

percent. That is a very different set of categories. I thought we were talking about people at 30 percent. If we are talking about 50 percent, it is a different story, but I thought there were statistics being given of people at 30 percent.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just point out to my good friend that even HUD's own document here says that the likelihood of households having severe housing problems declines sharply as incomes rise above 30 percent of median. Over 70 percent of unassisted renters with incomes below 30 percent of median have priority problems compared with only 23 percent of unassisted renters with incomes between 31 and 50 percent.

What all that means is that the acute housing needs of people with incomes below \$25,000 are where the housing demand is. If we have incomes above \$25,000, people generally can afford housing.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, my clear understanding is the gentleman from Ohio was talking about 30 percent below median, not 50 percent, and 50 percent is the accurate people, people not being excluded below 30 percent.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is a very interesting debate trying to decide how many vouchers we should have and how we can fairly distribute these vouchers. I think it would be fair to say that it would be very difficult ever to come up with a completely fair answer for everybody. I do not think there is a right answer. I think the whole debate over public housing is an interesting debate and, for me, a very disappointing debate. I do not know what number day this is, but it must be the 4th or 5th day we have been into the debate over public housing, and the differences between the two major debates here seems to be so little, from my viewpoint.

Mr. Chairman, what we are really dealing with, and I think everybody is concerned about it, and that is how do we provide the maximum number of houses for poor people. That is what we want to do. We have different versions of this effort, but the detail on how to do this, and this micromanagement, even like who gets vouchers and how to declare and what is happening, this is just a very, very strange debate for somebody like myself who comes from a free market constitutional position. But nevertheless, I hear this debate.

I do know, though, that if we look in general terms throughout the world, the more socialized a country is, the more interventionist it is, the more the government is involved in housing, the less houses we have for poor people. The more freedom a country has, the more houses there are.

We have only been in the business of really working to provide housing for our poor people in the last 30 years, and I do not think we have done that good a job. I think we have plenty of poor people. As a matter of fact, there are probably more homeless now than there were even 30 years ago. However, I think someday we might have to wake up and decide that public housing might not be the best way to achieve housing for poor people.

The basic assumption here in public housing is that if somebody does not have a house and another person has two houses, if we take one house from him and give it to the other one, that this would be fair and equitable. For some reason, this is not very appealing to me and to many others. As a matter of fact, if there was some slight degree of success on this, it would create a very dull society; it would cause a very poor society as well. But the efforts by government to redistribute houses never works, and we have to finally, I think, admit to this.

Mr. Chairman, the effort to pay for public housing is another problem. It is always assumed that there is going to be some wealthy individual that will pay for the house for the poor individual. But the assumption is always that the wealthy will pay for it, but unfortunately, due to our tax system and due to the inflationary system that we have, low, middle income and middle class individuals end up paying the bills.

This whole process is a snowball effect. The more effort we put out, the more problems it leaves, the more deficits we have, the more inflation we have, the more people become unemployed, and the more poor people we have, and the more pressure there is to build houses. This is what is going on. That is why people decry the fact that there are more homeless than ever before. And I grant, I believe there probably is, but I also believe that we are on the wrong track. I do not see how public housing has been beneficial. I believe, quite frankly, that it has been very detrimental.

The two approaches that I hear, one wants to raise the budget by \$5 billion on our side of the aisle, and the other side complains it is not enough. I mean, how much more money? Is money itself going to do it?

The basic flaw in public housing is that both sides of this argument that I hear is based on a moral assumption that I find incorrect. It is based on the assumption that the government has the moral authority to use force to redistribute wealth, to take money from one group to give to another. In other words, it endorses the concept that one has a right to their neighbor's property.

This, to me, is the basic flaw that we accept, we do not challenge. I challenge it because I believe a free society is a more compassionate society. A free society can produce more houses than any type of government intervention

or any government socialization of a program.

Compassion is a wonderful thing, but if it is misled by erroneous economic assumptions, it will do the opposite. The unintended consequences of government intervention, government spending, government inflation is a very serious problem, because it literally creates more of the problem that we are trying to solve.

So I would suggest that we should think more favorably about freedom, the marketplace, and a sound currency.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I thank the gentleman from Texas [Mr. GONZALEZ] for yielding to me.

I would just like to point out a number of income levels at the 50 percent of median that the amendment calls for. In Los Angeles, one can make \$25,650 a year, and this really goes to the chairman of the full committee's numbers that he was citing earlier.

I just want to point out to the gentleman that that definitely covers two minimum wage income families, or wage earners. In New York it would be \$24,500. Washington, DC would be \$34,150. Boston, MA, \$28,250. In all of those circumstances, two minimum wage job earners in a single family would still qualify for this program.

So what it really comes down to, and if the gentleman from Iowa [Mr. LEACH] would engage in just a brief colloquy, I would appreciate it, because what we are really talking about, the gentleman understands that this no longer is an amendment that applies to public housing, it simply applies to the voucher program.

I think we have answered the issue as to whether or not this is somehow a disincentive to work. This indicates that two people working in the same family at minimum wage jobs would still be eligible for this program in almost every major city in America. And so what we are trying to suggest is that we have a real problem here where it is in fact the largest single growing area of our population, the very, very poor.

So the question before us is whether or not we are going to provide the housing to those very, very poor people under the voucher program.

Now, there are other programs that exist in the Federal Government such as housing finance agencies, all sorts of subsidy programs for homeownership, that incomes of \$25,000, \$30,000, \$35,000 a year are all eligible. The low income housing tax credit, there are a whole range of additional programs that meet those individuals' needs.

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We ought to be encouraging homeownership among those folks. This is a