

Postal Route #26 collecting donated, non-perishable food items. Although I was only along the route for a little less than two hours, I was absolutely amazed by the amount of generosity that was shown by the dozens of individuals who donated food. Not only did many people donate food, but some selflessly donated more than one item. The impact of this event was obvious to me when I found out that the residents of Nashua had succeeded in donating more than 36,000 pounds of food. That is 18 tons of donated food collected in one city, in one day!

Needless to say, I was extremely impressed with the effort, organization, and effectiveness of the National Association of Letter Carriers food drive in Nashua and its success throughout the country. I would like to commend the National Association of Letter Carriers and the United States Postal Service for their commitment to collecting food for the hungry and lending a helping hand to those who need it most. The food that was collected will help feed nearly 30 million needy people throughout the country. It is initiatives like this food drive that encourage people to participate in their community and assist those in need. I would encourage all of my colleagues, if they have not already done so, to participate in the national Stamp Out Hunger food drive next year. I know that I am already looking forward to participating again and I am greatly encouraged by the generosity and goodwill that I witnessed this past weekend.

REPUBLIC OF CHINA'S PRESIDENT
LEE TENG-HUI'S THIRD ANNI-
VERSARY IN OFFICE

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1999

Mr. ROHRABACHER. Mr. Speaker, three years ago, voters in Taiwan rejected communist China's attempts at military intimidation and handed a landslide victory to Mr. Lee Teng-hui in an election that completed Taiwan's transition to a full-fledged democracy. Now, in 1999, President Lee has continued to make strides toward full democracy and is seeking to reduce tensions in the Taiwan Strait. He has repeatedly urged leaders on the communist mainland to discuss reunification issues under the premises of the need for democracy for all Chinese people. He has also shown leadership in helping neighboring Asian countries find solutions for the regional financial crisis.

On the eve of President Lee Teng-hui's third anniversary in office, I wish President Lee continued success. His election three years ago was the first time a Chinese society had democratically elected its leader. The election represents a victory for the people of Taiwan in their commendable development of full democracy.

Congratulations to the Republic of China on Taiwan.

EXTENSIONS OF REMARKS

PERSONAL EXPLANATION

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1999

Mr. QUINN. Mr. Speaker, I was honored by the American Red Cross in Buffalo, New York, and therefore was unable to cast my vote on the motion to instruct conferees (rollcall No. 130) regarding H.R. 1141, a bill making emergency supplementary appropriations for the fiscal year ending September 30, 1999. Had I been present, I would have voted "yea" in support of this motion.

INTRODUCTION OF THE WORKING
UNINSURED TAX EQUITY ACT

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1999

Mr. McDERMOTT. Mr. Speaker, today I rise to share with you some ideas that both Representative ROGAN and I have about how to begin addressing the issue of the uninsured.

Many of us are stymied by the health care paradox of a booming economy. Our economy is booming. Unfortunately, parallel to this economic growth is the growing number of uninsured. There are now almost 44 million uninsured people in this country—an increase of more than 5 million since 1993.

Today, we are introducing legislation to help stop the increase by targeting a 30% health insurance tax credit to the working uninsured. To qualify for our partially refundable credit, taxpayers must not currently be offered health insurance through their employer and they must have an individual income below \$30,000/yr or a joint income of less than \$50,000/yr. To ease administration, these income limits have been designed to match those of traditional IRAs.

When the General Accounting Office evaluated a similar proposal last June, it found that almost 36 million individuals without employer-based coverage—roughly 75% of the uninsured—would be eligible for the full credit on the basis of their adjusted gross income. Additionally, under our proposal, the self-employed would have the opportunity to choose between our proposed credit or the 60% deduction allowed by current law.

The benefits of this proposal are not only that it provides a tax benefit for those who need it most, it also would encourage health care consumers to be cost-conscious when choosing their health insurance loans so that they could maximize the value of the credit.

As you consider our proposal, keep in mind three questions: (1) who the uninsured are, (2) how has the tax code impacted health insurance in this country, and (3) most importantly, what can the 106th Congress realistically do to address this important social policy issue.

First, who are the uninsured? Contrary to what many people might think, roughly 75% of the uninsured work full or part-time. The remaining 25% are split evenly between those who are unemployed and those who are not in the labor force.

There isn't enough time today to talk at length about the demographics of the working uninsured. If we did, we'd find that most of them are age 18-34, that a disproportionate number of them are minority, that working poor parents are twice as likely to be uninsured as poor parents who are unemployed, and that the highest rate of uninsurance impacts pre-seniors between the age of 62-64.

Second, how has the tax code impacted health insurance in this country? Since WW II, America has relied on employers to provide health insurance and has rewarded them accordingly through the tax code. But, a growing number of workers lack employer-based insurance which policy-makers once took for granted.

Let me give a practical example of how the working uninsured fall through the cracks of our current employer based system. If you make \$6.50 an hour your after tax income is \$11,500. If you tried to purchase an average health insurance plan it would cost you about \$3000. It is obvious that if the working poor are going to get health insurance we are going to have to come up with a way to help them.

I think we should all find it unacceptable for a person who works full time in this country not to be able to afford health insurance.

Third question, how do we in the 106th Congress address the issue of the working uninsured?

As you all know, I am a strong believer in universal health insurance and that the most efficient way of providing it is through a single payer financing system. A system that would lift the prohibitive burden of health insurance administration from employers and replace it with a public premium that shares responsibility throughout society.

But, if there is a way for us to guarantee universal coverage without single payer—through a plan based on tax credits, Clinton-care, or Medicare for all—I am willing to look at the proposal, as long as the plan guarantees access to quality care that's affordable. My bottom line is quality care at an affordable price.

Unfortunately, just because something is efficient—such as a single payer system—doesn't always mean that it will pass anytime soon. The reality is that the political climate to have an honest debate about universal coverage was destroyed by partisan bickering in 1994.

As a policymaker, the next question for me then becomes, what can we do in the near term to help folks who need health insurance today.

The tax code is a good place to look. After all it is the foundation of our employer-based health insurance system.

For a number of years now, this issue for me has been about simple tax fairness. As many may know, Congress recently made matters worse by passing legislation to allow the self-employed to deduct 100 percent of the cost of health insurance from their taxes. Since 1995, I have attempted to equalize the tax treatment of health insurance benefits by offering amendments on the House floor and in the Ways and Means Committee, and by introducing H.R. 539 in the last Congress.

My rallying cry—which I am glad to see is starting to take hold—has been the rhetorical

question: Why should a doctor or attorney who is self-employed be able to deduct a portion of the cost of his/her health insurance, while a secretary, who must buy his/her own health insurance policy, not be able to deduct one cent of the cost!

So as a simple matter of fairness, this inequity in the tax code needs to be fixed.

According to the DC-based Lewin Group, the average federal health benefits tax expenditure is \$918 per family. That sounds pretty good until you realize that a family whose income is below \$40,000 receives an average of \$766 in tax benefits, a \$30,000 family receives just \$500 in tax subsidies—and the numbers get more depressing if I continue down the income scale.

The bulk of the tax subsidy is going to those who need it the least. If you make \$100,000 or more, the tax code subsidizes your health insurance each year by more than \$2,000.

So it seems to me that if Congress wanted to address the issue of tax fairness and assist a group of people who are in most need of health insurance, it would look at our proposal for a 30% credit. Our proposal is a reasonable and prudent approach to helping people who the system has forgotten about.

We are initiating the debate with a less is more approach. Our legislation will be less than 6 pages long.

I am hopeful that the sudden interest in tax code equalization will allow for thoughtful discussions and critiques of the wide range of proposals that will be offered this year.

In particular, as policymakers put forward proposals, they need to consider what the "take up rate" will be (will people use the credit if they are eligible), how does it impact existing employer health care contributions, and how much does the proposal cost.

I don't want to leave you with the impression that our limited proposal is the ultimate answer. I view it as a first step toward finding a solution for the uninsured.

I am proud of the fact that it is a moderate proposal because there are so many uncertainties about how it would work.

For example, we completely avoid the issue of market reforms because going down that route creates more divisions among political parties that can be realistically addressed in this Congress. By gently impacting the individual marketplace, I am hopeful that state legislatures will take steps to rationalize their individual markets and Congress can learn from both their successes and mistakes.

Conversely, more costly proposals that hope to dramatically influence the marketplace must include meaningful market reforms. Otherwise, such proposals will just be throwing large amounts of federal tax expenditures at an individual marketplace that is already overpriced. But there is no consensus around market reforms to be found.

I would also be especially cautious about more ambitious tax credit proposals because they run into serious financing problems. How do you pay for it without running a deficit? Even in this era of expected budget surpluses, a hefty price tag simply is prohibitive given our other national policy priorities.

More importantly, current comprehensive tax credit proposals may not be such a good deal for either the insured or the uninsured. If they

appear too generous, employers will drop coverage and allow for their existing costs to be replaced with an inadequate government voucher, a voucher that would not come close to equaling their existing coverage.

Letting employers off the hook while increasing government and beneficiary costs would make the problem worse.

I am the first one to say that our credit should not replace the current system. If it did, it would be inadequate. That is not to say, however, that most of us in this room would not like to see the current system totally overhauled.

I view our proposal as a targeted effort to stop the current health insurance hemorrhaging, to induce some additional people to purchase health insurance before they get sick, as an achievable goal in a very divided Congress, and a stimulant of the necessary discussion we need to have about how this country can create an efficient means of providing universal health care coverage.

Chairman ARCHER has said he would like to mark-up tax legislation later this spring. JIM and I already have written him and Mr. THOMAS asking them to look closely at our proposal for its immediate benefits. We have also asked the White House to look at our proposal and I hope that they too will once again show leadership by joining us in attempting to tackle this difficult issue of the uninsured.

By bringing people together, I am confident that we can build momentum within the Congress to generate bipartisan support behind proposals that begin to address the needs of the uninsured. Passage of our credit would be a first step toward enlightening that discussion.

I urge my colleagues to join us in our bipartisan effort.

AVERAGE FEDERAL HEALTH BENEFITS TAX EXPENDITURE BY INCOME LEVEL IN 1996

Average Per Family \$918:

Less than \$15,000	\$63
\$15,000 to \$19,999	288
\$20,000 to \$29,999	497
\$30,000 to \$39,999	766
\$40,000 to \$49,999	1,177
\$50,000 to \$74,999	1,558
\$75,000 to \$99,999	1,767
\$100,000 or more	2,059

Source: Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

SUPPORTING NATIONAL POLICE WEEK

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1999

Mr. NETHERCUTT. Mr. Speaker, I rise today in support of National Police Week. There have been ceremonies all around our country this week to recognize the service and dedication the men and women of law enforcement provide our community. In my own district, there will be a Law Enforcement Appreciation Breakfast this Friday.

Unfortunately, National Police Week is no joyous occasion. 158 peace officers killed in the line of duty this past year. It is important

to note that the U.S. lost just a few more men and women during the entire Persian Gulf War. To date, there have been over 15,000 law enforcement officers killed in the line of duty. Virtually every community has lost someone special to it.

Mr. Speaker, each one of the heroes has stories to tell: of community service, dedication to job, and love for family. For the families and fellow officers, this week serves as a painful reminder that their lives will never be the same. We will put their loved one's name on a memorial wall and that is a good thing, but we shall never fully appreciate their grief. Our pledge to them should be that we will continue the work toward a safe community that their loved one sought and died to give us.

There are over 700,000 law enforcement officers at every level of government who put their life and mental well-being on the line every day to protect our community from forces that wish to undermine our safety. They deserve recognition as well this week. Law enforcement officers encounter every day the part of society that most of us are unwilling to confront. What is particularly tragic is many of them face violence or the threat of violence themselves and then face unfair criticism by individuals who either have no idea what it's like on the streets or are unwilling to make the same sacrifice. They are our friends and not our adversaries.

Mr. Speaker, National Police Week is a good beginning for showing support for our law enforcement officers. We should show appreciation to them every day by our prayers and words of encouragement. For all Eastern Washington officers, I personally say thank you for your dedication and protection of our communities.

THE POSITIVE ECONOMIC CONTRIBUTIONS OF THE CRUISE INDUSTRY

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 14, 1999

Mrs. MEEK of Florida. Mr. Speaker, I rise today to discuss a matter of importance to the nation and to my district in South Florida. A brochure prepared by PricewaterhouseCoopers (PmC) provides considerable detail regarding the enormous positive economic contribution which the cruise industry provides throughout the United States.

This study concluded that the cruise industry is responsible for creating jobs in every state in the country. These are good jobs that provide families all over America with security and with the opportunity to prosper and to grow. Secondly, it is significant to our national economy that billions of dollars in U.S. products are purchased by the cruise industry each year. As this industry continues to grow and to prosper, more U.S. companies will benefit from expanded business.

The study concluded that the total economic impact of the cruise industry in 1997 was \$11.6 billion. Of this, \$6.6 billion was the direct spending of the cruise lines and their passengers on U.S. goods and services. An additional \$5 billion was expended by cruise industry U.S.-based goods and service providers.