rate money—I think it is 3⅝ percent. They built efficiencies and one-bedroom apartments, furnishing them with heat and with a refrigerator and stove in the kitchen, but with the other furnishings being provided by the tenants themselves. They rent these efficiencies for $35 a month, including the heat, refrigerator, and stove, and the one-bedroom apartment for $40 a month. These are in a small town and I know the cost of land is not as great as it is in the city. But I also know that even in rural areas private builders and real estate firms cannot get into this rental range without some subsidy such as the low interest rate. I think this is something that is quite exciting, however. I have photographs in color showing the residents in these little apartments. We need to do things like this in the city. But, once again I repeat that you cannot just build the buildings and say: "All right, here is a good, clean, modern building, now live in it." We have found in the cities today, because of the migration of people from rural areas into the city, you have got to do more social service work and educational work to help them to adjust to the city. I sincerely hope the proposal now before us might enable us to take this whole picture into consideration and do the whole job—not just part of it which involves housing construction. That, I am afraid is too haphazard.

Mr. BARRETT. Mr. Harvey?

Mr. HARVEY. Thank you, Mr. Chairman.

Mr. Williamson, I would like to direct the first question to you, because your organization is now supporting the rent supplement and rent certificate program and I wonder if you personally or your organization had any preference between the two?

Mr. WILLIAMSON. Well, we think the great hope for the low-income family lies in tapping the existing house market, and as between the two programs—we think more of low-income families will be assisted through the so-called rent certificate program. The reason it looks as though we are favoring rent supplements is that we are spending more time on that because that happens to be the program that is in trouble. The rent certificate program is working and many of our real estate boards are working with local housing authorities on making available existing housing. That is why we are worried about these amendments which could make fundamental changes in the program.

Mr. HARVEY. That is what I was coming to next. Maybe—I am not sure whether I should be directing my question to you or Mr. Emlen.

How does the problem of overbuilding in the homebuilding industry today as far as apartments are concerned enter into this problem? Is overbuilding of apartments a serious threat in the metropolitan areas?

Mr. EMLEN. I think my answer would be from my own experience in the Philadelphia area, the overbuilding is directed to the income level which we are not talking about. We are overbuilding in the so-called luxury area. I think the chairman would agree that is locally true, but my knowledge doesn't extend beyond my own locality. But we haven't got the problem of overbuilding in cheaper apartment units.

Mr. WILLIAMSON. I think the FHA has done an excellent job in its market analysis and in approving applications for mortgage insurance for multifamily housing.