

HOUSE OF REPRESENTATIVES—Thursday, July 22, 1999

The House met at 11 a.m.

The Reverend Dr. Ronald F. Christian, Chaplain, Lutheran Social Services, Washington, D.C., offered the following prayer:

God of all grace and mercy, we pause at the beginning of this workday to remember and give thanks.

With reverence and affection, we remember before You again this day 2 persons who in the course of performing daily duties, sacrificed their very lives as a part of their call to serve us all.

With gratitude and appreciation we remember all people who must summon the courage this day to face new challenges that are ahead in life's uncharted waters.

With a deep sense of our place in this moment of history, we remember all those who have formed and shaped us in such a way that we are able to recognize the importance of this hour and this day for our work and in our relationships.

Almighty God, we give You our thanks and our gratitude for the opportunity to serve You and in so doing help our neighbor. Dispose, we pray, this day and our deeds in Your peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California (Mr. MATSUI) come forward and lead the House in the Pledge of Allegiance.

Mr. MATSUI 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 had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 158. Concurrent resolution designating the Document Door of the United States Capitol as the "Memorial Door".

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1555. An act to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1555) "An Act to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints from the Select Committee on Intelligence: Mr. SHELBY, Mr. CHAFEE, Mr. LUGAR, Mr. DEWINE, Mr. KYL, Mr. INHOFE, Mr. HATCH, Mr. ROBERTS, Mr. ALLARD, Mr. KERREY, Mr. BRYAN, Mr. GRAHAM, Mr. KERRY, Mr. BAUCUS, Mr. ROBB, Mr. LAUTENBERG, and Mr. LEVIN; and from the Committee on Armed Services: Mr. WARNER, to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The 1-minute requests will be at the end of legislative business today.

FINANCIAL FREEDOM ACT OF 1999

The SPEAKER. The unfinished business is the further consideration of the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. When proceedings were postponed on legislative day of Wednesday, July 21, 1999, pursuant to section 2 of the House Resolution 256, 1 hour of general debate remained on the bill.

The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each have 30 minutes remaining.

The Chair recognizes the gentleman from Texas, (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Ms. DUNN), a very highly regarded and respected member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I rise today to express my enthusiastic support for the Financial Freedom Act of 1999. This bill provides essential tax relief for every American who wants to secure a better future for himself or herself and for their children. No other provision, Mr. Speaker, is as historic in this bill as the elimination of the death tax.

The freedom to obtain prosperity and to accumulate wealth is uniquely American; and when unfettered, it is a wonderful thing to behold. Yet, the current tax treatment of a person's life savings is so onerous and so burdensome that children are often forced to turn over half of their inheritance to the Federal Government. It is as wrong as it is tragic, and it dishonors the hard work of those who have passed on.

Today, Mr. Speaker, less than half of all family-owned businesses survive the death of the founder, and only about 5 percent survive to the third generation. Under current law, it is cheaper for an individual to sell his or her business prior to death and pay the capital gains than pass it on to their children. This is indeed terrible public policy.

As a result, Congress has tried over the years to provide targeted death tax relief to certain people. First, we adopted a unified credit to protect small estates from taxation. With the rising tide of small business growth and the proliferation of retirement annuities, however, many middle class families are being pushed above this exemption.

Secondly, Congress, in 1997, adopted a family-owned business exemption in addition to provide additional relief to families and to small family farms. It was a good idea at the time, but this exemption has proven to be a real boondoggle. It is a boondoggle for attorneys who must be hired by families trying to navigate their way through the 14-point eligibility test.

I recently asked an estate planner who advises 200 family-owned businesses how many of his clients qualify for this new relief. His answer was 10 out of 200. On average, only about 3 percent of family-owned farms can qualify under this provision. As much as we try, it is just impossible to duplicate in law the complex relationships that exist in families in the real world.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.