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Week Ending Friday, June 16, 2000

Statement on House of Representatives Action on the Estate Tax Legislation

June 9, 2000

The House has jeopardized our fiscal discipline by passing a costly, irresponsible, and regressive plan to eliminate the estate tax. If this bill were presented to me in its current form, I would veto it without hesitation.

Repealing the estate tax would undermine our record of fiscal discipline as well as the progressivity, fairness, and integrity of the tax system. The cost of this bill explodes from $100 billion this decade to over $750 billion in the following decade, just as the baby boom generation is retiring and Medicare and Social Security are coming under strain. This bill gives the largest estates a windfall while steering only a tiny fraction of the benefits to small businesses and family farms. By the end of the decade, the bill would provide a $50 billion tax break that would provide only 54,000 estates—about 2 percent of all decedents—with an average tax cut of $800,000. Furthermore, studies by economists have found that repealing the estate tax would reduce charitable donations by $5 billion to $6 billion per year.

I am supportive of targeted, fiscally responsible legislation, such as the Democratic alternative, to make the estate tax fairer, simpler, and more efficient. I urge the congressional leadership to work with me to relieve the burden of estate taxes for small businesses and family farms in a fiscally responsible manner this year. We can do this while strengthening Social Security and Medicare, investing in key priorities, and paying down the debt by 2013.

NOTE: This item was not received in time for publication in the appropriate issue.

Proclamation 7321—Flag Day and National Flag Week, 2000

June 9, 2000

By the President of the United States of America

A Proclamation

Our long national journey has brought the United States safely to a new century and to a position of unprecedented leadership in the world. Throughout that journey, one symbol has endured as a badge of honor for every American and a beacon of hope for the oppressed: the flag of the United States.

For more than two centuries, "Old Glory" has challenged us to make real the highest ideals of the patriots and visionaries who chose it as our national symbol in the early days of our Republic. The flag of the United States has inspired us in battle, reassured us in times of peace, and comforted us at moments of great national grief. In its white stripes, we recognize the sanctity of the American ideals on which our Republic was founded: liberty, justice, equality, and the guarantee of individual rights. In its red stripes, we salute the generations of American patriots who have shed their blood to keep our flag flying over a free Nation. And in the cluster of white stars on an unchanging blue field, we read the story of America's remarkable evolution from 13 small colonies to 50 great States, with millions of citizens from every race, creed, and country united by the hopes and history we share as Americans.

To commemorate the adoption of our flag, the Congress, by joint resolution approved August 3, 1949 (63 Stat. 492), designated June 14 of each year as "Flag Day" and requested the President to issue an annual proclamation calling for a national observance and for the display of the flag of the United States on all Federal Government

buildings. In a second joint resolution approved June 9, 1966 (80 Stat. 194), the Congress requested the President also to issue annually a proclamation designating the week during which June 14 falls as "National Flag Week" and calling upon all citizens of the United States to display the flag during that week.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim June 14, 2000, as Flag Day and the week beginning June 11, 2000, as National Flag Week. I direct the appropriate officials to display the flag on all Federal Government buildings during that week, and I urge all Americans to observe Flag Day and National Flag Week by flying the Stars and Stripes from their homes and other suitable places.

I also call upon the people of the United States to observe with pride and all due ceremony those days from Flag Day through Independence Day, also set aside by the Congress (89 Stat. 211), as a time to honor our Nation, to celebrate our heritage in public gatherings and activities, and to recite publicly the Pledge of Allegiance to the Flag of the United States of America.

In Witness Whereof, I have hereunto set my hand this ninth day of June, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., June 13, 2000]

NOTE: This proclamation was published in the *Federal Register* on June 14. This item was not received in time for publication in the appropriate issue.

Letter to Congressional Leaders on Bankruptcy Reform Legislation

June 9, 2000

Dear Mr. Speaker: (Dear Mr. Leader:)

I write to urge a fair resolution of the open issues in discussions on bankruptcy reform. I have long made clear my support for legislation that would encourage responsibility and reduce abuses of the bankruptcy system on the part of debtors and creditors alike. We also must ensure that a reasonable fresh start is available for those who turn to bankruptcy as a last resort when facing divorce, unemployment, illness, and uninsured medical expenses. Bankruptcy reform legislation should strike the right balance.

The House-passed bill was so one-sided that I would have vetoed it. The Senate-passed bill's bankruptcy provisions represented a better attempt to balance legitimate debtor and creditor interests, although I had serious concerns about some aspects. My Administration has watched carefully as the staff and informal conferees have sought to reconcile these two bills. While there appears to be some informal progress on some outstanding issues, it is very important that the resolution of these issues be fair and that we ensure that we do not erode protections for all debtors—when targeting the few who abuse the system. The outcome will help determine whether the final bill tips the scales. I am concerned, for example, that the final bill:

- may not adequately address the problem of wealthy debtors who use overly broad homestead exemptions to shield assets from their creditors;
- may weaken important credit card disclosure provisions that will help ensure consumers understand the implications of the debt they are incurring;
- may eliminate protections for reasonable retirement pensions that reflect years of contributions by workers and their employers; and
- may include an anti-consumer provision eliminating existing law protections against inappropriate collection practices when collecting from people who bounce a check.

Finally, I am deeply disturbed that some in Congress still object to a reasonable provision that would end demonstrated abuse of the bankruptcy system. We cannot tolerate abusive bankruptcy filings to avoid the legal consequences of violence, vandalism, and harassment used to deny access to legal health services. An effective approach, such as the one offered by Senator Schumer's amendment, should be included in the final legislation.