pa. 15222.
The Bostitch Clinch-Nail Truss System answers the need of residential, light commercial, and apartment builders for a strong, dependable system of assembling wooden roof truss components. The system is also ideal for remodeling contractors because changes from one size truss to another can be made quickly and easily.

Simple, space-saving Bostitch system locks wooden truss members between two 20-gauge galvanized steel plates. Each truss nail (comparable to a full-head 8d nail) is power-driven through the truss joint and clinched on the opposite side. Two-ply construction of the Bostitch clinch-pad truss plates insure precisely controlled clinching every time.

Truss assembly is remarkably fast because trusses don’t have to be backnailed. And Bostitch clinch-nailed truss joints shrug off racking abuse often encountered when completed trusses are handled during shipment and at job sites.

The Bostitch Clinch-Nail Truss System is designed for flexibility, durability, and economy. For complete information, talk to the man with the fastening facts—your Bostitch man. Or write Bostitch, 250 Briggs Drive, East Greenwich, R.I. 02818.
custom floors of genuine teak at unaccustomed low prices!

Thai-Teak makes a prestige floor with rich, full lifetime beauty that sells itself. It costs no more than many custom vinyls, many wood floors, many wall-to-wall carpetings ... in large installations.

Competitively priced quality that is unique and praiseworthy. Installation is quick, easy, precise and maintained at low cost. Keeps labor prices right down on the floor.

Thai-Teak resists termites, rot, decay. It helps you make more permanently satisfied clients and customers. Isn't that what you really want?

Send for FREE brochures on 150 patterns and technical data.

(Illustrated)
Four of 150 available patterns

HERRINGBONE  FOURSQUARE
DIAMOND  BASKETWEAVE

Automatic compactor runs unattended for long periods of time, freeing apartment maintenance personnel for other jobs. Refuse falls down the chute, enters the machine, is sprayed with disinfectant and deodorizer, crushed into a solid block by a hydraulic ram with 25,000 lbs. of force, and inserted in a plastic bag. The carousel feeder holds from four to ten bags, each of which holds compacted refuse that would have filled four to six garbage cans. When all the bags are full, the machine shuts itself off and signals the custodian to unload it. The model shown is being installed in three New York City projects—involving 12,482 apartments in 122 buildings—owned by Metropolitan Life. International Dynetics, South Norwalk, Conn.

CIRCLE 220 ON READER SERVICE CARD

Van Pelt Library, University of Pennsylvania
Thai-Teak Cross Directional Swirl Pattern
Architects: Harbeson, Hough, Livingston & Larson

SEE OUR CATALOG IN SWEEFS

Water conditioners help prevent pollution because water that has had the hardness removed doesn’t need detergents with phosphates to do its work; just soap, and little of that. Installing conditioners in a project of houses or townhouses would help local anti-pollution efforts and might also prove a valuable sales aid these days. A briefing of the prospective buyer could include something about the other things conditioners do besides softening: like removing the iron that causes rust stains, the sulfur that makes it taste bad, corrodes plumbing, and tarnishes silver, and acid that eats away the plumbing fixture enamel and disintegrates the metal parts of washers and dishwashers, etc. Shown are systems that automatically control brining and rinsing cycles, inject chemicals, and regulate water flow. Both have triple-layered hulls: a seamless plastic liner, a steel tank, and an insulating jacket. Shown are a self-cleaning system and a self-contained unit that has softener and brine tank combined. Culligan (left) Northbrook, Ill. Bruner (right) Milwaukee, Wis. CIRCLE 221 OR 222 ON READER SERVICE CARD
It would be impossible to give you a better door or a better price.

so we've kept both the same.

Other doors and shelves may have increased in price, but Float-Away is still holding the line. The reason why is additional production machinery and increased plant capacity. So you get the same superior door at pre-inflation prices. Plus one more important advantage: prompt availability.

If you've thought about using Float-Away, but haven't yet, now is the ideal time to act. You can upgrade your line, reduce costs, and please your customers. With Float-Away metal closet doors and shelves. Contact us today.

FLOAT-AWAY
COMPLETE CLOSET SYSTEMS

Dept. HH-33, 1123 Zonolite Road, N.E., Atlanta, Ga. 30306/Phone (404) 875-7986

CIRCLE 98 ON READER SERVICE CARD
STUDIO STAIRS make a dramatic difference in homes, professional buildings, apartments and lodges. For new construction or remodeling, they add elegance and save usable space. Competitively priced, STUDIO STAIR units are factory built to exact specifications and shipped anywhere, K.D., for easy job site assembly. Write for brochures describing many variations.

AMERICAN PANEL PRODUCTS, INC.
1735 HOLMES RD., YPSILANTI, MICH. 48197

CIRCLE 99 ON READER SERVICE CARD

She works for you; gets paid by us.

There are a lot of reasons why you should install Waste King Universal stainless steel dishwashers. (Less competition, 20-year guarantee, two wash arms—one for each basket, etc.) But one of the best features we've got working for us is somebody who works for you: A lady. A trained Home Service Consultant.

Our 700 and 900 series stainless steel dishwashers include a home demonstration by our girl. She'll check out the machine in the customer's new home to make sure it's operating properly. She'll show the user how to get the most out of it.

And, in that rare, rare instance when service is necessary, she'll arrange for it.

For more information about "Profit Without Problems," drop a postcard to: Dick Schaub, VP Marketing, Waste King Universal, 3300 East 50th Street, Los Angeles, California 90058.

CIRCLE 228 ON READER SERVICE CARD

Pool enclosure of translucent fiberglass diffuses sunlight and provides year-round use of pool. Roof sections are motorized, can be opened or closed at the touch of a button. Sliding glass doors can open side and end walls. Aluminum-framed enclosure comes in widths of from 22' to 50' and in any length. Ickes-Braun Glasshouses, Deerfield, Ill.

CIRCLE 228 ON READER SERVICE CARD

Patio tiles come in earth tones of light, medium, or dark tan, as well as red. They are 6" x 3" x 3/8" thick and can be ordered loose, in the spiral brick or straight course brick patterns shown here, or in three other patterns. Made of extruded natural clay, they will take heavy traffic and weather on a terrace or patio. U.S. Ceramic Tile, Canton, Ohio.

CIRCLE 229 ON READER SERVICE CARD

Lawn edging comes in plastic so there are no sharp edges to cause cuts, there is no danger if it's hit by a mower, and it won't rust or corrode or lose its integral grass green color, nor crack from freezing or thawing. It comes 4" or 6" wide on 25' rolls. Patrician Products, Brooklyn, N.Y.

CIRCLE 230 ON READER SERVICE CARD
Shakertown 8' shake and shingle panels measure up in all respects!

Western Red Cedar Shakes and Shingles are always preferred by owners for their natural, rustic beauty. Now they are bonded into a 3-ply panel, 8-feet long to apply faster and save time on the job. Self-aligning panels are applied with matching color, annular threaded nails for further application efficiency. Shakertown Panels are ideally suited for Mansard or Sidewalls and A-Frame construction. Quality, appearance, speed of application and savings...by any gauge...Shakertown 8-foot Shake and Shingle Panels measure up!

Builders: C & G Construction Co., Seattle, Wash. VISIT BOOTH #300 AT NATIONAL APARTMENT ASSN. CONVENTION

SHAKERTOWN CORPORATION DEPT. PB-9 4416 LEE ROAD CLEVELAND, OHIO 44128

In Canada: BESTWOOD INDUSTRIES, LTD. P. O. BOX 2042 VANCOUVER 3, B. C.
The hinge that hides

NOW YOU SEE IT
NOW YOU DON'T

The Soss Invisibles—for a custom look for any room! These amazing hinges hide when closed, eliminating unsightly gaps, hinges, and door jambs. They're the perfect hidden touch for doors, doorwalls, storage cabinets, built-in bars, stereos, and TV's. Specify the Soss Invisibles wherever looks matter. See listing in Sweet's or write for catalog: Soss Manufacturing Co., Division of SOS Consolidated, Inc., P.O. Box 8200, Detroit, Mich. 48213.

CIRCLE 102 ON READER SERVICE CARD

DISTINCTIVE COLOR BLENDS

Distinctive color blends of ceramic surfaced mineral granules duplicate redwood and cedar shakes in these weather- and fire-resistant shingles. Double layer lamination and random butt design recreate in asphalt the dimension and depth of natural wood or stone roofing. Other colors available are slate, charcoal, and heather. GAF, New York City.

CIRCLE 240 ON READER SERVICE CARD

STEEL STRENGTH AND DURABILITY

Steel strength and durability are now available in metal siding. The exposed surface is baked vinyl bonded to steel; it has less than half the contraction and expansion of other metal sidings. Made of four separate layers, it is available in several designs and colors. Alside, Inc., Pittsburgh, Pa.

CIRCLE 241 ON READER SERVICE CARD

DEEP-TEXTURED SIDING

Deep-textured siding adds interest and individuality to traditional or contemporary homes. Primed or unprimed panels available in horizontal lap, vertical grooved, reverse batten, or plain. Easily installed, they hold paint or stain well, are resistant to peeling and blistering. Boise Cascade, Boise, Idaho.

CIRCLE 242 ON READER SERVICE CARD

ATTACH LABEL HERE

Please give five weeks notice before change of address becomes effective. Attach mailing label here and print your new address below. If you have any question about your subscription, include address label with your letter.

MAIL TO
House & Home, P.O. Box 430, Hightstown, N.J. 08520

your name

your mailing address
city zip code

your firm name

firm address
city zip code
type of business

your title or position

TO ENTER OR EXTEND YOUR SUBSCRIPTION, CHECK HERE:

□ NEW □ ONE YEAR $8.00
□ RENEWAL □ THREE YEARS $16.00

MAIL REMITTANCE TO
House & Home, P.O. Box 430, Hightstown, N.J. 08520—Rates Apply to U.S. & Canada Only—

want your own subscription?
How do you give your customers that special effect for little or no extra cost?

You can dress up your new construction with the rugged enduring beauty of stone by spending about $1.00 more per square foot than you do for face brick. In-the-wall costs vary by area, but one ton of FEATHEROCK Veneer equals the coverage of five tons of other stone. Special footings are unnecessary, and the light weight along with flat back make FEATHEROCK go up faster. Acoustical and insulation values are plus benefits.

Send in the coupon opposite to get more information on how FEATHEROCK can help you give your client that extra special look at a cost that will please him.

featherock®, INC.
6331 HOLLYWOOD BOULEVARD
LOS ANGELES, CALIFORNIA 90028

1. Interior using Featherock bold face veneer.
   Color: Charcoal
   Residence: Mr. & Mrs. Jack Burns,
             Reisterstown, Maryland

2. Exterior using Featherock bold face veneer.
   Color: Charcoal.
   Residence: Mr. & Mrs. Bob Brockett,
             Modesto, Calif.

3. Interior using Featherock bold face veneer.
   Color: Charcoal.
   Residence: Mr. & Mrs. Bob Brockett,
             Modesto, Calif.

Please send me technical data on Featherock
Dept. HH10-70

Name

Firm Position

Address

City State Zip
The "everything-but" sinks

Sinks for everything but the kitchen to help you build. Elegant laundry sinks in 4 colors. Handy floor sinks for washing pets. 101 clean-ups.

Brighten up the laundry with strong, stain resistant Molded-Stone® sinks. Double and single tub models, floor or wall mounted. Prospects will like the low-slung, all-purpose floor sink, too. Made better than terrazzo by terrazzo experts, Molded-Stone® sinks mean more dollars for you, extra satisfaction for customers. For more information write Dept. HH-10, Formica Corporation, Cincinnati, Ohio 45232.

Vinyl siding in colors is now possible through a process in which pure acrylic plastic is fused, color-bonded, to a solid vinyl base. Thus these wood-textured vinyl shakes can now be ordered in avocado green and charcoal gray as well as traditional white. Bird & Son, East Walpole, Mass.

Textured aluminum siding has a deep sawn-grain finish guaranteed for 30 years. The several coats of baking enamels are applied electrostatically after the pattern is impressed to eliminate cracks and breaks. Beige, green, olive, gold, driftwood, weathered wood, ivory, or white. Alside, Akron, Ohio.

Rock-faced panels are rugged in appearance but light in weight. The volcanic stone, which weighs only 1/5 as much as granite, is bonded to standard 32" x 48" or 4' x 8' hardboard panels for exterior or interior use. In charcoal or silver gray, in smooth or rough finish. Featherock, Los Angeles.
The Great Indoors System.
One installation leads to another installation.

Give the homes you build all the comforts of home. With Bryant's totally integrated system of heating, cooling, air cleaning and humidification.

It will make your homes more saleable.
Start with a Bryant Quietline® gas, oil, or electric furnace, and you're on your way to The Great Indoors.
Add on a Bryant gas or electric air conditioning system. Bryant dealers offer both options. In Quietline® models.
Then add a Bryant electronic air cleaner for a cleaner, healthier home.
And a Bryant power humidifier for a more comfortable, static-free heating season.
Or to save space inside, install a Bryant outdoor cooling-heating unit.
Bryant gives you a lot to choose from. Naturally every component matches every other component. They were made for each other. All this, and quiet too.
So go on, install the Great Indoors System. You can't beat it. Especially when you join it.
Bryant Air Conditioning Company, 7310 West Morris Street, Indianapolis, Indiana 46231.

bryant
The Great Indoors® People
Duo-Fast Staplers • Tackers • Nailers

COST-CUTTERS FOR BUILDERS

The Nailer drives 6d common to 16d sinker nails 5 times faster than a hammer.

The Staple Nailer drives heavy, coated Duo-Fast Staples up to 2" long.

Finish and Brad Nailers drive finish nails and brads 1/8" to 2" long.

Hammer Tacker drives 1/4" to 3/4" staples as fast as you can swing it.

Fast, efficient, easy to use

Whatever your nailing, stapling or tacking problem, Duo-Fast has the right tool to do your job just right... quickly and at low cost.

For nailing joists, floor and roof deck, the Duo-Fast Nailer does the job in "jig time." Drives 16d sinkers as well as 6d to 10d plain, ring-shank or screw-shank nails... all with the special Duo-Fast coating. Portable and powerful. Built-in safety device prevents accidental firing.

For wall sheathing, plywood subflooring, soffits, bridging, etc., the Duo-Fast Staple Nailer is just right. Powerful, it drives heavy, coated Duo-Fast Staples in less time than it takes to pick up a nail. Magnesium light, portable, air-operated. Accidental firing prevented.

For insulation, building papers, etc., Duo-Fast Hammer Tackers are truly builders' favorites. Drive Duo-Fast Staples 1/4" to 3/4" long. Simple, one-hand operation. Ideal for volume tacking where speed and reach are important.

Write today for the Duo-Fast FT-26 Builders Brochure. Your Duo-Fast man will be pleased to demonstrate these tools. No obligation.

DUO-FAST FASTENER CORP., Dept. HH, 3702, River Road, Franklin Park, Illinois 60131

CIRCLE 106 ON READER SERVICE CARD

Dura-Mor...

the care-free entranceway

New Dura-Mor Entranceways keep saying "welcome!"... vinyl exteriors won't need painting for 20 years!

Select from many custom designs—insulated sidelights or pattern glass to match. Write for free full-color catalog. Or see Sweet's Architectural file 17c/MOR or Sweet's Light Construction file 5b/MOR.

FEATURES:
1. Rigid vinyl encased trim.
2. Rigid vinyl clad wood stop.
3. Permanent bar magnet for tight weather seal.
5. Insulated door and glass.
6. Interior jamb not clad, permits any finish.
8. Rigid vinyl basic sill.
10. Trim fins below sill, at sides and head.

MORGAN Company

OSHKOSH, WISCONSIN 54901

CIRCLE 107 ON READER SERVICE CARD
First he made the sale. Then he really started work.

Seven Trails West include some 700 studio apartments and town houses—each featuring a GE all electric kitchen.

General Electric equipped the development’s laundry centers, too. For GE Contract Sales Representative Roland Schwendinger, making the sale was only the beginning of his job.

“He had a highly professional outlook,” said Stanley Multin, President of the Seven Trails West Company. “It was a total concept approach.”

For example, Roland provided design and layout ideas from GE’s Kitchen-Laundry Planning and Design Service. He personally coordinated equipment deliveries to coincide exactly with building schedules at Seven Trails West.

He had the whole resources of the General Electric Company at his call.

For service that just begins when the sale is concluded, contact the General Electric Contract Sales Representative in your area. Said Stanley Multin, “He’s a real professional. I couldn’t have asked for more.”

Progress Is Our Most Important Product

GENERAL ELECTRIC
Architectural index. The 1969 edition of the Architectural Index, listing articles on architects and designers, buildings of all kinds, and such subjects as acoustics, masonry, metals, hardware, etc., is now available. The index categorizes the industry news of '69 and is a great help in referring to that article you know you read somewhere! The Architectural Index, Berkeley, California.

Cabinet hardware. Room settings for twelve kitchen areas decorated in different period designs are featured in a 28-page four-color booklet which emphasizes the design merits of this line of cabinet jewelry. Another feature is the finish selector which includes true color reproduction of 18 major metal finishes in which the hardware is available. Ajax Hardware Corp., City of Industry, Calif.

Stainless steel. A new eight-page brochure features information for designers, specifiers, and production engineers, and contains mechanical properties of stainless at room temperature, nominal properties—such as elongation and tensile and yield strengths—at low temperatures. Also included: mechanical properties at elevated temperatures, recommended temperature ranges for thermal treatment, recommended forging temperatures, and characteristics and typical applications. The Committee of Stainless Steel Producers, New York City.

Bathroom design service. Since the bathroom has been receiving increased designer interest as one of the exciting, modern, desirable rooms in the home, a new bathroom planning guide is available. Based on studies which emerged from the Cornell Report, this portfolio contains complete architectural floor plans and interior design suggestions for six integrated bedroom/bathroom concepts for "The Changing Living Mode." American-Standard, New York City.

Piping for mobile homes. Photographs and detailed descriptions of asbestos-cement pressure pipe for water supply and irrigation, storm drain and underdrain pipe, and electrical ducts are included in a three-color folder covering all types of piping applicable to mobile homes and mobile home sites. Also illustrated are typical mobile home connections and ways to save in material, installation, and operating costs. Johns-Manville, New York City.

Outdoor lighting. A 70-page booklet which covers basic design criteria for most outdoor lighting applications is now available. Part 1 of the booklet deals with lighting for tennis courts, parking lots, golf courses, highways, etc. Each application is illustrated and tables of recommended equipment for the desired illumination are shown. The second part lists and illustrates the types of equipment with individual specifications and applications. Floodlight design is also described. Westinghouse, Cleveland.

Institutional furniture. Everything from safety cribs for hospital nurseries to lecterns, chairs, pews, study centers is included in a recently released 36-page four-color catalog. Coat-racks, cafeteria tables, stadium seats, chalk boards, bulletin boards, file cabinets, and projection screens are also featured. Everything for equipping a school, office, or church in metal, wood, or wood-grained plastic. Adirondack, New York City.

Boutique carpets. This new 12-page full-color brochure illustrates an exciting line of 100% wool broadloom carpets and area rugs designed for both residential and commercial use. The designs have been drawn from traditional patterns from all over the world and have been updated with contemporary colors. There is a pattern for every décor—from period design to modern motifs. Hardwick and Magee, Philadelphia.

Concrete. Suggestions for successful cold weather concreting are made in a handy 8½" x 11" placard that is just right for quick on-site reference. Temperature specifications for plain concrete, concrete with calcium chloride, and high early strength concrete are provided. A helpful guide for building in the coming months. Master Building, Cleveland.

On Sept. 1, new softwood lumber standards became effective. Newly published grading rules are uniform for all species of softwood dimension lumber. PS-20-70 establishes new lumber sizes and relationships between unseasoned and dry lumber dimensions.

WWPA's new 1970 Rules are based on these standards. They're just off the press, ready for your use. Mail the coupon for more information or a copy of these rules. Do it today!
Road-test us in the worst traffic.

Carpets with pile of Marvess® olefin, a Phillips 66 fiber, are made to go where the going is roughest.

The special heavy-traffic places. That call for special ruggedness. The kind of ruggedness you get in carpets made with pile of 100% Marvess olefin.

Because carpets made with Marvess are built to really resist wear and abrasion. To resist stains. And mildew, rot, insects and static buildup as well.

All while keeping their good looks longer. Keeping the full vitality of their solution-dyed colors beautifully.

Of course, the unique No-Strings Guarantee stands behind every approved carpet grade of Marvess too. For indoor and outdoor use.

If you’re looking for carpet that really offers performance plus appearance, look no further than carpeting made with Marvess. You get the green light on both features for years to come. Your carpet resource can show you... today.

The No-Strings Guarantee
For Tufted Indoor-Outdoor Carpet

Phillips Fibers guarantees this carpet made with pile of Marvess Olefin, a Phillips 66 fiber, against rotting, wearing out, or the effects of weather. For 2 years indoor or outdoor commercial use. Or we will replace this carpet. Free. Exclusive of installation. Consult your carpet resource for details.

If you're looking for carpet that really offers performance plus appearance, look no further than carpeting made with Marvess. You get the green light on both features for years to come. Your carpet resource can show you... today.
<table>
<thead>
<tr>
<th>ADVERTISERS INDEX</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
</tr>
<tr>
<td>Alma Desk Co. .................................. 79</td>
</tr>
<tr>
<td>American Gas Assn ................................ 23</td>
</tr>
<tr>
<td>American Heritage ................................ 76</td>
</tr>
<tr>
<td>American Modular Homes .......................... 9851</td>
</tr>
<tr>
<td>American Olean Tile ................................ 40</td>
</tr>
<tr>
<td>American Panel Products, Inc .................... 94</td>
</tr>
<tr>
<td>Andersen Corp. .................................. 14, 15</td>
</tr>
<tr>
<td>Armstrong Cork Co. ................................ 108, Cov. III</td>
</tr>
<tr>
<td><strong>B</strong></td>
</tr>
<tr>
<td>B.F. Goodrich Chemical Co. ....................... 87</td>
</tr>
<tr>
<td>Bangkok Industries ................................ 92</td>
</tr>
<tr>
<td>Bostich (Textron, Inc.) .......................... 91</td>
</tr>
<tr>
<td>Bryant Air Conditioning Co. ....................... 101</td>
</tr>
<tr>
<td><strong>C</strong></td>
</tr>
<tr>
<td>Cameron Brown Co. ................................ 9852</td>
</tr>
<tr>
<td>Caradco ........................................... 37</td>
</tr>
<tr>
<td><strong>D</strong></td>
</tr>
<tr>
<td>Day &amp; Night Mfg. Co. .............................. 30</td>
</tr>
<tr>
<td>Downtowner Corp .................................. 78</td>
</tr>
<tr>
<td>Duo-Fast Fastener Corp. ........................... 102</td>
</tr>
<tr>
<td><strong>E</strong></td>
</tr>
<tr>
<td>Econo-Car International .......................... 81</td>
</tr>
<tr>
<td>Edison Electric Institute ........................ 89</td>
</tr>
<tr>
<td><strong>F</strong></td>
</tr>
<tr>
<td>Featherock, Inc. .................................. 97</td>
</tr>
<tr>
<td>Float-Away Door Co. ................................ 93</td>
</tr>
<tr>
<td>Florida Gas Transmission ......................... 9852A-52B</td>
</tr>
<tr>
<td>Formica Corp. ...................................... 98</td>
</tr>
<tr>
<td><strong>G</strong></td>
</tr>
<tr>
<td>General Electric ................................... 103, 73</td>
</tr>
<tr>
<td><strong>H</strong></td>
</tr>
<tr>
<td>Homasote Co. ....................................... 17</td>
</tr>
<tr>
<td>Hunter Division (Robbins &amp; Myers, Inc.) .......... 107</td>
</tr>
<tr>
<td><strong>K</strong></td>
</tr>
<tr>
<td>Kenwood ............................................. 78</td>
</tr>
<tr>
<td>Kitchen Kompact, Inc. .............................. 39</td>
</tr>
<tr>
<td>Kwikset [Division of Emhart Corp.] ................ 5</td>
</tr>
<tr>
<td><strong>L</strong></td>
</tr>
<tr>
<td>Lindal Cedar Homes ................................ 24</td>
</tr>
<tr>
<td><strong>M</strong></td>
</tr>
<tr>
<td>Macklanburg Duncan Co. ........................... 31</td>
</tr>
<tr>
<td>Malta Mfg. Co. ..................................... 85</td>
</tr>
<tr>
<td>Marvin Windows ..................................... Cov. IV</td>
</tr>
<tr>
<td>Morgan Co. ......................................... 102</td>
</tr>
<tr>
<td><strong>N</strong></td>
</tr>
<tr>
<td>NuTone, Inc. ....................................... 1, 2</td>
</tr>
<tr>
<td><strong>P</strong></td>
</tr>
<tr>
<td>PPG Industries .................................. 6, 7, 19-22</td>
</tr>
<tr>
<td>Pease Co. ......................................... 28, 29</td>
</tr>
<tr>
<td>Phillips Fibers Corp. .............................. 108</td>
</tr>
<tr>
<td>Pomona Tile [Div. of American Olean] ............ 40</td>
</tr>
<tr>
<td>Potlatch Forests, Inc. ............................ 11</td>
</tr>
<tr>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Rez Co., The ..................................... 90</td>
</tr>
<tr>
<td>Rohm and Haas Co. ................................ 13</td>
</tr>
<tr>
<td><strong>S</strong></td>
</tr>
<tr>
<td>Schumacher Co., F.E. ............................... 98MA-MB, NA-NB, S2AA-S2BB</td>
</tr>
<tr>
<td>Shakertown Corp. .................................. 95</td>
</tr>
<tr>
<td>Slater Electric .................................... 9</td>
</tr>
<tr>
<td>Soss Manufacturing Co. ............................ 96</td>
</tr>
<tr>
<td>Southern California Edison Co. ................... 98WI</td>
</tr>
<tr>
<td>Speakeeke Co. ...................................... 35</td>
</tr>
<tr>
<td>State Farm Insurance Co. .......................... 77</td>
</tr>
<tr>
<td><strong>T</strong></td>
</tr>
<tr>
<td>Tappan Co. ......................................... 33</td>
</tr>
<tr>
<td><strong>U</strong></td>
</tr>
<tr>
<td>U.S. Plywood ........................................ Cov. II, 25, 83</td>
</tr>
<tr>
<td><strong>V</strong></td>
</tr>
<tr>
<td>Valley Faucet Div. [U.S. Brass Corp.] .......... 88</td>
</tr>
<tr>
<td><strong>W</strong></td>
</tr>
<tr>
<td>W.A. Sheaffer Pen Co. [A Textron Co.] ........... 79</td>
</tr>
<tr>
<td>Waste King Universal .............................. 94</td>
</tr>
<tr>
<td>Western Wood Products Assn. ..................... 104</td>
</tr>
<tr>
<td>Whirlpool Corp. .................................... 26</td>
</tr>
<tr>
<td>Williamson Co. ..................................... 74</td>
</tr>
</tbody>
</table>

The advertisers index and reader service numbers published by HOUSE & HOME are a service to its readers. HOUSE & HOME does not assume responsibility to advertisers for errors or omissions.

W denotes Western edition
M denotes Mid-Western edition
N denotes North Central edition
E denotes Eastern edition
S denotes Southern edition
SW denotes Southwest [Swing]

Advertising Sales Staff

- **ATLANTA 30309**
  - Glen N. Dougherty
  - 1375 Peachtree St. N.E.
  - (404) 892-2868

- **BOSTON 02116**
  - David Persson
  - 607 Boylston St.
  - (617) 262-1160

- **CHICAGO 60611**
  - Karl Keeler Jr.
  - James R. Schaffer
  - 645 N. Michigan Ave.
  - (312) 664-5800

- **CLEVELAND 44113**
  - Milton H. Hall, Jr.
  - 55 Public Square
  - (216) 781-7000

- **DALLAS 75201**
  - Jerry Ambroze
  - 1800 Republic Natl. Bank Tower
  - (214) 747-9721

- **DENVER 80202**
  - Richard Powers
  - 1700 Broadway
  - (303) 266-3863

- **DETROIT 48226**
  - Stuart G. McKenzie
  - 2600 Penobscot Bldg.
  - (313) 962-1793

- **HOUSTON 77002**
  - Jerry Ambroze
  - 2270 Humble Bldg.
  - (713) 224-8381

- **LOS ANGELES 90017**
  - Donald Hanson
  - 1125 W. Sixth St.
  - (213) 482-5450

- **NEW YORK 10036**
  - David Persson
  - 500 Fifth Ave.
  - (212) 971-3686

- **PHILADELPHIA 19103**
  - Raymond L. Kamber
  - Six Penn Center Plaza
  - (215) 568-6161

- **SAN FRANCISCO 94111**
  - Stephen D. Blacker
  - 255 California St.
  - (415) 362-4600

BUSINESS MANAGER

- Vito De Stefano
  - McGraw Hill, Inc.
  - 330 West 42nd St.
  - New York, N.Y. 10036
  - (212) 971-3204
Nobody ever notices our product
(which is what we had in mind when we designed it)

It’s too unobtrusive. Too simple. Too quiet. Too trouble-free. It fades right into the background after it’s installed . . . performs only when needed . . . gives fast, clean, even heat . . . goes on and off automatically via unit or wall thermostat. It fits any wall, too, with seven lengths to choose from. For all types of buildings . . . even mobile and modular homes. Installs easily, with convenient knock-outs and junction boxes at both ends. It’s the product nobody notices, except builders and contractors who like satisfied customers.

Mail today for further data:
Hunter Division, Robbins & Myers, Inc.
2837 Frisco Ave., Memphis, Tenn. 38114
Please send full information on Hunter Heatliner Electric Baseboards.

Name
Company
Street
City
State Zip

HUNTER HEATLINER Electric Baseboard
Hunter has the complete line in electric heat
"Frankly, the deciding factor as to what product we use is the dependability of the supplier . . ."

"... we feel it's important to have a good, strong, working relationship with our suppliers. Our relationship with Armstrong goes back 14 or 15 years."

Mr. Tom Brooker, Purchasing Manager of Fox and Jacobs Company, Dallas, Texas, believes that the interior of the model home is what prospects remember most, and he depends on Armstrong to do its share of the selling job. You can, too.

When it comes to choosing the floors for your homes, your Armstrong man offers a line that runs the gamut of styles and colors—from the distinctly traditional to style-setting innovations. (For the model home shown here, Fox and Jacobs chose two of the newest styles in Excelon* (vinyl-asbestos) Tile: in the kitchen-dining area, the richly-detailed Adelphi™ design from the Craftlon™ Collection; and in the hallway, the bold Decoresq™ design.)

Armstrong floors help mark you as a builder who cares about quality, and vigorous national advertising makes your prospects feel right at home with Armstrong.

To learn how Armstrong can help you get more sales power in your model homes, ask for our sample floor styling kit. Write to: Armstrong, 510 Sixth Street, Lancaster, Pa. 17604.