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Your Home

by Gary Allen



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Big Brother Wants Control Of Housing

About this article...

Your Home: Big Brother Wants Control Of Housing by Gary Allen, the startling exposé of the collectivist plan to drive Americans from private homes into the "efficiency" of the ant heap, originally appeared in the December, 1974 issue of *American Opinion* magazine.

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YOUR HOME

Big Brother Wants Control Of Housing

Gary Allen, a graduate of Stanford University, is the author of several best-selling books, including *Communist Revolution In The Streets*; *Nixon's Palace Guard*; *None Dare Call It Conspiracy*; and, *Richard Nixon: The Man Behind The Mask*, the definitive study of the ambition and conspiratorial activities of our recent President. Mr. Allen, a former instructor of history and English, is active in numerous humanitarian, anti-Communist, and business enterprises. A film writer, author, and journalist, he is a Contributing Editor to AMERICAN OPINION.

■ RALPH Nader informs us in the April 1973 issue of *Saturday Review Of Society*: "The housing issue is going to be in the Seventies what the auto issue was in the Sixties. There is no question about it at all." Nader is doubtless right; not because his crystal ball has been fine-tuned by Jeane Dixon, but because he is in on the game. Ralph Nader may be full of more misinformation than Criswell, but he knows where the next collectivist thrust is aimed because he helps wield the socialist sword.

And Nader is no mere sorcerer's apprentice. He knows exactly what his collectivist incantations are designed to produce. According to the daily *Australian*, he told a Sydney audience on July 8, 1972: "What is needed is Socialism or Communism of one sort or another." Mr. Nader has declined to spell out to his American audience exactly what sort of "Socialism or Communism" he has in mind, and now denies ever having made such an admission. But in naming housing he has certainly identified the latest

target of those who are seeking total control over America and Americans.

The concept of every family having the opportunity to own a home has been a cornerstone of our national tradition since colonial days. Home ownership has been basic both to our Free Enterprise system and family life. For generations young families have dreamed and planned and saved to acquire their own house. But today those young couples are facing obstacles that threaten to make home ownership impossible for them. Propelled by inflation and the added cost of meeting requirements imposed by environmentalists and land planners, the price of housing is spiraling upward like a Fourth of July rocket. Millions of would-be homeowners have already been priced out of the home market, and soon only the wealthy may be able to afford to purchase a new house.

Not long ago, American families could allot twenty-five percent of their income for housing, but now the figure has escalated to over one-third. And if the planners and bureaucrats have their way the whole character of our housing will soon be changed so that the typical American family will be shoved into a high-density dwelling in the style of the New York ant heap.

Principal And Interest

As higher costs of land, materials, labor, and money have been added to the cost of construction delays created by the bureaucracy, housing contractors have passed along the cost to consumers. The National Association of Homebuilders reported in *Newsweek* for July 29, 1974,

that the average price of a new home in America is now a staggering \$35,800 — up forty percent since 1969. During the past five years the cost of financing has increased one hundred percent, labor is up twenty-one percent, materials twenty-two percent, land fifty-nine percent, and other related costs up forty-eight percent. In short, that dream home that you could buy for \$25,600 just five years ago is now going to cost you \$35,800 . . . if you can arrange a mortgage to buy it. To qualify for a mortgage loan, assuming the money is available, a family would today have to have an income of between fourteen thousand and sixteen thousand dollars to buy a thirty-five thousand dollar home with a minimum down payment. The median income for American families of four is only eleven thousand dollars, which automatically eliminates most home seekers.

Consider what this jump in price does to the family budget. Mr. Family Man buying the average house five years ago with a normal twenty percent down payment and six percent conventional loan for thirty years would have been making payments of approximately \$122.92 per month principal and interest (plus his taxes and insurance). His payment for principal and interest on the same house *today* is going to run about \$255 per month. Under the conditions now prevailing, a family must borrow at least eight thousand dollars more than it would have had to borrow five years ago, and must also pay nearly double the interest rate. That extra eight thousand dollars at today's interest rate of 11.25 percent is going to cost approximately seventy dollars per month for repayment of principal and interest, or \$25,275.60 more for thirty years.

To put a down payment on the average home five years ago, you would have had to scrape together a little over five thousand dollars. Today, you must come up with approximately seventy-two hundred dollars — almost fifty percent more

cash. And, as nearly everyone who has ever bought a home knows, coming up with that cash down payment is very painful business.

The purchaser of our typical home of five years ago would pay a total of approximately \$44,251.20, principal and interest, over the life of his thirty-year loan. Today's buyer will pay an incredible total of approximately \$91,000, or a difference of \$47,548.80. Oh, what a friend we have in Big Brother!

Many families may choose to forego the current purchase of their mini-castle in the belief that the inflation we are suffering is but a temporary aberration. We hate to break the news to them, but the factors which have added ten thousand dollars onto the cost of the average home are being made worse by the government, not better. The future holds more inflation, more government distortions of the money markets, and more bureaucratic planning.

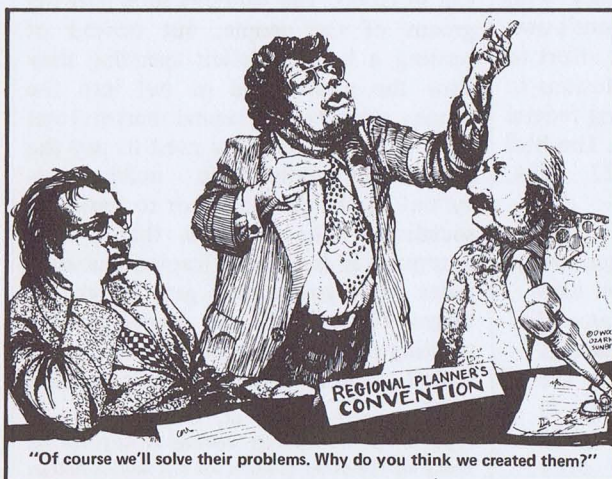
Business Week of July 13, 1974, reports: "Last year's \$24,000 home will sell for \$27,500 this year . . . last year's \$30,000 home is now \$33,000." Maurice Mann, president of the Federal Home Loan Bank of San Francisco, says: "It's safe to assume that the cost of housing is rising 15% to 20% this year — but don't hang your hat on 20%." Strangely enough, the skyrocketing cost of housing is being held *down* somewhat by the lack of available mortgage money! The *Wall Street Journal* of October 11, 1974, notes that many builders are now renting their new houses and waiting for greater availability of mortgage funds before selling them. The *Journal* quotes builder Edward H. Kuykendall as declaring: "We feel that why sweat it with the buyer now. When the [*mortgage*] market eases up, prices will go up 20% easily."

Terrific.

Chief cause of the current high interest and general mess in housing is inflation. That is, deficit spending by government. The public has been convinced by the



Laurance Rockefeller, using his vast “metro” complex at 1313 East Sixtieth Street in Chicago, and operating through his Independent Task Force on Land Use, laid the groundwork for federal control of all land development. Legislation was quickly proposed to require the states to draw up comprehensive plans for control of all private land holdings. Federal funds would be denied any state which refused to follow federal “guidelines.” The bill was narrowly defeated this year, but the Rockefeller “metro” agencies pressed



Russell Train of the E.P.A. to institute federal “land control” through an administrative order requiring federal approval of land development. Train is a former Rockefeller employee. The game has been to create severe problems for the private housing industry to justify government control of housing. A 278-page government report, *The Costs Of Sprawl*, has just been issued to explain why Big Brother must put an end to the building of single-family homes in America.

machines of mass misinformation that *inflation* is synonymous with rising prices. Your dictionary will tell you that inflation is an increase in the supply of money, and any honest economist can explain that it is the new printing-press money (currency and deficit) sloshing through the economy which bids up prices by reducing the value of all money already in circulation. Only government can do this. During the Nixon Administration the supply of money was increased (inflated) by over fifty percent to pay for unprecedented deficits. All of this new money caused a myriad of serious distortions in our economy, and the housing market has been most keenly affected.

One of the major distortions was to induce people to remove their money from savings and loan associations, which would normally lend it for housing, and to place it instead in government securities to get higher interest rates. The industry has a dollar word for this phenomenon. They call it "disintermediation." During July, five hundred million dollars were removed from the savings and loan associations, and the following month \$1.2 billion was withdrawn. Large depositors have been extracting their funds from the savings associations because the government will not allow such institutions to compete equitably with interest offered on the government's own treasury bills. It is a purposeful effort to drive the savings and loan institutions to the wall as a means of obtaining federal control of the mortgage market. The *Wall Street Journal* of September 27, 1974, reports:

Currently, thrift institutions are prohibited by regulation from paying more than 5¼% to 7½% annual interest on various types of savings accounts. With interest rates in the money market rising sharply in recent years, individuals seeking the best possible returns have been

bypassing or pulling out of the thrift institutions and putting their funds directly into bonds and other types of debt instruments.

After all, why should a saver take 5.25 percent interest from a savings and loan when he can get almost double that from government bonds? Which is why, since July 1973, over four billion dollars have been pulled out of these associations. But when there is no money in the savings and loan institutions they cannot make loans to prospective home builders and buyers. When that happens, the federal Dracula has its fangs in the life blood of the home industry, the housing market dies, and everyone starts calling on Big Brother to *do* something.

At the heart of the problem is the fact that, during the six-year Administration of President Richard Nixon, the federal government somehow managed to spend one hundred billion dollars more than it squeezed from us in taxes. When the government spends more money than it takes in it has only two sources of making up the difference. It may borrow the money or print it. When the government prints the money through the Federal Reserve System, and distributes it through the economy, it triggers the wage-price spiral which the commentators call inflation. The *federales* soon hear the groans of the people, but instead of putting a halt to deficit spending they slow the presses and go out into the money markets (the capital markets) and *borrow* the billions they need to pay the government's deficit bills — pulling money out of the private sector to spend on socialism.* The result is that private enterprise is deprived of capital and stagnates while government gets bigger and bigger. If spending is not slowed and the printing presses continue to grind out the deficit currency at the same time, we find

*The government is not, of course, handicapped by the interest ceilings it imposes on many of the other bidders for the saver's dollar.

ourselves (as we do now) in a situation called "stagflation."

According to the *Bank Of Hawaii Monthly Review*, Uncle Sam now reaches into the free money markets and extracts fifty-three percent of the available capital, depriving American industry of the funds it needs to expand, modernize, and meet foreign competition. When it hits the savings and loans, as it has been doing, it is the housing industry which suffers. Although that four billion dollar outflow suffered by the savings and loans may not seem large when compared to the three hundred billion dollars in assets held by the nation's forty-one hundred chartered savings and loan associations, it takes 2.6 million new homes annually just to replace those lost due to fire, natural disasters, and old age. The savings and loan institutions need a ten percent *inflow* in new funds every year just to keep up with inflation, let alone to replace those 2.6 million dwellings which are lost every year.

The collectivist game is for the government to cause problems and then present itself as the savior. That is what is being done here. The object in this case is total government control of housing and construction. Which is why government is now promising relief to the beleaguered mortgage market by borrowing even more money in the money markets and lending it to the housing industry via governmental agencies.

Mortgaged To Big Brother

In an unusually blunt article entitled "What's Wrong With The Mortgage Market," *Business Week* for October 12, 1974, explains how the federal government has simultaneously strangled and taken over the mortgage industry. *Business Week* observes:

"The U.S. mortgage market is in agony this year, able to finance only half as many new homes as in 1972. More disturbing by far is that the market has collapsed despite the federal govern-

ment's most ambitious peacetime effort ever to direct credit into a particular sector of the economy

"The government's eight-year attempt to 'federalize' the residential mortgage market has been bold enough. It involves supplementing the comparatively weak claims of the key mortgage market institutions — the savings and loan associations and mutual savings banks — upon the nation's store of capital with the superior claim of the federal government. What the S&Ls and savings banks cannot borrow on their own, federal agencies borrow for them — and so attempt to make cyclical the most contracyclical of all industries. With the agencies doing the borrowing, the mortgage market is supposed to be guaranteed funds in good times and bad. Tight money might hurt the thrift institutions, but it barely touches the agencies.

"The numbers are certainly impressive. The Federal National Mortgage Association (Fannie Mae), the Government National Mortgage Association (Ginnie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) buy mortgages from lenders, providing cash to make new mortgages. Since 1968 these agencies have increased the share of home mortgages they hold by 87% against a 12% gain for the S&Ls and a 21% decline for the savings banks. The Federal Home Loan Banks lend directly to S&Ls when they cannot find the money themselves. The S&Ls had borrowed \$20.3-billion from the FHLBs on June 30, up from \$12.7-billion a year earlier."

Yet residential housing starts still have declined forty-five percent from 1972. All that borrowing by federal agencies "to support the housing market," you see, has only served to push up the cost of money for everyone. Government is merely siphoning money out of thrift institutions to pump back into the housing industry where it would have gone at a lower rate of interest if government had left things alone. According to

Business Week, "it seems clear enough that as much as 50% of the housing-support money borrowed by Fannie Mae and the other agencies came from savings accounts in depository institutions — pulled out because the 9% and more that agencies are paying for money goes far, far beyond what any thrift institution can pay."

Or as economist James O'Leary, vice chairman of U.S. Trust Company, observes: "We've almost developed a machine to pull money out of savings and loans. The entire process seems to be feeding on itself."

Having thoroughly fouled the housing money markets, Big Brother is planning more of the same. *Business Week* tells us:

There is still plenty of support for a federalized housing market on the grounds that it is socially desirable — or, at least, politically desirable. In one of his last major acts as President, Richard Nixon last spring came up with a new \$10.3-billion program to aid housing. The Federal Home Loan Bank System was authorized to lend \$4-billion to the S&Ls at rates at least one-half of 1% below its own borrowing cost. Ginnie Mae got authority to buy another \$3-billion in government-backed mortgages and Freddie Mac to buy up to \$3-billion in conventional mortgages at rates below the market.

All of this is too insane to be the product of anything but purposeful destruction. There is much more to it than madness. If the federal government puts up the money for American housing, to solve the problem it has created, defaults and bankruptcies during hard times could put ownership of a substantial segment of America's homes in government hands. Some suspicious souls suspect that somebody has already thought of that.

Already entire sections of Detroit and

Philadelphia are in Big Brother's pocket through mortgage defaults. The Department of Housing and Urban Development (H.U.D.) now owns fifteen thousand separate properties in Detroit and in excess of four thousand in Philadelphia. Mr. H.R. Crawford, H.U.D.'s assistant secretary for housing management, reveals that his inventory presently includes about seventy-seven thousand single-family homes and twenty-five thousand apartment units.

But hold your breath for this one: Another 139,000 homes or apartments are currently in varying stages of default, and about seventy percent of them will ultimately be absorbed by the government because they are unsaleable to private parties. Crawford estimates that, by 1975, H.U.D. will have about two hundred thousand homes and apartments on its books. And it is already the nation's largest real-estate broker and renter of homes and apartments.

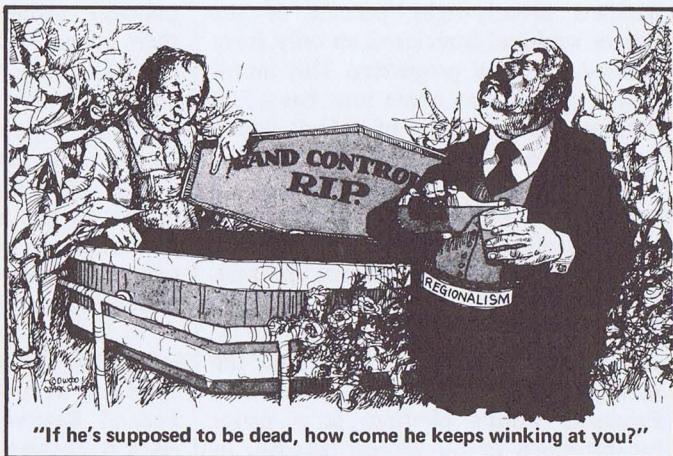
The Department of Housing and Urban Development is now spending about two billion dollars a year to acquire the defaulted properties which it insures. This represents a quadrupling of expenditures since 1970. That sum staggers the imagination when one considers that our total federal Budget in 1932 was only \$4.6 billion. Yes, you've come a long way, baby — towards total government.

A comparison of foreclosures on conventionally financed dwellings with foreclosures on government-financed real estate is revealing. In 1973, F.H.A. and V.A. accounted for twenty-two percent of the total homes sold, while conventional sources (banking and savings and loan) accounted for seventy-eight percent. In the same year, according to H.U.D.'s *Housing & Urban Development Trends* for March 1974, there were 135,803 foreclosures. Of these, F.H.A. and V.A. foreclosed on 79,662, while handling only twenty-two percent of the homes sold in 1973. The private sector

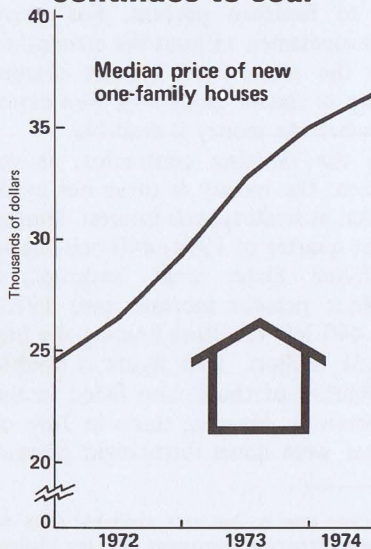
Ralph Nader has declared: "The housing issue is going to be in the Seventies what the auto issue was in the Sixties."

The game, as with the automobile, is to drive us from traditional private comfort to the socialist "efficiency" of what Big Brother says is good for us. Inflation, tight money, and land control are being used to crush the private housing industry. The

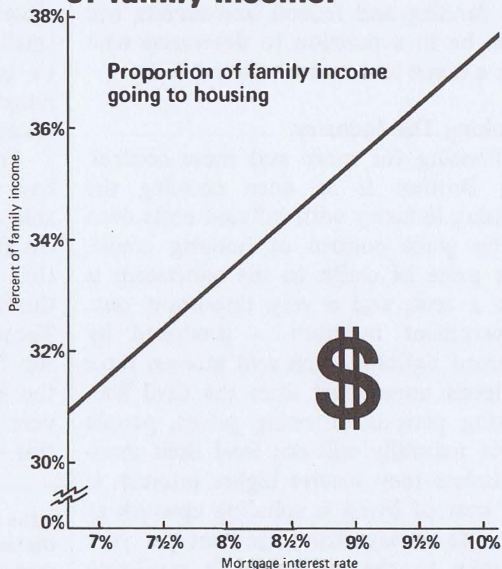
average cost of a new home is up 100 percent. Building permits are off 43 percent, with ecology "guidelines" forcing an 18-month wait in Southern California. And the federal government is moving to take control of the home mortgage market. Since 1968, federal agencies have increased the share of home mortgages they hold by 87 percent and are grabbing for more. In hard times, the federal government could wind up owning millions of American homes. The Department of Housing and Urban Development now owns 77,000 single-family homes and 25,000 apartment units, with 139,000 more in varying stages of default. The Home Purchase Act of 1974 has given \$7.75 billion to H.U.D. and put not only federally insured mortgages in its hands but conventional ones as well. Uncle Sam is presently extracting 53 percent of available U.S. capital to further socialism.



Cost of new houses continues to soar



... and takes a bigger share of family income.



handled seventy-eight percent of the homes sold and foreclosed on only forty percent as many properties. This means that a government home loan has a 250 percent greater chance of default than a private loan. The apparently intended result is greatly to expand federal control over residential property.

Big Brother always uses the crises he creates to extend his control. In mid-October the U.S. Congress passed the \$7.75 billion Home Purchase Act of 1974, which provides still more money for the mortgage market. This bill, which had President Ford's blessing, is a major breakthrough in the federal takeover of residential housing. The boys at H.U.D. can now buy not only federally insured loans but also conventional loans.

The impact of the Home Purchase Act is to expand the authority of the Government National Mortgage Association (Ginnie Mae), whose purchases were limited to government-insured mortgages which accounted for less than twenty-percent of the mortgage market. What has happened is that the federal government has just thrown its net over the entire homebuilding money market. All it has to do for a complete takeover is to extend the funding and federal bureaucrats will soon be in a position to determine who gets a home loan and who doesn't.

Choking The Industry

Pressing for more and more control, Big Brother is at once choking the housing industry with inflated costs even as he grabs control of housing credit. The price of credit to the contractor is also a cost, and a very important one. Government inflation — produced by planned deficits — has sent interest rates to levels unmatched since the Civil War. During periods of rising prices, people quite naturally will not lend their money unless they receive higher interest. If the cost of living is spiraling upwards at the rate of say fifteen percent per year (thanks to the government's profligate

policies) people who are lending out their money at four percent are taking a financial bath to the tune of eleven percent. (And, to add fiscal insult to monetary injury, you have to pay income tax on the four percent you earn.) So the faster the cost of living rises, the higher go the interest rates. Eventually you arrive at the fifteen, twenty, or twenty-five percent interest rates found in South America.

In order to quiet and calm the booming cost of living which the government triggered with its deficit spending, the Federal Reserve has raised the interest rates it charges to banks. High Federal Reserve discount rates have forced bank prime rates to escalate from less than five percent in early 1972 to eleven percent in October 1974.* That represents an increase of an incredible 110 percent in two years.

Even the official rate understates the real cost of money to borrowers who are beginning to look at lenders like they were muggers after their wallets. Because the banks require business borrowers to keep part of their loans on deposit, the effective interest rate on money that prime-rate borrowers actually get to use is closer to fourteen percent. For many small businessmen without the credentials to get the prime rate, interest charges range up to sixteen percent or even more, if and when the money is available.

For the building contractor, as we have seen, the money is often not available even at stratospheric interest. During the first quarter of 1974, 440 builders in the United States went bankrupt, a thirty-four percent increase over 1973. Those 440 left creditors holding the bag for \$131 million. That figure is double the liabilities of those who failed in the year previous. Housing starts in July of this year were down thirty-eight percent

*The prime rate is that rate available only to the largest corporate borrowers with the highest credit ratings.

from a year ago and building permits for future jobs were off forty-three percent. The unemployment rate among construction workers is now 10.6 percent, or twice the national average, and escalating rapidly.

Another factor distorting the housing market and driving up prices is the shortage of building materials. Leading contractors report having to pay substantial price premiums, and in some cases blank checks in advance are needed to assure delivery of roofing materials, insulation, electrical equipment, and finished-steel products.

A Congressional survey this August of 258 major industries revealed the magnitude of the problem. Of those surveyed, 245 were confronted with shortages of at least one commodity vital to their business. Some of these companies were short of almost everything they needed. A total of 108 firms were unable to obtain a sufficient supply of petrochemicals. Steel was available to 106 on a catch-as-catch-can basis. Seventy-four could not find aluminum on the market, and sixty-two lacked an adequate supply of copper. These 245 corporations were unable to find sixty-four key commodities in sufficient supplies to sustain normal output. The supply slowdown in the construction industry alone has cost an estimated one hundred thousand jobs.

Again, Big Brother is the culprit. Shortly before he fastened wage and price controls on the economy, Richard Nixon warned us that such controls inevitably produce dislocations and shortages. He was right as rain, but then he applied the controls anyway. Now his defenders claim that Mr. Nixon instituted those controls just to show us they don't work. If you believe that, please contact me immediately concerning the purchase of the Brooklyn Bridge at a fabulous price.

In the meantime, contractors and subcontractors are reluctant to give a family wanting to build a house a firm bid. The contractor can't afford to tie himself

down to a specific cost figure when he doesn't know how much his subcontractors are going to charge him. And the subcontractors do not want to commit because they are not sure what their costs for materials are going to be. The "cost plus" concept is beginning to creep into the contracting business. Which means the contractor will charge the buyer whatever his costs are plus a stipulated percentage. This form of doing business has been standard operating procedure with major defense contractors since World War II. Anybody who has ever worked in a defense plant knows to what kind of sloppy, inefficient practices "cost plus" leads. When a contractor is tied to a specific figure, he makes his profits by keeping costs down. Under "cost plus," the higher the total price, the higher the profit to the contractor.

Caught in the ever-growing squeeze between wages and prices, construction and building, workers are growing even more militant in their wage demands. By the middle of July, 1974, according to *Business Week*, nearly six hundred strikes involving 250,000 workers were underway nationwide. And the Federal Mediation and Conciliation Service informs us that rank and file unionists are currently turning down more than twelve percent of all negotiated settlements, an increase of almost twenty-five percent over 1973, as not being enough to compensate for inflation!

During Phase One of President Nixon's wage and price controls, the cost of living jumped at the mild rate of two percent. During Phase Two it leapt to 3.6 percent. Phase Three produced a hike of 7.4 percent. Since the demise of controls, new union contracts in the construction industry have led the way to more startling rises in building costs as labor has tried not only to catch up with inflation but get ahead. In June of this year, San Francisco plumbers and pipe fitters won a one-year raise of nearly eighteen percent. Welders and other metal craftsmen in

Portland received a thirty-eight percent hourly wage increase through 1976. These samples are par for the course, and help to explain why building costs are up 367 percent nationally since 1941.

All of the factors we have discussed put the average Middle American in a situation where it is becoming increasingly difficult for him to buy either a new or used home. But there are a number of ways in which the collectivists are intending to make things even worse. For instance, *Business Week* of July 13, 1974, informs us:

Builders blame environmental curbs for most of the pressure on land prices . . . regulations ranging from outright bans on building — some of which are under legal attack — to requirements that builders find time-consuming and costly to meet. The result is that properly zoned land carrying all the necessary permits is at a premium.

Another more recent factor in land prices is the rise in development costs. Many communities now charge builders "impact" fees for the privilege of being allowed to build. "There are more of these fees and they're getting expensive," says William P. Leonard, executive vice president of Associated Home Builders of Northern California.

Jack P. Franzen, vice president of marketing for Fox and Jacobs, Inc., a homebuilding subsidiary of Dallas' Centex Corp., says such charges have changed the ratio between pure land cost and the cost of developing it. "It used to be that 60% went for land and 40% for development," he says, "but in the last six months, the figures have just reversed themselves."

Recent court decisions and new state and federal laws have given the so-called "environmentalists" all kinds of power to

throw law suits at developers and otherwise hinder new construction. To a certified bug chaser, nothing is quite so awful as turning a field covered with Mother Nature's weeds into a hideous neighborhood of houses occupied by (ugh!) people. Strangely enough, most of these ecology nuts are themselves people . . . the same people, in fact, who only a few years ago were beating their collective breast about what great humanitarians they were. Today, bugs and weeds are in, humans are out. The game is control: To control the environment is to control the people. You pay for it in both liberty and higher housing costs.

The "Land Use" Game

The collectivists grabbing for control of our housing are now using the carefully created ecology craze greatly to increase restrictive land controls. A totally planned community has always appealed to the collectivists who long for the "housing efficiency" of an ant-heap society. Their worker ants are busy in every corner of the nation spreading the gospel according to St. Marx. The present push is to scrap zoning by local elected officials (who must live in the community and can easily be voted out of office) and replace it with "land use planning" at the state level under federal authority.

Let us say that you have put your life savings in a piece of property which you intend to sell for development. But the "planners" decide that your property should be rezoned as a *green belt* where only sheep may be allowed to graze. Your life savings just went down the socialist drain. To whom do you complain? Where do you go to seek justice? You will find layer upon layer of government and be passed around from one bureaucrat to another like Elizabeth Taylor bouncing from man to man.

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Representative Morris Udall (D.-Arizona) sponsored federal "land-use" legislation earlier this year. He promised pie in the sky, declaring: "With proper planning we could put the same number of people in an area the size of Los Angeles, double the quality of life, and have green spaces, golf courses and parks — and yet take care of the needs of industry." The words you have just read are the words of Big Brother speaking nonsense.

Bernard H. Siegan, professor of law at the University of San Diego Law School, explains that the problem of Los Angeles is not an absence of "planning" but too much. As he observed:

Los Angeles is not without planning. It happens to be one of the first cities in the nation to have adopted zoning, which means that planners and planning have been instrumental in regulating development there for at least 50 years.

Grandiose promises were also made when New York City adopted the country's first zoning ordinance in 1916. Not only were these promises never fulfilled, much of New York's housing and development difficulties are directly attributable to planning and zoning failures.

The very nature of representative government makes planning detrimental and not beneficial to the effective and efficient utilization of the land.

Indeed, zoning in New Jersey has been so restrictive that the courts are now intervening to unravel the bureaucratic mess. Opponents of zoning in that state are citing a serious imbalance in housing opportunities for middle and low-income families. They argue that in the absence of restrictive zoning laws builders and developers will provide housing in accordance with what people want and are willing to pay for, and just the increase in supply alone will benefit every housing

consumer from the richest to the poorest.

Professor Siegan explains it this way in the *Santa Ana Register* for September 29, 1974:

One way to fight inflation is to do away with zoning. Zoning operates to limit construction of real estate. The immutable law of supply and demand tells us that the fewer homes and apartments in existence, the higher will be the prices.

Builders and developers cannot earn money unless they build and develop. There can hardly be a stronger incentive, and it will result in the greatest amount of production practicable under the conditions that exist at any particular period.

Zoning restricts this process by decreeing where and how much can be built.

Houston, Texas, provides an example of the process Professor Siegan was describing. In 1962 Houston voters rejected zoning ordinances. The results have been amazing. Although Houston is the nation's sixth-largest city, it has since ranked third or fourth in volume of construction. Not only has the tax base expanded proportionately, providing ample money for schools and parks, but rents there are also among the lowest for any major city in the country.

Al Gray, executive secretary of the Building Trades Council in Orange County, California, tells of the contrasting frustration his industry faces as a result of restrictive zoning problems. "Everybody is downzoned," Gray says, adding that it now takes eighteen months or more for a developer to get a permit to start construction. "Homebuilding costs rise at about the rate of 1% per month during this period of delay, which causes home prices to soar."

Larry Hoag, president of the California

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Association of Realtors, told his fellow brokers in the October 1974 issue of *California Real Estate Magazine* that the situation is serious and getting worse:

Environmental rules, regulations, and proposals are having such an impact on real estate and its use that we invited others concerned about "overkill" to meet with us in mid-September.

They came — top people from 14 statewide and regional organizations — and made reports that would curl your hair. These are responsible people. They are builders, attorneys, labor leaders, heads of coalition groups, corporation executives, and other representatives of a wide spectrum of business involved in land use.

We found agreement on an underlying fact of business existence: if a concerted effort is not made to bring sanity and balance into governmental actions which control land use in the name of ecology and a clean environment, business will be terribly crippled.

So will the livelihoods of most people employed in private enterprise.

The property rights they take for granted, to use their property, to make necessary improvements, even to buy and sell it, are being severely limited through local, state and federal regulations.

This is not something that will happen in the distant future. It is happening in many localities now. They can well become the landmark cases used to justify more crippling later.

These regulations didn't develop spontaneously. They have been carefully promoted. The Rockefellers have for many years been financing the "regional government" movement which substitutes

"planners" for private decision-making by individuals, and appointed bureaucrats for elected officials. This "land use" business is an outgrowth of the "regional government" scheme which the Rockefellers conceived and first began to finance some forty years ago.*

Western City Magazine is published by the League of California Cities, a satellite of the Rockefeller-financed Advisory Commission on Intergovernmental Relations and the Rockefeller "metro" headquarters in Chicago. The magazine recently produced a history of the League, in which its executive director, Bud Carpenter, was quoted as follows:

I would say we are going to see through the next ten years — the balance of the '70's and early '80's — total revolution as far as the structure of government is concerned at the local level. I think it will involve consolidation of some cities.

... The heart of the structural revolution will be control of land use. It seems to me you have to recognize a broader interest than just your own community. . . .

The broader interests, of course, are not so much those of the "planners" as of the conspirators who finance them. For instance, the Rockefellers have recruited and employed large teams of frustrated college meddlers to promote collectivism of every sort. Base for the Rockefeller "metro" satellites, collectively known as Thirteen-Thirteen, is a large former University of Chicago building located at 1313 East Sixtieth Street in Chicago, from which "land use planning" has been promoted for many years.

The first major breakthrough came in 1964, when Congress established a Land

*See my article, "Beware Metro," from *American Opinion* for January 1973. It is available in reprint at seven copies for one dollar.

Law Review Commission to examine the "status of public lands held by the federal government." The Commission was composed of eighteen members, among them Laurance Rockefeller, a longtime activist in profitable conservation causes.

Almost immediately a feud developed between Representative Wayne Aspinall (D.-Colorado) and Laurance Rockefeller. Aspinall wanted to keep the Committee aimed at "public lands" while Rockefeller sought to use it to find ways to manipulate control of private as well as public lands. When Richard Nixon became President he attempted to placate the elder Rockefeller by naming him head of the Citizen's Advisory Committee on Environmental Quality. But Rockefeller, being miffed, refused and set up his own Independent Task Force On Land Use, financed by the Rockefeller Brothers Fund. Laurance, you see, is chairman of the Fund as well as of the Task Force. After all, he is Laurance of America!

In his State of the Union Message for 1971, President Nixon made a number of recommendations for land-use planning drawn from the Rockefellers' Task Force On Land Use, including the employment of federal sanctions against states failing to pass legislation to "regulate the siting of key facilities such as airports, highways, and major private developments."

In 1972, Senator Henry Jackson (D.-Washington) introduced a bill to require the states to draw up comprehensive land-control plans for state and *private property holdings*. Federal funds would be denied any state that didn't follow the federal guidelines for land control. Observers suspect that Jackson's land-use bill was written by William K.

*The importance of the American Assembly is best illustrated by its list of trustees. Of the twenty-two trustees, fourteen are members of the Rockefeller-controlled Council on Foreign Relations. They include Arthur G. Altschul, Robert O. Anderson, George W. Ball, William P. Bundy, Katherine Graham, W. Averell Harriman, Sol M. Linowitz, Henry Wriston, and Milton S. Eisenhower, to name a few.

Reilly, an attorney who put together the Rockefeller report on land control. Reilly had been borrowed by Rockefeller from the Environmental Protection Agency to draw up the land-control recommendations.

While the Jackson bill rattled around in Committee, key Establishment collectivists were applying the pressure. At a special conference at Arden House in Harriman, New York, in mid-April of this year an Establishment operation known as the American Assembly* prepared a special report urging passage of land-use legislation. Seventy-seven "experts" had been assembled from twenty-two states and the District of Columbia. And it was not surprising when the final report of the Forty-Fifth American Assembly, on Land Use in America, produced a document almost identical in wording to the Udall Land Control Bill (H.R. 10294) which was soon being aggressively promoted by the Establishment media. The proposal, which was very narrowly defeated, after *AMERICAN OPINION Human Events*, and *The Review Of The News* raised the alarm among Conservatives, will be offered again next year.

Meanwhile, the planners are trying an end run on land use. Russell Train's Environmental Protection Agency has issued regulations to become effective in January which are just as dangerous as the defeated bill. One new E.P.A. regulation is worded as follows:

No owner or operator of an indirect source subject to this paragraph shall commence construction or modification of such source after December 31, 1974, without first obtaining approval from the Administrator (of EPA).

An "indirect source" is simply any facility that stimulates traffic. And E.P.A. decides what constitutes traffic. Although land-use control was not specified as one

of the functions of the Environmental Protection Agency, Director Train maintains that his responsibilities for looking after air and water necessitate land-use decisions and give him the right to control the use of your property. Russell Train is an old hand at pulling such fast ones. No novice, he used to work for Laurance Rockefeller as head of another land-grab deal known as the Conservation Foundation. It was Train who issued regulations published in the *Federal Register* (38 FR 15834) last June eighteenth, under Section 110 of the Clean Air Act of 1970, ordering the states to expand their present procedures for review of all buildings or other facilities prior to construction or modification:

... in order to include consideration of the air quality impact not only of pollutants emitted directly from stationary sources, but also of pollution arising from mobile source activity associated with such buildings or facilities.

In short, the federal government is even now arranging for complete control over your property and anything which might ever be built upon it. And it means to control not only how you live but where and how you may work, produce, and make use of your own property.

To The Ant Heap

So what is really happening? Americans are losing control of their private property through the methods we have detailed. This includes not only their businesses but their homes. So where are we going to live? Not surprisingly, the same Big Brother who has engineered the squeeze is now proposing the answer. We should all huddle together in apartment houses, he says, preferably those owned by kindly Big Brother himself. The campaign has already begun.

Take a felt-tip pen, open your hand, and write the word "SPRAWL" in capital

letters on your palm. You are going to see and hear that word over and over again in the months to come. It will be the Establishment word of the year. You remember those great Lib words of yesteryear: poverty and peace and ecology? The new word is *sprawl*. Say it slowly and roll it over your tongue. It has an evil and nasty sound, doesn't it? Like rraatt or wrretch. Repulsive, isn't it? According to the Establishment's favorite planners, *sprawl* — particularly of the deadly "suburban" phylum — is a malignant disease threatening our society.

Yes, if you live in the suburbs in a little white house surrounded by crabgrass and a picket fence you are a certified threat to the survival of the human race. It seems that if you have a station wagon, and live in the suburbs, you are an energy and resources pig. You are about to be informed of your sins by a plethora of reports emanating from the usual foundations and think tanks. And C.B.S. and N.B.C. will not be far behind. William Safire of the *New York Times* writes of the first robin red breast of the collectivist spring:

An agglomeration of federal bureaucrats, foundation officials, social planners and nobly motivated land-use freaks have taken advantage of the energy faddism and the depression in the homebuilding industry to launch an attack on the single-family house.

The Urban Land Institute, which prefers to see people clustered together in apartment houses, issued a report last week blasting "energy-inefficient patterns of 'sprawl'" — foundationese for a development of single-family homes in the suburbs.

Russell Peterson, chairman of the Council on Environmental Quality, is quoted in that report as saying: "We have long taken for granted that single-family houses were the standard pattern of devel-

opment in the suburbs and that they were the cheapest and most efficient way for fiscally responsible suburban communities to grow. Both of these assumptions have now been pretty much discarded."

And you can now read all about your vile selfishness in a new government document entitled *The Costs Of Sprawl*, a 278-page report prepared by the Council on Environmental Quality, the Office of Policy Development and Research, the Department of Housing and Urban Development, and the Office of Planning and Management of the Environmental Protection Agency. Yes, they are *all* in on the game.

This incredible federal document declares that the single-family house is the most costly to build and most wasteful to operate of all housing possible. Moreover, single-family houses "pollute the atmosphere" and drain our communities of services much more readily than do apartment houses.*

Rejecting single-family housing as too costly, the new federal report lists "high-density planning communities" as being more advantageous than "low-density sprawl communities." The reasons cited are better "land use," forty-four percent

*Safire notes: "As if it were not enough to castigate the typical American house as a smoke-belching oil-waster, it is condemned elsewhere as an uneconomic anachronism." He is referring to a recent *Time* magazine story which concludes: "...inflation is likely to cause one basic change in its pattern. Concentration on the free-standing, single-family house may well be over."

less energy consumption, forty-five percent less air pollution, forty-four percent lower cost, and thirty-five percent less water consumption. These aren't the only advantages of the ant heap, of course. It's also easier for Big Brother to keep an eye on the worker ants and control their movement as totalitarian socialists have had in mind from the beginning.

Communal-apartment housing is the goal the planners have set for you and your family, and for as much of Middle America as can be driven into it. As Representative Steve Symms of Idaho has put it: "This is simply the New Feudalism."

But first the stage must be set. And planned inflation, towering interest rates, the federal takeover of home mortgages, land-control legislation, the vastly expensive E.P.A. edicts, and all of those federally funded recommendations to "solve" your housing problems are all part of setting that stage. As even William Safire of the *New York Times* warns: "the people who helped bring us the energy shortage are using a shortage of energy as an excuse to apply their notions of land use to what should be the free choice in the purchase of shelter." Spell it Rockefeller. And remember that, as Ralph Nader has said: "The housing issue is going to be in the Seventies what the auto issue was in the Sixties. There is no question about it at all."

What you do to alert your friends about all of this could help to decide whether you keep your home or join the ant heap. ■ ■

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- ☆ What you can do to bring about “less government, more responsibility, and — with God’s help — a better world.”

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