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Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. How much time has been running against my side on this?

The PRESIDING OFFICER. Time for debate on the conference report is limited to 30 minutes, equally divided and controlled by the Senator from Wisconsin and the Senator from Texas.

Mr. PROXMIRE. Mr. President, has that time started running yet, or is it still going?

The PRESIDING OFFICER. The time starts right now.

Mr. PROXMIRE. All right, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I ask for the yeas and nays on H.R. 4485, final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered ordered.

Mr. JAVITS. Mr. President, I turn my time to the Senator from New York.

Mr. JAVITS. Mr. President, I support the conference report. I think it's a fine bill. I shall make a statement on this matter following the remarks of the distinguished managers of the bill.

Mr. PROXMIRE. Mr. President, the Senate and House conferences on H.R. 4485, the Emergency Housing Act of 1975, reached agreement May 12, 1975. The House passed the bill agreed to in conference. In reporting this bill to the Senate, I urge approval for emergency action to restore homebuilding activity across the country, to increase employment at a time when 9 percent unemployment faces the Nation, and to provide critically needed housing for families now priced out of the housing market.

It is designed, in addition, to protect the homes of some 300,000 workers who have been deprived of income by the current recession because we have foreclosure provisions in the bill. By putting idle men and resources to work, I estimate that the $1.3 billion Federal investment in housing programs authorized will increase Federal revenues almost threefold and will result in a reduction of the Federal budget deficit by at least $1 billion. The Emergency Housing Act is anti-inflationary legislation.

Unemployment is so high in this area. The need for housing is so great that the additional supply of houses would tend to reduce the price and certainly there is no argument that I can think of that would argue that if you put people to work in an industry that has 20 percent unemployment there is any kind of inflationary pressure. We have all kinds of lumber, cements, and all other building materials.

Mr. President, there are many reasons for adopting this conference report. One is unemployment, and there is no reason I can think of that will provide more jobs more quickly at less cost to
the Government and the taxpayer than will this bill.

Mr. President, the emergency housing bill approved in conference is designed to aid 400,000 middle-income families purchase homes to generate more than $800,000 new jobs and over $12 billion in production activity over the next year.

The emergency bill establishes three new initiatives for recovery. First, a temporary housing program that is expected to result in 400,000 additional housing starts during the next 12 months. Under the program, middle-income families would be able to obtain either a 6-percent mortgage for 2 years, followed by a gradual increase in interest payments for an additional 3 years up to market; or a 7-percent mortgage for the life of the contract; or alternatively, by the amendment of the Senator from Massachusetts (Mr. Brooke), a $1,000 incentive to reduce downpayment at the time of purchase.

Second, a homeowner's relief program that would authorize HUD to make payments up to $250 monthly for a period of no longer than 3 years on behalf of delinquent mortgage holders, who are delinquent because of unemployment, or to purchase the mortgage in order to help cure the delinquency. A total of $500 million is authorized for this program over a 2-year period. I believe most Senators will support this section of the bill.

Third, an expansion of the existing GNMA tandem program to include apartments and condominiums, making use of the almost $2 billion in existing authority.

In addition to these major initiatives, the bill would also extend the present program providing low-interest loans for housing rehabilitation by authorizing $70 million in new loans over the next 2 years.

How does this bill differ from the bill that passed the Senate by a 72-to-26 vote earlier this year?

The bill I am recommending today differs from the Senate-passed emergency act in two major respects. First, the bill does not contain the permanent countercyclical housing program that I introduced last February. Under that program, a flow of Federal mortgage credit would have been automatically triggered when housing starts fell below a critical level and off when housing production was restored to a level consistent with our present national income. Under the conference bill, $12 billion in production activity over the next year will be generated through just these three initiatives.

Mr. President, this is called an emergency housing bill but, as I say, it is the most effective, lowest cost way to put...
caucus a letter signed by Speaker Carl Albert, O'Neill and Rep. Jack McFall of California, the majority whip, in which the leadership appealed to every Democrat to vote for the bill.

In the House vote that passed the bill the next day, 43 Democrats broke away from the leadership and voted against the subsidy-rich housing bill—a defection from party ranks that would virtually assure the House upholding President Ford's veto of the bill. Democrats say the nearly double the 22 Democratic defectors who made it possible for Mr. Ford to win his struggle against the House attemps to override his veto of the jobs bill last week.


What this adds up to is crisis for the Democratic leadership on Capitol Hill and what one Republican strategist calls "the decisive competitive edge" for Gerald Ford as he rolls a Democratic Congress unable to find the votes to override his veto of the housing bill. Indeed, Democrats voting no last week on the House vote that passed the bill.

Mr. PROXMIRE. That is precisely the purpose of the bill. By providing those with median incomes of 120 percent or less to qualify, the middle-income group, that is, those whose incomes are in the area of $8,000, $10,000, $12,000, or $14,000 a year would be just the people who would be in a position to buy under this bill.

Mr. McCLELLAN. Of course, any housing that is of any high quality, other than just cheap housing, sells for around $30,000, $35,000, or $40,000. Are the people who are going to be buying those houses entitled to these reductions?

Mr. PROXMIRE. The limit here is $30,000 plus in high-cost areas where it gets to $42,000.

Mr. McCLELLAN. So in my State, then, they would be eligible for housing costing that much?

Mr. PROXMIRE. Yes, indeed.

Mr. McCLELLAN. I thank the Senator.

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time.

Mr. TOWER. Mr. President, when we originally considered H.R. 4485, the Emergency Housing Act of 1975, I opposed the measure. I did so very reluctantly because it was the first major piece of housing legislation that I have ever opposed in my Senate career. After reviewing the conference report, I find that I must continue to oppose this measure.

Mr. McCLELLAN. What is the purpose of the bill? By reducing it from 7 percent mortgage money. Again, in my opinion, both of these programs are questionable.

The 6-percent program is billed as a program that will phase out over a 6-year period. I would just like to comment on the 7 percent program. Mr. PROXMIRE said before the Joint Economic Committee, the required minimum annual income for a $41,000 house is $23,330 a year. Only 15 percent of the families in the country make that much, and 85 percent of the people who want and they know that if we pursue programs like this, in fact, were phased out. I think that there will be enormous pressures from the thousands of participants in this program to make it permanent. And what is so magic about 6 percent? What is our greatest housing production—during 1971–72—interest rates were about 7½ percent on the average. If we could have such great production when interest rates were at that level 3 years ago, we can see the need now for the artificially low rate of 6 to 7 percent.

Mr. President, no one can deny the importance of the homebuilding industry to our economy. And, I might add, just a few weeks ago, thousands of homebuyers in my State were in town to remind us of this fact. I was not meeting these builders because it is extraordinarily educational to meet with the person who has to work directly with the programs we enact.

I told them what I thought about this legislation and the basis for my beliefs. Several in the group of about 50 disagreed with me, but many of them supported my position. On the one hand they acknowledged the problem and some thought that this bill might bring some short-term relief. But most thought that we must first look to the resolution of the long-term problem. They strongly thought we must give our financial institutions sufficient powers so that they can support a nongovernmentalized housing industry.

These builders know that more Federal programs mean more confusion on the part of the buyer and seller, more paperwork, and more regulation. This is something they emphatically do not want and they know that if we pursue programs like this, the housing industry can only suffer.

In the words of one prominent builder with whom I met—

This is another stop-gap type of legislation which provides superficial treatment without consideration of the source of the problems presently causing havoc with our industry.

I completely agree with this statement. I strongly urge the defeat of the conference report on H.R. 4485.
to 6 percent, it makes it possible for people who otherwise cannot buy a home, to be able to buy it.

Mr. JAVITS. Mr. President, I strongly support the Senate report on H.R. 4485, the Emergency Housing Act of 1975. This bill will provide the needed aid to middle-income home buyers which is so necessary at this time of trouble in the housing market.

The bill provides for interest reduction payments, for making down payments to a rate of 6 percent. The bill also authorizes home purchase incentive payments of $1,000 to make downpayments on new homes. In other sections, the section 312 rehabilitation loan program is extended for 2 years with new authorizations and most importantly my amendment is included which would allow State housing agencies to raise income limits for excluded which would allow State housing agencies to raise income limits for non-FHA-insured section 236 projects and to adjust rent-income ratios to meet mortgage payments.

This payment would go to homeowners who have incomes that have been substantially reduced because of unemployment or underemployment.

I think that H.R. 4485 is a good bill and is needed in today's housing situation. I am hopeful that the President will not veto this legislation since the cost is not great and HUD has discretion in administering the programs in the bill.

Mr. PROXMIRE. I yield 2 minutes to the chairman of the Joint Economic Committee, the Senator from Minnesota (Mr. Humphrey).

Mr. HUMPHREY. Mr. President, one of the reasons why I favor the Omnibus Emergency Housing Act of 1975, and have supported it before the committee, is because of the studies that have been made relating to the difficulties our people are having in the purchase of new housing, due to two factors: The high interest rates and, for a period of time, the tightness of the mortgage money market.

This bill, while not the total answer to our housing needs, will do several things that are important.

First, it gives the person wishing to buy a house, for a short period of time, a subsidized interest of 6 percent, for a period of 3 years, and a 7-percent mortgage for the lifetime of the mortgage, which is, of course, far better than we have under the present system.

Of equal significance, it is a job-producing bill. So it performs two very important social and economic functions: First, housing, particularly for middle-income families; and second, jobs for a large number of construction workers who are not employed. The housing industry employs more workers, both skilled and not skilled, than almost any other industry, once it is in motion. Many of our unemployed unskilled workers today would find jobs in a reactivated housing industry, particularly in the cities. I thank the Senator from Wisconsin, and I hope this proposal will be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield the Senator from Utah such time as he may require.

Mr. GARN. Mr. President, on the face of this bill it says it is the Emergency Housing Act of 1975. I serve on the Committee on Banking, Housing and Urban Development, and sat in on all the hearings concerning this bill, and that is one of the things that concern me. We are constantly dealing with emergency legislation rather than getting into any long-term planning of what the housing market needs and what the solutions to the housing problems are. We are not moving, responding in a devious manner.

That is what we do in this case. There were some 10 to 14 bills introduced and before the committee, and, not knowing what to do with them, we put them all together in a conference bill, the Omnibus Emergency Housing Act of 1975.

I think we are responding after the fact; and when I mentioned this to a staff member, he stated, "I think you do a great service to Congress, but we will try to respond to the next emergency," without understanding what the character of that emergency might be.

Nevertheless, this omnibus bill did pass the Senate and went to the House of Representatives. I was a member of the conference committee. It was a difficult conference, because the House bill, in my opinion, was more responsible bill than that of the Senate; it did not include so many ornaments on the Christmas tree.

I signed the original conference report, although I did not agree with some of the provisions it contained, but I objected to this one on two bases, if this is the way we are to do business in the Senate and the House of Representatives. First, I object to conference procedure by staff. It has been mentioned the last couple of days that the Senate and House staffs have too much influence, and I certainly agree with that. In this case, I objected to sign the second conference report.

The first one was signed, but some of the House Members disagreed and asked for another conference. But an additional conference was not called. Some Senators' staff members and some Representatives' staff members, and I was notified by a very brief summary which I found on my desk, and asked the question in a telephone call as to whether or not I would sign the conference report. I stated I would not.

I believe the Senators and Representatives, who are elected by the people of their States and are responsible to them, are the ones who ought to work on these bills, because the staff members never have to stand for election.

So I noted the conference report as a big Christmas tree, too much and too late, but I object to not calling the members of the conference back together. This final conference was conducted by staff members.

Mr. TOWER. Mr. President, I yield the Senator from Virginia such time as he may require.

Mr. HARRY P. BYRD, JR. Mr. President, it seems to me that there is considerable merit in this bill.

However, as I understand the thrust of title I, the long-term interest pay­ment, interest subsidies, and other ben­efits to be given to the individual building a home are to go to middle-income families alone, necessarily, those in the $10,000 to $12,000 to $14,000 brackets. It will mean to middle-income families as defined as "single in­dividuals and families whose incomes do not exceed 130 percent of the median incomes for the area."

Let me take three areas in the State of Virginia to show how individuals in those localities will be affected.

The median income for Lee County, Va., according to the 1974 Department of Housing and Urban Development estimates, is $5,000; 120 percent of that figure is $6,000. So anyone making more than $6,000 would not be eligible for the subsidies and interest rate reductions involved in the act.

Taking a nearby area, the town of North River, is, again in the far southwestern part of the State, the me­dian figure there is $10,200, so that would break a family or an individual earning up to $12,000.

Mr. PROXMIRE. Mr. President, will the Senator yield briefly?

Mr. TOWER. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I say to the Senator from Wisconsin that he makes an excellent point. That is one of the difficulties in these bills. They do not provide the kind of equity we would like if we could work it out perfectly.

We do have a problem because, obviously, it would mean that in many sections of the country we would not get any home construction at all if we had a limitation that was standard throughout the country, say, $8,000, or $10,000, or $12,000.

I think that there are two answers that are not complete to the Senator, but I think they represent something. Part of it is the fact that there is a price limitation on the house of $38,000, with some somewhat higher in high cost areas, for low-income families over the limit.

The other part of it, of course, is that this is fundamentally not really a home construction bill, although the point is useful there, but it is a job bill. It puts people to work.

As we know, we have heavier unem­ployment in construction than in almost any other industry in the country.
than 20 percent of the people in construction are out of work. But the Senator puts his finger on the weakness in the bill, and I will agree to that.

I do think, in my view, at least, it is overcome by the fact that it does provide more jobs, and the cost to the Federal Government is less than any other job-producing legislation that I think we have today.

Mr. HARRY F. BYRD, JR. I thank the Senator from Wisconsin and yield back the remainder of my time to the Senator from Texas.

Mr. TOWER. Mr. President, I think I would be remiss if I did not note what this is going to cost. The total cost involved in this bill is $2.2 billion. I just do not think that we help the homebuilders, people seeking to buy houses, or anyone else in this country, if we push the Federal Government further and further into the debt market.

The Government already occupies 60 percent of the debt market in this country, and with the kind of deficit we are going to pile up this year, even a more and larger percentage of that debt market is going to be preempted. That means that the average citizen pays. If we raise taxes to pay for the program, the citizens would raise the ditches with us about it. But sometimes they do not understand that they pay anyway when the Government goes into the money market to deficit spend. They pay through higher interest rates. This is precisely what this is going to do.

It is going to be another one of those things that is going to have an aggregate effect of driving up interest rates through increased Government preemption of the debt market to the exclusion of the percentage of debt market available to capital, and capital expansion is the thing that is most calculated to get the economy back on its feet.

Mr. TOWER. Mr. President, I will use my remaining minute or so to reply to the Senator.

The fact is that the foreclosure of this bill is a loan. It is repaid. The cost that we compute is $1.7 billion, but the most important element here is that Federal Government revenues will increase by $3 billion or $3 billion—we figure by a minimum of $3 billion—because of the additional activity, because of the additional jobs. People will pay more taxes, and, of course, that as happens revenues increase. The deficit declines because we compute that the revenues of the Federal Government revenues will increase by substantially more than $2 billion.

Mr. President, I ask unanimous consent that the letter I read from the Home Builders Association be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Mr. TOWER. I joined the distinguished Senator from Wisconsin in not favoring that provision. But I do not think we can accurately quantify what might flow in the housing market and what it is going to do with increased Government preemption in the private sector. I think it is a certainty that more the Government goes into the money market the less is available for capital borrowing and the higher interest rates are going to go.

I think we ought to alert the American people to the fact that if we are going to have all these visionary programs probably we will not solve the problem anyway. They are going to pay through the nose through higher interest rates.

Mr. DOMENICI. Mr. President, today I will again oppose H.R. 4485, the Emergency Housing Act of 1975. When the Senate first began debate on this measure, I was undecided because I supported the jobless homeowners mortgage relief provision but strongly opposed the temporary mortgage interest subsidy provision. I finally cast my vote in opposition when I learned that Chairman Sparkman of the Housing Subcommittee planned to keep S. 1457, which dealt with mortgage relief loans on the calendar and would call it up for debate, if as expected President Ford vetoed H.R. 4485. However, how any colleagues had learned a lesson from the disastrous effects of temporary subsidy programs which can only artificially pump temporary money into the housing market. This temporary money could possibly meet some short term needs but would then only cause financial chaos when expired. The problem can only be solved by long term programs which promote stability not uncertainty in the market.

The sponsors of H.R. 4485, have now devised a short term temporary subsidy program which authorizes HUD to subsidize at 6 percent for up to 400,000 families, the mortgages for middle income families. Also included is a limited $1,000 grant to be used as incentives to purchase new homes and thus stimulate housing construction.

Mr. President, I seriously question whether such haphazard short term programs will accomplish anything more than temporarily meeting some people’s housing needs. Let us turn instead to realistically examining the effect that such Government programs have on the market and whether it would be more reasonable to promote programs with more stability.

I would, however, like to reiterate my intention to support S. 1457, if called to the floor, because I do feel that mortgage relief loans and the other temporary programs are being used to provide jobs during these recessionary periods.

Mr. President, I urge my colleagues to oppose H.R. 4485 as a short sighted approach to our housing problems.

Mr. HUMPHREY. Mr. President, I fully support the conference report on the Emergency Housing Act of 1975. This legislation is an important component of
any comprehensive strategy to return growth and prosperity to our economy. It will produce housing, it will produce jobs, and it will contribute to the strength of our economic recovery.

No one can deny that our housing industry is currently in the depths of a severe depression. Housing starts are at a seasonally adjusted annual rate of 990,000 in April, virtually unchanged from the rate of housing starts in March—the lowest monthly rate in eight years. Building permits, which did show a promising reversal in April, are still well below even the slow rate of permitting in 1972. The most severe depression. Housing starts are at an annual rate of 990,000, a decline of 12 months.

The situation is quite similar for new homes purchases, as the minimum annual income required to support the median-priced new home rose from $16,700 in 1973 to $21,170 in 1974. The percentage of American families having sufficient income to afford the median-priced new home declined from 21.5 percent in 1973 to 15 percent in 1974, a decline of 33 percent.

We therefore must say is that no matter how much money we pour into the national housing goals. The annual income required to support the median-priced new home declined from $16,700 in 1973 to $21,170 in 1974. The percentage of American families having sufficient income to afford the median-priced new home declined from 21.5 percent in 1973 to 15 percent in 1974, a decline of 33 percent.

Moreover, this statistic masks even more severe hardship in specific labor markets and specific trades. According to the AFL-CIO, construction unemployment is 40 percent in Phoenix, 30 percent in Los Angeles, 49 percent in Miami, 32 percent in Newark, and 37 percent in St. Paul. Within building trades, 80 percent of the boilermakers in Louisville are unemployed, 75 percent of the plasterers in Chicago, 65 percent of the plasterers in Minneapolis, and 50 percent of the painters in Philadelphia. This is no recession for this industry, it is a full blown depression.

Unfortunately, the prospects are dim, in my opinion, for returning, in the near future, to construction and employment that are more consistent with our national housing and employment goals. No one would deny that new deposits are flowing into our thrift institutions at unprecedented rates. Nor, would anyone deny that there is an enormous amount of excess capacity in the construction industry, both labor and capital. But these conditions only set the stage for recovery. They do not deal with what I believe is the more significant constraint on a recovery in housing—the inability of the vast majority of American families to be able to afford to purchase a home.

A recent study prepared by the Congressional Research Service for the Joint Economic Committee, at my request, demonstrates the devastating effects that rising housing, interest and utility costs, combined with declining real incomes, have had on home purchasing power. The study showed that the minimum annual household income—spending one quarter of household income on housing—necessary to purchase the median-priced existing home jumped from $16,700 in 1973 to $21,170 in 1974. The percentage of American families having sufficient annual income to pay the housing expenses on the median-priced existing home declined from 29.6 percent in 1973 to approximately 20 percent in 1974, a decline of 12 months.

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extend mortgage money on a home which in 6 months may be tied up in perpetuity? My aim is not to weaken the Federal flood insurance program. I feel very strongly that the Federal Government should not extend taxpayers dollars without some guarantee that flood prone areas will not put the burden on themselves. However, protection of land against future development in the flood plain should not be mandated at the expense of denying individuals the ability to purchase insurance. This sanction should bring pressure not on existing structures but on future development.

The amendment included in this conference report does not offer the kind of relief I feel is necessary. On June 13, Friday of this week, the Housing Subcommittee of the Senate Banking Committee will be holding hearings on S. 810, the original legislation introduced by Senator Eagleton and me, as well as trying to determine the present status of this program. I hope this hearing will point out the extreme hardship this program brings to many communities, the unfair disadvantage many individuals face due to local opposition of Federal intervention and the Federal land use requirements mandated by this act.

The provision in this conference report is a very small start in rectifying this overreaction legislation.

Mr. BENTSEN. I am pleased to support the conference report on H.R. 4485, the Emergency Housing Act of 1975. Unemployment nationwide has reached a postwar high of 8.2 percent. This means 8.2 million people out of work. Some 2 to 3 million have taken part-time employment instead of full-time work they seek. And more than a million have become so frustrated that they have given up their search and dropped out of the labor market entirely.

This nationwide recession is alarming in itself, but the effect on the housing industry has been even more disastrous. Unemployment among construction workers reached 21.7 percent in April and is increasing at a rapid rate. In several key metropolitan areas, the figure is much higher: 40 percent in Phoenix; 32 percent in Cincinnati; 49 percent in Miami; 32 percent in Newark; and 30 percent in St. Paul. And nationwide, 40 percent of the nation's home building construction workers are out of jobs.

In the Housing Act of 1968, we set a 10-year national housing goal of 26 million units, 2.8 million of which we should be building this year. But the annual rate of new housing starts has remained about the same since December, only one-third of our goal.

And prospects for future housing starts are not nearly as bright as forecast earlier this year. The number of new building permits issued in March was on a half million level, compared to a peak in March of 1974. The sum of the matter is that the housing industry is in deep trouble, and in some areas of the country, homebuilding is at a virtual standstill.

High interest rates, which for many of the past 18 months have been the highest since the Civil War, and the resulting lack of mortgage credit, have contributed substantially to our current recession and the depression in the housing industry.

We must take immediate action to stimulate the home building industry, and I believe the first step is to make mortgage money available once again. H.R. 4485 will provide needed stimulus to areas currently experiencing severe housing shortages. As Chair of the Subcommittee on Housing and城市发展, I would be tempted to call it the Suburban Sprawl Act of 1975.

A housing program which encourages the production of detached single family homes has appeal to politicians who view us as a nation of both renters and homeowners. The present administration's efforts in this regard have been substantially thwarted by a protracted and fruitless debate over the Emergency Housing Act of 1975. There is certainly a great need for additional housing units and for a diversity of housing facilities to satisfy the needs of our citizens. Furthermore, the direction that HUD try to encourage energy conservation and land conservation practices for the subsidized housing construction should be helpful.

Nevertheless, I have warned before against reliance on Federal housing policies designed largely to foster the building of single family homes, a construction costs, land costs, energy costs, and environmental costs are simply too great. These same factors also help to render questionable a Federal housing policy which relies too heavily not only on single-family construction, but on new construction of any kind as opposed to housing preservation and rehabilitation.

For these reasons, the deletion and alteration of the Senate provisions are needed first step toward breathing new life into the housing industry.

The nation has waited too long for the Federal Reserve Board to act. The Emergency Housing Act of 1975 is a needed step in our effort to aid the housing industry which is so vital to our Nation's economic welfare, and I am pleased to support its passage.

Mr. TAFT. Mr. President, I will vote for this conference report as an anti-unemployment measure which also helps housing and I will hold hearings about it when viewed strictly as housing policy.

Last Friday the Bureau of Labor Statistics announced that the construction industry's unemployment rate has increased to 21.8 percent, the highest rate on record. The middle-income housing subsidies in this bill undoubtedly will combat that situation, by providing a boost to the weakest part of the industry. In addition, the foreclosure relief loan provisions should save thousands of unemployed homeowners from the misery of losing their homes. These provisions are very similar to legislation which I introduced over 2 years ago, as part of the Home Preservation Act of 1973—S. 971, 93rd Congress.

The Senate bill also contained some major housing policy initiatives. Some of the provisions were designed to counteract the historic boom-or-bust mortgage credit cycle, bring multifamily units into the mortgage credit program, establish mandatory building energy conservation standards and revitalize the housing rehabilitation loan program. All of these initiatives either were discarded completely by the conference or were watered down drastically. Instead, the provisions retained which will have the most effect on the housing stock provide subsidies for the purchase of low- to medium-priced new single family housing. Were it not for the Energy Conservation and Suburban Sprawl provisions, I would be tempted to call it the Suburban Sprawl Act of 1975.

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A housing program which encourages the production of detached single family homes has appeal to politicians who view us as a nation of both renters and homeowners. The present administration's efforts in this regard have been substantially thwarted by a protracted and fruitless debate over the Emergency Housing Act of 1975. There is certainly a great need for additional housing units and for a diversity of housing facilities to satisfy the needs of our citizens. Furthermore, the direction that HUD try to encourage energy conservation and land conservation practices for the subsidized housing construction should be helpful.

Nevertheless, I have warned before against reliance on Federal housing policies designed largely to foster the building of single family homes, a construction costs, land costs, energy costs, and environmental costs are simply too great. These same factors also help to render questionable a Federal housing policy which relies too heavily not only on single-family construction, but on new construction of any kind as opposed to housing preservation and rehabilitation.

For these reasons, the deletion and alteration of the Senate provisions are needed first step toward breathing new life into the housing industry.

The nation has waited too long for the Federal Reserve Board to act. The Emergency Housing Act of 1975 is a needed step in our effort to aid the housing industry which is so vital to our Nation's economic welfare, and I am pleased to support its passage.
June 11, 1975

CONGRESSIONAL RECORD—SENATE 18379

it and I feel that the funding level, while low, is high enough to be significant. Nevertheless, I continue to believe that Congress erred in the bill, in declaring in the 1974 act that we have not devoted sufficient attention to the preservation of existing housing and neighborhoods, and I do not think the situation has changed since that act was passed.

I urge the President to sign this bill, which I have explained in a separate speech today, as a complement to community development block grants and whatever section 312 money we authorize.

I am also extremely concerned that the provisions mandating building energy conservation standards were deleted. These provisions are obviously important, in view of the committee report estimate that building energy consumption could be reduced by at least 30 percent through energy conserving practices and materials. While I realize the concern that this title was not considered thoroughly enough, I am afraid that our action may symbolize Congress inability or unwillingness to grasp what a serious energy squeeze we are in. With only about a decade's worth of domestic reserves left of oil and gas and OPEC threatening to raise prices drastically again, it seems imperative that Congress reconsider building energy conservation legislation promptly.

I urge the President to sign this bill for the extraordinary purpose of combating unemployment and its effects. But at the same time, let us vow to do better on the policy questions which were raised during the bill's legislative history, but were not resolved favorably.

Mr. President, I am extremely pleased that the Senate is about to approve the housing bill conference report. This is an important bill, Mr. President. It will stimulate housing construction; it will provide employment to thousands of idle workers; it will lead to general economic recovery.

By its terms, the measure approved by the conference committee will provide payments of up to $250 per month, for up to 2 years, to homeowners faced with foreclosure because of a substantial loss of income due to unemployment or underemployment due to our current economic conditions. The provision is designed to safeguard against fraud and abuse and to protect public funds.

This will cost money, of course, but I can think of no better way to spend Federal money than to help thousands of American families save their homes. Also, in the long run, the Government will get the money back—In repayments and interest.

Mr. President, I was very disturbed to hear rumors to the effect that the President might veto this bill. This Congress is often guilty of doing too little about our economic problems. Over and over again, we hear calls to action.

This bill is action. It will provide jobs, it will provide shelter, it will stimulate the housing industry, it will stimulate related industries, it will greatly enhance the prospects for rapid economic recovery.

A veto of this will expose the criticism of Congress for what it is—rubbish. We are doing something. We are doing something constructive. Now, we will see if the President will allow us to act.

But, the effects of a veto go beyond charges and countercharges about congressional action. A veto of this bill would mean that thousands of American families will lose their homes in the coming months. A veto of this bill will be a cruel, thoughtless blow to thousands of American families.

I only wish the President could read my mail on this subject before he decides whether to veto this bill. I wish he could read the letters from hundreds of Minnesotans who are literally terrified at the prospect of foreclosure. I wish he could listen to their calls for help.
of 9.2 percent, and scant improvement is likely in the immediate future.

The housing industry is in even worse shape than other sectors of the economy. Indeed, I can say without exaggeration that it is in a depression. The seasonally adjusted rate of unemployment in the construction industry is 18 percent nationally, and in my home State, New Jersey, the estimates range up to 40 percent.

In 1974, we produced only 1.35 million new housing units. This is the lowest level in 8 years. In December, the annual housing starts rate had dropped to 680,000, and it has risen only slightly during the past several months. New Jersey has experienced a similar downturn in housing starts, and the construction of new homes is proceeding at a rate which is estimated to be less than one-third of that which is necessary to meet the needs of our citizens.

The depression in the housing industry is attributable in part to the increasing costs of construction, but perhaps more importantly, to record high interest rates and lack of mortgage credit. Due to the combination of high interest rates and lack of mortgage credit, the number of purchase mortgages available has fallen to levels prevailing in the late 1960's. As a consequence, the number of new homes being purchased has declined to levels not seen since the early 1960's.

I am convinced that the stimulus which the Emergency Housing Act of 1975 would provide to the housing industry is essential to a full recovery of our economy.

Title I of H.R. 4485 establishes a program which is similar to one which I introduced in another bill. In order to increase housing starts and to create jobs, homebuyers whose family income does not exceed 120 percent of the median income for their area would be offered three options to assist them in purchasing homes. They could elect an interest subsidy which would reduce the effective interest rate on their mortgage to 6 percent for a period of 3 years. After 3 years, the rate would gradually rise to the market rate. In the alternative, homebuyers could elect a one-time home purchase incentive payment of $1,000 which could be applied toward the downpayment. The final option available to the prospective homebuyer is a home mortgage with an interest rate of 7 percent for the life of the mortgage.

This title is designed to serve families primarily in the $10,000 to $18,000 bracket and to offer assistance to hardworking Americans who need a minimum of help to make a go of homeownership. Homes under this program could be financed either through FHA or VA programs, or with conventional mortgages, and assistance payments under this title could only be made with respect to modestly priced homes—those whose appraised value does not exceed $38,000 or $42,000 in high-cost areas.

Title II authorizes the Secretary of HUD to make repayable mortgage relief payments to homeowners whose incomes have been substantially reduced because of involuntary unemployment or underemployment. This title is designed to prevent the loss of homeownership for individuals who are unable to make full mortgage payments due to the current adverse economic conditions.

Title III contains several miscellaneous provisions including an extension of the 235 mortgage rehabilitation loan program until August 22, 1977; an extension of the 235 homeownership assistance program until July 1, 1977; and an increase of $150 million in the set-aside of public housing funds available for the use of public housing agencies, one-half of which must be used for conventional or trunkway projects.

Mr. President, I feel that H.R. 4485 will provide sorely needed relief for the housing industry, and I urge my colleagues to support it.

Mr. ROTH. Mr. President, I cannot support the emergency housing legislation we are considering today, although I strongly support the provision of the bill to authorize Government loans to the unemployed to prevent mortgage foreclosures. This provision, which was added to the bill during the floor debate, would allow people who have lost their jobs through no fault of their own to seek Federal loans of up to $250 per month to avoid mortgage foreclosures on their home. These loans would have to be repaid, with interest, to the Government, and they would be made only to persons who would be able to fully resume their mortgage payments when the economy recovers.

I think it is important for Congress to provide at least some relief to help the victims of the recession keep their most valued possession. Any program of this sort must provide relief without increasing the burden on the American taxpayers. And although I am voting against the bill this provision is attached to, I am confident that this particular section will be enacted into law separately.

I ask unanimous consent to have printed in the Record a letter to the editor reflecting my objections to the housing bill. With widespread support, was added to the housing subsidy bill in order to attract more support for that relatively weak piece of legislation. I am in favor of the mortgage foreclosure provision, and although I voted against the bill, Mr. V. A. was confident this particular section will be enacted into law separately.

Mr. Schwartz claims that the 6 percent interest subsidy provision of the housing subsidy bill would make it possible for future homeowners to purchase homes at a significantly lower monthly mortgage payment. Specifically, he said that mortgage payments for a $45,000 house would be $65.81 cheaper if this legislation was enacted. However, he completely ignores the increase of mortgage interest rates which are going to make up the $65.81 difference. The answer is simple—the average taxpayer is going to pay the difference. In other words, every single taxpayer in the country would have to subsidize the mortgage payment of a few people. In my opinion, it is just not fair to expect Delaware taxpayers, especially those who cannot afford a home or who are now struggling to meet existing mortgage payments, to subsidize the housing industry and the mortgage payments of a lucky few homeowners who would be eligible to receive this subsidy.

Mr. Schwartz also claims that the housing subsidy would return approximately $743 million in Federal, state and county taxes to Delawareans. But he ignores the fact that the housing subsidies would cost the taxpayers of this country over $1 billion. The main problem with the housing market is that years of Government deficit spending have eroded the capital markets and driven mortgage interest rates upward. Piecemeal emergency programs and constant Government intervention just do not work, and we are only hurting the economy and the housing industry by continually throwing more and more money into these programs.

Congress has already adopted, and I have supported a variety of measures to help the housing industry, including the $10 billion Emergency Housing Act of 1974. I have also advocated a proposal to allow a percentage of interest income from savings accounts to be tax-exempt. This proposal would encourage savings and at the same time provide additional mortgage funds for the housing industry.

The Government has done its share to help the housing industry, and more Government intervention will only increase the Federal budget deficit, unleash inflationary pressures, and result in higher levels of unemployment.

Sincerely,

William V. Roth, Jr.,
U.S. Senate.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. Morgan) is necessarily absent.

I further announced that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea.

Mr. GRIFFIN. I announce that the
Senator from Massachusetts (Mr. Broox), and the Senator from New Jersey (Mr. Case) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. Broox) would vote "yea."

The result was announced—yeas 72, nays 24, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—72
Abourezk  Hathaway  Nunn
Bayh  Hollings  Packwood
Bentsen  Huddleston  Pastore
Biden  Humphrey  Peterson
Bumpers  Inouye  Pell
Burdick  Jackson  Percy
Byrd, Robert C.  Javits  Proxmire
Cannon  Johnston  Randolph
Chiles  Kennedy  Ribicoff
Clark  Leamy  Schweiker
Church  Long  Scott, Ralph
Cromwell  Mansfield  Ribicoff
Culver  Mathias  Stevens
Eastland  McCellan  Stevens
Fong  McGee  Stevenson
Ford  McGovern  Stone
Gann  McGovern  Symington
Glavet  Metcalf  Taft
Hart, Gary W.  Mondale  Talmadge
Harri, Philip A.  Montoya  Tunney
Hartke  Moss  Weicker
Haskell  Muskie  Williams
Haitfield  Nelson  Young

NAYS—24
Allen  Curtis  Hruska
Baker  Doile  Laxalt
Bennett  Domenici  McCleure
Beall  Fannin  Roth
Bellmon  Gurney  Scott
Brock  Goddard  Williams, L.
Buckley  Griffin  Thurmond
Byrd, Russell  H.  Hunter  Tower
Harry F., Jr.  Heilems  NOT VOTING—3
Brooke  Case  Morgan

So the conference report was agreed to.

ADDITIONAL SENATE COMMITTEE EMPLOYEES

The Senate resumed with the consideration of the resolution (S. Res. 60) authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

CLOTURE MOTION

The PRESIDING OFFICER. The previous order and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 60, authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.


VOTE

The PRESIDING OFFICER. The question is, is it the sense of the Senate that debate on the resolution (S. Res. 60), authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve, shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

Mr. ALLEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Does this cloture motion require a two-thirds vote of the Senators present, or does it require merely 60 votes to invoke cloture?

The PRESIDING OFFICER. Being a measure to amend the Senate rules, it requires a two-thirds vote of the Senators present and voting, a quorum being present.

Mr. ALLEN. We are still under the old rule, then, as regards this cloture motion.

The PRESIDING OFFICER. If that is the Senator's desire to interpret it that way.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. Morgan) is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. Morgan) would vote "yea."

Mr. GRAF. I announce that the Senator from Massachusetts (Mr. Brooke) and the Senator from New Jersey (Mr. Case) are necessarily absent.

The yeas and nays resulted—yeas 77, nays 19, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—77
Abourezk  Gravel  Metcalf
Baker  Gruelle  Mankin
Bayh  Hansen  Montoya
Beall  Harken  Hartke
Bellmon  Hart, Gary W.  Moss
Bentsen  Harri, Philip A.  Moore
Bicker  Hellman  Nunn
Brock  Hatfield  Williams, P.
Buckley  Hayden  Persons
Bumpers  Hollings  Pastore
Burke  Hruska  Pell
Byrd, Robert C.  Huddleston  Percy
Cable  Humphrey  Randolph
Cheney  Hays  Scott
Clark  Johnson  Scott
Connally  Johnston  Stevens
Doile  Leasit  Stafford
Domenici  Leahy  Simpson
Eagleton  Magnuson  Tarr
Fannin  Mathias  Tawney
Fong  McGee  Robinson
Ford  Mchal  Weicker
Gaffney  Moakley  Williams
Glenn  McGovern  Williams

NAYS—19
Allen  Heinz  Sparkman
Bartlett  Lesar  Stafford
Byrd, Russell  H.  McClennan  STEVENS
Harry F., Jr.  McNamara  Stone
Cranston  Magnon  Tarr
Eastland  Massie  Thurgood
Goldwater  William, L.  Young

NOT VOTING—3
Brooke  Case  Morgan

The PRESIDING OFFICER (Mr. Pease). On this vote, the yeas are 77, the nays are 19. Two-thirds of the Senators present and voting having voted in the affirmative, the motion is agreed to.

Each Senator now has 1 hour for debate. Who yields time?

AMENDMENT NO. 560

The PRESIDING OFFICER. Each Senator now has 1 hour for debate. Who yields time?

Mr. BROOK. Mr. President, I yield myself 5 minutes, and I call up amendment No. 560.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows: The Senator from Tennessee (Mr. Broox) proposed amendment No. 560.

The amendment is as follows:

In lieu of the language proposed to be inserted by Mr. Gravel, insert the following: That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"(a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee or subcommittee of the Senate for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two committees, an amount equal to two times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

(2) A Senator serving on one or more standing committees named in paragraph 3 or, in the case of a Senator serving on more than two committees named in paragraph 2 but on one or more committees designated under paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to one and one-half times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

(a) Prohibited from serving on one or more standing committees designated by the Senator under subsection (a)(1); or

(b) The chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1).

(b) The chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1).

(c) Authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittees, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee, by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittees (1) whose appointment is made, approved, or recommended and (2) whose continued employment is not disapproved of by such Senator, each such employee being employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee as the case may be, or to one-half times the amount referred to in section 105(e)(1) of such Act, whichever is less.

(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (1) whose appointment is made, approved, or recommended and (2) whose continued employment is not disapproved of by such Senator, each such employee being employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee as the case may be, or to one-half times the amount referred to in section 105(e)(1) of such Act, whichever is less.