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FOR IMMEDIATE RELEASE

AUGUST 4, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed into law S. 3295, the Housing Authorization Act of 1976.

The need to increase the quantity and quality of housing in America and to assure adequate housing for all Americans has been one of my primary concerns. S. 3295 contains provisions which are important in helping us reach these housing goals, and also contains important fiscal year 1977 authorizations for the Department of Housing and Urban Development. Unfortunately, it also contains provisions which indicate the strong reluctance on the part of this Congress to seek real solutions to the problems we face in assuring adequate housing for all lower-income Americans.

Two years ago, the Ninety-third Congress authorized a new approach to provide rental subsidies for lower-income families -- the Section 8 Housing Assistance Payments Program. This program was designed to avoid the serious, and well-documented, defects in the then-existing public housing program.

As a result of that new program, for the first time in our history we have been using effectively the existing housing in inventory, as well as new housing, to provide decent shelter for the Nation's poor. This approach is approximately half as costly as constructing new public housing, and it prevents the waste of our Nation's housing stock. Moreover, this program permits lower-income families to live in modest homes, indistinguishable from those of their neighbors, instead of institutionalized housing.

In S. 3295, however, the Congress has ignored both our unfortunate previous experience and the recent success resulting from the Section 8 program. Reversing this record of progress, it voted to re-initiate a public housing program. Fortunately, in the 1977 HUD appropriation bill, the Congress has voted overwhelmingly to cut back the size of that program.

S. 3295 would also extend a number of programs which should be discontinued and would authorize appropriations far in excess of my budget proposals. Although the Congress in acting on HUD's appropriation bill has demonstrated much greater restraint than was shown in S. 3295, the threat to future budgets remains because these high authorizations produce unrealistic expectations.

This bill also calls for short-sighted and illogical changes in the way interest rates are established under certain existing Federal programs.

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Despite my strong reservations about these and other undesirable features, I have signed this bill because good government requires that a number of the authorizations and program extensions contained in S. 3295 become law as soon as possible. I have instructed Secretary Hills to use the resources of the Department of Housing and Urban Development to implement this measure in a manner which will maximize its benefits while reducing as much as possible the inevitable frustration, delays, and increased costs it will also bring.

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