

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