

them and to the bigger contractors. While we cannot speak for others, valid business considerations in both San Jose and Honolulu have lead us to quite the contrary position. As a result of extensive and comprehensive market studies and analyses, and upon the unanimous recommendations of our consultants, we plan not to build ourselves, but, once having developed the basic roads, utilities, and amenities, to encourage a number of builders with a vast divergence of styles and price ranges to come in and build competitively within the general framework of our controlled and operational master plan.

Thank you, Mr. Chairman, for this opportunity to be heard.

Mr. BARRETT. Thank you, Mr. Simpich.

Mr. Simpich, I have a very short question I would like to ask you.

I want to thank you for your excellent and informative statement. As you know, this proposal for FHA insurance of loans to establish new towns and communities has been before our committee for several years. Last year we authorized FHA insurance for suburban subdivisions, but the Congress did not extend the FHA insurance to embrace new towns. Frankly, there is considerable doubt about new towns on the part of the homebuilders and mayors. Would you think if Congress were to authorize FHA insurance for a limited number of new towns, say, for example, a half dozen—in other words, we would set it up as a demonstration program to see how it would work—do you think this would be good strategy?

Mr. SIMPICH. Well, I think we would be a little disappointed that the Congress did not accept the legislation as now drafted. We certainly would be candidates to participate in such a demonstration program, because we are satisfied from both the business and esthetic point of view that the future growth of America should be in the form of new communities, new towns, however it is phrased.

Do you have anything to add to that?

Mr. GELDERMANN. In our particular cases, Mr. Chairman, each of these developments is within the city limits of a major city. So it is not the new town that has gone away from the neighboring city and started up on its own with the political subdivision, et cetera.

Mr. BARRETT. Mr. Geldermann, I want to say that many on our committee are in favor of new towns. We are hopeful that we can give an abundance of housing units to the people that are in dire need of them. But we also have to be practical and look at the opposition to this type program.

Now, would authorizing the programs for a few, as I said, say a half a dozen cities, for the purpose of convincing the mayors that it is not detrimental to their own cities, be better than trying to get the entire whole cake, and losing it entirely?

Mr. GELDERMANN. I would consider that a valid approach.

Mr. BARRETT. You think that would be a sensible approach?

Mr. GELDERMANN. I would have to think more about it, sir. But I think that the principle is good, if it means that it has to be approached on that basis in order to enact the enabling legislation, then I would be in favor of it.

Mr. SIMPICH. May I add a point?

It would be my opinion that one of the reasons that the mayors are indecisive on this is that many of them have not been exposed to the detailed planning and the arguments which are available on