

THURSDAY, APRIL 22, 1954

FHA Irregularities Are Not New

THE picture of FHA irregularities unconscionable private profit at public under two administrations is not yet risk."

Sen. Byrd's speech raises one very

Clear. April 15, Sen. Harry Byrd of Vir-ginia filled in many of the details. A year ago, he said in a Senate speech, the Bureau of Internal Revenue had informed him of strange FHA practices. He cited some of them: 1. Loans for multiple-unit housing projects were based on the estimated replacement value? instead of the proj-ict cost.

project."

4. In many instances, the alleged investment of the borrower's own funds was "fiction", with many borrowers risk-ing virtually no capital while getting guaranteed loans in excess of the project

guaranteed loans in excess of the project costs.

5. In some cases, the owner-stockhold-ers were their own lawyer, architect and builder. They waived their fees, which would have been taxable at normal rates, and put them in the 'kity' which was subsequently distributed among themselves as "return or distribution of capital" and taxed at the lower capital

capital and teaching agains rate.

6 Moreover, said Sen Byrd, "the information indicated some of the fantastic corporate organizations and other devices devised to milk these projects of

unconscionable private profit at public risk."

Sen. Byrd's speech raises one very pertinent question. Why were these alleged irregularities not Investigated long ago? Elsewhere on this page is an excerpt from a speech delivered on the Senate floor by Sen. Paul Douglas of Illinois. That speech was made on April 9, 1951—three years ago, And many of the abuses cited by Sen. Byrd were previously made known to the Senate by Sen. Douglas. Why was not his call for an inquiry heeded."

Moreover, there is evidence that Section 903 of the Defense Housing Act, which was designed to tighten up the loopholes in the old Section 608, did not change things much. The abuses appear to have continued under the new section.

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It may be true that losses to the government will be small, provided there is no large-scale defaulting on government-guaranteed mortgages on these projects. But the higher-than-necessary cost of the projects, according to Sen. Byrd, has pushed rents up to 25 per cent higher than they normally would have been. Thus the renter has been hurt, as have those homeowners who were victimized by shady practices under the FHA home modernization and repair program.

Fortunately, the two congressional committees now at work on the FHA inquiry appear to be digging for facts instead of conducting "trials". That is their job. The Justice Department and the courts stand ready to handle any evidence of fraud or collusion that may be turned up in the probe.

A Step Toward Realistic Planning

A Step I oward Realistic Planning
Now that the City Council has agreed
to give the Charlotte Planning Board
a reasonable budget (\$20,000) for the
next fiscal year, it should not be too
difficult to work out the details of the
set-up.

At Wednesday's Council meeting, some
sentiment was expressed in favor of
proposed professional planning staff directly under the authority
of the City Manager, with the Council
ixing salaries and terms of employment.

In effect, this would amount to creating a regular department of planning
within the city government, with the
Planning Board being reduced to the
status of an advisory committee.

Such a procedure might work out fairby well, though it would tend to divide
responsibility. It might be better in that
case to alsolab the Planning Board
enterly, and give the city manager com-

That A Child's Life May Be Saved

OMEWHAT belatedly, the City Country of the City Country of the City Country of the City Country of the City Attorney at the suggestion of Country of City Attorney at the Suggestion of Country of City Attorney and the City Attorney and the

'That Best Of Fame, A Rival's Praise'

MR. NIXON was quite right in his controversial statement about

From The Baltimore Evening Sun

UNHEARD OF - UNHEARD

ULTRASONIC waves. according to the Wall. Spiezer Journal, are becoming a new "miracle tool." These are sound waves that wibrate 20000 or more times a second. While they cannot be caught by the human ear they are apparently busier than a whole brigade of butchers, bakers and candlesitek makers.

This high-intensity sound has been, or soon will be, used experimentally or otherwise to: Clean the heads of electric razors, pasteurize beer, spot fish at sea, ferment yeast, cut tungsten carbide hard steel and precious stones, homogenize milk, wash clothes, age chediar cheese, defect corrosion in oil-lanker bulkheads and mix salad dressings.

Bosc (to stenographer)—Congratulations, Miss Simpkins—this is the earliest you've been late!—Greenwith [Tens.]



"He says he's just kinda' sitting around waiting for the next war."

Laxity In The FHA

Abuses Of The Housing Act

People's Platform

Thanks For The Help
During Stevenson Rally

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During Stevenson Rally

Latinos. The News:

I will the personally express
I will be promitted war in korea.

I will approve thanks for the more produced by the properties of the Nixon and the growth of the growth o

Duiles Won't Agree To U. N. Seat, Recognition For China

By JOSEPH & STEWART ALSOP

Secretary of State John Fostinin, from his brief trip to London and Paris, a systral redustry. But the most important of these was a very firm commitment from French Foreign Minister Georges Bidault and the John State John Fostining of the most important of these was a very firm commitment from French Foreign Minister Georges Bidault and the John State John Sta

Nixon Put Land Mine On The GOP Campaign Trail

By DORIS FLEESON

Drew Pearson's McCarthy Gets Some Of His Own Medicine