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THE CONGRESSIONAL FRONT
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WILL A BUILDING PROGRAM DEVELOP. In the last five years, we have seen various housing enterprises developed by Federal legislation. First came the Subsistence Homesteads built with public funds and intended for sale to folks with limited means with long term payments. On this we lost many millions. Then came the PWA Housing Division which built more than 50 large rental units in large cities. On these the U. S. furnished the money and scaled down rents to meet the ability of renters to pay. Then came the Resettlement projects such as Greenbelt in Maryland where the 1000 houses cost in excess of \$14,000 each and rents were based on less than half the cost. Early this year, Congress enacted the Wagner Housing Act under which 45% grants and generous loans are now being made to get low cost housing and slum clearance started. On December 18th, the House passed the new housing program. In the main, it consists of amendments to the Federal Housing Act. Will we finally get a stimulus for the building industry?

WHAT THE NEW PROGRAM PROVIDES. This latest housing legislation, enacted pursuant to the request in the President's message provides for smaller down payments to folks who wish to build by providing for insurance of 90% of the first \$6000 of a loan and 80% of the next \$4000. That means that on a \$6000 home, a bank or building and loan can lend \$5400 and have that loan insured by the Government. It calls, therefore, for a down payment of \$600. Weakness in this is that folks whose jobs are insecure can scarcely be induced to build a home and place themselves in debt for a 20-year period. If a contractor takes advantage of this provision in the hope of selling homes to folks, he faces the same difficulty. If he builds homes on this basis for rental purposes, he faces the task of inducing folks to move from their present homes to a new home where the rent will be higher.

A HOPEFUL PROVISION. There is one provision in the new law which is worth a try. It is an amendment to the original housing act, providing that new construction and alterations on homes both in the city and on the farm can be undertaken up to a \$2500 limit, and the bank or building and loan which finances such projects can be insured against loss on such loans up to 10% of the amount loaned. The limit of the loan is five years. After that time, financing institutions can probably work out the balance in some other fashion. This provision may help stimulate the building of small homes with government insurance to back the loans. It will also revive a program of modernizing and improving old homes.

FRAMELESS HOUSES. For two years, the U.S. Forest Service has been working on a practical frameless house consisting of living room, kitchen, two bedrooms, bath, utility room, with equipment consisting of electric refrigerator, bathroom fixtures, plumbing, heating and electric wiring to cost between \$2000 and \$3000 complete. It can be built with a flat or pitched roof and will be without beams, studdings, stringers or rafters. It can be set over a cellar or on a foundation. It can be completely erected and completed in a few days. This new type of cheap small home is now being given final tests in the Forest Service Laboratory and it is expected that plans will be ready in the near future. Tests are careful and exhaustive and if this new house gets the official OK, you can be reasonably sure that it will be practicable. If it meets official expectations, it offers the greatest prospect yet devised of getting a building boom under way.

LAKE GILBERTSVILLE. When the Muscle Shoals project, officially known as the Tennessee Valley Authority is complete, it is expected to handle flood control and navigation and provide electric power in an area of 40,000 square miles, ranging into seven states and costing \$505,000,000. Ten huge dams form the framework of this project on the Tennessee River. The last dam is to be built at Gilbertsville, Ky., about 20 miles above Paducah. If and when this dam is completed, it will form an inland lake 185 miles long, 12 miles wide, with 2000 miles of shoreline and a maximum depth of 50 feet. Some lake say we!

WAR VOTE. On the day the Panay was bombed, the 218th signature was affixed to the petition of Rep. Ludlow of Indiana, whereby his proposal for a constitutional amendment to give people the right to vote on whether or not this country shall go to war, will automatically come before Congress for action on the second Monday in January. Already, speeches have been made on the floor of the House, suggesting that action be deferred because it might embarrass the State Department in handling the Japanese situation. This is but the forerunner of a vigorous effort that will be made to prevent action on this petition.