RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

The Senator from South Carolina.

—

THE DEATH PENALTY

Mr. THURMOND. Mr. President, it is most unfortunate that the President has decided to delay the first federal execution in almost forty years.

Mr. Juan Garza was a vicious drug kingpin who was found guilty of three murders and sentenced to death in 1993. He was also convicted of various drug and money laundering offenses. Of course, there is no way to know how many American lives he destroyed indirectly through his extensive drug trafficking into this country. He is just the type of criminal that the Congress had in mind when we reestablished the federal death penalty in 1988.

His lawyers are not claiming he is innocent. Rather, they are making general arguments about the fairness of the death penalty, and the President is apparently sympathetic to this.

Over the weekend, the White House confirmed that the President will postpone the execution for at least 90 days and maybe until after the November elections. The reason for the administration has given is that the Justice Department is still drafting formal clemency guidelines. Mr. Garza was sentenced to death 7 years ago, and his case has been tied up in appeals ever since. The Supreme Court decided in November that it would not hear his case, and in May a judge scheduled his execution for August. The Department has had more than enough time to prepare such guidelines.

Of course, the President does not need any special death penalty guidelines to act. The President has the power to commute Mr. Garza's sentence or even pardon him if he wishes. The President should make his decision and not further delay an already extremely long process.

This is consistent with this administration's treatment of the death penalty overall. Only steadfast opponents to capital punishment can argue that it is used too often in the federal system today. Last year, my Judiciary subcommittee held a hearing that discussed the federal death penalty in some detail. After becoming Attorney General, Ms. Reno established an elaborate review process at Main Justice to consider whether a U.S. attorney may seek the death penalty. She has permitted prosecutors to seek the death penalty in less than one-third of the cases when it is available.

Also, her review permits defense attorneys to argue that she should reject the death penalty in a particular case, but it does not permit victims to argue for the death penalty. I hope the Department's new clemency rules will allow victims to participate in the process. However, victims should be allowed to encourage the Department to seek the death penalty in the first place.

The death penalty is an essential form of punishment for the most serious of crimes. Yet, it has not been carried out in the federal system for 37 years. We should not continue to delay its use. When an inmate's appeals are exhausted, as they are in this case, the President should carry out the law.

—

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10:15 a.m., with the time to be equally divided between the Senator from Delaware and the Senator from New York.

Who yields time?

Mr. REID. On behalf of the Senator from New York, I yield 10 minutes to the Senator from North Dakota.

—

ESTATE TAX REPEAL

Mr. DORGAN. Mr. President, I will comment briefly on the remarks made by the majority leader a few moments ago on the subject of the estate tax.

First of all, the question of repealing the estate tax or changing the estate tax is an important issue, but it is not an issue that is important to the exclusion of all other issues. The majority leader takes the position that the estate tax ought to be repealed completely so those in this country who die and leave $100 million in assets or $500 million in assets or $1 billion in assets, who now pay some estate tax, will be tax free. That is what ''repeal'' means.

I happen to believe we ought to change the estate tax to provide a significant exemption so that no small business and no family farm gets caught in the estate tax. I don't want people to try to leave the family farm or the small business to their children, only to discover there will be a crippling estate tax to pay. So I say, let's get rid of that situation. Let's provide an exemption—$8, $10 million—that takes care of the vast majority of cases.

But how about those folks who leave half a billion dollars or $1 billion? Do we really want to repeal the estate tax on that kind of estate? There are other and competing needs for the revenue involved. For example, we could pay down the Federal debt; we could provide a larger tax credit for college tuition; we could invest in elementary and secondary education; we could provide tax relief to middle-income families rather than to the wealthiest estates in the country.

I happen to believe we should change the estate tax, but I don't believe we ought to repeal the estate tax for the largest estates.

The majority leader says the problem is with the Democratic side of the Senate. No, the problem is that yesterday the majority leader came to the floor of the Senate and tried to pass the repeal of the estate tax by unanimous consent. No debate, no discussion, no amendments, $750 billion of tax cuts in the second decade after repeal—$750 billion in tax cuts by unanimous consent, without any debate, and without any amendments. That is what he tried to do yesterday. We objected to that.

Yesterday we proposed that he bring up this measure under a regular order. The majority leader objected to that. Democratic leaders proposed that the majority leader bring the bill up and allow 6, 8, or 10 amendments, with time agreements. But the majority leader has objected to that.

His position is: I want my way or no way. I want to bring it up and repeal all of the estate tax, which would mean generous tax cuts for the wealthiest estates in this country. If we don't do it his way, we were told, we won't have an opportunity to offer any amendments. That is the majority leader's position. The people elected to the Senate on this side of the aisle will not be able to offer amendments. He says in effect, ''We have an idea, we intend to push that idea, we demand a vote on that idea, and, by the way, you, Senators, don't have any right to offer amendments.''

That is the majority leader's position. That is not a position that is acceptable to me. It is not the way the Senate ought to work. There is something called a regular order.

Mr. DURBIN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. DURBIN. I thank the Senator for raising the point that they were going to pass a $750 billion tax break for the wealthiest people in America, those who pay estate taxes, and do it without one minute of committee hearings—I see the chairman of the Senate Finance Committee on the floor—not a minute of hearing. This was going to be done without any discussion, any debate, $750 billion in tax breaks.

I ask my colleague, the Senator from North Dakota, whether or not he believes it also says something about the priorities of the Congress, that of all the different people who could be helped by this Congress, the highest, the single most important priority for the Republicans turns out to be the wealthiest. When it comes to helping people pay for their prescription drugs, when it comes to helping people, dealing with areas such as difficulties with HMOs, folks don't even have a voice in this debate. They are not even being considered.

Would the Senator address the whole question of prioritization, as to whether or not we are making the right decision in terms of helping the people who really need it the most in this country?

Mr. DORGAN. The Senator from Illinois is correct.

Let me correct something I said a moment ago. The majority leader yesterday tried to bring up H–1B legislation, not the estate tax. I was mistaken about that. I should have known better. I was on the floor at that time, as a matter of fact.

But it is true that the majority leader wants to bring up the estate tax and say to half of the Members of the Senate: You don't have a right to offer amendments, and if you don't like it, tough luck. That is what the issue is about.

The Senator from Illinois asked the question, Shouldn't this proposed repeal be measured against other priorities, and shouldn't this suggest what is important in the Senate? It sure does. There is not the time or the energy or the inspiration on the part of those who control the agenda in the Senate to have a real debate about protecting people against HMOs, and to try to pass a Patients' Bill of Rights. No, there is not time for that. Can we work to put a prescription drug benefit in the Medicare program? No, not quite enough time for that either. In fact, the other side understands that is an important issue, so they have cobbled together a goofy proposal that says OK, the senior citizens are having trouble affording prescription drugs, so let's give a subsidy to the insurance companies. Even the insurance companies see through that. They have come to my office—and I assume to the Senator's office—and said: We will not be able to offer a prescription drug plan. We would have to charge $1,200 for a plan that has $1,000 in benefits.

The point the Senator from Illinois makes is we have other priorities. Those other priorities somehow don't get to the floor of the Senate because the big priority at the moment is to give an estate tax repeal to the largest estates in the country.

As I said, I think we ought to provide a significant exemption so that every family farm and every small business can be transferred to the kids upon the death of the parents, with no estate tax at all—none, zero. However, when a billionaire or someone with $500 million in assets dies and there is an estate, is it not unreasonable to have some transfer here, some estate tax, in order to use those resources for other purposes, such as reducing the Federal debt, providing middle income tax relief—a whole range of urgent needs? Is that not a reasonable thing? That is what we ought to measure this against.

Mr. DURBIN. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. DURBIN. If the Republicans have their way to totally repeal the estate tax for the wealthiest in America and take $750 billion out of the surplus for that purpose, doesn't that diminish the likelihood, doesn't that reduce the possibility, that we will have the resources to pass a meaningful prescription drug benefit for the elderly and disabled in America, one that helps all of them pay for the outrageous cost of prescription drugs?

Mr. DORGAN. I say to the Senator from Illinois, it is exactly as he states. With the wonderful economy we have had and the surpluses that are expected, there is a certain amount of revenue available. The priority, for the majority side, is to repeal the estate tax, including that top half of the estate tax that applies to the wealthiest estates in the country. If we follow this priority, that will crowd out the ability to do other things.

This is a question of making judgments about what is important, what is the priority of this Congress. Should we provide a prescription drug benefit for Medicare? Should this Congress make the investments in education that we should make? Should this Congress decide we should pay down the Federal debt? Should this Congress decide college tuition should trigger an increased tax credit that helps kids go to college? These are all priorities, and there are more of them that we ought to measure against this proposal to repeal the estate tax for the largest estates in the country.

As I said, it is a matter of priorities, and it is also a matter of will. What do we have time to do in the Senate? We are told by the majority leader that we do not have enough time to deal with Patients' Bill of Rights, prescription drugs for Medicare, the minimum wage, closing the gun show loophole. We do not have time for those things, we are told, but we have plenty of time for the things the majority wants to do. We have plenty of time to decide to repeal the estate tax completely, including repeal for the largest estates in the country. Do my colleagues know what that will do on average to an estate above $20 million? It will provide about a $12 million tax cut for the estate.

Mr. DURBIN. Will the Senator yield for another question?

Mr. DORGAN. Yes, I yield.

Mr. DURBIN. Is the Senator telling me we could give estate tax reform, virtually exempt all family farms, all small businesses—say your business is worth $8 million or less; you are not going to pay a tax on it; families with assets of $4 million would not pay an estate tax—and still then have the resources to provide for a prescription drug benefit if we refuse to go along with the Republican approach which gives this estate tax break to the very wealthiest in America, those in the multimillion-dollar, maybe even billion-dollar category?

Mr. DORGAN. I say to the Senator from Illinois, that is exactly the case. In fact, one of the proposals we offer as an amendment that is prevented by the majority leader would provide an $8 million exemption for a small business or small farm.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. ROTH. I yield 5 minutes to the distinguished assistant majority leader.

Mr. NICKLES. Mr. President, I remind my colleagues from Illinois and North Dakota, we have rules in the Senate, and that is to go through the Chair. The dialogs are interesting, but we are supposed to go through the Chair, and that has not happened in a while.

I want to correct some of the factual misstatements that were just made. My colleagues said we want to bring up the repeal of the death tax and offer no amendments. That is not correct. We have told our friends on the Democratic side that we will allow them to offer a substitute. They can have relevant amendments. We are willing to enter into time agreements to pass this bill. Frankly, what they want to do is unload an agenda they cannot pass.

My colleagues mentioned that we will not allow them a debate on the Patients' Bill of Rights. We already voted on it a couple of times. We voted on it last year, and we voted on it twice in the last month. The problem is they have a flawed proposal that will not pass and cannot pass.

We voted on the Patients' Bill of Rights. We voted on minimum wage. For them to say, instead of voting to repeal the death tax, which we are hopefully going to do, they have a lot of other things on which they would rather vote—we have given them votes on almost every issue that has been mentioned. On the death tax, we have said—and I will propound a unanimous consent request—we will have an amendment on each side; we will have three amendments on each side; we will consider their alternatives.

My colleague from Illinois said let's have an exemption, not change the rates; let's vote on this issue. We are willing to do that. The problem is our colleagues on the Democratic side really do not want a tax cut, period.

We are trying to eliminate the death tax so there will not be a tax on death. What there will be is a tax on the sale of the property when whomever inherits the property sells it. We will eliminate the taxable event on someone's death. This is a very significant and I believe one of the most positive things we can do if we want to help the economy, if we want fairness.

We are trying to help the small business people, the Democrats say; the Democrats are willing to do that. Hogwash. I used to run a small business. I did not want it to be small; I wanted it to be big. I do not know if it would meet the Democrats' definition. A lot of us really do believe we should eliminate the tax on someone's death and turn it into a taxable event when the property is sold. If individuals who receive this business or receive this property do not sell it, there will not be a taxable event. When they do sell it, there will be a tax, and that tax will be capital gains. That tax rate is 20 percent, not 39 percent, not 55 percent.

I want to correct a misstatement just made. We are willing to enter into time agreements. We are willing to consider

relative amendments, substitutes. If they want to have a substitute that has an exemption, fine; let's vote on it. If they want to vote on an alternative, let's do it. We are willing to do it. But to say we are not willing to consider amendments and that it is ''take our proposal that passed the House''——

Mr. DORGAN. Will the Senator yield?

Mr. NICKLES. In a moment I will.

The facts are, the cost over 10 years, which is the most we ever use, is $104 billion. I heard them say it is $750 billion. I do not know from where they are grabbing these figures. If we use that kind of analogy, it would be fun to see how much the tax increase of 1993 cost because if this tax cut is $750 billion over the next 20-some-odd years, I would hate to think how much the cost of the tax increase the Democrats passed in 1993 is.

The facts are, the estate tax repeal is $104 billion over the next 10 years. That is what passed the House. Hopefully, that is what the Senate will pass today, tomorrow, or in the near future.

Mr. DORGAN. Will the Senator from Oklahoma yield?

Mr. NICKLES. Not on my time. I will be happy to yield under the Senator's time. I only had 4 minutes.

Mr. DORGAN. Can I take 30 seconds?

Mr. REID. I yield Senator DORGAN 2 minutes.

Mr. DORGAN. I respectfully say that the Senator from Oklahoma is not accurate when he says that his side is willing to entertain amendments; I do not see a problem here; let's bring it on and have amendments and a discussion. That is exactly what the majority leader has denied. That is exactly what the majority leader said he will not allow to happen on the floor of the Senate.

If the Senator from Oklahoma is speaking for the majority leader on this issue, I say get the Democratic leader on the line, make an agreement, and let's have this issue on the floor where some amendments can be offered and votes taken, and we will see how people feel about the estate tax.

The Senator from Oklahoma is not accurate in leaving the impression that this has been a reasonable circumstance here and they are willing to entertain all kinds of amendments. That is not the case at all. In fact, our side has offered a reasonable number of amendments with time agreements, and the majority leader has said no, and that is the fact.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I said the majority leader, to my knowledge, is willing to enter into a time agreement and has given it to the minority leader. It said we will have relevant amendments. I have a list of amendments on prescription drugs, long-term health care, Medicare, retirement—in other words, a lot of things on the Democrats' agenda that have not been accomplished.

I said relevant amendments pertaining to the death tax and, unfortunately, our Democratic colleagues have not been willing to comply or agree. I had hoped we would have had a little less partisan exchange on a Tuesday morning. Let's go back to the Cloakroom and come up with two or three relevant amendments dealing with this issue and vote. That is the way we should work.

Mr. DORGAN. Do I have time remaining on the 2 minutes?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. DORGAN. I say to the Senator from Oklahoma, there is nothing partisan in my intent to correct the impression left by the Senator from Oklahoma. I was simply saying that proposals have been made on the specific number of amendments and time agreements by our side and the majority leader has rejected them.

The Senator from Oklahoma seemed to suggest they are willing to entertain this, that, and the other thing; they are very reasonable; they will accept amendments. I was simply trying to correct a misimpression. I did not intend to be partisan.

This is an important issue. There are differences in how we view the issue. I happen to think we should change the estate tax so no small business or family farm ever gets caught in its web. We can do that. An $8 million or $10 million exemption would mean that virtually no family farm or small business ever would get caught in the web of the estate tax. But I do not happen to believe we should totally exempt the largest estates in this country from the estate tax. That is the difference.

Let's debate that difference and have amendments on the choices and make judgments as a Senate. It is not my intent ever to be partisan about this issue, but I want the right information to be given, and the right information is that we offered limited amendments and limited time agreements, and they were rejected.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I yield 2 minutes to the Senator from Arizona.

Mr. KYL. Mr. President, Senator NICKLES made the point that the amendments the minority have sought to bring up have nothing to do with repeal of the death tax. That is why the majority leader said he will enter into an agreement with them but let's make it relevant and germane to the issue before the Senate.

When the American people see us going through these charades, I wonder how they can have any confidence in a body that seems to be so partisan and intent on changing the subject.

We have one subject before us today: repeal of the death tax. It is the House bill that passed overwhelmingly. Why can't we simply consider this bill with relevant and germane amendments? Why do we have to get off into prescription drugs and the rest?

Our distinguished colleague from North Dakota has said there is an alternative with respect to the repeal of the death tax. I would like to take that on because it relies on a section of the code today that is absolutely unworkable. Two-thirds of the cases that have been brought with respect to this section of the code have been won by the IRS. It does not work. Try to qualify, if you are a small business or a farm, under the section that they are taking about; you are not going to get relief. It is a sham proposal.

You can raise the exemption all you want, but if the definition precludes you from qualifying, you have not gained a thing. I can't wait to debate the alternative that the members of the minority want to propose. I will agree, right now, to consider that as an amendment that we would vote on here. If we can agree to consider that, we can move right on to the consideration of the death tax repeal because the provision they are talking about is unworkable, it is unfair, and it will not provide an adequate alternative to the repeal of the death tax that is called for under H.R. 8, the House-passed bill.

I urge my colleagues to support the cloture motion so we can get on with the debate about how we can finally bring an end to this most unfair and pernicious section of the Tax Code.

I welcome a debate of any germane alternative that members of the minority would like to present because I think when you hold them up side by side, H.R. 8 will win.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise today in support of the motion to proceed to H.R. 8, the Death Tax Elimination Act of 2000, which overwhelmingly passed in the House by a vote of 279–136. I point out that it was a bipartisan vote. It included 65 Democrats. So this legislation that we are about to proceed to has significant bipartisan support.

This is an historic opportunity to repeal the onerous estate and gift taxes which currently have rates as high as 60 percent. In an age of surpluses where taxpayers are, indeed, paying too much, it is time to repeal the estate and gift taxes. Families who toil all their lives to build a business and diligently save and invest should not be penalized for their hard work when they die. Their assets were already taxed at least once—and it is unconscionable that their estates are taxed again at rates as high as 60 percent on the value of their assets at the time of their death.

This bill would address this problem.

I point out, we have held hearings on estate taxes in the Finance Committee as of the last Congress. It is the Finance Committee that is the committee of jurisdiction.

I also point out, this bill is substantially similar to the estate tax provisions in the tax bill that was vetoed by

the President last year. Some may ask why this House bill did not come through the Finance Committee. The reason is that the bill holds to the estate tax provisions the House and Senate agreed to last year. Since the Finance Committee has already debated and approved these provisions and we have negotiated these provisions with the House, I saw no need to delay the bill in the committee and perhaps kill the chance of repealing the tax.

Now, I would like to briefly go through the bill before us. I point out, there are really two time periods to which the bill applies. In the first period, generally from 2001 to 2009, estate tax relief is provided on several fronts. In the second period, beginning in 2010, the entire estate and gift tax regime is repealed.

During the first part, from 2001 to 2009, the estate and gift tax rates are reduced on both the high end and low end. On the low end, currently, there is a unified credit that applies to the first $675,000 of an estate. That amount is scheduled to rise to $1 million in 2006.

While current law provides some relief for the smallest estates, for modest estates, those above the credit amount, a high tax rate applies. For example, now a decedent's estate of $750,000 faces a tax rate of 37 percent on each dollar over the credit amount. Keep in mind that is where the rate starts. For larger estates, the rates can be as high as 60 percent.

For the lower end estates, the bill converts the unified credit to an exemption. What this means is that estates right above the unified credit amount will face tax rates starting at 18 percent rather than 37 percent. In other words, for modest size estates, this bill cuts the tax rate in half.

For the larger estates, some now facing marginal rates as high as 60 percent, the bill includes a phased in rate cut. The rates are reduced from the current regime, with its highest rate of 60 percent, down to a top rate of 40.5 percent for the highest end estates. Please keep in mind that the base of the tax is property, not income, and the rate is still above the highest income tax rate of 39.6 percent.

Prior to full repeal in 2010, the bill would also expand the estate tax rules for conservation easements to encourage conservation. In addition, the bill provides simplification measures for the generation skipping transfer tax.

In 2010, the whole estate and gift tax regime is repealed. At the same time, a carryover basis regime is put in place instead of the current law step up in basis. This means that all taxable estates—and I emphasize we are only talking about taxable estates—that now enjoy a step up in basis will be subject to a carryover basis. Carryover basis simply means that the beneficiary of the estate's property receives the same basis as the decedent. For example, if a decedent purchased a farm for $100,000, and the farm was worth $2 million at death, the tax basis in the hands of the heirs would be $100,000. The step in basis is retained for all transfers in an amount up to $1.3 million per estate. In addition, transfers to a surviving spouse receive an additional step up of $3 million.

As I have already pointed out, the House passed the bill on a bipartisan basis with 65 Democrats voting in favor of repeal of the estate and gift taxes. Now is the Senate's opportunity to pass this bill on a bipartisan basis and send it to the President. It is my understanding this will be the only chance this year that we will have to pass this bill and repeal estate and gift taxes. If we fail, the bill dies. If we come together and vote in favor of the house bill—estate tax repeal that the Congress passed last year—it will go directly to the President for his signature.

Our family-owned businesses and farms must not be denied this relief. This should not be a partisan issue.

Unfortunately, the White House has indicated its opposition to repeal of estate and gift taxes and has promised to veto this bill. With roughly $2 trillion of estimated non-social security surpluses over the next 10 years, I believe the approximately $105 billion cost of repealing estate and gift taxes to be well within reason—it is only about 5 percent of the projected budget surplus. Other than being a money grab—estate and gift taxes do not serve any legitimate purpose.

Taxpayers are taxed on their earnings during their lives at least once. Our Nation has been built on the notion that anyone who works hard has the opportunity to succeed and create wealth. The estate and gift taxes are a disincentive to succeed and should be eliminated.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the distinguished chairman have as much time as he requires to finish his address, which I see is not much longer.

Mr. REID. Mr. President, I ask unanimous consent the vote scheduled for 10:15 be delayed until the Senator from Delaware and the Senator from New York have time to finish their statements. They are both managing this bill and should have an opportunity to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, as I was saying, the estate and gift taxes are a disincentive to succeed and should be eliminated. I believe it is the right thing to do. I urge my colleagues to vote in favor of the motion to proceed to this bill to repeal the estate and gift taxes.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, as a New Yorker—and I am sure my esteemed chairman will understand—I rise in defense of Theodore Roosevelt's estate tax: One of the great achievements at the beginning of this century and of the last century—although we have members of the Finance Committee staff who still think we are in the last century, but we won't get into that matter. Today, we are here to decide if a century later we should repeal it.

Again, I don't want to press this on my colleague and friend, the Senator from Delaware, but this matter should be in the Finance Committee. My friend doesn't have to say a word. We are the Committee that considers tax matters. It should have been referred to us and not sent directly to the floor.

When we begin the debate and the voting begins, the Democrats will have an alternative. It is simple. I say forthwith and I will say no more, it is less costly than the measure we have received from the House. We would increase the general exemption from the present $675,000 to $1 million immediately—it was scheduled to rise to that level in the year 2006—and then to $2 million in the year 2009. We would increase the exemption for family-owned businesses and farms from $1.3 million to $2 million immediately and to $4 million by the year 2009. This increase would eliminate the estate tax on virtually all family farms and 75 percent of family-owned businesses that would otherwise be subject to the estate tax. This measure will cost $64 billion over 10 years, roughly half the cost of the Republican proposal.

Of course, the measure the House has sent us, as our Chairman has stated, in the year 2010 repeals all estate taxes, and thereafter the true cost would be approximately $50 billion each year indefinitely.

We think this is an extravagant proposal driven by the legitimate politics of the hour. I understand that. I understand the President will veto the measure. I look forward confidently to its being passed and vetoed and not forgotten. It will be raised in the campaign. That, too, is legitimate.

But I have to say, sir, having lived on a farm for 36 years in upstate New York, the dairy farming world of that State has not prospered for half a century. We have a considerable number of meadows, in one of which the press gathered just a year ago last week to have Mrs. Clinton announce her candidacy for the seat I have the honor to hold right now. There were hundreds of journalists there. It amazed the world to look at it.

Sir, I have to suggest that if we had an equal gathering of family farmers in New York State whose farms would sell for $2 million, the turnout would be desultory and the press would report disaster. Does anybody here know a family farmer whose farm is worth $2 million a year? I don't mean farms in the eastern end of Long Island where viniculture takes place.

Mr. ROTH. I do.

Mr. MOYNIHAN. My dear and esteemed chairman says he knows a family farmer whose farm is worth more than $2 million.

Mr. ROTH. In Delaware.

Mr. MOYNIHAN. Therein, sir, lies the difference between the Democratic and Republican parties. I know of no such farmer; my friend from Delaware does. What more can I say? How pleased I am for him; how regretful I am for the toil-driven, poverty-stricken farmers of upstate New York.

With that, sir, the vote being announced 4 minutes late, I yield the floor and suggest we proceed under the order.

—

DEATH TAX ELIMINATION ACT—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 608, H.R. 8, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period:

Trent Lott, Bill Roth, Charles Grassley, Larry E. Craig, Chuck Hagel, Jeff Sessions, Pete Domenici, Strom Thurmond, Jon Kyl, Thad Cochran, Jim Bunning, Craig Thomas, Kay Bailey Hutchison, Susan M. Collins, Don Nickles, and Wayne Allard.

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 8, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 99, nays 1, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—99

Abraham	Craig	Hutchinson
Akaka	Crapo	Hutchison
Allard	Daschle	Inhofe
Ashcroft	DeWine	Inouye
Baucus	Dodd	Jeffords
Bayh	Domenici	Johnson
Bennett	Dorgan	Kennedy
Biden	Durbin	Kerrey
Bingaman	Edwards	Kerry
Bond	Enzi	Kohl
Boxer	Feingold	Kyl
Breaux	Feinstein	Landrieu
Brownback	Fitzgerald	Lautenberg
Bryan	Frist	Leahy
Bunning	Gorton	Levin
Burns	Graham	Lieberman
Byrd	Gramm	Lincoln
Campbell	Grams	Lott
Chafee, L.	Grassley	Lugar
Cleland	Gregg	Mack
Cochran	Hagel	McCain
Collins	Harkin	McConnell
Conrad	Hatch	Mikulski
Coverdell	Helms	Moynihan
Murkowski	Santorum	Stevens
Murray	Sarbanes	Thomas
Nickles	Schumer	Thompson
Reed	Sessions	Thurmond
Reid	Shelby	Torricelli
Robb	Smith (NH)	Voinovich
Roberts	Smith (OR)	Warner
Rockefeller	Snowe	Wellstone
Roth	Specter	Wyden

NAYS—1

Hollings

The PRESIDING OFFICER. On this vote, the yeas are 99, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

UNANIMOUS-CONSENT REQUESTS

Mr. BAUCUS. Mr. President, I ask unanimous consent that upon disposition of the Interior appropriations bill, the Senate proceed to the consideration of the China PNTR legislation and that the first amendment in order to the bill be Senator THOMPSON's China sanctions amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Mr. President, reserving the right to object, obviously, the PNTR bill is an extremely important bill. This body understands that. Certainly those of us on this side of the aisle who have been the force for expanding trade in this world, who have been basically the majority vote of things the President has wished to do—for example, on the African free trade agreement and on NAFTA, two areas where it was really our side of the aisle that carried the ball for the administration, as they tried to open our trade opportunities across the world—are strongly supportive of the concept of PNTR.

But there is still a fair amount of work that has to be done before we can bring it to the floor. Specifically, as was alluded to, there is the Thompson amendment, which would be nice to be able to deal with independent of PNTR. There are also other issues which we are going to have to address before the PNTR is ripe for consideration.

So at this point I would have to object, although it is clearly the intention of our side of the aisle to bring up the PNTR issue and to hopefully pass it, as we did with NAFTA and as we did with the African free trade agreement. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAUCUS. Mr. President, I hope the majority side will not object. PNTR transcends all other issues that are before the Senate. It is an international issue. It is a public policy, a foreign policy issue, one which clearly falls in the category of politics stopping at the water's edge.

This measure is monumental in its implications. It must pass. The sooner it passes, the better. Delay is danger. We all know that our relations with China are extremely important but also tenuous. The more this issue is delayed, the more likely it is that some untoward, unanticipated, unexpected event might occur which would deteriorate relations between our two countries and make it more difficult to pass a very needed piece of legislation.

I understand the majority's concern about scheduling, about appropriations bills, about other matters. But I strongly urge the majority party and the leader of the majority party, who correctly sets the schedule, to put politics beyond this, to put policy, public interest, and national security above all the other concerns that are legitimate here in the Senate because once PNTR is set for a vote this month, I predict that the logjam will break. It will be easier then to take up other measures.

I very strongly urge the Senator from New Hampshire to pass the word on to the majority leader, and others, of the importance of bringing this bill up in July—this month, a date certain—so we can begin to establish a relatively comprehensive and solid relationship with the country that is going to be probably one of the most important countries that this country is going to be dealing with in this next century. It is absolutely critical.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I commend the distinguished senior Senator from Montana for making the point again, with his unanimous consent request this morning, that we are simply asking for a date certain.

I am concerned that this issue, as was discussed and reported yesterday, could slip into September. If it slips into September, it might not be considered at all. In September there will be little opportunity to confront what we know is going to be a difficult challenge for us in terms of procedural factors in the consideration of this legislation.

So I have a very deep concern about this legislation slipping. This needs to be done this month. It ought to be done this week. We are going to continue to press for its consideration. I applaud the Senator from Montana in his willingness to do it.

There is an array of legislation that has been left undone. We will call attention to those issues as often as we can to encourage and to welcome the involvement and participation on the other side.

Another issue is the H–1B bill. It has been languishing now for a long period of time. I have expressed a willingness to cut down the amendments that we