

mine as far as the association's work is concerned over a number of years and is doing outstanding jobs for our association.

I have Dr. Nathaniel H. Rogg, whose background in economics has been helpful and who is executive director of the NAHB and is doing an outstanding job in our activities.

With me also is Herb Colton, chief counsel for the National Association of Home Builders.

At this time I would like, Mr. Chairman, to go through my testimony and insert for the record certain items which I will indicate as I go through.

The several bills that are being considered in these hearings include a number of proposals. Therefore, for the convenience of the committee, we have summarized in attachment A, appended to my statement, our position with respect to each item, and have included in attachment B, certain additions to the National Housing Act which we recommend to the committee.

I shall limit my remarks this morning to comments on those particular aspects of these bills that the National Association of Home Builders believe require particular emphasis. I assume that the attachment will be included in the record to show our position in detail, Mr. Chairman.

Mr. BARRETT. This may be done without objection. It is so ordered.

Mr. BLACKMON. In general, we support H.R. 12341, the Demonstration Cities Act, and H.R. 12946, the Urban Development Act of 1966 with some suggestions for amendments. However, we oppose, as we did last year on almost identical legislation, and for the same reasons, the so-called new towns and State land development agencies provisions which are in title II of H.R. 12946.

Before discussing these bills, we believe it in order first to bring to your attention the increasingly difficult conditions facing the home-building industry. Attached as exhibits I-A and I-B is material on housing, the national economy, and recent changes in the monetary market developed and written by our economics and builder services departments.

The first, comparing housing, housing starts, and economic growth during the past few years, shows that although housing demands continue high, construction has declined while the overall economy has climbed to new records. It discusses briefly the flow of money from savings institutions to commercial banks as a result of the recent amendment to regulation Q.

The second of these exhibits is the latest issue of the Economic News Notes periodically issued by our economics department. The section headed "Home Building" which commences at page 3, is particularly pertinent.

While the legislation before you seeks, rightfully, to provide for the building of a better America in the years to come, the pool of savings capital on which our industry depends for its customer financing is being seriously depleted by the action of December 5 last which allowed the maximum rate permitted to be charged by commercial banks on certificates of deposit to jump from 4 percent all the way to 5½ percent. I attach as exhibits II-A and II-B two recent stories which illustrate what is going on.

As in 1957—of unhappy and unlamented memory in our industry—savings are again being allowed, indeed, encouraged, to flow from