

on this appropriation and make it available so that the program can get underway.

You all authorized the legislation last year, but until now we do not have funds to put it into operation. We would welcome the opportunity.

Mr. STEPHENS. May I ask you if you would agree with the position that I have taken that we already have in the public housing a rent supplement?

Mr. BLACKMON. Yes, sir. You have a Federal contribution by the local housing authorities of approximately 5 percent of whatever the cost of the unit is on an annual contribution basis and you all make appropriations every year to fund this. So there is a subsidy, or whatever you want to call it, to the local housing authority and, instead of having Federal ownership, we are having private ownership. We favor private ownership over public ownership.

Mr. STEPHENS. It is not also true that besides the Federal contribution that you are talking about, the people who live in public housing cannot get the same accommodations for the same low rent in the private sector in general?

Mr. BLACKMON. Well, because of the subsidy they get—and they get it in two or three ways—not only the annual contribution, but also they get it in low interest which is a form of subsidy, if you want to recognize it as such, on tax-free bonds, that may bring $2\frac{5}{8}$ or 3 percent or $3\frac{1}{4}$. Second, public housing projects make a payment in lieu of your regular taxation. I would like, gentlemen, to see this committee go on record as favoring the local community, that local communities use the below-market rate and rent-supplement program and recommend to the cities that these programs be given the same kind of tax treatment as public housing. If there is a decrease in taxes, let's let the local cities be rewarded by making this decrease eligible as part of their contribution to participation in the urban renewal program.

Do I make myself clear? In one particular community of this country, in which we are building a below-market-rate project for a Negro Mason group that has a tremendous spirit of trying to help their people, the taxing authority indicated that their taxes would be as much on 140 units as it is on 854 units of public housing and this is not right. How can you hope to accomplish the housing of these people if they write the taxes up real high or discriminate against projects that are trying to house these low-income people?

So this is another form of subsidy that I see—you have at least three when it comes to public housing, and in some way we should try to level this off to where, when we are housing low-income people, we do it on an equal basis. Then we can judge realistically what our accomplishments really are.

Mr. STEPHENS. May I have 1 more minute?

I am awfully interested in the testimony you gave on this subject.

Last year when I advocated it we had a resolution from some of the real estate people at home, and it was said that this was the most socialistic piece of legislation—this rent subsidy thing—that ever came down the spout. It just astounded me that it should come in that way. I did not like to be called a Socialist in the first place. It was a matter of misunderstanding and ignorance on the part of the real estate people to take a congressional newsletter that came out of