

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

for voluntary school prayer. The Founding Fathers intended religion to provide a moral anchor for our democracy. Wouldn't they be puzzled to return to modern-day America and find, among elite circles in academia and the media, a scorn for the public expression of religious values. I find it ironic that while taxpayer's dollars are being used by bureaucrats to distribute condoms in our public schools across America, our children are prohibited from reading the Bible or offering voluntary prayer in public schools. This sends a powerful message to our children—and it is the wrong message.

One of the many liberties our forefathers founded this great Nation upon was freedom of religion; a freedom to pray to the God we want, when we want, and where we want. Unfortunately, this freedom has been eroded by the Supreme Court over the last few decades. I firmly believe that no one should be forced to pray, especially if a certain prayer is contrary to an individual's beliefs. But, there can be no question that every American citizen has the right to pray voluntarily whenever and wherever he or she chooses, and that includes children in public schools. This is protected under the first amendment; "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." It is that second part that I ask you to pay special attention to today.

As President Reagan so eloquently stated in 1982, "the First Amendment of the Constitution was not written to protect the people of this country from religious values; it was written to protect religious values from government tyranny."

#### SOURCE TAX LEGISLATION

**HON. BOB STUMP**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. STUMP. Mr. Speaker, today I reintroduce legislation to prohibit State governments from taxing the pension income of people who reside in other States.

The so-called source tax has become a major cause of anger and concern among retirees in Arizona and other States. Many of these retirees are being forced to pay income tax to States in which they no longer live, nor have lived for many years.

In my opinion, the authority of California and other source tax States to tax Arizona residents merely because those residents may at one time have lived in those States and were covered by a pension plan, is dubious at best. The legislation I am introducing today would make clear that one State cannot tax the pensions of people who live in another. It is my belief and the belief of my constituents, that if source tax States need to raise revenue, they should do so from their own residents—not from people who cannot respond at the ballot box.

#### REFORMING THE HOUSE

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 28, 1994 into the CONGRESSIONAL RECORD.

#### REFORMING THE HOUSE

In early January, the House of Representatives will consider and likely pass the most significant reforms of its internal operations in decades. These changes were proposed by the new leadership, but many are drawn from the reform plan of last session's Joint Committee on the Organization of Congress.

More generally, the reforms continue a tradition of institutional renewal, dating from the mid-1970s, which aims to open up congressional deliberations, increase the authority of party leaders, and make the House leadership more accountable to rank-and-file Members of Congress and the public. My sense is that most of the new reforms are constructive, and will lead to meaningful improvements in the way business is conducted in the House.

#### JOINT COMMITTEE REFORMS

Many of the reforms in this package were derived from the work of the Joint Committee on the Organization of Congress, a bicameral and bipartisan panel which I co-chaired. The Joint Committee made its recommendations for reform in November 1993, and last year the House did pass one of its major recommendations—requiring Congress to live under the same laws it applies to the private sector.

Unfortunately, the remainder of the Joint Committee's reform plan was not considered by the full House during the 103rd Congress. But the new House leadership has adopted or built on many of the key reform recommendations: First, again require the application of private sector laws to Congress. It is critical that Members of Congress follow the laws they pass for private citizens. Second, streamline the bloated congressional committee system, by reducing the total number of committees and restricting the number of committee assignments Members can have. The leadership also adopted a Joint Committee proposal to significantly reduce the number of subcommittees. Third, cut congressional staff. The leadership has proposed a one-third reduction in committee staff. It recommended no reduction in Members' personal staff or in large congressional support agencies such as the General Accounting Office. The Joint Committee recommended a reduction in the entire legislative branch of up to 12%. Fourth, open up Congress to enhanced public scrutiny by publishing committee attendance and roll call votes, requiring that the Congressional Record be a verbatim account of congressional proceedings, and requiring that special interest projects included in spending bills be publicized, thus providing additional barriers to wasteful spending.

#### ADDITIONAL REFORMS

The new leadership has also proposed changes that were not included in the Joint Committee package, some of which are constructive, others of which are problematic. For example, to streamline the House it has proposed that three standing committees be abolished. The Joint Committee adopted a more flexible, "attrition" approach to committee abolition, providing incentives for Members to leave less important committees through strict assignment limitations and a

requirement that committees losing one half of their members be considered for abolition. The basic approach of the leadership proposal should modestly improve the committee system, but it does not address the fundamental problem of several committees having huge jurisdictions.

Drawing on the proposals of an earlier reform commission, the leadership would create a new chief administrative officer for the House who would be responsible for managing its non-legislative functions. I support this attempt to reduce patronage. But the leadership has made the chief administrative officer a partisan position, appointed and supervised by the Speaker. Instead, the administrative functions of Congress should be handled in a bipartisan fashion, with the chief administrative officer reporting to leaders from both parties.

Another proposal would require a three-fifths "supermajority" in the House to increase income tax rates. However, almost all substantive issues in the House are now settled by majority rule, and it is unclear why a three-fifths vote is appropriate for revenue matters but not for other legislation. If such supermajorities proliferate in the House, the result would be more legislative gridlock in Washington. In addition, the constitutionality of this proposal is in question.

#### REFORM OMISSIONS

From my viewpoint, a number of important reform recommendations in the Joint Committee plan are not included in the proposals made by the new leadership. I intend to work for the passage of these reforms during the 104th Congress. Among the omitted recommendations are proposals to: First, include private citizens in the ethics process in a meaningful way. The Joint Committee proposed that private citizens investigate ethics complaints against Members of the House, but major ethics reforms are not included in the package under consideration.

Second, publicize the special interest tax breaks included in revenue bills and the budget resolution. My sense is that special interest loopholes should be treated the same as special interest spending projects. Such items should not be hidden from the public in huge bills. Third, streamline the budget process by shifting it from an annual to a biennial cycle, reducing redundant decisions and allowing more time for oversight.

#### CONCLUSION

The new House leadership has made a good start toward the passage of meaningful congressional reform. Their efforts have been assisted by the work of prior reform commissions, as well as the public demand for change and the transition to a new leadership with less invested in the institutional status quo. I intend to introduce and push for additional reforms aimed at making the House more efficient and publicly accountable. Reform is an on-going process. And reform is no panacea—many difficult issues are on the agenda. But sustained and meaningful institutional change is crucial for the restoration of public confidence in Congress.

#### INTRODUCTION OF POLICE AND FIREFIGHTERS TAX CLARIFICATION

**HON. BARBARA B. KENNELLY**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, January 4, 1995*

Mrs. KENNELLY. Mr. Speaker, I rise today to introduce legislation that is of vital interest to police and firefighters in Connecticut.