

Mr. ASHLEY. We are talking about two different aspects here, one is the State agency and the other is the program for the private development; is that not so?

Mr. BLACKMON. Yes, you have two.

Mr. ASHLEY. I do not quite understand why you are so much against the State agency if it is pursuant to State law. After all does this not just act in an interim basis, providing the mechanism by which land can be acquired at probably low cost and subsequently passed on to private sectors? What is the matter with this?

Mr. BLACKMON. What is the matter with it is simple. It is putting the State into the business of land development when we find that there is not a need for it and the private sector is able to afford to do it. I think around Washington here you have a fine example of that. You have some 12 or 13 new towns being created where they have gone out and bought tremendous tracts of land at a price they felt they—

Mr. ASHLEY. Who is "they"?

Mr. BLACKMON. The community—the new communities around here.

Mr. ASHLEY. It is large developers, is it not, Mr. Blackmon?

Mr. BLACKMON. Yes, private.

Mr. ASHLEY. All right; if we want to say, inasmuch as we live in a large country and we have large developers, let the large developers do it, even though what this means is that you preclude the small developer from participating in this kind of program, then that is one answer. But, I think you have got to recognize that this does put a real burden, an exclusion on the large developer, the fellow who is doing the Baltimore one, and the ones out west where you have insurance companies, where you have manufacturing companies, all getting into land development. Is this not so?

Mr. WEINER. If I may, Mr. Congressman.

I believe our position is that since title X, which already provides FHA land insurance for acquisition and development, presently provides the vehicle for the small developer and builder to acquire sites under a program of Federal insurance which is part of the answer to the question you are raising.

The question of large acquisition of land by a State body or State agency, municipality, or county provides the means by which this land will be taken out of the private entrepreneurial market and put in the hands of the governmental agencies and disposed of at their discretion, which may, at this point, be certainly questionable in light of the zoning practices of exclusion of people of low income from many communities, or restrictive and regimented types of zoning practices, which we have seen. So that the questionable factors that we are concerned with, among others, is that these State agencies may not have the method of determining what the market needs are.

In terms of planning—

Mr. ASHLEY. Are you saying that there is a danger here that we may not get all income levels into these developments?

Mr. WEINER. Precisely.

Mr. ASHLEY. Are you saying that or are you saying in your gross points or in your private developments, that you are responsible for it, that the developers in the private sector are responsible for it? You have this integration of incomes? That is the most preposterous thing I have ever heard.