

SPEECH BY CONGRESSMAN LES AuCOIN
Before the Governor's Housing Conference
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I WOULD LIKE TO CALL UPON YOUR COLLECTIVE IMAGINATION TONIGHT TO SET THE STAGE FOR MY ADDRESS ON HOUSING PROBLEMS FACING THE NATION. AS YOU CAN SEE, I HAVE NO PROPS, BUT IMAGINE IF YOU WILL WE ARE ABOUT TO SIT DOWN FOR A COZY FIRESIDE CHAT.

I'M NOT GOING TO PRETEND I'M FRANKLIN ROOSEVELT AND SPEAK WITH AN ACCENT, NOR JIMMY CARTER AND DON A SWEATER. AND I HOPE YOU WON'T FEEL LIKE YOU ARE IN AN ECONOMIC DEPRESSION -- OR GET DEPRESSED.

THE SOLE REASON BEHIND MY STAGE SETTING TONIGHT IS TO REMIND YOU OF THE SECURITY YOU GET BY RELAXING IN FRONT OF YOUR FIREPLACE. IT'S A GOOD FEELING. IN FACT, YOU DON'T EVEN HAVE TO HAVE A FIREPLACE TO GET THAT GOOD FEELING. IT COMES FROM THE SENSE OF BEING IN YOUR OWN PLACE -- A HOME.

IT DOESN'T HAVE TO BE A CASTLE, A MANSION, OR A DREAMHOUSE TO BE A HOME. THE SECURITY AND THE GOOD FEELING COME FROM KNOWING THE HOME, WHETHER BIG OR LITTLE, SQUAT OR ELEGANT, OLD OR NEW, IS YOUR OWN.

I WANT TO TALK TO YOU TONIGHT ABOUT A PARADOX IN OUR COUNTRY. A PARADOX THAT'S BEGINNING TO SHAKE SOME OF OUR FUNDAMENTAL BELIEFS -- AND HOPES. THE PARADOX IS THIS: PEOPLE IN AMERICA ARE ENJOYING AN EVER-INCREASING STANDARD OF LIVING. THE AVERAGE AMERICAN'S INCOME ROSE 47% IN THE LAST SIX YEARS. AND YET, THE AMERICAN FAMILY IS FINDING IT DESPERATELY DIFFICULT

TO OBTAIN ONE OF LIFE'S BASIC POSSESSIONS -- A HOME. LOOK AT THE FIGURES FOR THOSE SAME SIX YEARS: THE AVERAGE PRICE OF AN EXISTING HOUSE JUMPED 65% -- FROM \$23,000 TO \$38,000. THE PRICE OF A NEW HOUSE SOARED 89% -- TO \$44,000.

SO FAR THIS YEAR, THE AVERAGE PRICE FOR A NEW HOUSE HAS INCREASED 1% PER MONTH NATIONALLY TO AN AUGUST LEVEL OF \$49,600. THIS MEANS THAT A HOME WHICH SOLD FOR \$50,000 IN 1972 NOW WOULD COST \$79,150. THIS MEANS THAT IF NOTHING IS DONE, BY 1990 THE COST OF AN AVERAGE HOME WILL REACH \$90,000!

THIS WOULD MEAN THAT ONLY 3 OUT OF 10 AMERICAN FAMILIES COULD AFFORD AN AVERAGE-PRICE NEW HOUSE. IN 1950, THE FIGURE WAS 7 OUT OF 10.

IN ORDER TO KNOW WHAT TO DO ABOUT THIS PROBLEM, IT'S IMPORTANT TO KNOW FIRST WHAT WE OUGHT NOT TO DO.

ONE THING I HOPE WE DON'T DO IS THROW STONES AT EACH OTHER. TO SOME EXTENT, THIS ALREADY HAS STARTED. LUMBERMEN HAVE BEGUN TO TAKE IT ON THE CHIN, BEING CHARGED WITH MANIPULATING SUPPLIES AND PRICES. PLYWOOD PRICES HAVE UNDERGONE A 25-30% INCREASE, BUT I DON'T BELIEVE THE CHARGE OF MANIPULATION IS ACCURATE. THOSE PRICE INCREASES CAN BE TRACED DIRECTLY TO SUPPLY OF RAW MATERIALS. AND RIGHT NOW, THE TIMBER INDUSTRY IS FACING SEVERE PROBLEMS AND MAJOR UNCERTAINTIES RELATING TO TIMBER AVAILABILITY. AND IT'S A PROBLEM THEY WERE WARNING ABOUT MONTHS BEFORE PRICES TOOK OFF.

EARLY THIS YEAR, I LED A DELEGATION OF LUMBERMEN, HOMEBUILDERS AND BUILDING TRADES OFFICIALS TO A MEETING WITH THEN DIRECTOR OF THE OFFICE OF BUDGET AND MANAGEMENT, BERT LANCE. WE PREDICTED LUMBER PRICES WOULD EXPLODE BECAUSE MILL OPERATORS -- WITH PRECIOUS LITTLE TIMBER UNDER CONTRACT -- WERE AFRAID TO STEP UP PRODUCTION TO MEET INCREASED DEMAND BECAUSE OF THE LACK OF A PREDICTABLE FEDERAL TIMBER POLICY.

WE WARNED THE ADMINISTRATION THAT THE COUNTRY MIGHT BE ON THE VERGE OF STAGGERING INTO ANOTHER BOOM/BUST HOUSING CYCLE, WHICH COULD SERIOUSLY CRIPPLE THE HOME BUILDING INDUSTRY. SADLY, THOSE WARNINGS AND OTHERS WENT LARGELY UNHEEDED. IF ANYTHING, THE NATION'S TIMBER SUPPLY IS MORE UNCERTAIN TODAY THAN IT WAS NINE MONTHS AGO.

THIS PROBLEM IS ONLY ONE OF SEVERAL I WILL BE LOOKING INTO AS CHAIRMAN OF THE NEWLY-FORMED TASK FORCE ON HOUSING COSTS.

LET ME ASSURE YOU THAT I DON'T INTEND TO ALLOW THIS TASK FORCE TO RESULT IN JUST ANOTHER ESOTERIC STUDY THAT ENDS UP ON BOOKSHELVES. I HAVE ALREADY SERVED NOTICE THAT I WANT TO GENERATE SOLUTIONS, WHETHER IN THE FORM OF SUGGESTIONS FOR CHANGES OF REGULATIONS OR IN NEW LEGISLATION. I HAVE BEEN GIVEN A DEADLINE OF NEXT MARCH AND I INTEND TO BE READY WITH A SOLID LIST OF RECOMMENDATIONS.

THE TASK FORCE WILL START WITH THE PREMISE THAT NEW GOVERNMENT POLICY MUST BE AIMED AT CURBING THE RISE IN THE COST OF HOUSING, RATHER THAN BEING ALMOST EXCLUSIVELY PREOCCUPIED WITH INCREASING GOVERNMENT PROGRAMS TO SUBSIDIZE HOUSING.

OBVIOUSLY, THIS SHOULD NOT IN ANY SENSE BE TAKEN TO MEAN THAT EXISTING PROGRAMS SHOULD BE SCRAPPED OR THAT NONE AT ALL SHOULD BE STARTED. NO MATTER HOW SUCCESSFUL WE MIGHT BE IN CURBING HOUSING COSTS, THERE WILL ALWAYS BE FAMILIES OR ELDERLY CITIZENS TOO POOR TO AFFORD DECENT, SAFE SHELTER, WE HAVE AN OBLIGATION TO HELP THEM.

HOWEVER, IT'S EQUALLY CLEAR THAT WE CANNOT SIMPLY IGNORE SKYROCKETING COSTS AND PRETEND WE CAN AFFORD TO SUBSIDIZE EVERY FAMILY IN THE COUNTRY IN THE PURCHASE OF A HOME. AND SO, A SOUND FUTURE HOUSING POLICY MUST ATTACK THE VICIOUS PROBLEM OF BOOMING COSTS.

MY TASK FORCE WILL TARGET ON THESE AREAS:

1. EXCESSIVE REGULATIONS THAT HAVE MARGINAL VALUE IN THE AREA OF CONSUMER PROTECTION, SAFETY OR GOOD CONSTRUCTION PRACTICES. I'M TALKING ABOUT OVERLY-STRINGENT CODES, OVERLAPPING INSPECTIONS, AND BURDENSOME ENVIRONMENTAL REQUIREMENTS THAT MAY SEEM GOOD, BUT IN PRACTICE ACCOMPLISH VERY LITTLE. ONE OREGON BUILDER HAS TOLD ME THAT NEW REGULATIONS ADDED JUST

SINCE 1974 HAVE TACKED \$6,000 TO THE COST OF NEW HOMES HE PRODUCES.

THE IRONY OF THIS IS THAT AS WE REGULATE THE PRICE OF A NEW HOUSE OUT OF REACH OF THE AVERAGE AMERICAN, WE FORCE FAMILIES TO REMAIN IN POTENTIALLY UNSAFE HOUSES WITH POOR ELECTRICAL WIRING, OLD PLUMBING, LITTLE INSULATION AND OUT-DATED HEATING. WE'RE ALSO PUTTING STRAINS ON THE AMERICAN FAMILY BY MANDATING MORE AND MORE AMERICAN COUPLES TO BECOME TWO-JOB FAMILIES JUST TO LIVE IN MEDIUM-PRICED HOMES.

2. ANOTHER TARGET IS LAND COSTS. LAND PRICES HAVE MULTIPLIED SIX TIMES IN THE LAST 20 YEARS AND NOW REPRESENT ONE-FOURTH OF THE COST OF A HOUSE.

LAND IS SCARCE, AND WE ALL KNOW IT. MOREOVER, WE CANNOT CONTINUE TO SPRAWL OUT INTO AGRICULTURAL LANDS ON THE EDGE OF CITIES AND TOWNS.

OUR BEST HOPE MAY BE TO MAKE BETTER USE OF LAND WITHIN CITIES, INCLUDING SMALL RURAL TOWNS. THIS MAY REQUIRE A PARTNERSHIP BETWEEN THE FEDERAL GOVERNMENT AND LOCAL GOVERNMENT, WITH THE FEDERAL GOVERNMENT PUTTING UP MONEY FOR CITIES AND COUNTIES TO ACQUIRE LAND THAT CAN EVENTUALLY BE HOMESTEADED.

AT THE SAME TIME, CITIES VERY WELL MAY HAVE TO PLAN FOR DEVELOPMENT OF HIGH-DENSITY HOUSING, INCLUDING MULTI-FAMILY

HOUSING, IN THE CONTEXT OF ECONOMIC DEVELOPMENT. I WILL ELABORATE IN A MOMENT WHEN I TALK ABOUT A NEW FEDERAL INITIATIVE CONTAINED IN THE RECENTLY-PASSED HOUSING AND COMMUNITY DEVELOPMENT ACT.

3. ANOTHER MAJOR TARGET WILL BE INTEREST RATES AND MORTGAGE FINANCING. MOST OF US CAN REMEMBER MORTGAGE INTEREST RATES OF 5½%. NOW, THEY ARE 9% OR HIGHER. THESE HIGH INTEREST RATES HAVE CONTRIBUTED TO MAKING THE MONTHLY COST OF HOMEOWNERSHIP IMPOSSIBLE TO AFFORD. ONE APPROACH I AM INTERESTED IN IS INNOVATIVE MORTGAGE FINANCING METHODS SUCH AS BALLOON PAYMENTS OR EVEN VARIABLE RATE MORTGAGES. I ALSO AM INTERESTED IN THE PROSPECT OF A REVERSE ANNUITY THROUGH WHICH ELDERLY HOMEOWNERS COULD USE THEIR EQUITY IN THEIR HOME TO HELP PAY OR PAY ENTIRELY THEIR MORTGAGE PAYMENT AFTER RETIREMENT.

4. I WANT TO ZERO IN ON INNOVATIVE WAYS TO CUT CONSTRUCTION COSTS. A TUALATIN INVENTOR HAS DEVELOPED A NEW I-BEAM THAT IS STRONGER AND CHEAPER THAN CONVENTIONAL BEAMS. ITS USE MEANS REAL SAVINGS IN THE COST OF A HOUSE, NOT TO MENTION ENERGY EFFICIENCY. I'M CONVINCED THERE ARE OTHER INNOVATIONS WE CAN IDENTIFY IN THIS TASK FORCE,

5. FINALLY, I WANT TO EXAMINE OUR TAX STRUCTURE TO SEE WHAT CHANGES CAN BE MADE TO ENCOURAGE HOMEOWNERSHIP.

ONE WAY MAY BE TO CREATE AN ANNUITY OF SORTS FOR FIRST-TIME HOMEBUYERS, ALLOWING THEM TO SET ASIDE A NEST EGG WITH TAX-FREE

INTEREST TOWARD THE PURCHASE OF A HOUSE.

BUT WE ALSO MUST LOOK AT INCENTIVES TO BUILDERS. ON THIS COUNT, LET ME BE FRANK: THE PROPOSED ADMINISTRATION TAX PLAN HAS REAL PROBLEMS. TRIAL BALLOONS SUGGEST ELIMINATING PREFERENTIAL CAPITAL GAINS TREATMENT AND LIMITING DEPRECIATION TO EQUITY IN REAL ESTATE PROJECTS. THE ADMINISTRATION HAS GOT TO BE TOLD THAT THESE COULD LEAD TO AN EVEN MORE CONSTRICTED SUPPLY OF HOUSING. CONSTRICTED SUPPLY, OF COURSE, WILL SIMPLY DRIVE HOME PRICES UP EVEN FURTHER.

I ALSO QUESTION THE PROPOSAL THAT WOULD PLACE A \$10,000 CAP ON THE AMOUNT OF MORTGAGE INTEREST YOU CAN DEDUCT ON YOUR INCOME TAX RETURN. WHY SINGLE OUT THIS KIND OF INTEREST? AND WHY PLACE THE CAP AT \$10,000 WHEN WE ARE DISCOVERING THAT IN SOME PARTS OF THE COUNTRY A \$100,000 HOUSE IS NO LONGER A PALATIAL ESTATE -- AND, INDEED, IS BARELY ADEQUATE FOR A FAMILY OF FOUR OR FIVE.

NOW I'D LIKE TO RECAP QUICKLY THE HIGHLIGHTS OF THE MAJOR LEGISLATIVE EFFORT OF THIS SESSION IN THE HOUSING FIELD -- THE HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1977. THIS LEGISLATION, THE PRODUCT OF NINE MONTHS OF WORK, FINE-TUNES EARLIER HUD LEGISLATION IN MANY FAVORABLE WAYS.

* IT RAISES FEDERAL HOUSING ADMINISTRATION MORTGAGE LIMITS AND LOWERS HOUSE PAYMENT REQUIREMENTS, MAKING THE PROGRAM REALISTIC AGAIN.

* IT IMPROVES THE SECTION 8 PROGRAM BY PROVIDING AN ADDITIONAL \$1.1 BILLION IN CONTRACT AUTHORITY, \$197 MILLION OF WHICH IS TO BE FINANCED BY STATE HOUSING AGENCIES SUCH AS THE OREGON HOUSING DIVISION, WHICH HAS BEEN HIGHLY SUCCESSFUL WITH THIS PROGRAM. PUBLIC HOUSING AUTHORITIES, BECAUSE OF AN AMENDMENT I INTRODUCED, ALSO ARE NOW ALLOWED GREATER FLEXIBILITY IN CONTRACTING WITH SECTION 8 HOUSING OWNERS TO TAKE OVER MANAGEMENT OF UNITS, ESPECIALLY FOR VERY LARGE FAMILIES WHO HAVE A CRUCIAL HOUSING NEED.

* IT EXTENDS THE SECTION 312 REHABILITATION PROGRAM UNTIL OCTOBER 1979 AND INCREASES THE MAXIMUM LOAN LIMIT TO \$27,000.

* IT INCREASES THE FEDERAL HOUSING ADMINISTRATION LOAN CEILING AND MATURITY TERMS FOR MOBILE HOMES, AN IMPORTANT DEVELOPMENT BECAUSE OF THE AFFORDABILITY OF THIS KIND OF HOUSING.

THIS BILL ALSO PROVIDES FOR MUCH-NEEDED AMENDMENTS TO THE HOMEOWNER'S LOAN ACT, GIVING THRIFT INSTITUTIONS FAR GREATER LEVERAGE TO MAKE CONSTRUCTION LOANS AND PROPERTY IMPROVEMENT LOANS. THE AMENDMENTS ALSO SHOULD MAKE IT EASIER TO FINANCE MULTI-FAMILY HOUSING STRUCTURES.

FINALLY, THE BILL MAKES SWEEPING CHANGES IN RURAL HOUSING PROGRAMS ADMINISTERED BY FARMERS HOME ADMINISTRATION. A

SERIES OF AMENDMENTS PULLED FROM A BILL I INTRODUCED CALLED THE RURAL HOUSING ACT OF 1977 WERE ADDED AS A COMPLETE NEW TITLE TO THE MAJOR HOUSING BILL. THE AMENDMENTS EXTENDED PROGRAM AUTHORIZATIONS, REQUIRES IMPLEMENTATION OF THE RURAL RENT SUPPLEMENT PROGRAM, CREATES A PROGRAM TO COMPENSATE HOMEOWNERS FOR STRUCTURAL DEFECTS, MAKES THE HANDICAPPED ELIGIBLE FOR FARMERS HOME ADMINISTRATION PROGRAM NOW RESERVED FOR JUST THE ELDERLY, MAKES CONGREGATE RURAL HOUSING AN ELIGIBLE ACTIVITY, AND ESTABLISHES AN ESCROW SYSTEM TO PROTECT HOMEOWNERS.

OF COURSE, THESE PROVISIONS DEAL JUST WITH HOUSING AND THE BILL DEALT ALSO WITH COMMUNITY DEVELOPMENT.

THAT'S THE BASIC HOUSING PART OF THE BILL. TURNING TO COMMUNITY DEVELOPMENT, THE LEGISLATION INCREASED THE AVAILABLE MONEY UNDER THE BLOCK GRANT PROGRAM SO THAT THE CITY OF PORTLAND -- TO NAME ONE EXAMPLE -- WHICH NOW RECEIVES \$7.7 MILLION IN C.D. FUNDS WILL GET SLIGHTLY MORE THAN \$11 MILLION BY FY 1980. AT THE SAME TIME, THE NON-METROPOLITAN DISCRETIONARY POT -- THE POT FROM WHICH SMALLER CITIES UNDER 50,000 POPULATION GET THEIR FUNDS ON A COMPETITIVE BASIS -- WILL NEARLY BE DOUBLED BY 1980. OREGON'S SHARE WILL GO FROM SOME \$350,000 TO MORE THAN \$600,000.

HOWEVER, THE MOST SIGNIFICANT COMMUNITY DEVELOPMENT INITIATIVE IN THE BILL IS THE URBAN DEVELOPMENT ACTION GRANT

PROGRAM. THIS IS A THREE-YEAR, \$1.2 BILLION PROGRAM AIMED AT HELPING CITIES THAT THINK, THAT COME UP WITH NEW IDEAS TO REVITALIZE THEIR DOWNTOWNS AND THEIR INNER-CITY NEIGHBORHOODS.

PORTLAND, WHICH HAS AN OUTSTANDING TRACK RECORD OF PERFORMANCE IN THE COMMUNITY DEVELOPMENT FIELD, STANDS AN EXCELLENT CHANCE OF RECEIVING UDAG FUNDS. PORTLAND IS LOOKING AT TWO NEIGHBORHOOD REVITALIZATION PROJECTS, COMBINING THE USE OF FEDERAL FUNDS TO ACQUIRE UNDERUTILIZED LAND TO RESELL TO DEVELOPERS FOR MUCH-NEEDED HOUSING WITH PRIVATE SECTOR FUNDS TO ESTABLISH AN ECONOMIC BASE, INCLUDING POSSIBLY A NEW INDUSTRY OR NEW BUSINESS.

I AM EXTREMELY EXCITED ABOUT THE POSSIBILITIES OF THIS URBAN DEVELOPMENT ACTION GRANT PROGRAM. THAT'S WHY I HELPED LEAD THE FIGHT IN THE HOUSE-SENATE CONFERENCE COMMITTEE TO PREVENT IT FROM BEING GUTTED BY FORCES IN THE SENATE WHO TRIED TO LOCK UP MORE FUNDS FOR OLD, DETERIORATING CITIES IN THE EAST. THEY STILL CAN GET THE MONEY UNDER UDAG, BUT NOW THEY HAVE TO WORK FOR IT, JUST LIKE EVERYONE ELSE, ON THE BASIS OF THEIR IDEAS.

IT'S NOT JUST THE PORTLANDS WHO WILL BENEFIT FROM THE UDAG FUNDS. TWENTY-FIVE PERCENT OF THOSE FUNDS ARE EARMARKED FOR CITIES UNDER 50,000 POPULATION. IT IS MY INTENTION TO GIVE STAFF ASSISTANCE TO OREGON SMALL CITIES IN APPLYING FOR UDAG FUNDS AND, IF I HAVE TO, TO GO OUT AND ENCOURAGE

CITIES WITH ADVENTURESOME PLANS FOR REVITALIZATION TO APPLY,

BUT THERE IS MORE ON THE HORIZON THAT UDAG.

THE BATTLE STILL IS RAGING BEHIND THE SCENES ON WHETHER HUD SHOULD CONTINUE ITS HOUSING PROGRAMS OR WHETHER THE IDEA ADVANCED BY THE PREVIOUS REPUBLICAN ADMINSTRATIONS SHOULD BE PURSUED TO END HOUSING PROGRAMS, REPLACING THEM WITH A CASH-OUT VOUCHER GIVING EVERYONE A PITTANCE WITH WHICH TO GO LOOK FOR SAFE, DECENT HOUSING.

I CAN'T TELL YOU HOW LOW I REGARD THIS SUGGESTION. IN MY OPINION, IT WILL ONLY RESULT IN THE CREATION OF WELFARE SLUMS. IT WOULD BE LIKE ROBBING FROM THE POOR TO PAY THE POOR. WE CAN DO BETTER, AND WE SHOULD. AND WE WILL GO TO THE MAT TO FIGHT ANY HEW/OMB EFFORT TO DO THIS.

FRANKLY, I AM CONSISTENTLY MORE IMPRESSED BY THE SECTION 8 HOUSING ASSISTANCE PROGRAM NOW THAT BUGS ARE BEING WORKED OUT AND WE HAVE AN ADMINISTRATION THAT WANTS TO SEE HOUSING PRODUCED.

IN FY 1977, WE HAVE GENERATED 103,000 SECTION 8 HOUSING STARTS. THERE WERE ANOTHER 350,000 RESERVATIONS UNDER THIS PROGRAM.

WE HAVE MOVED SEVERAL STEPS CLOSER TO REALITY IN TERMS OF WHAT IT TAKES TO FINANCE NEW HOUSING, AND, HUD APPEARS

TO BE GETTING THE MESSAGE ABOUT THE NEED FOR GUARANTEED DEBT SERVICE EVEN IF THE UNITS ARE VACANT. IT NOW IS PROPOSING A NEW HOUSING PROGRAM THAT IS A DERIVATIVE OF SECTION 8 WHICH CONTAINS THE VERY DEBT SERVICE PROVISION I AUTHORED IN 1975 OVER HUD'S OBJECTIONS. TIMES CHANGE.

I DON'T THINK WE NEED A NEW HOUSING PROGRAM. SECTION 8 IS JUST FINE, WITH CONTINUED FINE-TUNING.

LET ME CONCLUDE BY TOUCHING ON ONE FINAL SUBJECT YOU WILL BE HEARING MORE ABOUT IN COMING DAYS, AND THAT IS THE DEVELOPMENT OF A COHESIVE, COHERENT URBAN POLICY.

THE CARTER ADMINISTRATION IS UNDER GREAT PRESSURE TO STEP IN AND HELP AILING URBAN CENTERS, ESPECIALLY IN PROVIDING JOBS FOR LOW-INCOME PEOPLE WHO ARE LOCKED INTO INNER CITIES.

I SUPPORT THIS INITIATIVE AND PLAN TO WORK WITH THE ADMINISTRATION IN BRINGING OUT AN URBAN POLICY. A KEYSTONE OF MY APPROACH WILL BE TO RECOGNIZE THE INTERRELATIONSHIPS OF URBAN AND RURAL AREAS, A CITY-TOWN POLICY, IF YOU WILL.

WE IN OREGON HAVE SEEN THE GROWTH OF SLURBS AS DEVELOPMENT LAPS OVER CITY BOUNDARIES WITH THE COUNTRYSIDE DOWN THE WILLAMETTE VALLEY, WHILE MANY SMALL ESTABLISHED RURAL CITIES ARE STRANGLING FROM A LACK OF GROWTH. CLEARLY, VITAL URBAN CENTERS NEED STABLE RURAL AREAS AROUND THEM, AND VICE-VERSA.

TO ACHIEVE THIS, IT MAY REQUIRE DEVELOPMENT OF REGIONAL STRATEGIES. WE ARE ONLY BEGINNING TO SEE THE OUTLINE OF THIS EMERGING STRATEGY, BUT BEFORE LONG, I EXPECT A FULL-BLOWN PROGRAM TO BE PRESENTED, PERHAPS AS EARLY AS THE PRESIDENT'S STATE OF THE UNION MESSAGE. IT WILL BEAR WATCHING CAREFULLY.

WHAT THIS ADDS UP TO IS THAT THE FEDERAL GOVERNMENT HAS BEEN EXTREMELY ACTIVE IN THE FIELD OF HOUSING AND COMMUNITY DEVELOPMENT THIS YEAR, BOTH IN URBAN AND RURAL AREAS.

I'M PROUD TO HAVE BEEN AN ACTIVE PARTICIPANT.

BUT MUCH MORE NEEDS TO BE DONE.

I HAVE DELIVERED MANY SPEECHES ON HOUSING THIS YEAR AND IN SEVERAL OF THEM I HAVE WARNED THAT THE IDEA OF OWNING A HOUSE IS BECOMING AN IMPOSSIBLE DREAM FOR THE AVERAGE AMERICAN.

I WANT TO PLEDGE TO YOU TONIGHT THAT I REGARD THE HOUSING SUBCOMMITTEE'S FORMAL CHALLENGE IN CONGRESS AS BEING SIMPLY THIS: TO RETURN THE HOPE OF OWNING A HOME TO THE REALM OF REALITY.