

Mr. BLACKMON. Yes, but I would highly recommend that we do away with the "Federal" and call it any other kind of coordinator. I think his job would be the same, helping coordination among these various departments, but I think that you could find other wording for that.

Mr. BARRETT. We are always pleased to hear from your great industry.

Let me ask you a question on the housing outlook. Housing construction seems to be one of the few components of our economy that is not in a state of boom. Do you think that the higher level of interest rates is cutting down on housing demands?

Mr. BLACKMON. We have material on this in exhibit I-A that I referred to that gives a pretty complete picture and I attached it for the record along with my testimony. We can give you additional information in the form of a memorandum or something else if you desire it.

Today's money would raise the cost of a home to the buyer and, in turn, the mortgage loans, and it cannot help but do two things—disqualify some of the buyers and at the same time increase the cost of that product, which I say will have the effect on the housing starts in the country.

Mr. BARRETT. Thank you. Mr. Fino?

Mr. FINO. Mr. Blackmon, one thing I want to ask you:

Does mortgage credit alone account for the difficulties you indicate the homebuilding industry is facing?

Mr. BLACKMON. Mr. Fino, I would like to ask Dr. Rogg to comment on this at this time.

Dr. ROGG. It is a vital factor in today's immediate situation. There are many other problems which have kept the industry from raising its volume. A number of them we are attacking within the industry because we think they are problems which industry itself ought to be getting to.

I would like, just to give you a short list of them, and we can elaborate on them.

One of our major problems is that we are not very effective as competitors for the consumers' dollars. We have problems of selling, we have problems of building codes, problems of putting the findings of research to work. We have problems of understanding the motivations of buyers, we have problems of arranging for our labor supply in such fashion that it does not create intolerable delays in building housing. We have problems of this kind which the industry itself is attacking.

But the whole problem of mortgage credit which today occupies our attention is one which we feel we cannot handle within our own industry. We are at the moment, subject to the fact that the only tools being used to restrain the overall economy are the tools of monetary policy. Tools used in this manner have one impact—they affect the weaker competitors in the marketplace. The weaker competitors are our customers and the small businessmen who make up our industry.

Mr. FINO. Do you realize that a majority of the demonstration city funds, if authorized and appropriated, will go to urban renewal activities?

Dr. ROGG. Yes, sir. To the redevelopment of our cities.