

means is all of those capital gains tax reductions will certainly create jobs and increase revenue to the Government. They cannot score it that way, but everyone who studies this knows a capital gains tax cut is a real winner for everyone.

#### INTRODUCTION OF THE VETERANS HEALTH CARE REFORM ACT OF 1995

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. EDWARDS] is recognized for 5 minutes.

Mr. EDWARDS. Mr. Speaker, the Congress has a long record of support for America's veterans and for the VA health care system on which so many veterans depend.

That system, like health care delivery generally, is facing an era of challenge and change. A critical factor for both the private and public health sectors, of course, is the high cost of health care delivery. Managing within a fixed budget, the VA has long been a cost-conscious provider of care. In recent months, however, VA's leadership has initiated additional reforms aimed at achieving more efficient service delivery.

We continue to press the VA to streamline and improve its delivery of care. We also recognize, however, that the Department operates within a statutory framework which from time to time needs revision. It has become clear to me that at least one key element of VA benefits law no longer serves the veteran or VA effectively. Specifically, the laws governing eligibility for VA care have become archaic and need to be modified. Those laws—some reflecting medical practices of years ago—make it easier to get costly hospital in-patient care than routine outpatient treatment. As a result, VA facilities often face the choice of denying a veteran routine outpatient treatment, providing that treatment illegally, or hospitalizing the individual to circumvent statutory limitations.

There is relatively broad consensus that enactment of health care eligibility reform is a top priority. Veterans have been urging Congress to enact a law which would guarantee comprehensive health care coverage, including long-term care, to service-connected, low-income, and others with a high priority to VA services. We attempted to achieve that goal last session as part of the broader pursuit of national health care reform, but were ultimately unsuccessful. I do not believe the prospects for that kind of comprehensive legislation have improved.

In my judgment, we can best achieve our common goals for VA eligibility reform incrementally. The reforms proposed in the Veterans Health Care Reform Act of 1995, which I'm introducing today, are incremental, but they are also important. My bill would for the first time eliminate barriers to routine

outpatient treatment, and make medical need rather than a questionable legal test the basis for determining whether a patient requires hospitalization or a clinic visit. The changes would not only make VA eligibility rules more rational, they would expand the benefits available to most veterans. Under current law, only a limited group of veterans—those 50 percent or more service-connected disabled—are assured of receiving comprehensive outpatient treatment. The bill calls on VA to manage resources so as to provide comprehensive outpatient treatment, as well as hospitalization, to a much broader spectrum of veterans, including those receiving compensation for a service-connected disability, former prisoners-of-war, World War I veterans, and lower income veterans.

Although I believe VA medical care merits a greater percentage of discretionary funding than it receives, the bill's proposed expansion of eligibility does not depend on additional appropriations. The bill instead envisions that the VA will shift care from its hospital wards to its outpatient clinics, and with the shift free up resources. Studies have found that some 40 percent of episodes of VA hospital care could more appropriately have been provided on an outpatient basis. In part, the problem is that VA facilities have more hospital bed capacity than they need, but not enough space and staff devoted to providing outpatient treatment. The bill would reverse that. It would provide VA a means to expand its outpatient treatment capacity by permitting the Department to retain for these purposes third-party collections above the Congressional Budget Office baseline level.

Let me stress that this bill is an important step forward, and a step on which we can build in the future. While its provisions would only have effect for a 3-year period, its implementation will provide the kind of data and experience VA and the Congress need for the still more comprehensive reforms that veterans seek and deserve.

#### DISTORTIONS ABOUT THE TAX REDUCTION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DOOLITTLE) is recognized for 5 minutes.

Mr. DOOLITTLE. Mr. Speaker, many of us are looking forward with greater anticipation tomorrow to passing what is a most significant provision of the Contract With America. That is the tax bill with all of the attendant benefits for families throughout the United States.

We have heard much talk from the other side about benefiting the rich, gross distortions of what this bill actually does, and a constant reference to the rich or to really utilizing a technique, if you will, of class warfare.

Mr. Speaker, I just would like to point out the Constitution of the Unit-

ed States and the writings of the Founders of this great country make no mention of class or income level. Indeed, the Declaration of Independence proclaims that all men are created equal, which means that all men and women stand equal before God in their entitlement to exercise their inalienable or God-given rights of life, liberty, and the pursuit of happiness.

We all know that the American family is overtaxed today. In fact, Americans are overtaxed, paying a higher percentage today in taxes than at any time since World War II, and we are not in a war right now, Mr. Speaker. We are fighting for survival against the Government which seeks to regulate and tax out of existence the very Americans who provide for its support.

Now, we hear from many critics on the other side the idea that we ought to sacrifice in essence for Government so that Government can tax the people's money, bring it back here to Washington, run it through the bureaucracy and trickle it back down again out to the end recipient.

Study after study shows that we lose between half and two-thirds of every tax dollar that is taken in that fashion. That is a gross waste of resources and a burden on Americans that we can no longer afford. We are making a start to turn that around with this very important piece of tax legislation tomorrow which cuts taxes for everyone.

I would just like to reference a chart that shows the effect, for example, of the capital gains tax cut where we are constantly criticized for benefiting the rich, and I would just like to reference this chart prepared by the Bureau of National Affairs which indicates that the distribution of tax returns reporting a capital gain with income measured as the adjusted gross income minus the capital gains, and you can clearly see that 70 percent of the returns filed claiming capital gains are for people whose incomes, adjusted gross incomes, are under \$50,000, 70 percent. For those with adjusted gross incomes of over \$200,000, only 2 percent filed such returns.

So do we all benefit from these capital gains provisions? Yes, we do. And by the way, the distribution of the benefits for the \$500-a-child tax credit is roughly in similar proportion to what we see here with the capital gains.

Again, the vast bulk of the benefits go to people of middle incomes. But again we are changing the tax provisions to say children have value and whether you are rich or poor, we as a government are going to recognize that with a \$500 per child tax credit. It is right in the philosophy of a man who as a good Democrat, President John F. Kennedy, who proclaimed "A rising tide lifts all boats." That is the philosophy of the Contract With America. We believe in restoring competitiveness to our economy. We believe in increasing the rate of economic growth. We believe in increasing the savings rate of individuals, and we do that in this tax

bill by changing the provisions relative to IRA's, individual retirement accounts, so that all people have an incentive to put some money away for a rainy day and when they do that, after 5 years, they can take it out tax-free.

That will create the incentive that Americans need to begin saving once again. The whole basis of this country, the free enterprise system, is based on incentive.

In the Contract With America we restore that incentive.

I look forward to that very important bill tomorrow.

#### BACK TO THE FUNDAMENTALS ONCE AGAIN

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Illinois [Mr. POSHARD] is recognized for 5 minutes.

Mr. POSHARD. Mr. Speaker, I love baseball. Growing up in farm country in southern Illinois, I always managed with my cousins to start the baseball season this time of the year with some pickup games, and I dreamed of the time that I could become a baseball coach. I went into the Army when I was 17, and I got out at age 20 and started going to the university. I got a bachelor's degree in physical education and became a baseball coach. I started coaching in a small rural high school. After the basketball season had ended my first year of coaching, it was only a few weeks' time that we had to get into the baseball season. In between that and the April showers we did not have much practice time. Lo and behold, the kids had not had the privilege of playing in Little League or Pony League or Legion Ball, so they knew nothing about the fundamentals of baseball.

In our first game of the year we were playing another team in a nearby community. We were behind 9 to nothing in the bottom of the 5th inning. In high school ball there is a 10-run rule. If you are behind 10 runs at the end of the 5th inning everybody goes home. They make the assumption you are not going to catch up; the game is over.

So the opposing team had the bases loaded and nobody out. If the kid on third base scores the game is over and we all go home. So I walked outside the dugout and yelled to my men in the infield. I said, "Okay, men, let's bring the infield in for the play at the plate." I turned and walked back to the dugout and every single kid on the infield followed me straight into the dugout. Well, I was shocked. Derisive laughter came out of the stands. People were guffawing their heads off. I chewed my kids out. But the truth is, on the way home I got a guilty conscience. You see, it was not their fault that I had not taught them a basic fundamental of the game, how to bring the infield in and throw the guy out at the plate. It was my fault. I had forgotten to teach the fundamentals. I want to tell you in

this last baseball strike here lots of fundamentals were forgotten, mainly that baseball is a game. But let me tell you about a labor-management dispute that is not a game.

In my district the United Paper Workers, the United Auto Workers, the United Rubber Workers have been in the midst of a labor-management dispute for some as long as 2 years. These are people that will never make a million dollars in their entire lifetime.

They are not cry babies. But their babies are crying. No jobs, less food on the table, no health insurance. These people do not labor in high-paying, hero-worshipping jobs in right field or center field or even the infield. They labor in coal fields and cornfields and wet-milling plants and making rubber tires and making heavy equipment, tough jobs.

When their complaints of unfair labor practices were filed, some as long as 2 years ago, no one expedited their case in the National Labor Relations Board. When their employers locked them out in the case of the rubber Workers permanently replacing them because they wanted the same contract as this Japanese-owned corporation that their counterparts had received from American companies, no Federal judge said a word. Why? Is their labor less worthy? Are their families less important to the welfare of this country? How can we be so out front for people making \$4 million or \$5 million a year and so reluctant to help people making \$20,000 or \$25,000? I know unions are not in favor today. But I grew up in coal-mining country. I saw young men go down into the mines and come up, at 35 years of age, with black lung and die and leave their families with nothing, until the UMWA organized. I saw the working conditions change so that accidents did not take hundreds of lives.

Mr. Speaker, Mr. President, I am not asking for the administration or the Congress to take sides in this labor-management dispute, but I am asking that the same sense of urgency and concern be given to the working people of this country.

Let us not forget the basic fundamentals of what built this country: Respecting people's work and expecting that their government will go to bat for them no matter their station in life or their position of power and influence in this country.

#### PASS H.R. 1215

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Florida [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, I rise to support an increase in the Social Security earnings limit and to ask for the repeal of the Clinton tax hike on Social Security benefits. Both are included in H.R. 1215.

Mr. Speaker, the Social Security earnings limit is an unfair and detrimental burden on all senior citizens

who find it necessary to work. A fixed Social Security income alone, or a planned savings program designed to supplement income during retirement, does not in any way provide sufficient financial security for senior citizens to live in the current world of rising prices. Moreover, and equally important, after being accustomed to bring in the work force for various decades, retirement leaves many seniors with a feeling of worthlessness and a lack of identity, hence there need for employment.

Unfortunately, Mr. Speaker, instead of repealing the earnings test which he once felt was punitive, President Clinton failed to even increase the earnings limit. Last year, his Social Security Administrator testified that only a \$1,000 increase was possible.

Under current law, senior citizens lose \$1 in Social Security benefits for every \$3 they earn above \$11,280.

The earnings limit translates into an added effective tax of 33 percent, combined with a 7.65-percent FICA withholding tax, and a 15-percent Federal income tax. This combines into a preposterous effective marginal tax rate of 55.65 percent—twice the tax rate of millionaires. This, Mr. Speaker, is outrageous, because it keeps people from working and I feel that no one person should be discouraged from working or, worse yet, penalized for trying to be financially independent. That is why I favor H.R. 1215, which eliminates the bias against older Americans who continue to work in order to help themselves and to create a better future for all.

This legislation phases an increase in the earnings limit to \$30,000 by the year 2000 and allows seniors to earn \$4,000 more each year.

An increase in the earnings limit is synonymous with positive benefits for senior citizens and for the overall welfare of this Nation. An increase in the earnings limit will provide for increased economic growth resulting from the wealth of expertise gained from seniors who possess decades of workplace experience, not to mention a strong work ethic, punctuality, and flexibility. We need the expertise and manpower that our seniors provide, in addition to the billions of dollars in the annual output of goods and services which their manpower renders.

The implementation of the earnings limit is a complicated procedure which requires that seniors produce estimates of their earnings for the upcoming year so that the Social Security Administration can reduce their checks. Any incorrect estimate, however, translates into a lump sum reduction in benefits or, worse yet, increased costs for these seniors if they have to employ tax accountants to determine the changes in their tax rates.

As if these limits to earnings were not enough, Mr. Speaker, current tax laws serve to place even harsher penalties on America's seniors, specifically those who continue to work, be it