

Builders' Friend in White House, Outspoken Stiles Touts Subsidies

By Kenneth R. Harney

Home builders and buyers may have an influential new ally inside the White House—an outspoken, 58-year-old builder from Grand Rapids, Mich., who thinks government hasn't given the housing industry a fair shake.

John R. Stiles, who serves as a consultant to President Ford, is one of the Chief Executive's closest friends and political advisors. The scion of a prominent Grand Rapids family that has been in building supplies and construction for three generations, Stiles is a member of a small hometown coterie the President has assembled in the Executive Office Building, a coterie that includes economic policy assistant L. William Seidman and presidential counsel Philip Buchen.

Stiles says he is not connected with any formal office in the White House and is not there specifically as a housing advisor but to handle a broad range of assignments. Already, however, he has begun to make waves in the housing policy establishment.

Among other things, he has:

- Upset top officials at the Department of Housing and Urban Development by questioning—in a published interview—whether the agency has pushed hard enough for measures that would relieve the depressed national housing market.

- Independently arranged White House meetings with the National Association of Home Builders and asked the builders to put together a package of recommendations for the President on how to revive the industry.

- Supported re-establishment of the Section 235 subsidized housing program, which helped produce more than 500,000 new units between 1969 and 1972 but which was a major casualty of President Nixon's fed-

eral housing moratorium. The 235 program, which reduced mortgage interest rates for moderate-income home buyers to as little as 1 per cent, has been opposed by HUD Secretary James T. Lynn, who considers it expensive and inequitable.

Although Stiles says he doesn't want to get into a public brouhaha with the administration's housing officials, he believes the real significance of the housing industry's depression—the extent of its impact on other sectors of the economy and the damaging effects it could have on the President's political future—hasn't been presented adequately to Mr. Ford.

HUD has made a number of analyses of housing and the economy, Stiles said in an interview with the Washington publication, Housing and Development Reporter, but may have spent too much time "looking at the forest and not at the trees."

HUD's debunking of subsidized home ownership on cost grounds, for instance, doesn't square with what Stiles says he has seen personally as a builder of homes and apartments, a number of them under federally backed programs.

Families may start out in Section 235 units paying subsidized interest rates, but they require smaller subsidies as their incomes rise, Stiles points out.

Stiles says that when he revisited more than 200 un-



JOHN R. STILES

its he built in Michigan under the 235 program, "almost everybody" was off subsidies and paying regular interest rates on his or her government-insured mortgage. Most of the people who bought his units in the first place were young couples just beginning jobs and families—in his view, an important segment of the economy (and voting public) to keep in mind.

Stiles says he'd like to see data from other home builders—as well as from HUD—to determine whether his experience was typical. He has asked the National Association of Home Builders for an overview of its membership's experience with the program as well as the association's suggestions on

how the cost of subsidies can be cut even further.

The builders hope to present these and other recommendations to President Ford shortly.

"I don't know what kind of limb Stiles is climbing out on," commented one high official at HUD, clearly piqued at having his agency's policies challenged by a newcomer to the Washington political scene, "but he'd better watch that it doesn't get cut off." If Stiles "knows so much about housing," sniffed another, "maybe he'd like to try my job."

For his part, Stiles maintains that all he's trying to do is to pull together "as much information as possible in an orderly manner." If he can document the effects of the housing decline on the gross national product, he feels, the President will be interested.

Stiles, who managed the President's first congressional campaign in 1948 and served as manager for subsequent Ford contests, says he now sees the President "regularly" although not daily. But he was one of the few people with him during the evening of Nov. 6, waiting out the congressional returns in an election-night tradition he and his Grand Rapids friend have observed without fail since 1948.

Builders and government officials aren't sure yet what to make of Stiles, or how to gauge his real role in President Ford's housing policy decisions.

"Look," said one home builder, shrugging his shoulders, "whether he's for real or not, it's nice to know that we've finally got a friend somewhere in the White House."

(Kenneth R. Harney is managing editor of Housing and Development Reporter, published by the Bureau of National Affairs.)

Real Estate Editor John B. Willmann is on vacation.

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