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WHEN war was declared on depression—Certain-teed responded. Salary increases were made. More men were placed on the payroll. The President's Blanket Code was signed without delay. Our executives have labored hours-on-end to establish codes for many divisions of the building industry—Certain-teed helped to write these codes. Certain-teed is keeping them.

In our laboratories and our great manufacturing plants, we are continually striving to put more and more quality into every product.

—and so it becomes increas-

ingly evident that what is needed today is to make more money available for those who need to preserve their homes—to make the necessary repairs—to protect the value of hundreds of millions of dollars' worth of property—to make possible the re-employment of more men in the building industry.

We have proudly and sincerely done our part and will continue to do so. We earnestly recommend and look forward with confidence to the enactment of a program which will furnish adequate and immediate aid to the entire building industry.



# Certain-teed

## AMERICAN BUILDER AND BUILDING AGE

# Homes—Housing— and The Problems of Recovery

*"If money were available, I could start work tomorrow; I have three customers now who are waiting for just that."—H. D., Contractor, Muskegon, Mich.*

*"Am in personal contact with twelve prospects who want financing."—J. E. H., Contractor, Columbia, Mo.*

*"Unless Federal loans are granted, there will be no new building because the banks and financial institutions here want to move all the junk before they will loosen up."—H. & C. Co., Builders, Rochester, N. Y.*

*—A few typical bits of evidence from American Builder survey of prospective home building.*

THERE is piled up today among the 30 million families of our population an actual demand for nearly one million new homes. This demand is normal, the result of four years of under-supply. This demand is positive and, for the most part, fully planned, with building site selected, house design chosen and equity money accumulated. But this demand is balked, frustrated and made impotent by its inability to get customary long term first mortgage financing.

The practically complete breakdown of the usual sources of first mortgage money has prolonged the depression by continuing the unemployment of the more than two million skilled workers normally engaged in the home building industry and has prevented the forces of recovery from gaining any proper advantage from this tremendous backlog of accumulated housing need.

### United Industry Pleads Case for Legislation to Provide Home Building Loans

*Financing*, which always has been the sour note in the home building ensemble, because of its high cost and the graft, greed and inefficiency associated with it, has in the past year entirely failed the building industry.

These facts justify home builders in turning to the Federal government with a plea for additional legislation at this session of Congress to provide for long term loans for new home construction and for old home repair and modernizing, so that this needed and important work can go forward at once—these loans to be granted on such wise terms that they will not only supply the

urgent current needs, but will also encourage home ownership along the lines of the traditional American custom, at the same time setting up standards which private mortgage lenders, architects and builders will benefit by observing.

The home building industry in all of its branches—labor and management, manufacturers and distributors—unites in this plea for constructive Federal assistance at this time.

M. J. McDonough, president, Building Trades Department, American Federation of Labor, speaking for organized labor, wrote the AMERICAN BUILDER on Dec. 21, "The plans for Federal loans for new residential building, home repairs and modernization appeal to me as a sound and thoroughly practical solution of a problem which is undoubtedly holding back the machinery of general business recovery. In the building trades today there are approximately 1,500,000 members enrolled under the standard of the A. F. of L., and it is our estimate that not less than 80 per cent of these men are now unemployed. Any action which will tend to help this vast army to regain their jobs must meet with our heartiest endorsement."

### Manufacturers and Dealers Declare Home Loans Needed

John R. Fugard of Chicago, president, Illinois Society of Architects, voiced the sentiments of architects and contractors when he stated on Dec. 7, "There is no doubt but that government money must be provided directly to individuals for home building. Present indications show that the scheme of the government for financing housing projects, for slum clearance and low cost housing, has not been successful."

Typical of the manufacturers serving the building market, Francis J. Plym of Niles, Mich., president, The Kawneer Company, wrote the AMERICAN BUILDER on Dec. 14, "Your suggestion has my approval and endorsement. This is particularly true when it is so difficult and almost impossible for home owners to borrow money from any corporation or bank and they must necessarily lean to the Federal government until such confidence has been restored."

Spencer D. Baldwin of Jersey City, president, National Retail Lumber Dealers, wrote on Jan. 4, "The Govern-

ment has been making loans to railroads, banks, the farmers, and others—yet the one industry that really holds the key position in the matter of recovery is being overlooked. I do not know of any one thing the Government could do better than make it possible for prospective home owners to get the necessary money to build new homes."

The heroic efforts of the Administration during recent months to transfer idle men from relief rolls to payrolls by means of the Public Works program and the Civil Works activities call for equally heroic planning at this time to provide additional sources of private employment to pick up these men and keep them at work permanently after the work-relief program is finished.

### **Building Labor Hardest Hit**

The huge sum of four hundred million dollars was allocated to the CWA late in the Fall and is now nearly exhausted. Additional credits, it seems certain, will have to be voted soon, either for a continuation of this humanitarian activity or for some other work of similar extent. Home building and home repairs, if backed by credit, present themselves as most logical and available to absorb much of the CWA labor force.

The records show that 60 per cent of the unemployed on relief rolls and civil works rolls were building trades workers. In fact, the depression unemployment has hit building labor harder than that of any other industry. Federal loans for home building would put these men back to work; and every dollar of public money so used would not only be a safe loan that would be repaid with interest but also would do double duty because it would be matched with another dollar of private funds—all invested in needed and wanted improvements that are economically sound.

### **Drastic Slump of Home Building Industry**

With home construction shrinking from a total annual volume of more than four billion dollars in 1925 and 1926 to less than two hundred million dollars in 1933, a decline of 95 per cent, it is difficult to visualize the full extent of the havoc wrought, not only among the building trades, the building material manufacturers and their dealers but also in many closely associated industries such as furniture, rugs, draperies, home furnishings, kitchen ware, china, glass, cutlery, tools and electric equipment.

Sincere attempts have been made to revive business by stimulating the buying of consumption goods; but as the program of recovery has progressed it has become more and more evident that complete revival cannot be achieved until the "capital" or "durable" goods industries are active again. The Public Works allotments are bringing back to life the "heavy" half of the construction industry; the other half, the small construction industry, depends entirely on home building for its prosperity.

Charles J. McCullough, vice president of the Roger Babson organization, writing the *AMERICAN BUILDER*

on Jan. 12, said, "To bring about normal employment it is absolutely essential to stimulate the building of homes. The construction of small homes by individuals is the most potent factor in developing both business and citizenship."

### **The Country Is Not "All Built-Up"**

The position of home building in the nation's economic structure is clearly shown in the January letter of the National City Bank of New York. Under the title "Outlook for Building" this summary is made, "The building industry is the most important of the industries which are now most depressed, and the trend of building operations will greatly affect all business activity during 1934. No industry is cited more often than building as an illustration for the argument that the field for capital expenditure is limited, and none with so little justification in the facts. Despite statements to the contrary, the country is not 'all built up.' Newspapers within the past month have published figures gathered by an NRA survey, not officially released, of construction work that should be done, and the total in all classifications is above \$14,000,000,000.

### **Meager Housing for Population Growth**

"With reference to residential construction alone the Bureau of Labor Statistics finds that in the three years, 1930, 1931 and 1932, the increase in the number of families (in 279 cities, population 45,325,198 in 1930) was 757,112, while new residential units were supplied for only 257,300, or one-third. In the important East North Central district the ratio of new dwellings to new families was only one to fourteen. The number of new dwelling units provided for each 10,000 of population was 121.8 in 1925, averaged 92.5 in 1921-1930, and was only 21.4 in 1931 and 5.9 in 1932. The showing was but little better in 1933. The explanation of this great decline is that families are living in dwellings which should be replaced or at least modernized, and that they have doubled up during the depression. A recent survey in Philadelphia showed that while there were approximately 25,000 vacancies, 29,000 families had doubled up with others due to reduction of income."

### **Capital Goods Industries Must Be Stimulated**

The National City's letter also makes this analysis of recovery: "In considering the industrial situation broadly, the chief anxiety is the extent to which the recovery movement will include the construction, machinery and other capital goods industries. It is clear that unless these industries show greater improvement no advance in the consumers' goods group can long be sustained, for when the heavy industries are not giving employment the loss of purchasing power is felt by all other industries and by agriculture likewise.

"The chief area of depression over the past four years

has been in the capital goods industries. These have been the laggards in the upswing; for while many branches of the food, textile and other industries making goods for direct consumption have recovered wholly or nearly to pre-depression levels, only the beginnings of the upward movement have been felt in construction, machinery, railway equipment and similar lines. In the light industries as a whole employment is nearly equal to 1929, but of the capital goods group few are giving work to half as many people as in that year, and some only to one-fourth or one-third as many."

The action of Congress and the President in setting up the Federal Home Loan Banks, the Home Owners' Loan Corporation, the Federal Savings and Loan Associations, the low cost housing provisions and the slum clearance studies of the Public Works Act, and the RFC facilities for loans to mortgage companies and building and loan associations clearly shows a firm purpose on the part of the government to foster home ownership and to help the home building industry.

### Consider the Human Factors

The failure of these various helpful measures so far to produce the desired results has been due both to the vastness of the problem and to the fact that some of the human factors in home owning and home building have been ignored.

The American people do not take kindly to *housing*; but they do respond to *homes*.

Mass housing is not in line with American traditions. The individual home is an American institution.

Slum prevention is better and more easily achieved than slum clearance.

The individual home in America is not a failure—as the more than 14 million families that own such homes can testify.

First mortgages on owner occupied homes always have been and still are prime security for long time amortized loans. The foreclosure distress among home owners has been almost entirely among the three- and five-year straight mortgage group where the renewal problem involved some bank or other loaning institution struggling for "liquidity." The long term amortized home mortgages have given practically no trouble. They have demonstrated the soundness and the desirability of long term financing of the type which the Home Owners' Loan Corporation is using in its refinancing of old home mortgages and which we urge the Administration to extend now to new home financing and remodeling as well.

The men of the home building industry are practically unanimous in presenting this plea for Federal financing of needed new homes and old home modernizing.

A survey of over 400 sample communities in 35 states conducted within the past 60 days by AMERICAN BUILDER among active builders and contractors, intimately in touch with actual home owner prospects, reveals some two hundred and fifty million dollars worth of home-building and modernizing in those communities all "set

to go" but held up for lack of first mortgage money.

A somewhat similar survey among retail lumber dealers made during the past 60 days by the National Lumber Manufacturers Association shows that 1,743 lumber dealers picked at random over the entire country have 22,950 bona fide home building "prospects," which indicates a national total of about 300,000 new home seekers now awaiting financing. (Both of these surveys are reported in detail elsewhere in this issue.)

Here is a definite, immediate market for government funds, with every loan a sound loan, amply secured, which will pay back with interest every cent advanced.

### Sound Promotion of Economic Recovery

There is no other way in which the government could use one billion dollars so effectively in promoting economic recovery as by making it available for loans to prospective home owners. There are thousands of persons in communities throughout the country who already have part of the money they need with which to build homes. Undoubtedly if the government would make available a billion dollars for loans to such persons, they would add to it at least another billion dollars of capital they already have, with the result that the government loans would directly and indirectly cause an early expenditure for home building of \$2,000,000,000 or more.

Without minimizing the importance of other government expenditures to promote recovery, it may well be pointed out that loans for home building would have certain great economic and social advantages over expenditures for most kinds of public works.

**First, such loans would impose little or no burden upon the taxpayers, as interest and principal would be paid by the borrowers.**

**Second, unlike government public works, home building would increase the amount of taxable property.**

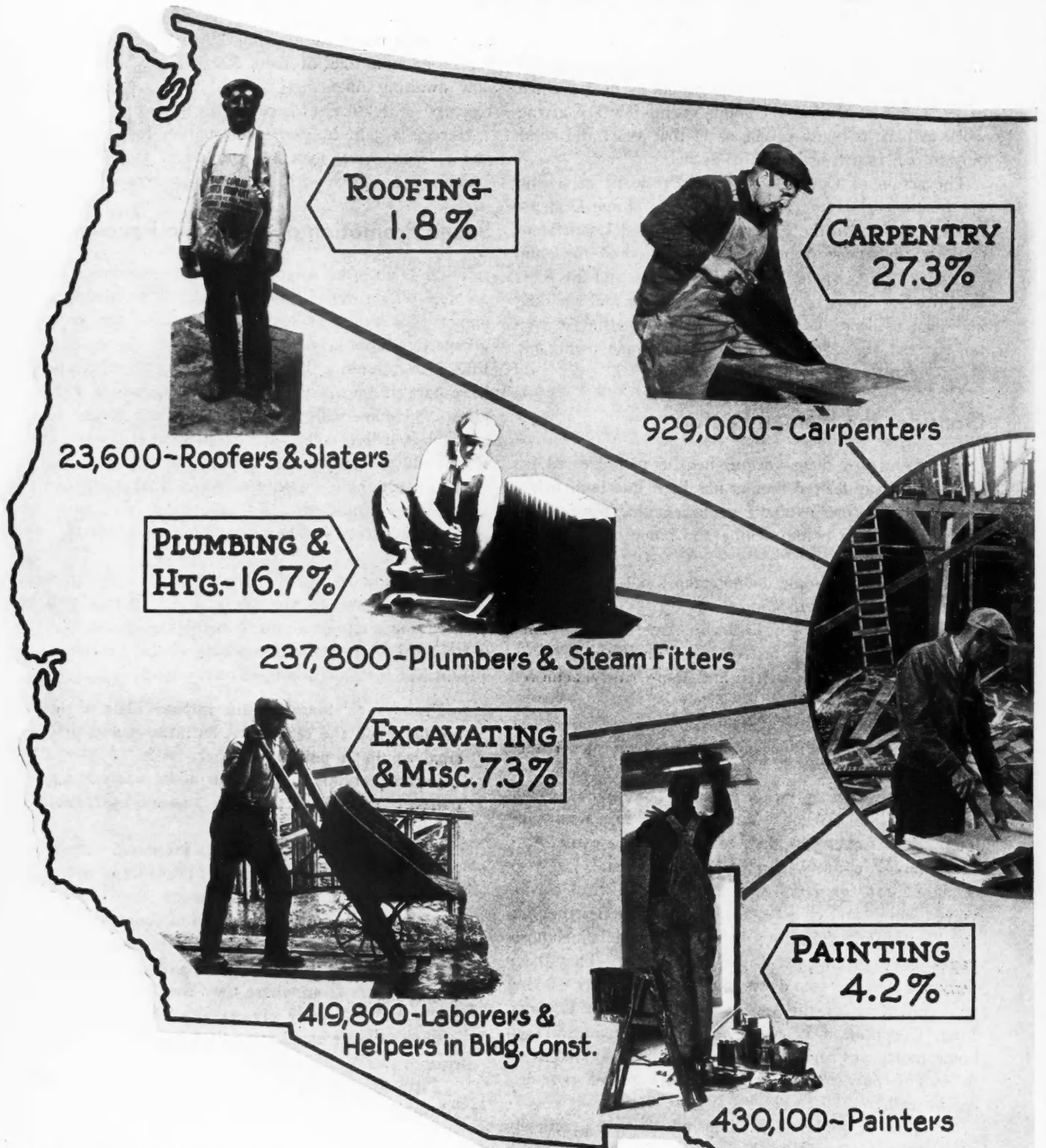
**Third, the national wealth is increased only by the creation of property that is needed and useful, and there is no kind of property that is more needed and useful than residential property.**

**Fourth, the use of government loans to revive building would involve no necessity of transferring workers from where they live, but would directly and indirectly give employment to millions of men at their usual work in their own communities.**

**Fifth, the depression prevails principally in the "durable" or "capital" goods industries, almost all of which would have their business and employment increased by a revival of home building.**

If the depression is to be successfully attacked it must be attacked with the greatest energy in those industries in which it has prevailed the longest and has been the most profound. The decline in building started the present depression, and a revival of building is essential to ending it.

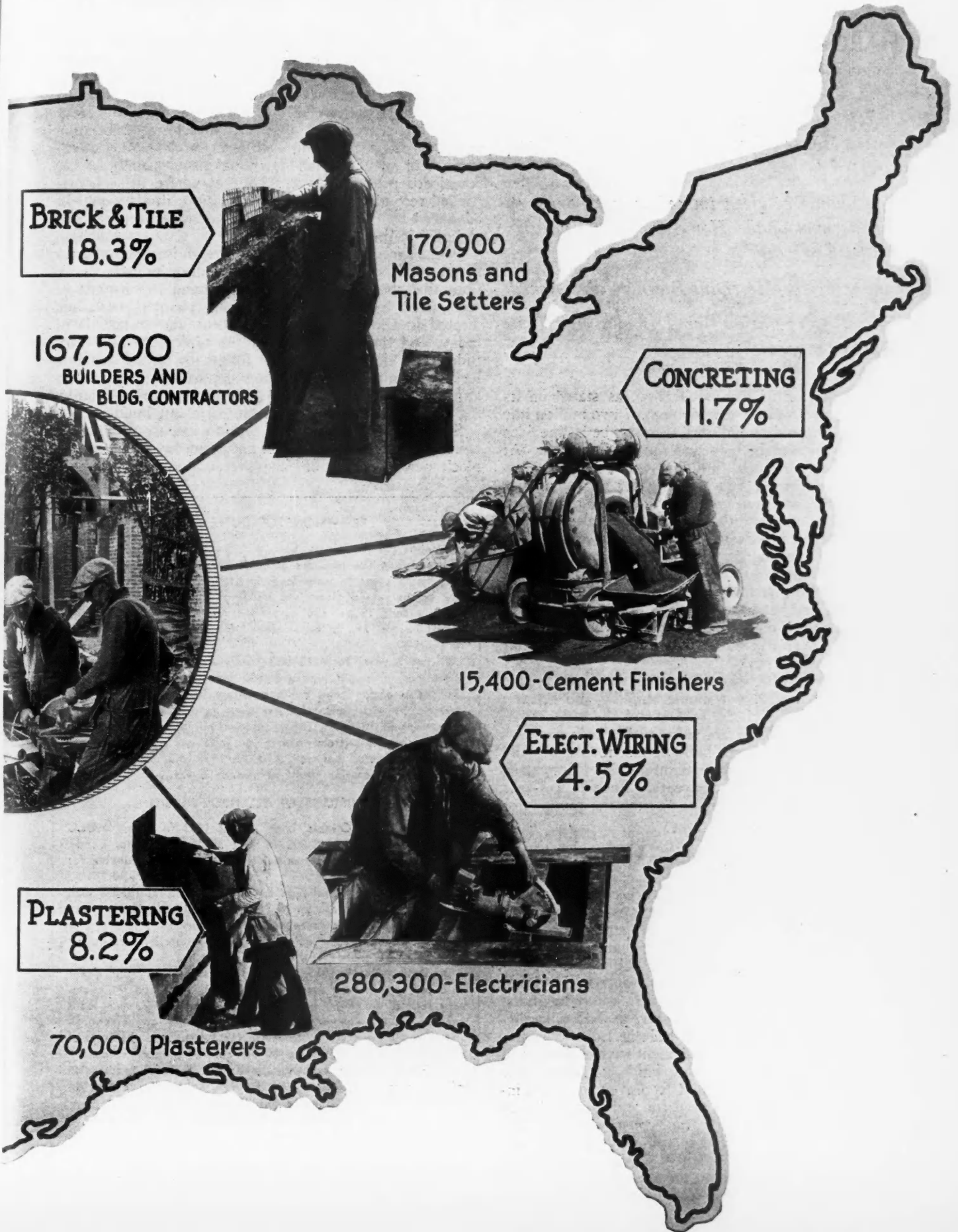
# New Home Building Will



## MILLIONS OF MEN ARE NORMALLY EMPLOYED IN HOME BUILDING

Number of workers given is for entire construction industry, of which home building is normally the largest single division. Percentage figures show part various trades play in cost of residential work. Data from U. S. Census and U. S. Bureau of Labor Statistics.

# Put These Men To Work



**BRICK & TILE**  
18.3%

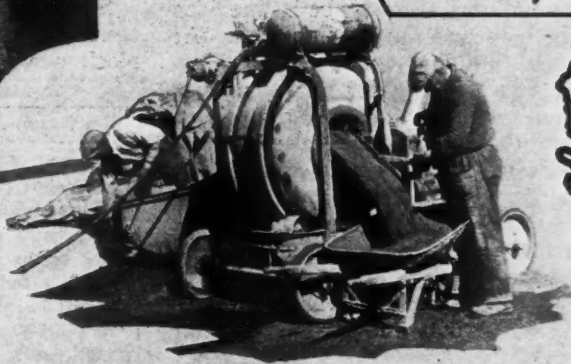


170,900  
Masons and  
Tile Setters

**167,500**  
BUILDERS AND  
BLDG. CONTRACTORS



**CONCRETING**  
11.7%



15,400 - Cement Finishers

**ELECT. WIRING**  
4.5%



280,300 - Electricians

**PLASTERING**  
8.2%



70,000 Plasterers

# Congress Urged To Act Promptly

By HAROLD F. LANE

Washington Editor, American Builder

☞ *Duffey and Ellenbogen Bills Already Introduced in House Embody Recommended Loan Features.*

☞ *They should be given immediate consideration so that the men of the Home Building Industry can get back to work.*

☞ *Financing for Merchant Builders also Asked.*

☞ *Federal Corporation for Discounting Home Mortgages proposed.*

THE dedication of this publication, as stated on its front cover, to the re-employment of two million idle men of the building industry seems to be in line with developing sentiment both in and out of Congress. At the same time substantial building trade and business groups were conferring and planning for home building recovery, leaders at Washington, including senators, congressmen and administration advisers, were also at work on the same problem. Promptly on the convening of the present session of Congress, two bills were introduced in the House providing for enlarged scope of the Home Owners' Loan Corporation to provide for loans for new home building and repairs. These bills were referred to the Committee on Banking and Currency where they still are and where they will doubtless remain unless popular demand forces them out.

These two bills, which would provide the much needed long term financing for new home building and repairs, are the Duffey Bill (H. R. 6460) and the Ellenbogen Bill (H. R. 6564). They are alike in that each provides for cash loans for new home building and for repairs and remodeling at 5 per cent annual interest and amortized for complete repayment in 18 years. Each is a 3-year emergency measure calculated to "prime the pump" for the home building industry.

## Opposition from Mortgage Holders

As was to be expected, the insurance companies, savings banks and other loaning institutions which have a considerable number of foreclosed properties on their hands are hostile to any such measure that would permit new home building to start until their old houses are disposed of. On Jan. 19, RFC Chairman Jesse H. Jones united with HOLC Chairman John H. Fahey in giving out a statement to the press regarding a conference between Reconstruction Finance and Home Loan Corporation officials and a group of prominent savings bank and insurance company mortgage men, which conference was called at the request of President Roosevelt to secure information "as to the possible need for and source of supply of mortgage money for the construction of new homes of a moderate cost and for the modernization and rehabilitation of existing residences of this class."

"It developed," according to this statement, "that savings banks, building and loan associations, life insurance

companies, and other mortgage holders have come into possession of considerable residential property of this character throughout the country, and that this factor should be taken into account in considering any enlarged home building movement. It was made clear by every institution represented that all foreclosed residential property was for sale on easy terms at low rates of interest and with a small down payment, usually at the foreclosed price or less. Also that where these homes needed reconditioning or modernization, funds would be advanced by the present owners for such purposes and included in the sale price."

While agreeing that old houses are an important factor in the total housing picture, the building industry maintains that there is a tremendous demand which must be recognized for new modern homes, planned, built and located in conformity with the ideas and standards of today, and that, regardless of the typical "banker attitude," this demand must not longer be stifled. It is a legitimate employment-creating opportunity both as regards individual home building for owners and also building for the market by reputable merchant builders.

Scoring the interests that seek to dispose of existing houses to people who don't want them, by attempting to block new construction, a representative delegation of

### PROVISIONS OF DUFFEY BILL

Amends Home Owners' Loan Act for 1933 to permit HOLC to draw upon the RFC for \$500,000,000 with which—

1. For 3 years to make loans in cash for the construction of new homes valued (land and building) up to \$20,000. Loans not to exceed 75 per cent appraised value, to carry 5 per cent annual interest and to be amortized for complete repayment in 18 years—

2. For 3 years to make loans for repairs, modernizations or alterations of homes, up to \$3,500 but not exceeding 60 per cent value of land and building before improvement is made. Loan to be secured by 1st mortgage amortized for complete repayment in 10 years, 5 per cent annual interest—

3. To purchase from loaning organizations mortgages held by them, executed between June 13, 1933 and June 13, 1937, which the Corporation might have made direct.

### PROVISIONS OF ELLENBOGEN BILL

Amends Home Owners' Loan Act of 1933 to permit HOLC

1. To issue \$5,000,000,000 18 year 3½% tax exempt bonds, U. S. guaranteed both principal and interest, exchangeable for present HOLC bonds.

2. For 3 years to exchange for eligible home mortgages such bonds and enough cash up to \$14,000 combined value to clean up back taxes and to make necessary repairs.

The mortgages so acquired by the Corporation are to be paid off in 15 years at 5 per cent interest.

3. Until June 13, 1936, to make loans in cash to home owner at 5 per cent interest for payment of back taxes and for necessary repairs up to 50 per cent value of property, such loans secured by 1st mortgage with any existing mortgages subordinated and agreed not to foreclose for 3 years and the total of all obligations not to exceed 80 per cent of property's value.

4. For 3 years to exchange bonds and cash for redemption of homes foreclosed since Jan. 1, 1931, advancing up to \$14,000 or 60 per cent of value for this purpose.

5. Until June 13, 1936, to finance new home building by loaning the owner of a vacant lot of ground up to \$14,000 or 75 per cent combined value of lot and completed house. Such loans to be at 5 per cent annual interest and to be amortized for complete pay out in 18 years.



# For Home Building, Repair Loans

large development builders, following a meeting at Washington, summarized on Jan. 26 the feelings of many as to this situation:

"It is un-American for the building and loan and other interests to try to block a program that would revive great building material businesses, create employment and circulate the savings of 300,000 families just because they are fearful about their own commodity, the now standing home. Once this demand for homes is really released, the tide that has been dammed up for nearly seven years in this field will carry all to prosperity, the owners of the old home as well as the builders of the new.

"There is enough business for all; there is a big enough demand for all, but you can't force repossessed homes on people who have made up their minds to buy new structures. Everyone doesn't want a new structure; thousands of people actually prefer existing houses. It is true that there are good bargains in them. But to say that there is no need for new homes and that there is sufficient financing available for the 'little construction that is needed' is fallacious. There are approximately 300,000 families from coast to coast who want new homes who won't take repossessed homes and there isn't a dollar of financing at terms they can afford to assume."

This group is pressing for an allotment from PWA, on a plan under which 25-year loans would be made to private building companies at 4 per cent interest. Such a plan submitted by the home builders association was approved by Robert D. Kohn, director of the PWA Housing Division on Dec. 23 but no allocations have yet been made and the home builders state they want a series of public hearings "from coast to coast" because they believe the data they will develop in that way will expedite the rapid release of funds to them.

## Mortgage Discount Bank

Still another approach to the problem of rehabilitating the business of home mortgage lending is urged by the realtors. Action by the present Congress for a Federal mortgage discount bank is urged. The National Association of Real Estate Boards by vote of its delegate body at the Miami Convention on Jan. 20 adopted the following resolution:

"RESOLVED: That the midwinter meeting of the National Association of Real Estate Boards, in convention assembled, reaffirms its judgment that a Federal Mortgage Discount Bank, as hitherto proposed, is essential for the perfecting of our national financial structure, and that the President of the United States be respectfully requested to grant a personal hearing to the president of our Association and the chairman of our

(Continued to page 92)

## Leaders Favor

**ACCELERATE UPWARD TREND** "We are for your suggestions that Federal loans be made directly to home owners to finance new homes. Only in this manner can we get under way with a building program in this country, that will mean anything from the standpoint of accelerating the upward trend."—C. A. STRAND, President, Stran-Steel Corp., Detroit, Mich.

**NO-RISK LOANS** "It has always been a mystery to us why this particular situation received no consideration at the time the Home Owners' Loan Corporation was organized. They have overlooked the best part of the proposition. For the man who has 50 or 60 per cent of the money required to build a home, there should be some place in this picture whereby he can obtain the balance of the necessary funds on a long time mortgage."—PHIL RUNION, Secretary, Nebraska Lumber Merchants Assn., Lincoln, Nebr.

**BENEFITS WOULD MULTIPLY** "The benefits of the money spent for repairs, or new construction would multiply many-fold as this money floats through the channels of trade and the new home would become a pride to the owner and a public asset to the community where it is built.

"The assessor would have more property to put on the tax rolls, sales taxes will be collected in some states and we could assure the Federal Government its share, if it will only adopt your program."—C. G. JOHNSON, President, Overhead Door Corp., Hartford City, Ind.

**ARCHITECTS FAVOR** "I am in general sympathy with the proposal for direct Federal loans to individual home owners for new house construction and repairs, to supplement the refinancing of existing mortgages already being assisted by the Federal Government."—WILLIAM STANLEY PARKER, Architect, Boston. Past President, American Institute of Architects.

**MODERNIZE MORTGAGE PRACTICES** "Significant are the accumulated shortages in the residential and industrial fields, especially in the residential field where the decline set in fully six years ago. Fresh activity in house building has already begun and the revival may attain appreciable proportions during the course of the year—especially if something is done to modernize mortgage practices."—MALCOLM MUIR, Division Administrator NRA, addressing the Philadelphia Chapter of the Robert Morris Associates on Jan. 8.

**CAPITAL LACK SERIOUS** "We realize that the lack of capital for private building construction is the most serious drawback that the construction industry has to overcome in order to pull itself out of the mire."—HUNTER M. GAINES, Secretary, Michigan Retail Lumber Dealers Assn., Lansing, Mich.

**STIMULATE LUMBER BUSINESS** "My district has many saw mills that I know will be materially benefited by the stimulation that they would receive by reason to increase sale of products throughout the middle west."—CONGRESSMAN WALTER M. PIERCE, 2nd District, Oregon.

# No Immediate Help to Be Expected

By **BERNARD L. JOHNSON**

Editor, AMERICAN BUILDER

*LAST MINUTE NEWS shows mortgage holding interests well entrenched at Washington*

*BUILDERS CHALLENGE accuracy of their assurances that funds for needed building are available*

*CHAIRMAN FAHEY ISSUES hopeful statement on long-term program; but emergency action for 1934 building season is demanded by two million idle men*

**D**EVELOPMENTS of the last week of January in Washington indicate that those favoring Federal loans for home building and home improvements will have to move quickly and exert all their influence if adequate financing is to be secured for 1934.

On Jan. 29, Chairman John H. Fahey of the Federal Home Loan Bank Board issued a statement concerning a 3-point plan which the Board had recently laid before President Roosevelt—a plan providing for certain extensions of Home Loan Bank functions to meet the credit needs of home owners and home builders. This statement, while hopeful in tone, does not indicate that any measures are now contemplated by Chairman Fahey and his associates that will be prompt enough or adequate to meet the credit needs of the home owning and home seeking public in 1934, or to overcome the present paralysis of the home building industry. It merely proposes a more liberal policy of HOLC loans for repairs and alterations on the distressed homes which that Bureau is refinancing and suggests the possibility of construction loans from private home financing institutions which will be further assisted, he intimates, with Federal loans for such purposes.

Some of the newspaper writers profess to see in this statement a real assurance of early help for home building; but in the light of closer knowledge of building and financing conditions it classifies as merely additional help for the building and loan associations, the insurance companies and other mortgage holding interests.

## President Roosevelt Concerned

Perhaps the most significant fact about the home financing study outlined in Chairman Fahey's statement is that it was made at the express request of the President. The keen interest and concern over homes and housing shown by both Mrs. Roosevelt and the President are well known, and give promise of vigorous action to relieve distress among home builders and to secure better homes for the people. "Important legislative proposals on home financing," Chairman Fahey states, "were sub-

mitted to President Roosevelt last week by the Federal Home Loan Bank Board. In full accord with the Administration's suggestions, the Board's objectives are not simply to relieve the half million or million home owners in this country who are in difficulty in the emergency. The main problem is to make long-deferred improvements financially possible for any of the owners of America's ten million urban homes, by speeding up the flow of private capital into sound home mortgage loans.

"Scarcity of home loan funds has caused stagnation in the building industries, while thousands of homes have depreciated heavily through the inability of their owners to obtain loans for proper maintenance expenditure."

Whether or not there is an actual present need of new homes has been a hotly debated question, the "bankers" usually taking the negative and the building interests the affirmative side of the argument. In view of this, it is heartening to read the Fahey statement as it continues:

"Regarding the contention that there is no demand for new home building, the observation of the Home Owners' Loan Corporation in all parts of the country discloses that some communities are suffering from actual shortage of housing facilities. It also makes clear that many owners of homes built ten or more years ago wish to improve and modernize their properties, in order to enjoy greater living comfort, but are prevented from doing so by the inadequacy of home financing credit. This difficulty is all the more serious since the cost of most such alterations would be less than the present obsolescence loss on the market value of the homes."

## Plan Proposed—Will It Help in '34?

With this vigorous appraisal of the present situation as an introduction, one would expect an equally virile program to cope with today's building loan obstacles. Yet here is the proposal:

"The need for home financing this year may exceed the capacity of private capital. For the benefit of home owners, therefore, the Board is prepared to recommend three general measures.

"THE FIRST is to expand the credit resources of private home financing institutions by increasing the volume of funds available through membership in the Federal Home Loan Bank System.

"THE SECOND is the active development of the Federal Savings and Loan Associations as private thrift institutions in communities where home financing resources are lacking or insufficient. These two steps embrace at least nine out of every ten home owners in this country, who are financially entitled to loans from home lending agencies, but find those agencies unwilling or unable to make loans.

"THE THIRD proposed step would be to enable the Home Owners' Loan Corporation, which deals only with home owners who are in difficulty with their present mortgages, to finance desirable improvements on these homes on which it makes these emergency loans. Such properties do not represent more than one house out of ten, and possibly not more than one out of twenty, in this country, but the resulting expenditure for modernization would add to the value of such properties and create healthy activity in the building trades, in addition to the steps which would be taken by other home owners through the Federal Savings and Loan Associations and other members of the Federal Home Loan Bank System."

# d from Unwilling Lending Agencies

## A SHORTSIGHTED POLICY

"FINANCIAL INSTITUTIONS now holding many over sized mortgages on homes can realize greater security on their holdings only when the strangled condition of this industry is relieved.

"THESE INSTITUTIONS are pursuing an extremely shortsighted policy when, as seems apparent, they stand actively opposed to the bill now before Congress to provide Federal first mortgage credit, which is so seriously needed to get the building industry out of its condition of coma."—Shaker Heights Builders Association, Cleveland, Ohio.

### Little Prospect of Forcing Loans onto Unwilling Agents

In regard to the first point of this 3-point proposal, while membership of the building and loan associations in the Home Loan Bank System is increasing and the time will eventually arrive when these building and loan organizations will be freed of their pressing obligations (such as to share holders who want their money) to an extent permitting them to make new loans, the fact remains that today they are not making loans and it seems idle to expect assistance for 1934 home building from them.

Number Two is an excellent long term proposal. On pages 54 to 56 of this magazine, we present an article by Chairman Fahey describing in detail the Federal Savings and Loan Association set-up and opportunity. These new associations, with the help of Federal funds and with no old frozen assets, can render a real service as loaning agencies. They offer perhaps the best means today for the re-establishment of private home financing. However, thus far, only 72 Federal Savings and Loan Associations have been organized. It was stated when the Act authorizing them was passed last summer that one-third of all the counties in the U. S. were entirely without savings and loan associations. It will take a long time to cover the United States with these new organizations.

Comment on the Third Point seems hardly necessary. It is a sound policy for any loaning institution to finance repairs and improvements on the homes that are the security for its loans. This is not a new provision but was provided for in the Home Owners' Loan Act of 1933. If those responsible for the administering of this Act are now going to release the full constructive force of this provision, the effect will be splendid.

But why limit the benefits of such a program to the *distressed* property—why not sweeten up these loans with an equal number to home owners who are *not* in distress but who nevertheless want to make needed repairs, alterations and improvements and cannot borrow the money?

Chairman Fahey's statement proceeds:

"The Federal Government is deeply concerned in amplifying the resources of private home financing institutions so that they may continue to lend money on good

security. It has refused to compete with private institutions in the home mortgage business. It does not make direct loans to the vast majority of home owners, but only to those who are unable to finance their indebtedness elsewhere. The Board feels that home owners should make the utmost possible use of existing private home mortgage institutions."

We agree that home owners should make the utmost possible use of existing private home mortgage institutions. They have done so, and have found practically no money available and, throughout 1933, no loans being made. It is the contention of the building industry that only general prosperity will "unfreeze" private loaning agencies, and that the re-employment of building labor through Federal loans is necessary before general prosperity can return.

### Prejudiced Against Builders

The constructive and helpful tone of the statement of the chairman of the Home Loan Bank Board now changes as he takes up the subject of commercial home building, branding it "artificial stimulation."

"The Board is strongly opposed," he says, "to artificial stimulation of home construction. Nothing would cause greater injury than unwarranted building or superfluous mortgage money in cities where housing facilities are adequate. The financing needs of any community, therefore, must be judged solely by the demand for loans from home owners who are willing and financially able to assume the cost."

This is in line with the main recommendation of this publication. "The forgotten man" who owns a lot and has saved some money and wants to build but can't get a first mortgage loan is and should be the first consideration of those anxious to revive the building industry.

Yet, while this is true, nevertheless there is in many communities a legitimate present market for new homes to be built and offered for sale. In regard to this, however, Mr. Fahey continues:

"The Board is not impressed by the pleas of speculative builders and commercial interests which seek a profit in handling mortgage money for which there is no valid outlet in the form of a genuine housing shortage. These interests a few years ago misled a great many people into buying homes on a shoe-string, and borrowing far beyond their means. Defaults, tax delinquencies and widespread foreclosure action were the inevitable consequence. That mistake cannot be repeated."

### Open Letter from Shaker Heights Builders Association

We make no plea for "speculative builders and commercial interests which seek to make a profit—and mislead people into borrowing beyond their means," but we do declare that there is already enough of a "genuine housing shortage." There is a great and legitimate market for houses for which people can honestly afford to pay. Such home building is socially and economically desirable and does not by any stretch of the imagination classify as "speculative" or "misleading."

Professional builders find much to criticize in these and similar attitudes which they believe dominate "Washington" so far as home building is concerned, and which they feel are inspired by selfish mortgage holding inter-

(Continued to page 76)

# 800,000 NEW HOMES PER YEAR

## FACTORS IN HOUSING NEED

"THE 4,000,000 FAMILIES living in doubled-up quarters are beginning to unscramble. Quarters considered unfit for human habitation and housing for 3,000,000 people are being torn down to an appreciable degree. The 1,000,000 NEW families in the last three years are looking for homes. The \$500,000,000 annual fire loss is taking its toll of residential property. Of the 30,000,000 residential units in the United States, the average life of which is fifty years, 600,000 wear out annually, and for the last four years they have not been replaced."—W. C. MILLER, Washington, D. C., builder and President National Association of Real Estate Boards, addressing the midwinter meeting of that organization on Jan. 18 at Miami.

FOR four years the United States has been creating a deficiency in housing and housing conditions. The volume of new homes and of home repairs has not, to even a small extent, kept pace with fire losses, depreciation, population increase and formation of new families.

Building permits in 257 cities reported by the U. S. Bureau of Labor Statistics give a most graphic picture of this decline in new home building. (See Table I.) The average volume of new residential building in these cities in both 1932 and 1933 was less than 5 per cent of the average volume for the four-year period, 1922 through 1926.

The housing deficiency that has developed is not generally apparent because: (1) 4,000,000 families have been forced to double with others for shelter; (2) In

many communities, vacancies in a few expensive houses create an impression of oversupply which is not justified; (3) People are temporarily putting up with substandard conditions and crowded quarters they will not tolerate for long. They are accustomed to better homes.

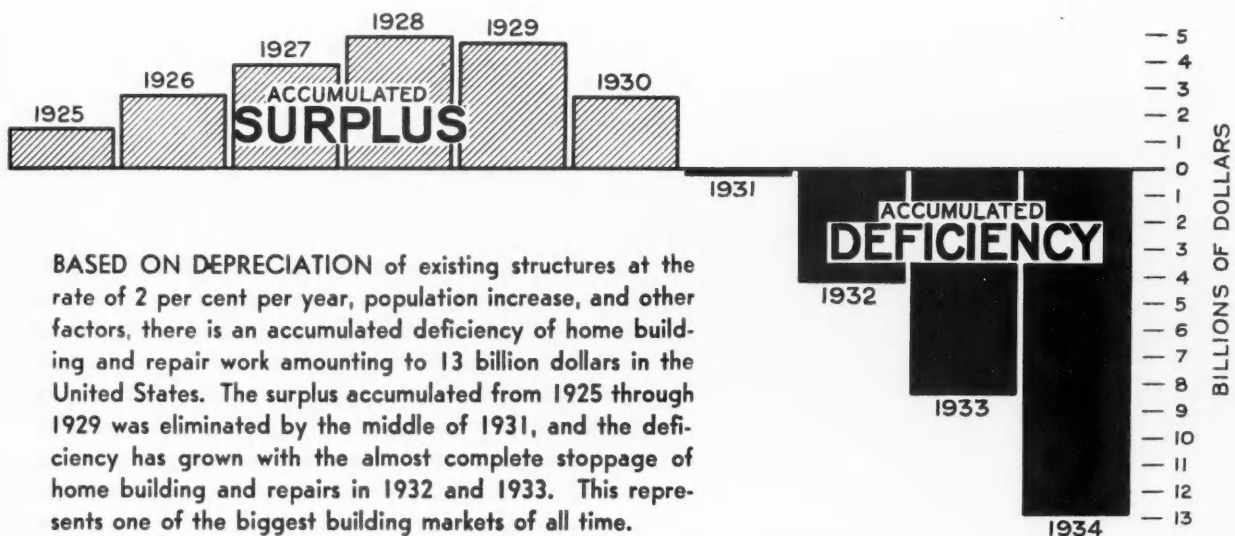
To what extent and for how long will the people of this nation worry along with crowded, sordid, unhealthy, out of date or dilapidated living quarters? There is no statistical answer. To prove an imperative need for new homes statistically is therefore difficult. On the basis of a "decency standard," however, there is a need for 800,000 new residential units per year for a number of years. On the basis of a "decency standard," there is a need for millions of dollars of modernizing and repairs to old homes each year.

On a purely statistical basis, it is impossible to state how long new home building and repairs can be deferred, or to what extent families can be crowded into inadequate shelter. But on the basis of social, civic and economic need, there is not the shadow of a doubt but that this nation needs an immediate construction program to provide modern, low cost, single-family dwellings within the reach of the millions now unsatisfactorily housed.

TABLE I. HOME BUILDING IN 257 CITIES

Year	Estimated Expenditures	Index Number	No. Families Provided for
1921	\$ 937,352,789	100.0	224,545
1922	1,612,352,921	172.0	377,305
1923	2,000,986,900	213.5	453,673
1924	2,070,276,772	220.9	442,919
1925	2,461,546,270	262.6	491,222
1926	2,255,994,627	240.7	462,214
1927	1,906,003,260	203.3	406,095
1928	1,859,429,751	198.4	388,678
1929	1,433,111,774	152.9	244,394
1930	601,269,847	64.1	125,322
1931	426,270,111	45.5	98,178
1932	103,452,079	11.0	27,381
1933 (Est.)	101,000,000	10.8	26,800

## 13 Billion Dollar Deficiency In Home Building and Repairs



BASED ON DEPRECIATION of existing structures at the rate of 2 per cent per year, population increase, and other factors, there is an accumulated deficiency of home building and repair work amounting to 13 billion dollars in the United States. The surplus accumulated from 1925 through 1929 was eliminated by the middle of 1931, and the deficiency has grown with the almost complete stoppage of home building and repairs in 1932 and 1933. This represents one of the biggest building markets of all time.

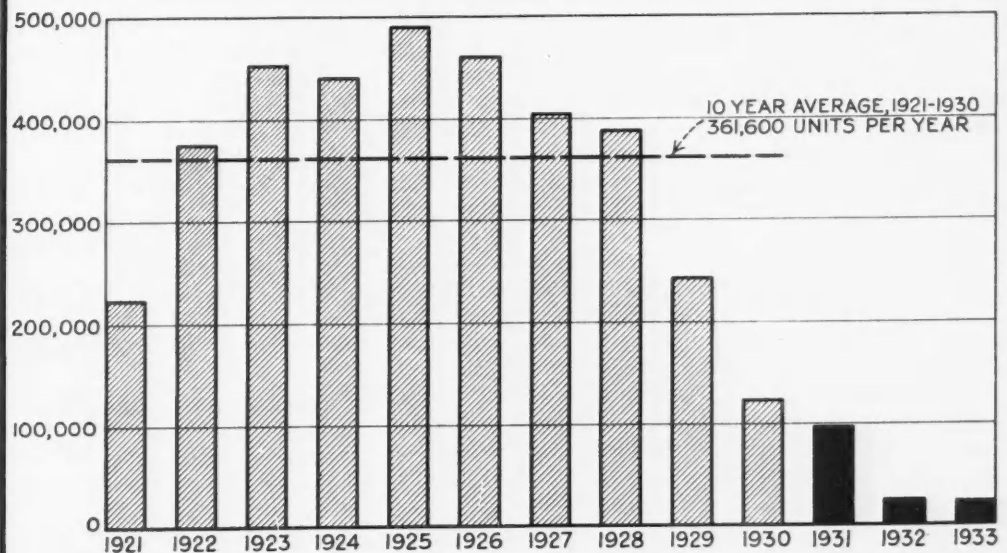
# NEEDED FOR ADEQUATE U.S. HOUSING

By J. B. MASON

## FAMILIES PROVIDED FOR IN NEW RESIDENTIAL UNITS 257 CITIES-1921 TO 1933

POPULATION OF THESE CITIES INCREASED IN THIS PERIOD  
FROM 36,575,000 TO 47,500,000

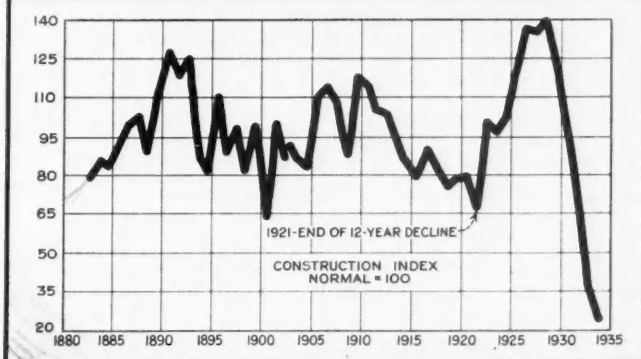
DATA FROM U.S. BUREAU OF LABOR STATISTICS



THE UNPRECEDENTED DECLINE in residential construction is clearly shown by this chart reporting building permits in 257 cities. This should be studied in conjunction with the construction trends chart below which shows that 1921 was the end of a 12-year decline. The increases in '22, '23 and succeeding years were required to make up the housing shortage existing in 1920 following war.

## CONSTRUCTION TREND SINCE 1880 PRESENT DECLINE GREATEST IN 53 YEARS

DATA FROM BROOKMIRE ECONOMIC SERVICE INC.



THE TEN YEAR CYCLE OF CONSTRUCTION is interestingly shown on this chart. Note that 1921 was the end of a long decline in which a large housing shortage developed. A greater need exists today.

Dr. O. M. W. Sprague, writing recently on problems of recovery, expressed this thought most effectively when he said, "That a potential demand exists for better housing I think no one will question. While there is perhaps an oversupply for people enjoying incomes of \$5,000 and more, present housing conditions of the majority of people with incomes below \$2,000 certainly leave much to be desired.

"I suggest as an objective or as a slogan: one more room for every family in the United States below the income level of \$2,000. This is by no means an impractical objective. What a program this would be!

The most important and, unfortunately, the least prov-

able factor in residential need is the doubling up of families with each other under duress of economic conditions. Young married couples that have returned to their parents' homes; old couples that have moved in with their children; relatives who are forced to live together; unmarried sons and daughters who have returned home, poor families herded two or three to a room—all of these contribute to the wide extent of doubling up.

### Four Million Families Doubled Up

It is estimated that 4,000,000 families are in this fashion doubled up with other families who normally would have private quarters of their own. Exact statistics on this extent will not be obtained until the United States Real Property Inventory now being conducted by the Bureau of the Census with CWA workers in 60 cities is completed. This will give an accurate picture of housing conditions in these 60 cities, but unfortunately will not throw light on the extent of housing deficiency among the 60,000,000 people in rural areas and small towns, or in the other cities not covered by the survey.

Specific instances of doubling up in cities are very common, and there is no question that this is a depression condition that will quickly change and already is changing with improved conditions. A survey in Akron, Ohio, conducted in 1933 by the local real estate board with the aid of United States post office carriers showed 1,109 instances where two families were occupying units intended for a single family. According to Roy Wenzlick, real estate analyst of St. Louis, there was a doubling up in that city in 1932 of 20,000 families.

The most significant statement on this subject is contained in a survey, not yet officially released, by the Division of Economic Research and Planning of the Na-

tional Recovery Administration, which states, "It is argued by some that there is at present no need for construction; that additional construction would be uneconomic adding to an existing oversupply. But this surplus of vacant dwellings exists alongside a surplus of families forced to double with others for shelter. It exists alongside more than a million families by conservative estimate who are forced to live in dwellings unfit for habitation."

#### Vacancies and Rentals

That doubling up is decreasing and families returning to normal living quarters at a rapid rate is indicated by recent surveys. In St. Louis, a study by real estate analysts last fall showed that vacancies were being absorbed more rapidly than following the World war. In Madison, Wis., a survey by the Post Office Department showed that one-third of the city's vacancies in single-family dwellings and one-half of the apartment vacancies have been taken up since May. In Denver, Colo., a survey by the University of Denver recently showed that residential vacancies were 13 per cent smaller than a year ago.

The Philadelphia Housing Association has also made a thorough survey which shows that actual vacancies in dwellings in that city last year were only 5 per cent. Of these vacancies, a large number were in such disrepair as to be not suitable for human occupancy. When these types of substandard vacant houses are deducted, the net vacancy is reduced to 3.6 per cent. Numerous other cities have conducted surveys which show few vacancies in single-family dwellings. The Akron survey last year showed the vacancy in single-family dwellings to be 3.6 per cent, with a total vacancy in all types of housing units of only 6.6 per cent.

#### Home Shortage in 27 Per Cent of Cities

The city of Chicago has a shortage of 69,000 living quarters, so Philip Stein of the board of health reported Jan. 2. "It is evident that there will be a lively scramble for living quarters just as soon as the bulk of our workers begin bringing home their regular pay checks" he said. At the present rate of population growth the city's normal requirement is 23,000 living quarters per year. Only 100 were added in 1933.

More conclusive than these individual "samplings" is the semi-annual survey of residential vacancies just completed by the National Association of Real Estate Boards in 273 cities. This survey shows that in 27 per cent of the cities covered, a shortage of single-family dwellings exists. In 64 per cent of the cities, a normal condition in single-family dwellings exists, and in only 9 per cent of the cities is there an oversupply.

This annual survey which is conducted with thoroughness by local real estate boards and reported to the national association showed that in 11 per cent of the 273 cities, a shortage exists in apartment homes. Sixty-six per cent of the cities reported normal conditions and only 23 per cent an oversupply.

A shortage of single-family dwellings in 69 per cent of the cities reporting from the West South Central area was disclosed. In both the Pacific Coast area and the New England region, the shortage of single-family dwellings exists in 40 per cent of the towns studied.

Comparison of this survey with the one conducted six months ago shows the rapid absorption of vacancies taking place. The per cent of cities with single family dwelling shortages was then 12 per cent; it is now 27 per cent. An oversupply was shown in 16 per cent six months ago; only 9 per cent now. Roy Wenzlick declared at the recent Real Estate Convention at Miami that "an extremely

rapid absorption of vacancies in dwellings is taking place." The evidence is conclusive.

Throughout the nation the rapid absorption of vacancies and leveling off of rents with slight increases in certain regions indicates that the hidden need for new homes and home repairs is making itself known. That there is today a shortage of single-family dwellings in a price class that is within reach of the majority of wage earners of the nation cannot be doubted. Modern single-family dwellings that are low enough in cost to be available to small income groups are practically impossible to obtain in most communities.

This shortage of low cost dwellings is inexcusable in face of the fact that the building industry, even with the price increases resulting from the NRA and business improvements, is able to produce thoroughly modern, highly desirable small homes at prices wage earners can afford. The average cost of the 19,500 single-family dwellings that were built in 257 cities in 1932, according to the Bureau of Labor Statistics report, was \$3,943. As is shown in another article in this issue (see page 57), if adequate financing is made available, the building industry can provide modern homes for low wage groups for from \$18 to \$25 per month. Less fully equipped houses could be supplied for as low as \$10 to \$15 per month.

#### 800,000 Home Units Per Year

Estimates as to the needed volume of new home building vary widely, as may be expected. Reliable building data are obtainable from certain cities, but by far the bulk of the national population, especially that in the great rural areas and small towns and communities, never has been nor can now be accurately studied as to living requirements. Possibly the best recent statement of a needed housing program is that contained in the study conducted by the Division of Economic Research and Planning of the NRA under the direction of Dr. Alexander Sachs, with the assistance of A. A. Frederick, Arthur T. Holden, Robinson Newcomb, A. B. Randall, Peter A. Stone, and Roy Wenzlick of St. Louis. Mr. Wenzlick was chairman of the committee. This study was never officially published although newspapers and a number of magazines carried reports. From the high abilities and qualifications of the men on the committee, it would appear that the facts should receive wider attention, for these are men well qualified for such a study.

The committee stated that new building in urban cen-

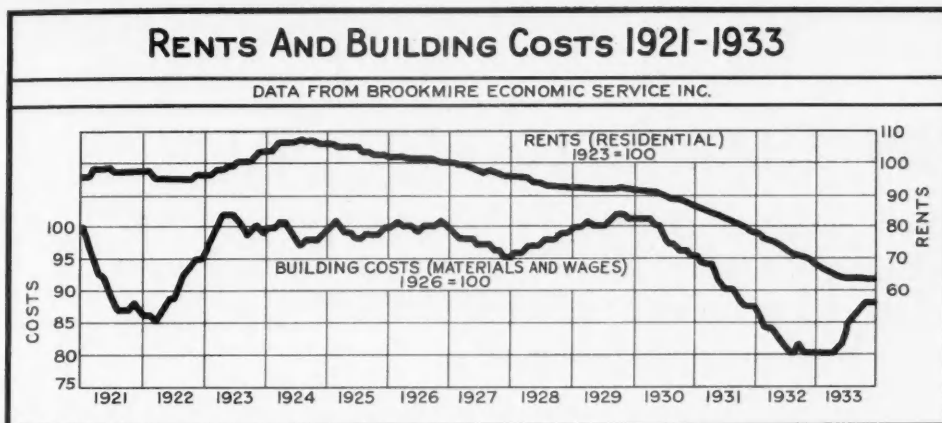
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#### VACANCIES BEING ABSORBED

"Extremely rapid absorption of vacancies in dwellings in the United States is taking place," says Roy Wenzlick, real estate analyst of St. Louis, and chairman of the NRA Housing Survey Committee.

Home building performed now will insure a more orderly program in the future. If the complete blocking of home building through lack of financing is allowed to continue, it will be followed by a more spectacular building boom than took place after the World War.

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RENTS HAVE BEEN ON THE DECLINE since 1924 but leveled off definitely and showed indications of an upturn in 1933. Building costs declined more drastically from 1930 to '32 but have sustained a better recovery.

ters of the United States should be stepped up from its present low level to approximately 4.5 per cent per year of the number of families in the urban centers. This would mean 765,000 family accommodations might be built each year for several years, the committee stated.

Estimates of needed housing were calculated on two bases in the survey, one the ratio of new residential units to number of families during the best five years in the '20's, and the other the increase in urban families, estimated return of families to cities on recovery, houses burned, etc. On these bases, a need of 765,000 to 810,000 family units per year was calculated without replacement of standard shelter. With replacement of standard shelter, it was estimated by the NRA experts that a total of over 2,000,000 family units was needed as a two-year program.

A table was set up by the committee suggesting a classification of 765,000 units per year at unit prices of \$1,500 to \$10,000 and over. This included 100,000 at \$5,000 or over. Another part of the report calculated a need for \$650,000,000 for modernizing.

The figure given by the committee for possible housing construction for a two-year program is \$4,532,000,000, or at the rate of \$200,000,000 a month. An immediate need for nearly 800,000 residential units is shown at an average cost of approximately \$3,000 per unit.

One recommendation of the committee, namely, that a real property survey or inventory be carried on, was adopted and this inventory is now nearing completion. It is very probable that further action on the committee report is being withheld until the facts obtained in this survey have been assembled and studied.

#### Was 450,000 Per Year In Big Cities Alone

That 800,000 residential units per year is not an improbable program is shown by study of the past. The housing shortage that developed during the World War was not as great, in most respects, as the one existing today. Yet in 1922 a total of 377,000 units were provided in the 257 cities of 25,000 population or over. The average for the following five years was 450,000 units per year. Since these cities represent only 36 per cent of the population, it is quite obvious that a similar activity in smaller cities, towns and rural areas would create an equally great volume of building. There has never been a "building boom" in the small towns and rural areas: they offer a tremendous market for modernization, repairs and new home building.

James S. Taylor, chief of the housing division of the Department of Commerce has recently estimated the need for single family dwellings (not to be confused with residential units, which include apartments and hotels) as 800,000. His estimates, briefly, are:

The approximate number of single family houses constructed in the United States from 1923 to 1932 inclusive is 3,439,000.

During the first five years of this period an average of 493,000 units was built each year.

During the last five years an average of 195,000 units was constructed annually.

It is estimated that 35,000 units were erected during the year 1933.

Assuming that too many homes were built in the five year period 1923 through 1927 and that too few have been built since 1928, and basing an estimate upon family increases during the last three years, the percentage of families provided for in single family homes in 1929 (40.2 per cent), and the number of units that are lost through fire each year, it may be assumed conservatively that there is a normal yearly demand of 350,000 single family homes. In the light of these facts and figures, estimates would indicate that at the end of 1933 a shortage of 800,000 homes had accumulated in the United States, according to Mr. Taylor.

#### Need Is Social, Not Statistical

Social, civic and economic changes have a tremendous bearing on the need for new homes. In the years 1921-30 approximately 1¼ million marriages took place annually in the United States. There has been an extreme drop in this rate, although the figure for the entire country is not available. In Philadelphia during the past five years, marriages have totaled only 38,399, as against 54,718 in the preceding five years, and 68,331 from 1918 to 1922. In St. Louis in 1932, marriages were 55 per cent below normal, and were lower than during the World War. A backlog of marriages to the extent of 20,000 has been built up in that city.

In addition to the families that have delayed marriage, there are the thousands who have restricted family increase due to economic reasons. The current improvement in business conditions has already brought about an increase in marriages, and with a real business revival, marriages, birth rates, return of families to homes of their own after living with relatives or friends, and the increase in living standards will create a pressure for new homes greater than at any time in the history of this nation.

While many activities including home construction have marked time during the years of depression, the housing needs of the nation have by no means done the same. Population has increased at almost the same rate as in previous decades. Fire, depreciation, decay and destruction through tornadoes and earthquakes have gone ahead at an accelerated rate. The desires of the people

(Continued on page 94)

## THE MEN THAT BUILD AND SELL

Far flung, disorganized, gigantic—second only to agriculture in men employed—carried on by thousands of small firms in villages and rural areas as well as in the cities—this is the construction industry, of which Home Building is normally the greatest single division.

### THE MEN\*

	1930	1920	1910
Builders & Building Contractors	167,512	90,109	174,422
Carpenters	929,426	887,379	817,120
Retail Lumber Dealers	34,070	27,687	27,250
Laborers in Coal & Lumber Yards	73,232	68,543	60,081
Architects	22,000	18,185	16,613
Brick & Stone Masons & Tile Layers	170,903	131,264	169,402
Painters, Glaziers & Varnishers (Bldg.)	430,105	248,497	273,441
Plumbers, Gas & Steam Fitters	237,814	206,718	148,304
Plasterers & Cement Finishers	85,480	45,876	47,682
Roofers & Slaters	23,636	11,378	14,078
Structural Iron Workers (Bldg.)	28,966	18,836	11,427
Designers & Draftsmen	100,430	68,275	45,102
Civil Engineers & Surveyors	102,086	64,660	52,033
Tinsmiths & Coppersmiths & Sheetmetal Workers	83,427	74,968	59,833
Real Estate Agents & Officials	240,030	149,135	125,862
Engineers, Cranemen, Derrickmen, Hoistmen	60,886	37,888	
Electricians	280,317	212,964	212,945
Cabinetmakers	57,897	45,511	41,892
Laborers & Helpers, Bldg. Construction	419,802		
Apprentices to Bldg. & Hand Trades	40,133	73,897	

### RETAIL STORES AND SALES, 1929†

	No. of Stores	No. of Employees	Net Sales, 1929
Lumber & Building Material Dealers	16,911	96,926	\$1,471,745,000
Lumber & Hardware Stores	6,139	28,868	457,660,000
Roofing Dealers	2,868	7,728	46,160,000
Heating Appliance & Oil Burner Shops	1,915	10,366	70,737,000
Plumbing Shops—Heating & Ventilating	10,794	35,723	263,540,000
Paint & Glass Stores	8,282	19,887	185,820,000
Hardware Stores	25,330	48,709	706,053,000
Hardware & Farm Implement Stores	6,589	16,130	296,714,000
Electrical Shops (Without Radio)	4,858	14,278	110,131,000
Furniture Stores	17,891	105,185	1,272,393,000
Furniture & Hardware Stores	3,672	8,260	134,259,000
Drapery, Curtain, Upholstery & Floor Covering Stores	2,476	8,369	92,163,000
Household Appliance Stores	8,394	46,931	328,708,000

### WHOLESALE AND SALES, 1929†

Construction & Building Materials (Other than Metal and Wood)	3,222	46,979	\$1,009,846,000
Lumber and Millwork	2,291	24,874	1,134,206,000
Construction Equipment & Supplies	498	4,059	132,690,000
Plumbing Equipment & Supplies	2,151	30,327	701,746,000
Heating Equipment & Supplies	635	6,025	117,921,000
Refrigerators (Electric)	172	7,950	104,292,000

\*U. S. CENSUS 1930, includes building workers in all industries  
 †CENSUS OF DISTRIBUTION 1929



# Private Home Buildings Vital Force In U. S. Economic Structure

## Basic Industries Depend On New Homes For Market For Products

By **JOSEPH B. MASON**  
Managing Editor, American Builder

**W**HEN you can hear the farmer singing in his field and the sound of hammer and saw at work in the building of new homes, then you may be sure we will have a prosperous nation.

Residential construction and the industries closely related to it in normal years rank second only to agriculture in importance in the economic structure of the nation. The ninety-five per cent decline of this four billion dollar industry from its 1925 peak to its almost complete disappearance in 1932 and '33 is a major cause of depression.

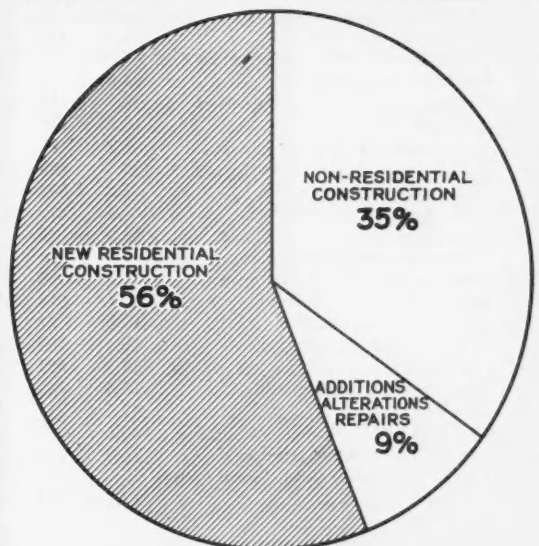
Study of the employment, production of materials, distribution and related business activities of the home construction industry cannot help but demonstrate conclusively that there can be no continuing and widespread business revival in the United States without a resumption of private home building.

Residential construction in the years 1921-29 went forward not in the large cities alone, as seems to be generally believed, but in the towns, villages and rural sections of the nation. Unlike public works activities, it was performed in countless small projects, forming an unmeasured but potent force for employment and business activity.

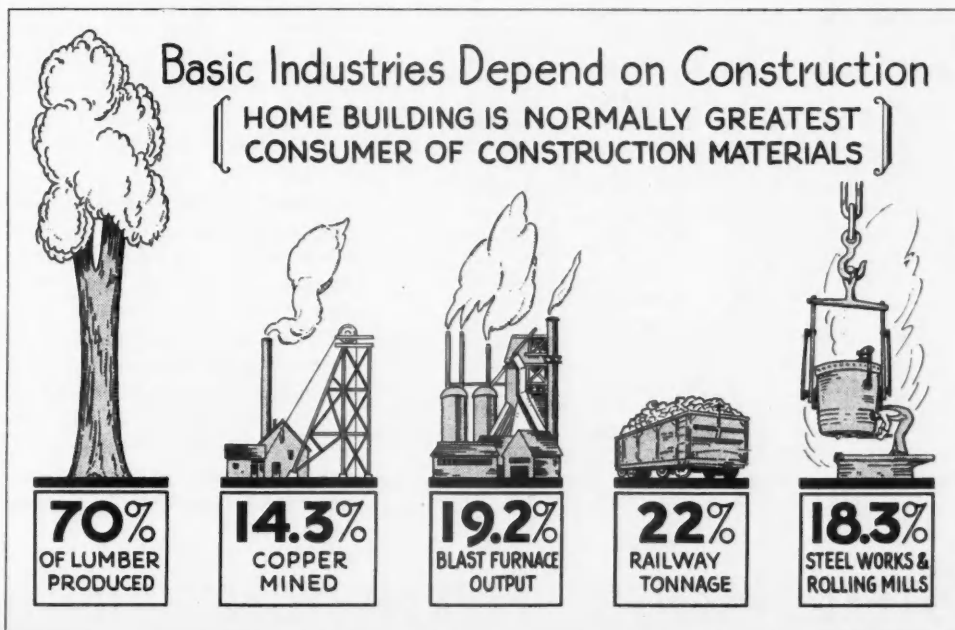
President Roosevelt and his advisers have wisely recognized the importance of the construction industry in the economic life of the nation. The great Public Works program will do much to stimulate business. But helpful as this may be, it cannot compare in its widespread benefits to the business life of the nation with those beneficial effects that would be achieved by a resumption of normal home building activity. Such normal home building activity is now held up by lack of adequate long term financing.

### New Residential Construction was 56% of Total Building Volume In Ten Years 1921-1930

DATA FROM U.S. BUREAU OF LABOR STATISTICS  
IN 257 CITIES WITH POPULATION OF 47,500,000



10 YEAR EXPENDITURE FOR RESIDENTIAL CONSTRUCTION \$17,138,325,000  
10 YEAR EXPENDITURE FOR NON-RESIDENTIAL CONSTRUCTION \$10,728,682,000  
10 YEAR EXPENDITURE FOR ADDITIONS, ALTERATIONS AND REPAIRS \$2,995,330,000



HOME BUILDING has always been the most important factor in the construction industry, both in volume of work and number of men employed. The above chart for the ten-year period 1921-30 applies to cities only and therefore tends to understate the importance of residential construction and improvements.

EMPLOYMENT CREATED by home building is felt in all of the basic industries and in hundreds of others. For every man employed on a house building job, two are required in mines, forests, transportation and distribution.

Residential construction was the most important employer of the 929,400 carpenters, 167,000 builders and building contractors, 34,000 lumber dealers and two million others listed in the 1930 census in building and related trades.

Residential construction, like agriculture, was carried on to an extent that built up enormous national

totals in small towns and outlying regions. In this connection, it is significant to note that a dominant part of the population—the 64½ million persons living in small towns and rural areas—is not included in any statistical report of building activities. The most complete reports obtainable are those of the U. S. Bureau of Labor Statistics which records building permits in some 776 cities only and does not attempt to cover suburban, rural, or towns under 10,000 population.

Thus the home building that went ahead in the small towns and rural areas of the nation has never been recorded, and is not to this day. But the beneficial effect of the residential work performed by country carpenters and builders was widespread, and contributed immeasurably to the prosperity of the nation.

The 64½ million population which has contributed so much to home building volume in the past, and will again when financing is available, is roughly classified as follows in the 1930 census: (1) farm population, thirty million, (2) non-farm rural population in outlying areas, 14½ million, (3) rural population in 13,400 incorporated places of less than 2500 population, 9½ million, (4) persons in 2,183 towns under 10,000 population, 10½ million.

Here, indeed, are the "forgotten people" of the home building industry, and when they begin to build new homes and repair their old ones, the stimulating effect on the economic structure of the nation will be immediate and far reaching.

The Census figures of building workers and institutions on page 34 give an idea as to the employment general construction provides

AN AMAZING PICTURE of the ramifications of construction, of which home building is the most important division, is given in this table. Only fifty of the industries making materials, equipment and supplies for construction are listed, yet they show the employment of more than a million men for the part of their production used in construction. This was 10.6 per cent of the total number employed by all U. S. manufacturers in 1929.

### 50 INDUSTRIES MAKING CONSTRUCTION PRODUCTS IN 1929 EMPLOYED OVER A MILLION MEN

DATA COMPILED BY LAWRENCE MEHREN, CONSTRUCTION LEAGUE OF U. S., FROM CENSUS OF MANUFACTURES

	Per Cent of Products Used in Construction	No. of Establishments	No. of Employees For Const'n Products	Payroll For Const'n Products	Value of Const'n Products
Aluminum manufactures	0.3	150	71	\$ 106,326	\$ 385,553
Asbestos products	18.5	67	1,709	2,570,829	10,399,704
Asphalt-base floor covering	100.0	14	2,754	4,625,295	31,888,962
Bolts, nuts, washers, rivets	50.0	117	9,113	14,532,413	51,196,050
Cast iron pipe	80.0	72	16,829	21,042,124	64,208,440
Cement	100.0	174	38,756	62,834,198	267,509,260
Clay products (brick, tile, etc.)	60.6	2,062	85,230	109,578,071	245,695,523
Concrete products	94.0	2,438	20,395	29,175,218	87,345,122
Copper, tin, and other sheeting	90	2,161	33,357	55,501,331	200,236,163
Cordage and twine	10.0	123	1,592	1,682,953	9,145,512
Cork products	3.9	35	166	199,347	889,254
Metal doors, frames, shutters	100	148	11,949	24,264,678	72,160,388
Electric apparatus	7.0	1,802	28,354	43,905,747	160,402,571
Engines, turbines, tractors	3.3	199	2,383	4,189,725	15,275,783
Explosives	13.0	95	836	1,392,856	9,430,164
Felt goods, wool, hair, jute	4.1	54	254	411,537	1,846,847
Foundry, machine shops prods.	5.6	8,605	30,541	52,940,477	157,668,416
Gas and electric fixtures	35.4	614	10,128	16,630,706	51,166,012
Gas and other meters	60.5	72	4,522	7,735,676	24,589,197
Glass	16.1	263	11,822	16,644,444	48,800,326
Hardware	29.3	485	17,653	25,628,950	67,160,113
Steel works & rolling mills	18.3	486	78,970	145,018,032	616,699,637
Lime	42.7	237	4,031	4,921,442	15,293,286
Linoleum	100.0	7	6,894	11,030,773	57,250,449
Lumber and timber products	70.0	12,915	317,000	334,616,267	891,430,624
Marble, granite, slate, other stone products	62.3	1,881	28,196	50,797,372	119,638,585
Nails, spikes	60	55	1,448	2,159,059	7,712,847
Non-ferrous metal products	2.8	1,225	2,576	4,240,799	25,696,163
Paints and varnishes	55.0	1,063	23,283	44,153,109	312,936,711
Paper	4.1	685	4,719	7,298,913	39,242,908
Prepared paving materials	100.0	126	2,876	5,067,631	29,275,369
Planing mill products	70.0	4,849	76,905	113,717,211	387,508,449
Plumbers' supplies	100.0	255	31,353	46,367,677	129,673,784
Roofing materials	100.0	102	7,426	12,456,085	103,506,090
Rubber goods	2.2	412	1,024	1,469,346	5,294,105
Sand-lime brick	100.0	40	707	1,146,853	2,970,923
Saws	34.9	81	1,786	2,792,603	7,886,947
Screw machine products	3.6	273	808	1,405,870	3,779,466
Packing, pipe and boiler coverings	6.6	171	575	910,335	3,007,394
Steam fittings & heating app.	100	240	45,945	75,502,208	228,310,254
Stoves & warm air furnaces	20.4	609	11,182	17,766,897	55,358,466
Struc. & ornam. iron & steel	100.0	1,482	69,337	126,867,125	477,036,827
Tools	15.7	534	3,627	5,581,767	15,568,992
Wall paper	100.0	56	5,421	8,282,817	30,007,649
Plaster, wall board, and floor comp.	100.0	236	8,994	13,820,652	70,662,746
Window & door screens & w'th'rstp.	100.0	280	5,055	7,373,979	24,451,700
Wire	11.5	81	2,877	4,840,282	24,680,329
Wirework	19.9	547	5,155	7,462,682	29,261,922
Wood preserving	100.0	199	14,497	18,561,537	190,944,645
Wrought pipe	40.0	50	5,136	9,262,922	49,863,586
<b>TOTAL CONSTRUCTION PRODUCTS</b>		<b>48,927</b>	<b>\$ 1,580,484,876</b>		<b>\$ 5,532,590,212</b>
<b>ALL U. S. MANUFACTURING INDUSTRIES</b>		<b>210,959</b>	<b>15,216,037,315</b>		<b>\$70,434,863,440</b>
Per cent Construction Products were of all U. S. Manufactures		23.1	10.6	10.3	7.9

RAILROADS, STEEL, HOUSE FURNISHING INDUS

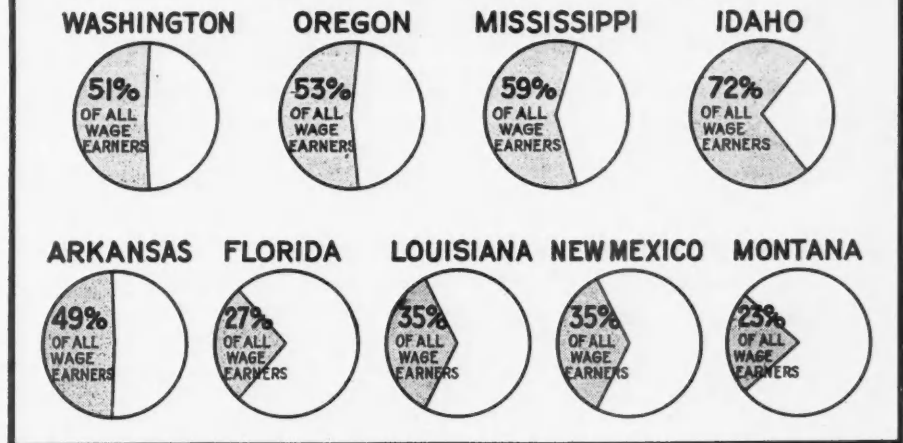
in the various trades and in important wholesale and retail operations exclusive of manufacturing. It is readily demonstrable that residential construction forms the largest single division of the entire construction industry, and yet to a large extent this division has been neglected in consideration of recovery moves.

The importance of residential construction in relation to the entire construction industry is graphically shown in the chart on page 35. Table I which gives estimated expenditures for residential construction, non-residential building, and additions, alterations and repairs in the years 1921-30 shows the relative importance of home building as compared with other types of construction for each of these years. These figures are the most accurate obtainable, and are based on building permits in 257 cities with a population today of 47,500,000.

## IN 9 STATES LUMBER INDUSTRY WAS LARGEST EMPLOYER OF LABOR IN 1929

(HOME BUILDING IS NORMALLY LARGEST USER OF LUMBER)

DATA FROM NATIONAL LUMBER MANUFACTURERS ASSOCIATION



SEVENTY PER CENT OF LUMBER PRODUCTION is used in construction and normally more than half of this goes into home building. Lumber is the most widely used material in home building, and the decline in its production closely follows the decline in home building.

TABLE I—TYPES OF BUILDING, 1921-30

Year	New residential bldgs.	New non-residential bldgs.	Additions, alterations, repairs
1921	\$ 937,352,739	\$ 635,775,199	\$ 282,651,791
1922	1,612,352,921	876,276,713	297,310,776
1923	2,000,986,900	1,070,596,718	359,678,980
1924	2,070,276,772	1,137,631,080	300,358,735
1925	2,461,646,270	1,343,880,884	232,635,185
1926	2,255,994,627	1,300,840,876	270,091,701
1927	1,906,003,260	1,231,785,870	340,815,932
1928	1,859,429,751	1,135,549,986	309,719,975
1929	1,433,111,774	1,146,958,101	353,047,656
1930	601,269,847	849,386,873	249,018,794
	\$17,138,324,861	\$10,728,682,300	\$2,995,329,525
	55.5% of TOTAL	34.8% of TOTAL	9.1% of TOTAL

### A GIANT SPENDER

"In times of normal employment, the building industry is a giant spender of money. Put that giant to work. Federal loans will serve the twofold purpose of creating purchasing power and making home owning profitable and desirable."—Charles H. Sand, United Brotherhood Carpenters and Joiners, Cook County District Council.

It is significant that these figures very considerably *understate* the importance of home building in relation to non-residential construction as they represent city construction in which office buildings and public structures form a larger percentage of total building than they would in the rural areas.

As these figures show, residential construction in 257 cities averaged \$2,200,000,000 a year for the five-year period, 1922-26. The average volume for these same cities in 1931 and '32 was \$102,000,000, or 4.6 per cent. The economic shock of this drastic decline was tremendous, and there is much evidence to indicate it is the principal obstacle to recovery today.

Federal funds for home building would encourage a return to normal private home building, would put millions of the unemployed back to work not only in the field of construction activities but in the mining, manufacture and distribution of the products used. In addition, such industries as furniture, house furnishings and draperies, kitchen and bathroom equipment, stoves, and a host of other products involved in the furnishing and equipping of new homes would be greatly stimulated.

It is in this respect that a revival of home building would have much greater effect on the economic system of the nation than public works can possibly have. For the building of homes means the establishing of a better standard of living, and the increased use of the products of many American industries.

#### Lumber Industry's Importance

The lumber industry, one of the nation's most important and far-flung, in past years has derived an extremely important part of its market from home building. Lumber forms the largest single item in home construction. According to estimates of the U. S. Bureau of Labor Statistics, lumber and millwork account for approximately 30 per cent of the cost of the materials

# TRIES NEED HOME BUILDING TO PROSPER

## "One More Room For Every Family"

DR. O. M. W. SPRAGUE, in writing on "Problems of Recovery", says:

"DEVELOPED ALONG RIGHT LINES, I believe that improved housing for the mass of people in the United States can do all and more than was done in the last decade by the expansion of automobile production.

"THAT A POTENTIAL DEMAND EXISTS for better housing I think no one will question. While there is perhaps an over-supply for people enjoying incomes of \$5,000 and more, present housing conditions of the majority of people with incomes below \$2,000 certainly leave much to be desired.

"I SUGGEST AS AN OBJECTIVE or as a slogan: One more room for every family in the United States below the income level of \$2,000. This is by no means an impracticable objective."

for the average house in urban regions. In rural sections, the percentage would be considerably higher. This 30 per cent figure, it is to be noted, applies to the entire cost of the house, including plumbing and heating and other equipment.

The decline of the lumber industry has paralleled to a considerable extent the decline in home building, although the drop has been allayed to a certain extent by public works construction. It is estimated that 35 per cent of all lumber production is normally used in residential building. In public works, lumber plays a comparatively minor part, which is directly in contrast with its major importance in home building.

In 1929, a year in which home building had already declined to a large extent from the 1925 high, the lumber and timber products industry was the leading industry in 9 states, based on the number of wage earners employed. These states were Washington, Oregon, Mississippi, Idaho, Arkansas, New Mexico, Florida, Louisiana and Montana. In the first six of these, lumber was first in value of products produced. In addition to the above states, lumber and timber products constituted the second most important industry, based on the number of wage earners, in Arizona, Alabama, California, South Carolina, Tennessee, Oklahoma, South Dakota, Texas, Virginia and Wisconsin.

In 1929 it is estimated that 70 per cent of lumber production was used in construction, and that 317,000 employees took part in the production of lumber for this purpose. The drastic decline in lumber production is shown in table II.

### Basic Industries Involved

That a normal revival of home building would bring employment and prosperity to hundreds of lumber producing and manufacturing communities cannot be questioned. In many communities dependent on this great industry, it can be said that everyone but the local postmaster depends for his livelihood on lumber.

Every new home built sets in motion a business cycle

TABLE II: LUMBER PRODUCTION 1921-33

1921	29,000,000,000 bd. ft.
1922	35,250,000,000 bd. ft.
1923	41,000,000,000 bd. ft.
1924	39,500,000,000 bd. ft.
1925	41,000,000,000 bd. ft.
1926	39,750,000,000 bd. ft.
1927	37,250,000,000 bd. ft.
1928	36,750,000,000 bd. ft.
1929	36,900,000,000 bd. ft.
1930	26,100,000,000 bd. ft.
1931	18,700,000,000 bd. ft.
1932	11,857,000,000 bd. ft.
1933 (Est.)	11,000,000,000 bd. ft.

### BIGGEST EMPLOYER OF MEN

WITH THE EXCEPTION of agriculture, the construction industry is the greatest employer of men. In 1929, more than 4,500,000 men were directly or indirectly employed by the construction industry.

RESIDENTIAL CONSTRUCTION normally accounts for 50 to 60 per cent of the total volume of building construction. For every man put to work in building a home two are required in mines, factories, forests and railroads to make and deliver the materials used.

ONE OUT OF EVERY FIVE carloads of freight in 1929 consisted of construction materials. One-tenth of all gainfully employed workers were employed by the construction industry.

involving practically all of the basic industries of the nation. The production of raw materials in mines and forests, the manufacturing of these materials and their transportation and distribution are widely dispersed activities which penetrate to every corner of the nation. Materials for the average home may be drawn from the forests of the Northwest, the copper mines of the Southwest, the iron ore mines of Lake Superior, or from the brick plants of a Midwest city. One of the most helpful studies of the construction industry and its economic effects is that carried on by the Construction League of the United States in 1933, in which a careful analysis of industries involved in construction was made. These data apply to the construction industry as a whole, including not only contract building but also railroad, highway and utility construction and public works. Unfortunately residential work is not segregated. The data assembled are for the year 1929. In considering these figures, it may be borne in mind that normally residential construction, as we have shown, is the most important single factor in general construction.

**Raw Material Production**

In 1929, the Construction League survey shows, 4,500,000 men were employed directly or indirectly in construction. This was one-tenth of those gainfully employed in all occupations in the country. Some 2,400,000 men were employed directly on the construction sites, the balance in the mining, manufacture, transportation and distribution of construction materials.

We have stressed the importance of lumber, which is the most important of the raw material groups involved in construction. Of great importance, however, is copper, for the construction industry took 14.3 per cent of the copper production of the nation. Important raw materials and semi-manufactures used in construction in 1929 are shown in table III.

Activity in mining and lumber and other raw material industries has an unusually great effect on business conditions, for the operations are carried on mainly in small towns which depend almost entirely on them for their existence.

**Building Material Manufacture**

More than 1,100,000 persons, or one-tenth of the manufacturing workers in the country, were

THE FURNITURE INDUSTRY is only one of the long list of important manufactures making rugs, draperies, home equipment and furnishings of all kinds that are directly affected by the number of new homes built each year. Revival of home building means a revival of hundreds of home supply industries.

TABLE III: RAW MATERIALS AND SEMI-MANUFACTURES USED IN CONSTRUCTION (1929)

	% for Const'n	No. Estab.	No. Employees	Value Products
Copper mining	14.3	180	6,870	\$ 40,542,984
Iron ore	19.9	208	6,169	39,269,575
Stone	74.1	2,458	39,352	127,161,116
Sand and gravel	98.0	1,165	19,517	100,265,676
Clay	60.6	236	2,772	6,516,588
Gypsum	96.4	63	2,134	5,533,541

engaged in 1929 in the manufacture of materials, equipment and supplies for construction. The value of products was \$5,500,000,000, or one-eighth of all manufactured products in 1929. This manufacturing activity was carried on in every state in the Union. A study of the men employed in this work, shows, moreover, that many states not normally considered leaders in industrial production show very great dependence on construction. This is due largely to lumber production, in which the South and the Northwest predominate. The State of Alabama, for example, combines both lumber and steel to rank high in construction materials. The 20 leading states in point of view of employment in industries manufacturing construction materials and supplies are as given in table IV.

Pennsylvania alone employs 133,000 persons in manufactures for construction. Other leading states, each with over 50,000 employed, are Ohio, N. Y. and Ill.

The Construction League survey shows that the production of coal for the manufacture of construction materials provided employment for 24,000 miners in 1929. This was 5 per cent of all coal mined that year.

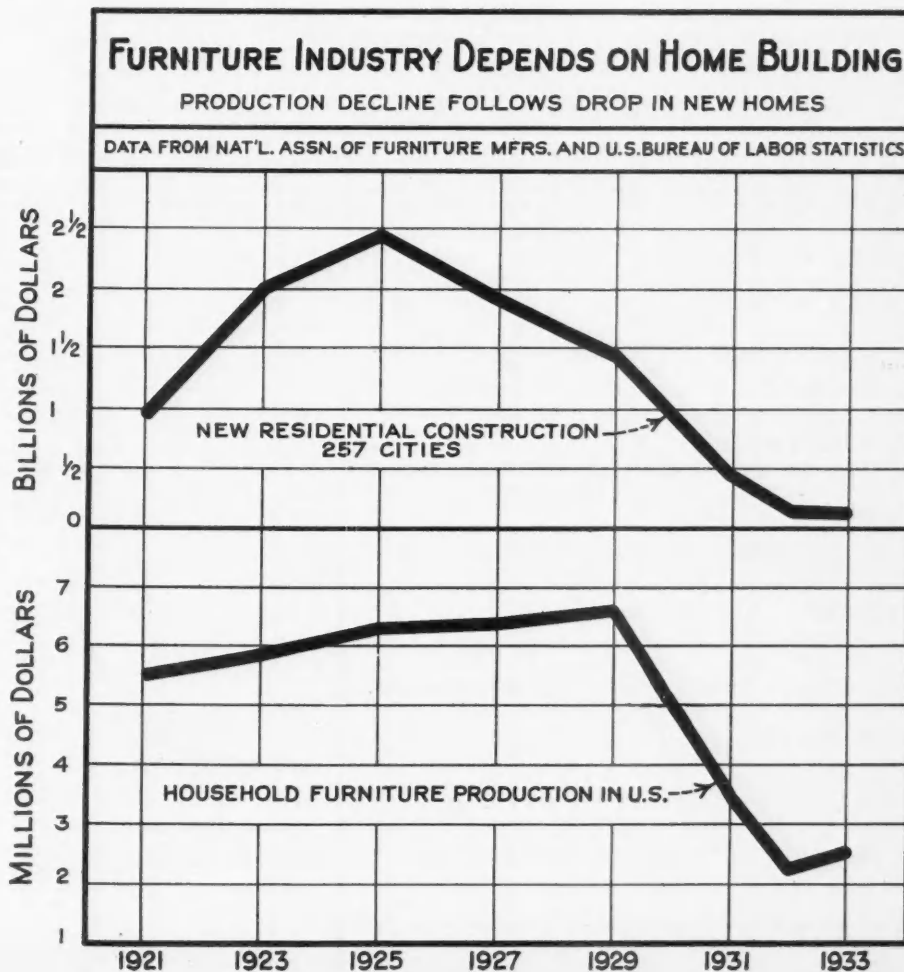


TABLE IV—LEADING STATES IN CONSTRUCTION INDUSTRY EMPLOYMENT

1. Pennsylvania	11. Michigan
2. Ohio	12. Louisiana
3. New York	13. Oregon
4. Illinois	14. Connecticut
5. Washington	15. Mississippi
6. California	16. Texas
7. New Jersey	17. Massachusetts
8. Alabama	18. Missouri
9. Indiana	19. Tennessee
10. Wisconsin	20. Georgia

**22 Per Cent of Freight Tonnage**

Residential construction and the construction industry as a whole have a large bearing on the welfare of the railroads of the nation. In 1929 one out of every 5 freight cars carried construction materials. More than 7,000,000 carloads of construction freight were carried, which constituted 22 per cent of the total freight tonnage for that year, and provided 15 per cent of all freight revenue. For example, the railroads handled 1,500,000 carloads of sand and gravel, 978,000 carloads of lumber, shingles and lath, 660,000 carloads of cement, 105,000 carloads of building paper and roofing materials, 173,000 carloads of brick and building tile. It is estimated that 180,000 persons were occupied with this construction goods transportation which was 11 per cent of all railroad employees.

**Big Employment In Distribution**

It has frequently been said that the high cost of distribution is one of the causes for high building costs. Analysis of distribution of building materials shows, certainly, how extensive is the machinery required to transfer the bulky and weighty products involved in home building and other construction from producers to consumers. The 1930 Census shows that there were 34,000 retail lumber dealers employing more than 73,000 men in 1929. The retail lumber and building material trade represents large investments in thousands of communities, and their maintenance and operation have a considerable bearing on the prosperity of those communities. It is significant that home building is the special interest of the retail lumber dealer. He is much more concerned with home construction and repairs than with public works.

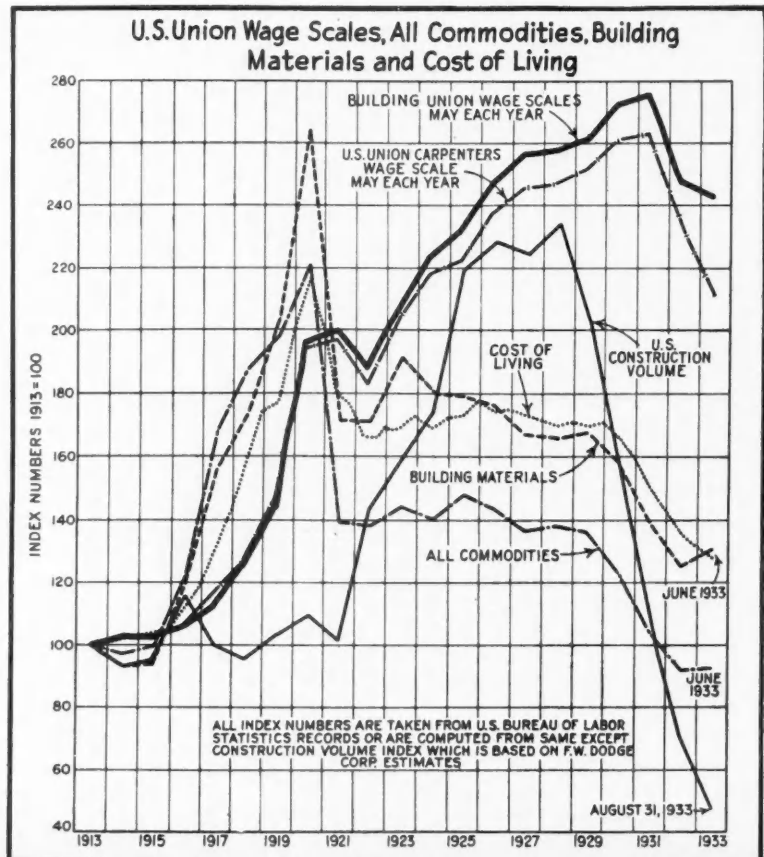
There are 19,500 wholesale establishments

handling construction materials and 78,000 retail establishments. These include, for example, 8,200 paint and glass stores, 25,300 hardware stores, 2,900 roofing retailers, 10,800 plumbing and heating shops—all vitally interested in home building.

Altogether, 9 per cent of the country's wholesalers were engaged in the distribution of construction materials in 1929 valued at \$4,000,000,000. This was 6 per cent of the value of all goods sold at wholesale, and 138,000 persons were employed.

Approximately 5 per cent of all retailers were employed in selling construction materials, and employed 310,000 persons. Retail sales of construction materials were 6 per cent of all retail sales in 1929.

Thus far we have considered only industries directly concerned with construction. The effect new home building has on related industries is not generally realized. The chart on page 39 gives a clear picture of the decline in furniture production which has accompanied the drop in homebuilding, and is directly attributable to it. Manufacturers of kitchen and laundry equipment, of refrigerators, dish washers, cabinets, floor coverings and draperies, home supplies and equipment and many others are also dependent to an astonishing extent on home building and improvement. No extensive improvement in these important lines is possible without a revival first of homebuilding. Financing by the Federal government to permit needed repairs to old homes and construction of new ones to go ahead would create increased activity and increased employment in all these industries. Every dollar loaned by the government would thus set in operation business activities tenfold the original loan. No act by the Federal government could do more to improve the economic condition of the nation and at the same time achieve the lasting social and civic good rendered by healthful, modern, single family dwellings.



A picture of several related factors in Economics for the period 1913 to 1933. Data prepared by Construction League of the U. S. for construction code hearings.

MILLIONS OF RESIDENTIAL PROPERTIES NEED

# Modernization and Repairs

By E. L. GILBERT  
 Eastern Editor, American Builder

**N**INETY PER CENT of the residential properties in the United States today need minor or major repairs, alterations or modernization. Official cognizance of this condition is evident in recent and current interest in slum clearance and rehabilitation of blighted areas; housing projects to replace worn-out and dilapidated buildings are but one form of modernization. Throughout the country are millions of residential buildings, many of them fully as poor for housing as slum section buildings, but not noticed because they are isolated in better neighborhoods. Even the best looking residential properties are found upon examination to need maintenance, work ranging from the replacement of a corroded pipe to entire new roofs, floors or walls.

The money spent for modernization and repair work immediately passes into circulation through the tills of local merchants of every description; it is used by labor to pay off standing obligations and to purchase new consumer goods. Since more than half of all the money

spent for modernization and home repairs goes to pay labor on the job, it is apparent that stimulation of this kind of work—which can be gotten under way *without* a long period of planning—has broad immediate beneficial effects on unemployment, on local retail trade, and in the promotion of the production of capital goods such as lumber, cement, paints and varnishes, glass, tile, plumbing and heating equipment, electrical supplies, etc.

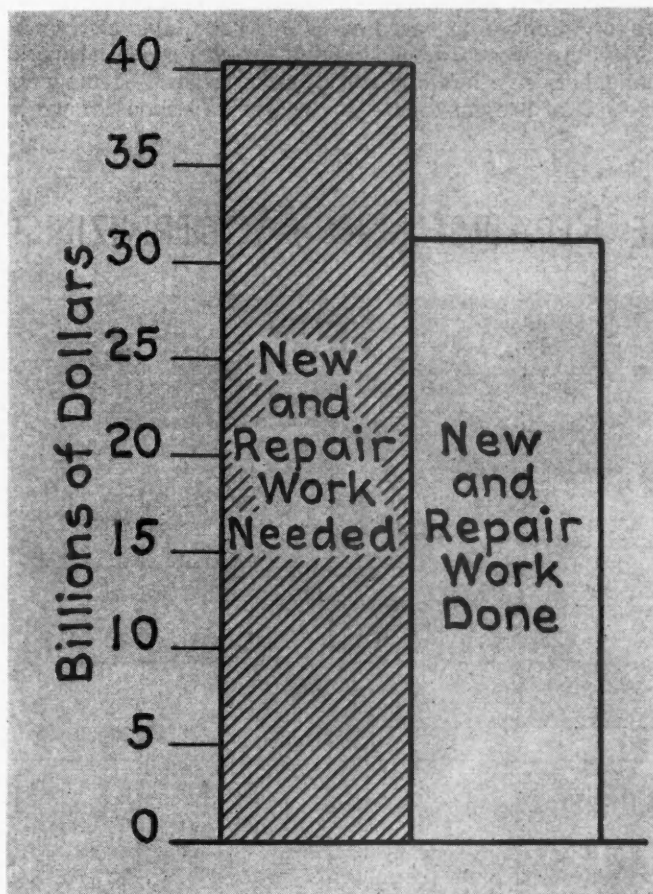
The community renovate or modernization and home repair campaigns conducted in Philadelphia, Kansas City, State of Rhode Island, Lincoln, Nebr., Wilmington, Del., Salt Lake City and hundreds of other communities during the last three years have proved that applications for unemployment and charity relief fall off as much as fifty per cent during such campaigns. While the more pretentious building projects are being planned, modernization and home repairs offer an immediate and comprehensive method of relieving unemployment. With many areas reporting from 50 to 65 per cent of the relief applicants identified with the building industry, it is difficult to find any specific field of action where such far-reaching benefits can be developed so quickly, as in the promotion of modernization and home repair work.

### Modernization and Home Repairs Needed

Based on the value of residential properties and the thoroughly conservative estimate that these properties become obsolete and depreciate at the rate of 2 per cent per annum, the following table presents figures showing the year by year need and cumulative totals, for the 9 year period 1925-1933:

Year	Repairs, etc., Needed	Cumulative Totals
1925	\$2,378,830,354	\$ 2,378,830,354
1926	2,483,326,349	4,862,156,703
1927	2,581,066,600	7,443,223,303
1928	2,682,472,615	10,125,695,918
1929	2,783,552,898	12,909,248,816
1930	2,860,661,494	15,769,910,310
1931	2,908,647,893	18,678,558,203
1932	2,943,940,009	21,622,498,212
1933	2,953,654,151	24,576,152,363

These are huge figures; but so must an estimate of depreciation be, on so huge an investment as the people of the United States have in their homes. Of course, these figures make no allowance for the work done to offset these needs, and it is evident that some repairing and modernizing work has been done during these ten years. Building records offer little help in such a tabulation of repair work done because the individual jobs are often so small they do not require a building permit, and are missed altogether by the tabulators of larger, new projects. However, experience has shown that repair and modernization work "beyond the reach of exact reports" averages 10 per cent of the total reported work.



The left hand column of this chart shows that more than 40 billions in new home building and repair work for homes was needed during the years 1925-1933 inclusive, while only 32 billions of new and repair work was done.

**Estimated Repairs and Modernization for 10 Years**

With the single exception of the year 1933, when repair and modernization work became a prime mover in the relief of unemployment via community campaigns, and during which year thousands of contractors, builders, architects, lumber and supply dealers, and mechanics, devoted their efforts to the promotion of this kind of work, the years 1925 to 1934 did not produce a greater volume of home repair and modernization work than the equivalent of 10 per cent of the reported work. Activity in this sphere in 1933 was nearly equal to the new work done. However, here are the figures for modernization and home repair work done, year by year, with cumulative totals:

Year	Repair and Modernization Work Done	Cumulative Totals
1925	\$522,479,974	\$ 522,479,974
1926	488,701,256	1,011,181,230
1927	507,530,077	1,518,711,307
1928	505,401,413	2,024,112,720
1929	385,542,980	2,409,655,700
1930	239,931,994	2,649,587,694
1931	176,460,580	2,826,048,274
1932	48,570,710	2,874,618,984
1933	165,091,808	3,039,710,792

If we subtract this total of "Work Done" from the total "Work Needed" during the 9 years 1925-1933, it is evident that, disregarding other factors, the residential property owners of the United States should spend \$21,-546,441,571 for home repairs and modernization during 1934. However, such expenditures in practical application are controlled to some extent by other factors.

Included in the figures of work needed are estimates of obsolescence and depreciation at the rate of 2 per cent per annum, as previously noted. In accepting a

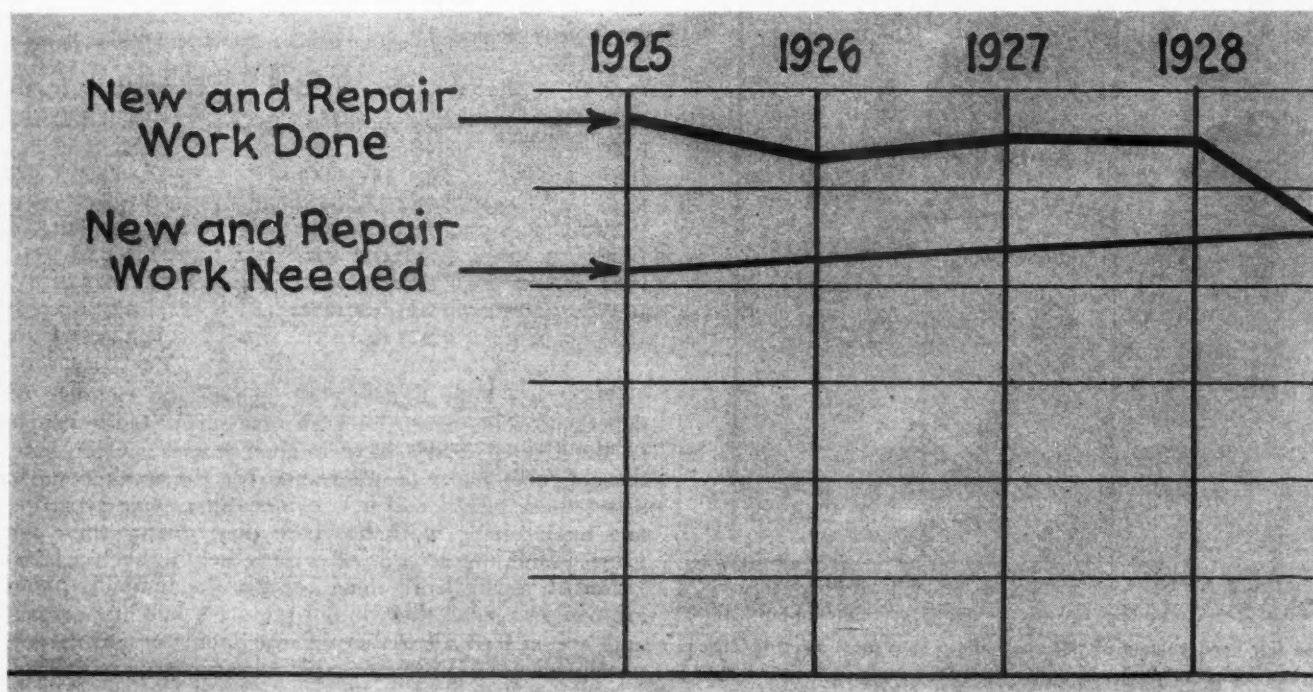
general rate of this kind, no special allowance is made for destruction of property by fire, flood, hurricane and other natural disasters; nor do the requirements of shifting population obtain special notice; also, no special allowance is made for the uncertain number of residential buildings which pass beyond the limits of practicable rehabilitation each year. All of these destructions of buildings cannot be offset by expenditures for modernization and repairs; therefore, it is apparent that some percentage of the modernization and repair work needed can only be satisfied by new buildings.

**Factors Affecting Total Modernization and Home Repair Work to be Done**

It is generally acknowledged that too much residential building was done during the years 1925-1928; but from the spring of 1929 new residential building activity slowed down so rapidly that the surplus housing was absorbed by the end of 1930. Since an unknown portion of the new home building done each year must have been to replace buildings abandoned as unfit for habitation or destroyed by some natural disaster, it is but fair to combine the estimated needs for new housing plus the needs for modernization and home repairs, with the actual records of both new and other work done. Comparing the cumulative totals of these two groups of figures provides a "net result" table of housing conditions year by year, revealing the years in which we had a surplus of housing facilities and the years when we had a deficiency, much in the way accountants show the condition of a large business by means of a balance sheet. It is, in fact, an index to the history of home building activity during the years 1925-1933 and a fair statement of conditions to be faced in 1934. (See table at right.)

In other words, after allowing for *all* residential work done, both new building and work on existing structures, there is at present a need for nearly 13 billions of work

**MILLIONS OF DOLLARS IN HOME REPAIRS AND MODERNIZING**



This chart shows that, although more new and repair work was done than was needed during



**CONDITION OF EXISTING HOUSING SURPLUS OR DEFICIENCY IN THE U. S., YEAR BY YEAR, 1925-1934, INCLUSIVE, BY VALUES**

Year	Surplus	Deficiency
1925	\$1,572,507,507	none
1926	2,668,953,119	none
1927	3,874,775,517	none
1928	5,055,776,590	none
1929	4,717,254,619	none
1930	2,699,903,206	none
1931	none	\$ 63,620,163
1932	none	4,269,224,212
1933	none	8,431,277,316
1934	none	12,911,968,105

to modernize and repair their properties; and every dollar so invested maintains the values on existing tax rolls. Similarly, hundreds of thousands of prospective home owners are ready and waiting to build new dwellings; and every dollar so invested creates an additional dollar of taxable wealth. But the home financing system of this country has broken down; there is either no money available or the possessors of that money are fearful and hesitant to invest it.

**If So Huge a Market, Why So Little Activity?**

Private capital will be heartened if Federal funds are made available to home owners and prospective home owners for modernization, home repairs and new home building. Holders of foreclosed properties, many of whom control funds now idle, will be forced through competitive repair and new building activity to spend some money to protect the properties they have gained through foreclosure. A leader is always required during uncertain times and there is no more effective and influential leadership than can be furnished by the government of the United States!

"A billion dollars in Federal mortgage money for self-liquidating loans on residential properties" expresses the need of a great industry which, for the first time in history, pleads for Federal aid. If the wisdom of the Congress directs such action, or if the executive finds it possible to make provision from existing funds, it is the earnest and sincere belief of the home building industry that immediate and far-reaching benefits will be evident at once, in the prompt decline in applications for relief by building mechanics, in the certain improvement of local trade, in the stimulation of capital goods industries. Every dollar of money so expended will be in the form of a self-liquidating loan on the finest security any government might wish—the homes of its citizens. No legislation could be more far reaching in its beneficial effects.

in the residential field. At least half of this great need for housing must fall within the classification of modernization and home repairs; the other 50 per cent represents new work to be done. Remember, these figures cover only the work desperately needed, without regard to the many items which are coming more and more to be recognized as essential to modern home life and comfort. Air conditioning, for instance, is not yet regarded as a necessity any more than mechanical refrigeration was believed essential a few years ago; hundreds of new products and developments in respect to our homes are constantly enlarging the manufacturers' markets in this field, both in new residential structures and existing dwellings. The total sales potential for products to be used in the homes of this country is beyond calculation and must remain to be revealed in all its magnitude by the individual manufacturers and industries which cater to this market.

Millions of home owners are ready and waiting today

**WILL GO AHEAD THIS YEAR IF FINANCING IS PROVIDED**



the years 1925-1928, a shortage of housing has been steadily accumulating from 1929 to 1934.

## SINGLE-FAMILY DWELLINGS

Raise Standards of Living  
 Make Better Citizens  
 Reduce Delinquencies  
 Create Independence  
 Help Children  
 Better Health  
 Reduce Crime  
 Pay Taxes



*"THE ideal conditions for any family would be a single detached house surrounded by a plot of ground with adequate lawns, facilities for small flower and vegetable gardens and play space."—From "Housing in the Community," President's Conference on Home Building and Home Ownership.*

## PRIVATE HOMES—

**N**EVER in the history of the nation have such tremendous social and political changes been at work. And never has the need for homes and home ownership, which mean so much in good citizenship, been so great.

The single-family dwelling has long been an institution where the American home and the best heritage of American citizenship have centered.

To encourage home ownership is to encourage good citizenship, better health, higher standards of living, independence and strength. In times such as these, the nation needs to emphasize the importance of the single-family dwelling. Instead, during the past few years, the individual house has been subjected to the pressure of a system of short-sighted financing that has demoralized and placed it in a bad light.

Money spent at this time to provide financing for new homes and to encourage home ownership on a larger scale would be money returned many times over in dividends

of good citizenship, good health and a responsible outlook on life.

The most effective way to eliminate slums, crowded housing and substandard homes is to make available single-family dwellings at low cost. The greatest item in the cost of home ownership today is financing. A system of financing that will provide long-term, low cost funds for individual home owners will make low cost private homes possible.

People who live in crowded city sections cannot be moved without their consent. Many do not wish to move. This is the greatest obstacle to slum clearance of the type which calls for building of huge "model tenements."

People cannot be forced to live where they do not want to. But, if financing on a large national scale is provided, home ownership can be made so low in cost and so desirable for people of low incomes that they will

## CROWDED HOUSING AND SLUMS

Do Not Pay Tax Cost  
Hurt Property Values  
Make Poor Citizens  
Create Dependents  
Foster Immorality  
Spread Sickness  
Harm Children  
Breed Crime



Photo from National Ass'n. for Better Housing

By J. SIDNEY CRANE

## can replace SLUMS

voluntarily leave the slums. They will select locations they like, bringing with them their own racial groups, their friends and relatives.

As is shown in another section of this issue, modern, comfortable, five- and six-room homes can be made available to the masses, *provided low cost financing is available*, at as low a cost as \$15.00 to \$20.00 per month. Smaller, less completely equipped homes could be built and financed for as low as \$10.00 per month. Such terms as these, coupled with a campaign of education, would do more in a few years to eliminate slum living conditions than any amount of tenement construction. The human element in home making is the great factor often ignored in housing discussions.

In this connection, a summary statement in the report of the President's Conference on Home Building and Home Ownership says: "A study of their report (Com-

mittee on Relation of Housing and Citizenship) leads one to a realization of the many advantages of rural homes over city dwellings. In the country, many of the desirable features of the urban neighborhood community plan are already available."

While many studies have been made on the relation of crime and delinquency to housing, little actual statistical data have been prepared. The best recent data on this subject is reported by the Committee on Housing and Delinquency of the President's Conference on Home Building and Home Ownership. This Committee reports that in many American cities, a disproportionately large number of delinquents are found in those areas in which the physical condition of the home are most deteriorated. The Committee states: "For the most part, the areas showing the greatest concentration of cases and the areas having the highest rate of delinquents are located in the districts adjacent to the central business district and major industrial centers.

"The outlying residential neighborhoods show relatively few cases and the lowest rates. Also, the rates of delinquents show a rather definite tendency to decrease inversely in relation to distance from the central business district in the industrial centers."

### FOR IMPROVED HOUSING

"I AM in favor of everything having to do with improved housing for the American people. There can be no doubt that a revival of private home building would do much, not only for the creation of employment, but for the health, happiness, and good citizenship of our people.

"I shall favor any enterprise looking toward this end."—Senator Royal S. Copeland (N. Y.)

The accompanying map of Chicago illustrates this decrease in delinquency rate in each successive area from the Loop out to the city limits. This chart is based on a map of the city on which were recorded the home addresses of the 8,141 alleged delinquent boys brought before the Juvenile Court of Cook County in the seven-year period, Jan. 1, 1917, to Dec. 31, 1923. The rates of delinquency represent the relationship between the number of boys brought to court during this period as compared to the total number of male population age 10 to 16.

It can be observed that the delinquency rate nearest the center of the city on radials 1, 2 and 3 is 12.5, while the rate on the outskirts of the city dropped as low as 1.7.

Included in this study were the rates of home ownership for the same areas, which, to a surprising extent, indicate that as home ownership increases, delinquencies decrease. According to the map (p. 47) the percentage of families owning homes ranges from 3.7 in the close-in areas to 71.9 in the outskirts. The same areas adjacent to major industrial business centers where delinquency is highest show relatively the lowest rate of home ownership.

It is pointed out by the Committee on Housing and Delinquency that delinquency is concentrated in areas of bad housing and is associated with a complex of conditions of which bad housing is only one. Other elements involved would be improvement in neighborhood units to provide recreation centers, playgrounds, community centers and better physical settings.

To correct housing only, in a slum area, would not necessarily remove crime and delinquency. Considering the difficulty in rebuilding neighborhood areas, it is clear that the easiest course to pursue to provide better living conditions is to attract people from the slums to outlying areas by providing low cost, single-family dwellings where the environment is healthful and desirable, and conducive to good citizenship.

### Homes and Health

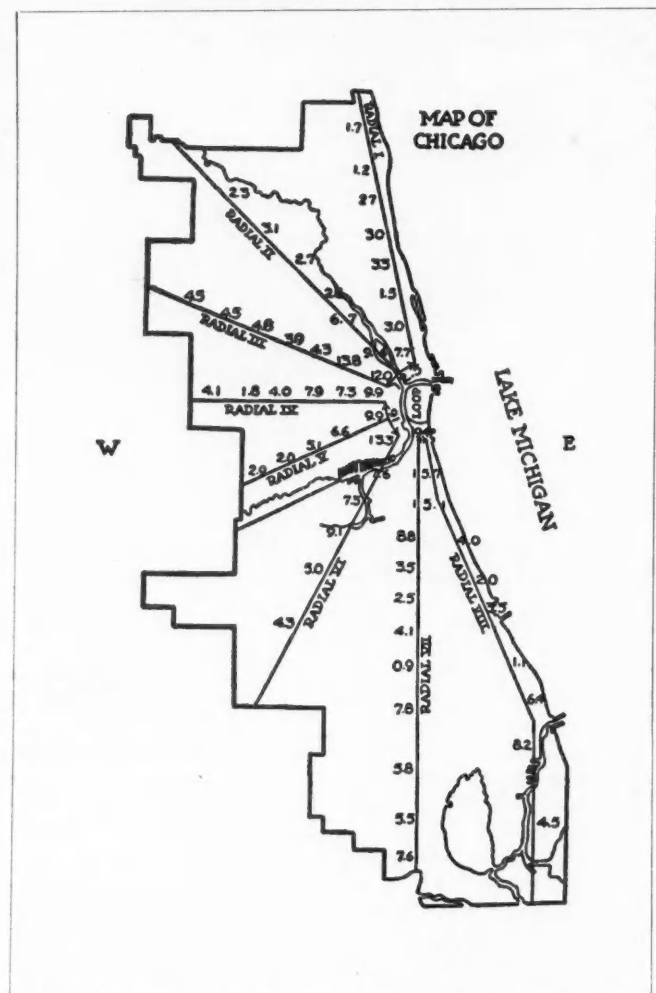
"That a house may promote good health," says the Committee on Housing and Health of the President's Conference, "it must be on a proper site in a good location and designed to favor an adequate supply of fresh air and sunshine. It must be built to promote cleanliness and dryness. Good housing encourages higher standards of living, and this promotes better personal hygiene and improves sanitation of the environment."

The doctors and public health experts who made this study of housing and health report that most of the diseases that affect mankind are contracted directly from person to person, and crowding is therefore a cause of increased disease. Such diseases as tuberculosis, which is spread by contact with open cases, get their greatest

spread in crowded housing conditions. In the slum areas of our cities where two, three or more families are herded together in small quarters, it is apparent that many unhealthful conditions exist. Since the increase in "doubling up" of one family with another caused by the depression, the seriousness of crowding has become still greater and is not confined to slum areas alone. A recent survey in Akron, Ohio, showed that there were 1,109 instances in that town where two families were occupying units intended for a single family. Such doubling up is widespread, and the crowded conditions of slum areas which were bad even in the prosperous times are now extremely serious.

The most characteristic faults of bad housing are: poor ventilation, inadequate lighting, lack of sanitary conveniences, lack of water supply. These all have their effect on health. The infant mortality rate, for example, is higher. As stated by the Committee, "Cold, gloomy, damp and cheerless rooms, lack of opportunity to take advantage of healthful qualities and sunshine, bad air, irritating dust of untidy homes, and depressed vitality materially affect efficiency. Good health does not consist simply of avoiding disease but in maintaining the best quality of physical soundness, mental vigor and moral tone. These desirable qualities of citizenship and factors of health are promoted by good housing and discouraged

### DELINQUENCIES DECREASE AS DISTANCE FROM BUSINESS CENTER INCREASES



FIGURES ON RADIAL LINES show rate of delinquencies among boys in city of Chicago. Note that delinquency rate is higher near center of business and industrial sections.

by poor housing." This is a significant statement. The single-family dwelling removed from the dirt and squalor of the slums can replace these unhealthful conditions with the quiet, healthful decency that is so desirable. All of these requirements are met.

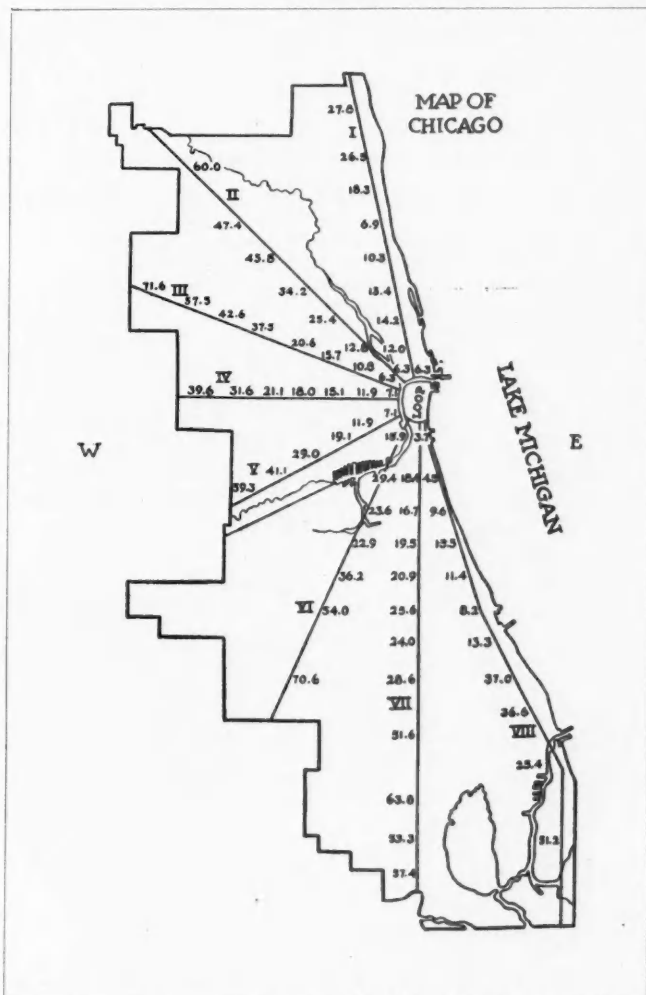
### Citizenship and Recreation

A significant report of the Committee on Housing and Citizenship of the President's Conference states: "It is clear that since the beginning of the nineteenth century, the industrial sections of the country have gone from bad to worse. The growth of congested areas in cities has carried with it most inhuman building conditions. New York, Chicago, Boston, Philadelphia, Pittsburgh, even Washington, have only to be studied to give force to this statement.

"Home ownership is threatened and in sections of the country where formerly many single-family houses were lived in by their owners, a condition of tenantry exists.

"The home which should center the lives of its members is in danger of becoming entirely inadequate to meet this responsibility. The adolescent finds it impossible to entertain friends. There is no room. The man of the family goes to the corner shop, to the lodge, to the local political club to talk to his friends—away from home.

### HOME OWNERSHIP INCREASES WITH DISTANCE FROM BUSINESS DISTRICT



PER CENT OF HOME OWNERSHIP in various areas of city of Chicago is shown on radial lines from center of town. As home ownership increases near outskirts, delinquencies decrease.

### LOANS FOR CONDEMNED HOUSING

"I AGREE thoroughly that we should work unceasingly along the lines of encouraging home building and home repairs in every possible way.

"A proposal has been made to the Housing Corporation of the Public Works Administration by Hon. Maco Stewart and others of Texas, in reference to a nation-wide system for loans for rebuilding and repairs to houses declared to be insanitary by municipal ordinance. This would certainly be a great step in the right direction."—Senator Morris Sheppard (Tex.)

The home should be an orderly, attractive, healthful place around which the ideals of the individual center."

### Cost of Poor Housing

The police, fire and maintenance costs of the blighted areas of large cities exceed the tax income these sections produce. They are an expensive luxury, not only in this respect but in the cost they impose on the cities through crime and sickness.

In a recent study by the Illinois Housing Association, a square mile of blighted area in Chicago was studied to determine its cost to the city. It was found that the assessed taxes of this section were only 37 per cent of the expenditures made in this same area for municipal upkeep and expenditures. Coleman Woodbury, speaking of this survey, said, "I doubt if the assessed taxes in blighted areas of the city would average more than from 15 to 20 per cent of the municipal costs incurred in such sections."

In contrast to this, the single-family dwelling is a self-sustaining, tax-paying unit that carries more than its just share of the cost of the community.

In considering the residential needs of the country as a whole, it is apparent that the big city multi-family structures have received more than their share of publicity and attention. Of the approximately 30,000,000 families in the United States, nearly 23,000,000 live in single-family structures, and another 3,500,000 in two-family dwellings. This makes a total of 90 per cent of all families living in one- or two-family dwellings. The trend toward construction of multi-family buildings in 1925-29 has ended, and the trend now is toward more low cost, single-family dwellings in outlying regions.

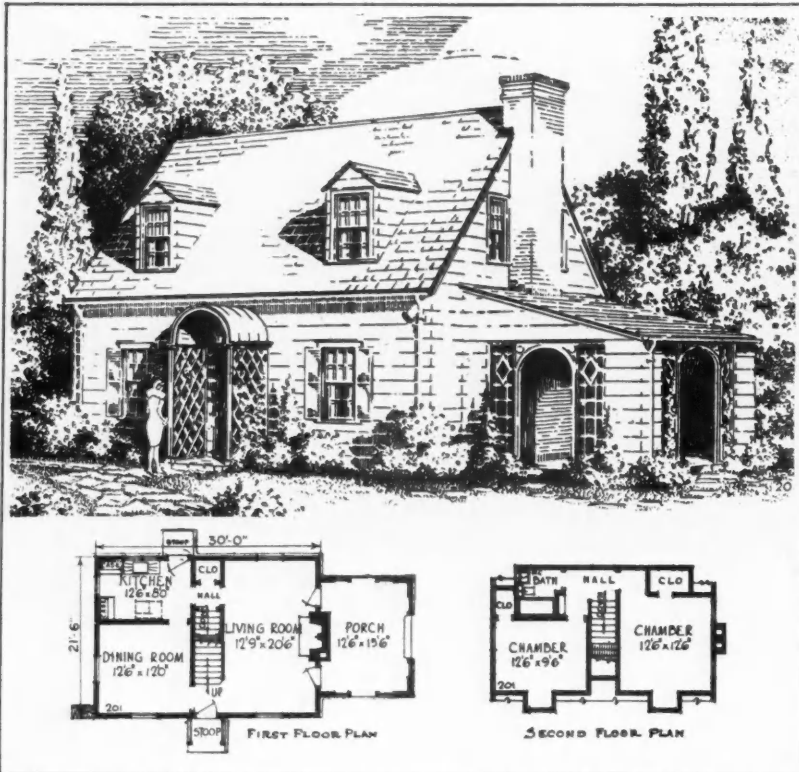
Economic conditions further this trend, for improvement in transportation, perfection of the radio, the movement of factories from congested centers to outskirts or small towns, all favor it.

The President's Conference on Home Building and Home Ownership in its summary on housing and citizenship concludes: "Certain it is that the ideal of the average American is home ownership of a single-family house. Home ownership tends to root citizenship, to build a man and his family into the community.

"If detached single dwellings with modern equipment were available either for rent or purchase, at a monthly cost not exceeding the rent of the apartments, the vast majority would choose the single dwelling."

The report concludes: "Every citizen of these United States should have as a background a home and a neighborhood where there is beauty, convenience and social opportunity. Somewhere in the education of every boy and girl, stress should be laid on the essentials of good housing, home ownership, and its financing and management, city planning and zoning."

# Bill of Materials and Equipment for



ANALYSIS of a typical five-room frame house in \$4,500 class to show materials and average equipment needed for construction

IMMENSE REQUIREMENTS for the building materials involved in an 800,000 house per year program are vividly shown by these data.

"TYPICAL HOUSE" selected to illustrate materials and equipment used in average home building. Design is by National Plan Service.

**A**N annual building program of 800,000 residential units has been suggested by the Research Department of the NRA, headed by Alexander Sachs, as the needed volume to supply the present need. The report, publication of which has been withheld, adds that such a program would go forward without replacement of substandard dwellings which, if included, would demand the construction of 2,000,000 residential units.

Other statistical studies support the 800,000 homes per year building program, and it is not an impossible estimate. In the years 1923 through '27 in 257 cities only, reported by the U. S. Bureau of Labor Statistics, the average annual construction of new residential units was 464,000. The ten-year average, 1921-31, in these same cities was 361,600 units. Since these cities represent a population today of only 47,500,000, a little more than one-third of the total population, it would indicate that 800,000 units per year is not such a fantastic estimate as some people may think.

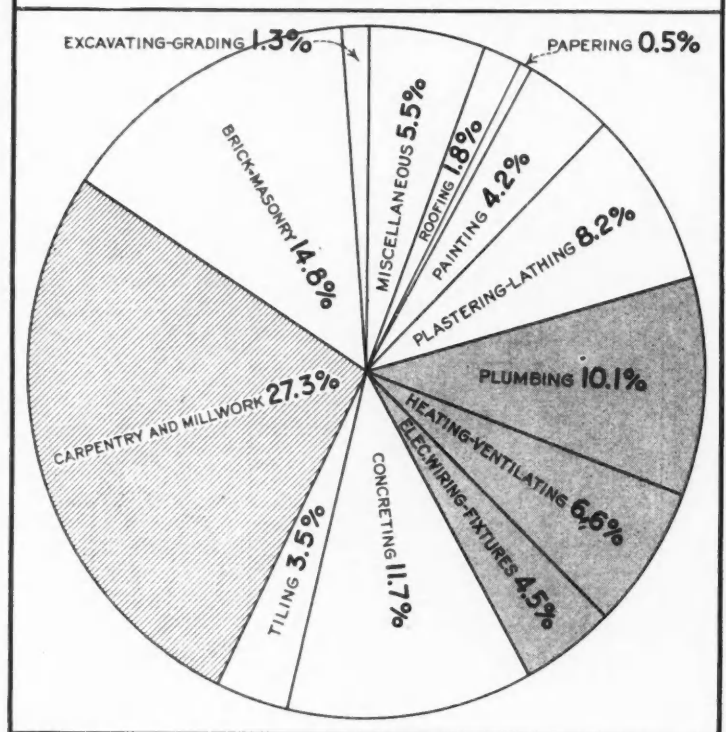
Yet in terms of building materials and equipment, an 800,000 house per year program presents an attractive figure to manufacturers of the building industry.

In the estimates on the opposite page, an average type, small frame house is selected. To present concrete examples, it was necessary to use specific materials, but wherever possible, areas are estimated which permit substitution of other products for estimating purposes.

While the estimates have been made with care and consideration, no claims are made as to their infallibility. At most, the table is simply a means to illustrate graphically and in terms that can be quickly grasped by the men of the industry the enormous significance of a program of building that could be made possible by adequate Federal financing.

## How HOME BUILDING DOLLAR IS SPENT

CARPENTRY, MASONRY, MECHANICAL EQUIPMENT MAKE UP 79% OF HOUSE COST



A U. S. SURVEY in 15 cities in 1932 showed the above distribution of material cost in the average house. Survey showed 62.7 per cent of cost of house goes for material, 37.3 per cent for labor at the site.

# an 800,000 House Per Year Program

## 800,000 HOUSES TRANSLATED INTO MATERIALS AND EQUIPMENT

DIMENSION LUMBER .....	6,000,000,000 bd. ft.
SHEATHING, BOARDS, SUB-FLOORING, ETC. ....	4,200,000,000 bd. ft.
EXTERIOR WALL MATERIALS	
IF OF SIDING .....	1,600,000,000 bd. ft.
IF OF BRICK VENEER .....	9,200,000 M brick
IF OF SOLID BRICK 8" WALL .....	16,800,000 M brick
IF OF STUCCO .....	160,000,000 sq. yds.
IF OF STUCCO, METAL LATH REQUIRED IS .....	160,000,000 sq. yds.
IF OF ASBESTOS OR COMPOSITION SIDING .....	13,200,000 squares
FINISH FLOORING	
IF OF LUMBER .....	976,000,000 bd. ft.
IF OF LINOLEUM, TILE OR COMPOSITION .....	784,000,000 sq. ft.
ROOFING MATERIALS	
IF OF WOOD SHINGLES .....	8,800,000 M
IF OF ASPHALT, ASBESTOS OR COMPOSITION .....	8,800,000 squares
INTERIOR WALL SURFACE	
IF OF PLASTER .....	400,000,000 sq. yds.
IF OF WALL BOARD, FIBRE BOARD, ETC. ....	3,600,000,000 sq. ft.
FINISH LUMBER .....	304,000,000 bd. ft.
PORTLAND CEMENT .....	36,800,000 bbls.

Crushed Stone or Gravel .....	22,400,000 cu. yds.	Lock Sets .....	10,400,000
Brick for Fireplace .....	4,240,000 M brick	Sash Locks .....	10,400,000
Clay Fire Brick .....	100,000 M brick	Sash Lifts .....	20,800,000
Lime .....	4,800,000 bbls.	Metal Base Knobs .....	11,200,000
Flue Lining .....	41,600,000 lin. ft.	Sash Cord .....	2,400,000 hanks
Dampers .....	800,000,000	Sash Weights .....	260,000,000 lbs.
Ash Dumps .....	800,000,000	Building Paper .....	5,600,000 rolls
Cleanout Doors .....	800,000,000	Sheet Metal .....	224,000,000 sq. ft.
Metal Corner Beads .....	56,000,000 ft.	Nails .....	510,400,000 lbs.
Insulation for Walls .....	1,176,000,000 sq. ft.	Paint & Varnish .....	27,200,000 gals.
Insulation for Ceilings .....	360,000,000 sq. ft.	Electric Switches .....	4,800,000
Insulation for Roof .....	280,000,000 sq. ft.	Wall & Ceiling Outlets .....	19,200,000
Moulding .....	1,520,000,000 lin. ft.	Base Plugs .....	8,000,000
Door Frames, Outside .....	2,400,000	Electric Fixtures .....	9,600,000
Window & Sash Frames .....	16,000,000	Bath Tubs .....	800,000
Windows & Sash .....	16,800,000	Closets .....	800,000
Blinds .....	2,400,000 pcs.	Lavatories .....	800,000
Doors .....	11,200,000	Laundry Tubs .....	1,600,000
Door Jambs .....	8,000,000	Hot Water Tanks .....	800,000
Door & Window Trim .....	30,400,000 pcs.	Water Heaters .....	800,000
Stair Newels .....	2,400,000	Heating Plants .....	800,000
Stair Rails .....	8,000,000 lin. ft.	Garage Door Sets .....	800,000
Fireplace Mantels .....	800,000	Kitchen Ranges .....	800,000
Medicine Cabinets .....	800,000	Kitchen Refrigerators .....	800,000
Linen Cabinets .....	800,000	Sinks, Kitchen .....	800,000
Kitchen Cabinets .....	800,000	Ironing Boards .....	800,000
Sash & Door Butts .....	19,200,000	Ventilating Fans .....	800,000

# BUILDING INDUSTRY NORMALLY

## Unemployment Caused by Collapse of Home Building—Re-employment Prospects

CONSTRUCTION in 1929 was below the height of the construction boom period of 1926-1928, and above the depression points before and after those years; it is therefore considered a good average construction year. For this reason, a study of employment in the construction industry for the year 1929 affords a good gauge of the number of workers normally employed in this industry and, naturally, some indication of the number of additional jobs which will be made available if the Building Industry can be stimulated sufficiently to bring about a return to normal activity.

The need for such stimulation can be readily appreciated by reference to current surveys on unemployment. The Building Trades Department of the American Federation of Labor has stated (December, 1933): "... 1,500,000 men of the building trades are enrolled under the banner of the A. F. of L., and it is our estimate that 80 per cent of these men are at present unemployed." Relief agencies in many parts of the country report from 50 to 75 per cent of their applications for relief are from workers previously identified with construction in one form or another. And where local community campaigns for modernizing and home repairs have been conducted, relief applications have fallen off as much as 50 per cent during the period of the campaign activity. Evidently, if work can be provided for the unemployed of the building trades, the need for unemployment relief funds will be reduced materially.

### Extent of the Construction Industry

The business life of every city, town and village in the United States is affected by the building activity in that section, or the lack of building. Similarly rural areas benefit or suffer from the building or lack of good school houses, community buildings, farm structures, and dwellings. There is not, in fact, a single section of the country but must needs be vitally interested in the activities of this great industry; and its importance in treating the unemployment problem, to secure adequate and effective relief for the workers who are without income, has only recently come to the fore.

The statistics having to do with building construction are woefully inadequate due to the great extent and ramifications of the construction industry; the dollar volume of business normally executed by this industry is so great, in fact, that a complete reporting or even close estimating is very difficult. Suffice it to say that today's statistics of construction volume must be considered more as suggestive statements, than accurate reports of conditions in the industry; if anything, the total figures are conservative, rather than inflated.

There are two general divisions of construction work, (1) that which is developed in contracts or done by the organized contractor group, and (2) that which is done on force account or day labor. Actual reports obtained

from contractors through the Census of Construction of 1929 revealed nearly 6 billions in work done under division (1) above, and reasonable estimates for the other division (2) total more than 6 billion dollars. Incidentally, these estimates are predicated upon the idea that workers under the force account or day labor plan are fully as efficient as men working under the contract system—an assumption which may be open to question. The following table presents some details of this twelve billion dollar business in 1929:

TYPE OF CONSTRUCTION	Contract Group Constr't'n Census Rpts.	Work on Force Acc't or Day Labor—Est.	Total Construction for 1929; Reported and Estimated
<i>Thousands of Dollars</i>			
All Construction Entire U. S.....	\$5,897,000	\$6,172,000	\$12,069,000
(As follows:)			
Buildings.....	\$4,156,000	\$1,338,000	\$ 5,494,000
Engineering.....	1,741,000	4,834,000	6,575,000

This great volume of work financed millions of wage earners directly engaged, and additional millions indirectly employed "behind the lines" in related industries. The money obtained by labor in construction work rings the cash registers of merchants great and small, in all parts of the country, and aids materially in maintaining a good business balance. It is doubtful, in fact, whether any material and continued revival of general business can be hoped for, unless construction activity is stimulated sufficiently to return it to its rightful place and importance in the economic scheme.

### Number Employed in Construction

The 1930 Census, Occupation Statistics, ascribes 2,574,968 persons to the Building Industry, directly. In addition, approximately 1,070,702 construction workers were employed in other industries, bringing the total construction workers in this country to 3,645,670, as shown by the following table:

Industry	Total Employed 1930	Managerial, Professional and office workers	Wage earners, not including Managerial, etc.
Building Industry.....	2,574,968	261,397	2,313,571
Air Transportation.....	1,750	82	1,668
Construction & Maintenance of roads, streets, sewers & bridges.....	435,897	65,079	370,818
Pipe Lines.....	13,750	1,208	12,542
Steam Railroads.....	437,305	83,672	353,633
Street Railroads.....	40,000	7,000	33,000
Telegraph & Telephone.....	120,000	12,000	108,000
Water Transportation.....	7,000	1,000	6,000
Public Service.....	15,000	1,500	13,500
Grand Total.....	3,645,670	432,938	3,212,732

The managerial, professional and office workers constitute slightly less than 12 per cent of the total, as this table shows, whereas more than 88 per cent are classified as skilled and unskilled wage earners. Since



# A HUGE EMPLOYER OF LABOR

By ALANSON D. MOREHOUSE

Statistician in Charge 1929  
Construction Industry Census

both office workers and wage earners are required to conduct the business of construction, and bearing in mind the above ratio of employment, it seems safe to assume that for every 7 or 8 wage earners re-employed at the construction site, at least 1 managerial, professional or office worker will be re-employed.

A stronger demand for skilled construction workers in other industries will develop naturally as general business conditions improve; thus, the factory manufacturing a consumer product such as cotton goods, would require more carpenters in the plant with increased business (Note: The 1930 Census reports 2,057 carpenters employed in cotton mills). An increase in business for the steam railroads would make it necessary to augment their staffs of carpenters (Note: The 1930 Census reports 29,642 carpenters employed by steam railroads). And practically all other industries will enjoy improved business, as soon as the workers in construction again have to spend that great payroll which normally goes to labor in this industry. A few examples of the location of skilled construction workers in the building industry and other industries are presented in the table at the bottom of page 52.

Total construction of all kinds, as we have seen, amounted to \$12,000,000,000 in 1929. Of this amount, nearly \$6,000,000,000 was reported by contractors to the Construction Census; these contractors reported that, in the month of maximum employment for each class of contractor, they employed 1,242,515 workers at the building site. Since it was not possible to obtain reports from 100 per cent of the contractors, it is safe to assume that total wage earners in this group amounted to approximately 1,250,000. On the assumption that the efficiency of day labor was equal to that of contract labor, it seems safe to assume that the total employment of wage earners in construction amounted to double that of the contractor group, or approximately 2,500,000.

By reference to the Occupation Statistics of the 1930 Census, as previously given in this article, it will be seen that our figure is only about 700,000 less than the figure of 3,212,732 wage earners as given in the Census. Conditions surrounding force-account labor vary sufficiently so that an equal value of construction work done on force-account or day labor will probably take more men than a similar value of work done under contract. This and other variations might easily account for a divergence in the figures to the amount of difference.

In addition to wage earners and others employed directly in construction work, many employes in other industries depend indirectly upon the construction industry. Clerks employed to file documents and do other office work, lawyers specializing in contracts, and other professional workers, as well as salesmen and saleswomen in many lines, enjoy more steady incomes when construction activity is normal. The extent to which building makes possible additional employment (above present conditions) in other and apparently unre-

lated businesses cannot very well be accurately checked, for obvious reasons. However, little doubt can be seriously entertained regarding the important part building plays in the stimulation and continuance of steady employment for hundreds of different kinds of workers in other industries, in addition to those directly employed in the Building Industry.

Recent studies have revealed, for instance, that whereas total employment in the Building Industry accounts for 2,574,968 persons directly, about an equal number are employed "behind the lines" in the manufacture, distribution and sales of products used in building construction. If we reduce the exact figures of the 1930 Census to 2,500,000, and ascribe another 2,500,000 workers of all kinds dependent upon construction but not directly identified with it in the Census, we have a total of 5,000,000 wage earners directly and indirectly dependent upon construction.

This means that more than TEN PER CENT of all the workers in the U. S. are dependent, directly or indirectly, upon construction work. If this be true, it is apparent that at least 10 per cent of the sales of all consumer products, for instance, must be made to these workers. If that be true, what percentage of the workers in other and apparently unrelated industries can be truthfully credited to the business resulting from the money spent by construction workers?

The construction industry in all its divisions and branches extends so far into the economic life of our nation, that the good effects of normal employment in the Building Industry can scarcely be over-estimated.

## Where Stimulation Is Needed

The Congress has already appropriated \$3,300,000,000 for construction of public works. Some of this will be in the form of buildings, although a great part of it will be public or semi-public engineering construction. A great deal of the work so developed will increase national wealth; on the other hand, not all such work will be self-liquidating or represent new taxable wealth. At any rate, the injection of a \$3,300,000,000 "hypodermic" into the heavy construction field should thoroughly stimulate and tend to stabilize this important division of the construction industry. Also, the expenditure of these vast sums will undoubtedly react beneficially upon other divisions of building and construction, because it will bring additional funds to the manufacturers of certain products used in this type of work. There is little ground for worry, therefore, regarding the stimulation of this "heavy" type of work, since the \$3,300,000,000 has already been appropriated and plans are well under way, for its spending.

In the realm of "private" construction, such as commercial and residential building, conditions are not so cheerful in outlook. Private funds for first mortgages, which are essential to a large majority of non-residential and practically all residential projects, cannot be obtained in anywhere near the normal volume. In

some areas a little mortgage money (comparatively) is available; but in the majority of places either high bonuses and unreasonable securities must be given for a modicum of financial aid, or applications are not entertained at all.

In residential space available there has been so much evidence and so many claims made regarding an existing or potential shortage of housing, that the CWA has inaugurated a nation-wide Real Property Inventory covering some 60 cities, to obtain exact data for planning a more sane and orderly development of residential building. This study has tremendous potentialities if the results of the survey are properly analyzed and presented; if adapted to local needs it should give the now languishing Building Industry with its large unemployment, an impetus that will reinvigorate the entire industrial and commercial structure of the country.

**Advantages of Residential Work Stimulation**

A number of surveys have recently been made by Government agencies, for the purpose of finding out the need for the construction of additional homes; the estimates ranged upward, the highest showing a need for 800,000 new homes per year for the next two years. Surveys by private agencies reveal a need as reported by the active men in the field, with comments that much of this needed home building would be done if funds could be obtained for first mortgages. Therefore, stimulation of home building would be in answer to a demand and need, not just another "Make work" project.

Residential building is probably more widely scattered geographically than any other single division of construction work. There are more than 6 million homes on farms, as well as 19 million urban and suburban home units. With so wide a distribution of activity, the need and demand for new home building may safely be assumed to be equally scattered; consequently, stimulation of home building would have beneficial effects in practically every section of the country.

Stimulating home building will reach a great group of mechanics and other workers who can be aided in no other way, except through the distribution of unemployment funds.

The Administration has concerned itself to see that no man shall go hungry and vast sums have been and are being used to this end. In other words, unemployed residential building workers are already on relief rolls—and stimulation of home building would

automatically take care of these workers, or a great majority of them, thus reducing materially the requirements for unemployment relief funds.

Stimulation of residential building, it is estimated, to provide the additional new housing for which there is a market and to maintain existing structures, would place back on private payrolls not less than 2,000,000 workers of all kinds . . . . . and this, like other estimates having to do with the construction industry, may be regarded as conservative.

**STRONG SECURITY FOR LOANS**

"I AM VERY MUCH IN FAVOR of Federal loans being made for repairs on homes. During this depression a large majority have fallen into bad repair. They are very much in need of repainting, remodeling and redecorating. The building of homes has lagged far behind the needs, due to the lack of funds during the last three years. Money loaned by the Federal Government will not only add to the beauty of the American home but will increase the value, thereby strengthening the very security upon which the loans are made.

"THERE IS NOTHING, in connection with unemployment relief, that would cover such a wide field and give every part of the country such a uniform advantage in putting men back to work, as this proposal to improve the homesteads of America. When one family improves its home, it creates in the neighbor a desire to be up to par. Considering all angles of new building and public works, it appears to me that this proposal of spending money on the American home would relieve unemployment and increase our morale, and would contribute largely to putting us on the highroad to prosperity."—  
CONGRESSMAN ARTHUR H. GREENWOOD, Democratic Whip, 7th District, Indiana.

**COMPARISON SKILLED CONSTRUCTION WORKERS EMPLOYED IN BUILDING AND OTHER INDUSTRIES\***

Classification of Workers	Number employed in:											
	Building Industry	Agriculture	Forestry & Fishing	Extraction of Minerals	Manufacturing & Mechanical Industries	Transportation and Communication	Trade	Public Service (n. e. c.)	Professional Service	Domestic & Personal Service	Not Specified Industries & Services; n. e. c.	Totals
Brick and Stone Masons and Tile Layers	157,180	10		824	10,739	1,708	130				312	170,903
Carpenters	766,787	571	379	7,953	97,261	44,305	6,751	3,772		908	734	929,426
Cement Finishers	12,720			15	734	1,742					116	15,327
Electricians	82,875	131	57	8,778	137,915	26,554	7,961	6,315	4,278	1,562	3,881	280,317
Painters, Glaziers and Varnishers (Bldg.)	415,027	24	19	637	4,474	1,832	3,660	1,807		651	1,974	430,105
Paper Hangers	28,328											28,328
Plasterers	70,053										100	70,153
Plumbers and Gas and Steam Fitters	164,601	96	32	2,166	54,213	8,615	2,864	3,983		518	726	237,814
Roofers and Slaters	23,636											23,636
Stonecutters	2,185			3,575	16,909						219	22,888
Structural Iron Workers	25,400				80		3,337				149	28,966
Tinsmiths and Sheet Metal Workers	29,379			39	46,088	2,580	1,843			38	261	80,228

\*Source: Census of 1930, Occupation Statistics.  
Note: Of the skilled construction workers listed above as employed in other than the Building Industry, approximately 177,000 devote their entire time to new construction or to the maintenance and repair of existing structures.

# Where America Lives

Ninety Per Cent of Families Live in Single Family Dwellings. Average Value Is \$4,778.

THE vast potential U. S. market for home building and repairs is shown by a study of 1930 Census figures. Of 25,200,000 dwellings in the United States, 90.6 per cent are single-family houses. By far the greater proportion of non-farm single-family dwellings are valued at from \$2,000 to \$7,500. And the average value is \$4,778. Average rental is \$27.15.

Importance of the rural areas of the nation in considering residential need is especially brought out by population figures. There is a rural population of 14,480,000 that lives in dwellings other than on farms. Another 9,200,000 live in places of less than 2,500. These and others in the small towns and rural sections of the country make up an extremely important part of the home building and repair market of the nation, as the following table shows:

FARM POPULATION	30,160,000
RURAL POPULATION NOT ON FARMS	14,480,000
RURAL POPULATION IN 13,400 INCORPORATED PLACES OF LESS THAN 2,500	9,200,000
2,200 TOWNS OF 2,500 TO 10,000	10,615,000
791 SMALL CITIES, 10,000 TO 50,000	15,522,000
178 MEDIUM SIZED CITIES, 50,000 TO 500,000	21,988,000
13 BIG CITIES, 500,000 UP	20,839,000

The residential and repair needs of the large cities are comparatively easy to obtain through building permit reports, and such surveys as the real property inventory now under way by the CWA. But the great

## NUMBER OF 1-FAMILY, 2-FAMILY AND MULTI-FAMILY DWELLINGS IN U. S.

DATA FROM U. S. CENSUS OF 1930

	No. of Dwellings	% of each type
<b>TOTAL IN U. S.</b>	<b>25,204,976</b>	<b>100.0</b>
1-family dwellings	22,833,110	90.6
2-family dwellings	1,728,087	6.9
3-or-more-family dwellings	643,779	2.6
<b>URBAN</b>	<b>13,046,699</b>	<b>100.0</b>
1-family dwellings	11,001,861	84.3
2-family dwellings	1,430,570	11.0
3-or-more-family dwellings	614,268	4.7
<b>RURAL</b>	<b>12,158,277</b>	<b>100.0</b>
1-family dwellings	11,831,249	97.3
2-family dwellings	297,517	2.4
3-or-more-family dwellings	29,511	0.2

rural population of the nation offers an equally important residential field, as these figures show.

Size of families has decreased in 1930 to 4.1 as compared with 4.6 in 1900.

The survey of farm dwellings shows the surprising fact that 44 per cent are valued at less than \$1,000, and that only about 4 per cent are reported as worth \$5,000 and over. The median value for owned farm dwellings is \$1,135.

## NUMBER, VALUE AND RENTS OF URBAN DWELLINGS IN U. S.

DATA FROM U. S. CENSUS OF 1930

<b>OWNED NONFARM HOMES</b>	<b>10,503,386</b>
Value under \$1,000	794,724
\$1,000 to \$1,499	570,047
\$1,500 to \$1,999	531,277
\$2,000 to \$2,999	1,167,325
\$3,000 to \$4,999	2,343,769
\$5,000 to \$7,499	2,297,029
\$7,500 to \$9,999	989,468
\$10,000 to \$14,999	906,557
\$15,000 to \$19,999	339,535
\$20,000 and over	354,337
Not reported	209,318
<b>RENTED NONFARM HOMES</b>	<b>12,351,549</b>
Rental under \$10	1,563,952
\$10 to \$14	1,330,927
\$15 to \$19	1,302,387
\$20 to \$29	2,545,208
\$30 to \$49	3,191,435
\$50 to \$74	1,503,401
\$75 to \$99	343,071
\$100 to \$149	163,292
\$150 to \$199	46,297
\$200 and over	45,750
Not reported	315,829
<b>MEDIAN VALUE OWNED HOMES</b>	<b>\$4,778</b>
<b>MEDIAN RENTAL</b>	<b>\$27.15</b>

## NUMBER, VALUE AND RENTS OF FARM DWELLINGS IN U. S.

DATA FROM U. S. CENSUS OF 1930

<b>OWNER OCCUPIED FARM DWELLINGS</b>	<b>3,624,283</b>
Value under \$500	830,487
\$500 to \$1,000	759,503
\$1,000 to \$1,500	554,824
\$1,500 to \$2,000	359,149
\$2,000 to \$3,000	482,438
\$3,000 to \$5,000	337,894
\$5,000 to \$7,500	112,358
\$7,500 to \$10,000	20,368
\$10,000 to \$15,000	14,305
\$15,000 to \$20,000	3,715
\$20,000 and over	4,088
Not reported	145,154
<b>TENANT OCCUPIED FARM DWELLINGS</b>	<b>2,664,365</b>
Value under \$500	1,263,509
\$500 to \$1,000	479,042
\$1,000 to \$1,500	233,061
\$1,500 to \$2,000	137,155
\$2,000 to \$3,000	159,576
\$3,000 to \$5,000	87,773
\$5,000 to \$7,500	21,715
\$7,500 to \$10,000	3,088
\$10,000 to \$15,000	1,722
\$15,000 to \$20,000	378
\$20,000 and over	298
Not reported	277,048
<b>MEDIAN VALUE OWNER DWELLINGS</b>	<b>\$1,135</b>
<b>MEDIAN VALUE TENANT DWELLINGS</b>	<b>under \$500</b>

# PRIVATE Home Financing— How It Can Be Re-established

By JOHN H. FAHEY

Chairman, Federal Home Loan Bank Board

☐ *In advocating Federal Loans for Home Building and Repairs in the present emergency, AMERICAN BUILDER endorses no measure that would prevent the profitable employment of private capital in this great industry. To the contrary, it is hoped and expected that Federal activity in the home mortgage field will do a much needed house cleaning job and will re-establish public confidence in the honesty and soundness of American home building and home mortgages.*

☐ *For this reason, we are especially pleased to present Chairman Fahey's analysis of present home building needs and his explanation of the opportunities ahead for the new Federal Savings and Loan Associations.*

—Editor.

AS the late James R. Moorehead, of the Southern Lumbermen's Association, so often said, "There is no use trying to induce anyone to build a home unless he has or can borrow the money to buy your lumber."

Sound revival of the great construction industries is generally recognized as the key to real recovery and enduring prosperity. Those industries, in turn, need the stimulus of a return to normal activity in the building, maintenance and modernization of American homes. Construction, however, is not merely a pretext for employment. It is the answer to an urgent need. The United States now has a shortage of more than 800,000 family housing units. Some 4 billion dollars in construction money would be required in closing up the gap caused by prolonged depression. *Where will that money come from?*

## Private Credit Withdrawn

The housing shortage itself developed from the withdrawal of private credit from the home finance field, which began six years ago. Even in 1928, mortgage money was hard to find and costly to obtain. Even in so prosperous a year as 1929, the consequent slowing up of construction had begun to throw men out of employment in the building trades, and to restrict the use of lumber, steel, cement and other building materials.

The quickest and most effective way to revive home building is to make home loan finance safe and profitable for private capital. A way must be found to encourage investment in home loans on the part of millions of thrifty people of large and small means. No group of business men in this country has a more direct incentive

Mr. Fahey is an international Authority on finance and business. He was Chairman of the Organization Committee of the Chamber of Commerce of the United States and, later, its President. As Chairman of the Home Loan Bank System, he has increased the membership of Building and Loan Associations, during the past year, from 116 to 2,065 or from 3 per cent to 34 per cent (\$2,600,000,000) of the entire assets of all Building and Loan Associations in the United States.

to cooperate in that direction than the executives of the building industries. Fortunately, the way is now open to them to take the initiative in developing an almost limitless source of capital for home-financing. That solution will be outlined in a moment, after we have considered the way in which the road has been cleared for such a step.

## Halting the Deflation

Already the Federal Government has gone far to halt the decline in home property values, and to shore up the whole structure of home loan credit which had been so deeply undermined by depression. Growing unemployment 3 years ago began to swell the number of defaults and foreclosures on home loans. These forced property sales greatly aggravated the decline of real estate values. Financial institutions which had previously been active in home loan finance were heavily drawn upon by their depositors and policy holders. It became almost impossible to refinance even the more conservative home finance loans. The situation became steadily more acute, until the climax was reached in the bank moratorium last March.

The Home Owners' Loan Corporation was created in June, 1933, to stop this vicious cycle of deflation and credit stringency by making it possible for home owners in difficulties to finance their homes and, simultaneously, to give to the holders of mortgages which are in default, or which represent frozen assets in institutional portfolios, bonds of the Corporation up to the face value of such mortgages. The value of that Corporation must be measured not merely by the relief which it has already given to tens of thousands of home owners who otherwise would have suffered foreclosure and eviction, but also by its achievements in liquidating frozen home loans held by banks and other financial institutions for the benefit of their depositors, and by its tangible influence in stabilizing home values and helping to dam the flood of foreclosure sales and collapsing prices.

The work of the Home Owners' Loan Corporation, vast though its extent will be, is simply an emergency step. It is preliminary to two other, more fundamental measures designed to restore the private capital market for American home finance, and to bring about recovery and stability on the part of the construction industries, upon which American economic welfare is so largely based. One of those measures is The Federal Home Loan Bank System. The other is the Federal Savings and Loan Associations.

### Permanent Steps Toward Stability

Of these two lasting steps sponsored by the Federal Government, the more important in certain respects is the legislation which permits the creation of Federal Savings and Loan Associations. It marks a new era in the proper development and stabilization of home loan credits in this country by strengthening and standardizing safeguards and principles which have made the building and loan associations the largest single source of home loan money in this country, and one of the soundest methods of investment.

An interesting reflection of the splendid record of the American building and loan associations is conveyed in the letter to President Roosevelt with which General Hugh S. Johnson recently transmitted for executive approval the Code of Fair Competition for Savings and Building and Loan Associations, which contains this paragraph:

"The active and constructive policies of these associations furnish most pleasant reading at the present time. Although total assets have shrunk from nine billion dollars in 1929 to seven billion seven hundred fifty million dollars at this time, a decrease of 12 per cent, the loss ratio has been less than one fourth of one per cent of the assets in any one year of the depression. Furthermore, these institutions are aiding and abetting the Recovery Program not only through mortgages but by materially assisting in the financing of upkeep and repairs of homes. In 1932 when credit was almost nonexistent associations made loans of five hundred thirty-two millions of dollars."

It should be clearly understood that Federal Savings and Loan Associations are in no sense Federal agencies engaged in the home mortgage business. They are organized solely through private initiative and private capital. The United States subscribes to the preferred shares of such associations. The purpose of Congress in providing for such associations was to make possible the formation and growth of mutual institutions which will protect and reward the savings of people in local communities and which, at the same time, will supply credit to the people in such communities who require loans in order to build and maintain their homes. Here is an opportunity for executives of companies in the construction field to contribute heavily to their own future prosperity by initiating a public service for which the need already exists.

#### Features of Federal Savings and Loan Associations

For the information of those who may have had no opportunity to study the Act under which Federal Savings and Loan Associations are organized nor the rules and regulations governing their operation, the general characteristics and distinguishing features of such Associations may be briefly suggested by the following summary:

1. Careful investigation is made as to the character and responsibility of the management of any proposed Federal Savings and Loan Association, as a prerequisite to granting a charter.
2. An actual need for such an Association must exist in a given community before a charter is granted, as indicated by the lack or inadequacy of existing facilities and assurance that injury would not be caused to existing home financing institutions in the community by the organization of a Federal Savings and Loan Association.
3. Only four specific types of shares are available to the public—an important feature of simplicity, strength and uniformity among all such Associations in contrast with the multiplicity of types of shares permitted under State laws. Each type of share ranks equally as to

dividend rate in the distribution of earnings after expenses and reserves:

- A. Installment Thrift shares (for regular investment of a fixed amount each month).
  - B. Optional Savings shares (for irregular investment of varying sums).
  - C. Prepaid shares (for lump sum investment with dividends allowed to accumulate).
  - D. Full-paid income shares (for lump sum investment with current dividends to be paid to the shareholder).
4. A bonus is given to reward consistent, systematic investment in any Federal Savings and Loan Association by setting up, semi-annually, a reserve of  $\frac{1}{2}$  of 1 percent of the total amount outstanding to the credit of Installment Thrift shareholders who have paid their installments regularly, to be paid to such shareholders upon the maturity of their shares if no repurchase has been made thereon.
  5. Loans made by a Federal Savings and Loan Association must be made on homes which are located within 50 miles of the Association's office, and not exceeding \$20,000 on any one home or combination of home and business property. (An amount not exceeding 15 percent of the Association's assets may be invested without regard to the above provisions, but must be made on other improved real estate.)
  6. A loan must not be made for an amount exceeding 75 percent of the appraised value of a home or combination of home and business property, nor exceeding 50 percent of the appraised value of other improved real estate.
  7. Loans on real estate may not be made by Federal Savings and Loan Associations for a term of less than 5 years nor more than 20 years, but such loans may be paid off before maturity. All loans on real estate must be paid off through monthly amortization installments sufficient to retire the debt in the agreed period.
  8. The United States Treasury is empowered to subscribe to the preferred shares of any Federal Savings and Loan Association up to the amount paid in by all other shareholders, but not to exceed \$100,000 to any association.
  9. Upon receiving a charter, any Federal Savings and Loan Association automatically becomes a member of the Federal Home Loan Bank of the District in which it is located, with access to advances from the Bank up to 12 times the amount of its stock subscription as a member.
  10. The capital, reserves, surplus, income and franchises of the Federal Savings and Loan Associations are wholly exempt from all Federal taxation, and subject to no State, county or local taxes greater than levied on other thrift and home finance institutions.

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#### NORTHWEST READY TO BUILD

"Inability to obtain financing for needed home construction is very pronounced in the northwest. Many retail lumbermen have advised that they are in touch with prospects able to make substantial down payments who are desirous of building a home but cannot obtain financing from any source.

"The government under the present scope of the Home Owners' Loan Corporation is doing a constructive job in stabilizing the mortgage market, but that is only a relief measure which of itself holds no immediate promise of encouraging new construction. Either this act must be liberalized or new legislation enacted which will enable the government to step into the business of directly extending financial backing to individuals who are in position and want to proceed with the building of a home."  
—R. S. Brown, Secretary, Western Retail Lumbermen's Assn., Spokane, Wash.

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### The Government Offers Its Co-operation

The Federal Government is eager to co-operate with local groups of business men and civic leaders in the organization of Federal Savings and Loan Associations in communities in which there is a definite need for such home-financing institutions. The Government cannot undertake the actual organization of such associations in the face of local apathy and indifference, no matter how great the need for new credit for home-financing may be. No other interests would be more greatly benefited than the building industries by taking the initiative toward the establishment of Federal Savings and Loan Associations in large and small cities throughout the United States where home-financing resources are now lacking or inadequate.

What steps must be taken, in order to form a Federal Savings and Loan Association in any given community? Any group of five or more representative business men who agree upon the need and value of a Federal Savings and Loan Association may make application to organize such an institution. Obviously, the first requirement is that some individual take the initiative in raising the question with his own associates, in a Rotary Club, Chamber of Commerce or other civic-minded organization, as to whether such an association would fill a useful purpose. If their conclusion is affirmative, some representative of that informal group should write to the Federal Home Loan Bank of the District in which the community is located, and ask that bank to send a representative to confer with the local group with a view to making application to organize a Federal Savings and Loan Association.

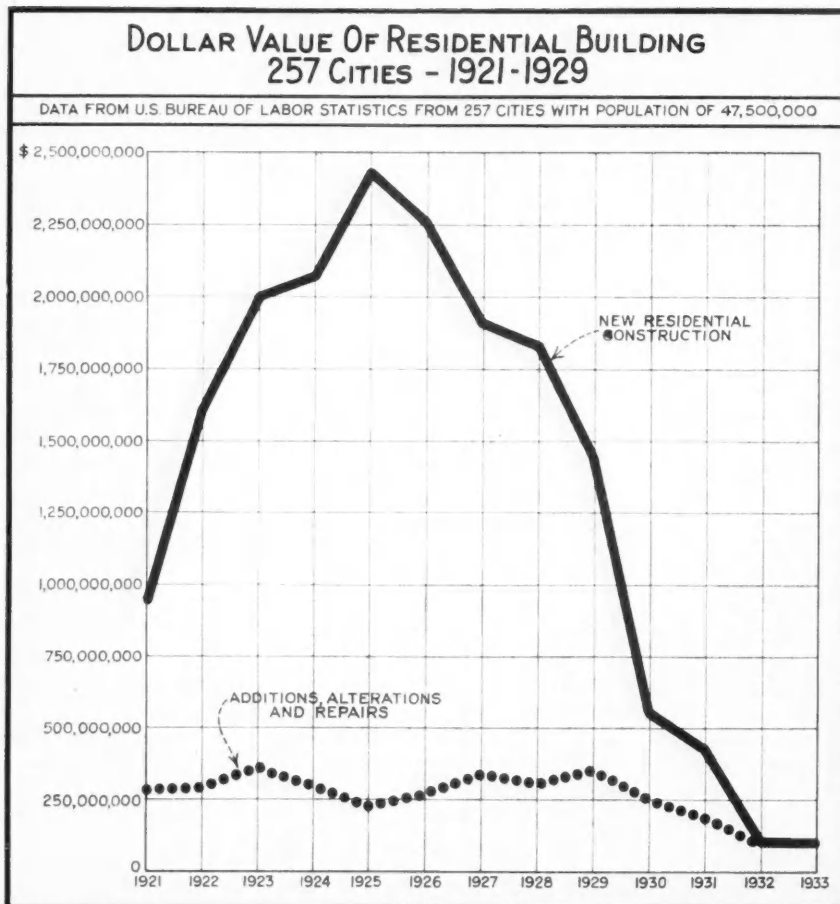
Thirty Federal representatives, especially trained in the organization of these Associations, have been appointed to cover practically the entire country. The regional Home Loan Bank would be able to send one of

these representatives to consult with any organizing group upon a few days' notice. In the meantime, the Federal Savings and Loan Division of the Federal Home Loan Bank Board in Washington would be glad, upon request, to furnish complete information on the provisions of the Act and the Rules and Regulations under which Federal Savings and Loan Associations operate, and the steps called for in organizing these local thrift associations.

### The Start Already Made

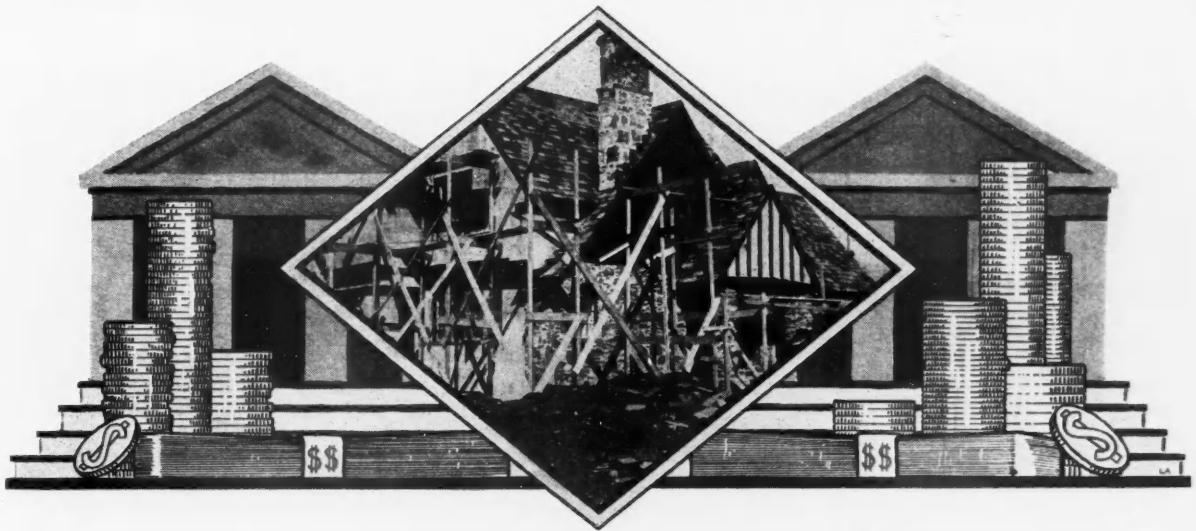
Already, more than 70 charters have been granted for the establishment of Federal Savings and Loan Associations in 20 States, from Coast to Coast. More than 200 applications for permission to organize such associations have been received by the Board. In suggesting to representatives of the building industries that participation in the organization of a local Federal Savings and Loan Association is an opportunity for constructive public service, it is unnecessary to emphasize the direct, business benefits which they may expect from the development of adequate home-financing credit resources in communities where lack of such facilities has resulted in prolonged stagnation of construction and the building trades.

It is gratifying to note the frequency with which names of men prominent in the building field have already appeared in applications made to the Board for permission to organize Federal Savings and Loan Associations. With wider recognition of the possibilities, the expansion of this important new instrument for homebuilding may be expected to proceed rapidly, bringing ample resources for the sound recovery of every branch of the construction industries. With broader knowledge, apathy is giving way to energetic steps toward the organization of these soundly conceived thrift and home-financing institutions on the part of local business men.



THE RISE AND FALL of new residential building in 257 cities of the U. S. is graphically shown here. The 1922-27 peaks were the result of a 12 year shortage in home building, and were required to make up for the accumulated home shortage during and preceding the war.

THE DRASTIC DECLINE is indicated by the fact that the average dollar volume of new residential building for all of 1932 and 1933 was less than five per cent of the average for the five years from 1922 through 1926. This prolonged absence of homebuilding is a major cause of delay in return of prosperous business conditions and employment.



# MONEY MONEY MONEY

☞ THOUSANDS OF THRIFTY lot owners would start building homes of their own at once if MONEY were available. High financing costs have been the most expensive part of the cost of owning a home. Federal funds at reasonable rates will make home ownership desirable and attainable.

☞ ON THE FOLLOWING PAGES are shown four typical small homes of the type the builders of the nation are ready to provide. For each design, the cost is estimated and the amortization rate shown. The figures show that such homes can be carried by the owner for from \$18 to \$25 per month.

☞ MAKE HOMES SUCH AS THESE AVAILABLE at such low cost and the nation's slums will disappear. Long term Federal mortgage funds at reasonable rates of interest are the best answer to the housing problem.

**Second Floor**

CHAMBER 102'x102'  
CHAMBER 13'11" x 9'8"  
CHAMBER 7'11" x 9'8"  
HALL  
BATH  
CLO  
CLO  
CLO  
DECK

**CUBAGE**  
House 14250 Cu.Ft.  
Porch 650 . . .  
Total 14900 . . .

**First Floor**

KITCHEN 7'5" x 8'5"  
DINING ROOM 11'0" x 10'6"  
LIVING ROOM 14'8" x 11'0"  
PORCH 8'0" x 12'0"  
HALL  
CLO  
STOOP

**GEORGIAN COLONIAL**  
*In simplicity of line and form lies often the greatest of beauty. The effective simplicity of this home is at once noted.*

**DIMENSIONS**  
Size of Main Building 24'0" x 22'0". Size Over All 33'6" x 28'0".  
Ceiling Height 1st. Floor 8'3". Ceiling Height 2nd. Floor 7'8".  
Ceiling Height Basement 7'0".

**The Fireplace**

National Plan Service Design No. 1017-c

Cost Key is 1.307-94-540-24-14-12

# Can Be Financed for \$25 Per Month

## ESTIMATED COST

Lumber and Roofing.....	\$ 460.00
Mill Work.....	512.00
Hardware.....	67.00
Carpenter Labor.....	406.00
Excavating.....	75.00
Concrete Foundations and Footings.....	292.00
Cement Floors.....	64.00
Brick Work, Hollow Tile, Stone, Chimney, etc.	1002.00
Plastering & Stucco, Including Lathing Labor..	352.00
Sheet Metal.....	50.00
Painting.....	120.00
Electric Wiring.....	87.00
Electric Fixtures.....	29.00
Plumbing, Sewage and Fuel Gas.....	520.00
Warm Air Furnace.....	190.00
<b>Total Estimated Cost of Home.....</b>	<b>\$4226.00</b>
Extra for Vapor Heat.....	280.00
Extra for Hot Water.....	380.00
Extra for Insulation.....	38.00
<b>Total Hours of Carpenter Labor.....</b>	<b>470.Hrs.</b>

Federal Mortgage Money Would Make Low Cost Homes of This Type Available to Many

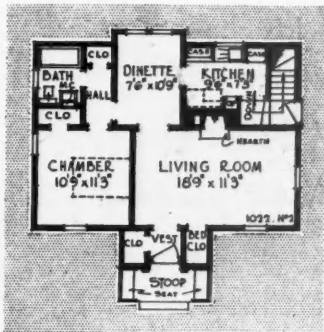
## MONTHLY PAYMENT PLAN

Cost of house.....	\$4,226.00
Cost of lot.....	500.00

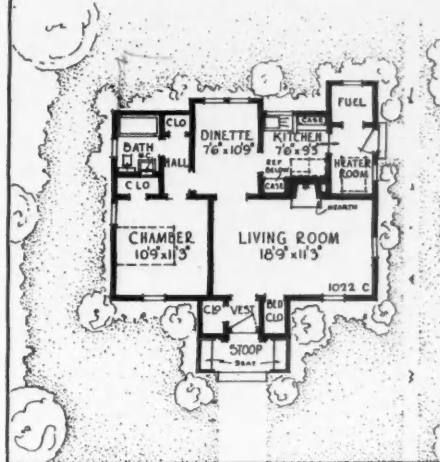
<b>TOTAL COST.....</b>	<b>\$4,726.00</b>
25% cash payment by purchaser.....	\$1,181.50
<b>Balance to be amortized in 18 years.....</b>	<b>\$3,545.50</b>

<b>MONTHLY PAYMENT to retire loan in 18 years, including interest at 5%.....</b>	<b>\$24.93</b>
(rate is \$7.03 per month per \$1,000)	
If interest is 6% and loan retired in 18 years.....	\$26.88
(rate is \$7.58 per month per \$1,000)	
If interest is 5% and loan retired in 20 years.....	\$23.40
(rate is \$6.60 per month per \$1,000)	





Plan 2  
Alternate floor plan with basement under entire home. Total Cubic Contents 15375 Cuft.



### CHARMING CAPE COD

The delightful homelike quality of this home does not depend upon expensive materials but upon symmetrical spacing of windows and the pleasing Colonial entrance.

#### DIMENSIONS

Size Of Main Building 31'0" x 22'0". Size Over All 32'6" x 35'0".  
Ceiling Height 1st. Fl. 8'3". Ceil. Height Basement Plan 2, 7'0".  
Total Cubic Contents 10600 Cu. Ft.



Fireplace is typically Colonial

National Plan Service Design No. 1022-c

Cost Key is 1.043-125-0-0-14-12

# Truly Low Cost—\$18.73 Per Month


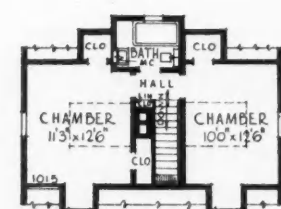
Workers with Income of \$20.00 per Week  
Could Afford This House Because  
Finance Cost Is Low

#### MONTHLY PAYMENT PLAN

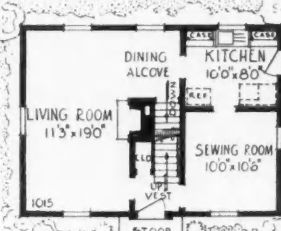
Cost of house .....	\$3,054.00
Cost of lot .....	500.00
<b>TOTAL COST</b> .....	<b>\$3,554.00</b>
25% cash payment by purchaser .....	\$ 888.50
Balance to be amortized in 18 years .....	\$2,665.50
<b>MONTHLY PAYMENT</b> to retire loan in 18 years, including interest at 5% .....	<b>\$ 18.73</b>
(rate is \$7.03 per month per \$1,000)	
If interest is 6% and loan retired in 18 years .....	\$ 20.20
(rate is \$7.58 per month per \$1,000)	
If interest is 5% and loan retired in 20 years .....	\$ 17.59
(rate is \$6.60 per month per \$1,000)	

#### ESTIMATED COST

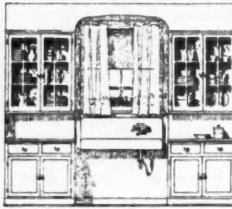
Lumber and Roofing.....	\$ 652.00
Mill Work .....	372.00
Hardware .....	54.00
Carpenter Labor.....	327.00
Excavating .....	10.00
Concrete Foundations and Footings.....	160.00
Cement Floors.....	12.00
Brick Work, Hollow Tile, Stone, Chimney, etc.	207.00
Plastering & Stucco, Including Lathing Labor..	298.00
Sheet Metal.....	24.00
Painting .....	106.00
Electric Wiring.....	62.00
Electric Fixtures.....	20.00
Plumbing, Sewage and Fuel Gas.....	480.00
Warm Air Furnace.....	270.00
<b>Total Estimated Cost of Home.....</b>	<b>\$3054.00</b>
Extra for Vapor Heat.....	
Extra for Hot Water.....	55.00
Extra for Insulation.....	43.00
<b>Total Hours of Carpenter Labor.....</b>	<b>380 Hrs.</b>

Second Floor



First Floor



Convenient Kitchen

### EARLY COLONIAL

*Recalling the many charming cottages nestled in the lower valleys or found along the Atlantic sea coast. Although of moderate cost, it offers large comfortable rooms.*

**DIMENSIONS**  
*Size Of Main Building 28'0" x 20'0". Size Over All 31'6" x 24'6".  
 Ceiling Height 1st Floor 8'0". Ceiling Height 2nd Floor 7'6".  
 Ceiling Height Basement 7'0". Total Cubage 14300 Cu. Ft.*

*Cost Key is 1.096-96-560-24-14-10*

National Plan Service Design No. 1015-c

Cost Key is 1.096-96-560-24-14-10

# \$20 Per Month Will Pay For This

Typical American Home Which Long Term Federal Mortgage Money Will Make Available

## ESTIMATED COST

Lumber and Roofing.....	\$ 676.00
Mill Work .....	439.00
Hardware .....	60.00
Carpenter Labor .....	393.00
Excavating .....	75.00
Concrete Foundations and Footings.....	207.00
Cement Floors.....	56.00
Brick Work, Hollow Tile, Stone, Chimney, etc.	180.00
Plastering & Stucco, Including Lathing Labor..	330.00
Sheet Metal.....	30.00
Painting .....	112.00
Electric Wiring.....	75.00
Electric Fixtures.....	25.00
Plumbing, Sewage and Fuel Gas.....	520.00
Warm Air Furnace.....	180.00
<b>Total Estimated Cost of Home.....</b>	<b>\$3358.00</b>
Extra for Vapor Heat.....	270.00
Extra for Hot Water.....	355.00
Extra for Insulation.....	96.00
Total Hours of Carpenter Labor.....	456 Hrs.

## MONTHLY PAYMENT PLAN

Cost of house.....	\$3,358.00
Cost of lot.....	500.00

**TOTAL COST** ..... **\$3,858.00**

25% cash payment by purchaser..... **\$ 964.50**

Balance to be amortized in 18 years..... **\$2,893.50**

**MONTHLY PAYMENT** to retire loan in 18 years, including interest at 5%..... **\$ 20.33**  
 (rate is \$7.03 per month per \$1,000)

If interest is 6% and loan retired in 18 years..... **\$ 21.94**  
 (rate is \$7.58 per month per \$1,000)

If interest is 5% and loan retired in 20 years..... **\$ 19.10**  
 (rate is \$6.60 per month per \$1,000)

Early American adaptation for same floor layout — Plan 2.

CHAMBER 9'6" x 9'3" BATH HALL CHAMBER 9'6" x 9'3"  
LIVING ROOM 20'0" x 11'3" KITCHEN 10'0" x 7'9"  
NICHE HEARTH STOVE CASE CASE CASE CASE CASE CASE CASE CASE

Four rooms with the efficiency of five rooms.

ENGLISH CHARACTER  
To make this home available to the greatest number of home builders, two different exterior designs are presented

DIMENSIONS  
Size of Main Building 31'6" x 22'0". Size Over All 32'6" x 28'0"  
Ceiling Height 1st. Floor 8'2". Ceil. Height Basement 7'0"  
Total Cubic Contents 12000 Cu. Ft.

View In Living Room

National Plan Service Design No. 1019-c

Cost Key is .896-110-732-31-13-12

# Slum Eliminator—\$19 Per Month

Best Anti-Slum Treatment Is Low Cost,  
Long Term Financing For a  
Home Like This

## MONTHLY PAYMENT PLAN

Cost of house .....	\$3,218.00
Cost of lot .....	\$ 500.00
<b>TOTAL COST .....</b>	<b>\$3,718.00</b>
25% cash payment by purchaser .....	\$ 929.50
Balance to be amortized in 18 years .....	\$2,788.50
<b>MONTHLY PAYMENT to retire loan in</b> 18 years, including interest at 5% .....	<b>\$ 19.61</b>
(rate is \$7.03 per month per \$1,000)	
If interest is 6% and loan retired in 18 years .....	\$ 21.14
(rate is \$7.58 per month per \$1,000)	
If interest is 5% and loan retired in 20 years .....	\$ 18.41
(rate is \$6.60 per month per \$1,000)	

## ESTIMATED COST

Lumber and Roofing .....	\$ 695.00
Mill Work .....	302.00
Hardware .....	59.00
Carpenter Labor .....	385.00
Excavating .....	65.00
Concrete Foundations and Footings .....	255.00
Cement Floors .....	40.00
Brick Work, Hollow Tile, Stone, Chimney, etc. ....	353.00
Plastering & Stucco, Including Lathing Labor ..	206.00
Sheet Metal .....	28.00
Painting .....	110.00
Electric Wiring .....	75.00
Electric Fixtures .....	25.00
Plumbing, Sewage and Fuel Gas .....	510.00
Warm Air Furnace .....	110.00
<b>Total Estimated Cost of Home .....</b>	<b>\$3218.00</b>
Extra for Vapor Heat .....	155.00
Extra for Hot Water .....	210.00
Extra for Insulation .....	73.00
<b>Total Hours of Carpenter Labor .....</b>	<b>446 Hrs.</b>

# Building Survey

## Signed Statements from Builders in 422 Sample Towns in 35 States Show This Basic Industry Paralyzed for Lack of Mortgage Money.

### Thousands of Wanted New Homes Ready to Go Ahead Immediately if Federally Financed

NEW YORK 300 North Street  
CLEVELAND 1000 Tower  
AMERICAN BUILDER and BUILDING AGE  
SAN FRANCISCO 219 Market Street  
WASHINGTON 425 Transportation Bldg.  
CHICAGO 108 W. Adams Street

**WOULD A BILLION DOLLARS TO FINANCE HOME BUILDING HELP YOUR BUSINESS?**

AMERICAN BUILDER is collecting facts to lay before Washington authorities urging that federal funds be made available to the extent of \$1,000,000,000 for loans direct to lot owners to finance home building and modernizing. We would like to have information from you as to the need and demand for such loans in your community.

Please fill in the blank below and return at once in the enclosed envelope. (No stamp required).

B. L. JOHNSON, EDITOR, AMERICAN BUILDER

In order to revive home building and put the building industry back to work ---

Do you favor direct federal loans for home building and home modernizing? Yes Yes No     

Is there a need for new home building in your community? Yes Yes No     

Has lack of financing prevented home building and repairing in 1933? Yes Yes No     

If long time federal first mortgage loans are made available on reasonable terms, what volume of work in your community could go forward for 1934 building? Number of houses 25  
Their total estimated cost \$ 150,000

How much will be spent for home repairs and modernizing if federal loans are available? \$ 40,000

Of these totals (new building and alterations), how much do you estimate you, personally, would handle? \$ 30,000

NAME Fairfield Builders Inc. OCCUPATION Building Contractors  
ADDRESS 237 Fenfield Road Fairfield Conn.  
REMARKS Several applications for houses on hand. Owners have a liberal amount of cash but we cannot get any first mortgages for balance.

NAME Thomas N. Caswell OCCUPATION Builder  
ADDRESS 14 E. Cahoon Ave. Worcester Mass.  
REMARKS Local banks agree to loan thousands of money that they do not loan to build. But has opportunity to build up to 200 to 300 houses if not for lack of first mortgages etc.

NAME Shuffey Ben OCCUPATION Builder  
ADDRESS 100 P. Bithell St. N.Y.  
REMARKS I have lost about 20 jobs in 1933 through lack of finance.

PART OF REPORTS from contractors and builders actively in touch with new home building and old home modernizing "prospects." Their signed statements reveal critical state of customary mortgage finance today.



NAME Lewis I. Young OCCUPATION Contractor  
ADDRESS 469 Chenail Street  
REMARKS About 20% of the work in this city is paralyzed by mortgage shortage.

NAME Taylor Pauline OCCUPATION Contractor  
ADDRESS 902 Plover Bldg. Evansville Ind.  
REMARKS Anglo-American Bank will not loan to work on my place until they can get a loan.

NAME William L. ... OCCUPATION CONTR.  
ADDRESS 1615 So. I. St. Evansville INDIANA  
REMARKS LACK OF REASONABLE FINANCING HAS KILLED BUILDING INDUSTRY

NAME Conrad H. ...  
ADDRESS 701 Union Ave. Belleville Ill.  
REMARKS We want a building loan that will make loan here that is the reason we are not building.



# Shows Home Building Ready to Go If Federal Loans Are Offered

**N**INETY per cent of the contractor-builder readers of the AMERICAN BUILDER favor direct Federal loans for home building and home modernizing, and state that the lack of customary financing prevented home building and repairing in 1933 in the communities which they serve, according to a questionnaire survey conducted by the AMERICAN BUILDER during the past sixty days in 422 sample cities and towns. These contractor-builders also stated that there is today a definite and large need for new home building as well as repairing and home modernizing, and that if long term Federal first mortgage loans were made available on reasonable terms, certain definitely known jobs would go forward at once.

In addressing the contractor-builders, it was felt that these men who are in close touch with prospective home builders would be best informed as to actual present day construction demands as well as the local money situation.

In making this survey, there was no attempt to cover completely any state or region. The investigation was rather a sampling of typical cities and towns widely distributed, and including the smaller places as well as a few of the larger cities. In the summary figures which follow the data from the smaller cities are, for the most part, based on a single report from each place—the personal forecast of one contractor-builder as to his own personal outlook for building activity, jobs which he himself is in contact with. The figures from the larger cities, on the other hand, are based on estimates furnished by a

number of contractor-builders and architects in each city. Their estimates were averaged together to arrive at the amount here stated. In averaging such figures, it was very interesting to observe how much in agreement the several estimates were as to the number of new houses needed and likely to be ordered in a city, as viewed by a number of contractor-builders, each one familiar with local conditions.

While estimates of this sort from the larger cities are interesting and significant, AMERICAN BUILDER directs particular attention to the reports from the smaller communities, first, because it is ordinarily so difficult to get any building statistics or information from the smaller communities and rural areas which represent the big unknown half of the home building market, and secondly, because these small town figures are not so much estimates as statements of actual home building and modernizing "prospects" ready to go ahead if mortgage loans could be secured.

No conclusion is to be drawn from these partial figures as to the total amount of home building, repairs and remodeling that the entire population of the United States would authorize if long-term funds were made available. The survey is strictly a sampling of communities based on intimate local knowledge of building need and the mortgage money situation.

The "remarks" appended to many of the builder questionnaires give a revealing glimpse of local conditions. This testimony, arranged geographically, is presented.

## Home Building Held Up By Lack of Financing

689 BUILDERS IN 422 SAMPLE TOWNS IN 35 STATES Report \$174,546,700 of New Home Building and \$71,005,500 of Modernizing and Repairs Ready to Start at Once if Financing Were Obtainable.

### SUMMARY OF SURVEY

Number of New Homes .....	54,718
Value of New Homes .....	\$174,546,700
Value of Modernizing .....	71,005,500
	<b>\$245,552,200</b>

RETURNS UP TO JAN. 20, 1934, FROM QUESTIONNAIRES SENT TO REPRESENTATIVE READERS OF THE AMERICAN BUILDER IN A LIMITED NUMBER OF CITIES AND TOWNS, A TYPICAL CROSS SECTION OF THE UNITED STATES. AMOUNTS STATED COVER JOBS IN IMMEDIATE PROSPECT ONLY.

	No. of New Homes	Cost of New Homes	Cost of Modernizing		No. of New Homes	Cost of New Homes	Cost of Modernizing		No. of New Homes	Cost of New Homes	Cost of Modernizing
<b>CALIFORNIA</b>				Fairfield .....	50	250,000	100,000	Ellendale .....	10	20,000	2,000
Berkeley .....	10	\$ 35,000	\$ 15,000	Greenwich .....	10	250,000	200,000	Holly Oak .....	4	30,000	2,800
Fresno .....	100	400,000	100,000	Middletown .....	50	250,000	100,000	Kirkwood .....	20	50,000	10,000
Palo Alto .....	300	1,800,000		Mt. Carmel .....	2	8,000	4,000	Wilmington .....	500	1,750,000	1,000,000
San Diego .....	200	800,000	100,000	New Haven .....	125	750,000	200,000	<b>DISTRICT OF COLUMBIA</b>			
San Mateo .....	500	2,000,000	100,000	Norwalk .....	150	750,000	200,000	Washington .....	2,000	\$10,000,000	\$3,000,000
<b>COLORADO</b>				Oakville .....	14	52,000		<b>FLORIDA</b>			
Colo. Springs .....	50	\$ 200,000	\$ 50,000	Stamford .....	100	650,000	30,000	Edgewater .....			\$ 2,000
Denver .....	200	750,000	100,000	Terryville .....	10	25,000	500	<b>ILLINOIS</b>			
<b>CONNECTICUT</b>				Thompsonville .....	6	30,000	10,000	Aurora .....	400	\$ 1,200,000	\$ 125,000
Bridgeport .....	150	\$ 750,000	\$ 100,000	Wethersfield .....	20	140,000		Belleville .....	100	500,000	100,000
Danbury .....	200	800,000	250,000	<b>DELAWARE</b>				Bloomington .....	50	250,000	150,000
East Haven .....	30	200,000	100,000	Arden .....	3	\$ 5,000	\$ 2,500	Bradley .....			25,000
				Blackbird .....			100,000				
				Dover .....	6	20,000	8,000				

# REPORTS FROM AMERICAN BUILDER SURVEY SHOW

	No. of New Homes	Cost of New Homes	Cost of Modern- izing		No. of New Homes	Cost of New Homes	Cost of Modern- izing		No. of New Homes	Cost of New Homes	Cost of Modern- izing
Canton	50	200,000	200,000	Monie	6	15,000	2,000	New Ulm	30	100,000	50,000
Champaign	20	150,000	100,000	Pasadena	20	75,000	25,000	No. Minneapolis	9	24,300	500,000
Chapin	3	6,600	1,500	Salisbury	75	200,000	200,000	Oklee	10	20,000	20,000
Clarendon Mills	50	400,000	100,000	<b>MASSACHUSETTS</b>				Pelican Rapids	6	18,000	8,000
Danville	100	400,000	90,000	Arlington	200	\$ 1,200,000	\$ 150,000	Red Lake Falls	10	25,000	7,000
Decatur	200	1,000,000	200,000	Auburn	10	50,000	50,000	St. Cloud	75	300,000	100,000
Dixon	35	75,000	2,500	Belmont	150	1,200,000	100,000	St. Louis Park	50	200,000	50,000
Dundee	11	55,000	12,000	Braintree	50	50,000	75,000	St. Paul	1,000	5,000,000	1,000,000
Elgin	25	125,000	75,000	Gloucester	50	150,000	100,000	Sleepy Eye	15	75,000	15,000
Eureka	15	60,000	10,000	Lawrence			100,000	Stillwater			1,200
Farmers City	5	20,000	30,000	Lynn	10	90,000		Winona	20	100,000	75,000
Glenview	6	24,000	20,000	Melrose	30	300,000	100,000	<b>MISSOURI</b>			
Heyworth	2	7,000	2,000	Middleboro	4	30,000	10,000	Columbia	12	\$ 65,000	\$ 12,000
Highwood	3	10,000	25,000	Millbury	10	50,000	20,000	Jefferson City	50	300,000	300,000
Jacksonville	20	75,000	50,000	Nantucket	8	56,000		Springfield	100	600,000	200,000
Joliet	30	120,000	500,000	Natick	10	100,000	100,000	St. Joseph	75	475,000	30,000
Kankakee	5	22,500	100,000	Needham	50	500,000	50,000	<b>MISSISSIPPI</b>			
Lake Forest	30	400,000	100,000	North Adams	10	70,000	10,000	Hattiesburg	150	\$ 200,000	\$ 100,000
Lombard	30	165,000	50,000	Oxford	2	7,800	10,000	<b>NEBRASKA</b>			
Mascoutah	12	48,000	48,000	Rosindale	200	1,500,000	75,000	Omaha	100	\$ 750,000	\$ 300,000
Mattoon	5	20,000	10,000	Taunton	4	35,000	10,000	<b>NEW HAMPSHIRE</b>			
McLeansboro	10	50,000	30,000	Wakefield	50	250,000	100,000	Hanover	10	\$ 50,000	\$ 50,000
Minok	3	20,000	3,000	Wellsley	8	40,000		Keene	20	80,000	120,000
Moline	1,000	1,500,000	500,000	Wellfleet	4	12,000	5,000	Laconia	20	100,000	25,000
Monmouth	100	250,000	25,000	Westfield	25	100,000		<b>NEW JERSEY</b>			
Normal	25	150,000	65,000	Woburn	10	50,000	50,000	Berkeley Hgts.	6	\$ 30,000	\$ 7,000
Osco	3	12,000	2,000	Worcester	100	500,000	50,000	Bidgeton	40	200,000	100,000
Paris	20	100,000	30,000	<b>MICHIGAN</b>				Clifton	100	400,000	100,000
Peoria	300	1,500,000	200,000	Bay City	150	\$ 500,000	\$ 200,000	Cranbury	10	40,000	20,000
Peru	20	150,000	70,000	Benton Harbor	50	75,000	25,000	Cranford	75	500,000	
Pontiac	20	35,000	500,000	Boyer City	5	15,000	1,000	Dunellen	20	80,000	30,000
Prophetstown	10	30,000	30,000	Brighton	10	40,000	20,000	Englewood	25	300,000	500,000
Robinson	25	75,000	18,000	Detroit	2,500	15,000,000	2,000,000	Fair Lawn	10	60,000	12,000
Springfield	50	250,000	100,000	Fenton	4	30,000	15,000	Frenchtown	25	125,000	100,000
Steeleville	6	20,000	8,000	Flint	100	500,000	500,000	Garwood	15	75,000	200,000
Urbana	10	90,000	100,000	Grand Haven	2	40,000	10,000	Keansburg	25	75,000	25,000
Western Springs	10	75,000	10,000	Grosse Point	50	250,000	250,000	Lambertville	3	10,500	25,000
Wood River	30	90,000	50,000	Hillsdale	25	50,000	50,000	Margaret City	50	400,000	250,000
<b>INDIANA</b>				Holland	50	150,000	25,000	Middlesex	25	250,000	
Auburn	3	\$ 10,000	\$ 15,000	Iron Mountain	10	75,000	500,000	Mountain View	45	135,000	20,000
Columbus	10	20,000	20,000	Iron River	20	100,000	50,000	New Brunswick	7	65,000	12,000
Elwood	10	40,000	30,000	Jackson	7	25,000	12,000	Newfoundland	20	50,000	10,000
Evansville	100	500,000	300,000	Jonesville		10,000	2,000	West Paterson	50	150,000	50,000
Idaville	6	12,000	10,000	Kalamazoo	25	90,000	50,000	<b>NEW YORK</b>			
La Paz	3	10,000	5,000	Linden	25	40,000	10,000	Albany	500	\$ 2,500,000	\$ 500,000
Medaryville	10	30,000	10,000	Marquette	20	120,000	100,000	Ardley	12	75,000	50,000
Nappanee	11	55,000	40,000	Muskegon	200	600,000	75,000	Bayport	25	125,000	
North Judson	20	40,000	25,000	Owosso	20	100,000	25,000	Bayside	250	1,500,000	250,000
Pennville	5	15,000	10,000	Paw Paw	10	30,000	15,000	Bohemia	60	200,000	15,000
Seymour	25	100,000	25,000	Petoskey	2	8,000		Buchanan	40	250,000	50,000
Sharpville	3	10,000		Pontiac	100	500,000	600,000	Buffalo	100	600,000	200,000
South Whitley	5	15,000	5,000	Port Huron	5	30,000	12,000	Canisteo	12	60,000	5,000
Union City	20	50,000	80,000	Portland	4	30,000	4,000	Chester	15	75,000	25,000
Upland	10	50,000	50,000	Rochester	15	70,000	10,000	Clarence	6	22,000	1,000
West Lebanon			15,000	Saginaw	300	1,500,000	500,000	Coldwater	10	50,000	5,000
<b>IOWA</b>				St. Ignace	10	50,000	25,000	Delhi	6	18,000	
Marshalltown	100	\$ 450,000	\$ 100,000	Sault Ste. Marie	200	800,000	10,000	Dewittville	2	4,000	
Mason City	100	350,000	100,000	Sturgis	30	150,000	60,000	East Williston	10	60,000	100,000
<b>KANSAS</b>				Suttons Bay	10	35,000	7,000	Ellenburg Center	5	50,000	50,000
Hutchinson	100	\$ 250,000	\$ 50,000	Traverse City	25	75,000	75,000	Endicott	100	400,000	100,000
Topeka	500	2,000,000	600,000	Union City			10,000	Far Rockaway	50	1,500,000	1,000,000
<b>KENTUCKY</b>				Watervliet	10	40,000	15,000	Floral Park	50	500,000	70,000
Ft. Thomas, Cin-	200	\$ 1,000,000	\$ 3,000,000	Williamston	12	30,000	75,000	Freeport	50	100,000	30,000
Louisville	10	30,000	30,000	Ypsilanti	15	100,000	75,000	Gloversville	25	150,000	
<b>MAINE</b>				<b>MINNESOTA</b>				Hartsdale	20	300,000	35,000
Bar Harbor	30	\$ 100,000	\$ 100,000	Annandale	4	\$ 17,000	\$ 5,000	Hempstead	200	1,000,000	20,000
Biddeford	30	120,000	175,000	Anoka	10	38,000	14,000	Highland	15	75,000	100,000
Bryants Pond	6	18,000	3,000	Appleton	4	15,000	4,000	Ithaca	50	300,000	150,000
Houlton	20	50,000	75,000	Bemidji	10	75,000	50,000	Jamaica	500	2,000,000	500,000
North Lovell	3	18,000	25,000	Cloquet	8	27,000	15,000	Kingston	75	375,000	100,000
Portland	75	375,000	200,000	Cortland	1	3,000	10,000	Lima			25,000
South Portland	125	500,000	500,000	Duluth	4	17,500	1,000,000	Lindenhurst	50	275,000	35,000
Sunset			10,000	Goodhue	3	10,000	3,000	Lockport	20	120,000	50,000
<b>MARYLAND</b>				Granite Falls	22	88,000	62,000	Long Beach	100	300,000	25,000
Baltimore	500	\$ 2,500,000	\$ 1,000,000	Hutchinson	5	45,000	15,000	Long Lake	5	20,000	5,000
				Mabel	4	20,000	8,000	Massena	12	70,000	25,000
				Menanga	7	10,000	2,500				
				Minneapolis	25	200,000	100,000				
				Minnesota Lake	6	20,000					

# NEW HOMES AND REMODELING WAITING FOR LOANS

	No. of New Homes	Cost of New Homes	Cost of Modernizing		No. of New Homes	Cost of New Homes	Cost of Modernizing		No. of New Homes	Cost of New Homes	Cost of Modernizing
Mineola			1,750,000	Freeport	6	50,000	25,000	Dallas	300	1,000,000	6,000,000
Newburgh	50	250,000	50,000	Gettysburg	25	125,000	50,000	El Paso			500,000
New Rochelle	15	200,000	250,000	Girard	11	45,000	3,500	Fort Worth	200	1,000,000	2,000,000
Niagara Falls	100	500,000	300,000	Glen Rock	15	60,000	20,000	Galveston	600	240,000	150,000
North Creek	15	45,000	10,000	Glenside	50	270,000	50,000	Houston	400	1,000,000	500,000
Norwich	4	40,000	80,000	Grove City	25	90,000	15,000	<b>VERMONT</b>			
Olean	100	400,000	200,000	Halifax	12	60,000	30,000	Jericho	8	\$ 32,000	\$ 20,000
Oneonta	5	20,000	4,000	Hanover	50	200,000	30,000	Middlebury	5	25,000	15,000
Ossining	20	110,000		Harrisburg	100	800,000	200,000	Montpelier	10	60,000	20,000
Oxford	6	30,000	1,000	Homestead	50	250,000	100,000	Newfane	5	15,000	10,000
Patchogue	25	125,000	25,000	Huntingdon	20	120,000	25,000	Newport	25	120,000	50,000
Plattsburg	20	150,000		Jefferson	10	40,000	12,000	<b>VIRGINIA</b>			
Potsdam	10	60,000	25,000	Jenkinson	1,000	8,000,000	1,000,000	Blacksburg	4	\$ 24,000	\$ 8,000
Poughquay	10	40,000	5,000	Kennerdell	25	100,000	20,000	Martinsville	100	500,000	200,000
Rhinebeck	5	25,000	5,000	Lawton	5	10,000	10,000	Staunton	5	50,000	
Richmond Hill	100	700,000	1,000,000	Lewisburg	10	60,000	25,000	<b>WASHINGTON</b>			
Rochester	1,000	6,000,000	1,500,000	McSherrystown	8	24,000	10,000	Bellingham	50	\$ 250,000	\$ 50,000
Rockville				Minersville	40	40,000	10,000	<b>WEST VIRGINIA</b>			
Center	100	600,000	100,000	Muncy	20	60,000	20,000	Wheeling	100	\$ 1,000,000	\$ 50,000
Roosevelt	100	400,000	50,000	New Brighton	400	2,400,000	500,000	<b>WISCONSIN</b>			
So. Bethlehem	10	50,000	2,500	New Kensington	50	250,000	500,000	Ashland	5	\$ 30,000	\$ 75,000
St. Albans	1,500	9,000,000		Philadelphia	100	1,000,000	1,000,000	Baileys Harbor	10	30,000	20,000
Saratoga Springs	50	300,000	50,000	Pittsburgh	2,000	12,000,000	3,000,000	Black Creek	3	8,000	3,000
Syracuse	25	125,000	150,000	Pottstown	6	30,000	30,000	Blair	4	10,000	8,000
Troy	50	275,000	100,000	Reading	400	2,000,000	1,500,000	Burlington	10	40,000	15,000
Utica	40	300,000	25,000	Rimersburg	10	15,000	10,000	Cudahy	25	87,500	50,000
Yonkers	5	60,000		Roseto	15	60,000	2,000	Eau Claire	50	300,000	200,000
<b>NORTH CAROLINA</b>				Schuykill				Fond du Lac	30	150,000	150,000
Asheville	500	\$ 1,000,000	\$ 250,000	Haven	10	45,000	15,000	Green Bay	200	900,000	100,000
Charlotte	100	300,000	100,000	Scranton	100	1,000,000	500,000	Hayward	15	60,000	20,000
Wilmington	100	800,000	300,000	Shohola	6	25,000	4,000	Madison	200	1,200,000	200,000
<b>NORTH DAKOTA</b>				Slippery Rock	10	40,000	25,000	Hartford	3	15,000	10,000
Grand Forks	50	\$ 250,000	\$ 100,000	South Langhore				Menomonie	20	60,000	40,000
<b>OHIO</b>				Sharon	50	250,000	50,000	Mercer	8	25,000	20,000
Berlin Heights	16	\$ 80,000	\$ 20,000	Stroudsburg	50	300,000	8,000	Milwaukee	50	400,000	50,000
Chillicothe			500,000	Treicklers	10	60,000	30,000	Mosinee	9	28,000	18,000
Columbiana		35,000	10,000	Turtle Creek	15	60,000	125,000	New Glarus	6	35,000	10,000
Cortland		20,000	3,000	Vandergrift	35	150,000	150,000	Oconomowoc	10	50,000	10,000
Crestline	15	100,000	50,000	Washington	200	100,000	150,000	Oshkosh	100	600,000	20,000
Cuyahoga Falls			1,500,000	Wilkes-Barre	20	75,000	10,000	Plainfield	5	5,000	50,000
Damascus	12	75,000	28,000	Williamsport	10	50,000	100,000	Racine	200	1,400,000	200,000
Dayton	200	1,000,000	300,000	York	100	500,000	50,000	Rhineland	20	100,000	50,000
East Palestine	15	50,000	25,000	<b>RHODE ISLAND</b>			Richland Center	10	40,000	5,000	
Elyria	50	250,000	100,000	Cranston	200	\$ 1,000,000	\$ 100,000	Rochester	4	20,000	10,000
Fremont	20	125,000	125,000	E. Providence	20	100,000	25,000	St. Croix Falls	5	15,000	15,000
Germantown	5	25,000	25,000	Pawtucket	100	550,000	150,000	Sheboygan	250	1,000,000	100,000
Holgate	4	12,000	20,000	Rumford	150	1,000,000	500,000	Sun Prairie	6	30,000	10,000
Lima	50	200,000	100,000	West Warwick	10	50,000	20,000	Thorp	10	25,000	3,000
Mansfield	4	32,000	50,000	<b>SOUTH CAROLINA</b>			Two Rivers	25	150,000	300,000	
Newton Falls	5	25,000	50,000	Charleston	30	\$ 150,000	\$ 50,000	Viroqua	4	35,000	15,000
Oak Harbor	6	30,000	30,000	Columbia	50	250,000	100,000	Watertown	20	160,000	200,000
Perry	2	12,000	12,000	<b>TENNESSEE</b>			Waukesha	20	800,000	20,000	
Rittman	24	72,000	15,000	Chattanooga	200	\$ 650,000	\$ 200,000	Wisconsin Rapids	20	75,000	15,000
Sardis	25	50,000	100,000	Knoxville	10	50,000	50,000				
Springfield	60	400,000	1,000,000	Nashville	1,000	3,000,000	5,000,000				
Sugar Creek	4	16,000	5,000	<b>TEXAS</b>							
Willoughby	30	150,000	80,000	Austin	100	\$ 200,000	\$ 100,000				
Wooster	12	100,000	35,000								
<b>PENNSYLVANIA</b>											
Ambridge	100	\$ 600,000	\$ 50,000								
Barnesboro	50	150,000	120,000								
Bethlehem	50	225,000	10,000								
Bradford	10	60,000	10,000								
Buckingham			10,000								
Butler	10	80,000									
Carnegie	25	70,000	15,000								
Castle Shannon	4	12,000									
Canonsburg	10	40,000	10,000								
Central City	8	28,000	10,000								
Chambersburg	10	35,000									
Clintonville	10	50,000	15,000								
Coraopolis	10	40,000									
Dormont	200	2,000,000									
Downingtown	20	88,000	40,000								
Doylestown	20	100,000	50,000								
Du Bois	2	22,000	150,000								
Easton	100	700,000	300,000								
Felton	10	40,000	15,000								

## FEDERAL HOME LOANS HAILED BY INDUSTRY

Local Contractors and Builders in Reports to AMERICAN BUILDER Disclose Local Financing Conditions and Forecast Benefits of Adequate Mortgage Money

### NEW YORK DEMAND

ALBANY, N. Y. "I would build 3 houses (\$35,000) myself if money was available."  
—D. P., Contractor.

BAYPORT, L. I. "Outlook for 1934 very bad. Private funds frozen."  
—A. L. L., Contractor and Builder.

BAYSIDE, L. I. "Since the building industry occupies such a pivotal position in the recovery, and is at a standstill because

no private funds are available, it seems there is no alternative for the government except to step in and overcome the inertia that holds everything down."  
—J. H. P., Builder.

BUFFALO, N. Y. "I have a \$12,000 job all set but cannot get a loan."  
—J. T., Contractor.

BUFFALO, N. Y. "Could build and sell 200 homes at \$5,000 each, if financing was available."  
—H. N. C., Contractor.

## BUILDERS REPORT LOCAL HOME FINANCING AND

LINDENHURST, L. I. "About 70 to 80 per cent of our unemployed are depending on the building industry directly or indirectly."—J. H., Contractor.

NEW ROCHELLE, N. Y. "New building, repair and alteration work have been at a standstill; loans to finance such work would certainly start something."—G. W. M., Building Superintendent.

NIAGARA FALLS, N. Y. "No building or repairing going on—reasons, lack of money."—A. S. CO., Builders.

ROCHESTER, N. Y. "This contemplated program will do more towards stimulating home building and modernizing back to normal condition than any other financial enterprise."—R. & H. CO., Mason Supplies.

PITTSFORD, N. Y. "It has never been the practice in this community for local banks to favor loans for modernizing and repairs. Federal loans in this field would tap a great potential market for the construction industry."—H. M. W., Architect & Builder.

SARATOGA SPRINGS, N. Y. "We need houses very badly and have no way of financing them."—L. D., General Contractor.

SYRACUSE, N. Y. "Many people here have laid down their plans for building and repairing because of lack of funds. The majority of people will buy and build if they can pay on time."—F. M., Building Contractor.

SYRACUSE, N. Y. "Small homes badly needed."—T. L. B., Developer.

YONKERS, N. Y. "I have three prospects now whom I could build for if first mortgages could be secured."—L. B. H., Builder.

YONKERS, N. Y. "In 1932 in the radius of one mile we had 32 houses never occupied offered for sale. Today everything is occupied and there is a call for more."—C. W., Builder.

### NEW ENGLAND BUILDERS ASK LOANS

FAIRFIELD, Conn. "Banks have closed down almost entirely on first mortgage loans, so how is the little fellow to own a home unless financing is done by the government?"—J. P. J., Builder.

NORWALK, Conn. "There is a crying need here for homes and for money to build with."—P. J. L., Builder.

LYNN, Mass. "There is a demand for homes which we cannot build on account of the finance."—K. & L., Home Developers.

MARSTONS MILLS, Mass. "It is very evident that some radically different method of financing new construction and repair work must be accepted. These last two years there has been very little money available, even at high rates of interest."—C. L. H., Builder.

MIDDLEBORO, Mass. "There would be much more work done than these figures (4 new houses, \$30,000) if home owners knew they could get the money."—J. H. C., General Contractor.

NEEDHAM, Mass. "Local banks have done nothing towards financing new building or modernizing for three years."—H. A. F., Builder.

OXFORD, Mass. "I lost five jobs during 1933 because of inability to get financing, and am now held up on a \$3,000 repair job for lack of a \$1,000 loan."—L. L. B., General Contractor.

WEST BARNSTABLE, Mass. "Local banks have so tied up loans that no building is possible."—M. W., Builder.

WORCESTER, Mass. "Local banks appear to have tremendous sums of money that should be loaned to reliable home builders, but are apparently holding up so as to be able to dispose of old property taken through foreclosures."—T. H. E., Builder.

HANOVER, N. H. "Not only housework but other building projects also at a standstill due to lack of funds from banks."—W. H. T., Building Contractor.

LACONIA, N. H. "Very few vacant houses and no modern houses vacant."—W. M. D., General Contractor.

RUMFORD, R. I. "The banks are out to kill all new construction. Contractors and mechanics are walking the streets with plenty of prospects in their files, but no money for mortgages."—E. W. T., Building Contractor.

BENNINGTON, VT. "Conditions are bad here. If long time Federal first mortgage loans are made available, many jobs will go ahead. Every street has residences and business buildings in bad need of repair and remodeling."—O. S. J., Designer & Builder.

NEWPORT, Vt. "We would have been building the past three years had we had the money to do so."—F. H. S., Builder.

### MID-ATLANTIC SENTIMENT FAVORS

WILMINGTON, Del. "Mortgage loans are very badly needed in this community at this time."—D. M., Builder.

WILMINGTON, Del. "We need houses and repairs badly and no finance to do it with."—G. L. M., Builder.

WASHINGTON, D. C. "Although Washington has proved the best of all cities for real estate loans and we are having a monthly influx of about 2500 new people, mortgage money is scarce. Government funds on a 15 or 20 year basis at \$8.00 per thousand per month, and a loan of 65 per cent of sale price would do more to revive business than the direct grant of many times the amount in public works."—C. R., Builder.

MONIE, Md. "I am sure this is the only possible way to revive home building and modernizing."—H. E. N., Contractor and Builder.

CLIFTON, N. J. "Large demand for moderate priced homes."—A. M. C., Building Developer.

CRANBURY, N. J. "I know several who wanted to build this year but gave it up because they could not get loans."—C. S., Builder.

CRANFORD, N. J. "We have customers for 75 small homes but are unable to finance their construction."—C. Realty Co., Builders.

DUNELLEN, N. J. "There is almost no building in Dunellen because of lack of reasonable financing."—H. T., Builder.

FAIR LAWN, N. J. "I have several prospects for small homes if mortgage money were available."—R. C. B., Builder.

MIDDLESEX, N. J. "There is a shortage of small homes for renting in this community at the present time."—A. E. L., Builder.

MOUNTAIN VIEW, N. J. "I personally have had to refuse to start and am still holding in abeyance 9 houses, for lack of finance."—G. H., Carpenter and Builder.

NEW BRUNSWICK, N. J. "Federal first mortgage loans at reasonable terms are what we want."—M. F. R., Contractor.

PATERSON, N. J.—"Have stopped building because not able to get loans."—W. S. L., Builder.

WEST PATERSON, N. J. "I have stopped building because I have not been able to get loans."—J. A., Carpenter.

### PENNSYLVANIA GREAT HOME BUILDING MARKET

AMBRIDGE, Pa. "I have three houses finished and sold but cannot finance them."—J. F. M., Builder.

CARNEGIE, Pa. "I own clear lots close to street cars and mills. Small houses on easy terms would readily sell."—F. M. W., Building Contractor.

CHAMBERSBURG, Pa. "Building industry at a standstill. Banks will advance no loans. Money is very scarce. Very little building in last three years."—T. J. M., General Contractor.

CLINTONVILLE, Pa. "Our community has a shortage of moderate priced homes."—J. J. H., Contractor.



## CONSTRUCTION NEEDS; ACTIVITY AWAITING LOANS

CORAOPOLIS, Pa. "I am sure that if we can arrange to finance homes on long terms costing below \$5,000, we can play a big part in getting builders back to work."—J. E. K., General Contractor.

DORMONT, Pa. "This is very necessary if we are ever to get back to work."—H. J. B., Builder.

DOWNINGTOWN, Pa. "All houses in town are now rented with many families doubled up."—L. G., Builder.

GLEN ROCK, Pa. "We are in need of houses. All homes here occupied."—H. M. R., Builder and Contractor.

GROVE CITY, Pa. "A large volume of building and repairing is held up on account of banks' refusal to finance."—M. & S., Contractors.

HARRISBURG, Pa. "Our firm turned down five houses last month, being unable to have them financed."—J. S., General Contractor.

PHILADELPHIA, Pa. "We have 20 prospects who would go ahead with small houses, suburban mostly, costing from \$6,000 to \$10,000 to build. In most cases the prospect has ground and approximately 50 per cent of the cash required. Our loaning companies in Philadelphia have granted no funds for construction since early 1933 and only builders who are able to finance their operations 100 per cent have been able to build."—H. P. M., Builder.

SOUTH HILLS, PITTSBURGH, Pa. "Just one factor obstructing the resumption of residential construction here—finance, and finance only."—E. H. W., Designer and Builder.

PITTSBURGH, Pa. "We must have mortgage money from some source and the Federal government seems to be our only resource."—P. R. Co., Builders.

RIMERSBURG, Pa. "Shortage of houses here forces our miners to live in other towns."—B. S. R., Building Contractor.

WASHINGTON, Pa. "I can see no other way for immediate relief of the present stagnation of building than through the above plan."—F. M. K. CO., General Contractors.

YORK, Pa. "In my judgment, no better plan could be offered to stimulate the home building industry."—W. E. H., Builder.

### NORTH WEST BUILDERS SET TO GO

ANNANDALE, Minn. "Local financing cannot be gotten."—F. E. E., General Contractor.

APPLETON, Minn. "I do know that lack of finance has prevented many people from building here. The average working man cannot afford to build and pay short term financing costs. If people could deal directly with the government for loans and have twenty years to pay, it seems that most anyone with any income whatever could own and pay for a modest home in the \$3,000 class."—D. E. L., Carpenter-Contractor.

ST. LOUIS PARK, Minn. "Building and alteration work is at a standstill, as there is no money or mortgage loans available on any terms. Have refused many jobs in 1933—unable to finance them."—T. P., General Contractor.

SLEEPY EYE, Minn. "If direct Federal loans could be gotten, it would be the biggest single factor in putting men to work."—E. A. S., General Contractor.

ST. LOUIS PARK, Minn. "I think this is one of the best possible solutions to end the slump in building activity. Mortgage loans have been impossible to get."—N. R. J., Contractor.

ST. PAUL, Minn. "Home building is absolutely dead. We need financing to get our men to work."—D. H., Home Builder.

ST. PAUL, Minn. "We need government credit to modernize about 25,000 homes in St. Paul."—G. G., Builder.

BELLINGHAM, Wash. "I could sell from 200 to 400 small homes of \$4,000 to \$5,000 if it were possible to finance them on \$25.00 to \$30.00 per month including interest."—F. E. H., Building Contractor.

BLAIR, WIS. "Lack of finance has held up remodeling and building in this section for the last three years."—J. R. D., General Contractor.

GREEN BAY, Wis. "Green Bay builds on an average of 200 to 300 homes per year. Since 1930 practically no building has been done here. We could build but have no way of financing. Our banks, trust companies, building and loan associations have no money for mortgage financing."—G. Construction Co.

MADISON, Wis. "At the present time I am working on a project for which there is a great need and a large market—in-expensive homes for University faculty in the lower pay brackets. It is impossible to get loans for the buildings."—P. B. G., Home Developer.

MILWAUKEE, Wis. "We are doing a lot of estimating but can get no loans."—B. S., Builder.

JANESVILLE, Wis. "I lost approximately \$48,000 worth of business in 1933 because of inability to get financing. The people I could have built for were all good risks, too, but it was difficult to get even very small loans and for those, 2 per cent was asked to make the loan, and 7 to 8 per cent interest."—E. P. S., Builder.

RHINELANDER, Wis. "Empty houses are scarce here."—R. E. M., Contractor.

### NORTH CENTRAL HOME BUILDING EXPECTANT

AURORA, Ill. "I believe that there will be less wasted money by loaning on homes for the repairs and remodeling of same than any other project that has been put forth. It will circulate the money expended in such a way that many will be helped if there is not too much red tape."—W. H. G., General Contractor.

BELLEVILLE, Ill. "No bank or building and loan association will make loans now. That is the reason we are not building."—E. F. D., Builder.

DANVILLE, Ill. "Only Federal funds can revive the building industry here."—G. J. S., Contractor.

DECATUR, Ill. "Impossible to finance any kind of building project now; have been trying to get a loan of \$1200 (about 20% of value) on a new house to cost \$4400, building site \$800, but local banks and loan associations will not even consider the loan. This is a home for a couple who are both employed and their reputation and moral risk are A-1."—G. B., Contractor.

DECATUR, Ill. "I have talked to many prospects who are willing to go ahead if they can get the money to do the work."—J. A. P., Contractor.

ELGIN, Ill. "Building is practically at a standstill due to in-

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### "I AGREE"—CONGRESSMAN BRITTEN

"NO GOVERNMENTAL ACTIVITY would be as far-reaching in the destruction of the depression and the unemployment conditions, than would a Federal policy for the making of first mortgage loans on new homes and small two-story apartment buildings.

"NEW HOME BUILDING and home ownership could be made the very backbone of a reconstruction movement which would benefit every walk of commercial and industrial life."—Congressman Fred A. Britten, 9th District Illinois.

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## REPORTS FROM BUILDERS REVEAL TRUE CONDITIONS

ability to be financed. Elgin is badly in need of help."—J. D. D., Carpenter-Contractor.

MATTOON, Ill. "The building and loans are not loaning any money at all here."—G. L. E., Contractor.

NORMAL, Ill. "This would be a good thing as it would give confidence to other sources of money."—G. H., Building Contractor.

PEORIA, Ill. "Local funds totally frozen, with most of desirable residences occupied. Many new families moving here on account of distillery activity. Will be a big shortage by spring, without a doubt."—M. A., Building Contractor.

SPRINGFIELD, Ill.—"There would be at least 100 homes built on Lake Springfield next year if financing were available."—E. J. B., General Contractor.

URBANA, Ill. "The repair work could go forward and never stop."—T. W. H., General Contractor.

ELWOOD, Ind.—"Lack of reasonable financing has killed the building industry."—W. L. S., Contractor.

EVANSVILLE, Ind. "Improvements in our locality are in a deplorable condition, needing repairs very much."—J. B. & Son, Builders.

PENNVILLE, Ind. "Lack of financing is the only holdback here."—P. V. F., Carpenter-Contractor.

UPLAND, Ind. "The need for repairs and new building is almost beyond estimate in this county and town."—H. B., Contractor.

MASON CITY, Ia. "Would be a godsend to the construction industry, also the public at large. This community is in need of long time loans at a reasonable rate of interest for new work, repairs, etc."—G. S., Building Contractor.

### MICHIGAN, MISSOURI, OHIO ANXIOUS TO START

BAY CITY, Mich. "I believe there would be 50 per cent more building with Federal loans than the old way."—T. R. K., Contractor.

GRAND HAVEN, Mich. "I could start work next week on two buildings if the parties could get the loans."—F. J., Contractor and Builder.

MARQUETTE, Mich. "This plan would put a lot of our tradesmen to work."—A. B., Contractor.

MARQUETTE, Mich. "Banks do not loan anything for home building or improvements."—W. G. M., General Contractor.

PORT HURON, Mich. "The work estimated here (5 houses, \$30,000, plus \$12,000 repairs and modernizing) is conservative and only my own prospects."—J. R., General Contractor.

SAULT STE. MARIE, Mich. "Building is at a standstill at present on account of lack of funds and bank conditions."—M. J. O., Contractor.

SUTTONS BAY, Mich. "Several families are living in attics in this small town of 600 inhabitants."—M. L. J., Builder.

YPSILANTI, Mich. "There is always a demand for new homes here but there is no money to finance these jobs at present."—F. D., Contractor.

COLUMBIA, Mo. "These (12 houses, \$65,000) are all personally contacted by me; they want the work done but need financing."—J. E. H., Contractor.

SPRINGFIELD, Mo. "At present there is not a single loan company that will make a loan on new building."—J. E. G., General Contractor.

SPRINGFIELD, Mo. "These houses listed above (4, \$35,000) would be built at once if loans were available."—W. D. J., General Contractor.

CANTON, Ohio. "It is well understood that there is a lack of money which is holding back our work."—H. D. W., General Contractor.

CHILLICOTHE, Ohio. "There is enough work in remodeling and repairs in this city to keep all contractors and laborers

employed full time for at least two years if the funds were available."—C. Z. A., Contractor & Builder.

CORTLAND, Ohio. "I think this would be the only salvation for the building industry."—J. W. R., Builder.

EAST PALESTINE, Ohio. "I have a number of prospects who would go ahead if they could get 50 per cent first mortgage money."—R. W. H., Contractor.

GALION, Ohio. "Our loan companies haven't the money to loan. I am carrying my last two remodeling jobs, the owners not being able to get a loan elsewhere."—C. C. F., Carpenter.

GERMANTOWN, Ohio. "There isn't any money available for home building or repairs in this community—you can't borrow any."—F. G., Contractor.

LIMA, Ohio. "I think if this financing could be put through, it would put the building industry on its feet."—R. B., Contractor.

MANSFIELD, O.—"Have built four new homes this year for people that happen to have all cash. There is a demand for new homes from people who own a lot and have \$1,000 to \$2,000 in cash and no way to get the balance."—E. L. M., Builder & Contractor.

PERRY, Ohio. "Closed banks are responsible for the lack of home building and repairs here."—J. C. P., Contractor & Builder.

SARDIS, Ohio. "Financial help is the most needed in this section and, if given, would help business in general."—G. A. B., Carpenter-Contractor.

### SOUTHERN AND WESTERN LOANS NEEDED

FRESNO, Calif. "This plan would put more men to work per dollar spent than any plan yet advanced."—D. W. L., Contractor.

SAN DIEGO, Calif. "Money available for new construction will help bring back prosperity."—D. Co., Builder.

SAN MATEO, Calif. "A good idea and much needed."—L. & O., Builders.

COLORADO SPRINGS, Colo. "Such loans would soon end the depression."—R. R. R., Builder.

HUTCHINSON, Kans. "Home building, if loans were available, would create more employment relief than any other industry at this time."—T. E. P., Home Builder and General Contractor.

LOUISVILLE, KY. "If I could have gotten 75 per cent loans on new houses costing from \$10,000 to \$15,000, there would have been no depression here."—J. L. B., Residence Builder.

OMAHA, Nebr. "There is no limit to the work that will be done in Omaha if there was money enough."—A. C. L. & Son, Contractors.

OMAHA, Nebr. "Lack of financing has held up innumerable jobs the past two years."—T. Construction Co.

CHARLESTON, S. C. "No money available in Charleston at the present for any kind of good security."—C. & Son, Home Builders.

CHARLESTON, S. C. "Federal home financing badly needed here. I think it would do more good than anything else."—M. L. S., General Contractor.

CHATTANOOGA, Tenn. "Prospects for new homes and modernizing apply continually but cannot finance them."—A. A. L., Builder.

KNOXVILLE, Tenn. "I favor Federal loans; with such we can return to normalcy."—D. G. C., Builder.

FORT WORTH, Tex. "There is a general demand for small residences and remodeling, but no loans available."—R. L. G., General Contractor.

HOUSTON, Tex. "I think this program would be the best move that the government could make for the medium priced home owner."—W. R., Contractor.

# Furniture For 800,000 Homes

## 25% of Cost of House Spent on Furnishings Represents Eight Hundred Million Dollar Need

**F**URNITURE, house furnishings and equipment constitute a group of major industries that are vitally concerned with and dependent on home building. As shown in the chart on page 39, production of household furniture in the United States declined a corresponding amount as new home construction dropped off. There has been approximately a 60 per cent decline in the furniture industry which, in 1929, employed 193,000 wage earners in 3,800 plants producing products valued at \$948,000,000.

What an 800,000 house per year program of construction would mean to the furniture industry is readily apparent. It would mean a tremendous revival and restoration of this industry. It is estimated that an amount equal to 25 per cent of the cost of a house is normally spent on home furnishings. Taking \$4,000 as the average house, this means \$1,000 per house for furnishings. The present needed program of 800,000 houses a year would therefore call for furnishings totaling some \$800,000,000 exclusive of kitchen equipment and accessories, which would add another \$120,000,000.

Roughly, this market would be classified as follows:

Kitchen equipment and accessories.....	\$120,000,000
Furniture .....	536,000,000
Floor coverings.....	148,000,000
Draperies .....	64,000,000
Accessories .....	52,000,000

These figures represent broad totals on the basis of

### TYPICAL HOME-FURNISHING BUDGETS

Room	Budget of \$450	Budget of \$1,000	Budget of \$1,800	Budget of \$3,000
Living room.....	\$180	\$400	\$720	\$1,200
Master bedroom.....	90	200	360	600
Dining room.....	90	200	360	600
Child's or guest room.....	63	140	252	420
Hall or sun porch.....	27	60	108	180

### AVERAGE LIVING-ROOM BUDGETS

	Budget of \$180	Budget of \$400	Budget of \$720	Budget of \$1,200
Furniture (65 to 70 per cent):				
Two upholstered pieces (sofa, day bed, settee or davenport, and easy-chair).....	\$75.00	\$150.00	\$185.00	\$300.00
Table.....	10.00	20.00	30.00	60.00
End Table.....	5.00	7.50	18.00	30.00
Small easy-chair.....	15.00	25.00	50.00	65.00
Occasional chair.....	4.50	7.50	32.00	35.00
Mirror.....			20.00	37.50
Floor lamp and shade.....	7.50	15.00	25.00	40.00
Table lamp and shade.....		10.00	20.00	37.50
Desk or secretary.....		27.50	50.00	125.00
Desk chair.....		7.50	10.00	30.00
Additional chair.....				20.00
Hanging bookshelf.....			17.00	
Magazine rack.....			5.00	
Bookcase.....				25.00
Additional pieces <sup>1</sup> .....				
Total for furniture.....	\$117.00	\$270.00	\$462.00	\$795.00
Floor covering.....	36.00	75.00	150.00	225.00
Draperies.....	14.40	32.00	57.60	96.00
Accessories (pictures, flower bowls, ash trays, etc.).....	12.60	23.00	50.40	84.00
Total.....	\$180.00	\$400.00	\$720.00	1,200.00

<sup>1</sup>Additional pieces might include love seat or settee, additional chairs, ottoman, console table, occasional tables, mirror, additional lamps, fernery, aquarium, screen, flower stand.

average quality new furnishings. Estimates will vary as to the per cent of new furniture demanded in the furnishing of newly constructed homes. Where the home is taken by a newly married couple, the demand usually is for complete new furnishings throughout. Where the new home is occupied by families who formerly doubled up with relatives or friends, furniture may be moved in from previously occupied quarters, but to a certain extent, new furniture will be required to replace that. Certain it is that the new furniture requirements created by additional new housing is extremely large and in fact has constituted the backbone of the furniture and home equipment field.

An aggressive and important division of manufacturing industries of the nation is concerned with the equipping and furnishing of kitchens. In 1929, makers of refrigeration equipment and of ice boxes and cabinets employed 26,700 persons and produced products valued at \$222,000,000. New home building will greatly stimulate this industry, as well as the manufacturing of kitchen cabinets, kitchen sinks, dish washers, linoleum, wall coverings and electrical fixtures.

The tables below give estimates for furnishings for the average home as prepared by the U. S. Department of Commerce, National Committee on Wood Utilization.

### AVERAGE BEDROOM BUDGETS

	Budget of \$90	Budget of \$200	Budget of \$360	Budget of \$600
Furniture (65 to 70 per cent):				
Bedroom suite, 3 or 4 pieces, (bed, vanity, and chest or dresser, or both) <sup>1</sup> .....	\$37.50	\$87.50	\$150.00	\$250.00
Bed spring.....	8.50	10.00	17.50	40.00
Mattress.....	12.50	20.00	25.00	40.00
Chair.....	5.00	12.50	17.50	27.50
Additional chair or a desk.....		5.00	10.00	12.50
Bedside table.....			8.00	15.00
Boudoir lamp.....			6.00	10.00
Total for furniture.....	\$63.50	\$135.00	\$234.00	\$395.00
Floor covering.....	15.20	35.00	72.00	115.00
Draperies.....	6.00	16.00	28.80	48.00
Accessories.....	5.30	14.00	25.20	42.00
Total.....	\$90.00	\$200.00	\$360.00	\$600.00
Total with twin beds.....		250.00	435.00	725.00

<sup>1</sup> Some suites include chair, vanity bench, and bedside table.  
<sup>2</sup> With so small a budget, twin beds with accompanying mattresses and springs might not be possible. In general, twin beds are preferable from the viewpoint of health and comfort.  
<sup>3</sup> For twin beds, add \$50 for extra bed, mattress, and spring.  
<sup>4</sup> For twin beds, add \$75 for extra bed, mattress, and spring.  
<sup>5</sup> For twin beds, add \$125 for extra bed, mattress, and spring.

### DINING-ROOM BUDGETS

	Budget of \$90	Budget of \$200	Budget of \$360	Budget of \$600
Furniture (65 to 70 per cent): Dining room suite, breakfast set, etc., from 5-piece set (table and 4 chairs) to 12-piece suite (table, 8 chairs, serving table or tea wagon, side board, china cabinet or equivalent) <sup>1</sup> .....	\$58.50	\$130.00	\$234.00	\$390.00
Floor covering.....	18.00	40.00	72.00	120.00
Draperies.....	7.20	16.00	28.80	48.00
Accessories (pictures, bowls, candlesticks, etc.).....	6.30	14.00	25.20	42.00
Total.....	\$90.00	\$200.00	\$360.00	\$600.00

<sup>1</sup> In the dining room, a lowboy might be preferred to a buffet, a corner cupboard to a china closet, or a highboy to a sideboard. In a 1-room or a 2-room apartment, a breakfast set is used frequently in the living room; double-purpose furniture is available for such arrangements. In addition to the pieces named above, a fernery, plant stand, aquarium, screen, torches, and a candle-type lamp, would be appropriate in some dining rooms.

**URGES FEDERAL LOANS AS AID TO BUILD HOMES**  
 Chicago, Dec. 15.—What American industry can do more than any other to restore prosperity and give a stable government is home building and home repairs. How can home building and repairs on a large national scale be started?  
 By direct Federal loans. Under plan to individual lot owners who want to build a new home, or home owners who want to remodel their old dwellings, loans to be secured by first mortgages on the property.

**Billions Federal Loans to Home Builders Urged**  
 Unemployment Blamed Largely to Lack of Home Operations by Magazine  
 Surveys Show Shortage of Indestructible Occupied Homes of Funds Shortage

**U. S. AID SOUGHT TO BUILD HOMES**  
 Thousands Held Up Through Lack of Financing, Says Contractors' Organ.  
 A million dollars' worth of home building and home repairs are being held up by lack of financing, says the American Builders' Association. The organization says that the lack of financing is the most serious obstacle to home building and home repairs. It says that the lack of financing is the most serious obstacle to home building and home repairs. It says that the lack of financing is the most serious obstacle to home building and home repairs.

**Ask U. S. Loans For New Homes Not Now Allowed**  
 (From American Builder)  
 Chicago—What American industry can do more than any other to restore prosperity and insure a stable government?  
 Home building and home repairs. How can home building and repairs on a large national scale be started?  
 By direct Federal loans from Uncle Sam to individual lot owners who want to build a new home, or home owners who want to remodel their old dwellings, loans to be secured by first mortgages on the property.

THE ENQUIRER, CINCINNATI, SUNDAY, JANUARY 7, 1934

**Billion-Dollar Government Credit Needed To Revive Home Building, Editor Says**

By R. L. Johnson.  
 There are many reasons why every active man in the building industry should be vitally interested in the drive now under way to persuade Congress to provide a billion dollars for long-term financing of home building on reasonable terms. But there is one reason that comprehends all others.

**ANOTHER WAY OF SPENDING IT.**  
 If the national recovery program doesn't work out satisfactorily it won't be because there aren't enough dollars. There are enough and they are more than enough. There are enough and they are more than enough. There are enough and they are more than enough. There are enough and they are more than enough.

**URGES LOANS TO FINANCE NEW HOMES**  
 Building Journal Points Out Need of Federal Aid to "Forgotten Man."  
 Chicago, Dec. 15.—What American industry can do more than any other to restore prosperity and insure a stable government is home building and home repairs. How can home building and repairs on a large national scale be started?  
 By direct Federal loans from Uncle Sam to individual lot owners who want to build a new home, or home owners who want to remodel their old dwellings, loans to be secured by first mortgages on the property.

**Extending Home Loans**  
 Owners' Loan Corporation to include the financing of new homes is being advocated editorially by the American Builder magazine. Explaining that the good already being accomplished by the home loan program would be greatly augmented by such a movement, the editorial is headed "Home Loans for the Forgotten Man."

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**THIS CLIPPING FROM CHICAGO, ILL. HERALD-EXAMINER**  
**SPEAKING OF REAL ESTATE**

The American Builder, leading authority in the construction field, speaks for those who have been ranked in the building industry as the "forgotten man" for home building and home repairs. These contributions have been drawn by many business leaders and now in the building industry. "Thousands of homes already planned and ready to be built are being held up by lack of financing," says the American Builder. "Home owners and real estate men report a strong interest in home building and home repairs on a large national scale."

**N. Y. Herald-Tribune**  
**4,500,000 Employed By Builders in 1929**  
 When building construction was active more than 4,500,000 men were directly or indirectly employed by the construction industry, which was one-tenth of all gainfully employed workers. Some 2,600,000 were directly employed on construction sites and 1,900,000 in the mining and manufacturing industries, and their transportation and other.

**N. Y. Herald-Tribune**  
 "The American Builder" says that in 1929 one-tenth of all gainfully employed workers in United States were in building trade; puts number at 4,500,000.  
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**Newspapers of Country Support**

**T**HAT newspapers of the country are aware of the importance of home building in the life of their communities is shown by the way in which editors have made use of statistics and data on this subject sent out in press releases by the AMERICAN BUILDER. More than 1500 newspapers received copies of editorials, summaries of statistical data and abstracts of articles on the need for Federal funds for private home building sent out by this paper within the past sixty days, and a large percentage have made use of these data.

Newspaper comments on the editorial, "Home Loans for the Forgotten Man," published in the December issue were so widespread that it became clear this was a subject of great interest to many people. On January 11, therefore, a summary of the statistical data in the leading editorial, "Federal Home Loans and Recovery," of this January issue were sent to 1500 newspapers. These figures were passed on to readers of hundreds of news-

papers in every geographical section of the country. It was of special significance that data of the type sent out concerning the national aspect of home construction received such widespread attention from newspapers concerned largely with local problems. The fact that home building is so important to local communities was re-emphasized by this interest.

Advance editorial proofs and statistical material from the special February Re-employment Issue of the AMERICAN BUILDER have been sent out to newspapers as the data have been assembled. In addition, complete copies of this special issue, together with letters to editors of 1500 leading daily newspapers are being mailed. In this fashion, the facts concerning the importance of home building in the economic structure, the need for financing new private homes, the need for financing for homes, and the social benefits of the traditional American single-family dwelling, are being given the widest possible dissemination.

# Uncle Sam Is Urged to Provide Cash for Home Construction, P.

Program of a movement to amend the mortgage act to provide funds for long-term financing in the building industry is being actively pushed in the Chicago area, as well as over the entire country, by the National Home Builders' Association. The program is being carried out through the efforts of the National Home Builders' Association, which has a membership of over 100,000 in the United States. The program is being carried out through the efforts of the National Home Builders' Association, which has a membership of over 100,000 in the United States.

## FINDS RECOVERY LAG IN LACK OF HOME BUILDING

Chicago, Ill., Daily News Thursday, January 14, 1929

### EDITORIAL

#### Outlines Money Need of Building Industry For New Houses and Repairs.

Machinery To Provide Funds Is Available Through Use Of HOLC, Article Emphasizes.

Chicago, December 18 — What is the machinery to provide funds for the building industry? This is the question that has been asked by the National Home Builders' Association in its recent report on the home building industry. The report states that the building industry is in a state of depression and that the government should take steps to provide funds for the industry. The report also states that the government should take steps to provide funds for the industry.

## SAY FEDERAL HOME LOANS WILL HELP RECOVERY

Chicago, January 12.—Stagnation of home building is the largest obstacle to relief from the depression, says the American Builder editorially in the current issue. A need for 800,000 homes per year exists, but construction is held back by lack of financing. In the year 1927 through 1928, home construction was a mere 100,000, or 12.5 per cent of the normal level. The editorial states that the government should take steps to provide funds for the industry.

## ASSERTS RECOVERY NEEDS STIMULUS OF HOME BUILDING

Influential Publication Urges Wide Campaign to Get Federal Loans; Cites Present Shortage.

BY JAMES G. MONNETT, JR., Editor, The American Builder and Building Age, among the most influential publications of the construction industry, comes strongly to support of the Cleveland plan for federal financing of home construction in its January issue, according to advance reports received last night.

## NEED OF FEDERAL AID TO BUILD NEW HOMES IS URGED

Revival of Construction Industry Cited as Necessary to Better Conditions

Support for the Cleveland plan for federal financing of new home construction is accorded strongly by the American Builder and Building Age, among the most influential publications of the construction industry. The editorial states that the government should take steps to provide funds for the industry.

## FEDERAL LOANS TO BUILD AND REPAIR HOMES ARE URGED

Would Aid Deserving Individuals, Stimulate Industry, Says American Builder.

CHICAGO, Dec. 18.—What American industry can do more than any other to restore prosperity and insure a stable government is the home building industry. The editorial states that the government should take steps to provide funds for the industry.

## THIS CLIPPING FROM LOCKPORT, N. Y. Union Sun Journal

## HOME OWNERS' LOAN PROGRAM

Extension of the activities of the Home Owners' Loan Corporation is advocated in an editorial in the American Builder, explaining that the good already being planned in the home loan program is greatly augmented by such a movement. The editorial expresses the views of the public in these terms: "The forgotten man in the present planning is the citizen who has laid by his money to build a home and find a place to live in."

## THIS CLIPPING FROM NEW ORLEANS, LA. TIMES-PICTAYUNE

## NEED OF FEDERAL AID TO BUILD NEW HOMES IS URGED

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Support for the Cleveland plan for federal financing of new home construction is accorded strongly by the American Builder and Building Age, among the most influential publications of the construction industry. The editorial states that the government should take steps to provide funds for the industry.

## THIS CLIPPING FROM SAN JOSE, CALIF. MERCURY-HERALD

## FEDERAL LOANS TO BUILD AND REPAIR HOMES ARE URGED

Would Aid Deserving Individuals, Stimulate Industry, Says American Builder.

CHICAGO, Dec. 18.—What American industry can do more than any other to restore prosperity and insure a stable government is the home building industry. The editorial states that the government should take steps to provide funds for the industry.

# Drive For Home Building Money

tion throughout the nation and among all types of people. The importance of the home building and improvement industries in local communities is not realized without thorough acquaintance with local conditions in small and medium sized towns. Here, the local lumber dealers, building supply dealers, plumbing and heating supply houses, planing mills, paint, hardware and electrical stores—all play an extremely important part in the business of the newspapers as well as of the entire community. In former years, a considerable portion of the volume of advertising of both newspapers and magazines was concerned with home building, furnishings and allied industries associated with the providing of new homes. With new home construction for the entire nation in 1922 and '33 averaging less than five per cent of the 1922-26 volume, it is apparent that local newspapers have lost one of their important sources of advertising revenue.

## WOULD EXPAND HOLC

"I think your suggestion is sound. I am in favor of setting up a program for Federal loans to finance new homes. The Home Owners' Loan Corporation is good as far as it goes but it is entirely too restricted in its operation."—SENATOR ARTHUR CAPPER (KANS.)

# Need of a Federal Discount Bank

Report of the Committee on Mortgage Financing  
Presented on Jan. 18 at the Annual Business Meeting,  
National Association of Real Estate Boards

By **WALTER S. SCHMIDT**, Chairman  
Pres., Fred'k A. Schmidt Co., Cincinnati

**S**OME four years ago certain members of the National Association of Real Estate Boards came to recognize the weaknesses of the real estate mortgage structure of this country. They foresaw the dangers it was about to encounter and set to work marshaling ideas for the preparation of concrete proposals designed to prevent its collapse. The Baltimore Convention in June, 1931, adopted definite resolutions, urging Congress to pass enabling acts for the creation of a Federal Mortgage Discount Bank, which under proper restrictions, would buy sound mortgages from investors, be they individuals, insurance or mortgage companies, banks or building associations. Any person or corporation engaged in the business of making first mortgages was to be eligible to membership on the basis of some reasonable cash deposit, or subscription to stock. It was the intent of these proposals that the security of the mortgage itself be looked to, rather than the financial strength of the discounter, and further, that mortgages be purchased rather than that sums be loaned upon them. It was further provided that against mortgages in hand, bonds might be issued with interest guaranteed by the Government *until the principal was paid*.

## Realty Collapse Might Have Been Prevented

In the light of subsequent events, it can be seen to have been little short of a calamity that this Federal agency was not created immediately—our mortgage system probably would have been saved, and as well many a financial institution which came to ruin because it had no place of sale or discount for its mortgages, sound though they might have been. As a concomitant to the collapse of real estate credit and of financial institutions, came logically the collapse of realty values.

The proposals made were revolutionary in character, and it was only to be expected that they meet the opposition they did, both of existing mortgage lending agencies and of legislators. However, directly out of our activity have come the advantages of the Home Loan Bank and the Home Owners Loan Corporation, palliatives only, it

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## CONFIDENT OF FAVORABLE DECISION

"I am convinced that sound and intelligent effort by the building industry will merit and receive liberal support from our government. During 1934 it is conceivable that the government can wisely loan for residential building construction one billion dollars, thus making possible four times the construction of 1932, but still only two-fifths of 1928. The benefits to labor and the stimulus to building and allied lines would be tremendous."—J. D. Biggers, President, Libbey-Owens-Ford Glass Co., Toledo, O., at Annual Meeting of the National Glass Distributors' Assn., in Pittsburgh, Dec. 6.

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is true, which do not attack the problem at its heart. These institutions provide partial remedies to the situation created by the complete disappearance of mortgage money; they likewise represent some recognition by Government of its obligation to act in connection with the mortgage problem. A further result of our persistent effort has been that many institutions which previously opposed violently our proposals, now state that they are sitting on the same side of the table with us; some are even criticizing us for failure to make more rapid progress towards realization of the original proposals.

## Long Term Credit Needs Organizing

The mortgage system of our country just grew up without direction. Its complete collapse clearly indicates the inherent weaknesses it always possessed—among them this, that short term investment policies were of necessity used in a field that demanded long term money. Most funds held for investment, because of their nature, must be kept reasonably free, and have no place in the long term field, unless and until a means is provided whereby a sound mortgage in hand can be exchanged at will for cash or a liquid security. It is obviously beyond the range of possibility that private enterprise can create the machinery necessary to meet a problem of this magnitude. Government certainly has the obligation of economic direction of this integral part of our financial structure. Since national well-being is jeopardized by collapse, it would appear, as logically, to have the obligation of creating the protecting agency necessary for preservation—a second line of defense, a place to go, when conditions require that a financial institution liquidate its investments.

It seems beyond question, that many of the former sources of large supply in the mortgage field are gone permanently. For instance, a certain section of the banking group, which hitherto has provided a goodly portion of our mortgage money, can hardly be expected, in the light of recent experience, again to desire to lend on real estate—in fact, government probably will not permit it so to do. This fact likewise indicates the pressing necessity of a Federal Discount System, the securities of which will attract the savings of the people and bring new supplies into real estate financing.

## Would Loosen Mortgage Money

National Recovery seems dependent in a large measure on revival of our largest activity—construction. Except in the unusual case, construction requires long term credit, since it represents the creation of basic wealth which cannot be paid for entirely out of current savings. Mortgage money must be made available before construction revives. It is the judgment of those who have given their lives to real estate activities, that a Federal Discount System would immediately loosen mortgage

money in every direction and make its flow more free through all the years, especially if emergency funds were made immediately available by Government. Other measures adopted or proposed are but temporary stop-gaps or stimulants or touch but a single phase of the situation. The real estate mortgage problem must be treated in its entirety; it is all bound up together as an entity.

Today Government finds itself in the mortgage business, and in its laudatory efforts to try every expedient to bring back a reasonable comfort of existence to our people, will come to be further and further involved as a competitor with its own citizens in the mortgage field, unless a constructive plan is adopted along other lines. A discount system ultimately would take the government out of the direct business, at the expense, it is true, of lending its credit for the interest on bonds issued by the Discount Bank. However, the advantages to be gained by that act would seem far to outweigh the disadvantages.

### Mortgage Practices Need Remodeling

A final argument is the fact that mortgage practices need remodeling for the good of the whole citizenry. Government must supply the motivating force in this direction. There has been no correlated effort to apply economic principles to real estate. The largest field of investment in our country does not have spent upon it in research, the amount that a single automobile factory spends for its own purposes. Again this is a government function, as true a function as experimentation and research in any of the other numerous fields which claim Federal attention. Government entry into the whole situation on a sound and constructive basis would bring full compensations, from social as well as economic standpoints. A Federal Discount System offers an occasion for initiating this major activity.

Your Committee feels strongly that interest, prejudice and lack of understanding have conspired to prevent this plan from receiving the favorable reception it deserves. It likewise is of the opinion that the moment is appropriate for consolidation of the various agencies created

### THOUSANDS OF FAMILIES READY TO BUILD

"To my mind there is no more important matter right now than some plan that will give prospective home builders financial assistance. I think there are thousands of people in the United States who have saved some money—honest, industrious, thrifty families, who would gladly have a home of their own if they could just have financial assistance with reasonable interest rate and terms of payment. To revive home building will put more men to work than any other industry and the United States needs jobs for deserving mechanics and laboring men more than any one thing."—J. F. Bryan, Managing Director, Illinois Lumber & Material Dealers Assn., Springfield, Ill.

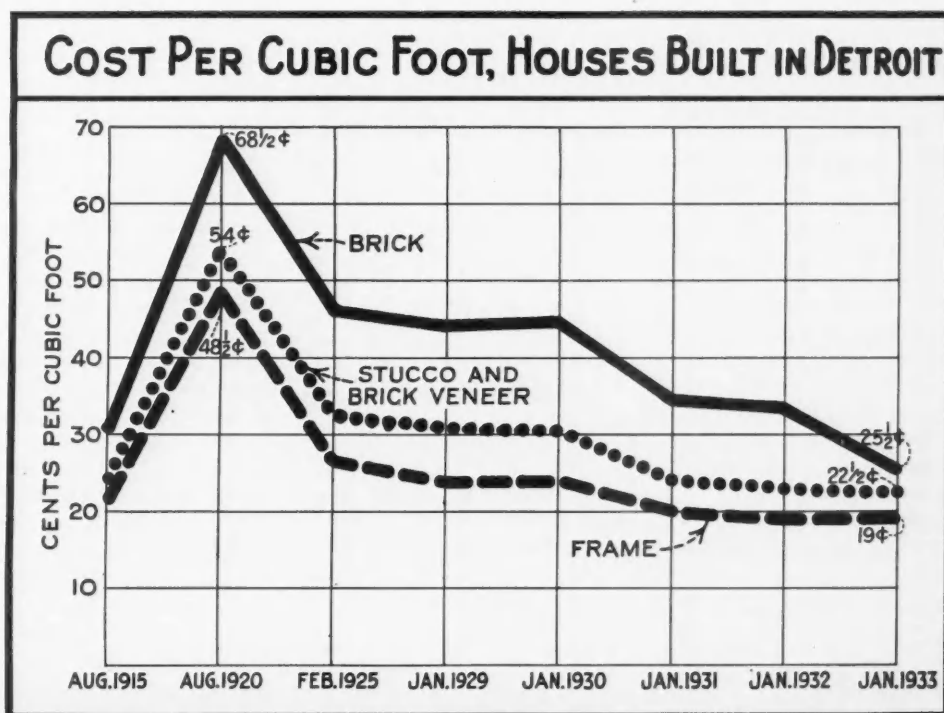
in connection with real estate financing into a unified whole. Your Committee offers for your consideration this resolution:

RESOLVED, that the midwinter meeting of the National Association of Real Estate boards in convention assembled, reaffirms its judgment that a Federal Mortgage Discount Bank, as hitherto proposed, is essential for the perfecting of our national financial structure, and that the President of the United States be respectfully requested to grant a personal hearing to the President of our Association and the chairman of the new Federal Mortgage Bank Committee, to the end that the matter be laid before him in detail.

Walter S. Schmidt, Chairman.

This resolution urging formation of Federal mortgage discount bank was adopted by unanimous vote of full delegate body of the National Association of Real Estate Boards and was emphatically concurred in by the report of the Association's Housing Committee, presented by Edward A. MacDougall, New York, chairman. This resolution was presented by the Committee following two days of executive meetings in which the whole present real estate financing situation and outlook for new construction and new financing were discussed in relation to the general recovery program.

Annually since 1915 the Detroit Real Estate Board has prepared a table of unit costs employing the cubical content of the buildings as a basis for the determination of costs. The figures, revised to Jan. 1, 1933, are presented in part in the accompanying chart. It shows that the cost in January, 1933, was as low or lower than for any time since the compilation of this information.



# Why I Introduced House Bill 6564

By HENRY ELLENBOGEN

Member of Congress, 33rd Pennsylvania District

*CONGRESSMAN ELLENBOGEN addressing the Philadelphia Convention of the Middle Atlantic Lumbermen's Association on Jan. 18 on the subject, "What Congress Plans to do for Home Financing," said—*

IT GIVES me keen pleasure to be able to come to you, the Middle Atlantic Lumbermen's Association, and speak to you about a problem with which I have been in contact over a long period of time, and for which I have tried to provide some solution.

I believe that you gentlemen are more interested in the best solution than most men will be, because it affects your business, your trade, and your livelihood.

Let me give you some figures before I come to the matter I would like to discuss:

## Home Building—Normal Employment—Slump

Normally—that is, if we take the years from 1923 to 1926 as fairly normal years—the construction industry in this country was a 10 to 12 billion dollar industry. It employed four and a half million men—2,400,000 men in the construction end, and over two million men in the manufacturing, maintenance, transporting and selling of construction material. The situation today is almost unbelievable. The largest part of the construction industry is devoted to homes—namely between 50 and 60 per cent of the industry is devoted to home building. On the average, you might say that, in 257 larger cities that were surveyed, approximately \$2,200,000,000 was formerly, in normal times, devoted to building of homes. Last year only 5 per cent of that amount, or approximately \$103,000,000 was devoted to home building in those cities, and it is estimated that the amount for 1932 and 1933, when tabulated, will be about the same. Without question, the home building industry today is in a worse condition than any other industry in the country. And it is from that viewpoint that I became interested in this problem.

The masses of the unemployed come from all walks of life, but the proportions of them coming from the construction industry is greater than from any other industry. The construction industry furnishes more unemployment than any other industry. Therefore if you desire to promote recovery you must stimulate the construction industry. Today we are using public, local and state funds to keep the unemployed—but mostly we are using Federal funds to keep the unemployed, and since March 4th, when President Roosevelt took office, he has laid down the principle that no man must go hungry, which means that the government, if necessary, must keep the unemployed. So we have assumed the financial obligation of providing for those unemployed through the construction industry. And I say to you that we must provide for them in that industry in two ways—either in relief rolls, or in payrolls, and I am in favor of

payrolls. Therefore let me outline to you the fundamental principles of the Bill which is before you today—namely HR-6564.

We have today in the United States a certain set-up of machinery, known as the Home Owners Loan Corporation, which has an agency in every county—over 3,000 branches in this country. The Home Owners Loan Corporation is now equipped to deal with the financial rehabilitation of home properties. It is a machinery which has been set up, at great expense and labor. I propose to utilize that machinery which already exists. But before we can do so, we must provide the means for it to function, financially. My bill provides the way to accomplish this.

The bonds of the Home Owners Loan Corporation are guaranteed by the government only as to interest. The principal is not guaranteed. I propose to give to those Home Owners Loan Corporation bonds a standing equal if not better than the government bonds, issued by the government of the United States. I propose to guarantee not only the interest, but the principal amount of those bonds. Let me say to you—and it is no secret—that the President is in favor of making that change. Many people now do not want to buy those Home Owners Loan Corporation bonds. But this will make those bonds of the Home Owners Loan Corporation better than government bonds, because they will have behind them not only the guarantee of the United States government, but also the security of all the mortgages that are pledged to the Home Owners Loan Corporation. They will be the most desirable investment in the country, and in my estimation will sell at or better than par. These bonds will also be given the circulation privileges. That means they can be used as security for the circulation of government notes, or national notes, in the same manner as government bonds are used today. And having been so privileged, they can be exchanged for cash at any time.

## No Expense to Taxpayers

In our bill we have allowed for the financing of the construction industry without any additional expense to the government. The bill permits the Home Owners Loan Corporation generally to finance the construction of homes by making loans up to 75 per cent of the total value of the property, in the way of financing new construction. The purpose of the bill is to provide between one and a half and two billion dollars for this year, for the purpose of financing the construction of new homes. In Washington about 24 government agencies have recently made statistical surveys as to the need for the construction of new homes all over the country. These agencies have made different estimates. The lowest estimate is that there is today a need for the construction of 500,000 homes in the next two years. The highest estimate has been that the market can support a construction of homes for the next two years of 800,000 per year. I know of one of these statistical surveys made by the NRA that was suppressed, but before it was suppressed some of us had obtained copies of it.



The outstanding feature of this bill, is that it provides for the revival of your industry by the expenditure of one to two billion dollars for the construction of new homes. It does so without asking for the appropriation of one single cent from the treasury of the United States. We are not asking the government for any money, or increasing the debt of the United States, because these bonds will be adequately secured by the security on mortgages, and the Home Owners Loan Corporation will be able to finance it through the discounting and refunding of mortgages over a long period, the mortgages being acceptable as collateral only when properly secured. The liability will be what is known to accountants as a contingent liability. I believe that the corporation will be able to sell these bonds for less than 4 per cent, and the mortgages which the HOLC will have to accept will be on interest at 5 per cent. So you will be able to obtain money for the construction of new homes at only 5 per cent.

### Opposition Recognized

Now, there may be other plans to bring about a stimulation of the construction industry. But I say to you that there are interests that are opposed to it. I believe it is true that, under the facts of the present situation, you cannot in most sections of the country get any mortgage money whatever, on new homes or old homes. The building and loan associations as a whole have stopped functioning through mortgages. The insurance companies will not lend any money on mortgages. Neither will banks. The home building industry must therefore look to the government to provide funds, and the bill I have proposed provides a way to get these funds without making a call on the treasury of the country.

I am not asking you to support this bill, but, in your own interests, I am asking that you agree on some plan, and after you have so agreed, you should put the whole weight of your interest and influence behind it, so that you can secure the passage of that bill. If you desire to stimulate your own industry, to provide for a new outburst of strength for new business, it behooves you to agree on one plan, on whatever plan you figure is best for the country and for yourselves. You must think of yourselves; you must not be too unselfish in that. And then get behind that plan. And do it as soon as you can. I would suggest that you make your wishes known to the Secretary of the Treasury, to the Home Owners Loan Board, to the Congress, and to the members of the Committee on Banking and Currency, which is in charge of the matter.

Your success for some time to come, the revival of your business, the stimulation of the construction industry, depends upon you. And let me tell you, if you succeed, it will mean not only better business for you but it will mean less unemployment in the United States, less money spent for welfare and relief. It will mean not only the stimulation of your industry, but it will mean the promotion of permanent recovery.

---

### FROM WILLIAM GREEN

"Replying to your letter, the American Federation of Labor is deeply interested in obtaining employment for the building trades workmen who have suffered very severely during the past four years from unemployment.

"We are in favor of any legislation that will bring employment to the millions of unemployed."—Wm. Green, President, American Federation of Labor, Washington, D.C.

---

QUESTION:—Will these bonds be free of Federal income taxes?

ANSWER: The bill as now drawn provides that they shall not be exempt from income or surtaxes, because I believe that we should fall in line with the issuance of government bonds that bear taxes and are subject to taxation. However, while this is my belief and I am going to vote for it, I am also interested in floating those bonds at the lowest possible rate of interest, so that we can provide for home financing at the lowest rate of interest. So far, all the profit from home financing has gone into the hands of the big bankers. Now, it should go to the construction interests. So I am not prepared to say whether that tax provision will be included in the final bill. It depends on the attitude and the situation at Washington.

Q:—How large are the mortgages, and what size houses?

A:—The bill provides that the HOLC shall have power to issue bonds up to five billion dollars instead of two billion. The acceptable construction will be the construction of homes, rather than factories or industrial plants, etc. Now, under the conditions as given to me by the different agencies, under this new act, any home having a value not exceeding \$20,000 will be eligible, and you will be able to secure a loan, up to 75 per cent of that value on any one home or combination of home and business property.

Q:—What about repairs financing?

A:—The bill gives the HOLC power to grant loans up to 60 per cent of the value of the home for the purpose of making repairs.

Q:—Will the bonds be subject to state and local taxes?

A:—The bonds will be free of local and state taxes. The only question not yet settled is whether they will be free of federal taxes.

Q:—For how long a period is the amortization?

A:—The mortgages that will be taken by the HOLC will be amortized over a period of 15 years, whether for repairs or construction, and the board will have the power to extend the time if it is deemed advisable to do so by extenuating circumstances.

I may say that there is a great deal of opposition to this bill, especially from the building and loan associations, because it provides mortgage money for the home owner at 5 per cent, and that will make it much easier for the home owner to finance home construction. That has created a great deal of opposition, and that is why I say, if you desire to help yourselves or your country or your industry, you should get behind a single unified plan. The building and loan associations are not functioning to carry those loans today, and we must have some means of providing for home construction.

Q:—In what way would you suggest that this association might act, as a unit, as a means of accomplishing the passage of this bill?

A:—I will prefer to leave that to the judgment of your officers, but I would suggest, as I have said, that you agree on some definite plan. If you will propose some definite plan, or endorse some definite bill, you will have some chance of success, and I can assure that you may expect to meet with some degree of assurance of success if you go about it in the proper way. My suggestion is that you unite on one measure, and by doing so see that you use every means at your command to inform the President that you and every one else in your industry is behind this, and to inform also the Congress and the members of the HOLC board.

Let me say that I was not particularly interested in your business when I framed this bill. I did not devise this measure to help your business primarily. My purpose was to relieve unemployment and to promote recovery, and in doing so I came to the conclusion that the one most important factor in accomplishing that purpose was to stimulate the building industry. Your officers will tell you that the bill has not been changed in any substantial way since it was introduced. It was prepared with the interests of the country as a whole in mind, and I say to you that your interests and the interests of the country go together.

Q:—Can these bonds be placed with the Federal Reserve as collateral for loans?

A:—Yes, the bonds are made eligible for discount by Federal Reserve banks and will in every respect be as good as federal bonds. In fact, there will be one provision that will state that these bonds are to be considered as government bonds, so that they will be rated as legal investments in every state.

## HELP FROM UNWILLING LENDING AGENCIES NOT TO BE EXPECTED

(Continued from page 29)

ests, uncorrected or checked by actual first hand knowledge of home building practice and present day conditions.

Such feeling is well expressed in a letter from the vice president of the Shaker Heights Builders Association to Chairman Jesse Jones of the RFC dated Jan. 29 and made public at the Cleveland Renovizing rally of the same date. He wrote:

"Please be informed that the impression given the public by the New York Times' issue of Saturday, Jan. 20, 1934 (quoting you to the effect that insurance company officials had assured you they were now ready to make construction loans on residences) appears quite contrary to the condition that now actually exists or that probably will to a very large extent prevail.

"The quotation also refers to other groups—i.e., banks, savings and loan companies, and other lending agencies as having joined in giving you the mentioned assurance. Our daily contact with the officials and representatives of these other groups, while we are constantly in desperate search of conservative first mortgage help, has made it obvious (and we have the frequent assurances of the officials and representatives of these groups) that they are, and probably for a long time shall be, approximately 99 per cent out of the mortgage loaning picture.

"It is our earnest conviction that nothing short of Federal government assistance, directly or through these institutions, can alter the hopeless situation now confronting us.

"Local loan representatives of the principal insurance companies state that their companies have not for years (if ever) made *construction loans* on residences (having been prohibited by law or by charter from so doing); and that the closest approach to their making such loans was in scattered cases where a local agent financed a home through the construction and lien periods with personal or borrowed funds, and later replaced such temporary financing with funds from an insurance company which may or may not have been previously committed to such a loan.

### "No Money Available"

"A careful inquiry, made early this week, among loaning agents and representatives of principal insurance companies operating in this Greater Cleveland area found that there was at this time no money whatever available for construction funds, or for commitment to new residences upon their completion. These agents, each for the respective company they represented, stated that:

"The New York Life Insurance Co. had stopped making residence loans late last year, was making no loans at present, and did not know when they might again be making loans.

"The Prudential Life Insurance Co. and the Penn Mutual Life Insurance Co. had not made a residence loan for months and are making no new loans now.

"The Equitable Life Insurance Co. is making no loans now and does not expect to be making new residence loans before the middle or latter part of the year, if then.

"Even if in the near future (and this hardly seems likely) insurance companies were to offer commitments to loan on new residence when completed, such offers would not relieve the plight of the prospective new home owner, who with a substantial sum of cash in hand (accumulated for the purpose through years of saving) is now ready and anxious to start the building of his individual home, but is stopped because there is no assistance whatsoever (in the way of first mortgage money or credit) available to him at any savings or commercial bank, insurance company, savings and loan company, or any other agency. To this individual such a commitment would be of little help, since there is no money or credit available even for temporary financing.

"Though it is reasonably probable that a large part of the financial institutions which formerly supplied residential first mortgage credit may not now have sufficient funds for this purpose, it is quite obvious that these institutions are pursuing an extremely short sighted policy when (as seems apparent)

they stand actively opposed to the bill now before Congress (The Duffey Bill) to provide a fixed amount of Federal first mortgage credit seriously needed to stimulate the home building industry out of its present (less than 5 per cent of normal) condition of strangulation and coma.

### Building Activity the Key

"These financial institutions now holding many over-sized mortgages on existing homes can realize greater security in those holdings, only when the strangulated condition of this industry is relieved. Until then factors such as abnormally low replacement costs resulting from bootleg labor and materials furnished by hungry men and desperate vendors, and the feeling on the part of the buying public that they will yet be able to buy at their own lower offers, will continue to keep residence property values at a depressed level.

"In the meantime the frugal American citizen who has saved his pennies in order to build for his family the home of his dreams, in keeping with his taste as to style and location, will not purchase an unsuitably located or wrongly planned semi-obsolete structure built with poor judgment, and now in many instances priced higher than replacement cost. This citizen will continue to hold his money out of circulation for the sole purpose of its original intent. The money so held throughout the United States quite certainly totals to many hundreds of millions of dollars. These sums would be released to bring great satisfaction and happiness to hundreds of thousands of home seekers and (what is more important) give a tremendous impetus to national recovery—and millions of skilled artisans would go off the dole back to their tools enabled to pay taxes and buy commodities—if seriously needed mortgage credit assistance were loaned to this soundest of self-liquidating industries.

"The Shaker Heights Builders Association is composed of principal residential builders operating in Greater Cleveland. Several members (who in a normal year each produced hundreds of thousands of dollars worth of architectural residences) when recently interviewed stated that, if they had been able to obtain conservative 6 per cent first mortgage loans during 1933, they could have more than doubled or trebled their volume of *contract work* last year in the building of single homes for owners who had substantial sums of their own cash."

### Get Building Started NOW

Such testimony cannot be ignored. A serious problem of immediate and emergency financing to get home building started and the men of the industry back to work confronts Chairman Fahey, Chairman Jesse Jones and other Administration leaders. Vigorous action is called for.

Concluding, the Fahey statement presents this summary:

"The obvious, pressing problem is to see that money is provided for sound home loans wherever existing institutions are either inadequate or unwilling to meet the need. With recovery under way, thousands of home owners are now ready to undertake long postponed alterations, provided they can obtain mortgage credit. That barrier to home betterment and to greater industrial activity must be promptly removed, in the interest of those home owners and the country at large. No other step would bring greater immediate benefit to large numbers of home owners, and to the millions of workers normally employed in the building industries, than the restoration of ample resources for home loans. The legislative measures now under consideration have been drawn up with that fact in view."

To this sentiment the AMERICAN BUILDER heartily subscribes, but we submit that the measures advocated in Mr. Fahey's statement will not serve in 1934 even partially to restore the home building industry to normal activity, nor will they remove from the ranks of unemployed the two million (or more) building craftsmen who have so long and patiently endured idleness.

**CHARLIE  
HAMMER**  
Carpenter



**BERT  
BILDWELL**  
Dealer



## UNDER THE CODE IT'S A MATTER OF SALESMANSHIP

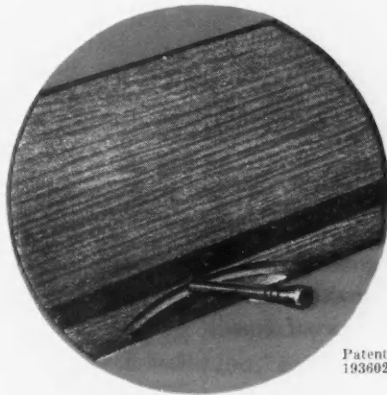
Talking Points Were Never So Badly Needed

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"Say, Bert, that little 'nail seating' idea of *Bradley's* is sure helping me land hardwood flooring jobs. It saves me 25% in laying time and makes a better job. Be sure to keep plenty on hand. **WE NEED EVERY TALKING POINT AND LABOR SAVING DEVICE WE CAN GET THESE DAYS.**"

### BERT BILDWELL

"Listen, Charlie, don't you worry about us running out of *Bradley* stock. That's the mill that ships us everything we want in the same car. And believe me, they put quality into everything they ship. Yes, in these days of fixed prices we want all we can get for the money. That's why we stick to *Bradley.*"



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3. Block Beech Floors

4. Standard Oak Floors
5. Standard Beech Floors
6. Oak, Treads and Risers
7. Oak Trim and Mouldings
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9. Cedar Closet Lining
10. Yellow Pine Trim and Mouldings
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CITY \_\_\_\_\_ STATE \_\_\_\_\_

## NEWS OF THE MONTH

Building Activities and Meetings

### Real Estate Men for Mortgage Bank

**A**CTION by the present Congress for a Federal Mortgage Discount Bank will be sought by the National Association of Real Estate Boards, according to unanimous agreement reached at its annual business meeting just concluded at the Miami Biltmore Hotel, Miami, Fla.

Officers and directors of the Association for 1934, headed by Hugh Potter, Houston, Tex., and chairman of the Association's various specialized divisions and institutes for the coming year were formally installed.

A report was brought before the Association on the proposed code for real estate brokerage, the proposed code for home building and the proposed code for office and loft building management. Public hearings on the brokerage code were held on Jan. 10. Any code for home building is necessarily in abeyance until such time as President Roosevelt has acted upon the general code for construction filed by the Construction League and now on his desk.

Until a short time ago, there was no branch of the Federal administrative machinery which considered real estate as definitely its clientele, but with the inauguration of the Federal real property inventory, now being made in sixty cities, the Bureau of Foreign and Domestic Commerce has become a branch concerned first of all with finding the facts about present real estate conditions.

So Willard I. Thorp, director of the Bureau, in charge of the real property inventory, said in outlining before the realtor meeting the extent and the objective of this undertaking, in which some ten thousand persons are now employed.

"In the two months in which this inventory is being made, we are spending on our study of real property a sum greater than the whole budget of the Bureau for a year," Mr. Thorp said.

The Bureau, he said, invites real estate boards and realtors to consider it their representative, just as the Department of Agriculture is the representative of the farmer, the Department of Labor the representative of the working man, and just as retailers, wholesalers, and other groups have long considered themselves the clientele of the Department of Commerce.

"There has been much talk in Washington about giving aid to building. But when several persons get together to discuss the matter, they quickly divide into two groups—those who argue that there is a shortage, and those who insist that there is a surplus," Mr. Thorp said. "Which of these groups is right? That is exactly what we hope to find out, along with a good deal more, from our Real Property Inventory.

"The Inventory has been undertaken not primarily for the specific benefit of real estate but rather for the Government as a basis for policy making in this war on depression. Every dwelling in each of the cities will be analyzed and put on record. We shall have an accurate basing point from which all later developments can be measured.

"At present there is little light as to how to stabilize construction. Certainly we can no longer rely upon rents as our index of construction needs. We must know more about the situation than that—and we must have it more promptly. Only by analysis of housing needs and available facilities can we work towards those necessary guides. The government feels that this is of sufficient importance to spend 2½ million dollars making a start."

### Prices Going to 1926 Level

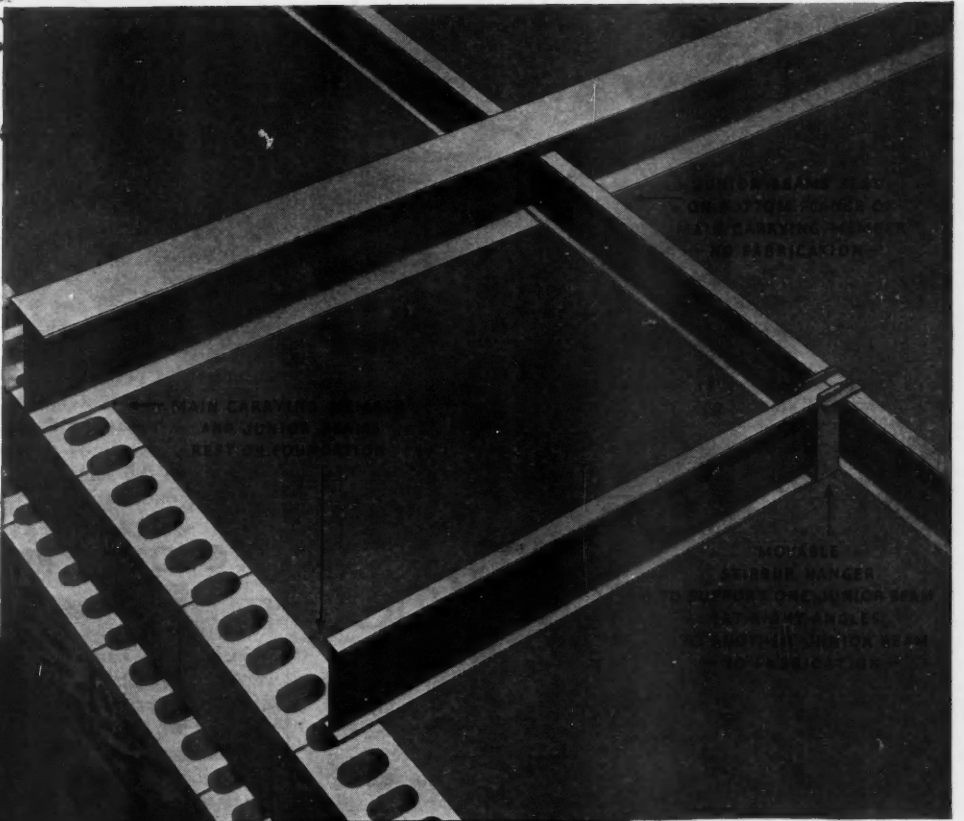
Practically every phase of the whole present national policy will increase the value of real estate, according to Roy Wenzlick, St. Louis, real estate economist, until very recently economic advisor to the Capital Goods Division of NRA, who addressed the meeting of the real estate boards.

As vice president of Real Estate Analysts, Inc., St. Louis, which has made the most extensive existing study of the real estate cycle, charting data going back to the Civil War, Mr. Wenzlick said:

(Continued to page 80)

# J & L JUNIOR BEAM FLOORS

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The concrete slab engages the top

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A detailed description of J & L Junior Beam Floors will gladly be sent to you without obligation.

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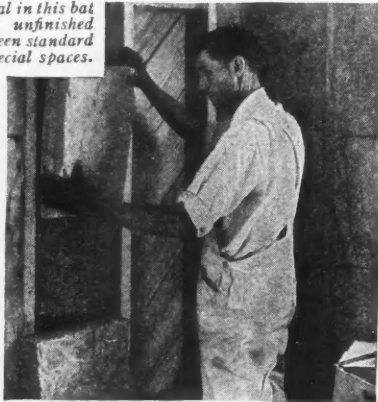


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The demand for insulation was outstanding in both the old and the new construction field in 1933. Today the building without insulation is obsolete. Here is an opportunity for the builder and contractor to re-contact his past jobs—sell the greatest recent advance in home comfort—do a quick, easy job and make good profit. Don't forget, one good insulation job sells another.

Every existing building is a prospect. Practically every new building will have it specified. Due to the many forms in which Capitol Rock Wool is made, it can be applied to either old or new construction. Our distributors will supply the necessary materials on any job, large or small, where the builder or contractor wishes his own crew to make the application. Or approved applicators in all principal cities will serve you, if preferred.

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DEALERS: A few territories still open—check here

# NEWS OF THE MONTH

(Continued from page 78)

"I anticipate that by 1938 or 1939 prices on real estate in the country generally will equal or exceed the 1925-1926 level."

Mr. Wenzlick's prediction was based on an expected rise in building costs which would for a time delay new construction and, therefore, in a period of increasing general business, bring about a very rapid absorption of existing vacancies. This, he said, will first stabilize rentals, and later will result in a very sudden and rapid rise in rentals. As rentals go up, and replacement costs go up, all old buildings appreciate in value. As prices start rising, speculative buying starts which naturally forces prices still higher.

"One cannot see how a national policy could be designed that would affect real estate more favorably than the present administrative policies," Mr. Wenzlick said.

W. C. Miller, Washington, D. C., retiring president of the Association, reporting its work for 1933, called on his hearers to look forward with hope to the beginning of a new long-term upswing for real estate, the beginning of a new real estate cycle.

"With the huge national spending program increasing all prices, real estate is being recognized by experienced investors and economists as the safest form of wealth. With the Government actually in the financing business and with the banks gorged with deposits which they have not dared to lend, I believe we can look to better real estate financing than ever before, which will not only be of longer term, but of lesser interest rate than has been the case in the past.

"With these signs of promise, real estate is swinging back to its place in the sun and we can all look forward to the year 1934 with the expectation of a fulfilled hope."

## A. G. C. Sees Rising Volume

FORESEEING the prospect of a great concentration of actual construction work within the next few months, preparations for inducing and handling during 1934 the first rising volume of construction since 1929 were enthusiastically undertaken at the fifteenth annual convention of the Associated General Contractors of America, in Washington, D. C., Jan. 29, 30 and 31.

"For the first time in its history," said Edward J. Harding, managing director, "the construction industry, under its code of fair competition, is organizing 100 per cent for honest and efficient service to the public, and new construction values will be more thoroughly stabilized and safeguarded than ever before. We, therefore, believe that an early return of private capital investment to this field is inevitable, and that the large volume of such work which has been held up by the uncertainty of the last three years will soon make itself felt upon the business and purchasing power of the country."

Outstanding national figures in the New Deal, including Recovery Administrator Hugh S. Johnson, Federal Relief Administrator Harry L. Hopkins, and Henry I. Harriman, president of the United States Chamber of Commerce, discussed the problems and progress of recovery at the convention, which was attended by hundreds of contractors from all parts of the country.

## Real Property Inventory Program

SCHEDULES have been completed and more than 10,000 men and women have been taken from the rolls of the unemployed and are now busily engaged in securing the data to be assembled in the Real Property Inventory being conducted by the Bureau of Foreign and Domestic Commerce, according to Willard L. Thorp, director of the Bureau.

This survey, financed by Civil Works Administration funds, covers a selected list of 63 cities with a population in excess of 10,000,000, every state being represented by at least one city.

These cities are of different sizes ranging from very small to large places, and they represent different types of development and different industrial characteristics. All of the buildings within these cities and their suburbs are being noted, and detailed information gathered on those which are used for residential purposes. The field work for this project must be completed by

(Continued to page 82)

# FORD V-8 TRUCK PRICES REDUCED

New lower first cost has now been added to low cost of operation and low cost of maintenance

NOW for the first time an 8-cylinder, 75 horsepower truck is available for as little as \$500. The Ford V-8. The truck that has proved itself in actual service—proved its power, speed, stamina and economy.

Economy of operation and up-keep is one of the outstanding features of the Ford V-8 engine. Most "8's" have been big engines, designed for use in heavy, expensive units. But the Ford V-8—compact, simple, easily and inexpensively serviced—

has shown that high power can be had at very small cost. The records of thousands of owners establish remarkably low figures not only for gasoline and oil consumption but for service and repairs. It is the most economical Ford engine ever built.

The new low prices add another important economy factor. Today, more than ever, the Ford V-8 is the logical truck to help your business show a profit. The nearest Ford dealer is ready to help you select the Ford unit best suited to your business.

V-8 TRUCK 131½" WHEELBASE			V-8 TRUCK 157" WHEELBASE			V-8 COMMERCIAL CAR 112" WHEELBASE		
	NEW LOW PRICE	REDUCTION		NEW LOW PRICE	REDUCTION		NEW LOW PRICE	REDUCTION
Chassis . . . .	\$500	. . . . \$36	Chassis . . . .	\$520	. . . . \$46	Chassis . . . .	\$360	. . . . \$10
Stake . . . .	665	. . . . 36	Stake . . . .	730	. . . . 36	Pick-up . . . .	470	. . . . 10
Platform . . . .	650	. . . . 26	Platform . . . .	690	. . . . 36	Std. Panel . . . .	550	. . . . 10
Std. Panel . . . .	750	. . . . 26	Std. Panel . . . .	860	. . . . 36	De Luxe Panel . . . .	565	. . . . 15
De Luxe Panel . . . .	780	. . . . 31				Sed. Delivery . . . .	565	. . . . 5

Prices f. o. b. Detroit. Front bumper now included as standard equipment on 131½" and 157" wheelbase

F O R D M O T O R C O M P A N Y



**GOOD-BYE TO OLD STYLE BARN WINDOWS**

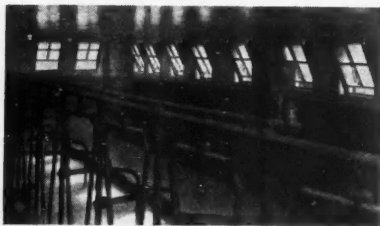


**New CLAY ALL STEEL VENTILATING WINDOW**

● **THE ONLY WINDOW TO RAISE TO FULL WINDOW OPENING, LEAVING SASH ITSELF UNDER THE CEILING OUT OF THE WAY**

● Long latch handle—easy to reach—provides ample leverage for latching or disengaging. No more sticking windows in wet weather.

Many new window advantages. No swelling or sticking. No rattling in dry weather. Latches solidly. Easiest window to regulate. Indirect ventilation. Variable tilting—locks securely in any position. Raises to three positions after tilting. The only window to raise to full window opening.



Clay Stanchions, Stalls, Bowls, Carriers, Ventilation, Roof and Side Wall Windows—a complete line of Barn Equipment.

**AIR AND SUNLIGHT—THE FARMER'S SILENT PARTNERS**

A great farm need is satisfied with this window. Air and sunshine insure healthier farm animals.

Easiest installation in new or remodeling jobs—wood or masonry walls. Finest appearance both inside and out. Clean, light, convenient, sanitary. All-steel construction means long life. If you build barns, get the facts on this new window.

**SALESMEN, DEALERS AND AGENTS WANTED**

**CLAY EQUIPMENT CORPORATION Cedar Falls, Iowa**

Clay Equipment Corp., Dept. AB-2, Cedar Falls, Iowa.

Send information on New Clay All-Steel Barn Windows.

Name .....

Occupation .....

Address .....

**NEWS OF THE MONTH**

(Continued from page 80)

Feb. 15, and results are expected to be announced about May 1. The Inventory will find out and record four general types of information in a house-to-house canvass carried on by the "White Collar" unemployed in the cities to be surveyed: (1) Number of houses, their occupancy, vacancy, their population density, family units and extent of doubling up; (2) general data as to the type of building, material of construction, condition, age, repairs needed, and those not habitable and fit for the wrecker; (3) improvements, sanitary equipment, elevators, heating apparatus, gas, electricity, water supply and refrigeration; (4) financial data to include rentals, property values and ownership.

The census will cover what is practically a virgin field; the data will answer some of the questions as to the character of existing housing facilities and will determine statistically whether it is true that the country is filled with thousands of houses that should be replaced; whether there is overcrowding or an actual shortage of adequate housing facilities. It will furnish facts that should be valuable to the new housing and slum clearance projects. The data should have value for Congress in planning legislation; to the Federal Home Loan Bank Board and other public and private credit agencies as basis for more intelligent extension of credit; to local communities in city planning and tax revision projects; to real estate dealers, builders and contractors in business planning. According to Dr. Thorp, this project will hasten recovery in the building industry by supplying a source of hitherto uncollected or unassembled data.

**Welded Metal Roof**

**E** L I M I N A T I O N of rivets and bands in the installation of corrugated metal roofing has been accomplished in the plant of the Republic Carbon Co., Niagara Falls, N. Y., by means of electrically welding the sheets. The installation method has been developed by S. M. McAnulty, plant engineer of the Company.

Twelve gauge hot rolled, annealed and corrugated iron sheets were electrically arc welded together. About 35,000 pounds of iron were furnished for the job by Beals, McCarthy & Rogers, Inc., Distributors, Buffalo, N. Y. Overlapping expansion joints were placed at intervals of 28 feet. The space between the lapping and along the exposed edge was covered with glazing cement.

Such a welded, all-metal roof presents no crevices under which the wind can secure sufficient leverage to rip off sheets as frequently happens with riveted roofs during heavy storms. Likewise, water cannot be driven by the wind between the sheets, resulting in a weather-proof job.

**Joins Staff of American Builder**

**C** A R L T O N J O N E S, for more than ten years identified with the wholesale and retail mill-work business, and more recently engaged in special building market research work, has joined the advertising staff of AMERICAN BUILDER. He will be located in the East, with headquarters at New York.



Carlton Jones

(Continued to page 84)



# HEAT IS NOT A

# HANDBALL

THOUGH heat is not a ball, Reynolds Metallation\* makes it behave like one. Radiated heat, which goes right through an ordinary wall, bounces back when it strikes Metallation. Most of the heat that goes through an uninsulated wall or ceiling is radiated heat. Metallation stops 95% of it, making the house much warmer in winter and cooler in summer.

This is the first really unique insulation material to be offered, operating upon the principle of reflection instead of obstruction. It consists of sheets of pure, polished aluminum, cemented to one or both sides of

*\* Metallation is the trade name for polished metal insulation products made only by the Reynolds Metals Company, Inc.*

heavy kraft paper. Provides not only insulation but wind-proofing, moisture-proofing and vermin-proofing. Its effectiveness has been proved by use in ships, motor-truck bodies, refrigerators and homes.

Metallation places efficient insulation within reach of any home. It is low in price, installation in an average 7-room house costing only \$54.

### Metallated Ecod Fabric

This well-known and favorite metal-reinforcing plaster base may now be had with Metallation an integral part of it, enabling you to install both the plaster base and the insulation in one economical application.

Send for samples, booklets and price lists covering Reynolds Metallation and Reynolds Metallated Ecod Fabric.

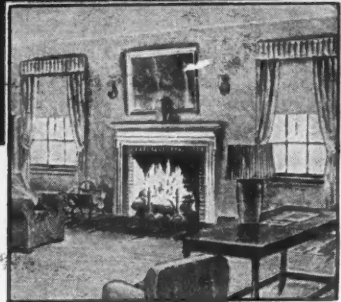
**REYNOLDS METALS COMPANY**  
INCORPORATED

345 Ninth Street, San Francisco

19 Rector Street, New York City

400 Wrigley Building, Chicago

*"There's Money  
in Remodeling—  
if You know how to get it"*



... says this wide-awake builder!

**"I**T'S all a matter of knowing how to tackle the owner. What I do is to talk about the one thing any owner is bound to be interested in—a new fireplace or improving his old one. And it works, particularly since I've got something that's entirely new to many people—the Heatilator Fireplace.

"What a story! A fireplace when properly installed that will not smoke. A fireplace that actually circulates heat—to every corner of the room, and those adjoining. A fireplace that cuts real dollars off spring and fall heating bills—that is really all the heat needed in summer homes and camps, or year 'round in milder climates. And on top of it all, a fireplace that adds only a few dollars to the cost of an ordinary fireplace—with installation quick and easy.

"What owner isn't going to eat up the selling points this Heatilator offers? And what's a better way to get remodeling jobs than to start with something that rings the bell—with the rest of the job unfolding as you get the owner to talk. I tell you it's a natural."

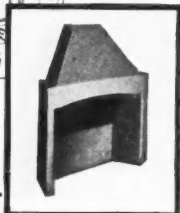
\* \* \*

Mail us the coupon and we'll send you promptly the whole Heatilator story. With that story you've got one of the best entering wedges to a profitable remodeling business in 1934. Send us the coupon today.

## Heatilator Fireplace



Pats. Pend.



*Warm air rises—spreads over room. Air currents return to fireplace along floor.*

*The Heatilator Unit—complete and ready to install.*

HEATILATOR COMPANY  
612 E. Brighton Ave., Syracuse, N. Y.

Give me some more facts about Heatilator—facts that I can use in my selling.

Name.....

Company.....

Address.....

# NEWS OF THE MONTH

(Continued from page 82)

## Lower Financing Charges

**A** NEW open policy, broadened financing scope and new manufacturer participation have been announced by the National Homes Finance Corp. following its annual directors' meeting at Chicago.

George W. Dulany, Jr., widely known in the lumber industry, was elected president. Other officers of the company are: Robert G. Wallace, treasurer; Davis W. Glass, secretary; and Donald H. McNeal, vice president and general manager. The following directors will form the executive committee for 1934: Messrs. Trieschmann, Dulany, Wallace, Donahue and McNeal.

Feature of the meeting was an announcement of the broadened operating policies of the Corporation. Mr. Dulany stated that this broadening of the scope of activity means that the National Homes Finance Corp. is now in a position to extend a large volume of first and second mortgage credit to dealers who can qualify under the simplified rules.

Among the new developments is the extending of the territory in which loans may be made. Formerly, loans were limited to those districts approved by life insurance companies, but now mortgage credit can be extended to the many other markets which conform to the loan policies and regulations of the N.H.F.C.

Another development of significance is the reduction of financing expense. Discounts on first mortgage paper are cut in half and on second mortgages almost as much. The new open policy has also made it possible to finance small first mortgages in the lower bracket of property values for which there has been no first mortgage financing for some time past.

## All Well Rated Dealers Eligible

Operation in handling loans and extending credit remains the same except that simplifications to the application system have been made and the preliminary work reduced.

Dealers maintaining a credit and financial standing consistent with sound mortgage banking requirements and who have a good record for meeting their trade obligations are eligible for this service, according to Manager McNeal. Financing is no longer contingent upon the purchase of merchandising service.

## Ambler Asbestos Merger

**M**ERGER of the Ambler Asbestos Shingle & Sheathing Company with the Keasbey & Mattison Company, both of Ambler, Pa., and the acquisition of a controlling interest in the latter company by Turner & Newall, Ltd., of Great Britain, has been announced by A. S. Blagden, president of the American companies.

## U. S. Starts Taxation Survey

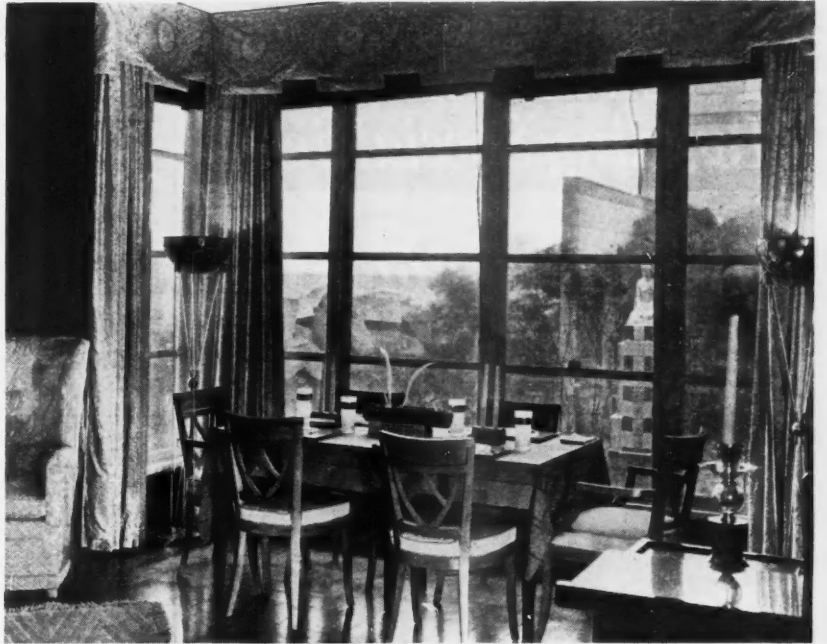
**A**S A result of urgent requests from state, municipal and county officials, the Bureau of the Census of the Department of Commerce is now undertaking a study of the operation and revenue yield of Real Estate Taxation, beginning immediately by use of the funds furnished by the Civil Works Administration. Employment will thus be provided for more than 1800 people, according to Secretary of Commerce Daniel C. Roper. This project is divided into two major classifications, covering residential and non-residential property.

The first division of this project contemplates a detailed examination of tax delinquency in sixty-five cities in forty-eight states and of a representative number of parcels of property to show the contribution of each class of property to the tax budgets, and responsibility of each for tax delinquency.

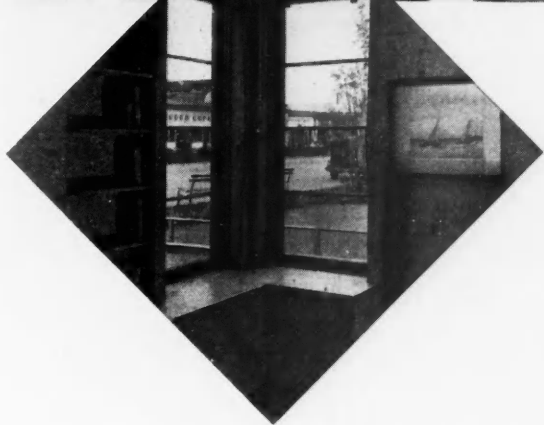
The second division of the inquiry calls for an examination of 174,600 units of local government in 3,071 counties of the United States covered by this inquiry, including total tax delinquency,

(Continued to page 86)

Glass well deserves the added emphasis now placed upon it when it makes possible the bright, cheery dining alcove shown at right.



# UNIQUE *Windows* FEATURE MANY *New Type Homes* NOW UNDER CONSTRUCTION



ABOVE: A large window that lets in plenty of sunshine and air. Combined with the panel mirror, just visible at the left, windows like this are a decidedly attractive asset to a room.

BELOW: A unique corner window construction of the casement type. Note the manner in which bookshelves, window seat and window all are connected in pleasing harmony.

*Glass dominates* design as many families decide this is time to build

● In almost every community, there is evident a new and refreshing trend in home-planning. More windows . . . bigger windows . . . is the keynote. More sunlight, brighter, cheerier surroundings and a return to the art of being happy are the result. People *want* new homes . . . because they see that a *new type home* has come into existence. There will be lots more building in 1934 than there has been in many lean and weary months. The builder who gets the jump on his competitors will be the builder who capitalizes most energetically on the new trend in design . . . and emphasizes most forcefully the quality materials he uses . . . L·O·F Quality Glass, for example . . . the brighter, clearer and more evenly reflecting glass that is ideally suited to satisfy the more rigid requirements that this modern building trend demands of it.

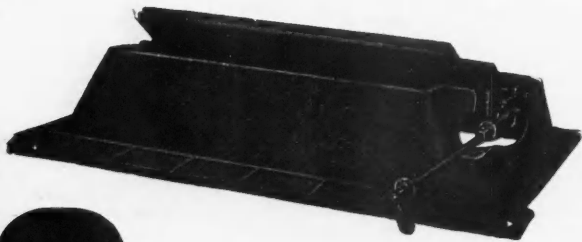
LIBBEY · OWENS · FORD GLASS COMPANY, TOLEDO, OHIO, manufacturers of Highest Quality Flat Drawn Window Glass, Polished Plate Glass and Safety Glass; also distributors of Figured and Wire Glass manufactured by the Blue Ridge Glass Corporation of Kingsport, Tennessee.

## LIBBEY · OWENS · FORD QUALITY GLASS



# PEERLESS Building Specialties

## The Fireplace Damper a Necessity



### 3 MODELS to choose from

- 1** ROTARY CONTROL—The damper door is opened and closed by means of an iron rod (24" long which can be cut down to any necessary length) with a worm attachment; this rod extends through the mantel facing and is fitted with a brass handle, which is the only visible part of the operating mechanism.
- 2** POKER CONTROL—Attached to the damper door by one end is a forged steel notched lever with a brass handle, working through a cast iron loop fastened underneath the right front flange. By inserting a poker in the handle loop the door can easily be adjusted.
- 3** CHAIN CONTROL—The door is opened and closed by means of two chains, one chain marked O is used for opening the door, to close the door the chain marked S is pulled.

Peerless dampers assure perfect operation of fireplaces. They eliminate heat loss and unhealthy drafts when the fireplace is not in use.

Built of heavy stove plate cast iron Peerless dampers will wear a lifetime. Their small cost is repaid hundreds of times by properly burning fireplaces.

Made in all standard sizes.  
Write for details and prices.

### Other Peerless Products

Fireplace Fixtures—Ash Dumps—Coal Windows—Ash Pit Doors—  
Garbage and Package Receivers and Hearth-Fyre Gas Heaters.

PEERLESS MFG. CORP.  
1400 W. Ormsby Ave.,  
Louisville, Ky.

Please send Peerless Fireplace Damper Information.  Other Building Specialties.

Name.....

Address.....

Town..... State.....

## NEWS OF THE MONTH

(Continued from page 84)

defaults on obligations, issues of scrip, nature and number of governmental services rendered, duplication of activities, and jurisdiction.

This survey has been sought extensively by officials of local government units throughout the country and unified action was taken July, 1933, at a national conference on municipal taxes held in Chicago, Ill. This conference was attended by state and city officials, lawyers who specialize in municipal finance, representatives of insurance companies, financial institutions, and other persons interested in real estate and real estate securities.

The survey is thus designed to furnish a comprehensive picture of taxation and local government difficulties as affected by the depression and it is hoped that it will provide an accurate basis and guide for better state, county, and municipal planning in the future.

### 5 Homestead Communities

**H**AROLD L. ICKES, secretary of the Interior, announced on Jan. 17 plans for establishment of a subsistence homestead community of 25 homesteads in each of five cities in Mississippi, designed to demonstrate the possibilities of this type of development in similar areas through that region.

The projects are being developed under the direction of the Subsistence Homesteads Division, of which M. L. Wilson is director, and will be at Meridian, Hattiesburg, Laurel, McComb and Tupelo. Instead of locating one project of 125 homesteads at one of these points, it was determined to set up a nucleus for homestead development at each of these cities.

A local corporation will be established for each development and will obtain a loan from the Federal Subsistence Homesteads Corporation through which the Division functions. The local corporation in turn will make loans to the homesteaders repayable over a period of approximately 20 years.

The projects are designed to help spread employment in the localities in each of which reside many skilled workers who have become victims of changed industrial conditions due to exhaustion of timber resources and the slowing up of the woodworking industries. Many workers have been displaced with the establishment of the newest plants with the most modern equipment, and the relief needs among these groups are now very heavy.

Labor drawn from Civil Works Administration allocations will be used in the preparation of lands. Homes carefully constructed and of individual design, but of low cost, will be built with the average homestead cost to be from \$2,000 to \$2,500. The tracts of land the occupants of the homesteads will have available will vary, most of them being from 5 to 10 acres.

### Feiker Directs Engineering Council

**F**REDERICK M. FEIKER has been appointed executive secretary of American Engineering Council, with headquarters at 744 Jackson Place, Washington, D. C., a position for thirteen years held by Lawrence W. Wallace, who has resigned to become vice president of the W. S. Lee Engineering Corporation.

American Engineering Council, through the constituent representatives of many national and local engineering societies, is the outgrowth of a movement inaugurated thirteen years ago by the Federated American Engineering Societies, to establish at Washington engineers or engineering in national life.

Mr. Feiker brings to his new position a unique experience in both private and public business. Since his graduation as an electrical engineer from Worcester Polytechnic Institute in 1904 he has spent the first half of his business life in editorial and publishing work, having been editor and chairman of the editorial board of the A. W. Shaw Company of Chicago.

Beginning in 1920, Mr. Feiker undertook a broader field of public service and was successively assistant to the Secretary of Commerce, operating vice president of the Society for Electrical Development, managing director of the Associated Business Papers, Inc., director of the Bureau of Foreign and Domestic Commerce of the Department of Commerce.

(Continued to page 88)

**PENNVERNON WINDOW GLASS INVITES COMPARISONS!**

*Compare it with other glasses for*  
**FREEDOM FROM SURFACE DEFECTS . . .**



**MAKE THIS COMPARISON.** Take a sample of Pennvernon Glass and samples of other sheet glasses. Examine them impartially for brilliance of finish, for freedom from surface defects . . . on both sides of the sheet. You will find that Pennvernon wins.

**PENNVERNON**  
*wins again!*

**A**N outstanding characteristic of Pennvernon Window Glass is that its surfaces are remarkably free from defects . . . free from the scratches, burns and markings that often impair the brilliance and reflectivity of a window glass.

But visual evidence is more convincing than mere words. So we invite you to make the comparison described on this page and let your eyes prove to you Pennvernon's superiority in this respect.

Now, may we explain the reason? During the process of drawing the glass, no traction rolls, no foreign substance of any kind can touch and mar the surfaces of the glass until the sheet is cooled and finished beyond possibility of injury.

Actual comparisons with other glasses will also show that Pennvernon has greater transparency, more permanent whiteness, and better color transmission properties.

Specify Pennvernon Window Glass. It is available in single and double strength, and in thicknesses of  $\frac{3}{16}$ " and  $\frac{1}{2}$ ", at the warehouses of the Pittsburgh Plate Glass Company in all principal cities, and through progressive glass jobbers and sash and door manufacturers. Write for samples to examine. Pittsburgh Plate Glass Company, Grant Building, Pittsburgh, Pennsylvania.



*Specify*

**PENNVERNON**  
**WINDOW GLASS**

# Ship Plans and Blue Prints **SWIFTLY -SAFELY**

You can't afford to take chances when plans or blue prints are needed in a hurry at some distant point. A day's delay often means a substantial loss. Eliminate all risk of delay, damage, or possible loss en route by shipping by Railway Express. That means transportation at passenger train speed, absolute safety during transit, and quick delivery on arrival. Pick-up and delivery service in most cities and towns.

You'll find Railway Express service useful in many other ways, too. When you want samples or supplies quickly, have them shipped by Railway Express. No matter how large or small the shipment, they'll come through swiftly and safely. The facilities of this single, nation-wide organization consisting of 213,000 miles of railroads, 23,000 offices, 9,000 motor trucks and more than 50,000 trained employees, are equal to any emergency.

Your local Railway Express agent will furnish complete information on rates. You will find the cost is surprisingly low for the quality of the service offered.

SERVING THE NATION FOR 94 YEARS



NATION-WIDE SERVICE

## NEWS OF THE MONTH

(Continued from page 86)

### Cleveland Renovize Exposition

THE Cleveland Chapter of the American Institute of Architects believes that in 1934 and for some time to come, the modernizing or renovizing field is one to which the construction industry must look for business, says James H. Duthie, secretary. It is firmly convinced that an important and increasing volume of sales may be expected in this field.

Because of this conviction, the Chapter has undertaken the active management and supervision of a Renovize Exposition, to be held in the Builders Exchange Building, Cleveland, Ohio, beginning Mar. 5, 1934.

An exposition committee of five architects is giving its sole time and attention to the details of the Exposition and has developed a comprehensive conference program for the week of March 5th to 9th, with a continuing activity schedule throughout the year 1934.

Cleveland's important trade and civic organizations in all interested fields are co-operating in this movement to assist and hasten the recovery in the building industry.

Arrangements for exhibition have been made with the Building Arts Exhibit, in connection with their permanent display in the Builders Exchange Building, and the setting up of this display will be directed by the Exposition Committee. Display space is available for the period of the program, or throughout the year.

### CWA to Tear Down Old Structures

HARRY L. HOPKINS, administrator of the Federal Civil Works Administration, announced on Jan. 8 that demolition of useless structures and the salvage of materials is a proper activity for state or local Civil Works projects. As a result of this ruling, thousands of condemned structures that are a menace to life and property will be removed.

In his letter to State Civil Works Administrations, the CWA says: "We feel that these plans will encourage the demolition of useless structures for the benefit of all concerned. It provides an excellent opportunity for city clean-ups. The private owner should gain by reduction of assessments and constant reduction of taxes. Salvage of materials can be used for a variety of useful purposes. It is further suggested that, wherever possible, the land should be smoothed after structures are cleared and be used for public parks, playgrounds or free parking spaces."

Structures to be demolished may be on either public or private property. Private owners of useless or condemned structures may therefore get their property cleared at no cost to themselves.

A private property owner must agree to turn a standing building over to the CWA, entering into a contract to that end in which he gives full title, not to include the land, for and in consideration of wrecking and demolition of the building by the CWA.

This ruling is an important step forward in slum clearance as it will permit the immediate tearing down and removal of thousands of buildings that are an obstruction to housing progress and will clear out undesirable slum areas.

### Open Prices Established

AN open price agreement whereby each retail lumber dealer will file his individual schedule of prices and terms of sale was established by an amendment to the Retail Lumber, Lumber Products, Building Materials and Building Specialties Industry Code, approved Jan. 12 by National Recovery Administrator Hugh S. Johnson.

As approved Oct. 3 last by President Roosevelt, the code provides that "all prices, terms, and conditions of sale as developed under the uniform cost accounting system or established by appropriate rule or regulation within any trade area shall be published by each dealer within each trade area and shall be filed with the Code Authority."

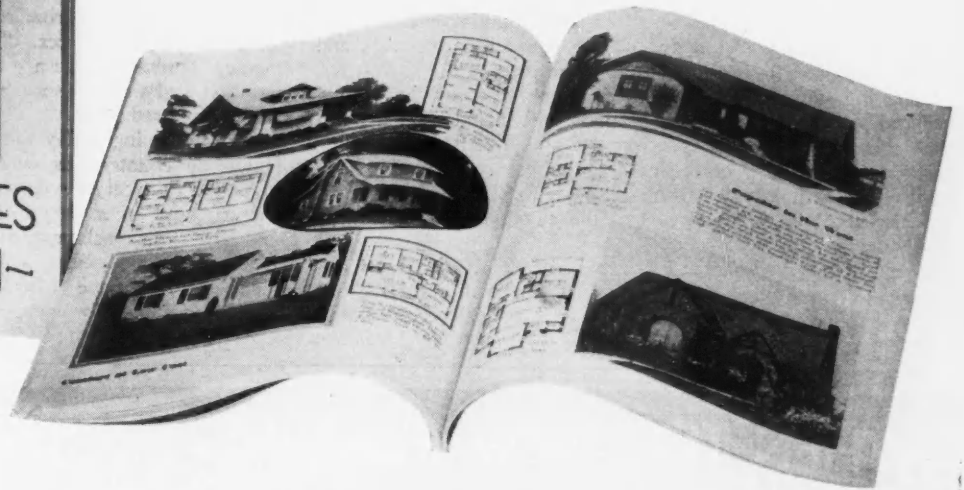
The modification provides that on 10 days' notice from the

(Continued to page 90)

# THIS BOOK OF 75 SMALL LOW-COST HOMES—FREE



*SMALL HOMES OF CHARM illustrates 75 small, modern homes, all with floor plans; many pages devoted to detail and interiors; shows arrangements of kitchens, bathrooms and basements; has heavy paper cover; size 8½" x 11½"; 8 pages of colored art inserts.*



A profusely illustrated book for those planning to build new homes or remodel old ones—shows one or more examples of all principal styles of domestic architecture—designs especially selected to serve the needs of contractor-builders, dealers, and others who contact property owners—a book which can be displayed with confidence—a modern “planning book” in every sense of the word.

We will mail this book to you postpaid and *free of charge* on receipt of your paid-up subscription to the AMERICAN BUILDER for one, two, or three years. Thousands of these books are in daily use today: hundreds of subscribers have ordered additional copies since its first appearance. It is unsurpassed as a reference book of modern low-cost homes designed to be appropriate for any building site.

This offer applies on both new and renewal subscription orders. And you have the option of having it sent with your subscription to *your* address, or to some one other than yourself. The convenient coupon order form below provides for both your own and an additional name and address. Fill it in and mail it to us today. Your instructions will receive prompt attention.

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Enter my subscription \_\_\_\_\_ Renew my subscription \_\_\_\_\_  
for the AMERICAN BUILDER at once

**FOR**

- 1 year \$2.00\_\_\_\_\_
- 2 years \$3.00\_\_\_\_\_
- 3 years \$4.00\_\_\_\_\_

and send me one postpaid copy of  
**SMALL HOMES OF CHARM**

(These prices and special offer good in the United States and possessions only)

MY REMITTANCE FOR \$\_\_\_\_\_ HEREWITH

NAME \_\_\_\_\_ OCCUPATION \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY & STATE \_\_\_\_\_

# NEWS OF THE MONTH

(Continued from page 88)

Code Authority each dealer shall file with the Code Authority "his prices individually prepared by him" with the stipulation these prices must be sufficient to cover cost. The modification had been proposed by the Code Authority, and public hearing was held on it.

## Code Tries "Actual Overhead"

NATIONAL Recovery Administrator Hugh S. Johnson on Jan. 5 approved for a 90-day test period the method by which "actual overhead" will be determined for inclusion in the retail selling prices of lumber, lumber products, building materials and building specialties.

The retail lumber and lumber products code prescribes that no one shall sell below cost and defines cost as including the actual cost of the merchandise to the seller plus actual overhead. Actual overhead is to "include disbursed expense involved in selling and delivering merchandise as determined by accounting methods approved by the Code Authority and the Administrator . . . and shall be computed by the statistical mode methods."

Under the statistical mode methods approved today the "actual overhead" in the retail lumber business will include two general items—"handling and delivery expenses" and "overhead for selling and administration." In the case of lumber sold by the 1000-board feet, handling and delivery expense, fixed at approximately 17.77 per cent of the actual cost of the merchandise, will be approximately as follows:

45 & 50c Wage Area	.....	\$6.00 per 1,000 feet
40c Wage Area	.....	5.60 per 1,000 feet
35c Wage Area	.....	5.20 per 1,000 feet
25 & 30c Wage Area	.....	4.80 per 1,000 feet

In selling other building items the rates per 1,000 feet would be used on a percentage basis with \$6.00 figured as 20 per cent of the cost and the rates in other areas to be computed downward accordingly.

The method adopted for computing "overhead for selling administration," fixed that item at an average not to exceed 33.77 per cent of the actual cost and the order approved by General Johnson will permit the inclusion in the retail price of not to exceed 75 per cent of the average in each area.

## More Home Building Predicted

LOWERED taxes on homes, a gradual loosening up of home mortgage credit, and unprecedented emphasis upon new trends in materials and patterns for homes are all in the offing for spring building, according to Philip Lieber of Shreveport, La., president of the United States Building and Loan League.

He said it is a practical certainty that the prices of residential real estate will go up and that home construction is going to increase considerably.

"During the past year the preliminary report of the Committee on Double Taxation of the House Ways and Means Committee was published, and should have a far-reaching effect upon relieving the home owner from some of his uneven portion of the tax burden," said Mr. Lieber. "At last after many years of haranguing and lambasting we are dealing with facts in regard to home taxation and therefore we have a much better chance to accomplish a fair reduction.

"We are going to lay the groundwork in 1934 for the greatest boom the country has ever seen. Credit expansion, or credit inflation, to meet the dammed up demand for homes, railroad supplies, and other long time goods can take place very rapidly, under existing machinery, once there is the will to use the credit. Increasing employment will make it possible for thousands of families which have loans on their homes to resume their old schedule of monthly payments to the building and loan associa-

(Continued to page 92)

# WHEN THIS NEW BUILDING PROGRAM BREAKS

## IT WILL REQUIRE

PERMANENCE

FIRE SAFETY

ATTRACTIVENESS

LOW COST

IMPROVED CONSTRUCTION

MEETING ARCHITECTURAL NEEDS

PRODUCED NEAR THE JOB

This long delayed program (fourteen billion dollars) opens the way for aggressive men to establish successful enterprises in hundreds of territories.

In step with this new requirement in building, Dunn engineers have perfected various masonry units that provide better and more permanent construction at lower cost. Their color processes insure permanent beauty in full range of colors.

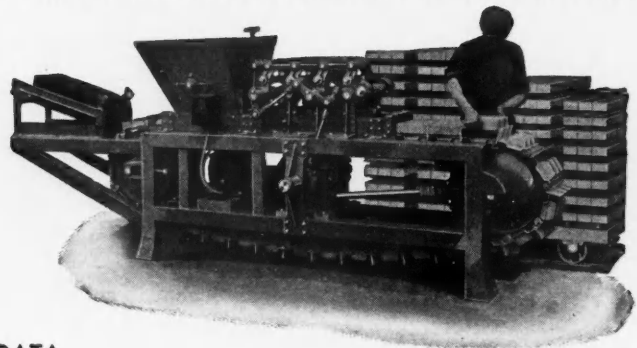
Dunn equipment is complete. Their line production machines turn out brick, building tile, roof tile—in fact, any requirement in the building products field.

Learn about the earning power of these attractive enterprises and how you can secure exclusive franchise. Write today for new descriptive literature.

## PROVEN EARNING POWER

Established plants prove stability, earning power and point the way to your success. United Cement Products Company of Wichita supplies both face and common units for large group Sinclair Oil Stations. Bayer & Brice of Flint fill order for half million Dunn units for brewery.

Kalamazoo firm sells at 100% mark-up with orders exceeding a million units in one month.



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Not an experiment. We have many installations of both flooring and acoustical ceilings, all satisfactory to all concerned. The large floor area of the Travel and Transport Building at the Century of Progress was laid, the Loxit way, in March, 1933, overcoming unusual difficulties.

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Knapp Brothers co-operate 100% plus with the dealer who handles Knapp products and services the contractor.

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Send  catalog describing Loxit System.

Sanitary Interior Trim catalog.

catalog describing corner bead, etc.

I am an  architect; a  dealer; a  contractor.

## NEWS OF THE MONTH

(Continued from page 90)

tion. This will mean the opening up of one of the normal sources from which money comes into the home mortgage field.

"The new prefabricated houses of steel, composition materials and new types of stone, the tendency to use roofs for gardens and recreation purposes, the new compact interiors, the air conditioning devices and insulation processes will be important influences in 1934 home building. Some of these trends are reducing the cost of home units. They will not relegate to the past the good values in existing homes, but will arouse an interest in homes and home owning such as has not characterized this country for a decade.

"During the next twelve months we will not see a home construction boom, but there will be a considerably increased building program. This has a double importance, not only in supplying some of the normal need, but in its possibilities for putting men to work. Home construction has lagged for four years and in some sections there is practically a shortage of one-family homes. The coincidence of increased employment, more available mortgage money, and the possibilities of a good house at a smaller unit cost, will make 1934 the year of the upturn. The new houses are showing the family of moderate means that they can have a less elaborate house and yet a comfortable one and therefore live within their means."

### Construction Code Signed

THE construction code, governing the nation's second largest industry, was approved Jan. 31 by President Roosevelt and will become effective Feb. 27 over every form of building, from roads to homes to skyscrapers.

President Roosevelt, in approving it, requested that the national construction planning and adjustment board set up by the code take immediate steps to find a solution for jurisdictional disputes, the interunion arguments which in the past have tied up millions of dollars worth of work while labor groups fought over which one should do some part of the building work.

#### President To Name Board Head

The new board will be half labor, half industrial, with twenty members under leadership of a man to be appointed by the President. Its creation, with supplementary regional boards and other measures for safeguarding labor interests, ended a four-month deadlock over the code.

Hugh S. Johnson issued a statement describing the code as "perhaps the most comprehensive self-governing instrumentality yet conceived under the NRA."

He pointed out that the industry in normal years employs up to 3,000,000 men in summer months and could absorb half the remaining unemployment in the country if it became active again. He warned, however, that the code was not in itself capable of effecting this restoration.

### Congress Urged to Act Promptly

(Continued from page 27)

new committee on real estate finance, to the end that the matter be laid before him in detail."

The resolution was presented by the Association's committee on mortgage financing, seconded by its committee on housing. The action will be asked both to re-open new financing for home building during the recovery period and to make needed provision in the nation's banking system, under suitable safeguards, for all long-term credit. With the great changes now going on in the whole banking structure, definite provision of some kind, on a stabilized basis, for long-term credit, is needed now as never before, officers of the Association point out.



THE ARCHITECT and I got along fine—until he spoke about steel-joist construction for the first floor.

Like most laymen, I associate steel with big buildings. In the little house I was putting up a floor system built from steel joists seemed an unnecessary expense, and I said so. “Steel joists—in a \$9000 house?”

“Certainly!” he came back. “Or in a \$6000 house, for that matter.”

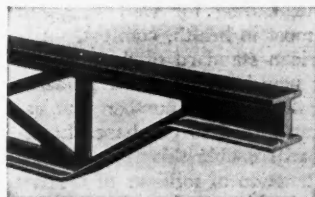
Then he explained that with Kalman Steel Joists, steel-joist construction means a difference of only a few cents a square foot—largely because the joists come in the exact lengths required and

are very simple for the builder to erect, and because piping and conduit can be run right through the open webs.

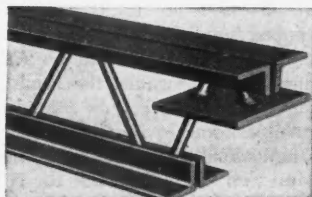
He convinced me. We moved into the new house last week. It’s a gem. The floors feel so rigid and firm you’d think they were built on rock. It’s a satisfaction to know they’ll never sag or creak. And I like having a fire-safe barrier between the rest of the house and the basement where, I understand, 70 per cent of fires start.

The people who make these steel joists ought to put me on their payroll. I’m so enthusiastic about steel-joist construction that I begin talking it up every time I meet a man who’s planning a house.

*The Two Distinct Types of Steel Joists That Kalman Manufactures*



**KALMANTRUSS JOISTS** are one-piece steel trusses made from I-beams by a hot slitting and rolling process.



**MACMAR TRUSSJOISTS** are steel trusses made of angle chords and a continuous bar web, assembled by pressure welding.

Either joist, in combination with Kalman Rigid Bridging, and concrete slabs and plastered ceiling, provides rigid, permanent fireproof construction at moderate cost. Write for catalogs and booklet, “Steel Joist Construction.”

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**THE AMERICAN FLOOR SURFACING MACHINE COMPANY**  
511 South St. Clair St., Toledo, Ohio




## 800,000 New Homes Per Year

(Continued from page 33)

for modern comfort in the home, such as electrical conveniences and modern interiors and equipment as displayed at the World's Fair, have, if anything, been sharpened. To continue to dam up this desire for new homes by lack of financing is a short-sighted policy. For housing is not provided in a day. The lag between an acute shortage and the fulfillment of a housing shortage is great. Unless home building is resumed at once, the delay will build up such an uncontrollable demand that a building boom with its many abuses will result.

Home building performed now will insure a more orderly program in the future. If the complete blocking of home building through lack of financing is allowed to continue, it will be followed by a more spectacular building boom than took place following the World War.

### Many Are Ready to Build

As we have pointed out, it is difficult to differentiate between a "need" for houses and a volume of home building that could go ahead to satisfy normal desires of American citizens who have high standards of home ownership. Surveys indicate that there are many thousands of persons who own lots and have enough cash to build this year if financing is available.

The National Lumber Manufacturers Association has just completed a survey of lumber dealers in the United States which is illuminating in this respect. Dealers in 883 counties in 48 states took part in this survey and reported that they had live, small home "prospects" possessed of a lot or cash, or both, to a total of 300,000 who want only reasonable financing to start construction. The survey shows also that moderate financing will release a demand for 256,000 farm buildings and 35,000 small business structures and innumerable remodeling and repair jobs.

Of those reporting in the survey, 73 per cent find no first mortgage money available in their trade territory, and only 18 per cent admit a limited amount, and this for loans varying from 20 to 50 per cent.

A total of 1,743 dealers replied to the Association questionnaire, which is, of course, only a small proportion of the retailers in the country, and the Association concludes that proper financing of low cost homes alone would mean a 1934 market for 7,000,000,000 feet of lumber.

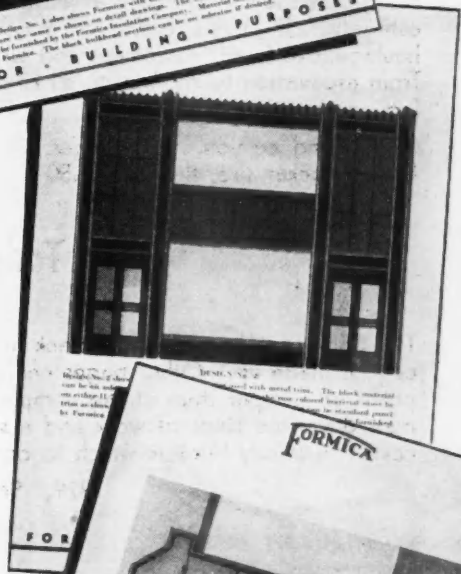
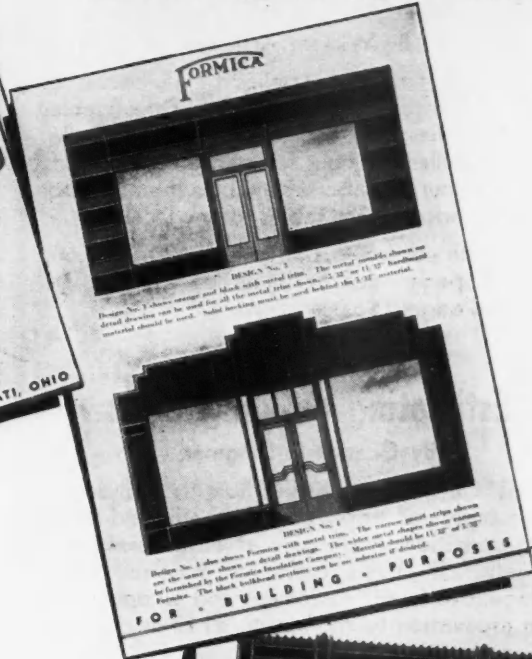
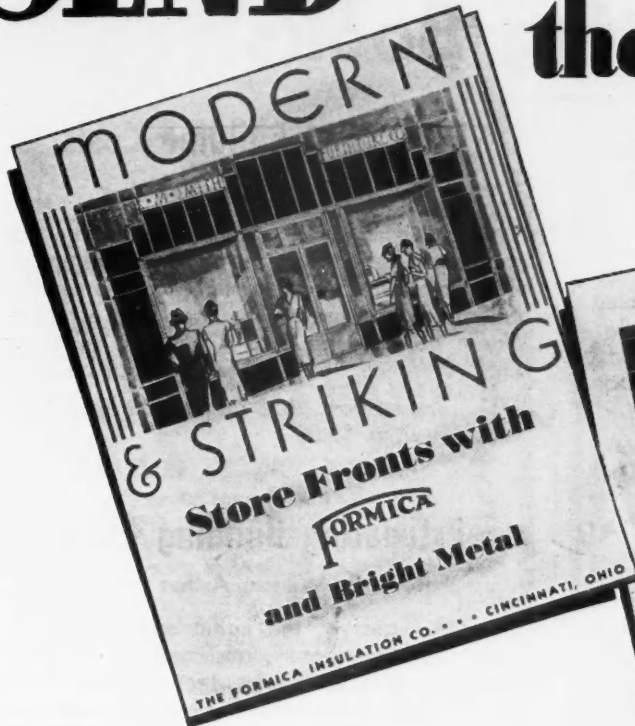
### American Builder Survey

Of similar interest is the AMERICAN BUILDER survey reported in another article in this issue which shows a surprising number of small homes ready for construction if financing is provided. In this survey, 689 builders in 422 sample towns in 35 states report \$174,546,700 of new home building and \$71,005,500 of modernizing and repairs ready to start at once if financing were obtainable. The number of new homes these builders report would go ahead in their communities at once is 54,718. Many of the communities covered are small towns and villages, and this survey represents a typical cross section of the United States.

The American tradition, in its best aspects, calls for a high standard of housing. In fact, housing is not the word to use. Single-family homes are the American heritage, and the standard that has been set up is a high one, calling for well built and equipped houses that provide the utmost in health, comfort, satisfaction. In the sense that an American standard of decency and home life is desirable, the need for new homes and for modernizing of old ones can be stated as the greatest number that responsible home loving individuals can afford to purchase. Long-term financing at reasonable rates will enable this type of need to function. It will permit the construction of millions of modern private homes that will form the backbone of a more stable citizenship.

**BUILDING AND REPAIR LOANS** "I was particularly active for the Home Owners' Loan Corporation bill at the last session but I realize that there is really a need for a financing bill which will enable people to build new homes, or a more liberal allowance in the provisions pertaining to renovating homes already built."—CONGRESSMAN EDWARD R. BURKE, 2nd District, Nebraska.

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1930. 15th edition. 1056 pages, 480 illus., 600 tables, 31-page index, 5x7 $\frac{1}{2}$  inches, flexible binding, gold edges, \$6.00

## Estimating Building Costs

By Frank E. Barnes

A practical handbook planned to aid the contractor and estimator in determining the amount of labor required and to supply prices of labor and materials useful in checking estimates. Where possible the data is put into tables for quick reference. Includes appraisal of buildings.

1931. 3rd edition. 656 pages, 203 illus., 4 $\frac{1}{2}$ x7 inches, flexible, \$5.00



## Estimating Building Costs

By William Arthur

This is a digest of the author's "New Building Estimators' Handbook", designed for beginners and others who desire a less technical and shorter work. It is confined to smaller buildings and gives a fair idea of what others have accomplished in a certain number of hours and what amount of material is required for the different parts of a building.

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## Today's Building Estimator

By I. P. Hicks

This book contains 12 sets of blank forms for taking off quantities so that a complete bill of materials can be made up. Other pages enable tabulating and totaling of estimated costs, actual costs and profit or loss per item at the completion of a job. There is a full material check list, data on estimating various kinds of work and a series of tables with columns to be filled in for labor and material costs. A handy book in which to compile and keep track of estimating figures.

1929. 96 pages, 5 $\frac{1}{2}$ x8 $\frac{1}{2}$  inches, cloth, \$1.25

## FREE—Book Guide

A copy of the "Building Age Book Guide", brought up-to-date with a mimeographed supplement, is free upon request. It covers all kinds of books of interest to the small contractor and builder.

The above lists are "guaranteed books"—money back if returned within five days of receipt as unsatisfactory.

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**NOTICE TO ADVERTISERS**

Forms for the March Number of the American Builder and Building Age will close promptly on February 15. New copy, changes, orders for omissions of advertisements must reach our business office, 105 W. Adams St., Chicago, not later than the above date. If new copy is not received by the 15th of the month preceding date of publication the publishers reserve the right to repeat last advertisement on all unexpired contracts.

AMERICAN BUILDER AND BUILDING AGE.



☞ *This section of the American Builder discusses the sales and management aspects of the retailer's business.*

☞ *Distribution of this section is to retail dealers only.*

L. R. PUTMAN, Editor

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### HOMER W. BALLINGER

☞ *American Builder nominates for the dealer Hall of Fame, Homer W. Ballinger of Springfield, Ohio, and Washington, D. C., because—*

☞ *As one of the proprietors of the Clark County Lumber Company, he has proved that he knows how to succeed in the retail lumber business.*

☞ *As president of the Ohio Association of Retail Lumber dealers, his leadership has been inspiring.*

☞ *As chairman of the Code Authority for Retail Lumber and Building Material Dealers, his conduct has been constructive and his decisions fair.*

☞ *And along with all this, he is a hell of a fine fellow.*





**A** PROSPEROUS Retail Lumber Business always reflects a thriving, progressive community—But, during the past five years few lumber yards have made any progress because of the lack of adequate financing for home building and rehabilitation.

Recovery from the depression cannot be largely realized until home building, home modernizing and home repairing are resumed on a broad and national scale.

Nor can the thousands of retail lumber establishments of the Southwest adequately participate in or contribute to the national program for recovery until the building, repairing and modernizing of homes for the proper housing of our people are resumed, thus permitting the re-employment not only of the thousands of men required in the lumber yards themselves, but of the enormous army of craftsmen made necessary by normal building activity.

Lack of adequate financing has paralyzed the nation's second industry.

Federal long-time loans, properly administered, with a minimum of red tape will re-establish the thriving progressive communities that once filled our land.

●

**SOUTHWESTERN LUMBERMEN'S ASSOCIATION**  
EXECUTIVE OFFICE . . . . LONG BLDG., KANSAS CITY, MO.

● Comprising the Retail Lumber interests of Missouri, Kansas, Oklahoma and Arkansas

# As "PUT" Sees It

## *Selling Building Materials Is a Little Different*

IT takes more patience to sell building materials than goods that are bought on the impulse. That's why some advertising experts who have made a success in selling other goods fall down in the building field.

We had an inquiry recently from a subscriber who had read the advertisement three years ago. But while in the office of the National Oak Flooring Association in Memphis the other day, they showed me an answer they had just received to an advertisement they had run in a magazine six years ago. In both cases, the advertisements had done their work but these two folks, up to now, just didn't need the stuff.

Now that a building revival is under way, consistent advertisers will reap their rewards and manufacturers or dealers who go after business this spring won't have to wait so long for results.

## *The Dealer Distribution Clause*

THE dealer conventions this year are being more widely attended than for many years. These dealers want to know where we go from here. At the Kansas City Annual of the Southwestern Lumbermen, one subject was "Whither Are We Drifting?"; another "Why Not a New Deal in Salesmanship?" and a third, "Merchandising in a New Era," which all go to show that after concentrating for six months on perfecting new rules for the game of business, we are all getting anxious to start the game.

The lack of a distribution clause in the retail code is worrying dealers all over the country. Are the manufacturers going to ship direct? Are steel and cement going to be distributed through grocery jobbers, etc.? Who knows? A year ago nobody thought all the banks would be closed and whiskey sold over the counter at every corner drug store. We are living in an age of rapid change.

Such basic rules as the survival of the fittest, supply and demand, honesty is the best policy, and the Golden Rule never quit working, although lost sight of momentarily. The dealer who cuts out the dead wood in sales policies and overhead has nothing to fear. Dependable goods from honest, progressive manufacturers, promoted by truth well told, will keep any retailer in business against all odds. Make friends with the local builders

who want to see home owners get value received and these hit and run manufacturers will soon be hanging on the ropes. Only lame merchants need a distribution clause.

## *What Is a Leader?*

WE hear a lot about leadership. So and so is pointed out as a leader. We all admit we need leaders more than ever in our history—but just what is a leader?

We've elected men presidents of the United States, presidents of banks, presidents of associations, etc., but we've had a lot of disappointments during the past few years. Now we've got a real pattern for leadership—let's use it. It's President Roosevelt.

He takes it on the chin and comes up smiling. He has the courage to lead and when he catches a chiseler in his own crowd, he kicks him out. He listens to his advisers, thinks of the greatest good for the greatest number, and acts accordingly.

We went out looking for leadership among the manufacturers of building materials to help us complete this presentation for the home building industry. Our advertising pages show who these leaders are. They didn't pass the buck to Franklin D. nor say they wanted to conserve their finances for their stockholders. They said, "Sure, we'll go along with you—let's back up the President and put some builders to work." Glance through again and see who they are; this bunch will do to tie to.

## *Making Home Mortgages Safe*

WITH the need for home mortgage money being presented in this issue of the AMERICAN BUILDER, we believe that funds will be forthcoming very soon. The principal reason for the trouble we are having is that in the past, nobody seemed to care whether or not the mortgage was safe.

The builder, material man, and even the architect went in to get his. Sometimes the owner entered in on the deal and borrowed more money than the cost of the land and the house. When the shakedown came, the mortgage owner was left holding the bag.

To induce money back into home mortgages at a low rate of interest, every element of the building business must co-operate to furnish a good job at a reasonable price. When that is done, we have proof aplenty that a home or farm mortgage is the safest investment in this country.

# Survey Shows Great Demand and 1743 Dealers in 883 Counties in 48 States Report Present Conditions

By HAROLD R. NORTHUP

**A** NEED for new homes on the part of 300,000 bona fide and non-speculative prospective builders of small houses, whose projects are being held up only by lack of adequate financing, is indicated in a survey recently conducted by the National Lumber Manufacturers Association. Also, awaiting moderate and conservative financial aid are projects involving 256,000 farm buildings and 35,000 small business structures—not to mention remodeling and repair jobs without number.

This surprising information comes from retail lumber dealers scattered throughout 883 counties in 48 states. Seventy-three per cent of those reporting declare that no first mortgage money is to be had in their trade territories, while 18 per cent report a limited amount available for loans varying from 20 per cent to 50 per cent of a conservative appraisal. Only 6 per cent, however, admit the ready availability of adequate first mortgage funds, while a meager eight-tenths of 1 per cent find it possible to get second mortgage loans from dealer-organized mortgage companies. Dealers in 124 counties report no lending institutions of any nature.

## *Definite Prospects—Not Speculation*

It must be borne in mind that these reports of pending projects include no vestige of speculative building. The prospects all have building lots, or cash, or both, and require only moderate assistance to begin construction. The value of the jobs varies from \$500 to \$11,000, 56 per cent of which need 75 per cent, long-term, amortized loans. Twenty-eight per cent of the prospective projects require amortized loans for 50 per cent of a conservative appraisal, while 16 per cent would be enabled to go ahead with three to five-year interest-bearing loans.

The bona fide type of the proposals entertained by many of these retail dealers is indicated by the nature of the reports, many of which go into detail as to the name of the prospect, the type of structure contemplated, total cost, and the amount of money on hand and the amount needed. A dealer in Buffalo, for instance, states that John Doe is ready to go ahead with a single house to cost \$6,500 and has \$2000 in cash. Another prospect would build a \$5,000 home for which he now owns the lot and has \$1,000 in cash. A dealer in Milwaukee lists a number of prospects with the loan percentages required for each deal. One \$7500 home awaits only the placing of a 20 per cent mortgage; another of equal value needs accommodation to the extent of 57 per cent of the appraisal.

In reply to that portion of the National's circular letter which inferred the possibility of Federal aid in financing, the dealers were almost unanimous in praising the Association for gathering information which might aid in bringing such a result about. "As far as we know," writes a dealer in a middle western city, "there is no type of lending institution operating very effectively here at

the present time." A dealer in the state of Washington declares that "if the government could arrange to help worthy citizens who are in a position to make a small cash down payment and substantial monthly payments over a period of years long enough to retire the first mortgage without re-financing, it would do more to help this community than any other thing we could imagine."

A Georgia dealer states that he "would like to see something done" by the Government to meet current needs without destroying effectiveness "with red tape." "The building and loan associations have been our main source of funds for home building," declares a dealer in a northern Illinois county, "and now nothing from this source is available." He then mentions 16 farm buildings and 21 small business structures which would be immediately undertaken "if some financing plan was available."

"This endeavor on your part," writes a New Jersey retailer, "is the most hopeful sign we have yet seen on the recovery horizon, and the accomplishment of such a project will be the one and only method of resuscitating our industry, the most lifeless of the national industries today. It will be hopeless for years to revive our loan institutions." Another New Jersey dealer declares that no large unbalanced mortgages are required by his prospects and attaches a list of appraisals and needed loans to prove his point. He goes on to state that there are many live prospects in his territory other than those listed, of whom no record was kept and whom he deliberately discouraged when he found a loan for as much as 50 per cent was needed, because he knew the money could not be had locally.

From a populous city in the Buckeye State a representative dealer declares that "lack of financing is the only thing that is holding up the building of homes in this community. Very few vacancies here with house shortage due in the spring of 1934."

## *75 Per Cent Financing Needed*

That Uncle Sam might, through a plan involving loans up to 75 per cent, aid home-making, is gleaned from the report of an imaginative dealer in central New York State. "Fifty per cent financing is of no use to us," he declares, "for the general run of houses are for young folks who want to build before they save such a percent," adding that "there are probably lots of people who would build, but the impression is out that there is no money available for financing so they just do nothing about it."

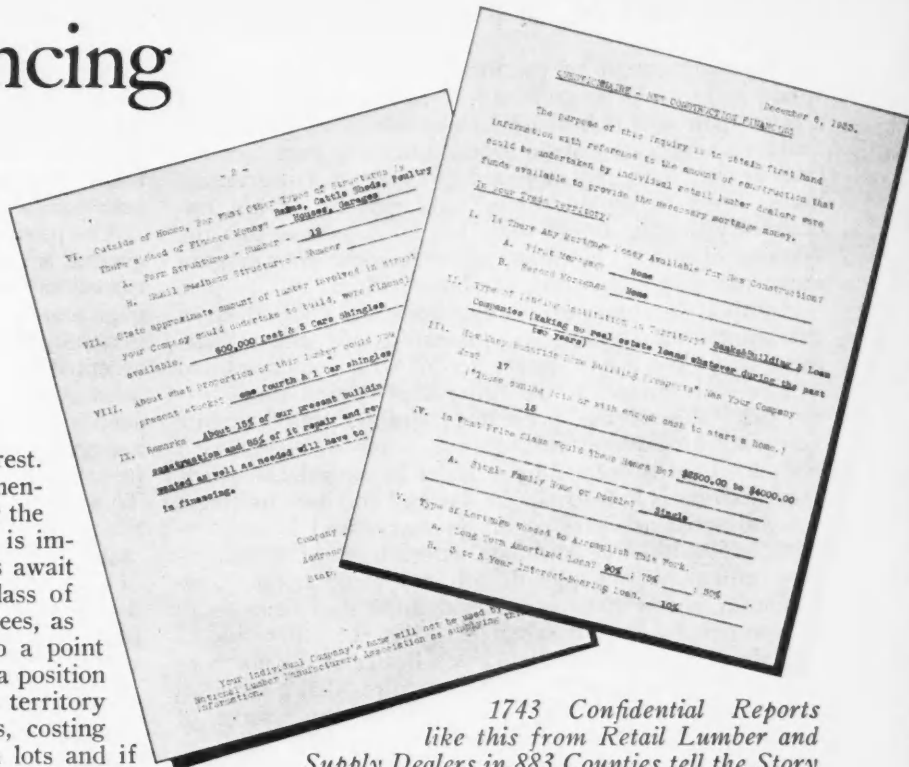
The possibility of profit to the Government is suggested by one dealer who operates a big string of retail yards in Oklahoma, Texas, and New Mexico. "We believe if Congress would amend the Home Loan Bank Act," he writes, "so that up to 75 per cent could be loaned on new homes with interest at, say, 5 or 6 per cent, these loans to be paid back on a monthly basis over a period from ten to fifteen years, then the Federal Government could in turn issue bonds against these loans

# Lack of Financing

DATA COLLECTED  
BY  
NATIONAL LUMBER  
MANUFACTURERS'  
ASSOCIATION

Washington, D. C.

drawing, say, 3 per cent or 4 per cent interest. The Government could then finance a tremendous building program at no cost to itself or the tax payers." The same writer states that it is impossible to tell how many bona fide projects await financing, for "we have discouraged this class of promotion work on the part of our employees, as we did not want to work a prospect up to a point where he wanted a home and then not be in a position to finance it." Most of the building in his territory would be very modest single-family homes, costing from \$1500 to \$5000. "Lots of them own lots and if



1743 Confidential Reports  
like this from Retail Lumber and  
Supply Dealers in 883 Counties tell the Story

## Results of Questionnaire to 7,000 Retail Building Supply Dealers

### Purpose of Questionnaire:

To determine definitely from the man on the "firing line," the retail building supply dealer, the non-speculative\* market for new low cost housing, farm buildings and repair work and the extent to which financing for such work is available throughout the country.

### RESULTS:\*\*

Reports received from 1743 building supply dealers in 883 counties of 48 states show:

1. First and second mortgage money for new construction?
  - 1274 dealers report no first mortgage money available.
  - 317 dealers report a limited amount available (varying from 20 to 50 per cent of conservative appraisal.)
  - 108 dealers report available first mortgage money. (Chiefly from dealer organized mortgage companies plus a few Building and Loans.)
  - 14 dealers out of 1743 report second mortgage money available. (From dealer organized mortgage companies.)
2. Type of lending institution in territory?
  - Dealers in 124 counties out of 883 report no lending institutions of any nature.

Balance report institutions as shown on tabulation.

3. Bona fide home building prospects? (Lot owners or those having sufficient cash.)  
22,950 \*\*\*
4. Price class of homes?  
Varies from units of \$600 to \$11,000 with the great majority from \$1,000 to \$7,500.  
99 per cent single family houses.
5. Type of mortgage necessary?  
1319 dealers report need for 75 per cent amortized loans.  
655 dealers report need for 50 per cent amortized loans.  
366 dealers report need for 3 to 5 year interest bearing loans. (Many suggest the need for the latter type of loan for repair work.)
6. Other type of structures in need of financing?  
Repair and modernizing?  
Dealers in all states report tremendous demand.  
Farm buildings?  
21,573 \*\*\*  
Small business units?  
2874 \*\*\*
7. Approximate amount of lumber involved in erection of structures listed? 574,410,000 ft. B.M.
8. Restocking necessary to supply this demand?  
361,139,000 ft. B.M.

Immediately available mortgage credit would open a market for:

- 275,400 low cost homes.
- 255,876 farm buildings.
- 34,488 small business structures.
- 6,992,920,000 ft. B.M. of lumber.

\*That represented by individuals owning lots or with sufficient cash and desiring to undertake a construction activity.

\*\*As noted, the 1743 dealers reporting represent 8.7 per cent of the 20,000 dealers in the country. The individual reports were in themselves conservative and for that reason we believe it entirely fair and accurate to multiply the totals by 12, to get U. S. total.

\*\*\*Many dealers did not estimate structures that could be undertaken, stating that they had been without financing facilities for the past three years and had for that reason discouraged prospective builders whom they were sure would immediately become active were any reasonable financing available.

they could get homes properly financed would start building."

The endorsement of the idea that Government loans would solve the problem is not, however, unanimous, for a discordant note is heard here and there. A prosperous dealer in a large city of the wooden nutmeg state declares that he is "definitely opposed to Federal Government loans direct to the industry," and adds: "I am undoubtedly singing an old song, but I still believe that the National Lumber Manufacturers Association can gain much more by supporting present facilities."

Another Connecticut dealer, however, located in a nearby and equally large city, counters this with a statement that "We are in hearty accord with your aims and believe such a move would bring back normal times better than any of the present programs, with absolute safety to the Government."

Federal aid is decried by a dealer in central Delaware. "Our locality is industrial," he writes, "and our customers are industrial workers. Our primary need is employment. The building and loan associations of this territory ordinarily do a splendid job and would again. This condition of low income makes definite statements as to prospective builders impossible." But the other side of the labor picture is mentioned by a dealer in the northern part of the Empire State, who recognizes that a stimulus to building would help relieve the unemployment of which his Delaware contemporary complains. With his report he encloses copy of a memorandum recently sent to Secretary Perkins in which he shows that a moderate priced home would give 50 hours employment for excavating, 32 hours for grading, 106 hours for masons, 620 hours for carpenters, 56 hours for plasterers, 32 hours

for tinsmiths, 80 hours for plumbers, 32 hours for electricians, 102 hours for painters, and 32 hours for the men who install the furnace. Only 44.36 per cent of the labor bill, however, would be spent at the site. "Those who would also be benefited," he adds, "would be dealers in lumber and millwork, masons supplies, roofing materials, plumbing equipment, heating, hardware dealers, and electrical supplies."

The possibility of aid for the capital goods industries in general is seen by a dealer in Northwestern Ohio. "Unquestionably," he states, "there is a crying need for mortgage money today—not only in our local community, but generally throughout the country. We believe that it is an accepted fact that there can be no real prosperity until the wheels of the building industry are again in motion at a somewhere near normal speed. To accomplish this, mortgage money at reasonable rates and for a long-term period must be made readily available for home building. This is not just theory with us, but is based on facts in the form of inquiries we have received from prospective home builders—people who have from 40 to 80 per cent of the necessary funds with which to build homes for themselves. However, due to the entire absence of mortgage money in this community, these people have been forced to defer their very worthy building projects. If mortgage funds were made available through the aid of the Federal Government, we firmly believe that the building industry would immediately speed up, redounding to the benefit of many other industries; and, consequently, would have a beneficial effect that would be far-reaching."

A chorus of dealers places the blame for present conditions upon the alleged previous high interest rates. Kansas, it seems, has been bleeding again—only this time

the blood-letting was done by the home-folks. "Local lending institutions have proven a failure," writes a dealer from a small town in that state, continuing: "Now when loans are needed they are frozen up solid and they have charged a decidedly exorbitant interest rate, which is an unfair burden to the family trying to own a home." From this rural stronghold comes a plaint in behalf of the city "slicker." "Also let us emphasize the need of placing the city home owner on a par with the farm home owner by providing Federal Loan Agency for city homes along the lines of Federal Farm Loans." "The day of the loan associations in Arkansas is over, at least for a good many years," writes a dealer from that State. "These institutions in this State have charged 10 per cent interest. Practically 80 per cent of the residences here need repair and remodeling and no money is available for

## CONCLUSIONS:

### *Based on Dealer Reports*

There is a legitimate need for mortgage money for non-speculative construction of low cost single family homes, for farm structures and for repair and modernizing work.

Dealers from a number of farm and industrial communities report that there must first be higher prices for farm products and more stable employment conditions before they can use mortgage credit of any kind. Reports of this nature appear to be the exception rather than the rule.

That this building materials market cannot be developed until there is provided a source of mortgage money.

That existing institutions in this field of financing have for the past three years and are today not functioning and there appears to be little likelihood of securing the necessary mortgage money from these sources in the near future.

Exception to the statement should be noted in the case of number of mortgage institutions now functioning as reported by 104 dealers. These institutions, however, have a limited field and cannot in themselves supply the country-wide demand.

Based on the reports, which indicate the Building and Loan, the Banks and Insurance Companies as previous major sources of financing, it appears that with

the exception of a very small percentage of these institutions offering limited loans of 20 to 50 per cent on conservative appraisal, a majority are not in shape to serve the financing needs of their communities.

*The funds secured by the Banks and Building and Loans and from the Home Loan Bank Board, the R. F. C. and other Government agencies have apparently served only to save these institutions from bankruptcy and to make their position more liquid but have not enabled them to again function as credit agencies.*

That adequate mortgage credit would provide a market in 1934 for approximately seven billion feet of lumber and timber products, to which can be added a correspondingly large amount of other building materials such as cement, brick, steel, paint and others.

That the retail building supply dealers have reached the limit of credit they can grant without seriously impairing their capital and that credits for construction activities must be granted if the building supply dealer as such is to survive.

That a renewal of building activities such as those indicated on the tabulation would serve to relieve serious unemployment in the building trades and to transfer men from Civil Works payrolls to Construction Industry payrolls to the advantage of the Government and the tax payer.

this or new construction in this entire community."

This need of funds for repairing and remodeling, incidentally, seems to be nation-wide, for dealers from every section press the possibility of action along that line. An Idaho retailer declares that "about 15 per cent of our present operations is new construction and 85 per cent repair and remodeling." A prominent dealer in Oakland, California, points out that many families in his territory have doubled up with other families, and that as re-employment makes it possible for them to escape from huddling they have difficulty in finding suitable quarters. "The vacant houses usually are old, obsolete houses that are hardly habitable without needed repair and modernization."

Another far western dealer declares that "there are hundreds of homes in this small city alone that need touching up, either remodeling, or work to prevent the building from going to pieces." He goes on to say that his firm entertained the idea of a remodeling program and were very much encouraged until the question of financing came up, when "we were all stumped, and dozens of those homes have remained without paint, wall-paper, roofs, etc., from that time to this, growing more disreputable every day."

### *Financing is Selling Cars— Why Not Homes?*

An Oklahoma dealer notes the strides being made by another industry whose sales are adequately financed. "The average person will accumulate sufficient for a good-sized payment on the home he wants to build. Loans being impossible at present, it seems that the small amount already saved has gone for a new car when one glances down the curb line."

"We have a few prospects," writes a small town Missouri dealer, "who would build in the spring. It is utterly useless to try and borrow money in this part of the country. Farmers are losing their farms every day. As one person said, 'There is a political meeting on the doorsteps

### **Recommendations:**

1. That the Federal Government through new legislation, amendment to old legislation or executive order make available during this emergency period funds for the financing of:
  - A. New low cost home construction for individual families.
  - B. Farm Buildings.
  - C. Repair, alteration and modernization work.
2. Further, that the Federal Government agree to purchase from existing financial institutions that have normally served the home builder (Building and Loan Associations, Co-operative Banks, Homestead Associations, Savings Banks or Mortgage Loan Companies) any new mortgage made on such work as is listed in A, B, C, above.

National Lumber Manufacturers Association  
January 19, 1934

### COMPTON FAVORS HOLC

"I AM IN AGREEMENT with your suggestion that loans for new home construction and repair work should be made and preferably through the machinery set up under the supervision of the Federal Home Loan Bank Board.

"AS YOU SO PLAINLY point out, here is the trained personnel that should be able to rapidly and effectively handle loans for new construction and modernizing."—Wilson Compton, Secretary-Manager, National Lumber Manufacturers Assn., Washington, D. C.

of every courthouse in the State of Missouri every day in the week.' This doesn't help our business."

The statements of these dealers from all over the country indicate that adequate mortgage credit would provide a market in 1934 for approximately seven billion feet of lumber and timber products, to which can be added a correspondingly large amount of other building materials such as cement, brick, steel, paint and others.

Replies to the National Lumber Manufacturers Association questionnaire were received from 1743 dealers, who estimated that the amount of lumber needed for their listed bona fide projects was 575,000,000 feet. As these dealers are, roughly, one-twelfth of the 20,000 retailers in the country, it will be seen that a sales reservoir providing orders for about 7,000,000,000 feet of lumber would be tapped by any plan providing adequate financing for small-home builders.

Federal aid to date has not "filtered through" to the small borrower for new building. The funds secured by the banks and building and loan associations from the Home Owners Loan Corporation, the R.F.C., and other Government agencies have perhaps served to save some of these institutions from suspension and certainly to make their position more liquid, but have not enabled them to function anew as credit agencies. Despite the potentialities of the Home Loan Banks and the creation of additional building and loan associations with the help of federal funds, it is apparent from the survey that an extension of federal credit, in some form, direct to the small home builder, to the owner of the small home or farm building needing repairs, and to those in small business ventures whose properties need repair and remodeling, is necessary.

In the opinion of this writer the Federal Government should, through new legislation, amendment to old legislation, or by executive order, make available during this emergency period funds for the financing of:

- (a) New low-cost home construction for individual families.
- (b) Farm buildings.
- (c) Repair, alteration and modernization work.

The government should further undertake to purchase from existing financial institutions which have normally served the home builder (building and loan associations, co-operative banks, homestead associations, savings banks and mortgage-loan companies) any new mortgage made on such projects as are listed above.

## Results of Questionnaire to 7,000 Retail Building Supply Dealers Relative to the Need for Mortgage Financing of Low Cost Homes, Farm Buildings, and Modernizing and Repair Work

QUESTIONS: In your trade territory

By State	Reports Received		I In your trade territory is there any mortgage money available for new construction? (Tabulated by Dealers)		II Type of lending institution in territory. 1. Building & Loan 2. Insurance Cos. 3. Banks 4. Mortgage Cos. 5. Individuals	III How many bona fide* home building prospects has your company?  *Those owning lots or with enough cash to start a home.	IV In what price class would these homes be?  s—single family d—double family
	Counties	Dealers	First Mortgage	Second Mortgage			
Alabama	9	14	10 no, 4 ltd.	no	1, 2, 3, 4, 5 2 counties—none	85	Aver.—800 to 6000s
Arizona	7	10	1 yes, 6 no, 3 ltd.	no	1, 3, 5 2 counties—none	111	Aver.—600 to 6000s
Arkansas	11	36	10 no, 1 yes, 1 ltd.	no	1, 3 2 counties—none	658	Aver.—1000 to 7000s
California	30	96	47 no, 34 ltd., 5 yes	no	1, 2, 3, 4, 5	4880	Aver.—500 to 7500s
Colorado	9	10	6 no, 4 ltd.	no 1 dealer—yes	1, 4, 5 2 counties—none	61	Aver.—2000 to 5000s
Connecticut	8	23	12 no, 5 ltd., 5 yes	no 1 dealer—yes	1, 2, 3, 4	236	Aver.—2500 to 7500s
Delaware	3	4	1 no, 2 ltd. 1 yes	no	1, 3	15	Aver.—2000 to 7000s
Florida	6	6	4 no, 2 ltd.	no	5 3 counties—none	88	Aver.—2000 to 7000s
Georgia	6	7	3 no, 3 ltd., 1 yes	no	1, 2, 3, 4, 5 1 county—none	131	Aver.—2000 to 5000s
Idaho	7	11	8 no, 2 ltd., 1 yes	no	1, 3, 4, 5 1 county—none	88	Aver.—800 to 5000s
Illinois	50	109	85 no, 13 ltd., 11 yes	6 yes or ltd.	1, 2, 3, 4, 5 2 counties—none	1356	Aver.—2000 to 8000s
Indiana	32	72	63 no, 5 ltd., 4 yes	71 no, 1 yes	1, 2, 3, 4, 5 2 counties—none	661	Aver.—1000 to 7500s
Iowa	45	71	51 no, 13 ltd., 7 yes	no	1, 2, 3, 4, 5 12 counties—none	708	Aver.—1000 to 7500s
Kansas	43	111	95 no, 9 ltd., 7 yes	no	1, 2, 3, 4 7 counties—none	958	Aver.—1000 to 8000s
Kentucky	15	20	13 no, 6 ltd., 1 yes	no	1, 2, 3 1 county—none	150	Aver.—1000 to 5000s
Louisiana	11	12	9 no, 3 ltd.	no	1, 3, 4, 5 2 counties—none	126	Aver.—1200 to 5000s
Maine	4	4	2 no, 1 ltd., 1 yes	no	1, 3	14	Aver.—3000 to 6000s
Maryland	7	8	4 no, 4 ltd.	no	1, 3 1 county—none	108	Aver.—1500 to 5000s
Massachusetts	10	28	12 no, 16 ltd.	no	1, 3, 4	339	Aver.—3000 to 11000s
Michigan	34	57	48 no, 9 ltd.	no	1, 2, 3 10 counties—none	396	Aver.—1500 to 7000s
Minnesota	38	64	41 no, 17 ltd., 5 yes	no	1, 2, 3, 4, 5 5 counties—none	1296	Aver.—2000 to 5000s
Mississippi	6	9	9 no	no	1, 2, 3	184	Aver.—2000 to 6000s
Missouri	33	45	34 no, 7 ltd., 4 yes	no	1, 2, 3, 4, 5 7 counties—none	374	Aver.—1500 to 6000s
Montana	11	15	13 no, 1 ltd., 1 yes	no	1, 2, 3, 5 3 counties—none	214	Aver.—2000 to 6000s
Nebraska	33	54	35 no, 14 ltd., 5 yes	1 yes, 32 no	1, 2, 3, 4, 5 4 counties—none	248	Aver.—1500 to 6000s

\*In considering these totals it should be remembered that the 1743 Dealers reporting represent 8-7/10% of the 20000 Dealers in the United States.  
National Lumber Manufacturers Association 1-10-34



## Results of Questionnaire to 7,000 Retail Building Supply Dealers Relative to the Need for Mortgage Financing of Low Cost Homes, Farm Buildings, and Modernizing and Repair Work

QUESTIONS: In your trade territory.

By State	V Type of mortgage necessary. (Tabulated by Dealers)			VI For what other type of structures is there need of financing?			VII Approximate amount of lumber involved in structures.	VIII Restocking necessary to supply demand.
	A Long term amortized		B 3 to 5 yr. interest bearing	Remod. & Mod.	Farm	Small Business		
	75%	50%						
Alabama	11	2	2	yes	32	14	4,800 M ft.	2,660 M ft.
Arizona	9	2	2	yes	50	37	2,600 M ft.	1,844 M ft.
Arkansas	12	7	2	yes	1706	99	4,810 M ft.	10,415 M ft.
California	79	45	32	yes	894	141	62,698 M ft.	47,052 M ft.
Colorado	6	1	5	yes	42	10	1,590 M ft.	645 M ft.
Connecticut	16	13	1	yes	29	25	5,855 M ft.	2,880 M ft.
Delaware	3	2	0	yes	25	0	330 M ft.	125 M ft.
Florida	5	1	2	yes	19	25	3,750 M ft.	2,760 M ft.
Georgia	7	4	2	yes	700	30	3,080 M ft.	2,514 M ft.
Idaho	7	3	5	yes	147	0	3,225 M ft.	2,030 M ft.
Illinois	77	36	34	yes	1205	84	43,750 M ft.	26,817 M ft.
Indiana	60	21	9	yes	325	195	16,890 M ft.	10,406 M ft.
Iowa	51	30	9	yes	764	99	25,480 M ft.	15,837 M ft.
Kansas	74	54	27	yes	622	45	13,955 M ft.	7,989 M ft.
Kentucky	16	9	4	yes	176	29	5,840 M ft.	2,943 M ft.
Louisiana	11	7	4	yes	90	15	7,145 M ft.	3,513 M ft.
Maine	3	0	1	yes	100	10	685 M ft.	570 M ft.
Maryland	7	4	3	yes	95	42	2,315 M ft.	957 M ft.
Massachusetts	26	10	6	yes	139	200	13,215 M ft.	4,287 M ft.
Michigan	41	23	15	yes	433	19	14,332 M ft.	9,157 M ft.
Minnesota	47	21	17	yes	3595	442	30,710 M ft.	17,843 M ft.
Mississippi	9	5	2	yes	135	16	2,650 M ft.	1,950 M ft.
Missouri	33	21	11	yes	260	104	11,792 M ft.	5,285 M ft.
Montana	13	3	5	yes	190	36	6,000 M ft.	3,482 M ft.
Nebraska	45	25	5	yes	1241	44	13,765 M ft.	8,242 M ft.

\*In considering these totals it should be remembered that the 1743 Dealers reporting represent 8-7/10% of the 20000 Dealers in the United States.  
National Lumber Manufacturers Association 1-10-34

## Results of Questionnaire to 7,000 Retail Building Supply Dealers Relative to the Need for Mortgage Financing of Low Cost Homes, Farm Buildings, and Modernizing and Repair Work

QUESTIONS: In your trade territory.

By State	Reports Received		I In your trade territory is there any mortgage money available for new construction? (Tabulated by Dealers)		II Type of lending institution in territory. 1. Building & Loan 2. Insurance Cos. 3. Banks 4. Mortgage Cos. 5. Individuals	III How many bona fide* home building prospects has your company?  *Those owning lots or with enough cash to start a home.	IV In what price class would these homes be?  s—single family d—double family
	Counties	Dealers	First Mortgage	Second Mortgage			
New Jersey	21	78	55 no, 20 ltd., 3 yes	no	1, 2, 3, 4, 5	641	Aver.—2000 to 8000s
New Hampshire	3	3	2 no, 1 ltd.	no	1, 3	23	Aver.—2000 to 4000s
New Mexico	7	10	3 ltd., 2 yes	no	1, 3, 5	94	Aver.—1000 to 6500s
New York	38	89	61 no, 17 ltd., 10 yes	1 yes, 88 no	1, 3, 4, 5 1 county—none	1461	Aver.—3000 to 8000s
Nevada	1	1	1 no	no	1	30	Aver.—2500 to 4000s
North Carolina	9	10	9 no, 1 yes	no	1, 2, 3, 4	181	Aver.—1000 to 5000s
North Dakota	13	53	52 no, 1 ltd.	no	1, 2, 3, 5 4 counties—none	55	Aver.—1500 to 5000s
Ohio	53	120	108 no, 8 ltd., 4 yes	no	1, 2, 3, 4, 5 4 counties—none	1325	Aver.—1500 to 7000s
Oklahoma	25	45	34 no, 5 ltd., 4 yes	no	1, 3, 4, 5 5 counties—none	439	Aver.—1500 to 5000s
Oregon	18	31	23 no, 4 ltd., 3 yes	no	1, 2, 3, 4, 5 3 counties—none	381	Aver.—1000 to 4500s
Pennsylvania	40	88	61 no, 20 ltd., 4 yes	87 no, 1 ltd.	1, 2, 3, 4, 5 3 counties—none	914	Aver.—2000 to 8500s
Rhode Island	2	6	2 no, 4 ltd.	no	1, 3, 4	165	Aver.—4000 to 8000s
South Carolina	6	6	3 no, 3 ltd.	no	1 1 county—none	45	Aver.—1500 to 5000s
South Dakota	17	17	12 no, 4 ltd.	no	1, 3, 4, 5 2 counties—none	306	Aver.—1000 to 4000s
Tennessee	9	15	13 no, 2 ltd.	no	1, 3, 4, 5 2 counties—none	332	Aver.—1000 to 5000s
Texas	45	60	46 no, 10 ltd., 4 yes	no	1, 2, 3, 4, 5 9 counties—none	735	Aver.—1500 to 5000s
Utah	8	12	8 no, 3 ltd.	no	1, 2, 3, 4, 5	98	Aver.—1500 to 5000s
Vermont	3	3	1 no, 2 ltd.	no	1, 3, 4	13	Aver.—2500 to 6000s
Virginia	8	9	3 no, 3 ltd., 3 yes	no	1, 2, 3, 4, 5	33	Aver.—1500 to 5000s
Washington	20	39	27 no, 9 ltd., 2 yes	no	1, 2, 3, 5 3 counties—none	436	Aver.—1000 to 5000s
West Virginia	6	6	3 no, 1 ltd., 1 yes	1 ltd., 5 no	1, 2, 3, 4	84	Aver.—2000 to 7500s
Wisconsin	54	135	118 no, 19 ltd., 6 yes	1 yes, 134 no	1, 2, 3, 4, 5 5 counties—none	1572	Aver.—1500 to 6000s
Wyoming	9	11	11 no	no	1, 3 2 counties—none	102	Aver.—2500 to 5000s
*Grand Total	883	1743	1274 no 317 ltd. 108 yes	14 yes or ltd. balance no	124 counties— no institution or any kind	22950	

\*In considering these totals it should be remembered that the 1743 Dealers reporting represent 8-7/10% of the 20000 Dealers in the United States.  
National Lumber Manufacturers Association 1-10-34

## Results of Questionnaire to 7,000 Retail Building Supply Dealers Relative to the Need for Mortgage Financing of Low Cost Homes, Farm Buildings, and Modernizing and Repair Work

QUESTIONS: In your trade territory

By State	V Type of mortgage necessary. (Tabulated by Dealers)			VI For what other type of structures is there need of financing?			VII Approximate amount of lumber involved in structures.	VIII Restocking necessary to supply demand.
	A Long term amortized		B 3 to 5 yr. interest bearing	Remod. & Mod.	Farm	Small Business		
	75%	50%						
New Jersey	56	24	25	yes	91	123	23,325 M ft.	9,683 M ft.
New Hampshire	2	0	1	.....	25	2	350 M ft.	166 M ft.
New Mexico	8	4	3	yes	32	11	2,440 M ft.	470 M ft.
New York	69	38	16	yes	209	46	30,730 M ft.	17,662 M ft.
Nevada	1	.....	.....	.....	x	.....	1,000 M ft.	900 M ft.
North Carolina	8	3	3	yes	241	58	6,866 M ft.	4,215 M ft.
North Dakota	48	4	2	yes	134	11	5,610 M ft.	2,898 M ft.
Ohio	94	41	9	yes	414	48	40,765 M ft.	24,238 M ft.
Oklahoma	23	11	12	yes	270	5	10,760 M ft.	5,114 M ft.
Oregon	28	21	4	yes	876	22	19,050 M ft.	13,026 M ft.
Pennsylvania	60	34	19	yes	459	97	40,368 M ft.	27,320 M ft.
Rhode Island	5	1	0	yes	0	0	1,600 M ft.	670 M ft.
South Carolina	5	1	2	yes	200	25	1,400 M ft.	555 M ft.
South Dakota	12	6	2	yes	239	4	6,313 M ft.	5,157 M ft.
Tennessee	14	6	3	yes	340	103	5,200 M ft.	5,200 M ft.
Texas	47	20	12	yes	867	239	15,422 M ft.	9,440 M ft.
Utah	8	4	3	yes	135	4	3,445 M ft.	2,288 M ft.
Vermont	3	2	0	yes	2	0	155 M ft.	.....
Virginia	6	1	1	yes	100	0	725 M ft.	.....
Washington	30	14	5	yes	877	144	14,178 M ft.	11,153 M ft.
West Virginia	5	3	0	yes	x	5	1,900 M ft.	1,250 M ft.
Wisconsin	109	63	36	yes	2784	139	37,107 M ft.	24,991 M ft.
Wyoming	10	5	3	yes	264	25	4,430 M ft.	3,440 M ft.
<b>*Grand Total</b>	<b>1319</b>	<b>655</b>	<b>366</b>	<b>yes</b>	<b>21573</b>	<b>2874</b>	<b>574,410 M ft.</b>	<b>361,139 M ft.</b>

\*In considering these totals it should be remembered that the 1743 Dealers reporting represent 8-7/10% of the 20000 Dealers in the United States.  
National Lumber Manufacturers Association 1-10-34



# PLAN—*That Works*

By RHYS G. THACKWELL

umn, the secretary writes a letter to the customer, calling it to his attention.

"This brings results," it is reported.

The plan provides an opportunity also for the association to watch contractors to see whether they have paid for their material by the time the job is done. Under a new California State law, an Act licensing state contractors, it is necessary for a contractor who has received his money for a job to pay for all his material. If he fails to do so a complaint may be registered with the State, charging diversion of funds. If he is found guilty his license may be suspended until the account is paid or adjusted satisfactorily. The new Act requires all contractors or sub-contractors to take out a license where the aggregate price is in excess of \$200. Most cities of California require that this license be presented before any building permit will be granted.

## **CREDIT** outweighs cash

Present-day business is conducted "on paper." Important cash transactions are few. Credit-without-risk is the keynote

### **KEEP YOUR CREDIT GOOD**

This means that Good Credit, even more than cash, opens the doors to opportunity. Success depends upon paying your bills promptly and thereby keeping your Credit Good—today and always! **The World is Run on Credit.**

**Pay Your Bills by the 10th and Take Your Discount**  
**BUILDING MATERIAL DEALERS**  
**ASSOCIATION OF SAN DIEGO**

*THESE dealers believe that the way to solve credit troubles is to prevent them. Hence they use stickers like these where all can see.*

## **IMPORTANT**

Cash Discount as shown above will **ONLY** be allowed if account is paid **IN FULL** by the tenth of the month following purchase; and envelope must be **POST-MARKED** not later than the tenth, or **NO DISCOUNT** will be allowed.

**BUILDING MATERIAL DEALERS**  
**ASSOCIATION OF SAN DIEGO**

*STICKERS used by the dealers of San Diego to make clear to their contractor customers what their regular credit terms are.*

### **LABOR LEADER ENDORSES PLAN**

"We are vitally interested in such a proposal for Federal loans for home building and home repairs and would heartily endorse any legislation or ruling that would bring about the loaning of money to home owners."—Wm. C. O'Neill, Secretary-Treasurer, Building Trades Department, American Federation of Labor, Washington, D. C.

A prominent member of the organization remarked that ill-feeling between customer and house is substantially decreased by the association writing the letter of inquiry concerning payments.

The association has also adopted stickers which members use on their statements to help collections. These have been helpful, it is said.

### *General Public Interested*

In a recent statement to home folks of San Diego, this information was given: "The Building Material Dealers Association advises prospective home builders in this day of close competition to make sure that the contractor, who is to build his home, is a man or firm of years of experience and whose credit is not questioned in the least for the prompt payment of accounts when they have become due.

"It has been our observation that the building industry has permitted hundreds of under-financed and irresponsible individuals to swarm into the construction business and to call themselves 'contractors.' For such persons to get jobs they have to underbid the responsible contractor, and they found this very easy to do, as some material dealer, hungry for business, would sell them material.

"Such irresponsible contractors and sub-contractors, to come out even on a job, skin everywhere and use cheap and defective materials as well as poor workmanship. This brings dissatisfaction by owners and architects.

"Our advice to the prospective home-builder is to make sure, before signing any agreement, that the contractor who is to build the home is a responsible one and that he will employ responsible sub-contractors. The sub-contractor, as a rule, buys the material in his own name and if he does not pay his bills on the tenth of the month under the usual credit terms, the material dealer has to file a lien on the property to protect his firm. Such proceedings force the owner to pay twice for the material delivered on the job."

# "COST KEY" ESTIMATING

By A. W. HOLT

Director of Service, Merchandising Council,  
Retail Lumber Dealer Associations

"WHAT do the Cost Keys mean and how can I use them to figure building costs in this locality?" is the leading question asked by scores of readers. As the number of inquiries is increasing, which doubtless indicates that dealers and builders are again being asked, "What will this house cost?" this simple key to accurate costs will be explained again.

Detailed explanation appeared in the Dealer Section of the February, 1933, issue of American Builder, reprint of which may be had by writing the Secretary of your association in case you do not have that issue. So only definite examples of the value of the Cost Keys will be given here.

Fundamentally, all houses are the same because all are composed of floor, wall, roof and other basic units which require joists, studs, rafters, flooring, doors, windows, etc. By figuring your cost of the Basic House you involve all of your local factors of construction, grades and prices. In case you figure labor as well as materials for the Basic House, you involve your local wage scale also.

Most dealers figure materials only for the Basic House for quoting contractors and builders, but also have the completed cost by simply adding carpenter, plastering, mason and painting labor to their material prices. Dealers who sell only lumber and millwork should consult their fellow dealers who handle mason supplies, paint and hardware so as to give their contractors a dependable price on all materials. Knowing the material costs, most contractors can judge the labor costs by comparison with their cost of some other house which they have built. It is best, however, to show them the plan of the Basic House and have them figure the labor for it, after which they can use the Cost Keys also, as explained by the following definite example.

Suppose your price for all the materials for the super-

structure of the Basic House is \$1,400 and Mr. Contractor wants \$600 for all labor. This makes \$2,000 built plus the usual variable features. Most contractors know their cost per linear foot of foundation, square foot of basement floor and per cubic yard of excavating so they can have their completed price after you have given them their "Key" including labor. When your material prices change, you can advise them to call for new Basic Costs and thus co-operate to your mutual good interests.

The tabulation shows how the Cost Keys will give you your dependable price for each of the four designs shown on pages 58 to 61. These basic prices are arbitrary but you can easily determine your own so as to have your price for the complete unit. Each item will be explained in detail.

Item 1. The superstructure is figured by multiplying the first figure of the Cost Key by your price of the Basic House. Refer to the Cost Keys under each plan and note that each was multiplied by the assumed \$2,000 for the Basic House.

These figures always include whatever you figure for your Basic House regardless of what the design may show. Accordingly, it will be necessary to add or deduct for changes from your standard specifications.

Changes from your standard are easily figured by the last two figures of the Cost Key which give squares of wall and squares of roof respectively. To illustrate, suppose you have figured 6" siding for the Basic House and brick veneer costs \$16.00 more per square. To have design 1017-C in brick veneer, as shown by the illustration, you would multiply the "14" of the Cost Key by \$16.00 and add \$224.00 for brick veneer. In like manner, if different shingles are wanted for the roof, multiplying

(Continued to page 114)

## Costs of Houses Shown on Pages 58 to 61

	1022—C		1017—C	1019—C	1015—C
	Plan No. 1	Plan No. 2			
1. Superstructure at \$2,000.00.....	\$2,086.00	\$1,908.00	\$2,614.00	\$1,792.00	\$2,192.00
2. Foundation at \$2.50 lin. ft.....	125.00	292.50	235.00	275.00	240.00
3. Basement at 15c sq. ft.....		111.00	81.00	109.80	84.00
4. Excavating 6 ft. deep at 40c yd.....	25.00	76.80	57.60	74.40	57.60
5. Fireplace.....	150.00	200.00	250.00	200.00	220.00
6. Built-in cabinets.....	150.00	150.00	100.00	150.00	150.00
7. Plumbing (inc. tile).....	300.00	300.00	325.00	300.00	325.00
8. Heating, hot water.....	350.00	350.00	450.00	350.00	400.00
9. Lighting.....	100.00	100.00	125.00	100.00	115.00
Cost.....	\$3,286.00	\$3,488.30	\$4,237.60	\$3,351.20	\$3,783.60
Contractor's Overhead and Profit 10%.....	328.60	348.83	423.76	335.12	378.36
<b>COST TO BUILD.....</b>	<b>\$3,614.60</b>	<b>\$3,837.13</b>	<b>\$4,661.36</b>	<b>\$3,686.32</b>	<b>\$4,161.96</b>

# **YOU DEMANDED THIS TIRE**

## **SO GOODYEAR BUILT IT**



# strength

**Strength** for heavy loads. **Toughness** to transmit the full power of the engine to the road. **Dependable** so that your service may be uninterrupted. **Traction** for more power and safety. These are but a few of the qualities you demand in your truck tires.

# **GOODYEAR**

## **TRUCK TIRES**

*Money savers*

Building Supply Dealers—the truck tire you have wanted is here. Goodyear built it. It gives you everything you could desire.

- **Patented Supertwist Cord construction—up to 61% greater strength—and come-back. This means longer tire life, more miles.**
- **Carcass rubber chemically toughened—greater blow-out protection.**
- **Improved high shoulder tread shape—flat, wide, road contact means longer wear, better traction.**
- **Improved bead construction—strength for severe side-swaying of heavy loads.**
- **Greater traction—The famous Goodyear All-Weather tread provides maximum traction.**

Goodyear tires are Money Savers. They save you money because for these exclusive Goodyear features you *pay no premium.*

See the Goodyear dealer near you.

*More tons are hauled on Goodyear Tires than on any other kind.*



## "Cost Key" Estimating

(Continued from page 112)

the last figure, 12, by your difference in the cost per square will give the difference for the complete roof in terms that interest builders. Every dealer must know the comparative costs of his various materials per square of surface if he is to serve the customers—whether owner or contractor—as they wish to be served.

*Item 2.* The second figure of the Cost Key always gives the linear feet of perimeter or foundation exclusive of porches. In all cases except the first, foundations were figured at \$2.50 per linear foot. Plan No. 1 of Design 1022-C does not show a basement so the foundation needs to extend below the frost line only. It was figured at \$1.00 per linear foot and the excavation was figured at 20 cents per linear foot.

*Item 3.* The third figure of the Cost Key always gives the square feet of floor area based on outside dimensions. This allows the floor saved by the wall to cover the cost of the cellar sash. Areaways for the cellar sash, if required, must always be added extra.

If desired, the net inside surface of basement floor can be figured by deducting the floor saved by the walls from the Cost Key figure, as follows: If the basement wall is 12" thick, deduct the linear feet of foundation from the floor area. For 8" walls, deduct two-thirds of the perimeter because each linear foot of wall saves  $\frac{2}{3}$  sq. ft. of floor. In this case the cellar sash must be added extra. Having a unit price with and without areaways per cellar sash will facilitate figuring your basement costs with utmost accuracy.

*Item 4.* The fourth figure of Cost Keys always gives the cubic yards of excavating per foot of depth. In all cases these designs were assumed to be located on a lot requiring excavating 6 ft. deep so that yardage given was multiplied by 6 and then by 40 cents as the assumed price per cubic yard. You can multiply the yards given by \$2.40 (6 x 40c) and save one calculation.

*Item 5.* All four designs show a fireplace but no kitchen chimney. As a chimney is included for the Basic House, these extensions represent the cost of the fireplace unit minus the cost of the chimney. Note that the fireplace for the no-basement plan No. 1 of 1022-C is less than the others and that the price varies according to the height as for the two-story design 1017-C. As a rule, about 8 feet of chimney is the only difference between your fireplace for two-story houses as compared to the one-story basic fireplace.

*Items 6 to 9.* These variable features must always be figured separately. Note that tile for bathrooms is always included as a part of the plumbing cost although it can be extended as a separate item. These items were explained in detail in the February 1933 issue if you saved your copy. Otherwise write your association secretary for reprint.

You will observe that these figures do not check with the detailed costs given on pages 58 to 61. This is due to the fact that these Cost Key estimates figure all houses of identical specifications as you want them, whereas the detailed figures are for the designs as shown and necessitate figuring a hundred and one items instead of one item No. 1. As the Cost Key gives the squares of wall and roof, it is a simple matter to change your standard specifications to agree with the design. All interior materials are subject to individual choice and you can easily figure changes from your standard on a "unit cost" basis as thousands of dealers are now doing by using their association's Merchandising Council House Valuator Service.

More and more dealers are adopting American Builder

as their monthly catalog of homes and sending it to their carpenter and contractor friends. These Cost Keys answer the question, "What will this house cost?" so fully as well as so accurately that this is the ideal sales promotion feature. Besides, the cost is nothing as compared to its value.

Finally, you will always remember the order in which these Cost Keys give basic data if you will remember that the first and only decimal figure is the cost-rate which is to be multiplied by your price for the Basic House; the next three refer to the foundation; the last one is the roof squares, because the roof is the last unit built, leaving the second last as the squares of wall. These always appear in the order of cost-rate, lin. ft. foundation, sq. ft. basement floor, yards excavating per foot of depth, squares of wall and squares of roof.

Figure your basic costs and *know* your local building costs for all "Holt rated" plans quickly as well as accurately and *be the home building authority in your community.*

**Hundreds of Retail Dealers have arranged for all 1934 editions of the American Builder to be sent to the men in the building trades and professions in their local communities**

● ● These dealers recognize the fact that every individual contractor-builder has his friends among property owners and developers who depend on him for advice in building and the selection of building materials

● ● The ten or more modern home designs—all with Cost Keys—published in every regular edition of the American Builder afford the basis of mutually profitable co-operation between the dealer and his builder customers ● ● We shall

welcome the opportunity to tell you how this economical and effective service can be put into operation in your city. Just address Dealer's Service Bureau, American Builder, 30 Church Street, New York City.



# BUILD *with*

## PERMANENT WOOD

### Use WOLMANIZED Lumber

FOR SILLS, LOWER JOISTS,  
SUB-FLOORS, STUDS, SIDING  
AND PORCHWORK



Wolmanized lumber can be secured at retail lumber yards. It is tested, inspected and guaranteed by the Pittsburgh Testing Laboratory.

Wolmanized lumber is pressure treated. Has no odor and takes paint better than untreated wood.

Rot and Termites (white ants) will not attack it, and it is fire resistant.

Wolmanized lumber will give added years to the life of any house, making such property desirable to mortgage buyers who, more than ever before, demand safety and permanence behind their long term investments.

### FOR LESS THAN \$150.00

this house can have Wolmanized sills, lower joists, sub-floors, studs and porchwork.

Why take chances? Permanent wood construction can be had for so little added cost. You will find sales easier made if the houses you build are made secure against the ravages of ROT and Termites.

Investigate at once.

Wolmanized lumber in addition to having been made available through commercial treating plants can now be supplied in straight or mixed car lots by—

FORDYCE CROSSETT SALES CO., 80 E. JACKSON BLVD., CHICAGO,  
AND FORDYCE, ARK.

# American Lumber and Treating Corp.

332 So. Michigan Ave.

Chicago, Illinois

# NOW WITH CODES— WHAT'S NEXT?

## *A Merchandizing Editorial*

By L. R. PUTMAN

*Marketing Editor, American Builder*

A HAUNTED DEBTOR being dogged on all sides to pay his bills sidled up to the credit man's desk with a frightened look. "Jim," he said as he stared into the unforgiving fish eyes of one of his numerous creditors, "I can't pay that bill."

"Well, you can gimme a note for ninety days, can't you?" said the hard boiled Jim. "Sure, I'll give you a note, Jim," said the trembling customer.

The credit man made up the note and it was promptly signed. As the signer turned for the door, his face lit up with a beaming smile as he was heard to say, "Thank God, that's paid."

There seems to be a feeling among a lot of business men, especially among the rank and file in the building business, that now we've got a code, we're all set for life. It's true the President and his Administration have stuck their necks out for American business. Business is allowed to control production, fix prices and stop chiselers. That's fine, but if nobody buys our stuff, where are we?

### *Lumber Code Not a Salesman*

Dr. Wilson Compton is not only secretary and manager of the great National Lumber Manufacturers Association, but is counsel to its Code Authority and is also chief of the Association Division for the entire NRA. In a message Dr. Compton sent from Washington recently, addressed "To Those Engaged in the Lumber Industry," he offered some observations to lumbermen that should be put before every American business man and especially those in the building industry. His message was too long to quote in full, and most of it had to do only with lumber, but I want you to get these quotations from it:

"The approval of the lumber code, coming as it did just after the middle of the year, left time in 1933 to dispose of two fallacious notions: First, that competition had been killed, and that the competitive spirit would soon vanish from the industry; second, equally specious and far more dangerous, that the code, in itself, furnished a solution for all our problems, a panacea for all our ills, and that the lumber code would be our salesman \* \* \*

"The code is, at best, a means of control. It cannot produce business. It has given us a new unity of pur-

pose. But this advantage will be futile unless the lumber trade is enabled to meet the increasing competition of substitute materials. Good prices and orderly production will not help if we lose our markets. That means more pressure on trade promotion and merchandising. \* \* \*

"Such sales and promotion efforts should be increased promptly. Competitors are active. It will be a sad day for the lumber industry if it stops trying to improve and extend the markets and uses for its products. \* \* \*

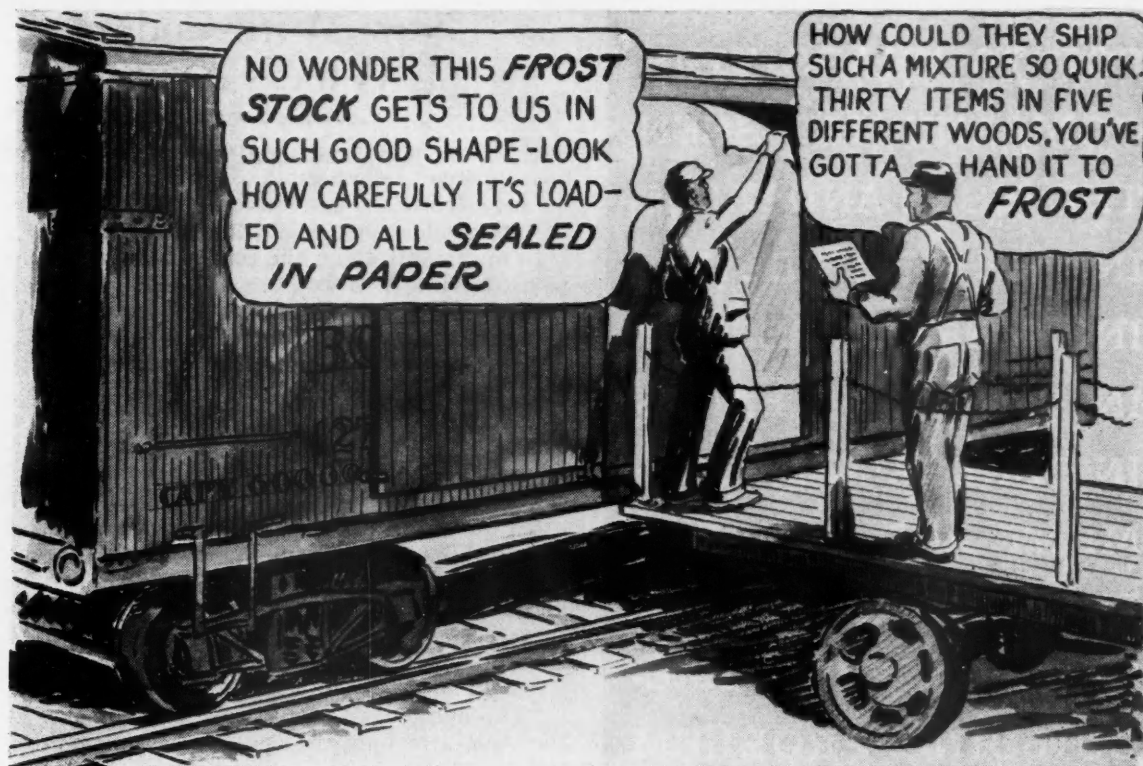
"\* \* \* The consumer goods industries have improved. Their volume of business is 80 per cent of normal. They can hardly advance farther, however, without improvement in the capital goods industries, whose volume of business is now at about 35 per cent. Recovery in America is now dependent chiefly upon restoration of the so called 'heavy industries.' Ours is one. There must be a revival of building. Relief of capital industries is a present major aim of the Administration, with the aid, if necessary, of direct Federal loans to industry. \* \* \*

### *Initiative Needed*

This issue of the AMERICAN BUILDER is dedicated to the task of getting Federal financial aid for the one branch of the building industry where a potential demand now exists, home building, repairing and remodeling. We believe this vast array of facts and conditions in the home building field will get the importance of this industry before the President, Congress and the American public as was never done before. The market and unemployment are here, the codes with their rules of fair practice are established. What we need is customers. The President cannot cause the people to buy. It is up to industry to furnish the initiative for which the President and his Administration are now begging.

Now we are ready for the development of leadership that can think in terms of the New Deal—leadership with some of the intestinal fortitude exhibited by our President—men who are not afraid of criticism even from their own crowd. I said the President had stuck his neck out and so he has. He is being criticized by

*(Continued to page 118)*



## **FROST'S Code**

### **FITS TODAY'S NEEDS**

#### **DISTRIBUTION**

FROST LUMBER INDUSTRIES recognizes the dealer as the logical, most efficient and dependable outlet for the distribution of its products.

#### **QUALITY AND PRICES**

FROST LUMBER INDUSTRIES pledges its best efforts to the production of lumber and lumber products of a quality that will build good will for the dealer.

#### **SERVICE**

FROST LUMBER INDUSTRIES will strive always to render a superior service in straight or mixed cars of ALL items produced in the long or short leaf yellow pine or hardwood forests.

#### **GOOD WILL**

FROST LUMBER INDUSTRIES values the good will of its customers more than any other asset and operates its business in a way that will merit and insure the perpetuation of that asset.

# **QUALITY LUMBER IN MIXED CAR LOTS**

## **SHORT LEAF**

Finish, Mouldings, Trim, Siding, Ceiling, Flooring, Boards, Package Trim

## **LONG LEAF**

**TIMBERS, DIMENSION BOARDS and FLOORING**  
**FROSTBRAND OAK FLOORING**

*The Standard of Oak Flooring Values*

## **OAK, GUM, CYPRESS and TUPELO**

Lumber, Mouldings, Trim, Stair Treads

## **SOUTHERN HARDWOODS**

**WAGON STOCK — FACTORY LUMBER**

Log Cabin Siding, Cedar Closet Lining

*Kiln Dried Stock    Uniform Grades*  
*Superior Quality*

# **FROST LUMBER INDUSTRIES, Inc.**

**SHREVEPORT - LOUISIANA**

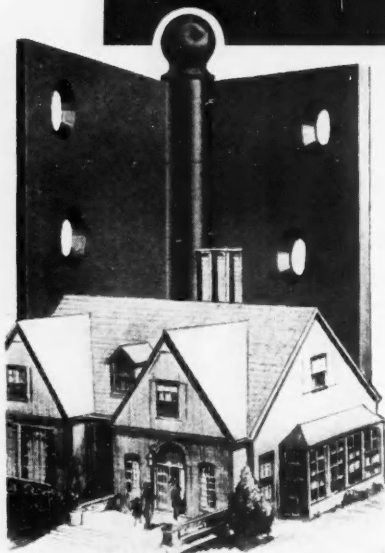
190 Douglas Place  
Mt. Vernon, N. Y.

District Offices

1218 Olive Street  
St. Louis, Missouri

FOR 70 YEARS THIS COMPANY HAS SEEN THE RISES AND FALLS IN THE HOME-BUILDING MARKET RESULT IN RISES AND FALLS IN GENERAL EMPLOYMENT AND GENERAL PROSPERITY. AN ATTACK ON THE HOME-BUILDING PROBLEM IS AN ATTACK AT THE ROOT OF THE DEPRESSION.

*J. P. McKinney, Jr.*  
President



*This is a fact, not a theory, with us. Many men and women would be put back to work in the McKinney factories if home building were resumed.*

**McKINNEY MANUFACTURING CO.**  
Pittsburgh—New York—Chicago—San Francisco

**McKINNEY HARDWARE**

McKINNEY . . . one of the world's largest manufacturers of builders' hardware.

McKINNEY . . . the world's largest manufacturer of Forged Iron Hardware.

## Now With Codes— What's Next?

(Continued from page 116)

powerful members of Congress who say the anti-trust laws must not be set aside. They say the codes oppress the little fellow. These criticisms must be met. Otherwise the codes must be abandoned or changed.

In my travels about the country, I find business men pleased with their codes. They've got the business rules they've wanted for years. Just think of being able to control production and fix prices to stop losses, and then to stop chiselers who have always used sharp practices. Sounds too good to be true. Men want to hang onto such a set-up. Then they mustn't abuse it.

As Dr. Compton points out, consumer goods industries have greatly improved, not by resting on their codes, but by urging the public to buy their goods. I often refer to the automobile industry because automobiles sell for nearly as much as a home. In many cases it is a question in the owner's mind as to whether to buy a car or a home. It can be referred to because it represents the highest type and most modern of American industry. One of our great industrial and financial writers had this to say the other day:

"The automobile industry is, of course, a flower of the American industrial pattern. Contrary to the notion that it primarily reflects rugged individualism, it early voluntarily introduced ideas of industry-wide cooperation, which more backward trades are just beginning to appreciate.

"The automobile industry has been the very antithesis of a hothouse trade. It has traditionally depended upon efficiency rather than political subsidies or tariffs. It was early imbued with the idea of widening its markets through perpetually striving to give more for a lower price.

### *Average Costs and the Codes*

"In this spirit one of the outstanding leaders of the industry, chatting privately with me yesterday, remarked:

"I am wondering whether the NRA is on the right track. I am afraid it is too much concerned with average costs in an industry and too little concerned with the costs of the most efficient producers.

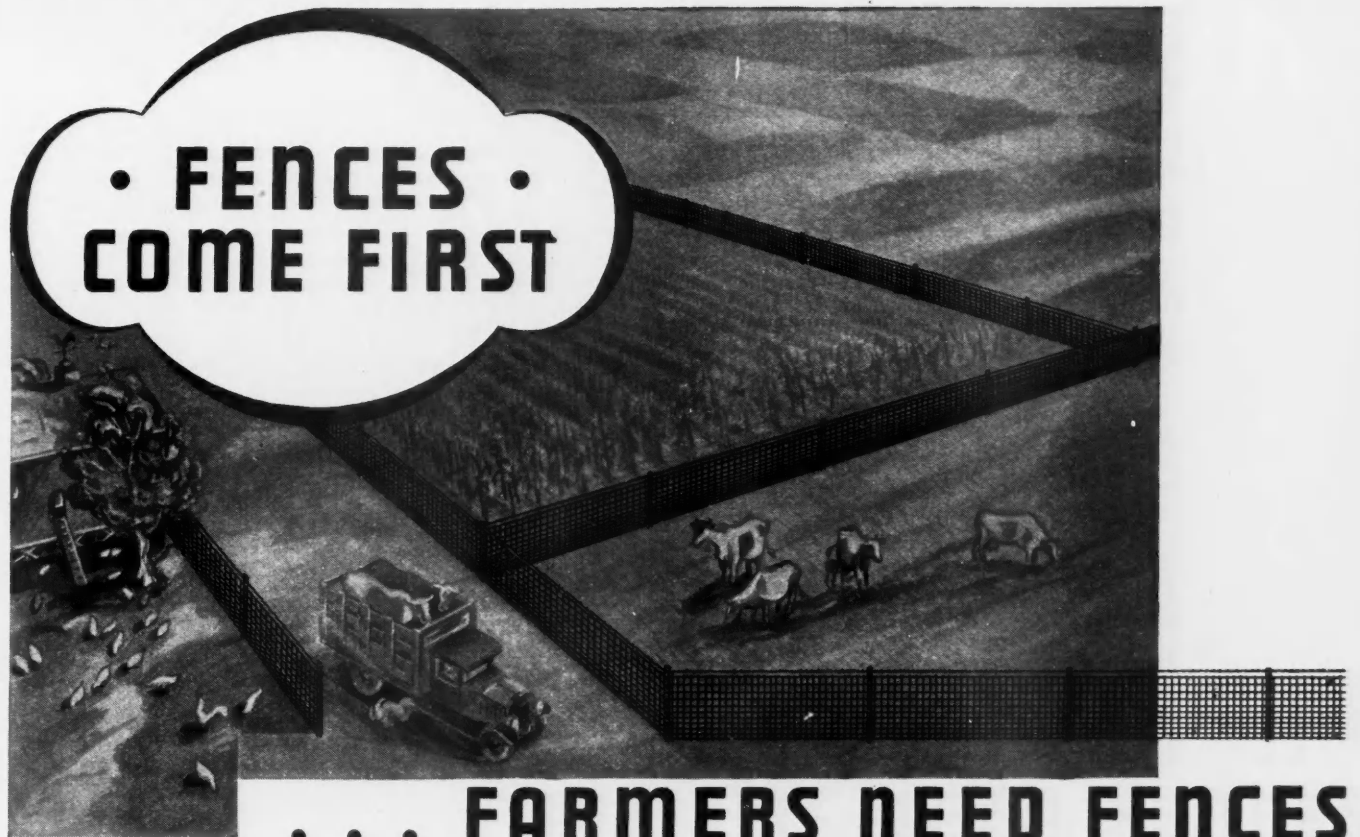
"It seems to me that the question of the size of profit margins is less important than whether the profit is obtained despite economic waste in production. Inefficiency, which adds unnecessarily to costs, penalizes the consumer. On the other hand, even though the ultra efficient are operating at a profit, the consumer in a healthy industry perpetually gets more for his money than before."

Here, in my opinion and as I have repeatedly said,  
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### "GIVING EMPLOYMENT TO MANY THOUSANDS"

"Federal loans for home building and repairs were previously brought to my attention by a constituent who urged my support of any amendment to the Home Loan Act which may be introduced during the present session providing for such loans.

"This plan is, I believe, a very excellent one and would stimulate the building industry, thus giving employment to many thousands of men now out of work."—Congressman Joseph P. Monaghan, 1st District Montana.



**... FARMERS NEED FENCES more than any other item of farm equipment ...**



Although farmers have neglected their fences for several years, their fence needs have kept right on piling up. The longer they put it off, the more fence they will have to buy in the end. ● A lot of fence will be bought in your community because farmers need it more than anything else about the farm. And they can get the money: The government's farm credit expansion encourages the purchase of such needed items as fences and equipment rather than non-essentials. ● Because of its ability to withstand the ravages of weather over a long period of years, Pittsburgh Farm Fence is an investment that will be paying returns long after inferior fences have given up the ghost. Pittsburgh Farm Fence, both stiff-stay and hinge-joint styles, are made of rust-resisting copper-bearing steel, super-zinc'd as an additional protection against corrosion. Always in demand, Pittsburgh Poultry and Pittsburgh Chictite fences enjoy a steady sale and are an excellent item for any dealer to stock at all times.



**PITTSBURGH STEEL COMPANY**

PITTSBURGH • PENNSYLVANIA

**Pittsburgh  
Fence**

NEW YORK	DETROIT	CHICAGO	ST. LOUIS
PHILADELPHIA	DALLAS	SAN FRANCISCO	
ATLANTA	MEMPHIS	SYRACUSE	

# CELOTEX

## Interior Finish

### A new and profitable market

- Recent developments in the decoration of Celotex by means of grooving and beveling, have provided new treatments of Celotex surfaces and joints. As Interior Finish, Celotex is an attractive and inexpensive wall and ceiling covering which combines decoration with insulation and structural strength. The average carpenter is able to apply Celotex as Interior Finish.
- The upper walls and ceiling of the office of the P. L. Frank Lumber Company, Kent, Ohio, are shown here. This job developed new business for this dealer. Twelve jobs were sold from it and many definite prospects were obtained. Other Celotex dealers are making money by selling Celotex as Interior Finish.
- Ask your Celotex Representative about this new market.



THE CELOTEX COMPANY, 919 N. Michigan Ave., Chicago, Illinois

## Don't Permit This Handsome! EXTRA PROFIT To Escape YOU!



"As soon as the spring season opens up we will have to install at least two more machines."

O & N Lumber Co., Menomonie, Wis.

That's what happens all over the country. Dealers' first machines quickly demonstrate the business-building, profit-making opportunity of DREADNAUGHT Rental Plan (average monthly profit \$48.96 per month by actual check with owners). No wonder they add more. Get your share! Send for details NOW.

"You have a wonderful product. It is fool-proof and built to stand abuse."

Sherwin Williams Stores  
Pasadena, California, Branch

**Dreadnaught Sanders**  
Dept. A-234, Muskegon, Mich.  
Send, with no obligation to me, the full details of the Dreadnaught 6 Rental Plan.

Name .....

Address .....

City ..... State.....

## Now With Codes— What's Next?

(Continued from page 118)

is the keynote for the home building industry. Let's give the consumer more for his money than he ever got before. We've got to sell more than a house or a roof or a bathroom. We've got to sell the satisfaction, the happiness, the convenience and everything else that goes with the home, in addition to a safe investment.

To do that it's going to take the united efforts of every man in the building business. The principal need right now is mortgage money. We have every reason to believe that Federal funds will be forthcoming, at least to prime the pump. Once home building and improvement is generally started and the owners are convinced of value received, then the hundreds of millions of dollars now burdening the banks will go back into good first mortgages where they have always gone.

The manufacturer who thinks he can ride along without putting some promotion and sales force behind his goods, the dealer who thinks because he carries a stock he is entitled to the business, and the builder who thinks old methods, old designs and old tricks are popular in the New Deal, are all taking a short cut to the poor house.

Every manufacturer of building materials must realize that he is in a New Deal. He is just starting in business. He has very little stock and practically no demand. He must face a new lot of buyers and a new lot of builders. Why should they buy his goods? It's his job to tell 'em.

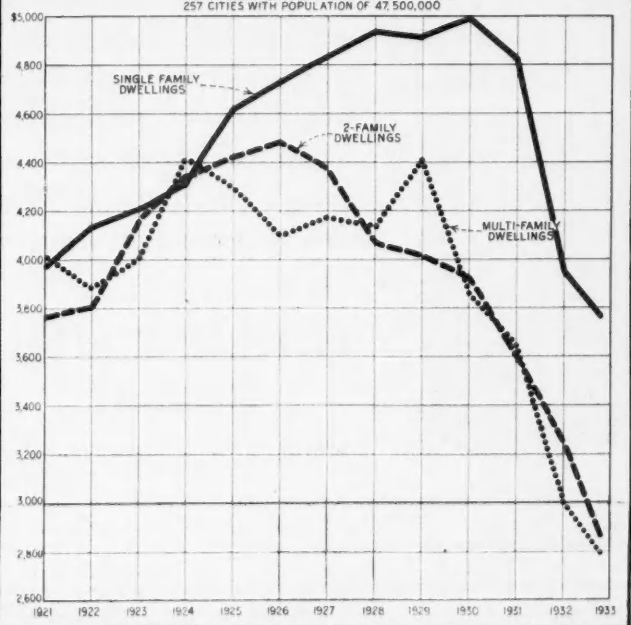
Every dealer must realize that he has just opened up a new lumber yard or material store. His prices have been fixed and he has practically no buyers. He can't depend on cut price bargains or secret rebates to attract customers. He's got a real job of selling ahead of him and people are demanding value received for what they spend. If he's a merchant and stocks good goods from progressive manufacturers, he's sitting on top of the world. His future looks bright.

Every carpenter, contractor, architect and builder can

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Average Cost of New Dwellings per Family Unit  
257 Cities 1921-1933

DATA FROM U.S. BUREAU OF LABOR STATISTICS  
257 CITIES WITH POPULATION OF 47,500,000



# ARKANSAS SOFT PINE

## SALUTES 1934

### Visible Revival in Building Volume Is at Hand!

Curving definitely upward, the composite business chart points to a brightening horizon. Scrap steel is firm at advanced quotations . . . motor car sales are brisk . . . recent holiday trade the best since 1928. The public is spending money again.

Persistent strength in security issues identified with the building trades, reflects the steady upturn in building activity since last summer. There are clearly defined prospects for steady gains this year. F. W. Dodge Corporation reported residential contracts for November at \$23,615,700 against \$19,245,300 for the same month in '32 . . . an increase of 27.7 applying to 37 states. Contracts placed the first half of December exceeded the total for all of December, '32. Increase in residential building (life blood of the lumber industry) is running true to previous experience tables.

The doubling-up process in family living of early 1933, is going into reverse. Federal aid for building of small homes is being advocated. The U. S. Building and Loan League believes the small home-owner will find mortgage money more readily in 1934. Whether these latter factors are realized or not, the natural law of supply and demand . . . still a fundamental, underlying force . . . indicates the building of new homes and rehabilitation of old ones is to resume in 1934.

Part and parcel with the building of homes for a generation, ARKANSAS SOFT PINE acclaims this renewed opportunity to serve. Abreast of ultra-modern develop-

ments in architecture, design and decoration . . . aware of changed trends in public taste . . . its manufacturers are prepared to meet the needs of a new day. For, while many builders of homes will adhere to forms long established, many others of the younger generation will demand a later pattern . . . in atmosphere—shape—color. The makers of Arkansas Soft Pine are ready to serve each group.

For Arkansas Soft Pine is as successful a material for smartly modern design as for the mellowed appeal of New England Colonial. The part which this distinguished wood played in the Century of Progress Exposition found it cast in both roles . . . as woodwork in part of the modern Lumber House—as beautiful wall paneling in the quaint Cape Cod Cottage.

To the trade, Arkansas Soft Pine offers the utmost in intrinsic value as Satin-Like Interior Trim and Paneling . . . a superiority of unquestioned standing, acknowledged by dealer and consumer, and identified by the famous registered Trade Mark illustrated here. Too, in all items of finish, flooring (including the finest rift-sawn) and other standard items, this splendid Pine is, by the same token, the standard of permanent worth and satisfaction for the consumer's dollar.

Thus, with confidence again in command, the under-signed join with their fellow lumbermen of the retail trade in embracing a revitalized faith in the return of prosperity for the building industry.

⌈ All Stock Bearing the Arkansas Soft Pine Trade Mark is Manufactured and Sold Exclusively by The Following Companies. For Quotations, Address The Mills . . . For Sales Aids and Dealer Literature, Write The Bureau. ⌋

CADDO RIVER LUMBER COMPANY  
Glenwood, Arkansas  
Sales Office: R. A. Long Bldg., Kansas City, Mo.

CROSSETT LUMBER COMPANY  
Crossett, Arkansas

DIERKS LUMBER & COAL COMPANY  
Dierks, Arkansas  
Sales Office: Dierks Building, Kansas City, Mo.

FORDYCE LUMBER COMPANY  
Fordyce, Arkansas

SOUTHERN LUMBER COMPANY  
Warren, Arkansas



Composing the

# ARKANSAS SOFT PINE BUREAU

BOYLE BUILDING

LITTLE ROCK, ARKANSAS



Let  
**MILCOR**  
**METAL LATH**  
Grasp Profits for You  
Like It Grips Plaster



Everyone knows that prices are going up. And most of us know that building is coming back—soon. When it comes there will be a mad rush for materials.

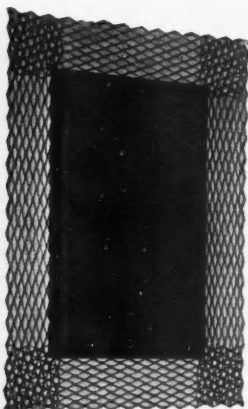
### STOCK UP NOW

on things you will need. Metal lath is one of them. Milcor Lath is best.

There is economy due to saving in material and labor thru the use of MILCOR 5-inch wing Expansion Bead, on work where it would be necessary to use a strip of metal lath in connection with a narrow wing bead.



**NOW!**  
5-inch Wing  
on the Famous Milcor  
Expansion Corner Bead



### MILCOR Metal Access Doors

Every building needs them. Permit access to key points in plumbing, heating and electrical systems without marring walls. Door is flush with plaster—opens at turn of a screw. Furnished with or without expansion wings. Send for new Descriptive Folder.

HAVE YOU THESE  
CATALOGS?

Milcor Manual Sheet Metal Guide  
Milcor Metal Ceilings

Write and find out how they can make money for you!  
Your copy is waiting—send for it.

## Milcor Steel Company

4111 S. Burnham Street, MILWAUKEE, WIS. CANTON, OHIO  
Chicago, Ill. Kansas City, Mo. LaCrosse, Wis.

## Now With Codes— What's Next?

(Continued from page 120)

figure that he has just come to town. He's got to hunt up somebody that wants to do some building. The best place to start is with some good live dealer—one who has a good clean stock and is anxious to give service along with the goods he sells.

The AMERICAN BUILDER has always tried to build up this community of interests in the building industry. It has a vast and unique audience. Its editorial and advertising matter is read by more dealers and active men in the building industry than that of any other trade publication.

Its advertisers are the best in their fields and they practice ethical distribution.

Our readers are the more progressive among both dealers and builders. A unique practice has grown up among the dealers who read the AMERICAN BUILDER. Hundreds of them buy groups of yearly subscriptions to the AMERICAN BUILDER and have us send them to their builder customers. In that way these builders are given the benefit of the new plans, ideas and information published monthly in the magazine. This co-operation also helps the advertisers get the merits of their goods before the dealers as well as the builders, who specify and buy from the dealers.

Because of this unique position held by the AMERICAN BUILDER, it has always felt a great responsibility in the home building field. Under the New Deal, its policy will be to promote the best interests of the industry in the light of these codes of fair practice, at all times keeping in mind the good will and best interests of American home owners.

## A SCREEN SENSATION! Zip-in Fly Screens

Frameless—All Metal

Increase your profits. Satisfy your customers. Some choice territories still open. Wire for prices and details.

Zip-in Screens sell at prices that compete with mill-made, wood-frame screens. Fewer sizes required to meet the needs of your jobs. No fitting necessary. Many outstanding improvements over both old and newer types of screens.



This shows a  
Zip-in Screen  
complete and  
ready for in-  
stallation.

No Frames  
No Rollers  
No Guides  
No Built-in  
Box

Pat.  
Pending

Conveniently Stored

Full length—covers both upper and lower windows. Easily and quickly installed from the inside. Only 4 screws to place—a screwdriver is the only tool required. No painting or other maintenance expense.

Each Zip-in is packed in a 3' square container which is also used for storage purposes.



THE CINCINNATI FLY SCREEN CO. ··· Gest and Evans, Cincinnati, Ohio