

Department of Workplace Development runs many retraining programs through local private industry councils.

Federal education and training programs concentrate on two types of persons. Disadvantaged workers lack the basic skills to function in the labor force or to acquire education and training. Programs for these persons concentrate on providing skills and education that will enable them to participate in the work force and become self-sufficient. Some programs provide remedial training; others, adult literacy and vocational training.

Dislocated workers have the skills to participate in the work force, but have become temporarily unemployed. These workers may require retraining to find new jobs. Workers who become dislocated through federal policies, such as trade agreements, environmental regulation or defense downsizing are eligible for federally funded job training.

#### REFORMS

Congress has already taken some steps to improve the current system. It has funded local "one stop" career centers where workers can obtain information on training programs and employment opportunities. It has also created School-to-Work transition programs that will assist young persons in making the transition from school to full-time employment.

However, more dramatic reforms are likely to be considered this year. We need to consolidate our present array of federal job training programs in a manner that enhances worker participation and productivity. These programs should be structured to make information and resources more available to the intended recipients. One approach would be to consolidate existing programs into a single federal program and give state governments more flexibility in administering retraining efforts. A second approach involves providing "skill scholarships", student loans, and tax credits to those who are in need of training and education. Financial resources would be placed directly in the hands of those who seek to improve their skills.

#### CONCLUSION

Most studies show that the benefits of federal retraining efforts are modest, especially in the programs for severely disadvantaged workers. It has become very clear that you cannot make up for the deficits of a lifetime in a few months of training. We may get better results from programs with one or two years of intense training.

I am inclined to think that the main focus of our efforts should be on mainstream young people who are not going on to four year college. The approach would direct such youth into community colleges and technical programs to upgrade their basic skills and to learn other skills needed in growing areas. Our country does a lot for people who go to college. We do considerably less for people who do not. They are the forgotten half. They are also largely the people who build homes, fix appliances, repair roads, answer telephones and work in factories.

Of course, the great flaw in the training programs is simple: many trainees cannot find jobs. One approach to alleviate this program may be for government to provide training funds to employers who have jobs but cannot find suitable workers. This approach sidesteps expensive and fruitless job searches. Employers, under this approach, would guarantee jobs to those who complete training successfully.

The nation's challenge is to create a system of worker training that will train a highly skilled and educated work force, boost our nation's productivity, and meet the economic challenges from abroad. Our

society must adopt a philosophy of life-long learning and training for workers. Without well-trained workers, this country will become a second-rate economy.

### INTRODUCTION OF THE EQUAL REMEDIES ACT

**HON. BARBARA B. KENNELLY**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mrs. KENNELLY. Mr. Speaker, today I am introducing legislation to correct a serious inequity in civil rights legislation, created by the passage of the Civil Rights Act of 1991. While that bill represented significant progress in the ongoing battle to overcome discrimination, it also created a two-tiered system of justice.

Under the current law, victims of intentional racial discrimination are entitled to unlimited damages. However, victims of discrimination based on disability, sex or religion can receive damages only up to a statutory maximum. Just as I strongly support the right to seek unlimited damages for racial discrimination, I also support this redress for victims of other types of discrimination as well.

That is why I am introducing the Equal Remedies Act of 1995. This bill would eliminate caps on damages set by the Civil Rights Act of 1991 and send the strong message that discrimination of any kind cannot be tolerated by our society. It is time to make all victims of discrimination equal under the law—second-class remedies have no place in anti-discrimination law.

I urge all my colleagues to support this important legislation.

### CAPITAL GAINS—CREATING JOBS AND TREASURY REVENUE

**HON. PHILIP M. CRANE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. CRANE. Mr. Speaker, when I first ran for Congress in a 1969 special election, the overriding theme of my candidacy at that time and the theme of my candidacy ever since, centered on fiscal responsibility—less spending and lower taxes. Although I was not initially able to serve on a committee directly dealing with tax or budget issues, in the 94th Congress, 1975–1976, I was honored with an appointment to the Committee on Ways and Means, the committee with jurisdiction over all tax matters that came before Congress. I have served on that committee ever since.

In the years prior to my service in Congress, it had become clear to me that lower taxes stimulate economic growth, and this was certainly the case with regard to the taxation of capital gains. From the day I began serving in Congress I have pushed to reduce the rate of tax on capital. In the time I have served on the committee, we have reduced the capital gains rate twice, only to see the rate hiked back up through the enactment of the Tax Reform Act of 1986. In 1989, we came close to again bringing the rate back down, actually passing a reduction in the House, only to see the legislation die in the Senate. Now, with a new

Republican majority in Congress and the Republican Contract With America, we have another opportunity to reduce the capital gains rate.

Over the years I have sponsored, cosponsored, and supported many different capital gains proposals. Indeed, I am an original cosponsor of the contract's capital gains proposal offered by my long-time colleague and good friend, the new chairman of the Ways and Means Committee, BILL ARCHER. In addition, to cosponsoring Chairman ARCHER's legislation, however, I wanted to again introduce my own legislation to this Congress, not only to highlight my long-standing commitment to this issue, but to raise the matter of the appropriate rate of taxation for capital gains.

In the next months, the Ways and Means Committee will be holding a series of hearings that will include debate and discussion of a capital gains rate reduction. We will discuss indexation of capital gains—something I believe is absolutely critical—the period of time which capital must be held to qualify, and we will discuss the rate at which capital gains ought to be taxed.

Frankly, I would love to see capital gains taxes eliminated altogether. Moreover, I believe any reduction in the rate will be beneficial to all Americans. However, if your intention is to greatly stimulate capital investment while at the same time maximize revenues to the Treasury, experts suggest that the capital gains rate should be set somewhat between 12–15 percent. The legislation I am introducing today would provide for a maximum capital gains rate of 15 percent for all brackets except for those in the lowest bracket, where the rate would be 7.5 percent.

I would be remiss in closing this statement without making some additional comments with regard to the benefits of reducing the capital gains rate. First, all Americans will benefit from a reduction in capital gains tax, not just the rich. It is flat out wrong to state that only rich people will benefit from such a tax cut. Indeed, the last time we seriously debated the issue in 1989, Treasury Department statistics showed that almost 75 percent of those families/individuals filing tax returns which reported capital gains had incomes of less than \$50,000, hardly the rich.

Moreover, when the capital gains rate is reduced, not only does money flow more freely between capital investments but more money is invested in capital. Both of these consequences are highly beneficial, and the net result of more investment is more jobs. The small businessman who is taking a risk starting a new business will find it easier to attract investors to share that risk because the penalty for success has been reduced. Moreover, because a larger pool of money will become available for capital investment due to a reduced capital gains tax rate, the cost of that capital to businesses will go down.

Another point that must be mentioned concerns how the change in the capital gains rate affects revenues to the Treasury—not a small issue in our dire budgetary circumstances. Critics of capital gains rate reductions have always tried to suggest that a reduction in the capital gains rate will mean a reduction in revenue to the Treasury. Nothing could be further from the truth. In reality, the past two times we have reduced the capital gains rate, revenues to the Treasury attributed to capital gains have actually increased. This happens because of

the consequences I just mentioned. When the rate is lower, more money flows to capital and between capital assets. Thus, you have more capital gain transactions and it is the transaction which triggers the tax. Moreover, the economic growth generated by more available and cheaper capital creates jobs, which means more taxpayers.

The vast majority of major industrialized countries in this world already know these benefits and their capital gains rates are significantly lower than the current rate in the United States. It is time that the United States got smart and caught up with the rest of the world. I look forward to a productive debate on the capital gains issue in the Ways and Means Committee and hope that our committee's capital gains initiative, in whatever final form it takes, passes both the House and the Senate and is signed into law by the President.

#### ROCKLAND COUNTY MEDIAN INCOME BILL, H.R. 21

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. GILMAN. Mr. Speaker, I rise to introduce H.R. 21, legislation to correct the median income calculation for Rockland County, NY.

Currently, Rockland County's median income is calculated by the Department of Housing and Urban Development [HUD] as part of the primary metropolitan statistical area [PMSA], which includes all of the income data for New York City. For this reason, HUD lists Rockland County's median income for a family of four as \$40,500. The 1990 census shows that the county's true median income to be \$60,479, a difference of approximately \$20,000.

Since HUD's income levels are used in calculating eligibility for almost all State and Federal housing programs, these inaccurate statistics severely limit the access of Rockland County residents to many beneficial programs. Income caps for the State of New York mortgage agency, Fanny Mae/Freddie Mac, HUD's section 8, and a myriad of other beneficial programs are artificially low, thus most of Rockland's residents, financial institutions, sellers, and home builders are at a severe disadvantage compared to their counterparts in neighboring counties, whose statistics accurately reflect their population.

During the 103d Congress I was successful in gaining the inclusion of this important bill's language in H.R. 3838, the Housing and Community Development Act. Unfortunately, though this legislation was approved by the House of Representatives the Senate chose not to act.

Accordingly, I urge my colleagues to support this median income bill as well as the 104th Congress' attempt to enact a major housing bill.

At this point in the RECORD, I request that the full text of my bill be inserted in the RECORD:

H.R. 21

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

#### SECTION 1. DETERMINATION OF INCOME LIMITS.

That section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—

(1) in the 4th sentence—

(A) by striking "County" and inserting "and Rockland Counties"; and

(B) by inserting "each" before "such county"; and

(2) in the last sentence—

(A) by striking "County" the 1st place it appears and inserting "or Rockland Counties"; and

(B) by striking "County" the 2d place it appears and inserting "and Rockland Counties".

#### SEC. 2. REGULATIONS AND EFFECTIVE DATE.

The Secretary of Housing and Urban Development shall issue regulations implementing the amendments made by section 1 not later than the expiration of the 90-day period beginning on the date of the enactment of this Act. The regulations may not take effect until after September 30, 1994.

#### HEALTH INSURANCE EQUITY ACT OF 1995

**HON. BLANCHE LAMBERT LINCOLN**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mrs. LINCOLN. Mr. Speaker, I rise today to re-introduce a bill that will make health insurance premiums more affordable for farmers and self-employed individuals. The Health Insurance Equity Act of 1995 simply changes the tax code to permanently provide the self-employed with a 100-percent tax deduction for costs incurred while purchasing health insurance. This legislation will also be retroactive to the previous tax year beginning January 1, 1994, when the 25-percent deduction expired. Let me be clear, this legislation gives the self-employed the 100-percent deduction now, and extends it to last year.

It is time to face the facts about purchasing health coverage today. Many of the 37 million uninsured are small business owners. Health care costs averaged \$3,160 per person in 1992, with current increases projected to run in double digits through the end of the century. Prescription drug costs in many cases have risen more than 60 percent since 1985. My constituents are asking for relief.

This bill achieves our goals of health care cost reduction and better access for the uninsured while reducing costs for those currently insured through lowering fees passed onto consumers from hospitals for care of the uninsured. Adoption of this proposal may even encourage employers to purchase better health care plans for their employees.

Our actions must show our constituents that we understand the problems they are facing. This legislation achieves 100-percent deductibility immediately without any phase-in. Tax relief and tax fairness are what this legislation is all about, and tax relief and tax fairness are what the Health Insurance Equity Act of 1995 is promoting. While this legislation is not the final solution to our health care ills, it is a necessary first step in providing assistance to the small businessmen and farmers who are the economic backbone of my district, my State, and our economy.

#### DOD ASSISTANCE IN BORDER PROTECTION FUNCTION

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. TRAFICANT. Mr. Speaker, I rise today to reintroduce legislation that would authorize the Secretary of Defense to assign up to 10,000 full-time Department of Defense [DOD] personnel to assist the Immigration and Naturalization Service [INS] and the U.S. Customs Service in performing their border protection functions. This legislation is identical to H.R. 1017, which I introduced in the 103d Congress. I am urging my colleagues to become co-sponsors of this legislation.

The Border Patrol has the strength of only 3,800, yet its mission is to guard the two longest borders of one of the largest countries of the world. Reports indicate that, at any given time, only 800 patrolmen are available to protect our 2,000-mile southern border.

The people of this country have shown that they are becoming increasingly impatient with Congress's inaction toward illegal immigration. In California alone, voters in November approved a State referendum that would discontinue nearly all State social benefits for illegal immigrants. While there is heated debate on both sides of this issue concerning its constitutional and moral grounds, the problem would not even exist if a stronger Border Patrol existed to monitor illegal crossings. Yet Congress has failed to provide funding necessary to enlarge the Border Patrol. Until Congress can find the money, this military option is the best short-term way to address this shortage of Border Patrol personnel. Until our borders are fully protected, illegal immigrants, drug traffickers, and possible terrorists will have an open invitation to cross into the United States undetected.

DOD personnel are already involved in some border protection work. Yet, in terms of numbers, their involvement is virtually insignificant. My new bill would permit the Secretary of Defense to beef up the border with DOD personnel so that our borders are fully protected.

We have hundreds of thousands of U.S. troops deployed throughout the world protecting European, Asian, and Latin American nations. At the same time, we have approximately three million illegal aliens crossing our border annually, carrying drugs into our Nation and taking jobs away from Americans that need them. If the DOD can bestow hundreds of thousands of U.S. troops on foreign nations for their defense, it should be able to spare about 10,000 military personnel to protect our Nation.

Once again, I urge all Members to become cosponsors of this important legislation.

#### VOLUNTARY SCHOOL PRAYER

**HON. BILL EMERSON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. EMERSON. Mr. Speaker, I rise today to introduce a constitutional amendment to allow