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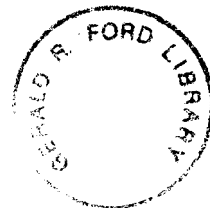
## NATIONAL FOREST PRODUCTS ASSOCIATION

MAY 6, 1975

THESE ARE NOT NORMAL TIMES FOR ANY OF US, AND FAR LESS SO FOR THE PRODUCERS AND MANUFACTURERS OF FOREST PRODUCTS AND THEIR PREDOMINANT MARKET -- THE HOME BUILDING INDUSTRY. I'M GLAD TO BE HERE TO SHARE MY THOUGHTS WITH YOU ABOUT WHERE WE ARE AND WHAT CAN HAPPEN.

AT MY SWEARING-IN CEREMONIES BARELY TWO MONTHS AGO, PRESIDENT FORD STATED THAT THEREAFTER ANYONE WHO HAD A COMPLAINT ABOUT HOUSING SHOULD "HEAD FOR THE HILLS". THAT BIT OF PRESIDENTIAL ADVICE HAS BEEN WELL-HEEDED. IN THESE PAST 8 WEEKS I CAN TELL YOU THAT THE COMPLAINTS HAVE NOT ONLY HEADED FOR, BUT HAVE ARRIVED AT "THE HILLS". BUT, THE SOLUTIONS ARE TAKING A SOMEWHAT SLOWER PATH.

OUR GOAL WAS STATED BY CONGRESS MORE THAN TWO DECADES AGO, "TO PROVIDE A SUITABLE HOME FOR EVERY AMERICAN FAMILY." THAT GOAL IS IMPEDED TODAY BY A VERY SERIOUS SLUMP IN HOUSING STARTS WHICH HAS RESULTED IN HIGH UNEMPLOYMENT IN HOUSING AND RELATED INDUSTRIES SUCH AS YOUR OWN.

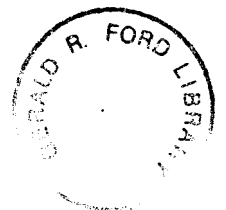


TO SOLVE THIS PROBLEM HUD HAS PROPOSED NO MASS SPENDING PROGRAM. CONGRESS, ON THE OTHER HAND HAS FAR TOO MANY PROPOSALS PENDING WHICH WOULD SPEND HUNDREDS OF MILLIONS OF DOLLARS.

OUR CRITICISM OF THESE PROPOSALS IS THAT THEY DO NOT CURE THE CYCLICAL SWINGS FROM WHICH THE HOUSING INDUSTRY REGULARLY SUFFERS, AND MAY VERY WELL DO SERIOUS INJURY TO THE ECONOMY GENERALLY, AND THE HOUSING INDUSTRY IN PARTICULAR.

AS WE SEE IT, THE ECONOMY IS NOW STIRRING, AND SOME SIGNIFICANT IMPROVEMENT CAN OCCUR THIS YEAR. WE WANT TO TAKE ADVANTAGE OF THIS UPTURN -- TO STIMULATE HOUSING WHERE STIMULATION CAN BE HELPFUL, AND TO GUIDE HOUSING TO A MORE STABLE FUTURE.

THE MEASURES NOW PENDING IN CONGRESS THREATEN THE INCIPIENT RECOVERY OF OUR ECONOMY AND, MORE IMPORTANTLY, HOLD THE PROMISE OF ANOTHER INFLATIONARY CYCLE THAT WILL EXACERBATE THE HISTORICAL SWINGS OF THE HOUSING INDUSTRY.



HIGH INTEREST RATES CAUSE MONIES TO FLOW OUT OF OUR THRIFT INSTITUTIONS, CREATING A SCARCITY OF MORTGAGE FUNDS AND A RESULTING DECLINE IN HOUSING STARTS. THE CURRENT CRISIS IN THE HOUSING INDUSTRY IS ONLY THE LATEST MANIFESTATION OF THIS CYCLE.

FORCING TREASURY BORROWING ABOVE A TOLERABLE LEVEL WILL DEplete AVAILABLE CAPITAL, AND DRIVE UP THE COST OF MONEY TO THE POINT WHERE THE ECONOMY WILL AGAIN PLUMMET. LEADING THE PLUNGE, AS ALWAYS, WILL BE HOUSING. IT IS FEAR OF ANOTHER SUCH PLUNGE THAT ACCOUNTS FOR PRESIDENT FORD'S GREAT CONCERN WITH THE PROSPECT OF AN UNRESTRAINED FEDERAL BUDGET DEFICIT.

BY HISTORIC STANDARDS, THE HOUSING SECTOR SHOULD BE BEGINNING ITS RECOVERY. FEDERALLY INSURED SAVINGS AND LOANS EXPERIENCED NET INFLOWS OF ALMOST TEN BILLION DOLLARS DURING THE FIRST QUARTER OF 1975 -- WITH PERHAPS ANOTHER FOUR BILLION COMING INTO THE MUTUAL SAVINGS BANKS. MORTGAGE MONEY IS AVAILABLE.

WHAT IS HOLDING THE HOME BUYERS BACK?

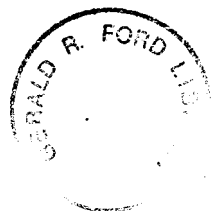


THE ANSWER APPEARS TO BE A LACK OF CONSUMER CONFIDENCE. THAT CONFIDENCE CANNOT BE RESTORED UNTIL THERE IS A CLEAR-CUT DEMONSTRATION THAT THE RECESSION CAN BE CONTROLLED WITHOUT ANOTHER BOUT OF INFLATION WHICH CAN ONLY LEAD TO A WORSE RECESSION.

ANY MEASURES TAKEN TO COME TO THE AID OF HOME BUILDERS AND HOME BUYERS MUST BE VERY CAREFULLY AND THOUGHTFULLY APPLIED -- OR WE WILL SET THE STAGE FOR ANOTHER MORTGAGE CREDIT -- AND ANOTHER HOUSING INDUSTRY CRISIS.

HUD HAS A NUMBER OF TOOLS ALREADY AVAILABLE TO DEAL WITH THE PROBLEMS OF THE HOUSING INDUSTRY.

THE EMERGENCY HOME PURCHASE ACT OF 1974 GAVE THE SECRETARY DISCRETIONARY AUTHORITY, THROUGH THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION, AFFECTIONATELY CALLED GINNIE MAE, TO OPERATE A TANDEM PROGRAM. UNDER THIS PLAN, GNMA MAKES COMMITMENTS TO PURCHASE, THEN PURCHASES FROM LENDERS, MORTGAGES WRITTEN AT AN INTEREST RATE DETERMINED BY A STATUTORY FORMULA, WHICH TODAY IS 8 PERCENT.



GNMA THEN SELLS THESE MORTGAGES TO FNMA OR PRIVATE INVESTORS, AT AUCTION, ABSORBING THE DIFFERENCE BETWEEN THE PURCHASE AND SALE PRICE AS A SUBSIDY. THE PROGRAM THUS NOT ONLY PROVIDES A SHALLOW SUBSIDY FOR MORTGAGE LOANS, BUT ALSO INCREASES THE TOTAL AMOUNT OF FUNDS AVAILABLE FOR MORTGAGE CREDIT.

DURING THE PAST YEAR, GINNIE MAE MADE COMMITMENTS TO BUY \$12.5 BILLION DOLLARS IN TANDEM PLAN MORTGAGES AT BELOW MARKET INTEREST RATES. TO DATE, WE HAVE PURCHASED ABOUT \$2.5 BILLION DOLLARS OF MORTGAGES LEAVING OVER \$9.5 BILLION STILL IN THE PIPELINE FOR PURCHASE.

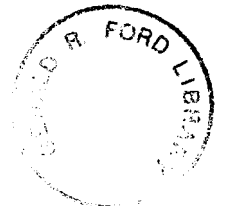
A GOOD PROPORTION OF THE COMMITMENTS HAVE BEEN ALLOCATED FOR SPRING-SUMMER HOUSING STARTS, WHICH SHOULD HAVE A DESIRABLE BOOSTER EFFECT ON THIS YEAR'S HOUSING CONSTRUCTION.



HUD SUPPORTS PENDING LEGISLATION WHICH WOULD INCREASE OUR TANDEM AUTHORITY AND EXTEND ITS AVAILABILITY FOR ANOTHER YEAR, TO OCTOBER 1976. HUD ALSO FAVORS EXTENSIONS OF THE ACT TO AUTHORIZE THE PURCHASE OF MORTGAGES COVERING MULTI-FAMILY PROJECTS, AND INDIVIDUAL CONDOMINIUM UNITS, WHICH ARE NOT FHA-INSURED.

THAT EXTENDED AUTHORITY SHOULD GIVE US A FLEXIBLE AND LOW-COST MEANS TO ASSIST THE MORTGAGE CREDIT MARKET, WITHOUT SIMULTANEOUSLY SETTING THE STAGE FOR FURTHER INFLATION-INDUCED MORTGAGE CREDIT SHORTAGES.

THE VIRTUE OF THE TANDEM PLAN IS THAT IT IS SIMPLE, A LESS EXPENSIVE MEANS OF INJECTING MONEY INTO THE MORTGAGE MARKET THAN THE SUBSIDY PROPOSALS CURRENTLY BEING DEBATED, AND -- MOST IMPORTANTLY -- CAN BE QUICKLY IMPLEMENTED. HENCE, IT IS FAR MORE ADAPTABLE TO THE RAPIDLY CHANGING MARKET CONDITIONS WHICH CHARACTERIZE THE HOUSING INDUSTRY.



WE ARE ALSO URGING PASSAGE OF THE FINANCIAL INSTITUTIONS ACT, WHICH CONTAINS MANY PROVISIONS AIMED AT REDUCING THE SEVERITY OF FUTURE HOUSING CREDIT CYCLES.

THE ACT WOULD PERMIT DIVERSIFICATION OF SERVICES AND INVESTMENTS BY INSTITUTIONS HEAVILY INVOLVED IN MORTGAGE FINANCE, REDUCING THEIR VULNERABILITY TO ECONOMIC CYCLES.

THE ABOLITION OF INTEREST RATE CEILINGS, WHICH THE ACT ULTIMATELY ENVISIONS, COULD STEM THE FLIGHT OF FUNDS FROM LENDING INSTITUTIONS TO THE CAPITAL MARKET DURING PERIODS OF TIGHT MONEY AND HIGH INTEREST RATES.

TO ENCOURAGE BROADER INVESTMENTS IN RESIDENTIAL MORTGAGES THE ACT PROVIDES A TAX CREDIT ON A PERCENTAGE OF THE INTEREST INCOME RECEIVED FROM MORTGAGE ASSETS. THIS MORTGAGE INTEREST TAX CREDIT ALSO HAS A COUNTER-CYCLICAL EFFECT BECAUSE THE RATE ADVANTAGE OF MORTGAGES WILL RISE DURING TIMES OF TIGHT MONEY MAKING MORTGAGES RELATIVELY MORE ATTRACTIVE TO INVESTORS WHEN CREDIT IS SCARCE.





WE ARE TAKING OTHER STEPS WITHIN OUR EXISTING AUTHORITY TO IMPROVE MORTGAGE CREDIT. FOR EXAMPLE, WE ARE COMMITTED TO IMPROVING THE OPERATION OF FHA. IN THAT CONNECTION WE HAVE INITIATED A PARTIAL CO-INSURANCE PROGRAM WHICH WILL ELIMINATE MUCH OF THE RED TAPE ASSOCIATED WITH GOVERNMENT MORTGAGE INSURANCE.

ALSO, WE ARE FINDING NEW SOURCES OF MORTGAGE INVESTMENT FUNDS LESS VULNERABLE TO CYCLICAL PRESSURES.

IN ADDITION, HUD'S IN-HOUSE STAFF IS CURRENTLY ANALYZING THE HOUSING FINANCE SYSTEM TO ASCERTAIN HOW IT MIGHT BE ALTERED TO MODIFY THE EXTREME CYCLICAL VARIATIONS IN HOUSING PRODUCTION.

WE ARE ALSO LOOKING AT SEVERAL SPECIFIC ISSUES RELATING TO HOUSING FINANCE:

WE HAVE UNDERWAY A STUDY BY THE SLOAN SCHOOL OF MANAGEMENT AT MIT ANALYZING A WHOLE RANGE OF VARIABLE PAYMENT MORTGAGE FORMS.

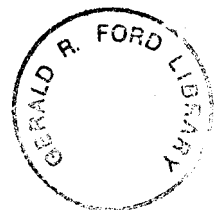


WE ARE FORMULATING SPECIFICATIONS FOR A STUDY DEALING WITH RURAL HOUSING FINANCING, PARTICULARLY THE RELATIVE COST AND AVAILABILITY OF HOUSING CREDIT IN RURAL AREAS AND THE STRUCTURE OF THE RURAL HOUSING CREDIT MARKET. WE INTEND TO SELECT A CONTRACTOR IN JUNE.

WE HAVE UNDERWAY AN ANALYSIS OF THE CURRENT STATUS OF FHA UNSUBSIDIZED INSURANCE PROGRAMS, IN AN EFFORT TO DETERMINE THE MOST APPROPRIATE ROLE OF FEDERAL INSURANCE IN SUPPORT OF HOUSING PRODUCTION AND CREDIT.

ANOTHER, BUT RELATED AREA THAT WE ARE ADDRESSING, IS THE NEED FOR IMPROVED DATA COLLECTION AND ANALYSIS REGARDING THE CHARACTERISTICS OF OUR HOUSING STOCK, HOUSING PRODUCTION, AND HOUSING FINANCING.

OUR ANNUAL HOUSING SURVEY, CONDUCTED ON OUR BEHALF BY THE BUREAU OF CENSUS, MEASURES CHANGES IN THE NATION'S HOUSING INVENTORY AND COMPILES DATA ON THE PHYSICAL CONDITION OF HOUSING UNITS, THE NEIGHBORHOODS IN WHICH THEY ARE LOCATED, AND RELATIVE CHARACTERISTICS OF THEIR OCCUPANTS. THE RESULTS OF THE FIRST ANNUAL SURVEY, BASED UPON FALL 1973 DATA, WILL BE PUBLISHED ON JULY 2.



BOTH MR. COLVIN AND MR. McGRATH HAVE SUGGESTED THAT HUD INITIATE A MAJOR STUDY ATTEMPTING TO IDENTIFY THE COSTS, BOTH ECONOMIC AND SOCIAL, ASSOCIATED WITH CYCLICAL SWINGS IN HOUSING PRODUCTION. SUCH A STUDY WOULD BE AN IMPORTANT COMPLEMENT TO THE RESEARCH STUDIES ALREADY UNDERWAY. I HAVE ASKED OUR OFFICE OF POLICY DEVELOPMENT AND RESEARCH TO DEVELOP A PLAN FOR SUCH A STUDY.

WHILE WE ARE SEEKING TO DEAL WITH THE CURRENT HOUSING-MORTGAGE CREDIT CRISIS WITH THOUGHTFUL ANALYSIS AND CAREFUL MODIFICATION OF THE EXISTING SYSTEM, CONGRESS SEEMS BENT ON IMPOSING DRASTIC NEW MEASURES.

TOMORROW A CONGRESSIONAL CONFERENCE COMMITTEE WILL CONVENE TO HAMMER OUT THE DETAILS OF A MASSIVE OMNIBUS HOUSING BILL. BETWEEN THEM, THE HOUSE AND THE SENATE HAVE PASSED PROVISIONS WITH A PRICE TAG WHICH COULD EXCEED \$2.4 BILLION DOLLARS. CONGRESS' REACTION TO THE HOUSING CRISIS REMINDS ME OF THE AIRLINE PILOT WHO PROUDLY ANNOUNCES TO HIS PASSENGERS, "WE HAVE A GOOD TAILWIND, PERFECT WEATHER, WE ARE BREAKING ALL COMMERCIAL SPEED RECORDS." "BUT WE'RE LOST."



THE BILL'S LACK OF FOCUS MAKES ONE WONDER IF CONGRESS REALLY KNOWS WHERE IT'S GOING, ALTHOUGH IT'S GOING THERE FULL SPEED AHEAD.

TO ILLUSTRATE, THE SENATE BILL AUGMENTS THE GNMA TANDEM AUTHORIZATION WITH AN AUTOMATIC "TRIGGER" MECHANISM, WHICH GOES INTO EFFECT WHENEVER HOUSING STARTS FALL BELOW A 1.6 MILLION ANNUAL LEVEL FOR FOUR CONSECUTIVE MONTHS.

IF THAT PROVISION HAD BEEN IN EFFECT OVER THE PAST 11 YEARS, THE TRIGGER WOULD HAVE BEEN PULLED IN EIGHT OF THOSE 11 YEARS. AT WHAT COST TO THE TAXPAYERS, I CANNOT SAY -- NOR CAN I SAY WITH PRECISION HOW MUCH WORSE OUR INFLATION RATE WOULD HAVE BEEN BY NOW AS A RESULT. BUT I CAN SAY WE WOULD HAVE OFTEN UTILIZED THIS RESOURCE WHEN IT WAS NOT NEEDED. THE TRIGGER WOULD ROB THE "TANDEM PLAN" OF ONE OF ITS GREATEST ASSETS -- ITS FLEXIBILITY, WHICH ALLOWS IT TO ADAPT TO RAPIDLY CHANGING MARKET CONDITIONS.

BEYOND THAT, THE "TRIGGER" IS ATTACHED TO A LOADED GUN -- WHICH MAY BACKFIRE. SUCH A "TRIGGER" MECHANISM WOULD ENCOURAGE CONSUMERS IN A WEAK MARKET TO DELAY CONTEMPLATED HOME PURCHASES -- THUS DRIVING DOWN STARTS AND CAUSING THE TRIGGER TO GO OFF AND FIRE A SUBSIDY AT PROSPECTIVE BUYERS.



APART FROM SUCH GIMMICKS, ALL OF THE PENDING PROPOSALS PROVIDE FOR A MORTGAGE INTEREST SUBSIDY. AS A GENERAL PROPOSITION, I AM CONVINCED THAT TEMPORARY INTEREST SUBSIDIES WILL NOT SOLVE THE CYCLICAL PROBLEMS OF THE HOUSING INDUSTRY. IN TIMES OF SCARCE CREDIT, AN INTEREST SUBSIDY FOR ONE SEGMENT OF THE HOUSING MARKET ONLY SUBSTITUTES THOSE WHO RECEIVE THE SUBSIDY FOR THOSE WHO WOULD HAVE BUILT OR BOUGHT IF THE PRIVATE MARKET HAD OPERATED WITHOUT INTERFERENCE.

THE SUBSIDY DISRUPTS THE FINANCIAL MARKETPLACE WITHOUT INCREASING THE TOTAL AMOUNT OF CREDIT AVAILABLE FOR RESIDENTIAL CONSTRUCTION.

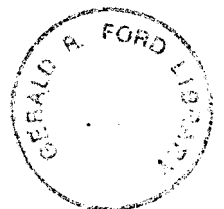
THE PENDING BILLS CURRENTLY PROVIDE FOR ONLY 400,000 HOME PURCHASERS TO RECEIVE INTEREST SUBSIDIES. THE MOST PESSIMISTIC PREDICTIONS FOR THIS YEAR ARE FOR THREE TIMES THAT NUMBER OF STARTS, SO THE SUBSIDY MAY NOT ONLY FAIL TO INCREASE BUT MAY ACTUALLY DETER NEW STARTS. SOME HOME BUYERS MAY WELL DELAY PURCHASES IN THE HOPES THAT NEXT YEAR THEY WILL BE ONE OF THE LUCKY FEW TO RECEIVE AN INTEREST SUBSIDY.



THE DEPTH OF THE PROPOSED SUBSIDY IS ALSO OF CONCERN. THE SIX PERCENT INTEREST RATE PROVIDED FOR IN BOTH THE HOUSE AND THE SENATE PROPOSALS IS UNREALISTICALLY LOW. CONVENTIONAL MORTGAGES HAVE NOT BEEN AT THAT LEVEL SINCE 1966. THE THIRFTS ARE FORCED TO PAY INTEREST ON LONG-TERM ACCOUNTS AT SEVEN PERCENT OR HIGHER. THERE IS NO WAY THEY CAN COMPETE WITH SIX PERCENT MORTGAGES. HENCE, PRESSURE WILL BUILD TO EXTEND THE PROGRAM, AND THE FEDERAL GOVERNMENT WILL HAVE ALL BUT TAKEN OVER THE PRIVATE MORTGAGE CREDIT MARKET.

THE PROGRAM IS TERMED "TEMPORARY". BUT, AS WE ALL KNOW, ONCE A "GIVEAWAY" PROGRAM IS ENACTED INTO LAW, THE PRESSURE FOR INDEFINITE CONTINUANCE IS ALMOST IRRESISTIBLE.

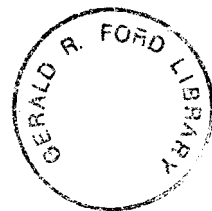
AND, IT SHOULD BE NOTED THAT THE HOUSE VERSION ALLOWS THE ALTERNATIVE OF A SEVEN PERCENT INTEREST RATE THROUGHOUT THE ENTIRE LIFE OF THE MORTGAGE. IN OTHER WORDS, THE PUBLIC COULD BE PAYING FOR THE COST OF A SO-CALLED "EMERGENCY TEMPORARY" MEASURE FOR THE NEXT 30 YEARS.



THESE INTEREST SUBSIDY PROGRAMS ARE NOT ONLY UNWISE, BUT ALSO UNNECESSARY IN VIEW OF RECENT EXPERIENCE. THE RECORD SUGGESTS THAT VERY HIGH LEVELS OF DEMAND AND PRODUCTION -- WELL OVER TWO MILLION ANNUAL STARTS -- CAN BE SUSTAINED WITH INTEREST RATES RANGING FROM 7-1/2 TO 8 PERCENT. MORTGAGES BEARING ALMOST THAT RATE ARE NOW AVAILABLE UNDER THE TANDEM PLAN.

ANOTHER DANGER I SEE IN THE PENDING PROPOSALS IS THAT THEIR IMMEDIATE EFFECT WILL BE TO STOP -- RATHER THAN STIMULATE -- HOME BUYING. IT WILL TAKE A CERTAIN AMOUNT OF TIME FOR THE MEASURE TO BECOME LAW; AN ADDITIONAL PERIOD IS NECESSARY TO DRAFT REGULATIONS TO IMPLEMENT THE LAW; FURTHER TIME IS NEEDED FOR APPROPRIATIONS. HENCE THE PROBABLE TIME FRAME FOR IMPLEMENTATION IS NEXT FALL -- OR PERHAPS EVEN WINTER.

IN THE INTERIM, POTENTIALLY ELIGIBLE FAMILIES CAN BE EXPECTED TO POSTPONE HOUSING PURCHASES UNTIL THE CHEAPER MORTGAGES COME INTO BEING. DURING THAT HIATUS, HOUSING CONSTRUCTION COULD GO FROM DEPRESSED TO ALL BUT NON-EXISTENT.



FINALLY, CONGRESS' PROGRAMS, DESIGNED TO RELIEVE THE CURRENT DOWNTURN, COULD END UP ACTUALLY TAKING EFFECT DURING AN IMPENDING UPTURN WHICH CURRENT FORECASTS PORTEND -- JUST IN TIME TO DO THE MOST HARM, BY CAUSING ANOTHER INFLATIONARY SPIRAL IN HOUSING COSTS.

CONGRESS HAS DIAGNOSED THE PROBLEM OF THE HOUSING INDUSTRY AS BEING HIGH MONTHLY MORTGAGE PAYMENTS. UNFORTUNATELY, CONGRESS SEEMS LIKE THE DOCTOR WHO ANNOUNCES THAT HE HAS SUCCESSFULLY TREATED THE PATIENT FOR APPENDICITIS, ONLY TO CONFESS THAT THE PATIENT HAS DIED OF SOMETHING ELSE IN THE INTERIM. THAT SOMETHING ELSE MAY BE A HUGE FEDERAL DEFICIT AND AN EXACERBATED MORTGAGE CREDIT CRISIS.

IN SHORT, THERE IS MUCH THAT IS COUNTERPRODUCTIVE IN THE BILLS NOW UNDER CONSIDERATION. THERE IS FAR MORE FLEXIBILITY IN OUR CURRENT LAWS THAT PERMIT US TO ENCOURAGE AND TO GUIDE THE RECOVERY OF THE HOUSING INDUSTRY. WE CONTINUE TO SUPPORT MEASURES SUCH AS EXTENSION OF THE GNMA TANDEM PLAN, AND AN EXPANSION OF THAT AUTHORITY TO CONVENTIONALLY FINANCED MULTI-FAMILY PROJECTS AND INDIVIDUAL CONDOMINIUM UNITS.



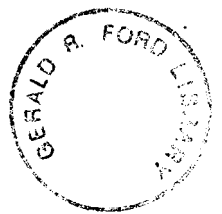


BUT WE KNOW THAT WE CANNOT SPEND OUR WAY OUT OF THE HOUSING SLUMP, WITHOUT INVITING A NEW AND MORE CRIPPLING INFLATIONARY SPIRAL -- IN WHICH HOUSING WOULD BE THE FIRST TO SUFFER.

WHEN YOUR PRESIDENT COLVIN, IN FEBRUARY, KINDLY SENT ME A LETTER OF CONGRATULATIONS ON MY NOMINATION, HE SAID: "YOU ARE FACING AN ENORMOUS CHALLENGE, FOR THERE IS NO AREA MORE VITAL TO OUR NATION'S ECONOMY AND ITS PEOPLE THAN HOUSING."

I APPRECIATE THE ENORMITY OF THAT CHALLENGE. ALL OF US AT HUD ARE DEDICATED TO IMPROVING OUR COUNTRY'S HOUSING SITUATION.

FUNDAMENTALLY, AS I SAID EARLIER, WE SEE THE KEY TO IMPROVED HOUSING AS IMPROVED CONSUMER CONFIDENCE. CONFIDENCE THAT INFLATION IS UNDER CONTROL; CONFIDENCE THAT THE JOBLESS RATE WILL DECLINE; AND, MOST OF ALL, CONFIDENCE THAT OUR ECONOMY IS UNDER INTELLIGENT AND PRUDENT DIRECTION.



GOVERNMENT CANNOT CREATE CONFIDENCE BY ITSELF. THE COOPERATION, COUNSEL, AND CONSTRUCTIVE CRITICISM OF THE PRIVATE SECTION ARE INDISPENSABLE TO OUR SUCCESS. AND, THE COMPANIES MAKING UP THE NATIONAL FOREST PRODUCTS ASSOCIATION ARE INDISPENSABLE TO HOUSING. I WILL THEREFORE NOT HESITATE TO CALL UPON YOU FOR ASSISTANCE.

THANK YOU.

