

REMARKS BY CONGRESSMAN LES AU COIN  
ANNUAL GOVERNOR'S CONFERENCE ON HOUSING  
PORTLAND HILTON HOTEL  
OCTOBER 23, 1975

U.S. HOUSING POLICY:  
A RUDDERLESS SHIP ON A STORMY SEA

THANK YOU VERY MUCH, JIM...DISTINGUISHED  
GUESTS AT THE HEAD TABLE...AND PARTICIPANTS AT THIS  
ANNUAL GOVERNOR'S CONFERENCE ON HOUSING.

WE ALL KNOW THAT WE ARE MEETING TONIGHT --  
AS YOU HAVE MET FOR THE LAST TWO DAYS -- TO TAKE STOCK  
OF ONE OF THE LYNCHPINS IN OREGON'S ECONOMY -- THE  
HOUSING INDUSTRY. SPECIFICALLY, THIS CONFERENCE  
HAS BEEN CALLED TO FOCUS ON THE ABILITY OF ~~THE~~  
~~INDUSTRY~~ TO DELIVER THE WOOD FIBER, THE CONSTRUCTION,  
~~AND~~ THE RELATED MATERIALS <sup>AND THE FINANCING</sup> TO MEET THE NATION'S  
HOUSING NEEDS.

CLEARLY, WE DO NOT MEET IN THE BEST OF  
TIMES. AND TONIGHT AS YOU CONCLUDE THIS CONFERENCE,

I THINK IT'S IMPORTANT TO ENGAGE IN FRANK APPRAISAL OF JUST WHAT IT IS THAT WE'RE DOING FOR HOUSING -- OR TO HOUSING -- IN THIS COUNTRY..AT THIS TIME.

ACCORDING TO THE PROGRAM, MY ASSIGNMENT TONIGHT IS TO GIVE YOU A VIEW FROM WASHINGTON, AS ONE OF THE NEW MEMBERS OF THE HOUSING SUBCOMMITTEE IN THE HOUSE OF REPRESENTATIVES.

I MUST SAY I WELCOME THIS CHANCE TO SHARE WITH YOU <sup>SOME OF</sup> THE CONCLUSIONS I'VE DRAWN FROM THE ACTIVITIES THUS FAR IN THE 94TH CONGRESS.

IN PREPARING TO BE WITH YOU, I CONSIDERED DISCUSSING ANY ONE OF A WHOLE RANGE OF ISSUES RELATING TO HOUSING. THE LIST COULD HAVE INCLUDED THE HOUSING BILL THAT WAS VETOED EARLIER THIS YEAR, OR THE NEW ERA IN HOUSING THAT THE ENERGY CRISIS IS ABOUT TO USHER IN, OR THE EFFECTS OF THE ADMINISTRATION'S RECENTLY ANNOUNCED DECISION TO RELEASE \$261 MILLION IN HOUSING FUNDS, OR A HOST OF OTHER LONG-RANGE AND SHORT-TERM ISSUES THAT ARE WORTH SERIOUS ATTENTION IN A CONFERENCE SUCH AS THIS.

BUT THOSE ISSUES WILL HAVE TO WAIT FOR SOME OTHER TIME...SOME OTHER PLACE. BECAUSE...AS I LOOK AT THE HOUSING PICTURE, HAVING COME THROUGH THE HOUSING BATTLES IN CONGRESS THIS YEAR, ONE THING CLEARLY SEEMS TO DOMINATE ALL OTHERS IN THE HOUSING ISSUE. <sup>no</sup> IT IS THIS: <sup>The very real danger that</sup> ALL OF OUR BEST HOPES, OUR BEST PLANS, AND OUR BEST PROGRAMS COULD GO FOR NAUGHT IF THIS NATION AND ITS REPRESENTATIVES IN CONGRESS FAIL TO FACE UP TO ONE OF THE BIGGEST HOUSING VILLAINS TODAY -- AND THAT IS OUR HUGE AND GROWING GOVERNMENT DEBT.

AND SO, KNOWING THAT YOU HAVE ALREADY DISCUSSED MANY OF THE FEDERAL HOUSING PROGRAMS IN YOUR VARIOUS PANEL DISCUSSIONS, LET ME USE THE LIMITED TIME IN THIS FINAL SESSION TO ADDRESS THE SPENDING ISSUE -- THE ISSUE THAT MAY BE THE BIGGEST HOUSING ISSUE OF THEM ALL.

FIRST, LET'S LOOK AT WHERE WE ARE.

THE HOUSING INDUSTRY HAS BARELY SURVIVED TWO OF THE MOST CRIPPLING YEARS ON RECORD. HOUSING STARTS WERE OFF NEARLY 50 PERCENT LAST YEAR. IN THE SAME YEAR, UNEMPLOYMENT IN THE INDUSTRY REACHED 12 PERCENT. THIS YEAR, DESPITE A STRONG JULY AND AUGUST UPTURN IN HOUSING STARTS, SEPTEMBER'S FIGURES WERE

DOWN TWO PERCENT AND INDUSTRY UNEMPLOYMENT IS AT 19 PERCENT. IT'S ESTIMATED THAT WE'LL BE LUCKY IF THE NATION'S HOUSING PRODUCTION EVEN COMES CLOSE TO 1.5 MILLION UNITS BY THE END OF THE YEAR. EVEN THAT LEVEL WOULD BE A 37 PERCENT DROP FROM THE 1972 PEAK LEVEL OF PRODUCTION ~~IT~~ AND FAR SHORT OF THE ADMINISTRATION'S TARGET OF 1.8 MILLION UNITS.

<sup>now,</sup> SOME HAVE DESCRIBED THIS AS A RECOVERY. IF SO, IT'S A FEEBLE ONE INDEED. <sup>very</sup> WHAT IS MORE, THERE ARE SOME ALARMING SIGNS ON THE HORIZON. AND BECAUSE OF THOSE SIGNS I AM CANDID TO TELL YOU THAT EVEN A MODEST UPTURN IN HOUSING COULD BE JEOPARDIZED BY EVENTS IN THE NEXT FEW MONTHS.

THE FACT IS THAT THE TREASURY DEPARTMENT IS BORROWING RECORD AMOUNTS IN THE MONEY MARKETS <sup>today</sup> TO FINANCE THE GOVERNMENT'S HUGE DEFICIT FOR THE CURRENT FISCAL YEAR. INTEREST RATES ON THOSE TREASURY NOTES AND BILLS ARE ON THE INCREASE ONCE MORE -- RAISING THE RISK AGAIN OF PULLING INVESTORS AWAY FROM SAVINGS BANKS AND SAVINGS AND LOAN INSTITUTIONS -- THE MAJOR SOURCES OF MORTGAGE MONEY TODAY.

WHEN THIS HAPPENS, WE KNOW ALL TOO