

place an unnecessary workload on FHA and HHFA. It would be far better, in our judgment, to leave them free to work on those problems for which the solutions are not yet apparent. Already FHA is required to spend a disproportionate amount of time on special-purpose programs to the detriment of basic programs serving a broad segment of the population.

May we point out that many members of this association throughout the country are currently engaged in land development activities. The techniques of this type financing are well known to our members. While it requires a firm of substantial financial strength to undertake anything as large as the development of a new town, this does not mean that small builders are precluded from enjoying the benefits of the developed building sites. Few land developers hold all of the developed properties for their own construction. Particularly is this true when a mortgage banker is the developer. It is customary to make developed building sites available to a wide range of builders, who can, and will develop the properties in a manner consistent with the development plan. Even with an FHA insurance program, few small builders would be in a position financially, or organizationally, to undertake any significant land development.

The present proponents of this program argue its necessity to assume availability funds at reasonable prices. We believe it is evident that adequate funds are currently available to finance as many of this type of project as the market is in a position to absorb. Life insurance companies, savings and loan associations, commercial banks, and mortgage bankers are all involved in land development financing. Competition is increasing as more investors and the rapidly growing accumulation of savings make increased funds available for mortgage lending. Under such circumstances the cost of funds for these activities is certain to be highly competitive. We can see no benefit to be derived from an insured lending program for land development at this time.

Mr. BARRETT. Thank you very much, Mr. Goodwin for your very thoughtful statement. Even though I do not agree with many of your observations, certainly, we will study your recommendations carefully.

I note on page 11 of your statement that you use the Office of Economic Opportunity program as an example of the pressures which develop for Federal control over aid programs. I do not want to debate the issue with you, but I would like to ask you a forthright question. Are you a supporter of the antipoverty program?

Mr. GOODWIN. I would say that certainly the objectives of the program are desirable. Whether we could agree with all of the means that are or may be used to implement it, is, of course, another question.

Mr. BARRETT. Thank you very much.

Mr. WIDNALL?

Mr. WIDNALL. Thank you, Mr. Goodwin, for your statement. We certainly welcome you before the committee.

I know both Congressman Barrett and I are glad you endorsed the bill which we introduced with respect to veterans' loans. We understand that the bill that was adopted last year is working quite well. We expect that to develop a great deal more this year.

Have you had any experience at all with the modernization and rehabilitation loan program?

Mr. GOODWIN. Not a great deal personally. Our members have; and I believe the two men here from the staff would have more exposure to that program through our members who are very active in it.

Mr. WIDNALL. Could you give us the benefit of any experience you have had with respect to that program?

Mr. GOODWIN. We, in our own organization, are not active in the modernization program, I am sorry to say. In other words, in the