

it won't make it into their higher tax brackets. This is not how America was built. Private investment and initiative has historically been a strong part of our American heritage and we should encourage those values, not tax successful family businesses into submission.

That is why I will vote for this important legislation. We need to change the message we are sending to farmers and family business owners. The Death-tax repeal has been endorsed by numerous organizations that represent family farms and businesses such as the National Federation of Independent Business, the Farm Bureau, the Family Business Estate Tax Coalition, National Association of Women Business Owners, the National Black Chamber of Commerce, the National Indian Business Association, the U.S. Hispanic Chamber of Commerce, and the National Association of Neighborhoods.

Mr. President, if there is one thing Congress absolutely ought to do while we are trusted with our jobs it should be to protect American families and their interests. This tax is fundamentally unfair and would never survive if it were being proposed today. I urge my colleagues to support the repeal of the Death-tax and help restore a small degree of integrity to the tax structure imposed on America's families.

Thank you, Mr. President. I yield the floor.

Mr. BUNNING. Mr. President, I rise in support of H.R. 8, the Death Tax Elimination Act of 2000.

This is a sound, sensible approach to providing death tax relief. It phases out the tax over a ten-year period by gradually reducing the marginal rates that apply to estates. And it includes a so-called "step-up" in basis for the first \$1.3 million in assets (\$3 million for spouses) that applies if assets are ever sold by heirs.

Right now the marginal rates assessed against estates are the highest in our tax code—55 percent for estates larger than \$3 million plus a 5 percent surcharge assessed against larger estates. In fact, the United States has the dubious honor of imposing the most onerous estate tax in the developed world. This comes on the heels of recent moves by China, Canada and other developed countries to repeal their death taxes.

It is pitiful that in the U.S. we have worse death taxes than Communist China.

The estate tax was originally passed in 1916 to help fund our efforts in World War I. The last time I checked, that war was over. By the way, for my friends in the Senate who are still living in the early 20th century and oppose death tax repeal, I should point out that we won World War I.

Mr. President, these are a number of sound reasons to repeal the death tax. The best of these is the awful effect it has on small business and family farms. For years and years Congress has heard the sad stories about how

small business owners and farm families have to sell family enterprises just to pay the taxes on estates that are passed down from generation to generation.

Additionally, a number of recent analyses make the case for death tax repeal. Studies by the Joint Economic Committee, the National Center for Policy Analysis, the Heritage Foundation, the American Council for Capital Formation, the Institute for Policy Innovation, the Cato Institute, and others all indicate the federal estate tax imposes significant costs on the economy and family-owned businesses, resulting in lower economic growth, job creation, and the destruction of family businesses.

The death tax hurts the ability of small businesses to vie against larger competitors. For instance, in testimony before the House Ways and Means Committee, a lumberyard owner from New Jersey spoke of incurring up to \$1 million in costs associated with preserving the family business pending the death of his grandmother. At the same time the family was incurring these costs, the business was also competing against a new Home Depot store that had moved into the area. Remember that Home Depot and other big business is not subject to the estate tax.

In fact, a recent survey of 365 businesses in upstate New York found an estimated 14 jobs per business were lost in direct consequence of the costs associated with estate tax planning and payment. That amounts to more than 5,000 jobs lost in a limited geographical area. Nationally, the Wall Street Journal reported that an estimated 200,000 jobs would be created or preserved if the estate tax were eliminated.

The liberals who oppose death tax repeal claim this is a red herring, and that the bill will really only help the super-rich and multi-billionaires. In fact, 50 percent of the revenue the federal government derives from the death tax comes from estates worth less than \$5 million.

Additionally, the death tax provides less than 2 percent of the federal government's total tax revenues. To hear the Chicken Little liberals talk about it, repealing this tax would cause the sky to fall and the government to collapse for lack of funding. These are only crocodile tears from the big government addicts who cannot bear the thought of hard-working Americans not being forced to send more of their money to Washington to fund big government programs.

Although this bill passed the House by a veto-proof margin, and enjoys bipartisan support here in the Senate, the President has still promised to veto it. Well, I think we should still pass it and let him explain to the American people why he favors "death" taxes that hurt our small business and rural communities.

To his credit, the President did sign into law some death tax relief in 1997

as part of the Taxpayer Relief Act. Of course, we had to lead him kicking and screaming to the signing ceremony. And this came on the heels of his vetoing stronger death tax relief in the 1995 balanced budget bill. Then later he vetoed death tax relief in last year's tax bill.

So who knows what he will actually do in the end. We should give him the chance to decide once and for all if he wants to help us repeal the death tax. Maybe, like Paul on the road to Damascus, he will see the light. After all, as one senior House Democrat noted several years ago: "We've learned that if you don't like the President's position on the issue, all you have to do is to wait for a few days for him to change his mind."

Mr. President, surveys have consistently shown that death tax repeal is popular with Americans—70 to 80 percent usually favor it in opinion polls. It is popular for the reasons I have laid out, but the most compelling reason is a moral one. After the death of a loved one, when families are grieving, Americans just do not believe that they, or anyone else, should have to talk to the undertaker and tax man on the same day. It's just not right.

Since 1980, over 20 states have repealed their state death taxes, and it's time the federal government followed suit and learned a lesson from the states. It's time to kill the death tax, and I urge my colleagues to support this important legislation.

MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

IN HONOR AND REMEMBRANCE OF GERALD CLIFFORD

Mr. DASCHLE. Mr. President, I would like to take a moment to reflect on the life and work of Gerald Clifford, an important and influential South Dakotan and Oglala Sioux tribal member who recently passed away after courageously battling a debilitating illness.

Gerald Clifford, with whom I worked for many years, was a leader and a driving force for change among Native Americans in South Dakota and across the country. He was a champion for rural water development in southwestern South Dakota and a strong advocate for Indian education and Indian self-determination. Earlier this week, Mr. Clifford began his journey to the spirit world at the young age of sixty. I express my heartfelt condolences to Gerald's family and relatives during this difficult time. My prayers and thoughts are with them.

The void left by Gerald's passing was felt especially deeply today, as his life was celebrated at a funeral service in