

EXTENSIONS OF REMARKS

H.R. 1902, THE CHARITABLE DONATION ANTITRUST IMMUNITY ACT OF 1977

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. OXLEY. Mr. Speaker, I am pleased to support H.R. 1902, the Charitable Donation Antitrust Immunity Act of 1977.

This bill continues Congress' efforts, begun in the 104th Congress, to protect charities from abusive litigation. My colleagues may recall that this legislation was sparked by concerns raised by a nationwide class-action lawsuit filed in Federal court in Texas in 1994. That litigation charged that charitable gift annuities and other similar products that are widely used by charities, universities, and other organizations to raise donated funds, were issued in violation of the securities and antitrust laws. That lawsuit caused great concern among the charities and other organizations that were the suit's target, which saw potential liabilities in the billions of dollars as a result of this litigation and the likely copycat suits that would follow.

In 1995, the Commerce Committee moved a bipartisan bill through the Congress to protect these organizations against the securities allegations raised in that lawsuit. That legislation, H.R. 2519, which was supported by the Securities and Exchange Commission, codified and clarified existing administrative exemptions that applied to charitable gift annuities and similar products, which were never intended to fall within the scope of the Federal securities laws as charged by the plaintiffs in the Texas lawsuit. That bill passed unanimously in the Commerce Committee and received a resounding vote of 421 to 0 in this body, whereupon it was passed by the Senate on a voice vote and, shortly thereafter, signed into law by the President.

Concurrent with our efforts in the Commerce Committee, the Judiciary Committee passed companion legislation to address the antitrust aspects of the Texas litigation.

Unfortunately, despite our success in the last Congress, the threat that this litigation presents to charitable and other organizations that use charitable gift annuities and similar products to raise funds has not gone away. The U.S. Court of Appeals for the Fifth Circuit recently held that the 1995 antitrust legislation was not broad enough to prevent the plaintiffs from continuing their litigation in this area. Thus, Chairman HYDE and his colleagues on the Judiciary Committee have introduced legislation that will clarify Congress' intention and, we hope, end the litigation threat to charitable organizations across the country.

I am pleased to continue to support efforts to preserve the ability of America's charities, universities, and other organizations to use charitable gift annuities and similar products to raise needed funds, and urge the President to sign H.R. 1902 so that the needless threat to

these organizations can be laid to rest once and for all.

HONORING THE WEST
SPRINGFIELD LADY SPARTANS

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to honor a group of young women who have achieved great feats, not only on the basketball court, but also in the community. I am speaking of the Virginia State High School Basketball Champions, the West Springfield Lady Spartans.

Their success on the basketball court speaks for itself. In addition to winning the State title they were ranked No. 1 in the Washington metropolitan area by the Washington Post and No. 9 in the Nation by the USA Today for the past season. However, it is their endeavors off the court that have made them true champions.

Not only did these ladies manage to maintain a 3.5 GPA as a team, they found time between studying and practicing to become active in community service. Each Saturday after practice the team would participate in the Special Olympic program, where they would teach mentally and physically challenged students the game of basketball. In March they organized a free basketball clinic for young girls between the ages of 5 and 16 that attracted over 100 participants. During the Christmas season the team embodied the spirit of the season by assisting in a charity program which provided toys and clothes to needy children.

I am proud to recognize the Lady Spartans not only for their excellence in basketball, but for graciously donating their talents and energies to benefit others in the Springfield community. The example they have set in the classroom, on the court, and in the community is one that should be emulated by those who follow them.

Mr. Speaker, I know my colleagues will join me today in honoring these fine young student-athletes.

TRIBUTE TO T. NATHAN DOAN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. BARCIA. Mr. Speaker, all of us have special memories of Christmas time with our families and friends. The excitement of Christmas Eve, the delight of unopened presents on Christmas morning, but most of all, we remember the mystery and magic of Santa Claus. I have had the privilege and honor of knowing the true Santa Claus in T. Nathan

Doan, who was a constituent, a friend, and an inspiration to us all.

Nathan Doan, or Nate as he was known to tens of thousands, passed away on May 19, 1997. He will be missed by his family and his friends, but also by the thousands of people whose lives he has so selflessly touched over the span of his lifetime. Each year on Christmas Eve, Nate's car became Santa's magical sleigh soaring Nate and Mrs. Clause, his wife Mary Ida, to the homes of Bay City's children to share the Christmas spirit. One of Santa's many elves would phone ahead to ensure that the children at the next house were ready for the visit from Santa and Mrs. Claus.

Nate started his Santa career back in 1940. He was to be a replacement Santa. Little did he realize then that this was the beginning of a career that would touch the lives of many generations of not only the citizens of Michigan, but citizens across the Nation and the world.

In 1953, Nate attended the Charles W. Howard Santa School in New York. He revisited each year until 1966 when Charles Howard passed on. Nate stepped in to lead the school keeping the legacy alive by training more than 800 Santas. In 1967, 1968, and again in 1980, Nate and his wife, Mary Ida, traveled to Australia to share the magic of Christmas.

Nate was very proud of Bay City and the Bay City School District that employed him for many years. As Santa, he would delight the school children and always knew all the teachers by name. However, Nate was proudest of his role as husband to Mary Ida and father to T. Nathan II and Jeffrey. Their loving support for Nate's legacy as Santa to the worlds' children enabled him to touch us all.

Nate was a deeply religious man and was very active in his church. His divine inspiration manifested itself, not just in his giving, but in his sense of humor. Spending just a little time with Nate meant sore cheeks from laughter and another loving memory of a man with a heart that could always make room for one more person. Nate's caring personality was infectious and always left one with a positive feeling.

Mr. Speaker, the world is a better place because of our Santa, Nate Doan. May his wife and lifetime partner, Mary Ida, and his children, Nate and Jeff, know that our thoughts and prayers are with them. May they also know that Nate will continue to live in the memories of all of us that he so lovingly touched.

FARMLAND PRESERVATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 18, 1997 into the CONGRESSIONAL RECORD.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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

FARMLAND PRESERVATION

Farmland is one of this nation's most precious resources. But farmland is fragile: it takes nature 100 to 1,000 years to replace one inch of topsoil. Fifteen tons of topsoil wash down the Mississippi River every second. The United States has made an impressive effort to reduce loss of farmland by erosion, but prime farmland is also being converted to shopping centers and suburbs at a rapid rate. As communities grow and expand, new housing, industry, and roads must be built to support that growth. This growth has many positive aspects to it, with the creation of new wealth and jobs, but concern is growing that unchecked development may be reducing the limited resource of good farmland. There is a general consensus that domestic food production capacity is not currently threatened by the conversion of farmland to other uses, but less certainty about the ability of the United States to meet future export demand.

THE PROBLEM

By some estimates, Indiana is losing more than 70,000 acres of prime farmland each year. Some groups calculate that, over the last decade, the United States has lost more than 10 million acres of farmland—an area almost half the size of Indiana. This is troubling for several reasons.

First, the loss of prime farmland eliminates a productive resource from future use. Almost 20% of the U.S. economy is linked to farm production. A reduction in agricultural productivity could hurt the overall economy.

Second, new development that increases land prices makes it difficult for younger farmers to purchase land. Because the rural population is aging, young farmers will be critical to the future strength of agriculture.

Third, less land could mean higher food prices. In the next fifty years, world food demand is projected to triple. Unless we can increase food production, growing demand will force prices up, hitting moderate income families hardest.

Fourth, the loss of agricultural land decreases the quality of life in small towns and rural areas. Hoosiers value our beautiful countryside and the open spaces that characterize Indiana's landscape. With unplanned development, we risk losing some of our treasured land resources.

Fifth, the loss of prime farmland near growing communities may force farmers to use less productive land. Such farming often requires more chemicals and causes more erosion, thus decreasing water safety and quality.

Sixth, U.S. food production is important to international security. With just 4% of the world's population, the U.S. produces 20% of the world's field crops on 14% of the arable farmland. Yet China, for example, has 25% of the population and just 7% of the arable farmland. U.S. exports will be critical for the future security of many growing countries. Unchecked loss of U.S. farmland could make famine, refugee flows, and political instability more common abroad.

POSSIBLE SOLUTIONS

We must gather more information on the problem and possible solutions. We really do not know how serious the problem is, or the most effective ways to address it. Different agencies give different estimates on how much farmland has been converted to non-farm use, and whether farmland conversion is a national or a local and regional problem. The President, governors, and other leading officials should make clear policy statements on the importance of agricultural land.

Easements

One popular approach to preservation is a voluntary land use "easement". Farmers

who want to preserve their land for farming can sell easements to community groups, governments, or conservation organizations to protect the future use of the land. Present and future property owners retain all rights to use the land as they see fit, within the guidelines of the easement. The voluntary easement compensates the farmer for the loss of future commercial or residential development rights.

Federal programs

To encourage the use of easements, Congress created the Farmland Protection Program in the 1996 farm bill. This program provides easement matching funds to states and local communities that have farmland preservation programs. Incentives should also be given to encourage development on land that is less-suited for agriculture. Government at all levels must be sensitive to the adverse effect of its own activities on agricultural land.

State efforts

The State of Indiana has also studied farmland protection, and Governor Frank O'Bannon has announced the creation of a task force to make recommendations on local farmland preservation efforts. This task force will include agricultural, conservation, and business groups, and state and local officials. If the state sets up a formal program, local efforts could get federal matching funds.

Taxes

Current estate tax laws often make it difficult to keep farmland in the family, and to continue its agricultural use. Heirs faced with large tax bills are more likely to sell farmland for development. I support measures in the state legislature and Congress to increase estate tax relief and other incentives to keep land in the family or preserve it for agricultural use.

Land reuse

Another way to encourage farmland preservation is to recycle "brownfields", or old industrial sites, rather than taking farmland out of production. Companies are often reluctant to clean up old factories in cities because of environmental regulations and a deteriorating quality of life in urban areas. The clean-up and redevelopment of these sites is in farmers' interests.

CONCLUSION

We must be careful not to raise concerns about federal intervention in land use. Land use and zoning regulations are and should remain the responsibility of local governments. We do have to increase awareness of the risks of farmland conversion, encourage state and local leaders to be aware of those risks, and provide effective options for communities to preserve farmland. Nothing is more important than preserving our nation's natural resource base.

SMALL BUSINESS OWNERS TESTIFY ON PRO-SMALL BUSINESS PROVISIONS OF THE TAXPAYER RELIEF ACT

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1997

Mr. BOEHNER. Mr. Speaker, the House Republican conference organized a public forum to hear from small business owners on the importance of passing the Taxpayer Relief Act. The forum focused on three of the pro-small business provisions in the Taxpayer Relief

Act—the home office deduction, capital gains rate reductions, and relief from death taxes.

The compelling testimony from these small business owners from across America are included to demonstrate to my colleagues the debate on the taxpayer Relief Act is not about class warfare, rather it is about helping all Americans and small businesses prosper and succeed to achieve their dreams.

SUSAN THOMAS.

My name is Susan Thomas, President of Best of Service and Sales International, Inc.—a home-based business in Annandale, Virginia. I am pleased to appear today on behalf of the National Association for the Self-Employed (NASE), the national association representing more than 325,000 small business persons and self-employed individuals. The NASE would like to thank the House Republican Conference for organizing this hearing to highlight some very important issues for millions of small business people—particularly the home office deduction. We would like to commend Rep. Jim Talent for sponsoring H.R. 1145—The Home-Based Business Fairness Act, those representatives who joined as co-sponsors, Rep. Mike Pappas for introducing his home office deduction bill, and the members of the Ways & Means Committee who included the home office deduction in their recent tax bill.

My company—Best of Service and Sales International, Inc.—employs 3 individuals to market computer equipment, peripherals, software, and computer supplies to the federal government. In addition, I have started a new venture called Best Travel Services which markets vacations, and educational and group study tours.

I initially started a home-based business several years ago because I was frustrated with working for the large company/corporate culture. I originally setup my business in my home upon leaving Wang Corporation because I had very little working capital at the time. Ironically, it was my intention when I started my business to ultimately move the business out of my home and into commercial office space at a later date. Today, I would not trade my home-based business for any commercial office location anywhere. I love my home office because of the conveniences it affords me. Unfortunately, for businesses like mine, the home office deduction has been under attack.

While I operate a home-based business, I don't take the home office tax deduction on my tax return. Why? Not because the IRS requires businesses that take the deduction to see their clients in their home office or that they should generate their revenue there. I actually meet these unfair and discriminatory tests—tests that no other businesses are required to fulfill. No, the reason I don't take the deduction is the warning that I and millions of others like me got from our accountants. Taking the deduction, my accountant told me, is like waving a red flag at the IRS. . . . a flag saying, "AUDIT ME!"

This is ridiculous. Congress passes a law to help home-based businesses. The IRS then tries to impose the narrowest interpretation as possible on the law. They lost two court cases, but took the case all the way to the Supreme Court in the Soliman case. After finally convincing the Supreme Court to narrow the deduction, the IRS then audits those who still qualify for it so aggressively that millions of people legitimately entitled to the deduction are afraid to take it.

Look at the numbers. IRS statistics of income show that 1.5 million people claimed the home office deduction in 1994. Yet the number of full-time home-based businesses is