

I'd like to thank the Food Research and Action Center for their support and tireless efforts to increase the reach and scope of programs like Summer Food Service. And I encourage my colleagues to continue our work on this issue. I think there is a lot more we can do for these kids. The Summer Food Service Program is one of the least known and most underutilized of the federal nutrition programs. There is no reason for so many children to be hungry and under-nourished during the summer when we could increase participation in the program by offering one-time grants to help more sponsors get started.

Mr. BILIRAKIS. Mr. Speaker, I rise today to express my strong support for H.R. 3874, the Child Nutrition and WIC Reauthorization Amendments of 1998.

I have always been a strong supporter of WIC because it gives women and young children access to the foods necessary for healthy development. WIC provides specific nutritious foods to at-risk, income-eligible, pregnant, postpartum and breast feeding women, infants and children up to five years of age. WIC gives women and young children the means to obtain highly nutritious foods like iron-fortified infant formula, calcium-rich milk, eggs, juice, and cereal.

During pregnancy, one of the most fragile periods in a woman's life, WIC enhances dietary intake, which improves weight gain and the likelihood of a successful pregnancy. After birth, WIC continues to promote the health of infants and is responsible for reducing low birth weight and infant mortality. Children who participate in WIC receive immunizations against childhood diseases at a higher rate than children who are not WIC participants. WIC also helps to reduce anemia among children.

As we know, children receiving nutritious meals are in a better position to focus on their daily studies. Proper nutrition is an integral part of our children's educational experience. In fact, WIC has been linked to improved cognitive development among children. WIC children are more prepared to learn compared to those children who lack proper nutritionally balanced diets.

In short, WIC is supported by many people and continues to be a popular program. It yields tremendous returns on our investments and improves the health and well being of pregnant women, infants and children. I urge my colleagues to show their support for the WIC Program by voting in favor of H.R. 3874.

Ms. JACKSON-LEE of Texas. Mr. Speaker, thank you for the opportunity to speak on this important issue. I support this bill which will guarantee that families are able to access the food they need. In addition, this program will extend funding for state school lunch programs and provide low income families' children with a national food program.

H.R. 3874 reauthorizes this program through 2003 to allow the Women, Infants and Children (WIC) nutrition program provides nutrition, education and supplemental food to low-income pregnant and post-partum women, infants and children up to age five. These necessary services are provided free of charge to eligible individuals and families. This bill also contains a number of other provisions including ones that extend funding for administration expenses for the State school lunch program and reauthorize a national summer food program for children of low income families.

In my own homestate of Texas, in the 18th Congressional District, a total of 109,596 women, infants and children receive WIC services each month. This means that in Harris County, TX 12,917 pregnant women, 5,259 breast feeding mothers, 9,448 postpartum mothers, how have recently given birth, and 29,934 infants, and 52,038 children can receive the help that they need. One-seventh of the State of Texas' 683,000 WIC recipients reside in Harris County, TX.

This program is not as glamorous as others—the WIC program is formula, milk, juice, and bread. The majority of those served are poor infants and children, those who are most often overlooked. To cut the WIC program does not materially reduce the numbers of women, infants and children who are in need. This program is one of the best run, most efficient and effective programs that the Federal Government has initiated.

According to the Government Accounting Office, for every dollar spent on the WIC program the tax payer saves \$3.50. This is the reason the WIC Program received very strong bi-partisan support throughout its history.

We must continue to support this program. What can be more important than making sure our country's children are healthy and safe? I strongly support this bill and I encourage my colleagues to support it as well.

Mr. MARTINEZ. Mr. Speaker, I yield back the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GOODLING) that the House suspend the rules and pass the bill, H.R. 3874, as amended.

The question was taken.

Mr. GOODLING. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3874.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SENSE OF CONGRESS REGARDING ACCESS TO AFFORDABLE HOUSING AND EXPANSION OF HOMEOWNERSHIP OPPORTUNITIES

Mr. LEACH. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 208) expressing the sense of the Congress regarding access to affordable housing and expansion of homeownership opportunities.

The Clerk read as follows:

H. CON. RES. 208

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the priorities of our Nation should include providing access to affordable housing that is safe, clean, and healthy and expanding homeownership opportunities; and

(2) these goals should be pursued through policies that—

(A) promote the ability of the private sector to produce affordable housing without excessive government regulation;

(B) encourage tax incentives, such as the mortgage interest deduction, at all levels of government; and

(C) facilitate the availability of capital for homeownership and housing production, including by continuing the essential roles carried out by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Banks.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

(Mr. LEACH asked and was given permission to revise and extend his remarks.)

Mr. LEACH. Mr. Speaker, this, I believe, is a non-controversial bill. It underscores principles critical to the American family—the desirability of achieving the dream of home ownership for as many Americans as conceivably possible.

On this front, there is some good news, and also some challenging circumstances. The good news is that home ownership is going up in America, almost 1 percent in the last 4 years, until today it reaches approximately 66 percent of the American public. The principal reason for this relates to lower interest rates caused by restrained monetary policy and the movement from a deficit to a surplus fiscal policy.

It also relates to aspects of tax policy, the importance of quasi-governmental institutions like Fannie Mae and Freddie Mac that have served as extraordinarily helpful intermediaries in housing finance, and to certain housing programs of the Federal Government itself.

But what this bill, and it is a small bill, does is simply underscore what are the great principles of American housing, and underscore it in such a way as to make it clear that this Congress is not going to be backed down from those principles, particularly the principle that relates to the interest deduction for home ownership mortgage loans.

Mr. Speaker, recognizing that this is an exceptionally modest bill, but also one that relates to a subject very important to the heart of the American people, I would urge its adoption at this time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me time.

Mr. Speaker, I have faced repeated requests from communities that I represent for action at the Federal level to

make sure that we have adequate affordable housing in this country. Indeed, I have held four forums on this subject in communities in my district. It is in this context that I have come to recognize the importance of these programs that the Federal Government has sponsored over the years, and, as a consequence, I rise in support of House Concurrent Resolution 208, introduced by my colleague the gentleman from New York (Mr. LAZIO) of New York.

All Americans should have an opportunity to obtain decent and affordable housing. However, the Nation's housing problems have increasingly been concentrated in two segments of the population, first time home buyers and low income households.

A much smaller portion of young households own their own homes today than they did in 1980. Shortages of housing resources for both down payments and monthly mortgage payments are largely responsible for this trend.

Furthermore, growing numbers of less fortunate citizens are forced to spend a very large portion of relatively small budgets to rent apartments, and many these housing units suffer from physical inadequacies as well. Homelessness can be a ragged-edge consequence of formidable social and housing hurdles faced by the most disadvantaged portions of our population.

Mr. Speaker, in order to attain our national housing goals, there is a need for a voice for housing in community development at the Federal level. We can take the first step today by voicing our support for this resolution.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to briefly note that this bill is brought to us by the distinguished gentleman from New York (Mr. LAZIO), the chairman of the Subcommittee on Housing and Community Opportunity, who has devoted a great deal of time and effort to not only this bill, but other housing legislation. I apologize that the gentleman has been detained in transit, but I wanted to reference the gentleman from New York (Mr. LAZIO) because of his leadership on this issue.

Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. METCALF).

(Mr. METCALF asked and was given permission to revise and extend his remarks.)

Mr. METCALF. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of House Concurrent Resolution 208. As cochair of the Housing Opportunity Caucus, I share the goals of the gentleman from Iowa (Chairman LEACH) and the gentleman from New York (Chairman LAZIO) of expanding access to affordable housing and home ownership opportunities.

Two years ago, the gentleman from New York (Mr. LAZIO), the gentleman from Connecticut (Mrs. JOHN-

SON), the gentleman from Illinois (Mr. WELLER), the gentleman from Pennsylvania (Mr. ENGLISH) and I formed a caucus to spotlight the need for housing in this Nation.

Working cooperatively, we have discovered we can create programs that increase the production of affordable housing. For example, the low income housing tax credit is one of the few Federal programs that encourages the creation of new rental housing without excessive government regulations. Since its inception, this program has generated thousands of housing units for working parents who are struggling to pay the increasing rents.

To help achieve the American dream, we cannot simply stop at making rental housing more affordable. We have to help families own their own homes. We can achieve this by continuing the support for the mortgage interest deduction, reducing Federal barriers to home ownership, and ensuring that financing is available. The mortgage revenue bonds and FHA guarantee of loans have helped low income families finance their home affordably.

This Congress can and should do more to increase the access to housing. H. Con. Res. 208 is not just a simple statement in support of housing as a national priority, it is a statement of our vision to help make the American dream a reality for more people. I ask my colleagues to support this important resolution.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I must say that I owe an apology to the supporters of this. Having first read it, I was inclined to regard it as fairly trivial. It is a resolution with no binding impact. It seemed to me to just be sort of cheerleading.

I was somewhat struck that in the week in which we are passing a housing appropriation bill which severely diminishes funds that should be available for people at the low brackets, we are celebrating the importance of affordable housing. In fact, there is a great inconsistency between the legislation we will be adopting, which significantly underfunds affordable housing and will allow the gap to greatly widen for those who need it.

But it is not nearly as trivial as I thought. Indeed, there are some very interesting things. I notice on page 2, lines 4 through 6, the following: "Encourage tax incentives such as the mortgage interest deduction at all levels of government." The gentleman from Washington also mentioned the low income tax credit.

I guess, Mr. Speaker, when the House passes this today, the appropriate phrase will be, if I may lapse into a little bilingualism, "sic transit gloria flat tax."

We have heard a lot about the flat tax, and it seemed to be an idea that had some support in some Republican circles. But those circles appear not to be included in the circle of influence today.

The mortgage interest deduction is, of course, the biggest bump in the flat tax. The mortgage interest deduction is very different than a flat tax, and I am struck that the House is today apparently repudiating the notion of a flat tax, because it is citing not simply the fact of the mortgage interest deduction, which is a major bump in that flatness, but it is celebrating the principles of using the Tax Code to achieve social purposes. What we are saying here is home ownership is a good thing, and let us use tax incentives to change what the economy might otherwise do.

Now, I am for the mortgage interest deduction myself. I supported putting a cap on it, but I think it ought to exist. I was not sure whether my Republican colleagues remain as loyal to that as they apparently are.

Mr. LEACH. Mr. Speaker will the gentleman yield?

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

Mr. LEACH. Mr. Speaker, I would be delighted to respond to the gentleman. As the gentleman knows, there is a lot of controversy within the country and some differences of judgment within the party on the flat tax, but it is my belief that the majority of Republicans strongly support maintaining the mortgage interest deduction, even if there is a movement towards a flat or a flatter tax.

Mr. FRANK of Massachusetts. Mr. Speaker, reclaiming my time, I would thank the gentleman. I would say this is a day for people to come together. I was particularly pleased to see the gentleman from Iowa expressing his support for Fannie Mae and Freddie Mac and his talk about the essentiality of this role.

I will have to say this though. It seems to me you can be for the mortgage interest deduction and a flatter tax, but you cannot be and still remain within the confines of the English language for the mortgage interest deduction and a flat tax. It is very unflat, and, indeed, it is not simply the flatness of the mortgage interest deduction, it is the notion that it is legitimate to use the Federal Tax Code to achieve policy goals.

Indeed, not just the Federal Tax Code. I notice this also encourages the mortgage interest deduction to be maintained "at all levels of government." So apparently this is a case where the Federal government is also giving some advice to State and local governments. Apparently the people who drafted this believe that State governments, left to their own, probably would not get the Tax Code right. So here is a little advice to the States to follow the Federal example.

As I said, I am supportive of this, but I think we ought to note that it is very much a deviation from the notion of a flat tax.

I also noted, because I agree with the gentleman from Washington who talked about the low income housing tax credit, another bump, not as big,

because it is the low income people and we would, of course, not do for low income people anything of the magnitude of the mortgage interest deduction, but it is another deviation from the principles of the flat tax.

So I am in favor of this. The other thing though I do want to stress so that no one misunderstands, subparagraph (A), just before repudiating the flat tax, it says "promote the ability of the private sector to produce affordable housing without excessive government regulation."

Now, obviously no one is for more excessive government regulation. I am against excessive government regulation.

□ 1445

But lest anyone think that means no government regulation, let us remember that last week we celebrated in this House the passage of a new government regulation of the private housing market, the bill to reform private mortgage insurance. That is private mortgage insurance, a part of the private sector, and we passed a Federal bill here which I supported, and I thank the chairman for bringing it forward, to increase regulation.

So lest anyone think that there is an objection to excessive government regulation, meaning they are opposed to regulation in general, let me remind them that this House, which is about to pass this resolution, passed the bill reforming private mortgage insurance. The House and the Senate did it, and what that was was a new regulation. Previously there was no Federal regulation of private mortgage insurance that I am aware of, and we now have federally regulated private mortgage insurance. I am glad of that. I think people should understand that.

We also, by the way, have decided that the private insurance market does not work too well without us, so we are about to pass, and I voted for it in full committee, a very significant government intervention into the flood insurance field. So once again, I would not want anyone to think that just because we say we are against excessive government regulation, we think we can leave the private sector to its own devices. We reformed the private mortgage insurance; we are going to reform flood insurance.

So I want to note that sometimes, and I say this in defense of my Republican colleagues, sometimes they may appear more monochromatic than they in fact are. There might be people who just read the headlines and listen to the TV news, and they may get the sense that this is a group of flat-taxers and people who never want to see any kind of regulation. Instead, we have a group that now tells us that the mortgage interest deduction is very important, not just at the Federal level but at all levels; a group that decided that we better reform private mortgage insurance; a group that has decided that the flood insurance plan does not work

on its own, the private flood insurance, and we better get involved.

So I am delighted to support this resolution, not just because of what it says but because it does advance a goal, which is having people understand the true diversity ideologically of the Republican Party.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield 2½ minutes to the gentleman from Nebraska (Mr. BEREUTER), my distinguished colleague.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I appreciate the remarks of the gentleman from Massachusetts, and I appreciate the distinguished chairman of the full committee for yielding me this time.

I appreciate the gentleman from Massachusetts recognizing the ideological diversity of the Republican Party. Most of the people that are in favor of the flat tax, that is to say an unadapted flat tax, are would-be Presidents or would-be, frustrated elected officials who cannot get elected. But when I speak at my town hall meetings about this subject, I warn people about the loss of the mortgage interest deduction and about the fact that middle income Americans would pay a lot more income taxes, proportionately, under an unadapted flat tax.

But back to the subject at hand in a direct sense and that is, I rise in strong support of H. Con. Res. 208 as a cosponsor of the resolution. It expresses a sense of Congress that affordable housing is a national priority. I would like to commend the distinguished chairman of the subcommittee, the gentleman from New York (Mr. LAZIO), for introducing this bill.

I could list a number of reasons for support of this legislation, but I will list only three. One, the goals of the Housing Act of 1949 include among other things, the provision of a decent home and suitable living environment for every American, have not yet been met. Much still needs to be done to ensure affordable homeownership for American families, and H. Con. Res. 208 is a step in the right direction. It reminds us of those responsibilities.

Two, as referenced by the chairman, the distinguished gentleman from Ohio (Mr. Leach), our country is in the midst of a booming economy, and that has resulted in an impressive 66 percent of all American families owning their homes, which is a record rate. However, this economic prosperity also increases the overall demand for both existing and new construction, which in turn results in a lower supply of affordable homes to be purchased. As a result, there is a substantial shortage of affordable housing in America.

I would say a third reason to support H. Con. Res. 208 is to respond and assist State programs focused on providing affordable housing. Reasons for these legislative actions include the lack of

Federal emphasis and resources for affordable housing. I think it is fair to say that is an accurate criticism. It is a criticism that could well have fallen upon previous administrations as much as it falls on this one; it could fall on previous Congresses in recent times as well as it can fall on this one.

For those three reasons, among others, this Member endorses H. Con. Res. 208. Of course, the private sector is still the main provider of affordable housing. However, government should continue to play an important role in providing or facilitating affordable housing.

I urge my colleagues to vote "yes" on H. Con. Res. 208.

Mr. FRANK of Massachusetts. Mr. Speaker, I would inform the gentleman I have at most one more speaker, so I will reserve the balance of my time at this time.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. DAVIS), our distinguished colleague.

(Mr. DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Virginia. Mr. Speaker, I want to just once again thank the gentleman from Iowa (Mr. LEACH), chairman of the full committee, and thank the gentleman from New York (Mr. LAZIO) for introducing this resolution.

I am pleased to have the opportunity today to speak in favor of H. Con. Res. 208, which establishes this body's commitment to making housing a national priority. In a couple of minutes I can only begin to describe the importance of housing in this country, but housing has impacts far greater than can be succinctly described here.

Let me say that when we take into account not only the economic benefits of housing, such as increased job opportunities and tax revenues, but the proven positive impact on communities and families and homeownership, we cannot afford to deny housing a top spot on our national agenda.

One brief but illustrious example of the impact of housing on our economy is an estimate that the construction of 1,000 single family homes generates 2,448 jobs in construction and construction-related industries, not to mention more than \$79 million in wages and more than \$42.5 million in Federal, State and local tax revenues.

Housing is an important issue in each and every congressional district in this country, and decent shelter is one of the basic necessities of this life. We owe it to American people to take this issue to heart and help make sure that every citizen's needs are considered.

Yes, we have the VA-HUD appropriation bill on the floor this week, but this resolution talks not just about government's direct involvement with negotiations but public and private partnerships that can result, affecting the costs of land through zoning laws, through our own Federal largesse; the

cost of construction, the cost of money, and the cost of regulations. Even local governments, with permitting and processing and moving those time periods through, have an effect on housing.

With every level of government working together with the private sector, and of course encouraging the home mortgage interest deduction, which I think is critical if we are going to remain the country in the world with the highest percentage of homeownership, I think all go into this ingredient. I think the resolution addresses all of these.

For these reasons I urge my colleagues to support H. Con. Res. 208.

Mr. LEACH. Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. LAZIO), the distinguished chairman of the Subcommittee on Housing, who is principally responsible for this legislation, and in fact its architect.

Mr. LAZIO of New York. Mr. Speaker, I thank the gentleman for yielding me this time. I appreciate not just the gentleman yielding to me, but the support that he has lent to the concept of boosting homeownership in America and our efforts to try to do the same.

Last year, Mr. Speaker, I had the great pleasure of helping to construct a home in Washington, D.C., with Members on both sides of the aisle. It was a great bipartisan effort to try and build a home through the Habitat for Humanity. One of the great pleasures as we neared the end of the day in construction was a statement by the woman who was going to go into that house, who said to me, "I never thought I would ever see the day where I would be able to put a key in the door and actually own my own home. The more I rented, the less money I had to buy a house." What a happy day it was for her. That really speaks to the essence of homeownership throughout America.

Every American has the same goal in achieving the American dream, to own their own home, a home that is safe, clean and affordable. By increasing homeownership, we can bring families closer together.

This resolution is an important first step in removing the many roadblocks that stand in the way of this worthy goal. Quite simply, it expresses the sense of Congress that the priorities of the United States should include providing access to affordable housing that is safe, clean, healthy and affordable, as well as making homeownership more accessible.

This resolution expresses that these goals should be pursued through policies that do three things: First, promote the ability of the private sector to produce affordable housing without excessive government regulations. Secondly, we encourage tax incentives, such as mortgage interest deduction, at all levels of government. Lastly, we will facilitate the availability of capital for homeownership and housing production.

Owning one's own home means one can take care of one's family and achieve a better quality of life. Last year for the first time in history the homeownership rate reached 66 percent, largely because of moving toward a balanced budget, decreasing pressure on interest rates, bringing those interest rates down and making homeownership more affordable.

Through the dedication and the hard work of public-private partnerships, communities and individuals, we will accomplish our aim of solidifying a strong foundation for sustaining homeownership into the next century. These statistics mean that we are making headway in the area of providing decent, safe, affordable housing for all Americans, but we are not yet there. Even with these important gains, however, young households, especially young married couples, are still 4 to 9 percent below their peak homeownership rates. Shortages of household resources for both down payment and monthly mortgage payments are largely responsible for this trend.

I also would mention, Mr. Speaker, that among African-American and Hispanic heads of household and female heads of household, while overall homeownership rates are up by 66 percent, those numbers are down in the 40 percent range, so we have a lot of room to grow.

Our most pressing housing challenges are increasingly being faced by first-time home buyers and low-income households and rental housing. As we have seen, fewer young Americans are able to afford their own home than in 1980. But what is worse is that growing numbers of less fortunate citizens are forced to spend very large portions of small budgets to rent apartments that are physically inadequate.

The struggle of many Americans to buy or rent a home is unnecessary. There is an undeniable direct relationship between safe housing and positive economic, social and political outcomes that stabilize neighborhoods and benefit all members of our society. We in Congress need to give Americans the tools they need to be in control of their family's housing.

This resolution must serve as a foundation upon which we build a coherent, coordinated national housing policy that represents the wealth of individual dedication and community spirit that characterizes our great Nation. We cannot be satisfied with an all-time high homeownership rate. We cannot be satisfied with anything less than providing every available opportunity for all Americans to obtain decent, affordable housing for every American citizen.

This Thursday the Subcommittee on Housing will hear testimony regarding H.R. 3899. That is called the American Homeownership Act, legislation that I and a number of our colleagues introduced in May. The American Homeownership Act represents a continued commitment to expanding homeown-

ship opportunities into the next century. It recognizes that homeownership helps provide the building blocks for family security and stability, a healthy and prosperous community, and a strong and vibrant Nation.

Our proposal will eliminate the bureaucratic red tape and excessive regulations that stifle homeownership, will preserve and protect opportunities for seniors to remain in their own homes, near families and friends, by making FHA-insured reverse mortgage programs permanent. We will expand opportunities for low-income families by allowing public and assisted housing assistance to be used for down payments and monthly mortgage payments. We will give local communities greater flexibility to tap into Federal block grants for affordable housing development, reclaiming distressed neighborhoods and empowering local community development organizations.

This is what we stand for, Mr. Speaker. The resolution before us today is a complement to this proposal and others designed to provide all Americans every possible opportunity for achieving the dream of owning a home.

I would ask each Member of this body to think about the importance of housing to every single person in our Nation. How else can we directly make a positive change in the lives of all Americans than by improving their access to safe, clean and affordable housing. Let us pledge here today to all Americans that we understand the critical importance of housing, and that we in Congress are finally getting things done.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with all the positive programs that the gentleman from New York mentioned, and I will be supporting them.

□ 1500

My problem is I think there are couple of gaps. Years ago when we had the failure in the savings and loan industry, and then in the commercial bank area, many less in the commercial bank area, this Congress, through the Subcommittee on Housing and Community Opportunity took the lead in establishing affordable housing programs for both what was then the Resolution Trust Corporation, dealing with the S&L crisis, and the FDIC's resolution entity as well.

What they did was to take the houses that had come into the inventory of the Federal banking regulators and sell them to low-income people at a reduced rate. That is, we did not auction those off. We set them aside so that low-income people could buy them. They were not given away; they bought them. But they bought them at less than they might have to buy at open auction. Unfortunately, when the current majority took over the Congress they effectively ended those programs by not appropriating for them.

So I would hope we would go back to that. I would hope we would say to the extent that there is a Federal housing inventory taken over by banks or taken over by HUD, we would also reinstitute programs which made that available to lower income people, because there is this danger that we will increase the difficulty for people at the lower end.

It is obviously important to maximize home ownership across the board, but we should not forget people at the low end. Indeed, the one question I had, and we will pursue this on Thursday, when the gentleman from New York said we would allow people to use some of their rental assistance, public housing assistance, to buy housing, I am all for that. But it ought not to come at the expense of existing housing. There are ways to do that that would not cause problems, but there are ways that could cause problems.

If, in fact, the result is that less money is available for maintaining existing assisted and public housing, we will have some problems. So, I do want to add to the ability of lower-income people to own their own homes, but not in a way that is going to exacerbate the problems of the people who rent. Because a certain percentage of the people, because of the circumstances they live in, are going to continue to be renters.

And, yes, it is important to promote home ownership. The gentleman said, and the language said affordable housing for everyone. Some percentage of that is going to be rental housing, and we are not now doing nearly enough to help people at the low end live in decent, affordable rental housing.

So I hope that we will not forget that, that we will not go forward with home ownership in ways that will exacerbate that. The resolution, as it is stated, is a reasonable one. I welcome the repudiation of the flat tax that it includes. I think we will be doing people a service by making clear that the flat tax is a rhetorical symbol, but the presidential campaign of 2000 to the contrary notwithstanding, as the gentleman from Nebraska stated, it is not to be a reality and people ought not to worry too much about it, and we can go forward with a series of programs which would include home ownership.

Mr. Speaker, I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing let me just stress first that there are 170 cosponsors of this bill. It is a bipartisan piece of legislation. And, secondly, I am pleased that the gentleman from Massachusetts (Mr. FRANK) has offered his support. I believe he has raised a series of thoughtful perspectives that do deserve review.

Let me just stress, this bill underscores that mortgage deductions are key to housing and should be protected. Most of us on this side of the aisle would like to see the Tax Code

simplified and the riddance of hundreds of thousands of deductions that currently are in the Tax Code, whether in the context of a flat tax or the maintenance of a progressive tax. But the majority on this side of the aisle, I believe, also insists that whatever happens to the Tax Code, that key deductions like mortgage interest deductions, like charitable giving, for instance for churches, be maintained.

Yes, the gentleman has correctly noted that there can be a role for regulation, just as there is a role for taxes in American society. But too much regulation, just as too much taxation, can be counterproductive and constrain economic growth.

The gentleman has pointed out quite correctly that this House last week passed a bill on private mortgage insurance. He joined us and we are proud of passage of that legislation. In one sense one can argue that it is a governmental intrusion in the markets. In another sense, however, it should be stressed that what we did in that legislation is take the effect of cost of regulation off of the American consumer at such a point in time that a given percentage of the mortgage deduction had been paid.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

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

Mr. FRANK of Massachusetts. Mr. Speaker, I know we are trying to reach common ground here, but that simply defies the English language. What we did with PMI was a government regulation of a private operation.

Now, I agree it was beneficial. I had always been for it. But it was not undoing of regulation as we used the word. What we did was to pass a government regulation establishing new rules for what has heretofore been an entirely private set of transactions. I am glad we did, but that is what we did.

Mr. LEACH. Mr. Speaker, reclaiming my time, it is odd to be in an argument about an issue which we both support. But I would simply say it took a burden off the American people and that was a very appropriate thing to do.

Mr. FRANK of Massachusetts. Mr. Speaker, if the gentleman would again yield, yes, I agree. Government regulation often has the effect of unburdening people who should not be burdened.

Mr. LEACH. Mr. Speaker, fair enough. If I could proceed on my own time, let me point out that in a broad macroeconomic way, this Congress, in less than 3½ years, has moved from a fiscal deficit to a fiscal surplus, something absolutely disbelieved by the American public, disbelieved or doubted, I think, by many in this body, including some in the party who helped to achieve this.

At this point we have three options. One of those options is to put forth a tax cut, because we are in a surplus circumstance. This is a credible option.

Another option is to keep the status quo and continue to pay back some of the enormous debts that have been built up over the last several decades. This, also, is a credible option.

The third option is to increase spending because we are in a surplus situation. That is an option that this side of the aisle thinks is less credible. And so, I would suggest to my colleagues, as we move forth in all areas of Federal spending, we are going to have to be very careful to restrain the budget.

In this regard, we are talking this afternoon about housing. One of the great reasons that there is more private home ownership in America is that there are more jobs because of a growing economy and there is lower cost to finance because of a more restrained fiscal and monetary policy. This side of the aisle is very, very concerned that we do not upset this mix of fiscal and monetary policy that has turned around our economy.

So, Mr. Speaker, in conclusion I would just like to stress that the gentleman from Massachusetts (Mr. FRANK) is entirely correct that we still have a problem of affordable housing in this country especially for lower income levels of America. We have just passed a housing bill that is largely the framework, in a budget sense, of what the administration has suggested, although spending is not as high as the gentleman from Massachusetts would like. But we have tried to work with the administration in a responsible way.

In fact, we have authorized higher dollars for spending on senior housing and for housing for people with disabilities than proposed by the administration. We are proud both of the spending and the tax restraints that have been put into place and we are proud of the principle undergirding this piece of legislation. I would urge my colleagues to adopt it.

Mr. RILEY. Mr. Speaker, I rise today in support of homeownership. That is a simple, but extremely important, statement.

Homeownership cuts across party lines, Mr. Speaker. It gives all Americans hope that they too can reach the American dream.

I can't imagine a member here today who does not believe that homeownership should be a national priority. It is important that the House keep this priority for all Americans in mind when considering this legislation.

We must remove unnecessary regulatory barriers that drive up the cost of homeownership. Housing accounts for 12% of our nation's economy and even modest decreases in the cost of a new home will open the door to homeownership for families who are now priced out of the market.

We must never push out of sight the need to focus on raising the nation's homeownership rate and allowing our nation's families and communities to be strengthened. Please join me in supporting H. Con. Res. 208.

Mr. WELLER. Mr. Speaker, I come to the well today to commend my friend from New York, Chairman LAZIO for moving this important resolution to demonstrate the federal governments' commitment to safe and affordable housing.

I believe that home ownership is a key part of achieving the American Dream. Increased homeownership leads to stronger families stronger communities and local economic growth development. That is why we must work to reverse the decline in homeownership among those of us under 40 years of age. Making homeownership more affordable is a critical factor in our effort to turn this trend around.

I am happy to report that the 104th Congress made great strides in making homeownership more affordable. For example, I offered an amendment that would reduce the cost of homeownership by \$200 a year for first time buyers using the FHA program. This provision was part of the FY 1998 VA-HUD Appropriations.

While we all recognize the need to make government smaller, smarter and more effective, I am committed to saving and improving programs that provide an indispensable service. That is why I authored legislation to make the FHA Single Family Program a government corporation. My legislation ensures that FHA's mission will continue and that the program will be given the latitude to create new products to meet market changes. It will remain independent of federal bureaucracy and will have to remain self sufficient. This format will keep FHA mortgages affordable and will remove taxpayer liability. FHA has made the dream of homeownership a reality for 250,000 families and individuals each year who would not otherwise have been able to afford a home; primarily first time buyers, minorities and those with low and moderate incomes. We must do everything we can to preserve and improve upon this success story.

FHA's Title One program is yet another success story that has been under utilized in recent years. The program provides opportunities for families to buy older homes, rehabilitate them and breathe new life into tired communities. While the Title One program increased its volume by 73% from 1994 to 1995 for a total of \$1.324 billion, there were only \$273.3 million in Illinois. Many former industrial communities that spread across this region could be revitalized with an infusion of additional Title One loans.

There also remains a national need for affordable rental units. Each year 100,000 units are lost to demolition, abandonment or a higher use of income going to meet non-housing expenses such as food and health care. The Low Income Housing Tax Credit has been responsible for financing the construction of units to replace that are lost each year. In addition to providing affordable housing, the success of this credit can be seen in the thousands of jobs it has helped create. This credit is a fine model of the public private partnership that we want to foster. It empowers local communities to address housing needs with minimal federal bureaucracy.

My Colleagues and I have founded a housing opportunity caucus to promote programs like the Low Income Housing Tax Credit, FHA Single Family and Title One Programs and other as building blocks for creating sound and compassionate housing opportunity policy that fosters homeownership as an opportunity for all Americans.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of this bill, which expresses the sense of Congress, that we must work towards providing access to safe, healthy and clean accommodations for all Americans.

The goals of this resolution are admirable. Adequate housing is an issue which has been unjustly ignored for too long by this Congress. I have always sought to ensure that the children of this great National all have access to safe and secure shelter, and this resolution, in my opinion, is a step in ensuring just that.

My district, which lies in the City of Houston, is suffering from a housing crisis. Thousands of families are currently on waiting lists for public housing. In fact, a recent report had this figure at over 6,000 people. For those families who have already endured the wait and are currently living in public housing, many have found the accommodations, unsafe, hazardous, and woefully inadequate. Public Housing has merit, but it is not the best solution for every family with a housing deficiency.

Not all government action has been fruitless, however. We have had remarkable success with Federal programs which work in partnership with private entities. One example is the Department of Housing and Urban Development's Section 8 Housing Program. Under this program, certificates or vouchers are issued to needy families who pay too large a part of portion of their income in rent. The voucher that they receive is for a modest amount, and just brings the rent down to a manageable level.

One of the reasons that this program is so successful is because Section 8 families are allowed to stay in private housing. That not only means that Section 8 landlords get a fair shake in the deal, but it also means that the individual families who use the vouchers have some choice in where they live, work, and raise their children.

Just within the last few weeks, I have worked closely with the people at Fannie Mae in my district. They recently undertook the responsibility of funding a study that would look closely at how their corporation, and other mortgage financiers, can enter the urban market in a successful and lucrative manner. I look forward to the results of that study, and to the benefits I believe it will bring to my community, in the form of more options for prospective homeowners who have typically been excluded from the American dream.

We must work closely together here in the House in order to find viable and workable solutions for our housing deficiencies. This problem afflicts all of our districts, and we must take a pro-active stance if we are going to bring some sort of relief to our constituents. I hope that this resolution signals a step in that direction.

The SPEAKER pro tempore (Mr. STEARNS). The question is on the motion offered by the gentleman from New York (Mr. LEACH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 208.

The question was taken.

Mr. FRANK of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks on the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

WAR RISK INSURANCE REAUTHORIZATION ACT of 1998

Mr. DUNCAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4058) to amend title 49, United States Code, to extend the aviation insurance program, and for other purposes.

The Clerk read as follows:

H.R. 4058

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AVIATION INSURANCE PROGRAM AMENDMENTS.

(a) REIMBURSEMENT OF INSURED PARTY'S SUBROGEE.—Section 44309(a) of title 49, United States Code, is amended to read as follows:

“(a) LOSSES.—

“(1) ACTIONS AGAINST UNITED STATES.—A person may bring a civil action in a district court of the United States or in the United States Court of Federal Claims against the United States Government when—

“(A) a loss insured under this chapter is in dispute; or

“(B)(i) the person is subrogated under a contract between the person and a party insured under this chapter (other than section 44305(b)) to the rights of the insured party against the United States Government; and

“(ii) the person has paid to the insured party, with the approval of the Secretary of Transportation, an amount for a physical damage loss that the Secretary has determined is a loss covered by insurance issued under this chapter (other than section 44305(b)).

“(2) LIMITATION.—A civil action involving the same matter (except the action authorized by this subsection) may not be brought against an agent, officer, or employee of the Government carrying out this chapter.

“(3) PROCEDURE.—To the extent applicable, the procedure in an action brought under section 1346(a)(2) of title 28 applies to an action under this subsection.”.

(b) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 of such title is amended by striking “1998” and inserting “2003”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. DUNCAN) and the gentleman from Pennsylvania (Mr. BORSKI) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill reauthorizes the War Risk Insurance program for 5 years. The Committee on Transportation and Infrastructure unanimously approved H.R. 4058 on June 25.

This bill is very similar to legislation, S. 1193, which the House passed on November 12, 1997. S. 1193 provided a short extension of the program in order to give us time to develop an alternative to borrowing authority that would help ensure that air carrier insurance claims could be paid in a timely manner.