



Panoramic View of Opening General Sessions, 33rd Annual National Convention.

Brief Extracts of Important Convention Addresses

OPENING a discussion of two immediately pressing problems of national housing, i.e.: blighted areas of cities and their rebuilding and emergency dwellings for workers in defense industries, Newton C. Farr, Chicago, president of the National Association of Real Estate Boards, called for a major clarification of federal machinery in the housing field, cited danger signals in respect to defense emergency housing. Here, he said, we must utilize private effort and existing resources as fast as possible if we are to put full national strength into the preparedness program.

To make true low-cost housing possible and counteract urban decay he urged a maximum use of FHA's new mortgage insurance provision for reconstruction of groups of dwelling units in blighted areas.

Mr. Farr said emphatically:

"Our national government should get out of the direct construction and ownership of housing for the public, and our Congress should refuse to make additional appropriations for direct federal housing of civilian pop-

Preparedness and Real Estate

Newton C. Farr
NAREB President

ulace except for specific projects which in the opinion of Congress are emergency matters.

"We urge that all federal agencies concerned with housing be consolidated under one head, and that this head be directed to bring about a real coordination of the machinery and a real coordination of policies.

"We ask that he be directed to liquidate as rapidly as possible all federally owned rental housing."

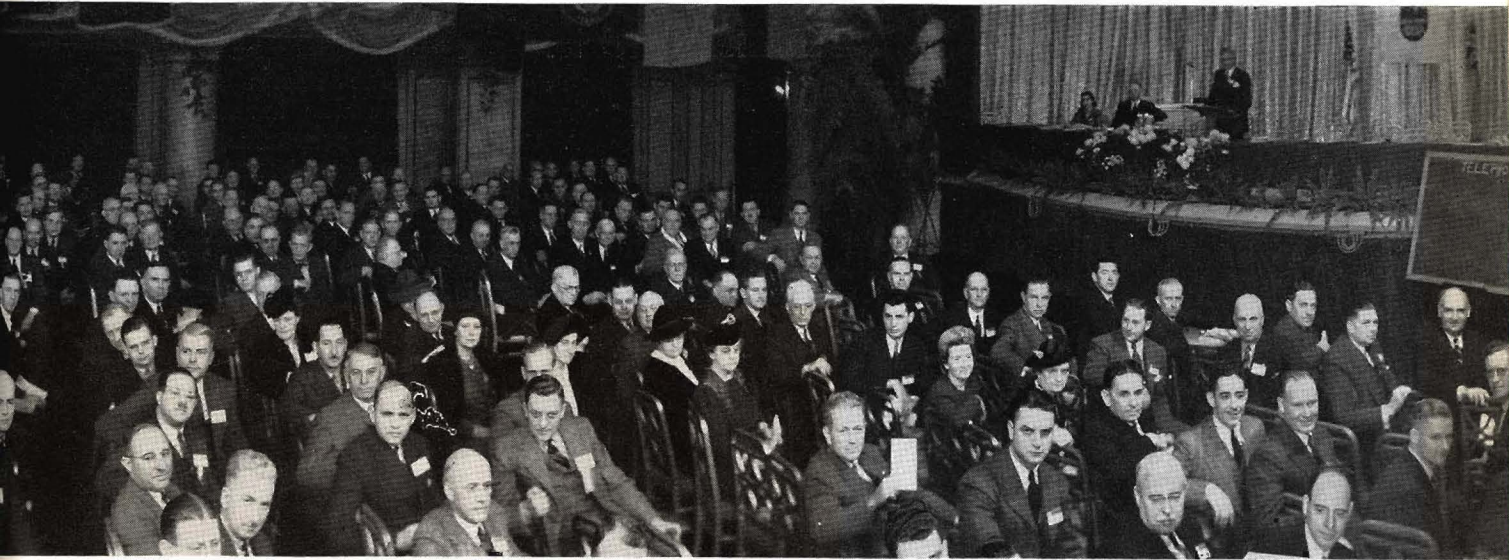
Appointment of a Defense Housing Coordinator has been a first important step toward teamwork between governmental and private activity in defense emergency housing, Mr. Farr said. The Association has suggested that the Reconstruction Finance Corporation might well give financial aid

where necessary to private companies undertaking the risk of supplying these emergency requirements, and that a special mortgage insurance fund might be set up to cover such risks.

"We are in a period when the policies of our nation toward the whole problem of housing are in a state of flux," Mr. Farr said. "The program for national defense has stimulated great industrial activity in various parts of the country. In many of these communities there is developing a shortage in living accommodations because of the increased number of workers attracted by industry. It has been the announced policy of the government that where emergency space is needed private initiative and private capital would be given preference and assistance in providing the accommodations in the many areas affected.

"Industry welcomed this announcement. In no other way can we draw our national resources in full degree to the aid of the defense program.

"Certainly the nation can tolerate no bottle necks in housing construction that would bog down the defense



ional Association of Real Estate Boards, Bellevue-Stratford Hotel, Philadelphia

program, but three recent developments are disturbing: (1) Announcements by USHA of many projects of its subsidized-rent type as defense emergency housing, to be built in areas where private industry is ready to fill the need and where for defense workers, who will earn good wages, there is no reasonable call for subsidy housing. (2) An announcement that would appear to indicate that thousands of houses are to be built by the Army and Navy to be rented to civilian employees receiving wages adequate to pay economic rentals. (3) Announcement of a new department in the RFC which proposes itself to erect rental housing. This, even though it be sold eventually to private buyers, will inevitably be in competition meantime with private new construction."

Complication, confusion and diversification of the Federal agencies with which it must deal discourage and delay private capital in getting under way, Mr. Farr said.

"We have urged and we continue strongly to urge that wherever defense activity appears to call for emergency units that real estate boards of the community and other local organized groups in the field, including financing groups, be brought into consultation to the end that private energies and existing local facilities be utilized to the utmost to meet the need," Mr. Farr said. "We urge that post office authorities be directed to cooperate with real estate boards in such localities and get an accurate measure of existing housing supply, and of its rental range."

Government and the Realtor

Herbert U. Nelson
NAREB Executive Vice President

VOICING the opinion that private enterprise is capable of doing the entire job of defense housing, Herbert U. Nelson, Executive Vice President of the National Association, predicted that 1941 will see an increase in real estate activity which will benefit brokers and producers of new homes alike. The subject of Mr. Nelson's address was "Government and the Real Estate Business."

Mr. Nelson also ventured the opinion that real estate men may see the United States Housing Authority "go through some form of liquidation during the next year." He added that he does not think USHA will get more money from Congress, though it might secure additional money from funds controlled by the President. He referred approvingly to the revolt in various cities against activities of USHA, notably the refusal of the Philadelphia city council to accept \$19,000,000 from this agency for public housing in Philadelphia.

The scope of defense housing will be determined by the needs, the speaker declared. What the needs may be can only be judged at present by the size of the defense program itself, which may, during the next five or six years cost as much as sixty or seventy

billion dollars. Such an amount is just about the equivalent of the value of all buildings of all kinds in the United States, he added. In view of this, the speaker continued, it seems likely that all slack in employment of capital, labor and management, will be taken up by the defense program.

Bespeaking patience on the part of Realtors while Charles F. Palmer, coordinator of defense housing, gets his program under way, Mr. Nelson who is acting as one of Mr. Palmer's advisors, pointed out that Mr. Palmer has the difficult job of getting nineteen government agencies to collaborate in defense housing and, in addition, to collaborate with private real estate agencies.

There is reason to believe, Mr. Nelson stated, that the Administration may now be open to the suggestion embodied in a resolution by Senator Taft for the coordination of the policies of the various government agencies having to do with housing and for their amalgamation under one head. Many people in Washington believe the time has come to do this.

As for FHA policies, the speaker said that a study is now being made to see if the present policy, emphasizing home building on the peripheries of cities, is unduly decentralizing. He stated that Administrator McDonald is in complete accord with the National Association on the need for parity between new construction and improvement of existing buildings. The objective would be mortgage money on a 50-50 basis as between these two classes of housing.