The House met at 9 a.m.

The Speaker, the Reverend Daniel P. Coughlin, offered the following prayer:

Scripture Says:

"Behold I am laying a stone in Zion a cornerstone, chosen and precious. Whoever believes in it shall not be put to shame."

Lord, we believe we have been chosen, we delight in your touch.

We trust each of us is precious in your sight. May we never betray your selection of us for your set purpose and to serve this Nation.

This House, the story is told, has no cornerstone.

There is no regret or recrimination we accept its rejection or absence.

This government, its story is bold, has been fashioned in the hearts of people.

With great pride and remembrance we accept your providence.

On this day in this millennium year from the very rocks of virtue which have made this Nation great.

We choose as our cornerstone integrity that we may always stand strong and together for ages to come. Integrity now and forever. Amen.

The Speaker. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The Speaker. Will the gentleman from Maryland (Mr. Gilchrest) come forward and lead the House in the Pledge of Allegiance.

Mr. GILCHREST led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:


H.R. 2484. An act to provide that land which is not held in trust by the United States for the Community may be leased or transferred by the Community without further approved by the United States.

H.R. 3693. An act to designate the Federal building located at 2201 C Street, Northwest, in the District of Columbia, currently headquarters for the Department of State, as the "Harry S Truman Federal Building".

EVENTS SURROUNDING ELIAN GONZALEZ RESEMBLE LIFE IN COMMUNIST CHINA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, I rise today to discuss a problem that affects too many Americans, the death tax. It seems absurd that our government would tax someone just for dying; yet that is exactly what has been happening in this country for years.

Too many Nevadans are forced to sell acres of their family farms and ranchlands after the death of their parents or grandparents in order to pay their huge estate tax bills, all courtesy of the death tax.

Many of these farms and ranches have been in families for years, but now these families must sell part of their family heritage in order to pay the IRS. For many Americans, the American dream is to start a small business and pass it on to their children; yet our government is preventing millions of Americans from realizing this dream. This is wrong; it must end.

Mr. Speaker, I hope all of my colleagues will support the Death Tax Elimination Act and restore the American dream and do it today.
Mr. Speaker, one cannot even pray in America. Beam me up. Is this Communist China, or is this the United States of America? Now, I believe Elian should have been sent back with his dad, but do we have a gun portayed, or what? I yield back the fact that our founders are literally rolling over in their graves.

DEATH TAX EQUALS DOUBLE TAXATION AND SHOULD BE OUTLAWED

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, a family that has suffered a loss of a loved one should not have the added grief of losing the family business, ranch, or personal savings; yet that is what is happening under our current Tax Code. Because of an archaic tax law, when a person dies, he is no longer paying taxes. The death tax was even conceived, Shakespeare wrote, 'For in that sleep of death, shuffled off this mortal coil must give pause.'

In this country, we lose about one million acres of agricultural land a year, one million acres; and it is not slowing down. In my State alone, we lose about 25,000 acres of farmland every single year. There are 25,000 acres of farmland every single year. One of them is that when a farmer dies, in order to leave that farm or what we may call an estate to his children, they have to pay an enormous tax. To pay that tax, many of these young people, these young farmers that want to stay on the land, must sell a portion, if not all of that land, in order to pay the Federal Government their tax. This is wrong. We need to correct that.

Mr. Speaker, we need to correct the fact that human initiative needs an opportunity to be fulfilled, and that opportunity for farmers is to stay on the land.

Today, Mr. Speaker, I would hope that everyone votes for this bill.

POSTAL SERVICE ISSUES ADOPTION AWARENESS STAMP

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute.)

Mr. BARRETT of Nebraska. Mr. Speaker, I rise today to remind my colleagues that the U.S. Postal Service has recently issued an adoption awareness stamp. As a proud grandfather of two adopted children, I am particularly aware of the need to call attention to this subject and to encourage more adoptions. We all know that every child needs support, guidance, and understanding of people who care enough to offer love, a home and a family. Far too many children are waiting to be adopted. Most have special needs, they are older, they often have emotional and physical problems; but they still need a home.

In my State, more than 400 children were placed in adoptive homes last year, but there are still 300 more Nebraska children waiting for families right now.

Although Congress has passed laws to encourage adoption, we need more adoptive families, and if adopting a child is not an option, there are other ways to help: mentoring, contributing to any of the fine organizations that promote adoption, and certainly buying the special U.S. Postal Service adoption stamps will help call attention to this issue.

I encourage everyone to help find every child a loving family.

SLAVERY STILL EXISTS IN NEW MILLENNIUM

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, who would ever have thought that we would be talking about the horror of modern-day slavery in this new millennium?

Francis Bok is a 21-year-old native of southern Sudan. At age 7 he was captured and enslaved during an Arab militia raid on his village. Francis saw children and adults brutalized and killed all around him. He was strapped to a donkey and taken north, and for 10 years he lived as a family slave. He was forced to sleep with cattle and endure daily beatings and eat terrible food.

In December of 1996, Francis escaped to a nearby town where local policemen enslaved him again. Again he escaped. Eventually he reached Khartoum, the capital, where he was arrested by security forces and jailed for 7 months. After being released, Mr. Bok was able to make his way to Cairo, Egypt, and finally, in 1999, the U.N. resettled him in the United States of America.

Mr. Speaker, I met Francis yesterday. It is an incredible story. It is incomprehensible that slavery still persists in the world today. It is harder to understand why the Clinton administration has not made stopping slavery and genocide in Sudan a priority.

ALL CHILDREN HAVE STRONG POTENTIAL TO ACHIEVE

(Mr. HINOJOSA OSA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HINOJOSA OSA. Mr. Speaker, I rise today in strong support of this amendment to the 21st Century Community Learning Centers. I have been involved with education issues for almost 30 years. This experience has strongly reinforced for me that all children, regardless of income level or race, have the same potential for high achievement and healthy development when provided appropriate opportunities.

Thus our goal must be to support the development of quality after-school programs for all children, but especially those in low-income communities. Our goal should also be to see the expanded day programs linked to the core school day.

ISRAEL GRANTED MEMBERSHIP IN WEOG

(Ms. ROS-LEHTINEN asked and was given permission to address the House
for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, as a cosponsor of H.R. 3405, the Equality for Israel at the United Nations Act that pushed for equality at the U.N. for our closest ally, I am pleased that because of U.S. pressure, Israel has finally achieved a long-deserved, although partial, victory.

Israel for years has been refused entry to one of the 5 regional groupings and thus has been denied full membership at the U.N., although it has been a member since 1949. This has undermined and weakened Israel's ability to function effectively within the international community.

Israel has now finally been granted membership in the Western European and Other Group, WEOG; however, with conditions.

INTERNATIONAL ABDUCTION

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, I rise today to tell the story of the abduction of Nocona Lynn Smith when she was 3 years old. Nocona was abducted by her mother, River Burton, and her grandmother, Francis Harris, and taken to Honduras on March 10, 1994.

An hour after the abduction, a State District judge ordered emergency custody for her father, Roy Smith. A warrant for the arrest of Nocona's mother was issued, but charges were dropped when she returned to Texas for a trial.

Nocona, however, did not return with her. She is still in Honduras with her grandmother, and her father's attempts to implement the Hague Convention have been in vain.

Mr. Speaker, Roy Smith and his daughter Nocona have missed out on 6 years of memories that are so important to families in the development of healthy and loving relationships. We cannot allow situations like theirs to continue to happen to any other families.

Congress passed a resolution urging signatories of the Hague Convention to uphold that agreement, and we must use that as a starting point for further action.

Mr. Speaker, we have taken a step in the right direction, and it is my hope that this House will continue that work and help bring our children home.

SUDAN

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, I rise today to remind my colleagues that today is National Sudan Day. Today there are activities going on in major cities across the United States focusing attention on the ongoing genocide in Sudan.

The Congress needs to make sure that everyone, especially the administration, knows about and acts upon the horrific killings, evictions, and enslaving that is going on, brought about by Sudan's Islamic fundamentalist regime.

The regime is on a deliberate campaign of genocide against the black Christians of southern Sudan. Eye-witnesses have given House and Senate testimony about slavery, torture, rape, mutilation, and killings of Christians.

Mr. Speaker, myself and other House Members have been taking action to bring this genocide into the limelight and to focus our efforts on stopping the brutality. I encourage my colleagues to continue to pressure the White House and the U.S. State Department to take an active part in stopping the genocide in Sudan and bringing the issue to the forefront of American foreign policy.

TRIBUTE TO LEONARD BASKIN, AN ORIGINAL AMERICAN ARTIST

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I would like to take the opportunity this morning to pay special tribute to an extraordinary individual from my district who passed away last week in Leeds, Massachusetts, after a lengthy illness.

Leonard Baskin was an acclaimed artist with a unique style and vision whose sculptures, woodcuts, prints, and books are celebrated throughout the world. One can find an original Baskin on display in public collections from New York to Rome.

Here in our Nation's Capitol, his remarkable skills helped recreate both the Franklin Delano Roosevelt and Calvin Coolidge memorials. Quite simply, he has been called one of the finest sculptors of our time.

Born in New Brunswick, New Jersey, in 1922, Leonard Baskin was educated at two universities, served in the Navy, taught art at both Smith and Hampshire Colleges, and received countless medals and awards.

Mr. Speaker, his brilliant work touched and inspired many. As we mourn his passing today, I urge the Members of this House to join me in honoring this truly American original.

DEATH TAX REPEAL

(Mr. KNOLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLENBERG. Mr. Speaker, I rise today in support of the repeal of the death tax. I am a proud cosponsor of this legislation, and have been since I came here some 8 years ago.

Under the guise of making the rich pay their fair share, the death tax discourages savings and investment and has a negative impact on the entire economy. Ironically, those that are most affected by the death tax are not the wealthy. They have the resources to shelter assets. But family-owned businesses, which are often asset-rich and cash poor, cannot meet those requirements.

The death tax hits these businesses especially hard when the owner passes away. The result is that many family-owned businesses cannot survive in the family. Even prior to death, the death tax impacts many businesses, forcing the owners to divert money from productive uses, such as capital investment and job creation, to, guess what, estate tax planning.

So for those who are out there who would vote against the death tax repeal, please think again. They are not hurting the wealthy, they are hurting the little guy.

THE MULTI-MILLIONAIRE PROTECTION ACT

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, the so-called Death Tax Elimination Act should be called the Multi-millionaire Protection Act. It does tell America what Republican priorities really are.

Before anything else, the Republican leadership would give a huge, reckless and dangerous backloaded tax cut to only 2 percent of Americans, and more than half of the tax cut goes to the richest one-tenth of 1 percent. That is right, more than half of it would be available to fewer than 60,000 families out of more than 60 million families.

Do the Republicans really believe that the Bill Gates and Steve Forbes and John Corzines need $25 billion of tax cuts every year? Does anyone listening or watching today believe they need $25 billion of tax cuts?

But the Republican leadership would give that multi-billion dollar tax cut before limiting class sizes to 18 for 3 million children, before establishing a prescription drug benefit as part of Medicare for 13 million American senior citizens who cannot afford the expense of insurance coverage.

It is a stunning revelation to know that the Republicans' highest priority is a huge tax cut that only benefits the wealthiest 2 percent of Americans. Vote for the substitute and against this giveaway.

TIME TO REPEAL THE DEATH TAX

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, the death tax is a huge tax cut that only benefits the wealthiest 2 percent of Americans. They are not hurting the wealthy, they are hurting the little guy.
minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, in the Democrats’ not-ending attempt to create class warfare and their obsession of hate and vengeance towards the successes in our society, they forget the small business owner or the family farmer who has to pay as much as 50 percent of their entire value of their assets when they die.

I just think about a small farm in south Georgia where, for generations, it has been passed down from generation to generation, from mom, dad, mom, dad, daughter and everything, and then the owner dies one day, and in order to pay for the farm, in order to pay for the inheritance, the kids have to sell. Then there is one more strip shopping center.

Imagine one of the many new women entrepreneurs who owns a small business and builds it up over 20 years, and then has to plan her estate. She wants to pass it to your daughter, but guess what, the Democrats do not want her to. They want that to go to Uncle Sam. What does she do? Simply dies, but on the other side of the aisle, if you have two children, one lives in Beverly Hills and another one lives on the edge of poverty. What do I do? I ask my colleagues to join with me in burying the death tax once and for all.

LAWMAKERS SHOULD CORRECT POVERTY AND LACK OF MEDICAL CARE BEFORE ENACTING RECKLESS TAX REFORM

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEJDENSON. Mr. Speaker, I love my friend’s compassion. This is a Chamber that ought to have compassion. We ought to have compassion for 45 million Americans that do not have health care, for the hundreds of thousands of working families that cannot afford to send their kids to college, for senior citizens who do not have a drug benefit.

If we take the Democratic proposal here, I do not know how many family farms are worth more than $4 million, but I would say that when we add the cut in the percentage and the $4 million exemption, that is about as much compassion as we need until we have taken care of the poorest of the poor.

To listen to my colleagues on the other side of the aisle, if you have two children, one lives in Beverly Hills and the other one lives on the edge of poverty. What we need to do today is rush and give some more help to the folks in Beverly Hills.

The difference between the two proposals is that the Democratic proposal helps small business, helps farmers, helps people with $4 million worth of assets, but leaves a little in the Treasury to make sure that senior citizens have Social Security and Medicare, that maybe we can help more kids get a college education, and maybe some day people in this country can expect health care coverage.

AMERICAN GUN BAN RESULTS: DEADLY

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, according to NewsMax.com, the results from the Australian gun ban are in and they are deadly.

Just over a year ago, Australia followed in the footsteps of mother country Great Britain and made a law that totally banned handguns. The gun ban and the confiscation program cost the Australian government more than $600 million. Sometimes using deadly force, authorities collected 640,381 personal firearms.

Now, the results are in. Since the gun ban, Australia-wide, homicides are up 32 percent, assaults are up 86 percent, armed robberies are up 44 percent. In the state of Victoria, homicides with firearms are up 300 percent.

Figures over the previous 25 years had shown a steady decrease in armed robberies with firearms, but since the gun ban this has changed for the worse. There has been a dramatic increase in break-ins and assaults on the elderly.

Australian politicians are on the spot and at a loss to explain this, and so are the liberals here in America. They want to avoid the facts that following a gun ban, crimes go up. If we would enforce the laws that we have on the books, it would make America a safer place.

SUPPORTING THE ELIMINATION OF THE DEATH TAX

(Mr. COOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOK. Mr. Speaker, I rise today in support of eliminating the death tax. The death tax is one of the most extreme examples of unfair, inefficient taxation in the United States today. It forces children to sell family businesses and farms to pay the taxes, and at the same time costs the government almost as much to collect as it brings in, in revenue.

In fact, the annual death tax revenues are less than 2 percent of the total Federal receipts, but the economic costs are far higher. This tax thwarts savings and investment, decreases wages and job creation, and dissolves thousands of family-run businesses each year.

The death tax is blatant double taxation. It takes directly from small business owners, farmers, and ranchers. These people pay taxes throughout their lives. Then when they die, they are taxed an additional tax on the value of their property.

We should be encouraging businesses like these, not creating obstructions for their existence. Uncle Sam should not come knocking at our door when our loved one dies. I ask my colleagues to join with me in burying the death tax once and for all.

AMERICA SHOULD INVEST MORE RESOURCES IN CURING PEDIATRIC CANCER

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE. Mr. Speaker, the progress that has been made in childhood cancer is a modern medical miracle. Unlike most miracles, I think this one can be explained. It is widely recognized that the progress in cancer survival rates among children is the result of successful clinical trials, where work from our Nation’s laboratories is translated into clinical application.

For children, the standard of care today is to be treated in a clinical trial and more than 70 percent of children with cancer participate. That compares to only about 3 percent of adults and only 1.5 percent of Medicare patients.

In addition, children are normally treated in centers of excellence by a pediatric oncology specialist and a team of multidisciplinary health care providers, and the rapid dissemination of better treatments through a consortium of major teaching hospitals where new therapies can be tested has benefited the children in these trials.

In many ways, care for children with cancer is the model by which adult cancer can hopefully become better.

ENDING THE DEATH TAX

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, the Internal Revenue Service burdens the American people with so many taxes it often seems we are taxed on virtually every move we make and every breath we draw.

So it is not surprising to learn that when we stop moving and drawing breath, the IRS taxes us for that, too. Every year, thousands of grieving families lose their loved ones hit unexpectedly with a unfair provision of law called the death tax.

This provision of law is so burdensome it prevents more than three out of four small businesses from surviving to the next generation.

Death taxes reduce potential employment opportunities, encourage consumption instead of responsible saving and investing, and undermine the promise of the American dream, which assures that hard, honest work will be rewarded.

Let us show the American people that the American dream is still alive. Let us today vote to repeal the unfair death tax.
THE SPEAKER: The SPEAKER pro tempore (Mr. KUYKENDALL). Pursuant to paragraph 1, rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question was taken; and the Speaker pro tempore announced that the ayes are agreed to have it.

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present. The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 51, answered "present" 2, not voting 51, as follows:

[Roll No. 251]

YEAS—330

Abercrombie
Ackerman
Allen
Andrews
Archer
Armey
Baca
Baird
Baldacci
Balducci
Bair
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Berenger
Berkley
Berman
Berry
Bigot
Bilirakis
Bishop
Blagovitch
Billey
Blunt
Boehlert
Boehner
Bonilla
Bomor
Bono
Boswell
Boucher
Boyden
Brown (FL)
Brown (OH)
Bryant
Burke
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capp
Capps
Card
Cardin
Carson
Carson
Cartwright
Chabot
Chambliss
Chapman
Cheney
Clyburn
Cole
Cobe
Coburn
Collins
Comb
Condit
Cook

McKinney
Meehan
Meek (FL)
Meek (PA)
Menedez
Millender
Millender-McDonald
Miller (FL)
Miller (NY)
Ming
Ming
Moakley
Mollahan
Moran (KS)
Moran (VA)
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Ortiz
Ose
Owens
Oxley
Pack
Parker
Paul
Payne
Pelosi
Petri
Pickering
Prince
Portman
Price (NC)
Prude
Py from above recorded.

NAYS—51

Aderholt
Bilbray
Bush
Brady (PA)
Capuano
Cecil
DeFazio
Dicks
Filner
Gutierrez
Hastings (FL)
Hefley
Herr (OH)
Holt
Howard

ANSWERED "PRESENT"—2

Metcalf

Tancredo

NOT VOTING—51

Ballenger
Blumenauer
Brady (TX)
Chenoweth-Hage
Clay
Clement
Cox
Cranite
Cummings
Cuellar
Danner
Dedhui
Deyato
Dixon
Durbin
Edwards
Ehrlich
English

Franks (NJ)
Gekas
Gillmor
Gillum
Gosar
Gore
Goes
Hoechsteter
Istook
Jefferson
Johnson, Sam
Johnson, Tom
Johnson, Tom
Kaptur
Kechich
Kennedy
Kenny
Kennedy
Kilgoff
Kilpatrick
Kim
King (NY)
Kingsbury
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largen
Lasar
Lauterette
Leach
Levin
Levin
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipski
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
McCain (MO)
McCain (NY)
McClure
McGovern
McHugh
McInty
McInty
McKeen
McKinney
Meehan
Melk (FL)
Menendez
Millender
Miller (FL)
Miller (NY)
Ming
Moakley
Mollahan
Moran (KS)
Mohan (VA)
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Ortiz
Ose
Owens
Oxley
Pack
Parker
Paul
Payne
Pelosi
Petri
Pickering
Prince
Portman
Price (NC)
Prude
Py from above recorded.

Mr. OBEY changed his vote from "yea" to "nay".

Ms. WILSON changed her vote from "nay" to "yea".

So the Journal was approved.

The result of the vote was announced as above recorded.
DEATH TAX ELIMINATION ACT OF 2000

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 519, I call up the bill (H.R. 8) to amend the Internal Revenue Code of 1986, to phase out the estate and gift taxes over a 10-year period, and ask for its immediate consideration.

The Clerk reads the title of the bill.

The SPEAKER pro tempore (Mr. KOLBE). Pursuant to House Resolution 519, the bill is considered read for amendment.

The text of H.R. 8 is as follows:

H.R. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Death Tax Elimination Act”.

SEC. 2. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2009.

(b) PHASEOUT OF TAX.—Subsection (c) of section 2001 of such Code (relating to imposition and rate of tax) is amended by adding at the end the following new paragraph:

“(3) PERCENTAGE POINTS OF REDUCTION.—(A) IN GENERAL.—The amount setting forth the tax rate applicable to the estate of a decedent described in section 691, determined under section 1(f)(3) for such calendar year, shall be adjusted to the extent necessary to cause the aggregate adjusted fair market value of such property to exceed $1,300,000, but only if the value of such property would have been diminished by the application of the tax under section 2056, as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2000.

For purposes of this subsection, the term ‘aggregate fair market value’ means, with respect to any property, fair market value reduced by any indebtedness secured by such property.

“(B) LIMITATION ON EXCEPTION FOR PROPERTY ACQUIRED BY SURVIVING SPOUSE.—The adjusted fair market value of property which is not carryover basis property by reason of paragraph (2)(C) shall not exceed $3,000,000.

“(C) ALLOCATION OF EXCEPTED AMOUNTS.—The Secretary shall allocate the limitations under paragraphs (2)(B) and (3) among the decedents dying in any calendar year for which the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2000, does not exceed $1,300,000.

“(D) INFLATION ADJUSTMENT OF EXCEPTED AMOUNTS.—In the case of decedents dying in calendar years after 2009 for which the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2000, does not exceed $1,300,000, such inflation adjustments shall be made with respect to the greater of—

“(i) the number of such calendar years, and

“(ii) the amount equal to such excepted amount, decreased by $3,000,000 for each such calendar year after 2009.

“(E) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

“(F) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

“(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—(A) IN GENERAL.—Subparagraph (C) of section 1221(b)(3) of the Internal Revenue Code of 1986 (defining capital asset) is amended by inserting ‘‘(other than by reason of section 1222)’’ after ‘‘is’’.

“(B) COORDINATION WITH SECTION 102.—Para
graph (a) of section 102(a)(3)(C) of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: ‘‘For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 2221(a)(3)(C) for basis determined under section 1022.’’

“(2) DEFINITION OF EXECUTOR.—Section 701(a) (relating to definitions) is amended by adding at the end the following:

‘‘(47) EXECUTOR.—The term ‘executor’ means the executor or administrator of the decedent, or if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.’’

“(3) CLERICAL AMENDMENT.—The table of sections for part II of such chapter of chapter 1 is amended by adding at the end the following new item:

‘‘Sec. 1022. Carryover basis for certain property acquired from a decedent dying after December 31, 2009.’’

“(C) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2009.

“(2) CERTAIN PROPERTY NOT CARRYOVER BASIS PROPERTY.—The term ‘carryover basis property’ does not include—

“(A) any item of gross income in respect of a decedent described in section 691,

“(B) property of the decedent to the extent that the aggregate adjusted fair market value of such property does not exceed $1,300,000, and

“(C) property which was acquired from the decedent by the surviving spouse of the decedent (and which would be carryover basis property without regard to this subparagraph) but only if the value of such property would have been decreased by the aggregate adjusted fair market value of such property acquired by the surviving spouse under section 2056, as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2000.

“(D) LIMITATION ON EXCEPTION FOR PROPERTY ACQUIRED BY SURVIVING SPOUSE.—The adjusted fair market value of property which is not carryover basis property by reason of paragraph (2)(C) shall not exceed $3,000,000.

“(E) ALLOCATION OF EXCEPTED AMOUNTS.—The Secretary shall allocate the limitations under paragraphs (2)(B) and (3) among the decedents dying in any calendar year for which the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2000, does not exceed $1,300,000.

“(F) INFLATION ADJUSTMENT OF EXCEPTED AMOUNTS.—In the case of decedents dying in any calendar year after 2009 for which the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2000, does not exceed $1,300,000, such inflation adjustments shall be made with respect to the greater of—

“(i) the number of such calendar years, and

“(ii) the amount equal to such excepted amount, decreased by $3,000,000 for each such calendar year after 2009.

“(G) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

“(H) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

“(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—(A) IN GENERAL.—Subparagraph (C) of section 1221(b)(3) of the Internal Revenue Code of 1986 (defining capital asset) is amended by inserting ‘‘(other than by reason of section 1222)’’ after ‘‘is’’.

“(B) COORDINATION WITH SECTION 102.—Paragraph (a) of section 102(a)(3)(C) of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: ‘‘For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 2221(a)(3)(C) for basis determined under section 1022.’’

“(2) DEFINITION OF EXECUTOR.—Section 701(a) (relating to definitions) is amended by adding at the end the following:

‘‘(47) EXECUTOR.—The term ‘executor’ means the executor or administrator of the decedent, or if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.’’

“(3) CLERICAL AMENDMENT.—The table of sections for part II of such chapter of chapter 1 is amended by adding at the end the following new item:

‘‘Sec. 1022. Carryover basis for certain property acquired from a decedent dying after December 31, 2009.’’

“...
TITLE II—REDUCTIONS OF ESTATE AND GIFT TAX RATES PRIOR TO REPEAL

SEC. 201. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) Maximum Rate of Tax Reduced to 50 Percent.—

(1) In General.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

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Over $2,500,000 ....................................... $1,025,000, plus 50% of the excess over $2,500,000.
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(2) Phase-In of Reduced Rate.—Subsection (c) of section 2001 is amended by adding at the end the following new paragraph:

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"(3) Phase-In of Reduced Rate.—In the case of decedents dying, and gifts made, during 2001, the last item in the table contained in paragraph (1) shall be applied by substituting '53%' for '50%'.''.
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(b) Repeal of Phaseout of Graduated Rates.—Subsection (c) of section 2001 is amended by striking paragraph (2) and redesignating the following new paragraph:

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"(3) Phaseout of Graduated Rates.—The reductions under subparagraph (a) are repealed by striking paragraph (2) and redesignating the following new paragraph:
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(3) Phaseout of Graduated Rates.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2002 and before 2006—

(A) In General.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using the table described by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table, except that:

(i) the decreases in the tentative tax shall be reduced by the number of percentage points determined under subparagraph (B), and

(ii) the amounts setting forth the tentative tax shall be adjusted to reflect the adjustments under clause (i).

(B) PERCENTAGE POINTS OF REDUCTION.—The number of percentage points which shall be added to the rates of tax specified in subparagraph (A) shall be determined by using the table contained in section 2001(c) on the amount of the adjusted taxable gifts, over

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$1,300,000 ........................................ 7.5
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(4) ADJUSTED TAXABLE GIFTS.—For purposes of paragraph (2), the term 'adjusted taxable gifts' means the total amount of the taxable gifts (within the meaning of section 2503) made by the decedent after December 31, 1976, other than gifts which are includible in the gross estate of the decedent.

(C) Coordination with Income Tax Rates.—The reductions under subparagraph (A)—

(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c), and

(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c).

(D) Coordination with Credit for State Death Taxes.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(a) except that the Secretary shall prescribe percentage reduction rates which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c).''

(D) Effective Dates.—

(1) Subsections (a) and (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

(2) Subsection (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2002.

TITLE III—UNIFIED CREDIT REPLACED WITH UNIFIED EXEMPTION AMOUNT

SEC. 201. UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES REPLACED WITH UNIFIED EXEMPTION AMOUNT.

(a) In General.—

(1) Estate Tax.—Subsection (b) of section 2001 (relating to computation of tax) is amended to read as follows:

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"(b) Computation of Tax.—
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(2) Subsection (a) of section 2001(c) is amended by adding at the end the following:

```
"(1) In General.—The tax imposed by this paragraph shall be the amount equal to the excess (if any) of—
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(3) Coordination with Gift Tax Exemption Amount.—Subsection (a) of section 2001(c) is amended by adding at the end the following:

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"(A) the sum of—
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(B) the exemption amount for the calendar year in which the decedent died.

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In the case of the exemption amount for the calendar year in which the decedent died which is based on a calendar year which begins before the date of the enactment of the Taxpayer Relief Act of 1997, multiply the tax imposed by this subsection by the number of percentage points determined in accordance with the following table:
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(4) Exemption Amount.—For purposes of paragraph (2), the exemption amount under section 2001(c) on the amount of the adjusted taxable gifts, over

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$1,300,000 ........................................ 7.5
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(7)(A) Subsection (b) of section 2101 is amended by adding at the end the following:

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"(1) Estate Tax.—Subsection (b) of section 2001 is amended by adding at the end the following new paragraph:
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(2) Section 2505 (relating to unified credit against estate tax) is hereby repealed.

(3) Section 2506 (relating to unified credit against gift tax) is hereby repealed.

(4) Conforming Amendments.—

(A) Subsection (b) of section 2011 is amended—

(i) by striking 'adjusted' in the table, and

(ii) by striking the last sentence.

(B) Subsection (f) of section 2011 is amended by striking 'reduced by the amount of the unified credit provided by section 2010'.

(2) Section 2505 (relating to unified credit against gift tax) is hereby repealed.

(3) The amendment made by subsection (a) of section 2011 is amended by adding 'reduced by the amount of the unified credit provided by section 2010'.

(4) Subsection (a) of section 2012 is amended by striking 'the amount which bears the same ratio to the exemption amount under section 2001(b)(3) for such calendar year, over

```
$2,750,000 ........................................ 5.0
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(5) Clause (ii) of section 2506A(b)(12)(C) is amended by inserting (i) to treat any reduction in the tax imposed by paragraph (1)(A) by reason of the credit allowed under section 2010 (as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 2001) or the exemption amount allowable under section 2001(b)(3) for such calendar year, over

```
$2,750,000 ........................................ 5.0
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(6) Subsection (a) of section 2057 is amended by striking paragraphs (2) and (3) and inserting the following:

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"(2) Subsection (a) of section 2057 is amended by striking paragraphs (2) and (3) and inserting the following:
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(7) Subsection (a) of section 2058 is amended by adding at the end the following new paragraph:

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"(4) Subsection (a) of section 2058 is amended by adding at the end the following new paragraph:
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(8) Section 2102 is amended by striking subsection (c).
SEC. 401. DEEMED ALLOCATION OF GST EXEMPTION.

(a) In General.—Section 2622 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (c) and, by inserting after such subsection the following new subsection:

(3) FUTURE INTEREST.—For purposes of this subsection, an interest in a trust to which any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

(b) Exception.—For purposes of paragraph (2), the unused portion of an individual's GST exemption shall be allocated to the property transferred.

(c) Deemed Allocation to Certain Life-Time Transfers to GST Trusts.—

"(1) IN GENERAL.—If any individual makes an indirect skip, and any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such indirect skip property zero, such deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

(2) USES OF INDIVIDUAL.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not been previously—

(A) allocated to any individual, and

(B) treated as allocated under paragraph (1) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made.

(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

(3) DEFINITIONS.—

"(A) INDIRECT SKIP.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

(B) GST TRUST.—The term 'GST trust' means a trust that could have a generation-skipping transfer for purposes of paragraph (1) of subsection (a) made to it, which was not made or deemed to be made pursuant to paragraph (5) or (6) of subsection (a) (or any similar provision of law), unless the transferor made or is subject to a general power of appointment over a part of such trust corpus that was or is subject to a right of withdrawal by reason of the transferor holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

(C) RETROACTIVE ALLOCATIONS.—For purposes of subparagraph (A) (or any similar provision of law), unless the transferor made or is subject to a general power of appointment over a part of such trust corpus that was or is subject to a right of withdrawal by reason of the transferor holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

"(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals other than non-skip persons; or

(ii) before the date that the individual attains age 46, the trust instrument provides that the trust instruments providing that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals other than non-skip persons; or

(iii) on or before one or more dates specified in the trust instrument which will occur before the date that such individual attains age 46, the trust instrument provides that the trust instruments providing that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals other than non-skip persons; or

(iv) before the date that the individual attains age 46, the trust instrument provides that the

"(B) such person—

(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

(ii) may elect to have this subsection not apply to any or all transfers made by such individual to a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

(B) ELECTIONS.—

(i) ELECTED WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year for which the election is to become effective.

(ii) RETROACTIVE ALLOCATIONS.—

"(1) IN GENERAL.—If—

(A) a non-skip person has an interest in a trust to which any transfer or transfers made after December 31, 1999 were allocated under section 2622(e)(1)(A) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

"(2) OTHER ELECTIONS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year for which the election is to become effective.

(C) TIMING AND NATURE OF SEVERANCES.—A severance pursuant to this paragraph may be

SEC. 402. SEVERING OF TRUSTS.

(a) IN GENERAL.—Section 2624(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

(b) RETROACTIVITY.—Section 2624(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after December 31, 1999.

TITLE IV—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

"(A) Allocation of GST Exemption in Generation-Skipping Transfers. —

(B) Special Rules. —
made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.

EFFECTIVE DATE.—The amendment made by this section shall apply to transfers made before December 31, 1999.

SEC. 403. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

``(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632(b)(1) or (c)(1)—

(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

``(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) and of chapter 11 shall be the value of such property as finally determined for purposes of chapter 11, except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value of the property or value of such property shall be determined as of the time of the distribution concerned.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 1999.

SEC. 404. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 is amended by adding at the end the following new subsection:

``(g) RELIEF PROVISIONS.—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(2) of such Code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 after December 31, 1999. No implication is intended with respect to distributors of the application of a rule of substantial compliance on or before such date.

(b) CLARIFICATION OF DATE FOR DETERMINING VALUE OF LAND AND EASEMENT.—

(1) IN GENERAL.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: ``The value taken into account under the preceding sentence shall be such values as of the date of the contribution to the trust.''

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to estates of decedents dying after December 31, 1997.

The SPEAKER pro tempore. After one hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in House Report 106-658, which may be offered only by the Member designated in the report, shall be considered read, and shall be debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. Archer) and the gentleman from New York (Mr. Rangel) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. Archer).

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill, H.R. 8.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today is another historic and proud moment for this House, for our country, and for me personally. When I came to Congress 30 years ago, I had three major goals. One was to balance the budget, that future generations would not have to pay the high debt service charges. The second was to eliminate the earnings limit on Social Security beneficiaries so that they continue to work without suffering the loss of their Social Security benefits. Both of those two are now the law of the land.

My third goal was to abolish the death tax. And today we will do that on a bipartisan basis. We will completely repeal it. We will erase it from the Tax Code forever, in hopes that it will never return from the dead to haunt American families, farms, businesses. This is truly an historic day.

The death tax is wrong. Death as an event should not trigger a tax. Some have even said that it is ghoulish to think that someone who works an entire lifetime saving, preparing to leave something to their children, starting a business, running a ranch or a farm, and all the time paying taxes to find that what is left over gets hit again from the grave.

The ancient Egyptians built elaborate fortresses and tunnels and even posted guards at tombs to stop grave robbers. In today's America, we call that estate planning.

Today, Americans are trying to avoid the death tax like never before. In fact, they spend millions and millions of dollars every year paying accountants, lawyers and financial planners to try to limit this tax in any way that they can. And why should they do that? Because the death tax is the natural born killer of everything that they have worked for their entire lives. It is the wrecking ball of a life's worth of achievement and success.

Think about it. The top death tax rate today in the law is 50 percent. That means the IRS gets 122 percent of what the children get. Is something not wrong when the government gets more than the family? And that is just the first generation of children. Someone wanted to help their grandchildren, and I know many of us in this Chamber and those watching on C-SPAN have grandchildren, I have 14 myself, so just listen to this: Because of the death tax and what is part of it, a part of the death tax, the so-called generation-skipping penalty, the IRS gets 244 percent of what a grandchild does if a dying person leaves their assets to their grandchildren. That is outlandish. So today we are going to do what is right and we are going to fix it once and for all.

The death tax is especially threatening to the backbone of America's economy, the small business owner and the family farm. That is why repealing the death tax is priority number one for the National Federation of Independent Businesses and the American Farm Bureau.

Imagine a family owning and working on a family farm for 30 years. They build and develop the land with the hope of passing it along to their children so that they can have a better life. But after their death, the children tragically find that the farm will not...
be staying in the family but will instead be going on the auction block to pay the IRS. Unfortunately, this is not a rare occurrence. Many family farms must be sold to pay the Federal taxes due on the property and many, many businesses.

One-third of small business owners today will have to sell outright or liquidate a part of their company to pay death taxes. More than 70 percent of family businesses do not survive the second generation, and 87 percent do not make it to the third generation.

The impact of the death tax on small business means it is especially threatening to women, who are creating business at twice the rate of men today. Since 1987, the number of female-owned ventures has doubled from 4.5 million to 9.1 million. Last year women-owned companies employed more than 27 million Americans, nearly 9 million more than in 1996. These are the new CEOs. U.S. News and World Report, on its cover, featured this exact item. That is why women business owners are in strong support of complete repeal of the death tax.

But the death tax does not just hit the business owner. It is a job killer, too. It hits hard the American who lose their jobs and their health care when a business or a farm for which they work must be sold to pay the tax. Sixty percent of small business owners report that they would create new jobs over the coming year if estate taxes were eliminated. Half of those who must liquidate the business to pay the IRS will each have to eliminate 30 or more jobs. That is one of the reasons why liberals, moderates, and conservatives alike support getting rid of the death tax entirely. They understand that this is not a fight against the poor issue, it is a jobs issue and a fairness issue. We should reward hard work and success and not punish it.

The death tax is the grim reaper of personal savings in this country. The only cloud on our economic horizon is the death of personal savings in the U.S. Today’s personal savings rate is the lowest it has ever been in the history of our nation, and the death tax is a dollar-for-dollar tax on savings.

In summary, the death tax is simply unfair; and it is time to repeal it once and for all. No American, no matter what their background, should have to worry about paying too much taxes when they die. They have worked all their life, they have paid taxes on that income all of their life, and they should not get socked one more time from the grave if they want to pass it on to their children or their grandchildren. Our children should come first, before the IRS, in the pecking order of family business, farm, or savings account.

Benjamin Franklin, one of the wisest founding fathers, once said: “There are two certainties in life, death and taxes.” But I doubt if dr. Franklin, even with his extraordinary foresight, could have told us that today both would occur at the same time. It is time to bury the death tax.

Mr. Speaker, I reserve the balance of my time.

Mr. Rangel. Mr. Speaker, I yield myself such time as I may consume.

The痪 of the death tax, under the leadership of the majority, has embarked on a political scheme before this election to present to the American people every week some type of a tax problem that they have not found a solution for. Unfortunately, before they bring the solution to the floor, they make certain that the President of the United States is going to veto it.

It is absolutely remarkable how if they find a mosquito, they have to run for a sledgehammer to get rid of the problem. Take, for example, our very complex tax system, which year after year that they have been in the majority, they have made even more complex. We just went into tax code that we had before they had the majority and weigh it today and see what they have done to it.

Do our colleagues come and say to the Democrats and to the President that this system is overbearing, can we not work together to resolve the problem? No. What is the Republican solution? Let us pull the Tax Code up by the roots.

If we have a problem with people being married paying too much taxes, do they just take care of it? No. They will have a tax cut so severe that the President of the United States would say we should take care of that problem, but we should not have to do it at the expense of not reducing the Federal debt, placing into jeopardy the Social Security System and our Medicare system.

The emotional thing to talk about is how families would lose their businesses and their farms as a result of the death tax. Our children and grandchildren have done it. It would be wrong for this to happen. And even though we are only talking about 2 percent of the American people that would be subjected to a review of their taxes, they are still Americans, and they are still entitled to equity. But do we really say that the answer to this problem, and it is a problem, is to repeal the estate tax completely? Under the Democratic alternative the Republicans would have to. Any rancher, any farmer, any small business will be lost as a result of the $4 million exemption. I say exemption, which means that they do not even have to think about the reduced rate of taxes.

Every estate planner knows that we have a better alternative. They know we take care of the problem. But we do not take care of the multibillion-dollar estates. That is what we do not take care of. Unfortunately, for those people who have had creative ideas, who have built up equity and tax liabilities that go into many numbers in terms of tax liabilities, that have never been taxed and would only be exposed to taxation at death. We do not talk about those. Oh, we probably have some in Texas and some in New York, but what we wanted to do was take care of 99.9 percent of the businesses that would be adversely affected, and that we have done.

My colleagues have an emotional argument talking about repeal. But one day the American people will take a look at the cost of the Republicans’ bill, the cost of repeal, and wonder where the Republicans are talking about them or whether they had a handful of people that have been kind to them that they are trying to get relief for. Because anybody can tell my colleagues that their bill in the year 2011 will start having a revenue hemorrhage of $50 billion a year. Maybe my colleagues are prepared to say that they feel that we can afford to do that and take care of Social Security, take care of Medicare, take care of the Patients’ Bill of Rights, take care of affordable prescriptions; or, really, do they care at all?

This is a great shot in the arm for my colleagues because they know the President is going to be responsible. And if the Republicans were so irresponsible as to be proposing this if they thought it would become law. They know it is going to be vetoed. They know that next week they will be coming back with something else that will be vetoed.

I am just asking this. In the last weeks of this Congress, can we not come together on something and agree on it? Must we try to seek a Republican political statement instead of a bipartisan agreement? If everyone would conclude that the Democrat alternative takes care of the problem that we are talking about, why do we have to go beyond that and hemorrhage the revenue for those people that will become eligible in the next 10 years for Medicare? My Republican colleagues know it is going to be vetoed, but it is not the right thing to do.

Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentlemen from Maryland (Mr. Cardin), and that he be allowed to manage the time on our side.

The SPEAKER pro tempore (Mr. Kolbe). Without objection, the gentleman from Maryland (Mr. Cardin) will control the rest of the gentleman’s time.

There was no objection.

Mr. Archer. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Ms. Dunn), who has authored this bill in combination with the gentleman from Tennessee (Mr. Tanner) on a bipartisan basis. She has worked so hard over the years to get us to where we are today.

Mr. Speaker, I want to thank the gentleman for yielding me this time and for bringing this bipartisan bill to the floor of the House today.
I want to thank my colleague, the gentleman from Tennessee (Mr. TANNER), for the hard work he has done over the years as we move this important endeavor to the floor of the House. H.R. 8 has the support of 246 Members of the House of Representatives, 46 Democrats, and one independent.

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There is one major reason, Mr. Speaker, why the majority of this Congress and 85 percent of the American people support the repeal of the death tax, that reason is fairness. It has been said that only with our government are you given a certificate at birth, a license at marriage, and a bill at death.

One of the most compelling aspects of the American dream is to make life better for our children and our loved ones. Yet the current tax treatment of a person’s life savings is so onerous that when one dies, the children are often forced to turn over sometimes more than half of their savings of their parent’s hard work during their lifetime to the Federal Government.

Even worse, not only does this take place at an agonizing time in the life of a family, but these people are forced to watch their loved one’s legacy be snatched up by an entity not known for it’s great insight in spending taxpayer funds. This is not fair.

Death should not trigger a tax. We should not dishonor the hard work of those who have passed on. This is especially true, Mr. Speaker, of minority and women-owned businesses.

Minorities understand that sometimes it takes two to three generations to build an economic foothold in a community through a family-held business. That is why the Black Chamber of Commerce, the Hispanic Chamber of Commerce, the National Indian Business Association, and the Pan-American Chamber of Commerce support H.R. 8.

In addition, a recent study by the National Association of Women Business Owners revealed that women-owned businesses on average spend $1,000 a month complying for the death tax. These dollars should go to benefits like health coverage for the 44 million who are uninsured. Mr. Speaker, I urge my colleagues on the floor to vote for H.R. 8.

Mr. CARDIN. Mr. Speaker, I yield 2 minutes to a senior Member of the Committee on Ways and Means, the gentleman from California (Mr. STARK).

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, I have a rather personal interest in this legislation, and I have heard a lot from the chairman of the Committee on Ways and Means about what we owe our children, so I have come to the well this morning to apologize to my children, I have 5, and 10 grandchildren. I am probably one of the few Members of the House who started out poor.

I used to say I was so poor as a kid I never slept alone until I was married. But through good luck and the action of commerce, I was able to amass what most of the people in my district would call a fortune. And I have not paid much tax on that. I pay income tax instead of capital gains on a percentage of income tax than you pay me salary, but most of what I have was accumulated through capital gains, and I have not sold it. I do not intend to.

My kids will get it pretty much free. So I apologize because I am going to vote against this. Kids, to Jeff and Bea and Thekla and Sarah, Fortney and the 10 grandkids, you are going to have to pay some tax. This is a little family business, it might be 7 figures, but you are going to get a down payment on that from your mother and me of $1,350,000 free. You have not worked a day in your life for that.

You have a college education, down payment on your homes, cars, but you have not worked a day. But you are going to get a million, a million and a half bucks. And then you are going to get half that business free and you may have to pay 50 percent, 55 percent on that tax if they appraise the business at its full value. And you are going to get 10 years to pay that off at a below prime rate interest rate. And, kids, if you are so dumb that you cannot run that business with over a 50 percent down payment given to you and 10 years to pay the balance at a low rate, you do not deserve it.

You ought to have been trained in this country to earn your own way and pay your taxes every day so that Dad can have a prescription drug benefit and I can have a decent nursing home so you do not have to worry about taking care of me in my dotage.

There are not very many Members of Congress that are going to pay any inheritance tax, and do not believe them. This is a gift to the rich for independently, smart kids like I have hoped I raised.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Speaker, the gentleman has quite a legacy. In response to the gentleman that just spoke, the gentleman from California (Mr. STARK), I am the first person in my family to ever graduate college, I do not have a fortune, my one fortune is the fact that he wants to construct life for his children a certain way, but this gentleman is making decisions for millions of Americans, let him make his own decision.

What I would like to have is a decision made up here that empowers people that if they want to give money to the church instead of the government they can. We collect less than 2 percent from the death tax in this country, and to give the 2 percent you do not lose. You lose family farms in my district in droves because people are land rich on paper and cash poor. You lose the small business that cannot go to the next generation to get less than 2 percent to monkey with the money up here.

Philanthropy is lost. The human spirit is suppressed. Most people want a legacy. They want to give something back, a library, a house, a donation to their church. This is a form of socialism that must go. Let us start a new century with a Tax Code that brings out the best in the American people not the worst. To get 2 percent of the money, we have to ruin a lot of families and that is unnecessary. I say congratulations to the gentleman from Texas (Mr. ARCHER).

Mr. CARDIN. Mr. Speaker, I yield 2 minutes to a distinguished member of the Committee on Ways and Means, the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. LEVIN. Mr. Speaker, socialism? Teddy Roosevelt’s idea? Members come here with all the talk about fairness and about women and minorities, we are talking about 2 percent of the decedents in this country, the very wealthy; that is what we are talking about.

What is the problem? The substitute addresses them, family farms? Ninety-eight or 90 percent of the family farms will be taken out of an estate tax by this substitute. Small businesses? Only 1/10 of 1 percent are subject to the estate tax. Members come here raising the banner of all of these small businesses. We are talking about a small portion of them, and the vast majority of them will be taken care of by the substitute. And all of the others who are subject to the estate tax, the substitute addresses their needs faster than your bill.

In a sense, those of us who are on the other side of this issue have lost the competition. Members have managed to move an estate tax to a death tax, but I have no hesitation to go back to my district and to talk about what the impact of this repeal would mean for 98 percent of my constituents, 98 percent.

I will talk about Members coming here yesterday and not being able to fund Head Start, not being able to fund training; and we are going to give, 10 years from now, a $50 billion tax cut to the very wealthy in this country? I will take that battle on any time.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to a distinguished and respected Member of the Committee on Ways and Means, the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, how sad and how cynical that the left can only embrace the politics of envy. How sad that today they rely on tired, worn old arguments attempting to divide Americans, why the majority of this Chamber today is a bipartisan majority standing up for tax fairness intent on putting the death tax to death.
Our constitutional republic was founded, in part, because the people in that time stood up against taxation, no taxation without representation was their rallying cry. Today, all Americans stand up to say no taxation without representation because it is fundamental to our faith, regardless of your economic station in life, to have this tax visited upon the American people.

And here is why for the disconnect that seems to affect my friends on the left when they lament the facts that this is a regression of growth and economic opportunity, to let families hang on to their farms and ranchers and small businesses and, yes, to succeed.

This is the fundamental difference. Mr. Speaker. We embrace the principles of the American dream. My friends on the left embrace the politics of envy.

Mr. CARDIN. Mr. Speaker, I yield 1 minute to a distinguished member of the Committee on Ways and Means. My friend, the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I want to thank the gentleman from Maryland (Mr. CARDIN) for yielding the time and say that I rise in support of H.R. 8. The estate tax is an outdated, inefficient, complicated subjective tax. The Tax Code needs to be rewritten. This is a good first step.

This tax applies, as I am told, and I came to this from the standpoint of a small business and family farmer, over 70 percent of the estate taxes that are filed on estates of $5 million or less, we are told that this costs 72 cents of every dollar collected simply to administer and carry forward, and for that reason, I support H.R. 8. I thank my colleague, the gentlewoman from Washington (Ms. Dunn), for her cosponsorship.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to another respected and distinguished member of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS).

Mr. THOMAS asked and was given permission to revise and extend his remarks.

Mr. THOMAS. Mr. Speaker, I want to thank the chairman of the Committee on Ways and Means. It was a long, hard road to reach this day; and we still are hearing repeatedly that some people just do not get it. The gentleman from Michigan said 98 percent of his constituents are not going to benefit from the elimination of the death tax. If the polls repeatedly show a majority of Americans support repeal? It is pretty simple. It is called the American dream.

All one has to do is go to Ellis Island. My colleagues know the words: “Give me your tired, your poor, your huddled masses yearning to breathe free.” Yearning? The dictionary says, Yearning: to have a strong or deep desire. To be filled with longing. Free. Freedom to choose, to do what you want to do; freedom from want, from fear.

If someone works and really does not do a good job of developing and living the American dream, they get taxed once. If someone works hard, saves, takes care of their family, creates, produces jobs, currently, in this country, they get taxed twice.

Do my colleagues know what? Those 98 percent who are not going to get the immediate benefits of this believe in the American dream. They want to do, to be, to get to the American dream and leave their fruits to their children. Let us today vote yes on the repeal of the death tax and yes in favor of the American dream.
Mr. CARDIN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I agree, there are many people who have this dream, the dream of doing very much during their life except have a good time, and then having been smart enough to have rich parents who have millions of dollars. Now, there is an inconvenience if one inherits dollars today. There will be some tax on them. But if the Republicans have their way, one will be able to dream one's way into wealth, not because of any single thing they did other than to be born into the right circumstances.

This is not a tax on death. Dead men tell no tales, and dead men and women pay no taxes. This is a tax on those who inherit the wealth that was earned by others.

Now, there is nothing the matter with that. If people ask my advice, I would say sure, I think it is a very good idea to have rich relatives. If I were you, I would try very hard to have rich relatives and try very hard not to have rich parents, and maybe they will leave you some money. But the tax is on the beneficiaries of other people's work, and what a tax repeal.

I think if we were giving a prize for the single best idea to come forward from the group that has been rife with them, it would be this. The idea is this: let us make the Tax Code of America better for very rich people. Let us give substantial tax relief to the richest people. Forget about the person making $40,000 a year and paying Social Security payroll taxes. Forget about all of those other people paying income tax. We are here to give tax relief to the richest 2 percent of America.

Small business. I must say, every cloud has a silver lining. For once, some of my friends on the other side have seen merit in trying to help minority businesses and women-owned businesses, but I would say to my colleagues, do not do that by using them as a front to give substantial tax relief, not to the wealthiest people in America, but to the relatives of the wealthiest people in the world, America. The American dream is not only good farmland; but because of its location, it is prime and ripe for development and because of its potential price, to the sake of development, it triggers the death tax, and many children of family farmers in the areas surrounding the suburbs here in Washington, D.C., or in any major metropolitan area are forced to sell much or all of the family farm, just to pay the death tax; and usually it is sold to developers, losing its use as valuable open space and farmland.

Let us keep the family farm in farming by eliminating the death tax. Let us protect valuable open space by eliminating the death tax. Let us protect valuable wildlife habitat by eliminating the death tax.

I say to my colleagues, the death tax is bad for the environment. Oppose the substitute, support this legislation, vote aye. It deserves a good, bipartisan vote.

Mr. CARDIN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BERCERRA), another distinguished member of the Committee on Ways and Means (Mr. BERCERRA).

Mr. BERCERRA. Mr. Speaker, I thank the gentleman for yielding; and I hope that my colleagues will vote against this measure. We hear talk about the American dream. We want to, to the American dream, give every American this American dream.

When America learns that what we are talking about is not giving every American the American dream through this bill, but only 2 percent of Americans the American dream, because only 2 percent will ever receive a tax cut in this bill, because only 2 percent of estates ever pay an estate tax. Forget about 98 percent of America, and it is not any 98 percent of America, it is the 98 percent that falls below the 2 percent richest Americans, who will receive nothing. Only the 2 percent most influential and richest will get this break.

This is about as irresponsible as we can get. We are facing a time recently where we had $300 billion deficits. We need to do something. We need to be aware that the $50 billion a year in interest payments on the national debt. We finally have a surplus; we finally have a chance to be fiscally responsible. We finally have a chance to talk about perhaps getting prescription drug coverage for our seniors under Medicare. We finally have a chance to talk about shoring up Social Security. We finally have a chance to talk about giving our kids a chance to break away from the digital divide and have a computer in their classroom.

We could pay for a computer for every child in America, rich or poor, with the money we are about to give in tax cuts to 2 percent of America at the top of the ladder. We could provide prescription drug coverage with the money we are going to spend this, because the $50 billion a year it will cost us is more than what we are budgeting than the Republican Congress is budgeting for prescription drug coverage and Medicare in its budget for the next 5 years.

Think of it. The budget that we passed out of this House says $40 billion should be allocated for prescription drug coverage for seniors, millions and millions of seniors. Yet over 1 year, it will take $50 billion out of the Treasury to make up the tax cut that only 2 percent of the wealthiest Americans will receive. That is not responsible. That is not what we should do. Let the American dream live for everyone, not just for 2 percent of Americans.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii (Mr. ABERCROMBIE), who has contributed toward the development of this proposal.

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, for 1 minute, can we just set aside all of this rhetorical, divisive language about left and right and who wants to stuff-arm 2 percent or 98 percent. That is not what this is about. The whole basis of this law has changed. We have to recognize that there are middle-income businesses, small businesses all throughout this country that would benefit from a change; and we all know that there is an objection with respect to whether or not the megawealthy may or may not be able to have more advantages than they have right now.

This is the first step in a legislative process, and we can be thankful to the gentleman from Tennessee (Mr. TANNER) and the gentlewoman from Washington (Ms. DUNN) and to the gentleman from Texas (Mr. ARCHER), who are excellent legislators. Everyone knows that. They will put together a package that in the end is
going to achieve tax equity and fairness for the overwhelming majority of Americans who deserve it, that is going to help preserve jobs and that is going to see to it that the small businesses throughout this country and the jobs that they create are going to be preserved and protected.

Mr. Speaker, I rise in support of H.R. 8, it is pro-jobs and pro-tax fairness, and the House should pass the bill by a wide majority. As many of you know, I have been a long time supporter of working people and their interests. It is from those perspectives that I come here today to support H.R. 8 and urge the reform of the federal estate tax law.

A permanent federal estate tax was first enacted in 1916. It was designed to pay for World War I. But there were also philosophical and political motives in that great fortunes had been amassed during the industrial revolution, and there was felt to be a progressive public policy objective of stopping the perpetuation and transmission of the great control that heretofore accompanied vast wealth and estates.

At the time, there was compelling and legitimate concern about vast fortunes, estates and trusts limiting access to capital by the emerging middle-class entrepreneurs.

We are now, however, in the 21st Century. Our economy, society and means of production have radically changed. We are no longer primarily an agrarian economy, and in many ways we may be nearing the end of heavy industry phase of our economic development. The outdated laws governing industry, commerce and society of the early 20th Century must be changed to reflect the realities of the year 2000 and beyond.

Capital remains a key component of business formulation and development. It is not, however, being concentrated by entities subject to the estate tax as in 1916. Irrelevant and antiquated 19th and early 20th Century laws may be a hindrance to how our society now functions. Federal estate and gift tax laws fit that category.

My perspective on the issue is that current law diminishes the capability of small businesses, and the jobs associated with them, to continue after the death of an owner or owners. Some studies (Heritage Foundation) have indicated that as many as 145,000 additional new jobs could be created by repeal of the estate tax. The result is the majority of estates paying estate taxes are valued at $5.0 million or less. Not one penny for those who make $6 an hour or $10, not relief at the democratic level for small businesses, but huge relief for multibillion-dollar fortunes.

Furthermore, the Republican bill will slash money for Head Start. Today, they want to cut $50 billion per year from Federal revenues. Two percent of American families even pay this tax. Three percent of those involve family farms and family businesses, so only 6 out of every 10,000 families fit into the category of having a family farm or family business affected by this.

The Democratic bill does far more for those family farms and businesses. Immediate relief. A bill that will be signed into law. But only the Republican bill provides the billionaire's tax cut. The PACT Act gives one penny for those who make $6 an hour or $10, not relief at the democratic level for small businesses, but huge relief for multimillion-dollar fortunes.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT). (Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in America we pay income and capital gains tax; investment, business, pension tax, luxury tax, property tax, sales tax, fuel tax. We even pay a surtax, and once, a retroactive tax. We are taxed coming and going.

If that is not enough to glorify a 1040, we even pay a death tax in America. Beam me up. Once again, we hear the Cold War story. We come to the floor and beat up on the rich. I think it is time, Mr. Speaker, to stop the class warfare in America. Why should families who achieve in life be destroyed in death? Why should farmers have to surrender their farms to the government and not pass their farms on to their kids? Tell me and answer that question.

Mr. Speaker, my family was very poor, really. But my dad never worked for the government and not pass their farms on to their kids? Tell me and answer that question. Mr. Speaker, my family was very poor, really. But my dad never worked for the government and not pass their farms on to their kids? Tell me and answer that question. Mr. Speaker, my family was very poor, really. But my dad never worked for the government and not pass their farms on to their kids? Tell me and answer that question.
ESTATE TAXES THREATEN WILDLIFE HABITATS

By David Langford

For many of us trying to preserve and protect our wildlife habitat, the federal estate tax is a deadly predator.

Since 1851, the family has worked the land in the Texas Hill Country. Through ups and downs of the business cycle, our farms have been a source of income and livelihood for our family and our community.

However, the real loss is one that affects our future. The estate tax is the No. 1 destroyer of wildlife habitat in this country.

But for those of us who are stewards of wildlife habitat, the argument goes much deeper than the issue of business and money. Yes, families suffer financially, and that does matter. But what is accomplished by breaking up natural habitats? The benefit to the federal government is negligible. The estate tax raises barely 1 percent of federal tax revenue. Many economists have concluded that, what you consider the revenue lost from tax avoidance strategies, the estate tax contributes minimal revenue to the federal budget.

Congress has an opportunity to repeal the death tax or at least reduce its crushing rate. No other act of Congress this year could provide more help to family-owned businesses.

But for those of us who are stewards of wildlife habitat, the argument goes much deeper than the issue of business and money. Yes, families suffer financially, and the real loss is one that affects the entire country. When wildlife habitats disappear, they disappear forever. We aren't a bunch of fat cats trying to hoard our assets. We are private citizens trying to preserve an irreplaceable resource for the enjoyment and benefit of generations to come.

Americans simply do not believe the IRS ought to operate a toll booth on the road to heaven.

Enough is enough. It is time to repeal the tax on our American values. It is time to bury the death tax, giving a new birth of freedom to the next generation of farmers, ranchers, and small businesses.

[From the Dallas Morning News, Nov. 10, 2000]
ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Kolbe). The Chair would remind all Members participating in debate to direct their remarks to the Chair and not to the viewing audience.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. Lewis), another distinguished and respected member of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Edwards). The Republican leadership would give this multi-billion dollar tax cut before limiting class size to 18 for more than 3 million public schoolchildren; before establishing a prescription drug benefit in Medicare for 13 million American senior citizens who cannot afford the expense of drug coverage; before raising the minimum wage for millions of Americans working full-time for less than $5.15 per hour; before paying down the national debt, so interest rates will go down for all American homeowners; before extending social security so that our generation and our children's generation will have a reasonable chance for retirement.

It is a stunning revelation to know that the Republicans' last priority is a huge tax cut for the super rich. Vote for the substitute and against this give-away.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Mr. EDWARDS. Mr. Speaker, if being a family farmer or small business is something that is not just theoretical, that is not just a fairy tale, that is not just a concept, that is reality for a lot of people, then listen to the words of Mr. Rich Cross, a farmer from Ogle County, Illinois.

As Mr. Cross said, "...the Cross family for 40 years have been small farmers and...we are a part of the fabric of our community. We are a part of the American dream which were built with our own hard work. The bill would endanger the future of the family farm...the bill would endanger this way of life for millions of American farmers..."
Comparison of Estate Tax Owed on $2 Million Estate

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Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CALVERT).

Mr. CALVERT. Mr. Speaker, I rise today as a former small business owner, a family business, and a strong supporter of H.R. 8, the Death Tax Elimination Act of 2001. This bill finally phases out the Federal estate, gift, and generation-skipping transfer tax commonly referred to as the "death tax."

Small businesses are a foundation of the American dream. My father, after he served in World War II, started a small coffee shop chain, started with one restaurant and built it up. My father passed away and as a family, we are facing this estate tax, as many families in this country face this tax. It is unfair, it is un-American, and we have an opportunity to end this tax today.

Mr. Speaker, it is disgraceful that we continue this practice, and I am looking forward to a vote today that will finally start us down the road to ending this tax which hopefully will be signed into law.

Mr. CARDIN. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts (Mr. CAPUANO).

(Mr. CAPUANO asked and was given permission to revise and extend his remarks.)

Mr. CAPUANO. Mr. Speaker, there are a couple of questions that have been raised in my mind since I have been listening to the debate. I guess if this tax is a bad tax because everybody earned the money, that is true. That is true for every single tax we have. Of course Americans earn the money. It is no different here than in the income tax or sales tax or any other tax.

If the argument is valid, it is valid for every tax. Let us just get rid of them all and base this country's entire economic system on gifts. It is not going to happen, my colleagues on the other side of the aisle do not propose it, so the argument does not hold water.

I also hear today about how difficult it has been on a few individuals. Of course, every system has problems. In general, though I have also heard many comments about different businesses that are second generation, third generation, fourth generation businesses.

How did they make it? How did they get through the estate tax if it is so bad?

Let us tell the truth. The Democratic proposal deals with the problems that are on the table. Everyone here wants to deal with them. It will cut working people.

Mr. ARCHER. Mr. Speaker, I yield the balance of our time to the gentleman from Georgia (Mr. LEWIS), a distinguished member of the Committee on Ways and Means, Mr. LEWIS of Georgia.

Mr. Speaker, I rise today in support of the motion to recommit to be offered later by the gentleman from Texas (Mr. DOGGETT). The motion simply says that section 527 political organizations that fail to disclose their donors will be subject to the gift tax.

It is time to fix our broken system of financing elections. This motion is an important step toward that goal. It would close a huge loophole by requiring simple disclosure by secretive political organizations and groups. The American people have a right to know. They have a right to know who is funding political campaigns in this country. They have a right to know who is trying to influence them. The American people have a right to a free and open election process.

Mr. Speaker, it is time to close this loophole. It is time to get rid of the secrecy. It is time to fix this mess.

The other body had the courage and voted with raw courage on yesterday to close this loophole. It is time for the House to do the same. I urge all of my colleagues to support the motion to recommit.

Mr. SANFORD. Mr. Speaker, I rise in support of Chairman Archer's efforts to reform the estate tax. And I say reform, rather than repeal, because at the heart, that's what I think we are talking about here. I'm sure Chairman Archer would disagree emphatically with my point. But given the way our political process works, I think that today's vote represents the starting point in negotiation over the estate tax. By taking out a position of repeal, as it works its way through the political body, what we're really talking about is change. And the question we all need to ask ourselves is to what degree. While I am in favor of this vote because it stakes the position of the need for change, the reason I don't think that I would ever be in a position to support total repeal of the estate tax is tied to three things: history, the value of work and the belief in meritocracy, and, finally, the power of compound interest.

When you look through the pages of history, you see that anytime there's been extreme disparity of wealth, you've seen political problems. In short, the Banana Republics of South America are demonstrative of the fact that as a few families holding all the wealth doesn't lend itself toward democratic rule. In fact, if you stop and think about it, would it be good for...
our form of government, if out of the 270 million people that make up America, 99 percent of the wealth was held by four families? I think undoubtedly, most people would say no, not a chance. And that illustrates the point that I think intuitively all of us know—that extreme wealth concentration isn't good for our form of government.

Two, I'd say there's a real value to work and meritocracy. I think that one ought to put on their jeans and go to work. It's good for the individual and it's good for society as a whole. In fact, Republicans have repeatedly made that very argument when they talk about welfare recipients. Our Founding Fathers were very deliberate about not having kings and queens, and yet if you have a couple of families that can hand on huge levels of wealth, tax free, generation after generation, what you develop is an aristocratic class that does nothing more than eat from silver spoons and play polo. I think the reverse would be good to have a merit-based system, wherein one can go out and earn as much money as they're able over the course of their lifetime with very little from government of government regulation or government taxation interfering with those efforts. Beyond a certain point though, families ought to be brought back to a neutral starting zone, with each new generation given that shot at making it to the top. I say that as one who votes to get virtually every form of government spending. Unfortunately, Congress as a whole is not willing to do that, and we have to pay for those government services that people so consistently vote for around this place. I'd rather not see the burden on the shoulders of people working and striving to develop new things. I'd rather see that, and at the end of the day after one has succeeded, without government taxing them heavily on their rise to the top.

Which brings me to my third point, the power of compound interest. I do think the estate tax needs to be substantially reformed, and I'm talking about a very large limit here. One ought to be able to hand off perhaps $250 million or $500 million tax free to their children, should they so choose. But you shouldn't have a Bill Gates level of wealth that's being taxed at a much higher rate, than the next generation. For this family, within a couple of generations, compound interest could concentrate perhaps a trillion dollars of net worth.

So in the end that's where I am. Let's substantially repeal the estate tax; let's reform it mightily, raising the limit in excess of $100 million of tax-free inheritance, to be handed on from one generation to the next. But let's not completely eliminate it, because extreme concentrations of wealth handed tax free from one generation to the next is not only bad for the individual in question, but certainly bad for our system of government.

Ms. PELOSI. Mr. Speaker, yesterday we began debate on a bad Labor/HHS/Education Appropriations bill, a bill that cuts $2.9 billion from education services; cuts $1.7 billion from workforce development and safety investments; and cuts more than $1 billion from critical health programs. And next week we will be forced to vote on this bill that undermines so many of our nation's priorities.

Why? Because the Republican House leadership submitted a $1.7 trillion surplus budget that puts tax cuts for the wealthiest Americans above investments to promote America's education, workforce, and health services. Their $175 billion tax cut exceeds the projected budget surplus and requires deep cuts in non-defense discretionary appropriations.

And here we are again, voting on a measure that would provide over $50 billion to the wealthiest 2 percent of taxpayers. How much is enough? When will Republicans be satisfied with giving away any more of the money they have given to the wealthy, and turn their attention to the majorities of Americans who want a good education, a strong work force, and a healthy future?

This bill will cost $50 billion per year when fully phased in. This monstrous hole in the federal budget will undoubtedly translate into cuts from areas that the American people care about, just as the proposed $175 billion Republican tax cut translated into cuts in yesterday's proposed Labor/HHS/Education Appropriations bill.

When we prioritize tax cuts over health, education, and labor, we make sacrifices, and these sacrifices affect everybody. The repeal of the estate tax does nothing for working families. Most American families would not receive a single penny from this bill. So I want the American people to know what they are sacrificing in order to provide a tax cut to the wealthiest two percent of their fellow citizens.

Republicans have proposed cutting $1 billion from targeted investments in education to improve teacher quality and recruit new teachers, denying afterschool services to 1.6 million kids, and eliminating HeadStart assistance to 50,000 kids.

They have also proposed cutting NIH $439 million below current services and cutting $16 million from Clinton's request for battered women's shelters.

These are the kinds of sacrifices that Americans are being asked to make in exchange for a tax cut that would give $300 billion to the 0.1 percent of the wealthiest Americans. $300 billion is enough to pay for a prescription drug benefit for seniors for 10 years! The Republican majority placed the needs of big business over working people yesterday by voting to once again delay the implementation of new ergonomics regulations which protect working people from repetitive motion injuries. And here they are again asking working families to make sacrifices so that the wealthy can reap benefits.

Slowing our progress in health, education, and labor in order to make room for tax cuts for the wealthy does not fit with our national priorities.

Democrats have proposed a fiscally responsible substitute that targets tax relief to farmers and small business. I urge my colleagues to support this commonsense approach.

Mr. CROWLEY. Mr. Speaker, hard working Americans should not be forced to liquidate their holdings and sell off the businesses their fathers or grandfathers started in order to pay their estate taxes. The estate tax, while only for the wealthy, and turn their attention to the majority of Americans who want a good education, a strong work force, and a healthy future?

This relief needs to be immediate. While I support the principles of H.R. 8, it does not help hard working families now, or even next year, it will not help 10 years from now. Additionally, it will take from our surplus that could be spent on shoring up Social Security, implementing a prescription drug benefit for seniors and improving education. H.R. 8 really helps the wealthiest Americans.

In today's economy, one million dollars does not make a millionaire. On paper, a family business may be worth six million dollars with property and buildings, but the family is really struggling to survive. The Rangel alternative addresses the inflation in our economy while still being fiscally responsible. The Rangel substitute increases the special exclusion to the estate tax to two million dollar per person. It protects the estate, but also allows the family to make decisions. In today's economy, one million dollars does not make a millionaire. On paper, a family business may be worth six million dollars with property and buildings, but the family is really struggling to survive. The Rangel alternative addresses the inflation in our economy while still being fiscally responsible. The Rangel substitute increases the special exclusion to the estate tax to two million dollar per person.

Mr. FRANKS of New Jersey. Mr. Speaker, today, with my support, the House passed legislation (H.R. 8) to eliminate the Death Tax. For too long, exorbitant tax rates have made it difficult for Americans to pass their savings onto their children, and for small businessmen and farmers to keep their enterprises within the family.

That's why I cosponsored and voted in favor of the Death Tax Elimination Act (H.R. 8), which would phase out the estate and gift tax over a period of 10 years.

It is my hope that phasing out the death tax will make it easier for individuals and families to accumulate savings for future generations. In addition, during debate on this important legislation, a motion was offered to address another important issue—campaign finance reform. I supported this motion.

Congress's failure over the years to address the issue of campaign finance reform hurts all of us. It undermines public confidence in this institution and casts a cloud over every action we take in this House.

I believe there has been an increase in anonymous campaign expenditures by third parties. Many of these organizations are classified by Section 527 of the tax code. These "527" organizations are currently free to participate in our electoral process, but are not required to disclose to the American voters from where their funds originate.

To establish disclosure requirements for individuals and organizations who wish to take
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an active role in affecting the outcome of federal elections is just plain common sense. Individuals and organizations who strongly believe in an issue or a candidate and are willing to back them up with their financial resources should not be allowed to hide behind a loophole.

Congress must act an legislation requiring disclosure for any group who wishes to participate in federal elections in order to help build greater public confidence in the integrity of our federal electoral process.

Mr. ROEMER. Mr. Speaker, I rise in support of H.R. 8, which provides for the elimination of the federal estate tax. By removing one of the most unfair, complicated and inefficient provisions on the tax books, we can provide critical tax relief to our families, small businesses and farms. I strongly believe that a person who works hard, pays taxes, and saves money should not be penalized with an onerous tax upon his or her death. Every American deserves to know that their heritage, livelihood and the sum of their life's work will be passed on to their children. But the estate tax undermines the traditional principles of our nation—hard work, savings, and fairness. There are too many cases of family-owned businesses and farms in Indiana that have been forced to sell their estates because it was too expensive to pay the estate tax. Most of these family-owned businesses are not passed on to the next generation, and 87 percent do not make it to the third generation. Even as the estate tax creates such severe unintended consequences, it does not even succeed at its intended purposes. It places an additional tax whatever if it is worth up to $4 million. Because the Republican bill is phased in over ten years, a couple passing on their farm or small business in the near future would avoid more tax under the Democratic substitute. It also lowers estate tax rates 20% across the board. This alternative is a fiscally sensible alternative that targets relief to farmers and small businesses while protecting our ability to pay down the national debt and shore up the long-term future of Social Security and Medicare.

Mr. Speaker, I urge my colleagues to support this legislation, which the Democratic alternative is not expected to be passed by the House, I will vote for H.R. 8 because I do not support the status quo as it concerns the estate tax. Hard working American taxpayers deserve a change now, and for these reasons, I strongly encourage my colleagues to support this legislation.

Mr. KIND. Mr. Speaker, I rise today in opposition to H.R. 8, the Death Tax Elimination Act of 2000. The federal estate tax has come under a great deal of scrutiny because of its economic effect on family farms and small businesses. Support the effort to protect these farms and businesses but, unfortunately, H.R. 8 does not effectively target small businesses and farms. Rather, it would enable the wealthiest 2 percent in our country to pass vast fortunes to their heirs without a penny of tax, while working families are taxed on every dollar they earn. Further, Congress would be passing a greater share of the burden of saving Social Security and Medicare and paying off the $5.7 trillion national debt to all American children.

H.R. 8 would initially reduce and then fully repeal the federal estate and gift tax over a 10-year period. This bill would cost $28 billion over five years and $105 billion over ten years. The full repeal, however, does not take place until after the next Congress. The Congressional Budget Office estimates that estate and gift tax will generate nearly $50 billion. As a result, the revenue loss in the second ten-year period explodes to more than $500 billion at a time when our country can least afford it as baby boomers will be retiring and Social Security shifts from cash surplus to a deficit.

It is important to recognize when considering this full repeal of the estate tax relief that only 2 percent of decedents have enough wealth to be subject to the estate tax at all. The estate tax rates are only 2 percent of Americans subject to the estate tax, only 3 percent are small business people or farmers. Additionally, only 6 in 10,000 American estates are farms or small businesses subject to estate tax.

I believe that we must provide relief to family farms and small businesses and that is why I support the substitute offered by Representative Rangel. This substitute would provide fiscally responsible estate tax relief to small business and farm owners. Specifically, it would immediately reduce estate and gift tax rates, with the maximum estate and gift tax rates reduced from 55 percent to 44 percent.

The Joint Committee on Taxation estimates the repeal of the estate tax will cost the U.S. Treasury $28.3 billion over five years, $100 billion over 10 years and $50 billion every year after 2011. In addition, the Children's Defense Fund points out that:

If the same funding were instead invested in children, millions of children throughout America would get a fairer and healthier start in life. Instead this bill ignores the needs of 13.5 million children living in poverty to give only the wealthiest Americans a huge tax cut. In fact, 100% of the benefits from estate tax cut will go to those in the top 1% income group, those earning at least $300,000 a year, with over 90% of the estate tax going to those in the top 1% income group, those earning at least $350,000 a year.

If we are truly concerned about American small business owners and farmers who are most hurt by the estate tax, we should support the Democratic substitute. The Democratic substitute will effectively create a $4 million exclusion per family for farms and closely-held businesses. The substitute also provides an immediate, 20 percent across-the-board reduction to the estate and gift tax rates, with the maximum estate tax cut going to those in the top 1% income group, those earning at least $350,000 a year.

I say to my colleagues who argue that their concern is with the American people, where is the legislation concerning the education of our children? Where is the address those who earn an inadequate minimum wage? Why are we standing here today considering a bill that only affects the wealthiest 2 percent of the American people? These are the questions that this body must address. If, however, we must address the question of the estate tax, let's do so in a manner that addresses those most hurt by the estate tax and support the Democratic substitute.

Mr. BLUMENAUER. Mr. Speaker, I was not here to vote today on eliminating the inheritance tax. Instead, I am on the other side of the continent, celebrating my daughter's college graduation with family and friends. Frankly, I would have been embarrassed to be participating in today's debate, which is nothing voted "yea." On roll call vote number 254, had I been present, I would have voted "nay."
more than a cynical political sideshow staged by the Republican leadership in their appeal for the support of some of the most spectacularly wealthy people in the country at the expense of people who look to the federal government for help.

I believe we are straightforward. I believe, as do the majority of my colleagues, that no one should be forced to sell a family business, farm, woodland or closely held business, simply because a family member or principal owner has died. Such sales are often economically disruptive and damaging to the family involved. If they do not want to do anything to make our communities more livable.

There is a way to solve what is a very real problem faced by some contractors, farmers, woodland and other business owners. We can defer the inheritance tax permanently, so long as the business remains in the family or closely-held partnership. I don't care how much the business is worth—if the owners don't want to sell, their shouldn't have to. We should also increase the exemptions in the inheritance tax, and add it for inflation, just as we did with the income tax. This three steps would solve the problem for every person who has contacted me, and would be enacted by a large majority and signed into law by the President.

The bill we are considering, however, is far different. Even though it will not be enacted into law, it provides clearer insights into the thinking and priorities of the leadership of the Republicans. It would offer enormous benefits to a few hundred of the wealthiest people in America, whose billions in unrealized capital gains will pass to their heirs without ever having been taxed, but ignores the pressing needs of hundreds of millions of other Americans. What about the 11 million American children who have no health insurance? What about their families, working hard, but still struggling on income of ten or fifteen thousand dollars a year? What about the elderly, who can't afford to buy the prescription drugs that would so improve the quality of their lives? What about the students with special educational needs? This Congress is about to consider a budget that shortchanges them once again.

It is scandalous that men and women who served their country may not receive the health care they were promised. It is damaging to our future that many of today's college graduates—the ones we will depend on to shore up Social Security—are beginning their careers staggering under a crushing load of student debt.

This Congress looks at all these problems and sees nothing of interest or importance. The problems of those most well-off are far more consuming—and far more rewarding to pretend to stay on. In the end, this bill will be vetoed and America's small businesses will be right back where they started.

I came to Congress to help American families be safe, healthy and economically secure. Allowing family businesses and closely held corporate asset to pass from one generation to the next is fiscally responsible, and it makes more sense to sell a family-owned business before death rather than pass the tax exemption because of their investment in that business and destroying their livelihood. This tax, one imposed on earnings, social security, and other taxes at the federal and state level, is simply unconscionable.

To begin with, the rates for this ridiculous tax, which range from 37 percent to 55 percent, are even higher than the highest income tax rate of 39.6 percent. This tax is making an already difficult situation unnecessarily worse for our small, family-owned businesses and farm families. Even the most modest farm or small business can easily exceed the current death tax exemption of $2 million, and the threat of this tax exemption outside the 10 year budget window. They explode to $50 billion per year, or $500 billion in the second ten years.

Mr. Speaker, in February 2000, I received a score from the Joint Committee on Taxation for H.R. 3127, a bill I introduced to provide estate tax relief by immediately increasing the estate tax relief by immediately increasing the exclusion to $3 million. I anticipated that this score would have less budgetary consequences than the vetoed estate tax provisions in last year's $792 billion tax package. Joint Tax scored the estate provisions in that bill, which tracks closely with today's bill at $65 billion, while they scored my bill at $211 billion. This perplexed me; and when I wrote Joint Tax back for an explanation, they replied: “your bill provides substantially more relief than the relief contained in Title VI of H.R. 2488." I have enclosed copies of these letters for the record.

Simply, H.R. 8 would have the American people believe that they will receive immediate and substantial estate tax relief. This bill delays a full repeal, which will have budget implications that this country simply cannot afford. With over $500 billion in lost revenue, this has the potential to put this country back on the wrong fiscal track of increased deficit spending that will expand the national debt.

Although the majority claims to support retiring the publicly held debt, they have begun the session by scheduling several tax bills funded by the projected budget surplus without giving any consideration to the impact that the bills will have on our ability to retire our $5.7 trillion national debt. These tax cuts, however, must be made in the context of a fiscally responsible budget that eliminates the publicly held debt, strengthens Social Security and Medicare, and addresses our other priorities.

Mr. Speaker, in February, I voted for and the House of Representatives passed a $182 billion marriage penalty relief bill. In March, I voted for and the House passed a $12 billion small business tax relief bill, which included estate tax relief. Later in March, I voted for and the House passed a bill eliminating the Social Security earnings test. And, in April I voted for and the House passed a bill to repeal the telephone excise tax at a cost of over $51 billion. Today, the House will take up a $104 billion estate tax bill. That brings the total tax relief approved by the House to date up to over $450 billion or a little more than 50 percent of the projected on budget surplus of $930 billion.

I supported all previous efforts to provide tax relief because each has had a relatively modest cost when considered in isolation. I am concerned, however, that the total costs of these bills will be nearly as much as the vetoed tax bill, and could even be more expensive. This is why I intend to support the fiscally responsible substitute which provides immediate estate tax relief targeted to farmers and small businesses while protecting other urgent priorities such as paying down the debt and shoring up the long-term future of Social Security and Medicare.

I will also support, however, H.R. 8 because it is the only vehicle the leadership will allow to provide estate tax relief. I will not obstruct that vehicle; however, I hope the Senate and the conference committee consider carefully compromise language that provides substantial and immediate relief, that is fiscally responsible, and that the President will sign.

Mr. CRAMER. Mr. Speaker, I rise today in strong support of H.R. 8, the Death Tax Elimination Act.

I strenuously oppose this unfair and unreasonable tax. This tax, one imposed on earnings and assets that have already been subject to income, social security, and other taxes at the federal and state level, is simply unconscionable.

To begin with, the rates for this ridiculous tax, which range from 37 percent to 55 percent, are even higher than the highest income tax rate of 39.6 percent. This tax is making an already difficult situation unnecessarily worse for our small, family-owned businesses and family farms. Even the most modest farm or business can easily exceed the current death tax exemption because of their investment in capital assets like land and equipment.

Mr. Speaker, it is outrageous that today it makes more sense to sell a family-owned business before death rather than pass the business to one's heirs. These businesses are the backbone of America's economy—creating more jobs than any other facet of our economy. We must work to nurture and protect these businesses, not destroy them through unnecessary and unfair taxes.

Mr. Speaker, if we can't eliminate this tax—which only accounts for less than 1% of our overall revenue—in these times of tremendous budget surpluses, when can we? This tax costs jobs, it prevents families from passing on their businesses or farms to their children, and ultimately it does nothing to our bottom line.

In short, Mr. Speaker, to put it simply, the federal government just should not be in the business of taking 55 percent of a family's investment and destroying it. This tax should be eliminated, and it should be eliminated today, not next week or next month or next year.
I hope my colleagues will join me in voting for the elimination of this onerous and damaging tax.

I urge the adoption of H.R. 8.

Mr. BERTEUTER. Mr. Speaker, this Member rises today to express his support for H.R. 8, the “Death Tax Elimination Act of 2000.” My cosponsor of H.R. 4112 which was introduced on June 9, 2000, and I hope my colleagues will join me in voting for the complete repeal of the Federal inheritance tax.

This Member’s vote for this legislation today is based on his desire to move the inheritance tax reform process forward by dramatically increasing the Federal inheritance tax exemption level. However, this Member does not support the complete repeal of the Federal inheritance tax.

This Member is a long-term advocate of inheritance tax reduction, especially in regard to protecting small businesses and family farms and ranches. This Member believes that inheritance taxes unfairly and inappropriately affect Nebraskan small business and family farms and ranches when they attempt to pass this estate from one generation to the next.

Accordingly, to demonstrate this Member’s very strong support for inheritance tax reform, this Member supported the Taxpayer Relief Act in 1997 which passed on July 31, 1997. This Act phased in an increase in the unified credit exemption from the current level of $675,000 to $1.0 million in 2006. Also, it provided an immediate exclusion of $1.3 million (not in addition to the broader exclusion) for a limited variety of eligible closely-held family farms and businesses.

At the current time, this Member does not support the complete elimination of inheritance taxes. It would be a great political mistake to undertake to eliminate the inheritance tax on people like Steve Forbes or the billionaires or mega-millionaires. Also, the very negative impact on the largest of the charitable contributions and the establishment of charitable foundations cannot be underestimated. The benefit of these foundations to American society are invaluable. Our universities and colleges, too, would see a very marked reduction in the gifts they receive if the inheritance tax on the wealthiest Americans was totally eliminated.

Despite the legal talents the super-rich can afford, such an inheritance tax change would have major consequences. The total elimination of the inheritance tax is a bad idea.

This Member’s vote for this legislation only should be regarded as a demonstration of his desire to move the inheritance tax reform process forward by increasing dramatically the exemption level to the Federal inheritance tax.

In addition, there is overwhelming support among his constituents for inheritance tax reform.

Specifically, this Member does not support repealing the inheritance tax, with the final step completed in this legislation to zero percent inheritance tax from the year 2009 to the year 2010 as proposed. Instead, this Member prefers the Ewing approach which he enthusiastically support. This Member is an original cosponsor of H.R. 4112 which was introduced by Representative Tom Ewing on March 29, 2000. This measure (H.R. 4112) would immediately increase the Federal inheritance tax exemption from a rate of $675,000 to $5 million and would then increase this exemption annually over the next three years until it reaches a total of $10 million in 2003. After reaching the $10 million level in 2003, the exemption would be indexed annually thereafter to account for inflation. Essential inheritance tax relief is provided by H.R. 4112 for even wealthier business and family farms. This Member is even willing to raise the exemption level beyond $10 million to, for example, $15 million.

By the way, most Nebraskans pay more state income taxes than they pay federal inheritance or estate taxes, so Nebraskans should also consider pushing for reductions or reforms in their state taxes.

Mr. Speaker, this legislation, H.R. 8, if passed by the House, goes to an uncertain future in the Senate. If any legislation is reported from the Congress this year that totally eliminates the Federal inheritance tax, it is assured of a Presidential veto. Thus, this vote for H.R. 8 should be regarded as only demonstrating my firm conviction that we need to dramatically increase the Federal inheritance tax exemption level.

Finally, Mr. Speaker, if a conference report comes back to the House that totally eliminates the Federal inheritance tax, this Member will vote against it.

Mr. ENGEL. Mr. Speaker, in demonstration of my support for family owned businesses and farms, and because estate taxes are, in general, too high and burdensome, I cosponsored H.R. 8. I am glad that my action helped to shed light upon this issue.

However, H.R. 8 was never a perfect bill. While it did move the country in the need to help reform the estate tax, the bill goes too far. I am concerned that although the bill does help small businesses and family farms, the majority of people who benefit if H.R. 8 passes are not average Americans, but the most wealthy. Furthermore, the bill would result in a substantial revenue loss over the next 10 years.

This week, I have reviewed the amendment to H.R. 8 which will be offered by our colleagues, Representatives Rangel, Cardin, and Stenholm. This Democratic alternative specifically addresses the issue of providing relief to our farmers and families, which is the most important aspect of estate tax reform. I will, therefore, be very pleased to support the Democratic substitute as it addresses the very reason I cosponsored H.R. 8. It is my hope that this amendment will pass so that I can vote for H.R. 8, as amended. However, given that the Democratic substitute is markedly superior to the underlying bill, I will vote against H.R. 8 if the Democratic substitute fails.

Mr. McDERMOTT. Mr. Speaker, by bringing their estate tax elimination proposal to the floor, the Republicans are clearly pandering to the richest Americans. Most Americans are not affected by the estate tax. 98 percent of all estates are exempt from the tax. Of the two percent that are liable, only 3 percent of those are small business owners.

The estate tax proposal will not become law; this vote is purely political. If the Republicans genuinely wanted to help the 6 in 10,000 American small businesses and farms subject to the estate tax, they would have worked with Democrats to craft a bipartisan compromise.

Over the past 6 years, personal income and wealth disparities have increased. The Republican proposal will exaggerate this by making the rich richer and the poor poorer. Repeal of the estate tax for the Forbes 400 richest Americans would amount to $200–300 billion. Enough to pay for a Medicare prescription drug benefit for 10 years!

The rhetoric the Republicans have invoked during the estate tax debate is misleading. Calling the estate tax the “death tax” infers that all Americans will lose half of their estate and needlessly scares people.

Mr. WELDON of Florida. Mr. Speaker, I rise today in strong support of H.R. 8, the Death Tax Elimination Act, of which I am a cosponsor. The Republicans are poised to continue our commitment to tax fairness for all hard-working Americans by voting to repeal the Death Tax. The Death Tax ranges from 37 to 55 percent and can even get as high as 60 percent in some cases. The Death Tax Elimination Act (H.R. 8) would phase out the tax over the next ten years on the death of an American.

Since 1994, Republicans have been committed to balancing the budget, protecting Social Security and Medicare, and providing tax fairness to all hard-working Americans and their families. To date we have passed the Repeal of the Marriage Penalty, Small Business tax fairness, the Repeal of the Seniors’ Work Tax, ended the 100 year “tax on talking,” and today we can get rid of the Death Tax.

Americans pay taxes their whole lives, then at their death, Uncle Sam wants to get some more—sometimes taking over half of the poor soul’s legacy. I have talked to farmers and small business owners in my district who are extremely worried at what the Death Taxes will mean to their children and grandchildren. These hard-working Americans have worked a lifetime to build a farm or business only to have it stripped and taken from their children by the Death Tax.

The death tax is one of the most immoral taxes the books, because it taxes farmers and small business owners twice. First these hard-working Americans pay all of their taxes throughout the years, then the federal government taxes the value of their property again at the time of death.

No American should be forced to pay up to 55 or 60 percent of their savings when they die. I’m proud to be part of the effort to repeal this tax. Let’s bury the death tax once and for all.

Let’s pass this repeal and end the tax on death.

Mr. SCHAEFFER. Mr. Speaker, I rise today in support of H.R. 8, the Death Tax Elimination Act. As a cosponsor of this legislation, I am convinced this tax is completely unnecessary and in fact does more harm than good. The death tax penalizes business and job growth and impacts all individuals, not just the wealthy. It creates disincentive for expansion, long-term investment, and many times forces families to make difficult decisions about the future of their business.

The death tax discourages the entrepreneurial spirit held dear by so many Americans. Our country was founded on principles that encourage citizens to become as successful as their talents allow. The Founding Fathers gave us the liberty to acquire and dispose of personal property. Unfortunately, some were mistaken to believe that equality of economic opportunity and the joys of owning property could be imparted to all by redistributing wealth.

Today the death tax is actually burdening those it was once intended to help. Small business owners, House of Representatives and self-employed individuals often fall victim to the tax. They sacrificed daily to build their business by reinvesting their profits only to realize that their...
hard work and frugality will be rewarded by an excessive tax of up to 55 percent.

Many small business owners are forced to explore ways to shelter their assets from taxation, but the death tax is complicated. The tax actually encourages people to find creative ways to avoid it. It takes well-paid lawyers and accountants to find the best ways to legally avoid the high death tax liabilities ranging from 37 to 55 percent.

The amount of money spent complying with, or trying to avoid, the death tax is astronomical. Most of these solutions are costly, time consuming and inefficient. Gifts of stock, ownership restructuring, life insurance purchases and sales agreements are some of the tactics used to avoid the death tax. For most family farms, ranches and businesses, it’s just too expensive.

Nearly 98 percent of the two million farms in this country are owned by families. Those who cannot pay the costly tax-planning fees are forced to pay higher estate taxes. It is a tragedy that more than 50 percent of all family farms that are healthy and successful must be sold. In fact, as the IRS collects up to 55 percent of the value of the estates, many of these farms, ranches and businesses, it’s just too expensive.

Nearly 98 percent of the two million farms in this country are owned by families. Those who cannot pay the costly tax-planning fees are forced to pay higher estate taxes. It is a tragedy that more than 50 percent of all family farms that are healthy and successful must be sold. In fact, as the IRS collects up to 55 percent of the value of the estates, many of these farms, ranches and businesses, it’s just too expensive.

The number of jobs lost because family businesses, rich from passing on millions of dollars to their surviving beneficiaries, is a unique burden on a family farm or ranch like those in Colorado.

Due to the capital-intensive nature of ranching, the income generated by a typical family ranch is often minimal and is generally reinvested in the operation. The result is that the value of livestock is often the primary, and in some cases the only, source of funds available to meet this tax obligation when a family member passes away. Many of the farms and ranches not cities in Colorado are being sold and are being replaced by housing projects, malls and roads.

Mr. Speaker, the death tax is also an example of double taxation. Small business owners, family farmers and ranchers pay income taxes through the life of their business and then again when their loved one should have to worry about losing the family business or farm to the Internal Revenue Service.

Because the death tax requires a family to pay the tax on the greater amount in cash within 9 months of the death of the decedent, it places a unique burden on a family farm or ranch like those in Colorado.

Mr. Speaker, nearly 70 percent of small businesses do not survive the second genera-

tion and 87 percent do not make it to the third generation. Today, Members of this House should ask themselves if families should continue to work hard only to lose their wealth to the government instead of passing it on to their families.

Mr. Speaker, the case is clear. Now is the time to eliminate the death tax. Let’s give the American people to chance to develop their ideas and dream about the legacies they’ll leave behind.

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to express strong support for targeted estate tax relief. Small businesses and farm owners should not be penalized for their success nor should they have to worry about their ability to pass the family business on to future generations. The Democratic Substitute offered by the gentleman from New York lowers rates and broadens the base and is a rational alternative for estate tax reform.

Many middle class Americans believe they do not receive value for their taxes. An important component of any tax reform debate should focus on renewing taxpayer’s confidence in the taxing system. This is not that taxing family, but that their tax dollars are being spent wisely. It concerns me that we are considering repeal of the estate tax today without a broader discussion of reform of our tax policy. We don’t make decisions in a vacuum and the decisions we make today will have an impact on future revenues, individual tax burdens, and spending on priority initiatives such as prescription drug reform, school construction and paying down the debt.

The estate tax was originally enacted into law as a way to reduce wealth inequality by targeting the accumulation of wealth by sons and daughters of the richest in our society. The estate tax serves an important purpose by continuing to equalize wealth in our society.

Historically, the richest in our society are the ones who pay the majority of the estate tax. Currently, only two percent of people who die have enough wealth to be subject to the estate tax. Of the two percent who pay the estate tax, only three percent are small business owners or farmers. According to the Joint Committee on Taxation, the largest estates pay most of the estate tax—5.4% of taxable estates paid 49% of total estate taxes in 1997. Further a United States Treasury Department analysis finds that 99% of all estate taxes are paid on the estates of people who are in the highest 20% of the income distribution at the time of their death and 91% of all estates taxes are paid by decedents by decedents with annual incomes exceeding $190,000 at the time of death.

The estate tax is a progressive tax that serves the purpose intended by Republic Presidents Teddy Roosevelt and William Howard Taft who put this tax in place. Experts point out that the majority of assets taxed under the estate tax are unrealized gains and tax-exempt bonds which have never been taxed.

Some small businesses and farmers are hit hard by this tax and it is a high priority for me to provide relief to these individuals. In my congressional district is Brown Industries a family owned small business which specializes in precision machined parts. I have toured their facility and met with members of the Kansas City Area Chapter of the National Tooling and Machining Association (NTMA). All of the firms represented focused their number one concern on estate tax reform. These firms face liquidating entire section of their plants to pay current estate tax so that the business can be inherited. Estate tax reform should consider estate tax and economic opportunity and address the concerns of small businesses like Brown Industries. The Democratic alternative addresses this. This tax is deeply impacted by H.R. 8. I support estate tax relief which would exempt 99% of family farm estates taxes. The measure I vote for today increased the family exclusion for farms and closely held businesses to $4 million by increasing the limit on the separate business exclusion from $1.3 million to $2 million per spouse. This would have provided real relief immediately. Without adoption of the substitute H.R. 8 would not provide relief to a single farm or small business from the estate tax until 2010. This relief is much needed now, not in ten years.

The measure I voted in favor of today would have immediately increased the exemption equivalent of the unified credit against estate and gift taxes to $1.1 million. It also would have provided a twenty percent across-the-board reduction to the estate and gift tax rates.

Finally, I voted for an estate tax relief proposal which was largely offset and would cost approximately $20 billion over ten years to maintain fiscal responsibility. H.R. 8 will cost the treasury $105 billion over ten years. Beginning in 2010, it will cost $50 billion per year. While I am pleased that fiscal discipline of the past eight years has brought us to a time where we are enjoying budget surpluses, the surpluses in future years have not materialized and are only projections. I am optimistic the surpluses will be a reality and believe that we must commit them wisely. At this time, I am unconvinced that completely repealing the estate tax without further modifying our tax policy to ensure that wealthiest among us are paying their fair share is a wise decision. Projected surpluses still require us to make difficult decisions about priorities, and I believe that the measure I voted for today provides fiscally responsible relief.

I strongly support targeted estate tax relief for individuals, small businesses and farm owners. I voted in favor of a fiscally responsible proposal today which provided immediate relief to many of the 989 individuals in Missouri who pay estate tax. As this bill moves forward in the legislative process I encourage both parties will work together to find a compromise which will provide the needed relief and which will be signed into law by the President.

Mr. UDALL of Colorado. Mr. Speaker, I will vote for this bill, but only very reluctantly.

My reluctance does not mean I don’t support estate-tax relief for family-owned ranches and farms or other small businesses. In fact, I definitely think we should act to make it easier for the owners to pass their legacy to future generations.

This is important for the whole country, of course, but it is particularly important for Coloradans who want to help keep ranch lands in open, undeveloped condition by reducing the pressures to sell them to pay estate taxes.

But we do not need to do all that this Republican bill would do in order to make sure the estate tax is no longer too heavy a burden on the small business and farm owners.
The Democratic alternative—the substitute for which I voted—would have provided real, effective relief without the excesses of the Republican bill.

That alternative would have raised the estate tax’s special exclusion to $4 million for a couple owning a farm or small business. So, under that alternative, a married couple owning a family farm or ranch or a small business worth up to $4 million could pass it on intact with no estate tax whatsoever.

Also, the Democratic alternative actually would have provided more immediate relief to small business and farm owners.

Unlike the Republican bill—which is phased in over ten years—the Democratic alternative would have taken effect immediately. That means no paperwork or planning on their farm or small business in the near future would avoid more tax under the Democratic plan than under the Republican bill. They would not have to hope to live long enough to see the benefits.

In addition, by increasing the general exclusion amount from $675,000 to $1.1 million in the first year, the Democratic alternative would allow for any person to pass on “millionaire” status to their children without a penny of estate tax burden. And the Democratic alternative would lower estate tax rates by 20% across the board.

So, the Democratic alternative—which I voted for and which deserved adoption—would provide important relief from the estate tax and would have done so in a real, effective, and prompt way.

Furthermore, the Democratic alternative would have provided this relief in a fiscally responsible way that would not jeopardize our ability to do what is needed to maintain and strengthen Social Security and Medicare, provide a prescription drug benefit for seniors and pay down the public debt.

By contrast, it is precisely the fiscal overkill of the Republican bill that makes me most reluctant to vote for it.

Once fully phased in, the Republican bill would tax a family with a $1.3 billion in revenue with no guarantee that this revenue loss will not harm Social Security and Medicare in future years.

The bill’s sponsors say it will cost $28.2 billion over 5 years and $104.5 billion over 10 years—all from the whole story.

Because of the way the bill is phased in, its true cost is cleverly hidden and does not show up until after the 10-year budget window.

That means the full effects of the Republican bill will come just at the time when we will have to face budget pressures because our own “baby boom” generation is starting to retire. And if we feel we need to “phase in” H.R. 8 because we cannot afford the full repeal now, how are we ever going to afford it 10 years from now?

We do not need to engage in this fiscal overkill.

According to the Treasury Department, under current law only 2% of all decedents have enough wealth to be subject to the estate tax.

To be more specific, the Treasury Department tells me that in 1997 estate-tax returns were filed for only 297 Coloradans.

Furthermore, according to the Treasury Department, of those estates that are affected by the estate tax, only 3%—that is only 6 in 10,000 American estates—were comprised primarily of family-owned small businesses, ranches, or farms.

Looking just at our state, that means that in 1997 fewer than a dozen estate-tax returns were comprised primarily of small businesses, ranches, or farms.

Of course, those numbers only relate to the cases in which an estate tax was actually paid. Of course, many families have taken actions to forestall the estate tax. I understand that, and do think that in appropriate cases we should lessen the pressure that prompted some of those actions.

As I said, the Democratic alternative would have provided real, effective, and immediate estate-tax relief to the owners of small businesses, including farms and ranches, and would have done so in a fiscally responsible way. That is why I voted for it.

In contrast, the biggest beneficiaries of the Republican legislation are not those middle-class families who own small ranches or farms or other small businesses, but instead are very wealthy families with very large assets.

Over the past two decades, income and wealth disparities have increased. The Republican bill, while it does have some positive aspects, would increase those wealth disparities. I find this troubling, and it adds to my reluc-
tance to support the bill.

However, I voted for the bill because the Republican leadership has made it clear that it is this bill or no estate-tax relief bill, at least for now, here in the House.

That being the case, I have decided that the Republican bill—although very flawed and ex-
cessive—is just acceptable enough for me to vote for today.

I do so in the hope and expectation that the bill’s faults can be corrected as it proceeds through the legislative process and that ul-
timately it can become something to a bill that des
terves to be enacted into law.

If that does not occur—if that hope and ex-
pectation prove unfounded—I will not vote for a bill that fails to meet that standard.

Mr. BENTSEN. Mr. Speaker, I rise in oppo-
sition to H.R. 8, the “Death Tax Elimination Act,” a fiscally-imprudent measure that the Republican Majority has brought to the floor.

Moreover, the Rangel Alternative is a fiscally responsible measure, costing approximately $20 billion over 10 years with no exploding outyear costs. Clearly, Mr. RANGEL has pro-
posed a superior measure that truly helps those that the proponents of H.R. 8 purport to be helping.

Finally, I would also like to address the myth perpetuated by my colleagues on the other side of the aisle that H.R. 8 enhances protections for small businesses and farms. H.R. 8 does not provide any additional exemption until 2010, while the Rangel Alternative would provide an immediate $4 million per family exclusion for family farms and closely-held small businesses and would exempt 99% of family farms form estate taxes.

In the past, I have supported legislation that has provided relief to family farms. In 1997, I supported the Taxpayer Relief Act (P.L. 105-34) that raised the effective deduction for qualified family-owned business interests to $1.3 million per individual, which exempts almost all family farms and small businesses from the estate tax.

Moreover, few businesses and farms that are subject to the estate tax can make payments in installments over fourteen years at below-market interest rates. The Rangel Sub-
stitute would build on these protections by pro-
viding further immediate relief.

There is a need for estate and gift tax re-
form but outright repeal through passage of H.R. 8 is clearly not the way. If proponents are in favor of real reform to help owners of real small businesses and farms and not the wealthiest among us, I urge them to join with me in supporting the Rangel Substitute.
Mrs. BIGGERT. Mr. Speaker, I rise today in strong support of the Death Tax Elimination Act. This unfair tax has long outlived its usefulness.

I come to this debate with something of a unique perspective on this issue. For more than twenty years, I practiced estate law. I have witnessed law and helped people navigate this extremely complex tax. I was not helping Bill Gates or Ross Perot—I was helping the sons and daughters of small business owners try to keep their parent’s dreams alive. Unfortunately, because they have to pay a tax of 37 to 55 percent on their estate, it is often impossible for them to continue. It is simply heartbreaking to see children who want to keep their parent’s business alive have to sell it just to pay the taxes.

We are here in Congress to make things better for the American people. When more than 70 percent of small businesses do not make it to the second generation, something is wrong and must be made better.

The Death Tax Elimination Act will make things better, at least all my colleagues to support the Death Tax Elimination Act. The time is now to once and for all put an end to the death tax.

Mr. RYAN of Kansas. Mr. Speaker, I rise today to oppose the proposition that an American who works hard, builds a business and saves could have to turn over 55 percent of what he owns to the tax collectors in Washington when he dies.

The Death Tax reduces economic growth and increases the cost of capital. It causes individuals to shift much of their wealth to immediate consumption rather than long-term, productive investments. If these investments were made, it would create long-term economic growth by lowering interest rates and creating more jobs.

It should surprise us, however, to hear those who favor the Death tax argue that repealing it would help only the rich. Next time I go back to my district and hear from the farmers and small business men who ask me why their families will have to sell their business to pay the Death Tax, I’ll tell them that some influential members of the other party in Washington said they were too poor to get relief.

To add insult to injury, I’ll remind them that the federal government raises just 1% of its annual revenue from the Death Tax. I’ll even tell them that those who can afford to hire lawyers and accountants to tend to their finances have already figured out ways to avoid paying the tax.

Mr. Speaker, I also want to speak about another unjust provision of our tax code. The Generation Skipping Tax effectively prohibits the transfer of the trust. All employees more than 37½ years younger than Mr. Pollock are now subject to the Generation Skipping Tax on each distribution from the trust. Many of these workers earn less than $10 per hour. It is bad public policy to tax this much-needed annual bonus at 55%. It is bad public policy to discourage generosity.

To make matters worse, the company was forced recently to make the difficult business decision to close two plants. Many displaced workers will receive one-time lump sum payments from the trust of $10,000 or more. The employees will lose more than 1/2 of this money at a time when they need it most.

Unfortunately, the repeal of the Generation Skipping Tax will not take place for nine years. That is why I have authored legislation to treat the annual distributions from this trust just like any other gift by exempting the first $10,000 from the tax annually. Mr. Speaker, I hope that you and Chairman Goodlatte work with me to pass this much needed provision.

Today, however, we have the opportunity to encourage economic growth and remove this tax burden that falls heaviest on the family businesses and family farms across Kansas and the rest of the country.

Mr. Speaker, I urge my colleagues to join me and vote to repeal the Death Tax.

Mr. ETHERIDGE. Mr. Speaker, I rise in ruckus support of H.R. 8, the so-called Death Tax Act. While I would prefer a more targeted approach to eliminating this tax, I remain hopeful that passing H.R. 8 could be the first step in the process of finding a compromise granting the vast majority of Americans estate tax relief without jeopardizing the fiscal health of our nation.

Let there be no mistake, I have supported relief from the death tax for our family farmers and small business owners since I came to this body in 1977. The first bill I introduced as a Member of Congress was H.R. 1845, the Family Farm and Small Business Estate Tax Relief Act. That legislation would have raised the inheritance tax exemption for small business people and family farmers from $600,000 to $1.5 million and indexed it to inflation for the first time. The Taxpayer Relief Act of 1997 later raised the exemption to $1.3 million. This was not as much estate tax relief as I had hoped for, so I continued working.

On March 27 of this year, I introduced a proposal that would significantly reduce the estate tax burden faced by those who inherit family owned farms and small businesses. I want to repeat estate tax exemption should be raised from the current level of $1.3 million to $4 million over the next five years and indexed to inflation thereafter. Reducing estate taxes is vital to ensuring that family farmers and small business owners can pass their hard-earned assets to their loved ones.

Mr. Speaker, I urge my colleagues to join me and vote to repeal the Death Tax.

Mr. THORNBERRY. Mr. Speaker, I rise today in ruckus support of the Death Tax Elimination Act of 2000. During my tenure in Congress I have supported measures that would provide relief from unfair taxes to all Americans, and I have long believed that eliminating the estate tax is an important step in this process. It is past time to remove this onerous, unfair tax that punishes life-long habits of saving and discourages entrepreneur.

The real burden of this tax falls on family-owned businesses and the people who work for them who lose their jobs when a business is forced to sell in order to pay these taxes. The death tax is a major reason that 70% of small businesses do not survive to the second generation and 87% do not survive to the third. A repeal of the estate tax will mean more jobs, economic growth and preservation of the American Dream.

Uncle Sam should not be sitting outside a funeral home waiting to take away the family business. It is time we move away from taxes that take away the family business to new generations without being hit by an arbitrary tax rate of 37 to 55 percent of the value of their business. I urge my colleagues to vote to remove this outrageous tax on hardworking American families.

Mr. THORNBERY. Mr. Speaker, I rise in support of H.R. 8, although I would prefer to abolish the death tax immediately and completely. But, the unusual budgetary scoring rules which we must follow do not allow us to take into account real world consequences of changes in tax policy, and so we must phase it out.

While there is a lot of “sound and fury” in this debate, the essential point is this: It is
wrong to tax death. It doesn’t matter if someone has saved $5 or $5 million; it is wrong to tax death.

People in my district and all around the country have worked hard all their lives, paid taxes on what they have earned, saved, and want to leave something so their children can have a better life. It is wrong to punish them for doing so.

It also makes sense to get rid of this tax. A report by our Joint Economic Committee in December 1998 provides Members with a comprehensive look at the many studies that have been made on the effects of this tax. The JEC report found that:

- The death tax reduced capital stocks in the U.S. by 3.2%, limiting growth, job creation, and higher standards of living for our people.
- The death tax makes small businesses, particularly minority and female-owned small businesses, less likely to invest, expand, and hire new workers. Indeed, they are forced to spend thousands of dollars on lawyers, accountants, life insurance, and other tax avoidance measures.

The death tax is ineffective at redistributing wealth, for those who believe that should be a desirable goal of the federal government.

The death tax raises little, if any, net revenue for the federal government when the enormous costs of compliance and economic consequences are taken into account. Mr. Speaker, we should not punish growth, savings, and job creation. We should not punish people who try to leave a better life for their children. We should abolish the death tax once and for all.

Mr. PASTOR. Mr. Speaker, during the recent consideration of H.R. 8, legislation which would repeal the estate tax, I supported an alternative which was drafted to give immediate protection to the American farmer and the small businessman whose heirs are in danger of losing their family’s hard-earned, life-long business to the Federal government.

I have always supported the elimination of the estate tax. And even though I am a cosponsor of H.R. 8, I believe the Democratic alternative is better suited, at this time, for accomplishing what we need in eliminating this unfair tax. The Democratic alternative immediately provides a $4 million per family exclusion for farms and small businesses and it lowers the tax rate. H.R. 8 takes ten years before it is fully phased into place.

In short, the Democratic alternative helps the right people right now. It does more and does it quicker than the version of H.R. 8 which I cosponsored back in July of 1999. At that time, there was no better alternative and it was assumed that a comprehensive tax package could be instituted which would provide across-the-board benefits for hard-working middle-class citizens as well as the wealthy. Standing alone, H.R. 8 does nothing for middle-income families. And by not enacting a full package of tax relief for all Americans, the lost revenues increase the burden on the same middle-income workers who must make up the shortfall in preserving Social Security and Medicare, providing a prescription drug benefit for our seniors, improving our educational system, and paying down the debt.

Like the rest of America, I am pleased that we are enjoying a period of prosperity with a strong economy. However, we have no guarantee that this respite will continue. In light of this uncertainty, it is patently unfair to grant a massive tax relief provision that benefits only 2% of the nation’s richest persons while creating a drain on revenues which would ultimately burden two-income families who are struggling today to make ends meet.

Mrs. MCCAULIFFE-McCARTHY. Mr. Speaker, I rise today as a proud cosponsor of H.R. 8, The Estate Tax Elimination Act, which provides estate tax relief for family-owned small businesses.

The estate or “death” tax has deviated from its original intent and purpose. From a practical sense, it was established to provide revenue on a short-term basis to finance military action.

In theory, however, it was also viewed as a way to protect society against growing concentrations of wealth in the hands of a very few. Supposedly, this tax would encourage market growth which was hindered by the inheritance of estates.

Well, the market has grown. Family-owned small businesses have become the backbone of our economy and continue to provide invaluable services.

Recognizing their importance, programs were created to promote their existence and in some cases to limit their proliferation and other assistance programs. Unfortunately, their lifespan is hindered by an unfair tax levied when ownership is transferred at the time of death. Less than 30 percent of all family-owned businesses survive through the second generation. This is unacceptable.

The district I represent on Long Island, is dependent on the success of family-owned small businesses. A lot of hard work and determination is involved to secure their prosperity.

More often than not the odds are usually stacked against them in the form of a complex tax code or competition by larger companies. The estate tax, however, is another hurdle small businesses must overcome that is more harmful than beneficial.

I urge my colleagues to support this important measure.

Mr. CHAMBLISS. Mr. Speaker, the folks that I represent in Georgia’s 8th, Congressional District are hard-working. The majority of senior generation shareholders of family businesses and family farms. They get up each day, go to their jobs, work hard for their families, and pay their taxes like responsible Americans.

The federal government asks them to do all of this, but at the end of the line, after a lifetime of hard work and paying taxes, Uncle Sam reaches in and takes over half of their life’s accumulation. This is simply wrong. Mr. Speaker, the death tax is immoral, un-American, and this House must bury it.

The death tax is an unfair burden that taxes farmers and small business owners twice. The farmers in Georgia’s 8th District work tirelessly to feed and clothe America. They do this while battling severe weather, droughts, floods, and low prices. Times are tough in rural America right now, the burdens are high, and the death tax is just another slap in the face to our farmers, who produce the safest, highest quality food and fiber in the world.

The death tax affects one-third of small business owners, who are forced to sell outright or liquidate a part of their firms to pay estate taxes. When mom-and-pop shops must close because of an outdated, unfair tax code, this Congress must take the lead and make a change.

The death tax is contrary to the freedom and free-market principles on which this nation was founded. Do we support the IRS or do we support the American family? We must help Georgia families continue their livelihood and pass their legacy and success on to their children and grandchildren, not burden them with an unfair tax.

Let’s bury the death tax here today, I urge my colleagues to vote to end the estate tax.

Mr. PORTMAN. Mr. Speaker, I rise to express my support for H.R. 8, the Death Tax Elimination Act. I commend the sponsor of the Ways and Means Committee, Ms. DUNN, for her work on this issue. And I commend the Chairman of the Committee, Mr. ARCHER, for his long commitment to eliminating this unfair and unreasonable tax.

The death tax is bad tax policy. It is double taxation, because individuals who pay taxes on income throughout their lives are taxed again on the same income at the time of death on the value of their property. The rates—up to 60 percent—are the highest in the tax code.

The death tax is bad policy not only because of the costs it imposes after death—but also because of the costs it imposes during life. The additional costs of life insurance, attorneys fees and estate planning services cost hundreds of thousands of dollars every year. The death tax is also a significant drag on our economy. The Joint Economic Committee of Congress has reported that, while the death tax generates about $23 billion annually in revenue for the federal government, it also costs businesses, farmers and individuals another $23 billion just in compliance costs.

Unfortunately, in the area I represent in Southwest Ohio, many family farmers and family business owners just aren’t prepared to deal with the consequences of the death tax. According to a recent study by Arthur Andersen, the estate tax is an unfair burden on small businesses.

Small businesses and family farms have made the American dream possible for generations. At a time when 70 percent of family-owned businesses do not survive to the second generation, and only about 13 percent survive to the third generation, our tax laws should be encouraging—rather than precluding—people to pass these assets to their families.

We’re losing too many family-owned businesses and family-farms as it is. I urge my colleagues to support the Death Tax Elimination Act—to put an end to this unfair, inefficient and confiscatory tax.
that the repeal of the estate tax will help ensure the survival of these businesses into the next century.

Seventy percent of family businesses are not passed on to future generations largely because of the burden imposed by estate taxes. Congress would like to cut the impact of estate taxes on family farms, since it is these family farms that drive the economy of California's Central Valley, which I represent. The estate tax has a devastating effect on family farmers who struggle to pass on their generation to the next generation.

Since most family-owned farms do not earn the kind of profits necessary to pay large estate tax bills, future generations are often forced to mortgage or liquidate assets. As a fourth-generation family farmer, I have seen first-hand the difficulty that family members face in trying to keep farms operating when each generation passes. Eliminating the heavy burden the estate tax imposes on farmers will help keep more of our farms in operation from generation to generation.

I would also argue that elimination of the estate tax would have a positive impact on a number of the small rural communities that make up the fabric of my district and much of this nation. These small rural communities and the farmers that are highly dependent on the continued operation of family farms and small businesses in the area.

These family farms and small businesses employ the vast majority of people in these small communities. If we are to continue to spread our unprecedented national economic expansion to every corner of this country—including our rural communities—we must work to ensure that family farms and small businesses in these communities stay in operation. Elimination of the estate tax will brighten these communities' economic future.

I strongly support this legislation because I believe it will free our family farmers and small businesspeople from the estate tax burden that currently threatens their long-term survival, and strengthen our small communities in the 21st century.

Mr. RILEY. Mr. Speaker, opponents to this bill argue that it will only benefit the rich.

Well, Mr. Chairman, let's take a look at the group of rich people this bill unfairly helps. In our district, and in rural districts across the nation, the death tax hits the farm family especially hard. Because of economies of scale and the ever rising cost of equipment, they have become land and capital rich.

Everyone should know by now, farmers live on the margin. They have very modest incomes and in today's world most farm families are far from rich.

For year to year, farm families struggle simply to keep their heads above water. They may be land rich, Mr. Speaker, but they are cash poor.

Yet, when a farmer dies, we punish him for his hard work. Then we force his family to sell the land they grew up on to pay the estate taxes and send them on their way.

The result—a tax that would like to carry on their family tradition of farming are instead being forced to sell their land to wealthy land developers who then turn that land into more cookie-cutter sub-divisions and strip malls.

If you don't believe me, Mr. Speaker, take a drive out to Dulles Airport some time. That all used to be farm land not so long ago.

The death tax is killing an American tradition and that's absolutely appalling.

It's time we end this travesty and pass this bill.

The SPEAKER pro tempore (Mr. KOLBE). All time for general debate has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute offered by Mr. RANGEL:

**SECTION 1. SHORT TITLE.**

(a) SHORT TITLE.—This Act may be cited as the “Estate Tax Relief Act of 2000.”

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to refer to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. 20 PERCENT REDUCTION OF ESTATE TAX RATES.

(a) IN GENERAL.—(1) IN GENERAL. The tentative tax is to be computed as follows:

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<td>Amount over $10,000</td>
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(b) RESTORATION OF PHASEOUT OF UNIFIED CREDIT.—(1) PHASEOUT OF UNIFIED CREDIT.—(a) IN GENERAL.—(i) who died after December 31, 2000, and

(2) The table of sections for part II of subchapter A of chapter 11 of such Code, inserted after section 2010, and redesignated as section 2010A.

(b) INCREASE IN CREDIT; SURVIVING SPOUSE ALLOWED UNUSED CREDIT OF DEcedent.—

Subsection (a) of section 2010A, as redesignated by subsection (a) of this section, is amended to read as follows—

``(1) IN GENERAL.—The applicable exclusion amount under section 2010A shall be increased (but not in excess of $2,000,000) by the adjusted value of the qualified family-owned business interests of the decedent which are described in subsection (b)(2) and for which no deduction is allowed under section 2056.

``(2) INCREASE IN CREDIT.—For purposes of determining the unified credit under section 2010 in the case of an estate of a decedent to which this section applies—

``(i) who died after December 31, 2000, and

``(ii) whose estate met the requirements of subsection (b)(1) other than subparagraph (B) thereof, there shall be substituted for "$2,000,000" in paragraph (1) an amount equal to the excess of $4,000,000 over the exclusion equivalent of the credit allowed under section 2010 (as increased by this section) to the estate of the decedent referred to in (i). For purposes of the preceding sentence, the exclusion equivalent of the credit is the amount on which a tentative tax under section 2010(c) equal to such credit would be imposed.''

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by striking the item relating to section 2057.

(2) Paragraph (10) of section 2031(c) of such Code is amended by striking "section 2057(e)(3)" and inserting "section 2010A(e)(3)".

(3) The table of sections for part II of subchapter A of chapter 11 of such Code is amended by inserting after the item relating to section 2010 the following new item:
“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

SEC. 5. CREDIT FOR STATE DEATH TAXES REPLACED WITH DEDUCTION FOR SUCH TAXES.

(a) REPEAL OF CREDIT.—Section 2011 (relating to credit for State death taxes) is hereby repealed.

(b) DEDUCTION FOR STATE DEATH TAXES.—Part V of subchapter A of chapter 11 is amended by adding at the end the following new section:

SEC. 2058. STATE DEATH TAXES.

(a) ALLOWANCE OF DEDUCTION.—For purposes prescribed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or the District of Columbia, in respect of any property included in the gross estate (not including any such taxes paid with respect to the estate of a person other than the decedent).

“(b) PERIOD OF LIMITATIONS.—The deduction allowed by this section shall include only such amounts of tax that were actually paid and deduction therefor claimed within 4 years after the filing of the return required by section 6028, except that—

“(1) a petition for redetermination of a deficiency has been filed with the Tax Court within the time prescribed in section 6213(a), then within such 4-year period or before the expiration of 60 days after the decision of the Tax Court becomes final.

“(2) if, under section 6610 or 6616, an extension of time has been granted for payment of the tax, then within such 4-year period, or of a deficiency, then within such 4-year period or before the date of the expiration of the period of such extension.

“(3) if a claim for refund or credit of an overpayment of tax imposed by this chapter has been filed within the time prescribed in section 6511, then within such 4-year period or before the expiration of 60 days after a decision of the Tax Court becomes final. Refund based on the deduction may (despite the provisions of sections 6511 and 6512) be made if claim therefor is filed within the period above provided. Any such refund shall be made without interest.

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 2012 is amended by striking “the credit for State death taxes provided by section 2011 and”.

(2) Subparagraph (A) of section 2013(c)(1) is amended by striking “subject to section 2011 and”.

(3) Paragraph (2) of section 2014(b) is amended by striking “, 2011,”.

(d) Sections 2015 and 2016 are each amended by striking “subject to section 2011.”

(e) Subsection (d) of section 2053 is amended to read as follows:

“(d) CERTAIN FOREIGN DEATH TAXES.—

“(1) In general.—Notwithstanding the provisions of subsection (c)(1)(B) of this section, for purposes of the tax imposed by section 2001, the value of the taxable estate may be determined in accordance with any tax law of a foreign country which is determined to be in accordance with regulations prescribed by the Secretary of the Treasury of any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055. The determination under this paragraph of the value of such property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is includable in the gross estate under section 2034.

“(2) DETERMINATION OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 and 2106(a)(2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such deduction, shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106(a)(2) are required to pay.

“(3) EFFECT ON CREDIT FOR FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.—

“(A) ELECTION.—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof with respect of which a deduction is taken under this subsection.

“(B) CROSS REFERENCE.—See section 2014(f) for the effect of a deduction taken under this paragraph on the credit for foreign death taxes.”

(6) Paragraph (A) of section 2056(a)(b)(10) is amended—

(A) by striking “, 2011,”, and

(B) by inserting “, 2013,” after “, 2011,”.

(7)(A) Subsection (a) of section 2102 is amended to read as follows:

“(a) GROSS ESTATE.—The term ‘gross estate’ shall be determined in accordance with sections 2032 and 2013 relating to gift tax and tax on prior transfers.

“(B) Section 2102 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).

“(C) Section 2102 is amended—

(i) by striking “for any gift or transfer conferred after December 31, 2011,”,

(ii) by inserting “, 2013,” after “, 2011,”.

(8) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

“(4) STATE DEATH TAXES.—The amount which bears the same ratio to the State death taxes as the value of the property, as determined for purposes of this chapter, upon which State death taxes were paid and which is included in the gross estate under section 2103 bears to the value of the total gross estate under section 2103. For purposes of this paragraph, the term ‘State death taxes’ means the taxes described in section 2011(a).”

(9) Section 2101 is amended—

(A) by striking “as defined in section 2011(a)”.

(B) by adding at the end the following new flush sentence:

“For purposes of this section, the additional estate tax is the difference between the tax imposed by section 2001 and 2101 and the amount equal to 125 percent of the maximum credit provided by section 2011(b), as in effect before its repeal by the Estate Tax Relief Act of 2000.”

(10) Paragraph (2) of section 6511 is amended by striking “2011(c), 2014(b),” and inserting “2014(b),”.

(11) Subsection (c) of section 6512 is amended by striking “section 2011(c)” (relating to refunds due to credit for State taxes).

(12) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2011.

(13) The table of sections for part V of subchapter A of chapter 11 is amended by adding at the end the following new item:

“Sec. 2058. State death taxes.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

SEC. 6. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS; LIMITATION ON MINORITY DISCOUNTS.

(a) IN GENERAL.—Section 2031 (relating to definition of gross estate) is amended by redesignating subsection (d) as subsection (f) and by inserting the following new subsections:

“(d) VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.—For purposes of this subtitle—

“(1) in general.—in the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092),

“(A) the value of any nonbusiness assets held by the entity shall be determined as if the transferee had transferred such assets directly to the transferee (and no valuation discount shall be allowed with respect to such nonbusiness assets), and

“(B) the nonbusiness assets shall not be taken into account in determining the value of the interest in the entity.

“(2) NONBUSINESS ASSETS.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘nonbusiness asset’ means any asset which is not used in the active conduct of 1 or more trades or businesses.

“(B) EXCEPTION FOR CERTAIN PASSIVE ASSETS.—Except as provided in subparagraph (C), a passive asset shall not be treated for purposes of this subsection as used in the active conduct of a trade or business unless—

“(i) the asset is property described in paragraph (1) or (4) of section 1221(a) or is a hedge with respect to such property, or

“(ii) the asset is real property used in the active conduct of 1 or more real property trades or businesses (within the meaning of section 469(c)(7)(C) in which the transferor materially participates and with respect to which the transferor meets the requirements of section 469(c)(7)(B)(iii),) and

“(iii) material participation shall be determined under the rules of section 469(h), except that section 469(h)(3) shall be applied without regard to the limitation on farming activity.

“(C) EXCEPTION FOR WORKING CAPITAL.—Any asset (including a passive asset) which is held as a part of the reasonably required working capital needs of a trade or business shall be treated as used in the active conduct of a trade or business.

“(D) PASSIVE ASSET.—For purposes of this subsection, the term ‘passive asset’ means any—

“(A) cash or cash equivalents,

“(B) except to the extent provided by the Secretary, stock, partnership interest, or any other equity, profits, or capital interest in any entity,
(a) a covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

(b) A covered gift or bequest—

(1) in general.—For purposes of this chapter, the term ‘covered gift or bequest’ means—

(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, was an expatriate, and

(B) any property acquired by bequest, devise, or inheritance directly or indirectly from an individual who, at the time of death, was an expatriate.

(2) exceptions for transfers otherwise subject to estate or gift tax.—Such term shall not include—

(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the expatriate, and

(B) any property shown on a timely filed return of tax imposed by chapter 11 of the estate of the expatriate.

(3) transfers in trust.—

(A) in general.—Any covered gift or bequest which is made in trust shall be treated as made to the beneficiaries of such trust in proportion to their respective interests in such trust.

(B) determination of beneficiaries’ interest in trust.—For purposes of subparagraph (A), the beneficiaries of a trust shall be determined in accordance with section 2032A(e)(2).

(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the profits interest in the partnership, and

(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

(5) coordination with subsection (b).—Subsection (b) shall apply after the application of this subsection.

(6) Limitation on minority discounts.—For purposes of this subsection, the term ‘10 percent interest’ means—

(i) in the case of an interest in a corporation, ownership of at least 10 percent (by vote or value) of the stock in such corporation;

(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the capital or profits interest in the partnership; and

(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

(7) Effective date.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

SEC. 2. TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.

(a) in general.—Subtitle B relating to estate and gift taxes is amended by inserting after chapter 13 the following new chapter:

“CHAPTER 13A.—Gifts and bequests from expatriates

“Sec. 2681L. Imposition of tax.

“Sec. 2681L. Imposition of tax.

(a) in general.—If, during any calendar year, an individual who is a United States citizen or resident receives any covered gift or bequest, there shall apply to transfers after the date of such receipt the following new chapter:

(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt, and

(2) the value of such covered gift or bequest.

(b) tax to be paid by recipient.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

(c) exception for certain gifts.—Subsection (a) shall apply only to the extent that the covered gifts and bequests received during such calendar year exceed $10,000.

(d) tax reduced by foreign gift or estate tax.—The tax imposed by subsection...
a fiscally responsible approach that deals with the problem.

Yes, we have family farms that are suffering, suffering under some of our existing laws. But let us not help the .001 percent of the multimillionaires. Let us take care of those who really need it.

Mr. Speaker, what concerns me is that if this bill became law, we are going to have the scandalous avoidance of tax by billionaires. At the same time, we are going to be jeopardizing our ability to pay Social Security and Medicare. I do not think any of us want to be in that position. Let us not create a scandal; let us do what is responsible. Let us deal with the problem. Let us support the Democratic substitute.

The SPEAKER pro tempore (Mr. KOELKE). Does the gentleman from Texas (Mr. ARCHER) seek the time in opposition to the amendment in the nature of a substitute?

Mr. ARCHER. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) is recognized for 30 minutes.

Mr. ARCHER. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) is recognized for 30 minutes.

Mr. ARCHER. I, myself such time as I may consume to respond to the gentleman from Texas (Mr. CARDIN) he knows full well that nothing in this bill would jeopardize the Social Security or Medicare. That should never be inserted in this debate because nothing, nothing jeopardizes Social Security or Medicare in this bill.

Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, I might just mention that the gentleman who has just completed his speech has just experienced in his own State of Maryland the repeal of the death tax led by a Democrat legislature, a Democrat government, and led in particular by Obie Patterson, a liberal Democrat himself.

Mr. Speaker, as much as it excites me to listen to the opposition talk about the repeal of the death tax, the substitute is a hollow attempt to make it look like we are providing relief. It does not do the trick here. Here are the four reasons why:

First, and perhaps most importantly, it does not repeal the death tax. The substitute maintains the fundamental unfairness of the death tax. It says that, at the end of one's life, after one has worked hard, one puts one's heart and soul into building a business or a farm, one's legacy for one's family, the Government still is entitled, in many cases, to more than half of the fruits of one's labor.

I cannot accept this because it is so grossly in violation of the fundamental virtues that this nation stands for: thrift, diligence, risk taking, hard work. Ninety-five percent of Americans believe it is wrong. Ninety-five percent of Americans, Mr. Speaker, believe that it is wrong to tax income during one's life and to tax the same assets again just because one dies.

Secondly, the current death tax rates are the second highest in the industrialized world. The only nation that is higher than us in death tax is Japan at 70 percent. Under the substitute, the United States still would have the second highest death tax rate in the world, behind bastions of free market capitalism like France and Sweden. Our international competitiveness has been recognized the unfairness of this tax. It is time now for the United States Congress to recognize it as well.

Third, opponents of H.R. 8 say they can exempt family-owned farms and businesses by raising the family-owned business exception to $2 million. It will not work. It has already been tried. It has already been proved to fail.

Let me explain. When the Treasury Department came out with their figures saying that only 3 percent of estate tax returns are primarily composed of farm and business assets, I wanted to know what they wanted. I did not argue with their number. I wanted them to explain.

So I called the Office of Tax Analysis at Treasury to ask them what their definition of “primarily comprised” is. Their answer? At least 50 percent of the overall value of the estate must be comprised of business or farm assets.

What about the individual’s home? How about the 401-K or any other savings? What about any assets in that estate that are not the business or the farm? This definition hurts especially small family-held farms and businesses.

So if they do believe their Treasury numbers, which they must believe because they have been tutting them throughout the debate, they must concede what we have always known, that only 3 percent of family farms and businesses qualify for the family-owned business exemption, at least 50 percent of the overall value of the estate must be comprised of business or farm assets.

What about the individual’s home? How about the 401-K or any other savings? What about any assets in that estate that are not the business or the farm? This definition hurts especially small family-held farms and businesses.

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Fourth and last, the substitute raises the death tax burden on all States at the same time it reduces rates. Under current law in States that still have estate tax laws, a family will receive a Federal death tax credit equal to their State death tax liability. This substitute eliminates the tax credit for States that have reduced their death tax burden.

The result is that the substitute slightly reduces the rate, but this is offset by an increase in their death tax liability because of a loss of the credit.

The substitute raises taxes, maintains high death tax rates, provides hollow relief for family farms and businesses. Most importantly, it retains the death tax.

There is only one way to rid the Code of this immoral, unfair, onerous, economically unsound, and tax, and that is to eliminate it.

I urge my colleagues to reject this substitute. Let us get rid of the death tax once and for all. Support H.R. 8.
But how quickly we forget it is the people's debt, $5.7 trillion. How quickly we ignore the Social Security unfunded liability of $7.9 trillion when it comes to a tax cut that is politically popular to a few folks today.

Let us reject the substitute. Let us get rid of this unjust tax, and let us vote to repeal the death tax forever. (Mr. STENHOLM of Florida, a member of the Committee on Ways and Means, thumps the table.)

Mr. ARCHER. Mr. Speaker, I yield 2½ minutes to the gentleman from Missouri (Mr. HULSHOF), another respected and distinguished member of the Committee on Ways and Means.

Mr. HULSHOF. Mr. Speaker, I thank the gentleman for yielding me this time, and, Mr. Speaker, a recent editorial in the Washington Post earlier this week denounced our actions today and the title of the editorial was Government by Bumper Sticker. And, of course, the editorial set out many of the same arguments we have heard from those on the other side.

I guess if I were to think of a bumper sticker, it would be one I saw over the break of the Memorial Day recess. The bumper sticker on the back of this RV traveling the highways of Missouri said, I am spending my kids inheritance. Now, I will take a quick double take to make sure the occupants of that RV were not my own parents on a cross-country spending spree. But then I began to think about the gist of that sticker, and how it is that some in Congress irresponsibly allowed to dispose of family assets before death than passing it on to our descendants and making them sell off those family assets after death.

I suppose our friends on the other side will say we should take some solace in the fact that at least predeath that they are enjoying the fruits of their labor rather than collecting those fruits, bringing them here to Washington and then letting $35 Members of the House and Senate decide how to spend the fruits of those labors. But I say, no. And with due respect, and with high regard for my friend from New York and his substitute, I guess if I were to pick a bumper sticker for the substitute it would be Mend It, Don't End It.

I would ask the gentleman and everybody that would say we should not have a complete repeal to justify for me the continuation of the inheritance tax. And I see my friend from Vermont would like to justify for us why he believes we should not do that, and I will let him do so on his time, but knowing his political ideology, I imagine it would be that we should redistribute wealth in this country. And I appreciate that, yet we already have a redistribution of wealth in this country through the progressive tax rates and the fact that we deny tax deductions and credits for those that are successful in this country.

What has not been discussed here is the economic cost of compliance and avoidance of the tax. The fact is that the Joint Economic Committee says that in 1998, $23 billion was spent to avoid the tax. The same amount that we generated in revenue. My colleagues, it is time to be bold. And with
Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this bill is a proposal to eliminate the estate tax in the future. The bill and the Democratic alternative will allow the continuation of something and the beginning of something. These are proposals to maintain small family farms and small family businesses. These are proposals that preserve the important past by protecting the productive future.

I intend to vote for both proposals. The Democratic alternative provides greater relief, more immediately. Providing up to $4 million would indeed help many small businesses. H.R. 8, on the other hand, would repeal the tax altogether. That is an attractive proposal. It is also, we must recognize, a costly proposal.

As we seek to save the small family farm or business, we must also make sure we do not sacrifice Social Security, Medicare, or other progress made in reducing and eliminating the debt. I am hopeful that as we proceed with this legislation to provide estate tax relief, we will continue our fiscal responsibility.

Reducing or eliminating the estate tax is an essential thing to do. It is the prudent thing to do. It is the right thing to do. By doing what is prudent and right, we can ensure that the life-blood of many American families, the small farm and the small business, will continue to survive.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. ROTHMAN).

Mr. ROTHMAN. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

My friends, the American estate tax system is 85 years old. Who supported the creation of the American estate tax system? Well, one of the first supporters was Republican President Theodore Roosevelt. Why would he do such a thing? Well, he did not want to have two America’s, a have and a have not. What do we have today in America? We have a nation where 1 percent of our people, the top 1 percent, own 40 percent of the Nation’s assets, twice the amount held by them in the past 20 years.

There are all sorts of other bills, including one to provide a capital gains tax exclusion for farms similar to the one included in Ways and Means. This bill, although it would not enjoy the full benefit of H.R. 8, which we have heard, in 2001 rather than in 10 years. If a person happens to die before 2010, that person’s heirs will not enjoy the full benefit of H.R. 8. Second, it costs far less than H.R. 8; over the years, Mr. Speaker, all of us have heard, unlike H.R. 8, the alternative could be signed into law. Let us look at the cost factor. By doing what is prudent and right, we can ensure that the life-blood of many American families, the small farm and the small business, will continue to survive.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Vermont (Ms. SANDERS) in order to respond to the previous speaker.

Ms. SANDERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Speaker, I would like to share a poem that I think says it all in our debate today.

TAX HIS SHOE, TAX HIS SMOKE, TEACH HIM TAXES
TAX HIS COW, TAX HIS GOAT, TAX HIS TIE AND HIS SHIRT;
TAX HIS CROPS AND TAX HIS WORK, TAX HIS TIE AND HIS SHIRT;
TAX HIS SHOE, TAX HIS SMOKE, TEACH HIM TAXES are not a joke.

TAX HIS TRACTOR, TAX HIS MULE, TEACH HIM TAXES are the rule;
TAX HIS OIL, TAX HIS GAS, TAX HIS NOTES, AND TAX HIS CASH;
IF HE HOLLS, TAX HIM MORE, TAX HIM TILL HE’S GOOD AND SORRY;
TAX HIS COFFIN, TAX HIS GRAVE, PUT THESE WORDS UPON HIS TOMB: “TAXES DROVE ME TO MY DOOM.”

After he’s gone, he can’t relax, they’ll still go after his estate. I would like to urge all my colleagues to vote against the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Over the years, Mr. Speaker, all of us have heard from small business owners and family farmers who want to pass on to their descendents the fruits of their labor, and I empathize with them. And I have worked, as many of us have, to have estate tax relief for them. Particularly, and most noted, was the Taxpayer Relief Act of 1997. The law specifically helps owners of small businesses and family farmers.

But like many of my colleagues, I want to provide more help to those involved in family farms or small businesses. And once again, I would like to support a fiscally responsible alternative that focuses estate tax relief where it is needed. The alternative would cut estate tax 20 percent across the board, reducing the maximum rate to 44 percent. The proposal would provide a transferable $2 million exclusion for farms and small businesses. That means a married couple with a farm or a small business would receive a $4 million estate tax exclusion.

Mr. Speaker, I urge my colleagues, especially those in agriculture, to see what the alternative means for them. Based on a 1998 USDA survey, only 1.5 percent of farms have a net worth of more than $2 million. In other words, more than 98 percent of the farmers benefit from the alternative that I am going to support.

The alternative has three other advantages over H.R. & First, it takes effect, which we have heard, in 2001 rather than in 10 years. If a person happens to die before 2010, that person’s heirs will not enjoy the full benefit of H.R. & Second, it costs far less than H.R. & around $2 billion a year. Finally, we have heard, unlike H.R. & the alternative could be signed into law.

Let us look at the cost factor. By doing what is prudent and right, we can ensure that the life-blood of many American families, the small farm and the small business, will continue to survive.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me this time.

There are millions of Americans in this country, senior citizens, who suffer and die because they cannot afford prescription drugs. And this country does not have a strong program to say to the sick that they can get the prescription drugs they need without taking money out of their food budget.

What the gentleman is doing today is giving the wealthiest 2 percent of the population billionaire, a huge tax break. And then my colleagues will come before the American people and say, gee, we do not have the money to protect the sick and the old.

In my district there are middle-class families who are living deeply into debt so that they can send their kids to college, and some of these kids graduate college $50,000 in debt. And what my colleagues are saying today is, hey, Bill Gates and his friends, who contribute huge amounts of money to the political process, to the Republican Party, they need a tax break. I say that is immoral.

There are families in this country who work 4 hours a week and they sleep in their cars because we have not put money into affordable housing. Yet my colleagues say, hey, I have millionaire friends who have gone to a $25,000 a plate fund raiser, we have to give them a tax break. And my colleagues say, hey, I have money for affordable housing, we do not have money for education. There are 44 million people in this country who have no health insurance, but my colleagues say we cannot afford that because they are too busy giving tax breaks to the richest people in this country.

I have heard my Republican friends use the word immoral and unjust to describe the estate tax. I will tell them what is immoral and unjust. It is immoral and unjust that we give tax breaks to those people who do not need it while we ignore the suffering of millions and millions of people who need help today. That is why.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Speaker, I would like to share a poem that I think says it all in our debate today.

Tax his cow, tax his goat, tax his pants, tax his coat;
Tax his crops and tax his work, tax his tie and tax his shirt;
Tax his shoe, tax his smoke, teach him taxes are not a joke.

Tax his tractor, tax his mule, teach him taxes are the rule;
Today, my friends, the House has a choice: The Democrat plan to reform the estate tax system, a reform plan that would leave 99 percent of Americans paying no estate tax and Still cutting the estate tax for the top 1 percent, we can plan to pay a tax on the other hand, which adds another $40 billion in cost a year in order to eliminate the tax for the top 1 percent.

My friends, I believe that most Americans feel that that $40 billion extra would be better spent going to save Social Security and Medicare, or paying down our $5.6 trillion national debt, which is now being assumed by our children, or providing prescription drugs for our seniors, strengthening our military, fixing our public schools and providing health care for 45 million uninsured Americans.

The time may come when our country can afford to entirely eliminate the estate tax for the top 1 percent, but not today. Let us eliminate taxes for 99 percent of families, keep them from the top 1 percent, and pass the Democrat reform plan.

Mr. ARCHER, Mr. Speaker, I yield 3½ minutes to the gentleman from Louisiana (Mr. McCrery), another respected and distinguished member of the Committee on Ways and Means.

Mr. McCrery, Mr. Speaker, I thank the gentleman for yielding me this time.

Several Members in support of the Rangel substitute, Mr. Speaker, have begged us to adopt the Rangel substitute because their farmers need help now. Well, I find it curious that the Farm Bureau has endorsed not the Rangel substitute but the underlying bill, which I hope will pass this House today. That is real relief to farmers, not the Rangel substitute.

Let me talk about why that is. Three years ago, in 1997, I was the author of a bill to do what the Rangel substitute attempted to do today; that is to give a higher exemption, so to speak, to family farms, family businesses from the estate tax. I pursued that course for two reasons. Number one, in 1997, we were not expecting the huge surpluses at the Federal level that we are today. We had very much more limited revenue over expenditures to work with for any tax cuts. So I chose a route to try to do the most good with the estate tax that I could with the limited dollars that we had to spend. And the route I chose was to try to direct the relief at family farms and family-held businesses.

We got a lot of support for that route. We finally got some of my bill into the tax bill that was signed by the President in 1997, and that became law. And since then, those family farms and family businesses have been eligible for a higher exemption from the estate tax than everybody else. Unfortunately, I was wrong in 1997. That relief that we tried to give family businesses and family farms has not taken place. Why? The Committee on Ways and Means heard testimony last year from tax experts and, indeed, from the National Federation of Independent Businesses, who had backed my proposal in 1997, and they told us that that attempt to exempt family farms and businesses from part of the estate tax has not worked because it is too complex.

There is no way to ensure that a family looking forward can comply with all of the requirements that are necessary to qualify for that exemption. As a consequence, we just have not been able to bring those family farms and businesses under this exemption. It was well-intentioned, I was well-intentioned in 1997, I think it is well-intentioned today, but it will not work.

So I will ask my colleagues in this House to reject the attempt of the gentleman from New York (Mr. Rangel) to simply expand on the failed attempt that I made in 1997 to help family Social Security and Medicare, and instead, to work with the Archer bill today that repeals the estate tax once and for all. We phase it in over 10 years. It is a responsible plan. We have the revenue to do it, and there is no reason to continue this extremely unfair, I would submit the most unfair, part of our Tax Code.

Mr. Rangel, Mr. Speaker, I yield 1½ minutes to the gentleman from Maine (Mr. Allen).

Mr. Allen, Mr. Speaker, I thank the gentleman for yielding me this time.

Here we go again, another week, another irresponsible Republican tax cut. Now, I believe that we need to provide immediate estate tax relief for those who own family businesses, but this Republican repeal of the estate tax costs so much, $50 billion a year when fully phased in, that it does threaten Social Security and Medicare, and makes much less likely the chance that we will provide prescription drug coverage for our seniors.

Now, I have talked to a lot of small business owners in my district of Maine, and the stories they tell are compelling, and Congress should do more to lift the tax burden on these essential family businesses, family businesses that make up a large part of the life of our smaller communities. The Democratic alternative would provide immediate tax relief to closely-held businesses and family farms by reducing all estate tax rates 20 percent across the board and increasing the $2 million exemption for each family. This Democratic alternative is a step in the right direction and provides more immediate relief than the Republican plan.

Now, let us be clear. The President will veto H.R. 8. My choice for us today is clear: An irresponsible tax plan, with costs that explode in the future, threatening Medicare and Social Security for the baby-boom generation; or a bipartisan plan that will provide immediate tax relief to those who truly need it.

Vote "yes" on the Democratic substitute and reject H.R. 8.
Mr. CAPUANO. Mr. Speaker, I just rise to ask a few questions. I have heard an awful lot of comment today about how immoral, unethical, and somehow evil the estate tax is. Well, obviously, we can have philosophical agreements, but I would ask if that is the case, of right now today, there are 16 States that have their own estate tax of significant nature. 7 of those have a complete Republican-controlled legislature and governor, none of them have repealed it.

Are they completely immoral and unethical, or are they just wrong? If they are just wrong, maybe we better get on the phone and call them and tell them that. And when we do, maybe we need to suggest to them how they are going to raise the $6 billion that they raised in the last year to pay for policemen, firemen, teachers and et cetera.

And on top of that, I just want to repeat what I said earlier; it is not a 50 percent tax, it is a 20 percent tax at this moment. So the majority substitute will lower it to a 16 percent tax. The average person after tax, after tax, the average person who is subject to this tax will still have $2.7 million left. My gosh, how difficult it must be to get by on that amount of money.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to another respected and distinguished member of the Committee on Ways and Means, the gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER), for yielding me the time, and I thank him for his leadership on this very important issue.

Mr. Speaker, I rise in strong support of H.R. 8, a bill to repeal the death tax. Small businesses and family farms are the lifeblood of our economy. Yet we have a tax system which unfairly taxes these small business employers and farmers twice. Less than half of all family-farms survive the death tax and only about 5 percent survive to the third generation.

After being taxed two, three or four times, Uncle Sam taxes us again at 55 percent when we die. At a time when families need to be thinking about what they can do to bounce back from such a tragedy, they have to worry about taxes. Fifty-five percent is high enough, but it is 100 percent penalty on employees of small businesses and family farms who lose their jobs when their company or farm is liquidated to pay the death tax.

Since its beginning, America has been about building a better life for people and their children. A farmer’s commitment to not sell his farm, to invest his profits in his farm, and to continue working instead of retiring, that is what America is all about. And there is nothing more un-American than telling that farmer and family, you are going to have to give the fruits of your labor to your children’s future to the government.

Mr. Speaker, death by itself should not trigger a tax. The 50,000 farmers in Michigan deserve to have this tax repealed. Let us give them the opportunity to focus their attention on building their farms and providing for their children, rather than figuring out to avoid losing their farm to the government.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Indiana (Mr. HILL).

Mr. HILL of Indiana. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I respect thousands of family farmers in southern Indiana. I have family members who operate family farms. I understand how the estate tax can cause a lot of hardship for asset-rich and cash-poor family farms. It sometimes can prevent farmers from passing their farms on to their children which is a real tragedy.

I support the substitute to this bill, because it sends immediate estate tax relief for the family farmers and small businesses who really need it. The majority proposal requires farmers and small businesses to wait 10 years for estate tax relief. Family farmers and small businesses need estate tax relief now, not 10 years from now.

Mr. Speaker, I also support the substitute to H.R. 8, because unlike the Majority proposal, it offers estate tax relief in a fiscally responsible way. When it is fully implemented, H.R. 8 will cost $50 billion a year which threatens our hard-won balanced budget.

I believe it is more important to continue paying down the national debt and protecting Social Security and Medicare than giving a tax break to people whose estates are worth tens or even hundreds of millions of dollars.

Mr. Speaker, I urge my colleagues to support the substitute.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a respected and distinguished member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means for yielding me the time, and I rise in opposition to the substitute offered by the ranking member of our committee.

Here is the fundamental reason why I rise in opposition:

The other thing I would point out today to the body, Mr. Speaker, is that having listened with interest to my good friend who joined us from Indiana and who offered his point of view on this, if the substitute is such a good idea, why does the American Farm Bureau Federation oppose the removal of the death tax? Why does the National Hispanic Chamber of Commerce, why does the National Black Chamber of Commerce join with a bipartisan majority to embrace total repeal of the death tax? It is because well-intentioned though they may be, by some on the left to leave in place the infrastructure and bit by bit, brick by brick, element by element, reintroduce and expand the death tax.

I would remind our body collected here today, Mr. Speaker, that during a previous Congress, indeed, the 103d Congress, there was a move afoot to expand death taxes. We do not want that.

Let us repeal the tax and vote against the substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. MILLINDER-MCDONALD).

Ms. MILLINDER-MCDONALD. Mr. Speaker, I thank the gentleman for yielding me this time. I rise today in strong opposition to H.R. 8 and in strong support for the Democratic substitute.

Once again, the Republicans have shown us their recklessness by spending the budget surplus on an irresponsible tax cut for their special interest allies with no investment in Social Security and Medicare. Furthermore, just yesterday we were here discussing the massive cuts to our Education, Health and Labor Departments. How can we today stand here in good conscience and debate spending $105 billion on tax cuts when yesterday we could not even guarantee that all of our children will have a quality education in this, the richest country in the world?

Mr. Speaker, I strongly support providing relief to smaller estates, family-owned small businesses and farms; but I believe that we can do this in a more fiscally responsible way with targeted relief. The Republican bill does not represent targeted relief; it represents preferential treatment. It seeks to benefit only 2 percent of Americans, and yet, with H.R. 8, it is evident that the Republicans feel that only 2 percent of Americans should be represented.

I am here representing the other 98 percent, and I say no to H.R. 8.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, I thank the gentleman for yielding me this time. I commend him and his very fine leadership on this, what I have called, traditionally, the most onerous tax in the Code. It is a disincentive against savings, a disincentive against investing. It is a disincentive against providing presentations from this floor yesterday and today about horror stories where people who are not wealthy by any means have
been devastated as a result of the imposition of the estate tax. Call it the estate tax, call it the inheritance tax, but call it what it is: the death tax. Mr. Speaker, I commend the chairman of the Committee on Ways and Means and our colleagues that have supported us in this bill. This is a bill that is long, long overdue and should be enacted; and I urge its support.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DeLAURO).

Ms. DeLAURO. Mr. Speaker, the Democratic substitute provides targeted tax relief for middle-class families, small business owners, and farmers without putting at risk or fiscal discipline, our investments in education, and targeted tax relief that we could be providing to America’s middle-class families.

The Republican tax break is another example of their misguided priorities. Before they have done anything to strengthen Social Security and Medicare or provide a prescription drug benefit for our seniors, they provide a tax break to the wealthiest 2 percent of all Americans who control 40 percent of the wealth in this Nation. It comes out to $33 million per day. Before he died, he did not contribute a dime in money in taxes throughout his lifetime while working to the age of 65, a requirement necessary to save enough money to retire at a financial level that a physician can enjoy. While paying 50 percent of his income in taxes to the government, money that might otherwise have been used to fund an early retirement, he died.

Believe me, I am the executor of the estate that he worked so hard saving for and did not get to enjoy. I am going to have the pleasure of writing 2 checks totaling nearly $1 million divided between the State and Federal Government. This is the most revolting and disgusting thing that I have ever had to do. When the CPA told me how much money the death penalty imposes on my dad’s estate, I literally almost threw up. I am sick to my stomach. As a result of my dad’s death, the majority of his estate, the majority of his estate is in Individual Retirement Accounts and you know the tax consequences that creates when distributed to heirs, right? After all is said and done, the government will have taken over 50% of my dad’s property and money.

I adamantly believe that the government’s only societal role is to protect the rights, lives, and property of the law abiding. Period. All socialized legislation beyond that is an unnecessary intrusion into my life and a waste of my money.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, it is amazing, the people that talk about how can we risk this much money on a risky tax scheme. Let me read a letter from somebody who has been impacted by this death tax, and then my colleagues can come back and say it is a risky tax scheme.

"Today marks the first day of the ninth month since my dad passed away. He was a medical oncologist that specialized in chemotherapy treatments for cancer patients. He grew up in a very poor family in Brooklyn, New York and he still managed to put himself through school and become a doctor, without any help from government, I might add. His plan was to retire this summer, after doing so much good for his patients and our community, and spend the time sailing on his 15-year-old, 27-foot sailboat that he bought 2 weeks before he died. He did not contribute a dime in money in taxes throughout his lifetime, while working to the age of 65, a requirement necessary to save enough money to retire at a financial level that a physician can enjoy. While paying 50 percent of his income in taxes to the government, money that might otherwise have been used to fund an early retirement, he died.

"I am his son and executor of the estate that he worked so hard saving for and did not get to enjoy. Today I am going to have the pleasure of writing 2 checks totaling nearly $1 million dollars between the state and federal government. This is the most revolting and disgusting thing that I have ever had to do. When the CPA told me how much money the death penalty imposed on my dad’s estate, I literally almost threw up. I was sick to my stomach. As a result of my dad’s death, the majority of his estate, the majority of his estate is in Individual Retirement Accounts and you know the tax consequences that creates when distributed to heirs, right? After all is said and done, the government will have taken over 50% of my dad’s property and money.

"I adamantly believe that the government’s only societal role is to protect the rights, lives, and property of the law abiding. Period. All socialized legislation beyond that is an unnecessary intrusion into my life and a waste of my money."
have said no. We have been unwilling to give them that $5 billion that they need; yet we say yes to the 2 percent of the richest of this country when we say that we are going to give them $50 billion.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EWING).

Mr. EWING. Mr. Speaker, I thank the chairman for yielding me this time. I rise in support of H.R. 8, the Death Tax Elimination Act.

This is one of the worst taxes we have in America. America is renowned as the place where through hard work and sacrifice an individual can make a better life for himself and his family. We have an entrepreneurial spirit that is unmatched in any other country, and it is because of the ability to make it here in this country.

What is the trouble with the Federal estate tax? It does away with that. It kills small business; it kills the family farm. I say to my colleagues, my constituents who are not wealthy want that ability, and most Americans do. I say we should pass this bill, we should vote against the substitute, and we should eliminate the death tax in America.

Mr. Speaker, I rise today in support of H.R. 8, the Death Tax Elimination Act of 2000. The death tax is one of the most onerous taxes levied upon our citizens and is in complete contrast to the principles upon which this country was founded. It is required in a place where through hard work and sacrifice, an individual can make a better life for himself and his family. We have an entrepreneurial spirit that is unmatched in any other country and we need to ensure that spirit remains.

That is what is so troubling about the Federal estate tax. It does not encourage hard work and entrepreneurship, but rather discourages it. The only message that the estate tax sends is that if you are hard working and industrious we will not reward you, we will punish you. This clearly is not the message we need to be sending.

Currently, small businesses and farms are being hit the hardest by this unfair burden. Heirs sometimes are forced to liquidate businesses just to pay estate taxes. Allow me to provide you with a personal example of the negative effects of this tax.

In my district there is a business called Niemann Foods which runs a small chain of grocery stores. This company was founded in 1917, by Fred and Steve Neumann. By 1969 Niemann had surpassed others in the retailing business and had become a wholesaler in the agriculture field. But then something tragic happened. Fred passed away unexpectedly. Suddenly the Niemann family was faced with an estate tax bill of several hundred thousand dollars. What could they do? Most of their assets were not liquid, they were tied up in the day-to-day operations and not readily available. The only option available to the family was to liquidate part of the business to pay their tax burden. As a result the wholesale portion of Niemann Foods was sold. This prevented Niemann from using proceeds given by the IRS, instead of being used to expand the business. The Neumann family now spends countless hours and dollars on estate planning trying desperately to avoid a repeat of this distressful situation. This is time and money that could and should be put into expanding the business and creating more jobs, rather than being spent trying to guard against losing the business because of a bad tax. The sad and unfortunate reality is that everyone in this Chamber knows the story that they can tell. We should encourage productivity and growth, not stifle it with unfair burdens. This tax is contrary to American ideals and should be repealed.

I have one problem with this bill, it takes too long to accomplish what should be done immediately. If this tax is wrong, it is wrong and we shouldn’t take 10 years to rectify the situation. We speak of fairness, but is it fair for people dying today to have a larger tax burden than those who die a year or even ten years from now? I can see it now hospitals will be filled with individuals on life support for years waiting for this bad tax to be lifted. Let’s pull the plug on this tax now.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time. I oppose H.R. 8 and strongly support the Rangel substitute. Proponents have said this about helping farmers in the past generation to pass it on to the other. If that is the issue, then pass the Rangel substitute.

The U.S. Department of Agriculture says 99 percent of the farms in this country have a net worth below $3 million. The Rangel substitute takes a farm couple and allows them to pass a farm worth $4 million of net worth. We take care of more than 99 percent of the farms in this country under the Rangel substitute.

Similarly, small businesses, up to $4 million. Another way the substitute is better than the majority bill is that it takes effect and it takes effect next year. No 10-year wait for the relief they are talking about. Next year.

Another thing about the Rangel substitute, the President will sign it. There is a veto threat on their bill. It will never become law. Let us provide the relief and make it real, not just issue press releases about another House debate. Vote the Rangel substitute for meaningful relief for family farmers.

Mr. Speaker, I rise in opposition to H.R. 8 and in strong support of the Rangel substitute. Unlike the underlying bill, the Rangel substitute provides estate tax relief for family farmers and small businesses, does not drain resources from other urgent priorities, and most importantly, it could be enacted into law this year.

First, the Rangel substitute eliminates estate taxes for more than 99 percent of family farms not in 10 years, as under H.R. 8, but immediately. The Rangel substitute allows family farms an estate tax exclusion of $4 million, which exceeds the net worth of more than 99 percent of family farms according to USDA. For all but a handful of the largest farms in the country, this provides greater estate tax relief than the underlying bill.

Because it is targeted, the Rangel substitute can offer more tax relief for farms and small business without draining resources from other urgent priorities, including tax cuts for working families. By contrast, H.R. 8 would ultimately result in a revenue loss of $50 billion annually, or $500 billion over the second 10-year period. For the cost of repealing the estate tax altogether, Congress could enact tax cuts to reduce the debt, increase the affordability of higher education, increase the affordability of long-term care, and still have $35 billion left over either to reduce the debt, provide a prescription drug benefit, strengthen our national defense or address a similarly urgent priority.

Finally, the Rangel substitute is the only estate tax relief measure on the floor today that can actually be enacted this year. The administration supports estate tax relief for small business and family farms but has stated unequivocally that the President would veto H.R. 8. As estate tax bill that will never be signed is of no value to the farmers I represent.

For these reasons, I urge my colleagues to support the Rangel substitute and to oppose H.R. 8.

Mr. ARCHER. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, let me speak specifically on this substitute. First, at the margin, it is better than the current law. That is a great breakthrough to see the minority that was proposing in the death tax before 1996, to have at least come to where they marginally want to reduce the impact of the death tax.

But in many, many ways, it does not tell us up front what is really a part of the proposal.

It is very much like Peanuts where Lucy tells Charlie Brown, “Come kick the football,” and right when he gets there, she pulls the football away.

And so what they do here is they say we are going to reduce rates; and at the same time if you look at page 2, they raise rates, because they take away the credit, as the gentlegirlwoman from Washington (Ms. Dunn), said, on the State inheritance taxes. So they raise those rates. At the same time they deny all of the small businesses, farms, the benefit of what they say they are giving them. The gentleman from Louisiana (Mr. McCrery) spoke to that. They say only 3 percent of the small businesses and farms are taxed today. Let me also say that only 3 percent of those 3 percent will get any benefit from their proposal. That is sad but true as the gentleman from Louisiana said earlier.

And then they go on, and they increase the market value of minority-held interests in nonpublicly traded entities. The courts have ruled against this over and over again and say the tax should be applied only to what is the true market value at the time of death. They create an arbitrary market value that has nothing to do with the true market value for those minority-held interests in nonpublicly traded entities. So they give a little bit on one hand, and take back big chunks on the other hand.

They also mask the 18.1 percent lowest marginal tax rate for the death tax. No
one will pay the 18 percent. They will start out at 38 percent. It is in the Code. It says the first dollar is 18 percent, but not so. And so they give a lit- tle, and they take back a lot.

Vote against the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield myself 2½ minutes.

I would like to respond briefly to the chairman of the committee because not too long ago a distinguished Member from the side who serves on the committee commented that the Rangel substitute was no more than what he and Republicans had suggested several years ago and that he thought it was a good idea at the time; but he had no idea that this bill would have taken on a Democratic Congress would be able to have a budget to allow us to get the surplus that we are enjoying today, but now that he sees the surplus, then he would say, Let's go for the whole thing.

That is the problem that we have today. You people are not interested in passing laws to take care of the small farmer and small businesses. What you are interested in politically is we've been told that if indeed you were concerned about helping the small family farmer and the small businesses, what you would do is say, well, listen, since we can agree with the President, let us get this signed into law, and then maybe if God is willing, you will be in the majority and you can take care of it.

You have been in the majority 6 years, and you have not done a darn thing except push for vetoes. Veto, veto, veto. We've even voted for the President. Compromise with you, you kick it up another notch and make it impossible for the President to be responsible and deal with this. This will cost $104 billion over 10 years, and then we have got to hike it higher $30 billion each year. We have been able to take care of the problem that you have been crying and bawling about for a long time, and we agree that it is an inequity. Why can we not come together where we agree, get this signed into law, and then for God sake get together and try to resolve some of the other problems, whether it is the marriage penalty, whether it is the Patients' Bill of Rights, whether it is the minimum wage.

You agree with us, but you always kick it up a notch to be irresponsible so that the President cannot sign it into law. There is still an opportunity. If you vote for the substitute, let the President sign it and take credit for it. The only difference between the bills that you have had and the bill that we have got is that we have decided to be responsible, we decided not to gut the budget to protect Social Security and Medicare and still take care of those people who inherit the businesses and the farms from their parents and their grandparents who worked hard each and every day to pro- vide and leave this for them.

And so I am suggesting, vote for the substitute and then maybe next year we can go further.

Mr. Speaker, I yield the balance of my time to the gentleman from Michigan (Mr. Bonior), the minority whip. The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Michigan is recognized for 3 minutes.

Mr. BONIOR. Mr. Speaker, I want to commend my colleague for his state- ment.

The other day I was talking, and I noticed that the Republican leaders had gathered around this coffin outside the Capitol building. Like anyone, I wondered, what is going on out there? I later learned that they were pro- moting their estate tax scheme. It was then that I realized what I had seen was a funeral. It was the death of credi-

What else can you call a scheme that costs some $50 billion a year but fails to provide added relief for small busi- nesses and family farms until the year 2010? You can call it a lot of things, but one thing you cannot call it is a cred- ible tax reform. Oh, sure, some people stand to gain from this. If you happen to be one of the richest people in the world, this plan could cut your family's taxes by literally tens of bil- lions of dollars. But for 98 percent of American families, it won't even pro- vide one dollar's worth of relief.

It will do something, though. Oh, it will do something. It will squander $50 billion a year just at a time when we need it the most. That means under- mining our ability to guarantee the solvency of Medicare and Social Secu-

We Democrats have an alternative, a responsible plan that provides an es- tate tax break that we can bank on without breaking the bank. Our plan immediately provides a $4 million per- family exclusion for farms and small businesses. In fact, it immediately ex- empts 99 percent of family farms from estate taxes. It reduces it by almost half the number of estates subject to the es- tate tax.

So what we have here, Mr. Speaker, is a choice between credible estate tax relief or tax cuts for the incredibly rich. If you believe in standing up and working for working families, the choice is clear.

I urge Members to vote no on the Re- publican scheme and to support the Democratic alternative.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentle- man from Illinois (Mr. HASTERT), the respected Speaker of the House of Representatives.

Mr. HASTERT. I thank the gentle- man for yielding me this time.

Mr. Speaker, I have a great deal of respect and I would like to write 96 pay checks a week. Something is going to happen to me someday. I want to pass that business on to my children and my grandchildren. The
Federal Government is going to come in and take 52 percent of that business. When they do, we are going to have to sell every truck, every piece of equipment. I cannot pass that business on as an entire entity from generation to generation. There are 96 families in this town that will not have a job anymore.

We talk about big entities, multinational businesses and big corporations. Do you know what happens when you have to sell the family farm? Do you know what happens when a different generation wants to sell that small business? You sell it to the big guys, because you get the cash out of it and pay the Government. And so when you deprive families from passing that entity, that business, that farm, that ranch from one generation to the other, you say, we are going to give this to the big guys. We are subsidizing the big guys. We are pushing the bigger and bigger entities in this country. We are taking away from the families and farm owners.

I say this is a vote for the families of this country, of the United States of America. Defeat the substitute, vote for the proposal, and let us get on with it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to H.R. 8, the Death Tax Elimination Act of 2000 and strongly support the Democratic Alternative.

I think we are in agreement on both sides of the aisle that the estate, gift, and generation-skipping transfer taxes are unduly burdensome on all taxpayers and that changes must be made. However, H.R. 8 is not in the best interest of our Nation, particularly in terms of relief to small businesses and small farms.

Although, H.R. 8 attempts to alleviate the heavy burden of the estate tax, it lacks a feasible solution to alleviate these tax burdens faced by many small businesses and small farms. Many small business owners and farm owners have told me compelling stories regarding their plight and they want to ensure that in the future that they will be able to pass on their farms and small businesses to their loved ones.

The Democratic Alternative will provide immediate tax relief to these same small businesses and farm owners. Specifically, this alternative will raise the special exclusion to $4 million for a couple owning a farm or small business. For instance, a small business owner in my district can pass on their business intact with no estate tax whatsoever if it is worth up to $4 million.

In addition, before H.R. 8 is phased in over ten years, a couple passing on their farm or small business in the near future would avoid more tax under the Democratic plan than under this bill with calls for a full repeal. See—More people than ever before are becoming millionaires by working hard and investing wisely. By enacting the Democratic Alternative (now at $675,000) to $1.1 million next year, the Democratic Alternative will allow for any person to pass on their wealth to their loved ones without the burden of an estate tax.

In fact, unlike the Republican’s full repeal, nobody has to worry about living long enough for the bill to be fully phased in. The Democratic $1.1 million exclusion is effective immediately.

Mr. KLECZKA. Mr. Speaker, I rise today in support of the Democratic alternative which does three important things to ease the estate tax burden on individuals and family businesses.

First of all, the substitute would nearly double, effective immediately, the estate and gift taxes exemption for individuals to $1,100,000, from the current level of $675,000. This means a husband and wife can exempt $2.2 million from the estate tax.

Secondly, the Democratic proposal significantly raises the estate tax exclusion for small businesses. Under current law, there is a $1.3 million exclusion from the estate tax for interests in farms and closely held businesses. The Democratic substitute would effectively create a $4 million exclusion per family for farms and closely held businesses. It would accomplish this by increasing the limit on the small business exclusion from $1.3 to $2 million and by providing that the portion of the exclusion not used in the estate of the first spouse to die will be allowed to the estate of the other spouse.

Finally, the substitute would provide a 20 percent across-the-board reduction to the estate and gift tax rates.

I support the Democratic substitute because it provides needed estate tax relief to small business and individuals without breaking the bank. My Republican colleagues have offered a plan to totally eliminate the estate tax, that when fully phased in, will cost $50 billion a year.

Mr. Speaker, we cannot afford to sacrifice our chance to pay down the national debt, ensure the long-term solvency of Social Security, and modernize the Medicare program by passing the Republican bill which will benefit only 2% of the population—those with the wealthiest estates.

I urge my colleagues to support the Democratic proposal, a common-sense and affordable way to give Americans estate tax relief and still provide funds to meet our responsibility to reduce the national debt so this burden will not continue to be placed on the shoulders of our children and grandchildren.

The SPEAKER pro tempore. Pursuant to House Resolution 539, the previous question is ordered on the bill and on the amendment offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 196, nays 222, not voting 17, as follows:
YEAS—196

Mr. BIGGERT and Messrs. WOLF, DICKEY and DUNCAN changed their vote from “yea” to “nay.”

Mrs. BROWN of Florida changed her vote from “nay” to “yea.”

So amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. DOGGETT). Mr. Speaker, I am.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Is the motion in the nature of a substitute rejected?

The result of the vote was announced as above recorded.

Mr. Speaker, I am.

The Clerk will report the motion to recommit.

The Clerk reads as follows:

MOTION TO RECOMMIT OFFERED BY MR. DOGGETT

Mr. DOGGETT. Mr. Speaker, I offer a motion to recommit.

Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk reads as follows:

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"(B) INFORMATION DESCRIBED.—The information described in this subparagraph is—

(i) the name and address of each person to whom the political organization made any disbursement during the reporting period in an aggregate amount or value in excess of $200 within the calendar year;

(ii) the period of time for which such disbursements were made; and

(iii) the amount of each disbursement and the name of the person to whom it was made.

"(C) INCREASED DISCLOSURE BY POLITICAL ORGANIZATIONS.—Section 250l, as amended by subsection (b), is further amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(g) INCREASED DISCLOSURE BY POLITICAL ORGANIZATIONS.—

(I) IN GENERAL.—In the case of a political organization (as defined in subsection (d)(3))—

(A) a copy of the statements filed under paragraph (d) shall be made available by such organization during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such statements shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately. If such request is made in writing, shall be provided within 30 days.

(2) 3-YEAR LIMITATION ON INSPECTION OF STATEMENTS.—Paragraph (1) shall apply to a filing period only during the 3-year period beginning on the last day prescribed for filing such statement (determined with regard to any extension of time for filing).

(3) LIMITATION ON PROVIDING COPIES.—A rule similar to the rule of section 6040(k)(4) shall apply for purposes of this subparagraph.

(4) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Mr. DOGGETT. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, yesterday the Senate said that stealth political committees have to disclose their donors and expenditures. These tax exempt 527s and other like groups could be the Communist Chinese, a labor union, the Mafia.

Both Republicans and Democrats say they want full disclosure. Last year, the majority whip said in support of the Doolittle full disclosure bill, quote: What reform can restore accountability more than an open book? Let letters from the gentleman from California (Mr. DOOLITTLE) shout, "Full Disclosure," "Scrap the Failed Rules" and "Full Disclosure." Another Dear Colleague screams, "Hypocrisy."

Vote for the motion to commit. Let us move this process along.

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Mr. DOGGETT. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa.

Mr. GANSKE. Mr. Speaker, yesterday the Senate said that stealth political committees have to disclose their donors and expenditures. These tax exempt 527s and other like groups could be the Communist Chinese, a labor union, the Mafia.

Both Republicans and Democrats say they want full disclosure. Last year, the majority whip said in support of the Doolittle full disclosure bill, quote: What reform can restore accountability more than an open book? Let letters from the gentleman from California (Mr. DOOLITTLE) shout, "Full Disclosure," "Scrap the Failed Rules" and "Full Disclosure." Another Dear Colleague screams, "Hypocrisy."

Vote for the motion to commit. Let us move this process along.
Mr. DOGGETT. Mr. Speaker, I yield myself 1 minute and 30 seconds.

Mr. Speaker, last night, across this Capitol, 34 Republicans stood up to their leadership and took a firm stance against the corruption of our American political system. This motion once again seeks to achieve what now they have really already accomplished.

Mandatory full disclosure by every secret political organization is the one modest reform that we can put in place in time for this year’s election. Like yesterday’s successful McCain-Fink gold amendment, this gift tax motion presents each of us with a moment of truth, a choice for more secrecy or more democracy.

Six Republicans joined 202 sponsors of this measure to choose openness and reform on my previous motion to recommit in May. We need only a few more to make reform a reality.

This motion, effective immediately, will not delay by 5 minutes the estate tax repeal. This motion specifically applies to all organizations engaging in political activity. It does not exclude, contrary to what my colleagues have been told, or offer any special treatment, for labor unions or trial lawyers or any other group allied with Democrats. This motion seeks no organization’s constitutionally protected membership list.

Mr. Speaker, this motion parallels language that I offered and had rejected in the Committee on Ways and Means almost 3 months ago. The last-minute offer this morning of a vote by July 4 on a new bill, not yet filed, is just another way of running out the clock on reform, which each day more dirty money is collected.

Mr. Speaker, I urge my colleagues, please, do not be hammered into submission. Do not be hampered into submission to cast an indefensible vote against disclosure. Join us to stop the collection of money so dirty that your leadership is ashamed to identify the donors.

Mr. DOGGETT. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. HOUGHTON) to wind up.

Mr. HOUGHTON. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from New York (Mr. HOUGHTON) is recognized for 5 minutes.

Mr. HOUGHTON. Mr. Speaker, I know there is a lot of emotion on this. But I would like to speak on the other side of this issue. On May 25 of this last year, just before we left for the Memorial Day break, the gentleman from Texas (Mr. DOGGETT) offered a 527 amendment to the telephone tax repeal. I understand what he was getting at. We are all trying to accomplish the same thing. But it was a curious proposal. It would repeal the telephone tax for everyone except for political organizations that do not comply with the new disclosure requirements.

So the end result would be, at the end of the day, if section 527 organizations were willing to pay a 3 percent phone tax, they could avoid disclosure. I do not think that was in the spirit of what we were trying to do.

Today the gentleman from Texas (Mr. DOGGETT) is proposing still something else. He wants to repackage the estate and gift tax, we keep it on the books for section 527 organizations.

These proposals bother me. They only attack the problem. Also, before we left for Memorial Day, I indicated that I was working with a group of people to try to get together a hearing, and we have been in session only 3 days since that time. We are going to have the hearing. It is going to be set for the 20th of this month.

An article in yesterday’s Wall Street Journal noted that, under the proposal offered by the gentleman from Texas (Mr. DOGGETT), that many tax exempt organizations would be shielded from full and fair disclosure on all the organizations that are contributing. Why is it fair to the American people, therefore, to require some tax exempt to disclose political activities and not all? Why is it right for one party or another to benefit from bringing some groups into the sunshine while allowing others to operate under the cloak of secrecy.

We are taking a look at lobbying and campaign intervention by all of these groups, regardless of their agenda, not just the 527 groups. What we would like is disclosure by these groups, but we have to be careful because we do not want to regulate constitutional rights to death so that the rights become meaningless. Yesterday I announced we were going to have a hearing in Committee on Ways and Means on the 20th of this month. There are some that say that we do not need a hearing and just do it. But by doing it, we can do it the wrong way.

If the majority were to bring this to the floor without a hearing, I think this would be wrong. My colleague and I serve on the key committee of the House. The committee has a strong tradition of trying to do things the right way. We try not to enact legislation piecemeal, imposing disclosure requirements on some tax exempt organizations but shielding others for not disclosing them.

Senator MCCAIN said yesterday that he was interested in broadening this. It was a first step. He wanted to broaden this. This is, of course, what we are trying to do.

Now, in a political year, there are all sorts of pressures from the press and from parties and things like that. But I would like to think that most of us want to reject this.

I am a very strong advocate of campaign finance reform. I signed a discharge petition on this House floor. I voted for the Shays-Meehan bill. But I do think that there is another way of doing this and doing it right.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ARMERY), the majority leader of the House.

Mr. ARMERY. Mr. Speaker, I want to thank the gentleman from New York for yielding me this time.

Mr. Speaker, what we are discussing here is an important issue. It is recognized as such by the American people. It is an issue that requires a much more dignified response by this Congress than what it is getting on this floor today. This is not about political vendettas or partisan politics. It is about the key principle of full and fair disclosure for, as the gentleman from Texas (Mr. STENHOLM) said so eloquently, all institutions that engage in political advocacy. There are many people on this side of the aisle that have taken that position for a long time.

Within the next week, we will have hearings on a measure that will require full and fair disclosure for all institutions that engage in political advocacy. There will be a vote on this floor on a bill prior to the July 4th district work period where we will require full and fair disclosure for all institutions that engage in political advocacy without political exemption and without political vendetta.

The SPEAKER pro tempore. All time has expired.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the vote was taken by electronic device, and there were—ayes 202, noes 216, not voting 17, as follows:

RECORDED VOTE

Mr. DOGGETT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The Chair will advise Members that a vote on passage, if ordered, will be reduced to a 5-minute vote.

The vote was taken by electronic device, and there were—aes 202, noes 216, not voting 17, as follows:
CONGRESSIONAL RECORD — HOUSE

A319

Mr. ARCHER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 279, noes 136, not voting 20, as follows:

[Roll No. 254]

AYES—279

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CONGRESSIONAL RECORD — HOUSE
June 9, 2000

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Millender-
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Miller, George
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NOT VOTING—20

Blumenauer
Boehner
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Conyers
Cunningham
Danner
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PERSONAL EXPLANATION
Mr. McDermott. Mr. Speaker, I was absent and unable to vote today because I was in Seattle attending my daughter's graduation. I would have voted "aye." Mr. Packard. Mr. Speaker, I was meeting with the clerk and staff of my subcommittee in preparation for our markup on my appropriations subcommittee and unavoidably missed the last vote apparently. I feel badly having missed such a crucial vote. Had I been present, I would have voted "yes" on final passage.

LEGISLATIVE PROGRAM
Mr. Hoey. Mr. Speaker, I yield to the distinguished gentleman from Texas, the majority leader, to inquire about next week's schedule.

Mr. Armey. I thank the gentleman from Maryland for yielding.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week. The House will next meet on Monday, June 12, at 10 a.m., for morning hour and 2 p.m., for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices later today. On Monday, no recorded votes are expected before 6 p.m. We will also continue consideration of H.R. 4577, the Department of Labor, Health and Human Services, and Education Appropriations Act for fiscal year 2001 after the suspension votes on Monday evening.

On Tuesday, June 13, and the balance of the week, the House will consider the following measures:

- S. 761, the Millennium Digital Commerce Act conference report;
- H.R. 4601, the Debt Reduction and Reconciliation Act of 2000;
- H.R. 4578, the Department of Interior and Related Agencies Appropriations Act for fiscal year 2001;
- H.R. 4461, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act for fiscal year 2001;
- H.R. 4516, the Legislative Branch Appropriations Act for fiscal year 2001;
- VA-HUD appropriations for fiscal year 2001.

I would like to wish all my colleagues a good weekend back in their districts. I should mention to my colleagues there will be no votes on the floor next Friday, but we should all be prepared to work late all evenings next week because we intend to complete five appropriations bills next week.

Mr. Obe. Mr. Speaker, will the gentleman yield?

Mr. Hoey. I yield to the gentleman from Wisconsin, the ranking member of the Committee on Appropriations.

Mr. Obe. I thank the gentleman for yielding.

Mr. Speaker, as the gentleman from Texas knows, last night we worked out a unanimous consent request on the major amendments that still divide the two parties. It was our expectation that having done that, we could finish that bill within a reasonable length of time, because outside of those amendments, I think most of the remaining amendments that are to be offered are on your side of the aisle with probably one or two exceptions on this side at most. When we made that agreement, I had indicated that it was with the understanding that that bill would not be considered either while Members were in the air trying to get back or in the dead of night.

Our reason for feeling that way is that this is the major domestic appropriations bill which divides us. Under the rule that the bill is being considered under, we cannot get votes on the major issues, but at least we wanted to be able to have a structured, coherent debate on the issue. I would urge the gentleman to simply look at moving some other appropriation bill or any other vehicle in for Monday evening. I have no preference as to which one it is. But we would not be able to finish the Labor-HHS bill Monday in any case starting that late. For example, if we were to proceed to it on Tuesday after the markup of the bill in full committee, I am confident we could finish consideration of the bill that day. But with 160 possible amendments pending if we do not have an agreement, I would hate to see us unravel an agreement which I thought we had with the accompanying understanding last night.

Mr. Armey. I appreciate the gentleman from Wisconsin's observations. Whenever floor managers on legislation work out a unanimous consent agreement to manage their bill, we try very, very best to work with them and honor that. We went through determining the attendance levels that we have when we take the earlier votes on Monday evening regarding the suspension votes. We will be able to get a measure of that. We will also be paying attention to the things mentioned by the gentleman from Wisconsin. We will certainly give consideration to anything we can to accommodate those overall concerns.

Mr. Obe. All I would say is that we are trying to accommodate the leadership without any extraneous delays of any kind. All we are asking in return is that we have an opportunity to make our case in one solid block of time. That obviously will not be possible Monday night. It would be possible on any other day of the week. I am confident that if we can reach an understanding, it would speed up rather than significantly delay the consideration of that and other appropriation bills.

Mr. Armey. I can only say to the gentleman from Wisconsin at this time given that we will be working late Monday evening beyond the votes on the suspension bills, I can see no alternative to working on the health and human services bill. I will tell the gentleman from Wisconsin, I have heard his concerns and I will look for what alternative we might be able to work out, but at this time I do not see that.

Mr. Obe. All I would say is that if we cannot work it out, we are not going to make very much progress on that bill on Monday.

Mr. Armey. I appreciate the gentleman's point.

COMMEMORATING HOUSE PAGES ON THEIR GRADUATION
(Mr. Kolbe asked and was given permission to address the House for 1 minute.)

Mr. Kolbe. Mr. Speaker, it is my privilege today to speak about our pages. It is the last day of their service to us. I am going to yield to the chairman of the page board first, but as she speaks, I wonder if all the pages would like to come down here and see that their names and the names of others and everybody can see you here. I would like for all the pages to come down here to the well.

I yield to the gentlewoman from New York (Mrs. Kelly).

Mrs. Kelly. Mr. Speaker, I thank the gentleman for yielding. Today is a special day for our pages. It is graduation day. It is a time to reflect on their
past year of service to this body, on the school, on building relationships, on dorm life, and the range of experiences and emotions they have felt in their time in Washington. For many of you, this was a challenging experience. But I hope it was a special time for you as well. You need to have been given the opportunity to witness history’s greatest experiment in democracy firsthand. During your time here, you have not heard this as much as you should have, but thank you. Thank you very much.

We thank you. I thank you from all of the Members and the staff of this House. We have seen something special in you. We have gotten to know each of you, I assure you, you are our future leaders. We thank you. We thank you for what you have done, and we just ask you to go on and live the rest of your lives as best you can.

You have seen what people can do. You have seen the very best and sometimes you have seen the toughest side of life here, but if you put your mind to it, you can do anything in this country. This country is an open door. It is an open book, all you have to do is write this country. We thank you for being part of it. God bless you all.

Mr. KOLBE. I thank the Speaker for his kind remarks.

It is my privilege to yield to a very distinguished gentleman, the gentleman from Maryland (Mr. HOYER), my colleague, my ranking member of the subcommittee that I chair.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Arizona (Mr. KOLBE) for yielding.

It has been an extraordinary experience for all of you young people. Some of the best young people in America are chosen to come here to see firsthand American democracy in action. You have heard Members from time to time talk about this as the people’s House, and that is what it is. A group of extraordinary human beings got together in 1787 in Philadelphia in what Catherine Drinker Bowan in a book the Miracle at Philadelphia called appropriately a miracle and created a government, a way that people could resolve their differences and set policies for their future.

It perhaps does not seem quite extraordinary from the vantage point of the 21st century as it was in the 18th century, such a construct was unknown in the world. Now, in the world, there is a shining example for every Nation in the world, and it is the United States of America. It is that Constitution that was written in 1787.

It is an extraordinary document, and this House was created to try to represent the people, directly to represent their passions, their fears, their hopes and their vision, and it does so. And as all of you live in communities and you see sometimes the people have greater aspirations and sometimes they have feelings that are not so great, that are small, and, perhaps, not worthy of themselves or their community, and you see that reflected here as well sometimes.

But over the decades and, yes, the centuries that this House has been the repository of the hopes and visions of the American people, it has been the most act well and, as a result, is the example throughout the world of what a democratic institution ought to be.

Now, the body across the way, in which you have not served, the United States Senate, was created, as you know, as a representative of the States, of those 13 Independent Nations that got together and formed a Nation, and, in effect, it gave up some of their sovereignty but made a deal in the process to make sure that the States were represented in the United States Senate.

In the last century, of course, we amended the Constitution, they are directly elected, not by the State legislatures, it is this House elected every 2 years that was designed to reflect the will of the American people. And you, the gentleman from New York (Mrs. KELLY) said a little earlier, had given an extraordinary privilege.

Think of all the millions of young people your age in America today and think of how few of you got the opportunity to visit here, be here and work here every day that we were in session. And you got to learn firsthand how well this extraordinary experiment in democracy, in people working together to resolve problems and set policies can and does work. Because you had been given a significant privilege, you were given a very special opportunity, and that responsibility is to go home and talk to your friends, your fellow students, people who you will work with, your parents, your sisters, your brothers, your aunts, your uncles and other relatives, and tell them about their democracy. And, hopefully, you will go from here excited about what you have learned and excited about this process and urge people to participate in their democracy, by voting certainly, but by participating as well on behalf of your party or candidate or policy of their choice, because that is what makes this an extraordinary body.
It reflects the sentiments of citizens, but it can reflect the sentiment of citizens only to the extent that they participate and articulate those sentiments and let the gentleman from Arizona (Mr. KOLBE), the gentleman from Florida (Mr. WELTON), the gentleman from Virginia (Mr. DAVIS) and myself and the gentleman from Pennsylvania (Mr. KANJORSKI) know those sentiments and the gentlewoman from California (Ms. LEE). And because you have firsthand knowledge that millions and millions will not have, you have had a special privilege, but also, as I said, a particular responsibility.

I would be remiss if I did not say to James Kelly from my district, who, in a few short years, will either vote to hire me again or fire me again, how pleased I have been to have him here. And I know every Member feels as keenly about each of you whom they had the privilege of representing as I do about Mr. Kelly.

This is a graduation of sorts. I see some tears, and there will be more, but those ought to be tears not just of sadness. You will have made friends that you will keep for all of your lives and information that you will never lose. Use it well.

Thank you for your service, not only to us, not only to this institution, but to your country as well. Congratulations. And Godspeed. Thank you.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Maryland (Mr. HOYER) for his extraordinarily eloquent remarks.

It is my privilege now to yield to an individual who can speak firsthand about the page program, in fact, I think he served certainly longer than I did here, he was here 4 years as a page. I only was here 3, the gentleman from Pennsylvania (Mr. KANJORSKI) was here for 2. Okay. So the gentleman from Virginia (Mr. DAVIS) holds the record. And we appreciate the gentleman coming today and speaking to the pages. I yield to the gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, it is a privilege to address this first page school class of the millennium here today. And although I served 4 years, it was in the other body, so it seemed like about 10 years. And this is a much faster and brisker pace over in this body, though I think that is what has inspired you to come here and give what you had back home and get up early in the morning and go to the school all day and then work the rest of the day and study at night. I am just most appreciative for what you all have done here over the last session. The best of luck to you as you pursue your dreams in this very most exciting time in history and thank you very much for what you have become better citizens and you have a better understanding of government. And, most importantly, even if you do not pursue any role in politics, you can pursue helping others, that is what this is all about, that is why we serve here, to try to help our country and to help other people.

And I hope you will take that with you, that is what inspires us to get up every morning and go through those long hours. And I think that is what has inspired you to come here and give up what you had back home and get up early in the morning and go to the school all day and then work the rest of the day and study at night.

I am just most appreciative for what you all have done here over the last session. The best of luck to you as you pursue your dreams in this very most exciting time in history and thank you very much for what you have become better citizens and you have a better understanding of government. And, most importantly, even if you do not pursue any role in politics, you can pursue helping others, that is what this is all about, that is why we serve here, to try to help our country and to help other people.

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I was thinking back how fortunate I was in 1953 and 1954. I got to meet almost every President of the United States who subsequently became President when they were either a Member of this House or a Member of the Senate. So you have had that same enjoyment. You have probably met and have served with a lot of future cabinet officers, governors, all kinds of individuals. You, if you are interested in public service, can be like Bill Clinton, the President of the United States. You are about the same age as he was when he was with President Kennedy when he was your age in Washington. He looked around, he looked at his classmates, and he decided that he too would like to be President of the United States. He tells an interesting story, because 30 years later from that day, almost within 3 or 4 days, he took the oath of office as President of the United States. Every one of you have that opportunity. But most of all, every one of you have the opportunity to serve, to distinguish yourselves and honor your classmates, and the institution of being a page.

I cannot think of all the great pages, but the gentleman from Virginia (Mr. Davids) mentioned Bill Gates. Who do I think is the wealthiest? I am sure, of the former pages. But people like Daniel Webster, people like Senator Arthur Vandenberg, one of the original charter writers of the United Nations charter, and on and on we could go. It is quite a tradition. Now that you are part of it, you have an obligation to use it wisely, treasure it, and not to embarrass it. We are honored to have served with you, and I am sure I speak for all 435 Members of the House. You have done a great job. Go on now and do an even greater job in life.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for his wonderful remarks. I am sure I speak for all of the pages when I say that one of the favorite Memories of the gentleman from Flor- ida (Mr. FOLEY), who never fails to stop by the page desk and inquire about the pages and spend a little time talking to them. It is my privilege to yield to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I thank the gentleman. First let me pay back the compliment you have just given me and ask the pages to salute him for his dedication to the page program.

Mr. KOLBE. Mr. Speaker, I thank the gentleman. Mr. FOLEY. Mr. Speaker, I wish I was in Bill Gates's class. I would be planning my estate taxes and issues like that, because obviously, he has done very well. It is not just about wealth; it is about this country. I hope I can get through this, because this is a sad day. We watched the kids come here, excited, exuberant, happy about serving their country; and we see them leave as mature young people who are ready to carry out life's dreams.

I saw several Andrews and several Adams and multiple Christophers, several Lindseys. Some came with dyed hair, Christopher; some have used the Nation's supply of gel: Spike, as I call him. Some of you have changed outfits and changed looks, but the thing that I think unites us all is that you are outstanding young people. Oftentimes, you read the newspaper and you hear news and you hear about the bad kids in life. Happily for America, that is only about one-half of 1 percent. Regrettably, we do not read about the good kids, the kids that are here sacrificing being away from their friends and famil- ily back home, the time that they could spend in high school, the favorite years of your life in your hometown, in your home community, with your boy- friends and girlfriends and families.

But instead you chose to venture to our Nation's Capital, the seat of gov- ernment, the center of the world. You have served, and I know at times you have been frustrated. I have seen some tears, and 20:00:30 from now while some of us continue to talk to the cameras above, talking to our resi- dents back home on C-SPAN, and you say, are they ever going to stop? Will they cut special orders sometime soon? And yet you get up the next day full of exuberance.

As I am running in the morning, in fact, I run on Thursdays with K AY BAI- ley HUTCHISON, I said, Kay, you better watch your job, because Parker Payne may be running for Senator some day in this class. He is already threatening, so I think you and I should keep run- ning and keep working to make sure that you are the Senator from Texas. But you will have elected officials in this class. You will have entrepreneurs; you will have doctors and lawyers and scientists. But the one thing that is sure, as was mentioned, you will have lifelong friends. You will have bonded together today that you will take back to your fami- lies and back to your parents, many of whom I have met; and I know that they are proud today and that they have helped raise you. And I think you have to recognize how proud you are of them. You think of your friends, your page school reunion for my class.

One, of course, is one of the most be- loved former pages, Donn Anderson, who served this House as the Clerk of the House for many years and has been the staunchest supporter of the page program. Also in that same class was Mr. Ron Lasch who serves as a floor as- sistant for the Republican majority here and has been a stalwart person for a number of years on behalf of our party in the House of Representatives. Both of them believe so strongly in this institution, and I hope that is part of what you will take with you.

There is no doubt, as I had that re- union, while I know what you are thinking; you are thinking, certainly I could never look that old some day, but maybe some of you do. Although most of you will probably be a much better shape 40 years from now. But what I remember, what I think was evid- ent at that reunion for all of us is this was a very life-changing experience. Several people have talked about the friendships that you will make and that you will have for a lifetime, and you will. It is incredible how bonded our class has become over the years. For all of us, this was very much a life- changing experience. It has brought us closer to each other through the trials and tribulations; and yes, I am sad to say we have lost 4 members of our class now. But it has brought us closer to- gether. And as we watched our families grow, we have shared those experiences with each other. That is very much the human part of what this program is all about.

I am often asked as a member of the page board, why do we need a page pro- gram? Why do we not just hire mes- sengers? It would be so much easier to do that than to maintain a staff and a place for the pages to live and a school and all of that. There is no question there are easier ways to handle the in- valuable services that you provide for us. But I do not think there are very many Members of this House of Repre- sentatives that have ever wanted to give up this program, because we all understand that it is an opportunity every year to give a handful, a small handful, but a wonderful handful of young people an opportunity to under- stand their government in a way that their friends and classmates and others across this country will never, ever be able to have.

But I have the pleasure, I have the pleasure of sharing that experience with them. That is really the message that I want to leave with you today as you go forward from this experience. You go forward as ambassadors, really,

God bless you, kids. You are great, you are fabulous, and I love you. Thank you.

Mr. KOLBE. Mr. Speaker, I thank the gentleman for his very kind remarks. If I might, just in conclusion, make a few observations.

About 3 weeks ago, we held a reunion here in Washington, it was the 40th page school reunion for my class. Among those in that class are two that are known to most of these pages here. One, of course, is one of the most be- loved former pages, Donn Anderson, who served this House as the Clerk of the House for many years and has been the staunchest supporter of the page program. Also in that same class was Mr. Ron Lasch who serves as a floor as-
for our government, for the institutions of democracy that make this country such a great place. Your responsibility, having completed this year as pages, is not to be elected to office, though there will be some of you that will be elected. I will guarantee somebody in this class that will be serving some day in the House of Representatives or the United States Senate, and others of you will serve in State legislatures and city councils and school boards, other kinds of equally important tasks in life. Your job is not to be elected and your job is not to make as much money as Bill Gates; very few of us could ever hope to accomplish that. But your job is to serve, to serve your community, your country, your family in the best way possible. You have been given a great opportunity, and I know that each and every one of you will make the very most of this opportunity.

So I hope that you will go out from here and help others understand what our government is about, and how wonderful it is, because these institutions of democracy, for all of their failings, is still the very best that we have been able to devise. You have done us a great service during this last year. Sometimes we do not even realize how the work of the House of Representatives depends on what you are doing every day, and it becomes a part of us, and yet you are so important to the operation of this House. So we will miss you. On Monday there will be a new batch of pages in here, and we will all be busy trying to orient them and get to know them. But we will miss you, and we hope that you will stay in touch with us and with others that you have gotten to know back here; and we look forward to the great service that you will be providing for your country in whatever capacity that might be, and there will be very many different kinds of things.

At this point, Mr. Speaker, I will enter into the Record a list of all the pages.

Max Abbott
Dominic Adams
Sarah Baca
Thomas Bazan
Christopher Bower
Geoffrey Brown
Diane Bruner
Michael Buck
Eric Cercone
Adam Cheatham
Christopher Clark
David Cook
Andrew D’Anna
Ashley Daugherty
Ashley Foster
Katherine Fortune
Kara Frank
Amy Gaddis
Adam Gelman
Dana Hall
Kristopher Hart
Laura Heaton
Androni Henry
Rebecca Hoffman
William Hooper
Jay Kanterman
James Kelley
Stevens Kelly
Susanna Khalil
Jule Kolbe
Julia Koplewski
David Kroontje and
Adam Kwassman
Ray LaHoud
Andrew Lerch
Yun Hsin (Amy) Leung
Brad Lyman
Alison Lowery
Renee Mack
Megan Marshburn
Jeffrey Mannion
Marcella Martinez
Lindsay Moon
Clinton Morris
Nancy Nicolas
Casey Osterkamp
Parker Payne
Ashley Percy
Christopher Perr
Jessica Porras
Tessa Powell
Lindsey Ransdell
Jennifer Reed
Moriah Reed
A.J. Rosenfeld
Chase Rowan
Danielle Ruse
David Schweinfurth
Samuel Sinkin
Megan Smith
Nouvelle Stubbs
Erin Sweeney
Christine Tancinco
Anika Tall
Margaret Theobald
Lindsay Thomson
Amber Walker
Lauren Weeth
Julie Wise and
Jessica Wood.

Mr. KOLBE. Mr. Speaker, I would, in conclusion, also just like to mention my own page, as others have done. If you were to send the service, we thank you for that, and we wish you Godspeed. Thank you.

1415

June 9, 2000

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. The Chair announces the Speaker’s reappointment of the following member on the part of the House to the First Flight Centennial Federal Advisory Board:

Ms. Mary Mathews of Ohio.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the following Members will be recognized for 5 minutes each.

PRESCRIPTION DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Michigan (Ms. STABENOW) is recognized for 5 minutes.

Ms. STABENOW. Mr. Speaker, on April 12, I led an hour of debate on the topic of prescription drug coverage for senior citizens. I read three letters from around the state from seniors who shared their personal stories. On the 12th, I made a commitment to continue to read a different letter every week until the House enacts reform. This week I will read a letter from Julia Kanopsky of Livonia Michigan.

In conjunction with Mother’s Day, the Older Women’s League (OWL) published a report entitled, “Prescription for Change: Why women need a Medicare Drug Benefit.” The report describes the special problems older women face in obtaining prescriptions.

More than one in three women on Medicare lack prescription drug coverage. In 1997, 2.6 million women on Medicare spent more than $1200 a year on their medications and another 2.4 million women spent between $612 and $1200 a year on pharmaceuticals therapies.

The high costs of prescription drugs are especially hard on older women, most of whom live on fixed incomes. More than half of women age 65 and over have personal annual incomes of less than $10,000 a year and three out of four have incomes under $15,000.

On average, women’s overall out-of-pocket spending for prescription drugs is higher than...
their male counterparts. In 1999, women on Medicare were projected to spend $430 a year on medications, compared to $380 for men.

Women are expected to make up a greater share (58 percent) of beneficiaries with high ($500–$999) or very high ($1,000) annual out-of-pocket drug costs by 2009.

Women are up more than six in ten (61.4 percent) Medicare beneficiaries with hypertension have higher overall out-of-pocket spending for prescription drugs ($800) than men do ($694).

OWL shares the disturbing fact that Medicare beneficiaries without drug coverage are less likely to receive drug therapies compared to those with coverage. In 1996, women without coverage used 24 percent fewer prescriptions than did women with coverage.

I agree with the conclusions in the OWL report that these numbers cry out for the inclusion of a prescription drug benefit in Medicare.

I will now read the letter from Julia Kanopsky:

I was so thrilled to find your address I was allowed to express myself on [the] high price of prescription drugs. I am one of the inactive ones who do not have any . . . health care. . . . [I have] a pension and [when I pay] for my three prescriptions for heart and blood pressure medication, [I] pay, partly, for pain, partly for Blue Cross, half of my check is used up and every time you get a refill on prescription drugs, the price differs. Blue Cross [also] goes up. I [have] talked to so many seniors like myself and it has us worried to death. I just wish the government would take an interest in different problems like this, to curb like prescription drugs . . . .

It goes on to say that, “Wyden Lands Plan, but the move infuriated many of his Democratic colleagues. Several Democrat sources say Wyden has now dashed any hope of landing one of the three coveted seats opening at the end of the year on the powerful Finance Committee, which has jurisdiction over entitlement and tax policy.”

On June 9, 2000

CONGRESSIONAL RECORD—HOUSE

HOUSE BIPARTISAN VOTE ON THE ESTATE TAX IS A VICTORY FOR TAXPAYERS

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

Mr. FOLEY. Mr. Speaker, as a member of the Committee on Ways and Means, I want to celebrate today’s victory on behalf of the taxpayers. That is the outstanding vote produced by this bipartisan Congress, 279 to 136. Sixty-five Democrats joined the Republican majority in signaling to America and to taxpayers everywhere that we think it is punitive when a person dies after working all their life to increase wealth, to increase opportunities for their family, that the government now becomes their partner; the government becomes if anything, the primary recipient of all that person’s hard work.

Growing up in this country, my parents told me, work hard, strive for the greatest heights, and you will be richly rewarded for your efforts. America, home of entrepreneurs and opportunity everywhere, signals to people, come one, come all, from around the world to this great Nation. We are in fact a home of opportunity.

Many people agreed with us today, and thankfully many people, everyone from the gentleman from Hawaii (Mr. ABERCROMBIE) to the gentleman from Maryland (Mr. WYNN), joined. The list is endless of every State who joined in recognizing the egregious nature of the estate tax or death tax, as we call it.

The calls on the House floor, today, though, would indicate otherwise. In fact, the minority portrayed this as simply a Republican bill rammed through this process with no debate and no consideration. Death taxes have been on the books since 1913, so do I think we got to this point in time quickly. In fact, we have been waiting for this a long time.

I think the voters of the minority Democrat party in fact enjoyed the bill today and supported the bill today, and in fairness are just within the threshold of a veto-proof number in this Chamber.

While we are on the subject of bipartisanship, I think it is important to mention that not only compliment those, and the numbers and names can be found probably in many newspapers around the country, the 65 brave hearts that stood up and recognized the estate tax is patently unfair. But let us talk about the tactics today.

I think the voters of the minority Democrat party in fact did vote for this in fact as it relates to getting bills passed on behalf of the citizens of the country.

The front page of the Roll Call newspaper on the Hill said, “Wyden Lands Plan, but the move infuriated many of his Democratic colleagues. Several Democrat sources say Wyden has now dashed any hope of landing one of the three coveted seats opening at the end of the year on the powerful Finance Committee, which has jurisdiction over entitlement and tax policy.”

That is an important day when we have had dialogue about a lack of bipartisanship, we read that headline, that one of their own reached out to the gentleman from California (Mr. THOMAS), the chairman of the Subcommittee on Committee on Ways and Means, to try and craft a proposal that would actually pass, that would actually ensure prescription drug coverage for our seniors, prescription drug coverage that is vitally necessary for our seniors throughout America.

A brave soul, a Democratic Senator, decided it was more important to start to reach out to help our constituents, rather than score political points.

It goes on to talk about how he gave Republicans ground to stand on, and what have you. Let me just suggest, Mr. Speaker, the problems we are facing in this country are great. The problems we are facing in healthcare policy are important. I applaud Senator WYDEN, and I know I am probably stretching by referring to people by name, but I want to thank him for at least reaching out to try and find some common ground.

We have a lot of issues. The Patients’ Bill of Rights, I will alert many of my colleagues as a Republican, I am a proud supporter and supporter of that bill. That does not bring my party any great happiness, because they don’t like when some of us are off the reservation, but nevertheless, I support it.

Campaign finance reform is another issue I take a great deal of pride in supporting. I know there are a number of issues we can resolve on this floor, in this Chamber, relative to the needs of Americans. But I do think it is good that this is a time when bipartisanship is finally starting to reach through the cacaphony, right now, again, 65 Democratic yea votes on the bill today to eliminate death taxes, and that now maybe we can move on to other important aspects of public policy.

Let us go ahead and try to bring the Patients’ Bill of Rights to fruition. Let us try and bring prescription drug coverage to fruition. Let us meet on the educational needs of our children around America, rather than just talk about it for campaign purposes. Let us make certain that every American is benefited by the debate and the dialogue here on the floor, that ultimately it is not about who runs this place.

God forbid we have that kind of fight.

Let us not worry about who is in charge next year. Let us do something on behalf of the people. We have a chance. We can do it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members to refrain from personal references to individual Senators.

THE SIGNIFICANCE OF TODAY’S VOTE ON THE ESTATE TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I take just a moment to add my appreciation and congratulations to this first class of Pages of the millennium. Clearly, the eloquence of the words said by my colleagues cannot be matched in the short period of time that I have to simply say thank you, thank you, thank you.
Mr. Speaker, I appreciated hearing the words of my colleague, and enjoyed the fact that we have the opportunity to work on a number of issues together. I truly believe that when we debate an important issue that has gotten to be seen by the American people, it is important to come forward and tell the truth.

I campaigned and worked with constituents around my district on the issue of allowing them to retain the hard-earned dollars that they have worked for in their family farms and their small businesses. My district is an urban district, so I do not have that many small farms, but I have those beneficiaries who have small farms of their relatives in rural areas of Texas.

So I likewise am concerned about those who would want to benefit from this Nation's recognizing their hard-earned dollars.

I think the debate today's debate did not fully tell the truth. Death is final, and the suggestion that what we voted on today, the repeal of death taxes, is final is really untrue. It is untrue because unlike the suggestion that we have done this in a bipartisan manner, we have not. This bill that was passed today is destined to be vetoed by the President of the United States.

Legislation only passes when this House passes it, when the Senate passes it, and when it goes to the President's desk.

Many of us wanted to join in bipartisan legislation, but it was not to be heard by the Republican majority. It seems that there was an effort to really play to the headlines the repeal of death taxes.

But really, under current law, there is a $1.3 million exclusion from the estate tax for interest in farms and closely-held businesses. Did they not tell us that the substitute that was offered, that I did vote for, that would be supported by the President of the United States and the Senate, gave a $4 million exclusion for family farms and closely-held businesses?

I wanted to be sure that this would pass both Houses and be signed by the President of the United States, so I did not just take my impressions to the floor of the House when I voted, I spoke to the Secretary of the Treasury, representing the administration, and the Deputy Secretary of the Treasury, representing the administration. They fully appreciate the back-end balloon of budgets that will have with this bill that was passed today.

Deputy Secretary Eisenstadt said the administration is committed to passing relief on death taxes for closely-held businesses, and, as well, family farms. The legislation that the President will sign, that will go into law, was the vote that I made today to support the legislation that would give a $4 million benefit to those closely-held businesses and family farms.

In fact, this substitute would provide a credit of $11 million right now, and in 2006 have a further increase of $1.2 million.

Interestingly enough, Mr. Speaker, the repeal that the Republicans are talking about has to be phased in, whereas the vote that I made today, the $1.1 million exclusion, is effective in 2001.

It is important to tell Americans the truth, and the fact that we take $28.5 billion in estate taxes now, over 5 years a repeal will result in $104 billion being taken out of the government's revenue source. That money will come just at the time that the baby boomers will be retaining their holdings on social security, and how will we make the choice of the amount of money that we lose from the estate taxes and not being able to pay social security?

Sometimes it sounds like a cycle that is being said over and over again, but the government does have its responsibilities. I am certainly someone who applauds the strength of the economy right now. I applaud that so many Americans have found their way to the Dow Jones and NASDAQ, but as we look at Wall Street, may I also suggest to those who are investing that we have watched the roller coaster go up and down and up and down.

That means that the government still has its responsibility to deal with social security.

Might I close, Mr. Speaker, to simply say that if anybody thinks that what we did was to help the bulk of the American people, this is the pie documented by the Joint Committee on Taxation from the Treasury, and that pie says that for non-taxable estates that will be impacted by this bill today, it is 98 percent that will not be impacted.

Only 2 percent of those businesses and family farms, if even that, will be impacted. The Democratic alternative responds to all of those who need relief.

In Texas, there would only be 1,900 businesses that would be impacted. Why not give a responsible relie? And the Democratic alternative will be turned into law; this only creates headlines today. I am not willing to vote for headlines. I want to vote for Americans.

Mr. Speaker, this is the General Accounting Office. This is the independent, nonpartisan office here in Washington that works for Congress. The head of the agency has got a 15-year term. So there is no partisanship in this. This report was requested by the Aggie Democrat, myself, and myself from Florida.

This is not a biased report coming from the Agriculture Department or the sugar growers, but the most authoritative source; and it shows that the sugar program costs $2 billion a year. The sugar program is bad for consumers, bad for the environment, and bad for jobs in this country.

Mr. Speaker, let me briefly explain what the program is first. The program that the Federal Government runs makes the price of sugar about three times world price. The price of sugar in Canada is about a third of the price it is in United States. The price of sugar in Mexico is about a third of the price in the United States. The Federal Government maintains the price at about three times what the world price is for sugar.

The way they do this is a complicated process of controlling imports and also a government loan program that means the Government will have to buy back sugar if the prices ever drop below this guaranteed price that the United States Government will offer.

In 1996, we had a chance to reform this program. Unfortunately, we did not reform it. And what has happened is that the price is so high that everyone is growing more sugar. In the past 3 years, sugar production has gone up 25 percent in this country. What is happening now is that the Federal Government is having to buy sugar. The Federal Government has not had to buy sugar for 15 years.

Last month, Secretary Glickman announced they were going to buy 150,000 tons of sugar that the Government has no use for. They cannot give it away in the world because nobody wants it. The corn people will not let them use it for ethanol; so we are going to store it, and that is just the beginning.

According to news reports, they are projecting $500 million worth of sugar that the Federal Government is going to buy and does not know what to do with. They cannot use it. They are going to store the stuff.

Now, that is just real crazy Federal Government policy, and it is going to get worse because people are growing more sugar because it is so profitable to grow. What is bad about that is it is costing consumers. Sugar is part of all kinds of items, whether it is candy or ice cream, whether it is bread or baked goods that are using cranberry juice. Any product one can think of, sugar is a small part of the cost of that product. So it is going to cost all consumers.
It is a very regressive type of program because low-income people pay so much more for their food products. It is bad for their environment. I come from Florida, and we have the beloved Florida Everglades. One of the problems with the Everglades is the agriculture runoff from the huge sugar plantations in Florida that help destroy the Everglades, Florida Bay and the Florida Keys. What the sugar program does, it provides incentives to grow more sugar which means we have more runoff and more damage to the Everglades.

One of the things that is crazy about the program is that we are going to spend $6 billion to save the Everglades. One of the methods of doing that is by buying a lot of land from the sugar growers to take it out of production. Mr. Speaker, we are paying an inflated price for the sugar land because we have a sugar program that makes its money from that land.

It is bad for jobs in this country. One company that we talk about is a candy company, Bob’s Candy, in Georgia, makes candy canes. For three generations they have been making candy canes. Well, when sugar is a third of the price, they cannot afford to compete with Canadian and Mexican candy canes, so we are just going to drive them out of business.

The cranberry growers up in Massachusetts are struggling because cranberries need sugar to sweeten them. The cranberry growers in Canada love it because they get to buy their sugar for a third of the price to sweeten their product, and they can underprice our cranberry growers.

When the Federal Government tries to manage prices, it is bad economics. We have a private enterprise system in this country that allows for competition. I am proposing a program that we allow basically a monopolistic type of situation, because the Government sets the prices, is in sugar. So it is hurting jobs, it is hurting the environment, and as this GAO report says, the independent nonpartisan General Accounting Office, this is the authoritative source, says it is almost $2 billion a year. That is up from 1993 when the estimate was only $1.4 billion.

So I hope we can start the process, and I have got legislation to do away with this sugar program. We will have an opportunity during the Agriculture Appropriations bill to address part of the problem and certainly next year when the authorization bill is up that hopefully we can get rid of this program and put the marketplace to work in this country and give benefits to the American consumer.

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

Mr. KANJORSKI. Mr. Speaker, I rise today to introduce the introduction of the Essential Hospital Preservation Act of 2000. It is a bill designed to use Medicare to assist economically distressed hospitals in regions where the combination of managed care, Medicare, and commercial payments changes have threatened to destroy the entire health care delivery infrastructure.

My proposal will give hospitals in regions of the country like northeastern and central Pennsylvania a minimum of a 5-year 10 percent increase in Medicare payments while they work through the development of long-range economic recovery programs.

These payment increases will constitute no new Medicare spending, and will not affect other existing providers. Mr. Speaker, over the last 9 months I have met with chief executive officers, financial officers of institutions within my district and outside of my district in Pennsylvania, with the General Accounting Office, with the Payment Advisory Commission Medicare, with HCFA, with staff members of the committees of jurisdiction in the House. And when we have analyzed the problems of the hospitals in my district, they are not unlike some of the problems in other districts of the country where similar phenomenon exist. That is where the hospitals rely on an overly elderly population in high concentration, and where the formula of Medicare as applied to those hospitals returns them an insufficient payment to meet their basic costs.

One hospital in my congressional district loses $1,500 for every Medicare patient they serve. As one of the board of directors’ members said, prudent business would mean that they should meet the patient at the door, hand him a check for $500 and send them on their way to another hospital in another area.

If Medicare fails to pay its way because of the Medicare formula, or because of the failure of this government to recognize that there are disproportionate numbers of hospitals in distressed economic areas and that contain very large proportions of Medicare patients, then we have to have a system in effect to make sure that we do not lose the health care infrastructure system while we restructure the Medicare program as we will over the next several years.

My bill effectively allows hospitals to gain an increase of Medicare payment on an emergency basis for 5 years, to some 10 percent. It requires the hospitals to organize the wherewithal and come up with an economic recovery program that the Secretary and HCFA will participate with so that the managed care system, the Medicare system, the emergency systems, the other high-cost systems could be put into play in a more efficient economic way, but we will not lose the efficiency of the structure itself.

Mr. Speaker, I urge all the Members of this Congress to join in reviewing this bill. Study the problems that are a crisis in many of the senior citizen areas of this country as a direct result of underpayment by Medicare, and to come together with us for the legislation from Pennsylvania (Mr. Sherwood) and Senator Arlen Specter, who are the three of us trying to work together to come up with a methodology to save our hospitals. This is a start. This is one of the potential alternatives we have.

Mr. Speaker, we do not have very much time. I urge my colleagues to address this issue and to understand that legislation must be passed this year. We must meet the challenge of all our decisions to try and help Medicare, to provide prescription drugs, or do anything we want to do will come to naught if we fail to provide the basic essential care under the Medicare program that was intended some 35 years ago today.

So I urge my colleagues to study and join us in supporting the Essential Hospital Preservation Act of 2000. Mr. Speaker, I am today introducing the Essential Hospital Preservation Act of 2000, a bill designed to use Medicare to assist economically distressed hospitals in a region where the combination of managed care, Medicare, and commercial payment changes have threatened to destroy the entire health care delivery infrastructure.

My proposal would give the hospitals in regions of the country like Northeastern and Central Pennsylvania a minimum of a five-year, 10 percent increase in Medicare payments, while they work through the development of a long-range economic recovery program. These payment increases will constitute new Medicare spending and they will not come out of payment reductions to other providers.

The extra payment will help the hospitals in a distressed region develop new, more economically viable services, right-size acute care beds and convert to needed nursing facility, rehabilitation, psychiatric, or long-term care hospital beds. It will also allow the hospitals in a region to cooperate in ensuring that the emergency network that now exists is improved. It permits hospitals to work together to ensure that high cost services are coordinated and shared so as to deliver quality care at less cost. Most of all, my bill helps finance these long-term conversion plans through additional payments above and beyond the 10 percent five-year increase.

Mr. Speaker, the hospitals in my region are in deep distress. Many of them are in economic difficulty. I believe other regions of Pennsylvania and the country are facing the same crisis. We simply cannot allow these hospitals to go out of existence. Simultaneously, we also know that the nature of hospitals and the need for acute care beds is changing dramatically. My bill would provide a

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path by which essential hospitals can survive to serve their communities now and in the years to come.

By enabling these economically distressed healthcare facilities with a short-term revenue enhancement and a long-term plan for success, hospitals like those in my district will receive aid for the next five years now and receive additional sums for successful completion of their economic recovery plan. For the last nine months, I have met with Chief Executive and Financial Officers of hospitals in my district, members of their Board of Directors, as well as representatives from the Health Care Financing Administration, the General Accounting Office, the Medicare Payment Advisory Commission, and staff of the committees of jurisdiction in the House. These conversations have helped me to develop the legislation that I am introducing today.

In the next few weeks, I look forward to working with Congressman DON SHERWOOD and Senator ARLEN SPECTER to look at various alternatives like this proposal to save our hospitals. Additionally, I hope that other Members, hospital associations, and individual hospitals will feel free to recommend additions and improvements in these definitions and in the type of relief that can be provided.

I also note that this type of proposal can be enacted this year. The need is critically urgent for all of our hospitals in Northeastern and Central Pennsylvania. The crisis is painfully real. We must act immediately for the sake of all of our constituents.

THE SAFE PIPELINES ACT OF 2000

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

Mr. METCALF. Mr. Chairman, tomorrow marks the first anniversary of the tragic pipeline explosion that claimed three lives of people in my district. It has been a difficult week for all of us as the attention has been once again focused on that terrible accident a year ago and we remember the sad day when hundreds of thousands of gallons of gasoline suddenly erupted in flames in a quiet part of Bellingham, Washington.

I have long held reservations about our system of pipeline safety regulations. Before I came to Congress, I worked to block construction of a pipeline in my home community. In 1996, I voted against a pipeline deregulation bill because I felt that it removed too many essential safeguards.

Since last year's accident, I have redoubled my efforts to improve the regulatory climate. Earlier this year, I introduced H.R. 3558, the Safe Pipelines Act of 2000. Under my legislation:

Number one, pipelines will be required to be inspected both internally and with hydrostatic tests. Pipelines with a history of leaks will be specifically targeted for more strenuous testing.

Number two, all pipeline operators will be tested for qualifications and certified by the Department of Transportation.

Number three, the results of pipeline tests and inspections will be made available to the public and a nationwide map of all pipeline locations will be placed on the Internet so ordinary citizens can easily access it.

Number four, all pipeline ruptures and spills of more than 40 gallons will be reported to the Federal Office of Pipeline Safety.

Number five, States will be able to set up their own pipeline safety programs for interstate pipelines, provided that the States have the resources and expertise necessary to carry out the programs and that State standards are at least as stringent as the Federal standards.

In addition, the bill requires studies on a variety of technologies that may improve safety such as external leak detection systems and double-walled pipelines.

It has been difficult to get the attention of many of my colleagues on this issue. The phrase "out of sight, out of mind" certainly applies when pipelines are involved. When a tragedy happens in a Member's own district, it is easy to ignore the many seemingly harmless pipelines which run underground.

Yesterday, the gentleman from Pennsylvania (Chairman SHUSTER) of the subcommittee on Transportation and Infrastructure agreed to hold a hearing on my legislation in the coming weeks. I thank him for his efforts, and I hope the hearing will help draw the attention of more Members as we continue to work to pass comprehensive pipeline safety legislation this year.

The tragedy in my district was not the first deadly pipeline accident, and it will not be the last unless we come together to bring meaningful improvements to our pipeline safety regulations.

SPECIAL ORDERS GRANTED

By unanimous consent, leave of absence was granted to:

Mr. KIND (at the request of Mr. GEPHARDT) for today on account of a family obligation.

Mr. MARKEY (at the request of Mr. GEPHARDT) for today on account of a family illness.

Mr. GILMAN (at the request of Mr. ARMEY) for today on account of attending a funeral.

Mr. LAZIO (at the request of Mr. ARMEY) for after 5:30 p.m. June 8 and today on account of a death in the family.

Mr. WATTS of Oklahoma (at the request of Mr. ARMEY) for today until 12:30 p.m. on account of giving commencement address at Ohio State University.

By unanimous consent, permission to address the House, following the legislative program, and any special orders heretofore entered was granted to:

(Two following Members at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:

Ms. STABENOW, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. ENGEL, for 5 minutes, today.

Mr. KANJORSKI, for 5 minutes, today.

(Three following Members at the request of Mr. MILLER of Florida) to revise and extend their remarks and include extraneous material:

Mr. FOLEY, for 5 minutes, today.

Mr. MILLER of Florida, for 5 minutes, today.

SPECIAL ORDERS GRANTED

By unanimous consent, leave of absence was granted to:

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. ARMEY, for 5 minutes, today.

Mr. MILLER of Florida, for 5 minutes, today.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program, and any special orders heretofore entered was granted to:

Mr. METCALF, for 5 minutes, today.

Mr. SPEICHER, for 5 minutes, today.

Mr. MILLER of Florida, for 5 minutes, today.

Mr. MILLER of Florida, for 5 minutes, today.

Mr. MILLER of Florida, for 5 minutes, today.

Mr. MILLER of Florida, for 5 minutes, today.
EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker’s table and referred as follows:

8062. A letter from the Acting General Counsel of Defense, transmitting a draft bill entitled, “Institute For Professional Military Education and Training”; to the Committee on Armed Services.

8063. A letter from the Under Secretary, Acquisition and Technology, Department of Defense, transmitting a report entitled, “An Assessment of the External Factors Influencing the Schedule and Cost Risks of the Chemical Demilitarization Program,” pursuant to Public Law 106–65 to the Committee on Armed Services.

8064. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department’s final rule—Section 8 Modern Rehabilitation Program: Executing or Terminating Leases on Moderate Rehabilitation Units When the Remaining Term of the Housing Assistance Payments (HAP) is Less Than One Year [Docket No. FR–4472–F–02] (RIN: 2577–A998) received May 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8065. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department’s final rule—Indirect Food Additives: Paper and Paperboard Components [Docket No. 00–F–0013] received pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8066. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department’s report on employment of United States citizens by certain international organizations, pursuant to 22 U.S.C. 276c–4 to the Committee on International Relations.

8067. A letter from the Director, Employment Service, Workforce Restructuring Office, Department of Labor, transmitting the Office’s final rule—Reduction in Force Notices (RIN: 3206–A199) received May 4, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.


8069. A letter from the Acting Director, U.S. Office of Surface Mining, Department of the Interior, transmitting the Department’s final rule—Indiana Regulatory Program [SPATS No. IN–149–FOR] received May 31, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.


8071. A letter from the Chair, United States Sentencing Commission, transmitting amendments to sentencing guidelines, policy statements, and official commentary; to the Committee on the Judiciary.

8072. A letter from the Director, National Science Foundation, transmitting the final rule—National Science Foundation Authorization Act of 2000; to the Committee on Science.

8073. A letter from the Administrator, Small Business Administration, transmitting a draft bill that contains provisions to implement the President’s FY 2001 Budget and to provide for a system of management with respect to programs of the U.S. Small Business Administration (SBA); to the Committee on Small Business.

8074. A letter from the Acting General Counsel, Department of Defense, transmitting the draft bill entitled, “Consolidation of Authorities Relating to Department of Defense Regional Centers For Security Studies”; jointly to the Committees on Armed Services and Government Reform.

8075. A letter from the Secretary of Health and Human Services, transmitting the draft bill, “Internet Prescription Drug Sale Act of 2000”; jointly to the Committees on Commerce and the Judiciary.

8076. A letter from the Acting General Counsel, Department of Defense, transmitting a legislative proposal relating to Department of Defense operations and management; jointly to the Committees on Armed Services, International Relations, Science, and Government Reform.


REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1775. A bill to catalyze restoration of estuary habitat through more efficient financing of projects and enhanced coordination of Federal, State, and local restoration programs, and for other purposes; with an amendment (Rept. 106–561, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 4201. A bill to amend the Communications Act of 1934 to clarify the service obligation of noncommercial educational broadcast stations; with an amendment (Rept. 106–662). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committees on Commerce and Education and the Workforce discharged. H.R. 1666 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. CALVERT:
H.R. 4620. A bill to provide for planning, design, construction, furnishing, and equipment of the National Ballet of the Arts in Riverside, California; to the Committee on Education and the Workforce.

By Mr. CASTLE (for himself, Mr. LEACH, Mr. BOEHLENT, Mrs. MORELLA, Mr. HORN, Mr. BILBRAY, Mr. Ganske, Mr. GILCREST, Mr. BASS, Mr. SHAYS, Mr. UPTON, Mr. FRANKS of New Jersey, Mrs. JOHNSON of Connecticut, and Mr. RAMSTAD): H.R. 4621. A bill to amend the Federal Election Campaign Act of 1971; to the Committee on Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the Committee concerned.

By Mr. KANJI ORSKI:
H.R. 4622. A bill to amend title 18 of the Social Security Act to provide for immediate relief for essential hospitals in a region, to assist in the long-range economic recovery of such hospitals, and for other purposes; to the Committee on Ways and Means.

By Mr. ADERHOFF (for himself, Mrs. CLAYTON, Mrs. CHRISTENSEN, and Mr. UNDERWOOD):
H.R. 4623. A bill to amend title XVIII of the Social Security Act to revise the calculation of base payment rates for the prospective payment system for home health services furnished under the Medicare program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the Committee concerned.

By Mr. DUNCAN (for himself, Mr. RANGEL, and Mr. McGovern):
H.R. 4624. A bill to provide targeted payment relief under the Medicare Program for hospitals that primarily serve Medicare and Medicaid patients and have been disproportionately impacted by the payment reductions under the Balanced Budget Act of 1997; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself, Mr. BORSKI, Mr. BRADY of Pennsylvania, Mr. COYNE, Mr. DOYLE, Mr. FATTAH, Mr. GEKKAS, Mr. GOODLING, Mr. GREENING, and Mr. HOWARD): H.R. 4625. A bill to provide, for planning, design, construction, furnishing, and equipment of the National Ballet of the Arts in Riverside, California; to the Committee on Education and the Workforce.

By Mr. CASTLE (for himself, Mr. LEACH, Mr. BOEHLENT, Mrs. MORELLA, Mr. HORN, Mr. BILBRAY, Mr. Ganske, Mr. GILCREST, Mr. BASS, Mr. SHAYS, Mr. UPTON, Mr. FRANKS of New Jersey, Mrs. JOHNSON of Connecticut, and Mr. RAMSTAD): H.R. 4621. A bill to amend the Federal Election Campaign Act of 1971; to the Committee on Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the Committee concerned.

By Mr. HOLT:
H.R. 4627. A bill to provide for a program to educate the public regarding the use of biotechnology in producing food for human consumption, to support additional scientific research regarding the potential economic and environmental risks and benefits of using biotechnology to produce food, and for other
purposes; to the Committee on Agriculture, and in addition to the Committee on Com-
merce, for a period to be subsequently deter-
ned by the Speaker, in each case for consider-
ation of such provisions as fall within the juris-
diction of the committee concerned.

By Mr. HOLT (for himself and Mr. REYES):
H.R. 4628. A bill to amend title XVIII of the So-
cial Security Act to provide for coverage under the Medicare Program of oral drugs to treat low blood calcium levels or elevated parathyroid hormone levels for patients with end stage renal disease; to the Committee on Ways and Means, and in addition to the Com-
mittee on Commerce, for a period to be sub-
sequently determined by the Speaker, in each case for consideration of such provi-
sions as fall within the jurisdiction of the committee concerned.

By Mr. HUTCHINSON:
H.R. 4629. A bill to amend title 23, United States Code, to authorize Federal highway funds for projects in high priority corridors, and for other purposes; to the Committee on Transportation and Infra-
structure.

By Ms. MILLENDER-McDONALD (for herself, Mr. ABERCROMBIE, Mr. BACA, Ms. CARSON, Ms. HOOLEY of Oregon, Ms. JACKSON-LEE of Texas, Ms. MINK of Hawaii, Ms. SCHAKOWSKY, and Mr. UNITA BENOIT of Nevada):
H.R. 4630. A bill to provide for the health, education, and welfare of children under 6 years of age; to the Committee on Education and the Workforce.

By Mr. GEORGE MILLER of California (for himself, Mr. YOUNG of Alaska, Mr. KOLBE, Mr. PASTOR, Mr. UDALL of Colorado, and Mr. UDALL of New Mexico):
H.R. 4631. A bill to establish the Native Na-
tions Institute for Leadership, Management, and Policy to encourage opportunities for leader-
ship and management training and policy analysis for Native Americans, Alaska Na-
tives, and others involved in tribal leadership-
ship and management, and for other pur-
poses; to the Committee on Education and the Workforce, and in addition to the Com-
mittee on Resources, for a period to be sub-
sequently determined by the Speaker, in each case for consideration of such provi-
sions as fall within the jurisdiction of the committee concerned.

By Mr. NADLER (for himself, Mr. WEINER, Mr. WEXLER, Mr. SOUDER, and Ms. SCHAKOWSKY):
H.R. 4632. A bill to control the sale of gun kites; to the Committee on the Judiciary.

By Mr. SHAW (for himself, Mr. MTSUI, Mr. WELLER, Mr. CARDIN, Mr. LEVIN, Mr. RANGEL, Mr. HULSFORD, and Mr. PORTMAN):
H.R. 4633. A bill to amend title II of the So-
cial Security Act to improve the Social Se-
curity Administration’s payment system for representation of claimants; to the Com-
mittee on Ways and Means.

By Ms. SLAUGHTER (for herself, Ms. KELLY, and Mr. PRICE of North Caro-
lina):
H.R. 4634. A bill to amend the Public Health Service Act to provide for awards by the National Institute of Environmental Health Sciences to develop and operate mul-
tidisciplinary research centers regarding the impact of environmental factors on women’s health and disease prevention; to the Com-
mittee on Commerce.

By Mr. W. J.館NIS (for himself and Mr. STUMP):
H. Con. Res. 351. Concurrent resolution rec-
ognizing Heroes Plaza in the City of Pueblo, Colorado, as honoring recipients of the Medal of Honor; to the Committee on Armed Services.

By Ms. SLAUGHTER:
H. Res. 520. A resolution providing for con-
sideration of the bill (H.R. 2657) to prohibit health insurance and employment discrimi-
nation against individuals and their family members on the basis of predictive genetic infor-
mation or genetic services; to the Com-
mittee on Rules.

By Mr. DEMPSEY (for himself, Mr. PITTS, Mr. DELAY, Mr. SHADEGG, Mr. WELDON of Florida, Mr. GRAHAM, Mr. TIANTHR, Mr. TANCREDO, Mr. DOOLITTLE, Mr. CORBIN, Mr. SOUDER, Mr. ADERHOLT, Mr. BURTON of Indiana, Mr. MCINTOSH, Mrs. MYRICK, Mr. TERRY, Mr. HOSTETTLER, Mr. HAYES, and Mr. MURPHY of Georgia):
H. Res. 521. A resolution expressing the sense of the House of Representatives that in international negotiations, including United Nations conferences, the United States should defend fundamental human rights to family, conscience, and life; to the Committee on International Relations.

H.R. 4572: Mr. BARTLETT of Maryland, Mr. PETERSON of Minnesota, Mr. EVANS, and Ms. STABENOW.

H.R. 4439: Mr. MCELHINNY, Mr. PHILIP HOLLINGSWORTH, Mr. LEE, Mr. BRYAN, Mr. HAYWOOD, and Mr. OXLEY.

H.R. 4452: Mr. MCELHINNY.

H.R. 4481: Mrs. MORELLA, Mr. WYN, Mr. HAYWOOD, and Mr. OXLEY.

H.R. 4490: Ms. DELAOURO.

H.R. 4536: Mr. BLUMENAUER and Ms. KAP-
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H.R. 4547: Mr. Goode, Mr. Ewing, Mr. Souder, and Mr. Hall of Texas.
H.R. 4552: Mr. Davis of Virginia and Ms. Dunn.
H.R. 4559: Ms. Carson.
H.R. 4566: Mr. Ney and Mr. Quinn.
H.R. 4592: Mr. Matsui, Mr. Shays, Mr. Jefferson, Mr. Ramstad, and Mr. Wamp.
H.R. 4607: Mr. Price of North Carolina.
H. Con. Res. 319: Mr. Lantos.
H. Con. Res. 321: Mr. Leach and Mr. Weyand.
H. Con. Res. 342: Mr. Capuano.
H. Con. Res. 343: Mr. Greenwood, Mr. McKeon, and Mr. Latorelle.
H. Con. Res. 345: Mr. Dreier.
H. Con. Res. 348: Mr. Skelton and Mr. Wexler.
H. Res. 259: Mr. Baca and Mr. Goodling.
H. Res. 347: Mr. Gonzalez.
H. Res. 396: Mr. Sweeney, Mr. McKeon, Ms. Delauro, Mr. Evans, Mr. Hilliard, Mr. Dreier, and Mr. King.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:
H. Res. 9 by Mr. Minge on House Resolution 478: Sander M. Levin.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:
H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 1: Insert before the short title the following new sections:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands or easement or right-of-way administered by the Forest Service until the Forest Service has developed and published in the Federal Register—
(a) a schedule, staffing plan, and budget for completion of the road analyses for National Forest System lands, as described in the Draft Road Management Policy dated March 2, 2000, and (b) a description of how these analyses will be completed in a comprehensive and systematic manner to assure reasonable continued public access to National Forest System lands.

H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 2: Insert before the short title the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands or easement or right-of-way administered by the Forest Service.

H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 3: Insert before the short title the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.); and (4) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.); or (4) to close, decommission, abandon, obliterate, or block any road on National Forest System lands or easement or right-of-way administered by the Forest Service, as might be prescribed by these rules.

H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 4: Insert before the short title the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.); and (4) to close, decommission, abandon, obliterate, or block any road on National Forest System lands or easement or right-of-way administered by the Forest Service, as might be prescribed by these rules.

H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 5: Insert before the short title the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.); and (4) to close, decommission, abandon, obliterate, or block any road on National Forest System lands or easement or right-of-way administered by the Forest Service, as might be prescribed by these rules.

H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 6: Insert before the short title the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.); and (4) to close, decommission, abandon, obliterate, or block any road on National Forest System lands or easement or right-of-way administered by the Forest Service, as might be prescribed by these rules.

H.R. 4578
OFFERED BY: MR. STUPAK
AMENDMENT NO. 7: Insert before the short title the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds appropriated or otherwise made available by this Act may be used—
(1) to implement the environmental impact statement and proposed rule issued by the Forest Service known as the “Roadless Initiative”; (2) to impose any additional national restrictions on the construction, reconstruction, or maintenance of forest roads of any size or definition; or (3) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.); and (4) to close, decommission, abandon, obliterate, or block any road on National Forest System lands or easement or right-of-way administered by the Forest Service, as might be prescribed by these rules.
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(4) to close, decommission, abandon, obliterate, or block any road on National Forest System lands or easement or right-of-way administered by the Forest Service, as might be prescribed by these rules; or
(5) to impose or enforce any change in permissive access to National Forest System lands for forest management or public use, beyond such land use and road management decisions as are made with full public participation as required by the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.).

H.R. 4578
OFFERED BY: MR. STUPAK

AMENDMENT NO. 8: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds made available in this Act may be used to remove or rescind a designation, in existence as of the date of enactment of this Act, of a route or water surface for use by snowmobiles under section 2.18(c) of title 36, Code of Federal Regulations, or any special regulations promulgated thereunder, in the following units of the National Park System:
(1) The Herbert Hoover and Perry’s Victory National Historic Sites.
(2) The Pictured Rocks National Lakeshore.
(7) The Blue Ridge and John D. Rockefeller, Jr., Parkways.

H.R. 4578
OFFERED BY: MR. STUPAK

AMENDMENT NO. 9: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE V—ADDITIONAL GENERAL PROVISIONS

SEC. 501. None of the funds made available in this Act may be used to remove or rescind a designation, in existence as of the date of enactment of this Act, of a route or water surface for use by snowmobiles under section 2.18(c) of title 36, Code of Federal Regulations, or any special regulations promulgated thereunder, in the following units of the National Park System:
(1) The Herbert Hoover and Perry’s Victory National Historic Sites.
(2) The Pictured Rocks National Lakeshore.
(7) The Blue Ridge and John D. Rockefeller, Jr., Parkways.