

In this connection, we note also that H.R. 13065, the Housing and Urban Development Amendments of 1966 in section 106 also covers this same subject. As stated in the section-by-section summary of that bill, this section—

Would establish a program to encourage and assist the housing industry to reduce the cost and improve the quality of housing through the application to home construction and rehabilitation of advances in technology.

This program suggested by this section, realistically conceived and effectively pursued, could, we submit, save the Federal Government and the American public many times its cost, but only if cast in the mold of Federal assistance to nongovernmental agencies and bodies of all types, including universities and nonprofit and other private research groups.

We therefore recommend that section 106 of H.R. 13065 be amended to emphasize that research thereunder be conducted through nongovernmental bodies or agencies, and that a start on such program be made by setting aside for research one-half of 1 percent of funds appropriated pursuant to H.R. 12341.

We also recommend that the Congress clarify section 7 of H.R. 12341 to make more effective the Office of Federal Coordinator established thereby. We believe an office of this kind is necessary if the manifold Federal programs available to localities are to be kept from complete confusion in action. We see nothing in the bill which would give the Coordinator any duties or powers other than to advise local governments how most effectively to work with Federal grant-in-aid programs. We suggest that this be elaborated and clarified by comment in your committee report on the bill.

In this connection, the title "Federal Coordinator" may be unfortunate. Perhaps the true function of this Office could be better expressed by the use of a name such as "Demonstration Coordinator" or "Urban Program Coordinator."

URBAN DEVELOPMENT BILL (H.R. 12946)

As I indicated at the outset of my remarks, we vigorously oppose title II of this bill but support titles I and III. Title II again brings before the Congress two proposals which it has already rejected. These are mortgage insurance for so-called new communities and direct Federal loans to encourage formation of State and local governmental agencies to engage in the business of land development for housing.

Mortgage insurance for new communities: This is the third year in succession this proposal has been advanced. It was rejected 2 years ago. In 1965 a limited version became title X of the National Housing Act with the originally proposed \$25 million limit on the maximum loan, for any one project at any one time, reduced to \$10 million. The bill before you again attempts to increase that maximum limit to \$25 million. Further, it would grant special benefits to the larger projects, not available even to a project as large as \$10 million, in the form of a longer loan maturity and access to FNMA special assistance. With those exceptions, title X already provides everything proposed by this bill.

As I said earlier, we testified against this last year and the record so indicates and I will not elaborate because this will be filed for the record.