

The original documents are located in Box D34, folder “Mobile Home Manufacturers Association, March 22, 1973” of the Ford Congressional Papers: Press Secretary and Speech File at the Gerald R. Ford Presidential Library.

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There are problems in the economy and in the mobile home industry. I am not so naive as to deny that. I am in the business of looking for problems--and solutions. I am a problem-solver and an optimist. ~~But~~ I am optimistic about the future of the economy and the ~~the~~ future of the mobile home industry. My optimism stems from the belief that we are recognizing our problems--and that is the first step toward solving them. To recognize problems is constructive. To become obsessed with them is destructive.

The best way to solve problems is to concentrate on our strengths. And if you look at the economy and at your own industry you see many strengths, many reasons ~~for confidence.~~

First, the economy. We have made the transition from a highly inflationary economy, ~~which was devoted to~~ ⁱⁿ ~~largely~~ ^{part} to war to a far less inflationary economy concentrated on peace and genuine prosperity. The prospect is for continued expansion of the economy and for moderation in price increases on the average.

In the past four years, the number of persons engaged in the defense effort--as military or civilian personnel--has declined by about $2\frac{1}{2}$ million. Real expenditures for defense--adjusted for pay and price increases--have declined by over ³⁰ per cent, which is the equivalent of about \$35 billion in today's prices. In fact, both the number of persons in the armed forces and real expenditures for defense are now lower than they ever have been at any time in the past 22 years--that is, since before the Korean War. *Smallest % of federal budget + smallest % of GNP in 20 yrs.*

We have also made the transition to a much lower rate of inflation. In 1969, the rate of inflation was 6.1 per cent. In 1972, after we got past the post-freeze bulge, the rate of inflation was 3 per cent. Of course, some people will demand, "What about the price of hamburger...or steak?" The fact is that the prices of non-food items have been rising less rapidly--and that makes the rapid rise of food prices more tolerable. Of course, continuation of price increases at the rate experienced in February would be inconsistent with the nation's anti-inflation goals. The ~~the~~ wholesale price figures ~~for February~~ emphasize the need to keep the very strong economic expansion now under way from turning into an inflationary boom. We must make determined use of our Phase III controls system, and we must have a continuing attack on the food price problem at its source--the need for expanded supplies. *Divided across/elimination of trade barriers on foreign imports of meat + cheese.*

One basic fact about the inflation is that people are now keeping up with it. By any measure, real incomes are rising much more rapidly than they have in a long time.

The prospect for 1973 is for a further rise in output and employment and a reduction of unemployment. I expect that unemployment will be in the ~~the~~ neighborhood of $4\frac{1}{2}$ per cent by the end of the year. And I am pleased that February employment showed a

large increase in civilian jobs--2.5 million higher than a year earlier. This is further evidence that the economy is expanding strongly.

I also predict that the rate of inflation will be lower by the end of 1973 than it was at the end of 1972. Food prices will decline in the second half of 1973, and Phase III will contribute effectively to diminishing the inflation.

Let me just say a word about Phase III. The system is as voluntary as it can be at this point and as mandatory as it needs to be.

There is a common view of economic and political history which holds that political democracy inevitably leads to more and more inflation, more and more absorption of private incomes by the Government, and more and more Government control over the economy.

Well, I'm here to tell you today that the present Administration is going to prove that theory wrong.

The best evidence of that is that the Administration will use the stick in the closet against inflation as necessary, and the Administration will hold back Federal spending and avoid a tax increase.

Control of the federal budget within the limits proposed by the Administration is crucial. It is crucial if we are to consolidate our progress against inflation, and it is crucial for the whole future role of government in our society. You can be encouraged by the strong fight the Administration is making and by the support it is getting in the Congress and elsewhere.

Budget

Now, what about the outlook for your industry? I think it is excellent. You are not affected by the vagaries of the stock market. The launching of the housing subsidy programs had no impact on your industry, and neither will the moratorium on subsidy housing have any effect on you.

You are entrepreneurs in the best tradition of the free enterprise system.

Your industry fulfills a definite need. Statistics show that virtually all of the housing purchased by the \$15,000-and-under income group is supplied by your industry. And you are to be congratulated for turning out a steadily improving product.

There is no question that the mobile home industry took a big step forward with adoption of the American National Standards Institute A-119.1 standard and the National Fire Protection Association's standard 501-B.

Senator Bill Brock of Texas or Congressman

I have noted with great interest the bills introduced by Lou Frey of Florida, the National Mobile Home and Recreational Vehicle Safety Act of 1973. Congress should give this legislative proposal the closest possible study and scrutiny. I am sure that

Let me make

each and every one of you shares Lou Frey's concerns and respects his motivation.

This observation - if problems don't ignore them. If an industry does not correct abuses, this neglect is the seed from which restrictive legislation grows.

What's the outlook for the [redacted] mobile home industry? It can only be described as bright. My information is that your production now is running at an annual rate of nearly 700,000--and that is a fantastic figure for what really is [redacted] still [redacted] a very young industry.

There probably is considerable potential for you among [redacted] the growing "army" of veterans in this country--sales of first homes to Vietnam veterans and retirement homes to [redacted] veterans of World War II. Some five and three-quarter million people have left the U.S. armed forces for civilian life in the past eight years. As a result, the [redacted] veteran population of our nation has risen sharply.

As you know, Congress in 1970 approved a [redacted] law letting the Veterans Administration guarantee loans on mobile homes as well as on the lots to place them on.

As you know
Well, that program hasn't really gotten off the ground. There's a lot of red tape connected with it, and I can tell you that the House Veterans Affairs Committee is planning to look at the program to see if it can be made more [redacted] attractive. The Veterans Committee [redacted] frankly is disappointed with the results.

The VA [redacted] mobile homes program has fallen far short of its goals. But it's now picking up. In recent weeks VA officials have conferred with mobile home manufacturers and dealers and with money lenders. They want to make the program go.

Up to this point, Vietnam veterans have not ^{jumped at the opportunity} [redacted] to purchase [redacted] mobile homes. Last [redacted] year, 50 per cent of VA's loans for stick-built homes were to Vietnam vets.

But VA officials are doing everything they can to promote the mobile homes loan guarantee program, and it is beginning to accelerate. Of the 5,460 mobile home loans guaranteed by the VA [redacted] last [redacted] year, 4,178 were to post-Korean vets.

I say the future of your industry is bright because you've got a lot going for you. Mobile homes are the only low-cost new homes available. The \$20,000 stick-built home has become a myth. The cost of producing stick-built housing has risen dramatically. At the same time, with your assembly-line methods, you are doing [redacted] something to lick high [redacted] housing costs--and it is the mobile home purchaser who benefits.

I am not here to promote the sale of mobile homes. But there is no question that the mobile home industry holds revolutionary potential for future advancement in the field of housing. Mobile [redacted] homes have become a major segment of the nation's housing supply. They are here to stay.



There are problems in the economy and in the mobile home industry. I am not so naive as to deny that. I am in the business of looking for problems--and solutions. I am a problem-solver and an optimist. ~~Myself~~ I am optimistic about the future of the economy and the ~~the~~ future of the mobile home industry. My optimism stems from the belief that we are recognizing our problems--and that is the first step toward solving them. To recognize problems is constructive. To become obsessed with them is destructive.

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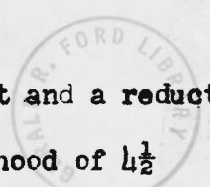
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