Practicing Architect

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Summer 1977
Issue 1
PRESIDENT'S MESSAGE

By Jerome L. Salzman, FARA

Our society has been trying to live up to its goal of furnishing information, aids, and continuing education to all architects.

The new programs of legal, public relations, and accounting services are still available and we hope more of you will see fit to use them.

ARA is committed to involvement of students and work to this end is progressing.

Involvement with national committees working on metric conversion with the National Construction Industry Council, OSHA, and NCARB will show future benefits for all.

Government relations and stands on issues important to the building business is also a program which is being constantly monitored. A report on our stand on 'advertising' was given at the May board meeting with a final decision planned for September.

We are still continuing our programs of publishing a meaningful magazine, sponsoring and funding local councils to promote membership, and our annual national convention advances continuing education to all who attend.

We look to the future for more involvement, more recognition, and more help to our members and all architects. The work being done is by your fellow architects, all volunteers, all interested in making our profession better and stronger.

We are anxious to have any help or suggestions you might have and of course you are invited to all meetings and with your help, we can make steps toward our goals.

NATIONAL BOARD REPORT

Bertrand Johnson, ARA Recorder

The May meeting of the ARA Executive Board was held at the Cascades Motor Lodge, Williamsburg, Virginia. In spite of the distance and inconvenience in getting there sixteen of the members attended.

Treasurer Sidney Epstein presented the Financial Statement for 1976. In spite of the depressed economy, the Society was in better financial shape last year than in the year preceding.

The plans for the 1977 Convention in Houston are well underway. Chairman Herb Berger and his group have a full schedule of technical and social activities already established. The Whitehall, our hotel and activity center, is a gracious place despite its newness. All of you who have seen pictures of the newer buildings in Houston in trade publications are in for a surprise: they are even better looking than the pictures.

John Pankovitz, this year’s Awards Chairman, announced that the program for this year is progressing very well. The Student Program has been sent to the schools of Architecture and the awards program for professionals is in the process of being reviewed to determine the value of revamping parts of the submission requirements.

The location of the 1978 Convention was discussed and it was decided to investigate Philadelphia as the host city. In line with the Board’s policy of meeting once in any city being considered, prior to final selection, the September meeting of the Executive Board will be held in the “City of Brotherly Love.”

The Membership Committee, under Don McKechar, has been busy as shown by the new members on our roster. By now all of the Councils should have received the material being used for the membership drive. The Illinois Council has had very successful results with the program presented by the National Board.

For all those members with Fellowship status, the newly designed certificates are available through Don McKechar.

Chairman Don Geitz reported that the Student Membership Committee has completed contact with the Deans of all seventy-four Schools of Architecture and are actively working to retain an ongoing dialogue with this group of educators.

Jerry Salzman presented the unfortunate news that insolventable problems with the operations of the publisher of the magazine caused the Advisory Board to cancel their contract. As you can see from this issue, Don Udington of the Illinois Council is the new editor and has also undertaken to establish a new publishing operation. He has a schedule of publication dates that I am sure will be met. If the past issues of the Illinois Council Bulletin are any indication, the new editor will do a great job.

The Geodesic Dome Case Study Program has been suggested as a Student Design Problem. Harry Botesch reported that since there are a large number of questions still to be answered about its operation, it was decided to defer this project until 1979.

Member Bernard Frishman of Washington, DC, gave a report on advertising and the profession. The general tenor of the report was that “ads” do not help the professionals, their clients, or the general public. Bernie also reported on the proposed changes in the NCARB Code of Ethics. A great deal more discussion of this topic can be anticipated after the NCARB and AIA meeting this summer.

The latest activities regarding OSHA were reviewed by Harry Botesch. It appears that the courts are not siding with OSHA, but it will be some time before any major changes can be expected. If you are interested in helping bring about change, contact your representatives in Congress and let THEM know how you feel.

President Salzman outlined a proposed program aimed at helping the smaller towns across the country with technical architectural assistance. The concept was referred to committee and more will be reported on this program as it is developed. A system of assistance for building product manufacturer’s was also presented in outline format and was also assigned to committee for more detailed development.

The Nominating Commit-
tee under Chairman G. Robert Johnson is reviewing the available candidates for this year’s election slate. Suggestions from the members or formal nominations from the Councils will be greatly appreciated.

Barry Milowitz of New York reported that the Society sponsored insurance program is slowly beginning to take form. There does not seem to be much available, but a program underwritten by Lloyd’s of London does look promising.

Reports from the Legal, Accounting, and Public Relations advisors participating in the new members’ service program indicate that the members are using these services and with good results. How about you? (See the review of the service features in this section.)

Regents Gravesen, McKerchar, Shaffner, and Botesh reported on the activities in their areas. A vote of confidence and an extra effort of membership cooperation should go to Bernard Frishman of Washington, DC, who has accepted the appointment as Regent for Region 3, filling the previous vacancy.

Service Program

The first of this year the new ARA membership service program in the areas of legal, accounting, and public relations activities was introduced. The program was covered fully in the Newsletter, but we are repeating the program outline here for the benefit of those who may not be fully aware of its provisions.

Articles by Mr. Lurie and Mr. Freeman appear in the Seminar section of this issue.

Legal—The ARA has retained Mr. Paul M. Lurie of the law firm of Fohrman, Lurie, Holstein, Sklar & Cottle, Ltd. to provide legal consultation to members in the following areas: Construction (including professional service agreements, design-build, and construction management contracts), Professional Liability, Real Estate Tax Planning and Real Estate Financing (including equity syndications and government insured programs), and Professional Organizations (including partnerships and corporations). Mr. Lurie will provide an initial consultation without charge to members. These consultations may either be by telephone or by letter. If by letter, he will call you collect. If the question requires any extensive legal or factual investigation or repeated conferences, such additional service will be furnished by Mr. Lurie’s firm based on their regular hourly rates. No member will be billed unless there is a prior agreement.

Mr. Lurie can be reached at 312-641-5252, 180 N. Michigan Avenue, Chicago, Illinois 60601.

Public Relations—All members of the Society may participate in a program that can bring greater public awareness to their firms, themselves and the design projects.

For a fee of $50.00 per project, a member or member firm may have its project (photograph and caption/article) distributed to related trade publications, and daily and weekly newspapers within the state, city or metropolitan area of the firm or of the project.

The participant must furnish the following: the name and address of the publications to

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Society Financial Statement

In compliance with By-Laws provisions, the following Society financial statements are presented by Treasurer Sidney Epstein, FARA.

Statement of Income and Expenses for year ended December 31, 1976

INCOME
- Membership dues $26,664.00
- Less—payments to State Councils 4,950.00
  Balance 21,714.00
- Interest income 799.00
- Other income 60.00
Total Income $22,573.00

EXPENSES
- $18,294.00
  Income Before Convention Loss $4,279.00
  Convention Loss (7,350.00)
NET INCOME (Loss) ($3,071.00

Balance Sheet — December 31, 1976

ASSETS
- Current Assets
  - Cash in bank $2,166.00
  - Certificate of deposit (includes accrued interest) 9,038.00
- Accounts receivable — Convention 605.00
- Membership dues receivable 120.00
- Prepaid consulting fee (January—June, 1977) 1,250.00
Total Assets $13,179.00

LIABILITIES & ASSOCIATION EQUITY
- Current Liabilities
  - Accounts payable $5,669.00
  - Due to State Councils 45.00
  Total Current Liabilities $5,714.00
- Deferred Income
  - Prepaid Dues 300.00
- Association Equity
  - Balance — beginning $10,236.00
  - Income for year (3,071.00)
  - Balance — ending 7,165.00
Total Liabilities and Association Equity $13,179.00
which the material should be sent, one 8 x 10 black and white glossy photograph for each publication listed, and the following information about the project: title of project, location, client, full names of consultants and their location, full name of the general contractor and his location, project architect, project cost, site area, building area, types of construction materials used, interesting design features, and specific problems that had to be overcome in design or construction.

The material and information will be reviewed and organized, placed in photo caption or article form, reviewed by telephone with the project architect to assure correctness of facts, and then distributed to related publications. It is important to note that the editor of the publication determines whether the material is used in the publication based on space limitations and interest of the project. However, from past experience, many publications of a local nature welcome such material.

ARA members who wish to participate in this program should direct their material accompanied by a $50.00 check to: Stanley D. Banash and Associates, 5940 N. Neva Avenue, Chicago, Illinois 60631, 312-763-5767.

Accounting—The firm of Robert Freeman & Co., Certified Public Accountants, 2900 W. Peterson Ave., Chicago, Ill. 60659, 312-761-6946, has agreed to act as consultant to members of our organization for the ensuing six months.

Mr. Freeman and his staff will respond to members' written inquiries concerning matters of federal taxation, accounting and bookkeeping techniques, generally accepted accounting principles and related problems.

The firm requests that all inquiries be written and specific and that they be accompanied by a fee of $35.00. Their reply will be reverse-charge telephone call and will include a direct response to the question asked, plus any citations, references or alternatives they consider relevant. It is recommended that 14-21 days be allowed before response to provide administrative and research requirements.

THE FOUNDER'S CORNER
Wilfred J. Gregson, FARA

When I was faced with the problem of how to start a new society of architects and upon what basis, there were many conditions that needed correction. The most important seemed to be the animosity and distrust between architects and many efforts to damage the practices of architects who did not belong to any professional society. To correct this the Golden Rule was felt to be the basis of relationship between architects and consideration of a program of architect helping architect was a means of getting the Golden Rule into actual practice. Naturally, only these two tenets would join ARA.

The results of these two programs are most apparent at our conventions. The late John Lloyd Wright, son of the late Frank Lloyd Wright, attended our first convention in Kansas City. He remarked that it is positively electric to feel the warmth of affection expressed by all the architects who attend. The same condition still exists and the numbers in attendance have increased. Those members of ARA who attend our conventions for the first time always comment on the warmth of their reception, the willingness of the other architects to listen out any problem they may have and offer help and solutions and above all, they find a warmth of affection and friendship. This is true also of the wives who attend the convention. Those members of the Society of American Registered Architects who have not yet attended a convention should make up their minds that the next convention is a must for them. Because the Society of American Registered Architects is a practical organization which is based on getting down to the fundamental basis of the practice of architecture in order to solve problems that face every architect, especially those who are just beginning. The last convention in Atlanta was no exception which included a talk on the business of architecture by Dr. Manners, Dean of the School of Administration, who gave very valuable comments on the way to increase the retained portion of the fee and the extraordinary three-part seminar by Dr. Roland Bonar of Dale Carnegie. He had spent several months going around with architects on interviews to find out how they could improve the interview, what they did wrong and many other valuable points on getting the architectural contract signed.

The rest of the program was educational including visiting interesting buildings and historical sites. Those who completed the program received a Certificate of Continuing Education, something that will be required in the future by NCARB and state licensing. A great many of those who exhibited works of their offices received awards which would also be helpful in securing additional contracts by the office.

The real answer to the question of attendance at our convention is the fact that the same people who attended the earlier conventions continue to put all else aside in order to be present at all of our conventions. I stress this point because few architects realize the value of friendly relations with other architects, especially those from other parts of the country where it is possible to ask questions and answer notes with no fear of unfavorable results. You will find that some eighty percent of all dentists attend their conventions and approximately the same number of medical doctors and nearly 95% of specialists in the medical field. Approximately 80% of those in the hospital field including administrators, nurses, accountants, etc. attend their yearly convention as well as attending their local conventions because they have found the value that accrues to both the hospital and the personnel. As the word gets around of how successful our ARA conventions are, the increase in attendance that we have already had will multiply very rapidly.

As they say in Georgia, "Ya'll come" to Houston in 1977.
PEOPLE

We would like to welcome the following new members to the fellowship of the Society of American Registered Architects.

Robert E. Ashton
Los Angeles, California

Nicholas Batistic
Lemont, Illinois

Wayne Donald Bridgens
West Chester, Pennsylvania

R. Kinne Down
Little Rock, Arkansas

Robert Claire Doyle
Westland, Michigan

Arnold H. Horn
Neshanic Station, New Jersey

Theodore A. Mondzelewski
West Chester, Pennsylvania

Barry L. Newelman
Chicago, Illinois

Joseph Roger Permatto
Fitchburg, Massachusetts

Richard F. Rogers
Mt. Prospect, Illinois

Burton Lloyd Roslyn
New York, New York

James Joseph Smith
Oakbrook Terrace, Illinois

Thomas Stephens
Oakbrook Terrace, Illinois

ARA Requests
Congress to Review
Clean Air Act
Amendments

Congress has been urged by ARA to carefully study any amendments to the Clean Air Act which might halt the economic development of the country. While the Society believes in the "need for a clean, healthy environment," care must also be taken to be sure that the proposed requirements do not threaten "a precarious recovery from severe recession."

Certain of the amendments could mean that areas with better air quality than required by law, continued page 14

GRASSROOTS

The Society has two new Fellows in Rudolf Herzburg of Westbury, New York and Julian W. Jenkins of Aniston, Alabama. In addition, three members have applied for and been granted Emeritus status: Charles Helmer, Woodstock, Vermont; Henry C. Burge, Newport Beach, California; Bert L. Lichtig, Baltimore, Maryland.

"Reports of my death are greatly exaggerated" This quote from Mark Twain was received from member Brian M. Owens of Buffalo Grove, Illinois. We regret that the last National Newsletter confused Brian with Mr. B. F. (Biff) Owens of Baltimore, Maryland; one of the Charter Members of ARA. Our apologies to all concerned.

Member John Carr of Natick, Massachusetts has been invited to serve as one of the members of the Regional Public Advisory Panel on Architectural and Engineering Services for Region 1 (New England) of the General Services Administration. The principal function of the Panel is to advise the Administrator as to the competence and capacity of firms which have expressed interest in performing work for Federal building projects. Mr. Carr had been nominated for this post by the Massachusetts State Council of ARA.

Testimony delivered to the U.S. House Labor-Management Relations Sub-Committee at recent hearings in Washington by Chicagoan Fred Bernheim, Chairman of the ARA Government Relations Committee, noted that the common situs picketing bill was "just another step to tie-up construction and to strengthen the already overbearing arm of labor in the building industry." Fred presented the position of the Society, which opposed passage of the bill, at these hearings.

Past presidents gather at the ARA anniversary banquet during the national convention in Atlanta. From left are: Charles Faroni, Samuel Hart, Frank Masiello, Robert Isaacs, Marion Varner, Walter Simonds, Herbert L. Berger, Wilfred Gregson, Matt Howard Jr., T. E. Samuelson, John Hellman, Roy D. Murphy, and J. J. Liebenberg.
Design to contribute to survival of the race is more than design as a long-hair luxury or as a lubrication of bigger and better trade.
Richard Neutra

On a New Publication

Donald N. Uding, AIA, ARA
Editor

It is customary, if not quite obligatory, in writing the first editorial for a new publication to present something of a formal or informal credo for that publication, in attempting to define what Practicing Architect will be, however, my thoughts keep drifting to why it should be: the rationale for introducing another publication within our profession. Essentially the impetus toward creation comes from the sponsoring organization, the members of the National Executive Board of ARA. Their ideas and sense of direction, as well as the expressed concerns of a number of other architects who have supported and contributed in the birth process are, in varying measures, amalgamated here into an editorial statement expressing with some continuity the principal considerations.

Both the business and professional press have in recent time and in diverse discussion formats commented that the construction industry, while our nation’s largest, has reached essentially a no-growth position; its rate of expansion not significantly exceeding its internal inflation rate. At the same time our architectural schools contain students in record numbers.

If we have achieved no-growth status, there would seem to be serious question of the validity of debating that this is due to a lack of demand. We are daily called to alarm regarding “deteriorating housing stock”, “lack of industrial expansion facilities”, “saturated single family dwelling market”, “decaying urban environment”, and “energy conservation”; to name a few. If there is a concern with demand it would seem rather that there is a very limited operational correlation between supply and demand. The increasingly expressed needs for the end results of architectural and construction trades service, occurring in concert with a depressed market for those very services is readily observable evidence of the fragility of our industry’s business patterns.

In the specific case of Architecture the training, skills, and concerns of its practitioners have more to offer Society than a properly framed specification for structural steel welding or a more adroit spatial organization of the budgeted number of curtainwall mullions. In a social environment replete with discussions of the failures of housing programs, the need for effective urban amenities, energy effective infrastructure, neighborhood revitalization, the lack of socially responsive development, etc.; the one body with the humanistic tradition and problem solving skills in the formation of the built environment plays a consistently minor role. When things are going wrong we hear much about the failures in perception or action on the part of government bureaucracies, legislators, social planners, real estate interests, the financial community, but rarely on the part of the architectural profession. And with good reason: it isn’t responsible for anything. You have to have a part of the action in order to succeed or fail: History remembers the generals not the spear carriers.

It is an old saw, but none the less true, that architecture is the historic public art; the artist cannot practice it independently. Architecture can also be construed as consisting of two diverse but integrated bodies of skill and information. Excessively simplified, these can be stated as first, art; the creation of beauty and its attendant viewer reaction and motivation. (It often seems that social attitude conditioning through works of art is better perceived, despite more difficult achievement, by painters than architects.) Second, science; the technical means to bring to successful fruition the functional requirements of the commission.

Throughout most of the architectural history of this country the skilled exercise of the art of Architecture represented the key to the opportunity to practice, and thus employ the science of Architecture. Advances in building technology and the methodology of practice were the province of those who first and consistently displayed their artistic design ability.

Despite the fact that the exercise of the integrated, informed, and contemporary art of Architecture is of true value to Society and is probably one of the critical factors in the effective continuance of current civilization, we are increasingly operating in a changed practice environment. Increasingly the entree to practice opportunities, and the ability to influence through art, occurs through the exercise of the science of Architecture. Those who would exercise their artistry must first successfully demonstrate their mastery of the functional requirements of the increasingly harrassed project initiator.

At the same time the science that we speak of is not the same science of Architecture which existed at mid-century. Rather it is a science whose horizon broadens to include the impact of the built object of our labors upon its total environment: personal, financial, ecological, and societal. No longer the least element of this science is the means for business survival in a business environment grown gradually more hostile.

These, in abbreviated form, are the perceived directions and concerns which motivate the commitment to Practicing Architect. Our profession is presently well served by publications which portray the movement and accomplishments of the art of Architecture as presently practiced. In Practicing Architect we wish to deal with the broadscope requirements within the science of Architecture, which can assist the established office and the new practitioner to increase the opportunities to practice the total ar-
architecture of which they are capable. If we would lead—if we would make the social contribution of our art—we must first survive in an operative condition and second, we must meet, or preferably exceed, the skill demands being made upon us as the price of effective survival.

The science of Architecture and the business of business: these are the topics about which we plan, and hope we succeed, in assembling within this publication realistic, practical and pertinent information. Information which can sharpen your operating skills, broaden your service capabilities, and anticipate changes in the practice environment.

Our surveys continue to show that 85% or better of our membership hold entrepreneurial positions in architectural firms generally classed as medium size or smaller. Prognosticators continue to predict that this is the level of practice which will be hardest hit by the changes in the practice environment. However we believe that this body of architects continues to constitute the backbone of any truly socially effective practice of architecture and that their maintenance is crucial. Therefore our focus will aim at being supportive of this particular audience and level of practice.

We hope that you like the format of Practicing Architect as initiated in this issue. However we don't imagine that we are prescient enough to have established this as its immutable form. Rather we anticipate continuing change in any and all of its components because of the need to effectively respond to changing requirements. This is the reason that we have instituted opportunities within the format for the thoughts of the readership to be represented. We need your feedback. Left to our own devices we may, with luck, solve most of our own problems and few of yours.

So I close this over-long editorial with a single, and critical request. That you exercise your responsibility to yourself and to our mutual profession by letting us know what your reaction is to what appears within Practicing Architect, what your practice needs are, and what solutions you see to the problems confronting the successful practice of Architecture. Despite our best intentions, we can only serve those whose needs are understood.

Highlights of the 1976 Edition of AIA General Conditions

by Paul M. Lurie

The General Conditions of the Contract for Construction published by the American Institute of Architects was substantially revised in 1976, though that edition has only recently gone into general distribution. Many changes were grammatical, many merely involved placement of contract terms, but many of the changes were substantive.

The following is a discussion of the most important changes which specification writers may want to consider, deleting, modifying or insisting upon inclusion in the contract documents.

Financial Arrangements (3.2.1)
The owner must furnish to the contractor evidence of adequate financing before the general contractor is required either to execute a contract or to commence work. Unless standards are set and procedures established for implementation this provision could lead to job delays having impact upon all involved in the construction process.

Lien Information. (3.2.2)
The owner is now required to furnish the legal description of the job site. This provision is to enable contractors to have information necessary for filing of mechanics' liens. The architect himself may very well want this information for his lien.

Tax Increases. (4.6.1)
Under the previous edition the contractor was required to pay all taxes required by law. The 1976 edition makes clear that the contractor is not obligated to pay for any taxes which were not legally enacted at the time the bids were received.

Permits, Fees and Notices. (4.7.1)
It is now specifically stated that the contractor is only obligated to secure compliance with laws and rules which are legally required at the time the bids are received. The contractor is not obligated to continue to comply with new laws and rules.

Control over the Work. (2.2.4)
A constant source of litigation against architects involves tort claims by injured workmen who claim that the architect, because of his duties of supervision, had an obligation to avoid the accident which injured the workman. In order to limit the architect's exposure in this area, the 1976 edition continues the language eliminating the architect's right to stop the work. The 1976 edition further clarifies that the architect will not have control or charge of the construction means, methods, techniques, sequences or procedures of the contractor nor will he have responsibility for safety precautions.

Substantial Completion. (8.1.3)
The substantial completion date affects the release of retention amounts and governs the commencement of warranty periods. The 1976 edition has a new definition of substantial completion which is the date upon which the owner can occupy or utilize the work or any part of it. Under the previous definition, substantial completion was the date upon which the work could be occupied. The effect of the new provision is that special equipment such as elevators and other mechanical equipment can be substantially completed, the retention released, and the warranty periods start to run before completion of the rest of the project. This effect may be a surprise to many owners.
Stored Materials. (9.3.2)
Under prior editions, if a contractor wanted payment for materials stored on the site but not in place, he had to have a separate agreement. The 1976 edition provides that payment will be made on a current basis for all materials delivered to the site. A separate agreement is still required for payment on a current basis for materials purchased but stored off the site. It is important to coordinate the owner's financing with this provision.

Shut Down Costs. (9.7.1)
When a job is shut down due to non-payment of a contractor there are usually substantial costs involved in the shut down, delay and subsequent start-up. The 1976 edition provides the contract sum shall be increased by the amount of such costs in the event that the owner does not honor a certificate of payment within 7 days after approval. Also, the contractor can shut the job down in the event the architect does not issue a certificate of payment within 7 days after receipt of the contractor's application for payment.

Insurance.
In the absence of the usual modification provision, Article 11 sets forth specific type of property insurance which must be carried by the owner. If this provision is not to be modeled by the owner should understand the obligations which he is assuming. The owner should approve the insurance specifications through the use of AIA form G610. If the architect is negligent in specifying insurance, such negligence is expressly excluded from coverage on the standard errors and omissions policies.

Arbitration. (7.8.3)
Arbitration continues to be the method for dispute resolution. However, both the contractor and the owner must now continue to perform their contract during the arbitration proceedings. This means that the owner must continue to make any payments due to the contractor which are not subject to the arbitration proceeding. This provision may come as a surprise to many owners.

Assistance in Financing
by Charles L. Carlson

Large firms, including industrial organizations, have the opportunity to secure financing in many ways—through the sale of preferred or common stock, through debenture of mortgage bonds, and, for their short-term cash requirements, by the issuance of commercial paper. Finally, they can, of course, borrow from banking institutions.

Most A-E firms, on the other hand, including those with publicly held stock, have only the banks to look to for the securing of financial assistance.

However, whether you are associated with a large or a small firm, if you are going to be successful in seeking financing, you must maintain effective controls within your business. These controls cover many areas, including the control of your contracts, control of your billings and collections, effective budgeting, management of information systems, management by objectives and other sophisticated tools of management. I'm going to discuss a few of these controls that can be carried out by any firm, regardless of size.

The Contract
I want to emphasize the basics: see to it that you have a sound contract that protects you legally and financially; in addition, be sure to secure change orders in advance as the scope of work changes. Too many A-E firms find themselves short of cash because they have not carried out these basic principles.

Billing of Services
Billing control is another basic procedure that essentially any firm, regardless of size, can follow. Control consists of standardizing your billing forms and procedures, and issuing the billings promptly on whatever billing cycle is best for you. If the billings are not issued promptly, the money is not going to be received on a timely basis.

Extensions of Time for Weather. (8.3.1)
"Adverse weather conditions not reasonably avoidable" is now a grounds for granting an extension of contract time. This is somewhat a subjective term and the supplemental general conditions should contain a further clarification of this provision.

Change Orders. (12.1.1)
Under prior editions, the architect could be authorized to issue change orders without the owner's signature. Under the 1976 edition when an architect prepares a change order it must be signed by the owner before it can become effective. Violation of this standard could result in claims against the architect ordering unauthorized changes.

In conclusion, all of the AIA documents must be viewed as a highly interrelated system. Modifications of any of the agreements in the AIA system will have legal impact upon other relationships. The problems generated by lack of coordination can be particularly acute because at the present time the 1976 edition of A-201 has not been correlated with the owner/architect agreements; nor has a federal or construction management agreement of A-201 been issued; nor has the short form of construction contract incorporating various provisions of A-201 been issued. Because the 1976 edition is so new there can be confusion as to whether the 1970 or 1976 edition applies when attempts are made to incorporate these documents by reference through such terms as "current edition". It is suggested that architects read the AIA documents, be familiar with their terms and inter-relationships and only modify them or refuse to modify them when the impact of such a decision is clearly understood.

Mr. Paul M. Lurie is a partner in the law firm of Fohrman, Lurie, Holstein, Sklar & Cottle, Ltd., in Chicago and the legal advisor for the member service program.
municipalities, educational facilities, or similar clients whose invoices are acted upon once or twice a month, be sure to determine the day, even the hour, that your billing must be in their hands for approval at the next session of the board, council, etc. It's a shame to incur a 30-day delay of cash receipts because of someone's inattention to details.

**Collections**

As a firm grows from a one-man shop to a company of sufficient size to enable it to have a number of project managers and a full-time accountant and possibly a credit manager, be sure to structure the most effective method of collecting past due invoices. If there is not a clear-cut procedure, your cash flow will suffer, requiring more outside financing to operate your company.

The advantage of having your project managers collect delinquent accounts is that they are intimately familiar with the jobs and their problems. The disadvantages are that they may be too friendly with the client to effectively carry out this unenjoyable task. In addition, it has been known that project managers have made errors in their work and did not want others to make the collection effort since they didn’t want their bosses to find out why they hadn’t been paid. The pros and cons of utilizing accounting/credit personnel are in the reverse order of that of the project managers. Regardless of the procedure used, the person must be firm but fair in his collection effort.

A point to bear in mind in attempting to collect past due accounts is determination of whether each delay in payment is due to a technical problem such as an error on your part, or whether the client is having financial problems. Obviously, subsequent action taken is quite different in each case.

One avenue used in improving collections on long overdue invoices is to convert such receivables to interest-bearing notes that provide for monthly payments. The advantages are:

- Your basis of enforcing collection has been changed from a contract, with possible vagaries as to whether you have totally performed, to an unequivocal admission of the obligation by the client.
- You have converted a long overdue receivable on your books, which your bank has already considered valueless, to a current note against which regular payments are being received, thus improving your credit rating with the bank.
- Because of the stipulation of monthly payments you can react promptly, through litigation if necessary, if such payments are not made as scheduled.
- You have a much better opportunity to receive interest, compared to claiming interest through informal arrangements or small print on your invoices.

**Dealing with Lending Institutions**

For a year or two prior to 1976, the lending policies of the banking institutions were rather loose. The banks were attempting to be extremely competitive and many of them went overboard by borrowing heavily from members’ banks and from the Federal Reserve, loaning sizeable amounts of such funds to clients who are poor credit risks. You have read about some of the results in the form of bank failures that have shaken up the entire banking industry, including the Federal Reserve and the Comptroller of Currency.

The results of all this is a new look conservatism. The banks now have some concern in lending to small firms because of one or more of the following reasons: (a) lack of planning cash needs, (b) uncapitalization, (c) too much cash taken from the business, leaving no margin for future growth, (d) the banks were “burned” in 1975 through loans to small firms.

This change in banking policy is extremely important to A-E firms, especially to the smaller companies; hence, sound cash management and good financial statements are necessary to secure prime financing. Remember, while you may look upon your business with optimism, lending institutions look to the downside risk; that is, what is the worst that can happen to the company and still enable the lender to recover its funds?

Lending institutions, in evaluating the financial stability of their A-E clients, consider the following:

**Accounts Receivable Aging**—Most of you who operate a business are familiar with this schedule, a listing of receivables in columns of current, 30 day olds, etc. If successive monthly schedules reflect most receivables moving to the 90 or 120 days column, it is evident that the firm has arrived at or is going in the direction of a strained financial posture. Conversely, if the majority of the receivables are in the current 30-day and 60-day columns, your effectiveness in maximizing cash flow is good.

**Accounts Receivable Turnover**—Turnover is determined by a mathematical formula whereby Gross Revenue from Services is divided by the average of the receivables on hand at the beginning of the year and at the end of each month or, on a less accurate plane, by averaging the receivables on hand at the beginning and at the end of the year. For example, suppose you had a Gross Revenue of $100,000 for the year and your average receivables were $25,000. By dividing the $25,000 into the $100,000, you get a factor of 4. That means you have turned over the receivables four times a year. Some analysts would rather compute the average number of days during which the billings were outstanding. To do that, you divide the factor, which is four, into 365 days which gives you 91 days. This means that your receivables, on an average, were outstanding 91 days. Someone has said that the average number of days that A-E receivables are outstanding is from 70 to 100 days. This is a rather broad statement, however. The small firms having only local, well paying clients, can usually turn over receivables much faster than the regional, national, or international companies.

**Backlog of Orders**—Your backlog of orders by my definition is the unearned portion of all executed contracts that are in ex-
istence and for which you have a start notice. Lending institutions will look at your accounts receivable as your first line of cash potential and your backlog as your second line, in evaluating your ability to pay off their loan.

**Total Debt-to-Equity Ratio**—This is a ratio arrived at by dividing your total debt by your net worth (i.e. equity). Small companies normally have low net worths for the reasons mentioned previously; thus they become highly leveraged. What this means is that these firms are using a greater amount of creditors’ money in running their businesses in comparison to the amount of their own capital investment. If an A-E firm has a debt-to-equity ratio of, say, 4 to 1, it would probably be very weak financially and is probably toward the end of its borrowing capacity. On the other hand, if it has a debt-to-equity ratio of 0.5 to 1, it has some margin in which to operate and thus the ability to overcome losses or some bad times and still be able to meet its obligations because it has sufficient assets to cover them.

**Working Capital Factors**—Other factors are working capital and working capital ratio. Working capital is defined as current assets minus current liabilities; and the working capital ratio is current assets divided by current liabilities. Current assets and current liabilities are defined by the accounting profession as assets to be collected or liabilities to be paid within a twelve-month period.

From a banker’s point of view, if a company’s balance sheet had a working capital ratio of, say, 2 to 1, it would probably be considered very favorable. The company might well have sufficient current assets to pay its bills. On the other hand, if it has a working capital ratio of only 1 to 1 or less, it is probably in a strained financial condition since most of its liabilities are probably due immediately and the “1” on the asset side is more than likely receivables that are going to take some time to collect.

There are other ratios, but they are more useful in evaluating other types of firms.

**Major Factors Affecting Cash Flow**

Sudden expansion is no guarantee that a firm has divorced itself from financial problems; instead, rate of growth, turnover of receivables, and percentage of profits to gross revenue are key factors in determining cash flow. If a company accelerates its growth, a cash deficit may very well accumulate. As an oversimplified example, shown below, let us first depict a company growing at about 10% per year on the accrual basis. Assume that its gross revenues for the first year amount to $200,000 and, with a 10% growth, gross revenue increases to $220,000 for the second year. Now let us assume that the firm’s accounts receivable amounts to 35% of gross revenue. (This is a simple but less accurate rendition of accounts receivable turnover.)

Receivables at the end of the first year amount to $70,000 and at the end of the second year, $77,000. Now let’s suppose this company earns, after partnership or corporate withdrawals, an aftertax profit of 5% on gross revenue. This results in a profit of $11,000 for the first year the company didn’t receive $7,000 of the profit because its receivables increased by that amount during the year, therefore the result was a net cash flow of $4,000. Let us now suppose that the company increases its gross revenue during the third year by 30%, to a total of $286,000. Its receivables, at 35% of gross revenue, grow to $100,000. Earnings at 5% of $286,000 amount to $14,300. However, the increase in receivables reflects cash not realized to the extent of $23,100, so the result is a cash deficit of $8,800.

During a downturn, conversely to the above, there could be a cash inflow for a period of time since cash proceeds from the reduction of receivables might be greater than the cash effect of declining revenue.

As noted previously, this is an oversimplified example since it ignores major items such as fluctuations in payables, the costs of new equipment and space, the addition of untested employees and all related costs, and the fact that some costs are “fixed” or unchanged during periods of fluctuating revenue.

**Bank Lending Procedures**

**Unsecured Loans**—Banks deal in unsecured and secured lines of credit. By all means, if you can attain an unsecured line, you are much better off. An unsecured line means that you put up no collateral; thus the bank is merely a general creditor. If a bank offers an unsecured line, especially during the current year, it will probably enforce the “ten and ten rule,” a formula for the amount of the average balance that you must hold in your bank account. For example, if you had a $100,000 line of credit at the bank and didn’t borrow a cent, you would be expected to retain, as an average, a bank balance of $10,000, i.e. 10% of the line. If your loans averaged, say, $50,000, your average bank balance would have to be increased by another $5,000, i.e. 10% of the average loans outstanding.

When banks provide an unsecured line of credit, any loans are considered short-term loans for working capital purposes only and not for the purpose of purchasing expensive equipment, acquiring other firms, or distributing funds to the owners, etc.

<table>
<thead>
<tr>
<th>Gross Revenue</th>
<th>1st Year</th>
<th>2nd Year</th>
<th>3rd Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200,000</td>
<td>$231,000</td>
<td>$268,000</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable (35%)</td>
<td>$70,000</td>
<td>$77,000</td>
<td>$85,100</td>
</tr>
<tr>
<td>Less A/R—Previous Year</td>
<td>70,000</td>
<td>77,000</td>
<td></td>
</tr>
<tr>
<td>Increase in Receivables</td>
<td>($7,000)</td>
<td>($3,000)</td>
<td></td>
</tr>
<tr>
<td>Profit (accrual basis)—5% ofGr. Rev.</td>
<td>$11,000</td>
<td>$14,300</td>
<td></td>
</tr>
<tr>
<td>Less Increase in Receivables per above</td>
<td>(7,000)</td>
<td>(3,100)</td>
<td></td>
</tr>
<tr>
<td>Cash Basis Profit</td>
<td>$4,000</td>
<td>$11,300</td>
<td></td>
</tr>
</tbody>
</table>
Another criterion of an unsecured, short-term loan is that generally you will be expected to have the bank debt paid off for a continuous period of time of possibly 90 to 120 days during a 12-month period. Therefore you must have sufficient cash balances to carry yourself for the balance of the year or otherwise resort to a secured loan position.

Secured Loans—If you are unable to obtain an unsecured line of credit, your only alternative is to have a secured line, which to an A-E firm, usually means the assignment of part or all of its accounts receivable, both present and future. To do this, you must execute a Uniform Commercial Code form UCC-1 which is filed with the Secretary of State, and which makes the bank a preferred creditor with respect to those receivables which are assigned.

A secured line could be set up on a formula or a nonformula basis. Under a formula basis, the amount of your credit line is determined by formula. For example, you could be allowed to borrow an amount equal to 50% of your total receivables less retained accounts and less overdues. Thus, as your receivables fluctuate, so does your borrowing capacity. In the case of a nonformula basis, your amount of borrowing is determined by negotiating with the bank.

When your receivables are assigned to the bank, the arrangements will be either on a non-notification or on a notification basis. The non-notification basis merely means the client is not notified, and you will probably be allowed to collect your own receivables. The bank could, if you have enough cash flow, set up a lock box and have the funds flow into it under the bank's control. On a notification basis, your clients would be notified that their payments due you have been assigned to the bank. In that event, the client could be directed to mail the checks directly to the bank, or the bank could set up the aforementioned lock box; alternatively, the bank might allow the client to pay you directly, in which case you would be obligated to deliver the funds intact to the bank.

Interest Rates—The differences in the interest rates on the various types of loans can be significant. If you have an unsecured line, you may pay the prime rate plus ½% or 1%. On a secured line, if your line of credit is under $100,000, you might pay prime plus 5 ½%; a line of from $100,000 to $250,000—prime plus 3 ½%; and a line of $250,000 to $600,000—about prime plus 2½%.

Other Lenders

The Small Business Administration sometimes provides financial assistance by issuing loans to help on-going businesses as well as to help start up new companies. Start-up loans are normally offered on a 50-50 basis with the owner putting up one-half of the funds. Loans to existing businesses depend upon the financial ratios discussed earlier. The borrowers enjoy a lower interest rate on loans from the SBA. Such loans can be for the purpose of providing working capital, for the purchase of equipment, or for the purchase of land or the building (or the construction of buildings).

Under SBA policy, there are various definitions of "small business." At this moment, for financial assistance purposes, engineering firms having a gross revenue of under $3,500,000 and architectural firms with gross revenues under $2,000,000 are considered "small business." As to terms of loans, those for working capital can be for periods of from five to six years, or in certain instances, up to ten years. Equipment loans can be amortized over ten years, possibly for a longer period under special circumstances. Land and building loans are written for up to fifteen years plus the time of the construction of a new building.

It is often difficult to obtain SBA loans since banks, which lend the funds with the guarantee of SBA, dislike the paper work involved. Many loans are lost through the branch manager of your bank. Working through him is often more effective than attempting to secure the loan from the bank's SBA loan department.

Other Financial Sources—One other source of financing, of course, is to lease equipment or purchase it through a term loan. If your working capital is tight, don't use it to buy equipment that you can finance through other means.

Commercial finance companies are another source of financing, although they are very seldom used by A-E firms. A company's volume would have to be sufficient to make it worthwhile to this type of lender. Any loans by them would undoubtedly be on a secured, notification basis and the rates of interest charged would be higher than those of banks. Walter Heller & Company are examples of commercial finance companies.

Factoring is another source of financing but it doesn't apply to A-E firms. Factoring is a method by which a factor purchases a company's receivables and takes the responsibility for collecting them and the risk of bad debt. Factors are only interested in loaning to firms that sell hard goods, so if the buyers fail to pay their bills, the factor has an opportunity to retrieve the items sold.

Mr. Charles L. Carlson is Vice President and Secretary-Treasurer of the firm of Daniel, Mann, Johnson & Mendenhall.

ARA at the BCEC

On November 1-3 of this year the Building & Construction Exposition & Conference sponsored by the Producers' Council will be held at McCormick Place in Chicago. The conference theme will be '78 and the Energy Challenge. The exposition will present hundreds of products, systems, and services directed to the design and contracting communities. Again this year ARA will occupy a central exhibit space to acquaint architects, contractors, and developers with the activities and goals of the Society. The principal component of the ARA exhibit will be a display of projects which were honored in the latest state and national design awards programs.

Conference topics will concentrate on energy conservation and new marketing opportunities.
Accounting for Tax Liability

By Robert Freeman

In our experience with the building trades, we have helped some of our clients to defer the recognition of gross profit, and thus their current tax liability, by converting them from the percentage of completion to the completed contract method for accounting for construction projects. With the percentage of completion method, gross profit is accrued and recognized as performance of the contract progresses. Using the completed contract method, gross profit is realized as work progresses but is not recognized for tax purposes until the year of completion. Tax laws permit the use of either method, but a change in method requires the approval of the commissioner of the Internal Revenue Service.

In one particular case, for example, we handled a project involving a three-year, $1.8 million contract with a total gross profit of $270,000 and a total net profit of $48,000. Under the percentage of completion method, which had been used, the contractor would have incurred a liability of $1100 in the first year, $12,700 in the second, and $660 during the third. As a result of a change to the completed contract method, the contractor has no tax liability during the first two years, and (partially due to a reduction in the tax rates) incurred a tax expense of only $10,060 in the third.

In other situations, where a higher net income is anticipated, we would recommend that the client use the percentage of completion method resulting in a lower annual profit to reduce the amount of net income subject to the surtax. In either event, it can be readily seen that such a modification of the contractor's method of recognizing revenue can have a major effect on both the tax liability incurred and the preservation of working capital throughout the project.

Mr. Robert Freeman is the principal of the firm of Robert Freeman & Co., Certified Public Accountants in Chicago and the accounting advisor for the member service program.

Solar Energy Reports

The following solar energy reports from the Research Applied to National Needs (RANN) program are available from the National Science Foundation free of charge while quantities last. For single copies please write to: RANN Document Center, Room 1241, National Science Foundation, 1800 G Street, N.W., Washington, DC 20550.

Abstract 1: Solar Energy School Heating Augmentation Experiment, Design, Construction and Initial Operation, (NSF-RA-N-74-019). This report describes the Fauquier High School Proof-of-Concept Experiment, a solar heating system, designed and built under the joint sponsorship of the National Science Foundation and InterTech Corporation. The system consists of a 3540 square foot collector array on a collector building 125 ft. by 26 ft., with a net absorber area of 2,415, square feet, two 5,500 gallon concrete, insulated storage tanks, a control room/pump house and an automatic control system. The solar heating system was designed to provide 100% of the heat required for five modular-construction classrooms.

Abstract 2: Solar Cooling for Buildings: Workshop Proceedings, (NSF-RA-N-74-063). A partial listing of subjects covered at the workshop includes: an overview of the NSF solar energy programs; costs of implementing new technology; product acceptance and market demand of the consumer; technical problems remaining; role of major urban governments; current lithium bromide hardware as used in solar applications; solar heat pump systems, ammonia and other absorption systems; solar assisted heat pumps; solar desiccant system analysis and materials; retrofittable solar dehumidifiers; heat engine using crystal transformations; solar powered Rankine cycle cooling systems.

Abstract 3: Solar Heating Proof-Of-Concept Experiment for a Public School Building, (NSF-RA-N-74-096). A solar heating proof-of-concept experiment (POCE) for a public school building is discussed. The school received 90% of its heat from the solar heating system and it was proven that solar heating of schools is possible, practical, and socially acceptable. In addition, more than 1200 gallons of fuel oil were saved. This report describes the system in detail, presents the analysis of operation, and discusses recommendations and conclusions based upon the results of the experiment.

Abstract 4: Solar Heating and Cooling of Buildings: Proceedings of the Workshop on, (NSF-RA-N-74-126). The Workshop on Solar Heating and Cooling of Buildings was held in Washington, D.C. June 17-19, 1974: was jointly coordinated by the University of Virginia and the American Society of Heating Refrigeration and Air Conditioning Engineers, Inc. (ASHRAE). This meeting was convened to make available to the public the findings of the NSF/RANN sponsored Phase O feasibility studies on solar heating and cooling of buildings and the results of a number of solar heating experiments. The Workshop was divided into four major technical sessions. Sessions I and III were devoted entirely to reports by the Phase O contractors. Sessions I covered technical considerations and Session III social acceptance of systems. Sessions II presented the results of four separate school-heating experiments and gave a technology assessment. Session IV was a combination of reports of other experiments, including those related to second and third generation planned programs.

continued page 14
Grassroots...continued

about the ideals of Architecture as well as some new methods for seeking commissions. My only disappointments were in that there were too few exhibitors and too few entrants in the design competition, however, I was told that this will be remedied by our next convention in Houston...I for one plan on attending every future ARA Convention possible.

Barry E. Milowitz, ARA

"The Convention had very interesting seminars that even my wife was enthusiastic about. The Dale Carnegie lecturer benefited both of us, which demonstrates that conventions need not necessarily benefit only the professional end of the team. My wife Beatrice is now convinced more than ever that ARA Conventions are beneficial to all of us."

Andre B. Buehler, ARA

"The honoring this year of your founder Mr. Gregson on the 20th anniversary of the organization was a touching event. It made me happy I was able to be there to share those moments...Please make an extra effort to attend the 1977 Convention which will be held in Houston, Texas. You'll be sure to return home much enriched with knowledge, a feeling of unity, and a wealth of new friendships. A larger group of people would be hard to find."

Jean Geitz ("an ARA wife")

"Meeting all my fellow members and getting acquainted with the organization was most enjoyable. Everyone was very friendly and helpful and I know this first convention will not be the last my wife and I attend. Marie and I enjoyed the Sheraton-Biltmore Hotel as the convention site and thought it very gracious. The business meetings, with Dr. George Manners of Georgia Tech University and Mr. Stanley Banash brought out a lot of information valuable to the small firm."

Harley B. Propst, ARA

ARA Requests...continued

under a non-deterioration section, could never be developed if the development would mean any decline in air quality.

Because of another quirk in the proposals, facilities in an area below standard, termed a non-attainment area, could be used as a bargaining point. For example, a man who owns a below standard firm would be allowed to build or expand only if he promises to improve the emissions of his existing facility in a trade-out with the government; while the owner of a facility meeting the standards would be denied the same opportunity.

Fred L. Bernheim, ARA government relations chairman, said that such a provision, in extreme cases, would mean that a developer might have to buy an existing facility, and then close it down, in order to build his plant in an area lagging behind the standards.

Ideally, the ARA and other members of the construction industry would like to see local government set the air standards to suit the wishes of the residents of the area. However, in the past, state and local officials have been content to let the federal government blaze the air pollution control trail.

If Congress intends to continue to set the standards, said Bernheim, the ARA has drafted a recommended proposal which would authorize any state to permit a new or expanded facility in a non-attainment area. The provisions of the proposal are:

1. The owner of the proposed new or expanded source demonstrates that all of his stationary sources in the state are in compliance or on compliance schedule.

2. The proposed source employs the best available control technology.

3. The state implementation plans take into account or are revised to take into account the emissions from the new facility, so as to insure that the emissions from the new or expanded source will not result in delay in the attainment of, or prevent the maintenance of, any national ambient air quality standards.

Solar...continued

Abstract 5: Solar Energy Utilization for Heating and Cooling, (NSF-RA-N-74-097). A program of advanced research and system analysis, subsystem tests, and system proof-of-concept experiments is being carried out by the National Solar Energy Research Program in order to establish the technological base to meet heating and cooling needs of buildings in all regions of the United States. An NSF grant was awarded to the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) for a comprehensive study of currently available design data. The results of that effort, originally published as Chapter 59 of the 1974 Edition, Applications volume, of the ASHRAE Guide and Data Book series, is reprinted here. The chapter contains the following subheadings: Qualitative and Quantitative Aspects of Solar Energy, Technology of Solar Energy Utilization, Applications of Solar Radiation Collectors, Heat Storage Systems, Cooling by Solar Energy, Cooling by Nocturnal Radiation and Evaporation, and Solar Heating and Cooling Systems.

4. The social, economic, or environmental benefits of the proposed new or expanded facility outweigh benefits of preventing its construction or expansion.
Each year, the ARA invites its members to attend its national convention at some convenient location in the United States. This year is no different. We've selected Houston, Texas. But that's where the similarity ends.

We've put PEP into our convention. In essence that means energy—a lot of which has been expended by our convention chairman and by many other people who are helping to make this annual event a resounding success. But PEP has come to signify more—PARTICIPANTS, EXHIBITORS, and PROGRAMS.

We're making an all-out effort to encourage as many members as possible to Participate, manufacturers to Exhibit, and speakers to educate through Programs. Will we succeed? Yes!

The common denominator that permeates each convention is people—in this case our members. They are the key. Without them, we have nothing. With them, we have PEP and a successful convention. That is why I am extending this special invitation to each of you to attend.

Some will ask: Is it worthwhile? Or what will I derive from attending? The answers are many. Talk to those who attended in the past—especially those who attended last year's gathering in Atlanta, Georgia. They can tell about their valuable experiences—the contacts made, the new products displayed, the knowledge gained, and on and on.

Let's not kid ourselves. Architects, like many other professionals, seldom interact with each other, discussing common problems and seeking uncommon solutions. The convention, conversely, will enable you to communicate with your peers in groups or on a one-on-one basis. Oftentimes, just knowing the other's specialty or having a contact in another state can prove beneficial. In some instances, joint ventures have resulted. In others, an architect enlightened his associate about zoning or other local matters that saved time and money.

The exhibitor also plays a vital role. He offers you the opportunity to examine and review his product, and question its application in a setting that is free of telephone interruptions. Manufacturers' representatives are valuable to us and provide an important and very useful purpose.

The programs also are enlightening, as was last year's Dale Carnegie course that caused many of you to closely examine your business and seek new ways to upgrade your image and performance. This year, we've arranged for a Dale Carnegie representative to return and provide us with more business acumen.

Of course, let's not forget the social factor—an opportunity for a husband and wife to break away from normal routines and to mix business with pleasure in an attractive setting.

To sum it up, the amount of PEP that is placed in our convention rests with you—the architect—our member. The other ingredients are present. Let's have a convention filled with PEP. On to Houston! See you there!
CONVENTION PROGRAM

Wednesday—November 16
1:00-5:00 PM
Past Presidents Advisory Council and National Executive Board Meeting. (open to all members)

7:00 PM Optional Activity
Cocktails and dinner at the Bavarian Gardens. Bus transportation will be provided. Good food and “all the beer you can carry”—internally that is.

Thursday—November 17
8:00 AM Continental Breakfast

8:15-11:10 AM Morning Session
Opening remarks and welcome by President Jerome Salzman, FARA.


Seminar—Part 2: “Developing Results to an Oriented Marketing Plan.” Dale Carnegie


11:15 AM Exhibition Hall Open
Professional and student award submissions on display.

12:15 PM Luncheon
Welcoming address by Mr. Jerry King, Special Assistant to the Mayor of Houston, Fred Hofheinz.

2:00 PM Exhibition Hall Open

3:00 PM Field Trip
Tour of Galveston, Texas, including historic and architecturally impressive Bishop’s Palace. Dinner at Balniese House, a famous waterfront restaurant. Motor Coach transportation to and from hotel. “Surprise” on the return trip.

Friday—November 18
8:00 AM Continental Breakfast

8:15-11:00 AM Morning Session
Address by NCARB Director, Mr. Julian W. Goodrich of Burlington, Vermont. Question and answer period.

“Schools of Architecture and Continuing Education.” Address by the Dean of a local university.

Special presentation by a representative of the Lyndon B. Johnson Space Center.

11:00 AM Exhibition Hall Open
Professional and student award submissions on display.

12:00 PM President’s Award Luncheon
Guest speaker Mr. Perot “Bud” Nevin, Jr., discussing “Physical Fitness Motivation for the Professional and His Family.”

1:40 PM Field Trip
Tour of the Mission Control Facility at the Lyndon B. Johnson Space Center. Tour continues on to the San Jacinto Monument and Historic Park, with dinner at the San Jacinto Inn (specializing in all the seafood you can eat). Motor Coach transportation to and from the hotel. “Surprise” on the return trip.

Saturday—November 19
8:00 AM Continental Breakfast

8:15-11:15 AM Annual Business Meeting
President Jerome Salzman, FARA presiding. (Business Meeting is restricted to members only.)

11:15 AM Exhibition Hall Open
Exhibitors’ buffet luncheon will be served in the Exhibit Area.

2:00-5:30 PM Optional Field Trip
Trip to the “Astro” complex and conducted tour of the Astrodome. Motor Coach transportation to and from the hotel. No surprises.

6:45-7:45 PM Founder and Past Presidents’ Reception and Cocktail Party.

7:45 PM Annual Installation and Awards Banquet
Synergy Award presentation and response by recipient. (Black tie optional)

Sunday—November 20
9:00 AM
Past Presidents Advisory Council and National Executive Board Meeting. (open to all members)

12:01 PM …until next year
For The Ladies
There will be a special program provided for our ladies on both Thursday morning and Friday morning.

The hotel provides a shuttle bus to and from the famous Galleria Shopping Center for those who wish to combine the pleasures of architecture and merchandise.
THE HOTEL

The Whitehall, located in downtown Houston, is a four-star hotel comprising a contemporary twelve-story tower rising above Houston's main business district. Available are 325 tastefully appointed guest rooms, 15 individually designed suites, a 24-hour heated swimming pool, golf, tennis, and many other amenities and services by arrangement as befits an establishment of elegance and grandeur.

Restaurant facilities include: the Rib Room, specializing in choice beef and seafood in an old English setting; the Plaza Bar, featuring an indoor garden lounge and piano bar; the French Quarter offers live entertainment and food service with a New Orleans style discotheque; and the Chelsea Morning offers breakfast, lunch and light snacks overlooking the pool.

All rooms equipped with individual control air-conditioning, color TV and complimentary feature movies. All with direct-dial phone, hi-fi radio, oversized beds, personal alarm clock. Some with wet bar and boudoir.

When you're standing in the lobby, you're surrounded by antiques collected from around the world. Under your feet are two antique oriental rugs, one Tabriz, the other Isphahan; and against the wall, two antique Trumeaux (late 18th century) with original oil paintings in the classic style above and mirrors below. The grandfather clock is antique French with a painted porcelain body and a movement by Faure. The clock is unique because it chimes on the hour and two minutes after the hour just as a reminder. The lacquer de chine ascot backfront is a reproduction of an original English 18th century chinoiserie Chippendale. Across the room are two antique canto jardinieres handpainted in a blue peacock and floral motif. The antique prints and mirrors occupy the walls throughout the hotel.

Some other touches you'll notice as your stay progresses: our concierge, on duty at all times; the good-night mint by your bedside and your bed turned down for you every night; fresh flowers—sometimes fresh apples whenever you'd like one at the reception desk; and a free morning newspaper with your cof-

fee in the Chelsea Morning. In your room: custom-made soap imported from England with an old-fashioned, soapy scent, a shower cap imported from Italy, and a domestic sewing kit (very handy).

At The Whitehall, elegance comes easily. Around you are all the accoutrements of a grand European hotel. The silver. The service. The style. But none of the stuffiness. The Whitehall presents a new Texas-style American approach to elegance.

HOUSTON AND ITS SIGHTS

by H. L. Berger, FARA, Convention Chairman

The latest census showed Houston sixth in size among U.S. cities and Texas' largest. With a current population of one and one-third million in the city proper and almost another million in Metro-Houston, it is the largest city in the Sun-Belt states, with only New York, Chicago, Los Angeles, Philadelphia and Detroit surpassing it in size.

Houston is the nation's third-busiest port, headquarters for petroleum production, a place of probably more millionaires per capita than any other large American city, a major medical center, and the Sun-Belt's brightest new cultural star. Houston sprawls away from the cluttered banks of the once-lazy Buffalo Bayou to the distant, flat, South Texas horizons. With good reason, Houston is considered to be one of America's richest major cities.

Oil has brought this prosperity to Houston. Immense quantities of petroleum have poured out of the Houston area's thousands of wells. It's been ten years since Houston counted its billionth barrel of black gold. The oil is sent to the refineries spreading across south Texas before passing through the Port of Houston. In the old days, der-

ricks and pumps decorated the backyards of hundreds of Houstonians, whose wash fluttered from clotheslines tied between these structures, but this is less commonplace today.

From the observation deck on top of Wharf 9, visitors can view the port and turning basin in action. Free boat tours of the port and channel are offered. Neighboring Galveston, which will be visited, once an important island port strategically located three miles out in the Gulf, has since been bypassed by Houston.

Along Main Street in Houston are parking lots, seedy developments, handsome and elegant sectors with parklands, university campuses, the vast Texas Medical Center, sumptuous residential areas, restaurants, hotels, office towers, and amusement complexes. Not much farther out is the original, all-weather, nine-and-one-half-acre Astrodome, built to accommodate 66,000 spectators, and its surrounding AstroWorld Amusements Park and convention center complex covering 260 acres. Astrodome here is one of the world's largest exhibition centers and is the site of the Houston Livestock Show and Rodeo and of Ringling Brothers Barnum and
Eailey Circus. The entire complex can be surveyed from the top of the Astronoodle which also offers panoramic overviews of Houston.

Rice University is the verdant campus on South Main Street with impressive Mediterranean-style architecture. Rice is almost surrounded by rich and tasteful, tree-shrouded residential sections. Hermann Park, across Main Street from Rice, has been closely crowded by the facilities of the Texas Medical Center, a $330-million complex incorporating seventeen institutions, hospitals and research centers. This aggregation of culture, science, natural beauty and good living make it one of Houston's most desirable sections. The Mies van der Rohe designed Houston Museum of Fine Arts is regarded as one of the most distinguished municipal museums. Another Houston cultural center across town is the University of Houston, a larger educational institution with 25,600 students. Barnett Newman's "The Broken Obelisk" stands by the Rothko Chapel's reflecting pool. Another stop for those interested in modern art is the Contemporary Arts Museum.

Uptown, in a compact, several-square-block area is Jesse H. Jones Hall of Performing Arts, home of the Houston Symphony, the Grand Opera Association and the Greater Houston Civic Ballet Company. Nearby the Ulrich Franzen designed Alley Theatre is one of the best regional theaters with a resident repertory company.

Scattered about metropolitan Houston are other points of interest such as the gorgeous, old, wealthy residential section of River Oaks; the fabulous Galleria Center of Hotels, restaurants, boutiques, specialty shops, and glass-enclosed mall with ice-skating rink and sun-drenched promenades; the Contemporary Arts Museum and Burke Baker Planetarium; and the fine, old Noble House, one of Houston's oldest landmarks.

Twenty-six miles southeast of Houston in Clear Lake City is the headquarters of the National Aeronautics and Space Administration's Lyndon B. Johnson Space Center. NASA's largest research and development center, the space center has an imposing campus. We will visit its grounds and exhibitions, including the heat-scarred Apollo, Mercury and Gemini space capsules and free-standing examples of Jupiter and Titan rockets and countless other implements of the Space Age.

From here the now-famed vocal signature, "Go ahead; this is Mission Control in Houston" issued, maintaining vigil with so many manned spacecraft.

About thirty minutes east of Houston, at the edge of the vast East Texas swamps and bayous, is the San Jacinto Battleground State Park. The 570-foot-high San Jacinto Monument, the biggest masonry monument in the world, is the centerpiece at the Battleground, with elevators to the star-shaped summit where the vistas out over the water-riven region and back west toward the Houston skyline are stupendous. We will also visit this area during the Convention.

In the park, the great U.S.S. Texas, a World War I and, World War II battleship built in 1914, is now a state shrine moored in a slip off the fringes of Buffalo Bayou. The dreadnought has seen action in almost every World War II invasion and has served as flagship of the fleet for General Eisenhower's D-Day invasion. The ship's Admiral Nimitz Room is a museum of the early Texas Navy and a preserve of Texas' past exploits.

NEW DRAPEY POCKET INTRODUCED

Architects and interior designers have long been faced with a problem: space approximately 6" wide, occurring between the termination of the interior ceiling and the inside face of the exterior curtain wall. In many cases this space has been filled with a variety of materials and wood grounds for the support of the window treatment. Now Master Recessed Systems, Inc., introduces a new patented recessed aluminum pocket and architectural drapery track, which gives new design freedom. MRS economical pocket systems totally conceal the control mechanism of any window treatment you may decide to use, a means of terminating the ceiling, and can provide a perimeter air return or other specific function.

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Architects and interior designers the world over are using the MRS System to achieve a total window pocket concept. The MRS Designer's Aid Service will help you with specifications, samples, shop drawings, etc., in adapting one of our systems to meet your project requirements.

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Defining the Architect's Mission

Part of the job of an architect is to sell the architectural profession to the community, in terms of responsibility. The mission of the architectural profession is to assume responsibility for nothing less than the nation's man-made environment; an environment in harmony with the aspirations of Man.

For what aspect of the nation's welfare should the architectural profession feel responsibility? What are (or should be) architects educated and trained for? For just the design of buildings? For more groups of buildings? For cosmetics applied to the work of engineers? Or is there a more comprehensive task to which they may aspire? There seems to be.

If the land is debauched or streams polluted; air mixed with soot, fumes, and lethal industry gasses; if cities are exploited jungles of disorder and corrupting ugliness; and if there is little safety; to whom can the public look for help, for guidance, for vision? To the rector? The developer? The politician?

The answer must be to the Architect. In one form or another, the solutions to all these problems lie in the province of design, which is the special province of the architect.

By common consent, a free society looks to each profession to assume its social responsibility in that area for which it is qualified by education and training. The successful discharge of its social responsibilities by a profession, both individual and collective, brings great rewards in recognition of leadership, in gains both social and economic, and in freedom of action. Everyone gains. The failure of a profession to discharge its responsibility is not long tolerated by a dissatisfied public: and a dissatisfied public appeals to government. Solutions will be found for voids in professional practice and service.

So here is the demand—the challenge. Never before in history has America needed her professions so much. Never before has there been such an opportunity for leadership. For the welfare of the community is a collective as well as an individual responsibility, and concern for the welfare of the community is the common bond shared by all today. Doctor, lawyer, merchant, politician, or architect, all are (or should be) deeply involved; all are interdependent; and all must contribute to the betterment of the community. This is so, not merely to create a more pleasant way of life, more material comfort or more beauty; but, as a part of the process of evolution, to ensure the survival of the human species.

To ensure the survival of humanity is strong language. Yet, in thinking of community in its broadest sense; as man organized in relation to the land and its resources; we are dealing with the fundamentals of continuing life on this planet. Short of avoiding the total destruction inherent in an all-out thermonuclear holocaust, what other concern is so intimately vital to man or so demanding of all the energy and wisdom we can bring to bear?

The total organization of man on this planet, however, is a rather large subject; somewhat beyond the scope of this article. In less global terms, think of a community such as the city; particularly the large city where complex generating forces really interact to create the civilization which is modern America. Perhaps at this more modest scale the importance of the community can be understood in its relation to man. And, perhaps, it will be possible to grasp that man is the creator of cities: its streets, utilities, parks, buildings and their contents. In short his total environment. He is also shaped by that which he has created. How he feels, thinks, acts, and interacts with others is not wholly the product of his own will but is inevitably, if unconsciously, conditioned by the physical context in which he is. His surroundings can cheer or sadden him, stimulate or enervate, exalt or depress, inspire pride or humility, create or destroy human dignity.

This is a large, awe-inspiring responsibility, but it is one that architects are obligated to accept!

To say that the architectural profession is now totally prepared to meet this challenge is self-deluding. Some individuals recognize the need; a small number are qualified to perform; even fewer are willing to act. In reacting to the magnitude of the task, architects have much to do and far to go. The first step will be taken if architects can but agree on a definition of their professional mission. The services to be rendered, the skills, education and training required, the necessary organization and methods of practice will all follow quickly.

The challenge of society's needs faces architects—today. The hands of the clock spin with alarming speed. Will the profession understand and act in time to save the nation from environmental debauchery? It is unlikely to do so without the vision and leadership of an aroused and dedicated profession of architecture.

Bernard Frishman, FARA, AIA, ASID
Silver Springs, Maryland
Fellow architects are invited to join ARA. Complete the form at the right, checking the “Membership Application” box, impress your seal in the space provided below, and return with your check for $60.00 Annual Dues, to: Society of American Registered Architects, 180 N. Michigan Ave., Chicago, Illinois 60605. Subscription to Practicing Architect is included in the dues payment.

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