

Mrs. SULLIVAN. I notice in the first part of your testimony that you were suggesting some minor amendments, but all of these, of course, would be for your benefit, so that you could help finance higher loans on property of more value. Yet, when we come to some of the other sections of the bills on which we are working you are completely against every provision.

Mr. GOODWIN. No; I think that would not be exactly the right interpretation. We want to make higher loans where we can accomplish more good and where there is no other market. We oppose the situation where there is a ready market.

Now, for instance, on second homes, vacation homes, if you please, with the extra leisure time that would help these rural areas, there we are willing to go along, we are happy to go along with it because there is not a market unless it were available through FHA. We don't see a reason for expending guaranteed or insured loans in areas where there is already plenty of money available and lots of investors willing to take the risk.

Mrs. SULLIVAN. You mention on page 9 that you are unalterably opposed to the demonstration cities program on the grounds that you are not convinced the cities cannot take care of these problems themselves. And yet we have had mayor after mayor come before us to tell us their problems, and there was not a mayor who did not say they simply cannot do any of this unless they receive Federal funds with which to help do it.

Mr. GOODWIN. Well, that is a little—I think that would be a little different than the demonstration cities program. They could be referring to urban renewal programs where they have appreciated the help, and you might say the writedown and if they are going to change the character of the whole district, the Federal assistance in the form of a writedown has accomplished great good unquestionably in some cities.

Our own preference, from the standpoint of our organization would be to go along a little bit with the opinion of the Governors as expressed, as we understood it in the press the other day, with the so-called Heller program where there was a little more assurance that funds would come back to the areas in which they were raised.

For instance, in my own area, we have seen fit to take no Federal assistance. But we probably donated \$25 or \$30 million via Federal income taxes to New Jersey, Pennsylvania, New York, and Chicago and those areas that have been a little quicker to accept Federal funds.

Mrs. SULLIVAN. That brings me up to the other question I wanted to ask you.

Since you feel that cities can do, and should do, all these things by themselves—the only way I can see this accomplished would be to raise real estate taxes. Would you be in favor of that?

Mr. GOODWIN. The alternative would be to return some of the Federal tax money to the cities.

Mrs. SULLIVAN. You are not going to get that done.

Mr. NORTHUP. May I comment on Mrs. Sullivan's question?

Mrs. Sullivan, I think we should make it clear that over the years this organization has not opposed urban renewal. We have made comments about urban renewal programs which we have felt would