

**The original documents are located in Box 3, folder “11/14/74 - National Association of Realtors, Las Vegas, Nevada” of the President’s Speeches and Statements: Reading Copies at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

NATIONAL ASSOCIATION OF REALTORS  
LAS VEGAS, NEVADA  
THURSDAY, NOVEMBER 14, 1974

PRESIDENT DOHERTY, PRESIDENT ELECT LEACH  
LADIES AND GENTLEMEN

I WANT TO PAY A SPECIAL TRIBUTE TO THE MEMBERS OF

THE NATIONAL ASSOCIATION OF REALTORS FOR ALL YOU HAVE ACHIEVED

IN THE FACE OF THIS VERY DIFFICULT ECONOMIC ENVIRONMENT.

YOU KNOW, I ALWAYS THINK IT IS A HELP WHEN THE

COMPLEX PROBLEMS WE DEAL WITH ARE AT LEAST RECOGNIZED BY

OTHERS. AND SOMETIMES THIS HAPPENS IN STRANGE WAYS.

TWO WEEKS AGO, I WENT BACK TO MY HOMETOWN OF  
GRAND RAPIDS FOR A RALLY IN A COLLEGE FIELD HOUSE. AND JUST  
AS I WAS COMING INTO THE BUILDING, I HEARD THE MASTER OF  
CEREMONIES ASK THE MARCHING BAND TO PLAY ONE MORE SELECTION --  
SOMETHING THAT WOULD BE APPROPRIATE FOR THE PRESIDENT OF  
THE UNITED STATES. SO THEY PLAYED: "NOBODY KNOWS THE  
TRoubles I'VE SEEN."

BUT ONE OF THE THINGS I'VE ALWAYS ADMIRER ABOUT  
THE MEMBERS OF THE NATIONAL ASSOCIATION OF REALTORS IS --  
YOU'RE ALL BORN OPTIMISTS -- AND I AM TOO. BELIEVE ME,  
ANYONE WHO WEARS A WIN BUTTON IN LAS VEGAS HAS TO BE AN  
OPTIMIST!

WELL, IN THE AREA OF REAL ESTATE, I'M SOMETHING OF AN  
OPTIMIST, TOO. THE FORD FAMILY OWNS A CONDOMINIUM IN  
COLORADO; A HOUSE IN VIRGINIA; AN APARTMENT IN GRAND RAPIDS;  
AND FOR THE LAST THREE MONTHS WE'VE BEEN LIVING IN A ONE-FAMILY  
DWELLING AT 1600 PENNSYLVANIA AVENUE. WE CALL IT HOME.  
I BELIEVE YOU'D CALL IT PUBLIC HOUSING.

BUT THE WHITE HOUSE IS JUST ONE OF SOME

*70*

SEVENTY MILLION HOUSING UNITS IN AMERICA TODAY -- AND THAT

FIGURE IS NEARLY DOUBLE THE NUMBER OF 1940.      THE NATIONAL

ASSOCIATION OF REALTORS HAS PLAYED A MAJOR ROLE IN BRINGING

ABOUT THIS PHENOMENAL GROWTH, AND I AM DELIGHTED TO BE ABLE

TO JOIN IN THIS WELL-DESERVED SALUTE TO YOU AND YOUR ASSOCIATION.

JOHN RUSKIN, THE ENGLISH AUTHOR, WROTE A BOOK  
CALLED "THE SEVEN LAMPS OF ARCHITECTURE." IN IT, HE TOLD  
US A GREAT TRUTH: IT IS MORE IMPORTANT TO BUILD A LIFE THAN  
A CATHEDRAL.

YOUR ASSOCIATION IS FORTUNATE TO COMBINE BOTH:

TO BE INVOLVED IN BUILDING GOOD LIVES AS WELL AS CATHEDRALS.

THE CATHEDRALS OF THIS LAND ARE ITS HOMES.

IT IS THE FAMILY HOME WHICH IS THE FOUNDATION OF WHAT WE

CALL THE AMERICAN DREAM.



YOUR INDUSTRY AND THE HOUSING INDUSTRY ARE CLOSELY  
RELATED. ONE HARDLY NEED LOOK BEYOND HIS OWN COMMUNITY TO  
RECOGNIZE THAT THE HOUSING INDUSTRY IS SUFFERING THE EFFECTS  
OF INFLATION MORE INTENSELY THAN MOST OTHER INDUSTRIES.

PRIMARILY BECAUSE OF A SHARP SPURT IN THE COST OF MONEY --  
ALTHOUGH IT HAS NOW STARTED BACK DOWN -- AND SHORTAGES  
OF MORTGAGE MONEY, HOUSING SALES ARE OFF SUBSTANTIALLY  
IN MANY PARTS OF THE COUNTRY. UNEMPLOYMENT IN THE  
CONSTRUCTION INDUSTRY IS MORE THAN DOUBLE THE NATIONAL  
AVERAGE. IT HAS ALWAYS BEEN HIGHER BECAUSE OF THE NATURE  
OF THE INDUSTRY BUT WE <sup>*must*</sup> ~~AIM TO~~ REDUCE THAT FIGURE.

PUBLIC OFFICIALS WOULD RATHER SWALLOW ~~SUCH~~

*those grim*

STATISTICS THAN SPEAK THEM. BUT IT IS MY DUTY TO FACE

UNPLEASANT FACTS. AND IT IS MY RESPONSIBILITY TO DO

SOMETHING ABOUT THEM -- MINE AND THE CONGRESS'S.

I ASSURE YOU I WILL DO MY PART.

IN RECENT WEEKS, AS YOU KNOW, THIS  
ADMINISTRATION HAS AUTHORIZED THREE BILLION DOLLARS UNDER  
THE HOME PURCHASE ASSISTANCE ACT FOR THE PURCHASE OF  
MORTGAGES ON NEW, SINGLE-FAMILY HOMES. THIS PROGRAM AIMS  
TO NOT ONLY HELP EASE THE HIGH JOBLESS RATE IN THE CONSTRUCTION  
TRADES, BUT TO ADD TO OUR HOUSING INVENTORY. THIS  
THREE BILLION DOLLARS COULD MEAN UP TO 100,000 NEW HOMES  
FOR AMERICANS WITH MORTGAGE PAYMENTS THEY CAN AFFORD.

*first*  
1

I KNOW THIS ACTION -- AS ANNOUNCED -- WOULD NOT HAVE HELPED

YOU, THE REALTORS, DIRECTLY. YOUR COMMODITY IS PRIMARILY

IN EXISTING HOMES -- NOT THE NEW ONES UNDER THIS PROGRAM.

BUT YOU UNDERSTOOD -- AND YOU WENT ALONG WITH US BECAUSE

OF YOUR COMMITMENT TO THE INDUSTRY ITSELF. I SALUTE YOU --

ALL OF YOU -- FOR THAT TODAY. YOU PROVIDE A GOOD EXAMPLE

FOR THE REST OF US. YOU DID NOT SAY: ME FIRST! YOU SAID:

WE FIRST! WE -- ALL AMERICANS -- LET US DO WHAT IS BEST FOR

AMERICA!

AS WE FACE THE NATION'S MAJOR PROBLEMS IN THE  
WEEKS AND MONTHS AHEAD, IT WILL BE WELL TO REMEMBER THIS:  
IT IS NOT I ALONE -- THE PRESIDENT -- WHO FACE THESE ENORMOUS  
PROBLEMS. IT IS NOT YOU WHO MUST BATTLE THEM. IT IS WE  
WHO MUST WIN. OR WE WILL LOSE. THE PRESIDENT AND THE  
CONGRESS TOGETHER. REPUBLICANS AND DEMOCRATS ALIKE.  
NEVADAN AND MICHIGANDER AND NEW YORKER. RICH AND POOR.  
BLACK AND WHITE. YOUNG AND OLD.

*Now*  
1

I AM NO ARM-TWISTER. I NEVER HAVE BEEN.

AND I SEE NO REASON TO BECOME A PROPHET OF GLOOM. BUT IN  
THE WEEKS AND MONTHS AHEAD, I WILL CALL ON THE AMERICAN  
PEOPLE -- AND I UNDERLINE PEOPLE -- TO SACRIFICE FOR THE  
NATIONAL GOOD.

WE -- THE CONGRESS AND I -- MUST REDUCE FEDERAL  
SPENDING. AT THE SAME TIME, WE -- THE CONGRESS AND I --  
MUST INCREASE FEDERAL TAX REVENUES. AND WE -- ALL OF US --  
MUST SAVE ENERGY, SO ~~THAT~~ WE WILL IMPORT LESS HIGH-PRICED  
FOREIGN OIL.



ALTHOUGH YOU WILL BE CALLED ON TO MAKE ADDITIONAL  
SACRIFICES, SO WILL YOUR GOVERNMENT. I WILL SEND TO THE  
CONGRESS SHORTLY AFTER IT RECONVENES MY RECOMMENDATIONS FOR  
REDUCING FEDERAL SPENDING IN 1975. UNCLE SAM MUST SLIM DOWN  
TO WHAT I CONSIDER FIGHTING TRIM FOR THE BATTLE AHEAD OF US.  
BUT EVEN THOUGH UNCLE SAM TIGHTENS HIS OWN BELT, HE SHOULD NOT  
TIGHTEN THE NOOSE ON VITAL INDUSTRIES SUCH AS YOURS. EARLIER,  
I MENTIONED THAT THE ADMINISTRATION HAS MADE THREE BILLION DOLLARS  
AVAILABLE FOR COMMITMENTS TO PURCHASE MORTGAGES ON NEW,  
SINGLE-FAMILY HOMES.

AS YOU KNOW, I HAVE SOUGHT TO CURTAIL AND CUT  
ADDITIONAL FEDERAL FINANCIAL OUTLAYS AS INFLATIONARY.

AT THE SAME TIME, WE HAVE TARGETED EXPENDITURES UNDER THIS NEW  
PROGRAM TO COUNTERACT THE DECLINES IN PRODUCTION AND  
EMPLOYMENT IN NEW HOME CONSTRUCTION. HOWEVER, THERE IS  
AUTHORITY UNDER THE ACT TO PURCHASE MORTGAGES ON EXISTING  
HOMES AS WELL.

BECAUSE PURCHASE OF A NEW HOME OFTEN DEPENDS  
ON THE SALE OF AN EXISTING HOME -- AND FOR OTHER REASONS --  
WE HAVE CONCLUDED THAT PROVISION SHOULD ALSO BE MADE FOR  
EXISTING HOMES.      THEREFORE, I HAVE <sup>*this*</sup> ~~AN~~ ANNOUNCEMENT ~~ON~~  
~~THE SUBJECT~~ THIS MORNING:

EFFECTIVE TODAY, UP TO TEN PERCENT OF EACH OF THE  
THREE BILLION DOLLARS IN COMMITMENTS UNDER THIS PROGRAM CAN BE  
USED FOR MORTGAGES ON EXISTING HOMES. THAT IS, THE FEDERAL  
GOVERNMENT WILL STRENGTHEN THE EXISTING HOME MORTGAGE MARKET  
BY ABOUT THREE HUNDRED MILLION DOLLARS -- ASSISTING SELLER AND  
BUYER. THIS WILL EASE THE BURDEN SOMEWHAT BUT I ~~WANT TO~~  
EMPHASIZE THAT THE REAL SOLUTIONS -- THE ULTIMATE SOLUTIONS --  
WILL NOT BE PROVIDED BY THE GOVERNMENT. THE VICTORIES  
MUST AND WILL BE WON IN THE FREE MARKETPLACE. I BELIEVE THAT  
AND I KNOW YOU DO, TOO.

WITHOUT QUESTION, MORTGAGE CREDIT IS THE LIFEBLOOD  
OF THE REAL ESTATE INDUSTRY. TODAY, AFTER A LONG DROUGHT  
THAT BEGAN IN THE SPRING OF THIS YEAR, WE ARE SEEING A  
REVERSAL IN THE OUTFLOW OF FUNDS FROM THE SAVINGS INSTITUTIONS.  
IF MONEY IS AVAILABLE TO THE SAVINGS AND LOAN ASSOCIATIONS,  
THERE WILL BE MORE AVAILABLE FOR HOME MORTGAGES. IF MONEY  
IS AVAILABLE FOR MORTGAGES, HOME SALES WILL RISE.  
IT'S THAT SIMPLE.

THERE ARE OTHER HOPEFUL SIGNS OF A GREATER AVAILABILITY OF CREDIT. INTEREST RATES HAVE STARTED DOWNWARD. EVEN MORE SIGNIFICANTLY, RATES ON FORWARD COMMITMENTS HAVE DECLINED. FOR INSTANCE, THE AVERAGE YIELD ON FOUR-MONTH COMMITMENTS TO PURCHASE F.H.A.-V.A. MORTGAGES WAS 9.9 PERCENT IN F.N.M.A.'S AUCTION OF NOVEMBER 4, COMPARED TO 10.6 PERCENT IN SEPTEMBER. THIS INDICATES THAT MORTGAGES ON BOTH NEW AND EXISTING HOMES WILL BE AVAILABLE ON SOMEWHAT EASIER TERMS IN THE FUTURE.

THE DRAMATIC DECLINE IN SHORT-TERM INTEREST RATES

OVER THE LAST THREE MONTHS IS PARTICULARLY ENCOURAGING.

PLEASE TAKE NOTE THAT THIS WAS NOT PRODUCED BY ANY UNDUE

INFLATIONARY EXPANSION OF THE MONEY SUPPLY.

RATHER, THE DECLINE STEMMED FROM A RETURN TO  
A MORE NORMAL MARKET IN BUSINESS LOAN DEMAND. AS THE  
YIELDS ON INSTRUMENTS THAT COMPETE WITH SAVINGS DEPOSITS  
DECLINE, THE SUPPLY OF FUNDS TO AND FROM THE THRIFT  
INSTITUTIONS WILL CONTINUE TO GROW.



IN SHORT, THE REAL ESTATE PICTURE WILL BRIGHTEN.

AND AS INFLATION RECEDES, WE EXPECT THAT THE FORCES SUPPRESSING  
NEW CONSTRUCTION AND SALES OF NEW AND EXISTING HOMES WILL EASE.

THE 300 MILLION DOLLAR FUNDING WHICH WILL BE  
MADE AVAILABLE TO STRENGTHEN THE EXISTING HOME MARKET IS  
ONLY PART OF THE 7.75 BILLION DOLLAR HOME PURCHASE ASSISTANCE ACT  
APPROVED BY THE CONGRESS. IN SIGNING THE BILL INTO LAW,  
I REFERRED TO SOME SHORTCOMINGS IN THE MEASURE. IF CONGRESS  
REALLY WANTS TO HELP WHEN IT RECONVENES NEXT WEEK, WHY NOT  
INCLUDE IN THIS LEGISLATION PRIVATELY-FINANCED MULTI-FAMILY  
PROJECTS AND INDIVIDUAL CONDOMINIUM UNITS?

RISING COSTS OF LAND AND MATERIAL UNDERLINE

THE IMPORTANCE OF UTILIZING ALL OUR HOUSING RESOURCES.

CONDOMINIUMS AND RENTAL HOUSING ARE VITAL PARTS OF ANY

NATIONAL HOUSING PROGRAM.

OUR INNER CITIES MUST NOT BE DENIED ASSISTANCE

BECAUSE THE HIGH COST OF LAND IS A BARRIER TO A HOUSING ASSISTANCE PROGRAM. THE PUBLIC KNOWS ALL TOO WELL THAT THE HOUSING NEEDS OF OUR METROPOLITAN AREAS -- THE INNER CITIES -- MUST BE MET IN SIGNIFICANT PART THROUGH THE CONSTRUCTION OF RENTAL HOUSING.

*Further,*

<sup>1</sup> I BELIEVE THAT MORE FUNDAMENTAL REFORMS ARE

NECESSARY TO PUT A CLAMP ON THE UP-AND-DOWN CYCLES IN THE

HOUSING INDUSTRY. THE CURRENT DOWNTURN SHOULD BE

CLEAR INDICATION TO US THAT THE STOPGAP AND PATCHWORK

SOLUTIONS OF THE PAST ARE NOT ADEQUATE. WE MUST MAKE

BASIC CHANGES IN THE WAYS IN WHICH WE SUPPLY CAPITAL AND

CREDIT FOR THE HOUSING INDUSTRY. THE CYCLICAL VARIATIONS

IN THE INDUSTRY MAY THUS BE BROUGHT WITHIN MORE REASONABLE

LIMITS.

THERE IS CURRENTLY BEFORE THE CONGRESS A BILL, THE  
PROPOSED FINANCIAL INSTITUTIONS ACT, WHICH IS ONE OF 31 ECONOMIC  
PROPOSALS I RECOMMENDED TO CONGRESS ON OCTOBER 8. ENACTMENT  
OF THIS BILL WOULD DO A GREAT DEAL TO MODERATE THE CYCLICAL SWINGS  
IN HOUSING CREDIT. FOR ONE THING, IT WOULD REDUCE THE  
STRUCTURAL DIFFERENCES BETWEEN COMMERCIAL BANKS AND THRIFT  
INSTITUTIONS AND HELP THEM TO COMPETE MORE EFFECTIVELY DURING  
PERIODS OF HIGH INTEREST RATES. AND IT WOULD PROVIDE A BROADER  
RANGE OF FINANCIAL SERVICES FOR CONSUMERS AND A HIGHER RATE OF  
RETURN FOR SAVERS.

EVEN MORE IMPORTANT TO THE REAL ESTATE  
BUSINESS, IT WOULD ATTRACT GREATER INVESTOR INTEREST  
IN THE MORTGAGE MARKET THROUGH THE MORTGAGE INTEREST  
TAX CREDIT. THIS WOULD OFFER INVESTORS A TAX CREDIT  
OF ONE AND ONE-HALF TO THREE AND ONE-HALF PERCENT --  
DEPENDING ON THE PERCENTAGE OF THEIR PORTFOLIO IN MORTGAGES.

SIGNIFICANTLY, UNLIKE OTHER TAX PROPOSALS, THE BENEFIT

UNDER THE MORTGAGE INTEREST TAX CREDIT MUST GO TO THE

MORTGAGEE. IN SHORT, I BELIEVE THAT PASSAGE OF THE

FINANCIAL INSTITUTIONS ACT WOULD PROVIDE SIGNIFICANT

BENEFITS FOR THE HOUSING INDUSTRY -- IN PARTICULAR, IT

WOULD MODERATE THE TRADITIONAL BOOM-AND-BUST CYCLES IN

THE INDUSTRY. I <sup>will</sup> ~~INTEND TO~~ PRESS FOR ITS ENACTMENT WHEN

CONGRESS RETURNS NEXT WEEK.



LET ME LEAVE YOU WITH THIS THOUGHT:

YOU COME FROM ALL PARTS OF THIS VAST NATION,

YOU REPRESENT ITS LENGTH AND BREADTH, ITS DIVERSE PEOPLE

AND ITS DIFFERING VIEWPOINTS. AND INDEED, YOU REFLECT

THE ASPIRATIONS AND INSPIRATION OF ALL AMERICANS.

YOU -- AS SALESMEN AND SALESWOMEN -- SEE DAILY

THE WORKINGS OF THIS FREE SOCIETY ~~OF OURS~~ IN YOUR COMMUNITIES.

AND ALL THIS ACTIVITY CAN BE SUMMED UP IN ONE WORD IN YOUR

BUSINESS: SALES. AND SALES ARE THE RESULT OF BOTH ASPIRATION

AND INSPIRATION -- NOT TO MENTION PERSPIRATION.

SOMEHOW THE WORD HAS GONE OUT THAT THE BEST WAY  
TO DEFEAT INFLATION AND REVITALIZE THE ECONOMY IS TO CURTAIN  
BUYING. NOTHING COULD BE FURTHER FROM THE TRUTH.

I BELIEVE A FREE SOCIETY MEANS PRECISELY THAT -- A FREE MARKET.  
AND SALES ARE THE HEARTBEAT OF A FREE MARKET.

INSTEAD OF CURTAILING PURCHASES, I SAY TO

CONSUMERS SIMPLY: BUY WISELY. SHOP SMARTER.

TO YOU IN SALES, I SAY: SELL HARDER. SELL MORE

AGGRESSIVELY.

WHAT WE NEED AT THIS TIME IN THIS COUNTRY ARE

MORE TOUGH YANKEE TRADERS AND MORE SUPER SALESMEN.

EVEN WHILE DEALING WITH VERY PRACTICAL MATTERS, A NATION MUST NEVER LOSE ITS VISION. I REMEMBER A STORY ABOUT MICHELANGELO. THE SCULPTOR WAS CHISELLING A BLOCK OF MARBLE. EVERY DAY A SMALL BOY CAME AND SHYLY WATCHED. HE NEVER SAID A WORD. THEN, ONE DAY, THE MAGNIFICENT FIGURE OF "DAVID" APPEARED. THE ASTONISHED BOY FINALLY BROKE HIS SILENCE AND ASKED MICHELANGELO, "BUT HOW DID YOU KNOW HE WAS THERE?".

VISION, IMAGINATION -- THESE ARE QUALITIES THAT  
MAKE A PEOPLE GREAT. AMERICANS HAVE THESE QUALITIES.  
AND WE WILL RESPOND TO TODAY'S CHALLENGES.

INFLATION WILL BE COOLED. DESPITE SOME ECONOMIC  
WEAKNESS -- RECESSION -- BUSINESS FALLBACK -- CALL IT WHAT  
YOU WILL -- THERE WILL BE AN UPTURN IN THE NATION'S ECONOMIC  
PATTERNS. IN FACT, HERE IN LAS VEGAS WHERE IT'S LEGAL,  
I'LL EVEN BET ON IT.

# # #