

Good to be here again

Happy to report to you on recent congressional developments

WHAT IS THE GENERAL MOOD IN CONGRESS?

There's a lot of tough work to do on the budget and, frankly, not a lot of enthusiasm to make the hard choices

In fact, this Congress reminds me of the woman who early one morning woke up her son to get him off to school. The son, however, wasn't in much of a mood to go, so he told her that he had a fever.

"But son," said the woman, "you have to go to school".

The son looked up at her and said, "give me one good reason why I have to go".

"I'll give you two good reasons why you have to go to school" said the woman.

"First of all, you are 45 years old. And, second of all, you're the principal".

Like the reluctant principal in that story, the Congress has avoided it's responsibility for years - and I'm talking about members in

both parties.

But Gramm-Rudman is hanging over our heads like a Sword of Damocles, threatening to cut every program unless the Congress and the President can agree on a budget.

BUT MORE ON THAT LATER

I DON'T NEED TO TELL YOU HOW IMPORTANT YOUR INDUSTRY IS...

Manufactured homes are primary residence for over 12 million Americans. In Oregon, there are approximately 125,000 homes.

Over 1 million manufactured homes have been sold in the last five years. Total number of homes produced in Oregon in 1984 was 6,818.

Your industry contributes \$77 million to Oregon's economy.

IT'S NO SECRET THAT OREGON'S FUTURE ECONOMIC DEVELOPMENT DEPENDS HEAVILY ON A VIBRANT AND AFFORDABLE HOUSING MARKET

BUT TRIPLE DIGIT FEDERAL DEFICITS DON'T HELP HOUSING

Massive federal deficit threatens to send us back to days of 20% interest rates.

And Oregon is an interest - sensitive state.

GRAMM-RUDMAN IS THE ANSWER

It ain't pretty

But, it's a much-needed sledgehammer that will put the government's feet to the fire.

Requires deficit reductions of 20% over the next five years - puts us on a glidepath to deficit elimination.

And the automatic cuts will not go into effect if we can reach an agreement on a budget.

THUS, Gramm-Rudman will force us to cut spending and prioritize.

WHAT DOES THE PRESIDENT'S BUDGET TELL US ABOUT HIS PRIORITIES?

He thinks we can afford to pay for Star Wars in outer space when our soldiers are still not equipped to fight a war here on earth

He wants to build a new supersonic plane that would get us to Tokyo in two hours but he wants to eliminate Amtrak.

He thinks we should increase foreign aid when thousands of Americans are wandering our streets at night.

BUT LET ME GIVE YOU A BETTER EXAMPLE OF THIS HEAD IN THE SAND APPROACH TO BUDGETING:

You know that the FHA loan program has been extremely important to the housing industry. It has enabled thousands and thousands of young people to realize the American dream of owning a home.

But, while Oregon's housing industry is still mired in a slump, what's the President's solution to the problem?

He proposes to:

increase FHA user fees from 3.8% to 5%

require the fee to be paid up front; and

limit FHA loans to families that make less than \$40,000

Our lumber industry is suffering. Housing starts are nowhere near where they used to be.

So what is the President's solution?

Make it more difficult to buy a house.

In 1974 this region had 70,000 mobile homes placed for use

In 1983 there were 35,000

In 1979 there were 75,000 workers in the lumber industry

In 1985 there were 65,000

In 1980 Oregon had 46,000 construction workers

In 1985 Oregon had 34,000

THE PRESIDENT MIGHT THINK IT'S MORNING IN AMERICA AGAIN.

BUT HE DOESN'T UNDERSTAND THAT MORNING DAWNS A LITTLE LATER OUT HERE
IN OREGON.

This lack of an understanding of Oregon's economic picture is
something that we've had to put up with in the past.

Every year we've had to go through the same battles.

Every year we have to check the excesses of the President's defense
budget - excesses that do not contribute one iota to our national
security nor Oregon's economic security.

As a member of the Appropriations Committee - the Committee that
spends the money - I'm in a unique position to help shape our budget
priorities.

Rest assured that I'll be fighting to cut the budget in a
responsible way - but I'll also be fighting to make sure that the
shrinking federal pot of money reflects my priorities