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NAHB [National Association of Home Builders] 50th Anniversary 5/18/92 [OA 7574] [2]

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U. S. Department of Housing and Urban Development
Washington, D.C. 20410-5000

FAX TRANSMISSION

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

JAX

DATE:

5/12/92

TIME:

NUMBER OF PAGES (INCLUDING THIS PAGE):

8

TO:

Carol Aarkus

FROM:

*Navin Caprara**White House**HUA**Speech Writing*

PHONE:

456 7750
6218

THE TELEPHONE NUMBER OF THIS FAX MACHINE IS (202) 708-0799
LOCAL AND COMMERCIAL
(FTS) 458-0799

COMMENTS:

Memo to: Carol Aarkus, The White House

From: David Caprara, HUD

Re: Homebuilders Speech

Date: 5/13

As discussed, here are a few talking points for the speech. Of the several models mentioned, I believe the High Point, North Carolina, one is the best, and have enclosed a brief case study on it. Mrs. Bush visited High Point Housing Authority in January this year.

The Executive Director of the Housing Authority, Ken Martin, is a strong supporter of the President's HOPE initiative. Feel free to call Ken (919-887-2661) if you would like to chat with him about the homeownership projects and how they involve reinvesting proceeds of sale in new construction. That's a creative model that doesn't involve federal new construction funding, but very innovative use of current federal resources.

Of course, the President's request for \$1 billion in FY'93 HOPE funding is also a good starting point.

enc

Homebuilders Talking Points

- o This Administration's homeownership programs promise to significantly and cost effectively expand Federal support for homeownership and affordable housing.
- o Through the Commission on Barriers to Affordable Housing I (President Bush) commissioned, we identified the regulatory red tape, excessive zoning requirements, and other policies at local, state and federal levels which inhibit the work of the private housing market. Secretary Kemp and HUD are taking action with both the Congress and state governments to roll back these barriers.
- o I have asked Congress to speedily approve our request of \$1 billion for the Homeownership and Opportunity for People Everywhere (HOPE) program, which includes funding for rehabilitation and technical assistance. Giving people a chance to build a stake in their own homes and communities--that's what America is all about.
- o Rehabilitation of proposed homeownership sites will be a critical part of virtually all successful homeownership programs.
- o The rehabilitation needs of homeownership sites will vary widely -- at Kenilworth-Parkside, a 464 unit, 30 year old development in Washington D.C., a contractor was hired to perform an extensive rehabilitation after the housing was left in a state of disrepair for too long by a government run housing authority. At College Courts, in Louisville, a 100 unit 50 year old development, the rehabilitation needs were less extensive for a total cost of only \$2 million. Today, the residents at Kenilworth and College Courts are filled with pride and a sense of controlling their own destinies.
- o The Administration's homeownership programs are designed to be versatile, permitting local control and innovation -- in High Point North Carolina, a homeownership sponsor has taken the proceeds from the sales under a homeownership program and used them to form a revolving affordable housing development fund - new affordable housing is constructed and the sales proceeds return to the fund to be used to construct even more affordable housing.



U. S. Department of Housing and Urban Development
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OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

MEMORANDUM TO: Julie Cook, Director of Projects for Mrs. Bush

FROM: David E. Cabrera, Deputy Assistant Secretary for
Resident Initiatives, PR

SUBJECT: High Point, North Carolina, Low-Income
Homeownership Program

As discussed, the homeownership program for low-income families in High Point, North Carolina would be an excellent focus for a visit by Mrs. Bush. Background material is enclosed.

The homeownership activities undertaken by the management and residents of the Housing Authority of the City of High Point represent one of the most successful examples of the kind of local initiatives that are contemplated by the Administration's homeownership and resident initiatives programs, particularly HOPE for public housing residents. Building on successful experience under the Turnkey III Homeownership Opportunity Program, the Authority has recycled sale proceeds from that program into construction of additional houses that were sold to former public housing residents, mostly "working poor" families with single mothers. The Authority is presently developing new proposals for additional homeownership units under the various HUD program options.

An important ingredient of the success of High Point's programs has been the involvement of a variety of public and private agencies. Starting with a strong partnership between its own management and residents, the Housing Authority has been very energetic in obtaining assistance from other sources in the public and private sectors, including banks and the North Carolina State Housing Finance Agency.

For further information, I suggest you contact Mr. H. K. Martin, Executive Director of the Housing Authority of the City of High Point, whose telephone number is (919) 887-2661. This office will, of course, be pleased to assist in any way you might find helpful.

Attachments



(Staff photo by Wendy Marshall)

Carrie Little and her daughter Katrina will soon move into their newly constructed home on Oneka Street

Program thrills new homeowners

Innovative plan gives public housing tenants a fresh start

By Matt Shaw
STAFF WRITER

Carrie Little found a 1,000-square-foot dream on Oneka Street.

"Oh, it's beautiful," she said, her voice low, almost in awe at the sight of new kitchen cabinets.

She moved from room to room before standing in the middle of the still-empty master bedroom.

"This is mine. This is my room. This is my room," she said last week. "I love it. I can't wait to be in here."

Little, a knitter at Adams-Millis, has lived the past 16 years in public housing, along with her daughter Katrina.

With her salary, she could not have afforded many flights of fantasy. "I thought I might move one day. But I didn't know how," she said.

But she will be moving soon. Her story is only one of 27 along Oneka Street and Seashore Court, where people who thought they were trapped in public housing are becoming homeowners.

Months of legwork led to Oneka Street—3B

foundations of those homes, one official said last week.

"These people have worked so hard, and it's just wonderful to see them with this opportunity to be homeowners," said Diana Cotton, special services manager for the Housing Authority of High Point.

The Housing Authority's Oneka Street project makes it possible for people who make as little as \$14,000 annually to buy homes valued at more than \$50,000.

A Martinsville, Va., plant puts the modular houses together, then ships them by truck to High Point. Carpet covers all but the kitchens in the 1,000-square-foot homes. Each house has three bedrooms and air-conditioning.

The Housing Authority has arranged special financing to cover the homes to be sold at cost.

The loans for the first four houses were closed June 1, and fa-

Open house

The Housing Authority will hold an open house today at the Oneka Street project. The homes in the 1700 block of Oneka Street will be shown from 2 to 6 p.m.

The homes will be dedicated Monday at 11:15 a.m. A representative of the Department of Housing and Urban Development will attend, along with representatives of housing authorities from across the nation, and from as far away as San Juan, Puerto Rico.

All 27 homes will be sold during the next two months.

The closing culminated a lengthy process, Cotton said.

"To say the least, it has not been an easy process. We've had to overcome many barriers," she said.

But the time and effort have been inconsequential, she said.

"How do you measure a dream becoming a reality?"

"When we were at the loan closing and to see those people get their keys and to see their tears of happiness, it was wonderful."

"From the time the first house

been a success."

Even some of the future homeowners who watched others move in last week find the program hard to believe.

"When I heard about it, I jumped dead on it. I couldn't believe it," said Audrey Wilson, a 16-year resident of public housing.

"It looks real, but it don't feel real because it's not me," said Gloria Cullins, an employee of W&J Rives who has two children.

"When they hand me the keys, then I'll know it's real," Cullins said.

Bernice O'Neill, a 20-year resident of public housing, assured her, "It is different when they hand you the keys. Then you cry and are excited."

O'Neill, whose family was one of the first to move in, said during an interview last week that "the surprise is that I really got it, and the worry is getting it."

Her future neighbors laughed at the statement out of understanding.

For most the homes will prove to

FOR IMMEDIATE RELEASE***HOUSING AUTHORITY OF THE CITY OF HIGH POINT OPENS AFFORDABLE HOUSING
SUBDIVISION***

High Point, North Carolina., June 1, 1990 ---- The Housing Authority of the City of High Point is pleased to announce the sale of the first house in the Affordable Housing Joint Venture Homeownership Subdivision to Valerie F. Hunt on June 1, 1990. The High Point City Office of First Union National Bank of North Carolina provided a flexible financing arrangement through its Affordable Mortgage Program for the Hunt home and three others, with the potential for up to 15 families to acquire new housing through this special partnership. Four families with incomes of approximately \$18,000 have become homeowners, with eight other contracts pending. These eight families will receive special FHA financing through the North Carolina Housing Finance Agency and Wachovia Bank & Trust. Many of the participant selected for the program have resided in public housing 10, 15 and as many as 25 years.

The subdivision consists of 27 three bedroom houses located on Oneka Street and Seashire Court. Each house consist of 1049 square feet of living space with 1 1/2 baths. The floor plans are identical however, each house exterior is slightly altered.

Open house is scheduled for Sunday June 10, 1990 from 2:00 - 6:00 p.m. with the formal dedication occurring on Monday, June 11, 1990 at 11:15 a.m.

A Deputy Assistant of Public and Indian Affairs of the Department of Housing and Urban Development as well as representatives of housing authorities from across the nation will attend the dedication. Local residents as well as state and local officials, and many of the support agency who came together to help implement the program will have the opportunity to meet and greet present homeowners as well as prospective homebuyers.

A major objective of the Affordable Housing Joint Venture Homeownership Program is to provide the opportunity to low to moderate income residents of Public Housing and Section 8, who are paying near (based on adjusted monthly income) or at fair market rent that is compareable to a mortgage, to become homeowners. Other favorable attributes are the program will bring in more than 1 million dollars in tax revenues as well as to provide job opportunities for local subcontractors and will help to ease the housing shortage without building additional governmental housing.

The Housing Authority of the City of High Point is certainly indebted to the City of High Point. The seven acre tract of land in which the subdivision site was given to the Housing Authority of the City of High Point. "With engineering assistance from the City Planning Department, the land was divided into 27 lots that average 60 feet by 175 feet."

HIGH POINT, NC RESIDENT HOMEOWNER STORY

26
HOMEOWNER #27
AFFORDABLE HOUSING JOINT VENTURE HOMEOWNERSHIP PROGRAM

Barbara Jackson Davis, is homeowner #27, occupying unit 208 Seashore Court. Ms. Jackson applied for the program, October 1, 1989 and became applicant #5 on the waiting list. Ms. Jackson closed her unit on Friday, December 20, 1991. Coupled with having marginal credit, Ms. Jackson experienced numerous unusual and unforeseen problems in mortgage loan qualifying.

Mrs. Davis had lived with the HPHA for over 12 years. At the time she came into the the Alternate Affordable Housing Integrated Services Delivery Program, her monthly rental was \$474.00 per month. She is a single female head of household with two children ages 11 and 12. Coupled with her marginal credit, Ms. Davis found herself pregnant during a period her place of employment was on short time. As a result she ended up receiving AFDC and Unemployment benefits on and off for a SIX month period. Most agency at this point would have disqualified Ms. Davis, but at the HPHA, we take on all challenges. Her work history and her desire for homeownership and motivation led her to fight for "this worthy cause." She began working extra shifts, to raise monies necessary to close, and attended each and every counseling appointment. She followed through on advised actions and kept her debt at a minimum and followed a detailed budget to the letter.

Shortly after returning to work in August 1990, Ms. Davis delivered still born. Five months later, her husband expired. Ms. Davis was taken for prequalification at five different banks before we were successful in finding a lending institution willing to work with her circumstances. After spending 18 months in the HPHA program (clearing all debts and saving nearly \$3000) she was prequalified. Ms. Davis had a large upfront cash outlay, resulting from disqualification for downpayment assistance, due to anticipated receipt of Social Security benefits (which she only received 3 months in 1991). Ms. Davis was qualified under straight FHA with no government subsidy assistance. Her PITI is \$450 monthly with a 30 year mortgage. She also has 25% Mortgage Credit Certificate, which approximates to a \$1,000 tax advantage that can be taken monthly or annually.

In a letter recently written by Ms. Davis, she writes, " I did not fully understand the importance of good credit and meeting debt obligations in a timely manner, until I went through this process. I have managed to pay off all debt obligations. I am so proud of myself and never, ever, intend to allow myself to be in a position of "credit risk". This program has given me an awareness of the heavy economic and human investment in homeownership and has taught me the essentials necessary for protection of such an investment."

(Smith/Aarhus)
Draft Two
May 13, 1992
HOME

PRESIDENTIAL REMARKS: ^{NATIONAL ASSOCIATION OF} HOME BUILDERS ^{50TH ANNIVERSARY}
SOUTH LAWN
MONDAY, MAY 18, 1992

Members, national directors, and friends of the National Association of Home Builders. ^{Secretary} Jack Kemp. ^{have about job he's doing w/ L.A. stuff?} ~~((As someone who lives in public housing, I'm glad to see the HUD Secretary here.))~~ //

Ladies and gentlemen, fellow business men and women. /

Welcome to the White House -- which I often call the People's House. ((For the record: With these appliances out here, I just want to head off any rumor that the White House is having a ^{yard} ~~lawn~~ sale.)) //

Instead, we are here to mark a special birthday: The 50th anniversary of the NAHB. / And to salute a special team. First, your President -- Jay Buchert [BUE-kirt]. / Next, the other members of your leadership -- Roger Glent, Tommy Thompson, ^{Jim Irvine} Mark Tipton, and of course, Kent ^{Colton}. //

I want to thank you for your support. Even more, we Bushes are grateful for your friendship. // ((It's true: Millie was disappointed when I broke the news to her that the structure behind me is not her new doghouse.)) / But Barbara and our kids believe in the same things as you do: Country and community -- respect and responsibility -- family, jobs, and peace. / We know we put America first when we put America's families first. /

we've had rough spots, and tough times. But consider this: A-2
With every 1000 housing starts, expect to find 1800 new jobs. 29% of growth
percent upturn in the first quarter -- 25 percent caused by
in the GNP for the first quarter was from residential construction,
single-family housing construction. 26
housing starts since

~~January 1. Unemployment down. ___ up.~~ / The adage is coming true: As housing goes, so goes the economy. / Your members employ more than 7 million Americans. More and more they're helping other Americans turn recession into recovery. //

I talk here as a participant -- not bystander. From my Texas business days, I know what it means to meet a payroll, balance a budget, and help people put food on the table. / Like you, I know that strong housing can help a strong economy help Americans worried about providing for their families / meeting the challenges of paying the bills, buying that home, and setting aside for retirement. //

That's why today I again call on the Congress to pass my plan that will say, like Jackie Gleason, "U.S. economy, and away we go." / I especially mean those folks on the Hill who seem to

care more about the spending they do in the Congressional House -
 - than making it easier for average Americans to spend on their
 house. // To them, I say: Pass my plan to keep housing growing
 -- not some time, some place. But across America -- now. //

Here is what America needs. We need an investment tax
 allowance -- and penalty-free withdrawals from IRAs for the
 purchase of a first home. / We need changes in the passive loss
 tax rules to spur real estate and housing development -- and
 extension of mortgage revenue bonds and the low income tax
 credit. / We need to quit punishing people who create jobs. So
let's cut the tax on capital gains. /

Then, there's the proposal I'm especially proud of: A
 \$5,000 tax credit for first-time homebuyers. *\$5,000 is a lot of money -- in fact, it equals 7 months of mortgage payments on the avg. Amer. home.*
 own figures -- and as Andy Griffith would say, "they're good
 statistics" *(passage of [package]?)* -- this credit would mean 415,000 new construction
 industry jobs -- and \$20 billion in new economic activity. // We
 need this proposal to keep the housing market on the mend --
 helping people like you sell and build homes, -- ~~and here's why:~~
~~That \$5,000 credit means months of mortgage payments on the~~
~~average American home.~~ /

All of this I proposed *in the my* ~~days ago.~~ State of the Union *Address.*
 January 29. *110* For 110 days Congress has ignored America's wake-
 up call. ((I wish it was *as* enthusiastic about the first-time
homebuyer as it is about the first-time taxpayer)) // All the
 House did was pass a package which would have raised taxes and
 killed our recovery. // I vetoed it. Congress couldn't even get

a simple majority to override my veto. That very day the NAHB ran an ad in the Washington Post which said it all. The headline read: "Earth to Congress: Enough is Enough." // Barbara loved it. Our kids loved it. I couldn't have said it better myself. And believe me, the voters will have the last word on this when they go the polls in November. //

You've heard the definition of a contractor: "A gambler who never gets to shuffle, cut, or deal." / We have to make it easier to deal, sell, hire, and invest. / So I will continue to push hard for our Project HOPE Initiative -- which will give poor families a stake in their communities. Bottom line: HOPE can turn housing into homes. / *That is why I have requested \$1 billion for FY1993 funding for HOPE. Thank Kemp... blah, blah, blah.*

~~I will sound the message that sound banks should make sound loans. When builders can't get construction loans on pre-sold homes, I say the pendulum has swung too far in the wrong direction. /~~

because And, ~~yes~~, I will ^{also} continue to push for regulatory reform -- ~~for~~ I want government to help -- not hurt -- the ability of private enterprise to expand and create jobs. / So I have extended for another 120 days the blanket moratorium on any new ~~f~~ederal regulation. / Jay Buchert says: "Let builders build." I know he agrees: We need policies that also let buyers buy. //

~~I wish everyone understood this concept. / ((When I look at these stoves, it reminds me how some liberal policies could cook the housing industry's goose. / Fact is: When I heard this was a 50th anniversary, I wasn't sure if it was yours or the last~~

~~time some people had an idea how to help the housing industry.))~~

// *The NAHB has been a terrific supporter of our policies & proposals. They know*
~~On the other hand, your idea works.~~ / ~~It says that to build~~
~~a home~~ *it* takes more than bricks, lumber, and mortar *to build a home.* It requires
 heart and skill -- it takes dreams. / Your idea is that to own a
 home helps America -- makes it better, more caring. / You show
 this in your "Homes Across America" program -- where *NAHB* members
 build and renovate homes for the needy. //

So far, this program has housed more than 600 families.
 With us today is one of them -- Gerald and Angela Williams and
 their four children *(put in kids' names)* who moved into their new home in
 Jacksonville, Florida, on Mother's Day. / Their home was built
 by the builders of the Jacksonville association of NAHB and
 Habitat for Humanity. I salute *those volunteers* ~~them~~ -- and also the Williams
 family. / Won't you please stand up: You show how the dream of
 home ownership keeps the American Dream alive. //

That dream seemed elusive half-a-century ago -- but you have
 aided it / nurtured it / as a parent does a child. / For that, I
 thank you -- and salute you on behalf of each American. ~~(Now, it~~
~~is my pleasure to sign a special Presidential Proclamation on 50~~
~~years of housing in the United States of America.~~

#

(Smith/Aarhus)
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May 13, 1992
HOME

PRESIDENTIAL REMARKS: HOME BUILDERS
SOUTH LAWN
MONDAY, MAY 18, 1992

Members, national directors, and friends of the National Association of Home Builders. Jack Kemp. ((As someone who lives in public housing, I'm glad to see the HUD Secretary here.)) // Ladies and gentlemen, fellow business men and women. /

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Instead, we are here to mark a special birthday: The 50th anniversary of the NAHB. / And to salute a special team. First, your President -- Jay Buchert [BUE-kirt]. / Next, the other members of your leadership -- Roger Glent, Tommy Thompson, Mark Tipton, and of course, Ken Colton. //

I want to thank you for your support. Even more, we Bushes are grateful for your friendship. // ((It's true: Millie was disappointed when I broke the news to her that the structure behind me is not her new doghouse.)) / But Barbara and our kids believe in the same things as you do: Country and community -- respect and responsibility -- family, jobs, and peace. / We know we put America first when we put America's families first. /

Switch

For fifty years, that's what you've done -- help fulfill the American Dream -- and enlarge the American Pie. / When NAHB was founded, only 4 in 10 Americans owned their own homes. Three in 10 lived in substandard housing. / Today -- more than 70 million new homes and apartment units later -- 2 in 3 households own their home. You don't hear that old joke anymore: "Builders sleep like babies -- they wake up every hour and cry." //

For that, I salute you. Once again you're helping our economy work -- so that America can get back to work. / Yes, we've had rough spots, and tough times. But consider this: A 2 percent upturn in the first quarter -- 25 percent caused by single-family housing construction. housing starts since January 1. Unemployment down. up. / The adage is coming true: As housing goes, so goes the economy. / Your members employ more than 7 million Americans. More and more they're helping other Americans turn recession into recovery. //

I talk here as a participant -- not bystander. From my Texas business days, I know what it means to meet a payroll, balance a budget, and help people put food on the table. / Like you, I know that strong housing can help a strong economy -- -- help Americans worried about providing for their families / meeting the challenges of paying the bills, buying that home, and setting aside for retirement. //

(That's why today I again call on the Congress to pass my plan that will say, like Jackie Gleason, "U.S. economy, and away we go." / (I especially mean those folks on the Hill who seem to

*We need Congress to fix it
We p/h for brown people*

care more about the spending they do in the Congressional House -
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Here is what America needs. We need an investment tax
 allowance -- and penalty-free withdrawals from IRAs for the
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Then, there's the proposal I'm especially proud of: A
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 own figures -- and as Andy Griffith would say, "they're good
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 That \$5,000 credit means months of mortgage payments on the
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All of this I proposed __ days ago. State of the Union.
 January 29. / For __ days Congress has ignored America's wake-
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I will sound the message that sound banks should make sound loans. When builders can't get construction loans on pre-sold homes, I say the pendulum has swung too far in the wrong direction. /

And, yes, I will continue to push for regulatory reform -- for I want government to help -- not hurt -- the ability of private enterprise to expand and create jobs. / So I have extended for another 120 days the blanket moratorium on any new Federal regulation. / Jay Buchert says: "Let builders build." I know he agrees: We need policies that also let buyers buy. //

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For that, I salute you. Once again you're helping our economy work -- so that America can get back to work. / Yes, we've had tough times. But consider this: 264,000 housing starts since January 1. A 2 percent GNP growth in the first quarter -- more than a quarter caused by residential construction. / The adage is coming true: As housing goes, so goes the economy. Your members employ more than 7 million Americans. More and more they're helping other Americans turn recession into recovery. //

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Next, I will push hard for our Project HOPE Initiative -- requesting \$1 billion in FY '93 alone. Jack Kemp knows how HOPE can give poor families a stake in their communities. Bottom line: HOPE will turn housing into homes. /

And, yes, I will continue to push for regulatory reform -- for I want government to help -- not hurt -- the ability of private enterprise to expand and create jobs. / So I have extended for another 120 days the blanket moratorium on any new Federal regulation. / Jay Buchert says: "Let builders build." I know he agrees: We need policies that also let buyers buy. //

I wish everyone understood this concept. / ((When I look at these stoves, it reminds me how some liberal policies could cook the housing industry's goose. / Fact is: When I heard this was a 50th anniversary, I wasn't sure if it was yours or the last

time some people had an idea how to help the housing industry.))

//

On the other hand, your idea works. / You know that it takes more than bricks, lumber, and mortar to build a home. It requires heart and skill -- it takes dreams. / You know that to own a home helps America -- makes it better, more caring. / You show this in your "Homes Across America" program -- where NAHB members build and renovate homes for the needy. //

So far, this program has housed more than 600 families. With us today is one of them -- Gerald and Angela Williams and their four children -- Munnis, Charlease, Gerald, and Letoys, who moved into their new home in Jacksonville, Florida, on Mother's Day. / Their home was built by the builders of the Jacksonville association of NAHB and Habitat for Humanity. I salute them -- and also the Williams family. / Won't you please stand up: You show how the dream of home ownership keeps the American Dream alive. //

That dream seemed elusive half-a-century ago -- but you have aided it / nurtured it / as a parent does a child. / For that, I thank you -- and salute you on behalf of each American. Now, it is my pleasure to sign a special Presidential Proclamation on 50 years of housing in the United States of America.

#

For fifty years, that's what you've done -- help fulfill the American Dream -- and enlarge the American Pie. / When NAHB was founded, only 4 in 10 Americans owned their own homes. Three in 10 lived in substandard housing. / Today -- more than 70 million new homes and apartment units later -- nearly 2 in 3 households own their home. You don't much hear that old joke anymore: "Builders sleep like babies -- they wake up every hour and cry." //

For that, I salute you. Once again you're helping our economy work -- so that America can get back to work. / Yes, we've had rough spots / tough times / a painful recession. But consider this: ___ new housing starts since January 1. A 2 percent upturn in the first quarter -- 25 percent caused by single-family housing construction. Unemployment down. ___ up. / The old adage is coming true: As housing goes, so goes the economy. // Your ^{members} employ more than 7 million Americans. More and more they are helping other Americans turn recession into recovery. //

Yes, we have begun well. But we have only begun. Like you from my Texas business days, I know what it means to meet a payroll, balance a budget, and help people put food on the table. / Like you, I know that strong housing can help a strong economy help Americans worried about providing for their families / meeting the challenges of paying the bills, buying that home, and setting aside for retirement. //

up call. All it could do was pass a package which would have raised taxes and killed our recovery. // I vetoed it. Congress couldn't even get a simple majority to override my veto. That very day the NAHB ran an ad in the Washington Post which said it all. The headline read: "Earth to Congress: Enough is Enough." // Barbara loved it. Our kids loved it. I couldn't have said it better myself. And believe me, the voters will have the last word on this when they go the polls in November. //

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That's why today I again call on the Congress to pass my plan that will say, like Jackie Gleason, "U.S. economy, and away we go." / I'm especially talking to those folks on the Hill who seem to care more about the spending they do in the Congressional House -- than making it easier for average Americans to spend on their house. // To them, I say: Pass my plan to keep housing growing -- not some time, some place. But across America -- now. //

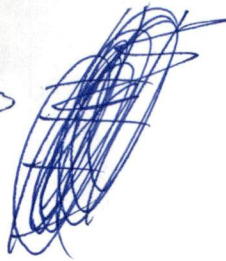
Here is what America needs. We need an investment tax allowance -- and penalty-free withdrawals from IRAs for the purchase of a first home. / We need changes in the passive loss tax rules to spur real estate and housing development -- and extension of mortgage revenue bonds and the low income tax credit. / We need to quit punishing people who create jobs. So let's cut the tax on capital gains. /

Then, there's the proposal I'm especially proud of: A \$5,000 tax credit for first-time homebuyers. / According to your own figures -- and as Andy Griffith would say, "they're good statistics" -- this credit would mean 415,000 new construction industry jobs -- and \$20 billion in new economic activity. // We need this proposal to keep the housing market on the mend -- helping people like you sell and build homes -- and here's why: That \$5,000 credit means -- months of mortgage payments on the average American home. /

All of this I proposed __ days ago. State of the Union. January 29. / For __ days Congress has ignored America's wake-

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Joe --

Notes from Molly

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Behind POTUS on stage will be a "house" -- a stand-up house with a door and a porch sticking out slightly.

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Molly says she gave you info on the family that is to receive a home. Great anecdotal color.

They want a real economic story here -- housing starts up, etc.

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(Smith/Aarhus)
Draft One
May 12, 1992
HOME

PRESIDENTIAL REMARKS: HOME BUILDERS
SOUTH LAWN
MONDAY, MAY 18, 1992

Members, national directors, and friends of the National Association of Home Builders. Ladies and gentlemen, fellow business men and women. / Welcome to the White House -- which I often call the People's House. As I look behind me, that phrase has special meaning. //

Being here today with so many homebuilders reminds me of liberal policies which would do to America what termites do to homes. //

It is great to be with you on a special birthday: The 50th anniversary of the NAHB. / In that spirit, let me salute a special team. First, your President -- Jay Buchert [BUE-kirt]. / Next, the other members of your leadership -- Roger Glent, Tommy Thompson, Mark Tipton, and of course, Ken Colton. //

I want to thank you for your support. Even more, Barbara and I are grateful for your friendship. // We believe in the same things, the important things: Country and community -- respect and responsibility -- family, jobs, and peace. / We know that we put America first when we put America's families first. /

For fifty years, that's what you've done -- help fulfill the American Dream -- and enlarge the American Pie. / When NAHB was founded, only 4 in 10 Americans owned their own homes. Three in

10 lived in substandard housing. / Today -- more than 70 million new homes and apartment units later -- nearly 2 in 3 households own their home. You don't much hear that old joke anymore: "Builders sleep like babies -- they wake up every hour and cry." //

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All of this I proposed __ days ago. State of the Union. January 29. / For __ days Congress has ignored America's wake-up call. All it could do was pass a package which would have raised taxes and killed our recovery. // I vetoed it. Congress couldn't even get a simple majority to override my veto. That very day the NAHB ran an ad in the Washington Post which said it

all. The headline read: "Earth to Congress: Enough is Enough."
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I know he agrees: We need policies that also let buyers buy. //

To Joe

Date 8/5 Time 4:49

WHILE YOU WERE OUT

M Joanne Kaplan

of _____

Phone _____

Area Code Number Extension

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL

Message _____

Get in touch with

Bill Dalkal (HUD)

↳ put you in touch with
right person.

Rob
Operator



AMPAD
EFFICIENCY®

23-021 CARBONLESS

Joe --

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National Association of Home Builders

1201 15th Street, N.W., Washington, D.C. 20005-2800

(202) 822-0401

Fax No: (202) 822-0374

Kent W. Colton, Ph.D.
Executive Vice President &
Chief Executive Officer

DATE 5-7-92

FAX TRANSMITTAL COVER SHEET

TO: Molly Osborne

FAX #: 456-1647

SENDER: KENT W. COLTON, EXECUTIVE VICE PRESIDENT

SENDER'S PHONE NUMBER: (202) 822-0401

NUMBER OF PAGES TO FOLLOW COVER SHEET: 7

COMMENTS: Please deliver ASAP

Thanks

THE FAX NUMBER FOR THE NAHB EXECUTIVE OFFICE IS (202) 822-0374.

National Association of Home Builders

1201 15th Street, N.W., Washington, D.C. 20005-2800

(202) 822-0401

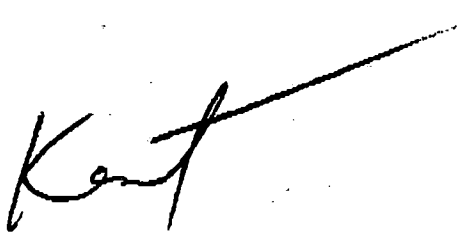
Fax No: (202) 822-0374

Kent W. Colton, Ph.D.
Executive Vice President &
Chief Executive Officer

May 7, 1992

M E M O R A N D U M

TO: Molly Osborne
FROM: Kent W. Colton



SUBJECT: Suggested Talking Points for President Bush's Speech

Attached are the suggested talking points for President Bush's speech. As you can see--and as I discussed with Jeff--we are suggesting that NAHB's President, Jay Buchert, give a brief introduction for President Bush. I realize the event is at the President's "house," but I think a brief introduction by Jay would help to set the stage and "warm-up" the crowd.

Reference is also made in the talking points to the signing of a Presidential proclamation. I have enclosed another copy of the draft proclamation for your information.

Also attached is a statement the President made on March 5. We have used this in the talking points, and I thought you might want a specific reference.

We look forward to seeing you next week.

KWC/d1

Enclosure

cc: Jeff Vogt

Suggested Speaking Points

President George Bush

Before the NAHB Board of Directors

**Signing of a Proclamation Honoring the 50th Anniversary Of the
National Association of Home Builders**

"50 Years of Housing America"

South Lawn of the White House

May 18, 1992

Introduction

As discussed previously, we recommend that Jay Buchert introduce President Bush. Naturally, we will work with you on the appropriate introductory comments.

Audience

The audience will be composed of approximately 2,000 people, including NAHB's National Directors and their spouses. There likely will be people from every state in the Union. Not only are they home builders, they are community leaders and people who are well involved in the political process in their states and towns.

Suggested Speaking Points

Welcome to the White House. This is a truly momentous occasion for your industry and I welcome the opportunity to join you in celebrating the National Association of Home Builders' 50th Anniversary.

I also want to recognize your president -- Jay Buchert (Bue - kirt) -- and the other officers of your leadership team -- Roger Glunt, Tommy Thompson, Mark Tipton and Kent Colton -- who have worked very closely with my Administration during the past four years.

Anniversaries are a time to reflect on your past accomplishments. And the achievements of your association and your industry are unprecedented.

When NAHB was founded 50 years ago, one third of the nation lived in substandard housing. Only about 4 in 10 of the nation's families owned their own homes. The nation's housing finance system was still in its infancy. And America faced a housing shortage of untold dimensions.

When World War II ended, your association helped give rise to, train and support a new merchant industry of entrepreneurs. This new generation of risk-taking builders bought and subdivided land and built affordable housing in record numbers for the nation's growing number of home owners.

During the next 50 years, the landscape of America's neighborhoods was permanently changed. America's builders constructed and remodeled more than 70 million new homes and apartment units, virtually replacing the nation's aging and substandard housing stock. And America was transformed into a nation of home owners. Today nearly two of every three households owns their home.

And your industry has become a powerful force in the world's most powerful economy. Your members employ more than 7 million Americans, and residential construction accounts for about 5 percent of the nation's domestic economy. In other words, as housing goes, so goes the economy. And that's particularly important today as housing helps lift the U.S. economy to higher ground from the recession.

I am well aware of recent economic statistics -- many of the numbers related to housing have been positive over the last three months, but I realize that the future of housing production is at an important juncture. I am also acutely aware that without a strong rebound in housing production, there can be no overall economic recovery. That is why I proposed, and continue to push for, the adoption of a tax credit for first-time home buyers and other changes to stimulate housing and real estate.

Stimulating the housing market was a central theme of my State of the Union Message and it was a key component of the economic recovery program that I sent to the Congress. My plan was simple: Put people back to work building affordable housing and stimulate housing demand by helping families buy their first homes. To do this, among other things, I called for a \$5,000 tax credit for first-time home buyers, penalty free withdrawals from IRAs for the purchase of a first home, changes in the passive loss tax rules to encourage development of real estate and affordable housing, extension of mortgage revenue bonds and the low income tax credit, and a capital gains tax cut.

But this common sense plan designed to create jobs and make housing more affordable never even made it out of committee. Instead, the Congress dropped the first-time buyer tax credit and sent me a package that would have raised taxes and done more harm than good to the nation's economic recovery. I vetoed that bill as soon as it was delivered to the White House.

On the day that the House fell short of getting even a simple majority in its futile attempt to override my veto, your association ran an eye-catching ad in the Washington Post which summed up our feelings about Congress pretty well. The headline read: "Earth to Congress: Enough is Enough." I couldn't have said it better myself. And believe me, the American people will have the last word on this when they go to the polls in November.

Despite the failings of Congress, the economy is on the rebound. It grew by about 2 percent in the first quarter of this year, and about one quarter of that increase was linked to the upturn in single-family housing construction. So home builders are playing a vital role in our nation's economic recovery. And I pledge to do my part as well by taking full advantage of any opportunity that will help speed and sustain the recovery over the long-term.

For example, more than two months ago I said -- and I will repeat now -- if Congress doesn't do anything else this year, I wish they would lay aside the politics of "tax and spend" and give one break to the American economy -- a tax break for first-time home buyers -- and watch home building lead the economy out of these slow economic times.

In addition, I will continue to push hard for the regulatory reform that was the goal of the Commission on Regulatory Barriers to Affordable Housing which I created and put under the direction of HUD Secretary Jack Kemp. Whether the regulations deal with wetlands, OSHA, endangered species or any of a hundred other issues, the bottom line is that overregulation chokes the life out of America's small business community, reduces competition and, in the case of home building, increases housing costs for American consumers.

Therefore, I have extended for another 120 days the blanket moratorium on the issuance of any new federal regulation. We can live with this moratorium without jeopardizing the health and safety of American workers and without harming the environment. In this time of economic uncertainty, government should help -- not hurt -- the ability of private enterprise to expand and create new jobs. We should, in the words of your president, Jay Buchert, (Bue-kirt), "Let Builders Build."

On the credit crunch front, my Administration has been working hard to get the message out to lending institutions and the banking regulators that sound banks should make sound loans. Credit is the lifeblood of your industry. When builders can't get construction loans on pre-sold homes, then I say the pendulum has swung too far in the wrong direction. And my Administration is committed to ending the credit crunch and strengthening and stabilizing our nation's banking system.

Today is a very special day for your industry and your association. When you build a home, it takes much more than just bricks, lumber and mortar. Home building is an honorable profession. It requires skill and takes nerve to succeed in today's highly competitive business environment. And when you finish your job and go to the settlement table with your customer, you have built much more than just another house -- you have built a very special place called home; you have built the American dream.

To marry and have children, to earn a good living, to live in a free and peaceful society -- and, of course, to own a home: those have long been the traditional aspirations of all Americans.

Well, thanks in part to your efforts, the United States is today the best housed nation on the face of the earth, and the opportunity to own a home has become a cornerstone of the American dream and our democratic society.

As an outspoken proponent of self-help and volunteer work, and the many thousand points of light that are found in this country, I want to commend NAHB for its "Homes Across America" program in which your members across the country are building and renovating more than 600 homes for America's needy. As one illustration, with us today are Gerald and Angela Williams and their four children, who moved into their new home in Jacksonville, Florida on Mother's Day. Their home was built by the builders of the Jacksonville association of NAHB and Habitat for Humanity. Will the Williams family please stand up. This is a wonderful demonstration of the generosity of your industry and the charitable spirit of the American entrepreneur.

As America's builders -- and you, the leaders of your great industry here today - look ahead to the next 50 years, you should be proud of the accomplishments of the past 50 years. Your association has grown tremendously -- from a small band of several hundred builders in 1942 to 155,000 member firms today. Your industry has become a vital part of our country's economy, providing not only millions of good-paying jobs but building and remodeling the highest quality homes and apartments in the world.

Looking ahead to the next 50 years, I challenge all of you to rededicate yourselves to the task of housing America ... to open the door of homeownership and affordable rental housing to millions of additional U.S. households and to keep the dream alive.

Proclamation Signing

Now in conclusion, I want to sign a special Presidential Proclamation on 50 years of housing America.

Proclamation on NAHB's 50th Anniversary

WHEREAS, the National Association of Home Builders, founded in 1942, is committed to the idea that the opportunity to own a home should be within the reach of all working Americans;

WHEREAS, since NAHB's inception in 1942, America's home builders have built nearly 70 million new homes and apartments and have renovated and rehabilitated millions more, making the United States the best housed nation in the world;

WHEREAS, housing construction is a powerful force in the world's most powerful economy, creating millions of good paying jobs and generating billions of dollars worth of demand for goods and services throughout the economy;

WHEREAS, rebounds in housing construction have led the country out of recession in the eight previous business cycles;

WHEREAS, since 1942, America's home builders have helped to transform America into a nation of home owners, steadily improving the nation's housing stock, bringing homeownership to nearly two-thirds of all households, and providing Americans with more than \$1.3 trillion in equity in the homes they own;

WHEREAS, homeownership reinforces traditional American values of family, hard work, good citizenship and participation in a free and democratic society;

WHEREAS, every Administration and every Congress in the post-World War II period has recognized the social, political and economic benefits of a well-housed nation and has embraced policies that would move the nation closer to the goal first adopted by Congress in the Housing Act of 1949 to "provide a decent home and a suitable living environment for every American family;"

WHEREAS, over the past 50 years the commitment of the federal government, combined with the strength and ingenuity of a private building industry, has produced the greatest and most successful effort by any country to house its people;

WHEREAS, NAHB is recognized as the "voice of America's housing industry" and has been at the forefront of efforts to formulate national housing policies and to promote innovations in housing finance, construction, land use, technology and home design;

WHEREAS, on the eve of NAHB's 50th anniversary, America's home builders once again stand ready to lead the American economy out of troubled times;

NOW, THEREFORE, BE IT RESOLVED that the President of the United States recognize and salute the National Association of Home Builders for 50 years of service and leadership that have helped make the "American Dream" of homeownership a reality for millions of Americans and have helped make the United States the best housed nation on earth;

BE IT FURTHER RESOLVED that the President of the United States join NAHB in reaffirming its commitment to policies and efforts that would continue to provide housing opportunities for the American people during the next 50 years.

3-8-92 (DTR)

TAXATION, BUDGET AND ACCOUNTING

(No. 45) G - 7

aimed at spurring economic growth will no longer be needed, Dole said. The Republican leader added that he believes many members from both sides of the aisle feel the economy would be better off without enactment of a tax bill. "If you have a secret vote in here, I think that attitude would prevail," he said.

If the two sides would decide to compromise, Dole said that he believes Democrats and Republicans can find common ground on a number of initiatives to promote economic growth.

Asked if it would be politically risky for the president to veto the Democratic tax package, which will include a tax break for middle-income families, Dole said that it would be risky for him not to veto it, since it will also include higher rates.

President Calls For Action

President Bush called on Congress March 5 to pass his proposal for a \$5,000 tax credit for first-time home buyers if it does nothing else this year. "If they don't do anything else, I wish they would lay aside the politics of tax and spend and give that one break to the American economy and watch homebuilding out of this slow economic time," Bush told the Greater Columbia (S.C.) Home Builders Association during a campaign appearance.

Bush continued to present the economic stimulus legislation approved by the House as a 25-cent per day, two-year tax break, billed to taxpayers on a permanent basis and said the legislation being considered in the Senate is "not much better."

Both bills would raise the top tax rate on the wealthiest taxpayers to finance tax breaks for the middle class a five-year period.

The text of a revised version of revenues estimates by Joint Committee on Taxation staff on the package reported out of Finance (JCX-9-92) is in Section L. □

*Comment Letters***IRS RELEASES SIX COMMENT LETTERS ON A VARIETY OF PROPOSED REGULATIONS**

The Internal Revenue Service March 5 released six comment letters on proposed regulations.

Following are summaries of the letters:

- **Regulation About The UBI Taxation Of Investment Income (EE-070-91):** Jones, Day, Reavis & Pogue, Washington, D.C., on behalf of Bear Stearns recommended that income from short sales of securities be included in the final ruling.
- **Allocation And Accounting Rules On Tax Exempt Bonds For Arbitrage Rebate Purposes (FI-066-89):** Franklin Group of Funds, San Mateo, Calif., suggested that IRS revise the definition of commingled fund.
- **The North Carolina State Treasurer, Raleigh, N.C.,** said it disagreed with the proposed ceilings on administrative costs and other expenses on commingled investment pools.
- **Amortization Of Policy Acquisition Expenses Of Insurance Companies (FI-003-91):** Balboa Life & Casualty, Irvine, Calif., was concerned about the proposed regulation's disregard for long-standing group under-

writing practices and rules for defining group life insurance contracts, the distinction between group term life insurance contracts without cash surrender values and other classes of group life insurance contracts as to what evidence of insurability is acceptable along with six other specific issues.

• **Transferred Proceeds Allocations (FI-090-91):** Katten Muchin & Zavis, Chicago, Ill., sent six specific technical comments on the proposed regulations.

• **Debt-Financed Real Estate Investments By Tax Exempt Organizations (PS-056-90):** The New York State Bar Association Tax Section, New York, N.Y., suggested that a comprehensive review be undertaken of Section 514(c)(9) as the current statute is overly formalistic and complex. Its comments also urged Treasury to provide rules that operate fairly and reasonably.

Copies of comment letters are available from BNA PLUS for a fee. Call toll-free (800) 452-7773 nationwide; (202) 452-4323 in Washington, D.C. □

*Pensions***IRS SEEKS TO IMPROVE PENSION RULES, SIMPLIFY DATA COLLECTION, PETSCHKE SAYS**

The Treasury Department and the Internal Revenue Service are actively considering ways to improve compliance and simplify and reduce the burdens of data collection in the pension plan non-discrimination regulations, Evelyn Petschek, benefits tax counsel at Treasury, said March 5.

Petschek discarded as a rumor any statement that Treasury is considering withdrawing the regulations, she said at a Federal Bar Association tax law conference.

It has become apparent that practitioners are focusing on the final regulations in a different way than they did on the proposed regulations, Petschek said. The focus of comments has been on areas that received little or no attention during the comment period for the proposed regulations, she said.

Some areas have been the subject of significant and recurrent comments, Nancy Marks, acting assistant chief counsel in the Employee Benefits/Exempt Organization Division, IRS, told the conference.

Thus, the problems that Treasury and IRS will focus on in improving the regulations include the uniformity rules for qualifying for the regulations' safe harbors and the data collection burdens inherent in the general testing regime included in the final regulations that were issued Sept. 12. Marks said (178 DTR G-7, SpSupp, 9/13/91; 179 DTR SpSupp, 9/16/91).

Uniformity Rules

In order to qualify for the safe harbors that have been provided for in the final regulations, a plan needs to demonstrate that it provides a uniform benefit formula and that certain other features of the plan are uniform. Marks said there have been a number of comments pointing out problems with the uniformity rules in the final regulations, especially when they apply to transfers of employees between companies

50 YEARS OF HOUSING— 50 YEARS OF NAHB



ECONOMICS AND DEMOGRAPHICS

A powerful force in the world's most powerful economy, housing accounts for at least one-fourth of gross private domestic investment each year.

It stimulates the economy directly by generating jobs, wages and tax revenues and indirectly as the demand for goods and services created by construction ripples through the economy.

An extremely cyclical industry, housing periodically undergoes sharp upswings and dramatic declines. In 1966, during the most severe of eight post-war cycles, production dropped 50 percent in 10 months. Typically, housing is the first sector to suffer when the economy falters and the first to recover as a recession wanes.

In the late 1940s and 1950s, enormous pent-up demand for housing combined with favorable VA and FHA financing and an unprecedented surge in births to create one of the greatest housing booms America has ever seen. From 139,000 starts in 1944, construction swelled to 1.9 million starts in 1950, a total that would not be equaled until 1971 when the "baby boom" generation began buying homes.

Throughout their lives, the baby boomers have had a profound effect on housing. Much of the postwar construction was prompted by the need to house growing families. And housing starts topped the 2 million mark for three consecutive years in the early 1970s as the baby boom generation matured and started buying homes.

The last 50 years have also seen an extraordinary increase in the homeownership rate. From 45.9 percent in 1942, it grew to a peak of 65.6 in 1979. But in recent years it has declined, primarily because incomes have not kept pace with construction expenses. The decline has been most pronounced among young families struggling to buy their first homes.

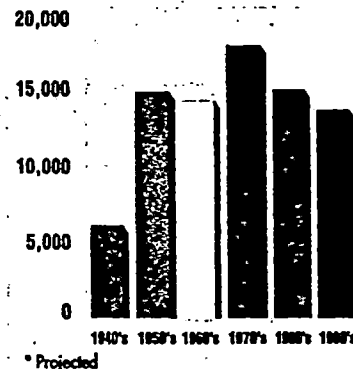
Households have also changed dramatically during the past 50 years. Changing lifestyles, later marriage and high divorce rates have diminished the ranks of "traditional" married couple households and the number of single-person households has grown dramatically.



1942-1992: Outdated and often lacking such basics as indoor plumbing and electricity, almost half of the nation's housing stock was substandard in 1942. Today, less than four percent of all U.S. homes are substandard.

1959: A driving force in the U.S. economy, housing creates millions of jobs and the demand for billions of dollars worth of goods and services. Residential construction accounts for about five percent of Gross National Product and in 1959 reached \$100 billion for the first time; by the late 1980s, it was nearing \$200 billion.

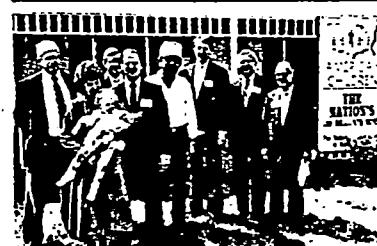
PRIVATE HOUSING STARTS (IN THOUSANDS)



1972: America's home builders have constructed 70 million homes and apartments since 1942, including a record 17.7 million in the 1970s.

Starts fell to just under 15 million in the 1980s and are expected to decline further to 13.5 million in the 1990s.

1980: During the last 50 years, America has changed from a nation of renters into a nation of home owners. In 1942, the homeownership rate was 45.9 percent. It soared during the next 35 years, peaking in 1979 at 65.6 percent. Since then the rate has dropped; in 1990 it was 64 percent.



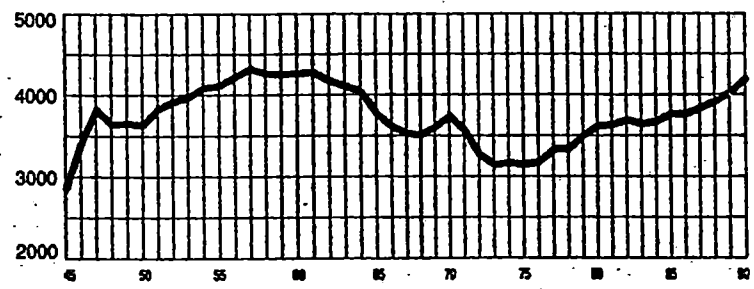
1987: The nation's 100 millionth home was completed in March of 1987. Bryan and Deborah Campbell, trade-up buyers in their late twenties, paid \$98,000 for the 1,850-square-foot rancher in Lawrenceville, Ga.

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1950s: Fueled by low mortgage rates, low- and no-downpayment FHA and VA loans, the baby boom and pent-up demand from the war years, tract subdivisions by the thousands sprung up in suburbia during the 1950s. Many homes were priced well under \$10,000 with mortgage payments of less than \$100 per month.

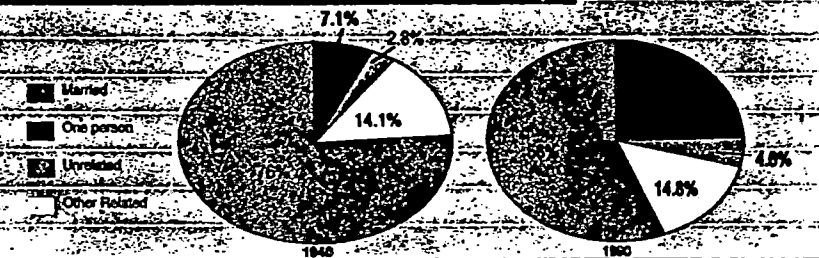
BIRTHS (IN THOUSANDS)



1957: Population growth, which increased dramatically after World War II, fueled much of the post-war construction frenzy. The "baby boom," which peaked in 1957 at 4.3 million births, was followed by a "baby bust" which bottomed out in 1973 at 3.14 million births.



1983: After decades of modest growth, remodeling expanded dramatically in the 1980s. Total expenditures reached almost \$50 billion in 1983 and had more than doubled just five years later.



1990: Changing lifestyles, later marriage and high divorce rates have dramatically altered the composition of American households. In 1940, married couples comprised about three-fourths of all households and single persons 7.1 percent. By 1990, single-person households had grown to almost 25 percent of the total and married couples had dropped to 56 percent.

FINANCE AND GOVERNMENT POLICY

Few things affect housing as much as government policy. What a builder builds, where he builds it, how he builds it, and what it costs are greatly influenced by government at all levels.

The federal government has helped shape the nation's housing system, primarily through credit and tax policies. Among the most significant of these measures are the mortgage interest and property tax deductions, which encourage homeownership by making it more affordable. The government also provides assistance for low-income households and programs to revitalize neighborhoods and upgrade infrastructure.

A strong financial system is also absolutely essential to housing. The federal government supports and regulates the thrift and banking industries as well as the secondary mortgage market to ensure a steady supply of funds for construction and mortgages. Collectively, secondary lenders buy more than 60 percent of all mortgages originated in the U.S. each year.

When the nation's financial system functions as intended, it is very effective. However, when builders are denied access to credit, as they have been for two years as a result of the credit crunch, the entire housing industry suffers.

Regulation at the federal, state and local levels also affects housing profoundly. Environmental laws and regulations such as those concerning wetlands, clean water and air, and endangered species can add considerably to the cost of housing and delay or even prevent construction. And many environmental laws are being used inappropriately by anti-growth interests to slow or halt development.

State and local regulations, too, affect housing. Impact taxes, exactions and unnecessary regulations add thousands to the cost of new homes and burden buyers with an unfair share of the cost of infrastructure and amenities that everyone uses.

ENVIRONMENTAL
LAWS

1944: The Veterans Administration mortgage guarantee program, which allowed veterans to purchase homes without making a downpayment, was created by the Servicemen's Readjustment Act of 1944.



1959: The Federal Housing Administration celebrated its 25th anniversary in 1959. The first home in the U.S. built with FHA-insured financing was this one in Pompton Plains, N.J.

1968: The Civil Rights Act of 1968 made it unlawful to refuse to sell or rent to any person because of race, color, religion or national origin.



1972: Enactment of the Clean Water Act led to federal regulation of wetlands.

1974: The Housing and Community Development Act created the Section 8 program to subsidize housing costs of lower-income families.

1968: The Housing and Development Act of 1968 set a 10-year goal of constructing or rehabilitating 26 million housing units including 6 million units for low- and moderate-income families.

1982: The Garn/St. Germain Bill deregulated the thrift industry and increased deposit insurance. Some thrifts then diversified from their primary role as mortgage lenders.

1983: FHA mortgage interest rates were deregulated, making the VA rate the only administratively set interest rate.



1987: Jesse M. Giron (with wife, Yolanda, and daughter, Alexandria), received the 12 millionth VA Guaranteed Home Loan.

1989: The Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) restructured the thrift industry, which was nearing collapse.

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1949: The National Housing Act of 1949, signed into law by President Harry S. Truman on July 15, 1949, established as a national goal "a decent home and suitable living environment for every American family."



1965: The Department of Housing and Urban Development (HUD) was established. Its cabinet level status reflected a new priority for housing.

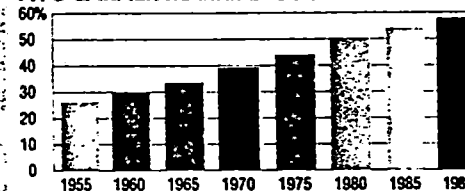
1962: President John F. Kennedy issued an executive order mandating equal opportunity in FHA and VA lending.

1968: Fannie Mae became a federally chartered private corporation and its subsidy related functions were assumed by a new federal corporation, the Government National Mortgage Association.

1974: Federal legislation allowed banks to count the income of a second household wage earner when qualifying families for mortgages.

1970: Congress created the Federal Home Loan Mortgage Corporation (Freddie Mac) to buy conventional mortgages.

TWO EARNER MARRIED COUPLE FAMILIES

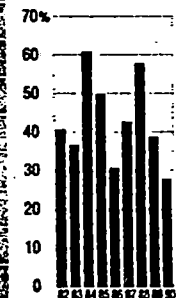


1981: The FHA maximum mortgage interest rate, an industry benchmark, reached an all-time high of 17.5 percent.

1986: The Tax Reform Act of 1986 preserved the mortgage interest and property tax deductions but virtually eliminated tax incentives for investment in rental housing.

1984: In 1984, FHA began insuring Adjustable Rate Mortgages (ARMs), which had been introduced in the late 1970s.

ARM SHARE OF ALL LOANS



1991: In October, President Bush's intervention to increase the flow of credit to builders marked a key turning point in a severe credit crunch.

HOUSING DESIGN AND LAND USE

Availability of land has been perhaps the most critical factor influencing residential development during the past 50 years.

When builders set out to meet enormous pent-up demand for housing after World War II, close-in land was plentiful and inexpensive, so typical subdivisions featured detached houses on large lots.

As movement from the cities to the suburbs grew, well-situated and desirable land became less plentiful and prices began to increase along with demand.

By the late 1960s and early 1970s, communities were being designed to provide more attractive streetscapes and smaller lots. Typically, they included loop streets and cul-de-sacs, with residential streets linked to collector streets.

Among these designs were "new towns" and "planned unit developments," often including mixed residential and commercial land use, varying residential densities, open space and extensive amenities.

In the 1980s, rapidly rising land costs spurred construction of town houses, zero-lot-line homes, condos and other high density housing.

Most recently, planners have looked to the past for inspiration in designing projects that foster a sense of community and promote interaction between residents.

Although residential design tends to be highly localized, several broad trends have occurred during the last 50 years. Post-war developments often featured small Cape Cod and colonial designs. They were soon joined by the single-story ranch house. In the 1950s and 1960s, the split level gained widespread popularity. And as designers accommodated more sophisticated buyers in the 1970s and 1980s, more creative designs appeared.

Throughout the entire period, there has been a pronounced trend toward increasingly open and informal interior design. The family room, introduced in the late 1940s, has become very popular and often is combined with the kitchen. And bathrooms, once small and drab, have become larger and more luxurious.

50 YEARS OF HOUSING —

1946: Development of Levittown on Long Island sparked a revolution in home construction through the use of assembly-line techniques and pre-fabricated components. Within a few years, the Levitt-style subdivision with its rows of Cape Cod or ranch houses had become a ubiquitous feature of the suburban landscape.



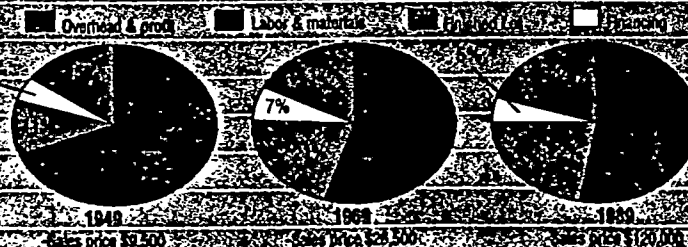
1956: By the mid-1950s, split-level homes were changing the typical American streetscape. In 1956, for the first time, a split level home won an Award of Merit in Design given by NAHB.

1960s-1970s:

New towns and Planned Unit Developments featuring innovative design were introduced to widespread acclaim during the 1960s and 1970s.

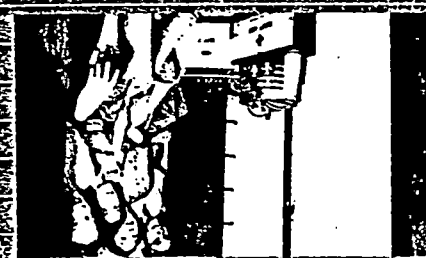
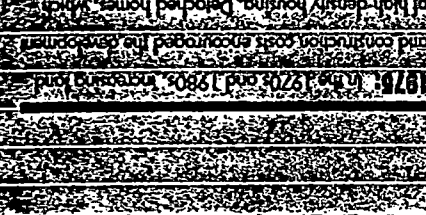


1978: Bathrooms have changed since the 1950s when few homes had more than one bath. By 1978, 25 percent of new homes had 2.5 or more. In 1990, almost half had 2.5 or more.



1989: As the supply of desirable close-in land diminished, the cost of land as a percentage of the total price of a house was increasing. In 1949, 15 percent of the total cost of a house was land. By 1989, 20 percent of the total cost of a house was land.

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1989: The primary reason why during the 1980s and 1990s, the population of the city increased, was the increase in the number of people moving into the city from the surrounding areas.

1976: In the 1970s and 1980s, the city experienced a period of rapid growth, which was primarily due to the increase in the number of people moving into the city from the surrounding areas.

1960: With the introduction of the automobile, the city experienced a period of rapid growth, which was primarily due to the increase in the number of people moving into the city from the surrounding areas.

1942: The city experienced a period of rapid growth, which was primarily due to the increase in the number of people moving into the city from the surrounding areas.

CONSTRUCTION AND TECHNOLOGY

In the 50 years of NAHB's existence, more changes have occurred in new home construction than during any other period of time.

New materials, tools, construction techniques and innovations in management and scheduling, many developed by NAHB and the NAHB National Research Center, have made America's homes the worldwide standard of excellence.

Among the innovations making it possible for builders to construct better homes more efficiently are the standardization of measurements and heights, portable power tools, plywood sheathing and drywall and the use of heavy equipment for extensive land preparation.

Increased prefabrication of components such as roof and floor trusses, wall panels, cabinets, staircases and window and door units has brought the advantages of factory control and quality to the construction site.

And new products such as latex paint, laminates, vinyl flooring and siding, plastic pipe, structural adhesives, particleboard, flakeboard and oriented strandboard have greatly improved the American home.

A new chapter in home construction opened in 1973 with the oil embargo. In the face of oil and natural gas shortages America's home builders were called upon to make homes dramatically more energy efficient. They met the challenge with improved insulation, more energy efficient heating and cooling equipment, more energy efficient windows and doors, passive solar design and even landscaping for energy savings.

During the 1980s, housing joined the computer/communications revolution as builders started using computers in their day-to-day operations and NAHB introduced the SMART HOUSE concept. Developed by a subsidiary of the NAHB National Research Center, and now being introduced throughout the country, SMART HOUSE is a home automation system that promises to make homes safer, more convenient and more energy efficient than ever before.

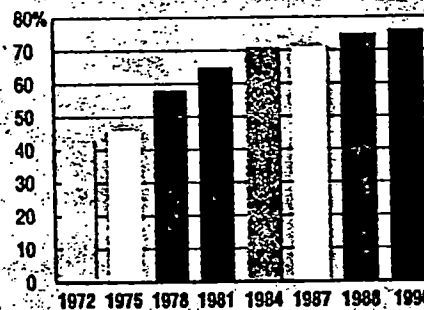
50 YEARS OF HOUSING —

1942: Mass production techniques, including prefabrication of components such as wall and floor panels, were developed to speed construction of housing for war workers. After World War II, builders used the same techniques to meet the tremendous pent-up demand for housing.



1951: Slab-on-grade construction was widely adopted for postwar developments and remains popular. The power trowel, which replaced costly hand-troweling, dramatically speeded construction.

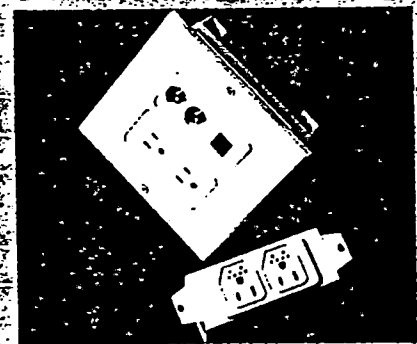
NEW HOMES WITH CENTRAL AIR CONDITIONING



1960s: First introduced in the 1950s, residential air conditioning made it possible to develop huge areas of the Sunbelt thought unsuitable for year-round use. In 1960, less than 2 percent of all homes had central air conditioning; by 1990, 76 percent were equipped with central air.



1970s: Introduced in the early 1970s, vinyl siding was in widespread use by 1980.



1990: The SMART HOUSE system, developed by the NAHB Research Center in the 1980s, is an integrated energy and communications distribution system enabling whole-house automation.

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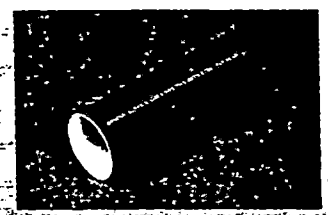
1948: Many builders and construction workers learned to operate heavy equipment while serving as Seabees during the war. Afterward, those skills were utilized to develop land previously considered unsuitable for construction.



Late 1940s: Plywood replaced boards for sheathing during the late 1940s and gypsum wall-board or "drywall" was introduced as an alternative to lath and plaster. Today, drywall is the standard interior wall finish.

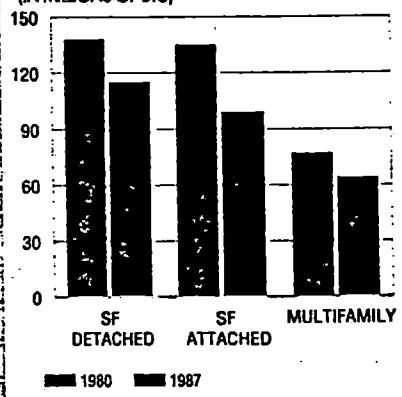


1950-1992: Sawing, driving nails and screws, and drilling holes was hand work prior to World War II. After the war, power tools came into common use with the introduction of portable generators and compressors and helped revolutionize residential construction. Left, a worker using a power saw on the site in the 1950s.



1960s-1970s: Plastic drain, waste and vent pipes were introduced in the 1960s. Bathtubs, shower enclosures and sinks made of cultured marble and/or reinforced fiberglass plastic also entered the market and are now in widespread use.

ENERGY USE PER HOUSEHOLD
(IN MILLIONS OF BTU)



1970s-1980s: Residential energy efficiency has increased dramatically since the 1973 oil embargo. Higher levels of insulation, tighter construction and improved energy efficiency in heating and cooling equipment are largely responsible.

NATIONAL ASSOCIATION OF HOME BUILDERS

When a small group of builders formed the National Association of Home Builders (NAHB) in 1942, their immediate purpose was to protect the industry's interests in the face of wartime shortages and assure that construction of housing for war workers remained in the private sector.

Their greater purpose—protecting the industry's long-term interests, promoting homeownership and providing services to meet members' needs—remains NAHB's primary function to this day.

NAHB has grown from fewer than 1,000 members to more than 150,000 members involved in all aspects of the housing industry. Not only builders and developers, but other housing industry professionals in such fields as sales, finance, manufacturing, retailing, architecture and property management rely upon NAHB to represent and protect their interests.

NAHB carries out that mission in hundreds of ways. It lobbies and monitors legislative and regulatory activities at the federal, state and local levels, provides members with economic and technical information, and provides educational opportunities including NAHB's outstanding annual convention and exposition. The association also helps members improve their business skills and has developed industry councils to provide specialized services including education, information about trends within the field and a national network for making contacts.

Recognized nationwide as "The Voice of America's Housing Industry," NAHB also is an authoritative source of information on builders, the housing industry, the economy, building technology, finance, construction and housing policy.

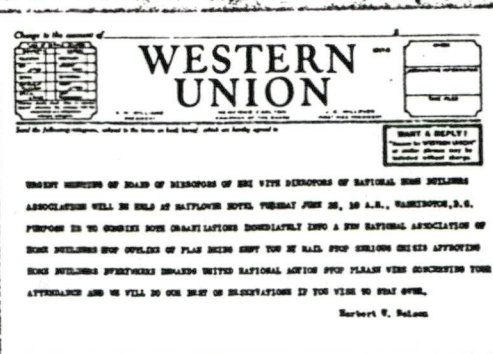
Although the home building process and the environment in which builders function have changed dramatically since the 1940s, NAHB's membership profile has remained remarkably consistent.

Small builders have dominated NAHB's builder membership rolls from the beginning; associate members in a variety of housing-related fields comprise about two-thirds of NAHB's membership.

50 YEARS OF HOUSING —

1942: The National Association of Home Builders traces its origins to the National Association of Real Estate Boards (NAREB), which formed a builder division in 1923. In 1942, NAREB's directors made its builder division, known as the Home Builders Institute, an independent organization. The newly independent organization then changed its name to the National Association of Home Builders of the United States.

1944: NAHB established its headquarters in Washington, D.C. and held its first annual convention in Chicago.



1964: The National Council of the Housing Industry was established within the association to represent the building products sector of the industry. It promotes cooperation between builders and suppliers and addresses their mutual concerns.

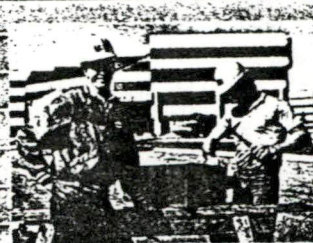


1973: The Home Owners Warranty (HOW) program, the nation's first

home builder/home buyer protection plan, was established as a subsidiary of the association. HOW became an independent mutual corporation in 1981.



1976: NAHB established the National Housing Hall of Fame to honor those who have contributed significantly to housing.



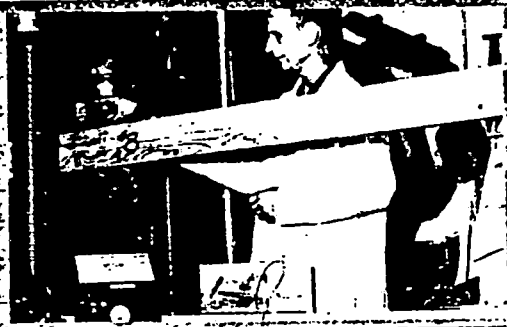
1983: The Home Builders Institute, NAHB's educational arm, was established to offer a wide range of educational and job training programs.

1988: NAHB focused on homelessness when it and the Home Builders Institute held a national symposium on the issue and produced several major publications in conjunction with the symposium.

1991: NAHB held its first annual Remodelers' Show in November of 1991.

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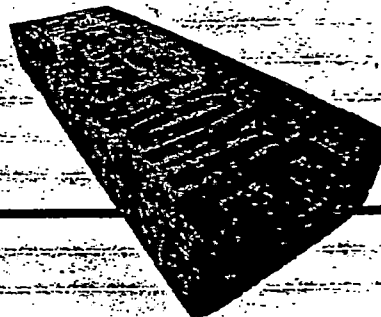
1943: The 783-member National Association of Home Builders of the United States merged with the 456-member National Home Builders Association, keeping the name of the former.



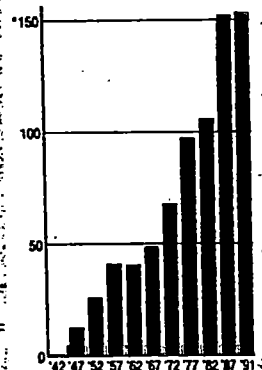
1952: The NAHB Research Institute was created to develop, test and evaluate new materials, methods, standards and equipment to improve housing and make it more affordable. The Institute later became the NAHB National Research Center.



1972: On Dec. 12, 1972, NAHB broke ground for a 148,000-square-foot headquarters building at 15th and M Streets, N.W., Washington, D.C.



NAHB MEMBERSHIP
(IN THOUSANDS)



1978: NAHB membership topped the 100,000 mark in 1978. When first established, NAHB had fewer than 1,000 members.

1981: Always striving to meet members' needs creatively, NAHB urged them to inundate Washington with 2-by-4s when mortgage rates peaked near 20 percent.

1989: The Builders' Show, NAHB's annual convention and exposition, the largest event of its kind in the U.S., drew a record 65,000 people to Atlanta in 1989.





50 YEARS OF HOUSING— 50 YEARS OF NAHB

President George Bush and 1991 NAHB President Mark Ellis Tipton talk informally following a policy discussion, one of countless meetings between NAHB leaders and the President of the United States during NAHB's 50-year history.

NAHB Past Presidents and Current Senior Officers

1940 George F. Nixon* Chicago, IL	1952 Alan C. Brockbank* Salt Lake City, UT	1964 William Blackfield* San Francisco, CA	1976 John C. Hart Noblesville, IN	1988 Dale Stuard Newport Beach, CA
1941 Harry J. Durbin* Livonia, MI	1953 Emanuel Spiegel* New Brunswick, NJ	1965 Perry E. Willits Lake Suzy, FL	1977 Robert Arquilla Homewood, IL	1989 Shirley McVay Wiseman Winter Park, FL
1942 David D. Bohannon San Mateo, CA	1954 Richard G. Hughes* Pampa, TX	1966 Larry Blackmon Sunset, TX	1978 Ernest Becker, Sr. Las Vegas, NV	1990 Martin Perlman Houston, TX
1943 Fritz B. Burns* Los Angeles, CA	1955 Earl W. Smith Pittsburg, CA	1967 Leon N. Weiner Wilmington, DE	1979 Vondal S. Gravlee Birmingham, AL	
1944 Robert P. Gerholz* Flint, MI	1956 Joseph B. Haverstick Dayton, OH	1968 Lloyd E. Clarke Des Moines, IA	1980 Merrill Butler Irvine, CA	1991 Senior Officers
1945 Joseph E. Merriam* Chicago, IL	1957 George S. Goodyear Charlotte, NC	1969 Eugene A. Gulledege Alexandria, VA	1981 Herman J. Smith Bedford, TX	Mark Ellis Tipton President Raleigh, NC
1946 Joseph Meyerhoff* Baltimore, MD	1958 Nels G. Severin* San Diego, CA	1970 Louis R. Barba Chatham, NJ	1982 Fred Napolitano Virginia Beach, VA	Robert "Jay" Buchert President-Elect Cincinnati, OH
1947 Edward R. Carr* Springfield, VA	1959 Carl T. Mitnick Somers Pt., NJ	1971 John A. Stastny Berwyn, IL	1983 Harry Pryde Bellevue, WA	J. Roger Glunt Vice President and Treasurer Pittsburgh, PA
1948 Milton J. Brock* Los Angeles, CA	1960 Martin L. Bardling, Jr. Knoxville, TN	1972 Stanley Waranch Virginia Beach, VA	1984 Peter D. Herder Tucson, AZ	Thomas N. "Tommy" Thompson Vice President and Secretary Owensboro, KY
1949 Rodney M. Lockwood* Birmingham, MI	1961 Elmo James Burke* San Antonio, TX	1973 George C. Martin Anchorage, KY	1985 John J. Koelemij Tallahassee, FL	Martin Perlman Immediate Past President Houston, TX
1950 Thomas P. Coogan* Miami, FL	1962 Leonard L. Frank Long Island, NY	1974 Lewis Cenker* Atlanta, GA	1986 David C. Smith McDowell, VA	Kent W. Colton Executive Vice President and Chief Executive Officer Washington, DC
1951 W.P. "Bill" Atkinson Midwest City, OK	1963 W. Evans Buchanan Stevensville, MD	1975 J.S. Norman, Jr. Houston, TX	1987 James M. Fischer, Jr. Nashville, TN	

* Deceased

Note: George F. Nixon (1940) and Harry J. Durbin (1941) were presidents of the builders association that eventually became the National Association of Home Builders.





National Association of Home Builders

15th and M Streets, N.W., Washington, D.C. 20005

Telex 89-2600 (202) 822-0401

Kent W. Colton, Ph.D.
Executive Vice President &
Chief Executive Officer

January 20, 1992

MEMORANDUM

To: Scott Sforza

From: Kent W. Colton *Kent*

Subject: Background Information Related to President Bush's Live Broadcast to the National Association of Home Builders Annual Convention

Information on NAHB

- ✓ o NAHB was officially organized in 1942.
- o The current membership of NAHB is 151,000 member firms. These member firms represent approximately 2,000,000 people working directly in the home building industry and 4,000,000 people working in businesses associated with the home building industry.
- ✓ o NAHB represents a broad cross-section of the building industry through its many councils, including:
 - Remodelors Council
 - Multi-Family Council
 - Commercial Builders Council
 - Rural Housing Council
 - Building Systems Council
 - Sales and Marketing Council
 - Senior Housing Council
- o The manufacturers of the many products which go into the home building process are represented through our National Council of the Housing Industry (NCHI).
- o Presently, NAHB has a board of directors comprised of 2000 members. This board meets three times a year to develop and approve policy. Once during the spring in Washington, DC, once during the fall and once during the Annual Convention/Exposition each January.

Post-It™ brand fax transmittal memo 7671 # of pages 1

To: Scott Sforza	From: Wayne Stetson
Cc: [illegible]	[illegible]

Information on the Annual Convention

- o The 1992 Convention will be held in Las Vegas, Nevada, January 24-27.
- o 403,000 sq. ft. of exhibit space has been sold to over 700 vendors of building industry related products and services. (In other words the Convention will have over 18 acres of exhibit space.)
- o This year we anticipate an attendance of approximately 60,000 people.
- o More than 200 educational programs with 700 different speakers.
- ! [o Secretary of HUD Jack Kemp will address the NAHB Executive Committee (on Wednesday, Jan. 22).
- ! [o The opening ceremony address will be presented by Congressman Guy Vander Jagt from Michigan on Friday morning Jan. 24. (Just before President Bush's video presentation!)

Some of the key events include:

- o An interactive video with President George Bush on Friday Jan. 24.
- [Installation of Jay Buchert, a home builder from Cincinnati, Ohio as NAHB's 1992 President on Monday Jan. 27.
- o The first Homes Across America house will be built at the Convention to be donated to a low-income family in Las Vegas.
- [Former President Jimmy Carter will address the NAHB Board of Directors on Saturday morning, Jan. 25.
- [Senator Paul Simon from Illinois will be honored as NAHB Policy Maker of the Year.
- o Grand Opening Ceremonies will be held for the first Smart House constructed and made available for sale to the general public.
- o Visits to the Convention by a wide range of international dignitaries. *WHY?*
- [o NAHB's 50th Anniversary Celebration Kick-Off and NAHB's Homes Across America Program Kick-off. !

Information on NAHB's 50th Anniversary and Homes Across America Program

- o NAHB is celebrating its 50th year as a national association and the centerpiece of the 50th anniversary celebration is NAHB's Homes Across America program.
- o Over 100 local building industry associations working with groups such as: Habitat for Humanity, Christmas in April, and the Ronald McDonald House will join together to build or refurbish over seven hundred homes across America which will be given or donated to low- and moderate-income families.
- o Homes Across America provides an opportunity for our members to say "thank you" to the many communities across America where they work and live.
- o Every year NAHB members donate large amounts of charitable building to their local communities. This year they will donate their efforts to The Homes Across America program.

Key Housing FactsBackground:

- o On average, housing accounts for nearly 5% of Gross Domestic Product and one-third of private domestic investment.
- o Housing is also a major swing factor in most business cycles, typically leading the economy out of recession and into prosperity.

Current Issues/Challenges:

- * ← o Housing starts for 1991 were around one million units, the lowest since 1945. (The final numbers will be out this Wednesday, January 22, 1992.)
- o Housing activity hit bottom in January 1991, and staged a rebound in the months following victory in the Persian Gulf War.
- o But the housing recovery stalled later in 1991, along with other key parts of the economy.

Good News:

- o The groundwork has been laid for a sustained upswing in single family housing sales and production.
- o Inventories of unsold new homes have been worked down to the lowest level in nine years.

- o Substantial pent-up housing demand has developed during the 1990-1991 period.

→ | o Mortgage interest rates have fallen to the lowest levels since the mid-1970s and housing affordability measures are high.

Housing is Key:

- o Housing is poised to lead the economy out of recession, as in the past.

→ | o Housing was, in fact, a key factor behind the positive growth registered in the second and third quarters of last year. In fact single family housing accounted for nearly one-half of the total increase in real G.D.P. in the third quarter. (This was prior to the recent slowdown in housing and the economy.)

- o A rebound in consumer confidence is key to a rebound in housing and economic activity.

Video Timing and Set-up

- o Timing of the President's Video

Directly following the NAHB 1992 Convention Grand Opening Ceremony.

- o Room Setup -

20 x 20 Telescreen

Seating for 1000+

Headtable with the Senior Officers of NAHB

- Mark Ellis Tipton, President
- Robert 'Jay' Buchert, President-Elect
- J. Roger Glunt, Vice President and Treasurer
- Tommy Thompson, Vice President and Secretary
- Martin Perlman, Immediate Past President
- Kent W. Colton, Executive Vice President and Chief Executive Officer

- o Proposed format for Teleconference -

- Introduction of President Bush by NAHB President Mark Ellis Tipton
- President Bush's remarks
- A few follow-up questions by NAHB members to President Bush

Materials the President May Want to Cover in his Presentation

- o On January 17, 1992, a memo was sent (via fax) to Jeff Vogt, outlining some possible talking points/ideas for President Bush's interactive video. If you have any questions on those ideas, please let me know. We want to help in any way possible. To the extent the President can give us a 'preview' of some of the housing related items that will be covered in the State of the Union Address, it would be very well received. If he cannot -- and we understand why he may want to wait -- it would be good to at least have a 'staged' question-and-answer that would allow the President to say 'stay tuned' in a very positive way.
- o The President may want to make reference to a meeting held at the White House with Mark Tipton and Kent Colton and other industry leaders on December 2, 1991 on issues related to economic recovery and housing.
- o The President may want to congratulate Mark Tipton and Jay Buchert for their work at-NAHB. Mark Tipton has served as President in 1991, and Jay Buchert will be installed as the 1992 President on January 27, 1992.

Profile of the National Association of Home Builders

A federation of more than 800 state and local associations nationwide, NAHB has more than ~~157,000~~ ^{153,000} members.

About one-third of all members are builders, the majority of whom construct fewer than 25 units per year. The remainder of the membership consists of associates in allied fields such as mortgage finance and building products and services.

→ The association was founded in 1942 and is headquartered in Washington, D.C. It has an annual budget of more than \$34 million.

As the "Voice of America's Housing Industry," NAHB is dedicated to serving the needs of individual members and its state and local associations. It provides management services to state and local associations and keeps members and associations informed about changes in building techniques, marketing, financing, legislation, government regulations, consumer attitudes and preferences, and specialized fields within the housing industry.

Councils addressing needs of specialized fields within the housing industry include the Building Systems Council (pre-fabricated or industrialized housing), the National Commercial Builders Council, the National Council of the Multifamily Housing Industry, the NAHB Remodelers Council, the National Sales and Marketing Council, the Rural Housing Council and the Seniors Housing Council. Four standing committees address the needs of small volume, medium volume, large volume and custom single-family home builders.

< NAHB's various divisions analyze housing policy issues, take the housing industry's story to the public through the media, monitor and work toward improving the housing finance system and analyze and forecast economic trends.

In addition, the association represents the industry's interests on Capitol Hill and strives to ensure that housing remains a national priority when laws are made and policies are established.

Each year the association holds an annual convention and exposition. The convention, which attracted more than 65,000 persons in 1990, features educational seminars and exhibits of the latest in products and services for the housing industry. The NAHB Annual Convention and Exposition will be held in Atlanta in 1991 and in Las Vegas in 1992.

NAHB has several close affiliates focusing on specialized aspects of the housing industry. They include:

- **HOW** -- The Home Owners Warranty (HOW) program provides a 10-year new home buyer protection plan. The plan is administered by the Home Owners Warranty Corporation which began as an NAHB subsidiary and has since become an independent mutual company.
- **NAHB National Research Center, Inc.** -- The NAHB National Research Center develops, tests and evaluates new materials, methods, standards and

equipment to improve technology for America's housing and to make it more affordable.

- **Home Builders Institute** -- NAHB's educational arm, the Home Builders Institute develops and administers a wide range of educational and job training programs. It is also responsible for developing the educational programs at NAHB's annual convention and exposition, "The Builders' Show."

For more information about NAHB, call the Public Affairs Division at (202) 822-0405.

lot of tearing this country down and telling America how bad everything is. We have an awful lot to be grateful for in this country. They want to hear about the solutions that will keep inflation low, get our confidence high, protect the savings of our elderly. Solutions that will win the war on drugs, and we are making great headway. And I salute Miami's heroic efforts in this battle against narcotics. We are winning. Witness the massive seizure of drugs in south Florida over the past several months. Witness the fact that drug use amongst teenagers is down by 60 percent in the last couple of years.

We've got a lot to do in this country, and a lot to do. But I am absolutely confident that we will get the job done. And I'm going to fight hard in the Florida primary for these people, fight for what is right and good. I saw in the 8 years my friend Ronald Reagan led America how leadership matters. Last year, as Zach mentioned, we saw America stand tall again in the Persian Gulf. And I believe the next 5 years are just too important to entrust to the inexperienced. So I ask for your help to keep our party strong, united so that we can win this fall.

And yes, we have many challenges before us. But when haven't we? We're America. We're on the move. We're a country of change. And I guarantee you, we will meet every single challenge, each and every one of them, and meet them from the great panhandle to the tip of the Florida Keys.

And yes, there's an important primary next Tuesday, and then there's another election in November. And I guarantee you, I have never felt more confident about winning the primary and winning the general election. I've got to be a little careful; my mother's living up the coast here in Florida, so I've got to be careful. But I think I've been a good President, and I want to be your President for another 4 years. And I will give you my level-best and work my heart out for the greatest, freest country on the face of the Earth. Thank you, and may God bless America. Thank you all very, very much. What a great evening, and a great day in Florida.

Note: The President spoke at 8:30 p.m. in the East Hall of the Radisson Mart Plaza Hotel. In his remarks, he referred to Zach

Zachariah, Bush-Quayle financial cochairman for Florida, and Van Poole, Florida Republican Party chairman. A tape was not available for verification of the content of these remarks.

Remarks to the Home Builders Association of Greater Columbia in Columbia, South Carolina

March 5, 1992

Thank you very, very much, Carroll. Thank you all so much. What a nice welcome back to South Carolina. Thank you very, very much. It's great to be here. To Richard Sandler, congratulations on you and Carolyn's 26th wedding anniversary. The man knows timing. Timing is everything in life. And Governor Campbell, my dear friend Carroll, thank you for that generous introduction. We are grateful for your hospitality, for your leadership as one of America's greatest Governors. Carroll mentioned the Governors' conference where we set these national education goals, a first. Wasn't just Republican Governors, wasn't just Democrats, all coming together to set national education goals that led to a program that will revolutionize our education.

What he didn't tell you is he and only two or three others, maybe it was three, were the true leaders in designing this brandnew approach to revolutionizing education in America and bringing us into a competitive scheme for the next century. We are going to again be the leaders in education, and your Governor has been in the forefront of that change. And I am very, very proud that Carroll Campbell will serve as the National co-chairman of my campaign, and once again, he's handling a lot of duties as the Southern regional chairman.

Good morning to the other members on the dais here, Chuck Newman, Mike McMichael, and Dottie Lafitte-Woolston. America still remembers your strength, the strength and resilience shown by South Carolina during Hurricane Hugo. I promise not to be quite that windy today. [Laughter] It's great to be back in this State where political victory is in the air. And then it'll be on to

the fall where already there's a battle shaping up. Both sides will go on the offensive and all out. And in the end, there will only be one winner. And I don't know if it'll be the Gamecocks or the Tigers, but you can bet there's a battle. *[Laughter]*

We were riding in from the airport here, I saw a guy with a Tigers T-shirt on. So I picked up the loudspeaker from the car there and said, "Go Clemson!" Carroll said, "Say Gamecocks! Say Gamecocks!" *[Laughter]* And so—never forgets the politics.

And I'm going to ask everybody what today I ask of you: Help me—what we've started—help me move our country forward. Help me win the Presidency for 4 more years. And I ask your support for the simplest reason. I believe we believe in the same things: jobs, family, peace, world peace, the important things. And we know that taxes are too high because our Government is too big and spends too much. And we believe in faith and family, responsibility and respect, community and country, a strong defense and a strong economy. And we know that we put America first when we put America's families first.

So often politicians do the easy things, the popular things. But it is the tough things that tell you something about character and honor and leadership. Anyone can demagog, but the Presidents must make decisions. And so, let me tell you what has guided me as I've tried to do for America what is right and true.

I learned, and I expect we all did, I learned a great deal when I was young from the greatest teachers I ever had, and that was my parents. And at church and in dinner and in political talks with my mom and my dad, I learned that life means nothing without fidelity to principles. It's what I believed as a Navy pilot in World War II, as a businessman, and now as your President. It's why, for example, I've vetoed 26 bills, standing up against the Democratic Congress. And I'm proud to say not one single one of them was overridden. Sometimes you have to make the tough call.

Some of them were popular, but all, in my view, were ill-advised. And the Presidency is not a popularity contest. I think you elect a President to say what America needs to hear, even when it's not what people want

to hear. In the campaign you hear all kinds of quick fixes, all kinds of political rhetoric, but a President must make decisions and lead.

And Carroll Campbell knows exactly what I'm talking about. And so does that great favorite son of South Carolina, Strom Thurmond. Like me, they believe in these eternal truths that don't change. And so did another South Carolinian, a good man from Columbia, Lee Atwater, my dear friend.

All of us know how values guide each of us every day of every year. It's true in your families; it's true in mine. It's these things that have helped bring America to a new world, a new era in our history. Carroll touched on it.

We've got a lot to be grateful for. The cold war is over, and America won. The Soviet Union collapsed, and imperial communism is a four-letter word, D-E-A-D, dead. I salute my predecessor, Ronald Reagan. American leadership changed the world. Republican leadership will change America.

We believe that parents, not the Government, should make the decisions that matter in life. Parents, not Government, should choose their children's schools. I believe in school choice. And parents, not the Government, should choose who cares for their children. Parents know better than some bureaucrat in Washington, DC, and that's why we fought for a child care bill that has choice as its fundamental practice. And yes, I still believe that there is a place for voluntary prayer in our children's classrooms. And when things aren't right, we've got to change them.

We've got to reform America's health care system. And right now the quality, the quality of American health care, is the best in the entire world, bar none. And the problem? The problem is access to care. Too many Americans, many with families, do not have health insurance coverage. And you know how even a short stay in the hospital can rip a hole right through a family's budget.

But socialized medicine is not the answer. If we wanted long lines and revolving-door health care, we'd put doctors to work down at the department of motor vehicles. You can go there every single day and get those long lines and revolving people coming in and out

of there. Nationalized health care would be a national disaster, it really would. And the last thing we want is the Government playing doctor. We've got to reform, and so our program says make insurance accessible to all, rich and poor alike. And that's the program that we need to bring health care to those who don't have it adequately now in our country.

And we've got to reform our country's legal system. The home of the free has become the land of the lawsuit. When you're as likely to serve your neighbor a subpoena as a cup of coffee, something is wrong. Medical malpractice suits, they've become an epidemic worse than many of the diseases. And we've got to turn this mess around, and we need to spend more time helping one another than suing one another. And that's why we've sent up there to the Capitol Hill a reform bill, a major reform bill to curtail needless lawsuits and give people easier ways to solve disputes out of court. Your industry depends on partnership. And if you'll join hands with me to pass legal reform, we can get this country moving in the right direction.

And we've got to reform our welfare system, make a connection between welfare and work. And yes, we're a compassionate country. We care. Americans care. And they will support welfare for families in need. But Americans want to see government at every level work together to track down the deadbeat dads, the ones who can't be bothered to pay child support. They want to see us somehow break this cycle, this pessimistic cycle of dependency that destroys dignity and passes down poverty from one generation to another generation, and then to another generation. That's wrong. That's cruel. And we're working to change it right now. We're encouraging the States to innovate with workfare, with plans that help people break welfare dependency and begin learning, begin learning work skills.

This brings me, then, to what I'm sure we would all agree is the number one issue: the economy and how we change it. We must help people worried about providing for their families, meeting the challenges of paying the bills and providing a home and setting aside for retirement.

So, let me take a page from Richard Sendler's book and tell it like it is. My program will put America back to work. My State of the Union Message put forth a two-part plan that will get our economy running the way Richard Petty likes to move. My plan says: U.S. economy, start your engines. And when we carry out this plan, it's going to carry our competitive American workers and businesses all the way to the victory lane.

The first part of the plan, some of you are familiar with it, aims to get business growing right now. I want an investment tax allowance, speed up depreciation. I want Congress to quit punishing people who create jobs, and thus, I want to see a cut on the capital gains tax and get this country back to work.

And then there's the proposal that can help get the housing market going again. I'm feeling better about it, but it needs this: a \$5,000 tax credit for first-time homebuyers, money that will help people buy a first home. And here's what that credit, that \$5,000 credit will mean to South Carolina: 3,400 housing starts, 6,600 jobs. And if Congress passes my plan, the National Association of Home Builders predicts 415,000 new construction industry jobs and \$20 billion, \$20 billion in new economy activity across America.

My plan will help people like the Greater Columbia Home Builders sell and build homes. And for the family looking to buy that first home, that \$5,000 credit means 8 months of mortgage payments on the average South Carolina home. I wish Congress, if they don't do anything else, I wish they would lay aside the politics of tax-and-spend and give that one break to the American economy and watch homebuilding lead out of this slow economic time.

Sadly, the liberal crowd that controls Congress doesn't seem to understand the things that matter to you: your home, your business, taking care of your kids. And otherwise last week's House Democrats wouldn't have passed a bill which reminds me of the old joke: It'll make builders sleep like babies. They'll wake up every hour and cry. [Laughter]

Listen to the deal: twenty-five cents a day in temporary tax relief for 2 years, paid for by a large permanent tax increase. Over in the Senate, the bill the Democrats are work-

ing on is not much better than the one in the House. And its centerpiece is, yes, you guessed it, a huge tax increase. And the last thing our economy needs now is a \$100 billion tax hike.

We drew a line in the sand in the Persian Gulf, and we kept our words. And I'm going to draw another line in the sand right now. If the Democrats send me a monstrosity like the House bill, I will veto that bill the minute it hits my desk and send it right back to those people on Capitol Hill.

Our plan has two parts. And I also call on Congress to pass the second part of our economic plan, now. I stressed this in the State of the Union, short-term, quick, done by March 20th; and a longer term, but I want it passed now. Things like education reform, support for enhanced research and development so we'll be competitive in the years ahead, a \$500 tax deduction to strengthen the family, for each child.

We must make America more competitive in the 21st century, helping us lead economically abroad so that we can succeed economically at home. And some, of course, don't want us to lead. They want to build a fence around America. Tell that to South Carolina. Here are an estimated 125,000 trade-related jobs. And by closing our borders as my opponents would, we'd put those people out of work. And the U.S. trying to build prosperity by turning its back on the world is like your trying to build prosperity without hammers and nails. Call it protectionism or isolationism, both mean surrender. And look closely. That is not the American flag they're waving; it's the white flag of surrender. And that is not the America that you or I know. We are going to stay engaged. We are going to sell abroad.

And of course, the playing field has to be level. Fair trade is the priority. My fight to open trade markets is paying off for America's farmers and manufacturers. Our overall trade imbalance is down. Still got a ways to go. Still need more access to foreign markets. But look at these figures. In 1988, the trade deficit stood at \$119 billion. Today, it's dropped to \$66 billion, a 44-percent drop. And I will continue to fight hard to open up markets for our exports all around the

world. And that's the way to fight for South Carolina jobs and for South Carolina families.

Recently, Barbara and I saw a movie based on a book in South Carolina. I'm sure many of you saw it, "The Prince of Tides," where the author writes, "the southern way of the spirit." The southern way of the spirit, to me, the southern spirit is optimistic. It is confident. It is so clearly patriotic. And you never run this country down. You don't believe in the politics of hate, either. And I think you'd agree that sometimes it's important to talk a little about what is right in America, and there is plenty to talk about.

Let's talk for just a minute about the bravest and best young men and women in America, the volunteer guardsmen and reservists, the volunteer soldiers, sailors, and airmen who answered the call in Desert Storm. South Carolina's young men and women answered that call by the thousands. Their service told America and the world never will America tuck tail and let aggression stand. And we'll do what's right and good. And when we do so, we will prevail.

Now, of course, there were those who didn't support us then. And there are those who second-guess us now. But not you. When our kids laid it all on the line, those brave young men and women laid it all on the line, the people of South Carolina never wavered. And again, I want to thank South Carolinians for showing America at its best. The country came together in victory. And that spirit of optimism, that can-do spirit, must be our spirit as we lead this country out of the economic doldrums and into a prosperity, the likes of which we never would have seen.

And now in our fight to change America, we still have much to do. But I am absolutely confident we'll get the job done. And yes, we have challenges before us. But I guarantee you we'll meet them head on, each and every one. And yes, there's a big election here on Saturday. And I don't like to see this many people gathered together without mentioning it. [Laughter] And there's another one in November. And I don't want to come across as arrogant, but I believe I'm going to win. I believe I'm going to win the election on Saturday. I believe I'm going to win the election in the fall.

And I ask for your support to help keep our Party strong and united. I want to be your President for 4 more years. I will try my level best to continue to lead this country with honor, with decency, with respect for the principles that all of us hold dear.

Barbara and I are very, very privileged, and we know it. Every single day we live in that White House we know that we are amongst the most privileged in the world to be able to serve in this way. I'm going to continue to try my hardest. I'm going to continue to do my level best for the people of this country. I ask for your support.

Thank you, and may God bless the greatest country on the face of the Earth. Thank you very much.

[At this point, Richard Sandler presented the President with an oversize hammer.]

Thank you all very, very much. I'll take this and flee and bring it to bear next week on the Congress. Thanks a lot.

Note: The President spoke at 10:37 a.m. at South Carolina State Fair Grounds. In his remarks, he referred to Richard Sandler, president of the South Carolina Home Builders Association; Charles Newman, first vice president of the Home Builders Association of Greater Columbia; Mike McMichael, president of the Home Builders Association of South Carolina; and Dottie Lafitte-Woolston, BUILD-PAC trustee.

Remarks Upon Departure From Columbia, South Carolina

March 5, 1992

Hey, listen, let me just ask you now to go out and be sure to vote on Saturday and send the rest of the Super Tuesday States a strong message: I want to be your President for 4 more years. So give me that vote. And thanks for your fantastic support, and don't let all the doomsayers get you down. I love this South Carolina optimism, the South Carolina pride, the South Carolina patriotism.

So thanks for this warm welcome. Now we're off to Tennessee, Oklahoma, Mississippi, Louisiana, and then we're going to

get back for a great big Super Tuesday. But show them what we can do on Saturday. And thank you for this great Governor at my side. Thank you all.

Note: The President spoke at 1:10 p.m. at Columbia Metropolitan Airport. In his remarks, he referred to Governor Carroll Campbell. A tape was not available for verification of the content of these remarks.

Remarks to Federal Express Employees in Memphis, Tennessee

March 5, 1992

Thank you so very much. Thank you so much for that enthusiastic welcome. And thank you to my friend, Howard Baker, one of the great leaders in the United States Senate in all of its history. Thank you for the introduction, Howard. And may I salute Congressman Don Sundquist, who has been at my side in the political wars, a good friend, a great Congressman. And I'm delighted to be here at Federal Express, 1990 Malcolm Baldrige Quality Award winner, a national winner.

My staff told me they weren't sure they could fit this stop in our schedule. But when I said it was a "Fred said," I knew we had to do it and fast. Fred, thank you. You know, Fred Smith has always been very, very generous. And Fred, it's good to know that if Air Force One ever has a problem, I can always ride in the jump seat. And I hope I don't forget the cookies. And you know what that means.

The people of Memphis, indeed, all Americans, face a momentous decision this year. And I would never presume to tell you how to vote; it must be between you and your conscience: Which Elvis should be on the postage stamp? I noticed the sign.

And, really, it is a delight to be in this State because the people of Tennessee believe in big things, and we agree on the values that are closest to our hearts. And I'm talking about job security. I'm talking about family. I'm talking about world peace for us and our children and for our families for generations to come.

Commander Grabe. The question was, how do we feel in space?

The President. Yes.

Commander Grabe. Well, in space it takes a little bit of time to get used to it. When you first get up, you might feel just the slightest bit queasy or so. But by about today—this is our third day in space—we're beginning to adapt pretty well. I think you can see we all feel pretty comfortable up here. So after you get over the initial adjustment, you can live in space quite well and do things that you do on Earth.

The President. I have a rather technical question. What happens if you get the flu in space? [Laughter]

Commander Grabe. Some of the older astronauts—same enthusiasm a kid has, has got to be a great experience. And I feel like I'm about 12.

Q. What planets have you seen?

The President. What planets have you seen?

Commander Grabe. Well, of course, we've got the world's greatest view of our world. But on some of our night passes we can see Saturn and Jupiter and Mars and Venus. It's really spectacular up here. Hope we can go to Mars here one of these days.

The President. Well, we're going to keep trying to get this program geared up to do just that. And maybe, just maybe, Colonel, one of these kids here today will be a part of that. Maybe sooner, maybe later. But I'll bet one of them will be a part of that mission.

But listen, I'm told we've got to run on. I've got a lot of eager questioners, but unfortunately, I guess we don't have the time. But we certainly want to wish you well. Your fellow astronauts are standing here quietly in the shadows, and I know that they are wishing you well for a successful conclusion of this productive journey.

You have our blessings and our support, and keep up the fine work. You're on the cutting edge, and you're setting a great example for the rest of our country, the rest of the world. Congratulations, and thanks for taking the time out.

Note: The President spoke at 3 p.m. in Room 450 of the Old Executive Office Building.

Teleconference With the National Association of Home Builders

January 24, 1992

The President. Thank you so much. And, Mark, thank you for those very kind words. And I wish I were there in person, but from a distance, hello to Roger Glunt and Tommy Thompson and Martin Perlman and Kent Colton; Jay Buchert, your incoming president; and to all of you celebrating the golden anniversary of the National Association of Home Builders.

I heard via the grapevine that we were promised a daytime fireworks display. So I will give this my very best shot, and after Mark's enthusiastic endorsement there—welcome there, I must say I've got a tough job to fulfill here.

First, though, Barbara and I wanted to remind you that we're doing our part for homebuilding and remodeling, thanks to a little rough weather back in Kennebunkport, Maine. So we want to be a part of this rebuilding. But there's been more than a little rough weather in your industry. I heard what you said there, Mark, and I've heard it for a long time.

Back in December, I met with Mark and Kent at the White House. And to you members there, let me just say we talked about the tough times you've experienced. These men were both very articulate. We agreed on the need for strong action to get this economy moving again.

The housing industry has been hit hard. And you've been pinched by the credit crunch, hurt by first-time homebuyers forced by economic circumstances to defer their shot at the American dream and homeowners who have watched their equity erode.

On the credit front, we've been working hard to get the message out to lending institutions and the regulatory community that sound banks make sound loans. And I am also pleased to see interest rates down lower than they've been since the late seventies.

There's a pent-up demand for new housing that promises a strong comeback, one that will bring homebuyers back into the market and have homebuilders working overtime. But no issue right now matters more than the state of our economy. Next Tuesday, I'm

going to take my economic action plan to the American people in the State of the Union message. And without tipping my hand today, I can say that some of the reforms that I want to see are geared specifically to get the housing market back on its feet.

I pledged as President that we'd see an increase of one million in the number of new American homeowners, and I'm proud to say we've reached that goal. And I'm convinced our housing initiatives will help even more Americans reach their dream.

One way we'll succeed is by breaking down the barriers to affordable housing. Jay and Roger served on my Advisory Commission on Regulatory Barriers. Many of the recommendations in what the Commission called the NIMBY report, Not In My Backyard, have been built into the 1993 budget. I'll be calling for prompt action by the Congress, because it's even more urgent we get these critical reforms through Congress now.

So count on it. I'm going to hit the line again, push hard to turn solid proposals into policy. And I hope I can count on your strong support to help me get the job done.

As for the rest of this, my progrowth plan, you've got to stay tuned for Tuesday. But I can say right now, by way of a coming attraction, that any growth package worth the name should pass the following five tests: First, it must stimulate the investment necessary to create jobs. Second—and this points up the vital importance of your industry—it must bolster real estate values and increase home sales. And third, it must give Americans confidence that the cost of health care, providing for their kids' education, and raising a family will be affordable. And fourth, it must increase America's capacity to compete in the global economy. And then fifth and finally, it must control wasteful Government spending and bring the Federal deficit under control.

So, please listen, and please hear me out in the State of the Union. I will avoid—and I'll be frank about this one—the quick political fixes that cause the deficit to skyrocket and cause long-term interest rates to go right through the roof. I'm confident that we have a sound plan, the best plan, to get this economy growing again. And I am absolutely certain that we will get this economy turned

around. I plan to do what Mark says: Take that same leadership we used in Desert Storm, bring this country together, and get the job done.

And I am sure that once again it is your industry, it is the housing industry that will lead the way to a strong and steady recovery.

So, good luck to you all. We've listened to your leaders. We appreciate the support from so many people there. And I am going to do my level-best to lead this country to a vigorous recovery. Now, I guess I'd better stop there and be glad to take some questions. And thanks for your hospitality.

Q. Thank you, Mr. President. You are a "take charge" kind of President, and you have been a tremendous asset to this country and the world. We, the homebuilders, support you continuously. Your remarks are excellent, and we are ready for you to take charge in this State of the Union. And we're going to go hand-in-hand down the path with you to try to get your programs implemented. We think it very, very important that housing leads this economy back to the great state that it was before. And we think that together we can do this.

The question I have, Mr. President, is: NAHB has suggested a number of proposals to stimulate housing-led economic recovery, including a tax credit and use of IRA's for first-time homebuyers and reinstatement of passive losses and capital gains tax. Is there any hope that any of these will be included in your State of the Union?

The President. Hey, listen, I will not be betraying any secrets to say that the answer to that question is a resounding affirmative. I hope you'll let me off the hook if I don't respond to each and every one of those points, but I think you're going to be happy with the message in that regard.

You have known, and I don't say this as targeting what I'm going to say, but you've known of my commitment to capital gains. I've been hit, as you know, for a capital gains tax cut as a tax cut for the rich. It isn't any such thing. And families benefit. I'm worried, Barbara's worried, about the decline in the American family. One thing that strengthened it is owning their own home. One thing that puts some value under a person's home is a capital gains differential. And so I am

committed on that one, and you can bet that that's going to be there.

The others—I think you'll be happy; I'd like to stop right there. But the reason I give you encouragement, without going into which I will accept and can propose and won't propose, is that these initiatives that you've talked about here—it's not a quick fix; it's not something that's going to just spread money around in a political year. They will stimulate investment. And that's what—there's a crying need for investment in savings in this country. And let me just say philosophically, I feel very comfortable with those initiatives that you have outlined there. But you'll have to excuse me if I don't give away absolutely everything that's going to be in this message.

Q. Mr. President, you talked just a moment ago about the credit crunch, and we truly appreciate your personal work on behalf of the credit crunch and all of the work that has been done in that area.

In the meetings I've attended in the last couple of days here with all of the builders that have gathered, we're now confident that the economic stimulus package will contain provisions to let housing lead this economy forward.

I think the big concern here is: Will the credit be available for the builders to then build those homes? And the feedback we're getting from the builders here today, Mr. President, is that despite our combined efforts, you working hard, your administration working hard, and us working hard, the banks and examiners still aren't getting the message out according to the builders.

Is there anything that can be done more, Mr. President? Is there anything else we can do to get this message out? Our fear is that without it, we're not going to see an economic recovery. And as you said so well, sound banks should make sound loans now.

The President. I would welcome suggestions from you all after your meetings finish as to what in addition we might do.

Let me say this. First place, I think the regulators do have some responsibility. I think everyone would agree that we got into kind of a go-go period of excess over the past few years and some loans were made that should have been questioned at the time and

that weren't. And we're paying an enormous price. I might say that I take some pride that not one single depositor has lost money, but it's taken an awful lot of money to bail out some questionable loans.

What I'm about to say, I am not suggesting that the Government does not have some obligation in our regulatory authorities for the soundness of the banking system and the S&L system. I frankly think that there has been an overreaction. And we have gotten the Treasury to bring in to Baltimore the other day well in excess of 500 regulators, and tell them that what we're looking for is balance. What we're looking for is certainly not to go down the path that we went down before, but to stop impeding progress and kind of putting a damper on this concept that good banks should make good loans.

We have sent out bulletin after bulletin to the regulating community out there. I have convened meetings with the Chairman of the Fed, Bill Taylor; others from the various agencies; the Office of Thrift Supervision, saying let's find a reasoned approach.

Frankly, I think the pendulum has swung at times too far over in terms of dampening the enthusiasm that these lending institutions sometimes should have, and that they're almost afraid in some areas to make loans. So, I hope that the programs we have in effect of trying to work for the balance is good.

I'll be honest with you, we are encountering some resistance. The Office of the Comptroller head was held up because they thought he was lightening up on the regulatory burden by a couple of Senators who leaned over too far the other way in favor of labeling what we were doing as forbearance. In their view, that meant too little regulation. I've got to do a better job with Congress, getting them to understand that the excesses of regulation are bad.

On a fundamental point, I am firmly—I am of the conviction that the lower interest rates have things ready now for a good recovery. At some point those interest rates definitely will translate into a much better situation for the homebuyer, for the developer. And some of that hasn't taken place because of what you're talking about. I think banks have taken the difference now and tried to strengthen their balance sheets. They're get-

ting stronger, and I think that's probably a good thing.

So, we will continue to struggle against this concept of overregulation. Some report to me arrogance on the part of some regulators, and we're trying very hard to sensitize these people. We will continue to work hard for a financial reform package that is long overdue. We've got to bring these banks and lending institutions, through a change in the law, back up now to 1992 and not have it back in the 1930's somewhere.

We got stiffed by Congress on trying to get that banking reform bill through. And I'm going to try again on that one. I think that will help your industry very much.

And again, the third point, less regulation, banking reform, financial reform, and then, of course, this whole concept of interest rates and inflation being down, setting the base for a sound recovery for this country.

And I don't want to be accused of being too optimistic because there are still some very, very troubling signs around. But I believe that these things I've mentioned here will inevitably contribute to an upturn in this economy and an upturn in this industry that is absolutely essential. I believe that homebuilding will lead the recovery. It's not going to be a lagging industry. It will be a lead industry. I believe the ingredients are there. And I hope that the proposals I make in the State of the Union will guarantee, if I can get them through Congress, will guarantee the recovery will be right around the corner and not way down the road.

Thank you again. And if there's another one, fine. Otherwise, I'll let you go back to work. But send the suggestions; if you have specifics send them along, Jay.

Q. Thank you, Mr. President, for taking time out of your busy schedule. Ladies and gentlemen, let's give the President of the United States a great thank you.

The President. Good luck to you all.

Note: The President spoke at 3:34 p.m. via satellite from Room 459 of the Old Executive Office Building to the National Association of Home Builders annual convention and exposition in Las Vegas, NV. In his remarks,

he referred to the following officers of the association: Mark E. Tipton, immediate past president; Roger Glunt, first vice president; Tommy Thompson, vice president and treasurer; Martin Perlman, a past president; Kent Colton, executive vice president; and Jay Buchert, president.

Statement by Press Secretary Fitzwater on the Appointment of W. Henson Moore as Deputy Chief of Staff to the President

January 24, 1992

The President intends to appoint W. Henson Moore, of Louisiana, as Deputy Chief of Staff to the President. Mr. Moore, 52, currently serves as Deputy Secretary of Energy, a position he has held since 1989. As Deputy Chief of Staff in the White House, Mr. Moore will assist Chief of Staff Samuel Skinner in directing the day-to-day operations of the White House staff.

Mr. Moore has served as a Member of the U.S. House of Representatives from the Sixth Congressional District in Louisiana, 1975-1987. He has served on the Energy and Commerce Committee, Ways and Means Committee, and the Budget Committee and has worked extensively in both energy and tax policy. Mr. Moore has also been a partner with the law firm of Sutherland, Asbill and Brennan, an Atlanta/Washington based firm, since January 1987. He was also a Republican candidate for U.S. Senate in 1986. Between 1987 and 1988, he also served as one of three American Commissioners of a Panama Canal Consultative Committee created by the Panama Canal Treaty.

Mr. Moore graduated from Louisiana State University (B.A., 1961; M.A., 1973) and Louisiana State University Law School (J.D., 1965). He served in the United States Army, 1965-1967. He was born October 4, 1939, in Lake Charles, LA. He is married to the former Carolyn Ann Cherry of Franklin, LA, and has three children.

Remarks at the Annual Convention of the National Association of Home Builders in Atlanta, Georgia January 19, 1990

Well, thank you, Shirley, Florida's gift to the Home Builders and trusted adviser to this President. I'm delighted to be with you. I'm delighted to see a fellow Houstonian—your next president, your incoming president. Marty, good luck to you in the travails ahead. I wish you the very best. And to other VP's here—Mark Tipton and Jay Buchert and Kent Colton and Bob Bannister—delighted to be with all of you. And, Patsy, what a job you've done on this convention. Thank you for including me in it.

It's great to see you. It hasn't been so long, has it, since that last meeting that Shirley referred to, in November. And of course, we have with us several other distinguished guests. Congressman Newt Gingrich is here, and Chalmers Wiley, so active in the housing business. [Representative] Steve Bartlett is over here, a fellow Texan. Kit Bond, Senator Bond—great leaders in the Senate—Senator Wyche Fowler flew down with me on Air Force One. So, you have a very distinguished congressional delegation here, and I expect I'm missing somebody.

Also with me on the plane—and doesn't have that much to do with housing, but he's here and I'm very proud of him—is Secretary Manuel Lujan, the Secretary of the Interior, who came with me—over here someplace—whoops, where is—there he is on the end—and other members of what I think is an outstanding Cabinet. And of course, I'd be remiss if I didn't single out an old friend of mine—one fatal flaw, he's a Democrat—[laughter]—but one old friend of mine, and that is Atlanta's old and yet new mayor, my friend—and I mean that—Maynard Jackson and his family are here with us today, too. So, Maynard, we wish you all the best in the job ahead.

And what a treat it is to be back in Atlanta. In fact, I believe that it was in this very hall about a year and a half ago that the party opposite from mine held their 1988 convention. And of course, I have fond memories of that convention. It gave me a

very good excuse to go fishing in Wyoming with [Secretary of State] Jim Baker. [Laughter] And the question was appropriately raised, "Where was George?" Albeit a year and half later, I'm proud to say, "Here I am," proud to be with the Home Builders. Isn't it great to live in a country with no limits? Who would have thought that I would put my silver foot in the same place where Ann Richards talked? [Laughter]

In any event, it is great to be back among the Home Builders of America. I really hope you all appreciate one thing—it's not every day that this association gets to hear from one who actually lives in public housing. [Laughter] And let me say parenthetically, I'm very sorry that my favorite Silver Fox is not with me. She's doing literacy work in Florida. But I might add, I am very proud of Barbara Bush, and I wish she were with me here today.

You see, before we moved to the White House, Barbara and I were a home builder's and, yes, a realtor's dream. We lived in 28 places in 45 years. And yet in a real sense, wherever we lived—whether it was in Houston, Washington, New York, or China—our family had one true home that we took with us wherever we went.

I remember the first place Barbara and I lived in, when our son George was just a baby—a tiny, ramshackle shotgun house in the oil town of Odessa, Texas. It had a makeshift partition down the middle that cut the house into two apartments, leaving us with a small kitchen and a shared bathroom, an old water-drip window unit—you remember those cooler units they used to use out there—cranked up like a west Texas dust storm still couldn't drown out the noise of the all-night parties next door.

But that first house that Barbara and I lived in couldn't compare to those new "smart houses" that you in the NAHB are building. We were fortunate that the wiring even worked, while today you're putting telephone, television, and power together on one master cable, linked to a computer.

It is remarkable with American ingenuity.

Yet despite it all, a home is a place in for our neighbors, a shack was home. And worry how many cause they can't have home even half as that we lived in. The costs of housing the life of America's comes to housing society of haves and your association, with principle and is doing

The fact is that half the cost of the American dream, escalating. Young low- and moderate married people future—and man priced out of the new homes. To people can afford private sector market. I've asked my ally of HUD, Jack K. doing for housing vene a blue ribbon these barriers to construction and to how to eliminate

And while I'm thing off my chest around this country planting of trees myself—half of in these same suburbs that are. Ironic, since there will be to plant. Ironic also because, I respectfully businessman that might be a shock for business, environment.

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It is remarkable what free enterprise and American ingenuity can do.

Yet despite it all, Lord Byron was right—a home is a place in the heart. I can't speak for our neighbors, but for us that little tiny shack was home. And I have to wonder and worry how many families break apart because they can't afford to buy or rent a home even half as decent as that first place that we lived in. We cannot allow the high costs of housing to suffocate the financial life of America's young people. When it comes to housing, this must not become a society of haves and have-nots. And I salute your association, who understands that principle and is doing something about it.

The fact is that for the last decade and a half the cost of new homes—the cost of the American dream, if you will—has been escalating. Young couples just starting out, low- and moderate-income Americans, unmarried people trying to invest in the future—and many are finding themselves priced out of the home market, especially new homes. To create decent housing that people can afford, the Government and the private sector must cut some redtape. So, I've asked my able, distinguished Secretary of HUD, Jack Kemp—and what a job he is doing for housing in this country—to convene a blue ribbon commission to identify these barriers to affordable housing construction and to make recommendations on how to eliminate them.

And while I'm at it, let me just get something off my chest. As you know, as I travel around this country, I've encouraged the planting of trees, and even planted a few myself—half of which lived. [Laughter] But in these same travels, I see so many new suburbs that are utterly denuded of trees. Ironical, since the new owner's first instinct will be to plant as many trees as possible. Ironical also because trees clean out air. And so, I respectfully suggest as a former businessman that leaving the original trees might be a shrewd sales strategy. It's good for business, and it is very good for the environment.

But the truth is, there's one housing policy and one sales strategy that's better than all the others combined, and of course, I'm talking about a healthy, growing economy with low, long-term interest rates. This

first month of the 1990's marks the 86th month of economic growth in America. And as Shirley says, it was housing that paved the way to the longest peacetime recovery in modern history. You built nearly 10 million single-family homes in the eighties and nearly 5 million multifamily units. And by working together, the housing industry will keep this country going strong in the nineties.

Now, you understand that the engine of homeownership in America is the private enterprise system. And by helping those entrepreneurs and risktakers, more Americans will have access to the dream of homeownership and decent housing. But to keep America moving—keep it moving—we will need the cooperation of Congress. And I can think of one simple action that Congress can take to give this economic expansion a boost. It has already been debated; it has already won the support of the majority of the Members in the House, the majority of the Members in the Senate. And what we need now is a simple up-or-down vote to cut the tax on capital gains.

Some call such a cut a favor for the rich, and they should know better. They should know what you know—that a capital gains tax cut favors economic growth, jobs, and opportunity for working America. It favors every American who makes a living day after day, brick by brick, hammer on nail; and it helps those get jobs—those who do not have jobs now. A capital gains tax cut will help every American who holds a job or owns a home. And so, I call on the Democrat leaders of Congress to give the American people a break and to let the House and Senate work their will by having an up-or-down vote on the capital gains tax cut—and do it soon after the Congress comes back.

Also vital to the home buyer and the home builder alike are low and stable rates of interest. A 1-percent increase in the rate of interest knocks millions of families out of the market. In the last few years, millions of families could afford a new home because mortgage interest rates have dropped from 18 percent in the early eighties to less than 10 percent today. But I want to see them come down even more. I am not satisfied at

10 percent.

The 1990's must be another decade of lower taxes and lower interest rates; but to have a stable economy, it must also be a decade in which Washington at long last adopts fiscal policies as sound as those of the average American household. None of us is allowed to spend our bonus before we earn it, nor should Congress start planning where to spend a possible peace dividend. To the extent that the world events allows us to cut defense spending, then we should recognize that cutting the Federal budget deficit would be a true dividend for America's taxpayers and our children's future. We must get that deficit down.

And too often we forget, Congress forgets, that every house is the handiwork of an architect, a surveyor, a mason, a plumber, a carpenter, painter—dozens of other working men and women. And if Congress levies new burdens on our economy, it's these very people who will be put out of work. But of course, even if we do cut the capital gains tax, and even if we do keep interest rates low and get them lower, and even if we do protect the economy, this is cold comfort for those Americans who languish in the projects—or the thousands of others who know no shelter at all. These Americans need help. They need hope. And so, that's just what I call our program that Jack and I are working on together: **HOPE**. It stands for Homeownership and Opportunity for People Everywhere. Our program addresses the full range of housing concerns—from shelter, the homeless, to affordable housing for low-income families, to greater access to jobs.

Let's start with what HOPE can do for first-time home buyers. It's time Congress let Americans use their IRA savings to get into that first house.

And then—God bless them—there are those who must live in the poverty and fear of public housing. They're disproportionately minority Americans. And they suffer abuse from drug-dealing predators within, and the last thing they need is abuse from without. One of the first and, I think, very best things that Jack Kemp did when he came into office was to change HUD procedures so the drug dealers can be kicked out of public housing. We owe that to those

people living in these public dwellings.

And concerning abuse from without, let me say just one thing: Atlanta is a great and cheerful city. It has proudly risen from the ashes of a distant past. And so, for those who plan to revel in a rally of hate here tomorrow, let them know this: Atlantans, like all Americans, turn their backs on bigots.

To escape violence and crime, to live in decent housing, our public housing tenants must first be empowered, empowered to choose where they want to live, empowered by housing vouchers. Low-income families don't need us to build new public-housing horrors, these edifices. They need decent low-income housing. And that's why **I call on the Congress to extend the low-income housing tax credit.**

Earlier I discussed my capital gains cut proposal, but even this cut would not be enough for America's impoverished inner cities, often as desolate and as shattered as a war zone. No, for these communities, we've got to go one step further and eliminate the capital gains tax all together within these enterprise zones, because this surely will attract more investment and jobs and encourage more development in these areas.

There is something perverse about discriminatory lending practices that have kept the FHA out of the very places that need the most help. And so, my administration will ensure that FHA is true to its first mission: to make housing affordable for low- and moderate-income families. It's wrong to draw a red line around the inner city—it's not right or fair. And we're going to replace the red line with a green line of opportunity and jobs for the future.

The centerpiece of HOPE is to let all Americans live in dignity and control their destiny. And dignity is exactly what resident management projects allow. Tenant management and tenant ownership is not just an experiment, it's the future. But even more is needed. We're all going to have to work in a partnership to solve the problems of the helpless and the homeless. My administration is going to do its part by expanding homeless assistance. Late last year I signed a bill that boosts funding under the McKinney Act to reduce homelessness. Our

HOPE proposal services for the Kemp, I know other steps we

You're doing building and homeless, for troubled children you're working the unskilled, them for life and maintenance you on this corner of Light—one have a better life

But our payment: that conferred to that Light. I could taking note of part-time car provided shelter city. And of former President Carter. They the people [Applause]

And he with the applause a woman named homeless mother degree and worker in a shelter when the father shelter into

Statement
Wetlands
January 1

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HOPE proposals will tie shelter with basic services for those in need. And Secretary Kemp, I know, will tell you later of the other steps we're taking.

You're doing your part. You certainly are, building and renovating shelters for the homeless, for battered women, for these troubled children and retarded adults. And you're working with the Job Corps, taking the unskilled, the out of work, and training them for lifetime careers in construction and maintenance. And again, I congratulate you on this commitment. What better Point of Light—one American helping another have a better life.

But our partnership needs a third element: that constellation of volunteers I referred to that I call the Thousand Points of Light. I couldn't come to Atlanta without taking note of one such Point of Light: a part-time carpenter and his wife, who have provided shelter for so many in this very city. And of course, I'm talking about the former President, Jimmy, and Rosalynn Carter. They deserve our thanks, as do all the people behind Habitat for Humanity. [Applause]

And he was President, and he deserves the applause you've given him. And so does a woman named Ella McCall. Ella, once a homeless mother—now she has her master's degree and serves the homeless as a social worker in a shelter in Washington, DC. And when the family strives to move out of a shelter into a home, they need her, they

need Ella. When a homeless mother wanders lost with her children in tow, she needs Ella. And when I look out of the south window of the White House at dusk and see the distant figures of ragged men bedding down for the night, I pray to God that this country find more people like Ella McCall.

Your work in job training, Jack Kemp's work in tenant management and ownership, Ella McCall's work with the homeless—all of this ultimately saves the taxpayers money. But this isn't about money, it's about caring. And if it takes love to make a house a home, then perhaps the same could be said of a country. For the poorest among us, America must not just be a place to live in but a home for all.

Thank you. God bless you, and God bless the United States of America. Thank you very, very much.

Note: The President spoke at 11:45 a.m. in the Omni Coliseum. In his opening remarks, he referred to the following association officers: Shirley McVay Wiseman, president; Martin Perlman, incoming president; Mark E. Tipton, first vice president; Robert J. Buchert, vice president and treasurer; Kent W. Colton, chief executive officer; and Robert D. Bannister, senior staff vice president for governmental affairs. The President also referred to Ann Richards, one of the keynote speakers at the 1989 Democratic National Convention.

Statement by Press Secretary Fitzwater on Development of Wetlands Conservation Policy

January 19, 1990

President Bush today visited the Everglades National Park to emphasize his commitment to achieving the goal of no net loss of wetlands. On December 13, he signed into law the Everglades National Park Protection and Expansion Act of 1989, which expands the park by over 100,000 acres. The President believes this type of environmental stewardship can coexist with economic growth and prosperity as we face the

challenge of protecting the Nation's wetlands.

At the President's direction, the Domestic Policy Council, which has created a task force on wetlands, is in the process of examining how best to implement the President's goal of no net loss. The Domestic Policy Council review is expected to lead to recommendations for revising Executive Order 11990, which was signed in 1977 and

To: Joe
Duggan

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Kent W. Colton, Ph.D.
Executive Vice President &
Chief Executive Officer

May 4, 1992

Ms. Molly Osborne
Office of Public Liaison
The White House
Washington, D.C. 20500

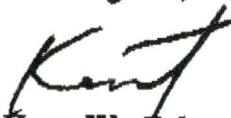
Dear Ms. Osborne:

As you requested when we met last week, we have identified a family who will be a recipient of a home from the builders in their Jacksonville, Florida community, whom the President could mention in his remarks and recognize in the audience on Monday, May 18. Attached is a copy of the article from the Builder News dated April, 1992.

I think you will agree after reading this article that this is a wonderful family to recognize! We would propose to fly them to Washington, D.C. on Sunday, May 17, invite them to the event and provide them with special guest seating. Please let me know as quickly as possible whether you want to proceed with this idea. We will not confirm any details with the family until we have your approval. Obviously, we need to know whether the President will mention them specifically in his remarks and then we can explain the event in more detail to them.

Thanks for all your help. I will be in touch with you early this week.

Best regards,


Kent W. Colton

KWC/mls
Attachment

Just in time for Mother's Day

Their American Dream will come true

A very happy mother and her family will soon realize the great American Dream - their very own home. And, if all goes well, it will be ready for occupancy by Mother's Day.

Angela and Gerald Williams will realize their dream next month, thanks to the Northeast Florida Builders Association, builder Glen Reynolds, and many other volunteers in the organization.

The project is being coordinated by Habitat for Humanity of Jacksonville, better known as HabiJax.

The Association will present the family with a four-bedroom, two-bath home in the McCoys Creek area.

"I am so thankful to get a home," said Angela, a 21-year-old mother of four. "We were living in a project on Gregory Drive, and my kids were scared because the drug problem was so bad in our neighborhood. We tried to get help in the project, but the police weren't really effec-

tive.

She has been very involved in planning her new home. She's a member of the HabiJax homeowners committee and has attended workshops on how to care for a home.

"I've learned how to change air conditioning filters, how to save energy in the winter and summer, and how to form a plan in case of fire," Mrs. Williams said. "We are grateful for all of this. It is a wonderful program, and I wish more people would have the opportunity we have."

Getting a home through



THEY'RE NOT DAYDREAMING ANYMORE - For helping to make their dream come true, Glen Reynolds is very happy about the home that he, the Association, and HabiJax will provide for Gerald and Angela Williams and their children, Murris, Charleese, Gerald and Latoya.

the HabiJax program requires the soon-to-be owners to contribute 400 hours of "sweat equity" to their own home,

another home, or combination of the two. Mrs. Williams said she thinks the requirement is well worth the experience.

"I have done everything from digging footers to hammering. Since dropping out of school, I have earned my GED and I plan to return to FCCJ to study nursing. Getting this home is a blessing we're very thankful for."

"This family, like many, many others, is in a situation where they would never be able to buy a home if not for our program," said Frank Barker, former president and now a board

member of HabiJax. "By providing this family with a home, they are going to move into a new environment where they can raise their children should be raised."

Since the program began in 1988, 30 houses around the city have been built and 25 new homes are scheduled for this year.

Amazingly, 19 of those homes went up in what the organization calls a "brainstorming week". Volunteers actually put up many of the houses within 24 to 48 hours.

"More than 100 volunteers will be involved in building the Williams' home," Barker said. "It will be completed within weeks."

"We got involved in this project through the Northeast Florida Builders Association because we wanted to assist in building low-income housing," said Dan West, director of sales and marketing for Custom Homes by Glen T. Reynolds, which is the general contractor for the Association home.

"It is very difficult for a first-time homebuyer to acquire a house anymore, especially low-income families. This is simply a program that allows folks like Glen and other builders to assist people who have not been as fortunate as them.

"It is helping them spread some of their good fortune around, and that is always nice to do in your own hometown."

To qualify for a HabiJax home, a family must be living in substandard housing, have lived in Duval County for three years, have good credit, have no criminal record, and make a \$500 down payment. The 15- and 20-year mortgages on the homes are interest-free and based on the family's income. Payments from the mortgages are used to cover the costs of materials for other homes.

"By helping these families, we are changing their standard of living, and that will not only help them today, but it will help them as long as they live," Barker said.

Barker praised NEFBA for their involvement and commitment to community service projects.

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NAHB Leadership Team add: Jim Irvine
Jay Buchert, etc. Roger Glant... [[Er-vine]]

David Crow 822-0383 (NAHB #s guy)

→ Housing starts since Jan. 1 → 264,000.
1st three months

\$5000 tax credit = 7 months

\$100,000
median home
90,000 mort. at 8% pmt.
not incl. tax & ins.

1800^{add} jobs per 1000 housing starts

29% of growth in GNP in 1st quarter
this yr. was from residential
construction

1/3 of job loss in this recession has been in
construction.

2
29
31
30
18
—
110