

DEPARTMENT OF THE ARMY,  
OFFICE OF THE ASSISTANT SECRETARY,  
Washington, DC, June 6, 1995.

Hon. RANDY TATE,  
House of Representatives,  
Washington, DC.

DEAR CONGRESSMAN TATE: This letter is to reaffirm the Army's support and approval for the proposed land exchange involving the Weyerhaeuser Real Estate Company (WRECO), Pierce County and the United States.

The Army has been working with and will continue to work with Weyerhaeuser and local Pierce County officials to further this mutually beneficial arrangement.

Sincerely,

PAUL W. JOHNSON,  
Deputy Assistant Secretary  
of the Army.

#### CIRCLE OF ELDERLY CARE

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 5, 1996

Mr. HOKE of Ohio. Mr. Speaker, I would like to bring to the attention of my colleagues an exciting new program that has been established in northeast Ohio.

The Circle of Elderly care represents an innovative, model program of private and public community-based enterprises working together for our senior citizens. After two years of developing this program, Bertha (Betty) Villanueva, an owner of Indian Hills Senior Community, Inc., one of the largest privately owned, low income, senior community living complexes in the United States, has accomplished a creative and successful working network of programs and services for senior citizens to benefit from available local community resources.

Mrs. Villanueva identified the need for a comprehensive program of services to suit the unique needs of our senior citizens, such as medical, social and transportation services. She then initiated efforts to bring together public and private entities to develop a network of quality services for senior citizens. The result is the Circle of Elderly Care.

At the center of the CIRCLE is Indian Hills Senior Community, located in Euclid, Ohio (a suburb of Cleveland) consisting of 37 acres of land, and an unsubsidized apartment complex which includes 10 residential buildings. Its 1,574 units are designed for senior citizens (55 and over) who can live independently. Not only does Indian Hills provide housing to its residents, but also a broad spectrum of services including health, security, transportation, social and entertainment services. The Indian Hills complex also includes Silverpointe, located in one of the Indian Hills buildings, which is an assisted-living facility, with three levels of assisted care available, thus providing residential alternatives for those senior citizens who cannot live totally independent. Across the street from the Indian Hills residential complex is Indian Hills Plaza which consists of several retail stores, including one of the largest drug store chains, a restaurant, medical center, ambulance service and senior day care, all of which are completely accessible to Indian Hills residents.

Now, due to Mrs. Villanueva efforts, over a dozen different entities participate in the Circle of Elderly Care including:

#### CITY OF EUCLID

The City of Euclid has sponsored a seniors' program for its residents including a pro-

gram at the Emeritus House, a multi-purpose senior center located in the center of the Indian Hills apartment complex. The program includes daily lunches and meals for the homebound (sponsored through the Western Reserve Area on Aging pursuant to the Older Americans Act), recreational programs, free transportation to stores, doctors, etc., social activities, income tax preparation assistance and a senior employment program (sponsored through AARP), among others. These services are offered at no charge to Indian Hills residents.

#### INDIAN HILLS NURSING CENTER

The Indian Hills Nursing Center is a nursing home managed by Integrated Health Services, Inc. and is located across the street from the Indian Hills complex. It provides short and long-term care for senior citizens, and works with Indian Hills to assist Indian Hills' residents requiring a stay at the Center to return to independent living at Indian Hills, or assisted-living at Silverpointe. For example, Indian Hills will hold an apartment open if a resident needs a short stay in the Center.

#### AETNA SENIOR CHOICE, AN AETNA HEALTH PLAN

Aetna Senior Choice, a health maintenance organization, offers an alternative to Medicare and has a specific representative designated to Medicare and has a specific representative designated to work with Indian Hills residents. This plan offers seniors no monthly premiums, 100 percent hospitalization coverage, no deductibles or co-insurance, 100 percent payment for well services, and a \$5.00 physician in-office co-payment.

#### HEALTHWAYS, FAMILY MEDICAL CENTERS

HealthWays is a for-profit medical center affiliated with Aetna, located in the Indian Hills Plaza which provides 24-hour emergency care, outpatient surgery, and comprehensive medical care services offering a team approach to health care. Not only does it accept the Aetna Senior Choice Plan, but all other insurance as well including Medicare, and is conveniently accessed by the Indian Hills residents.

#### UNIVERSITY HOSPITALS OF CLEVELAND

This world-renowned medical facility has designated geriatric social workers to assist Indian Hills residents requiring medical treatment at University Hospitals. If an Indian Hills resident is treated at the University Hospitals emergency room, a University Hospitals social worker will contact the Indian Hills nurse to coordinate the resident's return from the hospital to his or her residence at Indian Hills along with follow-up services. Additionally, University Hospitals provides on-site seminars to Indian Hills residents on seniors issues and provides various testing such as blood pressure screenings, etc.

#### BENJAMIN ROSE INSTITUTE

The Benjamin Rose Institute is a nationally recognized non-profit, Medicare/Medicaid certified agency providing services to senior citizens on a sliding fee scale. BRI works with Indian Hills to provide home health care for its residents and also provides social services, counselling and mental health services to enable senior citizens to maintain their self-sufficiency and independence. BRI has an office located at Indian Hills staffed by social workers.

#### MT. SINAI HEALTH CARE SYSTEM

This nationally recognized medical facility (named the number one hospital by Cleveland Health Quality Choice) works with Indian Hills to provide on-site lectures by physicians on geriatric related issues, and various medical screenings. A specific emergency room physician has been designated at Mt. Sinai to treat all Indian Hills residents

to foster close contact between Mt. Sinai as the medical provider, and Indian Hills as the residence of the patient.

#### VISITING NURSE ASSOCIATION OF CLEVELAND

The Visiting Nurse Association of Cleveland is a non-profit agency providing home health care to residents of Indian Hills. The VNA has a social worker at Indian Hills two days a week to assist in coordinating home health care, mental health, social services and rehabilitation therapies. This social worker serves as the primary coordinator for Indian Hills residents with all of the other programs described here.

#### TRI-CITY AMBULANCE, INC.

This for-profit entity is located at Indian Hills Plaza and provides 24-hour emergency medical transportation staffed by licensed Emergency Medical Technicians and Paramedics. In addition, it has a wheelchair van service which offers transportation to Indian Hills residents for dialysis and other medical needs, and it offers Indian Hills residents a reduced price for its transportation services.

#### LAURELWOOD HOSPITAL

This non-profit psychiatric hospital provides in-patient care and outpatient counseling to senior citizens. Laurelwood Hospital has opened an office on Indian Hills' premises which is staffed by two geriatric psychiatrists. The psychiatrists provide psychiatric treatment for Indian Hills residents whether at the resident's apartment, or in the office, thereby providing complete accessibility to the senior citizens of Indian Hills.

#### CUYAHOGA COUNTY DEPARTMENT OF SENIOR AND ADULT SERVICES

This Medicare/Medicaid certified program sponsored by Cuyahoga County, Ohio, provides adult protective services, and skilled home health care services including nursing, physical and speech therapy and nutrition counselling. The County has designated a specific person to coordinate its available services with Indian Hills residents.

#### OTHER MEDICAL SERVICES

Indian Hills also has a dental office on the premises staffed by a dentist offering free dental exams, apartment calls and a discount to Indian Hills' residents. Additionally, it has a podiatrist with an office onsite offering discounted podiatry services to Indian Hills residents at their apartment or the office.

#### AMERICAN RED CROSS

The American Red Cross provides CPR and first aid training, disaster planning and blood pressure screenings on-site for Indian Hills' residents.

This comprehensive model of care reflects the innovative networking of community agencies/services working towards a common goal—to give our senior citizens a choice of affordable, quality services and the ability to retain their dignity and independence. The Circle of Elderly Care, with Indian Hills as its focal point is a novel and workable concept utilizing available community resources to serve our senior citizens.

I urge all my colleagues to give this information wide dissemination in their own districts.

Thank you, Mr. Speaker.

TONY LAKE ANOTHER UNSUNG  
HERO

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 5, 1996

Mr. RICHARDSON. Mr. Speaker, the unsung hero in the Bosnia success of the Clinton

administration is National Security Adviser, Anthony Lake. While very-deserved credit should go to Secretary of State Christopher and Assistant Secretary Richard Holbrooke, it was Lake's initiative and policy direction in August that got the ball rolling. Specifically, Tony Lake organized and chaired a series of high-level meetings at which United States-Bosnia policy was formulated and refined.

In August, at the President's behest, he traveled to Europe to present the new U.S. diplomatic initiative to our allies and the Russians. He was successful in bringing the allies and contact group members on board with this initiative.

He was in daily contact with the U.S. negotiating team, led by Ambassador Holbrooke, whose subsequent shuttle diplomacy effort produced a ceasefire, agreement on basic principals of a settlement, and the beginning of proximity talks in Dayton.

He chaired regular high-level meetings to ensure high-level guidance to the process and keep it on track and moving forward.

In mid-November, Mr. Lake traveled to Dayton to interact directly with the parties. He met several times with Bosnian, Croatian, and Serbian leaders and was able to provide key impetus to the negotiations at a crucial time in the proceedings.

In short, his role was to develop a policy that could be sustained throughout the negotiating process. His concept for a diplomatic settlement bore fruit in Dayton.

Mr. Speaker, when the successful history of the Bosnian diplomatic triumph of the United States is chronicled, the most important and deserved credit should go to Tony Lake, who despite working quietly in the background, has had a singularly unparalleled contribution to the Bosnian diplomatic success of America.

#### U.S. GOVERNMENT VERSUS SENIOR CITIZENS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, January 5, 1996*

Mr. ARCHER. Mr. Speaker, I commend to the Members attention the following:

[From the Houston Chronicle, Friday, Jan. 5, 1996]

#### PREVIEW.—GOVERNMENT SHUTDOWN WOES A TASTE OF THINGS TO COME

The federal government shutdown is forcing a scramble among state officials for money to keep meals going to seniors and unemployment checks to the out-of-work. For the time being, this government paralysis is of Washington's own making.

However, the current state of affairs could turn out to be a whiff of some rotten times ahead if federal overspending and raging deficits are not brought under control through a balanced budget.

Popular wisdom calls for U.S. budget practices to conform to those of families and businesses, which must live within their means. The analogy is simple, perhaps even an oversimplification. Yet it is fitting.

Even those who argue the contrary—that families and businesses take on debt to finance children's educations or for capital improvements—neglect to notice that unpaid debt can lead to bankruptcy and the dire consequences that follow from financial mismanagement and spiraling interest costs.

For the United States, we are getting a taste now of what hardships a national bankruptcy would provoke. Because of the ongoing government shutdown, some state officials are tapping retirement accounts to fund unemployment benefits. Others are scrambling to find ways to pay for meal programs for the elderly and for food stamps and the early education program Head Start.

President Clinton himself pointed out these and a host of other areas in which the shutdown could exact its toll. And yet, he encourages the myth that steps the Republican-controlled Congress proposes to reduce spending amount to cuts that are too severe.

As we have said many times, the "cuts" are only to the rate of growth. And, continuing on the present course of free spending and deficits spiraling could lead to a federal breakdown that cannot be fixed by another appropriations bill.

#### TAX FAIRNESS, ECONOMIC GROWTH AND FISCAL RESPONSIBILITY ACT

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, January 5, 1996*

Mr. DREIER. Mr. Speaker, President Clinton can be rightly criticized for failing to keep his promise to negotiate a 7-year balanced budget using honest numbers. However, I applaud his willingness to support a capital gains tax cut because it will be critical to the success of any future agreement.

The President's support for capital gains tax reduction is an acknowledgment of what every economist who studies the issue already knows: capital gains tax reduction is a win-win proposition. It will spur hundreds of billions of dollars of additional capital formation, create jobs, and promote economic expansion. It will bring immediate relief to small investors, small businesses, workers, retirees, and economically distressed communities. In addition, it will increase tax revenues to government treasuries. And the lower the rate, the greater the benefits.

In deciding how to reduce the capital gains tax rate at the Federal level, I share the view of Federal Reserve Board Chairman Alan Greenspan, who said: "It is easier to make the case to eliminate it entirely than it is to merely reduce the rate."

That is why Representative TAUZIN and I, on behalf of the Zero Capital Gains Tax Caucus, are today introducing H.R. 2861, the Tax Fairness, Economic Growth and Fiscal Responsibility Act. Effective January 1, 1996, it establishes a zero tax rate on any long-term capital gain recognized on the sale or exchange of any property.

There are three major reasons why zero is the appropriate capital gains tax rate. First, it will eliminate the bias in the capital gains tax against lower- and middle-income taxpayers. The American dream is to work hard, buy a home, maybe build a small business, save for retirement, and eventually pass along something to children or grandchildren. In short, Americans strive to build a better future. Despite the political charge that the capital gains tax is a tax on the rich, it is actually a tax on those who seek the American dream.

In looking at data on tax returns from 1991, William Beach, a tax analyst at the Heritage

Foundation found that half of all capital gains were earned by households with incomes from other sources under \$100,000. Of those, 27 percent of taxpayer households with capital gains contained taxpayers over the age of 65 or blind. These taxpayers, according to Beach, had an average income of \$43,637. In explaining why lower and middle-income taxpayers will benefit most from capital gain tax reduction, Beach stated:

When critics claim that capital gains go mainly to the wealthy, they mislead the public by including the gain when citing a person's income. In this way, a retiree living on a \$12,000 Social Security check who realizes a \$30,000 capital gain one year on the sale of his house is classified as a "person with a \$42,000 income who receives a capital gain." By this logic, of course, the only people who win \$1 million lotteries are millionaires.

The bottom line is that small business owners, middle-income families, and small investors are the least able to keep capital tied up and, therefore, pay the bulk of the capital gains tax revenue.

The second major benefit of a zero capital gains tax is increased economic growth leading to new job creation and increased living standards. Had such a tax rate been implemented in 1994, it would by the year 2000 result in an additional GDP growth of \$1.5 trillion, 1.1 million new private sector jobs, and an \$1,884 increase in average annual wages for all workers. As Alan Reynolds of the Hudson Institute noted in testimony before the Senate Finance Committee last February:

Once we abandon the quaint habit of defining capital gains as no different from a weekly paycheck, economics offers no other clear justification for taxing capital gains at all. No economist has ever dared to suggest that a capital gains tax does no damage to the economy.

Completely eliminating the tax on capital gains might sound far-fetched, but its not a new idea. Back in 1978, when stagflation forced creative thinking, Digital Resources Inc. [DRI] did a static Keynesian econometric analysis of a zero capital gains tax. DRI predicted that eliminating capital gains taxes would boost GNP by \$200 billion, increase capital formation by \$81 billion, and create 3 million new jobs. Just as important from a 1990's perspective, DRI predicted that a zero capital gains tax would increase net Government tax revenue by \$38 billion over 5 years.

Fortunately, we do not have to rely on economic forecasting models alone to observe the economic benefits of capital gains tax reduction. Our Federal system has permitted States to become "laboratories of democracy" in which creative and sometimes controversial public policy proposals can be implemented on a smaller and more manageable scale. Over the past few years, a number of these laboratories have tested the effects of capital gains tax rate reductions on statewide economic growth and revenue. The results of these experiments have been greater economic activity, stronger employment, and the generation of increased State tax revenues.

Three States in particular that have recently experimented with capital gains tax rate reduction—Mississippi, South Carolina, and Wisconsin—have, in each case, seen an increase in economic growth, job creation, and State tax