The National Academy of Sciences found in its unanimous 1999 report, Arsenic in Drinking Water, that the prior standard was insufficient: "in Texas, we’ve done better with mandatory reductions, and I believe the nation can do better." I agree. We can do better. However, as President, Mr. Bush has reversed himself on carbon dioxide, claiming that the nation cannot afford to reduce emissions. The fact is, we can’t afford not to. We cannot erase decades of progress. We cannot wipe out the accomplishments of such wild-eyed radicals as Richard Nixon who signed the Endangered Species and Clean Air Acts.

We have to move forward, not backward. We have to set drinking water standards that will safeguard human health. We need to establish protections for the Arctic National Wildlife Refuge and other irreplaceable wilderness areas. And we need to live up to our commitments to reduce greenhouse gas emissions because global warming threatens the well-being of the entire planet.

Tomorrow, as a first step in restoring our national and international commitments to a cleaner environment, I will be introducing the Carbon Dioxide Emissions and Global Climate Change Act. This resolution will send a strong message to the President and the country that Congress will hold Mr. Bush to his campaign promises, that it recognizes that global warming poses grave dangers to our environment, our economy, and our national security, and that this country must seek to reduce its CO₂ emissions.

As a member of the International Relations Committee, I am fully aware of the impact that abandoning our commitment to reduce greenhouse gas emissions will have on our allies in Europe and throughout the world. As a member of the human race, I am aware of the impact that it will have on our planet.

We must uphold our commitments and responsibilities to the rest of the world. We are the biggest contributor to global warming, and we must also take the lead in reducing pollution.

Clean air and clean water are the most basic of human rights. However, we have a President who apparently feels that arsenic is good for kids, that oil spills are good for caribou, and that excessive carbon dioxide is good for all of us. The American people disagree. They overwhelmingly oppose weakening arsenic standards, drilling in the Arctic Wildlife Refuge, and abandoning CO₂ reductions. We cannot turn back the clock, we cannot abandon our commitments, and we cannot give up this fight for our future.

ELIMINATING THE ESTATE TAX

The SPEAKER pro tempore (Mr. CANTOR). Under the Speaker’s announced policy of January 3, 2001, the gentleman from South Dakota (Mr.
THUNE) is recognized for 60 minutes as the designee of the majority leader.

Mr. THUNE. Mr. Speaker, when I came to Congress little over 4 years ago, I came here with some very specific objectives in mind as well. And since coming to Congress, we have achieved a lot of the things that I sought to do in working with the House and our brethren in the Senate and the administration. For the 4th year in row we have balanced the Federal budget. We are actually paying down the publicly held debt. We have done that. This year it will be over $600 billion.

We have protected Social Security and Medicare. We cut taxes back in 1997, something that had not happened in a very long time. In fact, the truth is the budget being balanced for the first time 4 years ago was the first time since 1968 when I was 8 years old. All my formative years all I heard about was deficits, deficits, deficits. And so finally we have gotten the fiscal house in order here in the United States Congress.

It is sort of ironic that our colleagues on the other side under whose stewardship the debt ballooned and spending ballooned now have this new-found sense of fiscal responsibility which in the previous 40 years as these things were going on, they did not seem to abide that same compulsion toward constraint.

As a result, we spent and spent and spent to the point where our children’s future was very much in jeopardy and we piled up more and more debt. We are in a position now, Mr. Speaker, where we actually have gotten to the point that the Federal Government is taking in more money than it takes to run the cost of government. That means that the people in this country.

I would like to read for my colleagues something that a newspaper in my home State of South Dakota wrote recently. It says,

For the first time in recent memory, someone in Washington is looking the American people in the eye and stating the obvious. The Federal Government taxes too much and spends too much. It is refreshing to hear someone in Washington, D.C. state candidly that reducing the growth of spending is not a cut and that the source of deficits is unrestrained growth in spending. For Bush’s budget to work as advertised, Members of Congress, the people who actually write the spending bills, have to listen to Bush’s message. We hope they heard what the rest of us have been saying for too much and spending too much of our money.”


Tomorrow, Mr. Speaker, we take up yet another piece of the tax plan that will allow the American people to keep more of their earned dollars. We have for several weeks now been working in a systematic way here in the House to lessen the tax burden on working families in this country, to put some fairness and equity back into the Tax Code as it pertains to married couples who are penalized in the form of higher taxes because they chose to get married.

We are trying to bring some much needed tax relief to people who are raising families by increasing the per-child tax credit and a number of other things, marginal rate reductions which affects everybody contrary to what our colleagues and our opponents of this legislation are suggesting, actually benefits everybody who pays income taxes in this country by lowering or rates.

The other thing is, Mr. Speaker, it actually brings tax reform to the Tax Code. Not only are we talking about tax relief, but about making the Tax Code more fair and reforming it in a way that makes it more equitable for the American people who pay all the taxes.

Tomorrow we pick up another piece. We start a debate, a debate which is long overdue, a debate which we have held here before this in this body. And on previous occasions have actually passed legislation that would eliminate the death tax, but unfortunately it ran into a veto pen at the other end of Pennsylvania Avenue.

Tomorrow we will take that legislation up again, very important legislation, and what I would like to visit tax relief, but about making the Tax Code more fair and reforming it in a way that makes it more equitable for the American people who pay all the taxes.

Mr. Speaker, this evening who is going to join in this discussion, one of whom is a Member of the Committee on Ways and Means and who had the privilege last week, I believe, to reporting out of that committee the legislation that we will be acting on tomorrow. I think it is important to note as we get into this debate again that this is a tax which is fundamentally unfair because after the Federal Government taxes and taxes and taxes people throughout the course of their lifetime on their earnings, on their work, on their accumulation of wealth and everything else, when it comes time to actually pass down to the next generation some of that hard work, the Federal Government comes in again and says, “I am sorry, you can’t do that. We want our fair share.” It just so happens that the Federal Government takes in about 55 percent of that estate. Now, that hits farmers and ranchers and small businesspeople right between the eyes because in many cases if you do not have the cash flow that is necessary to pay the tax, you have to liquidate the very assets that are producing in this country, adding to our economic growth and creating jobs.

Mr. Speaker, this evening I would first like to yield to the gentleman from Arizona, a distinguished member of the Committee on Ways and Means who was instrumental and had a hand in writing that legislation that we will be acting upon tomorrow.

Mr. HAYWORTH. I thank my colleague from South Dakota for taking this time, Mr. Speaker. We are joined by our colleague from Pennsylvania. Again, we give thanks for the opportunity to come to this Chamber as a free people, holding opinions and living out notions that may be diametrically opposed.

Mr. Speaker, I could not help but notice the vision of America proffered by my friend from Oregon in the preceding hour. It seems we have a fundamental difference of opinion. He believes the highest and best use of a citizen’s money is by the Washington bureaucracy. There is an element of thought here that everyday Americans should surrender more and more and more of their hard-earned money to the Federal Government through taxation because Washington can somehow do a better job with that money. Mr. Speaker, I would simply say to those who join us tonight, I think we have come to understand certainly in the last half of the preceding century that that notion is exactly backwards.

Mr. Speaker, I would suggest that for years my friends on the other side have offered that outmoded notion that your family should sacrifice more so that Washington can do more, when instead we embrace the fundamental notion that Washington should make some sacrifices and be a good steward of the people’s money so that families across America can have more. That is the crux of what we are discussing tonight.

Indeed, when you look throughout the history, and I assure you we are joined by a friend from the Commonwealth of Pennsylvania. Seeing him here on the floor, I am reminded of another great Pennsylvanian who one biographer calls really the First American, Dr. Benjamin Franklin, a noted scientist, statesman and a humorist. As a publisher in Poor Richard’s Almanac, it was Dr. Franklin who observed there were only two certainties in life, death and taxes. But even with his pre-scientific, even with his foresight, I doubt very seriously, Mr. Speaker, that Dr. Franklin could envision the day that the constitutional republic which he helped to found would literally tax Americans on the day of their death. Yet that is the spectacle we see today.

My colleague from South Dakota stated the problem accurately. For so many families of farmers and ranchers, for so many family farms and ranches, for indeed, Mr. Speaker, virtually the bulk of American commerce in rural areas, this death tax is especially egregious.
And we stand united tonight, Mr. Speaker, to reassure the American people that we offer a variation, a departure from time after time small businesses. Our new slogan might be, “No taxation without respiration.” It is fundamentally unfair to ask an American family to visit the undertaker and the tax collector on the same day. We have seen time after time small businesses. Mr. Speaker, what I would instead suggest are more accurately described as essential business because we know they employ more Americans than the major corporations in our society, but we see small businesses, essential businesses, family-owned enterprises snatched away by the hand of government and this excessive tax. We see ranches and farms, the proverbial land rich but cash poor circumstance because so many of these would literally make their livings off the land, pump their energy and their hearts and their very being not to mention what liquidity, what cash they have, back into the land, back into the farm, back into the ranch and when the holder of the estate dies, to liquidate, to come up with the cash to pay an extensive and expensive tax bill, the farm or the ranch is sold or divided up, subdivided, what some might suggest is the plague of urban sprawl.

So we come to this Chamber with a respectfully different approach than those on the other side who believe the highest and best use of your money is by Washington bureaucrats. We believe every American family should hang on to more of their hard-earned money and send less of it here to Washington. That is why our colleague from South Dakota outlined the fact that just last week, we decided to say good-bye to the marriage penalty. We decided to raise the child tax credit an additional $100 this year to $600 retroactive, eventually up to double what it was, to a full $1,000.

We went back earlier as my colleague outlined and reduced the tax rates, the marginal for every American paying income tax because we realized to reduce the tax bill, that is an important step. And now we come to this juncture, where last week the Committee on Ways and Means on the same day when on this floor we voted to get rid of the estate death, because it is fundamentally unfair.

It is a job killer. It is a business killer. It drives a stake through the heart of family-owned enterprises. And it is patently wrong. How wrong? Simply stated, for all the headaches, for all the hassles, for all the heartaches, for all the turmoil, when you take a look at the vast expanse of Federal revenues, Mr. Speaker, the death tax brings into play 1 percent of the total take from American citizens in terms of taxation. Yet three-quarters of that 1 percent is spent in hot pursuit of those families who are grieving. Of those families who are trying to deal with the estates, of those families who are trying to come to grips with a fundamental change in circumstance, and that leads to the unfairness.

Mr. Speaker, for these reasons and several others, the death tax deserves to be put to death. We will take a very important step here tomorrow in that action.

Mr. THUNE. Mr. Speaker, I recognize my colleague from Pennsylvania, someone who came to this Chamber at the same time that he, a distinguished member of the Committee on Appropriations and someone who also has been a leader on this issue and someone who I believe probably has a good number of people in this fine State just like in my State, that household that held an estate that is $1 million, in and out, day and out, the people who are creating the jobs and helping create economic activity in this country and who are feeling the penalty of this very punitive tax.

And it is costing not only in terms of the tax itself and the people that it affects directly but the people day in and day out who take steps and spend dollars and spend time trying to figure out ways to avoid the tax, planning for the estate. It has become a cottage industry.

Frankly, it is hard to factor in and to quantify in specific terms all of the dollars that are affected here, all the dollars that are taken, soaked out of the economy, soaked out of the budget, and the loss of jobs it has created when a small business or a family farm has to sell assets in order to pay that tax but also in the cost of avoiding the tax. That, too, I think robs our economy in a big way of much of the productivity that it could otherwise generate.

I yield to the gentleman from Pennsylvania for his observations as well about this important legislation and what we can do to further improve the plight of small businesses and farmers and ranchers in this country, many of which I know live in his district.

Mr. PETERSON of Pennsylvania. I am pleased to follow the gentleman from Arizona and my friend from South Dakota. I bring a background of being a small businessman myself. I owned and operated a supermarket for 26 years. I built it from scratch. I right now find that those who say this is about taxes for the rich do not have any idea what they are talking about. The real rich people do not pay this tax. They use the complications of the tax system and the way they shield their resources, they are not the ones that pay it. Let me tell you who does.

In the next 2 weeks, most of our small businesses that employ the vast majority of Americans are paying their income tax. They pay a lot of that, too, because they are the ones that pay the high rate. If you have a local business that has 100 employees and makes a decent profit, they are paying a lot of taxes and they are creating a lot of growth and wealth for our communities.
The reality is, and the gentleman from Illinois (Mr. SHIMKUS) is with us this evening on the floor. He is someone who as a member of the Committee on Commerce and someone who as well also has a number of small businesses and people in his district who are affected by the death tax, and someone who I might add whose in-laws live in South Dakota so he has an extra special reason to be interested in this because my constituencies are very deeply affected. I would be happy to talk to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, I came over on this side because I know tomorrow we will have a lot of our friends on the Democrat side of the aisle who are going to come and join us in support. I am speaking on behalf of my constituents and also for all my friends on this side who again I know will join us. I will try to be brief. I cannot match the eloquence of the folks down here.

Yesterday, some interesting groups took opposition with my support of the death tax. One of the comments was made that the estate tax actually have to be sold. And my point to them was, well, obviously it is not your farm. If there is one in 20 farms, which we know is not a good measure, it is definitely not their farm that has to get sold, and we can give countless cases in the 20th District of Illinois of farms being sold.

I have one in Christian County that was just devastating, but I would like to talk especially about the agricultural economy as was addressed by my colleague from Pennsylvania. The compliance costs because we know that we are in one of the lowest periods of commodity prices since the Depression.

Part of farm income, income on the balance and income statement, you have to remember and you have to pay taxes. Well, people fail to understand the compliance cost to save the farm from the death tax is an added cost of doing business, which in these low commodity prices makes it very, very difficult to make ends meet. So in eliminating the death penalty, what you do is you are going to help the farm income of the family farm in the 20th District and throughout the country.

The second thing I want to mention. I have two cases both in Quincy, Illinois. One was back in 1969. Rich Neimann, who when his father passed away, and he is the chairman and CEO of Neimann Foods, Incorporated, of Quincy, Illinois, when Rich's father passed away. The farm was faced with an estate tax bill of several hundred thousand dollars which was due, by law, within 9 months. The Neimann family had to use all the resources from the sale of the employee's wholesale operations to pay the estate tax bill. In essence, they sold the wholesale operation of their business to provide funds to pay the death tax. That was in 1969.

More recently, 17 months ago, a good friend of mine, a small business owner from Quincy, Illinois, Mike Nobis, his brothers and sisters lost their parents 17 months ago when there was a travel accident involving their motor home, and both the mother and his father passed away.

The parents left behind a family printing business and estate tax bill of more than $370,000. To prevent this tax burden from destroying the family business, they listened to what the employees of the company put off buying capital expenses, which you would expect. They also got the 45 employees to agree, so they could keep their jobs, to double as much as they pay in health insurance. The employees agreed to double the amount that they paid in health insurance to keep the business in operation.

This is not just a burden on the small business. This is a burden on the working men and women who are employed by these small businesses. I just think it is a compelling story that in small town USA that these employees would go to bat for the employer and suck it up just to keep the business in operation.

Two last points I want to make to the super wealthy who think this is unnecessary, there is a simple solution; and I challenge them. All they have to do is gift it to the Federal Government, get it off the books, and the government will take it. We will put it in the Treasury. We will use it to pay down debt. If they want to turn over that money, I think we would welcome it.
The last point I want to talk about is just ideology. I think ideology is so important, and as a former government teacher, sometimes we get lost in the view of government. The death tax really speaks to the debate on ideology, conservative versus liberal. It really addresses a point of who controls after-taxed wealth in America. And that is what, for me, this debate is all about. It is very simple. Who controls after-taxed wealth that has already been created after it has already been taxed?

My friends, the liberals, would say, well, government ought to control it because government has plans to redistribute wealth throughout the country.

We would say that is an award and a benefit for taking the capital risk and creating jobs and helping our economy going and if you want other people to go back to small town America to create five to 10 to 15 jobs, you ought to make sure that they can pass on their after-taxed wealth, after-taxed wealth, to their family.

So I appreciate the gentleman scheduling this hour to talk about this. It is very timely with our vote tomorrow. I know I have a lot of friends on this side that are going to be very supportive. I look forward to the debate and I look forward to casting the votes. It is a pleasure to join my colleagues down on the floor.

Mr. THUNE. Mr. Speaker, I would simply say in echoing the remarks of the gentleman that if we think about the way that this impacts people, okay, yes, obviously they are going to talk about and we are going to hear a lot of rhetoric on the floor tomorrow and a lot of propaganda and demagoguery, but this is going to be the reality mega rich in this country, but the reality is it affects people, average people, who are investing, who are taking that risk, who are using the market system that we have in this country, to create a better life for themselves and their families, but also to create jobs and a better quality of life for the people who are working for them and to build their communities.

There is not a small businessperson in a small town who is not the one who gets asked to support every single charity, every single activity that is going on, whether it is the local baseball team or whatever, and they are there to step up and to support those many activities, and it is part of our community life.

I am going to give an example. I want to read a short letter here that I received from a constituent in South Dakota. This is a family farmer and this is again a direct impact not on the super rich but on the family farmer.

"Eleven years after my mother died and 7 years after my father passed away, I still cannot be sure that the estate is settled. We sold off 480 acres of the family farm to pay the taxes, but I do not have a final signed letter from the IRS stating that the estate and the ownerships are officially closed. My wife and I have to meet with an estate planning team on a regular basis to try to keep our children from experiencing the same estate tax problems we have had."

Those are the words of a South Dakota farmer who has been hit hard by this death tax. Surprisingly enough, he considers himself one of the lucky ones. He actually survived the death tax and he can still farm after selling a quarter of his land, land that has been in his family for generations.

His family farm narrowly survived, even though he was hit 3 times. Not only did he and his family pay the Federal estate tax, he paid nearly $71,000 in State inheritance taxes and he had to shell out at least $30,000 in legal fees to settle the estate. Now, his children, of course, stand to face the same problem if we do not do something about repealing this tax.

Unfortunately, this farmer's story is all too common in rural America. The death tax literally can destroy family-owned farms and ranches by forcing farmers and ranchers to sell off land, buildings and equipment just so that they can pay Uncle Sam.

Make no mistake about it. Despite the rhetoric we are going to hear here tomorrow, when farms and ranches disappear, the rural economy suffers. We are seeing people move out of rural areas into more populated areas of this country. If we want to preserve the fabric and the bedrock values of this country and make it strong by allowing family farms to flourish, we have to do something about this death tax.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from South Dakota, and I would say to the gentleman from Illinois, he sells himself short, Mr. Speaker, when he supposed a lack of eloquence on his part, because nothing is more eloquent than the real-life experiences of fellow citizens that he outlined for us. The gentleman from South Dakota has followed suit. Then, of course, we have the gentleman from Pennsylvania who built a business, a grocery store in his hometown, employing local folks. Talking about the local perspective is so vital.

Mr. Speaker, I would note that the gentleman in the chair, the Speaker pro tempore, from the first district of Arizona, we can claim a unique vantage point because the Speaker pro tempore hails really from the 6th congressional district, the town of Snowflake, named for the founding families, the Snow family and the eponymously named Flake family. Yes, Mr. Speaker, we understand how this affects rural and small town America. But as we have seen in Arizona, with the incredible growth and, indeed, over the last 10 years, the equivalent of the State of Nebraska has moved to Arizona; we have growing urban areas, we have people coming in from all over the United States.

One lady stopped me in one of our cities the other day and she talked of the experience of her father who was a milkman in post-World War II America. He got up every day very early, ran his route, saved what he could, invested wisely, and built what some would call a nest egg, but what the Federal Government calls a substantial estate in the millions of dollars. The lady who stopped me, Mr. Speaker, said, you would never have thought that. My father was a hard-working man, a milkman, and he had a profession that he was blessed to live in America and to have those opportunities, but in much the same way our colleagues from Illinois outlined the problems, in much the same way our colleagues from South Dakota read of the plight of a farmer in his home State, so this was this suburban housewife, the beneficiary, if you will, of her father's estate, having to grapple with this incredible problem. She and her siblings were bearing the brunt of liquidating their father's estate. His hard work, the wages on which he had been taxed, his very success was being penalized.

My colleague from Illinois had it right when he talked about a grand debate, a fundamental difference of vision. When it comes to the notion of wealth, there are those in this chamber who honestly believe, as difficult as it is for most Americans to grasp this, they honestly believe that the Federal Government, that the Washington bureaucracy should have first dibs on your money, and that death is a watershed event, and that the family should pay up, oftentimes in excess of 50 percent.

My friend from Illinois brought up another topic that bears amplification because, Mr. Speaker, in this town, there is the punditocracy. There are special interest groups who step forward with the most curious ideas, and the irony we have seen of the mega rich stepping forward to say that this death tax should be enforced deserves some comment. The gentleman from Illinois, Mr. Speaker, was exactly right. If our friends who are mega rich, billionaires, and some of those slang gazillionaires, if they believe that their progeny would receive the fruit of their labors as some ill-gotten gains, if they honestly believe that sending their wealth to the Federal Government is the highest and best use of their funds, then let them go. But they should find their attorneys, they should prepare their estates or perhaps have the check ready right now to hand over the bulk and entirety of
Mr. THUNE. Mr. Speaker, I would just say that many opponents of the Federal estate tax, including me, I criticized it as being a death tax; it is a death tax, there is no question about it, and I believe it is fundamentally unfair, as the gentleman just noted, to tax death. But again, characterizing the death tax as only taking effect when someone dies does not paint the full picture, and it ignores the misguided policy. Because the estate tax does not just rear its ugly head when someone dies; as Abraham Lincoln said, it is not just the years of your life that count, it is the life of your years. It is present through the life of our years, and this fact can be plainly demonstrated by looking at the arguments being made by those who are opposed to its repeal, because they talk a lot about targeting tax relief by increasing the small business and family farm exemption already found in the Tax Code. This is, again, of how the IRS, how much paperwork it takes to maintain this Tax Code, the exemption consumes nearly 13 pages in the Tax Code. However, it is so narrow and so complex that it only applies to roughly 3 percent of small businesses and family farms. So in order to qualify for that exemption, taxpayers have to start planning while they are alive in order to meet the rigorous adjusted gross estate value and material participation requirements that are in that Tax Code. We talk about it as a death tax, and it is that, but it is also a tax during people’s lives that they have to plan for over and over, again and again, depriving the resources, the time, the investment that could be put to much more productive use.

Incidentally, I just want to mention too, because I think the gentleman from Pennsylvania noted earlier how often it is that actually a family farm or small business or operation gets passed on to the next generation, and the numbers I have here in front of me say that 80 percent of small employers spend the costly resources to protect their mother having the death tax and in spite of that, in spite of that, they still often fail, because 70 percent of small and family-owned businesses do not survive through the second generation, and 87 percent do not make it to the third generation. So 9 out of every 10 successors whose family business failed within 3 years of the owner’s death said death taxes played a major role in that company’s demise.

So if we think about the impact this has on the transfer of the economic engine in this economy for the next generation and what we are doing, which is, in effect, making it even more difficult than it is, and it is difficult enough to make that happen. So again, this is a tax on death, it is a tax on life; it is something that is so costly to comply with and something which literally deprives one generation of Americans who have worked very, very hard for the benefit of passing that hard work on to the next generation.

So I just think again, we have an opportunity to do something about this and we have tried and tried and tried, as the gentleman from Arizona always says, to get this done, and yet despite our best efforts in the last couple of years, because again we met the veto pen, perhaps to effect that program wouldn’t be Pennsylvania Avenue; this year it is different. There is a new sheriff in town and we have an opportunity to do what is right by family farmers and ranchers and small business people, not just in the rural areas of the country, but in the more populated areas, like the gentleman from Arizona where he lives.

I might add that a lot of people from my State like to go down there because it is a little warmer climate than what we have had to deal with, but there are a lot of us who like to live in South Dakota in spite of the climate because of the quality of life, and part of the quality of life hinges upon having an active economy and making sure that the government is not making more out of the economy than is necessary and allowing it to continue to grow and provide jobs. So there are a lot of young people who want to live in South Dakota when they grow up to have that opportunity.

Mr. Speaker, this is important work that we are doing. I yield to the gentleman from Pennsylvania who again spoke so eloquently earlier about his personal experience with this issue.

Mr. PETERSON of Pennsylvania. Mr. Speaker, if you want less of something, tax it another way, another time; if you want more of something, do not tax it. Any time we can remove an impediment from businesses succeeding, we ought to be about it.

I am going to diverge just for a moment, because Bill Gates has said this 3 or 4 times in my presence and it has made a big impact on me. He said, as he travels around the world, because he is one of the leaders of the technology revolution, he is always thinking about the strong economy in this country, he says, everywhere he goes, he will go to Japan and he said, why did it not happen here first? Why did it happen in the States? He will go to Germany and Europe and other countries, and he will say, why did it not happen here? We are smart people, and he said the reason it did not happen there and that it happened here is that we have the most economic freedom. We have the least bureaucracy. We have the least power in the bureaucracy to control and regulate.

Now, a lot of us think we have too much, but we do not have as much as they do. He said, they could not have brought about the changes that were necessary to implement this. This technology was around a while before it took off, before it became this spur to our economy. I just want to say that, because it is that economic freedom of this country that we must defend.

The difference in America from anywhere else in the world, and our future, in my opinion, depends on the ability of any individual that has a process, a manufacturing process or a commodity to market that product that commodity or manufacture that product and compete against the big boys. Now, when I was in the food business, I was an independent supermarket. I had to fight the chains. Now, I do not dislike the chains. They, and the mega, the mega stores powerful, they have hundreds of stores and the power of buying, and I had to compete with them. But that is what America is about, allowing little people with big ideas and lots of intense hard work to build a business. We never know when we have an employer of 50 people that can suddenly bust out and be 500 people, 5,000 people. I have seen it happen, where somebody started in a garage and then moved into a vacant building and the next thing we know, they are building new factories and they are employing hundreds, if not thousands, of people.

We do not want to do anything to trip those people up on their way, because that is what makes America different; it is a land of opportunity. It is a land of economic freedom. When we tax two and three times and take that power of earnings away from people and cause families to lose that whole thrust, they may salvage the business, but for the next 5 to 10 years they are paying interest on that debt that they have accumulated to pay the taxes. If we add up the money that is spent in this country avoiding this tax, I would not be surprised if this tax, what it costs people and businesses and what it costs the government to collect it, that it is an absolute loser. It is not time to tinker with it, it is time to get it out of the way as an impediment to growing successful businesses in this country. It is one less impediment for families and hard-working people.

Most people who own a business do not work 8 hours a day, they work double shift, triple shift, whatever it takes.
to make the business work, to pay the bills. Those people should not be threatened to lose the production and spending all their resources and time trying to salvage the family business.

It is time to put the death tax to bed. It is time to just remove it and get it out of the way as something that really is not in the best interests of our economic future.

Mr. THUNE. Mr. Speaker, I thank the gentleman for his comments.

I also recognize on the floor right now a new addition to the Congress, the gentleman from Missouri (Mr. AKIN), who has joined us this year. He also, I think, represents a good number of people who probably care very deeply about this issue.

He has come to this Congress I think intent, like many of us have, on making as far as we can to create an environment in this country where the American people get to keep more of what they earn, and where we are distributing power out of Washington, getting more power back into the hands of individuals and families and less in the hands of Washington bureaucrats.

Mr. Speaker, I yield to the gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Mr. Speaker, I thank the gentleman for yielding to me.

One of the things we could comment on here is the timeliness of this measure that is before us. One of the things we are aware of is that the economy has not been as strong as it might be. There is no coincidence that we are dealing with the repeal of the death tax.

I think people sometimes do not understand the connection, though. I think that the connection is rather straightforward when we consider where is it that people are employed in America. What we find is, and it is not intuitively obvious, I do not think, is that about 80 percent of our jobs are in small businesses. Those small businesses, many of them are started either by some individual or the parent of some individual.

Those small businesses, with the death tax the way it is now, stand at risk. Because if we take a lot of those businesses and all of a sudden we have to tax an asset at a 55 percent rate, we basically close the business down and send those jobs somewhere else. I do not think that is what we want to be doing with this economy.

Mr. Speaker, the whole point of getting rid of the death tax really has a lot to do with keeping jobs in this country and really helping, because if we take a look, all of our big corporations which we consider to be national assets, they all started at one time as a small business somewhere. So protecting those small businesses, allowing them to remain solvent, allowing those jobs to remain in this country and not closing down the family farm, those are the kinds of things that affect our economy.

So this would say, gentlemen, is a particularly timely measure, and it is well past due that we get rid of the tax on widows and orphans known as the death tax.

Mr. THUNE. Mr. Speaker, I thank the gentleman for his comments.

I think just as a matter of fundamental tax policy and principle in this country, we have said this before and it is true, when a family member dies the family should not have to deal with the undertaker and the IRS at the same time. That is in effect what we have created with the Tax Code in this country.

As we again move into this debate tomorrow, we are going to hear a lot of arguments from the other side which we will use examples like Bill Gates and others. Those are people who have done well in this country. Yet, the people that I represent in the State of South Dakota are not the Bill Gateses, Steve Forbeses, Donald Trumps, they are hard-working American men and women who are trying to make ends meet, and who are trying to raise their kids and educate them, and create a better quality of life for themselves and their families and their communities.

Someone said earlier, I think the gentleman from Illinois when he was here on the floor, that only one in 20 farms is lost in this country or has to be sold to pay the death tax.

If we think about that, in my State of South Dakota there are 32,000, in round numbers, family farmers. If we lose one in 20, that is 5 percent. That is 1,600 farms.

Mr. Speaker, one does not have to be a real serious mathematician over time to look at what happens as far as a trend line. We will see in a very short order that what is the backbone of the economy in rural areas and that is our family farmers, are very much at risk, very much imperiled, and very much in jeopardy if we do not take the steps that are necessary, not only to increase prices and to reduce the cost of production, two issues that are separate issues, but also to lessen the tax and regulatory burden on many of these people.

So again, I think this is a timely debate. I hope this is an issue that we will work as broad bipartisan support for.

I am happy to yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman, and welcome my friend, the gentleman from Missouri, to this Chamber and to service in the United States House.

It has been noted before, Mr. Speaker, that the power to tax is the power to destroy. Mr. Speaker, nowhere have we seen it with a more egregious impact, with a more unfair specter, with a fundamental departure from our values and ethics, than we have seen with this death tax.

Yes, for years it was called an estate tax, offering this type of placid, pastoral recognition. But what it is in reality is the death tax: the destroyer of jobs, the destroyer of wealth, the destroyer of communities and a way of life.

Some have come to service on this Hill offering a slogan and a written word. It takes a village. Well, Mr. Speaker, I think it is fair to ask, what happens when we tax the businesses and farms and ranchers in said village literally to death? What happens when we abandon the notion of basic fairness and penalize people whose only offense is to succeed?

Why punish those who have worked to establish a growing business, an agricultural or economic enterprise creating jobs, generating wealth, and not coincidentally, Mr. Speaker, paying taxes on those funds even as they are accumulated? Why then turn around and tax the survivors, and destroy the businesses or drive them into arcane policies where time and money is drained from job creation in the concept of sense, instead to go to lawyers and accountants, and to drain the productivity of the economic enterprise?

Now, Mr. Speaker, we will have those who come to the floor, and we should acknowledge the fact, as my colleague from Illinois and now Missouri has done standing on that side of the aisle, there will be those who will join with us in a bipartisan way tomorrow, but there will be others who say, “Yes, this tax is unfair, but we cannot vote to destroy.” Or, “not this way.” Or maybe, “There is a cheaper way to do this,” for political advantage or partisan embarrassment.

Mr. Speaker, I would simply say to the American people on the eve of this historic debate, accept no cheap substitutions. Join with us to put this death tax to death, because the power to tax has in this instance for too many families, for too many farms and ranches and small towns and essential businesses, become the destroyer of their worlds and their vision and their very livelihoods.

Mr. THUNE. Mr. Speaker, I thank the gentleman from Arizona for stating
in very eloquent and concise terms really what this debate is about, because on a fundamental level, inasmuch as sometimes about these issues in abstract terms, this really is another issue, and we have discussed many of them as we have talked about the President’s agenda, that affects very real people in a very real and personal way.

As we move through trying to implement an agenda which, because of these good economic times and because of the hard work of the American people, has generated more money in the Federal Treasury than is necessary, very simply, very run the cost of government, the American people, I believe, and the President, asked for it when he spoke right here behind us in this Chamber, the American people want and deserve a refund.

I think that if we look at the marriage penalty, which in my State affects 75,000 couples, if we talk about the per child tax credit which we acted on last week, which affects 119,000 children in Arkansas and their parents, it is about taking the dollars that are coming in here that are more than necessary to run the cost of government, protecting and walling off Social Security, addressing the long-term needs to reform Medicare, paying down the Federal debt in historic levels, levels never before seen; certainly not seen in the last 40 years, when our colleagues on the other side ran this Chamber. I do not know when the last time is when we have had substantial paydown of the Federal debt.

But we have had an opportunity to allow the American people to keep some of this surplus which is theirs in the first place. The President has said it, it is the people’s money. We need not forget that.

So whether it is the marriage penalty or the per child tax credit, the debt tax, reducing marginal rates, it is important that the American people understand that they have overpaid the cost of government, very simply, very fundamentally. When that happens, just in the same way as when they go into the store to buy a pair of shoes and they hand the clerk a $100 bill for an $80 pair of shoes, they don’t say, “Keep the change.” They have overpaid the cost of the Federal government.

This is where the American people I think really need to be tuned into this debate, because it is their money we are talking about. We all know that if it stays here in Washington, it is going to get spent on more and bigger government programs.

It all comes back to the basic question, somebody talked about ideology earlier of who has the power: Does Washington have the power, or does the American family have the power?

We happen to believe as a matter of principle that when we have an opportunity to allow the American people in this country to keep more of their hard-earned dollars, they have more power to make a more control over their lives to make decisions that are in the best interests of themselves, their families and their communities. That really is what this debate is all about.

Tomorrow I will participate in that debate. We take up the death tax. Again, I hope that we can successfully piece together a tax relief package that incorporates principles that not only provide tax relief, but tax reform and tax fairness to the American people.

The interesting thing about this is that our friends on the other side, they will complain and holler, but they are coming along. They have already agreed to more tax relief than this President vetoed last year when we acted upon it.

They are now rolling out alternatives, all kinds of alternatives. They may not like exactly the way we are doing it, but they understand what the American people understand. That is that this is their money, the Americans’ money, and we need to make sure they are able to keep it.

I appreciate the gentleman from Arizona joining us this evening, and the gentleman from Missouri, for their thoughtful comments and observations. I expect the gentleman will be engaged in that debate tomorrow as it gets under way as a member of the Committee on Ways and Means. We thank the gentleman for his efforts to lead the charge to eliminate not only the death tax but a lot of the other inequities in the Tax Code.

I would say to the gentleman from Missouri, again, I appreciate the chance to conduct this discussion this evening. Hopefully we will get the debate under way. The debate is joined.

Mr. BACA, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes.

Mr. BUCK, for 5 minutes, today.

Mr. RAHALL, for 5 minutes, today.

Mr. LEACH, for 5 minutes, today.

Mr. FUXEY, for 5 minutes, today.

Mr. BACA, for 5 minutes, today.

Mr. KOLBE, for 5 minutes, today.

Mr. BACA, for 5 minutes, today.

Mr. price of North Carolina, for 5 minutes.

Mr. HAYWORTH, Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o’clock and 44 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 4, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker’s table and referred as follows:

1415. A letter from the Regulation Contact, Grain Inspection, Packers, and Stockyards Administration, Department of Agriculture, transmitting the Department’s final rules—Fees for Commodity and Rice Inspection Services (RIN: 0580-AA74) received March 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1416. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting notification that the Commander of Air Combat Command (ACC) is initiating a single-function cost comparison of the ACC Communications Group to include functions such as configuration and interoperability management, data-link, desktop software development, and Ground Tactical Air Control System at Langley Air Force Base, Virginia, pursuant to 10 U.S.C. 2301; to the Committee on Armed Services.

1417. A letter from the Secretary, Department of Defense, transmitting a letter on the approval retirement of Vice Admiral Joseph W. Mooby, United States Navy, and his advancement to the grade of Vice Admiral on the retired list; to the Committee on Armed Services.

1418. A letter from the Secretary, Department of Defense, transmitting a letter on the