But in the bulk of its business, we believe it needs continuing efforts in modernization. The spirit of the agency in the beginning was one of pioneering in mortgage practices and homebuilding standards that its best brains conceived to be sound. It was remarkably successful, but we believe that in large measure it needs a rebirth of an attitude of flexibility and leadership and of the pioneering spirit.

This will be necessary if it is to provide the enormous need for low-income-family housing, as well as to fulfill its economic role of a credit stimulus to the entire homebuilding industry.

Mr. BLACKMON. Especially the low-income families, Congressman Gonzalez. I think housing these people is very important and, secondly, I think FHA should broaden its scope, not only in the low-income brackets, but higher income as well, because this is business that is very desirable that they do not seem to be getting. It would be helpful in the overall portfolio; it would permit taking a bigger risk in some of the low-income homes to balance their losses and would be helpful in qualifying some of our more unfortunate citizens.

Mr. GONZALEZ. That is very true. I am intensely interested and also concerned because I represent a district in which the bulk of my constituents are affected. It has been very depressing to see the constantly dwindling role of the FHA in this field.

Mr. BLACKMON. I think this is where the committee could be commended and also Mrs. Sullivan's proposal. We should use this Federal assistance to encourage these low-income families. As they get more, they can pay their way and at such time as they pay their complete way, they become homeowners.

This is one way where Federal assistance can be very helpful in uplifting low-income families. Somewhere in 5 years or so this family's income, as you and I know, will increase to a point where they can pay their own way. It gives them a start in the right direction and these funds can be released to start other low-income families on their way to homeownership.

Mr. GONZALEZ. Thank you very much.

Mr. BARRETT. Mr. Blackmon has to be over on the Senate side very quickly.

But we have the gentleman from New York who has two very short questions. I understand that you must leave as quickly as possible.

Mr. FINO. The quick question is, that under H.R. 13064, there is a provision which strikes out from the National Housing Act the provision "and the Association shall not purchase any mortgage insured or guaranteed prior to the effective date of the Housing Act of 1954". Is this a recommendation made by your organization?

Mr. BLACKMON. In our testimony? No, sir.

Mr. FINO. Can you strike out that section?

Mr. BLACKMON. May I have just a minute?

Mr. BARRETT. I wonder if you would not take the question and answer it more in detail in writing?

Mr. BLACKMON. Be most happy to. This is the section that we are not familiar with.

Mr. FINO. According to your own testimony, I was surprised to read that you support title I of H.R. 12946, while you oppose Federal money for land development agencies on the ground that this would inject Government deeply into purely local matters.

Do you realize that it is title I that would grant the Secretary of the Department far-reaching powers to vastly increase Federal grants