

my district in east Texas who own farms or small businesses could lose significant portions of their family property waiting for this provision to be implemented. The exemption should be \$1 million now, not 10 years from now.

As one of my constituent's wrote, Congress is here to take care of people. Congress must get to work on the people's business. I hope my fellow Members will join me in opposing a congressional pay raise until we have taken care of the people.

“END THE DEATH TAX NOW!”

**HON. DONALD A. MANZULLO**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 22, 1997*

Mr. MANZULLO. Mr. Speaker, as the chairman of the Small business Subcommittee on Taxes, Business Opportunities and Exports, and as a private individual, there is nothing more inconsistent and unfair than estate taxes, better known as death taxes. This is the last opportunity the Government has to say thanks for a job well done. What you have accumulated at death is after a lifetime of paying electricity, sewer, water, gasoline, sales, real estate, mortgage, and deed filing, capital gains, excise, State and Federal income, and in some cases, death taxes when one or both of your parents die.

ARE WE THERE YET?

My kids made up a game to play when we drive back and forth to Washington. It's called, Name That Tax. Have you ever tried to entertain three little kids in a mini van? It beats, Are we there yet? What happens when you get married, you get—that's right—a marriage tax. This is not the cost of the wedding, which is not about a ticket tax? Got that. What about a toll tax? Yes, we have that also. What about gas tax? Yes, President Clinton raised that by 4.3 cents to pay for more welfare spending—he calls it deficit reduction—the Government gets fatter while you get slimmer. And what happens when you make a phone call? Yes, the long-distance tax, the short-distance tax. If you put a string between two tin cans for primitive communications, you have to pay tax on string. If you stop at a grocery and make sandwiches, most States have a lower sales tax on grocery items, but if you are in a hurry you pay a travelers's tax at the local McDonalds. But you dare not phone ahead to another cell area, because you'll get hit with a roving tax.

The death tax is the Federal Government's last chance at leveling your income and spreading the wealth—socialism. As an attorney, before I was elected, I had to tell a farm family that half their land had to be sold to pay for death taxes: that's a tough sell when it takes \$1 million worth of assets to make \$30,000 a year. And it had to be paid within 9 months.

SOME RELIEF COMING

Each year I have been a Member of Congress I have cosponsored legislation to outlaw this tax. Now, under Republican leadership in this tax by nearly doubling the exemption to \$1.2 million, even more for farms and small businesses. If we had a Republican President, perhaps the entire estate tax could be eliminated.

Writing in the June 30, 1997, edition of “FarmWeek,” Ross Korves, an economist for the American Farm Bureau Federation, cites some very interesting facts. In spite of the annual \$17 billion in death tax revenues, this drive to collect 1 percent of the annual taxes paid to the Federal Government comes from a general dislike for people who have wealth. And, he states, “a tax on savings and investing will quite logically result in less saving and investing. Less saving and investing leads to a slower growing economy, fewer increases in productivity, and a slower rise in the growth of the standard of living.” A Tax Foundation report compared the disincentive effects of the estate tax and of the income tax. The foundation calculated how high the top income tax rate would have to be to have the same disincentive effect as the current estate tax system. Get this: the study showed the estate tax has roughly the same effect on entrepreneurial incentives as a doubling of the income tax.

And in 1993, Fiscal Associates, Inc., estimated that if the estate tax had ended in 1993, by the year 2000 the effects of ending the estate tax would be reflected in economic output with an economy about \$79 billion larger, an increase of 228,000 jobs, and a total capital in the economy of about \$640 billion larger. Korves quotes B. Douglas Bernheim of Stanford University, who wrote 10 years ago in a publication called, “Does the Estate Tax Raise Revenue?” Bernheim says no. Korves agrees:

Stronger economic growth would help offset the loss of direct revenue resulting from repealing the estate tax. The increased revenue from economic growth and the revenue losses from estate tax avoidance outlined by Bernheim are definitely larger than the current direct revenue from the estate tax. Eliminating the estate tax is likely to result in more revenue to the federal government than the current tax system.

Hey, what about fairness? I visited a farm family a few weeks ago. The wife had inherited the farm from her parents. When her dad died 20 years ago, the family had to pay death taxes. The mother died a few months ago, and death taxes again have to be paid. The goal is to pass the farm on to the three children, each of whom works full time on the farm and has a full time job in the city.

I read an article by a university professor on why she thought death taxes were appropriate. After her various spread the wealth and social responsibility arguments, I concluded that we should impose death taxes only on those people who think death taxes are appropriate. What's more annoying is we pay taxes for higher education and use our precious after-tax dollars to send our kids to college so they can hear this professor. Then they become Congressmen who believe taking everybody's money is real justice, and that is the reason the death tax is not repealed.

IN LOVING MEMORY OF JAMES  
ARTHUR HUGHES

**HON. BILL PASCRELL, JR.**

OF NEW JERSEY

**HON. CHAKA FATAH**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 22, 1997*

Mr. PASCRELL. Mr. Speaker, my colleague Mr. FATAH, and I would like to call to your at-

tention James Arthur Hughes of Philadelphia, PA, who recently passed away.

James, known to those affectionately as “Jim,” was born on October 21, 1925, in Whitetown, NC, to Willie Arthur and Carrie Alice Coles Hughes. A man of deep and quiet faith, Jim spent his early years in the fellowship of Smith Chapel Baptist Church.

After serving his country in the service of the U.S. Navy during World War II, Jim worked and resided in Harrisburg, PA, where he directed a vocational school for tailors and seamstresses. After moving to Philadelphia, Jim became a lifelong member of Calvary Episcopal Church where he was confirmed in the faith in 1955.

Jim believed that education was the key to the future and to success. He continued his post-high-school education at Pioneer Business School and Temple University where he specialized in finance and mortgage lending. His talents for banking and finance were put to good use as Jim became vice president of the Carver Loan and Investment Co. He subsequently joined Berean Federal Saving Bank, the oldest African-American owned savings and loan institution in the country, where he became vice president and managing officer.

Although he officially retired in 1992, Jim continued to work with Berean as a consultant. Further, Jim also served as the president and CEO of the Eden Cemetery and was special assistant to the controller of the city of Philadelphia.

Jim was a man of extraordinary vision and energy. He was a founding member and first African-American to serve on the board of governors of the State System of Higher Education in Pennsylvania, serving for more than 13 years. His love for education was further evidenced in his work as a member of the council of trustees for Cheyney University for the last 14 years. Jim was also a member of the Pennndelphia Scholarship Foundation, a college scholarship fund for the disadvantaged.

Jim's service and love for his community was also evident through his work as a member of the NAACP, the West Indian Benevolent Association, and the Philadelphia Urban League. He also served as president of the South Saint Bernard Street Improvement Association.

Jim was known and highly respected for his financial acumen, but his true passion was golf. He was an initial investor and fervently served as a board member and past president of the Greater Philadelphia Golf and Country Club, the first African-American owned 18 hole championship golf course in the country. Jim was past president and club champion of the Del-Vay Golf Club, an officer with the Freeway Golf Club, member of the Just Golfer Golf Club, and a former member of the Philadelphia Chapter of the National Negro Golf Association. Jim also co-founded and was vice president of the Hughes, Jones, Oglesby Golf Foundation, which was founded to instill the love of golf in other young African-Americans.

Jim was the loving husband of Ann E. Adams Hughes, the proud father of the Honorable Vincent Hughes, State Senator of Pennsylvania and his stepdaughter Veda Diallo, the proud father-in-law of the Honorable Renee Cardwell-Hughes, as well as the proud grandfather of Ariell and Alek Hughes.

Mr. Speaker, we ask that you join us, our colleagues, Jim's family and friends, and the