Mr. HEISLER. Our situation has improved in the last few months from the situation that existed in 1966 and in the first quarter of 1967 due to higher interest rates in other areas that our shareholders were using for investment.

Mr. ULLMAN. Do you have adequate money to meet the demand now?

Mr. HEISLER. I suppose there is never adequate money to take care of home building and home financing in the United States in the sense that it could be extended to marginal areas. We are approaching an adequate amount I would say.

Mr. ULLMAN. What is the trend? Is your situation getting better on a week-by-week basis or getting worse?

Mr. HEISLER. Getting better; getting much better.

Mr. ULLMAN. The problem as I see it is that if we broaden the definition and allow you to go into other kinds of loans, the homebuilding industry, itself, might very well suffer.

Mr. HEISLER. I feel that the extent to which savings and loans would go into other areas would be gaged by conditions at the time. If there was overbuilding and oversupply of housing, then they would be able to get into other forms of investment. Since the savings and loan institutions are specialists in the home financing field can never see them getting out of that as a primary form of investment as long as they were able to make home mortgage loans. But it would better enable them in times of stringency to tide themselves over and pay a little higher rate of return to their investors so that they would continue to have these funds in bad times and in good times. I would feel that in the future we will have high and low interest rates, they will be variable from time to time.

Mr. ULLMAN. Thank you very much, Mr. Heisler. We appreciate having you before our committee.

Our next witness is Mr. Raymond Hoffman; we welcome you before the committee.

Will you please identify yourself and your colleagues for the record.

You may proceed as you see fit.

STATEMENT OF RAYMOND A. HOFFMAN, ILLINOIS STATE CHAMBER OF COMMERCE; ACCOMPANIED BY NORMAN J. BEATTY, MANAGER, TAX DEPARTMENT

Mr. HOFFMAN. My name is Raymond A. Hoffman. I am a partner in Price Waterhouse & Co.—a firm of certified public accountants—and a former chairman of the Federal Taxation Committee of the Illinois State Chamber of Commerce. I am accompanied by Norman J. Beatty, manager of the chamber's tax department.

Mr. ULLMAN. Mr. Beatty, we welcome you before the committee.

Mr. BEATTY. Thank you, Mr. Chairman.

Mr. HOFFMAN. This statement is presented on behalf of the Illinois State Chamber of Commerce, a statewide organization with a membership of more than 19,600 businessmen in 478 communities in every part of the State of Illinois. The members are engaged in virtually every type of business and range from the self-employed to those associated with some of the Nation's largest corporations.

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