□ 1845

The SPEAKER pro tempore (Mr. KUYKENDALL). Consistent with the action of Speaker Foley on January 23, 1990, when in response to a parliamentary inquiry the House treated the President's return of an enrolled bill with a purported pocket veto of H.R. 2712 of the 101st Congress as a ''return veto'' within the meaning of Article 1, Section 7, clause 2 of the Constitution, the Chair, without objection, orders the objections of the President to be spread at large upon the Journal and orders the message to be printed as a House document.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that the veto message of the President, together with the accompanying bill, H.R. 4810, be referred to the Committee on Ways and Means.

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

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 31, 2000.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Thursday, August 31, 2000 at 4:22 p.m., and said to contain a message from the President whereby he returns without his approval, H.R. 8, the ''Death Tax Elimination Act of 2000.''

Sincerely yours,

JEFF TRANDAHL,
Clerk of the House.

DEATH TAX ELIMINATION ACT OF 2000—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–292)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 8, legislation to phase out Federal estate, gift, and generation-skipping transfer taxes over a 10-year period. While I support and would sign targeted and fiscally responsible legislation that provides estate tax relief for small businesses, family farms, and principal residences along the lines proposed by House and Senate Democrats, this bill is fiscally irresponsible and provides a very expensive tax break for the best-off Americans while doing nothing for the vast majority of working families. Starting in 2010, H.R. 8 would drain more than $50 billion annually to benefit only tens of thousands of families, taking resources that could have been used to strengthen Social Security and Medicare for tens of millions of families.

This repeal of the estate tax is the latest part in a tax plan that would cost over $2 trillion, spending projected surpluses that may never materialize and returning America to deficits. This would reverse the fiscal discipline that has helped make the American economy the strongest it has been in generations and would leave no resources to strengthen Social Security or Medicare, provide a voluntary Medicare prescription drug benefit, invest in key priorities like education, or pay off the debt held by the public by 2012. This tax plan would threaten our continued economic expansion by raising interest rates and choking off investment.

We should cut taxes this year, but they should be the right tax cuts, targeted to working families to help our economy grow—not tax breaks that will help only the wealthiest few while putting our prosperity at risk. Our tax cuts will help send our children to college, help families with members who need long-term care, help pay for child care, and help fund desperately needed school construction. Overall, my tax program will provide substantially more benefits to middle-income American families than the tax cuts passed by the congressional tax-writing committees this year, at less than half the cost.

H.R. 8, in particular, suffers from several problems. The true cost of the bill is masked by the backloading of the tax cut. H.R. 8 would explode in cost from about $100 billion from 2001–2010 to about $750 billion from 2011–2020, just when the baby boom generation begins to retire and Social Security and Medicare come under strain.

Repeal would also be unwise because estate and gift taxes play an important role in the overall fairness and progressivity of our tax system. These taxes ensure that the portion of income that is not taxed during life (such as unrealized capital gains) is taxed at death. Estate tax repeal would benefit only about 2 percent of decedents, providing an average tax cut of $800,000 to only 54,000 families in 2010. More than half of the benefits of repeal would go to one-tenth of one percent of families, just 3,000 families annually, with an average tax cut of $7 million. Furthermore, research suggests that repeal of the estate and gift taxes is likely to reduce charitable giving by as much as $6 billion per year.

In 1997, I signed legislation that reduced the estate tax for small businesses and family farms, but I believe that the estate tax is still burdensome to some family farms and small businesses. However, only a tiny fraction of the tax relief provided under H.R. 8 benefits these important sectors of our economy, and much of that relief would not be realized for a decade. In contrast, House and Senate Democrats have proposed alternatives that would provide significant, immediate tax relief to family-owned businesses and farms in a manner that is much more fiscally responsible than outright repeal. For example, the Senate Democratic alternative would take about two-thirds of families off the estate tax entirely, and could eliminate estate taxes for almost all small businesses and family farms. In contrast to H.R. 8—which waits until 2010 to repeal the estate tax—most of the relief in the Democratic alternatives is offered immediately.

By providing more targeted and less costly relief, we preserve the resources necessary to provide a Medicare prescription drug benefit, extend the life of Social Security and Medicare, and pay down the debt by 2012. Maintaining fiscal discipline also would continue to provide the best kind of tax relief to all Americans, not just the wealthiest few, by reducing interest rates on home mortgages, student loans, and other essential investments.

This surplus comes from the hard work and ingenuity of the American people. We owe it to them—and to their children—to make the best use of it. This bill, in combination with the tax bills already passed and planned for next year, would squander the surplus—without providing the immediate estate tax relief that family farms, small businesses, and other estates could receive under the fiscally responsible alternatives rejected by the Congress. For that reason, I must veto this bill.

Since the adjournment of the Congress has prevented my return of H.R. 8 within the meaning of Article I, section 7, clause 2 of the Constitution, my withholding of approval from the bill precludes its becoming law. The Pocket Veto Case, 279 U.S. 655 (1929). In addition to withholding my signature and thereby invoking my constitutional power to ''pocket veto'' bills during an adjournment of the Congress, to avoid litigation, I am also sending H.R. 8 to the House of Representatives with my objections, to leave no possible doubt that I have vetoed the measure.

I continue to welcome the opportunity to work with the Congress on a bipartisan basis on tax legislation that is targeted, fiscally responsible, and geared towards continuing the economic strength we all have worked so hard to achieve.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 31, 2000.*

The SPEAKER pro tempore. Consistent with the action of Speaker Foley on January 23, 1990, when in response to a parliamentary inquiry the