

The National Academy of Sciences found in its unanimous 1999 report, *Arsenic in Drinking Water*, that the prior standard that the Bush administration proposes that we go back to “does not,” and I am quoting, “achieve EPA’s goal for public health protection; and, therefore, requires downward revision as promptly as possible.”

The Academy found that drinking water at the current standard that the Bush administration now wants to go back to could easily result in a fatal cancer risk of 1 in 100. That is a cancer risk 1,000 times higher than the EPA allows for food, and 100 times higher than the EPA has ever allowed for tap water contaminants. Why in the name of all that is holy does this administration plan to go back, to reverse that standard, to study it further?

Arsenic is found in the tap water of millions of American homes. Over 26 million American homes have levels averaging over 5 parts per billion. Scientists point out that not everybody is equally susceptible. It is the children and pregnant women who are especially susceptible. A wider margin of safety might be needed when conducting risk assessments, the National Academy found, because of variations of the sensitivity of these individuals. But the Bush administration has proposed that we go back to the standard that was good enough for 1942.

Mr. Speaker, I am deeply concerned that this Congress, in its rush to focus on a very narrow agenda from the administration where they do not want to talk about these inconvenient proposals, these inconvenient reminders of their campaign pledges, they want to narrow the discussion to their economic agenda, and actually I do not have any qualms about the American public turning a searchlight on that proposal, on the \$1.6 trillion tax cut that was conjured up by Presidential candidate Bush 2 years ago because it was just right. We did not need it. The economy was rolling along and, therefore, we needed to return the surplus. Now the same proposal is needed when the economy is going down because that is somehow magically going to stimulate the economy. But of course that was not going to stimulate the economy 2 years ago.

There is a certain discontinuity, I find, in terms of that argument, and I would wish that the American public would focus on it. I would wish that the American public would focus on the illusory \$5.6 trillion surplus that the administration is claiming, except if they use the same budget assumptions that the recent commission reporting on Social Security and Medicare reported on, that the budget surplus evaporates. They assume that we are going to spend at a lower rate than even the revolution of Mr. Gingrich when they were riding high, and we never achieved the 4 percent reduction. They

are assuming that tax breaks that we know are going to be reinstated somehow are magically going to go away. And the fact that millions of Americans are going to be subjected to the alternative minimum tax, and we know that we are going to fix that at a cost of probably \$400 billion, all of these are ignored.

Mr. Speaker, I am happy to debate these on the floor of the Chamber. It would be nice to have debate time rather than rushing it through. At least our colleagues in the Senate are going to take some time and deliberate on it. I think it is ironic that this tax cut my colleagues think is so important, they have permitted 1 hour debate. At a time when we were standing around waiting for my colleagues to come back from meetings across the country, we could have had an opportunity to discuss it, if not amend it.

While we have that debate, it is important that every American reflect on what is going on in the back rooms here in Washington, D.C., what is going on in the agencies as we are having campaign pledges reversed, as we are having campaign promises ignored, and we are having vital protections for the American public put at risk.

I came to Congress committed to work in a bipartisan, cooperative way for the Federal Government to be a better partner working with communities to make them more livable, to make our families safe, healthy and more economically secure.

Mr. Speaker, I fear that reversing the arsenic standard, drilling in the Arctic Wildlife Refuge, ignoring energy conservation, and turning our back on our leadership in global climate change is not in keeping with that goal.

Mr. Speaker, I am hopeful that there will be time for Congress to give voice to what the American public is concerned about in protecting the environment, and urge the Bush administration to reconsider these ill-advised policies. Mr. Speaker, I appreciate the opportunity to discuss these issues this evening.

Ms. LEE. Mr. Speaker, I would like to thank the gentleman from Oregon, Mr. BLUMENAUER, for his leadership in the fight to build livable communities in a livable world.

I rise tonight to speak out against the pollution of our waters, our atmosphere, our wilderness, and our children.

Arsenic causes cancer. Global temperatures are climbing every year.

These are not wild theories, they are established science.

Nonetheless, the Bush Administration is turning back the clock to 1942 on arsenic regulations, is seeking to plunder the Arctic Wildlife Refuge, and is declaring that the Kyoto Protocol on Global Climate Change is dead on arrival.

As a candidate, George W. Bush declared, “We will require all power plants to meet clean air standards in order to reduce emissions of sulfur dioxide, nitrogen oxide, mercury and

carbon dioxide within a reasonable period of time.”

He also states that voluntary reductions were 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 CO<sub>2</sub> 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 CO<sub>2</sub> reductions.

We cannot turn back the clock, we cannot abandon our commitments, and we cannot give up this fight for our future.

□ 2045

#### 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 a 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 1969 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 to 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 are overtaxed.

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 plan 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 heard: "You're taxing us too much and spending too much of our money."

That is from the Rapid City Journal dated February 28, 2001.

Tomorrow, Mr. Speaker, we take up yet another piece of the tax plan that will allow the American people to keep more of their hard-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 of 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 about here in just a moment, and that is the death tax. It impacts farmers and ranchers and small businesspeople, the people who are the heart and soul of South Dakota's economy and I dare say of economies all over this country, particularly in rural areas of America.

We have some gentlemen on the floor this evening who are 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, of actually 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 on to the next generation some of that hard work, the Federal Government comes in again and says, "I'm sorry, you can't do that. We want our fair share." It just so happens the Federal Government and their fair share takes in some cases 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 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 our history, and I am so glad 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 prescience, 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 family-held businesses, 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 that rings out with echoes of the past. 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 those who 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 per child tax credit an extra \$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 margins 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 marriage penalty, we voted to increase the per child tax credit, we voted for common sense, family-friendly policies. We went back last week into committee and passed out of committee and will bring to the floor here tomorrow another common sense piece of legislation to put the death tax to 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 our Treasury about 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 I did and 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 his fine State just like in my fine State who are impacted day in and day 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, not just by the death tax 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. Because 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.

□ 2100

If you are building a community, what kind of a business do you want? Would you choose some global corporation that would put 500 jobs in your community or would you take five local companies that would put 100 jobs in your community where the families live there and work in the communities and serve on local governments and serve on boards and agencies and do all of those things that make communities good places to live?

I think we would all choose those five employers that have 100 people, because they are not going to be moving to Mexico; they are not going to move the plant to another State because this is their community.

If you want to talk about growing your community, I have come from a part of Pennsylvania that has been hit hard with companies closing. We have been hit hard for a lot of things that are no fault of the workforce and no fault of our area.

When you lose the local ownership of a company, the large global corporations may take a look at one of the businesses that have been in your community for years and has grown to 400 or 500 jobs and has a good workforce and a good product line, and let a death in the family come and that is the chance to buy that business and make it part of their global corporation.

Now, I am not against global corporations but when you lose that local ownership to the global corporation, it is never the same, because 5 years from now that business could be on a little bit of a hard time and it is very easy to take those machines and move them down the road or another country, and those jobs are gone.

The backbone of our communities is independent business, and this tax hits them really hard. This is the tax that forces them to make that decision, because they cannot borrow that much money and still make the business profitable, and the only economic choice they have is to sell it.

I think that is the part that people must realize. This is the backbone of our communities, independent businesses that are growing and prospering. They pay that tax on January the 15th, this year, next year, the year after. They build this nest egg. They do not have huge Keoghs and huge IRAs. They have their resources in the business, in the building, in the inventory, in the

machines. That is their family nest egg, and maybe the funds have helped grow the business and they have worked like troopers to grow this business and create more jobs in the community; and the father or the parent dies and the business has to be sold because there is not enough equity left after you pay the estate taxes.

Whether it is farmers, whether it is a local supermarket, whether it is a local manufacturer, a local processor, whatever, it is local employers that make our communities good places in which to live, and the estate tax is the greatest threat to local jobs of any part of our tax package. That accumulation of wealth by buying more machines and adding on to the building and all of that, that is out of profits that they have paid their taxes on. This is not through some cheating or somehow taking money out of the business. This is taking the profits, paying their taxes, taking what is left and putting it back into the business and hiring 5 more people. That is what America is all about. That is where we are better than most any part of the world. The free market system allowed someone like me, when I started my business, to borrow against my father's home. Now, today banks will not do that.

I knew one thing, though. I knew that I could not fail, I could not jeopardize my mother's and father's home. I had to pay that loan back, but that is how I got started in business because I didn't have any cash of my own. My father mortgaged his home and some land he owned so I could go into a little small, corner grocery store and I grew it into a supermarket that served the community for more than 2 decades.

That is the future of America, the ability of individuals with a new idea, a new concept, to grow business, and the estate tax or the death tax is one of the greatest threats for that business staying in your community, staying in the next generation.

There are very few businesses, because of the estate tax, that last to the third generation, a small fraction. There is a myth, a Federal estate tax is an efficient way to distribute wealth. Well, the reality is, and the gentleman said it very similarly, the Joint Economic Committee found that the cost of collection and compliance, and that includes the litigation and disputes between the IRS and taxpayers, makes it a wash. So the government really does not benefit from all the money they spend collecting the estate taxes. It is a wash. But at the same time those 500 jobs, those 300 jobs, those 50 jobs, those 40 jobs from our communities are gone forever.

It is the second and third tax on the same income, and it just should not be.

Mr. THUNE. If the gentleman would yield back, I could not agree more. I think, unfortunately, the gentleman hit it exactly on the head. If you are

talking about a small town environment, a rural area like the one I come from, oftentimes it is. I mean, the only economic activity, the only hope for jobs and that sort of thing in some of those small communities, really is those small independent businesses. If those people cannot stay in business because the Federal Government insists on taxing them, as you said, over and over and over again and then when it comes time to expire they get taxed again, there is only so much that those small businesses can abide and still continue to do what they do, and that is provide the jobs and provide not only the jobs but the benefits to their employees.

What the gentleman is talking about here again is the cost of compliance with the estate tax and everything else. It robs dollars that otherwise could be put into things like providing health care for their employers.

Now we have a gentleman with us here this evening, and I would note that there is a famous gentleman from Illinois, from his home State, who once said, and I quote Abraham Lincoln, "It is not the years in your life that count. It is the life in your years."

Unfortunately, there are thousands of hard working business owners and family farmers who have a difficult time enjoying the life in the years with the shadow of the estate tax looming over them.

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 constituents care very deeply about this. I would be happy to yield 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 interest groups took opposition with my support of the death tax. One of the comments was made, well, only one in 20 farms 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 revenue and you have expenses. 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 Richard's father passed away suddenly in 1969 the family 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 company'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, listen to what they did, 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 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, just get out their checkbook. We 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 that wealth throughout the country.

We would say that is an award and a benefit for taking the capital risk and creating jobs and keeping 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 about how this is going to help the really 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 audit 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.

□ 2115

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 farming to survive, 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 here 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, but even he said about his profession that he was blessed to live in America and to have those opportunities, but in much the same way our colleague from Illinois outlined the problems, in much the same way our colleague 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 dibbs 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 in some 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 by all means, Mr. Speaker, 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

their estates to the Federal Government. But for the milkman who passed away, whose daughter, the proverbial soccer mom is having to deal with this real problem, to the family rancher in the 6th district of Arizona, to the small business owner in the town of Snowflake, I respectfully say, let us restore some fairness. Is it fair to expect those people who survive to liquidate assets and send over 50 percent to the Federal Government? No, that is wrong.

Mr. Speaker, the fact is, tomorrow we will take steps to address this fundamental issue of fairness when we take the steps to eventually put this death tax to death.

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 of this thing, and it is a 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. Now, ironically, 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 families from 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 genera-

tion, 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 at the other end of 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 that 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 diverse 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 that has brought 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 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 process or 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 are large, they are 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.

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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 this 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 and have the problem of 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 from Pennsylvania.

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 a change for the better to try and 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 economy and 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 that 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 I 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 will range in all kinds of ways. I cannot even envision, imagine, and contemplate at this point what we might hear in terms of opposition to this, but I can imagine a lot of it will center on the fact that this is going to help those who are particularly affluent and wealthy in this country.

The fact of the matter is they 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 see 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.

My friends from Missouri often say, Show me. Sadly, the Federal government has taken a slogan that Hollywood popularized a few years ago, show me the money, and taken it from family enterprises.

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 economic opportunity, 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 conventional 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 do this now;" 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 we talk 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 to 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 South Dakota 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 death 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, D.C. 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 oppor-

tunity to allow the American people in this country to keep more of their hard-earned dollars, they have more power and 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 is another chapter 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.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT) for today and the balance of the week on account of personal business.

Mr. LATHAM (at the request of Mr. ARMEY) for today and April 4 on account of the death of his father.

Mr. WALDEN of Oregon (at the request of Mr. ARMEY) for today on account of attending a funeral.

Mr. WOLF (at the request of Mr. ARMEY) for today on account of attending a funeral.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DELAHUNT) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.  
 Mr. HOYER, for 5 minutes, today.  
 Mr. BROWN of Ohio, for 5 minutes, today.  
 Ms. KAPTUR, for 5 minutes, today.  
 Mr. DAVIS of Illinois, for 5 minutes, today.  
 Mr. PALLONE, for 5 minutes, today.  
 Mr. LANGEVIN, for 5 minutes, today.  
 Ms. MCKINNEY, for 5 minutes, today.  
 Ms. JACKSON-LEE of Texas, for 5 minutes, today.  
 Mr. ALLEN, for 5 minutes, today.  
 Mr. BACA, for 5 minutes, today.  
 Ms. MILLENDER-MCDONALD, for 5 minutes, today.  
 Ms. NORTON, for 5 minutes, today.  
 Mr. PRICE of North Carolina, for 5 minutes, today.  
 (The following Members (at the request of Mr. KOLBE) to revise and extend their remarks and include extraneous material:)  
 Mr. OSBORNE, for 5 minutes, April 4.  
 Mr. BILIRAKIS, for 5 minutes, today and April 4.  
 Mr. GRUCCI, for 5 minutes, today.  
 Mr. LINDER, for 5 minutes, April 4.  
 Mrs. MORELLA, for 5 minutes, today.  
 Mr. DUNCAN, for 5 minutes, today.  
 Mr. KELLER, for 5 minutes, April 4.

#### ADJOURNMENT

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 Regulatory Contact, Grain Inspection, Packers, and Stockyards Administration, Department of Agriculture, transmitting the Department's final rule—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. 2461; to the Committee on Armed Services.

1417. A letter from the Secretary, Department of Defense, transmitting a letter on the approved retirement of Vice Admiral Joseph W. Mobley, 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